AGT

AVI GLOBAL TRUST

A unique investment philosophy

HALF YEAR REPORT 2023

AVI

Established in 1889, the Company's investment objective is to achieve capital growth through a focused portfolio of investments, particularly in companies whose shares stand at a discount to estimated underlying net asset value.

TOTAL ASSETS†

£1.2 billion*

ANNUALISED NAV TOTAL RETURN†

11.4%**

EXPENSE RATIO†

0.84%

* As at 31 March 2023.

** Source: Morningstar, performance period 30 June 1985 to 31 March 2023, total return net of fees, GBP. The current approach to investment was adopted in 1985.

† For definitions, see Glossary on pages 23 and 24.

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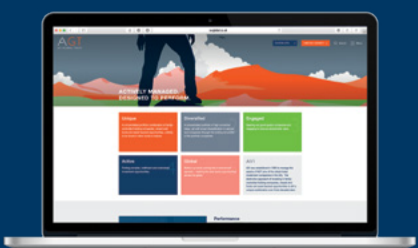

We maintain a corporate website containing a wide range of information of interest to investors and stakeholders
www.aviglobal.co.uk

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Retail Investors Advised by IFAs

AVI Global Trust Plc ('AVI Global Trust' or 'the Company') currently conducts its affairs so that its shares can be recommended by Independent Financial Advisers ('IFAs') in the UK to ordinary retail investors in accordance with the Financial Conduct Authority rules in relation to non-mainstream investment products and intends to continue to do so. The shares are excluded from the Financial Conduct Authority's restrictions which apply to non-mainstream investment products because they are shares in an authorised investment trust.

The Company is an Alternative Investment Fund ('AIF') under the European Union's Alternative Investment Fund Managers' Directive ('AIFMD'). Its Alternative Investment Fund Manager ('AIFM') is Asset Value Investors Limited ('the Investment Manager'). Further disclosures required under the AIFMD can be found on the Company's website: www.aviglobal.co.uk.

ISA Status

The Company's shares are eligible for Stocks & Shares ISAs.

Financial Highlights

- Net asset value ('NAV') total return per share increased +5.3% to 208.35p
- Share price total return +5.5%
- Benchmark index increased on a total return basis +10.3%
- Interim dividend maintained at 1.2p

Performance Summary

Net asset value per share (total return) for the six months to 31 March 2023[1]*		**5.3%**
Share price total return for the six months to 31 March 2023*		**5.5%**
	31 March 2023	31 March 2022
Discount* (difference between share price and net asset value)[2]	**10.4%**	9.1%
	Six months to 31 March 2023	Six months to 31 March 2022
Earnings and Dividends		
Investment income	**£9.40m**	£9.25m
Revenue earnings per share	**1.28p**	1.25p
Capital earnings per share	**9.42p**	(0.18p)
Total earnings per share	**10.70p**	1.07p
Ordinary dividends per share	**1.20p**	1.20p
Expense Ratio (annualised)*		
Management, marketing and other expenses (as a percentage of average shareholders' funds)	**0.84%**	0.87%
	High	Low
Period Highs/Lows		
Net asset value per share	**225.53p**	**195.03p**
Net asset value per share (debt at fair value)	**227.99p**	**197.80p**
Share price (mid market)	**205.50p**	**174.60p**

1 As per guidelines issued by the Association of Investment Companies ('AIC'), performance is calculated using net asset values per share inclusive of accrued income and debt marked to fair value.
2 As per guidelines issued by the AIC, the discount is calculated using the net asset value per share inclusive of accrued income and with the debt marked to fair value.

Buybacks

During the six months ended 31 March 2023 the Company purchased 11,946,757 Ordinary Shares for cancellation at a cost of £23,206,000. During the half-year no Ordinary Shares were cancelled from treasury.

*Alternative Performance Measures

For all Alternative Performance Measures included in this Report, please see definitions in the Glossary on pages 23 and 24.

Chairman's Statement

My predecessor Susan Noble retired at the Annual General Meeting in December 2022 and this is my first statement as Chairman. The Company has thrived under Susan's leadership and the Board would like to record our thanks to her. We have enjoyed working with her and wish her well in her future endeavours.

Overview of the Half-Year

Having lived through over a decade of very low inflation and interest rates, economies and markets are now having to adjust to higher levels of both. The collapse of Silicon Valley Bank and the rescue of Credit Suisse in March 2023 illustrate the challenges for governments and central banks in seeking to control inflation while not causing lasting economic damage.

The NAV total return[1] for the six months under review was +5.3%, underperforming our comparator benchmark which produced a return of +10.3%. As set out in the Investment Manager's Report, all of the underperformance occurred in a difficult period in March 2023. While it is disappointing to report returns behind the benchmark, AVI have produced strong returns over the long term and we are encouraged by the range of investment opportunities which the team are now seeing.

Revenue and Dividends

Revenue earnings for the six months under review were 1.28 pence per share. The Board has elected to pay an interim dividend of 1.2 pence per share, which is the same as last year. The Board recognises that a dividend which is steady and able to rise over time is attractive to many shareholders but, as my predecessors in the chair have regularly noted, the portfolio is managed primarily for capital growth.

Gearing

We have not made any changes to the structure of the Company's debt in the period under review. Deployment of available cash is the responsibility of AVI and driven by their stock selection and, as set out in the Investment Manager's Report, net gearing increased in the period, driven by the Investment Manager taking advantage of some attractive investment opportunities.

Share Price Rating and Marketing

The Board and Manager take an active interest in the share price rating. We have an extensive marketing programme which promotes the shares to a wide variety of investors, both professional and individuals. We aim to provide comprehensive and engaging reports on our activities and disseminate these through both traditional and electronic media channels.

We also recognise that at times there can be merit in using share buybacks with the intention of limiting the volatility in the discount. This is an approach which we encourage with many of our investee companies. During the six months under review, 11.9 million shares were bought back, representing 2.43% of the shares in issue (excluding treasury shares) as at the start of the period. Shares were bought back when the Board believed that the discount was unnaturally wide. As well as benefitting shareholders by limiting the discount at which they could sell shares if they so wish, buying back shares at a discount also produced an uplift in value to the benefit of continuing shareholders, by approximately 0.22%.

The Board

Following Susan Noble's retirement, June Jessop was appointed as a non-executive Director with effect from 1 January 2023. June was previously Senior Business Manager at Stewart Investors and a member of the EMEA Management Committee of First Sentier Investors (of which Stewart Investors is a sub-brand). June has spent her entire career in financial services, gaining broad experience in portfolio management, client relationship, business development and, latterly, general management roles. She has been an investment manager for institutions, charities and private clients, including managing assets of an investment trust and investing in closed-end funds on behalf of clients. My colleagues and I are delighted to welcome June to the Board. She brings a wealth of experience in both managing assets and in the management of investment businesses. Her skills complement those of the other Board members and we look forward to working with her.

Annual General Meeting

The resolutions at the AGM in December 2022 were each passed by a large majority and the Board would like to thank shareholders for their continuing support.

Outlook

The changes to the portfolio described in the Investment Manager's Report are indicative of the opportunities currently presented in various parts of the world. In particular, the level of gearing has increased and I would emphasise that this is driven solely by opportunities at the individual company level rather than any view on economies or markets.

The recent issues in the banking sector are a cause for concern, as more broadly are the continuing geopolitical and inflationary challenges that the world faces. Against this background your Board believes that there is a good base of value in the portfolio and we are optimistic. While markets will inevitably be volatile, over the long term we expect AVI to continue to deliver attractive returns to investors.

Graham Kitchen
Chairman

31 May 2023

1 An Alternative Performance Measure: see Glossary

Investment Manager's Report

PERFORMANCE REVIEW

"This is the most complex, disparate and cross-cutting set of challenges that I can remember in the 40 years that I have been paying attention to such things" – Lawrence Summers, Former US Treasury Secretary.

The above quote was from late 2022, prior to the collapse of Silicon Valley Bank ('SVB'), when the lagged effects of monetary policy tightening, its (un) intended consequences, and the conflicting nature of price stability and financial stability were laid bare. Undoubtedly the world has become more complex since, with the yield curve now the most inverted since 1981, indicating a high probability of a US recession and a precarious economic outlook globally.

Our experience shows that the key to driving successful long-term returns is to focus on the bottom-up fundamentals – and this is exactly what we continue to do.

Over the last six months we have found an increasingly attractive and varied opportunity set. This is in stark contrast to late 2021, when we reduced our use of gearing to reflect relatively narrow discounts and seemingly stretched underlying valuations. Since then, stock prices have de-rated considerably and we have been waiting for the right opportunities.

In the interim period we have added new positions in Spectrum Brands, Haw Par, Brookfield Corporation and News Corp. We have also initiated a position in a basket of heavily overcapitalised Japanese regional banks that we believe should benefit from changes to Japanese monetary policy, as yield curve control becomes increasingly untenable. Positions in Oakley Capital Investments and Schibsted were increased materially as we seek to have a more concentrated top-end of the portfolio, reflective of our conviction.

To fund these, we reduced our positions in EXOR and Pershing Square Holdings, and exited Sony and a number of smaller positions. Since January 2023, we have begun deploying a substantial portion of our borrowings for the first time in more than a year. At the end of March 2023 net gearing stood at 6.9%.

Over the interim period AGT achieved a NAV total return of +5.3%. Christian Dior, FEMSA and Oakley Capital Investments were the most significant contributors to returns, whilst Aker, Brookfield Corporation and Godrej Industries were the largest detractors.

AGT's return compares to the MSCI AC World ex US (your Company's comparator benchmark) and the MSCI AC World, which returned +10.3% and +6.3%, respectively. As such your Company underperformed on a relative basis by -4.9% and -1.0%, respectively.

All of the underperformance came during the final month of March 2023 (indeed, as at the end of February 2023 AGT was +1.0% ahead of the comparator benchmark for the interim period).

A comparison of performance with indices over three and five years is set out in the table below:

All returns in GBP, net of fees	3 years	5 years
AGT NAV TR	+76.7%	+46.2%
MSCI AC World ex US	+40.1%	+28.2%
MSCI AC World	+54.0%	+58.6%

As is the way in financial markets, the collapse of SVB has had repercussions and ramifications well beyond what seemed initially to be an isolated event.

The volatile market environment has led to a general widening of discounts. Combined with disappointing short-term developments at Schibsted (discussed below) this has pushed the portfolio weighted average discount wider, acting as a headwind to performance. In March 2023 alone, the portfolio weighted average discount moved from 33.5% to 37.2%, although it remains slightly narrower than the 38.0% at the end of the last financial year.

Contributors and Detractors for the six months ending 31 March 2023

	Contribution†
Contributors	
Christian Dior	+1.83%
FEMSA	+1.61%
Oakley Capital Investments	+1.39%
EXOR	+1.18%
Apollo Global Management	+0.83%
Detractors	
Aker ASA	-0.61%
Brookfield Corporation	-0.58%
Godrej Industries	-0.58%
Third Point Investors	-0.53%
News Corp	-0.48%

In addition, our investments in US alternative asset managers KKR, Apollo and Brookfield Corporation were caught up in the ensuing general sell off in financials following the events at SVB. We believe this is a case of throwing the baby out with the bath water and remain excited about prospective returns for these high-quality lowly-valued companies.

The portfolio has also suffered from the strength of Sterling, which has reduced returns by -5.2% over the interim period.

At last year's AGM we highlighted FEMSA and Schibsted as two positions with idiosyncratic event potential that could drive returns.

As we detail in the commentary below, in the case of FEMSA this event has already come to fruition, with the conclusion of its strategic review. This helped the shares to rise by +54% over the interim period, making it the second largest contributor.

In the case of Schibsted the path has been a little more bumpy, detracting from returns of late. In March 2023 comments from the controlling shareholder dampened expectations for a near-term distribution of shares in Adevinta, which has seen the discount balloon to 45%. However, we continue to engage with all key stakeholders and have been adding to the position in what we believe to be one of our highest return potential ideas.

In a challenging and uncertain environment for equities en-masse, we believe that event-based opportunities where companies are undergoing structural change, with clear catalysts for discount narrowing, are an increasingly relevant part of our repertoire, and highlight new positions in Spectrum Brands and News Corp as fitting that pattern. Meanwhile, in Japan, we continue to find deeply undervalued companies where we can add value as engaged owners.

Whilst relative underperformance is never pleasing, it is an inevitable consequence of running a differentiated and concentrated portfolio, which in-turn are pre-requisites for generating excess returns.

In this vein we remain confident and excited about the opportunity set ahead of us and the underlying prospects for NAV growth and catalysts for discount narrowing. With the portfolio weighted average discount at 37.2%, we are optimistic about prospective returns.

† Contribution is the percentage amount that a position has added to the Company's net asset value over the six-month period.

Investment Manager's Report continued

CONTRIBUTORS

Christian Dior

(Discount: 16.2%/Contribution: +1.83%)
Christian Dior ('CDI') was the largest contributor to your company's performance during the interim period, adding 183bps to returns.

The shares rose +38% – slightly behind the NAV (which rose +39%) – and, as such, the discount widened modestly from 15% to 16%.

The proximate cause for CDI's outperformance was China, with luxury goods companies being key beneficiaries of the rapid re-opening of the economy and abandonment of zero-COVID policies. Industry analysts at Bain estimate that China's re-opening will see the global luxury industry grow at +6-8% in 2023, versus prior estimates of +3-5%. CDI's sole asset is a 41% stake in LVMH. Alongside LVMH's full year results – published at the end of January 2023 – Mr. Arnault struck a similarly optimistic tone, declaring "we have every reason to be confident, indeed optimistic on China", with "quite spectacular" signs of things to come from Macau, where Chinese tourists can now travel.

In terms of LVMH's fourth quarter and full year results, the business remains in rude health with Q4 sales organic growth of +9%, well ahead of consensus. On the other hand, operating profit and margins were weaker than expected with much higher than anticipated marketing expenditure. Whilst interpreted as a negative by some, we believe this speaks to both LVMH's strength and why megabrands are likely to continue outperforming, with significant scale advantages in an industry with high fixed costs. In the short term, megabrands go through periods where they underearn as spending runs far above "inflation operational expenditure", but in the long run the brand equity is increased and growth extended. Smaller monobrands simply cannot compete with this, with our estimates indicating that Louis Vuitton's incremental expenditure in 2022 is of a similar magnitude to a smaller monobrand's entire budget. If it is artistic creativity and a certain "je ne sais quoi" that creates brand strength, it is investment in the brand that maintains it.

As such, we see LVMH as well placed to keep compounding earnings. The current 19x forward EV/EBIT multiple is in-line with the five-year average and does not appear excessive relative to the group's quality, pricing power and margin structure. As such we are optimistic for the prospects for NAV growth. On top of this, there is further upside if and when the family decide to simplify the group structure – the Arnault family have bought ~€500m of LVMH stock in the market so far in 2023.

FEMSA

(Discount: 31.9%/Contribution: +1.61%)
FEMSA was a material contributor over the period, with a share price return of 54%.

By way of reminder, we initiated a position in FEMSA in 2021, with an investment case predicated on the highly attractive nature of FEMSA Comercio – which operates Oxxo-branded convenience stores, and other small-format retail stores, across Mexico and Latin America – and the unduly low valuation the market was awarding the business. In 2022 management announced a "comprehensive strategic review" of the group structure with a focus on reducing the sum-of-the-parts discount.

In February 2023, FEMSA concluded its strategic review and took considerable steps to unlock the sum-of-the-parts discount at which the company trades. The conclusion of the review will see FEMSA simplify its group structure and re-focus on its core businesses. Most pertinently, the company announced that it intends to exit its stake in Heineken, which prior to announcement was worth €7.4bn or 28% of FEMSA's market cap (gross of tax). Shortly following the announcement, FEMSA sold €3.2bn of Heineken/Heineken Holding stock in an accelerated book build and issued a €500m bond exchangeable in Heineken Holding shares.

The company will also monetise other non-core assets, the most notable of which is US speciality distributor Envoy Solutions, and return excess capital to shareholders, with a new targeted leverage ratio of 2x Net Debt to EBITDA. Our estimates suggest that, inclusive of further Heineken sales, the company could well have excess capital of $9bn, or 29% of its market cap.

We view these developments highly favourably. The company has taken concrete steps to unlock value and shine light on the value of FEMSA Comercio – an expertly managed and scale-advantaged operator with strong unit economics, improving margins, and a long growth runway. The stub currently trades at 8.4x forward EBITDA vs. closest peer Walmex at 13.4x. Such a discount feels increasingly unjustified given the measures taken, with a cleaner equity story and capital structure conducive to both a narrowing of this discount and the prospect of increased shareholder returns.

Investment Manager's Report continued

CONTRIBUTORS CONTINUED

Oakley Capital Investments

(Discount: 31.3%/Contribution: +1.39%)

Oakley Capital Investments ('OCI') was a significant contributor to your company's NAV over the period, adding +1.4% as the shares returned +21% and its discount closed from -42% to -31%. The share price was driven by Oakley reporting its stellar FY22 results, with its NAV growing +24% for the year despite a turbulent economic backdrop.

OCI's underlying portfolio of asset-light, tech-enabled businesses delivered strong earnings growth in 2022, with 65% of total portfolio value growth attributable to the financial performance of the portfolio. The average EBITDA growth across the portfolio was 22%, a remarkable achievement reflecting the quality of the businesses that Oakley has assembled. The remaining 35% is from multiple expansion attributable to uplifts from divestments.

The market environment has been one of scepticism towards private valuations and, ultimately, the only point when there is certainty about valuations of private assets is when they are sold. Oakley are paid fees on committed/invested capital rather than mark-to-market gains, leaving them no incentive to unduly mark up the portfolio. In fact, we believe that Oakley's portfolio carrying value is very much at the conservative end of the peer group. This was evidenced by OCI making five exits in 2022 at an average 5x gross money multiple and average premium to their carrying value of +70%. This only further highlights the conservatism of OCI's portfolio valuation approach.

Oakley were equally active on the investing side over the period, making £214m in new investments and £55m in follow-on investments. They also made a €30m commitment to Oakley Capital PROfounders Fund III.

Of particular note was the performance of IU Group, which alone accounted for 51% of the NAV growth in 2022 (+64p). By way of reminder IU Group, Germany's largest private university group, is the crown jewel in Oakley's portfolio, now accounting for 21% of OCI's NAV. Despite its outsized position it remains one of the top three highest growth companies in the portfolio, growing EBITDA +38% year-on-year ('YoY') and student numbers +16%.

Oakley had anticipated that IU's growth would almost certainly come from international expansion, but the European business has continued to perform resiliently, increasing student numbers by 16% YoY. The international business remains an exciting prospect and represents a future avenue through which IU can spur company growth if/when the European business begins to plateau. Only one quarter of the total student growth in 2022 came from the international cohort.

Following the period end, Oakley's Fund III sold out of its position in German education business IU Group with Oakley's Fund V taking a stake alongside new third-party investors (thus ensuring validation of the transaction price). Although the sale price was equivalent to the most recent carrying value, we note that the asset had been written up by +85% over 2022. Over the life of the investment, it generated a multiple on cost of ~11x.

On a look-through basis, IU Group accounted for 21% of OCI's NAV and has now effectively been resized at 6% given OCI's continuing exposure to the asset via Fund V.

At Oakley's Capital Markets Day held on the day the transaction was announced, management discussed how IU Group's next phase of growth would require further investment into AI and M&A and that, given these investments would weigh on near-term earnings growth, the opportunity to realise some of the significant gains made sense.

While we feel that IU Group's true value is higher than the current carrying/exit value, realising the largest portfolio investment at NAV not only returns a lot of cash to Oakley in a good environment to make new investments (c. £240m for OCI alone), but should help to underpin the NAV. The retention of a material stake in the business means OCI shareholders will continue to benefit from the company's long growth runway.

OCI continues to offer the opportunity to own a fast-growing, high-quality portfolio of recurring revenue businesses, backed by a manager with a distinct deal sourcing strategy, and all available at a discount of 31%. We remain excited by our holding in OCI.

EXOR

(Discount: 45.0%/Contribution: +1.18%)

Over the interim period EXOR shares returned +16%. This was driven by NAV growth (+20%), as the discount widened from 43% to 45%.

All three key listed holdings, Ferrari, Stellantis and CNH Industrial, contributed to NAV growth, with share price returns of +30%, +36%, and +21% respectively, during a period in which they all reported encouraging full year results.

Results from Stellantis (the autos company that resulted from the merger of Fiat Chrysler ('FCA') and PSA) were particularly impressive. In the second half of 2022, sales and operating profit grew +19% and +17% YoY, both coming in 4% ahead of consensus expectations. The broad trends that typified post-pandemic results – low volumes, strong pricing, high margins – were still present, albeit less pronounced and versus a more demanding comparison period. The full year group operating margin of 13.0% is a real yardstick of success – driven not only by exceptional North American performance (16.4% margin), but also performance in Europe that was previously unfathomable (9.9% margin vs. the FCA European business which was loss-making in five of the last eight years to 2020, with 3.2% the highest margin achieved).

Longer-term readers of our letters may remember that FCA's extreme undervaluation and the scope for value creation through industry consolidation were key attractions that initially led us to invest in EXOR in 2016. The latter of these two points has of course occurred, with the formation of Stellantis. 2022 results serve to highlight just what a success the merger has been, with Stellantis achieving €7.1bn of net cash synergies – exceeding the €5bn target more than two years ahead of plan. However, the first point – valuation – remains unresolved, with Stellantis trading at a 21% free cash flow yield and roughly half the PE multiple of Ford and GM (adjusted for accounting differences). The recent announcement of a €1.5bn share buyback further highlights the attractive valuation and, combined with the proposed dividend, will see a total of €5.7bn (11% of market cap) returned to shareholders.

The past 18 months have been challenging but profitable ones for the auto industry, as volume scarcity has led to increased pricing power, lower levels of dealer incentives and higher margins. Inventory levels are starting to normalise and the path ahead now appears less rosy. With industry-leading breakeven points and a rock-solid balance sheet, combined with the upcoming launch of the RAM BEV, we believe this could be exactly the environment in which Stellantis' quality is recognised – to the benefit of EXOR's NAV.

EXOR's discount remains wide (45%) and the prospects for NAV growth appear compelling. However, during the period we partially reduced the position to free up capital for new ideas with more imminent catalysts to drive returns, such that EXOR is currently your Company's sixth largest holding at 5.9% of NAV.

Investment Manager's Report continued

CONTRIBUTORS CONTINUED

Apollo Global Management

(Discount: 32.3%/Contribution: +0.83%)

Apollo Global, the US alternative asset manager ('AAM'), was a strong contributor over the period on the back of accelerating growth in its asset management and insurance businesses. While the +37% increase in share price over the period compares favourably to the +16% recorded by the S&P 500 index, the return had been substantially higher heading into March 2023 before the fall-out from the SVB banking collapse hit the shares hard.

A non-immaterial portion of this March decline can likely be explained by programmatic sector-wide trades of "Financials" stocks. That said, one can understand that AAMs with insurance operations where asset/liability matching is a key risk should be under more scrutiny than peers running a pure-play asset management business. That some AAMs with no insurance exposure were down more than those with, suggests the selling was somewhat indiscriminate.

But a closer look at APO's insurance business is merited.

Following its 1 January 2022 merger with Athene Insurance, APO has by far the greatest amount of insurance liabilities on its balance sheet of all the AAMs. While classified as an insurance company, Athene is more usefully analysed as a spread-lending business. Its most common transaction involves a retail customer purchasing a deferred annuity for a one-off lump sum paid up front. In return, Athene promises to make a bullet repayment in eight to ten years' time that represents a fixed yearly percentage return on the original investment with some additional potential for capped upside based on equity market performance. No tax is payable by the customer until the end of the period, meaning returns compound at a greater rate than they otherwise would.

Athene invests the funds received in a portfolio of securities (94% in fixed income, of which 96% is investment grade) and makes a return on the difference between the yield it generates on those assets and the return it pays out to the policyholder. Athene seeks to earn a return premium from complexity and illiquidity rather than from taking additional credit risk, and its return-on-equity has averaged 16% over the last four years (in line with its target of mid-to-high-teens).

As interest rates rose, SVB suffered massive deposit flight from its undiversified customer base. This exposed the company's reckless duration mismatch with its capital base facing erosion from the recognition of hitherto-unrealised losses on its long duration investments in treasuries and mortgage backed securities. Crucially, unlike SVB, Athene's liabilities are well protected from disintermediation (i.e., policyholders withdrawing to seek higher returns elsewhere as rates rise). Firstly, 30% of its liabilities (predominantly institutional products) are entirely non-surrenderable, while a further 52% are structured with penalties for early withdrawal.

That leaves just 18% of Athene's liabilities that could be withdrawn without any surrender charge. Given Athene's strict liability-matching investment approach, these liabilities are backed by the shortest duration assets (floating rate securities). Indeed, the withdrawal of this group of policies could be a net benefit to Athene given it would release capital which could be redeployed to support the sale of better-protected products with lower liquidity needs and lower capital requirements. Analysis of historic consumer behaviour also confirms the sticky nature of annuities with even the most troubled institutions experiencing only modest upticks in withdrawals in 2008/09 during the global financial crisis.

Given Athene's fortress-like balance sheet, substantial excess capital, and Apollo's opportunistic/contrarian investment style, we would expect the company to be a net beneficiary of volatility. We added to Apollo at the March 2023 lows at a share price equating to just 10x our estimate of 2023 earnings. Later in the month, APO management re-confirmed both their 2023 and their long-term (2026) targets, with the latter being to double fee-related and total earnings between 2021 and 2026.

Investment Manager's Report continued

DETRACTORS

Aker ASA

(Discount: 16.6%/Contribution: -0.61%)
Aker detracted from returns over the interim period. In local currency terms the shares were down by a modest -3%; however, in Sterling terms this equated to a -9% return. The relatively small local share price return masks the larger (-16%) decline in the NAV, from which we were largely protected as the discount narrowed from 24% to 17%.

The key driver of the NAV decline was Aker BP, shares in which declined -15%.

Having held Aker since 2008, we have written about the company extensively in previous interim and annual reports. In recent times much of this focus has been on Aker BP, which accounts for 57% of NAV, and the attractive long-term prospects for a well-managed low-cost-low-emission oil and gas company, with a long-production growth runway in a world starved of capex. This idea led us to more than double our position in Aker since the start of 2020.

However, growing fears of recessions in Europe and the US have led to significant concerns about the demand outlook for oil, which have been amplified more recently as investors digested the ongoing issues in the US banking system. Meanwhile, during 2022 Russian production remained stubbornly high in the face of sanctions, and we have witnessed record drawings of US Strategic Petroleum Reserves. This led to a material set-back in oil prices and in the share prices of oil-related equities.

The OPEC+ group of oil producing nations have responded, with a surprise production cut in October 2022 and again in April 2023 – which has helped oil prices to recover in the weeks following the end of the interim period. Whilst this has resulted in ire from the White House, it highlights the extent to which power has shifted to OPEC+ and Saudi Arabia, who no longer fear losing market share to US Shale, the role of which as a meaningful swing producer is now seemingly but a feature of history. This so-called "OPEC-put" should act as a floor for prices and serves as a reminder of the inelastic nature of non-OPEC supply.

All told, we believe that the thesis of insufficient capital investment and production growth remains intact, with events of the last year only serving to highlight the foundational and fundamental importance of energy sources, and the significant and elongated role of hydrocarbons.

We expect such an environment to be conducive to a period of sustained higher prices and that Aker BP will benefit from this, as they embark on a significant production growth plan. In turn these cash flows can be returned to Aker through dividends (with Aker BP's dividend growing +10% YoY) and invested in higher growth/higher terminal value businesses, such as Aker Horizons, Aker Asset Management and Cognite. Aker's history is one of tremendous value creation and business building, and this is something that we expect going forward.

Brookfield Corporation

(Discount: 47.1%/Contribution: -0.58%)
AGT acquired a position in what was then called Brookfield Asset Management in December 2022 ahead of the spin-off of a 25% stake in its asset management business. What was Brookfield Asset Management has been renamed Brookfield Corporation ('BN'); the spun-off asset management business has taken on the name of its parent company ('BAM').

Our research highlighted that BAM (as it was) was trading at a dislocated valuation and that either (i) the asset management business was being valued on too cheap a multiple or (ii) the discount on the other assets was too wide.

In our view, the stand-alone asset management business was likely to attract a high valuation given that its income is derived entirely from highly-prized fee-related earnings (up until approximately 2027 when it should start generating carry from funds launched post spin-off); its high (90%) dividend pay-out policy; its light balance sheet; its estimated five-year fee-related earnings compound annual growth rate of +17%; and its advantaged AUM mix focused on real assets, power, and renewables with BAM the best-placed of all the alternative asset managers ('AAM's) to exploit the multi-trillion dollar climate transition opportunity over the next decade.

Valuations subsequent to the spin-off mean that the discount on Brookfield Corp is very wide, with the spun-off asset management business trading towards the multiples of high-quality balance-sheet light peers. To take advantage of the relative valuations, we sold our BAM shares and used the proceeds to buy more BN.

Brookfield Corp's NAV is comprised of the remaining 75% stake in now-listed Brookfield Asset Management (42% of NAV); a 100% stake in unlisted Brookfield Property Group (34% of NAV); stakes in listed Brookfield-managed closed-end funds (18% of NAV); and an insurance business amongst other investments.

On all permutations, Brookfield Corp is valued cheaply. The headline discount of 46% is wide, as is the 88% implied discount to its unlisted investments.

Expressed differently, the discount could be looked at as writing off the entirety of the $33bn in real estate and then assigning an 18% discount to all the other assets. If we take another iteration, we could say that Brookfield Corp should trade at an arbitrary 20% holding-company discount – doing so would then imply a write-down in the Brookfield Property Group of -81%.

On Brookfield Corp's first earnings call post spin-off, management made clear that further action would be taken were the undervaluation to persist. Aside from ramping up share buybacks, we would also expect further spin-offs of the remaining stake in the asset management business to help in unlocking value. We added to the position after the accounting period end.

Investment Manager's Report continued

DETRACTORS CONTINUED

Godrej Industries

(Discount: 65.0%/Contribution: -0.58%)

Godrej Industries detracted 58bps from returns during the interim period. The shares declined -8%, fractionally more than the NAV (-7%), and as such the discount remained largely unchanged at 65%. The fall in share price was amplified by a -11% depreciation of the Indian Rupee against the Pound.

In terms of NAV, strength at Godrej Consumer (51% of NAV) was offset by weakness at Godrej Properties (29%) and Godrej Agrovet (11%). Shares in Godrej Properties declined -14% over the period, in what was generally a weaker environment for Indian real estate developers. The BSE Realty Index declined -6% as the impact of higher mortgage rates and reduction in affordability started to be felt and moderated an ebullient market. In April 2023 the Reserve Bank of India paused rate hikes, which all else equal provides a surer footing for the market as we look ahead. Indeed, the company targets +20% mid-term growth, and benefits from a strong brand equity, making it a preferred partner for landowners, and has a high preference from buyers.

Godrej Consumer shares rose +6% during a period in which the company reported a promising set of results, showing strong top-line growth and margin expansion, improved underlying consumer demand and cost input inflation abated. Management have navigated a tricky period over the last 12 months, investing heavily in marketing through the cycle, and addressing underperformance in Indonesia. They also simplified operations in Africa, where the turnaround over the last two years has been impressive. Input prices have declined materially YoY which, combined with improving underlying demand, should drive earnings growth.

The shares remain incredibly cheap, trading on a 65% discount to NAV. The unlisted Godrej Chemicals (7% of NAV) and Godrej Housing Finance Limited (2%) are performing well and highlight the way in which Godrej Industries can incubate and build businesses to create value. Over time we believe the market should reward this with a narrower discount. However, we believe the company could be much more dynamic in crystalising this value. As such we sold a portion of our holding during the period, re-allocating capital to situations with clearer catalysts to unlock value.

Third Point Investors

(Discount: 21.2%/Contribution: -0.53%)

Third Point Investors ('TPOU') materially underperformed with its NAV falling by -4% versus +16% and +18% gains for the S&P 500 and MSCI AC World indices respectively. A widening discount (from 17% to 20%) compounded matters and resulted in a share price decline of -8%.

While the credit book was a solid contributor to returns, woeful underperformance on both the long and short equity strategies more than offset this with mark-downs in the VC portfolio adding to the pain.

AGT also owns a direct position in the Third Point Offshore Master Fund that underlies TPOU. This was acquired as a result of our participation in an exchange facility offered to TPOU shareholders in early 2022, that allowed qualifying shareholders to exchange a portion of their TPOU shareholding for shares in the Master Fund at a 2% discount to NAV. This saw 43% of our position exchanged for shares in the Master Fund, and we have since redeemed this holding at the maximum permissible rate and will have exited entirely by the end of June 23.

Investment Manager's Report continued

DETRACTORS CONTINUED

News Corp

(Discount: 52.8%/Contribution: -0.48%)

During the period we initiated a new position in News Corp – the Murdoch family-controlled holding company. The shares continued to fall throughout the period, detracting from returns.

Whilst the current structure was established in 2013, the relevant history dates back to 1952, when a 21-year-old Rupert Murdoch returned to Australia from Oxford to take over what was left of his father's newspaper business – which had been much diminished by death duties and taxes. From this he built one of the most dominant media empires of the 20th – and indeed 21st – century, amassing vast wealth and notoriety in the process.

Today we believe that News Corp is one of the most misvalued and misunderstood companies in our investment universe, trading at a 53% discount to our estimated NAV. The NAV is principally comprised of the following assets: a 64% listed stake in REA Group (36% of NAV), the Australian real estate classified marketplace, and unlisted assets Dow Jones, HarperCollins and Move accounting for 39%, 13%, and 8%, respectively.

In particular, Dow Jones is a crown jewel asset that has successfully evolved to become a thriving digital consumer business, whilst both organically and in-organically building a high-quality information services business that warrants a premium multiple reflective of its growing, high margin, sticky, recurring revenues. The value and quality of this business is misunderstood by the sell side and ignored by the market.

We estimate that Dow Jones alone is worth nearly 3x News Corp's stub value. The stub trades at just 2.9x EBITDA, with EBITDA expected to grow at an estimated +9% CAGR from 2023-25. This compares to the S&P Communications Services sector median multiple of 10.4x, the New York Times at 16.1x and Information Services peers at 22.3x.

Management are highly aware of, and dissatisfied with, the current valuation. Although not consummated, the recent proposed sale of Move (8% NAV) indicates a willingness to make structural changes to unlock value, with multiple potential levers. These include the sale of Move, a monetisation of Foxtel, increased disclosure at Dow Jones – or the holy grail distribution of REA Group, which accounts for 76% of News Corp's market cap. Whilst timing is uncertain, the attractive underlying nature of the NAV means that we can afford to be patient and makes time our friend. Returns from NAV growth and discount narrowing appear attractive.

Joe Bauernfreund
Asset Value Investors Limited

31 May 2023

Investment Portfolio
At 31 March 2023

Company	Portfolio classification	% of investee company	IRR (%, GBP)[1]	ROI (%, GBP)[2]	Cost £'000[3]	**Equity Exposure[4] £'000**	% of net assets
Oakley Capital Investments	Closed-ended Fund	10.5%	27.8%	112.2%	38,241	83,588	8.5%
Schibsted 'B'	Holding Company	4.0%	15.3%	20.0%	71,238	66,694	6.7%
Aker ASA	Holding Company	1.6%	17.1%	77.7%	56,389	62,134	6.3%
Pershing Square Holdings	Closed-ended Fund	0.6%	19.8%	44.2%	41,476	59,800	6.1%
KKR and Co	Holding Company	0.2%	38.2%	98.9%	30,305	58,674	5.9%
EXOR	Holding Company	0.4%	11.5%	39.1%	40,665	56,233	5.7%
Christian Dior	Holding Company	0.0%	41.8%	162.4%	24,583	55,595	5.6%
FEMSA	Holding Company	0.3%	24.1%	44.5%	39,314	55,532	5.6%
Apollo Global Management 'A'	Holding Company	0.1%	16.1%	14.3%	33,528	41,467	4.2%
Nihon Kohden	Asset-backed Special Situation	2.0%	29.7%	10.0%	35,246	38,581	3.9%
Top ten investments					**410,985**	**578,298**	**58.5%**
Spectrum Brands Holdings	Holding Company	1.7%	nm	4.9%	35,602	37,124	3.8%
Wacom	Asset-backed Special Situation	4.7%	-10.6%	-14.7%	37,086	31,238	3.2%
News Corp	Holding Company	0.6%	nm	-13.9%	35,674	30,676	3.1%
Symphony International Holdings	Closed-ended Fund	15.7%	7.4%	45.2%	26,636	30,616	3.1%
IAC	Holding Company	0.8%	-66.0%	-48.4%	58,911	29,318	3.0%
Princess Private Equity	Closed-ended fund	4.9%	nm	2.9%	27,185	27,961	2.8%
Third Point Investors	Closed-ended Fund	3.9%	7.6%	34.9%	22,265	26,087	2.6%
D'Ieteren Group	Holding Company	0.3%	37.7%	34.4%	17,455	24,939	2.5%
DTS	Asset-backed Special Situation	2.6%	11.7%	27.1%	20,754	24,448	2.5%
Godrej Industries	Holding Company	1.8%	-6.1%	-18.8%	30,288	24,076	2.4%
Top twenty investments					**722,841**	**864,781**	**87.5%**
Digital Garage	Asset-backed Special Situation	1.6%	31.4%	36.5%	19,431	19,584	2.0%
SK Square	Holding Company	0.5%	nm	3.8%	17,342	17,987	1.8%
Pantheon International	Closed-ended Fund	1.2%	-8.3%	-5.5%	16,124	15,112	1.5%
SK Kaken	Asset-backed Special Situation	1.8%	-6.0%	-22.6%	19,056	13,373	1.4%
Molten Ventures	Closed-ended Fund	3.0%	-47.9%	-30.5%	18,332	12,745	1.3%
Dai Nippon Printing	Asset-backed Special Situation	0.2%	nm	12.8%	10,840	12,276	1.3%
Konishi	Asset-backed Special Situation	2.4%	3.0%	10.5%	10,913	11,201	1.1%
Pasona Group	Asset-backed Special Situation	2.1%	9.2%	25.9%	9,139	10,190	1.0%
ICG Enterprise Trust	Closed-ended Fund	1.4%	-10.5%	-6.3%	10,364	9,575	1.0%
Haw Par Corporation	Holding Company	0.7%	nm	-4.6%	9,423	8,995	0.9%
Top thirty investments					**863,805**	**995,819**	**100.8%**

Investment Portfolio continued

At 31 March 2023

Company	Portfolio classification	% of investee company	IRR (%, GBP)[1]	ROI (%, GBP)[2]	Cost £'000[3]	**Equity Exposure[4] £'000**	% of net assets
Hipgnosis Songs Fund	Closed-ended Fund	0.8%	-2.8%	-2.0%	11,911	8,280	0.8%
Bank of Kyoto	Asset-backed Special Situation	0.3%	nm	-5.5%	8,361	7,811	0.8%
Hachijuni Bank	Asset-backed Special Situation	0.4%	nm	-4.6%	8,094	7,696	0.8%
VNV Global	Holding Company	4.0%	60.5%	37.5%	12,209	7,618	0.8%
Shiga Bank	Asset-backed Special Situation	0.9%	nm	-10.6%	8,332	7,418	0.8%
Third Point Offshore Master Fund	Closed-ended Fund		-6.0%	-4.8%	7,795	7,046	0.7%
Toagosei	Asset-backed Special Situation	0.7%	-0.1%	-0.5%	7,307	6,474	0.6%
Iyogin Holdings	Asset-backed Special Situation	0.4%	nm	-1.4%	6,496	6,394	0.6%
Shin Etsu Polymer	Asset-backed Special Situation	0.8%	50.9%	22.8%	2,887	6,197	0.6%
T Hasegawa	Asset-backed Special Situation	0.6%	7.9%	5.8%	4,458	4,661	0.5%
Top forty investments					**941,655**	**1,065,414**	**107.8%**
Teikoku Sen-I	Asset-backed Special Situation	1.5%	0.4%	1.2%	6,177	4,234	0.4%
JPEL Private Equity	Closed-ended Fund	15.4%	20.5%	105.0%	1,554	4,092	0.4%
VEF	Holding Company	2.3%	-22.5%	-12.2%	4,525	3,563	0.4%
TSI Holdings	Asset-backed Special Situation	0.8%	nm	20.0%	2,206	2,656	0.3%
Seraphim Space Investment	Closed-ended Fund	2.9%	-55.3%	-20.1%	3,213	2,566	0.3%
ITFOR	Asset-backed Special Situation	1.1%	nm	-1.9%	1,680	1,647	0.2%
Better Capital (2009)	Closed-ended Fund	17.4%	22.2%	41.4%	1,962	978	0.1%
Ashmore Global Opportunities – GBP	Closed-ended Fund	8.5%	97.4%	120.5%	40	249	0.0%
Equity investments at fair value					**963,012**	**1,085,399**	**109.9%**

Total Return Swaps		
Brookfield Corporation	48,698	4.9%
Total Return Swaps – long positions	**48,698**	**4.9%**
SK hynix Inc	(10,145)	(1.0%)
Standard & Poors 500 Index ETF	(61,692)	(6.3%)
Total Return Swaps – short positions	**(71,837)**	**(7.3%)**
Total net investment exposure	**1,062,260**	**107.5%**
Total Return Swap – notional value included in above	5,676	0.6%
Net current assets less current liabilities (excluding Total Return Swaps)	42,239	4.3%
Non-current liabilities	(122,135)	(12.4%)
Net assets	**988,040**	**100.0%**

1 Internal Rate of Return. Calculated from inception of AVI Global Trust's investment. Refer to Glossary on page 24.
2 Return on Investment. Calculated from inception of AVI Global Trust's investment. Refer to Glossary on page 24.
3 Cost. Refer to Glossary on page 23.
4 Notional current equity value of investments and swaps.

Statement of Comprehensive Income

For the six months ended 31 March 2023 (unaudited)

		For the six months to 31 March 2023			For the six months to 31 March 2022			For the year to 30 September 2022		
	Notes	**Revenue return £'000**	**Capital return £'000**	**Total £'000**	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
Income										
Investment income	2	**9,400**	**–**	**9,400**	9,247	–	9,247	23,113	–	23,113
Gains/(losses) on financial assets and financial liabilities held at fair value		**–**	**49,585**	**49,585**	–	(153)	(153)	–	(120,670)	(120,670)
Exchange (losses)/gains on currency balances		**–**	**(855)**	**(855)**	–	2,431	2,431	–	1,839	1,839
		9,400	**48,730**	**58,130**	9,247	2,278	11,525	23,113	(118,831)	(95,718)
Expenses										
Investment management fee		**(1,033)**	**(2,410)**	**(3,443)**	(1,195)	(2,787)	(3,982)	(2,295)	(5,355)	(7,650)
Other expenses		**(872)**	**–**	**(872)**	(1,313)	(22)	(1,335)	(2,594)	(32)	(2,626)
Profit/(loss) before finance costs and taxation		**7,495**	**46,320**	**53,815**	6,739	(531)	6,208	18,224	(124,218)	(105,994)
Finance costs		**(549)**	**(1,300)**	**(1,849)**	(480)	(1,131)	(1,611)	(963)	(2,272)	(3,235)
Exchange gains/(losses) on revaluation of loan notes		**–**	**777**	**777**	–	730	730	–	(838)	(838)
Profit/(loss) before taxation		**6,946**	**45,797**	**52,743**	6,259	(932)	5,327	17,261	(127,328)	(110,067)
Taxation		**(747)**	**–**	**(747)**	101	–	101	(959)	–	(959)
Profit/(loss) for the period		**6,199**	**45,797**	**51,996**	6,360	(932)	5,428	16,302	(127,328)	(111,026)
Earnings per Ordinary Share	3	**1.28p**	**9.42p**	**10.70p**	1.25p	(0.18p)	1.07p	3.24p	(25.30p)	(22.06p)

The total column of this statement is the Income Statement of the Company prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The supplementary revenue and capital columns are presented in accordance with the Statement of Recommended Practice issued by the Association of Investment Companies ('AIC SORP').

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued during the period.

There is no other comprehensive income, and therefore the profit for the six months after tax is also the total comprehensive income.

The accompanying notes are an integral part of these financial statements.

Statement of Changes in Equity

For the six months ended 31 March 2023 (unaudited)

	Ordinary Share capital £'000	Capital redemption reserve £'000	Share premium £'000	Capital reserve £'000	Merger reserve £'000	Revenue reserve £'000	Total £'000
For the six months to 31 March 2023							
Balance as at 30 September 2022	**10,741**	**8,194**	**28,078**	**852,839**	**41,406**	**28,250**	**969,508**
Ordinary Shares bought back for cancellation	**(239)**	**239**	**–**	**(23,206)**	**–**	**–**	**(23,206)**
Total comprehensive income for the period	**–**	**–**	**–**	**45,797**	**–**	**6,199**	**51,996**
Ordinary dividends paid (see note 6)	**–**	**–**	**–**	**–**	**–**	**(10,258)**	**(10,258)**
Balance as at 31 March 2023	**10,502**	**8,433**	**28,078**	**875,430**	**41,406**	**24,191**	**988,040**
For the six months to 31 March 2022							
Balance as at 30 September 2021	11,600	7,335	28,078	1,016,881	41,406	27,922	1,133,222
Ordinary Shares bought back and held in treasury	(555)	555	–	(13,381)	–	–	(13,381)
Ordinary Shares bought back for cancellation	(56)	56	–	–	–	–	–
Cost of Share Split	–	–	–	(36)	–	–	(36)
Total comprehensive income for the period	–	–	–	(932)	–	6,360	5,428
Ordinary dividends paid (see note 6)	–	–	–	–	–	(10,685)	(10,685)
Balance as at 31 March 2022	10,989	7,946	28,078	1,002,532	41,406	23,597	1,114,548
For the year ended 30 September 2022							
Balance as at 30 September 2021	11,600	7,335	28,078	1,016,881	41,406	27,922	1,133,222
Ordinary Shares bought back and held in treasury	(555)	555	–	(36,678)	–	–	(36,678)
Ordinary Shares bought back for cancellation	(304)	304	–	–	–	–	–
Cost of Share Split	–	–	–	(36)	–	–	(36)
Total comprehensive income for the year	–	–	–	(127,328)	–	16,302	(111,026)
Ordinary dividends paid (see note 6)	–	–	–	–	–	(16,683)	(16,683)
Prior years' dividends cancelled	–	–	–	–	–	709	709
Balance as at 30 September 2022	10,741	8,194	28,078	852,839	41,406	28,250	969,508

The accompanying notes are an integral part of these financial statements.

Balance Sheet

As at 31 March 2023 (unaudited)

	Notes	**At 31 March 2023 £'000**	At 31 March 2022 £'000	At 30 September 2022 £'000
Non-current assets				
Investments held at fair value through profit or loss	8	**1,085,399**	1,110,961	986,431
		1,085,399	1,110,961	986,431
Current assets				
Investments held at fair value through profit or loss		**–**	–	22,359
Other receivables		**11,020**	5,716	25,217
Cash and cash equivalents		**88,983**	128,605	67,274
		100,003	134,321	114,850
Total assets		**1,185,402**	1,245,282	1,101,281
Current liabilities				
Total Return Swap liabilities	9	**(17,463)**	–	–
Revolving credit facility	7	**(48,613)**	(56,333)	–
Other payables		**(9,151)**	(2,422)	(8,880)
		(75,227)	(58,755)	(8,880)
Total assets less current liabilities		**1,110,175**	1,186,527	1,092,401
Non-current liabilities				
4.184% Series A Sterling Unsecured Loan 2036	8	**(29,917)**	(29,910)	(29,913)
3.249% Series B Euro Unsecured Loan 2036	8	**(26,300)**	(25,279)	(26,235)
2.93% Euro Unsecured Loan 2037	8	**(17,475)**	(16,790)	(17,430)
1.38% JPY Senior Unsecured Loan Note 2032	8	**(48,443)**	–	(49,315)
		(122,135)	(71,979)	(122,893)
Net assets		**988,040**	1,114,548	969,508
Equity attributable to equity shareholders				
Ordinary Share capital	5	**10,502**	10,989	10,741
Capital redemption reserve		**8,433**	7,946	8,194
Share premium		**28,078**	28,078	28,078
Capital reserve		**875,430**	1,002,532	852,839
Merger reserve		**41,406**	41,406	41,406
Revenue reserve		**24,191**	23,597	28,250
Total equity		**988,040**	1,114,548	969,508
Net asset value per Ordinary Share – basic	4	**206.05p**	221.19p	197.27p
Number of shares in issue excluding treasury	5	**479,504,811**	503,878,050	491,451,568

The accompanying notes are an integral part of these financial statements.

Registered in England & Wales No. 28203

Statement of Cash Flows

For the six months ended 31 March 2023 (unaudited)

	Six months to 31 March 2023 £'000	Six months to 31 March 2022 £'000	Year to 30 September 2022 £'000
Reconciliation of profit/(loss) before taxation to net cash (outflow)/inflow from operating activities			
Profit/(loss) before taxation	**52,743**	5,290	(110,067)
(Gains)/losses on investments held at fair value through profit or loss	**(49,585)**	154	120,670
(Increase)/decrease in other receivables	**(1,704)**	974	2,083
Increase/(decrease) in other payables	**157**	704	(127)
Taxation (paid)/received	**(747)**	76	(739)
Exchange gains on Loan Notes and revolving credit facility	**(1,310)**	(4,218)	(3,813)
Amortisation of loan issue expenses	**21**	10	24
Net cash (outflow)/inflow from operating activities	**(425)**	2,990	8,031
Investing activities			
Purchases of investments	**(330,097)**	(156,120)	(355,855)
Sales of investments	**338,029**	237,653	404,053
Cash inflow from investing activities	**7,932**	81,533	48,198
Financing activities			
Dividends paid	**(10,258)**	(10,685)	(16,679)
Cancelled dividends	**–**	–	704
Payments for Ordinary Shares bought back	**(24,885)**	(13,587)	(35,330)
Cost of Share Split	**–**	–	(36)
Net drawdown/(repayment) of revolving credit facility	**49,144**	–	(55,149)
Issue of loans net of costs	**–**	–	49,311
Cash inflow/(outflow) from financing activities	**14,001**	(24,272)	(57,179)
Increase/(decrease) in cash and cash equivalents	**21,508**	60,251	(950)
Reconciliation of net cash flow movements in funds:			
Cash and cash equivalents at beginning of year	**67,274**	68,418	68,418
Exchange rate movements	**201**	(61)	(194)
Increase/(decrease) in cash and cash equivalents	**21,508**	60,251	(950)
Increase/(decrease) in net cash	**21,709**	60,190	(1,144)
Cash and cash equivalents at end of year	**88,983**	128,608	67,274

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements

For the six months ended 31 March 2023 (unaudited)

1. Significant accounting policies

The condensed financial statements of the Company have been prepared in accordance with International Accounting Standards ('IAS') 34 – "Interim Financial Reporting".

In the current period, the Company has applied amendments to UK IFRS. These include annual improvements to UK IFRS, changes in standards, legislative and regulatory amendments, and changes in disclosure and presentation requirements. The adoption of these has not had any material impact on these financial statements and the accounting policies used by the Company followed in these half-year financial statements are consistent with the most recent Annual Report for the year ended 30 September 2022.

Going concern

The financial statements have been prepared on a going concern basis and on the basis that approval as an investment trust company will continue to be met.

The Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date when these financial statements were approved.

In making the assessment, the Directors of the Company have considered the likely impacts of international and economic uncertainties on the Company, operations and the investment portfolio. These include, but are not limited to, the impact of COVID-19, the war in Ukraine, international uncertainties, political and economic instability in the UK, supply shortages and inflationary pressures.

The Directors noted that the Company, with the current cash balance and holding a portfolio of liquid listed investments, is able to meet the obligations of the Company as they fall due. The current cash balance plus available additional borrowing, through the revolving credit facility, enables the Company to meet any funding requirements and finance future additional investments. The Company is a closed-end fund, where assets are not required to be liquidated to meet day to day redemptions.

The Directors have completed stress tests assessing the impact of changes in market value and income with associated cash flows. In making this assessment, they have considered plausible downside scenarios. These tests were driven by the possible effects of continuation of the COVID-19 pandemic but, as an arithmetic exercise, apply equally to any other set of circumstances in which asset value and income are significantly impaired. The conclusion was that in a plausible downside scenario the Company could continue to meet its liabilities. Whilst the economic future is uncertain, and the Directors believe that it is possible that the Company could experience reductions in income and/or market value, the opinion of the Directors is that this should not be to a level which would threaten the Company's ability to continue as a going concern.

The Directors review service providers on a regular basis, which includes contingency plans and effectiveness in the event of business disruption. Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern, having taken into account the liquidity of the Company's investment portfolio and the Company's financial position in respect of its cash flows, borrowing facilities and investment commitments (of which there are none of significance). Therefore, the financial statements have been prepared on the going concern basis.

Comparative information

The financial information contained in this Half Year Report does not constitute statutory accounts as defined in the Companies Act 2006. The financial information for the half-year period ended 31 March 2022 has not been audited or reviewed by the Company's Auditor.

The comparative figures for the financial year ended 30 September 2022 are not the Company's statutory accounts for that financial year. The statutory accounts for the year to 30 September 2022 were reported on by the Company's Auditor and delivered to the Registrar of Companies. The report of the Auditor was (i) unqualified, (ii) did not include a reference to any matters to which the Auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

Notes to the Financial Statements continued

For the six months ended 31 March 2023 (unaudited)

2. Income

	6 months to 31 March 2023 £'000	6 months to 31 March 2022 £'000	Year to 30 September 2022 £'000
Income from investments			
UK dividends	**141**	517	524
Overseas dividends	**8,219**	8,663	21,821
Income from fixed interest securities	**240**	–	97
	8,600	9,180	22,442
Other income			
Deposit interest	**1,194**	81	669
Total Return Swap dividends*	**(229)**	–	–
Total Return Swap interest*	**(60)**	(22)	(22)
Exchange (losses)/gains on receipt of income**	**(105)**	8	24
Total income	**9,400**	9,247	23,113

* Net income (paid)/received on underlying holdings in Total Return Swaps.
** Exchange movements arise from ex-dividend date to payment date.

3. Earnings per Ordinary Share

	6 months to 31 March 2023		
	Revenue	**Capital**	**Total**
Net profit (£'000)	**6,199**	**45,797**	**51,996**
Weighted average number of Ordinary Shares			**486,120,276**
Earnings per Ordinary Share	**1.28p**	**9.42p**	**10.70p**

	6 months to 31 March 2022		
	Revenue	Capital	Total
Net profit/(loss) (£'000)	6,360	(932)	5,428
Weighted average number of Ordinary Shares			507,583,466
Earnings per Ordinary Share	1.25p	(0.18p)	1.07p

	Year to 30 September 2022		
	Revenue	Capital	Total
Net profit/(loss) (£'000)	16,302	(127,328)	(111,026)
Weighted average number of Ordinary Shares			503,274,200
Earnings per Ordinary Share	3.24p	(25.30p)	(22.06p)

There are no dilutive instruments issued by the Company. Both the basic and diluted earnings per share for the Company are represented above.

4. Net asset value

	31 March 2023		31 March 2022		30 September 2022	
	NAV per Ordinary Share Pence	**Net asset value attributable £'000**	NAV per Ordinary Share Pence	Net asset value attributable £'000	NAV per Ordinary Share Pence	Net asset value attributable £'000
Basic and diluted	**206.05**	**988,040**	221.19	1,114,548	197.27	969,508

Net asset value per Ordinary Share is based on net assets and on 479,504,811 Ordinary Shares (31 March 2022: 503,878,050, 30 September 2022: 491,451,568), being the number of Ordinary Shares in issue excluding treasury shares.

Notes to the Financial Statements continued

For the six months ended 31 March 2023 (unaudited)

5. Share capital

	Number of shares	Nominal value £'000
Allotted, called up and fully paid		
Ordinary Shares of 2p each		
Balance at beginning of the year	537,052,524	10,741
Ordinary Shares bought back and cancelled	(11,946,757)	(239)
Balance at 31 March 2023	**525,105,767**	**10,502**

Treasury shares	Number of shares
Ordinary Shares of 2p each	
Balance at beginning of the year	45,600,956
Balance at 31 March 2023	45,600,956
Total Ordinary Share capital excluding treasury shares	**479,504,811**

Ordinary Shares of 2p each

During the six months ended 31 March 2023, 11,946,757 Ordinary Shares of 2p were bought back and cancelled for an aggregate consideration of £23,206,000. No shares were bought back and placed in treasury.

The allotted, called up and fully paid shares at 31 March 2023 consisted of 525,105,767 Ordinary Shares of 2p each in issue, and 45,600,956 Ordinary Shares held in treasury. The total voting rights attaching to Ordinary Shares in issue and ranking for dividends were 479,504,811.

6. Dividends

During the period, the Company paid a final dividend of 2.10p per Ordinary Share for the year ended 30 September 2022 on 3 January 2023 to Ordinary shareholders on the register at 2 December 2022 (ex-dividend 1 December 2022).

An interim dividend of 1.2p per Ordinary Share for the period ended 31 March 2023 has been declared and will be paid on 14 July 2023 to Ordinary shareholders on the register at the close of business on 16 June 2023 (ex-dividend 15 June 2023).

7. Revolving credit facility

	31 March 2023		31 March 2022		30 September 2022	
	¥'000	**£'000**	¥'000	£'000	¥'000	£'000
Opening balance	**–**	**–**	–	–	9,000,000	59,821
Proceeds from amounts drawn	**8,000,000**	**49,144**	9,000,000	61,201	–	–
Repayment	**–**	**–**	–	–	(9,000,000)	(55,149)
Exchange rate movement	**–**	**(531)**	–	(4,868)	–	(4,672)
Total	**8,000,000**	**48,613**	9,000,000	56,333	–	–

The terms of the unsecured revolving credit facility ('the facility') are set out in the Annual Report. The facility available is JPY 12.0bn with drawings available in Japanese Yen, Pounds Sterling, US Dollars, and Euros. Repayments are at the discretion of the Company, within the terms of the agreement with Scotiabank Europe Plc until 26 August 2024.

Notes to the Financial Statements continued

For the six months ended 31 March 2023 (unaudited)

8. Values of financial assets and financial liabilities

Valuation of financial instruments

The Company measures fair values using the following hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value is the amount for which the asset could be sold or the liability transferred in an orderly transaction between market participants, at the measurement date, other than a forced or liquidation sale.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant assets as follows:

- Level 1 – valued using quoted prices, unadjusted in active markets for identical assets or liabilities.
- Level 2 – valued by reference to valuation techniques using observable inputs for the asset or liability other than quoted prices included in Level 1.
- Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data for the asset or liability.

Financial assets

The table below sets out fair value measurements of financial instruments as at the period end, by the level in the fair value hierarchy into which the fair value measurement is categorised.

Financial assets at fair value through profit or loss at 31 March 2023	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	**1,077,126**	**–**	**8,273**	**1,085,399**
	1,077,126	**–**	**8,273**	**1,085,399**

Financial assets at fair value through profit or loss at 31 March 2022	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	1,107,714	–	3,247	1,110,961
	1,107,714	–	3,247	1,110,961

Financial assets at fair value through profit or loss at 30 September 2022	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	961,000	–	25,431	986,431
Fixed interest securities	22,359	–	–	22,359
	983,359	–	25,431	1,008,790

Fair value of Level 3 investments

The following table summarises the Company's Level 3 investments that were accounted for at fair value:

	31 March 2023 £'000	31 March 2022 £'000	30 September 2022 £'000
Opening fair value of investments	**25,431**	3,081	3,081
Acquisition	**–**	–	31,179
Sales – proceeds	**(14,654)**	(210)	(8,249)
Realised (loss)/gain on equity sales	**(943)**	197	441
Movement in investment holding gains	**(1,561)**	179	(1,021)
Closing fair value of investments	**8,273**	3,247	25,431

The fair values of the Level 3 investments are valued with reference to the net asset value.

Notes to the Financial Statements continued
For the six months ended 31 March 2023 (unaudited)

8. Values of financial assets and financial liabilities continued
Financial liabilities

Valuation of Loan Notes

The Company's Loan Notes are measured at amortised cost, with the fair values set out below. Other financial assets and liabilities of the Company are carried in the Balance Sheet at an approximation to their fair value.

	At 31 March 2023		At 31 March 2022		At 30 September 2022	
	Book value £'000	**Fair value £'000**	Book value £'000	Fair value £'000	Book value £'000	Fair value £'000
4.184% Series A Sterling Unsecured Loan Notes 2036	**(29,917)**	**(26,461)**	(29,910)	(34,227)	(29,913)	(25,127)
3.249% Series B Euro Unsecured Loan Notes 2036	**(26,300)**	**(22,811)**	(25,279)	(28,019)	(26,235)	(22,668)
2.93% Euro Senior Unsecured Loan Notes 2037	**(17,475)**	**(14,395)**	(16,790)	(18,161)	(17,430)	(14,214)
1.38% JPY Senior Unsecured Loan Note 2032	**(48,443)**	**(47,366)**	–	–	(49,315)	(48,640)
Total	**(122,135)**	**(111,033)**	(71,979)	(80,407)	(122,893)	(110,649)

There is no publicly available price for the Company's Loan Notes; their fair market value has been derived by calculating the relative premium (or discount) of the loan versus the publicly available market price of the reference market instrument and exchange rates. As this price is derived by a model, using observable inputs, it would be categorised as Level 2 under the fair value hierarchy.

The financial liabilities in the table below are shown at their fair value, being the amount at which the liability may be transferred in an orderly transaction between market participants. The costs of early redemption of the Loan Notes are set out in the Glossary on page 24.

Financial liabilities at 31 March 2023	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Loan Notes	**–**	**(111,033)**	**–**	**(111,033)**
Total Return Swap liabilities	**–**	**(17,463)**	**–**	**(17,463)**
	–	**(128,496)**	**–**	**(128,496)**

Financial liabilities at 31 March 2022	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Loan Notes	–	(80,407)	–	(80,407)
	–	(80,407)	–	(80,407)

Financial liabilities at 30 September 2022	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Loan Notes	–	(110,649)	–	(110,649
	–	(110,649)	–	(110,649)

The fair value of the Total Return Swaps is derived using the market price of the underlying instruments and exchange rates and therefore would be categorised as Level 2.

The Company's interests in investee companies are set out in the Investment Portfolio on pages 10 and 11.

Notes to the Financial Statements continued

For the six months ended 31 March 2023 (unaudited)

9. Derivatives

The Company may use a variety of derivative contracts including Total Return Swaps to enable the Company to gain long and short exposure to individual securities. Derivatives are valued by reference to the underlying market value of the corresponding security.

	At 31 March 2023 £'000	At 31 March 2022 £'000	At 30 September 2022 £'000
Total Return Swaps			
Current liabilities	**(17,463)**	–	–
Net value of derivatives	**(17,463)**	–	–

The gross positive exposure on Total Return Swaps as at 31 March 2023 was £48,698,000 (31 March 2022: £nil, 30 September 2022: £nil) and the total negative exposure of Total Return Swaps was £71,837,000 (31 March 2022: £nil, 30 September 2022: £nil). The liabilities are secured against assets held with Jefferies International Limited (the 'prime broker'). The collateral held as at 31 March 2023 was £37,203,000 (31 March 2022: £nil, 30 September 2022: £nil) which is included in cash and cash equivalents in the Balance Sheet.

10. Related parties and transactions with the Investment Manager

The Company paid management fees to Asset Value Investors Limited during the period amounting to £3,443,000 (six months to 31 March 2022: £3,982,000; year ended 30 September 2022: £7,650,000). At the half-year end, the following amounts were outstanding in respect of management fees: £nil (31 March 2022: £nil; 30 September 2022: £nil).

Fees paid to the Company's Directors for the six months ended 31 March 2023 amounted to £91,000 (six months to 31 March 2022: £91,000; year ended 30 September 2022: £183,000).

11. Post Balance Sheet events

Since the period end and up to 25 May 2023, the Company has bought back 3,919,082 shares for an aggregate consideration of £7,461,000.

Principal Risks and Uncertainties

The principal long-term risks facing the Company are mostly unchanged since the date of the Annual Report 2022, as set out on pages 12 to 15 of that report. In large parts of the world, restrictions to prevent the spread of the COVID-19 virus have been eased or removed completely in the last few months. In particular, China moved away from its previous "zero-COVID" policy in the final quarter of 2022. However, the Board and Investment Manager are aware of the risk of further outbreaks of the virus and the possibility of restrictions being reimposed which could again affect the Company's operations.

Risks faced by the Company include, but are not limited to: loss of value in the portfolio, gearing, foreign exchange, liquidity, key staff, discount, outsourcing, climate change and pandemic. Details of the Company's management of these risks and exposure to them are set out in the Annual Report 2022.

Directors' Responsibility Statement

The Directors confirm that to the best of their knowledge:

- the condensed set of financial statements has been prepared in accordance with the applicable set of accounting standards; and gives a true and fair view of the assets, liabilities and financial position and return of the Company; and
- this Half Year Report includes a fair review of the information required by:

  a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

  b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Company during that period; and any changes in the related party transactions described in the last Annual Report that could do so.

This Half Year Report was approved by the Board of Directors on 31 May 2023 and the above responsibility statement was signed on its behalf by Graham Kitchen, Chairman.

Graham Kitchen
Chairman

31 May 2023

Glossary

Alternative Performance Measure ('APM')
An APM is a numerical measure of the Company's current, historical or future financial performance, financial position or cash flows, other than a financial measure defined or specified in the applicable financial framework.

Comparator Benchmark
The Company's Comparator Benchmark is the MSCI All Country World ex-US Total Return Index, expressed in Sterling terms. The benchmark is an index which measures the performance of global equity markets, both developed and emerging. The weighting of index constituents is based on their market capitalisation. Dividends paid by index constituents are assumed to be reinvested in the relevant securities at the prevailing market price. The Investment Manager's investment decisions are not influenced by whether a particular company's shares are, or are not, included in the benchmark. The benchmark is used only as a yard stick to compare investment performance.

Cost
The book cost of each investment is the total acquisition value, including transaction costs, less the value of any disposals or capitalised distributions allocated on a weighted average cost basis.

In the case of Total Return Swaps, cost is defined as the notional cost of the position.

Derivatives
The Company may use a variety of derivative contracts to gain long and short exposure. This enables the Company to gain exposure to specific securities and markets with reduced capital requirements enhancing returns where the underlying asset grows in value (or losses if falls in value). Total Return Equity Swaps (which are synthetic equities) are valued by reference to the market values of the investments' underlying securities. The sources of the return under the Equity Swap contracts (e.g. notional dividends, financing costs, interest returns and realised and unrealised gains and losses) are allocated to the revenue and capital accounts in alignment with the nature of the underlying source of income.

Discount/Premium (APM)
If the share price is lower than the NAV per share it is said to be trading at a discount. The size of the discount is calculated by subtracting the share price of 186.80p from the NAV per share with debt at fair value of 208.37p and is usually expressed as a percentage of the NAV per share with debt at fair value. If the share price is higher than the NAV per share, this situation is called a premium. At 31 March 2023 the discount was 10.4%.

The discount and performance are calculated in accordance with guidelines issued by the AIC. The discount is calculated using the net asset values per share inclusive of accrued income with debt at fair value.

Earnings before Interest, Tax, Depreciation and Amortisation ('EBITDA')
A proxy for the cash flow generated by a business – it is most commonly used for businesses that do not (yet) generate operating or shareholder profits.

Enterprise value ('EV')
A measure of a company's total value, including any debt on its balance sheet.

Enterprise value/forward EBITDA ('EV/fwd EBITDA')
A tool used to compare the value of the whole company, debt included, to the company's next year forecasted earnings before interest, taxes, depreciation, and amortisation.

EV/EBIT
A tool used to compare the value of the whole company, debt included, to the company's earnings before interest and taxes.

EV/EBITDA
A tool used to compare the value of the whole company, debt included, to the company's earnings before interest, taxes, depreciation and amortisation.

Expense Ratio (APM)/Ongoing Charges Ratio
As recommended by the AIC in its current guidance, the Company's Ongoing Charges Ratio is the sum of: (a) its Expense Ratio; and (b) the underlying charges* incurred at the underlying funds in which the Company has investments, weighted for the value of the investment in each underlying fund as a percentage of the Company's NAV. The Company's Expense Ratio is its annualised expenses of £8,613,000 (excluding finance costs and certain non-recurring items) expressed as a percentage of the average net assets of £1,020,623,000 of the Company during the period.

A reconciliation of the Ongoing Charges to the Expense Ratio as at 31 March 2023 is provided below:

Expense Ratio (a Key Performance Indicator)	a	0.84%
Underlying Charges Ratio*	b	0.61%
Ongoing Charges Ratio	= a + b	1.45%

* *The Underlying Charges Ratio represents an allocation of the management fees and other expenses charged by the underlying investments held in the portfolio of the Company. Performance related fees, such as carried interest, are excluded from this figure.*

Gearing (APM)
Gearing refers to the ratio of the Company's debt to its equity capital. The Company may borrow money to invest in additional investments for its portfolio. If the Company's assets grow, the shareholders' assets grow proportionately more because the debt remains the same. But if the value of the Company's assets falls, the situation is reversed. Gearing can therefore enhance performance in rising markets but can adversely impact performance in falling markets.

The gross and net gearing reconciliation calculations are provided below:

Gross gearing (Debt at Par)	**31 March 2023**	30 September 2022	
Debt (£'000)	**(170,748)**	(122,893)	a
NAV (£'000)	**988,040**	969,508	b
Gross Gearing	**17.3%**	12.7%	=a/b

Net gearing (Debt at Par)	**31 March 2023**	30 September 2022	
Current Assets (inc. Cash) (£'000)	**100,003**	114,850	a
Current Liabilities (£'000)	**(9,151)**	(8,880)	b
Debt (£'000)	**(170,748)**	(122,893)	c
Net Debt (£'000)	**(79,896)**	(16,923)	d=a+b+c
NAV (£'000)	**988,040**	969,508	e
Net Gearing	**8.1%**	1.7%	d/e

Gross gearing (Debt at Fair)	**31 March 2023**	30 September 2022	
Debt (£'000)	**(159,646)**	(110,649)	a
NAV at Fair Value (£'000)	**999,142**	981,752	b
Gross Gearing	**16.0%**	11.3%	=a/b

Glossary continued

Net gearing (Debt at Fair Value)	**31 March 2023**	30 September 2022	
Current Assets (inc. Cash) (£'000)	**100,003**	114,850	a
Current Liabilities (£'000)	**(9,151)**	(8,880)	b
Debt at Fair Value (£'000)	**(159,646)**	(110,649)	c
Net Debt (£'000)	**(68,794)**	(4,679)	d=a+b+c
NAV at Fair Value (£'000)	**999,142**	981,752	e
Net Gearing	**6.9%**	0.5%	d/e

The current values of the Loan Notes and revolving credit facility consist of the following:

	2036 GBP loan £'000	2036 EUR loan £'000	2037 EUR loan £'000	2032 JPY loan £'000	JPY revolving credit facility £'000	Total £'000
Value of issue	30,000	22,962	17,526	49,516	49,144	169,148
Unamortised issue costs	(83)	(63)	(101)	(170)	–	(417)
Exchange movement	–	3,401	50	(903)	(531)	2,017
Amortised book cost	29,917	26,300	17,475	48,443	48,613	170,748
Fair value	26,461	22,811	14,395	47,366	48,613	159,646
Redemption costs	5,242	6,131	4,244	(1,173)	–	14,444
Redemption value	31,703	28,942	18,639	46,193	48,613	174,090

The values of the Loan Notes are calculated using net present values of future cash flows, calculated utilising the prevailing yields, taking account of the market spread and exchange rates. The redemption value includes the penalty payable on early redemption.

Internal Rate of Return ('IRR')
The IRR is the annualised rate of return earned by an investment, adjusted for dividends, purchases and sales, since the holding was first purchased.

In some instances, we display "nm" instead of IRR figures in the Investment Portfolio table. In most instances, this is done if the holding period is less than three months, as annualising returns over short-term periods can produce misleading numbers.

LTM EBITDA
Last twelve months earnings before interest, tax, depreciation, and amortisation.

Net Asset Value ('NAV') per share
The NAV is shareholders' funds expressed as an amount per individual share. Shareholders' funds are the total value of all the Company's assets, at current market value, having deducted all liabilities including debt at amortised cost revalued for exchange rate movements. The total NAV per share is calculated by dividing shareholders' funds of £988,040,000 (30 September 2022: £969,508,000) by the number of Ordinary Shares in issue excluding treasury shares of 479,504,811 (30 September 2022: 491,451,568) at 31 March 2023.

The adjusted NAV per share (debt at fair value) incorporates the debt at fair value instead of at amortised cost, increasing the NAV by £11,102,000 (30 September 2022: £12,244,000), due to the Fair Value of the Loan Notes being lower than amortised cost. This is calculated by the original NAV of £988,040,000 (30 September 2022: £969,508,000) less the Loan Notes at amortised cost £122,135,000 (30 September 2022: £122,893,000), adding back the fair value of the Loan Notes £111,033,000 (30 September 2022: £110,649,000), the revolving credit facility remains unchanged at £48,613,000 (30 September 2022: £nil). The adjusted NAV (debt at fair value) £999,142,000 (30 September 2022: £981,752,000) divided by the number of Ordinary Shares in issue excluding treasury shares of 479,504,811 at 31 March 2023 (30 September 2022: 491,451,568) provides the adjusted NAV per share (debt at fair value).

Portfolio weighted-average discount
The portfolio weighted-average discount is calculated as being the sum of the products of each holding's weight in AGT's portfolio times its discount. AVI calculates an estimated sum-of-the-parts NAV per share for each holding in AGT's portfolio. This NAV is compared with the share price of the holding in order to calculate a discount.

Return on Investment ('ROI')
The ROI is the total profits earned to date on an investment divided by the total cost of the investment.

Shares bought back and held in treasury
The Company may repurchase its own shares and shares repurchased may either be cancelled immediately or held in treasury. Shares repurchased, whether cancelled or held in treasury, do not qualify to vote at shareholder meetings or receive dividends. Share repurchases may increase earnings per share. Further, to the extent that shares are repurchased at a price below the prevailing net asset value per share, this will enhance the net asset value per share for remaining shareholders.

Total Return – NAV and Share Price Returns
The combined effect of any dividends paid, together with the rise or fall in the share price or NAV. Total return statistics enable the investor to make performance comparisons between investment trusts with different dividend policies. Any dividends received by a shareholder are assumed to have been reinvested in either additional shares in the Company or in the assets of the Company at the prevailing NAV, in either case at the time that the shares begin to trade ex-dividend. An annualised return is the average compound annual return, for return data over a period of time longer than a year.

Weight
Weight is defined as being each position's value as a percentage of total assets less current liabilities.

Shareholder Information

Dividends
Shareholders who wish to have dividends paid directly into a bank account rather than by cheque to their registered address can complete a mandate form for the purpose. Mandate forms may be obtained from Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA on request or downloaded from Equiniti's website www.shareview.co.uk. The Company operates the BACS system for the payment of dividends. Where dividends are paid directly into shareholders' bank accounts, dividend tax vouchers are sent to shareholders' registered addresses.

Share Prices
The Company's Ordinary Shares are listed on the London Stock Exchange under 'Investment Trusts'. Prices are published daily in The Financial Times, The Times, The Daily Telegraph, The Scotsman and The Evening Standard.

Change of Address
Communications with shareholders are mailed to the last address held on the share register. Any change or amendment should be notified to Equiniti Limited at the address given above, under the signature of the registered holder.

Daily Net Asset Value
The net asset value of the Company's shares can be obtained by contacting Customer Services on 020 7659 4800 or via the website: www.aviglobal.co.uk.

Company Information

Directors
Graham Kitchen (Chairman)
Anja Balfour
Neil Galloway
June Jessop
Susan Noble (retired from the Board on 20 December 2022)
Calum Thomson

Secretary
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Registrar and Transfer Office
Equiniti Limited
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Registrar's Shareholder Helpline
Tel. 0371 384 2490

Lines are open 8.30am to 5.30pm, Monday to Friday.

HOW TO INVEST

AGT is a closed-ended investment trust with shares listed on the London Stock Exchange and part of the FTSE 250 index. Shares in AGT can be bought directly on the London Stock Exchange or through platforms.

For more information visit:
www.aviglobal.co.uk

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