RNS Number : 1067R
AVI Global Trust PLC
05 June 2024

AVI GLOBAL TRUST PLC

('AGT' or the 'Company')

LEI: 213800QUODCLWWRVI968

Announcement of unaudited results for the half-year ended 31 March 2024

Half Year Financial Report for the year ended 31 March 2024

A copy of the Company's Annual Report for the half year ended 31 March 2024 will shortly be available to view and download from the Company's website, https://www.aviglobal.co.uk. Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.

Dividend

The Directors have declared the payment of an interim dividend of 1.2 pence per Ordinary Share for the period ended 31 March 2024, which will be paid on 19 July 2024 to Ordinary shareholders on the register at the close of business on 21 June 2024 (ex-dividend 20 June 2024).

The following text is copied from the Half-Year Report and Accounts:

OBJECTIVE

The investment objective of the Company 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.

FINANCIAL HIGHLIGHTS

- Net asset value ('NAV') total return per share increased +13.9%
- Share price total return +16.0%
- Benchmark index[±] increased on a total return basis +16.1%
- Interim dividend maintained at 1.2p

PERFORMANCE SUMMARY

	Six months to 31 March 2024	Six months to 31 March 2023
Net asset value per share (total return) [1]*	**+13.9%**	+5.3%
Share price total return*	**+16.0%**	+5.5%
	31 March 2024	31 March 2023
Discount* (difference between share price and net asset value)[2]	**9.4%**	10.4%
	Six months to 31 March 2024	Six months to 31 March 2023
Earnings and Dividends		
Investment income	**£9.99m**	£9.40m
Revenue earnings per share	**1.28p**	1.28p
Capital earnings per share	**9.42p**	9.42p
Total earnings per share	**10.70p**	10.70p
Ordinary dividends per share	**1.20p**	1.20p
Expense Ratio (annualised)*		
Management, marketing and other expenses as a percentage of average shareholders' funds	**0.88%**	0.84%
	High	Low

	High	Low
Period Highs/Lows		
Net asset value per share	252.88p	207.84p
Net asset value per share (debt at fair value)	255.40p	211.81p
Share price (mid market)	231.50p	187.80p

[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 2024 the Company purchased 11,596,895 Ordinary Shares for cancellation for an aggregate consideration of £24,245,000 adding +0.2% to AGT's NAV.

***Alternative Performance Measures**

For all Alternative Performance Measures included in this Report, please see definitions in the Glossary in the Half-Year Report and Accounts.

± MSCI All Country World Index, please refer to the Glossary in the Half-Year Report and Accounts for further information.

CHAIRMAN'S STATEMENT

Having traded in a range of approximately 180p-200p since the beginning of 2022, the share price increased steadily following a dip in October 2023 and ended the period at over 230p. Over the six months from 30 September 2023 to 31 March 2024, the share price total return[1] was +16.0%, while the NAV total return[1] was +13.9%, a commendable return which was driven by some notable successes which are described in more detail in the Investment Manager's Report.

Over the six months under review, stock markets reacted positively to macroeconomic news, which was better than had previously been expected, with fears of recession and inflation abating. Market returns were driven both by this news and by continued excitement around the prospects for Artificial Intelligence ('AI'), which drove up the share prices of a small number of very large companies which form a high proportion of our benchmark index. The return on our comparator benchmark, the MSCI AC World Index, was +16.1% over the six-month period. Our Investment Manager has a broad-based approach and focuses on investing in companies which, in general, combine growth prospects with attractive share price valuations and, while not focusing on the fashionable parts of the market, was able to deliver strong returns for shareholders.

Revenue and dividend

Revenue earnings for the period were 1.38 pence per share. The Board has elected to pay an interim dividend of 1.2p 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 and, while we do aim to grow the dividend over time, I would like to repeat my previous statement that the portfolio is managed primarily for capital growth.

Share price rating and marketing

AGT has a substantial marketing budget and the Board works closely with AVI as it seeks to generate demand for the shares. Each month AVI produces an informative fact sheet which is available on our website and I encourage you to register on the site to receive these when they are published. AVI is also active in the media - both traditional and increasingly social media - as we seek to promote our investment proposition to a growing investor base. The Board is pleased to note that our marketing efforts have resulted in a substantial increase over time in the number of shares owned via retail investment platforms, and indeed these platforms make up four of our top five shareholders.

In common with many investment trusts, our shares continued to trade at a frustratingly persistent discount. We use share buybacks when the discount is unnaturally wide and when the Board believes that buying back shares is in the best interests of shareholders. This is also an approach that our Investment Manager encourages for many of our investee companies. There are periods when we buy back shares on most working days and, during the six months under review, 11.6 million shares were bought back, representing 2.3% of the shares in issue as at the start of the period. As well as benefiting 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, of approximately 0.2%.

In April we announced that Panmure Gordon had been appointed as the Company's corporate broker. We look forward to working with the team at Panmure Gordon, particularly in seeking to find new shareholders. I would also like to thank our previous corporate brokers, Jefferies, for their help and support over the last several years.

In the 2023 Annual Report I raised the issue of the unintended consequences on the investment trust industry of recent regulatory pronouncements relating to Consumer Duty in respect of cost disclosures. In particular, the inclusion of costs embedded in our underlying investee funds in the overall cost figures disclosed in relation to your Company is misleading. The apparent lack of understanding associated with this disclosure and the consequent misinterpretation puts us at an unreasonable disadvantage when it comes to assessing the value of investing in the Company. This could lead to a reduced demand for our shares. For example, the Board is aware that both the potential for new investment in the Company and the reinvestment of dividends issued by the Company have been blocked for investors using the fidelity.co.uk platform. We have requested the management of the Fidelity platform to explain the reasons that have caused them to suspend investment in your Company's shares on their platform. Rest assured we have taken this extremely seriously and have raised the issue and in particular the lack of transparency with the Financial Conduct Authority and our trade body the AIC. More broadly, efforts also continue to find a solution to correct the misleading approach to cost disclosure by putting pressure on government and regulators. We remain hopeful that the result will be a fair and logical outcome although recognise that the UK General Election may cause delays in any decisions to change the disclosure regime.

Annual general meeting
All resolutions at the Company's AGM on 20 December 2023 were passed by a large majority and I would like to thank shareholders for their continuing support. It was good to meet a number of shareholders at the meeting. We welcome the opportunity to engage with shareholders and if you have any questions or points that you would like to raise with the Board, please send an email to **aviglobal_cosec@linkgroup.co.uk** or write to: The Company Secretary, AVI Global Trust PLC, 65 Gresham Street, London EC2V 7NQ.

Outlook
Stock market returns over the six months under review were very strong but I would caution that economies and markets are not immune from further headwinds. While better than expected economic news helped to propel markets, there is a risk of setbacks and the geopolitical background remains unstable, both of which could cause markets to fall.

Against this background our Investment Manager describes a number of opportunities for growth in the investment portfolio. Their focus on acquiring stakes in companies at attractive valuations has proven resilient and their persistence in pursuing value was demonstrated, for example, by the takeover bids for Hipgnosis Songs Fund in April. As ever, there will be unexpected events along the way but we are optimistic that the portfolio and investment process are well set to continue delivering attractive returns.

Graham Kitchen
Chairman
4 June 2024

[1] An Alternative Performance Measure: see Glossary in the Half-Year Report and Accounts.

INVESTMENT MANAGER'S REPORT

PERFORMANCE REVIEW

Your Company's NAV is some +23% higher than when we wrote to you this time last year. At the time sentiment was dour; investors were fretting as to the potential fallout from the collapse of Silicon Valley Bank; inflation remained stubbornly high; and the deeply inverted yield curve was flashing red that the most anticipated recession in recent history was about to bite.

A year on and there has been no real contagion from the regional banking crisis, with the actions of the United States Federal Reserve having ensured financial stability. The picture on inflation has certainly improved, but we are not off the mountain just yet. And a recession remains the watched pot that hasn't boiled, with the economy proving much stronger than many had anticipated.

These better-than-expected developments, combined with strong share price performance of a narrow-band of US technology companies, that are thought to be beneficiaries of AI, has propelled markets to new all-time highs.

For the interim period since September, AGT has produced a NAV total return of +13.9%. This was slightly behind the performance of our comparator benchmark, the MSCI AC World Index (£), which returned +16.1%.

From the very wide levels observed in October 2023 - when the portfolio weighted average discount hit 37.0% - discounts have started to narrow, such that the weighted average discount at period end stands at 31.5%. We have taken advantage of this, fully exiting positions in Pershing Square Holdings and Godrej Industries, and reducing positions in strong performers, Schibsted, FEMSA, KKR and Apollo.

KKR was the standout performer adding +253bps to returns. Having initiated a position in the company in 2020, we have held a decidedly different view to the market on the durability of the company's earnings power and growth prospects. The market has been coming round to our way of thinking, with the shares up by +319% over that time, and we have been reducing the position.

We continue to believe this is a stock picker's market, and a market where a focus on events, catalysts, and activism to crystallise value is important. Illustrative of this is Schibsted, which has undergone significant structural simplification (detail below) and was one of the strongest performers over the period.

Over the six-month period we have been adding to News Corp, D'Ieteren, Bollore and Entain, all of which have attractive underlying fundamentals and NAV growth prospects combined with potential catalysts.

Despite Hipgnosis Songs Fund being a detractor over the interim period and requiring a lot of work and intensive engagement from our investment team, a takeover battle subsequent to the period end has resulted in an excellent outcome for shareholders. We expand on this below.

Contributors and Detractors for the six months ending 31 March 2024

	Contribution*
Contributors	
KKR and Co	2.53%
Schibsted 'B'	1.77%
D'Ieteren Group	1.21%
Godrej Industries	1.08%
News Corp	1.07%
Detractors	
Symphony International Holdings	-0.82%
Aker ASA	-0.52%
Entain	-0.46%
Hipgnosis Songs Fund	-0.39%
Keisei Electric Railway	-0.12%

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

More generally, over the last 18 months our exposure to closed-end funds has increased. There is a structural lack of interest in such companies, almost entirely for non-fundamental reasons, and we believe this to be an attractive opportunity set with discounts at wide levels where we can add value through activism.

The opportunity for engagement in Japan also remains compelling. Long-term readers of our reports will know that we have spent a significant amount of focus on Japanese small-cap equities since 2016/17, when it became clear to us that the winds of change had begun to blow, and that the corporate governance reform agenda had gained critical momentum.

2023 was something of a (re) coming out party for Japanese equities - which are becoming increasingly relevant again to international equity investors, who have grown to appreciate the very clear agenda of the Tokyo Stock Exchange ('TSE') and other authorities in unlocking corporate value. As is to be expected, flows have concentrated on larger cap companies, which have outperformed smaller caps. For unhedged international investors (such as ourselves) the continued depreciation of the Yen has proved a headwind. We do not expect this to persist indefinitely.

Far from the madding crowd of increasingly concentrated equity markets, it remains an exciting and fruitful time for our approach to investing. Discounts have started to narrow but remain relatively wide by historical standards and we are finding a high number of attractive opportunities from all parts of our universe. Reflective of this, net gearing (debt at fair value) has continued to increase and stands at 9.6% as of the period end.

As we look ahead, we remain humble in the unpredictability of financial markets and macro events. Our conviction, however, is built from the bottom up. We have assembled a concentrated-yet-diverse collection of companies that should compound NAV at attractive rates; discounts are generally wide and across the portfolio there are numerous potential corporate catalysts to unlock value. We believe this to be an attractive medley.

CONTRIBUTORS

KKR & Co

(Discount: 5.4%/Contribution: +2.53%)

KKR was the largest contributor to AGT's returns over the six-month period, adding 2.53% to NAV as its share price soared +64%. Since the position entered the portfolio in 2020, it has been a very strong source of returns for AGT. Our thesis back then was that the listed alternative asset management sector was systematically undervalued, and that KKR (and Apollo, which we also own) was itself undervalued relative to peers.

While the market seems to have since come closer to our way of thinking, the level of share price volatility suggests alternative asset managers are still perceived as high beta plays on risk assets. While we concede that both KKR and Apollo have more on-balance sheet risk than peers, our contention is that the market underestimates the defensive characteristics of scale-advantaged managers that earn fees on long-dated committed capital, and the powerful tailwinds for structural growth across the industry. This volatility has inured to the benefit of AGT shareholders as we have opportunistically added to our shareholding in periods of weakness.

During the period, KKR announced it was to acquire the 37% of life insurer Global Atlantic that it did not already own. This was taken well by the market, as was the accompanying announcement of a further shareholder-friendly change to the company's compensation structure.

In the words of KKR co-CEO Scott Nuttall, Global Atlantic - in which KKR acquired a majority stake in 2020 - has been a 'home-run investment'. With Global Atlantic's assets more than doubling from the point of acquisition to today, it is hard to argue otherwise, with KKR's ownership also helping scale its real estate credit and asset-based finance businesses whose assets sit well on insurance company balance sheets.

The remaining stake in Global Atlantic was purchased at book value, the same multiple as the original acquisition and a low valuation for a mid-teens ROE business. Crucially, the $2.7bn acquisition price was funded entirely in cash. There had been some fears, given the right the minority shareholders had to force KKR to either list the business or acquire it from them, that KKR would issue shares to pay for it. This is where KKR's remarkably strong balance sheet came into play, with the company having $3.8bn in cash and with long-term fixed rate debt in place (at a weighted average interest rate of 3.9% and maturity of 2041).

We attended KKR's Investor Day in New York City in April 2024, at which management laid out a clear path to more than tripling net income per share within ten years or less with multiple routes to achieving this forecast. In particular, Asia, Infrastructure, and Private Investment Grade Credit were identified as key market/asset classes given their capacity and where demand is spiking higher.

Blackstone's success in raising capital from private wealth channels has materially raised the total addressable market for the alternative asset managers. While KKR's presence in this space is still relatively nascent, they have invested heavily in distribution and expect 30-50% of new KKR capital to be sourced from private wealth channels over the next several years. The size of the market is so vast that even a small up-tick in allocations to alternatives could have seismic results, with an expected increase from 2% in 2022 to 6% in 2025 translating to an additional $11trn of inflows. We expect there to be only a few winners in this space, consisting of the largest managers with the most recognised brands. Given this, it was highly encouraging to learn at the Investor Day that 2024 YTD inflows to 1 April 2024 had already reached $2.8bn, a very sizeable increase on Q4 of 2023's $1.4bn.

Given the material re-rating in the shares, our investment in KKR is closer to its end than other still-heavily discounted names in our portfolio. That said, 2023 saw Blackstone become the first alternative asset manager to enter the S&P 500, and we believe it is a matter of time before KKR and Apollo are also selected for inclusion. This could lead to as much as 20% of their free float being bought by index-tracker and 'index-aware' investment vehicles.

Schibsted ASA

Schibsted ASA
(Discount: 8.0%/Contribution: +1.77%)

Schibsted was the second largest contributor, adding +177bps to AGT's NAV.

It has been a busy period for the company which has undergone significant change and taken considerable steps to unlock value.

In the most recent Annual Report (page 41) we explained that Permira and Blackstone had entered negotiations to take Adevinta private. In November 2023, this came to fruition with a 115 NOK per share offer. The transaction - which is due to complete in Q2 of 2024 - will see Schibsted sell 60% of their 28% stake for 24bn NOK, which accounted for 48% of the preannouncement market cap (based on the B share price). Schibsted will retain an 11.1% stake in Adevinta post-transaction, which, at the 115 NOK per share value, equates to 16bn NOK (31% of Schibsted's preannouncement market cap).

Shortly thereafter, in early December 2023, Schibsted positively surprised both us and the market with the announcement that the Tinius Trust, the controlling shareholder, intends to acquire Schibsted's legacy News Media division and Schibsted's stake in Polaris Media for a combined value of 6.3bn NOK. This is a significant positive development that removes a terminally challenged, capital consuming problem child from the group structure. This will lead to an improvement in the consolidated financials, boost margins, reduce capex, increase returns on capital employed and improve cash conversion.

The combination of these two transactions has realised gross proceeds approaching 30bn NOK. 20bn NOK will be returned to shareholders, as special dividend, with a further 4bn NOK in buybacks and 5bn NOK used to extinguish net debt.

These steps have reduced structural complexity and shone a light on Schibsted's Nordic Marketplace assets - which have hitherto been overlooked. These businesses have dominant market positions, are under-monetised versus international peers, and have significant room for margin expansion, with EBITDA expected to grow at close to +20% p.a. over the coming years.

Reflective of the significant re-rating in the shares our position has been reduced by approximately 50% from its peak, such that Schibsted was a 5.1% stake as at the end of March 2024.

To date the investment - which was initiated slightly under two years ago - has delivered an IRR of +50% (in NOK).

D'Ieteren
(Discount: 32.6%/Contribution: +1.21%)

D'Ieteren was a meaningful contributor to returns during the interim period, adding +121bps to performance. Over the interim period the shares rose +29%, which was a function of +14% NAV growth and narrowing of the discount to 33% from 40%.

As readers may remember the bulk of the value (61% of NAV) lies in Belron, the global no.1 operator in the Vehicle Glass Repair and Replacement ('VGRR') industry which readers might be more familiar with as Autoglass (UK), Safelite (US) or Carglass (EU).

Belron is many multiples larger than competitors with more than 40% US market share, resulting in significant scale advantages in terms of purchasing economies of scale and cost leadership, as well as relationships with insurance partners who are industry gatekeepers and account for c.70% of jobs. Moreover, scale has allowed for technological investment, which has become increasingly relevant as advanced driver assistance system ('ADAS') recalibrations - which require more expensive capital equipment - have grown to become a larger proportion of replacement jobs. 'Mom and pop' operators are increasingly ill-suited to meet the increased technical complexity required for new vehicles.

As such, we expect Belron to continue taking share and driving growth. For FY23 Belron grew sales by +9% organically with a further boost of +2% from M&A. A positive mix effect and price increases saw operating margins increase +226bps to 20.5%, which led operating profits to increase +22% year on year. For the year ahead, management are forecasting sales to grow at mid-to-high-single digits and margins to continue towards what for some time now has appeared a relatively modest 2025 margin target of 23%. We expect Belron to provide updated targets at next year's Capital Markets Day - which will be the first since Carlos Brito became CEO.

In 2021 a consortium of private equity investors (led by Hellman & Friedman) became minority shareholders in Belron at a €21bn enterprise value. We estimate that the enterprise value is closer to €24.5bn today (17x our 2024 estimated EBIT), and D'Ieteren's 50% equity interest accounts for 61% of D'Ieteren's NAV.

In due course we expect a liquidity event for these investors to help highlight Belron's significant value, and like to invest in situations such as this where we are aligned with highly incentivised PE co-owners and management teams. As such we see scope for a further narrowing of D'Ieteren's 33% discount, as well as NAV growth underpinned by strong earnings growth prospects. We added to the position by some +25% over the last six months.

Godrej Industries
(Discount: 59.7%/Contribution: +1.08%)

Godrej Industries - the Indian holding company - added +108bps to returns during the interim period as the discount narrowed meaningfully. We took the opportunity to exit the investment.

Since 2019 AGT generated an ROI/IRR of +41%/+9%, in Sterling, having suffered from a -17% FX headwind and -10% return on account of a widening discount. The return was broadly in line with the MSCI ACWI (£) over the same period (+43%), however underperforming the MSCI India (+60%), with the discount widening having been an impediment to returns.

Whilst Godrej Industries owns a fundamentally attractive collection of underlying assets, and the controlling family have shown themselves to be good long-term stewards of capital, we took advantage of relatively fleeting liquidity in the shares. This has allowed for capital to be recycled into investments, such as those described in these pages, with clearer catalysts for discount narrowing.

News Corp
(Discount: 38.7%/Contribution: +1.07%)

In 2023 we initiated a position in News Corp, the Murdoch family controlled holding company. The shares have performed strongly, adding +107bps to returns over the period. Today News Corp is your Company's largest position (8.3% weight) and embodies what we look for in an investment: attractive quality assets, trading at a discounted valuation, with prospective catalysts to unlock value.

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 38.1% discount to our estimated NAV. The NAV is principally comprised of the following assets: a 62% listed stake in REA Group (41% of NAV), the Australian real estate classified marketplace, and unlisted assets Dow Jones, HarperCollins and Move accounting for 37%, 10%, and 7%, respectively.

In particular, Dow Jones is a crown jewel asset that has successfully evolved the Wall Street Journal into a thriving digital consumer business, whilst both organically and inorganically building a high quality Professional Information business that warrants a premium multiple, reflective of its sticky and growing revenues, high margins, and minimal capex requirements. The 2021 acquisition of OPIS for $1.1bn marks a step-change in the importance and materiality of Dow Jones' Professional Information business. The value and quality of this business is misunderstood by the sell side and ignored by the market.

Adjusting for the stake in REA, the stub trades at an implied value of $5.4bn, or approximately 4.7x next year's EBITDA. We estimate that Dow Jones alone is worth ~1.6x the implied stub value and note that the New York Times trades at 15x and Info Services peers trade between 19-29x. Management have become increasingly vocal about the undervaluation.

As CEO Robert Thomson described on the last earnings call, the company is engaged in "serious introspection about structure…and how to fully monetize a precious, prestigious portfolio that has an obvious growth trajectory.

That is indeed not an evolution, but a revolution".

At current prices, the market is seemingly ascribing a low probability to 'a revolution', with significant upside if management do indeed take concrete and tangible steps to unlock value. Combined with strong operating and earnings momentum, prospective returns appear attractive.

DETRACTORS

Symphony International Holdings

(Discount: 49.8%/Contribution: -0.82%)

Symphony International ('SIHL') was our largest detractor over the period with a -24% decline in its (US Dollar denominated) share price exacerbated by a Sterling rally from the lows reached during the brief Liz Truss-led government. The share price decrease was almost entirely due to a widening discount which expanded from 36% to 50%.

To recap, SIHL is a London-listed investment company with a focus on predominantly unlisted (85% of current NAV) Asian consumer and real estate businesses. The investment, initiated in 2012, has been weak in absolute and relative terms with an IRR of just over 5% over our holding period. As the largest independent shareholder, we have worked to improve corporate governance at the company and unlock value trapped in the persistently wide discount at which the shares have traded. This culminated in a 2021 public campaign to **Save Symphony**. In September 2023, the company announced it would pursue an orderly realisation of its investments.

As such, our ultimate returns from SIHL will depend on the prices at which it realises its investments and the timeframe over which these realisations take place, rather than its share price on the screen at any particular point in time. SIHL's shares trade at a sizable bid-offer spread (10% at 31 March 2024), are tightly-held and thinly traded, and are heavily impacted in both directions by relatively small order sizes. Indeed, since the half year-end, the shares are up +13% as at 30 April 2024.

That SIHL's shares trade at such a wide discount despite the company having adopted a managed wind-up strategy reflects, in our view, scepticism around a management team that has historically prioritised its own interests over those of shareholders; uncertainty over the timeframe over which realisations will take place; and - as is often the case with investment companies with unlisted assets - wariness over whether the carrying values of assets are an accurate reflection of realisable values.

We understand these concerns. However, we contend that while the management team continues to add to their already substantial shareholdings, they have little incentive to maintain or increase reported valuations to artificially high levels and that an incentive may in fact exist in the opposite direction. That said, they also have little incentive to expedite asset sales and returns of capital while they still believe there is stock available to purchase to add to the over one-third of the company held by management and the board. Noting the pace of management purchases has slowed recently in the face of low volumes, we may not be far from the point where their attention turns to unlocking the value in their shareholdings trapped by the huge discount to NAV. Based on secondary market transactions, it is plausible that a sale of SIHL's minority stake in Vietnamese logistics player Indo-Trans Logistics could generate proceeds covering well over half of the company's current market cap.

Aker ASA

(Discount: 23.5%/Contribution: -0.52%)

Aker was a detractor over the interim period. The shares declined by -3% on a total return basis, as a -4% decline in the NAV was ever so slightly cushioned by a small narrowing of the discount to 24%. AGT suffered from a -490bps weakening of the NOK versus Sterling.

Sluggish NAV performance is largely attributable to Aker BP (60% of NAV), which has underperformed peers and rising oil prices - particularly in the calendar year 2024, during which period the shares declined by -6% whilst oil prices have risen by +13%.

Production guidance for 2024 was slightly softer than the market had anticipated, with increased uncertainty regarding the eventual plateau of the Johan Sverdrup oilfield and whether this would occur in late 2024 or during 2025. With Johan Sverdrup having consistently outperformed expectations since production started in 2019 this has been digested poorly by the market, with Aker BP shares now trading on a 9.4% dividend yield - a level rarely observed in the company's history. This appears good value to us for a low-cost-low-emission producer operating in a stable and the company's history. This appears good value to us for a low cost low emission producer operating in a stable and attractive fiscal regime. We believe that operators such as Aker BP, with a long-dated production schedule, are likely to prosper in a world where oil will play an important and elongated role in the energy mix, and there is limited supply.

Accessing this on a 24% discount with a strong alignment of interest and a controlling shareholder with a track record of significant value creation is highly attractive.

Entain

(Discount: 33.7%/Contribution: -0.46%)

During the interim period, we started to build a position in Entain, the London-listed sports betting and gambling company. The shares continued to fall throughout the period as we averaged down, detracting 46bps from returns.

We came across Entain through our long-standing investment in IAC (3% of AGT NAV), which has a stake in MGM Resorts International; in turn, Entain and MGM are joint venture partners in BetMGM, one of the leading online sports betting and iGaming brands in the nascent US market. We believe this to be a highly desirable asset in a rapidly growing market that, we believe, will coalesce around a handful of operators.

Today, Entain has three principal assets at different stages of maturity, with the true value being masked by the current structure of the company. These are the online operations (68% of portfolio), retail operations (11%) and the 50% equity accounted stake in BetMGM (21%).

Entain's online operations have undergone a significant period of regulatory change across multiple key markets, with the UK being the most notable. In the short-run regulation can be hugely disruptive for gambling companies, but in the long-run it acts as a barrier to entry and entrenches the position of incumbents, such as Entain.

That said, Entain's handling of these UK changes has been subpar, taking a more tailored approach to the regulation than rivals which has added complexity and confusion, particularly for customers. The broader implementation of these regulatory changes has not been universal, with Entain (and other tier-one operators) ceding market share to tier-two and tier-three rivals, who have yet to put these changes through. With the new rules likely to be enforced in September 2024, expectations are for some degree of reversal in market share losses. Management has set aside £40m in marketing spend in anticipation of this.

BetMGM has continued to see its estimated market share erode, with the gap to industry leaders widening over 2023. The key culprit for this erosion has been a product gap with peers. Given that Entain provides the technology for BetMGM, it was up to them to come up with solutions. Through organic investment and some small M&A, BetMGM's product has improved materially over 2023, closing the product gap. Management now has a degree of confidence in the product, indicating that 2024 will be a 'year of investment' focusing on marketing to try to claw back some market share.

Given the equity-accounted nature of BetMGM, we do not believe that its true value is currently being captured in Entain's valuation. Based on our carrying value, BetMGM makes up an estimated 52% and 29% of Entain's market cap and enterprise value, respectively. As a result, we estimate the stub trades at 9.1x NTM* EBIT versus a peer group average of 12.9x and Entain's longer-term average of 14.2x. This equates to an implied 9.3% FCF** yield.

Since December, there has been significant change at both the managerial and board levels. Jette Nygaard-Andersen stepped down as CEO, having successfully guided the company through an HMRC investigation but whose limited gambling experience started to show. She was replaced by Stella David, an independent board member, on an interim basis, with positive early impressions.

After the interim period ended, it was announced that the chairman of the board, Barry Gibson, is to step down with Stella replacing him. We view these changes positively, and another step in repairing some of the damage done over the last couple of years.

We believe that organic growth, earnings, sentiment and valuation are at the lows. With a swarm of activists on the shareholder register - and indeed now on the board - we do not believe that the current valuation will persist indefinitely with numerous potential paths to unlock value, not least from BetMGM which is a highly strategic asset.

* NTM EBIT = forecasted EBIT for the next twelve months

** FCF = Free cash flow (Operating Cash flow - Capex)

Hipgnosis Songs Fund

(Discount: 24.8%/Contribution: -0.39%)

While Hipgnosis Songs Fund ('SONG') may have been a detractor over the period covered by this report, events after the period end have resulted in substantial gains for AGT shareholders.

A bidding war was triggered in April 2024 when Concord - a music rights firm backed by Apollo - announced a binding offer for SONG at a price of $1.16-$1.18 per share. Blackstone, the majority owner of Hipgnosis Songs Management (the Manager of SONG), ultimately prevailed with a bid of $1.30 per share. This represents a premium of +47% to the undisturbed share price.

This marks the end of a highly successful investment for AGT, in which we played a key role in fighting off the proposed related-party sale of a portion of SONG's catalogues and also making the case against the company continuing in its present form. Resolutions proposing each matter were heavily defeated at shareholder meetings. With two directors resigning on the eve of the AGM and the then-Chairman suffering a resounding vote against his re-election, we and other shareholders engaged with the remaining rump to push for the appointment of two new directors - Robert Naylor and Francis Keeling - who had just stepped down from SONG's peer company Round Hill Music Royalty Fund ('RHM') following its acquisition by Concord. Both were appointed with Robert immediately installed as Chairman.

We are delighted with an outcome that has not only generated a very strong return for AGT's shareholders but has demonstrated again both the value of shareholder activism and the critical importance of having the right people on Boards. The new directors joined the company at a time of crisis and engineered an excellent outcome for shareholders in a timeframe few would have felt possible at the time of their appointment. With no viable future as an ongoing listed vehicle, the key task facing the new appointees was how best to generate competitive tension in a situation where, under the terms of the Investment Management Agreement, the Manager had a call option allowing them to purchase the portfolio in the event of their termination. The investigatory work conducted by the Board and their advisors, some of the fruits of which were made public, led to an understandable perception that there existed more than sufficient grounds to terminate the Manager 'for cause', which would invalidate the option.

We think it likely that this, alongside other measures introduced by the newly-reconstituted Board, gave Concord the confidence to make their initial bid and resulted in a higher price ultimately being achieved for the company than would otherwise have been the case. We applaud the new directors' fortitude and shrewd handling of a highly complex situation.

AVI's involvement with SONG began several years ago. Following research on French holding company Vivendi and its investment in UMG, we could see the attractions of the music rights asset class. As a pure play on catalogue, SONG had its attractions and we established a small position in late-2020 with part of our thesis being that SONG would likely be a takeout target once it had achieved scale. That element of the thesis broke down in October 2021 with the acquisition of a majority stake in the Manager by Blackstone. Given Blackstone's deep pockets, we felt the Manager's call option over the portfolio was much more likely to impede any competitive sales process in the future. When combined with growing concerns over transparency, earnings quality and governance, we took the decision to exit the position and sold over 60% of our shareholding in late 2021/early 2022 at modest profits on our purchase price before the share price began to decline rapidly along with other alternative income vehicles deemed to be interest-rate sensitive. We were left with a residual shareholding that equated to a 0.8% stake in the company.

Our full attention turned back to the company following Concord's bid for RHM in September 2023, just ahead of SONG's continuation vote and its proposal to sell a portion of its catalogues to Blackstone in a related party deal. We increased our stake almost ten-fold over the following six months and generated a return on our overall investment of almost double that of AGT's MSCI AC World benchmark. We sold out of our position in Hipgnosis late May 2024, and generated a +39% total return/+73% IRR on the position acquired in late 2023/early 2024 (vs +13%/+24% respectively for the benchmark.

Keisei Electric Railway

(Discount: 31.6%/Contribution: -0.12%)

Keisei Electric Railway was a small detractor over the period, shaving off -12bps from AGT's NAV as the shares have returned -2% since we initiated our position on 6 November 2023.

We initiated a position in the Japanese railway operator due to its 21% stake in the listed theme park operator - Oriental Land ('OLC') - which accounts for 167% of Keisei Electric's market cap pre-tax.

OLC offers exposure to Japan's largest theme parks - Tokyo Disneyland and Tokyo DisneySea - which are also two of the most visited theme parks in the world (#2 and #4). OLC also owns six high-quality Disney-themed park hotels, a further three hotels through subsidiary Milial Resorts, and the facilities surrounding the park area - monorail, shopping mall, and theatre.

All of this is built upon a 2,000,000m2 bank of land owned by OLC (roughly the size of Monaco) which is located close to central Tokyo and within easy reach of approximately 30m high income households.

In the context of wider corporate governance reforms, we felt that Keisei Electric's stake in OLC could become a potential target for unwinding given the lack of synergies between the two companies and the outsized proportion of value that it represents to Keisei. Given the underlying business quality of both the railway operations and of OLC, we felt that we could be patient and await any unlocking of this value.

On 7 March 2024, the company announced that it would be cutting its stake in OLC by 1 percentage point from 22.15% to 21.15%. This news disappointed the wider market, which had clearly been hoping for a more significant stake sale, sending the shares down by -9% on the day.

We consider this news to be a significant step-change, however, demonstrating that the company does not view OLC as a sacred asset, and that this could open the door for further stake sales in the future. Should we see any further unwinding of OLC, this will likely lead to outsized prospective returns from a significant unlocking of value.

Joe Bauernfreund
Asset Value Investors Limited
4 June 2024

INVESTMENT PORTFOLIO
At 31 March 2024

Company	Portfolio classification	% of investee company	IRR (%, GBP)[1]	ROI (%, GBP)[2]	C £'0
News Corp	Holding Company	1.0%	25.7%	18.0%	64
Oakley Capital Investments	Closed-ended Fund	8.9%	22.3%	117.9%	32
D'Ieteren Group	Holding Company	0.7%	31.1%	34.2%	49
Princess Private Equity	Closed-ended Fund	10.0%	16.4%	15.1%	58
Hipgnosis Songs Fund	Closed-ended Fund	7.5%	-8.1%	-6.1%	71
Schibsted 'B'	Holding Company	1.1%	36.3%	47.7%	34
Bollore	Holding Company	0.4%	nm	5.3%	54
Aker ASA	Holding Company	1.6%	15.9%	70.2%	57
FEMSA	Holding Company	0.2%	28.1%	91.3%	28
Pantheon International	Closed-ended Fund	2.9%	21.4%	23.8%	34
Top ten investments					**486**
Christian Dior	Holding Company	0.0%	25.9%	110.6%	21
Apollo Global Management 'A'	Holding Company	0.1%	34.1%	114.2%	19
Chrysalis Investments	Closed-ended Fund	7.7%	nm	5.9%	36
KKR and Co	Holding Company	0.1%	40.2%	218.1%	9
IAC/InterActive Corp	Holding Company	1.0%	-23.8%	-33.8%	64
Third Point Investors	Closed-ended Fund	[illegible]	[illegible]	[illegible]	[illegible]

Third Point Investors	Closed-ended Fund	4.3%	7.4%	40.9%	23
Entain	Asset-backed Special Situation	0.6%	nm	-14.6%	33
GCP Infrastructure Investments	Closed-ended Fund	4.4%	nm	7.9%	26
Nihon Kohden	Asset-backed Special Situation	1.5%	4.5%	5.5%	26
Dai Nippon Printing	Asset-backed Special Situation	0.4%	25.5%	15.7%	23
Top twenty investments					**770**
EXOR	Holding Company	0.1%	11.7%	47.7%	13
Kyoto Financial Group	Asset-backed Special Situation	0.6%	42.7%	35.5%	18
Symphony International Holdings	Closed-ended Fund	15.7%	5.2%	31.2%	26
Toyota Industries	Asset-backed Special Situation	0.1%	nm	20.2%	18
Irish Residential Properties	Asset-backed Special Situation	4.2%	nm	1.2%	19
Frasers Group	Holding Company	0.5%	nm	-5.1%	20
Hachijuni Bank	Asset-backed Special Situation	0.5%	44.5%	51.6%	10
Wacom	Asset-backed Special Situation	2.8%	-11.7%	-25.0%	21
Abrdn European Logistics Income	Closed-ended Fund	5.8%	nm	4.2%	14
Shiga Bank	Asset-backed Special Situation	1.1%	22.1%	25.1%	10
Top thirty investments					**943**
Keisei Electric Railway	Asset-backed Special Situation	0.2%	nm	-9.0%	14
Cordiant Digital Infrastructure	Closed-ended Fund	2.6%	nm	-4.0%	13
Balanced Commercial Property Trust	Closed-ended Fund	2.2%	nm	5.5%	12
Kyocera	Asset-backed Special Situation	0.1%	nm	-8.6%	13
Konishi	Asset-backed Special Situation	2.0%	9.8%	50.3%	8
SK Kaken	Asset-backed Special Situation	1.8%	-9.0%	-37.6%	19
TSI Holdings	Asset-backed Special Situation	3.0%	22.9%	15.5%	9
Haw Par Corporation	Holding Company	0.8%	-3.6%	-3.8%	11
DTS	Asset-backed Special Situation	0.9%	10.4%	30.2%	6
LG Corp.	Holding Company	0.1%	nm	-6.5%	8
Top forty investments					**1,060**
VEF	Holding Company	2.3%	-12.0%	-14.9%	4
Seraphim Space Investment	Closed-ended Fund	2.9%	3.6%	4.6%	3
JPEL Private Equity	Closed-ended Fund	18.4%	19.8%	99.3%	1
Shin Etsu Polymer	Asset-backed Special Situation	0.3%	14.8%	20.6%	1
Better Capital (2009)	Closed-ended Fund	17.4%	22.0%	41.1%	1
Third Point Investors Private Investments	Closed-ended Fund	0.1%	nm	nm	
Ashmore Global Opportunities - GBP	Closed-ended Fund	0.0%	4.8%	10.7%	
Equity investments at fair value					**1,073**

Fair value and gross market exposure of investments4	E expo £
Total Return Swaps long positions	39
Brookfield Class A	**39**
Total Return Swaps - short positions	
Brookfield Infrastructure Partners Units	(2
Brookfield Renewable Partners	(2
Brookfield Asset Management Class A	(18
	(23
	16

Investments and total return swaps	**1,090,412**	**1,260**
Other net current assets less current liabilities		**39**
Non-current liabilities		**(161,**
Net assets		**1,139**

[1] Internal Rate of Return. Calculated from inception of AVI Global Trust's investment. Refer to Glossary in the Half-Year Report and Accounts.

[2] Return on Investment. Calculated from inception of AVI Global Trust's investment. Refer to Glossary in the Half-Year report and Accounts.

[3] Cost. Refer to Glossary in the Half-Year Report and Accounts.

[4] Notional current equity value of investments and swaps. For a full description of the exposure to Brookfield, please see page 44 of the Annual Report for the year to 30 September 2023.

FURTHER INFORMATION

AVI Global Trust Plc's Half Year Report for the period ended 31 March 2024 will be available today on https://www.aviglobal.co.uk.

It will also be submitted shortly in full unedited text to the Financial Conduct Authority's National Storage Mechanism and will be available for inspection at data.fca.org.uk/#/nsm/nationalstoragemechanism in accordance with DTR 6.3.5(1A) of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

ENDS

Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on this announcement (or any other website) is incorporated into, or forms part of, this announcement.

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