

AVI GLOBAL TRUST PLC

Monthly Update

AVI Global Trust plc (the "Company") presents its Update, reporting performance figures for the month ended **30 April 2025**.

This Monthly Newsletter is available on the Company's website at: [AGT-APR-2025.pdf](#)

This investment management report relates to performance figures to 30 April 2025.

Total Return (£)	Month	Calendar Yr to date	1Y	3Y	5Y	10Y
AGT NAV	-0.9%	-4.8%	-0.8%	23.6%	100.2%	149.8%
MSCI ACWI	-2.5%	-6.6%	4.8%	26.0%	74.5%	163.2%
MSCI ACWI ex US	0.1%	2.2%	4.9%	18.5%	52.7%	84.4%

Manager's Comment

AVI Global Trust's (AGT) NAV declined -0.9% in April. In many ways, the modest absolute change between the start and end of the month masks significant underlying volatility, as investors have grappled with an erratic, uncertain and quickly changing global trade environment as instigated by President Trump. Markets have subsequently rallied hard; whether this sustains or whether it evaporates into nothing more than a bear market rally remains to be seen but there are clear risks to the latter. In a macro driven world we remain focused on the bottom-up fundamentals, and have embraced the volatility to add to new and existing names.

Toyota Industries was the most significant contributor (+105bps) as it was announced that Akio Toyoda, grandson of Toyota's founder, is looking to take the business private in a 42bn deal. We believe this to be of seismic importance and write about it below.

Elsewhere, D'Ieteren added +84bps as the discount started to narrow, and Rohto Pharmaceutical +40bps during a month in which we launched a public campaign against the company (details of which can be found [here](#)).

The most significant detractor was Gerresheimer (-88bps) - which we expand upon below. Partners Group and HarbourVest, detracted 32bps and -31bps, respectively.

Toyota Industries

In the [December 2023 newsletter](#) we argued that 2023 was "a seminal moment in the long and winding road to unlocking the enormous value trapped in Japanese companies" and explained how we had (re) introduced Toyota Industries into the portfolio, with signs that the winds of change were even blowing at the gates of one of Japan's last holdouts of governance reform.

Fast forward to April 2025, and it has been announced that Akio Toyoda, Chairman of Toyota Motor, is attempting to take Toyota Industries private, at an 40% reported premium to the undisturbed share price.

For decades, "Japaneseness"; Toyota has epitomised group companies, crossshareholdings, lifetime employment, consensus decision-making and keeping closed ranks. Corporate governance naysayers have argued that it's been these very qualities that have kept companies like Toyota strong, leading the company to be seen by some as an "emblem of resistance to corporate governance reform".

Just as Ernest Hemingway described the process of how one goes bankrupt - "gradually, then suddenly" - so too is

change in Japan, and the take-private offer should be seen as a culmination of many multi-year forces coming together.

Foreign shareholders have been an increasing presence on their register, a fact not lost on Akio Toyoda himself. As Chairman of Toyota Motor, he has felt the increasing heat from corporate governance reform, with his approval rating at Toyota's last AGM in 2024 falling to 72% from 96% in 2022.

External forces have also played a role, as even Toyota has not escaped the eye of the Tokyo Stock Exchange and METI. Cross-shareholdings have been a point of contention for group parent companies like Toyota, as have parent-child listed subsidiaries and persistently low valuations. METI's ongoing efforts to promote greater transparency and sophistication in takeover proposals also deserve commendation.

Then, of course, there are the activists. Since 2015, we at AVI have been encouraging management to unwind their crossshareholdings and investment securities, which made up almost half of Toyota Industries' balance sheet assets. At the same time, AVI (across our Japan dedicated mandates) was also invested in Aichi Corp (since 2019), which was majority owned by Toyota Industries. Working with both companies, we sought to catalyse change in their ownership structures as part of a broader set of recommendations. Our efforts with Aichi moved into the public sphere last year, when we launched a campaign entitled [Taking Aichi Higher](#). In March of this year, Toyota Industries and Aichi announced a sale and buyback that would bring Toyota Industries' controlling stake of 52% in Aichi down to 20%.

As we see it, the potential take-private transaction implicitly acknowledges, ratifies, and supports the mantra of both activists and Abenomics advocates. At the same time, the actions of Toyoda dissolve a symbolic bastion of resistance to the wave of corporate governance reform, opening the floodgates for that wave to spread its influence throughout the market. As such, we remain highly excited about the opportunity in Japan, with 24% of the portfolio invested there.

Gerresheimer

[Gerresheimer](#) detracted heavily over the month, as it was reported that KKR withdrew from the consortium assessing whether to take the business private. This led to a -15% one-day decline in the shares.

The past month has been a painful one for the stock and for us as shareholders. Despite that, we remain relatively sanguine. Q1 results (November year-end) were published during the month, and management reiterated guidance for the full year. The acquisition of Bormiloli is continuing to be integrated and steps are being taken to get the right legal structures in place for the separation of the Moulded Glass unit. We believe this is key to unlocking value, even if we understand the market's scepticism and frustration at management's execution and communication. The business will produce north of €5 per share of EPS in 2025 and we believe there are multiple steps that can be taken to help the market capitalise this at a much fairer multiple. We bought more shares over the month and own a little over 3.5% of the company (across our funds) and continue to engage with management.

Contributors / Detractors (in GBP)

Largest Contributors	1- month contribution bps	% Weight
Toyota Industries	105	4.0
Dieteren	84	7.1
Rohto Pharmaceutical	40	4.5
Entain	33	3.6
Irish Residential	29	2.7
Largest Detractors	1- month contribution bps	% Weight
Gerresheimer AG	-88	5.7
Partners Group PE	-32	4.9
Harbourvest Global PE	-31	5.1
IAC	-30	0.0
Symphony	-26	1.9

16 May 2025

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