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INVESTOR

AVI Global Trust

Investment companies | Update | 4 August 2025

No shortage of targets

AVI Global Trust (AGT) offers a distinct investment proposition from its peers, focusing on opportunities to extract value from undervalued companies where structural reform could unlock value. The weighted average discount on the underlying portfolio is close to historically wide levels, reflecting a number of attractive opportunities that the manager has identified.

Activism in holdings such as Chrysalis, Gerresheimer, and Third Point Investors, and the ability to capitalise on "special situations" such as Vivendi (which may be on the cusp of unlocking significant shareholder value without AVI's intervention), suggest that AGT's strong run of performance can continue.

AGT has also initiated positions in Korean companies following recent regulatory reforms that aim to tackle entrenched corporate inefficiencies – echoing AVI's earlier successes in Japan (entrenched inefficiencies refer to long-standing issues such as cross-shareholdings, excess cash, or poor governance that inhibit value realisation).

Extracting value from discounted opportunities

AGT aims 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. It invests in quality assets held through unconventional structures that tend to attract discounts; these types of companies include holding companies, closed-end funds, and asset-backed special situations.

Sector	Global
Ticker	AGT LN
Base currency	GBP
Price	255.0p
NAV	280.3p
Premium/(discount)	(9.0%)
Yield	1.4%

"Korea's new president may mark a turning point in corporate governance and shareholder returns"

"AGT has already initiated a modest position in Korean equites"

"AVI believes that with the right reforms, Gerresheimer has the potential to more than double in the coming years."

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Contents

Domicile	England & Wales
Inception date	1 July 1889
Manager	Joe Bauernfreund
Market cap	1,065.0m
Shares outstanding (exc. treasury shares)	417,626,671
Daily vol. (1-yr. avg.)	766,581 shares
Net gearing	9.8%

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Click for AGT's peer group analysis

Analysts
James Carthew
jc@quoteddata.com
David Johnson
dj@quoteddata.com

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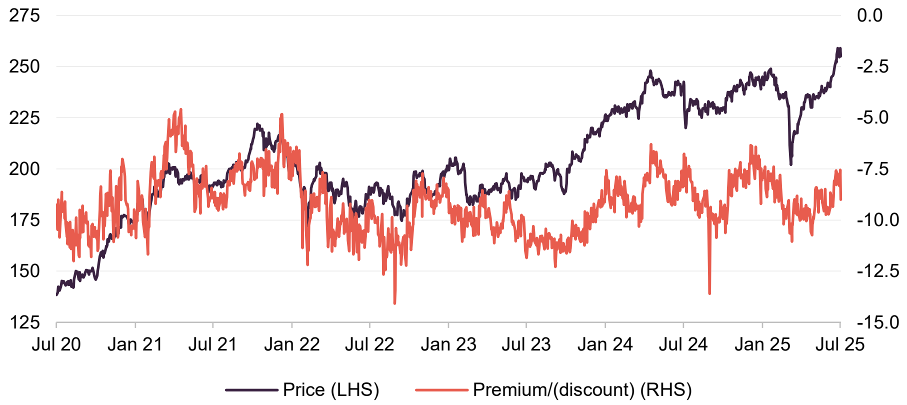
At a glance

Share price and discount

Given AGT's focus on discount opportunities, it is unsurprising that its board has tried to be proactive in managing the trust's own share price discount to NAV. The board continues use share buybacks during periods when it is deemed that the discount is unnaturally wide and when the board believes that buying back shares is in the best interests of shareholders. We would like to see it in single figures on a consistent basis, and would see a double-digit figure as a buying opportunity.

Time period 31/07/2020 to 01/08/2025

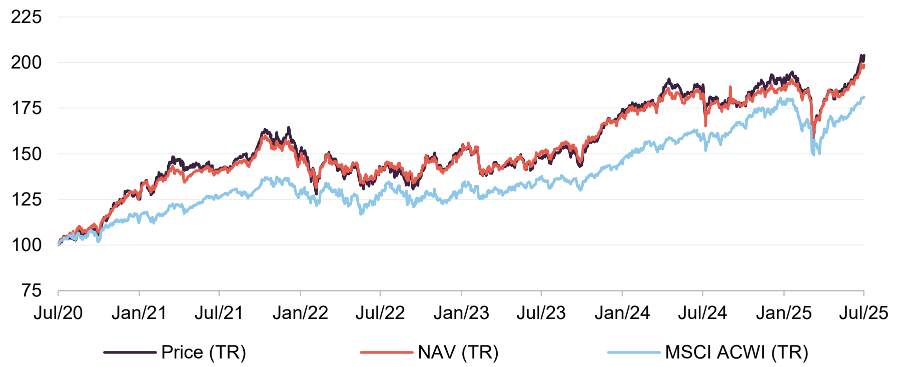


Source: Morningstar, Marten & Co

Performance over five years

AGT has comfortably outperformed global equites over the last five years. What is remarkable is that AGT has achieved this over a period when most active managers have struggled (as is evidenced in the peer group returns) and without holding any of the (largely US) mega-cap technology stocks which have been driving global markets. The influence of this small cohort of companies can be seen in the much-lower returns generated by

Time period 31/07/2020 to 31/07/2025



Source: Morningstar, Marten & Co

12 months ended	Share price total return (%)	NAV total return (%)	MSCI ACWI total return (%)	MSCI ACWI ex US total return (%)
31/07/2021	40.9	39.9	25.7	20.6
31/07/2022	1.6	1.8	2.3	(3.2)
31/07/2023	3.2	6.3	6.8	7.3
31/07/2024	27.2	19.9	15.5	8.4
31/07/2025	8.6	9.6	14.1	13.0

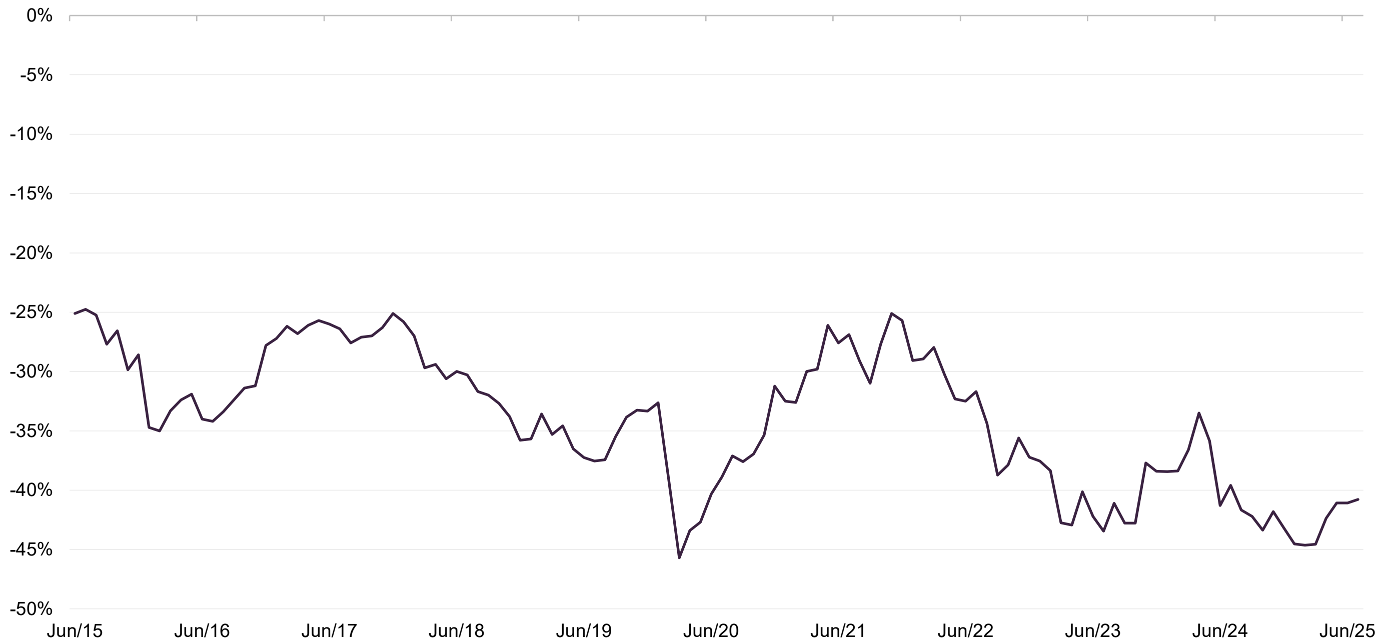
Source: Morningstar, Marten & Co

A wealth of attractive opportunities

AGT is, in essence, an activist value investor, focused on extracting value from stocks valued at a significant discount to Asset Value Investors's (AVI's) estimate of underlying net asset value. This approach offers shareholders a return profile that is clearly differentiated from peers, as well as exposure to a portfolio with a high active share relative to global benchmarks.

There have been some notable successes within the portfolio that have helped push AGT's NAV and share price to all-time highs. One might have thought that this would mean that the weighted average discount on AGT's portfolio would have narrowed meaningfully on the back of this, but until recently this has been close to the bottom end of its range over the past 10 years. This is because AVI has been busy recycling the portfolio into a number of new opportunities.

Figure 1: Weighted average discount on AGT's underlying portfolio



Source: AVI Global

Market backdrop

Whilst stock-specific factors such as discount narrowing are the major influence on AGT's returns, 2025 has nonetheless been marked by major macroeconomic headlines and increased market volatility. The chief cause of this has been President Trump's tariff pronouncements. The "Liberation Day" proposals announced on 2 April surprised markets; they represented the most punitive trade measures imposed by the US in over a century. The decision to put a 90-day pause on these proposals and the subsequent extension of this have alleviated some concerns. It helps, too, that some countries – such as the UK and Japan – have secured trade deals. The inflationary impact appears to have been muted by stockpiling of goods (where importers rush to buy products before tariffs apply), but the US Federal Reserve remains sufficiently wary of this to have paused interest rate cuts. Trump's attacks on its chair, Jerome Powell, have also unnerved bond investors (because political interference in central bank policy raises concerns about its independence and credibility).

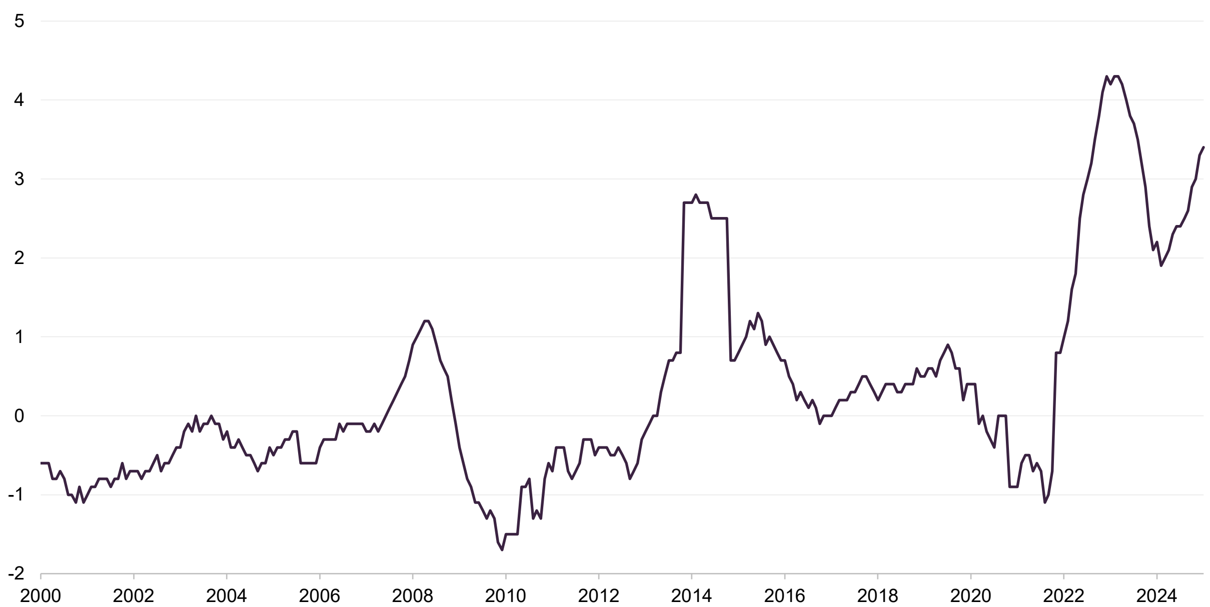
Fortunately, AVI's Tom Treanor notes that few of AGTs holdings had minimal direct exposure to the tariff issue. With one example being Toyota Industries, though this this was masked by a takeover bid for the stock, as discussed on page 13.

Another notable – and perhaps Trump-related – macroeconomic story this year has been a broad devaluation of the US dollar. The USD trade-weighted index has fallen fairly steadily throughout 2025. Relative to its benchmark index, AGT has an underweight exposure to US assets, which has been working in its favour. Markets in the UK, Europe, and Japan have outperformed the S&P500 over 2025. However, a resurgence of interest in AI-related stocks has driven the US index to new highs in recent weeks.

Japan

At the end of June 2025, 18% of AGT's portfolio was allocated to Japan. Whilst Japan continues to benefit from improvements in corporate governance (which can be read about in more detail here), it is also experiencing notable increases in inflation and interest rates.

Figure 2: Japan year-on-year CPI less energy and fresh foods



Source: Bloomberg

As shown in Figure 2, Japan has, for the first time in decades, experienced a sustained period of material inflation (exceeding 2%). This has brought with it a predictable rise in interest rates, but also a notable increase in purchases of equities, particularly by domestic investors.

Japanese households, who hold approximately 50% of their assets in cash (compared with 12% for Americans and 34% for Europeans), are increasingly being compelled to seek alternatives to preserve the purchasing power of their savings. This shift is driving greater participation in investment products, as inflation erodes the value of idle cash. Recent fund flow data already reflects this behavioural change, with households moving capital out of traditional bank deposits and internet savings accounts into equities and other risk assets (such as mutual funds, ETFs, or REITs, which typically carry higher return potential but also higher risk)

South Korea – AGT's newest frontier

Having long been an activist investor in Japan, AVI has recently turned its attention to a new frontier in corporate governance reform: South Korea.

Despite ranking as the world's 13th-largest economy by nominal GDP and the importance of Korean firms in the global economy, its equity markets remain largely irrelevant by global standards, accounting for less than 1% of the MSCI ACWI. Part of the problem is that it is classified as an emerging market, mainly because of restrictions on the convertibility of the Korean Won. This is one reason why stock market valuations are low, but another is poor corporate governance.

Korea's equity market is severely undervalued thanks to its family-controlled industries

AVI highlights that 70% of KOSPI-listed stocks trade below book value, with 40% trading at less than half their book value. In contrast, the respective figures for Japan, the US, and Europe are markedly lower.

Figure 3: Contrasting valuations of stocks on a price/book basis

	Percentage that are less than book value	Percentage that are less than half book value
South Korea	70	40
Japan	45	8
US	4	4
Europe	15	4

Source: AVI Global Trust

This persistent undervaluation – commonly referred to as the "Korea discount" – has become a defining feature of the market.

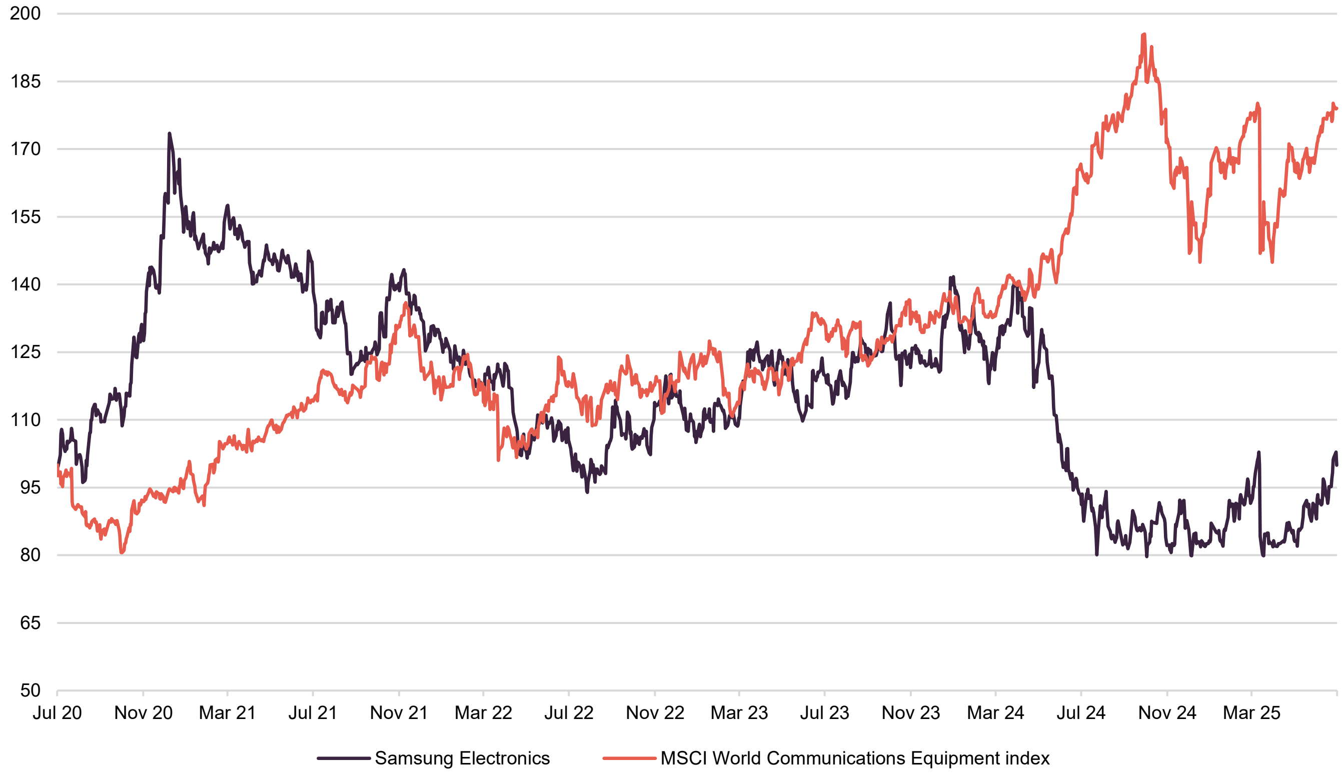
The roots of this discount can be traced to Korea's powerful chaebols, family-controlled conglomerates that dominate the corporate landscape through intricate cross-shareholding structures. Among dozens of such families, seven control groups with assets exceeding KRW100trn (about £54bn). These include globally recognised names such as Samsung, Hyundai, and LG, with the Jae-Yong family – which controls the Samsung group – being the largest.

Historically, these groups have resisted efforts to improve corporate governance or enhance the rights of minority shareholders, preserving family control and prioritising insider interests.

In Samsung's case, despite high-profile scandals (Lee Jae-yong, now executive chairman, was at one point jailed on charges of bribery, embezzlement, and concealment of criminal proceeds), activist campaigns and legal action have failed to loosen the family's grip.

Despite its central role in the global tech supply chain, Samsung has significantly underperformed its international peers over the past five years. This underperformance stems in part from a decline in its semiconductor competitiveness, particularly its failure to capture the surge in demand from AI developers, which has weighed heavily on earnings.

Figure 4: Samsung share price performance versus global peers



Source: Bloomberg

The opportunity today

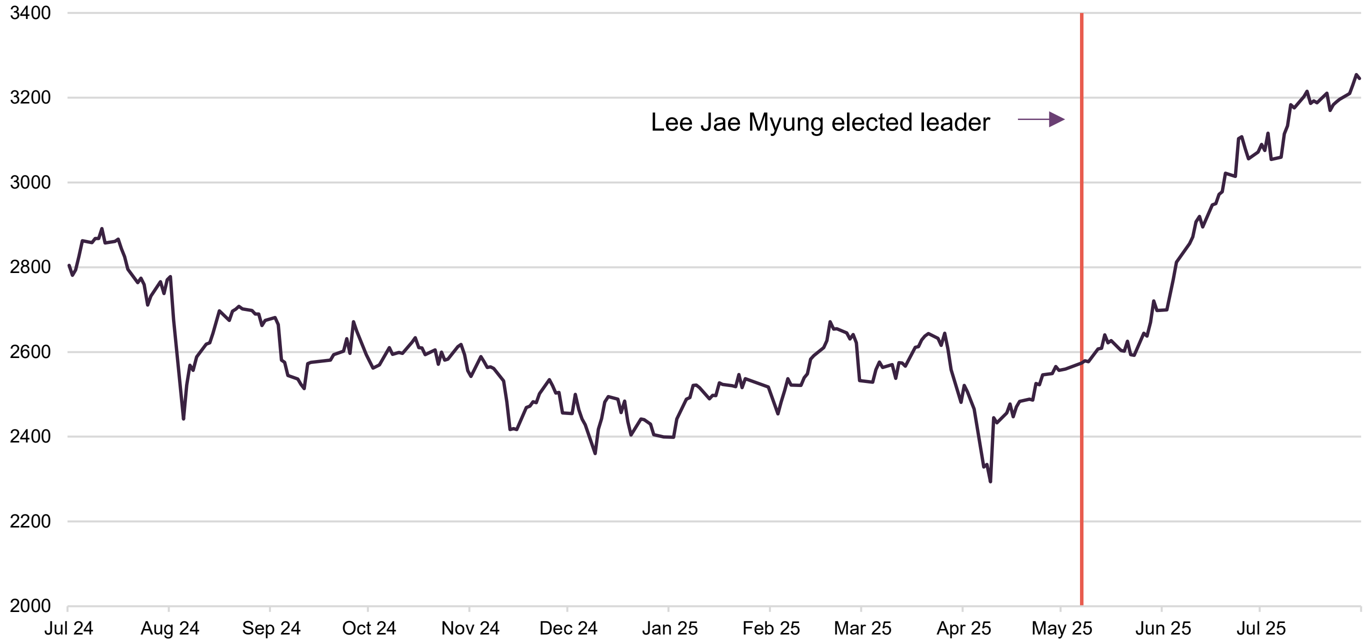
> Korea's new president may mark a turning point in corporate governance and shareholder returns

South Korea previously attempted to implement corporate governance reforms in February 2024, with the launch of the "Corporate Value-Up Program". Whilst this initiative initially prompted AVI to explore the region's potential, leading to an on-the-ground visit by the investment team, AVI ultimately concluded that the voluntary nature of the reforms was insufficient to challenge the entrenched power of the chaebols.

However, 2025 has marked a turning point, following the election of Lee Jae Myung after the impeachment of former president Yoon Suk Yeol. Lee has taken a notably more proactive stance on corporate reform, vowing to tackle the chaebol system and eliminate the "Korea discount" as part of his agenda.

He has gone so far as to set public targets for the KOSPI, aiming for the index to surpass 3,000 within the first six months of his term, and ultimately reach levels where it trades consistently above 5,000. As of 04 August 2025, the KOSPI stands at 3,148, already exceeding his initial benchmark.

Figure 5: KOSPI index performance over last 12 months



Source: Bloomberg

Lee has made measurable progress in strengthening corporate governance in Korea. In July 2025, his administration amended the Commercial Act – the legislation governing South Korean commerce, including the duties of corporate directors. The revision expands the fiduciary responsibilities of board members, explicitly requiring them to consider the interests of minority shareholders and to support efforts aimed at improving corporate valuations.

> There has already been a notable increase in shareholder activism in Korea

AVI notes that these changes could compel boards to adopt stronger independent oversight. In addition, further reforms are being pursued, including enhanced disclosure requirements proposed by the Financial Services Commission and planned tax system overhauls.

AVI also highlights that this wave of regulatory reform has been accompanied by a notable rise in shareholder activism. It says that the number of listed companies receiving shareholder proposals has risen from just 10 in 2020 to over 60 in 2024. Drawing on their experience in Japan, AVI emphasises that meaningful corporate change tends to occur when pressure comes from multiple stakeholders simultaneously.

AGT has already initiated a modest position in Korean equites

AVI's recent activity

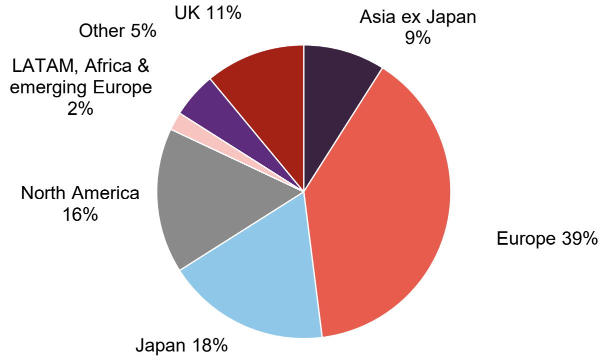
Although it remains early days for Korea's corporate governance reforms, AVI is already making efforts to capture the emerging opportunity. At the end of June 2025, AGT had 3% allocation across a select group of Korean companies, trading at an average 51% discount to their estimated intrinsic NAV, and expects AGT's exposure to the country will rise further.

These holdings also exhibit the typical attributes that have characterised some of AVI other investments: durable earnings that come with some form of protection (e.g. economic moats or competitive advantages), strong balances, an alignment of interest with key shareholders or families, and a focus on competent management teams. Whilst these attributes are typically associated with higher-quality companies, each also presents a tangible governance re-rating opportunity.

Asset allocation

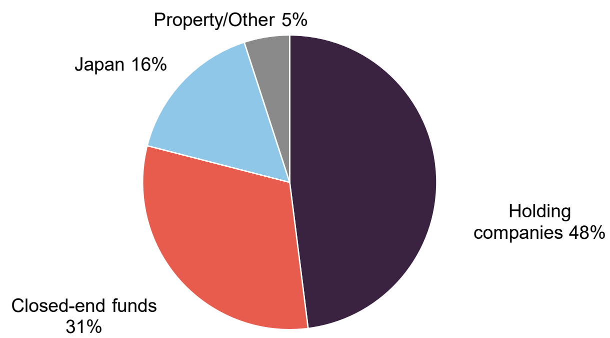
AGT's asset allocation is driven by the manager's stock selection decisions. Since we last published, using data from October 2024, the main shift in AGT's geographical position has been an increase in its European exposure, from 32% to 39%. This was matched by a corresponding reduction in AGT's North American exposure, down from 22% to 16% (reflecting either the sale of positions or underperformance relative to other regions, which lowers the proportional weighting within the portfolio).

Figure 6: AGT geographic breakdown as at 30 June 2025 as a percentage of NAV



Source: AVI Global Trust, Marten & Co

Figure 7: AGT portfolio exposure as at 30 June 2025 as a percentage of the portfolio



Source: AVI Global Trust, Marten & Co

AGT's portfolio exposures (Figure 7) are largely in line with the levels of our previous note. The noteworthy change is a 6% reduction in its exposure to Japan and a 4% increase in its holding company exposure.

Gearing was 9.8% at end June 2025

AGT's net gearing was 9.8% as of end June 2025, which is broadly in line with the 7.1% net gearing at the time of our previous note (which used data as of end September 2024). The level of AGT's gearing reflects the magnitude of the opportunity set presented to the manager, which is often determined by the extent of the discount their universe trades on, rather than changes in market sentiment.

Recent activism

Chrysalis

Figure 8: Chrysalis (GBP)

Source: Bloomberg

Chrysalis (CHRY) is a UK-listed private equity investment trust focused on providing access to growth-stage private companies. Like many peers in its sector, it currently trades at a wide discount, 30.7% at the time of writing.

AVI has increased its exposure to CHRY by 1.8% since our last update, in anticipation of forthcoming activist measures targeting the trust. Alongside other shareholders representing approximately 27% of the share register, AVI wrote to CHRY's board requesting that the trust's continuation vote be brought forward by one year, to be held at the 2026 AGM. While additional shareholders expressed support for the initiative, some were unable to formally endorse AVI's letter.

In response, CHRY's board proposed a resolution at the 2026 AGM to reaffirm its existing capital allocation policy. If this resolution fails to pass, no new investments will be made prior to the 2027 AGM, when the formal continuation vote will take place – effectively turning the 2026 vote into a de facto vote of confidence in the trust's current strategy.

CHRY recently announced a decent uplift to its NAV, which has helped drive the share price higher to AGT's benefit.

Gerresheimer

Figure 9: Gerresheimer (EUR)

Source: Bloomberg

Gerresheimer is a German-listed conglomerate currently undertaking a strategic review. The company is comprised of a Moulded Glass packaging business (under-review) and a pharmaceutical primary packaging business (the core). The latter designs and manufactures a range of Containment Solutions ("getting drugs to the patient") and Delivery Systems ("getting drugs into the patient").

AVI believes significant value can be unlocked through divesting the non-core operations and focusing the company around its pharmaceutical segment. This latter business enjoys strong underlying growth and benefits from an attractive industry structure and margins, whilst the former is lower growth and more capital intensive (requiring higher investment to maintain or expand operations).

In February 2025, management disclosed preliminary talks with a private equity consortium regarding a potential sale. However, in April, global private equity firm KKR announced it was withdrawing from the bidding group. Despite the initial interest, Gerresheimer's share price has declined materially over the course of 2025, following revised revenue and profit guidance, attributed to softness in the cosmetics and liquid medications markets.

AVI believes the company's current valuation discount is unjustified. Given continued private equity interest, there is a risk the business could be sold at a price that does not reflect its underlying value. AVI has written to the board, urging immediate measures to restore market confidence and improve shareholder returns.

Specifically, AVI is calling for:

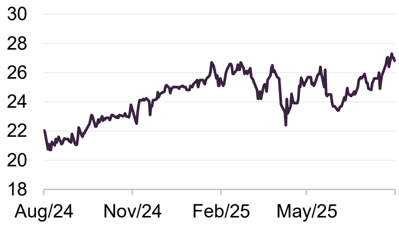
- the appointment of new financial leadership, with a new CFO seen as critical to restoring credibility and deterring opportunistic private equity bids;

- the creation of a capital allocation committee to support debt reduction and reinvestment into the core pharmaceutical business; and
- a swift divestment of the underperforming Moulded Glass division.

AVI believes that with the right reforms, Gerresheimer has the potential to more than double in the coming years.

Third Point Investors

Figure 10: Third Point Investors (GBP)



Source: Bloomberg

UK-listed hedge fund Third Point Investors (TPOU) has been the focus of ongoing engagement by AVI, which first issued a public letter to the board in July 2021, urging steps to improve shareholder returns. Whilst AVI's initial concerns centred on weak performance and an opaque structure, the situation took a surprising turn in 2025.

In May 2025, Third Point announced plans to restructure itself into a reinsurance platform by reversing into Malibu Life Reinsurance, a US-based reinsurer focused on the fixed annuity market (a segment of the insurance industry where insurers guarantee fixed income payments to policyholders, often in retirement). As part of the proposed transaction, existing shareholders were offered a partial liquidity event, at an unattractive price.

AVI has strongly opposed the proposed restructuring, describing it as an "odious related-party deal" and a "poster child for appalling corporate governance". AVI has joined other shareholders (representing a total 14% of the outstanding shares) to fight for a "fair deal" for TPOU's investors, with the group's response detailed here.

Several concerns have been raised by AVI and the wider market regarding Third Point's attempted reinvention, including:

- Third Point Reinsurance (now named SiriusPoint) has delivered annualised returns of less than 4% since its launch in 2013 - only marginally ahead of the UK 10-year gilt yield, which averaged around 2% over the same period. This performance calls into question the value creation prospects of the proposed strategic shift.
- The proposed transaction presents significant conflicts of interest. Notably, Dimitri Goulandris, who led the strategy review that resulted in the merger proposal, is expected to chair the newly combined entity. Meanwhile, Dan Loeb, manager of Third Point, has already declared his intention to vote his 25% stake in favour of the deal. Whilst he is a major shareholder, he has a vested interest in maximising assets under management and may not be acting in the best interests of all shareholders. Given this, AVI believes that there should be a vote of independent shareholders (i.e. excluding Third Point) to approve the transaction.
- AVI also believes that the size and pricing of the proposed exit tender are inadequate. Third Point initially proposed a $75m tender offer, at a 12.5% discount to NAV – though given the negative response from shareholders, they have now increased the tender offer to £100m at a 4.8% discount to NAV. Despite the improvement, AVI's view has not changed; that the proposed shift in strategy represents a fundamental change to the trust's investment profile, and as such, investors should be offered a full exit at NAV.

- In AVI's view, the transaction will effectively see Third Point handed control of the company without making a bid for it. AVI is continuing to engage with the regulators and TPOU's board as to ensure that shareholders receive the best outcomes (i.e. that any major structural changes are subject to appropriate scrutiny and shareholder approval, and not implemented unilaterally).

Top 10

AGT's current top 10 is presented below. Compared to the data used in our last note, there have been three noteworthy new entrants: Gerresheimer, Vivendi, and HarbourVest Global Private Equity – the latter two being described below. Note that Aker, while a new entrant, has long been one of AGT's major positions, and frequently a top 10 holding for AGT.

Figure 11: 10 largest holdings at 30 June 2025

Holding	Industry	Country/region	Percentage of NAV 30/06/25 (%)	Percentage of NAV 31/10/24 (%)	Change (%)
Chrysalis Investments	Closed-end Fund	UK	7.8	5.4	2.4
D'Ieteren	Holding company	Belgium	7.3	9.6	(2.3)
News Corp	Holding company	US	7.0	8.3	(1.3)
Vivendi	Media	France	6.6	-	6.6
Gerresheimer AG	Holding company	Germany	5.3	-	5.3
Oakley Capital Investments	Closed-end Fund	UK	5.1	6.5	(1.4)
Harbourvest Global PE	Closed-end Fund	UK	5.1	3.3	1.8
Partners Group PE[1]	Closed-end Fund	UK	4.8	5.4	(0.6)
Cordiant Digital Infrastructure	Closed-end Fund	UK	4.7	5.0	(0.3)
Aker	Oil & gas	Norway	4.5	3.9	0.5
Total			58.2	60.1	

Source: AVI Global Trust. Note 1) Formerly Princess Private Equity

Vivendi

Figure 12: Vivendi (EUR)

Source: Bloomberg

Vivendi is a French media and entertainment conglomerate that now operates primarily as an investment holding company, with a portfolio of seven media-related businesses. In December 2024, the firm completed a four-way split, spinning off Canal+ (pay-TV), Havas (advertising), and the Louis Hachette Group (publishing), all of which were listed as separate public entities.

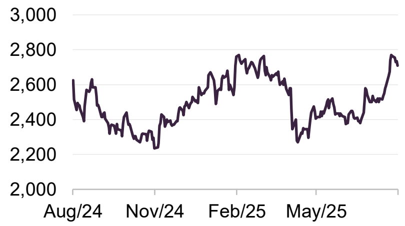
As a result, Vivendi now functions largely as a holding vehicle for listed equity stakes, with only one of its seven investments being a wholly owned private company. The bulk of Vivendi's residual value is attributed to its 10% stake in Universal Music Group.

AVI believes that Vivendi has little reason to exist, with the company trading at a market capitalisation of approximately half its estimated NAV. This substantial discount, in AVI's view, positions Vivendi as low-hanging fruit for activist intervention and may signal that a full wind-up of the company is only a matter of time.

One potential route for realising value, according to Tom, lies with Vincent Bolloré, Vivendi's largest shareholder, who controls approximately 30% of the company. Were Bolloré to pursue a squeeze-out of minority shareholders via share buybacks, he could secure majority backing for a take-private transaction at a premium to the current share price, delivering value to all shareholders while consolidating control.

HarbourVest Global Private Equity

Figure 13: HVPE (GBP)



Source: Bloomberg

HarbourVest Global Private Equity (HVPE) is a UK-listed private equity investment company that provides access to funds managed by HarbourVest Partners. HVPE forms part of AGT's broader allocation to listed private equity, but is considered a particularly noteworthy position, with the AVI team recently increasing their exposure.

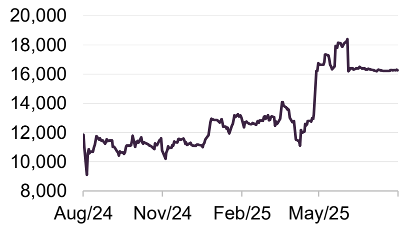
Like many peers in the listed private equity space, HVPE trades at a significant discount to NAV currently 35%. However, what distinguishes HVPE is its upcoming continuation vote, scheduled for its 2026 AGM (typically held in July).

Given the persistent nature of the discount and the board's continued failure to address or close it, Tom believes it is now in shareholders' best interests to vote in favour of a wind-up. He argues that HVPE is effectively facing a "perform or wind-up" scenario, and in the absence of meaningful improvement in recent NAV performance or in the discount, the case for continuation is increasingly difficult to justify.

Other noteworthy portfolio moves

Toyota Industries

Figure 14: Toyota Industries (JPY)



Source: Bloomberg

Toyota Industries is a nearly-century-old Japanese machinery manufacturer and a historic cornerstone of Japan's post-war industrial recovery. It is also the original parent company of Toyota Motor Corporation. On 3 June 2025, Akio Toyoda – the grandson of the founder and current chairman – announced a proposal to take the company private, offering a total consideration of $33bn.

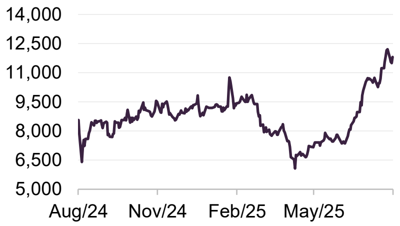
The transaction, which would rank among the largest take-private deals in history, is structured through a special purpose vehicle backed by funding from Toyoda Fudosan, Toyota Motor Corporation, and a modest personal contribution from Akio Toyoda himself.

However, the proposed offer price of JPY16,300 per share represented an 11% discount to Toyota Industries's share price on the day of announcement. Tom noted that this valuation was barely above the company's accounting book value, and approximately a 35% discount to its estimated intrinsic value (the perceived true worth of a company based on fundamentals rather than market price). As the deal remains subject to shareholder approval, Tom believes there is a possibility that the offer price may be revised higher to secure sufficient support.

AVI cut AGT's exposure to Toyota Industries by 50% by the end of June, from 4% of NAV to 2%, selling at a premium to the offer price, with Toyota Industries trading at c. JPY18,000 per share over May, though it has since fallen to the offer price.

SoftBank Group

Figure 15: SoftBank Group (JPY)



Source: Bloomberg

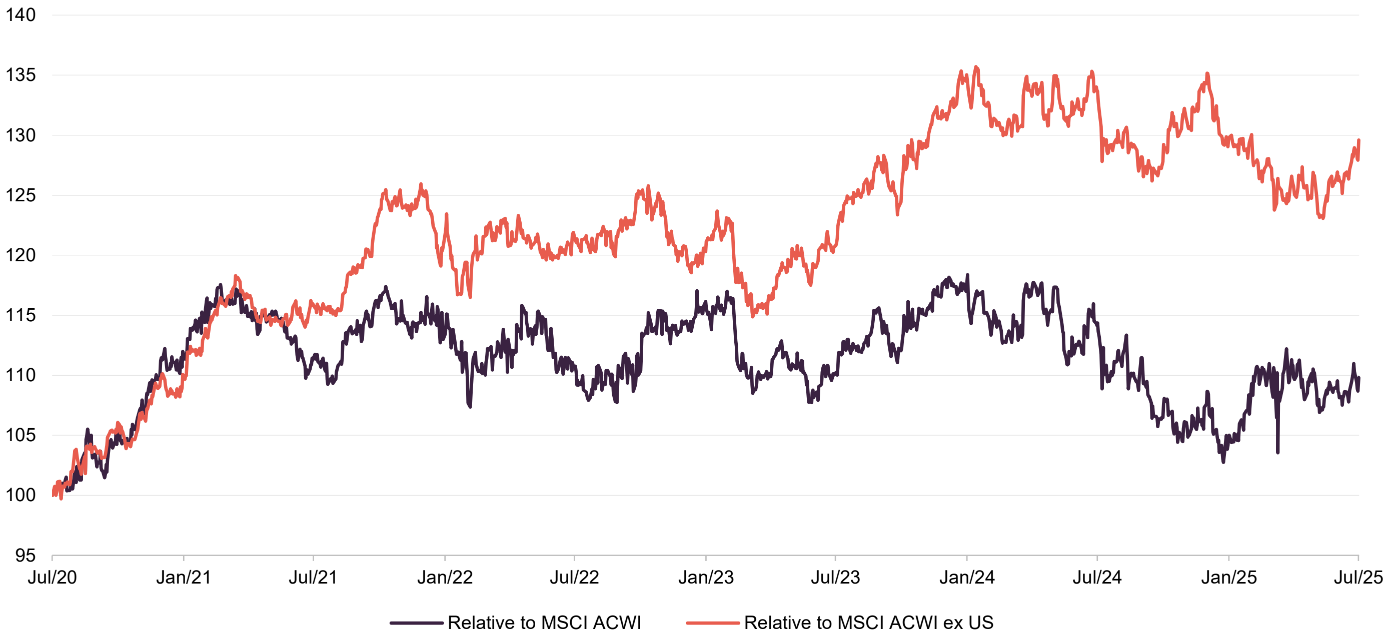
AGT has fully exited its position in SoftBank since our last update, having previously held a 5.8% weighting, making it the trust's fourth-largest holding at the time. SoftBank, one of Japan's largest publicly listed companies, is closely aligned with the interests of its founder and largest shareholder, Masayoshi Son, who owns approximately one-third of the company. Whilst SoftBank holds stakes across the energy, financial, and technology sectors, it is best known for its flagship Vision Fund - the world's largest technology venture fund (focused on large-scale investments in innovative tech startups and growth companies).

AVI sold AGT's position in SoftBank for two key reasons. First, to raise capital for more attractive opportunities during the April 2025 market sell-off, and secondly, due to a deterioration in the investment case, particularly related to a strategic shift at SoftBank.

Tom cited the group's increasingly unconstrained approach to AI investing, which signals a reduced emphasis on shareholder returns, particularly in the form of buybacks – previously a key part of the investment thesis.

Performance

Figure 16: AGT NAV total return performance versus objective over five years ending 31 July 2025



Source: Morningstar, Marten & Co

Over the five-year period ended 31 July 2025, AGT delivered outperformance of its MSCI ACWI benchmark, with an NAV total return of 98.8%, comfortably surpassing the 81.0% return of the MSCI ACWI.

What is remarkable is that AGT has achieved this over a period when most active managers have struggled (as is evidenced in the peer group returns) and without holding any of the (largely US) mega-cap technology stocks which have been driving global markets. The influence of this small cohort of companies can be seen in the much-lower returns generated by AGT's former benchmark, the MSCI ACWI ex US index, relative to the MSCI ACWI.

Figure 17: Total return cumulative performance over various time periods to 31 July 2025

	3 months (%)	6 months (%)	1 year (%)	3 years (%)	5 years (%)
AVI Global Trust share price	15.1	6.4	8.6	42.5	104.0
AVI Global Trust NAV	12.0	5.9	9.6	39.6	98.8
MSCI ACWI	13.0	1.3	14.1	40.8	81.0
MSCI ACWI ex US	8.8	6.1	13.0	31.3	53.4
Peer group[1] median share price	13.1	(0.1)	6.8	29.4	30.7
Peer group[1] median NAV	11.5	0.1	9.6	35.1	57.1

Source: Morningstar, Marten & Co. Note 1) peer group is defined below

Peer group

Up-to-date information on AGT and its peers is available on our website

AGT is a constituent of the AIC's Global sector, which is comprised of trusts investing predominantly in listed equites.

Despite its long-term track record, AGT's discount remains towards the lower end of the peer group table. We feel that AGT's discount is unjustified, but note that some peers have adopted more aggressive discount control mechanisms such as Alliance Witan, Mid Wynd, and Franklin Global.

AVI's dividend yield sits in the middle of the pack, though none of these trusts are focused on providing a high dividend yield. Its market cap also sits in the middle of the group, though at over one billion pounds, AGT is still one of the largest listed equity investment trusts.

AGT's ongoing charges is the highest amongst its peers, but not high in the context of the wider investment company sector. The manager's investment approach is more hands-on than that of most equity investors, and this is reflected in the fees that it charges.

Figure 18: Peer group comparative data as at 1 August 2025

	Premium / (discount) (%)	Dividend yield (%)	Ongoing charge (%)	Market cap (£m)
AVI Global Trust	(9.0)	1.4	0.87	1,065
Alliance Trust	(4.4)	2.1	0.56	4,954
Bankers	(10.2)	2.3	0.51	1,251
Brunner	(4.3)	1.8	0.63	602
F&C	(6.7)	1.3	0.45	5,571
Franklin Global	(2.0)	1.2	0.65	190
Lindsell Train	(12.9)	5.0	0.80	168
Manchester & London	(16.5)	1.6	0.47	337
Mid Wynd	(2.3)	1.1	0.60	292
Monks	(9.5)	0.0	0.44	2,447
Scottish Mortgage	(9.0)	0.4	0.31	12,280
Sector median	(9.0)	1.4	0.56	1,065
AGT rank	7/11	6/11	11/11	6/11

Source: Morningstar, Marten & Co

AGT has generated the highest five-year NAV returns of any global equity trust and even ranks in second over three years; it also in the middle of the pack over one year. Manchester & London's standout returns in recent years reflect its extreme bet on AI.

Figure 19: Peer group cumulative NAV total return data as at 31 July 2025

	3 months (%)	6 months (%)	1 year (%)	3 years (%)	5 years (%)
AVI Global Trust	12.0	5.9	9.6	39.6	98.8
Alliance Trust	11.5	(1.6)	8.1	38.0	77.9
Bankers	13.9	1.6	11.0	29.8	57.1
Brunner	9.5	(0.5)	6.8	35.1	89.1
F&C	11.4	0.1	14.0	39.3	85.2
Franklin Global	10.7	(4.1)	0.7	14.6	19.2
Lindsell Train	(1.6)	(6.0)	0.5	(0.4)	9.1
Manchester & London	48.2	22.5	39.5	134.3	95.9
Mid Wynd	7.8	(5.8)	0.1	13.6	37.2
Monks	19.4	1.7	17.6	37.7	46.1
Scottish Mortgage	18.4	3.3	30.3	34.9	45.5
Sector median	11.5	0.1	9.6	35.1	57.1
AGT rank	5/11	2/11	6/11	2/11	1/11

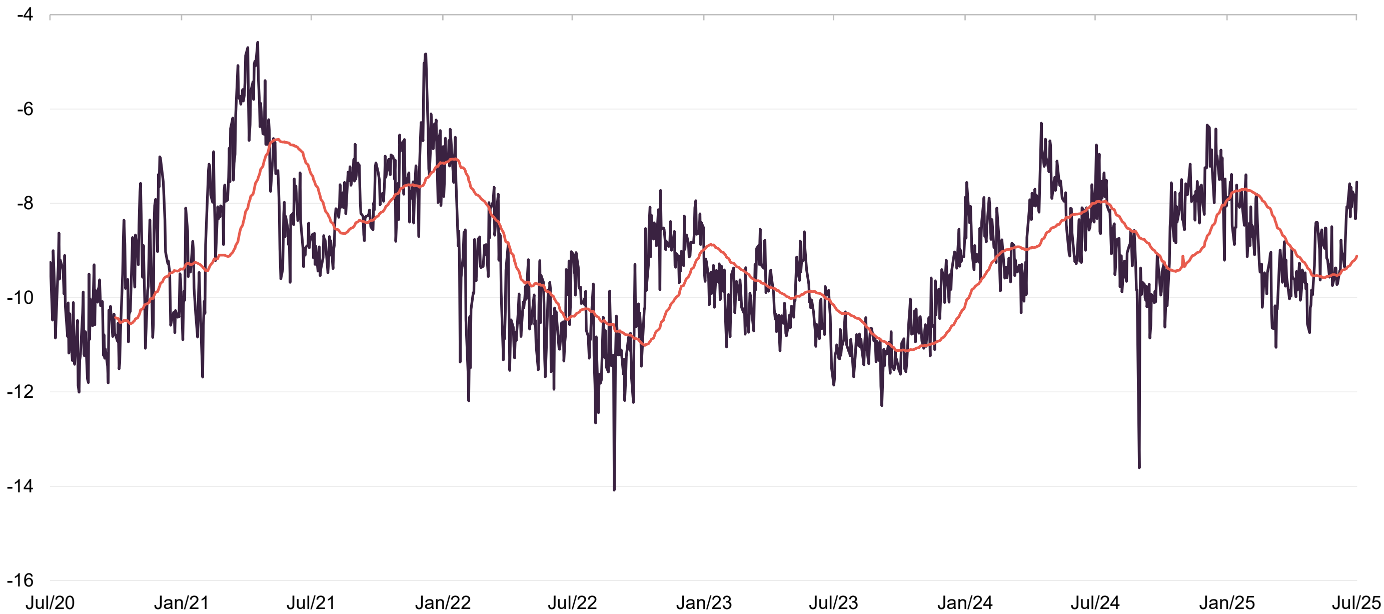
Source: Morningstar, Marten & Co

AGT is perhaps the closest the sector has to a 'value' stye of investing. Whilst AGT's portfolio is a far cry from that of a conventional value portfolio (which tends to be weighted to sectors such as banks and energy), the team's focus on discount opportunities means its portfolio still trades on an overall lower valuation than its peers. AGT is also the only one of its peers to include activism as a method of generating returns and, therefore, its returns are more likely to deviate from index benchmarks and the rest of the peer group.

Premium/discount

Over the 12-month period ended 31 July 2025, AGT's share price discount to NAV has moved between a range of 13.6% to 6.3% and averaged 8.8%. As of 1 August 2025, the company's discount was 9.0%.

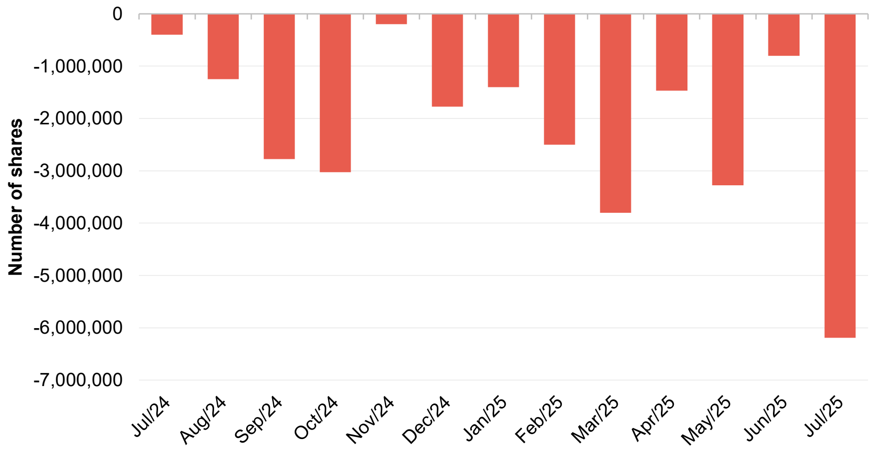
Figure 20: AGT premium/discount over five years to end July 2025



Source: Morningstar, Marten & Co

Given AGT's focus on discount opportunities, it is unsurprising that its board has tried to be proactive in managing the trust's own discount. The board continues to manage its discount via share buybacks during periods when it is deemed that the discount is unnaturally wide and when the board believes that buying back shares is in the best interests of shareholders. We would like to see it in single figures on a consistent basis, and would see a double-digit figure as a buying opportunity.

Figure 21: Number of shares repurchased by month



Source: AVI Global Trust

Fund profile

Holding companies, closed-end funds, and asset-backed special situations

AGT aims 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. It invests in quality assets held through unconventional structures that tend to attract discounts; these types of companies include family-controlled holding companies, closed-end funds, and asset-backed special situations such as asset-rich Japanese operating companies.

The company compares itself to the MSCI All Country World Total Return Index, expressed in sterling terms, for performance measurement purposes. It is worth noting that the performance benchmark has no influence over portfolio construction and that AGT's active share is always likely to be close to 100%.

AGT's AIFM is Asset Value Investors (AVI). AVI was established in 1985, when the trust's current approach to investment was adopted. At that time, AGT had assets of just £6m and was known as the British Empire Securities and General Trust, later shortened to British Empire Trust. The trust adopted its current name on 24 May 2019.

SWOT analysis

Figure 22: SWOT analysis for AGT

Strengths	Weaknesses
AGT has generated long-term outperformance versus global equities despite holding none of the mage-cap tech stocks	Can exhibit a higher than market beta during selloffs
AVI's activism and overall investment philosophy can generate sudden, idiosyncratic returns, which are more valuable given recent market volatility	Activism may not always result in positive outcomes
Offers a unique approach to 'value' investing, providing investors with a source of diversification	Ongoing charges ratio is higher than that of peers due to the increased cost of activist investing
Opportunities	**Threats**
Offers investors several near-term return opportunities thanks to its pipeline of activist activity	High concentration in some holdings (i.e. above 5%) – which may drag on trust if AVI's theses do not play out
Its wide double discount and the possibility of a near-term rebound in performance present an attractive entry point	Ongoing global uncertainty could continue to drag on the valuations of AVI's holdings, and may complicate current buyout activity
AVI's initial investment in Korea represents a new frontier of corporate governance reform – and potential returns	Recent rally in US technology stocks may compromise AGT's relative outperformance

Source: Marten & Co

Bull vs. bear case

Figure 23: Bull vs bear case for AGT

Aspect	Bull case	Bear case
Performance	If AGT's current opportunities play out, then there may be significant medium-term upside	AGT's portfolio is concentrated on activist opportunities; failure to achieve a positive outcome could result in near term underperformance, or even losses
Dividends	AGT's primary focus is capital growth – though it does pay a modest dividend with a current yield of 1.4%	N/A
Outlook	AGT's portfolio discount is historically wide, which could be a precursor to further strong performance	Ongoing uncertainty (e.g. due to Trump's tariffs) may weigh on the demand for holding companies and private equity
Discount	Whilst AGT's current discount remains broadly in-line with its long-term average, its 'double discount' is much wider – and an attractive valuation opportunity	If we see a resurgence in tech stocks, or other style-specific momentum, then it may weigh on the demand for AGT

Source: Marten & Co

Previous publications

Readers interested in further information about AGT may wish to read our previous notes listed below. You can read them by clicking on the links in Figure 24 or by visiting our website.

Figure 24: QuotedData's previously published notes on AGT

Title	Note type	Date
Double discount on quality-focused portfolio	Initiation	25 January 2021
Focused high conviction portfolio	Update	5 August 2021
Bargain hunting	Annual overview	20 May 2022
Doubly blessed	Update	8 March 2023
An historic opportunity	Annual overview	21 November 2023
Thriving under pressure	Update	6 June 2024
Building on solid foundations	Annual overview	5 December 2024

Source: Marten & Co

Hear about the fund

QuotedData
BY MARTEN & CO

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50 Gresham Street, London EC2V 7AY
0203 691 9430

www.QuotedData.com

Registered in England & Wales number 07981621,
2nd Floor Heathmans House,
19 Heathmans Road, London SW6 4TJ