

Manager's Comment

AVI Global Trust (AGT)'s NAV rose by +1.1% in September, driven by a combination of underlying NAV increases and discount narrowing. Currencies detracted modestly from returns. For the financial year (AGT's year ends in September), NAV rose by +2.1%. Major contributors in September include the Japan Special Situations Basket, Third Point Offshore Investors, and Pershing Square Holdings. Detractors include Riverstone Energy, Jardine Strategic, and Oakley Capital.

The Japan Special Situations Basket was AGT's single-largest contributor, adding +61 basis points (bps) to returns – marking a significant change from August, when the basket was the largest detractor. Japanese equity markets recovered from the sell-off in August, with the TOPIX and TOPIX Small both posting returns of +6% over the month. While the basket's performance has been lacklustre over the past year – declining -2.7 in GBP% – we continue to believe that our investment thesis remains intact. Business attitudes in Japan towards corporate governance and capital allocation are coming under pressure from the Abe administration, and we believe that this is increasing the probability that overcapitalised companies will begin to distribute excess capital to shareholders, or put it to more productive use. While the process is slow – as all evolutions are – we note that we continue to see evidence of changes in attitudes, including increased payout ratios, higher numbers of independent directors, better voting at AGMs, and more activist shareholders taking stakes in Japanese companies. Buybacks for the 6 months to September 2019 totalled JPY5 trillion – an increase of +96% over the same period last year. Our conviction in this theme remains high, as evidenced by the basket's 18% weight in AGT.

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In large part due to our engagement with the Board and Manager, Third Point Offshore Investors (TPOU) has been introducing various measures to address the discount over the past 18 months. The changes include a move to a Premium Listing, a buyback programme, the cancellation of TPOU shares held by the Master Fund, a reduction in management fee from 2% to 1.25%, and the appointment of a new well-regarded Chairman.

The latest initiative announced in September is a buyback programme to purchase up to USD200 million (almost a third of the pre-announcement market cap) of its own shares over three years. The Chairman has also made a public commitment to consult with shareholders on alternative measures after three years if insufficient progress on the discount has been made. The market took the news well, with the share price rising by +7% on the day of the announcement. Overall the share price was up +8%, adding 34bps to returns. The discount has tightened to 19% (from 26%) over the month.

Riverstone Energy (RSE) was the largest detractor with its share price falling by -16%. RSE has had a difficult year, with the price of West Texas Intermediate falling by -26%, which has impacted the valuations of its holdings. Unlisted holding

Investment Objective: To achieve capital growth through a focused portfolio of investments, particularly in companies whose share prices stand at a discount to estimated underlying net asset value.

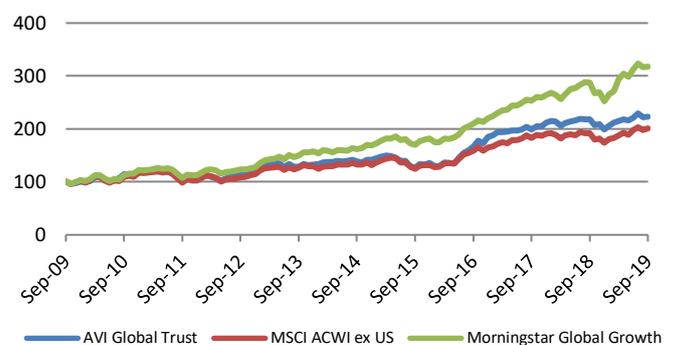
Performance Total Return

This investment management report relates to performance figures to 30 September 2019.

Share Price (pence)	747.0
NAV (pence)	838.3
Premium / (Discount)	(10.9)

	Month	Financial Yr* to date	Calendar Yr to date
AGTNAV ¹	1.1%	2.1%	14.2%
MSCI ACWI Ex US ³	1.4%	4.5%	15.3%
MSCI ACWI Ex US Value ¹	2.9%	1.1%	10.5%
MSCI ACWI ¹	0.9%	7.8%	21.6%
Morningstar Global Growth ¹	-0.5%	6.5%	21.5%

Performance Total Return SEP 2009 - SEP 2019



Top Ten Equity Holdings

Holding	%
Japan Special Situations**	18.4
Pershing Square Holdings [#]	9.8
Oakley Capital Investments	5.8
Third Point Offshore Investors	5.3
Sony Corp	5.2
EXOR	4.9
Eurocastle Investment	4.6
Fondul Proprietatea	4.4
Jardine Strategic	4.4
Symphony International	4.2
TOTAL	67.0

* 40% of this position (4% of NAV) is hedged, partially reducing AGT's overall exposure to Pershing Square Holdings

Hammerhead, RSE's largest investment at 20% of NAV, has been affected by government production caps placed on companies such as Hammerhead that operate in Western Alberta. Listed holding Centennial Development Resources (CDEV), where the share price has fallen by -79%, has been hit by the declining oil price, and management's decision to dial down aggressive production growth plans.

While the move is sensible insofar as it keeps oil in the ground while the price is low, it also delays CDEV's breakeven profitability until at least 2022 (management guided for 2020 previously). Overall, RSE's holdings are valued at a multiple of investment cost (MOIC) of 0.9x, compared to 1.4x a year ago.

While we would not want to pre-judge the Board's announcement that it has been evaluating measures to reduce the company's discount, we believe that aggressive structural solutions will be required to sustainably narrow the discount and we continue to engage with the Board and management of RSE in order to achieve a satisfactory outcome for all parties.

Oakley Capital Investments reduced returns by 24bps over the month, driven primarily by a widening of the discount from 27% to 29% as the share price fell by -5%, a disproportionate move on a handful of sell orders. In August, Fund III made its final investment, putting EUR15 million into Alessi, an Italian luxury consumer goods brand with a 130-year history. We view the investment as an exciting one, with many branches of low-hanging fruit to be harvested, including an expansion into Asia where consumers are increasingly affluent, and a revamp of the brand's website to increase online sales. Time Out (TMO, 15% of NAV) conducted a placing just after the month-end, raising GBP17 million of equity at a slight premium to the prevailing share price. We regard the placing as a positive event, as it will help to reduce TMO's debt load and provide funding for the continued roll-out of the 'Market' concept in Europe, the Middle East and the US. Overall, at the current discount of 29% and with excellent prospects for above-average NAV growth, we continue to view OCI as a compelling investment.

Statistics

	Value	% 1 mo	% 1 yr	% 3 yr	% 5 yr
Price (£) TR ²	747.0	1.0	-0.4	32.4	61.0
Net Asset Value TR ¹	838.3	1.1	2.1	33.5	60.3
MSCI ACWI ex US TR ³		1.4	4.5	26.7	51.8
MSCI ACWI ex US Value ¹		2.9	1.1	22.9	37.5
MSCI ACWI TR ¹		0.9	7.8	41.1	86.1
Morningstar Global Growth TR ³		-0.5	6.5	51.2	107.7

Fiscal Yr Total Returns (%)	2019	2018	2017	2016	2015
Price ¹	-0.4	12.0	18.7	34.3	-9.5
Net Asset Value ¹	2.1	10.0	18.8	31.0	-8.3
MSCI ACWI ex US (£) ³	4.5	5.2	16.3	28.0	-5.6
MSCI ACWI ex US Value ¹	1.1	3.9	18.4	25.5	-9.8
MSCI ACWI ¹	7.8	13.5	15.5	31.3	0.4
Morningstar Global Growth ³	6.5	16.7	21.3	26.9	3.7

Capital Structure

Ordinary Shares	116,003,133
Shares held in Treasury	5,877,465
4.184% Series A Sterling Unsecured Note 2036	£30,000,000
3.249% Series B Euro Unsecured Note 2036	€30,000,000
2.930% Unsecured Note 2037	€20,000,000
1.031% [#] JPY Revolving Credit Facility	¥4,000,000,000

Gross Assets/Gearing

Gross Assets	£1bn.
Debt par value	£104mil.
Actual Gearing (Debt less cash divided by net assets)	4.2%

- 1 Source: Morningstar. All NAV figures are cum-fair values.
 2 Source: Morningstar. Share price total return is on a mid-to-mid basis, with net income re-invested.
 3 From 1st October 2013 the lead benchmark was changed to the MSCI ACWI ex US (£) Index. The investment management fee was changed to 0.7% of net assets and the performance related fee eliminated.
 * AVI Global Trust financial year commences on the 1st October. All figures published before the fiscal results announcement are AVI estimates and subject to change.
 ** A basket of 18 stocks: Daiwa Industries, Fujitec Co, Kanaden Corp, Kato Sangyo Co, Konishi Co, Mitsubishi Belting, Nakano Corp, Nishimatsuya Chain Co, NuFlare Technology, Pasona Group, Sekisui Jushi Corp, SK Kaken, Tachi-S Co, Teikoku Sen-I Co, Toagosei Co, Toshiba Plant Systems & Services, Digital Garage, Nissan Shatai
 # Fixed all-in rate for first six months (to 7th November 2019)

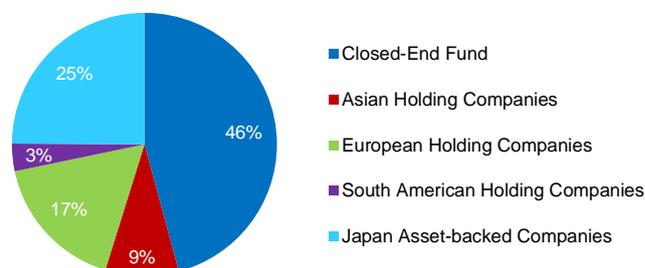
Contributors / Detractors (in GBP)

Largest Contributors	1 month contribution bps	Percent of NAV
JAPAN SPECIAL SITUATIONS**	61	18.4
THIRD POINT OFFSHORE	34	5.3

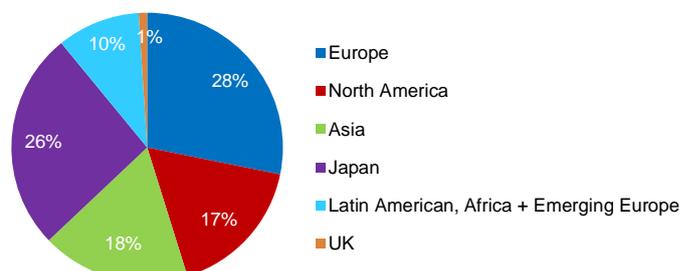
Largest Detractors	1 month contribution bps	Percent of NAV
RIVERSTONE ENERGY	-47	2.5
JARDINE STRATEGIC	-31	4.4

[#]AVI estimate. Previously, this breakdown was calculated by assigning one region to each portfolio company held by AGT. From the 31-Dec-16 newsletter onwards, this is calculated using the estimated multi-regional exposure for each portfolio company. For listed underlying holdings, the country of listing is used; for unlisted underlying holdings, the exposure is typically assigned according to the country where a majority of sales are made.

Sector Breakdown (% of invested assets)



Risk Region Breakdown



Further Information

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The share price can be found under 'INVESTMENT COMPANIES' in The Financial Times, The Times, The Daily Telegraph, The Scotsman and The Evening Standard.

Information may be found on the following websites.

www.aviglobal.co.uk or
www.assetvalueinvestors.com

IMPORTANT INFORMATION

Risk Factors you should consider before investing

Investment in the AVI Global Trust plc (the "Trust") carries risks, which are more fully described in the Key Features Document. Listed below are some of the key risks: Investors are reminded that past performance is not a guide to future performance and that their capital will be at risk and they may therefore lose some or all of the amounts that they choose to invest in the Trust.

The Trust utilises gearing techniques (leverage) which exaggerate market movements both down and up and which could mean sudden and large falls in market value.

Movements in exchange rates can impact both the level of income received and the capital value of your investment. If the currency of your residence strengthens against the currency in which the underlying investments of the fund are made, the value of your investment will reduce and vice versa.

As with all stock exchange investments the value of investment trust shares will immediately fall by the difference between the buying and selling prices.

Where investments are made in emerging market, unquoted securities or smaller companies, their potential volatility may increase the risk to the value of, and the income from the investment.

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