

December 2021

**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.

## HEADLINES

## Oakley Capital Investments

Oakley sold TechnInsights at a +134% premium to carrying value, adding +4.2% to NAV.

[Read more below](#)

## Godrej Industries

Godrej Consumer appears well positioned to drive NAV growth for Godrej Industries in the years ahead.

[Read more below](#)

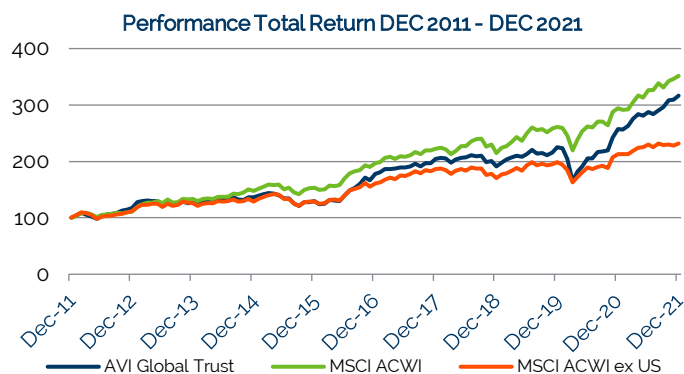
## Eurazeo

During the period we (re) built a position in Eurazeo

[Read more below](#)

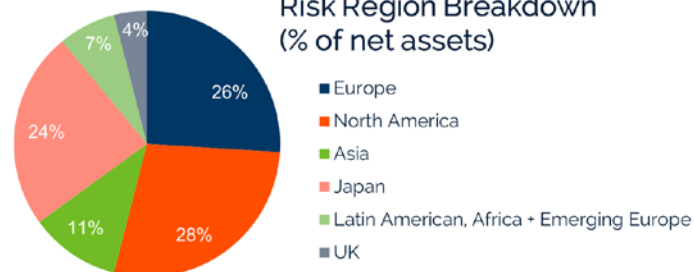
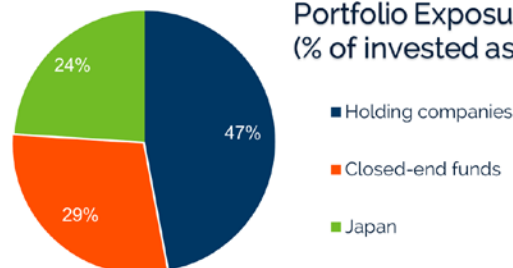
PERFORMANCE  
(Figures to 31 December 2021)

Share Price (pence)	1082.0
NAV (pence)	1154.6
Premium / (Discount)	-6.3%



	Month	Fiscal Yr* to date	Calendar Yr to date
AGTNAV <sup>1</sup>	1.9%	6.5%	23.6%
MSCI ACWI ExUS <sup>3</sup>	1.7%	1.4%	8.8%
MSCI ACWI <sup>1</sup>	1.6%	6.2%	19.6%

## THE FUND

Risk Region Breakdown  
(% of net assets)Portfolio Exposure  
(% of invested assets)

## Top Ten Equity Holdings

Holding	%
Pershing Square Holdings	8.6
EXOR	6.3
Sony	5.9
KKR	5.9
Third Point Investors	5.9
Oakley Capital Investments	5.7
Aker ASA	5.5
Fondul Proprietatea	4.6
Christian Dior	4.6
Investor AB 'B'	4.3
<b>TOTAL</b>	<b>57.3</b>

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.

## MANAGER'S COMMENT

AVI Global Trust (AGT)'s NAV returned +1.9% in December. The key contributors were Oakley Capital Investments, Fondul Proprietatea and Christian Dior. Third Point Investors and Pasona were the most significant detractors.

For the full calendar year AGT achieved a NAV total return of +23.6%, which compares to +8.8% for our comparator benchmark, the MSCI ACWI ex-US, and +19.6% for the broader MSCI AC World. This was predominantly driven by underlying NAV growth, but also aided by discount narrowing, with the portfolio weighted average discount currently standing at 25.7% versus 30.1% a year ago.

**Oakley Capital Investments:**

Oakley Capital Investments returned +11% during a month in which they announced the sale of TechInsights at a 134% premium to carrying valuing, adding +4.2% to NAV. TechInsights focusses on analysing IP across the semiconductors industry with its services used by corporate clients to support patent claims, and is very much a classic Oakley investment having been acquired as a carve-out from a large conglomerate with zero competition from other buyers back in 2017. Under Oakley's ownership, TechInsights shifted to a subscription-based revenue model, having previously earned revenues solely from one-off projects, and completed a number of bolt-on acquisitions. The combination of a non-competitive acquisition process coupled with material improvements in business quality are fine ingredients for investment returns, with TechInsights generating an ~18.8x MoC and ~82% IRR. We believe this speaks to the attractiveness of Oakley's model and remain excited at the prospect of aligning capital with such shrewd operators.

**Godrej Industries:**

Shares in Godrej Industries were up +10% in December, as the discount narrowed from 62% to 57% on a flat NAV. Since initiating a position in Feb-19 the discount has widened materially (from 45% to as wide as 67%), acting as a headwind to returns, and partially diluting the strong NAV growth (+20% CAGR) we have experienced. Of late there have been reports that the Godrej family are looking to separate and divide their assets as part of a generational transition. It is unclear what form this might take, or whether this will impact Godrej Industries, but the family have a history of creating value for all shareholders.

During the month Godrej Consumer Products ("GCPL") – which accounts for 47% of Godrej Industries' NAV – held a capital markets day. This was the first proper opportunity for Sudhir Sitapati - who started as CEO in October following a 22 year career at Hindustan Unilever - to lay out his vision for the business. The investor day involved a candid outsider's assessment of GCPL's performance, strengths and weaknesses. As well as this GCPL set out their mid-term targets and strategy, aiming for double-digit volume growth led by increased penetration and higher media investment, whilst targeting 150-200bps of margin expansion. With the new CEO and (relatively) new head of the Africa business, GCPL appears well positioned to drive growth in value for Godrej Industries in the years ahead.

**Eurazeo:**

During the period we (re) built a position in Eurazeo.

Eurazeo is a French-listed holding company controlled by the Decaux family. AVI have invested in Eurazeo at various points over the last 20 years and in recent years have studied from afar Eurazeo's evolution from traditional holding company to alternative asset manager. As we wrote about in the [October](#) newsletter in reference to our investments in KKR and Apollo, the market has started to recognise the high-quality characteristics of companies operating within the alternative asset management industry, their secular growth tailwinds and attractive economics. We believe Eurazeo shares these characteristics, but is overlooked due to the relative infancy of its third party capital strategy, its heavy balance sheet weighting, historic Eurocentricity, and financial reporting.

We believe Eurazeo is at an inflection point in this transition, with the prospect of strong growth in third party AUM (management are well on the way to hitting their target of doubling AUM) and even faster growth in earnings as margins expand due to the inherent operating leverage in such businesses. We acquired our shares at a wider than average c.25% discount to reported NAV. In turn we believe this NAV to be conservative, most notably with regard to Eurazeo's asset management activities (20% of NAV) which are valued at a steep discount to peers who command high near-term multiples reflecting the long growth runway for alternatives assets, and the high quality nature of fee income.

We believe the prospects for NAV growth and discount narrowing – as over time the market starts to value Eurazeo more like the alternative asset manager it is becoming – will drive attractive long-term returns.

## STATISTICS

## Contributors / Detractors (in GBP)

Largest Contributors	1-month contribution bps	Percent of NAV
Oakley Capital	58	5.7
Fondul Proprietatea	36	4.6
Christian Dior	35	4.6
Pershing Square Holdings	31	8.6
Godrej Industries	29	3.5

Largest Detractors	1-month contribution bps	Percent of NAV
Third Point Investors	-47	5.9
Pasona Group	-19	1.6
IAC/InterActiveCorp	-17	3.5
KKR	-14	5.9
Symphony International Holdings	-7	2.1

	% 1 mo	% 1 yr	% 3 yr	% 5 yr	% 10 yr
Share Price TR <sup>2</sup>	4.3	24.7	72.4	87.1	225.2
Net Asset Value TR <sup>1</sup>	1.9	23.6	65.7	77.4	211.3
MSCI ACWI ex USTR <sup>3</sup>	1.7	8.8	36.3	44.3	131.7
MSCI ACWI TR <sup>1</sup>	1.6	19.6	64.0	78.7	251.7
<b>Fiscal Yr Net Returns (%)</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Price <sup>1</sup>	40.2	2.0	-0.4	12.0	18.7
Net Asset Value <sup>1</sup>	36.2	0.0	2.1	10.0	18.8
MSCI ACWI ex US <sup>3</sup>	18.8	-1.8	4.5	4.7	15.8
MSCI ACWI <sup>1</sup>	22.2	5.3	7.3	12.9	14.9

Capital Structure	
Ordinary Shares	116,003,133
Shares held in Treasury	14,466,737
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
JPY Revolving Credit Facility <sup>#</sup>	¥9,000,000,000
Gross Assets/Gearing	
Gross Assets	£1.3bn.
Debt at fair value (gross)	£145.2m.
Gearing (net) <sup>4</sup>	2.7%

- 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 1<sup>st</sup> 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.  
4 Fair value of net debt divided by net assets at fair value.  
\* AVI Global Trust financial year commences on the 1<sup>st</sup> October. All figures published before the fiscal results announcement are AVI estimates and subject to change.  
# Libor + 1.025%. Capacity ¥9,000,000,000.

All return figures in GBP.

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The share price can be found in The Times.

Information may be found on the following websites:

www.aviglobal.co.uk

www.assetvalueinvestors.com

## IMPORTANT INFORMATION

All figures are as at the period under review unless otherwise stated. All sources Asset Value Investors Ltd ("AVI") unless otherwise stated. AVI is authorised and regulated by the Financial Conduct Authority of the United Kingdom (the "FCA") and is a registered investment adviser with the Securities and Exchange Commission of the United States. While AVI is registered with the SEC as an investment adviser, it does not comply with the Advisers Act with regard to its non-U.S. clients. This document does not constitute an offer to buy or sell shares in AVI Global Trust plc (the "Trust"). The contents of this message are not intended to constitute, and should not be construed as, investment advice. Potential investors in the Trust should seek their own independent financial advice. AVI neither provides investment advice to, nor receives and transmits orders from, investors in the Fund.