

AVI Global Trust

Double-digit NAV returns from undervalued assets

AVI Global Trust (AGT) has been managed by Joe Bauernfreund at Asset Value Investors (AVI) since September 2015. During his tenure, the trust's NAV has compounded at an annual rate of 11.6%. He invests in companies that own high-quality assets and are trading at a considerable discount to their estimated intrinsic values; there must be an identifiable catalyst for a discount to meaningfully narrow or close completely. AGT's returns are derived from both discounts narrowing and NAV growth. The trust is very different from its nine peers in the AIC Global sector. Bauernfreund is benchmark agnostic and very confident about AGT's portfolio due to the strong operational performances of investee companies and wide discounts. Global investors are becoming more discerning regarding valuation and are seeking opportunities outside the US, which until 2025 had been the favoured market for many years. This is an environment that plays into AGT's strengths and the manager is finding a wealth of attractive opportunities.

AGT's AGM video, 19 December 2025



Source: AGT

Why consider AGT?

AGT offers a unique opportunity to invest in a global portfolio of undervalued holding companies, closed-end funds and asset-backed special situations. These are niche areas of the market that can be inefficient as they are generally overlooked by other investors. Engagement with the managements of misunderstood companies is an integral part of the investment process as it can be a significant catalyst for improved shareholder returns. The manager is looking for pricing anomalies – essentially where the market is wrong and the AGT investment thesis is correct. He tracks recent company discounts in a proprietary database called the Hub, looking for those that are wider than their historical averages. Bauernfreund gains an understanding of why a wider-than-average discounts exist and analyses the prospects for NAV growth and a narrower discount. During periods of market crisis, the portfolio weighted average discount can widen to c 40%, which the manager considers to be compelling value, versus a long-term average of a c 30% discount.

The manager has identified a range of opportunities in South Korea. It is a country where many companies are assigned a much lower valuation than their global peers due to concerns including corporate governance, geopolitical risks and limited foreign ownership. Bauernfreund has identified a catalyst that he believes will unlock value in South Korean companies.

Not intended for persons in the EEA.

Investment companies
Global equities

26 February 2026

Price 265.50p
Market cap £1,078m
Total assets £1,283m

NAV 287.3p

¹NAV at 24 February 2026.

Discount to NAV 7.6%

Current yield 1.7%

Shares in issue 405.9m

Code/ISIN AGT/GB00BLH3CY60

Primary exchange LSE

AIC sector Global

Financial year end 30 September

52-week high/low 267.5p 202.0p

NAV high/low 289.2p 226.1p

Net gearing 10.0%

¹Net gearing at 24 February 2026.

Fund objective

AGT's investment objective 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.

Bull points

- During his tenure, the manager has generated double-digit NAV total returns.
- Differentiated portfolio of undervalued assets.
- Progressive dividend policy despite a primary capital growth focus.

Bear points

- AGT Investors need a long-term view as value strategies can take time to crystallise.
- Key person risk, as the manager has been instrumental in the trust's success.
- Performance can deviate markedly versus the broader global market due to the nature of the trust's strategy.

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AVI Global Trust is a research client of Edison Investment Research Limited

AGT: Global value fund with history of double-digit annual returns

The company was launched in 1889 as The Transvaal Mortgage, Loan and Finance Company (history enthusiasts click [here](#)). Asset Value Investors took over management of the company in 1985, which was then British Empire and Securities Trust, and in May 2019 changed its name to AVI Global Trust. AGT is broadly diversified as its 40 holdings bring exposure to many underlying businesses. The double-digit NAV total returns generated between September 1985 and September 2025 were achieved during a period when growth rather than value stocks led the global market for much of the time.

Bauernfreund joined AVI in 2002, and became AGT's sole manager in 2015. During his tenure the manager has developed a proprietary investment approach and expanded his team to 13 experienced investment professionals, details of which are shown in Exhibit 1.

An important development is AGT's exposure to South Korean equities, which has been built up over the last year and is large enough to be reported as a separate allocation within the portfolio. In early 2024 the voluntary Corporate Value-Up Programme was launched by the South Korean government to try to tackle the 'Korea Discount'. However, Bauernfreund believes the real catalyst for change to unlock the value in South Korean stocks was the election of President Lee in June 2025. The manager notes that over the last few months, South Korean equity discounts have been starting to narrow.

Exhibit 1: AVI's investment team

 Joe Bauernfreund CEO/CIO – Joined AVI in 2002 Portfolio Manager	 Scott Beveridge, CFA Senior Analyst Property Specialist & Asian Holding Companies Joined AVI in 2005	 Luke Hutcherson, CFA Analyst Asian Holding Companies Joined AVI in 2023
	 Wilfrid Craigie, CFA Senior Analyst European & North American Holding Companies Joined AVI in 2018	 Shuntaro Shimizu Senior Analyst Japanese Equities Joined AVI in 2023
	 Jason Bellamy Senior Japan Consultant Japanese Equities Joined AVI in 2020	 Charlotte Cuthbertson Fund Manager Closed-end Funds Joined AVI in 2023
 Tom Treanor, CFA Head of Research – Joined AVI in 2011 Closed-end Funds	 Ross McGarry, CFA Senior Analyst Asian Holding Companies Joined AVI in 2020	 Nicola Takada Wood Managing Director Japanese Equities Joined AVI in 2025
	 Kaz Sakai, CFA Head of Japan Research Japanese Equities Joined AVI in 2021	 Ben Levy ESG Analyst Joined AVI in 2025
	 William Hawkes, CFA Analyst North American & European Holding Companies Joined AVI in 2021	

Source: AVI

AGT has generated strong annual total returns over the long term (annualised +11.6% NAV total return from 1985 to the end of September 2025) by investing in undervalued securities. Bauernfreund seeks high-quality, growing businesses that are trading at a significant discount to their estimated NAV. This style of investment requires patience, as there will be times when this approach is out of favour; hence AGT's returns can be volatile in the short term. AVI's investment team members have 'skin in the game' as many of them invest their own money in AVI's funds. At the end of FY25 (ending 30 September) they owned c 0.5% of AGT's share base.

The manager's philosophy typically leads to investments in family-controlled holding companies, closed-ended funds and asset-backed special situations. However, Bauernfreund is agnostic regarding the type of investment and the portfolio structure is determined by the available opportunity set and risk/reward considerations. Detailed fundamental analysis is undertaken to understand the NAV growth drivers and to assess the catalysts for a narrower discount. ESG and broader sustainability considerations are integrated into the research processes as they are deemed essential to fully understand each investment's potential to generate sustainable, long-term value. Incorporating these factors helps

to identify risks and opportunities that may not be apparent from the use of traditional financial metrics.

The value-based investment process aims to identify and mitigate risk in all market environments in terms of both stock-specific and portfolio/market risk. Performance is measured against the MSCI AC World index (the comparator benchmark). The number of portfolio holdings is dependent on the amount of available investment opportunities. There is a 15% limit of total assets in a single issuer, at the time of investment. Subject to board approval, up to 10% of the portfolio, at the time of investment, may be held in unlisted securities. AGT currently has no unlisted investments; its only exposure is via unlisted subsidiaries of listed holding companies. There are no limits on geographic exposure. Along with equities, the manager can invest in equity-related instruments such as derivatives and convertibles for efficient portfolio management and currency hedging is permitted. Gearing is limited to 20% of NAV at the time of drawdown.

Active engagement

AVI has been actively engaging with companies for the last four decades. The manager favours constructive criticism, but will employ a more forceful approach when necessary. Bauernfreund was introduced to AVI while writing his dissertation, and he was researching companies trading at a discount to NAV: real estate businesses and closed-end funds. He seeks businesses with growth potential that are trading at a discount, but have an identifiable catalyst that could cause the discount to narrow. The manager avoids value traps and zombie companies and is not seeking an arbitrage quick profit. Instead, he takes stakes in companies and works with their management teams to achieve a narrower discount. Bauernfreund is a long-term investor and has earned a reputation, having worked with undervalued Japanese businesses, of being a tolerable rather than a destructive activist. However, he is prepared to move to a higher level of engagement intensity if necessary. In Exhibit 2, we show how the manager engages with companies in his quest to increase shareholder value.

Exhibit 2: AVI's approach to engagement

Engagement Intensity	Typical Engagement	Company Characteristics	Universe Examples
 <p>Low</p>	<ul style="list-style-type: none"> Private meetings with management 	<ul style="list-style-type: none"> High Quality Management teams Strong track record of NAV returns Capital Allocation Policies NAV discount 	  
 <p>Medium</p>	<ul style="list-style-type: none"> Face-to-face meetings Private letters and/ or presentations to management 	<ul style="list-style-type: none"> Trading at a wider than historic discount Management under pressure to carry out strategic review Potential issues around capital allocation or shareholder returns 	  
 <p>High</p>	<ul style="list-style-type: none"> Public presentations and shareholder proposals to highlighting the failings at the company Potentially convene an EGM 	<ul style="list-style-type: none"> Poor Governance Poor track record of NAV returns Trading at a perpetually wide discount Capital Allocation Requiring Work 	  

Source: AVI

Open letter to HarbourVest Private Equity (HVPE)

AVI recently sent an open letter to HVPE, a company in which it holds a 3.3% stake, to provide a framework for discussions between shareholders, the manager and the board ahead of a continuation vote in July 2026.

Initial HVPE board actions are commended: the introduction of a continuation vote, an increase in the distribution pool for buybacks and the restructuring of the way in which HVPE will make new investments going forward (a co-investment rather than fund model). A secondary asset sale was also announced in December 2025. However, AVI sees other measures required ahead of a potentially failed continuation vote.

According to AVI, in any period up to seven years, HVPE's NAV performance has been disappointing, leading to a

persistently wide discount, which is wider than that of its peers. Hence, returns are likely to be greater from repurchasing the company's own shares than from making investments. AVI contends that a stretched balance sheet, inaccurate cash flow forecasts and a lack of material asset sales have meant that capital allocation has been inefficient, with just 3.6% of shares repurchased over the last 12 months.

AVI proposes two options:

- prioritise capital return to shareholders over new investments via i) a temporary or discount-contingent cessation of new investments, with income from cash flow and asset sales allocated 70/30 between paying down debt and redeeming shares at NAV or ii) a managed run-off; or
- a formal sales process for the company/its portfolio. This is AVI's preferred option.

AGT's investment characteristics

Holding companies – a high-quality portfolio of listed and/or unlisted businesses with the potential for sustained, above-average, long-term growth. A controlling family or shareholder with a strong record of capital allocation and above-market equity returns. Long-term shareholders can provide strategic vision, which along with high-quality assets and efficient capital allocation can support superior NAV growth. Investments are made at a discount to NAV, preferably with a visible catalyst for a narrower discount. Historically, three-quarters of holding company investment returns have been from NAV growth, with a quarter from a tightening discount.

Closed-end funds – portfolios of high-quality assets (both listed and unlisted) with good growth potential. AGT has indirect access to interesting quality growth companies such as Starling Bank, Klarna, IU Group and Phenna Group. Unlike for holding companies, there must be a high probability of the discount to NAV disappearing completely, so there is a greater focus on catalysts that AVI can create through activism. Stakes in closed-end funds are larger and there is engagement with management, boards and other shareholders to enact policies to help narrow discounts and boost shareholder returns. Historically, one-half of aggregate closed-end funds' returns are from narrowing discounts.

Asset-backed special situations – for several years these were largely in Japanese cash-rich operating companies. Japanese firms had a reputation for over-capitalised balance sheets, but the culture is changing. The Japanese government has championed efforts to improve corporate governance and enhance balance-sheet efficiency. Now, major pension funds have signed up to a new stewardship code, boards of directors are guided by the principles of an updated corporate governance code and there are more activist investors on Japanese share registers. There is also evidence of higher payout ratios, share buybacks and more independent directors. In which case, the market is likely to award higher valuation multiples to Japanese companies that have a greater regard for shareholder returns. Bauernfreund engages with investee company boards and managements, seeking a satisfactory outcome for all shareholders. He focuses on quality, cash-generative businesses with low valuations that can be held for the long term while he engages and fosters shareholder value creation.

Current portfolio positioning

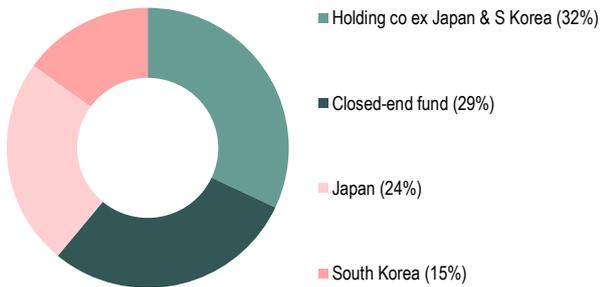
At the end of January 2026, AGT's top 10 holdings made up 62.6% of the portfolio, which was a higher concentration compared with 55.1% 12 months earlier. Five positions were common to both periods. The portfolio is diversified by market capitalisation. At 30 September 2025 it was broken down as follows: up to £1bn – 34%; £1–5bn – 30%; £5–10bn – 15%; and greater than £10bn – 21%.

Exhibit 3: AGT's top 10 holdings at 31 January 2026 (%)

Company	Business	31-Jan-26	31-Jan-25
Toyota Industries	Holding company	8.3	N/A
D'leteren Group	Holding company	7.9	7.1
Chrysalis Investments	Closed-end fund	7.1	7.1
News Corp A	Holding company	6.3	7.3
Vivendi	Holding company	6.0	N/A
Harbourvest Global Private Equity	Closed-end fund	5.9	5.7
Samsung C&T	Holding company	5.7	N/A
Jardine Matheson Holdings	Holding company	5.4	N/A
Mitsubishi Logistics	Asset-backed special situation	5.1	N/A
Cordiant Digital Infrastructure	Closed-end fund	4.9	4.0
Top 10		62.6	55.1

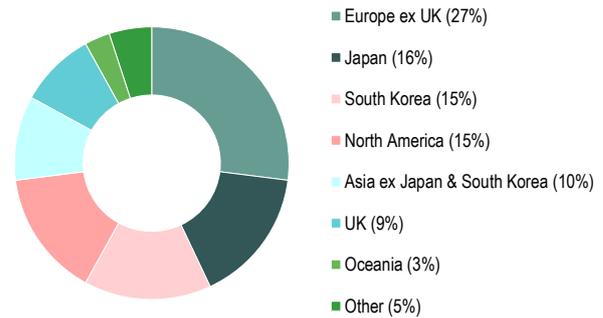
Source: AGT, Edison Investment Research. Note: N/A where not in end January 2025 top 10.

Exhibit 4: Portfolio breakdown (% of invested assets) at 31 January 2026



Source: AGT, Edison Investment Research. Note: Numbers subject to rounding.

Exhibit 5: Look-through geographic exposure (% of NAV) at 31 January 2026



Source: AGT, Edison Investment Research. Note: Numbers subject to rounding.

Exhibits 4 and 5 show AGT's exposure by assets and geography at the end of January 2026. Compared with 12 months earlier there was an 11pp reduction in holding companies ex Japan and South Korea. Importantly, South Korean equities have become an important allocation for AGT; they are disclosed separately and made up 15% of the portfolio at the end of January 2026. The other notable changes over the 12-month period were a 7pp reduction in the allocation to Europe ex UK and a 6pp lower North America weighting.

Examples of recent portfolio activity

In January 2026, there was a significant increase in AGT's position in Toyota Industries, which is subject to a takeover bid. A consortium led by Toyota Motor and Toyota Fudosan (an unlisted real estate firm chaired by the grandson of Toyota Motor's founder) originally bid ¥16,300 per share in June 2025. Following intense investor pressure, including from activist firm Elliott Investment Management, which has a c 7% stake, the bid was increased by 15% to ¥18,800 per share in January 2026. Bauernfreund considers this bid to still undervalue Toyota Industries, which has businesses that include the global leader in forklift trucks and an engine compression company. The tender offer to accept the ¥18,800 per share bid was extended from 12 February to 2 March 2026, as it did not receive sufficient shareholder votes in favour of the deal. This deal is a test case for minority shareholders in a new Japanese corporate governance environment. If the current bid goes through it will be deemed negative for the rights of minority shareholders. According to the manager, this is a special situation with limited downside and risks are skewed to the upside. His estimated fair value for Toyota Industries is ¥26,000 per share, which is c 30% higher than the current share price.

AGT's Jardine Matheson position has also increased. It is a Hong Kong based holding company that is shifting its business model from owner-operator to 'engaged shareholder' where senior management compensation is linked to shareholder returns. Its major subsidiaries are in the process of, or have had, strategic reviews, which has led to asset sales, cash returns to shareholders and capital reallocation, with more actions expected. There is new management at both the holding company and subsidiary levels, which brings sector expertise and private equity-like discipline. These corporate developments are leading to NAV growth plus a narrower discount.

The manager has been adding to the holding in News Corp, which was one of the largest performance detractors in 2025 and is trading at around a 50% discount to NAV. The company's listed businesses include REA Group, which is like Rightmove and has been negatively affected by AI development. It also has unlisted businesses, including Dow Jones, which provides data and media solutions (publications include *The Wall Street Journal* and *Barron's* as well as data provider OPIS, which is used in the commodity and oil trading markets). OPIS has been associated with the software industry sell-off, which occurred due to the introduction of Anthropic's latest AI tool. However, the manager believes that OPIS is a unique service that cannot be replicated.

AGT's Aker holding was sold. Having entered the portfolio in 2008, this was the longest continuously held investment. The stock was the largest performance contributor in 2025 and over the last decade. During the 18-year holding period, the stock generated a 17.3% internal rate of return versus 13.5% and 10.2% for the MSCI AC World and MSCI AC World ex US indices, respectively (all returns in Norwegian krona). Aker's discount had narrowed from c 30% in July 2025 to high single digits/low double digits. Around two-thirds of the return was from NAV growth. Bauernfreund has a high regard for Aker's chair, in terms of his value creation track record, so would look to reinvest in the company if the opportunity arises.

Opportunities in South Korea

Having found success investing in Japan during a period of changing attitudes towards shareholder returns, the manager has turned his sights to South Korea. This is a country that is not widely owned by global shareholders, largely due to entrenched chaebols (large family-owned conglomerate companies), many cross-shareholdings and poor capital allocation. Following the 1950–53 Korean War, the country rapidly transformed from an agrarian society to a global technology heavyweight, led by chaebols including Samsung, Hyundai and SK Group. Today, the top 10 South Korean chaebols account for around 70% of the country's GDP, led by Samsung.

Similar to Japan a decade ago, Bauernfreund sees a long-term re-rating opportunity in South Korea due initially to its Corporate Value Up governance reform policy. The country looks inexpensive in both absolute and relative terms despite being home to many globally competitive companies. Overseas share ownership remains low and there is a lack of international (English language) research coverage, which offers opportunities for patient fundamental investors.

The election of President Lee in 2025 marks an important catalyst for unlocking value in South Korean stocks. His commanding lead in the National Assembly should provide a clear legislative pathway until at least April 2028. Lee's election campaign explicitly focused on corporate governance reform, including addressing chaebol dominance, the lack of regard for minority shareholders and low dividends. A few weeks into his term, in July 2025, Lee's government passed its first amendment to the country's Commercial Act, followed by a second revision in August 2025. Since then, there have been further reforms. The manager believes that the South Korean government is focusing on stock market wealth creation due to unfavourable demographic trends and a real estate affordability crisis.

AGT has a 15% allocation to South Korea in a range of companies across the capitalisation spectrum, including Cuckoo Electronics. Founded in 1978 as an original equipment manufacturer supplying LG, Phillips and Panasonic, the company gained deep manufacturing expertise and a strong reputation for quality. It launched its own Cuckoo product range, with its rice cookers sounding like a cuckoo's call when the rice is cooked, in 1998, and has become one of South Korea's most iconic brands. Cuckoo Electronics has taken the market by storm and has an enviable 80% domestic volume market share. The company is expanding overseas, and now represents around 25% of total revenues. A complicated corporate structure means that Cuckoo Electronics has a very modest valuation, which could change as ongoing reforms gain momentum. Meanwhile, the manager is attracted to the company's stable profitability and free cash conversion.

Another South Korean holding is HD Hyundai, which is trading at around a 50% discount to NAV. Its three listed businesses are valued at more than the parent company's market cap. The two largest assets, HD KSOE (a world leader in energy efficient, environmentally friendly liquefied natural gas (LNG) vessels that also has large contracts for US navy vessels) and Hyundai Electric (transformers for power grids), are benefiting from multi-year structural growth opportunities in shipbuilding and global power grid modernisation. There is strong visibility in subsidiary order backlogs and margin expansion is driving earnings and share price gains. It is expected that subsidiary earnings growth should increase shareholder returns at the parent company over time. The manager initiated this position in summer 2025 and the discount has narrowed from 63% to 50% and generated a 40% return on investment, which is similar to returns from AGT's other South Korean holdings.

The manager's perspectives on the current investment backdrop

Bauernfreund says that since the global financial crisis, global investors have sought high-growth companies, particularly in the US, which meant this country sucked up vast amounts of capital, leaving large parts of the global market essentially ignored. This has created an environment where there is a greater likelihood of inefficient pricing as the price discovery mechanism is not working correctly. The manager highlights that this is an environment where AGT thrives, as he can identify many anomalous stock prices in the global market, along with the catalysts that can unlock shareholder value.

In 2025, there were capital flows into non-US markets, with Europe, Asia, Japan and emerging markets all performing relatively well, and this trend has continued so far in 2026. There is now a greater focus on valuation, with the US looking particularly highly valued. The US dollar has started to weaken, which is advantageous to ex-US investors. Bauernfreund notes that the last time Europe performed relatively well versus the US was in the early 2000s when the euro was strong.

AGT has some US exposure, but less than its peers, and the US weighting has been reduced to fund further investment in Japan and South Korea. The manager notes that the recent Japanese general election result is positive for the country's prospects, showing strong support, including the public mandate, for new prime minister Sanae Takaichi. In a country that has experienced regular leadership changes, her dominant control means that she can enact policies to

drive economic growth and enable fiscal expansion. Deflation has ended and corporations can become more profitable. Takaichi is driving positive change and encouraging 'animal spirits'.

Over the last decade, and more so over the last five years, there has been an increase in shareholder activism in Japan. Bauernfreund increased investment in Japan in 2018, with the launch of the AVI Japan Opportunity Trust (ticker: AJOT) and is as excited as ever about the investment opportunities in the country. There is a weight of money available from both domestic and international investors. Japan is known for having high debt levels, but this is primarily government rather than household debt and is largely held domestically. The Japanese government also has a significant asset base and is sitting on a large amount of stock market gains. Following the election win, both Japanese bond yields and the currency have remained stable, and the government is not expected to grow the economy at the expense of capital markets; hence, the manager is very optimistic about Japanese investment opportunities.

Performance: Commendable long-term absolute returns

AGT is one of the smaller funds in the 10-strong AIC Global sector. A direct comparison is not possible due to the trust's unique strategy; however, a broad analysis provides some interesting insights. AGT's NAV total returns are ahead of the peer group averages over all periods shown, ranking third over the last five years, fourth over the last 12 months and the last decade, and sixth over the last three years. The trust's discount is not dissimilar to the sector average. It has the highest ongoing charges ratio but is up against some of the largest trusts, which have significant scale benefits, with an ability to spread their fixed costs over a large base. AGT currently has one of the highest levels of gearing (but remains moderate versus a broader range of trusts) and, unsurprisingly given its capital growth focus, the trust has a below-average dividend yield.

Exhibit 6: AIC Global sector at 24 February 2026

% unless stated	Market cap (£m)	NAV TR 1Y	NAV TR 3Y	NAV TR 5Y	NAV TR 10Y	Discount	Ongoing charge	Performance fee	Net gearing	Dividend yield
AVI Global Trust	1,077.8	9.3	36.2	52.7	230.4	(7.6)	0.9	No	110	1.7
Alliance Witan	4,824.4	1.4	33.2	50.6	197.5	(5.3)	0.6	No	106	2.2
Bankers	1,310.9	12.4	35.8	47.7	202.3	(8.3)	0.5	No	106	2.0
Brunner	648.5	13.7	41.0	72.7	224.8	(8.5)	0.6	No	103	1.7
F&C Investment Trust	6,035.1	12.7	49.7	70.6	239.1	(8.2)	0.5	No	106	1.2
Franklin Global Trust	168.3	(6.6)	7.5	2.7	132.1	(0.0)	0.7	No	100	0.9
Lindsell Train	118.8	(25.6)	(19.3)	(23.1)	144.8	(20.4)	0.8	Yes	100	7.1
Mid Wynd International Investment Trust	224.2	(7.8)	8.4	12.8	156.3	(2.6)	0.6	No	100	1.1
Monks	2,411.8	7.3	41.2	14.4	255.8	(5.5)	0.4	No	108	0.0
Scottish Mortgage	13,321.3	6.4	52.2	1.1	436.1	(4.8)	0.3	No	112	0.4
Average (10 trusts)	3,014.1	2.3	28.6	30.2	221.9	(7.1)	0.6		105	1.8
SMT rank	6	4	5	3	4	6	1		2	4

Source: Morningstar, Edison Investment Research. Note: TR, total return. Performance at 23 February 2026.

Looking at a Morningstar analysis of the AIC Global sector, AGT is the only company classified as a mid-cap value fund, with its peers designated either as large-cap blended or large-cap growth funds. Unsurprisingly, the trust is overweight value and underweight growth stocks. AGT is overweight economically sensitive (some elements of a cyclical business) parts of the market and underweight cyclical and defensive areas. By sector, the trust has a notable overweight exposure to industrials, while it is underweight IT and financial services.

Exhibit 7: Share price and NAV total return performance, relative to indices (%)

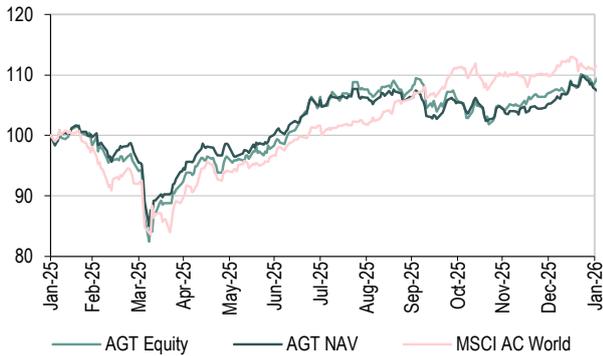
	1 month	3 months	6 months	1 year	3 years	5 years	10 years
Price relative to MSCI AC World	0.2	2.7	(6.7)	(2.3)	(10.3)	(7.8)	0.1
NAV relative to MSCI AC World	1.6	2.6	(6.6)	(2.6)	(12.4)	(10.3)	(8.4)
Price relative to MSCI AC World ex US	(2.6)	(2.1)	(11.7)	(11.8)	(4.6)	4.5	30.3
NAV relative to MSCI AC World ex US	(1.3)	(2.1)	(11.6)	(12.1)	(6.8)	1.7	19.3
Price relative to UK All-Share	(1.9)	(3.2)	(9.7)	(10.6)	(4.8)	(8.2)	51.9
NAV relative to UK All-Share	(0.5)	(3.2)	(9.6)	(10.9)	(6.9)	(10.7)	39.0

Source: LSEG Data & analytics, Edison Investment Research. Note: Data to end January 2026.

Exhibit 7 shows AGT's relative total returns; it is noteworthy that the trust's share price has kept pace with the MSCI AC World Index over the last 10 years. During this time the US has performed very strongly and now makes up c 63% of the MSCI AC World Index, while AGT has an underweight allocation to US stocks. The trust has performed very strongly versus the MSCI AC World ex US and the UK All-Share indices over the last decade in both NAV and share price terms. Regardless of AGT's relative track record, its long-term total returns are commendable. Over the last decade, it has

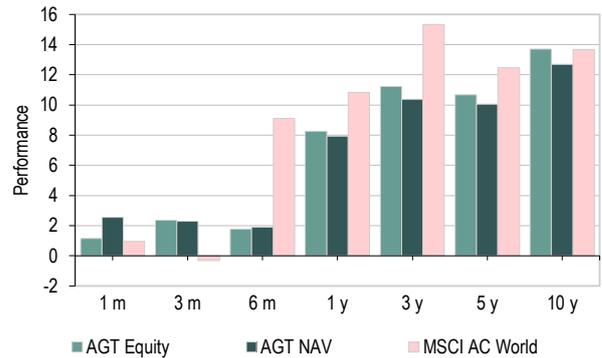
generated annualised NAV and share price total returns of 12.7% and 13.7%, respectively.

Exhibit 8: Price, NAV and index total return performance, one year rebased



Source: LSEG Data & Analytics, Edison Investment Research

Exhibit 9: Price, NAV and index total return performance (%)



Source: LSEG Data & Analytics, Edison Investment Research. Note: Three-, five- and 10-year numbers annualised.

In FY25, AGT's NAV and share price total returns of +12.4% and +15.4%, respectively, did not keep pace with the MSCI AC World Index's +16.8% total return. Underperformance occurred in the last month of the financial year (NAV -410bp versus the index). In September 2025, the primary performance detractors were holdings in D'leteren and Gerresheimer and not owning the Mag-7 (US large-cap technology) companies and a few AI-related names, which combined made up more than 50% of the index move.

Exhibit 10: Five-year discrete performance data

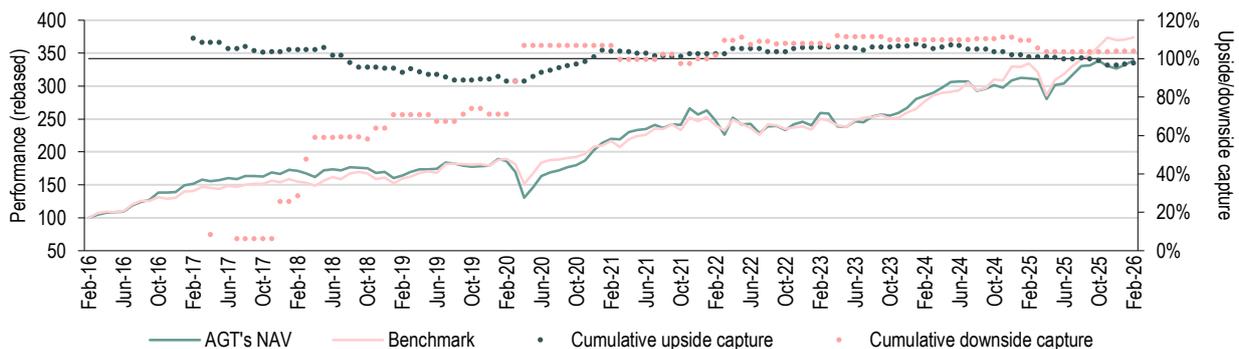
12 months ending	Share price	NAV	MSCI AC World	MSCI AC World ex US	UK All-Share
31/01/22	21.2	17.4	16.4	6.5	18.9
31/01/23	(0.5)	2.2	0.8	3.3	5.2
31/01/24	15.7	13.5	11.4	2.9	1.9
31/01/25	9.9	9.8	24.3	14.2	17.1
31/01/26	8.3	7.9	10.8	22.8	21.1

Source: LSEG Data & Analytics. Note: All figures are total return in pounds sterling.

Upside/downside capture analysis

AGT offers a diverse mix of undervalued assets. Over the last 10 years, the trust's upside capture rate of 98% implies a modest 2% underperformance in rising markets, while AGT's downside capture rate of 104% implies 4% underperformance in falling markets. The likelihood of modest underperformance in both rising and falling markets is borne out by the trust's NAV long-term relative performance shown in Exhibit 11. However, for AGT, this analysis may be distorted by the timing of unlocking the hidden value of its assets and, as we have highlighted, the trust's robust absolute total returns over the last decade should not be overlooked.

Exhibit 11: Upside/downside capture analysis



Source: LSEG Data & Analytics, Edison Investment Research

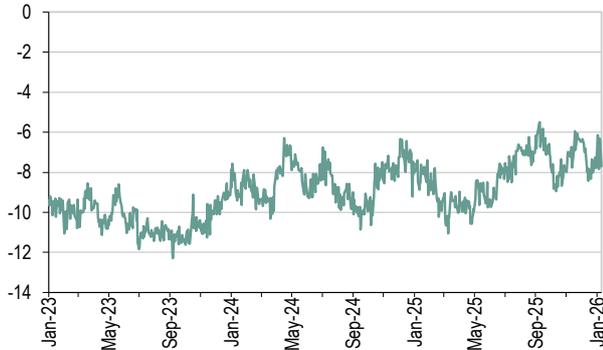
Cumulative upside (downside) capture calculated as the geometric average NAV total return (TR) of the fund during months with positive (negative) benchmark total returns, divided by the geometric average benchmark total return during these months. A 100% upside (downside) indicates that the fund's TR was in line with the benchmark's during months with positive (negative) returns.

Discount: In a narrowing trend

While there are swings in AGT's discount, it has been in a narrowing trend since late 2023. The current 7.6% share price discount to cum-income compares to a 5.5% to 12.3% range over the last three years. It is narrower than the 8.1%, 8.9%, 8.9% and 9.5% average discounts over the last one, three, five and 10 years, respectively.

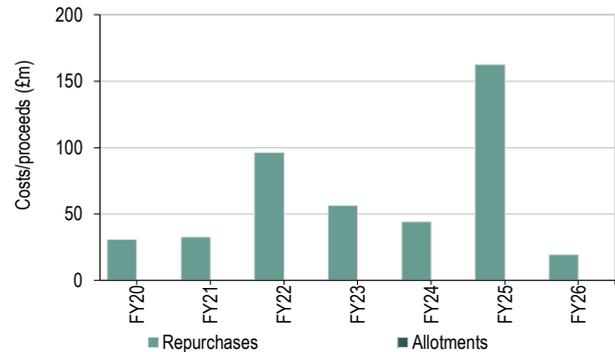
AGT's board repurchases the trust's shares when the discount is naturally wide, and it is in the best interest of shareholders. In FY25, 28.7m shares were bought back (c 5.9% of the share base), which added 0.6% to NAV.

Exhibit 12: AGT's discount, last three years (%)



Source: LSEG Data & Analytics, Edison Investment Research

Exhibit 13: Capital changes since FY20

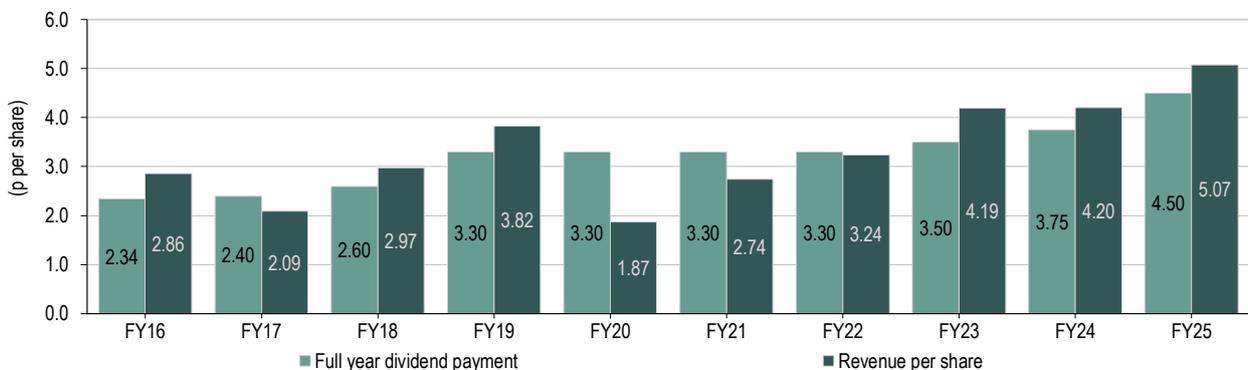


Source: Morningstar, Edison Investment Research. Note: FY26 to date.

Dividends: Progressive policy within a capital-growth mandate

AGT pays two dividends a year, an interim and a final, which is subject to shareholder approval at the AGM. In FY25, revenue earnings of 5.07p per share were 20.7% higher than 4.20p per share in FY24. There was a 20% increase in the dividend from 3.75p per share in FY24 to 4.50p per share, which was 1.1x covered by revenue. While the board aims to grow the dividend over the long term, the trust's primary focus is capital growth. Nevertheless, AGT's dividend has compounded at a 6.4% annual rate over the last five years.

Exhibit 14: AGT's dividend and revenue history, last 10 years



Source: AGT, Edison Investment Research

Gearing

Bauernfreund employs gearing, including bank borrowing and derivatives, seeking to enhance long-term capital growth and to provide capital flexibility and efficient portfolio management. The level of gearing varies over time depending on market conditions, up to the maximum permitted 20% of NAV at the time of drawdown.

AGT has six tranches of senior unsecured loan notes (SULN): £30m 4.184% series A SULN 2036; €30m 3.249% series

B, SULN 2036; €20m 2.93% SULN 2037; ¥8bn 1.38% SULN 2023; ¥4.5bn 1.44% SULN 2033; and ¥5bn 2.28% SULN 2039. The covenants require AGT's net assets remain above £300m and indebtedness of less than 30% of net assets.

Fees and charges

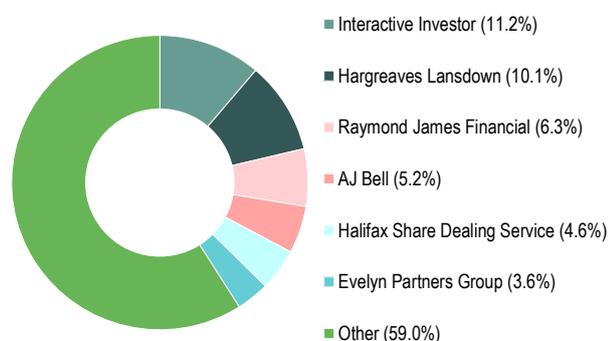
AGT's board closely monitors the company's costs and commercial arrangements. AVI is the trust's appointed AIFM and has an investment management arrangement dated 9 July 2025, with a six-month notice period from either party. During FY25, AVI was entitled to an annual management fee of 0.70% of AGT's net assets up to £1bn, and 0.60% above £1bn. J.P. Morgan Europe is a depository and is paid a fee on a sliding scale between 1.00% and 1.95% based on the AGT's assets.

The FY25 ongoing charges ratio was 0.85%, which was 2bp lower than 0.87% in FY24. Running costs were £9.5m versus £9.6m year-on-year.

Capital structure

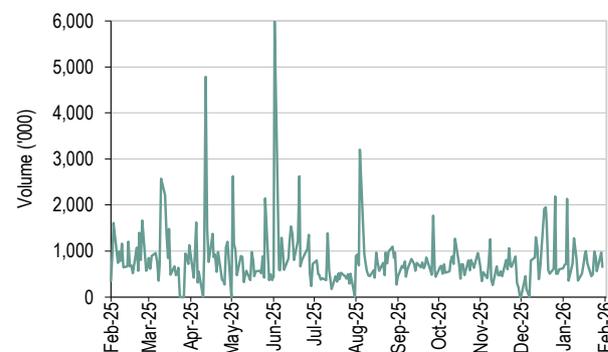
AGT is a conventional investment trust with one class of share. There are currently 405.9m ordinary shares in issue with a further 21.9m in treasury. The board actively promotes AGT, aiming to increase its retail ownership. This is proving successful as the retail platforms dominate the list of AGT's largest shareholders (Exhibit 15). Over the last 12 months, the average daily trading volume is c 824k shares (Exhibit 16).

Exhibit 15: Major shareholders at end January 2026



Source: Bloomberg, Edison Investment Research

Exhibit 16: Daily trading volume, last 12 months



Source: LSEG Data & Analytics, Edison Investment Research

The board

AGT has five independent non-executive directors:

- **Graham Kitchen** (chair) has more than 25 years of investment management experience at Invesco Perpetual, Threadneedle and Janus Henderson (global head of equities). He is currently the senior independent director of The Mercantile Investment Trust and a non-executive director of Places for People.
- **Calum Thomson** is a qualified accountant with more than 30 years of financial services experience, including 21 years as audit partner at Deloitte, specialising in the asset management sector. He is currently a non-executive director and audit committee chair of The Diverse Income Trust, The Bank of London and The Middle East, Ghana International Bank, Patria Private Equity Trust and TPT Retirement Solutions. Thomson is a non-executive director of Schroder Unit Trusts and Schroder Pension Management. He is also chair of The Tarbat Historic Trust (a Pictish museum) and a trustee of Suffolk Wildlife Trust.
- **Anja Balfour** (senior independent director) has more than 20 years of experience managing Japanese and international equity portfolios at Stewart Ivory, Baillie Gifford and Axa Framlington. She is currently a non-executive director of Scottish Friendly Assurance Society.
- **Neil Galloway** has spent most of his career working in Asia but also has experience in the Americas, Europe and the Middle East. He had a career in banking and held senior finance and management roles, almost entirely with or for family-controlled companies, overseeing finance, treasury, risk management, legal, IT, projects and business

development, with experience in significant business transformation programmes in large and complex businesses. Galloway is currently a non-executive director of The Merchants Trust.

- **June Jessop** has spent 30 years in financial services, gaining broad experience in portfolio management, client relationship, business development and, more recently, general management roles. She has managed money for institutions, charities and private clients. Jessop is currently a non-executive director of Aberforth Geared Value and Income Trust.

Exhibit 17: AGT's board

Board member	Date of appointment	Remuneration in FY25 (£)	Shareholdings at 11 November 2025
Graham Kitchen (chair since December 2022)	January 2019	57,000	124,500*
Calum Thomson	April 2017	47,500	44,490
Anja Balfour	January 2018	37,000	50,000
Neil Galloway	September 2021	37,000	50,000
June Jessop	January 2023	37,000	52,000

Source: AGT. Note: *Includes 33,250 shares held by Jane Kitchen.

Anja Balfour took over the role as AGT's senior independent director from Calum Thomas at the December 2025 AGM.

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