

AVI Partners Capital Fund plc

(A company incorporated with limited liability and segregated liability between sub-funds under the laws of Ireland)

Condensed Semi-Annual Unaudited Financial Statements

For the financial period ended 30 June 2022

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DIRECTORY

Directors

James F. McKeon ^{1, 2}
Kimmberly Lau ²
Philip McEnroe ^{1,2}

Registered Office

32 Molesworth Street
Dublin 2
Ireland

Registration Number: 501463

**Alternative Investment Fund Manager
and Promoter**

Asset Value Investors Ltd
2 Cavendish Square
London W1G 0PU
United Kingdom

Depository

SEI Investments - Depository and Custodial Services
(Ireland) Limited
2nd Floor
Styne House
Upper Hatch Street
Dublin 2
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Administrator

SEI Investments – Global Fund Services Limited
2nd Floor
Styne House
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Dublin 2
Ireland

Registrar and Transfer Agent

SEI Investments – Global Fund Services Limited
2nd Floor
Styne House
Upper Hatch Street
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Sub Custodian

Brown Brothers Harriman & Co.
Brown Brothers Harriman Trust Company, N. A
50 Post Office Square
Boston
USA

Independent Auditors

Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Earlsfort Terrace
Dublin 2
Ireland

Company Secretary

MFD Secretaries Limited
32 Molesworth Street
Dublin 2
Ireland

Legal Advisers

Maples and Calder
75 St Stephen's Green
Dublin 2
Ireland

¹Independent Director.

²Non-Executive Director.

CONDENSED SCHEDULE OF INVESTMENTS

As at 30 June 2022

AVI Family Holding Companies Fund

	Notional/ Shares	Fair Value EUR	% of Net Assets ¹
Financial Assets at Fair Value Through Profit or Loss ¹			
Equities			
Communications		320,012	3.17
IAC/InterActiveCorp	8,600	624,939	6.18
Consumer, Cyclical		300,385	2.97
Christian Dior SE	1,477	835,982	8.27
D'ieteren SA/NV	6,500	907,400	8.98
Consumer, Non-cyclical			
Fomento Economico Mexicano SAB de CV	12,500	806,949	7.98
Financial		1,570,347	15.53
Aker ASA	12,648	925,751	9.16
EXOR NV	15,024	893,628	8.84
Investor AB	41,540	652,115	6.45
Materials			
T. Hasegawa Co Ltd	26,400	512,834	5.07
Total Equities (31 December 2021: 86.22%)		8,350,342	82.60
Funds			
Financial		44,309	0.44
Funds			
Pershing Square Holdings Ltd/Fund	33,603	953,014	9.43
Total Funds (31 December 2021: 9.67%)		997,323	9.87
Financial Derivatives			
Warrant	9,500	239	-
Total Financial Derivatives (31 December 2021: 0.09%)		239	-
Total Financial Assets at Fair Value Through Profit or Loss		9,347,904	92.47
Total Investments at Fair Value Through Profit or Loss		9,347,904	92.47
Cash and cash equivalents		865,133	8.56
Other net liabilities		(104,328)	(1.03)
Net Assets Attributable to Holders of Redeemable Participating Shares		10,108,709	100.00

¹ Unless itemised, no single position accounts for greater than 5% of the Sub-Fund's Net Asset Value as at 30 June 2022.

The accompanying notes are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
As at 30 June 2022 and 31 December 2021

AVI Family Holding Companies Fund

	Note	30-Jun-2022 EUR	31-Dec-2021 EUR
Assets			
Financial assets at fair value through profit or loss:			
- Equities	16	8,350,342	11,290,866
- Funds	16	997,323	1,266,014
- Financial derivatives	16	239	11,995
Cash and cash equivalents	14	865,133	565,983
Other assets		27,601	32,878
Total Assets		<u>10,240,638</u>	<u>13,167,736</u>
Liabilities			
Securities purchased payable		55,423	-
Accrued expenses	6	76,506	71,769
Total Liabilities		<u>131,929</u>	<u>71,769</u>
Net assets attributable to holders of redeemable participating shares	15	<u>10,108,709</u>	<u>13,095,967</u>
Number of redeemable participating shares in issue:			
Class A	5	21,836	23,073
Class C	5	24,569	24,569
Net Asset Value per redeemable participating share:			
Class A (EUR)	15	203.49	257.23
Class C (GBP)	15	198.50	244.72

The accompanying notes are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME
For the financial periods ended 30 June 2022 and 30 June 2021

AVI Family Holding Companies Fund

	Note	30-Jun-2022 EUR	30-Jun-2021 EUR
Income			
Net realised gains on financial assets and financial liabilities at fair value through profit or loss	8	253,751	822,324
Net change in unrealised (losses)/gains on financial assets and financial liabilities at fair value through profit or loss	8	(2,964,545)	646,153
Dividend income		134,815	90,738
Administration fee rebate	6	39,947	39,947
Interest income		136	-
Other income		6,477	3,970
Total (loss)/income		(2,529,419)	1,603,132
Less: withholding tax		(29,273)	(19,148)
Total net investment (loss)/income		(2,558,692)	1,583,984
Expenses			
Interest Expense		2,628	1,636
Investment management fee	6	42,648	42,948
Administration fee	6	39,947	39,947
Audit fee		8,234	8,138
Depository fee	6	10,780	13,141
Directors' remuneration	7	12,449	12,397
UK tax reporting fee		3,451	3,451
Other expenses	6	28,429	10,196
Total expenses		148,566	131,854
(Decrease)/increase in net assets attributable to holders of redeemable participating shares from operations		(2,707,258)	1,452,130

Gains and losses arose solely from continuing operations. There are no recognised gains and losses other than those shown in the Statement of Comprehensive Income.

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES
For the financial periods ended 30 June 2022 and 30 June 2021

AVI Family Holding Companies Fund

	30-Jun-2022	30-Jun-2021
	EUR	EUR
Net assets attributable to holders of redeemable participating shares at the beginning of the financial period	13,095,967	10,551,626
Proceeds from redeemable participating shares issued	-	516,523
Cost of redeemable participating shares redeemed	(280,000)	(470,000)
Net (decrease)/increase in net assets resulting from operations	<u>(2,707,258)</u>	<u>1,452,130</u>
Net assets attributable to holders of redeemable participating shares at the end of the financial period	<u>10,108,709</u>	<u>12,050,279</u>

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS
For the financial periods ended 30 June 2022 and 30 June 2021

AVI Family Holding Companies Fund

	30-Jun-2022	30-Jun-2021
	EUR	EUR
<i>Cash flows from operating activities:</i>		
(Decrease)/increase in net assets resulting from operations	(2,707,258)	1,452,130
Net decrease/(increase) in financial assets at fair value through profit or loss	3,276,394	(857,525)
Net decrease/(increase) in receivables and prepaid fees	5,277	(22,484)
Net increase in fees payable and accrued expenses	4,737	5,052
Cash provided by/(used in) operations	3,286,408	(874,957)
Net cash provided by operating activities	579,150	577,173
<i>Cash flows from financing activities:</i>		
Proceeds from issue of redeemable participating shares	-	516,523
Redemptions of redeemable participating shares	(280,000)	(470,000)
Net cash from financing activities	(280,000)	46,523
Net increase in cash and cash equivalents	299,150	623,696
Cash and cash equivalents at start of the financial period	565,983	154,624
Cash and cash equivalents at end of the financial period	865,133	778,320
Supplementary Information		
Dividends received	110,697	67,249
Interest received	136	-
Interest paid	2,628	1,636

The accompanying notes are an integral part of these financial statements.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the financial period ended 30 June 2022

1. Organisation

AVI Partners Capital Fund plc (the “Company”) was incorporated on 21 July 2011 with registration number 501463 and is an investment company established as an open-ended umbrella fund with variable capital and with segregated liability between sub-funds under the laws of Ireland as a public limited company pursuant to the Companies Act 2014 (as amended) and has been authorised by the Central Bank of Ireland (the “Central Bank”). Notwithstanding the segregation of assets and liabilities within the sub-funds, the Company is a single legal entity and no sub-fund constitutes a legal entity separate from the Company itself.

During the period ended 30 June 2022, the Company had only one active sub-fund, AVI Family Holding Companies Fund (the “Sub-Fund”).

On 18 December 2019, the Central Bank approved a new sub-fund, namely, AVI Japan Fund. This sub-fund had not commenced operations as at 30 June 2022.

The Sub-Fund received authorisation as a Qualifying Investor Alternative Investment Fund from the Central Bank, effective 31 October 2014.

Additional sub-funds may be added to the Company by the Directors from time to time with the prior approval of the Central Bank, each with separate investment objectives and policies. The Company may issue shares of more than one class in each active sub-fund.

2. Investment Objective and Policy

The investment objective for the Sub-Fund is as follows:

AVI Family Holding Companies Fund

The investment objective of the Sub-Fund is to achieve long-term capital appreciation. The Sub-Fund will aim to exceed the returns of the MSCI All Country World (ex US) Index through the active management of a focused portfolio of listed equity investments in family-backed holdings companies. The Sub-Fund will invest in equities and other types of securities including common stocks, securities convertible into common stock, and rights and warrants to purchase common stock, that are trading at what the Investment Manager believes to be a discount to their net asset value. The Sub-Fund is generally expected to hold between 15 and 25 individual securities and will invest in securities of all market capitalisations.

3. Basis of Preparation and Significant Accounting Policies

(a) Basis of Preparation

These condensed semi-annual unaudited financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* (“IAS 34”) and the Companies Act 2014 (as amended). These condensed semi-annual unaudited financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss. The condensed semi-annual unaudited financial statements are prepared in Euro (“EUR”), the functional currency of the Company.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been constantly applied to all the periods presented, unless otherwise stated.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

For the financial period ended 30 June 2022

3. Basis of Preparation and Significant Accounting Policies (continued)

(b) Changes in relevant accounting standards

- i. Standards, amendments and interpretations that are effective from 1 January 2022*

There were no standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the Company.

(c) Use of Estimates and Judgements

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the financial year. In doing so, management exercise judgement based on reliable information. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the Note 3(d) - determination of functional currency.

(ii) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the period ending 30 June 2022 is included in Note 16 and relates to the determination of fair value of financial instruments with significant unobservable inputs.

(d) Foreign Currency

Functional and presentation currency

Items included in the Company's financial statements are measured and presented using the currency of the primary economic environment in which it operates (the "functional currency"). The functional and presentational currency of the Company is the Euro ("EUR").

Monetary assets and liabilities denominated in currencies other than EUR are translated into EUR at the closing rates of exchange at each period end. Transactions during the period, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction. Foreign currency transaction gains and losses are included on the Statement of Comprehensive Income.

(e) Financial Instruments

In accordance with IFRS 9 Financial Instruments ("IFRS 9"), all of the Company's investments are classified as financial assets and liabilities at fair value through profit or loss. The category of financial assets and liabilities at fair value through profit or loss can be classified further as held for trading. Financial assets and liabilities held for trading are securities which are either acquired for generating a profit from short-term fluctuations in price or dealer margins, or are included in a portfolio where a pattern of short-term trading exists.

Initial Recognition and Initial Measurement

Purchases and sales of financial instruments are accounted for on the trade date. Financial instruments are recognised when the Company becomes party to the contractual provisions of the instrument. Financial instruments are initially measured at fair value, including transaction costs. Realised gains and losses on sales of investments are calculated using the First In First Out ("FIFO") method.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

For the financial period ended 30 June 2022

3. Basis of Preparation and Significant Accounting Policies (continued)

(e) Financial Instruments (continued)

Subsequent Measurement

After initial measurement, the Company measures financial instruments which are classified as fair value through profit or loss at their fair value. Fair value is the amount for which an asset could be exchanged or a liability settled, between knowledgeable willing parties in an arm's length transaction.

The fair value of investments traded on a market is based on their last quoted bid price on the date of determination, on the market where such instruments are principally traded; and if unavailable, by reference to the last reported trade price. Where such investment is quoted, listed or traded on or under the rules of more than one market, the Directors shall in their absolute discretion, select the market, which in their opinion, constitutes the main market for such investment for the foregoing purposes.

If a quoted market price is not available on a recognised stock exchange or from a broker/counterparty, the fair value of the financial instruments may be estimated by the Directors using valuation techniques, including use of recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Subsequent changes in the fair value of financial instruments at fair value through profit or loss are recognised in the Statement of Comprehensive Income.

Amortised Cost Measurement

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

Impairment

IFRS 9 introduces a forward-looking expected credit loss ("ECL") model. This requires considerable judgement about how changes in economic factors affect ECLs, which is determined on a probability-weighted basis. The impairment model applies to financial assets measured at amortised cost or fair value through other comprehensive income ("FVOCI").

Under IFRS 9, loss allowances are measured on the following bases:

- 12-months ECLs: result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: result from all possible default events over the expected life of a financial instrument.

Based on the Company's assessment, changes to the impairment model do not have a material impact on the financial assets of the Company, as the majority of the financial assets are measured at fair value through profit or loss ("FVTPL"). The financial assets that are held at amortised cost are short-term (i.e. no longer than 12 months), of high credit quality and/or highly collateralised. Accordingly, the ECLs on such assets is expected to be minimal.

Derecognition

A financial asset shall only be derecognised when the contractual rights to the cash flow from the asset expires or substantially all the risks and rewards of ownership of the financial asset are transferred.

A financial liability should be removed from the Statement of Financial Position when, and only when, the obligation specified in the contract is either discharged, cancelled or expires.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported on the Statement of Financial Position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liability simultaneously.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

For the financial period ended 30 June 2022

3. Basis of Preparation and Significant Accounting Policies (continued)

(f) Cash and Cash Equivalents

Cash is comprised of current deposits with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of change in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(g) Redeemable Participating Shares

Redeemable participating shares are redeemable at the shareholder's option and are classified as financial liabilities.

The redeemable participating shares can be put back to the Company on any dealing day for cash equal to a proportionate share of the Company's net asset value. The Company's net asset value per share is calculated by dividing the net assets attributable to holders of redeemable participating with the total number of outstanding redeemable shares.

(h) Income Recognition

Investment income is reported gross of withholding tax. Dividends are recognised as income on the dates the securities are first quoted "ex dividend" to the extent that information thereon is reasonably available to the Company. Fixed interest, bank deposit interest and other income are accounted for on an accrual basis.

(i) Expenses

All expenses, including management fees are recognised on the Statement of Comprehensive Income on an accrual basis.

(j) Finance Costs

Distributions to holders of redeemable participating shares are recognised on the Statement of Comprehensive Income as finance costs in the period in which the dividend is declared. No distributions were declared or paid during the financial period ended 30 June 2022 (30 June 2021: None).

4. Taxation

Under current Irish law and practice, the Company qualifies as an investment undertaking under Section 739B of the Taxes Consolidation Act, 1997 and is not therefore chargeable to Irish tax on its relevant income or relevant gains. No stamp, transfer or registration tax is payable in Ireland on the issue, redemption or transfer of shares in the Company. Distributions and interest on securities issued in countries other than Ireland may be subject to taxes including withholding taxes imposed by such countries. The Company may not be able to benefit from a reduction in the rate of withholding tax by virtue of the double taxation agreement in operation between Ireland and other countries. The Company may not, therefore, be able to reclaim withholding tax suffered by it in particular countries.

To the extent that a chargeable event arises in respect of a shareholder, the Company may be required to deduct tax in connection with that chargeable event and pay the tax to the Irish Revenue Commissioners. A chargeable event can include dividend payments to shareholders, appropriation, cancellation, redemption, repurchase or transfer of shares, or a deemed disposal of shares every 8 periods beginning from the date of acquisition of those shares. Certain exemptions can apply. To the extent that shareholders have appropriate tax declarations in place with the Company there may be no requirement to deduct tax.

Dividends, interest and capital gains (if any) received on investments made by the Company, may be subject to withholding taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Company or its shareholders.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

For the financial period ended 30 June 2022

5. Share Capital

Authorised Share Capital

The authorised share capital of the Company is EUR 2 divided into two redeemable non-participating shares of EUR 1 each and 500,000,000,000 participating shares of no par value.

Subscriber Shares

Subscriber shares issued amount to EUR 2, being two subscriber shares of EUR 1 each, fully paid. The subscriber shares do not form part of the net asset value of the Company and are thus disclosed in the financial statements by way of this note only. In the opinion of the Directors, this disclosure reflects the nature of the Company's business as an investment company.

Redeemable Participating Shares

The issued redeemable participating share capital is at all times equal to the net asset value of the Company. Redeemable participating shares are redeemable at the shareholder's option and are classified as financial liabilities.

The movement in the number of issued and fully paid redeemable participating shares for the financial period/year ended 30 June 2022 and 31 December 2021 are as follows:

AVI Family Holding Companies Fund

30 June 2022

	Class A	Class C
Opening Balances	23,073	24,569
Redeemable participating shares issued	-	-
Redeemable Participating shares purchased	(1,237)	-
Closing Balances	21,836	24,569

AVI Family Holding Companies Fund

31 December 2021

	Class A	Class C
Opening Balances	26,277	22,521
Redeemable participating shares issued	-	2,048
Redeemable participating shares redeemed	(3,204)	-
Closing Balances	23,073	24,569

The relevant movements of share capital for the financial period ended 30 June 2022 are shown on the Statement of Changes in net assets attributable to holders of redeemable participating shares for the period ended 30 June 2022. The relevant movements in share capital for the financial year ended 31 December 2021 are shown in the Statement of Changes in net assets attributable to holders of redeemable participating shares in the Company's annual report and audited financial statements for the financial year ended 31 December 2021. The Company invests the proceeds from the issue of shares in investments while maintaining sufficient liquidity to meet redemption requests when necessary.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

For the financial period ended 30 June 2022

5. Share Capital (continued)

The holders of redeemable participating shares have the following rights:

- right to vote at a general meeting. On a show of hands, be entitled to one vote per holder and, on a poll, be entitled to one vote per share;
- right to be entitled to such dividends as the Directors may from time to time declare; and
- in the event of a winding up or dissolution of the Company, they are entitled to participate in the distribution of any residual assets on the basis described in the Company's Memorandum and Articles of Association.

6. Fees and Expenses

(a) Accrued Expenses

	AVI Family Holding Companies Fund EUR
30 June 2022	
Administration fee payable	6,631
Audit fee payable	7,820
Depositary fee payable	2,140
Directors' fees payable	9,324
Investment management fee payable	20,489
Other professional fees payable	26,908
Secretarial fee payable	3,194
Total	76,506

	AVI Family Holding Companies Fund EUR
31 December 2021	
Administration fee payable	6,836
Audit fee payable	16,605
Depositary fee payable	4,012
Directors' fees payable	3,125
Investment management fee payable	24,424
Legal fee payable	2,728
Other professional fees payable	11,612
Secretarial fee payable	2,427
Total	71,769

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

For the financial period ended 30 June 2022

6. Fees and Expenses (continued)

(b) Other Expenses

	AVI Family Holding Companies Fund
	EUR
30 June 2022	
Bank charges	1,639
Directors' insurance fees	827
FATCA fee expense	650
Regulatory fee expense	10,912
Other expenses	5,667
Secretarial fees	8,734
Total	28,429

	AVI Family Holding Companies Fund
	EUR
30 June 2021	
Bank charges	1,565
Directors' insurance fees	646
FATCA fee expense	434
Out of pocket fee expense	945
Other expenses	990
Secretarial fees	5,616
Total	10,196

(c) Key Contracts

Investment management fee

Each sub-fund of the Company pays to the Asset Value Investors Limited (the "AIFM") an Investment Management fee as follows:

AVI Family Holding Companies Fund

The Investment Management fee will be paid by the Company quarterly in arrears at the rate of up to 1.00% of the Net Asset Value of the Company.

During the financial period ended 30 June 2022, the Investment Manager earned fees of EUR 42,648 (30 June 2021: EUR 42,948). As at 30 June 2022, EUR 20,489 (31 December 2021: EUR 24,424) remained payable to the Investment Manager.

The AIFM may waive or rebate all or part of its investment management fee and may differentiate among investors. It should be acknowledged that the AIFM will have ultimate discretion in so doing.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

For the financial period ended 30 June 2022

6. Fees and Expenses (continued)

(c) Key Contracts (continued)

Administration fee

SEI Investments – Global Fund Services Limited (the “Administrator”) is entitled to receive an administration fee which will not exceed an annual rate of 0.11% of the net asset value of the Company, subject to a minimum fee per month for each sub-fund. During the financial period ended 30 June 2022, the Administrator earned total fees of EUR 39,947 (30 June 2021: EUR 39,947). As at 30 June 2022, EUR 6,631 (31 December 2021: EUR 6,836) remained payable to the Administrator.

The Company will reimburse the Administrator all of the reasonable out-of-pocket expenses incurred by the Administrator in the performance of its duties. These expenses will be reimbursed quarterly in arrears.

The Investment Manager pays the administration fees on behalf of the Sub-Fund in the form of a recharge back to the Sub-Fund which is charged on a quarterly basis.

Depositary fee

SEI Investments – Depositary and Custodial Services (Ireland) Limited (the “Depositary”) is entitled to a fee of up to 0.02% of the net asset value of the Company. Brown Brothers Harriman & Co. (the “Sub Custodian”) is entitled to a fee of up to 0.02% of the net asset value of the Company. During the financial period ended 30 June 2022, the total Depositary and Sub Custodian fees were EUR 10,780 (30 June 2021: EUR 13,141). As at 30 June 2022, EUR 2,140 (31 December 2021: EUR 4,012) remained payable to the Depositary and Sub Custodian.

7. Directors’ Remuneration

For the financial period ended 30 June 2022, total Directors’ remuneration was EUR 12,449 (30 June 2021: EUR 12,397). As at 30 June 2022, EUR 9,324 (31 December 2021: EUR 3,125) remained payable to the Directors. The Directors who are not associated with the AIFM or its affiliates will be entitled to remuneration for their services as Directors, provided however that the aggregate emoluments of each such Director will not exceed EUR 12,500 (plus any applicable taxes) or such other amount as may be approved by a resolution of the Directors or the shareholders in a general meeting. The Directors' fees will be reviewed annually. In addition, all of the Directors will be entitled to be reimbursed out of the assets of each sub-fund for their reasonable out of pocket expenses incurred in discharging their duties as Directors.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

For the financial period ended 30 June 2022

8. Gains and Losses on Financial Assets and Financial Liabilities at Fair Value through Profit or Loss

	AVI Family Holding Companies Fund EUR
30 June 2022	
Realised gains on financial assets and financial liabilities at fair value through profit or loss	317,496
Realised losses on financial assets and financial liabilities at fair value through profit or loss	<u>(63,745)</u>
Net realised gains on financial assets and financial liabilities	<u>253,751</u>
Change in unrealised gains on financial assets and financial liabilities at fair value through profit or loss	363,505
Change in unrealised losses on financial assets and financial liabilities at fair value through profit or loss	<u>(3,328,050)</u>
Net change in unrealised losses on financial assets and financial liabilities	<u>(2,964,545)</u>
	AVI Family Holding Companies Fund EUR
30 June 2021	
Realised gains on financial assets and financial liabilities at fair value through profit or loss	925,886
Realised losses on financial assets and financial liabilities at fair value through profit or loss	<u>(103,562)</u>
Net realised gains on financial assets and financial liabilities	<u>822,324</u>
Change in unrealised gains on financial assets and financial liabilities at fair value through profit or loss	1,834,813
Change in unrealised losses on financial assets and financial liabilities at fair value through profit or loss	<u>(1,188,660)</u>
Net change in unrealised gains on financial assets and financial liabilities	<u>646,153</u>

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

For the financial period ended 30 June 2022

9. Related Party and Connected Party Transactions

Key Management Personnel

Ms. Kimmerly Lau is a Director of the Company and a Director of the AIFM. Ms. Lau has a shareholding in the Sub-Fund, and has subscribed for shares personally on the same terms as other investors.

AVI Family Holding Companies Fund

30 June 2022	Class A
Opening balance	1,796
Subscriptions	-
Redemptions	(1,237)
Closing balance	<u>559</u>

AVI Family Holding Companies Fund

31 December 2021	Class A
Opening balance	5,000
Subscriptions	-
Redemptions	(3,204)
Closing balance	<u>1,796</u>

No other Directors held shares during the financial period ended 30 June 2022.

All related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

Connected Party Transactions

In accordance with the Central Bank's AIF Rulebook (the "AIF Rulebook"), any transactions carried out by the Company with a management company, general partner, depositary, AIFM or by delegates or group companies ("connected parties") must be carried out as if negotiated at arm's length. Such transactions must be in the best interests of the Company's shareholders. The Directors are satisfied that there are arrangements in place (evidenced by written procedures) to ensure that the obligations set out in the AIF Rulebook have been complied with. The Directors are satisfied that transactions with connected parties entered into during the financial period complied with these obligations.

10. Distributions for the Financial Period

The Directors did not declare any dividends for the financial period ended 30 June 2022 (30 June 2021: Nil).

11. Significant Events during the Financial Period

Events arising in Ukraine, as a result of military action being undertaken by Russia in Ukraine, may impact on securities related to companies domiciled in Russia and/or listed on exchanges located in Russia, including the Moscow Exchange ("Russian Securities"). The Family Holding Companies sub-fund does not have any direct exposure to securities of companies domiciled in Russia and does not have any sanctioned investors. However, the Directors and Investment Manager are monitoring developments related to this military action, including current and potential future interventions of foreign governments and economic sanctions against Russia, in order to assess their impact on the Fund.

Up to the date of approval of the financial statements, there were no other material subsequent events affecting the Company which necessitate additional disclosure in or revision of the figures included in the financial statements.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

For the financial period ended 30 June 2022

12. Significant Events after the Reporting Financial Period

There have been no material subsequent events since 30 June 2022 that would require an adjustment of, or disclosure in these financial statements.

13. Exchange Rates

The financial statements are presented in Euro (EUR). The following exchange rates at 30 June 2022 and 31 December 2021 have been used to translate assets and liabilities in other currencies to EUR:

	30-Jun-2022	31-Dec-2021
BRL	0.18	0.16
GBP	1.16	1.19
JPY	0.01	0.01
NOK	0.10	0.10
SEK	0.09	0.10
USD	0.96	0.88

14. Cash and Cash Equivalents

As at 30 June 2022 and 31 December 2021, all cash balances are held by the Sub Custodian, Brown Brothers Harriman & Co (“BBH”). As at 30 June 2022 and 31 December 2021, BBH has a Fitch credit rating of A+.

15. Net Asset Value

The net asset values of the Sub-Fund and the net asset values per share of the Sub-Fund as at the end of the financial period/year were:

AVI Family Holding Companies Fund

	30-Jun-2022	31-Dec-2021
	EUR	EUR
Total Net Asset Value		
Class A	4,443,474	5,934,969
Class C	5,665,235	7,160,998
Net Asset Value per Share ¹		
Class A (EUR)	203.49	257.23
Class C (GBP)	198.50	244.72
Class C (EUR)	230.59	291.46

¹ Net Asset Value per Share is presented both in the local currency of each respective share class and base currency EUR of the Company.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

For the financial period ended 30 June 2022

16. Fair Value Measurement

(a) Carrying Amounts and Fair Value

As disclosed in Note 3(e), the Company recognises and measures its investments in financial instruments at fair value through profit or loss at fair value, therefore its carrying amount is a reasonable approximation of fair value at all times.

In compliance with IFRS 13 *Fair Value Measurement* (“IFRS 13”), the Company has classified its financial instruments at fair value through profit or loss into a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

(i) Level 1: Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1. Quoted prices for these instruments are not adjusted.

(ii) Level 2: Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

(iii) Level 3: Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. As observable prices are not available for these securities, the Company has used valuation techniques to derive the fair value.

The following tables provide an analysis of the fair value hierarchy of the Company’s financial assets and liabilities, measured at fair value through profit or loss. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

<u>AVI Family Holding Companies Fund</u> 30 June 2022	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
<i>Financial assets at fair value through profit or loss</i>				
Equities	8,350,342	-	-	8,350,342
Funds	953,014	-	44,309	997,323
Financial derivatives	-	239	-	239
Total	9,303,356	239	44,309	9,347,904

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

For the financial period ended 30 June 2022

16. Fair Value Measurement (continued)

(a) Carrying Amounts and Fair Value (continued)

AVI Family Holding Companies Fund	Level 1	Level 2	Level 3	Total
31 December 2021	EUR	EUR	EUR	EUR
<i>Financial assets at fair value through profit or loss</i>				
Equities	11,290,866	-	-	11,290,866
Funds	1,214,459	-	51,555	1,266,014
Financial derivatives	-	11,995	-	11,995
Total	12,505,325	11,995	51,555	12,568,875

The Level 3 amount comprises the Closed-end Mutual Fund in liquidation. The Sub-Fund values these instruments using quotations from an independent broker.

There were no transfers between level 1, 2 and 3 during the financial period ended 30 June 2022 and the financial year ended 31 December 2021.

(b) Valuation Techniques and Significant Unobservable Inputs

The Company uses the following valuation techniques for financial instruments held at fair value through profit or loss which are classified as Level 3 investments:

Instrument Type	Investment	Cost EUR	Fair Value 30-Jun-22 EUR	Valuation Technique	Unobservable Inputs	Inputs
Closed-end Mutual Fund	EF Realisation Co Ltd	37,019	44,309	Last reported valuation of the underlying assets, consisting of cash and a stake in TRF (Arizona water entitlements). This is adjusted for dividends paid and FX movements.	None	Last reported valuation Dividends paid FX rate

Instrument Type	Investment	Cost EUR	Fair Value 31-Dec-2021 EUR	Valuation Technique	Unobservable Inputs	Inputs
Closed-end Mutual Fund	EF Realisation Co Ltd	37,019	51,555	Last reported valuation of the underlying assets, consisting of cash and a stake in TRF (Arizona water entitlements). This is adjusted for dividends paid and FX movements.	None	Last reported valuation Dividends paid FX rate

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

For the financial period ended 30 June 2022

17. Soft Commission Arrangements

There were no soft commission arrangements affecting the Company for the financial period ended 30 June 2022 (30 June 2021: None).

18. Segregated Liability

Under Irish law, the Company generally will not be liable as a whole to third parties and generally there will not be the potential for cross-liability between the sub-funds. Notwithstanding the foregoing, there can be no assurance that, should an action be brought against the Company in the courts of another jurisdiction, the segregated nature of the sub-funds would necessarily be upheld.

19. Significant Purchases and Sales

There were significant purchases and sales during the financial period ended 30 June 2022. The statement of significant purchases and sales is available to shareholders upon request free of charge.

20. Approval of Financial Statements

The condensed semi-annual unaudited financial statements were approved and authorised for issue by the Directors on 18 August 2022.