

AVI Partners Capital Fund plc

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

Annual Report and Audited Financial Statements

For the financial year ended 31 December 2021

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DIRECTORY

Directors

James F McKeon ^{1,2}
Kimmberly Lau
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 - Depositary and Custodial Services
(Ireland) Limited
2nd Floor
Styne House
Upper Hatch Street
Dublin 2
Ireland

Administrator

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

Registrar and Transfer Agent

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

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.

DIRECTORS' REPORT

For the financial year ended 31 December 2021

The Directors submit their report together with the audited financial statements of AVI Partners Capital Fund plc (the "Company") for the financial year ended 31 December 2021.

Statement of Directors' Responsibilities

Irish company law requires the Directors to prepare financial statements for each financial year. Under the law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU"). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date and of the profit or loss of the Company for the financial year and otherwise comply with the Companies Act 2014 (as amended) (The "Companies Act").

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies for the Company's Financial Statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, to ensure that the financial statements and Directors' Report comply with the Companies Act and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Business review and principal activities

The Company is an umbrella type open-ended Investment Company with limited liability incorporated under the laws of Ireland with segregated liability between its sub-funds (AVI Family Holding Companies Fund, formerly known as AVI International Value Fund, the "Sub-Fund"). The Company is authorised in Ireland by the Central Bank.

The principal activity of the Company is to invest in financial instruments to achieve long-term capital appreciation. As of 31 December 2021 the Company has only one active Sub-Fund – AVI Family Holding Companies Fund, with an investment strategy, objectives and policies which are reviewed in detail in Note 2 to the financial statements.

Performance data for the financial year ended 31 December 2021 for the Sub-Fund, together with an investment analysis, is shown on the following pages.

Further details regarding the Company's financial and non-financial performance, along with a general review of future developments, are disclosed in the Alternative Investment Fund Manager's report on page 10.

DIRECTORS' REPORT (CONTINUED)
For the financial year ended 31 December 2021

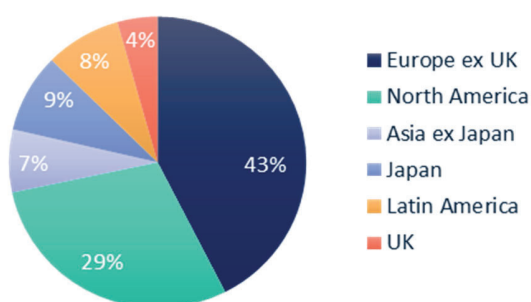
Business review and principal activities (continued)

AVI Family Holding Companies Fund

Share Class	Return	MSCI AC World Index	MSCI AC Ex USA Index
Class A (EUR)	26.27%	27.54%	16.01%
Class C (GBP)	18.44%	19.63%	8.82%

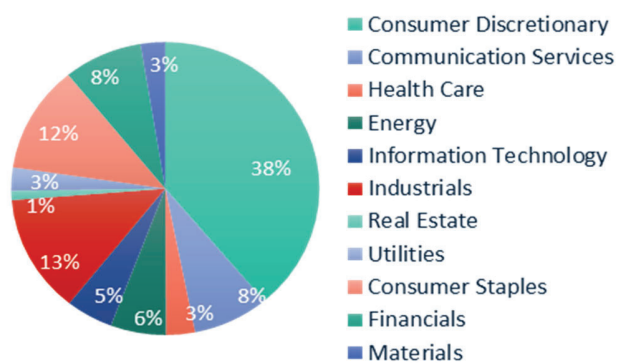
Country Exposure (% of net assets)

Look-through Country Exposure
(% of net assets estimated by AVI)



Sector Breakdown (% of total portfolio)

Look-through Sector Exposure
(% of net assets estimated by AVI)



DIRECTORS' REPORT (CONTINUED)
For the financial year ended 31 December 2021

Business review and principal activities (continued)

The Net Asset Values of the Sub-Fund's share classes as at the end of the financial year were:

Sub-Fund	AVI Family Holding Companies Fund Class A (EUR)¹	AVI Family Holding Companies Fund Class C (GBP)¹
Opening Net Asset Value	5,352,960	4,653,299
Net capital transactions	(750,000)	440,000
Profit and Loss	1,332,009	919,096
Closing Net Asset Value	5,934,969	6,012,394

¹ Presented in the local currency of each class.

Risk management objectives and policies

The principal risks and uncertainties which the Company faces relate to the use of financial instruments and are listed in Note 8 "Risks Associated with Financial Instruments". The investment objective of the Company is disclosed in Note 2 "Investment Objective and Policy".

Results

The results for the year are set out on page 18.

The Directors confirm that the Company is operating on a going concern basis.

The Directors have also considered the consequences of COVID-19 and other events and conditions, and have determined that these events do not create a material uncertainty that casts significant doubt upon the Company's ability to continue as a going concern. The Company has resources to continue for the foreseeable future and can continue on a going concern basis.

Significant events during the financial year

Significant events during the financial year are disclosed in Note 12 "Significant Events during the Financial Year".

Significant events after the financial year

Significant events since the end of the financial year are disclosed in Note 13 "Significant Events after the Financial Year".

Dividends

No dividends were paid or proposed during the financial year (2020: Nil).

Political Donations

The Company made no political donations during the financial year ended 31 December 2021 (2020: Nil).

Directors

The Directors that served during the financial year are listed on page 2. There were no changes to the Directors during the financial year or up to and including the signing of this report.

DIRECTORS' REPORT (CONTINUED)
For the financial year ended 31 December 2021

Directors' and Secretary's Interests

Ms. Kimmberly Lau is a Director of the Company and Director of the Alternative Investment Fund Manager ("AIFM"). Ms. Lau has a shareholding in the Sub-fund, and has subscribed for shares personally on the same terms as other investors.

Shares held in the Company by Kimmberly Lau during the financial year ended 31 December 2021 and the financial year ended 31 December 2020 are as follows:

	AVI Family Holding Companies Fund
31 December 2021	
Opening balance	5,000
Subscriptions	-
Redemptions	(3,204)
Closing balance	<u>1,796</u>
	AVI Family Holding Companies Fund
31 December 2020	
Opening balance	5,000
Subscriptions	-
Redemptions	-
Closing balance	<u>5,000</u>

No other Directors held shares during the financial years ended 31 December 2021 and 31 December 2020.

Transactions Involving Directors

Ms. Kimmberly Lau is a Director of the AIFM and also a Director of the Company. There were no other contracts or arrangements of any significance in relation to the business of the Company in which the Directors had any interest as defined in the Companies Act 2014 (as amended) at any time during the financial years ended 31 December 2021 and 31 December 2020.

Accounting Records

The Directors have ensured that the adequate accounting records requirements under Sections 281 to 285 of the Companies Act 2014 (as amended) have been complied with by outsourcing this function to SEI Investments – Global Fund Services Limited (the "Administrator"). The accounting records are kept at the head office of the Administrator, which is 2nd Floor, Styne House, Upper Hatch Street, Dublin 2, Ireland.

DIRECTORS' REPORT (CONTINUED)
For the financial year ended 31 December 2021

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 ("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 year complied with these obligations.

Independent Auditors

Deloitte Ireland LLP have been appointed as auditors and have signified their willingness to continue in office in accordance with Section 383(2) of the Companies Act 2014 (as amended).

Statement on Relevant Audit Information

In accordance with section 330 of the Companies Act 2014 (as amended):

- (i) so far as the Directors are aware, there is no relevant audit information of which the Company's statutory auditors are unaware;
- (ii) the Directors have taken all steps that the Directors ought to have taken as Directors in order to make themselves aware of any relevant audit information and to ensure that the Company's statutory auditors are aware of that information.

Statement of Corporate Governance

(a) General Requirements

The Company is subject to the requirements of the Irish Companies Act and the Central Bank of Ireland in its AIF Rulebook.

The Company has also voluntarily decided to adopt the corporate governance code for Irish domiciled investment funds and management companies issued by the Irish Funds Association (the "IF Code") in December 2012. This IF Code is available from the Irish Funds' website at the attached link: <http://www.irishfunds.ie/regulatory-technical/corporate-governance>.

The Board of Directors (the "Board") adopted the IF Code having regard for certain other key pillars of governance within the collective investment fund governance structure, including:

- (a) the unique role of the Promoter of a collective investment fund (which is, or a related company of which is, normally the Investment Advisor of the collective investment fund), as recognised by the Central Bank of Ireland, in supporting the corporate governance culture of the Company;
- (b) the uniqueness of the independent segregation of duties as between the AIFM, the Administrator (with responsibility for the calculation of the net asset value, amongst other duties) and the independent Depositary (with responsibility for safeguarding the assets of the Company and overseeing how the Company is managed), such segregation of duties/functions being achieved through delegation of respective responsibilities to and appointment of suitably qualified and also regulated third party entities who are subject to regulatory supervision; and
- (c) the role of the Company's shareholders in allocating their capital to the Company to have such capital managed in accordance with the investment objective and policies of the Company as promoted by the Promoter.

DIRECTORS' REPORT (CONTINUED)
For the financial year ended 31 December 2021

Statement of Corporate Governance (continued)

(b) Board of Directors

In accordance with the Companies Act and the Articles, unless otherwise determined by an ordinary resolution of the Company in a general meeting, the number of Directors may not be less than two. The Board currently comprises three Directors, two of whom are independent to the Company. Details of the current Directors are set out in the "Directory" section on page 2, under the heading "Directors".

The Board meets on at least a quarterly basis to fulfil its responsibilities. However, additional meetings may be convened as required and the Board may meet more frequently in general sessions of the Board to discuss matters of general importance to the Company. The Board has determined that based on a) the Alternative Investment Fund nature of the company b) Investor(s) profile and c) current review/reporting practices and procedures, the Board is effective in fulfilling its governance responsibilities.

The Company operates under the delegated model whereby the Board have appointed the depositary function to a third party and also appointed Asset Value Investors Limited as its AIFM who has sub-delegated the administration, registrar and transfer agent and distribution functions to third parties without abrogating the Board's overall responsibility. The Board has in place mechanisms for monitoring the exercise of such delegated functions which are always subject to the supervision and direction of the Board. These delegations of functions and the appointment of regulated third party entities are detailed in the Company's Prospectus. In summary, they are:

1. The AIFM has delegated the responsibilities of Administrator to SEI Investments - Global Fund Services Limited (the "Administrator"). This entity has responsibility for the day to day administration of the Company including the calculation of the net asset values. The Administrator is regulated by, and is under the supervision of, the Central Bank of Ireland.
2. The AIFM has delegated the responsibilities of Registrar and Transfer Agent to SEI Investments - Global Fund Services Limited (the "Registrar and Transfer Agent"). This entity has responsibility for the receiving and processing of subscription and redemption orders, allotting and issuing Shares and maintaining the Shareholder register for the Shares.
3. The Company has appointed SEI Investments - Depositary and Custodial Services (Ireland) Limited (the "Depositary") as Depositary of its assets. This entity has responsibility for the safekeeping of assets and exercising independent oversight over how the Company is managed, all in accordance with the regulatory framework applicable to the Company. The Depositary is regulated by, and is under the supervision of, the Central Bank.

These services and other service providers are set out in the "Directory" section on page 2.

Board materials, including a detailed agenda of items for consideration at each Board meeting, minutes of the previous meeting and reports from various internal and external service providers are generally circulated in advance of the meeting to allow all Directors adequate time to consider the material and assess the performance of the delegate service providers and the Depositary (as the case may be).

The quorum necessary for the transaction of business at a meeting of Directors is two. Directors generally attend all Board Meetings.

The Board has not directly established any committees to whom business is delegated.

DIRECTORS' REPORT (CONTINUED)
For the financial year ended 31 December 2021

Statement of Corporate Governance (continued)

(c) Internal Control and Risk Management Systems in Relation to Financial Reporting

The Board is ultimately responsible for overseeing the establishment and maintenance of adequate internal control and risk management systems of the Company in relation to the financial reporting process. As the Company has no employees, all functions including the preparation of the financial statements have been outsourced to the Administrator.

The AIFM, under appointment by the Board, has delegated to the Administrator to maintain the books and records of the Company independently. Through this appointment, the Board has procedures in place to ensure that all relevant books of account are properly maintained and are readily available, including production of annual and half yearly financial statements.

Subject to the supervision of the Board, the AIFM's delegation to the Administrator is intended to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board is responsible for assessing the risk of irregularities whether caused by fraud or error in financial reporting and for ensuring that processes are in place for the timely identification of internal and external matters with a potential effect on financial reporting. The AIFM's delegation to the Administrator (which is regulated by the Central Bank) is intended to mitigate though not eliminate the risk of fraud or irregularities which may impact the financial statements of the Company.

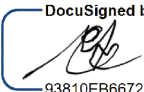
During the financial year, the Board were responsible for the review and approval of the annual financial statements as set out in the Statement of Directors' Responsibilities. The statutory financial statements are required to be audited by Independent Auditors who report annually to the Board on their findings. The Board monitors and evaluates the Independent Auditor's performance, qualifications and independence. As part of its review procedures, the Board receives presentations from relevant parties including consideration of Irish accounting standards and their impact on the annual financial statements, and presentations and reports on the audit process. The Board evaluates and discusses significant accounting and reporting issues as the need arises and would ensure, through the relevant parties that the Company's auditors are aware of any relevant audit information so as to comply with Section 332 of the Companies Act 2014 (as amended). The annual report and audited annual financial statements of the Company are required to be approved by the Board and filed with the Central Bank.

(d) Shareholder Meetings

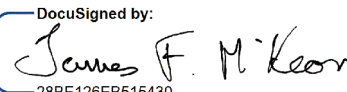
All general meetings of the Company shall be held in Ireland. Each financial year the Company shall hold a general meeting as its annual general meeting. Reasonable notice shall be given in respect of each general meeting of the Company. The notice shall specify the venue and time of the meeting and the business to be transacted at the meeting. A proxy may attend on behalf of any Shareholder. An ordinary resolution is a resolution passed by a simple majority and a special resolution is a resolution passed by a majority of 75 per cent or more of the votes cast. The Articles provide that matters may be determined by a meeting of Shareholders on a show of hands unless a poll is requested by five Shareholders or by Shareholders holding 10 per cent or more of the Shares or unless the Chairman of the meeting requests a poll. Each Share (including the Subscriber Shares) gives the holder one vote in relation to any matters relating to the Company which are submitted to Shareholders for a vote by poll.

On behalf of the Board

Director

DocuSigned by:

93810EB6672E40B.....
Philip McEnroe
16 March 2022

Director

DocuSigned by:

28BE126EB515430...
James F. McKeon
16 March 2022

ALTERNATIVE INVESTMENT FUND MANAGER'S REPORT
For the financial year ended 31 December 2021

AVI Partners Capital Fund plc
Investment Manager's Report
For the period 1 January 2021 to 31 December 2021

Investment Objective

The investment objective is to achieve long-term capital appreciation. The AVI Family Holding Companies Fund ("Fund") will aim to exceed the returns of the MSCI All Country World (ex U.S.) Index through the active management of a focussed portfolio of listed equity investments in family-backed holding companies.

Investment Review

Over the financial year, the AVI Family Holding Companies Fund increased 26.3% compared to the MSCI AC World ex USA Index (€) which increased 16.0%.

Cash at year end in the Fund was 4.32%.

We wrote in last year's annual report that "we did not let the (market) crisis go to waste." We repositioned the portfolio and entered 2021 with a portfolio full of opportunity. The companies within this Fund have stood the test of time, with many into their fourth, fifth, and even seventh generation. They have thrived through periods of inflation and deflation, wars, and famine; we are confident they will do so again.

2021 began with a market increasingly concerned with the prospect of sustained, above-average inflation. At the same time China's ruling party expressed a desire to promote "common prosperity" by initiating changes in the regulatory environment in China. Our exposure to China had already been reduced by the sale of Jardine Strategic following Jardine Matheson's take-private offer. We also reduced our position in Softbank (exposed to Alibaba) and exited entirely by July. Prosus (exposed to Tencent) went through some structural changes as management attempted to "fix" the discount. We initially maintained our position in Prosus but ultimately exited the position entirely as the regulatory environment in China continued to deteriorate and the management's sub-optimal "fix" appeared to entrench a structurally wider discount.

The main drivers to the strong performance during the year were the well-established holding companies in Europe; D'Ieteren, Christian Dior, Investor and Aker.

D'Ieteren (7.7% of NAV) is a Belgian holding company that was by far the largest contributor to returns during the year. The shares increased by 156% over the year and contributed 7.3% to the portfolio return for the year. The key driver was Belron, the world leader in vehicle glass repair, replacement, and recalibration, which accounts for the largest part of D'Ieteren's NAV. Belron is undergoing a structural transformation, as windscreens are increasingly fitted with Advanced Driving Assistance Systems (ADAS) cameras, which require recalibration when replaced. In addition to the strong underlying NAV growth, D'Ieteren's discount also narrowed to 23% from a three-year average of 40%.

Christian Dior ("CDI") (8.2% of NAV) is a French listed mono-holding company through which the Arnault family control LVMH, the luxury goods conglomerate. We took advantage of the negative sentiment in the market in March 2020 when the discount went out to 25%. We have continued to add to the position, and it is now the fourth largest position and a major contributor to performance in 2021. CDI's has material discount tightening and LVMH sales growth has been exceptional. During the period the family took steps to simplify parts of the control structure which sit above CDI. It is our expectation that at some point the family will collapse the structure, when it suits them, and we expect to capture further upside in the discount.

ALTERNATIVE INVESTMENT FUND MANAGER'S REPORT (CONTINUED)
For the financial year ended 31 December 2021

Investor (9.1% of NAV) is a Swedish holding company with exposure to high quality listed and unlisted businesses. It has been a core holding in the FHC and is currently the second largest holding in the portfolio. We view Investor as arguably the best-run holding company in Europe, with exposure to high-quality listed equities, and an increasingly relevant portfolio of private businesses that benefit from structural growth trends, and where we expect significant value creation going forward, in particular through bolt-on acquisitions. We believe the Wallenberg family to be excellent stewards of capital, and that Investor has created significant value through active portfolio management, such as the splitting of Atlas Copco, the spin-off of the Electrolux Pro business, and the listing of EQT. Investor was a major contributor to performance in 2021.

Aker (7.9% of NAV) is a Norwegian holding company and contributed 3.6% to the portfolio return this year. During 2021 Aker Horizons conducted a private placement and listed on the Euronext Growth exchange. In conjunction with this Aker Horizons announced the acquisition of a 75% stake in Mainstream Renewable Power, a renewable energy company within the wind and solar markets, and launched and listed its newest venture in Aker Clean Hydrogen. This high level of activity has created a new leg for Aker's growth and is indicative of how families think about securing growth and wealth on a generational time horizon.

We fully exited several companies during the year:

- Jardine Strategic – exited following Jardine Matheson's take-private offer.
- Kinnevik - which traded on a large premium following the distribution of its stake in Zalando.
- Softbank – acquired with the catalyst of pressure from activist investor Elliott and an excessively wide discount. The investment generated a +51% IRR.
- Prosus – as discussed earlier, the management has taken a path that does not appear to be aligned with our interests. The investment earned a disappointing -12% IRR.
- Prisa – generated a ROI of -52% as the environment deteriorated in Latin America with COVID and a material de-rating in the Brazilian education-tech sector.

In the last quarter of 2021, we initiated new positions in Eurazeo and T Hasegawa. 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. We believe Eurazeo are at an inflection point in this transition, with the prospect of strong growth in third party AUM and even faster growth in earnings as margins expand due to the inherent operating leverage in such businesses. We acquired our shares at wider than average c.25% discount to reported NAV.

T Hasegawa (TH) is a Japanese global top-ten flavour and fragrance (F&F) company founded by the namesake family in 1903. Flavours are a critical component of consumers' purchasing decisions, while accounting for a small portion of overall costs. This creates sticky customer contracts, strong barriers to entry, and pricing power. TH trades at a 50% discount to our estimated NAV, and at 10.6x EV/EBITA versus global peers at 28.4x.

Inflation, interest rates and growth continue to dominate investor thinking and drive markets. We have assembled a concentrated yet diverse portfolio of high-quality, well-managed and conservatively financed companies. These companies are controlled by families with records of value creation over generational periods. The Fund is well positioned to weather any challenges that lie ahead.



Alternative Investment Fund Manager and Promoter

February 2022

Annual Depositary Report to Investors

We, SEI Investments – Depositary and Custodial Services (Ireland) Limited, appointed Depositary to AVI Partners Capital Fund plc (“the Company”) provide this report solely in favour of the investors of the Company as a body for the year ended 31 December 2021 (“Annual Accounting Period”). This report is provided in accordance with current Depositary Regulations. We do not, in the provision of this report, accept nor assume responsibility for any other purpose or person to whom this report is shown.

In accordance with our Depositary obligations, we have enquired into the conduct of the AIFM for this Annual Accounting Period and we hereby report thereon to the investors of the Company as follows;

We are of the opinion that the Company has been managed by the AIFM during the year, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the constitutional document and by the Central Bank of Ireland under the powers granted to the Central Bank of Ireland by the investment fund legislation; and
- (ii) otherwise in accordance with the provisions of the constitutional document and the investment fund legislation.



For and on behalf of SEI Investments – Depositary and Custodial Services (Ireland) Limited

Date: 16 March 2022

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AVI PARTNERS CAPITAL FUND PLC

Report on the audit of the financial statements

Opinion on the financial statements of AVI Partners Capital Fund Plc ("the company")

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2021 and of the profit for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework, the applicable Regulations and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

- the Statement of Financial Position;
- the Statement of Comprehensive Income;
- the Statement of Changes in Net Assets attributable to holders of Redeemable Participating Shares;
- the Statement of Cash Flows; and
- the related notes 1 to 21, including a summary of significant accounting policies as set out in note 3.

The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and International Financial Reporting Standards as adopted by the European Union ("IFRS") ("the relevant financial reporting framework").

The applicable regulations that have been applied in their preparation is the European Union (Alternative Investment Fund Managers) Regulations 2013 (as amended) and the Commission Delegated Regulation (EU) No.231/2013 ("the applicable Regulations").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the "*Auditor's responsibilities for the audit of the financial statements*" section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report and Audited Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and Audited Financial Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
AVI PARTNERS CAPITAL FUND PLC**

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity (or where relevant, the group) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

/Continued from previous page

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AVI PARTNERS CAPITAL FUND PLC

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements and the directors' report has been prepared in accordance with the Companies Act 2014.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

Use of our report

This report is made solely to the company's shareholders, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.



Brian Jackson
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, 29 Earlsfort Terrace, Dublin 2

29 March 2022

CONDENSED SCHEDULE OF INVESTMENTS
As at 31 December 2021

AVI Family Holding Companies Fund

	Notional/ Shares	Fair Value EUR	% of Net Assets¹
Financial Assets at Fair Value Through Profit or Loss ¹			
Equities			
Communications		388,746	2.97
IAC/InterActiveCorp	8,500	976,992	7.46
Consumer, Cyclical		861,975	6.58
Christian Dior SE	1,477	1,078,210	8.23
D'ieteren SA/NV	5,900	1,012,440	7.73
Consumer, Non-cyclical		494,871	3.78
Fomento Economico Mexicano SAB de CV	11,900	813,181	6.21
Materials		268,430	2.05
Financial		1,362,597	10.40
Aker ASA	12,536	1,031,315	7.88
Berkshire Hathaway Inc (B)	2,600	683,609	5.22
EXOR NV	14,224	1,123,127	8.58
Investor AB	54,040	1,195,373	9.13
Total Equities (31 December 2020: 87.38%)		11,290,866	86.22
Funds			
Financial		51,555	0.39
Funds			
Pershing Square Holdings Ltd/Fund	33,603	1,214,459	9.28
Total Funds (31 December 2020: 10.88 %)		1,266,014	9.67
Financial Derivatives			
Warrant	9,500	11,995	0.09
Total Financial Derivatives (31 December 2020: 0.19 %)		11,995	0.09
Total Financial Assets at Fair Value Through Profit or Loss		12,568,875	95.98
Total Investments at Fair Value Through Profit or Loss		12,568,875	95.98
Cash and cash equivalents		565,983	4.32
Other net liabilities		(38,891)	(0.30)
Net Assets Attributable to Holders of Redeemable Participating Shares		13,095,967	100.00

¹ Unless itemised, no single position accounts for greater than 5% of the Sub-Fund's Net Asset Value as at 31 December 2021.

STATEMENT OF FINANCIAL POSITION
As at 31 December 2021 and 31 December 2020

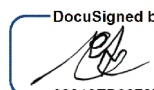
AVI Family Holding Companies Fund

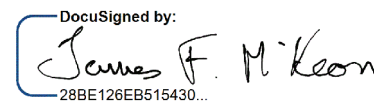
	Note	31-Dec-2021 EUR	31-Dec-2020 EUR
Assets			
Financial assets at fair value through profit or loss:			
- Equities	17	11,290,866	9,219,969
- Funds	17	1,266,014	1,148,009
- Financial derivatives	17	11,995	20,326
Cash and cash equivalents	15	565,983	154,624
Securities sold receivable		-	44,361
Other assets		32,878	26,131
Total Assets		13,167,736	10,613,420
Liabilities			
Accrued expenses	6	71,769	61,794
Total Liabilities		71,769	61,794
Net assets attributable to holders of redeemable participating shares	16	13,095,967	10,551,626
Number of redeemable participating shares in issue:			
Class A	5	23,073	26,277
Class C	5	24,569	22,521
Net Asset Value per redeemable participating share:			
Class A (EUR)	16	257.23	203.71
Class C (GBP)	16	244.72	206.62

Approved on behalf of the Board:

Director

Director

DocuSigned by:

 93810EB6672E40B...
 Philip McEnroe
 16 March 2022

DocuSigned by:

 28BE126EB515430...
 James F. McKeon
 16 March 2022

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

STATEMENT OF COMPREHENSIVE INCOME

For the financial years ended 31 December 2021 and 31 December 2020

AVI Family Holding Companies Fund

	Note	31-Dec-2021 EUR	31-Dec-2020 EUR
Income			
Net realised gains/(losses) on financial assets and financial liabilities at fair value through profit or loss	9	1,041,401	(99,805)
Net change in unrealised gains on financial assets and financial liabilities at fair value through profit or loss	9	1,822,782	1,833,220
Dividend income		136,400	129,165
Interest income		1	8
Administration fee rebate		80,319	80,487
Other income		4,860	5,471
Total income		3,085,763	1,948,546
Less: withholding tax		(25,815)	(21,302)
Total net investment income		3,059,948	1,927,244
Expenses			
Investment management fee	6	90,412	60,020
Administration fee	6	80,556	80,487
Audit fee		17,220	14,145
Depository fee	6	26,165	27,914
Directors' remuneration	7	25,000	25,000
UK tax reporting fee		7,572	6,838
Other expenses	6	35,205	30,784
Total expenses		282,130	245,188
Increase in net assets attributable to holders of redeemable participating shares from operations		2,777,818	1,682,056

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 years ended 31 December 2021 and 31 December 2020

AVI Family Holding Companies Fund

	31-Dec-2021 EUR	31-Dec-2020 EUR
Net assets attributable to holders of redeemable participating shares at the beginning of the financial year	10,551,626	5,034,627
Proceeds from redeemable participating shares issued	516,523	3,834,943
Cost of redeemable participating shares redeemed	(750,000)	-
Net increase in net assets resulting from operations	<u>2,777,818</u>	<u>1,682,056</u>
Net assets attributable to holders of redeemable participating shares at the end of the financial year	<u>13,095,967</u>	<u>10,551,626</u>

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

STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2021

<u>AVI Family Holding Companies Fund</u>	Dec-2021 EUR	Dec-2020 EUR
<i>Cash flows from operating activities:</i>		
Increase in net assets resulting from operations	2,777,818	1,682,056
Net (increase) in financial assets at fair value through profit or loss	(2,180,571)	(6,079,880)
Net decrease/(increase) in receivables and prepaid fees	37,614	(59,077)
Net increase in fees payable and accrued expenses	9,975	13,604
Cash used in operations	(2,132,982)	(6,125,353)
Net cash provided by/(used in) operating activities	644,836	(4,443,297)
<i>Cash flows from financing activities:</i>		
Proceeds from issue of redeemable participating shares	516,523	3,834,943
Cost of redeemable participating shares	(750,000)	-
Net cash from financing activities	(233,477)	3,834,943
Net increase/(decrease) in cash and cash equivalents	411,359	(608,354)
Cash and cash equivalents at start of the financial year	154,624	762,978
Cash and cash equivalents at end of the financial year	565,983	154,624
Supplementary Information		
Dividends received	102,132	107,863
Interest received	1	8

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

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2021

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 year ended 31 December 2021, the Company had only one active Sub-Fund, AVI Family Holding Companies Fund. The Sub-Fund formally changed its name from AVI International Value Fund to AVI Family Holding Companies Fund on 15 November 2019.

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 31 December 2021.

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 objectives 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.

The Investment Manager integrates sustainability risk in investment decisions, however the Sub-Fund does not promote any specific environmental or social characteristics as part of their investment strategy.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

3. Basis of Preparation and Significant Accounting Policies

(a) Basis of Preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union and the Companies Act 2014 (as amended). The 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 years presented, unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the financial year ended 31 December 2021

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

(b) Changes in relevant accounting standards

i. Standards and amendments to existing standards effective 1 January 2021

There are no standards, interpretation or amendments to the existing IFRS effective 1 January 2021 that are relevant to the Company's financial statements.

ii. New standards, amendments and interpretations effective after 1 January 2022 and have not been early adopted

There are no new standards, amendments or interpretations that are not yet effective and 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 year ending 31 December 2021 is included in Note 17 and relates to the determination of fair value of financial instruments with significant unobservable inputs.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the financial year ended 31 December 2021

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

(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 year end. Transactions during the financial year, 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the financial year ended 31 December 2021

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

(e) Financial Instruments (continued)

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 introduced 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: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: these are ECLs that 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 FINANCIAL STATEMENTS (CONTINUED)
For the financial year ended 31 December 2021

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 shares 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 shares are recognised on the Statement of Comprehensive Income as finance costs in the year in which the dividend is declared. No distributions were declared or paid during the financial year ended 31 December 2021 (31 December 2020: 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 years 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 FINANCIAL STATEMENTS (CONTINUED)
For the financial year ended 31 December 2021

5. Share Capital

Authorised Share Capital

The authorised share capital of the Company is EUR 2 divided into 2 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 2 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 year ended 31 December 2021 and the financial year ended 31 December 2020 are as follows:

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

AVI Family Holding Companies Fund

31 December 2020

	Class A	Class C
Opening Balances	5,000	20,737
Redeemable participating shares issued	21,277	1,784
Redeemable participating shares redeemed	-	-
Closing Balances	26,277	22,521

The relevant movements of share capital for the financial years ended 31 December 2021 and 31 December 2020 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 years ended 31 December 2021 and 31 December 2020. 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 FINANCIAL STATEMENTS (CONTINUED)
For the financial year ended 31 December 2021

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
31 December 2021	
Administration fee payable	6,836
Audit fee payable	16,605
Depository 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

	AVI Family Holding Companies Fund
	EUR
31 December 2020	
Administration fee payable	6,817
Audit fee payable	15,990
Depository fee payable	2,334
Directors' fees payable	3,125
Investment management fee payable	18,251
Legal fee payable	6,000
Other professional fees payable	9,258
Secretarial fee payable	19
Total	61,794

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the financial year ended 31 December 2021

6. Fees and Expenses (continued)

(b) Other Expenses

	AVI Family Holding Companies Fund
	EUR
31 December 2021	
Bank charges	3,188
Central Bank levy fee	7,270
Directors' insurance fees	1,459
FATCA fee expense	1,620
Interest expense	4,129
Miscellaneous fees expenses	2,286
Out of pocket fee expense	2,384
Secretarial fees	11,794
VAT	1,075
Total	35,205

	AVI Family Holding Companies Fund
	EUR
31 December 2020	
Bank charges	3,293
Central Bank levy fee	6,115
Directors' insurance fees	1,527
FATCA fee expense	891
Interest expense	2,500
Legal fees ¹	2,835
Miscellaneous fees expenses ²	(1,779)
Out of pocket fee expense ²	(1,801)
Secretarial fees	15,794
VAT	1,409
Total	30,784

¹In December 2019, the Company was invoiced for legal fees amounting to EUR 3,165 - a portion of which should have been allocated to the AVI Japan Fund which has not yet launched. The portion will be reimbursed by the AVI Japan Fund once it launches.

²As at 31 December 2020, the expenses accrued for these expenses exceeded the actual amount invoiced.

(c) Key contracts

Investment management fee

Each Sub-Fund of the Company pays to 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 year, the Investment Manager earned fees of EUR 90,412 (31 December 2020: EUR 60,020). As at 31 December 2021, EUR 24,424 (31 December 2020: EUR 18,251) 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 FINANCIAL STATEMENTS (CONTINUED)
For the financial year ended 31 December 2021

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 year ended 31 December 2021, the Administrator earned total fees of EUR 80,556 (31 December 2020: EUR 80,487). As at 31 December 2021, EUR 6,836 (31 December 2020: EUR 6,817) 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 year ended 31 December 2021, the total Depositary and Sub Custodian fees were EUR 26,165 (31 December 2020: EUR 27,914). As at 31 December 2021, EUR 4,012 (31 December 2020: EUR 2,334) remained payable to the Depositary and Sub Custodian.

Auditors’ Remuneration

	31-Dec-2021	31-Dec-2020
	EUR	EUR
Statutory Audit Fees	13,837	13,500
Tax Advisory Fees	-	-
Other Assurance Services	-	-
Other Non-Assurance Services	-	-

The above figures are exclusive of VAT. The amounts presented on the Statement of Comprehensive Income are inclusive of VAT and may include other accruals recorded during the financial year.

7. Directors’ Remuneration

For the financial year ended 31 December 2021, total Directors’ remuneration was EUR 25,000 (31 December 2020: EUR 25,000). As at 31 December 2021, EUR 3,125 (31 December 2020: 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 FINANCIAL STATEMENTS (CONTINUED)
For the financial year ended 31 December 2021

8. Risks Associated with Financial Instruments

Risk is inherent in the Company's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The Company is exposed to market risk, credit risk and liquidity risk arising from the financial instruments it holds.

Risk Management Structure

The Board of Directors (the "Board") is ultimately responsible for identifying and controlling risks. The Board receive monthly reports from the various service providers on relevant operational matters and the Board meet on at least a quarterly basis to discuss any relevant risk items.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, which includes interest rate risk, foreign currency risk and other price risks, such as equity and commodity risk. It should also be noted that due to volatility in the equity markets, the market value shown for each Sub-Fund's holdings may currently be significantly higher or lower than the value shown in the Schedule of Investments, which are the market values as of 31 December 2021 and do not reflect events after that date.

Equity price risk

Equity price risk is the risk that the fair values of equities decrease or increase as a result of changes in the levels of equity indices and the value of individual stocks. The trading equity price risk exposure arises from the Company's investment portfolio.

Management's best estimate of the effect on net assets and profit due to a reasonably possible change in equity indices, with all other variables held constant is as follows. In practice the actual trading results may differ from the below sensitivity analysis and the difference could be material.

Sensitivity Analysis

31 December 2021	Market Index	Change in market prices %	Effect on Net Assets and Profits EUR
AVI Family Holding Companies Fund	MSCI AC World index	5%	564,543

31 December 2020	Market Index	Change in market prices %	Effect on Net Assets and Profits EUR
AVI Family Holding Companies Fund	MSCI AC World index	5%	460,998

The Company is also exposed to equity price risk through its investments in Funds. The potential effect on the Sub-Funds' respective financial positions should the price of the investments in funds held increase or decrease by 5%, with all other variables remaining constant, is disclosed in the tables below.

31 December 2021	Fair Value EUR	Change in market prices %	Effect on Net Assets and Profits EUR
AVI Family Holding Companies Fund	1,266,014	5%	63,301

31 December 2020	Fair Value EUR	Change in market prices %	Effect on Net Assets and Profits EUR
AVI Family Holding Companies Fund	1,148,009	5%	57,400

Please refer to the Schedule of Investments for a full listing of the net market price exposure.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the financial year ended 31 December 2021

8. Risks Associated with Financial Instruments (continued)

Concentration of equity price risk

The Schedule of Investments analyses the Company's concentration of equity price risk by industrial distribution.

Interest Rate Risk

As at 31 December 2021 and 31 December 2020 the Company was not exposed to interest rate risk as the Company did not hold bonds as at 31 December 2021 and 31 December 2020.

Counterparty Credit Risk

Credit risk is the risk that a Counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The Company currently holds its assets with the Sub Custodian. The AIFM has counterparty and broker selection assessment and appointment procedures in place for selection and ongoing monitoring of counterparties. No counterparties are rated below investment grade.

Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company invests in securities and other investments that are denominated in currencies other than the functional currency of the Company. Accordingly, the value of the Company's assets in currencies other than the operational currency of the Sub-Fund may be affected favourably or unfavourably by the movement in exchange rates.

Total net exposure to foreign currency exchange rates for the AVI Family Holding Companies Fund at 31 December 2021 was as follows:

Currency of Investment	Cash (EUR)	Investments (EUR)	Total (EUR)	(%) of Net Assets
BMD	-	223,894	223,894	1.71%
GBP	-	546,426	546,426	4.17%
JPY	-	1,009,971	1,009,971	7.71%
NOK	-	1,031,315	1,031,315	7.88%
SEK	-	1,506,976	1,506,976	11.51%
USD	-	4,197,421	4,197,421	32.05%
Total net exposure	-	8,516,003	8,516,003	65.03%
EUR	565,983	4,052,872	4,618,855	35.27%
Total	565,983	12,568,875	13,134,858	100.30%

Total net exposure to foreign currency exchange rates for the AVI Family Holding Companies Fund at 31 December 2020 was as follows:

Currency of Investment	Cash (EUR)	Investments (EUR)	Total (EUR)	(%) of Net Assets
BMD	-	165,366	165,366	1.57%
GBP	-	363,852	363,852	3.45%
JPY	-	1,225,811	1,225,811	11.62%
NOK	-	659,605	659,605	6.25%
SEK	-	1,997,868	1,997,868	18.93%
USD	-	2,403,415	2,403,415	22.78%
Total net exposure	-	6,815,917	6,815,917	64.60%
EUR	154,624	3,572,387	3,727,011	35.32%
Total	154,624	10,388,304	10,542,928	99.92%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the financial year ended 31 December 2021

8. Risks Associated with Financial Instruments (continued)

Currency Risk (continued)

From time to time, the Company engages in hedging transactions for its investments denominated in non-base currencies. It should be noted that performance may be strongly influenced by movements in currency rates because the Company's base currency may be different to the currency in which the securities held by the Company are denominated.

Sensitivity Analysis

The tables below indicate the currencies to which the Company had significant exposure at 31 December 2021 and 31 December 2020 on its trading monetary assets and liabilities. The analysis discloses management's best estimates of the effect of a reasonably possible movement of the currency rate against the EUR with all other variables held constant on the profit and loss account and net assets. A negative amount in the table reflects a potential net reduction in profit and loss or net assets, while a positive amount reflects a net potential increase. In practice the actual trading results may differ from the sensitivity analysis below and the difference could be material.

31 December 2021

AVI Family Holding Companies Fund

Currency	Change in Currency rate (%)	Effect on Net Assets and Profits (EUR)
BMD	+5%	11,195
GBP	+5%	27,321
JPY	+5%	50,499
NOK	+5%	51,566
SEK	+5%	75,349
USD	+5%	209,871

31 December 2020

AVI Family Holding Companies Fund

Currency	Change in Currency rate (%)	Effect on Net Assets and Profits (EUR)
BMD	+5%	8,268
GBP	+5%	18,193
JPY	+5%	61,291
NOK	+5%	32,980
SEK	+5%	99,893
USD	+5%	120,171

Derivative Financial Instruments

The Sub-Fund held no Forward Foreign Currency Contracts as at 31 December 2021 and 31 December 2020.

Effects of Substantial Redemptions

Substantial voluntary redemptions of shares by Shareholders within a limited period of time could require the Company to liquidate interests in securities sooner than would otherwise be desirable. Regardless of the period of time in which redemptions occur, the resulting reduction in the Net Asset Value of the Company and thus in its equity base, could make it more difficult for the Company to diversify its holdings and achieve its investment objective. Under the Articles, if redemption requests on any Dealing Day equal or exceed 10% of the outstanding aggregate shares of a Sub-Fund in issue on that Dealing Day, the Directors may suspend or limit redemptions as disclosed in the Prospectus.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the financial year ended 31 December 2021

8. Risks Associated with Financial Instruments (continued)

Liquidity Risk

This is the risk that a lack of a market in certain portfolio securities could prevent the Company from liquidating unfavourable positions or prevent the Company from funding redemptions from existing shareholders. At the financial year end the Company did not hold any securities that in the AIFM's opinion could not be liquidated within a reasonable timeframe. The Company's investments are all readily realisable.

The tables below analyse the Company's financial assets and financial liabilities into relevant groupings, based on remaining years to maturity. The amounts in the table are the contractual undiscounted cash flows.

AVI Family Holding Companies

Fund				
31 December 2021	Due on demand	Due within 3	Due between 3	Total
	EUR	months	and 12 months	EUR
		EUR	EUR	
Assets				
Financial assets at fair value through profit or loss	12,568,875	-	-	12,568,875
Cash and cash equivalents	565,983	-	-	565,983
Other assets	32,878	-	-	32,878
Total Assets	13,167,736	-	-	13,167,736
Liabilities				
Accrued expenses	71,769	-	-	71,769
Net assets attributable to holders of redeemable participating shares	-	13,095,967	-	13,095,967
Total Liabilities	71,769	13,095,967	-	13,095,967

AVI Family Holding Companies

Fund				
31 December 2020	Due on demand	Due within 3	Due between 3	Total
	EUR	months	and 12 months	EUR
		EUR	EUR	
Assets				
Financial assets at fair value through profit or loss	10,388,304	-	-	10,388,304
Cash and cash equivalents	154,624	-	-	154,624
Securities sold receivable	-	44,361	-	44,361
Other assets	26,131	-	-	26,131
Total Assets	10,569,059	44,361	-	10,613,420
Liabilities				
Accrued expenses	61,794	-	-	61,794
Net assets attributable to holders of redeemable participating shares	-	10,551,626	-	10,551,626
Total Liabilities	61,794	10,551,626	-	10,613,420

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the financial year ended 31 December 2021

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

	AVI Family Holding Companies Fund EUR
31 December 2021	
Realised gains on financial assets and financial liabilities at fair value through profit or loss	1,605,588
Realised losses on financial assets and financial liabilities at fair value through profit or loss	<u>(564,187)</u>
Net realised gains on financial assets and financial liabilities	<u>1,041,401</u>
Change in unrealised gains on financial assets and financial liabilities at fair value through profit or loss	3,120,337
Change in unrealised losses on financial assets and financial liabilities at fair value through profit or loss	<u>(1,297,555)</u>
Net change in unrealised gains on financial assets and financial liabilities	<u>1,822,782</u>
31 December 2020	
Realised gains on financial assets and financial liabilities at fair value through profit or loss	535,396
Realised losses on financial assets and financial liabilities at fair value through profit or loss	<u>(635,201)</u>
Net realised losses on financial assets and financial liabilities	<u>(99,805)</u>
Change in unrealised gains on financial assets and financial liabilities at fair value through profit or loss	2,566,912
Change in unrealised losses on financial assets and financial liabilities at fair value through profit or loss	<u>(733,692)</u>
Net change in unrealised gains on financial assets and financial liabilities	<u>1,833,220</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the financial year ended 31 December 2021

10. Related Party Transactions

Key Management Personnel

Ms. Kimmerly Lau is a Director of the Company and Director of the Alternative Investment Fund Manager (“AIFM”). Ms. Lau has a shareholding in one of the sub-funds, and has subscribed for shares personally on the same terms as other investors.

	AVI Family Holding Companies Fund
31 December 2021	
Opening balance	5,000
Subscriptions	-
Redemptions	(3,204)
Closing balance	<u>1,796</u>
31 December 2020	
Opening balance	5,000
Subscriptions	-
Redemptions	-
Closing balance	<u>5,000</u>

No other Directors held shares during the financial year ended 31 December 2021 and 31 December 2020.

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

11. Distributions for the Financial Year

The Directors did not declare any dividends during the financial year ended 31 December 2021 (31 December 2020: Nil).

12. Significant Events during the Financial Year

Since the start of the COVID-19 pandemic in January 2020, there have been approximately 270 million cases worldwide, as of 31 December 2021. There is still a great amount of uncertainty surrounding the virus, with record number of cases being recorded in numerous regions. Additionally, the emergence of COVID-19 variants have had far reaching consequences, with announcements of further lockdowns and travel restrictions to curb their spread. While the final fiscal ramifications of the pandemic are still unknown, there have been many advances made to curb and control outbreaks, which has meant that many jurisdictions are able to proceed with their “phased returns” to ease lockdowns and reopen their economies. Thanks to vaccination efforts the global economic outlook is much more optimistic than this time last year, with the IMF predicting global growth of 6% for 2021 and 4.4% for 2022.

All service providers have enacted their respective business continuity plans and the Board of Directors will continue to monitor this situation closely. There have been no significant operational issues affecting the Company or its service providers since the COVID-19 pandemic began.

There have been no other significant events during the financial year that would require an adjustment of, or disclosure in, these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the financial year ended 31 December 2021

13. Significant Events after the Financial Year

On 1st of February 2022 Ms. Kimmerly Lau sold 249.72 Class A Shares valued at EUR 60.000.

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 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.

14. Exchange Rates

The financial statements are presented in Euro (EUR). The following exchange rates at 31 December 2021 and 31 December 2020 have been used to translate assets and liabilities in other currencies to EUR:

	31 December 2021	31 December 2020
BRL	0.16	0.16
GBP	1.19	1.12
JPY	0.01	0.01
NOK	0.10	0.10
SEK	0.10	0.10
USD	0.88	0.82

15. Cash and Cash Equivalents

As at 31 December 2021 and 31 December 2020 all cash balances are held by the Sub Custodian, Brown Brothers Harriman & Co ("BBH"). As at 31 December 2021 and 31 December 2020, BBH has a Fitch credit rating of A+.

16. 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 year was:

AVI Family Holding Companies Fund

	31 December 2021	31 December 2020	31 December 2019
	EUR	EUR	EUR
Total Net Asset Value			
Class A	5,934,969	5,352,961	882,933
Class C	7,160,998	5,198,665	4,151,694
Net Asset Value per Share			
Class A (EUR)	257.23	203.71	176.59
Class C (GBP)	244.72	206.62	169.64
Class C (EUR) ¹	291.46	230.84	200.20

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the financial year ended 31 December 2021

17. 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, 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> 31 December 2021	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total 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

<u>AVI Family Holding Companies Fund</u> 31 December 2020	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
<i>Financial assets at fair value through profit or loss</i>				
Equities	9,219,969	-	-	9,219,969
Funds	1,071,893	23,044	53,072	1,148,009
Financial derivatives	-	20,326	-	20,326
Total	10,291,862	43,370	53,072	10,388,304

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the financial year ended 31 December 2021

17. Fair Value Measurement (continued)

(a) Carrying Amounts and Fair Value (continued)

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

The following table represents the roll forward of the amounts of Level 3 instruments for the year ended 31 December 2021:

	EUR
Opening balance	53,072
Purchases	-
Sales	-
Transfers into Level 3	-
Net losses recognised on financial assets and financial liabilities at fair value through profit or loss	(1,517)
Closing balance	51,555

Change in unrealised losses for Level 3 assets held at year end and included in net gains/(losses) on financial assets and financial liabilities at fair value through profit or loss.

(1,517)

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 year ended 31 December 2020.

The following table represents the roll forward of the amounts of Level 3 instruments for the year ended 31 December 2020:

	EUR
Opening balance	81,938
Purchases	-
Sales	-
Transfers into Level 3	-
Net losses recognised on financial assets and financial liabilities at fair value through profit or loss	(28,866)
Closing balance	53,072

Change in unrealised losses for Level 3 assets held at year end and included in net gains/(losses) on financial assets and financial liabilities at fair value through profit or loss.

(28,866)

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the financial year ended 31 December 2021

17. Fair Value Measurement (continued)

(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	Fair Value 31-Dec-2021	Valuation Technique	Unobservable Inputs	Inputs
Closed-end Mutual Fund	EF Realisation Co Ltd	37,019	EUR 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

18. Soft Commission Arrangements

There were no soft commission arrangements affecting the Company for the financial year ended 31 December 2021 (31 December 2020: None).

19. 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.

20. Significant Purchases and Sales

The statement of significant purchases and sales is available to shareholders upon request free of charge.

21. Approval of Financial Statements

The financial statements were approved and authorised for issue by the Directors on 16 March 2022.

APPENDIX I

Remuneration disclosures of the Alternative Investment Fund Manager (UNAUDITED)

Asset Value Investors Ltd (“AVI”) implemented a remuneration policy (the “Remuneration Policy”) in line with the provisions of Article 13 of the Directive 2011/61/EC on Alternative Investment Fund Managers (“AIFMD”) and of ESMA’s “Guidelines on sound remuneration policies (the “ESMA Guidelines”).

AVI acted as AIFM to AVI Partners Capital Fund plc (the “AIF” and/or the “Company”) during the financial year ended 31 December 2021. AVI’s Remuneration Policy applies to all alternative investment funds (“AIFs”, as defined under AIFMD) for which AVI acts as AIFM. The disclosures in this report are made in respect of the AVI Remuneration Policy and how it applied to the Fund. The disclosures are made in accordance with AIFMD, the European Commission Delegated Regulation supplementing the AIFMD and the ESMA Guidelines.

The Board of Directors of the Fund (the “Board”) and the Board of AVI recognise the important role played by sound risk management in protecting its stakeholders. AVI aligns the risk taking behaviour of its employees and officers with the Fund’s risk appetite. Additionally, AVI’s remuneration framework is designed to ensure that it is able to attract, retain and motivate highly qualified staff in order to produce long term value creation for the investors of the funds it manages.

In designing its Remuneration Policy, AVI has taken into account the nature, scale and complexity of its business and the characteristics of the funds under its management, including that of the Fund.

The Remuneration Policy applies to “**Identified Staff**”. Under the ESMA Guidelines, **Identified Staff** are defined as follows:

- "categories of staff, including senior management, risk takers, Control Functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the AIFM’s risk profile or the risk profiles of the AIF that it manages and categories of staff of the entity(ies) to which portfolio management or risk management activities have been delegated by the AIFM, whose professional activities have a material impact on the risk profiles of the AIF that the AIFM manages."; and
- “Any other employee/persons whose total remuneration is within the same remuneration bracket as senior managers (e.g. other high earning staff) and who can exert a material impact on the risk profile of the AIFM or the AIFs under management.”

The AVI Remuneration Policy provides a list of Identified Staff which includes:

- Executive and non-executive members of the Board of AVI and of the Fund;
- Any individuals who report directly to the Board of AVI and of the Fund and/or who head significant business lines;
- Staff responsible for Control Functions; and
- Other risk takers (e.g. staff members, whose professional activities – either individually or collectively, as members of a group (e.g. a unit or part of a department) – can exert material influence on the AIF’s risk profile or on an AIF it manages, including persons capable of entering into contracts/positions and taking decisions that materially affect the risk positions of the AIFM or of an AIF it manages. Such staff can include, for instance, sales persons, individual traders and specific trading desks.)

The AIFM’s remuneration framework

AVI’s remuneration framework aligns employee compensation and investor goals by rewarding employees for meeting long-term investment objectives consistent with dependable and superior investment results.

AVI’s Identified Staff receive both fixed compensation in the form of a salary (e.g. not subject to specific performance criteria) and variable compensation in the form of a bonus. AVI’s Identified Staff are owners and/or senior members of the Board. As such, their interests are closely aligned with the interests of the investors in the Fund which they manage.

APPENDIX I

Remuneration disclosures of the Alternative Investment Fund Manager (UNAUDITED) (continued)

Variable remuneration

Variable remuneration is an important tool to incentivise staff. It also gives AVI (and therefore the Fund) flexibility such that, in years in which the Fund performs poorly, variable remuneration may be reduced or eliminated. In some circumstances, however, variable remuneration, if inappropriately structured, can lead to excessive risk taking as employees may be incentivised to keep taking risk to maintain or increase their variable remuneration.

In deciding the mix between fixed and variable remuneration, AVI is conscious of the need to ensure that the fixed element of pay for staff is adequate to compensate them for the professional services they have rendered, taking into account the level of education, expertise and skill required as well as the degree of seniority.

The variable portion of compensation is determined by the Board of AVI and is not premised on any specific performance metric. The compensation of the AIFM's Identified Staff does not include: (1) carried interests, (2) shares, (3) waived loans on dismissal, or (4) retention bonuses.

Risk Limits

By way of mitigation there are limits and guidelines with respect to portfolio positions that can be taken. These limits are documented in detail in AVI's Risk Management Policy. There is also a pre-trade process in place which flags potential limit breaches.

Quantitative Remuneration Disclosures

Disclosure of the aggregate remuneration for Code Staff (or "Identified Staff") permits firms to take account of the provisions of the Data Protection Directive (Directive 95/46/EC) regarding the protection of individuals in relation to the processing of personal data. Aggregate remuneration for Code Staff for the year ended 31 December 2021 was £ 1,704,690 of which £ 807,690 was variable remuneration.