



THE CAPITAL HOLDINGS FUNDS PLC  
2022 SEMI-ANNUAL REPORT

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Copies of this report may be obtained from the Administrator or from [www.capitalholdings.com](http://www.capitalholdings.com) or from:

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BOARD OF DIRECTORS OF  
THE CAPITAL HOLDINGS FUNDS PLC

**Mike Kirby, Chairman**

Managing Principal  
KB Associates  
Dublin

**Dick van Duijn**

Chief Operating Officer  
Edmond de Rothschild Capital Holdings Limited  
London

**Antonio Foglia**

Director  
Banca del Ceresio  
Lugano

**Miki Kliger**

Chairman of the Board of Directors  
Edmond de Rothschild (Israel) Limited  
Tel Aviv

**Michel Lusa**

Member of the Executive Committee  
Edmond de Rothschild (Suisse) SA  
Geneva

**Nicola Meaden Grenham**

Chief Executive Officer  
Dumas Capital Limited  
Dublin

**Pietro Soldini**

Chief Executive Officer  
Londinium Limited  
Dublin

**Rick Sopher**

Chief Executive Officer  
Edmond de Rothschild Capital Holdings Limited  
London

**Abbas Zuaiter**

Managing Member  
Zuaiter Capital Holdings, LLC  
Greenwich, CT

HONORARY PRESIDENT OF  
THE CAPITAL HOLDINGS FUNDS PLC

**Baroness Ariane de Rothschild**

Vice President  
Edmond de Rothschild Holding SA  
Geneva

BOARD OF DIRECTORS OF  
LCH INVESTMENTS NV

**Rick Sopher, Chairman**

Chief Executive Officer  
Edmond de Rothschild Capital Holdings Limited  
London

**Brad Amice**

Head of Research  
LCH Investments NV  
London

**Maurizio Solaro del Borgo**

Member of the Board  
Banca del Ceresio  
Lugano

MEMBERS OF THE  
INVESTMENT ADVISORY COMMITTEES

**ASIAN CAPITAL HOLDINGS**

**Rick Sopher, Chairman**

Chief Executive Officer  
Edmond de Rothschild Capital Holdings Limited  
London

**Brad Amiee**

Head of Research  
LCH Investments NV  
London

**Nicola Meaden Grenham**

Chief Executive Officer  
Dumas Capital Limited  
Dublin

**DISCOVERY CAPITAL HOLDINGS**

**Rick Sopher, Chairman**

Chief Executive Officer  
Edmond de Rothschild Capital Holdings Limited  
London

**Brad Amiee**

Head of Research  
LCH Investments NV  
London

**Antonio Foglia**

Director  
Banca del Ceresio  
Lugano

**Abbas Zuaiter**

Managing Member  
Zuaiter Capital Holdings, LLC  
Greenwich, CT

**LEVERAGED CAPITAL HOLDINGS**

**Rick Sopher, Chairman**

Chief Executive Officer  
Edmond de Rothschild Capital Holdings Limited  
London

**Brad Amiee**

Head of Research  
LCH Investments NV  
London

**Antonio Foglia**

Director  
Banca del Ceresio  
Lugano

**Abbas Zuaiter**

Managing Member  
Zuaiter Capital Holdings, LLC  
Greenwich, CT

## ADVISORS AND ORGANISATION

**INVESTMENT ADVISORS**

LCH Investments NV  
 Kaya W.F.G. (Jombi) Mensing 14  
 Willemstad  
 Curaçao

**REGISTERED OFFICE**

The Exchange  
 George's Dock  
 IFSC  
 Dublin 1  
 Ireland

**GENERAL COUNSEL**

Willkie Farr & Gallagher LLP  
 787 Seventh Avenue  
 New York, NY 10019  
 USA

**IRELAND LEGAL COUNSEL**

Walkers  
 The Exchange  
 George's Dock  
 IFSC  
 Dublin 1  
 Ireland

**ADMINISTRATOR**

Citco Fund Services (Ireland) Limited  
 Custom House Plaza Block 6  
 IFSC  
 Dublin 1  
 Ireland

**DEPOSITARY**

Citco Bank Nederland NV, Dublin Branch  
 Custom House Plaza Block 6  
 IFSC  
 Dublin 1  
 Ireland

**INDEPENDENT AUDITOR**

PricewaterhouseCoopers  
 Chartered Accountants and Registered Auditors  
 One Spencer Dock  
 North Wall Quay  
 Dublin 1  
 Ireland

**COMPANY SECRETARY**

KB Associates  
 Ground Floor  
 5 George's Dock  
 Dublin 1  
 Ireland

**Irish Authorisation**

The Capital Holdings Funds plc is authorised as a Retail Investor AIF by the Central Bank of Ireland.

**Unaudited Information**

The financial information contained in this semi-annual report has not been audited. Audited financial statements are contained in the annual report.

**General**

This document does not constitute an offer of any investment or an invitation or solicitation to subscribe for or purchase any investment. Subscriptions are valid only if made on the basis of the current prospectus, supplemented by the latest annual report and the most recent semi-annual report if published thereafter.

DIRECTORS' REPORT AND STATEMENT OF DIRECTORS' RESPONSIBILITIES  
IN RESPECT OF THE FINANCIAL STATEMENTS

We are pleased to submit to our shareholders the semi-annual report of The Capital Holdings Funds plc for the six month period to 30 June 2022.

**Activities and business review**

The Capital Holdings Funds plc (the "Company") was incorporated in Ireland on 13 March 2014 with registration number 541001 and was authorised as a Retail Investor AIF by the Central Bank of Ireland on 19 December 2014. The Company is an umbrella fund which is comprised of sub-funds, each one with one or more classes of Shares.

As of the date of this report the Company comprised of the following 3 active sub-funds:

- Asian Capital Holdings ("ACH")
- Discovery Capital Holdings ("DCH")
- Leveraged Capital Holdings ("LCH")

For the six month period to 30 June 2022, net assets decreased by US\$80m to US\$228m from US\$308m. Of the decrease, an amount of (US\$16m) was attributable to share transactions, and an amount of (US\$64m) was attributable to investment operations.

The detailed results for the period are set out in the statement of comprehensive income on page 15 as well as in the financial statements of the various sub-funds.

**Transactions with Connected Parties**

In accordance with the Central Bank's AIF Rulebook any transaction carried out with the Company by its Board of Directors, Investment Advisor, Depositary or by delegates or group companies of these entities ("connected parties") must be carried out as if negotiated at arm's length. Such transactions must be in the best interests of the Shareholders. In addition to those transactions, there are also transactions carried out by connected parties on behalf of the Company to which the Directors have no direct access and in respect of which the Directors must rely upon assurances from its delegates that the connected parties carrying out these transactions do carry them out on a similar basis.


Further, Shareholders should refer to the Prospectus which identifies many of the connected party transactions and the general nature of the contractual arrangements with the principal connected parties but it is not exhaustive of all connected party transactions. Shareholders should also refer to the provisions of the Prospectus dealing with conflicts of interest.

Therefore, having regard to confirmations from the Company's management and its relevant delegates, the Directors are satisfied that (i) there are arrangements (as evidenced by written procedures documented by the Board of Directors) in place to ensure that the obligations described above are applied to all transactions with connected parties; and (ii) transactions with connected parties entered into during the period complied with these obligations.

Note 6 details related party transactions in the period as required by IFRS. However, Shareholders should understand that not all "connected parties" are related parties as such latter expression is defined by those International Financial Reporting Standards. Details of fees paid to related parties and certain connected parties are disclosed separately in the statement of comprehensive income.

The 2022 semi-annual report of the Company has been published on the website [www.capitalholdings.com](http://www.capitalholdings.com).

On behalf of the Board of Directors



M. Kirby



D. van Duijn

30 August 2022

## STATEMENT OF FINANCIAL POSITION

At 30 June 2022	Notes	ACH US\$000	DCH US\$000	LCH US\$000	Total US\$000 <sup>1</sup>
<b>Assets</b>					
<b>Current assets</b>					
Financial assets at fair value through profit or loss	2.4, 5	23,053	80,955	150,917	205,439
Due from investment companies and brokers	2.7	-	288	217	505
Prepayments on investments	2.8	-	8,000	-	8,000
Other accounts receivable	2.9	9	16	155	180
Cash and cash equivalents	2.5	2,295	3,287	9,279	14,861
<b>Total assets</b>		<b>25,357</b>	<b>92,546</b>	<b>160,568</b>	<b>228,985</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Financial liabilities at fair value through profit or loss	2.4, 5	(2)	-	-	(2)
Short term borrowings	2.10	(32)	(39)	(47)	(118)
Advisory and performance fees payable		(65)	(209)	(419)	(693)
Other accounts payable and accrued expenses	2.11	(51)	(76)	(112)	(239)
Liabilities (excluding net assets attributable to holders of redeemable participating shares)		(150)	(324)	(578)	(1,052)
<b>Net assets attributable to holders of redeemable participating shares</b>	<b>2.12</b>	<b>25,207</b>	<b>92,222</b>	<b>159,990</b>	<b>227,933</b>

<sup>1</sup> In the total column all transactions between the various sub-funds have been eliminated.



## STATEMENT OF FINANCIAL POSITION

At 30 June 2022	ACH	DCH	LCH
Net asset value per Class A redeemable participating share US\$	173.09	216.37	287.32
Number of Class A redeemable participating shares in issue	135,136	265,399	342,829
Net asset value per Class B redeemable participating share €	108.66	-	188.24
Number of Class B redeemable participating shares in issue	16,012	-	311,575
Net asset value per Class C redeemable participating share US\$	-	221.20	-
Number of Class C redeemable participating shares in issue	-	157,313	-

## STATEMENT OF FINANCIAL POSITION

At 31 December 2021		ACH	DCH	LCH	Total
	Notes	US\$000	US\$000	US\$000	US\$000 <sup>1</sup>
<b>Assets</b>					
<b>Current assets</b>					
Financial assets at fair value through profit or loss	2.4, 5	28,669	103,198	211,351	283,966
Due from investment companies and brokers	2.7	-	7,679	8,598	16,277
Other accounts receivable	2.9	11	31	390	432
Cash and cash equivalents	2.5	4,496	57	8,376	12,929
<b>Total assets</b>		<b>33,176</b>	<b>110,965</b>	<b>228,715</b>	<b>313,604</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Financial liabilities at fair value through profit or loss	2.4, 5	(62)	-	(1,872)	(1,934)
Short term borrowings	2.10	(27)	(32)	(1,038)	(1,097)
Subscriptions received in advance		(622)	-	-	(622)
Advisory and performance fees payable		(93)	(571)	(920)	(1,584)
Other accounts payable and accrued expenses	2.11	(52)	(98)	(168)	(318)
Liabilities (excluding net assets attributable to holders of redeemable participating shares)		(856)	(701)	(3,998)	(5,555)
<b>Net assets attributable to holders of redeemable participating shares</b>	<b>2.12</b>	<b>32,320</b>	<b>110,264</b>	<b>224,717</b>	<b>308,049</b>

<sup>1</sup> In the total column all transactions between the various sub-funds have been eliminated.

## STATEMENT OF FINANCIAL POSITION

At 31 December 2021	ACH	DCH	LCH
Net asset value per Class A redeemable participating share US\$	208.40	259.07	360.46
Number of Class A redeemable participating shares in issue	143,591	265,175	377,242
Net asset value per Class B redeemable participating share €	132.22	-	238.99
Number of Class B redeemable participating shares in issue	16,012	-	326,564
Net asset value per Class C redeemable participating share US\$	-	264.21	-
Number of Class C redeemable participating shares in issue	-	157,313	-

## STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2022	Notes	ACH US\$000	DCH US\$000	LCH US\$000	Total US\$000 <sup>1</sup>
<b>Income</b>					
Net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss:					
- Realised gains/(losses)	2.4	(58)	(1,977)	(6,415)	(8,450)
- Change in unrealised gains/(losses)	2.4	(5,237)	(15,228)	(42,801)	(53,500)
Interest income	2.13	-	-	3	3
Dividend income	2.14	-	-	808	808
Fee rebate	6	-	-	394	394
<b>Total income/(loss)</b>		<b>(5,295)</b>	<b>(17,205)</b>	<b>(48,011)</b>	<b>(60,745)</b>
<b>Operating expenses</b>					
Advisory and performance fees		(205)	(641)	(1,370)	(2,216)
Administration fees		(26)	(33)	(31)	(90)
Audit fees		(6)	(7)	(16)	(29)
Other operating expenses		(57)	(150)	(257)	(464)
<b>Total operating expenses</b>		<b>(294)</b>	<b>(831)</b>	<b>(1,674)</b>	<b>(2,799)</b>
<b>Operating profit/(loss)</b>		<b>(5,589)</b>	<b>(18,036)</b>	<b>(49,685)</b>	<b>(63,544)</b>
<b>Finance costs</b>					
Commitment fee relating to short term borrowings		(12)	(50)	(100)	(162)
Interest expense short term borrowings	2.13	(3)	(4)	(8)	(15)
Interest expense	2.13	-	(2)	(9)	(11)
<b>Total finance costs</b>		<b>(15)</b>	<b>(56)</b>	<b>(117)</b>	<b>(188)</b>
<b>Profit/(loss) before taxation</b>		<b>(5,604)</b>	<b>(18,092)</b>	<b>(49,802)</b>	<b>(63,732)</b>
Taxation	2.17	-	-	-	-
<b>Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations</b>		<b>(5,604)</b>	<b>(18,092)</b>	<b>(49,802)</b>	<b>(63,732)</b>

All amounts arose solely from continuing operations. There are no gains or losses other than those dealt with in the statement of comprehensive income.

<sup>1</sup> In the total column all transactions between the various sub-funds have been eliminated.

## STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2021		ACH	DCH	LCH	Total
	Notes	US\$000	US\$000	US\$000	US\$000 <sup>1</sup>
<b>Income</b>					
Net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss:					
- Realised gains/(losses)	2.4	4,398	3,348	4,420	10,085
- Change in unrealised gains/(losses)	2.4	(1,193)	(383)	15,087	14,737
Fee rebate	6	-	-	520	520
<b>Total income/(loss)</b>		<b>3,205</b>	<b>2,965</b>	<b>20,027</b>	<b>25,342</b>
<b>Operating expenses</b>					
Advisory and performance fees		(437)	(839)	(2,360)	(3,636)
Administration fees		(23)	(40)	(63)	(126)
Audit fees		(1)	(42)	(77)	(120)
Other operating expenses		(52)	(164)	(343)	(559)
<b>Total operating expenses</b>		<b>(513)</b>	<b>(1,085)</b>	<b>(2,843)</b>	<b>(4,441)</b>
<b>Operating profit/(loss)</b>		<b>2,692</b>	<b>1,880</b>	<b>17,184</b>	<b>20,901</b>
<b>Finance costs</b>					
Commitment fee relating to short term borrowings		(17)	(52)	(105)	(174)
Interest expense short term borrowings	2.13	(1)	(3)	(8)	(12)
Interest expense	2.13	(3)	(4)	(5)	(12)
<b>Total finance costs</b>		<b>(21)</b>	<b>(59)</b>	<b>(118)</b>	<b>(198)</b>
<b>Profit/(loss) before taxation</b>		<b>2,671</b>	<b>1,821</b>	<b>17,066</b>	<b>20,703</b>
Taxation	2.17	-	-	-	-
<b>Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations</b>		<b>2,671</b>	<b>1,821</b>	<b>17,066</b>	<b>20,703</b>

All amounts arose solely from continuing operations. There are no gains or losses other than those dealt with in the statement of comprehensive income.

<sup>1</sup> In the total column all transactions between the various sub-funds have been eliminated.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

For the period ended 30 June 2022	ACH US\$000	DCH US\$000	LCH US\$000	Total US\$000 <sup>1</sup>
<b>Net assets attributable to holders of redeemable participating shares at 1 January</b>	<b>32,320</b>	<b>110,264</b>	<b>224,717</b>	<b>308,049</b>
Increase from redeemable participating shares issued	722	50	1,090	1,862
Decrease due to redeemable participating shares repurchased	(2,231)	-	(16,015)	(18,246)
<b>Net increase/(decrease) from share transactions</b>	<b>(1,509)</b>	<b>50</b>	<b>(14,925)</b>	<b>(16,384)</b>
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations	(5,604)	(18,092)	(49,802)	(63,732)
<b>Net assets attributable to holders of redeemable participating shares at 30 June</b>	<b>25,207</b>	<b>92,222</b>	<b>159,990</b>	<b>227,933</b>

<sup>1</sup> In the total column all transactions between the various sub-funds have been eliminated.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

For the period ended 30 June 2021	ACH US\$000	DCH US\$000	LCH US\$000	Total US\$000 <sup>1</sup>
<b>Net assets attributable to holders of redeemable participating shares at 1 January</b>	<b>34,712</b>	<b>116,878</b>	<b>247,203</b>	<b>332,124</b>
Increase from redeemable participating shares issued	2,086	-	817	2,903
Decrease due to redeemable participating shares repurchased	(1,668)	(8,030)	(9,101)	(10,799)
<b>Net increase/(decrease) from share transactions</b>	<b>418</b>	<b>(8,030)</b>	<b>(8,284)</b>	<b>(7,896)</b>
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations	2,671	1,821	17,066	20,703
<b>Net assets attributable to holders of redeemable participating shares at 30 June</b>	<b>37,801</b>	<b>110,669</b>	<b>255,985</b>	<b>344,931</b>

<sup>1</sup> In the total column all transactions between the various sub-funds have been eliminated.

## STATEMENT OF CASH FLOWS

For the period ended 30 June 2022	Notes	ACH US\$000	DCH US\$000	LCH US\$000	Total US\$000 <sup>1</sup>
<b>Cash flows from operating activities</b>					
Profit/(loss) before taxation		(5,604)	(18,092)	(49,802)	(63,732)
<b>Adjustments for:</b>					
Interest income		-	-	(3)	(3)
Dividend income		-	-	(808)	(808)
Finance costs		15	56	117	188
Foreign exchange (gains)/losses on cash and cash equivalents		-	-	54	54
<b>Net changes in:</b>					
Due from investment companies and brokers		-	7,391	8,381	15,772
Prepayments on investments		-	(8,000)	-	(8,000)
Other accounts receivable		2	15	235	252
Advisory and performance fees payable		(28)	(362)	(501)	(891)
Other accounts payable and accrued expenses		(1)	(22)	(56)	(79)
Financial assets at fair value through profit or loss		5,616	22,243	60,380	78,473
Financial liabilities at fair value through profit or loss		(60)	-	(1,872)	(1,932)
Interest income received		-	-	3	3
Dividend income received		-	-	808	808
Finance costs paid		(15)	(56)	(117)	(188)
<b>Net cash from operating activities</b>		<b>(75)</b>	<b>3,173</b>	<b>16,819</b>	<b>19,917</b>
<b>Cash flows from financing activities</b>					
Short term borrowings		5	7	(991)	(979)
Proceeds from redeemable participating shares issued		100	50	1,090	1,240
Paid on redeemable participating shares repurchased		(2,231)	-	(16,015)	(18,246)
<b>Net cash from financing activities</b>		<b>(2,126)</b>	<b>57</b>	<b>(15,916)</b>	<b>(17,985)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(2,201)</b>	<b>3,230</b>	<b>903</b>	<b>1,932</b>
Cash and cash equivalents at 1 January		4,496	57	8,376	12,929
<b>Cash and cash equivalents at 30 June</b>	<b>2.5</b>	<b>2,295</b>	<b>3,287</b>	<b>9,279</b>	<b>14,861</b>

<sup>1</sup> In the total column all transactions between the various sub-funds have been eliminated.



## STATEMENT OF CASH FLOWS

For the period ended 30 June 2021	Notes	ACH US\$000	DCH US\$000	LCH US\$000	Total US\$000 <sup>1</sup>
<b>Cash flows from operating activities</b>					
Profit/(loss) before taxation		2,671	1,821	17,066	20,703
<b>Adjustments for:</b>					
Finance costs		21	59	118	198
Foreign exchange (gains)/losses on cash and cash equivalents		-	-	8	8
<b>Net changes in:</b>					
Due from investment companies and brokers		1,000	3,542	7,601	12,143
Prepayments on investments		1,000	(2,000)	-	(1,000)
Other accounts receivable		2	12	641	655
Advisory and performance fees payable		(594)	(1,216)	240	(1,570)
Other accounts payable and accrued expenses		(13)	(3)	(71)	(87)
Financial assets at fair value through profit or loss		(1,450)	3,407	(9,359)	(14,547)
Financial liabilities at fair value through profit or loss		69	-	2,810	2,879
Finance costs paid		(21)	(59)	(118)	(198)
<b>Net cash from operating activities</b>		<b>2,685</b>	<b>5,563</b>	<b>18,936</b>	<b>19,184</b>
<b>Cash flows from financing activities</b>					
Short term borrowings		6	2,007	9	2,022
Proceeds from redeemable participating shares issued		2,500	-	1,056	3,556
Paid on redeemable participating shares repurchased		(1,668)	(8,030)	(9,101)	(10,799)
<b>Net cash from financing activities</b>		<b>838</b>	<b>(6,023)</b>	<b>(8,036)</b>	<b>(5,221)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>3,523</b>	<b>(460)</b>	<b>10,900</b>	<b>13,963</b>
Cash and cash equivalents at 1 January		974	1,287	7,374	9,635
<b>Cash and cash equivalents at 30 June</b>	<b>2.5</b>	<b>4,497</b>	<b>827</b>	<b>18,274</b>	<b>23,598</b>

<sup>1</sup> In the total column all transactions between the various sub-funds have been eliminated.

## 1. GENERAL INFORMATION

The Capital Holdings Funds plc (the “Company”) was incorporated in Ireland on 13 March 2014 and was authorised as a Retail Investor AIF by the Central Bank of Ireland on 19 December 2014.

The Company is an umbrella fund with segregated liability between its sub-funds. The active sub-funds are currently:

- Asian Capital Holdings (“ACH”)
- Discovery Capital Holdings (“DCH”)
- Leveraged Capital Holdings (“LCH”)

## 2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied, unless otherwise stated in the following text.

### 2.1 Basis of preparation

These financial statements have been prepared in accordance with IFRS and IFRS Interpretations Committee interpretations as adopted by the European Union (“IFRS”) and those parts of the Companies Act 2014 applicable to companies reporting under IFRS.

These financial statements have been prepared on the going concern basis and under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the entity’s financial statements are disclosed in Note 5.

The following interpretations are mandatory for the Company’s accounting years beginning on or after 1 January 2022 or later years:

#### **Standards and amendments to existing standards effective 1 January 2022**

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2022 that have a material effect on the financial statements of the Company.

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

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after

1 January 2022, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Company.

### 2.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting used by the Board of Directors and is prepared on a basis consistent with the measurement and recognition principles of IFRS.

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

A structured entity often has some or all of the following features or attributes:

- a) restricted activities;
- b) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors;
- c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support; and
- d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

The Company considers all of its investments in other funds to be investments in unconsolidated structured entities. The Company generally invests in structured entities whose objectives range from achieving medium to long term capital growth and whose investment strategy may include the use of leverage. The structured entities are managed by unrelated asset managers and apply various investment strategies to accomplish their respective investment objectives. The structured entities finance their operations by issuing redeemable shares which are generally puttable at the holder’s option and entitle the holder to a proportional stake in the respective fund’s net assets. The Company holds redeemable shares in each of its structured entities.

### 2.3 Foreign currency translation

Functional and presentational currency:

Items included in the Company’s financial statements are measured in US dollar for all sub-funds. The US dollar is considered the presentation and functional currency for all sub-funds because it is the currency of the primary economic environment in which the Company operates. It reflects the Company’s main activity of investing in US equities and or US dollar denominated investment companies as well as the currency in which the majority of the Company’s redeemable participating shares are issued.

## NOTES TO THE FINANCIAL STATEMENTS

### Transactions and balances:

The values of monetary assets and liabilities which are denominated in a foreign currency are translated using the exchange rate at the balance sheet date. Transactions during the year are translated at the rate of exchange prevailing on the date of the transaction. Realised and unrealised gains and losses resulting from the translation of investments, cash and cash equivalents are reflected in the statement of comprehensive income within net gain/(loss) on financial assets and liabilities at fair value through profit or loss.

### 2.4 Financial assets and financial liabilities at fair value through profit or loss

#### Classification:

Investments in investment companies have been designated as financial assets at fair value through profit or loss. All other investments are held for trading and are acquired or incurred principally for the purpose of selling or repurchasing in the short term. Investments sold short are liabilities held for trading and as such are considered financial liabilities at fair value through profit or loss.

#### Recognition, derecognition and measurement:

Investment transactions are recorded on the trade date. Financial assets and financial liabilities at fair value through profit and loss are initially recognised at fair value. Transaction costs are accounted for as expenses in the statement of comprehensive income. Realised and unrealised gains and losses are determined on an average cost basis.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss in the period in which they arise.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

Investments held by the Company are carried at fair value, determined as follows:

Investments in investment companies are initially recognised as financial assets at fair value through profit or loss and are valued on the basis of net asset value ("NAV") per share as reported by the administrators or investment managers of those entities as at the end of the reporting period in accordance with industry practice. Such values may be adjusted by the Board of Directors in its judgment to reflect market movements since the report date and to better reflect the fair valuation of such investment.

For investments other than investment companies, traded on a securities exchange, fair value is generally determined by reference to last traded prices on the exchange, without adjustment for transaction costs necessary to realise the asset or extinguish the liability. If traded in over-the-counter markets, instruments are stated by reference to prices obtained from dealers or counterparties.

Forward foreign exchange contracts are considered financial assets or financial liabilities at fair value through profit or loss and are recorded on the trade date and are valued at the applicable foreign exchange rates.

#### Fair value estimation:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the balance sheet date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date. The Company utilises the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, management will determine the point within the bid-ask spread that is most representative of fair value.

#### Transfers between levels of the fair value hierarchy:

Transfers between levels of the fair value hierarchy (if any) are deemed to have occurred at the beginning of the reporting period.

#### Investments in investment funds:

When investing in investment funds, the Company typically invests in funds that are not regulated.

A copy of the full portfolio of each sub-fund at the end of the reporting period, including a statement of changes made to the portfolio of each sub-fund during the period, can be obtained on request by investors free of charge at the office of the Administrator.

### 2.5 Cash and cash equivalents

Cash and cash equivalents include cash at current bank accounts, cash held on deposit, money market instruments, and bank overdrafts. Borrowing costs are recognised immediately as an expense.

The statement of cash flows is presented using the indirect method.

### 2.6 Margin accounts

Margin accounts represent margin deposits held in respect of financial derivative instruments.

**2.7 Due from and due to investment companies and brokers**

Amounts due from and due to investment companies and brokers represent receivables for securities sold and payables for securities purchased that have been contracted but not yet settled or delivered at the end of the reporting period, respectively.

**2.8 Prepayments on investments**

Investments are recognised and derecognised on the trade date where a purchase or sale is made under a contract whose terms require delivery within the timeframe established by the market concerned, are initially measured at cost, including transaction costs.

**2.9 Other accounts receivable**

Other accounts receivable are measured at their nominal value.

**2.10 Borrowings from bank and other counterparties**

Borrowings from bank and other counterparties are recognised at fair value net of transaction costs incurred. Borrowing costs are recognised immediately as an expense.

**2.11 Other accounts payable and accrued expenses**

Other accounts payable and accrued expenses are measured at their nominal value.

**2.12 Redeemable participating shares**

Redeemable participating shares are redeemable at the shareholders' option at either the end of the month or the end of the calendar quarter (depending on the sub-fund) on giving a certain number of days notice (depending on the sub-fund as specified in the Prospectus) and are classified as financial liabilities. The cost of distributions on these shares, if applicable, is recognised in the statement of changes in net assets attributable to holders of redeemable participating shares. Redemptions are paid at the NAV of the respective class of shares as of the close of business of such date of redemption. Payment shall be made as soon as practicable but in any event no later than 30 days following the applicable redemption date. Redemptions are normally paid in cash but, at the sole discretion of the Company, the Company may elect to distribute securities in kind.

The Company from time to time repurchases its own shares at a discount to the then prevailing NAV per share. The surplus on repurchases of own shares, over and above the redemption fee and the commission paid to the Company's Agent, are recognised in the statement of comprehensive income.

**2.13 Interest income and expense**

Interest income and expense are recognised in the statement of comprehensive income for all debt instruments using their nominal values.

**2.14 Dividends**

Dividend income and expense are recognised on the ex-dividend date and when the right to receive payment is established. Dividend income is shown gross of withholding taxes. The

withholding taxes are shown separately in the statements of comprehensive income.

**2.15 Expenses**

Expenses are charged to the statements of comprehensive income on an accrual basis. Expenses charged at the Company level are allocated to the various sub-funds and the individual classes based on the classes' relative NAVs.

**2.16 Soft commissions**

The Company or its Investment Advisor does not receive any soft commissions.

**2.17 Taxation**

Under current law and practice the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended (the "TCA"). On that basis, it is not chargeable to Irish tax on its income or gains. However, Irish tax may arise on the occurrence of a "chargeable event". A chargeable event includes any distribution payments to shareholders or any encashment redemption, transfer or cancellation of shares and any deemed disposal of shares for Irish tax purposes arising as a result of holding shares for a period of eight years or more.

No Irish tax will arise in respect of chargeable events in respect of a shareholder who is an Exempt Irish Investor (as defined in Section 739D of the TCA) or who is neither Irish resident nor ordinarily resident in Ireland for tax purposes at the time of the chargeable event, provided, in each case, that an appropriate valid declaration in accordance with Schedule 2B of the TCA is held by the Company or where the Company has been authorised by Irish Revenue to make gross payments in absence of appropriate declarations.

Distributions, interest and capital gains (if any) received on investments made by the Company may be subject to withholding taxes imposed by the country of origin and such taxes may not be recoverable by the Company or its shareholders.

**3. CAPITAL MANAGEMENT POLICES AND PROCEDURES**

The Company is established as an umbrella investment company and the investment objectives and policies for each sub-fund are formulated by the Company at the time of creation of each sub-fund and are specified in the relevant Annex to the Prospectus.

Under its two tier system, the Company does not invest directly, but operates through a variety of investment vehicles. Generally, each such investment vehicle is advised by a principal portfolio manager and its team, allowing the Company to benefit from the diversity and experience of professional portfolio managers (the "Managers"). The investment activities of the Company include a wide range of specialised approaches and techniques used by several Managers, who are allowed to operate within their area of expertise with minimal exposed limitations. The Company does

## NOTES TO THE FINANCIAL STATEMENTS

not supervise or control the decisions of the Managers, but adds or withdraws capital according to its strategy and its judgment of their performance.

The Board of Directors monitors and reviews compliance of the investment activities with the principal objectives stated in the Prospectus. The Company's objectives, policies and processes for managing capital are unchanged from the preceding reporting period and the Company has complied with them.

The amount of redemptions that the Company may accept at each redemption date is not limited by a gate, apart from in respect of Class C shares. The Company endeavours to manage the liquidity profile of its assets with the aim of being able to meet envisaged redemption or repurchase requests and pay redemption or repurchase proceeds, provided that redemption or repurchase of shares and payment of redemption or repurchase proceeds may be delayed or suspended as a result of limitations and/or emergencies described in the Prospectus.

Under certain circumstances, as described in the Prospectus, the Company has the power to suspend the right of the holders of shares to require the Company to redeem shares and/or to pay redemption proceeds.

The Company may seek to hedge against currency fluctuations of any class of shares, provided that hedging instruments are available on a timely basis and on acceptable terms.

#### 4. DETERMINATION OF NET ASSET VALUE FOR SUBSCRIPTIONS AND REDEMPTIONS

##### **Net Asset Value (NAV)**

The following note sets out the basis of determination of the NAV used for subscriptions and redemptions during the year which may differ from the basis used in the preparation of these financial statements. The NAV of the Company at the close of the last business day of any month is the then aggregate fair market value of the Company's total assets minus its liabilities, other than those attributable to holders of redeemable participating shares, divided by the number of shares then outstanding. In particular (a) listed securities are taken at the last reported bid price (for financial assets) or the last traded ask price (for financial liabilities) on the principal exchange on which they are traded (b) unlisted investments are valued with reference to an independent pricing source, taking into account quotes obtained from dealers and/or market makers, or else the fair market value as determined by the Board of Directors, and (c) investments in sub-funds are taken at their latest reported net asset values, which may be adjusted by the Board of Directors in its judgment to reflect market movements since the report date, by reference to a recognised market index.

##### **Estimation**

Because of the nature and scope of the Company's assets, the complexity of their valuation in certain cases, and the inevitable

delays in reporting by portfolio managers, the monthly calculations of the NAV of each class of shares by the Administrator are estimates according to its best judgment (following the method above described and set out in detail in the Prospectus and the Memorandum and Articles of Incorporation) which may not necessarily correspond with the actual NAV on the relevant date. However, the Company does not make retroactive adjustments in the NAVs previously used for subscriptions and redemptions. Therefore, such transactions are final and binding when made notwithstanding any different later determination. Additionally, the investment companies partly or wholly owned by the Company are typically not publicly traded and management's determination of valuation is considered a fair value estimate. The ultimate amount to be received upon a sale of these investments may differ from the estimates.

#### 5. FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

##### **5.a. Financial assets and liabilities at fair value through profit or loss**

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly such as net asset values reported by the administrators of the investment companies in which the Company has invested.

Level 3: Inputs are unobservable inputs for the asset or liability. This includes financial assets or liabilities for which the Board of Directors made fair value adjustments because of the illiquidity of such financial assets and liabilities.

Level 3 valuations are reviewed on a periodic basis by the Company's Board of Directors. The Board of Directors considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognised as standard within the industry. The main technique used in fair valuing the level 3 assets has been to apply a discount to the corresponding Level 3 valuations as best estimated by the Board of Directors. In selecting the most appropriate valuation model the Board of Directors performs back testing and considers which model's results have historically aligned most closely to actual market transactions.

If any part of an investment fund is considered to be a Level 3 asset, the entire holding is reported below as Level 3.

## NOTES TO THE FINANCIAL STATEMENTS

The following is a summary of the financial assets at fair value through profit or loss as at 30 June 2022:

<b>Asian Capital Holdings</b>	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
<b>Investment companies:</b>				
Asia	-	17,373	-	17,373
Greater China	-	5,680	-	5,680
<b>Total investment companies</b>	-	23,053	-	23,053
<b>Total financial assets at fair value through profit or loss</b>	-	<b>23,053</b>	-	<b>23,053</b>

<b>Discovery Capital Holdings</b>	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
<b>Investment companies:</b>				
Emerging Managers	-	80,955	-	80,955
<b>Total financial assets at fair value through profit or loss</b>	-	<b>80,955</b>	-	<b>80,955</b>

<b>Leveraged Capital Holdings</b>	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
<b>Investment companies:</b>				
Equity Long Biased	-	126,676	-	126,676
Event Driven	-	11,232	-	11,232
Macro and Other	-	12,284	499	12,783
<b>Total investment companies</b>	-	<b>150,192</b>	<b>499</b>	<b>150,691</b>
Forward FX contracts	-	226	-	226
<b>Total financial assets at fair value through profit or loss</b>	-	<b>150,418</b>	<b>499</b>	<b>150,917</b>

The following is a summary of the financial liabilities at fair value through profit or loss as at 30 June 2022:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
ACH - Forward FX contracts	-	(2)	-	(2)
<b>Total financial liabilities at fair value through profit or loss</b>	-	<b>(2)</b>	-	<b>(2)</b>

## NOTES TO THE FINANCIAL STATEMENTS

The following table analyses within the fair value hierarchy the Company's assets and liabilities (by class) not measured at fair value at 30 June 2022 but for which fair value is disclosed:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
<b>Assets</b>				
Due from investment companies and brokers	-	505	-	505
Prepayments on investments	-	8,000	-	8,000
Other accounts receivable	-	180	-	180
Cash and cash equivalents	14,861	-	-	14,861
<b>Total</b>	<b>14,861</b>	<b>8,685</b>	<b>-</b>	<b>23,546</b>
<b>Liabilities</b>				
Short term borrowings	(118)	-	-	(118)
Advisory and performance fees payable	-	(693)	-	(693)
Other accounts payable and accrued expenses	-	(239)	-	(239)
<b>Total</b>	<b>(2,097)</b>	<b>(932)</b>	<b>-</b>	<b>(1,050)</b>

The following is a summary of the financial assets at fair value through profit or loss as at 31 December 2021:

<b>Asian Capital Holdings</b>	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
<b>Investment companies:</b>				
Asia	-	21,581	-	21,581
Greater China	-	7,088	-	7,088
<b>Total investment companies</b>	<b>-</b>	<b>28,669</b>	<b>-</b>	<b>28,669</b>
<b>Total financial assets at fair value through profit or loss</b>	<b>-</b>	<b>28,669</b>	<b>-</b>	<b>28,669</b>
<b>Discovery Capital Holdings</b>				
<b>Investment companies:</b>				
Emerging Managers	-	103,198	-	103,198
<b>Total financial assets at fair value through profit or loss</b>	<b>-</b>	<b>103,198</b>	<b>-</b>	<b>103,198</b>



## NOTES TO THE FINANCIAL STATEMENTS

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
<b>Leveraged Capital Holdings</b>				
<b>Investment companies:</b>				
Equity Long Biased	-	189,137	-	189,137
Event Driven	-	14,894	-	14,894
Macro and Other	-	6,717	603	7,320
<b>Total investment companies</b>	<b>-</b>	<b>210,748</b>	<b>603</b>	<b>211,351</b>
<b>Total financial assets at fair value through profit or loss</b>	<b>-</b>	<b>210,748</b>	<b>603</b>	<b>211,351</b>

The following is a summary of the financial liabilities at fair value through profit or loss as at 31 December 2021:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
ACH - Forward FX contracts	-	(62)	-	(62)
LCH - Forward FX contracts	-	(1,872)	-	(1,872)
<b>Total financial liabilities at fair value through profit or loss</b>	<b>-</b>	<b>(1,934)</b>	<b>-</b>	<b>(1,934)</b>

The following table analyses within the fair value hierarchy the Company's assets and liabilities (by class) not measured at fair value at 31 December 2021 but for which fair value is disclosed:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
<b>Assets</b>				
Due from investment companies and brokers	-	16,277	-	16,277
Other accounts receivable	-	432	-	432
Cash and cash equivalents	12,929	-	-	12,929
<b>Total</b>	<b>12,929</b>	<b>16,709</b>	<b>-</b>	<b>29,638</b>
<b>Liabilities</b>				
Short term borrowings	(1,097)	-	-	(1,097)
Subscription received in advance	-	(622)	-	(622)
Advisory and performance fees payable	-	(1,584)	-	(1,584)
Other accounts payable and accrued expenses	-	(318)	-	(318)
<b>Total</b>	<b>(1,097)</b>	<b>(2,524)</b>	<b>-</b>	<b>(3,621)</b>

#### 5.b. Investments over 5% of net assets of the Company

Investments over 5% of net assets of the Company as at 30 June 2022 were:

	30/06/22 US\$000	% of NAV
Investment by LCH in DCH	49,486	21.7
Armistice Capital Offshore Fund Ltd	14,718	6.5
Crake Global Feeder Fund ICAV	14,634	6.4
Sunriver Fund Ltd	14,164	6.2
Honeycomb Offshore Fund Ltd	13,058	5.7



## NOTES TO THE FINANCIAL STATEMENTS

Investments over 5% of net assets of the Company as at 31 December 2021 were:

	31/12/21 US\$000	% of NAV
Investment by LCH in DCH	59,252	19.2
Honeycomb Offshore Fund Ltd	18,714	6.1
Crake Global Feeder Fund ICAV	16,949	5.5

### 5.c. Investments in sub-funds of the Company

The Company has adopted the policy to fully disclose all cross-investments in sub-funds of the Company. All cross-investments in sub-funds of the Company are shown below.

Investments in sub-funds of the Company as at 30 June 2022 were:

	Invested in	30/06/22 US\$000	% of NAV
LCH (US\$)	DCH	49,486	21.7

Investments in sub-funds of the Company as at 31 December 2021 were:

	Invested in	31/12/21 US\$000	% of NAV
LCH (US\$)	DCH	59,252	19.2

In order to avoid double charging of fees on cross investments in sub-funds, the Investment Advisor has agreed to rebate the full amount of advisory fees and performance fees charged on cross investments in any of the sub-funds. The rebate amount is shown in the statement of comprehensive income under Fee rebate.

### 5.d. Forward foreign exchange contracts

The Company enters into forward foreign exchange transactions for the Euro Class B shares, normally with the aim of seeking to hedge the Euro exposure back to the US dollar. Forward foreign exchange contracts are held for trading and are valued at the forward rate and are marked to market on the valuation date.

Included under financial assets at fair value through profit or loss at 30 June 2022 are the following forward foreign exchange contracts that were outstanding with Citco Bank Nederland NV, Dublin Branch, an affiliate of the Administrator:

	Purchases €000	(Sales) US\$000	Maturity date	Unrealised appreciation/ (depreciation) US\$000
LCH	59,500	(62,215)	14/07/2022	226
<b>Total</b>				<b>226</b>

## NOTES TO THE FINANCIAL STATEMENTS

Included under financial liabilities at fair value through profit or loss at 30 June 2022 are the following forward foreign exchange contracts that were outstanding with Citco Bank Nederland NV, Dublin Branch, an affiliate of the Administrator:

	Purchases €000	(Sales) US\$000	Maturity date	Unrealised appreciation/ (depreciation) US\$000
ACH	1,750	(1,830)	14/07/2022	<u>(2)</u>
<b>Total</b>				<u><b>(2)</b></u>

Included under financial liabilities at fair value through profit or loss at 31 December 2021 are the following forward foreign exchange contracts that were outstanding with Citco Bank Nederland NV, Dublin Branch, an affiliate of the Administrator:

	Purchases €000	(Sales) US\$000	Maturity date	Unrealised appreciation/ (depreciation) US\$000
ACH	2,080	(2,413)	12/01/2022	(62)
LCH	78,600	(91,120)	12/01/2022	<u>(1,872)</u>
<b>Total</b>				<u><b>(1,934)</b></u>

## 6. RELATED PARTY TRANSACTIONS

The following parties should be considered related parties because together they ultimately control the Company: the members of the Board of Directors and LCH Investments NV (including its Board of Directors) in its capacity as Investment Advisor.

Additionally, the following parties, having transactions with the Company, are related because they are affiliated to one of the sponsoring institutions or one of the Directors of the Company:

- Edmond de Rothschild (Suisse) SA: in its capacity as Swiss Paying Agent (annual fee €8,000; 2021: €8,000) and its capacity as Agent of the Company;
- Edmond de Rothschild Asset Management (Suisse) SA: in its capacity as Swiss Representative of the Company (annual fee €3,000; 2021: €3,000).
- KB Associates: as service provider to the Company (annual fee €189,000; 2021: €189,000);

Additionally, transactions with any of the sub-funds could be considered related party transactions, since all sub-funds share the same Board of Directors. Transactions with related parties are done on terms that are considered to be in conformity with market rates and are considered to be in the best interest of shareholders.

As detailed in the Prospectus some Directors are entitled to receive a fixed annual fee for their services. The total fees payable to these Directors on an annual basis amount to €165,000 (31 December 2021: €165,000).

In order to avoid double charging of fees on cross investments in sub-funds, the Investment Advisor has agreed to rebate the full amount of advisory fees and performance fees charged on cross investments in any of the sub-funds. The rebate amount is shown in the statement of comprehensive income under Fee rebate.

Details of any fees payable to the Investment Advisor to the Company and the Agent are detailed in the respective related party disclosures of each individual sub-fund. No fees were outstanding at the end of the period with respect to any of the other related parties listed above.

## 7. EXCHANGE RATE

The following exchange rate prevailing at 30 June 2022 was used for ACH: €1.00 = US\$1.0442 and for all other funds €1.00 = US\$1.0484 (31 December 2021: for ACH: €1.00 = US\$1.1319 and for all other funds €1.00 = US\$1.1370).

## NOTES TO THE FINANCIAL STATEMENTS

## 8. DESCRIPTION OF MATERIAL CHANGES TO THE PROSPECTUS DURING THE REPORTING PERIOD

There were no material changes to the prospectus during the reporting period.

## 9. SEGREGATION OF LIABILITY

Under the provisions of the Companies Act the Directors shall maintain for each sub-fund a separate portfolio of assets. As between Shareholders, each portfolio of assets shall be invested for the exclusive benefit of the relevant sub-fund. The Shareholders shall only be entitled to the assets and profits of that sub-fund in which they participate. The Company shall be considered one single legal entity. With regard to third parties, in particular towards the Company's creditors, the Company shall be responsible for all liabilities incurred by a sub-fund exclusively based on the assets of this relevant sub-fund. Among the Shareholders, the liabilities of each sub-fund shall only be incurred to the respective sub-fund. As at the date of the Financial Statements, the Directors are not aware of any existing or contingent liability of any sub-fund of the Company.

## 10. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to current period's presentation.

## 11. SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL PERIOD

The Company continues to review the impact of Coronavirus (Covid-19) on its activities and operations, including the impact on service providers. Notwithstanding any impact it may have had on the market value of the investments held by the Company, which are reflected in the published net asset value per share of each sub-fund, Covid-19 has had no direct impact on the Company's activities and operations. The Directors will continue to monitor the Company within the set investment and risk parameters and are continually reviewing the situation in order to navigate the Company through this period of heightened uncertainty.

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 or Ukraine and/or listed on exchanges located in Russia or Ukraine. The Funds do not have direct exposure to securities of companies domiciled in Russia or Ukraine. The potential impacts from the emerging Russo-Ukrainian conflict on the Funds remains uncertain, including but not limited to, impacts on global economic conditions, asset valuations, interest rate expectations and exchange rates.

## 12. DATE OF APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on 30 August 2022.



ASIAN CAPITAL HOLDINGS  
PROFILE

The principal objective of ACH is the appreciation in capital.

ACH predominantly invests indirectly through offshore funds which are wholly or partly owned by ACH. Generally, each offshore fund is advised by a single portfolio manager and its team. The investment activities of the funds thereby comprise a wide range of specialised approaches and techniques used by the managers.

Hence, ACH benefits from the collective services of a group of highly skilled investment managers who are allowed to operate within their area of expertise without imposed limitations. Moreover, due to its two-tier system, ACH is highly flexible in engaging and, when necessary, disengaging the services of investment managers, while at the same time limiting the financial and legal exposure to the size of its investment in an offshore fund.

The recommendation of investment managers is entrusted to the Investment Advisory Committee of the Investment Advisor whose members meet regularly to review and select managers in order to position ACH optimally in changing markets.

ACH started operating on 31 March 1993 in Luxembourg and transferred its assets and liabilities to a sub-fund of the Company on 1 March 2017.

The financial year end of ACH is 31 December. In addition to the annual report, which contains audited financial statements, an unaudited interim report for the six month period to 30 June is also published.

From 1 April 2021, shares are issued by ACH monthly, at net asset value (NAV) per share. Prior to 1 April 2021, ACH issued shares daily, at NAV per share.

Shares may be redeemed to ACH on the last valuation day of each month, provided that a redemption request must be received no later than the 25th calendar day of the month preceding the month for which the redemption is requested.

ASIAN CAPITAL HOLDINGS  
PERFORMANCE SINCE INCEPTION<sup>1</sup>

Date	NAV per share Class A - US\$	NAV per share Class B - € <sup>2</sup>	Performance % <sup>3</sup>
31/03/93*	49.52	-	-
31/12/93	67.93	-	37.2
31/12/94	57.38	-	(15.5)
31/12/95	57.21	-	(0.3)
31/12/96	60.25	-	5.3
31/12/97**	51.65	-	(14.3)
31/12/98**	43.64	-	(15.5)
31/12/99**	85.13	-	95.1
31/12/00**	64.80	-	(23.9)
31/12/01**	69.81	-	7.7
31/12/02**	68.53	-	(1.8)
31/12/03**	88.21	-	28.7
31/12/04**	94.38	-	7.0
31/12/05**	107.39	-	13.8
31/12/06**	118.62	-	10.5
31/12/07**	145.80	106.49	22.9
31/12/08**	90.17	65.98	(38.2)
31/12/09**	108.93	79.41	20.8
31/12/10**	117.92	85.55	8.3
31/12/11**	100.99	73.02	(14.4)
31/12/12**	107.84	77.35	6.8
31/12/13**	118.80	84.81	10.2
31/12/14**	127.54	91.15	7.4
31/12/15**	129.21	92.23	1.3
31/12/16**	124.27	87.37	(3.8)
31/12/17**	159.20	110.25	28.1
31/12/18**	136.55	91.96	(14.2)
31/12/19	162.68	106.49	19.1
31/12/20	211.95	136.18	30.3
31/12/21	208.40	132.22	(1.7)
30/06/22	173.09	108.66	(16.9)

\* First valuation date

\*\* A dividend of US\$0.25 per Class A share and the equivalent amount in Euro per Class B (based on the then prevailing FX rate per Class B and for the first time in 2008) was paid during each year referred to in respect of the preceding year.

<sup>1</sup> Any data or information relating to periods prior to the transfer date of 1 March 2017 relates to the period that ACH was incorporated in Luxembourg. Furthermore, the data on this page has not been audited since this information does not form part of the audited financial statements.

<sup>2</sup> Launched at €100.00 on 27 September 2007

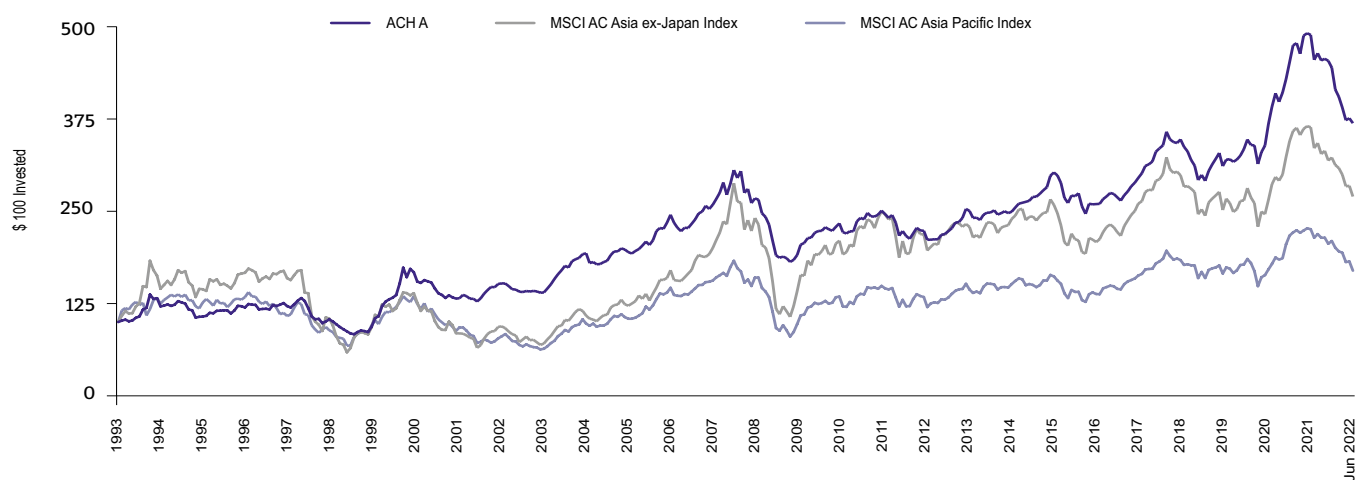
<sup>3</sup> Of Class A shares

Past performance is not necessarily a guide to future performance.

ASIAN CAPITAL HOLDINGS  
PERFORMANCE SINCE INCEPTION<sup>1</sup>

	ACH % <sup>2</sup>	MSCI AC Asia ex Japan Index	MSCI AC Asia Pacific Index
6 months	(16.9)	(17.3)	(18.2)
1 year p.a.	(24.5)	(26.6)	(24.0)
3 years p.a.	4.9	0.0	(0.4)
5 years p.a.	4.1	0.9	0.4
Since Inception p.a.	4.6	3.5	1.8

Value of US\$100 Invested



<sup>1</sup> Any data or information relating to periods prior to the transfer date of 1 March 2017 relates to the period that ACH was incorporated in Luxembourg. Furthermore, the data on this page has not been audited since this information does not form part of the audited financial statements.

<sup>2</sup> Of Class A shares, adjusted for dividend payments

ASIAN CAPITAL HOLDINGS  
STATEMENT OF FINANCIAL POSITION

As at	Notes	30/06/22 US\$000	31/12/21 US\$000
<b>Assets</b>			
<b>Current assets</b>			
Financial assets at fair value through profit or loss	2, 4	23,053	28,669
Other accounts receivable	2	9	11
Cash and cash equivalents	2, 3	<u>2,295</u>	<u>4,496</u>
<b>Total assets</b>		<u><b>25,357</b></u>	<u><b>33,176</b></u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Financial liabilities at fair value through profit or loss	2, 4	(2)	(62)
Short term borrowings	2, 3	(32)	(27)
Subscriptions received in advance		-	(622)
Advisory and performance fees payable		(65)	(93)
Other accounts payable and accrued expenses	2	<u>(51)</u>	<u>(52)</u>
Liabilities (excluding net assets attributable to holders of redeemable participating shares)		<u>(150)</u>	<u>(856)</u>
<b>Net assets attributable to holders of redeemable participating shares</b>	<b>2, 5</b>	<u><b>25,207</b></u>	<u><b>32,320</b></u>
<b>Net asset value per Class A redeemable participating share</b>		<b>US\$173.09</b>	<b>US\$208.40</b>
<b>Net asset value per Class B redeemable participating share</b>		<b>€108.66</b>	<b>€132.22</b>



ASIAN CAPITAL HOLDINGS  
STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June	Notes	2022 US\$000	2021 US\$000
<b>Income</b>			
Net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss:			
- Realised gains/(losses)	6	(58)	4,398
- Change in unrealised gains/(losses)	6	<u>(5,237)</u>	<u>(1,193)</u>
<b>Total income/(loss)</b>		<b>(5,295)</b>	<b>3,205</b>
<b>Operating expenses</b>			
Advisory and performance fees	7	(205)	(437)
Administration fees	8	(26)	(23)
Audit fees		(6)	(1)
Other operating expenses	9	<u>(57)</u>	<u>(52)</u>
<b>Total operating expenses</b>		<b>(294)</b>	<b>(513)</b>
<b>Operating profit/(loss)</b>		<b>(5,589)</b>	<b>2,692</b>
<b>Finance costs</b>			
Commitment fee relating to short term borrowings	3	(12)	(17)
Interest expense short term borrowings	2, 3	(3)	(1)
Interest expense	2	<u>-</u>	<u>(3)</u>
<b>Total finance costs</b>		<b>(15)</b>	<b>(21)</b>
<b>Profit/(loss) before taxation</b>		<b>(5,604)</b>	<b>2,671</b>
Taxation	2	<u>-</u>	<u>-</u>
<b>Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations</b>		<b><u>(5,604)</u></b>	<b><u>2,671</u></b>

All amounts arose solely from continuing operations. There are no gains or losses other than those dealt with in the statement of comprehensive income.

ASIAN CAPITAL HOLDINGS  
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

For the period ended 30 June	Notes	2022 US\$000	2021 US\$000
<b>Net assets attributable to holders of redeemable participating shares at 1 January</b>		<b>32,320</b>	<b>34,712</b>
Increase from redeemable participating shares issued	5	722	2,086
Decrease due to redeemable participating shares repurchased	5	<u>(2,231)</u>	<u>(1,668)</u>
<b>Net increase/(decrease) from share transactions</b>		<b>(1,509)</b>	<b>418</b>
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations		<u>(5,604)</u>	<u>2,671</u>
<b>Net assets attributable to holders of redeemable participating shares at 30 June</b>		<b><u>25,207</u></b>	<b><u>37,801</u></b>

ASIAN CAPITAL HOLDINGS  
STATEMENT OF CASH FLOWS

For the period ended 30 June	Notes	2022 US\$000	2021 US\$000
<b>Cash flows from operating activities</b>			
Profit/(loss) before taxation		(5,604)	2,671
<b>Adjustments for:</b>			
Finance costs		15	21
<b>Net changes in:</b>			
Due from investment companies and brokers		-	1,000
Prepayments on investments		-	1,000
Other accounts receivable		2	2
Advisory and performance fees payable		(28)	(594)
Other accounts payable and accrued expenses		(1)	(13)
Financial assets at fair value through profit or loss		5,616	(1,450)
Financial liabilities at fair value through profit or loss		(60)	69
Finance costs paid		(15)	(21)
<b>Net cash from operating activities</b>		<b>(75)</b>	<b>2,685</b>
<b>Cash flows from financing activities</b>			
Short term borrowings		5	6
Proceeds from redeemable participating shares issued		100	2,500
Paid on redeemable participating shares repurchased		(2,231)	(1,668)
<b>Net cash from financing activities</b>		<b>(2,126)</b>	<b>838</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(2,201)</b>	<b>3,523</b>
Cash and cash equivalents at 1 January		4,496	974
<b>Cash and cash equivalents at 30 June</b>	<b>2, 3</b>	<b><u>2,295</u></b>	<b><u>4,497</u></b>

The notes on pages 45 to 51 are an integral part of these financial statements

ASIAN CAPITAL HOLDINGS  
NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Capital Holdings Funds plc (the “Company”) was incorporated in Ireland on 13 March 2014 and was authorised as a Retail Investor AIF by the Central Bank of Ireland on 19 December 2014.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out in note 2 to the financial statements of The Capital Holdings Funds plc.

3. CASH AND CASH EQUIVALENTS

As at	30/06/22 US\$000	31/12/21 US\$000
Cash at bank:		
Cash US\$	2,293	4,482
Cash €	<u>2</u>	<u>14</u>
<b>Total cash and cash equivalents</b>	<b><u>2,295</u></b>	<b><u>4,496</u></b>

For purposes of the statement of cash flows, cash and cash equivalents comprise cash at current bank accounts, cash held on deposit and bank overdrafts.

During the reporting period, ACH maintained a line of credit with Amathea Lending Designated Activity Company, on which ACH paid an interest rate of 1.45% per annum on amounts drawn down and a commitment fee of 0.50% per annum on the un-drawn portion of the credit line. At the end of the reporting period, the committed line of credit amounted to US\$5 million (31 December 2021: US\$5 million).

ACH has pledged all of its investments as collateral. The sale of such pledged assets requires the release of these assets by the Depository. At the end of the reporting period, ACH had drawn an amount of US\$0.03 million (31 December 2021: US\$0.03 million).

4. FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

**4.a. Financial assets and liabilities at fair value through profit or loss**

ACH classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly such as net asset values reported by the administrators of the investment companies in which ACH has invested.

Level 3: Inputs are unobservable inputs for the asset or liability. This includes financial assets or liabilities for which the Board of Directors made fair value adjustments because of the illiquidity of such financial assets and liabilities.

Level 3 valuations are reviewed on a periodic basis by the Company’s Board of Directors. The Board of Directors considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognised as standard within the industry. The main technique used in fair valuing the Level 3 assets has been to apply a discount to the corresponding Level 3 valuations as best estimated by the Board of Directors. In selecting the most appropriate valuation model the Board of Directors performs back testing and considers which model’s results have historically aligned most closely to actual market transactions.

If any part of an investment fund is considered to be a Level 3 asset, the entire holding is reported below as Level 3.

ASIAN CAPITAL HOLDINGS  
NOTES TO THE FINANCIAL STATEMENTS

The following is a summary of the financial assets at fair value through profit or loss as at 30 June 2022:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
<b>Investment companies:</b>				
Asia	-	17,373	-	17,373
Greater China	-	5,680	-	5,680
<b>Total investment companies</b>	<b>-</b>	<b>23,053</b>	<b>-</b>	<b>23,053</b>
<b>Total financial assets at fair value through profit or loss</b>	<b>-</b>	<b>23,053</b>	<b>-</b>	<b>23,053</b>

The following is a summary of the financial liabilities at fair value through profit or loss as at 30 June 2022:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Forward FX contracts	-	(2)	-	(2)
<b>Total financial liabilities at fair value through profit or loss</b>	<b>-</b>	<b>(2)</b>	<b>-</b>	<b>(2)</b>

During the period ended 30 June 2022, ACH held no Level 3 investments.

The following is a summary of the financial assets at fair value through profit or loss as at 31 December 2021:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
<b>Investment companies:</b>				
Asia	-	21,581	-	21,581
Greater China	-	7,088	-	7,088
<b>Total investment companies</b>	<b>-</b>	<b>28,669</b>	<b>-</b>	<b>28,669</b>
<b>Total financial assets at fair value through profit or loss</b>	<b>-</b>	<b>28,669</b>	<b>-</b>	<b>28,669</b>

The following is a summary of the financial liabilities at fair value through profit or loss as at 31 December 2021:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Forward FX contracts	-	(62)	-	(62)
<b>Total financial liabilities at fair value through profit or loss</b>	<b>-</b>	<b>(62)</b>	<b>-</b>	<b>(62)</b>

During the year ended 31 December 2021, ACH held no Level 3 investments.

ASIAN CAPITAL HOLDINGS  
NOTES TO THE FINANCIAL STATEMENTS

The following table analyses within the fair value hierarchy ACH's assets and liabilities (by class) not measured at fair value at 30 June 2022 but for which fair value is disclosed:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
<b>Assets</b>				
Other accounts receivable	-	9	-	9
Cash and cash equivalents	2,295	-	-	2,295
<b>Total</b>	<b>2,295</b>	<b>9</b>	<b>-</b>	<b>2,304</b>
<b>Liabilities</b>				
Short term borrowings	(32)	-	-	(32)
Advisory and performance fees payable	-	(65)	-	(65)
Other accounts payable and accrued expenses	-	(51)	-	(51)
<b>Total</b>	<b>(32)</b>	<b>(116)</b>	<b>-</b>	<b>(148)</b>

The following table analyses within the fair value hierarchy ACH's assets and liabilities (by class) not measured at fair value at 31 December 2021 but for which fair value is disclosed:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
<b>Assets</b>				
Other accounts receivable	-	11	-	11
Cash and cash equivalents	4,496	-	-	4,496
<b>Total</b>	<b>4,496</b>	<b>11</b>	<b>-</b>	<b>4,507</b>
<b>Liabilities</b>				
Short term borrowings	(27)	-	-	(27)
Subscriptions received in advance	-	(622)	-	(622)
Advisory and performance fees payable	-	(93)	-	(93)
Other accounts payable and accrued expenses	-	(52)	-	(52)
<b>Total</b>	<b>(27)</b>	<b>(767)</b>	<b>-</b>	<b>(794)</b>

ASIAN CAPITAL HOLDINGS  
NOTES TO THE FINANCIAL STATEMENTS

#### 4.b. Condensed schedule of investments

A condensed schedule of investments of ACH as at 30 June 2022 was:

	30/06/22 US\$000	% of NAV
Fenghe Asia (USTE) Fund Ltd	4,752	19.0
Indus Select Fund Ltd	4,261	16.9
Tree Line Asia Fund	3,692	14.6
Zennor Japan Fund	3,359	13.3
Value Partners Classic Fund	2,512	10.0
TX Capital Value Fund	1,822	7.2
Brilliant US Feeder 2 Fund Ltd	1,345	5.3
Anatole Partners Ltd	1,310	5.2
<b>Total financial assets at fair value through profit or loss</b>	<b>23,053</b>	

A condensed schedule of investments of ACH as at 31 December 2021 was:

	31/12/21 US\$000	% of NAV
Fenghe Asia (USTE) Fund Ltd	5,633	17.4
Indus Select Fund Ltd	5,275	16.3
Tree Line Asia Fund	5,068	15.7
Zennor Japan Fund	4,022	12.4
Value Partners Classic Fund	3,213	9.9
TX Capital Value Fund	2,311	7.2
Other investments	3,147	9.8
<b>Total financial assets at fair value through profit or loss</b>	<b>28,669</b>	

#### 4.c. Forward foreign exchange contracts

ACH enters into forward foreign exchange transactions for the Euro Class B shares, normally with the aim of seeking to hedge the Euro exposure back to the US dollar. Forward foreign exchange contracts are held for trading and are valued at the forward rate and are marked to market on the valuation date.

Included under financial liabilities at fair value through profit or loss at 30 June 2022 are the following forward foreign exchange contracts that were outstanding with Citco Bank Nederland NV, Dublin Branch, an affiliate of the Administrator:

	Purchase €000	(Sales) US\$000	Maturity date	Unrealised appreciation/ (depreciation) US\$000
	1,750	(1,830)	14/07/2022	(2)
<b>Total</b>				<b>(2)</b>

ASIAN CAPITAL HOLDINGS  
NOTES TO THE FINANCIAL STATEMENTS

Included under financial liabilities at fair value through profit or loss at 31 December 2021 are the following forward foreign exchange contracts that were outstanding with Citco Bank Nederland NV, Dublin Branch, an affiliate of the Administrator:

	Purchase €000	(Sales) US\$000	Maturity date	Unrealised appreciation/ (depreciation) US\$000
	2,080	(2,413)	12/01/2022	(62)
<b>Total</b>				<b>(62)</b>

5. NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

ACH has no share capital for accounting purposes as all of ACH's shares are redeemable participating shares. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

The data relating to the NAV of redeemable participating shares of ACH and the number of shares in issue during the period to 30 June 2022 are summarised below:

US\$000	Class A	Class B	Total
Redeemable participating shares at 1 January 2022	29,924	2,396	32,320
Subscriptions	722	-	722
Redemptions	(2,231)	-	(2,231)
Net increase/(decrease) in redeemable participating shares resulting from operations	(5,024)	(580)	(5,604)
<b>Redeemable participating shares at 30 June 2022 - US\$</b>	<b>23,391</b>	<b>1,816</b>	<b>25,207</b>
<b>Redeemable participating shares at 30 June 2022 - €</b>	<b>-</b>	<b>1,740</b>	<b>-</b>
Shares	Class A	Class B	Total
Shares outstanding at 1 January 2022	143,591	16,012	159,603
Subscriptions	3,555	-	3,555
Redemptions	(12,010)	-	(12,010)
<b>Shares outstanding at 30 June 2022</b>	<b>135,136</b>	<b>16,012</b>	<b>151,148</b>
<b>Net asset value per redeemable participating share at 30 June 2022</b>	<b>US\$173.09</b>	<b>€108.66</b>	

The data relating to the NAV of redeemable participating shares of ACH and the number of shares in issue during the period to 30 June 2021 are summarised below:

US\$000	Class A	Class B	Total
Redeemable participating shares at 1 January 2021	32,056	2,656	34,712
Subscriptions	2,026	60	2,086
Redemptions	(1,660)	(8)	(1,668)
Net increase/(decrease) in redeemable participating shares resulting from operations	2,570	101	2,671
<b>Redeemable participating shares at 30 June 2021 - US\$</b>	<b>34,992</b>	<b>2,809</b>	<b>37,801</b>
<b>Redeemable participating shares at 30 June 2021 - €</b>	<b>-</b>	<b>2,363</b>	<b>-</b>



ASIAN CAPITAL HOLDINGS  
NOTES TO THE FINANCIAL STATEMENTS

Shares	Class A	Class B	Total
Shares outstanding at 1 January 2021	151,243	15,855	167,098
Subscriptions	8,838	330	9,168
Redemptions	(7,389)	(43)	(7,432)
<b>Shares outstanding at 30 June 2021</b>	<b>152,692</b>	<b>16,142</b>	<b>168,834</b>
<b>Net asset value per redeemable participating share at 30 June 2021</b>	<b>US\$229.17</b>	<b>€146.40</b>	

6. NET GAIN/(LOSS) ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

For the period ended 30 June	2022 US\$000	2021 US\$000
Realised gain on financial assets and liabilities at fair value through profit or loss	182	4,495
Realised loss on financial assets and liabilities at fair value through profit or loss	(240)	(97)
<b>Net realised gain/(loss) on financial assets and liabilities at fair value through profit or loss</b>	<b>(58)</b>	<b>4,398</b>
Change in unrealised gain on financial assets and liabilities at fair value through profit or loss	423	2,507
Change in unrealised loss on financial assets and liabilities at fair value through profit or loss	(5,660)	(3,700)
<b>Net change in unrealised gain/(loss) on financial assets and liabilities at fair value through profit or loss</b>	<b>(5,237)</b>	<b>(1,193)</b>
<b>Net gain/(loss) on financial assets and liabilities at fair value through profit or loss</b>	<b>(5,295)</b>	<b>3,205</b>

In respect of the ACH Class B Euro denominated shares, ACH seeks to hedge against currency fluctuations in non-Euro denominated portfolio investments. The profit or loss on such hedging is shown above.

7. ADVISORY AND PERFORMANCE FEES

For the period ended 30 June	2022 US\$000	2021 US\$000
Advisory fees	(205)	(283)
Performance fees	-	(154)
<b>Total</b>	<b>(205)</b>	<b>(437)</b>

LCH Investments NV is entitled to an amount in cash of 1.5% per annum of the NAV of Class A Shares and Class B Shares. Such fees accruing on the basis of the NAV prior to taking into account any accrued performance fees as described below and payable monthly.

The Investment Advisor is entitled to a performance fee calculated in respect of each calendar year payable in cash of 5% of the net realised and unrealised appreciation in the NAV of Class A Shares and Class B Shares (taking into account realised and unrealised gains and losses, and expenses) subject to a “high water mark” provision. This means that no performance fee is accrued or paid until the NAV per share on which the performance fee was previously accrued and paid has been surpassed. This fee will accrue monthly and be payable at the end of the financial year to which such fee relates (or upon a redemption with respect to redeemed Shares).

ASIAN CAPITAL HOLDINGS  
NOTES TO THE FINANCIAL STATEMENTS

## 8. ADMINISTRATION FEES

The Administration fees are calculated based on the net assets of ACH at the last business day of each month. The per annum fee rates were as follows: 0.05% on the first US\$50 million, 0.04% on the next US\$50 million and 0.03% on net assets in excess of US\$100 million.

## 9. OTHER OPERATING EXPENSES

For the period ended 30 June	2022 US\$000	2021 US\$000
Directors fees	(8)	(9)
Depository fees	(13)	(10)
Other Administrator fees	(2)	(3)
Other professional fees	(9)	(10)
Legal fees	(1)	(6)
Paying agent and related fees	(1)	-
Professional liability insurance	(6)	(4)
Regulatory fees	(1)	(1)
Miscellaneous expenses	(16)	(9)
<b>Total</b>	<b>(57)</b>	<b>(52)</b>

## 10. EXCHANGE RATE

The following exchange rate prevailing at 30 June 2022 was used: €1.00 = US\$1.0442 (31 December 2021: US\$1.1319).

## 11. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to current period's presentation.



DISCOVERY CAPITAL HOLDINGS  
PROFILE

The principal objective of DCH is the appreciation in capital through gaining exposure to underlying funds who are in a development phase and in underlying funds with limited history and in managers of underlying funds with small amounts of assets under management. DCH has not paid any dividend since its inception.

Under its two-tier system, DCH does not invest directly but operates through offshore funds which are wholly or partly owned by DCH. Generally, each offshore fund is advised by a single portfolio manager and its team. The investment activities of the funds thereby comprise a wide range of specialised approaches and techniques used by the managers.

Hence, DCH benefits from the collective services of a group of highly skilled investment managers who are allowed to operate within their area of expertise without imposed limitations.

Moreover, due to its two-tier system, DCH is highly flexible in engaging and, when necessary, disengaging the services of investment managers, while at the same time limiting the financial and legal exposure to the size of its investment in an offshore fund.

DCH's investment policy includes conferring assets on portfolio managers who are in a development phase and in investment vehicles with limited history and on managers with small amounts of assets under management.

The recommendation of investment managers is entrusted to the Investment Advisory Committee of the Investment Advisor whose members meet regularly to review and select managers in order to position DCH optimally in changing markets.

DCH started operating on 1 February 2000 in Curaçao (as Galilei Fund NV and was renamed into Discovery Capital Holdings NV on 10 April 2013) and merged with a sub-fund of the Company on 1 January 2015. Since its inception, DCH has been able to realise a considerable increase in the net asset value (NAV) per share, substantially above US stockmarket indices and with lower volatility. However, past performance is not necessarily a guide to future performance.

The financial year end of DCH is 31 December. In addition to the annual report, which contains audited financial statements, an unaudited interim report for the six month period to 30 June is also published.

Shares are issued by DCH monthly, at NAV per share. Shares are issued in US dollar. Shares may be redeemed at the end of each quarter with 45 business days' notice at NAV (in the case of Class C up to a certain maximum as outlined in the prospectus). The redemption of shares may be postponed under certain circumstances, as described in the prospectus.

DISCOVERY CAPITAL HOLDINGS  
PERFORMANCE SINCE INCEPTION<sup>1</sup>

Date	NAV per share Class A - US\$	NAV per share Class C - US\$	Performance <sup>3</sup> %
31/01/00†	500.00		
31/12/00	641.18		28.2
31/12/01	708.40		10.5
31/12/02	713.43		0.7
31/12/03	832.33		16.7
31/12/04	1,072.03		28.8
31/12/05	1,244.88		16.1
31/12/06	1,352.46		8.6
31/12/07	1,681.60		24.3
31/12/08	1,370.74		(18.5)
31/12/09	1,271.57		(7.2)
31/12/10	1,363.49		7.2
31/12/11	1,368.98		0.4
31/12/12	1,594.03		16.4
31/12/13††	188.16		18.0
31/12/14	185.60		(1.4)
31/12/15	177.17		(4.5)
31/12/16	184.02		3.9
31/12/17	204.46		11.1
31/12/18	188.87	189.47	(7.6)
31/12/19	208.77	210.81	10.5
31/12/20	255.83	259.67	22.5
31/12/21	259.07	264.21	1.3
30/06/22	216.37	221.20	(16.5)
	DCH <sup>3</sup> %		S&P500 <sup>2</sup> %
6 months	(16.5)		(20.1)
1 year p.a.	(16.9)		(11.0)
3 years p.a.	1.6		10.0
5 years p.a.	2.5		10.7
Since Inception p.a.	6.8		6.0

<sup>1</sup> Any data or information relating to periods prior to the merger date of 1 January 2015 relates to the period that DCH was incorporated in Curaçao. Furthermore, the information on this page has not been audited since this information does not form part of the audited financial statements.

<sup>2</sup> S&P500 (70% dividend reinvested)

<sup>3</sup> Of Class A US\$ shares

† Inception at 31 January 2000

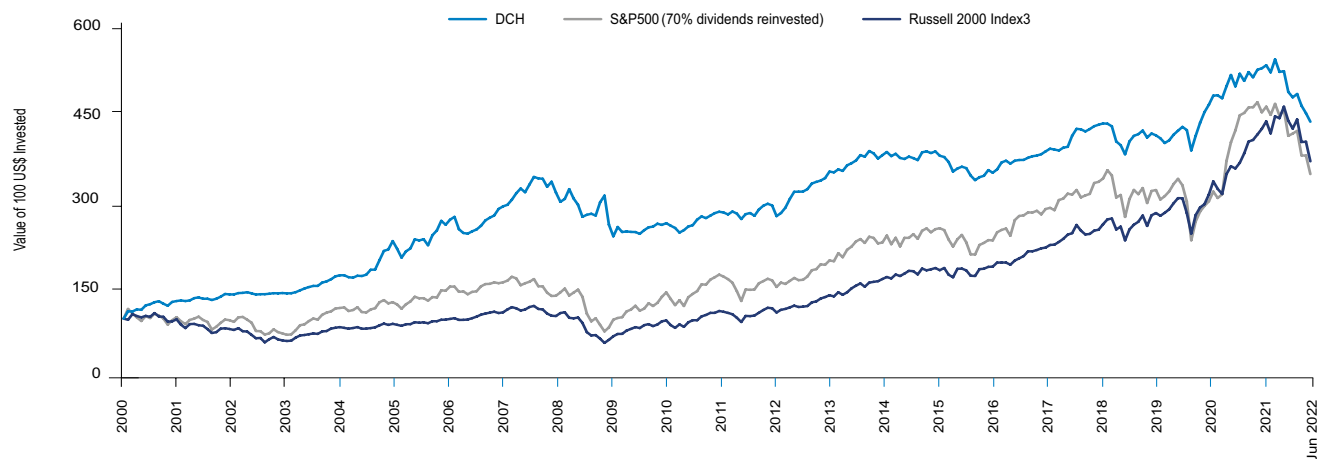
†† Split of 10 for 1 on 30 June 2013

Important note: The performance of DCH up to 30 June 2013 represents the investment return actually achieved by Leveraged Capital Holdings NV (LCH) in its portfolio of smaller emerging managers. DCH became available to investors other than to LCH on 1 July 2013.

Past performance is not necessarily a guide to future performance.

DISCOVERY CAPITAL HOLDINGS  
PERFORMANCE SINCE INCEPTION<sup>1</sup>

Value of US\$100 Invested



<sup>1</sup> Any data or information relating to periods prior to the merger date of 1 January 2015 relates to the period that DCH was incorporated in Curaçao. Furthermore, the information on this page has not been audited since this information does not form part of the audited financial statements.

DISCOVERY CAPITAL HOLDINGS  
STATEMENT OF FINANCIAL POSITION

As at	Notes	30/06/22 US\$000	31/12/21 US\$000
<b>Assets</b>			
<b>Current assets</b>			
Financial assets at fair value through profit or loss	2, 4	80,955	103,198
Due from investment companies and brokers	2	288	7,679
Prepayments on investments	2	8,000	-
Other accounts receivable	2	16	31
Cash and cash equivalents	2, 3	<u>3,287</u>	<u>57</u>
<b>Total assets</b>		<b><u>92,546</u></b>	<b><u>110,965</u></b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Short term borrowings	2, 3	(39)	(32)
Advisory and performance fees payable		(209)	(571)
Other accounts payable and accrued expenses	2	<u>(76)</u>	<u>(98)</u>
Liabilities (excluding net assets attributable to holders of redeemable participating shares)		<u>(324)</u>	<u>(701)</u>
<b>Net assets attributable to holders of redeemable participating shares</b>	<b>2, 5</b>	<b><u>92,222</u></b>	<b><u>110,264</u></b>
<b>Net asset value per Class A redeemable participating share</b>		<b>US\$216.37</b>	<b>US\$259.07</b>
<b>Net asset value per Class C redeemable participating share</b>		<b>US\$221.20</b>	<b>US\$264.21</b>

DISCOVERY CAPITAL HOLDINGS  
STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June	Notes	2022 US\$000	2021 US\$000
<b>Income</b>			
Net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss:			
- Realised gains/(losses)	6	(1,977)	3,348
- Change in unrealised gains/(losses)	6	<u>(15,228)</u>	<u>(383)</u>
<b>Total income/(loss)</b>		<b>(17,205)</b>	<b>2,965</b>
<b>Operating expenses</b>			
Advisory and performance fees	7	(641)	(839)
Administration fees	8	(33)	(40)
Audit fees		(7)	(42)
Other operating expenses	9	<u>(150)</u>	<u>(164)</u>
<b>Total operating expenses</b>		<b>(831)</b>	<b>(1,085)</b>
<b>Operating profit/(loss)</b>		<b>(18,036)</b>	<b>1,880</b>
<b>Finance costs</b>			
Commitment fee relating to short term borrowings	3	(50)	(52)
Interest expense short term borrowings	2, 3	(4)	(3)
Interest expense	2	<u>(2)</u>	<u>(4)</u>
<b>Total finance costs</b>		<b>(56)</b>	<b>(59)</b>
<b>Profit/(loss) before taxation</b>		<b>(18,092)</b>	<b>1,821</b>
Taxation	2	<u>-</u>	<u>-</u>
<b>Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations</b>		<b><u>(18,092)</u></b>	<b><u>1,821</u></b>

All amounts arose solely from continuing operations. There are no gains or losses other than those dealt with in the statement of comprehensive income.



DISCOVERY CAPITAL HOLDINGS  
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

For the period ended 30 June	Notes	2022 US\$000	2021 US\$000
<b>Net assets attributable to holders of redeemable participating shares at 1 January</b>		<b>110,264</b>	<b>116,878</b>
Increase from redeemable participating shares issued	5	50	-
Decrease due to redeemable participating shares repurchased	5	<u>-</u>	<u>(8,030)</u>
<b>Net increase/(decrease) from share transactions</b>		<b>50</b>	<b>(8,030)</b>
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations		<u>(18,092)</u>	<u>1,821</u>
<b>Net assets attributable to holders of redeemable participating shares at 30 June</b>		<u><b>92,222</b></u>	<u><b>110,669</b></u>

DISCOVERY CAPITAL HOLDINGS  
STATEMENT OF CASH FLOWS

For the period ended 30 June	Notes	2022 US\$000	2021 US\$000
<b>Cash flows from operating activities</b>			
Profit/(loss) before taxation		(18,092)	1,821
<b>Adjustments for:</b>			
Finance costs		56	59
<b>Net changes in:</b>			
Due from investment companies and brokers		7,391	3,542
Prepayments on investments		(8,000)	(2,000)
Other accounts receivable		15	12
Advisory and performance fees payable		(362)	(1,216)
Other accounts payable and accrued expenses		(22)	(3)
Financial assets at fair value through profit or loss		22,243	3,407
Finance costs paid		(56)	(59)
<b>Net cash from operating activities</b>		<b>3,173</b>	<b>5,563</b>
<b>Cash flows from financing activities</b>			
Short term borrowings		7	2,007
Proceeds from redeemable participating shares issued		50	-
Paid on redeemable participating shares repurchased		-	(8,030)
<b>Net cash from financing activities</b>		<b>57</b>	<b>(6,023)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>3,230</b>	<b>(460)</b>
Cash and cash equivalents at 1 January		57	1,287
<b>Cash and cash equivalents at 30 June</b>	<b>2, 3</b>	<b>3,287</b>	<b>827</b>

The notes on pages 60 to 65 are an integral part of these financial statements

DISCOVERY CAPITAL HOLDINGS  
NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Capital Holdings Funds plc (the “Company”) was incorporated in Ireland on 13 March 2014 and was authorised as a Retail Investor AIF by the Central Bank of Ireland on 19 December 2014.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out in note 2 to the financial statements of The Capital Holdings Funds plc.

3. CASH AND CASH EQUIVALENTS

As at	30/06/22 US\$000	31/12/21 US\$000
Cash at bank:		
Cash US\$	3,281	57
Cash €	<u>6</u>	<u>-</u>
<b>Total cash and cash equivalents</b>	<b><u>3,287</u></b>	<b><u>57</u></b>

For purposes of the statement of cash flows, cash and cash equivalents comprise cash at current bank accounts, cash held on deposit and bank overdrafts.

During the reporting period, DCH maintained a line of credit with Amatheia Lending Designated Activity Company, on which DCH paid an interest rate of 1.45% per annum on amounts drawn down and a commitment fee of 0.50% per annum on the un-drawn portion of the credit line. At the end of the reporting period, the committed line of credit amounted to US\$20 million (31 December 2021: US\$20 million).

DCH has pledged all of its investments as collateral. The sale of such pledged assets requires the release of these assets by the Depository. At the end of the reporting period, DCH had drawn an amount of US\$0.04 million (31 December 2021: US\$0.03 million).

4. FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

**4.a. Financial assets and liabilities at fair value through profit or loss**

DCH classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly such as net asset values reported by the administrators of the investment companies in which DCH has invested.

Level 3: Inputs are unobservable inputs for the asset or liability. This includes financial assets or liabilities for which the Board of Directors made fair value adjustments because of the illiquidity of such financial assets and liabilities.

Level 3 valuations are reviewed on a periodic basis by the Company’s Board of Directors. The Board of Directors considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognised as standard within the industry. The main technique used in fair valuing the Level 3 assets has been to apply a discount to the corresponding Level 3 valuations as best estimated by the Board of Directors. In selecting the most appropriate valuation model the Board of Directors performs back testing and considers which model’s results have historically aligned most closely to actual market transactions.

If any part of an investment fund is considered to be a Level 3 asset, the entire holding is reported below as Level 3.

DISCOVERY CAPITAL HOLDINGS  
NOTES TO THE FINANCIAL STATEMENTS

The following is a summary of the financial assets at fair value through profit or loss as at 30 June 2022:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
<b>Investment companies:</b>				
Emerging Managers	-	80,955	-	80,955
<b>Total financial assets at fair value through profit or loss</b>	<b>-</b>	<b>80,955</b>	<b>-</b>	<b>80,955</b>

During the period ended 30 June 2022, DCH held no Level 3 investments.

The following is a summary of the financial assets at fair value through profit or loss as at 31 December 2021:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
<b>Investment companies:</b>				
Emerging Managers	-	103,198	-	103,198
<b>Total financial assets at fair value through profit or loss</b>	<b>-</b>	<b>103,198</b>	<b>-</b>	<b>103,198</b>

The following table presents the movement of Level 3 investments for the year ended 31 December 2021 by category of investment:

	Emerging Managers US\$000	Total US\$000
Opening balance	65	65
Transfers into/(out of) Level 3	(52)	(52)
Gains/(losses) recognised	(13)	(13)
<b>Closing balance</b>	<b>-</b>	<b>-</b>

Transfers between levels of the fair value hierarchy, for the purpose of preparing the above table, are deemed to have occurred at the beginning of the reporting period. During the year ended 31 December 2021, transfers out of Level 3 was the result of investment positions becoming subject to lesser liquidity restrictions.

DISCOVERY CAPITAL HOLDINGS  
NOTES TO THE FINANCIAL STATEMENTS

The following table analyses within the fair value hierarchy DCH's assets and liabilities (by class) not measured at fair value at 30 June 2022 but for which fair value is disclosed:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
<b>Assets</b>				
Due from investment companies and brokers	-	288	-	288
Prepayments on investments	-	8,000	-	8,000
Other accounts receivable	-	16	-	16
Cash and cash equivalents	3,287	-	-	3,287
<b>Total</b>	<b>3,287</b>	<b>8,304</b>	<b>-</b>	<b>11,591</b>
<b>Liabilities</b>				
Short term borrowings	(39)	-	-	(39)
Advisory and performance fees payable	-	(209)	-	(209)
Other accounts payable and accrued expenses	-	(76)	-	(76)
<b>Total</b>	<b>(39)</b>	<b>(285)</b>	<b>-</b>	<b>(324)</b>

The following table analyses within the fair value hierarchy DCH's assets and liabilities (by class) not measured at fair value at 31 December 2021 but for which fair value is disclosed:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
<b>Assets</b>				
Due from investment companies and brokers	-	7,679	-	7,679
Other accounts receivable	-	31	-	31
Cash and cash equivalents	57	-	-	57
<b>Total</b>	<b>57</b>	<b>7,710</b>	<b>-</b>	<b>7,767</b>
<b>Liabilities</b>				
Short term borrowings	(32)	-	-	(32)
Advisory and performance fees payable	-	(571)	-	(571)
Other accounts payable and accrued expenses	-	(98)	-	(98)
<b>Total</b>	<b>(32)</b>	<b>(669)</b>	<b>-</b>	<b>(701)</b>

DISCOVERY CAPITAL HOLDINGS  
NOTES TO THE FINANCIAL STATEMENTS

#### 4.b. Condensed schedule of investments

A condensed schedule of investments of DCH as at 30 June 2022 was:

	30/06/22 US\$000	% of NAV
Armistice Capital Offshore Fund Ltd	14,696	15.9
Honeycomb Offshore Fund Ltd	10,136	11.0
Hill City Capital Offshore Fund Ltd	8,684	9.4
Sunriver Fund Ltd	7,157	7.8
North Peak Capital Fund II Ltd	6,439	7.0
Freshford Fund Ltd	6,257	6.8
Bishop Rock Opportunity Offshore Fund Ltd	5,762	6.2
Antero Peak Long/Short Offshore Fund Ltd	5,264	5.7
Bornite Offshore Fund Ltd	5,258	5.7
Other investments	11,302	12.3
<b>Total financial assets at fair value through profit or loss</b>	<b>80,955</b>	

A condensed schedule of investments of DCH as at 31 December 2021 was:

	31/12/21 US\$000	% of NAV
Armistice Capital Offshore Fund Ltd	14,972	13.6
Honeycomb Offshore Fund Ltd	14,523	13.2
North Peak Capital Fund II Ltd	10,366	9.4
Bishop Rock Opportunity Offshore Fund Ltd	9,668	8.8
Jeneq Fund Ltd	9,239	8.4
Hill City Capital Offshore Fund Ltd	8,254	7.5
Sunriver Fund Ltd	7,223	6.5
Antero Peak Long/Short Offshore Fund Ltd	6,736	6.1
Freshford Fund Ltd	6,628	6.0
Other investments	15,589	14.1
<b>Total financial assets at fair value through profit or loss</b>	<b>103,198</b>	

#### 5. NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

DCH has no share capital for accounting purposes as all of DCH's shares are redeemable participating shares. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

The data relating to the NAV of redeemable participating shares of DCH and the number of shares in issue during the period to 30 June 2022 are summarised below:

US\$000	Class A	Class C	Total
Redeemable participating shares at 1 January 2022	68,700	41,564	110,264
Subscriptions	50	-	50
Net increase/(decrease) in redeemable participating shares resulting from operations	(11,326)	(6,766)	(18,092)
<b>Redeemable participating shares at 30 June 2022 - US\$</b>	<b>57,424</b>	<b>34,798</b>	<b>92,222</b>

DISCOVERY CAPITAL HOLDINGS  
NOTES TO THE FINANCIAL STATEMENTS

Shares	Class A	Class C	Total
Shares outstanding at 1 January 2022	265,175	157,313	422,488
Subscriptions	224	-	224
<b>Shares outstanding at 30 June 2022</b>	<b>265,399</b>	<b>157,313</b>	<b>422,712</b>
<b>Net asset value per redeemable participating share at 30 June 2022</b>	<b>US\$216.37</b>	<b>US\$221.20</b>	

The data relating to the NAV of redeemable participating shares of DCH and the number of shares in issue during the period to 30 June 2021 are summarised below:

US\$000	Class A	Class C	Total
Redeemable participating shares at 1 January 2021	76,029	40,849	116,878
Redemptions	(8,030)	-	(8,030)
Net increase/(decrease) in redeemable participating shares resulting from operations	1,016	805	1,821
<b>Redeemable participating shares at 30 June 2021 - US\$</b>	<b>69,015</b>	<b>41,654</b>	<b>110,669</b>

Shares	Class A	Class C	Total
Shares outstanding at 1 January 2021	297,185	157,313	454,498
Redemptions	(32,010)	-	(32,010)
<b>Shares outstanding at 30 June 2021</b>	<b>265,175</b>	<b>157,313</b>	<b>422,488</b>
<b>Net asset value per redeemable participating share at 30 June 2021</b>	<b>US\$260.26</b>	<b>US\$264.79</b>	

6. NET GAIN/(LOSS) ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

For the period ended 30 June	2022 US\$000	2021 US\$000
Realised gain on financial assets and liabilities at fair value through profit or loss	1,035	3,348
Realised loss on financial assets and liabilities at fair value through profit or loss	(3,012)	-
<b>Net realised gain/(loss) on financial assets and liabilities at fair value through profit or loss</b>	<b>(1,977)</b>	<b>3,348</b>
Change in unrealised gain on financial assets and liabilities at fair value through profit or loss	1,043	19,479
Change in unrealised loss on financial assets and liabilities at fair value through profit or loss	(16,271)	(19,862)
<b>Net change in unrealised gain/(loss) on financial assets and liabilities at fair value through profit or loss</b>	<b>(15,228)</b>	<b>(383)</b>
<b>Net gain/(loss) on financial assets and liabilities at fair value through profit or loss</b>	<b>(17,205)</b>	<b>2,965</b>

DISCOVERY CAPITAL HOLDINGS  
NOTES TO THE FINANCIAL STATEMENTS

7. ADVISORY AND PERFORMANCE FEES

For the period ended 30 June	2022 US\$000	2021 US\$000
Advisory fees	(641)	(735)
Performance fees	-	(104)
<b>Total</b>	<b>(641)</b>	<b>(839)</b>

LCH Investments NV is entitled to an amount in cash of 1.5% per annum of the NAV of Class A Shares and 1.0% per annum of the NAV of Class C Shares. Such fees accruing on the basis of the NAV prior to taking into account any accrued performance fees as described below and payable monthly.

The Investment Advisor is entitled to a performance fee calculated in respect of each calendar year payable in cash of 5% of the net realised and unrealised appreciation in the NAV of Class A Shares and Class C Shares (taking into account realised and unrealised gains and losses, and expenses) subject to a “high water mark” provision. This means that no performance fee is accrued or paid until the NAV per share on which the performance fee was previously accrued and paid has been surpassed. This fee will accrue monthly and be payable at the end of the financial year to which such fee relates (or upon a redemption with respect to redeemed Shares).

8. ADMINISTRATION FEES

The Administration fees are calculated based on the net assets of DCH at the last business day of each month. The per annum fee rates were as follows: 0.04% on the first US\$50 million, 0.03% on the next US\$50 million and 0.02% on net assets in excess of US\$100 million.

9. OTHER OPERATING EXPENSES

For the period ended 30 June	2022 US\$000	2021 US\$000
Directors fees	(27)	(29)
Depositary fees	(18)	(23)
Other Administrator fees	(11)	(16)
Other professional fees	(32)	(33)
Legal fees	(5)	(13)
Professional liability insurance	(19)	(16)
Regulatory fees	(2)	(3)
Miscellaneous expenses	(36)	(31)
<b>Total</b>	<b>(150)</b>	<b>(164)</b>

10. EXCHANGE RATE

The following exchange rate prevailing at 30 June 2022 was used: €1.00 = US\$1.0484 (31 December 2021: US\$1.1370).

11. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to current period’s presentation.





## LEVERAGED CAPITAL HOLDINGS PROFILE

The principal objective of Leveraged Capital Holdings (“LCH”) is the appreciation in capital through investment in equity strategies, both long and short, and to a lesser extent in other strategies, including global macro. LCH has not paid any dividend since its inception.

Under its two-tier system, LCH does not invest directly but operates through offshore funds which are wholly or partly owned by LCH. Generally, each offshore fund is advised by a single portfolio manager and its team. The investment activities of the funds thereby comprise a wide range of specialised approaches and techniques used by the managers. Hence, LCH benefits from the collective services of a group of highly skilled investment managers who are allowed to operate within their area of expertise without imposed limitations.

Moreover, due to its two-tier system, LCH is highly flexible in engaging and, when necessary, disengaging the services of investment managers, while at the same time limiting the financial and legal exposure to the size of its investment in an offshore fund.

The recommendation of investment managers is entrusted to the Investment Advisory Committee of the Investment Advisor whose members meet regularly to review and select managers in order to position LCH optimally in changing markets.

LCH started operating on 30 November 1969 in Curaçao (as Leveraged Capital Holdings NV) under the sponsorship of the Edmond de Rothschild Group and merged with a sub-fund of the Company on 1 January 2015. ECH merged its operations with LCH with effect from 1 March 2020 and TCH merged its operations with LCH with effect from 1 April 2020.

Since its inception, LCH has been able to realise a considerable increase in the net asset value (NAV) per share, substantially above US stock market indices and with lower volatility. However, past performance is not necessarily a guide to future performance.

The financial year end of LCH is 31 December. In addition to the annual report, which contains audited financial statements, an unaudited interim report for the six-month period to 30 June is also published.

From 1 April 2021, shares are issued by LCH monthly, at net asset value (NAV). Prior to 1 April 2021, LCH issued shares daily, at NAV per share. Shares are issued in US\$ (Class A) and Euro (Class B).

LCH will seek to hedge against currency fluctuations of the Class B shares, provided that hedging instruments are available on a timely basis and on acceptable terms.

Shares may be redeemed at the end of each quarter with 45 business days’ notice at NAV. The redemption of shares may be postponed under certain circumstances, as described in the prospectus.

**LEVERAGED CAPITAL HOLDINGS**  
**PERFORMANCE SINCE INCEPTION<sup>1</sup>**

	LCH		S&P 500		S&P 500 <sup>2</sup>	
	NAV per share US\$	Performance <sup>3</sup> %	Index US\$	Performance %	Index US\$	Performance %
1969†	19.10		93.81		93.81	
1969	19.70		92.06		92.26	
1970	16.80	-15	92.15	-	94.79	+3
1971	20.28	+21	102.09	+11	107.29	+13
1972	22.99	+13	118.05	+16	126.55	+18
1973	22.48	-2	97.55	-17	106.95	-15
1974	23.82	+6	68.56	-30	77.71	-27
1975	27.25	+14	90.19	+32	105.25	+35
1976	34.30	+26	107.46	+19	128.82	+22
1977	36.46	+6	95.10	-12	117.93	-8
1978	45.09	+24	96.11	+1	123.70	+5
1979	65.72	+46	107.94	+12	144.33	+17
1980	107.79	+64	135.76	+26	188.23	+30
1981	96.44	-11	122.55	-10	176.20	-6
1982	129.90	+35	140.64	+15	210.51	+19
1983	159.10	+22	164.93	+17	254.59	+21
1984	153.79	-3	167.24	+1	266.79	+5
1985	202.63	+32	211.28	+26	347.05	+30
1986	231.06	+14	242.17	+15	407.58	+17
1987	239.52	+4	247.08	+2	425.00	+4
1988	267.66	+12	277.72	+12	489.98	+15
1989	350.38	+31	353.40	+27	638.47	+30
1990	340.53	-3	330.22	-7	611.99	-4
1991	462.90	+36	417.09	+26	790.48	+29
1992	543.15	+17	435.71	+4	843.29	+7
1993††	66.71	+23	466.45	+7	919.32	+9
1994	59.23	-11	459.27	-2	924.73	+1
1995	77.39	+31	615.93	+34	1,262.00	+36
1996	93.29	+21	740.74	+20	1,541.34	+22
1997	113.35	+22	970.43	+31	2,044.53	+33
1998	124.37	+10	1,229.23	+27	2,617.03	+28
1999	168.66	+36	1,469.25	+20	3,155.61	+21
2000	161.03	-5	1,320.28	-10	2,858.53	-9
2001	154.20	-4	1,148.08	-13	2,509.09	-12
2002	147.24	-5	879.72	-23	1,945.14	-22
2003	165.02	+12	1,111.92	+26	2,489.34	+28
2004	182.31	+10	1,211.92	+9	2,745.81	+10
2005	199.14	+9	1,248.29	+3	2,864.79	+4
2006	219.47	+10	1,418.30	+14	3,298.22	+15
2007	276.32	+26	1,468.36	+4	3,459.78	+5
2008	209.21	-24	903.25	-38	2,164.34	-37
2009	241.78	+16	1,115.10	+23	2,717.54	+26
2010	274.54	+14	1,257.64	+13	3,108.59	+14
2011	244.96	-11	1,257.60	-	3,153.86	+1
2012	266.13	+9	1,426.19	+13	3,633.48	+15
2013	306.07	+15	1,848.36	+30	4,779.04	+32
2014	316.54	+3	2,058.90	+11	5,398.91	+13
2015	295.89	-7	2,043.94	-1	5,439.21	+1

<sup>1</sup> Any data or information relating to periods prior to the merger date of 1 January 2015 relates to the period that LCH was incorporated in Curaçao. Furthermore, the information on this page has not been audited since this information does not form part of the audited financial statements.

<sup>2</sup> 70% dividends reinvested

<sup>3</sup> of Class A US\$ shares

† Inception at 30 November 1969 | †† Split of 10 for 1 on 17 February 1993

**LEVERAGED CAPITAL HOLDINGS**  
**PERFORMANCE SINCE INCEPTION<sup>1</sup>**

	LCH		S&P 500		S&P 500 <sup>2</sup>	
	NAV per share US\$	Performance <sup>3</sup> %	Index US\$	Performance %	Index US\$	Performance %
2016	281.51	-5	2,238.83	+10	6,048.70	+11
2017	303.26	+8	2,673.61	+19	7,323.89	+21
2018	264.09	-13	2,506.85	-6	6,961.66	-5
2019	290.49	+10	3,230.78	+29	9,097.25	+31
2020	338.11	+16	3,756.07	+16	10,711.77	+18
2021	360.46	+7	4,766.18	+27	13,725.67	+28
30/06/2022	287.32	-20				

<sup>2</sup> S&P 500 (70% dividends reinvested)

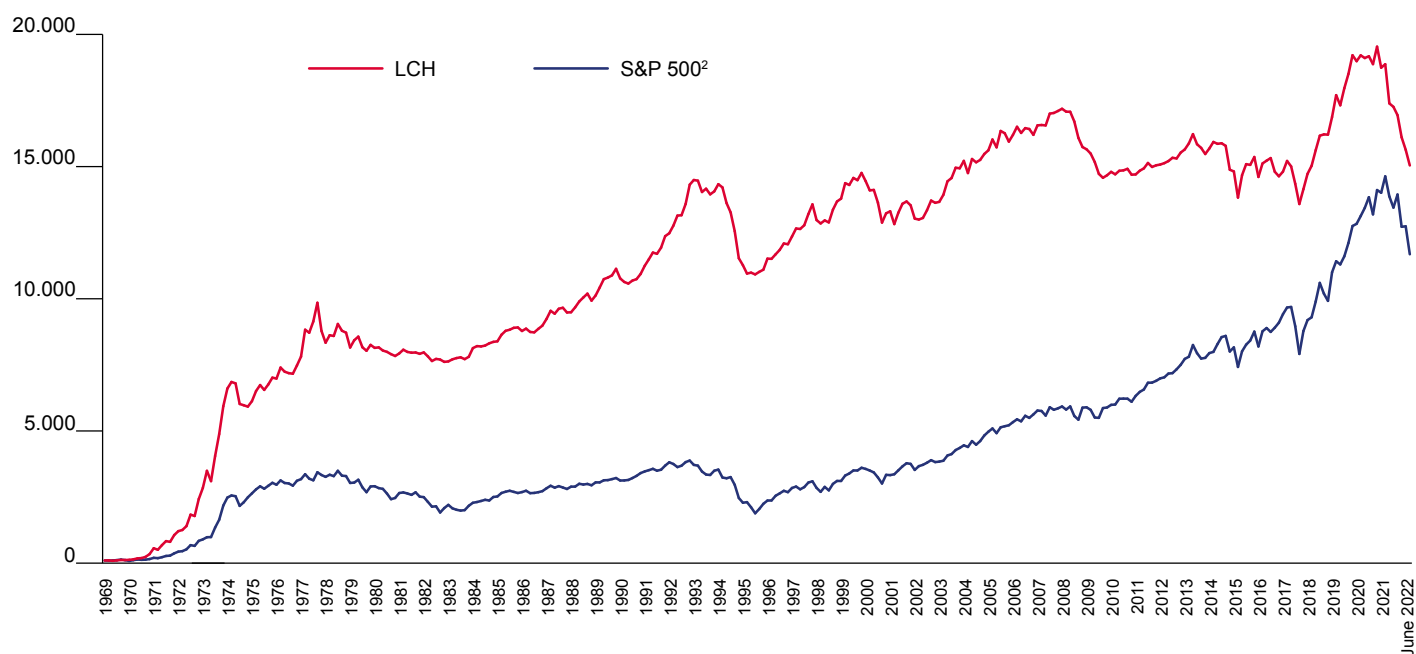
<sup>3</sup> of Class A US\$ shares

	LCH %	S&P500 <sup>2</sup> %	Cash <sup>3</sup> %
6 months	(20.3)	(20.1)	0.6
1 years p.a.	(21.7)	(11.0)	0.7
3 years p.a.	(0.2)	10.0	0.8
5 years p.a.	(0.1)	10.7	1.3
Since Inception p.a.	10.0	9.5	5.1
Value of US\$100 since inception	US\$15,043	US\$11,683	US\$1,375

<sup>2</sup> S&P 500 (70% dividends reinvested)

<sup>3</sup> 3 month US\$ Libor

**Value of US\$100 Invested**

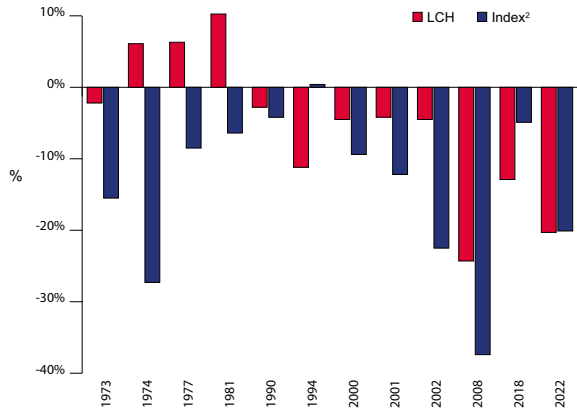


<sup>2</sup> S&P 500 (70% dividends reinvested)

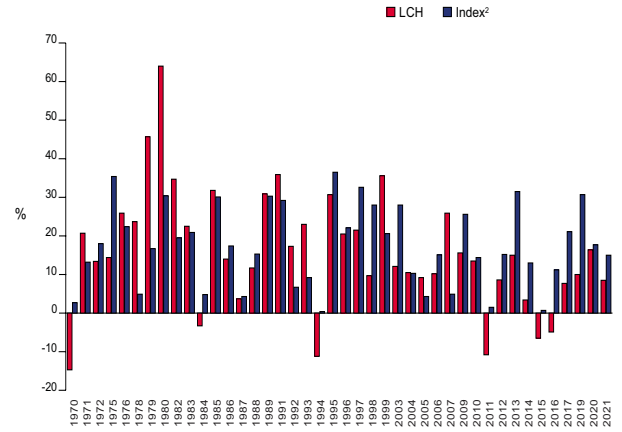
<sup>1</sup> Any data or information relating to periods prior to the merger date of 1 January 2015 relates to the period that LCH was incorporated in Curaçao. Furthermore, the information on this page has not been audited since this information does not form part of the audited financial statements.

**LEVERAGED CAPITAL HOLDINGS**  
**PERFORMANCE SINCE INCEPTION<sup>1</sup>**

LCH Performance in Down Markets



LCH Performance in Up Markets



- <sup>1</sup> Any data or information relating to periods prior to the merger date of 1 January 2015 relates to the period that LCH was incorporated in Curaçao. Furthermore, the information on this page has not been audited since this information does not form part of the audited financial statements.
- <sup>2</sup> S&P 500 Index with 70% dividends reinvested. Source: Bloomberg.

**LEVERAGED CAPITAL HOLDINGS**  
**STATEMENT OF FINANCIAL POSITION**

As at	Notes	30/06/22 US\$000	31/12/21 US\$000
<b>Assets</b>			
<b>Current assets</b>			
Financial assets at fair value through profit or loss	2, 4	150,917	211,351
Due from investment companies and brokers	2	217	8,598
Other accounts receivable	2	155	390
Cash and cash equivalents	2, 3	<u>9,279</u>	<u>8,376</u>
<b>Total assets</b>		<b><u>160,568</u></b>	<b><u>228,715</u></b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Financial liabilities at fair value through profit or loss	2, 4	-	(1,872)
Short term borrowings	2, 3	(47)	(1,038)
Advisory and performance fees payable	6	(419)	(920)
Other accounts payable and accrued expenses	2, 7	<u>(112)</u>	<u>(168)</u>
Liabilities (excluding net assets attributable to holders of redeemable participating shares)		<u>(578)</u>	<u>(3,998)</u>
<b>Net assets attributable to holders of redeemable participating shares</b>	<b>2, 5</b>	<b><u>159,990</u></b>	<b><u>224,717</u></b>
<b>Net asset value per Class A redeemable participating share</b>		<b>US\$287.32</b>	<b>US\$360.46</b>
<b>Net asset value per Class B redeemable participating share</b>		<b>€188.24</b>	<b>€238.99</b>

The notes on pages 75 to 81 are an integral part of these financial statements

LEVERAGED CAPITAL HOLDINGS  
STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June	Notes	2022 US\$000	2021 US\$000
<b>Income</b>			
Net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss:			
- Realised gains/(losses)	6	(6,415)	4,420
- Change in unrealised gains/(losses)	6	(42,801)	15,087
Interest income	2	3	-
Dividend income	2	808	-
Fee rebate		394	520
<b>Total income/(loss)</b>		<b>(48,011)</b>	<b>20,027</b>
<b>Operating expenses</b>			
Advisory and performance fees	7	(1,370)	(2,360)
Administration fees	8	(31)	(63)
Audit fees		(16)	(77)
Other operating expenses	9	(257)	(343)
<b>Total operating expenses</b>		<b>(1,674)</b>	<b>(2,843)</b>
<b>Operating profit/(loss)</b>		<b>(49,685)</b>	<b>17,184</b>
<b>Finance costs</b>			
Commitment fee relating to short term borrowings	3	(100)	(105)
Interest expense short term borrowings	2, 3	(8)	(8)
Interest expense	2	(9)	(5)
<b>Total finance costs</b>		<b>(117)</b>	<b>(118)</b>
<b>Profit/(loss) before taxation</b>		<b>(49,802)</b>	<b>17,066</b>
Taxation	2	-	-
<b>Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations</b>		<b>(49,802)</b>	<b>17,066</b>

All amounts arose solely from continuing operations. There are no gains or losses other than those dealt with in the statement of comprehensive income.

**LEVERAGED CAPITAL HOLDINGS**  
**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES**

For the period ended 30 June	Notes	2022 US\$000	2021 US\$000
<b>Net assets attributable to holders of redeemable participating shares at 1 January</b>		<b>224,717</b>	<b>247,203</b>
Increase from redeemable participating shares issued	5	1,090	817
Decrease due to redeemable participating shares repurchased	5	<u>(16,015)</u>	<u>(9,101)</u>
<b>Net increase/(decrease) from share transactions</b>		<b>(14,925)</b>	<b>(8,284)</b>
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations		<u>(49,802)</u>	<u>17,066</u>
<b>Net assets attributable to holders of redeemable participating shares at 30 June</b>		<b><u>159,990</u></b>	<b><u>255,985</u></b>

The notes on pages 75 to 81 are an integral part of these financial statements



**LEVERAGED CAPITAL HOLDINGS**  
**STATEMENT OF CASH FLOWS**

For the period ended 30 June	Notes	2022 US\$000	2021 US\$000
<b>Cash flows from operating activities</b>			
Profit/(loss) before taxation		(49,802)	17,066
<b>Adjustments for:</b>			
Interest income		(3)	-
Dividend income		(808)	-
Finance costs		117	118
Foreign exchange (gains)/losses on cash and cash equivalents		54	8
<b>Net changes in:</b>			
Due from investment companies and brokers		8,381	7,601
Other accounts receivable		235	641
Advisory and performance fees payable		(501)	240
Other accounts payable and accrued expenses		(56)	(71)
Financial assets at fair value through profit or loss		60,380	(9,359)
Financial liabilities at fair value through profit or loss		(1,872)	2,810
Interest income received		3	-
Dividend income received		808	-
Finance costs paid		(117)	(118)
<b>Net cash from operating activities</b>		<b>16,819</b>	<b>18,936</b>
<b>Cash flows from financing activities</b>			
Short term borrowings		(991)	9
Proceeds from redeemable participating shares issued		1,090	1,056
Paid on redeemable participating shares repurchased		(16,015)	(9,101)
<b>Net cash from financing activities</b>		<b>(15,916)</b>	<b>(8,036)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>903</b>	<b>10,900</b>
Cash and cash equivalents at 1 January		8,376	7,374
<b>Cash and cash equivalents at 30 June</b>	<b>2, 3</b>	<b>9,279</b>	<b>18,274</b>

The notes on pages 75 to 81 are an integral part of these financial statements

**LEVERAGED CAPITAL HOLDINGS**  
**NOTES TO THE FINANCIAL STATEMENTS**

1. GENERAL INFORMATION

The Capital Holdings Funds plc (the “Company”) was incorporated in Ireland on 13 March 2014 and was authorised as a Retail Investor AIF by the Central Bank of Ireland on 19 December 2014.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out in note 2 to the financial statements of The Capital Holdings Funds plc.

3. CASH AND CASH EQUIVALENTS

As at	30/06/22 US\$000	31/12/21 US\$000
Cash at bank:		
Cash US\$	9,220	8,263
Cash €	59	113
<b>Total cash and cash equivalents</b>	<b>9,279</b>	<b>8,376</b>

For purposes of the statement of cash flows, cash and cash equivalents comprise cash at current bank accounts, cash held on deposit and bank overdrafts.

During the reporting period, LCH maintained a line of credit with Amathea Lending Designated Activity Company, on which LCH paid an interest rate of 1.45% per annum on amounts drawn down and a commitment fee of 0.50% per annum on the un-drawn portion of the credit line. At the end of the reporting period, the committed line of credit amounted to US\$40 million (31 December 2021: US\$40 million).

LCH has pledged all of its investments as collateral. The sale of such pledged assets requires the release of these assets by the Depository. At the end of the reporting period, LCH had drawn an amount of US\$0.05 million (31 December 2021: US\$1.04 million).

4. FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

**4.a. Financial assets and liabilities at fair value through profit or loss**

LCH classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly such as net asset values reported by the administrators of the investment companies in which LCH has invested.

Level 3: Inputs are unobservable inputs for the asset or liability. This includes financial assets or liabilities for which the Board of Directors made fair value adjustments because of the illiquidity of such financial assets and liabilities.

Level 3 valuations are reviewed on a periodic basis by the Company’s Board of Directors. The Board of Directors considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognised as standard within the industry. The main technique used in fair valuing the Level 3 assets has been to apply a discount to the corresponding Level 3 valuations as best estimated by the Board of Directors. In selecting the most appropriate valuation model the Board of Directors performs back testing and considers which model’s results have historically aligned most closely to actual market transactions.

If any part of an investment fund is considered to be a Level 3 asset, the entire holding is reported below as Level 3.

**LEVERAGED CAPITAL HOLDINGS**  
**NOTES TO THE FINANCIAL STATEMENTS**

The following is a summary of the financial assets at fair value through profit or loss as at 30 June 2022:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
<b>Investment companies:</b>				
Equity Long Biased	-	126,676	-	126,676
Event Driven	-	11,232	-	11,232
Macro and Other	-	12,284	499	12,783
<b>Total investment companies</b>	<b>-</b>	<b>150,192</b>	<b>499</b>	<b>150,691</b>
Forward FX contracts	-	226	-	226
<b>Total financial assets at fair value through profit or loss</b>	<b>-</b>	<b>150,418</b>	<b>499</b>	<b>150,917</b>

The following table presents the movement of Level 3 investments for the period ended 30 June 2022 by category of investment:

	Macro and Other US\$000	Total US\$000
Opening balance	603	603
Gains/(losses) recognised	(104)	(104)
<b>Closing balance</b>	<b>499</b>	<b>499</b>

The following is a summary of the financial assets at fair value through profit or loss as at 31 December 2021:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
<b>Investment companies:</b>				
Equity Long Biased	-	189,137	-	189,137
Event Driven	-	14,894	-	14,894
Macro and Other	-	6,717	603	7,320
<b>Total investment companies</b>	<b>-</b>	<b>210,748</b>	<b>603</b>	<b>211,351</b>
<b>Total financial assets at fair value through profit or loss</b>	<b>-</b>	<b>210,748</b>	<b>603</b>	<b>211,351</b>

The following is a summary of the financial liabilities at fair value through profit or loss as at 31 December 2021:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Forward FX contracts	-	(1,872)	-	(1,872)
<b>Total financial liabilities at fair value through profit or loss</b>	<b>-</b>	<b>(1,872)</b>	<b>-</b>	<b>(1,872)</b>

**LEVERAGED CAPITAL HOLDINGS**  
**NOTES TO THE FINANCIAL STATEMENTS**

The following table presents the movement of Level 3 investments for the year ended 31 December 2021 by category of investment:

	Equity Long Biased US\$000	Equity Opportunistic US\$000	Macro and Other US\$000	Total US\$000
Opening balance	9,721	691	242	10,654
Sales	(331)	(907)	-	(1,238)
Transfers into/(out of) Level 3	(9,449)	-	-	(9,449)
Gains/(losses) recognised	59	216	361	636
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>603</b>	<b>603</b>

Transfers between levels of the fair value hierarchy, for the purpose of preparing the above table, are deemed to have occurred at the beginning of the reporting period. During the year ended 31 December 2021, transfers out of Level 3 was the result of investment positions becoming subject to lesser liquidity restrictions.

The following table analyses within the fair value hierarchy LCH's assets and liabilities (by class) not measured at fair value at 30 June 2022 but for which fair value is disclosed:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
<b>Assets</b>				
Due from investment companies and brokers	-	217	-	217
Other accounts receivable	-	155	-	155
Cash and cash equivalents	9,279	-	-	9,279
<b>Total</b>	<b>9,279</b>	<b>372</b>	<b>-</b>	<b>9,651</b>
<b>Liabilities</b>				
Short term borrowings	(47)	-	-	(47)
Advisory and performance fees payable	-	(419)	-	(419)
Other accounts payable and accrued expenses	-	(112)	-	(112)
<b>Total</b>	<b>(47)</b>	<b>(531)</b>	<b>-</b>	<b>(578)</b>

**LEVERAGED CAPITAL HOLDINGS**  
**NOTES TO THE FINANCIAL STATEMENTS**

The following table analyses within the fair value hierarchy LCH's assets and liabilities (by class) not measured at fair value at 31 December 2021 but for which fair value is disclosed:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
<b>Assets</b>				
Due from investment companies and brokers	-	8,598	-	8,598
Other accounts receivable	-	390	-	390
Cash and cash equivalents	8,376	-	-	8,376
<b>Total</b>	<b>8,376</b>	<b>8,988</b>	<b>-</b>	<b>17,364</b>
<b>Liabilities</b>				
Short term borrowings	(1,038)	-	-	(1,038)
Advisory and performance fees payable	-	(920)	-	(920)
Other accounts payable and accrued expenses	-	(168)	-	(168)
<b>Total</b>	<b>(1,038)</b>	<b>(1,088)</b>	<b>-</b>	<b>(2,126)</b>

**4.b. Condensed schedule of investments**

A condensed schedule of investments of LCH as at 30 June 2022 was:

	30/06/22 US\$000	% of NAV
Discovery Capital Holdings	49,486	30.9
Crake Global Feeder Fund ICAV	14,634	9.2
Third Point Ultra Ltd	11,232	7.0
Pershing Square International Ltd	10,877	6.8
Glenview Capital Partners (Cayman) Ltd	8,858	5.5
Other investments	55,830	34.9
<b>Total financial assets at fair value through profit or loss</b>	<b>150,917</b>	

A condensed schedule of investments of LCH as at 31 December 2021 was:

	31/12/21 US\$000	% of NAV
Discovery Capital Holdings	59,252	26.4
Crake Global Feeder Fund ICAV	16,949	7.5
Third Point Ultra Ltd	14,894	6.6
Pershing Square International Ltd	13,952	6.2
MW Eureka Fund	11,570	5.2
Other investments	94,734	42.2
<b>Total financial assets at fair value through profit or loss</b>	<b>211,351</b>	

**4.c. Forward foreign exchange contracts**

LCH enters into forward foreign exchange transactions for the Euro Class B shares, normally with the aim of seeking to hedge the Euro exposure back to the US dollar. Forward foreign exchange contracts are held for trading and are valued at the forward rate and are marked to market on the valuation date.

**LEVERAGED CAPITAL HOLDINGS**  
**NOTES TO THE FINANCIAL STATEMENTS**

Included under financial assets at fair value through profit or loss at 30 June 2022 are the following forward foreign exchange contracts that were outstanding with Citco Bank Nederland NV, Dublin Branch, an affiliate of the Administrator:

	Purchases €000	(Sales) US\$000	Maturity date	Unrealised appreciation/ (depreciation) US\$000
	59,500	(62,215)	14/07/2022	226
<b>Total</b>				<b>226</b>

Included under financial liabilities at fair value through profit or loss at 31 December 2021 are the following forward foreign exchange contracts that were outstanding with Citco Bank Nederland NV, Dublin Branch, an affiliate of the Administrator:

	Purchases €000	(Sales) US\$000	Maturity date	Unrealised appreciation/ (depreciation) US\$000
	78,600	(91,120)	12/01/2022	(1,872)
<b>Total</b>				<b>(1,872)</b>

5. NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

LCH has no share capital for accounting purposes as all of LCH's shares are redeemable participating shares. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

The data relating to the NAV of redeemable participating shares of LCH and the number of shares in issue during the period ended 30 June 2022 are summarised below:

US\$000	Class A	Class B	Total
Redeemable participating shares at 1 January 2022	135,980	88,737	224,717
Subscriptions	1,090	-	1,090
Redemptions	(12,331)	(3,684)	(16,015)
Net increase/(decrease) in redeemable participating shares resulting from operations	(26,236)	(23,566)	(49,802)
<b>Redeemable participating shares at 30 June 2022 - US\$</b>	<b>98,503</b>	<b>61,487</b>	<b>159,990</b>
<b>Redeemable participating shares at 30 June 2022 - €</b>	<b>-</b>	<b>58,652</b>	<b>-</b>
Shares	Class A	Class B	Total
Shares outstanding at 1 January 2022	377,242	326,564	703,806
Subscriptions	3,426	-	3,426
Redemptions	(37,839)	(14,989)	(52,828)
<b>Shares outstanding at 30 June 2022</b>	<b>342,829</b>	<b>311,575</b>	<b>654,404</b>
<b>Net asset value per redeemable participating share at 30 June 2022</b>	<b>US\$287.32</b>	<b>€188.24</b>	

LEVERAGED CAPITAL HOLDINGS  
NOTES TO THE FINANCIAL STATEMENTS

The data relating to the NAV of redeemable participating shares of LCH and the number of shares in issue during the period ended 30 June 2021 are summarised below:

US\$000	Class A	Class B	Total
Redeemable participating shares at 1 January 2021	142,516	104,687	247,203
Subscriptions	432	385	817
Redemptions	(3,681)	(5,420)	(9,101)
Net increase/(decrease) in redeemable participating shares resulting from operations	11,974	5,092	17,066
<b>Redeemable participating shares at 30 June 2021 - US\$</b>	<b>151,241</b>	<b>104,744</b>	<b>255,985</b>
<b>Redeemable participating shares at 30 June 2021 - €</b>	<b>-</b>	<b>88,343</b>	<b>-</b>
Shares	Class A	Class B	Total
Shares outstanding at 1 January 2021	421,509	379,248	800,757
Subscriptions	1,252	1,306	2,558
Redemptions	(10,522)	(19,584)	(30,106)
<b>Shares outstanding at 30 June 2021</b>	<b>412,239</b>	<b>360,970</b>	<b>773,209</b>
<b>Net asset value per redeemable participating share at 30 June 2021</b>	<b>US\$366.88</b>	<b>€244.74</b>	

6. NET GAIN/(LOSS) ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

For the period ended 30 June	2022 US\$000	2021 US\$000
Realised gain on financial assets and liabilities at fair value through profit or loss	3,149	9,468
Realised loss on financial assets and liabilities at fair value through profit or loss	(9,564)	(5,048)
<b>Net realised gain/(loss) on financial assets and liabilities at fair value through profit or loss</b>	<b>(6,415)</b>	<b>4,420</b>
Change in unrealised gain on financial assets and liabilities at fair value through profit or loss	2,839	37,008
Change in unrealised loss on financial assets and liabilities at fair value through profit or loss	(45,640)	(21,921)
<b>Net change in unrealised gain/(loss) on financial assets and liabilities at fair value through profit or loss</b>	<b>(42,801)</b>	<b>15,087</b>
<b>Net gain/(loss) on financial assets and liabilities at fair value through profit or loss</b>	<b>(49,216)</b>	<b>19,507</b>

In respect of the LCH Class B Euro denominated shares, LCH seeks to hedge against currency fluctuations in non-Euro denominated portfolio investments. The profit or loss on such hedging is shown above.

**LEVERAGED CAPITAL HOLDINGS**  
**NOTES TO THE FINANCIAL STATEMENTS**

7. ADVISORY AND PERFORMANCE FEES

For the period ended 30 June	2022 US\$000	2021 US\$000
Advisory fees	(1,370)	(1,873)
Performance fees	<u>-</u>	<u>(487)</u>
<b>Total</b>	<b><u>(1,370)</u></b>	<b><u>(2,360)</u></b>

LCH Investments NV is entitled to an amount in cash of 1.5% per annum of the NAV of Class A shares and Class B shares and 0.25% per annum of the NAV of Class X shares. Such fees accruing on the basis of the NAV prior to taking into account any accrued performance fees as described below and payable monthly.

The Investment Advisor is entitled to a performance fee calculated in respect of each calendar year payable in cash of 3% of the net realised and unrealised appreciation in the NAV of Class A shares and Class B shares (taking into account realised and unrealised gains and losses, and expenses) subject to a “high water mark” provision. This means that no performance fee is accrued or paid until the NAV per Share on which the performance fee was previously accrued and paid has been surpassed. This fee will accrue monthly and be payable at the end of the financial year to which such fee relates (or upon a redemption with respect to redeemed Shares).

8. ADMINISTRATION FEES

The Administration fees are calculated based on the net assets of LCH at the last business day of each month. The per annum fee rates were as follows: 0.05% on the first US\$50 million, 0.04% on the next US\$50 million and 0.03% on net assets in excess of US\$100 million. The net assets of LCH for this purpose shall exclude the amount of LCH’s investment in DCH.

9. OTHER OPERATING EXPENSES

For the period ended 30 June	2022 US\$000	2021 US\$000
Directors fees	(55)	(62)
Depositary fees	(22)	(41)
Other Administrator fees	(23)	(32)
Other professional fees	(63)	(71)
Legal fees	(10)	(28)
Paying agent and related fees	(3)	-
Professional liability insurance	(29)	(33)
Regulatory fees	(4)	(6)
Miscellaneous expenses	<u>(48)</u>	<u>(70)</u>
<b>Total</b>	<b><u>(257)</u></b>	<b><u>(343)</u></b>

10. EXCHANGE RATE

The following exchange rate prevailing at 30 June 2022 was used: €1.00 = US\$1.0484 (31 December 2021: US\$1.1370).

11. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to current period’s presentation.