

**Audited annual report
as at 31 December 2021**

FESTINA LENTE FUND

Specialised investment fund
established as an umbrella fund
(Fonds Commun de Placement à compartiments multiples; FCP-SIF)

in accordance with the Luxembourg Law of 13 February 2007
on specialised investment funds
and the law of 12 July 2013
on alternative investment fund managers

whose units are not intended for public sale and
are only offered to one or more well-informed investors.

R.C.S. Luxembourg K338

Management Company



AXXION S.A.
R.C.S. Luxembourg B 82 112

No subscription may be accepted on the basis of this report. Subscriptions may only be made on the basis of the current issuing document in conjunction with the subscription application form and the most recent annual report.

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Management and administration

Management company and AIFM

Axxion S.A.
15, rue de Flaxweiler
L-6776 GREVENMACHER

Equity capital as at 31 December 2021
EUR 3.357.034

**Supervisory Board
of the management company¹**

Chair

Martin STÜRNER
Member of the Board
PEH Wertpapier AG,
D-FRANKFURT AM MAIN

Members

Constanze HINTZE
Managing Director
Svea Kuschel + Kolleginnen
Finanzdienstleistungen für Frauen GmbH,
D-MUNICH

Dr. Burkhard WITTEK
Managing Director
FORUM Family Office GmbH,
D-MUNICH

**Board of Managers
of the management company¹**

Thomas AMEND
Managing Partner
fo.con S.A.,
L-GREVENMACHER

Pierre GIRARDET
Member of Management
Axxion S.A.,
L-GREVENMACHER

Stefan SCHNEIDER
Member of Management
Axxion S.A.,
L-GREVENMACHER

Auditor

PricewaterhouseCoopers, Société coopérative
2, rue Gerhard Mercator
B.P. 1443
L-1014 LUXEMBOURG

¹ See Note 12

FESTINA LENTE FUND
Investment Fund (F.C.P.)

Custodian Bank

Banque de Luxembourg S.A.
14, Boulevard Royal
L-2449 LUXEMBOURG

**Central administration /
Registrar and transfer agent**

navAXX S.A.
17, rue de Flaxweiler
L-6776 GREVENMACHER

Investment advisor

Rothorn Partners S.à r.l.
Rue du Vieux-Collège 10
CH-1204 GENEVA

General information

The “FESTINA LENTE FUND” investment fund (hereinafter referred to as the “Fund”) is an investment fund set up as an umbrella fund under Luxembourg law that may launch different subfunds in the form of a “*fonds commun de placement à compartiments multiples - FIS*”, whose sole purpose is to invest its assets in different assets together with the aim of spreading investment risks and ensuring its investors can benefit from the performance of the assets. The Fund was established in accordance with the Luxembourg Law of 13 February 2007 (“Law of 13 February 2007”) on specialised investment funds and the Law of 12 July 2013 (“Law of 12 July 2013”) on alternative investment fund managers.

The Fund meets the requirements of an Alternative Investment Fund (“AIF”) in accordance with the Law of 12 July 2013 implementing Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 (“AIFM Directive” or the “Law of 12 July 2013”).

The units of the Fund are not intended for public sale and are offered exclusively to well-informed investors who meet the conditions of the Law of 13 February 2007.

A well-informed investor is an institutional, professional or any other type of investor (natural person) who

- a) has stated his agreement in writing to being classified as a well-informed investor and
- b) deposits at least EUR 125,000 into the Fund or
- c) who has an appraisal from a credit institution, an investment firm or a management company which confirms his/her expertise, experience and knowledge to offer appropriate judgement on investments in a special fund.

Units are currently being issued for the following subfund:

FESTINA LENTE FUND - Festina Lente Opportunities Fund in EUR

If other subfunds are added, the issuing document will be supplemented accordingly.

Units (“fund units” or “units”) are units in the respective subfund. The rights and obligations of a subfund’s unitholders are completely separate from those of the unitholders of the other subfunds. All rights and obligations of a sub-fund relate only to that sub-fund. The units of specialised investment funds are not intended for public sale and are only offered to one or more well-informed investors.

The management company may decide to launch different unit classes within a subfund. The unit classes may differ in their characteristics and rights according to the way their income is used, their fee structures or other specific characteristics and rights. In this context, a new unit class F has been launched with effect of 30 August 2021. First subscriptions have been received at 31 December 2021 which have been considered in the NAV calculation of 3 January 2022.

The Fund is managed by Axxion S.A.

The management company was established on 17 May 2001 as a public limited company (Aktiengesellschaft) under Luxembourg law for an indefinite period. Its registered office is in L-Grevenmacher. The Articles of Association of the management company were published in the *Mémorial C, Recueil des Sociétés et Associations* of 15 June 2001 and are entered in the trade and commercial register of the Luxembourg District Court, where the management company is registered under registration number B-82112. The most recent amendment to the Articles of Association entered into force on 24 January 2020. The notice of deposit of the amended Articles of Association with the Luxembourg Trade and Companies Register was published in the *Mémorial* on 18 February 2020.

Accounts for the Fund and its subfund are kept in Euro.

FESTINA LENTE FUND
Investment Fund (F.C.P.)

The net asset value is calculated by the management company or by a third party commissioned by it under the supervision of the Custodian Bank on each day that is a banking day in Luxembourg ("valuation day"), except 24 December, unless indicated otherwise in the appendix to the issuing document for the subfund in question. For the FESTINA LENTE FUND - Festina Lente Opportunities Fund subfund, the valuation day is the last day of a month that is a banking day in Luxembourg.

The Fund's financial year ends each year on 31 December, for the first time on 31 December 2015. At the end of each financial year, the management company issues an audited annual report.

The currently valid issue and redemption prices of the individual subfunds and all other information for unitholders may be obtained at any time from the registered office of management company or from the Custodian Bank.

The latest versions of the issuing document with Management Regulations and special regulations as well as the annual report are also available there free of charge; the management company's Articles of Association are available for inspection at its registered office. The management company will also make a hard-copy version available upon request.

Issue and redemption prices are currently published on www.axxion.lu. The latest version of the issuing document and the annual reports are also available on the website.

Parties interested in acquiring units may obtain information on the Fund's investment restrictions, risk management methods and the latest developments concerning risks and returns of the most important categories of Fund assets from the management company or the Custodian Bank.

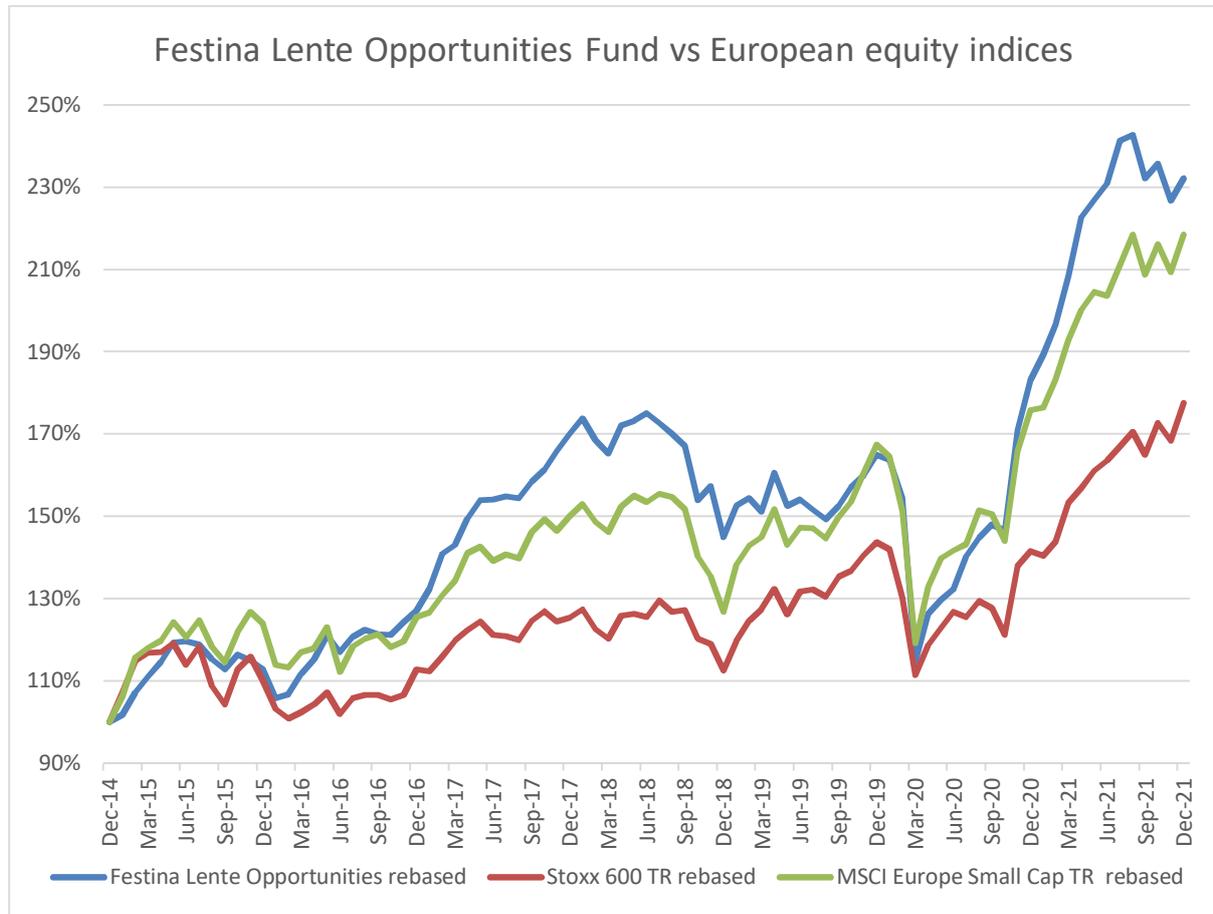
Management report

Dear investor,

Festina Lente Opportunities Fund is a Luxembourg domiciled Specialized Investment Fund (SIF) and was launched at the beginning of 2015. The fund aims to generate above-average returns over the medium to long term by investing in a portfolio of securities, which are trading below their intrinsic value. Investments are selected based on a fundamental analysis and the adviser favours idiosyncratic situations where he has a high conviction to achieve an attractive asymmetric payoff profile. The fund pursues a concentrated approach with a multi-year time horizon.

Review 2021

Festina Lente Opportunities Fund finished 2021, its seventh year, with a performance of 26,8% (unit class A). 2021 was a year of two halves. During the first half, Festina Lente Opportunities Fund generated almost the whole annual performance with a significant outperformance compared to equity markets. The second half was the reverse, held back by an allocation to some e-commerce and home improvement companies. Since inception, Festina Lente Opportunities Fund delivered a net performance of 132,2%, which represents a significant outperformance compared European stocks, large and small. Over the same time period, Stoxx Europe 600 Total Return Index delivered a return of 77,6% and MSCI Europe Small Cap Total Return Index a return of 118,5%.



FESTINA LENTE FUND
Investment Fund (F.C.P.)

The world has lived with COVID-19 for two years now and despite a lot of suffering, 5,5mn official deaths, unprecedented restrictions and disruptions, most businesses have coped surprisingly well. Even extraordinary supply chain disruptions and inflation at levels that most of us have not seen as adults did not stop the corporate sector to grow revenues and profits, often to record levels. Strong consumer demand allowed companies to pass on higher input costs and prioritize high margin products and services. With support from fiscal and monetary policy, equities rallied in 2021 without much volatility. Such a positive development of the economy and the stock market was not obvious in advance, which makes it even more gratifying that the year ended with such a good result.

In terms of portfolio activity, 2021 was a quiet year. 20% portfolio turnover is the lowest so far. The average cash level of 4,4% was also the lowest.

The biggest contributions to the performance came from Redde Northgate, Italian Wine Brands, Headlam and A & O Johansen. Other important contributors were Farmae, Vente-Unique and Kaspi. Negative contributions came mostly from Home24, Capelli and LMK. FX exposure had a significant positive contribution, to a large extent because GBP appreciated by more than six percent against the EUR.

Outlook

The portfolio includes a mix of healthy companies with a potential that is not fully reflected in the current valuation. This makes us optimistic that Festina Lente Opportunities can continue to perform well in the future. At the same time, we are aware that stock markets are trading at elevated valuations. There have also been late cycle phenomena including lots of IPOs, record M&A volumes and a high level of retail trading. There are many issues that can impact markets, but the number one concern for asset prices in 2022 is certainly inflation, which should lead to rising interest rates. Increasing commodity prices, high demand for goods and supply side issues might feed through into wages, which would make inflation more endemic. Additional complication comes from high levels of sovereign debt, structural issues because of the pandemic, discrepancies between sectors and different regions, e.g. in the EU. Forecasting interest rates has never been easy, but it is a highly political topic now. With the danger of continuing inflation, we have to focus more on pricing power, the state of the asset base, innovation as well as the duration of an investment. Our portfolio looks in good shape, but the process of adapting to a new environment will probably cause times of higher volatility.

Possible effects of COVID-19

The spread of COVID-19 has led to massive cuts in public life around the world with considerable consequences for the economy and its companies, which cannot yet be estimated. Against this background, the risks associated with investing in this fund can currently not be conclusively foreseen. There is a possibility that the existing risks could become increasingly cumulative and could have a negative impact on the fund's results. During the financial year, the fund's liquidity was not restricted due to the COVID-19 pandemic.

According to current information, the management company has no knowledge of any material negative effects of the COVID-19 pandemic on the fund at the end of the financial year.

Continuous monitoring of the performance as well as the risks – especially with regard to market and liquidity risks – is carried out by the risk management of the management company. Based on the current developments in relation to COVID-19, the company assumes that the business continuity of FESTINA LENTE FUND and its subfund is ensured.

Grevenmacher, January 2022

The Board of Managers of the management company



Audit report

To the Unitholders of
FESTINA LENTE FUND

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of FESTINA LENTE FUND (the “Fund”) as at 31 December 2021, and of the results of its operations and changes in its net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

What we have audited

The Fund’s financial statements comprise:

- the statement of net assets as at 31 December 2021;
- the statement of investments and other net assets as at 31 December 2021;
- the statement of operations for the year then ended;
- the statement of changes in net assets for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier” (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the “Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

Other information

The Board of Managers of the Management Company is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our audit report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

*PricewaterhouseCoopers, Société coopérative, 2 rue Gerhard Mercator, B.P. 1443, L-1014 Luxembourg
T : +352 494848 1, F : +352 494848 2900, www.pwc.lu*

*Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)
R.C.S. Luxembourg B 65 477 - TVA LU25482518*



In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Managers of the Management Company for the financial statements

The Board of Managers of the Management Company is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Managers of the Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Managers of the Management Company is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Managers of the Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers of the Management Company;



- conclude on the appropriateness of the Board of Managers of the Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Fund to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 20 April 2022

Carsten Brengel

FESTINA LENTE FUND
Investment Fund (F.C.P.)

FESTINA LENTE FUND - Festina Lente Opportunities Fund

Statement of net assets as at 31. December 2021

	Market value in EUR	in % of net assets
I. Assets	43.906.754,82	102,39
1. Shares	41.422.021,82	96,60
Austria	1.758.000,00	4,10
Denmark	1.954.821,71	4,56
France	8.866.134,35	20,68
Germany	3.694.265,10	8,61
Italy	4.397.256,60	10,25
Kazakhstan	1.836.007,91	4,28
Slovenia	2.065.000,00	4,82
Spain	1.222.072,20	2,85
Sweden	1.328.924,95	3,10
Switzerland	508.907,01	1,19
United Kingdom	13.790.631,99	32,16
2. Bank deposits	2.415.585,24	5,63
3. Other assets	69.147,76	0,16
II. Liabilities	-1.026.535,02	-2,39
III. Net assets	42.880.219,80	100,00

FESTINA LENTE FUND
Investment Fund (F.C.P.)

FESTINA LENTE FUND - Festina Lente Opportunities Fund

Statement of investments and other net assets as at 31 December 2021

Description	ISIN Market	Commitment	Quantity or Shares or Curr. In 1.000	Quantity 31.12.2021	Purchases/ Additions during the reporting period	Sales/ Disposals	Market value	Market value in EUR	% of net assets	
Portfolio positions							EUR	41.422.021,82	96,60	
Transferable securities admitted to an official stock exchange listing							EUR	31.735.713,23	74,01	
Shares										
Implenia AG Namens-Aktien SF 1,02	CH0023868554		Shares/Units	25.400			CHF	20,7600	508.907,01	1,19
Brødrene A. & O. Johansen AS Navne Præferencetaktier DK 10	DK0060803831		Shares/Units	10.690		5.000	DKK	1.360,0000	1.954.821,71	4,56
Alantra Partners S.A. Acciones Port. EO 3	ES0126501131		Shares/Units	79.874			EUR	15,3000	1.222.072,20	2,85
BigBen Interactive S.A. Actions Port. EO 2	FR0000074072		Shares/Units	89.073			EUR	16,1800	1.441.201,14	3,36
Capelli Actions Nom. EO 6,84	FR0012969095		Shares/Units	63.079			EUR	22,5000	1.419.277,50	3,31
Guillemot Corp. Actions Port. EO 0,77	FR0000066722		Shares/Units	39.887	39.887		EUR	14,7800	589.529,86	1,37
home24 SE Inhaber-Aktien o.N.	DE000A14KEB5		Shares/Units	131.986	111.273		EUR	11,6000	1.531.037,60	3,57
Krka,tov.zdravil,dd,Novo Mesto Namens-Aktien A o. N.	SI0031102120		Shares/Units	17.500			EUR	118,0000	2.065.000,00	4,82
Semperit AG Holding Inhaber-Aktien o.N.	AT0000785555		Shares/Units	60.000	60.000		EUR	29,3000	1.758.000,00	4,10
Serviceware SE Inhaber-Aktien o.N.	DE000A2G8X31		Shares/Units	123.613	108.613		EUR	17,5000	2.163.227,50	5,04
Synergie SE Actions Port. EO 5	FR0000032658		Shares/Units	40.000			EUR	36,4000	1.456.000,00	3,40
Headlam Group PLC Registered Shares LS -,05	GB0004170089		Shares/Units	881.350	1.969		GBP	4,2800	4.493.202,15	10,48
Redde Northgate PLC Registered Shares LS -,50	GB00B41H7391		Shares/Units	967.527			GBP	4,3650	5.030.499,63	11,73
S & U PLC Registered Shares DL 0,125	GB0007655037		Shares/Units	75.000			GBP	27,0000	2.412.063,89	5,62
ScS Group PLC Registered Shares LS -,001	GB00BRF0TJ56		Shares/Units	682.989		200.000	GBP	2,2800	1.854.865,13	4,33
Kaspi.kz JSC Reg.Shs(Sp.GDRs Reg.S)/1 o.N.	US48581R2058		Shares/Units	18.000	18.000		USD	116,0000	1.836.007,91	4,28
Securities authorised on or included in organised markets							EUR	9.686.307,40	22,59	
Shares										
Farmae' S.p.A. Azioni nom. o.N.	IT0005378333		Shares/Units	54.762	18.805		EUR	32,3000	1.768.812,60	4,12
Italian Wine Brands S.p.A. Azioni nom. o.N.	IT0005075764		Shares/Units	63.336			EUR	41,5000	2.628.444,00	6,13
Umanis Actions Port. EO -,11	FR0013263878		Shares/Units	91.995		25.387	EUR	15,1000	1.389.124,50	3,24
Vente-Unique.Com Actions au Porteur EO-,01	FR0010766667		Shares/Units	160.187			EUR	16,0500	2.571.001,35	6,00
LMK Group AB Namn-Aktier o.N.	SE0015556873		Shares/Units	390.871	390.871		SEK	35,0000	1.328.924,95	3,10
Unlisted securities							EUR	1,19	0,00	
Shares										
Havelock Europa PLC Registered Shares LS -,10	GB0004149356		Shares/Units	500.000			GBP	0,0000	1,19	0,00
Total security assets							EUR	41.422.021,82	96,60	
Bank deposits/Due to banks							EUR	2.415.585,24	5,63	
Cash							EUR	2.415.585,24	5,63	
Custodian Bank			EUR	2.415.585,24				2.415.585,24	5,63	
Other assets							EUR	69.147,76	0,16	
Dividend receivables			EUR	69.147,76				69.147,76	0,16	

The notes to the financial statements form an integral part of this report.

FESTINA LENTE FUND
Investment Fund (F.C.P.)

FESTINA LENTE FUND - Festina Lente Opportunities Fund

Statement of investments and other net assets as at 31 December 2021

Description	ISIN Market	Commitment	Quantity or Shares or Curr. In 1.000	Quantity 31.12.2021	Purchases/ Additions during the reporting period	Sales/ Disposals	Market value	Market value in EUR	% of net assets
Other liabilities							EUR	-1.026.535,02	-2,39
Management fees			EUR	-35.163,20				-35.163,20	-0,08
Performance fees			EUR	-968.685,76				-968.685,76	-2,26
Service fees			EUR	-6.459,45				-6.459,45	-0,01
Central administration fees			EUR	-2.306,53				-2.306,53	-0,01
Custodian bank fees			EUR	-3.223,99				-3.223,99	-0,01
Registrar and Transfer Agent fees			EUR	-250,00				-250,00	0,00
Taxe d'Abonnement			EUR	-1.072,03				-1.072,03	0,00
Audit fees			EUR	-9.354,00				-9.354,00	-0,02
Other fees			EUR	-20,06				-20,06	0,00
Net assets							EUR	42.880.219,80	100,00 ¹⁾
FESTINA LENTE FUND - Festina Lente Opportunities Fund A									
Number of units outstanding							Units	12.998,756	
Unit value							EUR	2.239,97	
FESTINA LENTE FUND - Festina Lente Opportunities Fund B									
Number of units outstanding							Units	9.427,171	
Unit value							EUR	1.459,97	
FESTINA LENTE FUND - Festina Lente Opportunities Fund F									
Number of units outstanding							Units	0,000	
Unit value							EUR	0,00	

Footnotes:

1) Minor rounding differences may arise due to rounding of the percentages during calculation.

2) Unit class F has been launched with effect of 30 August 2021. First subscriptions received at 31 December 2021 have been considered in the NAV of 03.01.2022.

If the fund invested into other funds (target funds) during the reporting period, additional costs, fees and charges may have been incurred at target fund level.

FESTINA LENTE FUND
Investment Fund (F.C.P.)

FESTINA LENTE FUND - Festina Lente Opportunities Fund

Security prices/market rates

Exchange rates (indirect quotations)

		as at 31.12.2021	
Swiss Franc	(CHF)	1,0361500	= 1 Euro (EUR)
Danish Krone	(DKK)	7,4372000	= 1 Euro (EUR)
British Pound	(GBP)	0,8395300	= 1 Euro (EUR)
Swedish Krona	(SEK)	10,2944000	= 1 Euro (EUR)
US Dollar	(USD)	1,1372500	= 1 Euro (EUR)

FESTINA LENTE FUND
Investment Fund (F.C.P.)

FESTINA LENTE FUND - Festina Lente Opportunities Fund

Transactions completed during the reporting period, if they no longer appear in the list of assets
Sales and purchases of securities, investment bonds and note loans (market assignment at year end):

Class	ISIN	Quantity or units Curr. in 1.000	Purchases or Inflows	Sales or Outflows
Officially listed securities				
Shares				
Banca Sistema S.p.A. Azioni nom. EO -,12	IT0003173629	Shares/Units		460.000
Enka Insaat ve Sanayi A.S. Inhaber-Aktien TN 1	TREENKA00011	Shares/Units		1.344.000
Hunter Douglas N.V. Aandelen aan Toonder EO 0,24	ANN4327C1220	Shares/Units		22.555
Renta Corporacion Real Est.SA Acciones al Portador EO 1	ES0173365018	Shares/Units		49.918
Self Storage Group ASA Navne-Aksjer NK -,10	NO0010781206	Shares/Units	48.841	48.841
u-blox Holding AG Namens-Aktien SF - 14,80	CH0033361673	Shares/Units	36.000	36.000

Securities authorised on or included in listed markets

Shares				
VAN ELLE PLC Registered Shares LS -,02	GB00BYX4TP46	Shares/Units		1.442.997

FESTINA LENTE FUND
Investment Fund (F.C.P.)

FESTINA LENTE FUND - Festina Lente Opportunities Fund

Statement of operations (including income equalisation)
for the period from 1 January 2021 to 31 December 2021

I. Income

1. Dividend income	EUR	934.873,42
2. Withholding tax	EUR	-56.748,50
Total income	EUR	878.124,92

II. Expenses

1. Managment fees	EUR	-411.681,78
2. Performance fees	EUR	-1.024.325,10
3. Custodian Bank fees	EUR	-25.854,16
4. Registrar and Transfer Agent fees	EUR	-3.463,00
5. Service charge	EUR	-76.241,11
6. Central Administrator fees	EUR	-31.969,57
7. Audit fees	EUR	-9.812,59
8. Taxe d'Abonnement	EUR	-4.207,37
9. Bank interest	EUR	-12.689,75
10. Other expenses (see Note 2)	EUR	-38.325,98
Total expenses	EUR	-1.638.570,41

III. Ordinary net income

EUR -760.445,49

IV. Net investment income

1. Net realised gains	EUR	2.594.646,76
2. Net realised losses	EUR	-1.452.996,56
Net investment income	EUR	1.141.650,20

V. Realised result of the financial year

EUR 381.204,71

VI. Net change in unrealised gains/losses

EUR 8.178.030,81

VII. Result of operations of the financial year

EUR 8.559.235,52

FESTINA LENTE FUND
Investment Fund (F.C.P.)

FESTINA LENTE FUND - Festina Lente Opportunities Fund

Statement of changes in net assets

		2021
I. Net assets at the beginning of the financial year		EUR 32.137.291,23
1. Dividend distribution		EUR -92.944,24
2. Movements in capital		EUR 2.274.638,61
a) Issue of units	EUR 2.965.209,78	
b) Redemption of units	EUR -690.571,17	
3. Income equalisation		EUR 1.998,68
4. Result of operations of the financial year		EUR 8.559.235,52
II. Net assets at the end of the financial year		EUR 42.880.219,80

FESTINA LENTE FUND
Investment Fund (F.C.P.)

FESTINA LENTE FUND - Festina Lente Opportunities Fund

Performance of the past three financial years

FESTINA LENTE FUND - Festina Lente Opportunities Fund A

Financial year	Number of units outstanding		Unit value	
31.12.2019	Units	13.347,066	EUR	1.613,96
31.12.2020	Units	12.873,163	EUR	1.773,80
31.12.2021	Units	12.998,756	EUR	2.239,97

FESTINA LENTE FUND - Festina Lente Opportunities Fund B

Financial year	Number of units outstanding		Unit value	
31.12.2019	Units	5.368,878	EUR	1.040,31
31.12.2020	Units	8.070,543	EUR	1.152,70
31.12.2021	Units	9.427,171	EUR	1.459,97

FESTINA LENTE FUND - Festina Lente Opportunities Fund F

Financial year	Number of units outstanding		Unit value	
31.12.2021*	Units	0,000	EUR	0,00

* Date of first NAV calculation: 03.01.2022 (considering first subscriptions of unit class F received at 31.12.2021 with value date 03.01.2022)

FESTINA LENTE FUND - Festina Lente Opportunities Fund

Financial year	Net assets	
31.12.2019	EUR	27.126.928,77
31.12.2020	EUR	32.137.291,23
31.12.2021	EUR	42.880.219,80

Notes to the financial statements
as at 31 December 2021

Note 1 – Key accounting principles

a) Presentation of reports

The financial reports of the Fund are created in accordance with the legal requirements and regulations valid for specialised investment funds in Luxembourg.

b) The subfund's assets are determined in accordance with the following principles:

Securities listed on a stock exchange are valued at the latest available trade price. Insofar as securities are listed on several stock exchanges, the latest available price for the security in question will be the one most recently available on the stock exchange that is the main market for such securities.

Securities not officially listed on a stock exchange but traded on another regulated market will be valued at a price that may not be lower than the bid price and not higher than the ask price at the time of valuation and which the management company deems to be the best possible price at which the securities can be sold.

Liquid funds will be valued at their face value plus interest. Fixed deposits with an original term of more than 60 days can be valued at the respective yield rate, provided a corresponding contract between the credit or financial institution which holds the fixed deposits and the management company envisages that these fixed deposits may be terminated at any time and that in the event of termination the value on realisation will match this yield rate.

Units in UCITS, UCIs and other investment funds or special funds are valued at the most recently determined net asset value available, as published by the respective management company, the investment vehicle itself or a contractually appointed agent. If an investment vehicle is furthermore officially listed on a stock exchange, the management company may also use the most recently available price of the main market.

Exchange Traded Funds (ETFs) are valued at the last available price of the main market. The management company may also use the latest available prices published by the respective management company, the investment vehicle itself or a contractually appointed agent.

In the event that a price is not representative of the market or if no price can be determined for other securities than those listed above, these securities, together with all the other assets, will be valued at their appropriate "fair value", which is determined in good faith by the management company.

c) Realised net profits/losses from sales of securities of a subfund

The realised net profit/loss from sales of securities is calculated based on the average price of the securities sold.

d) Transaction costs

For the period from 1 January 2021 to 31 December 2021, these costs for the following subfund were:

FESTINA LENTE FUND - Festina Lente Opportunities Fund	EUR	19.298,44
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In the case of transactions not made directly with the Custodian, the settlement costs are charged collectively to the subfund on a monthly basis. These costs are included in the "Other expenses" account.

FESTINA LENTE FUND
Investment Fund (F.C.P.)

The transaction prices of the securities do however include separately invoiced costs that are included in the realised or unrealised value increases or decreases.

e) Conversion of foreign currencies

All assets denominated in a currency other than that of the relevant subfund shall be converted into the relevant subfund currency using the latest available exchange rate.

Transactions, earnings and expenses in currencies other than that of the respective subfund are booked at the exchange rate valid on the day of the transaction.

f) Combined annual accounts

The combined annual accounts are drawn up in EUR and present the financial situation of all the subfunds on the reporting date.

As at the reporting date, the FESTINA LENTE FUND consists of one subfund, the FESTINA LENTE FUND - Festina Lente Opportunities Fund. As a result, the annual accounts for the subfund simultaneously serve as the combined statements for the FESTINA LENTE FUND.

g) Purchase value of securities in the portfolio

For securities denominated in other currencies than the currency of the respective subfund, the purchase value is calculated based on the exchange rates valid on the day of purchase.

h) Dividend yields

Dividends are posted on the day of ex-date. Dividend yields are reported before deduction of withholding tax.

i) Sale of issued options

The premium received on the sale of issued options is posted as a liability in the list of assets and subsequently valued at the market rate. If an issued "call option" is exercised, the premiums received are shown in the statement of operations and the other changes to the net assets as gains realised from options.

j) Valuation of forward exchange transactions

Unrealised profits and losses on open forward exchange transactions on the reporting date are determined on the reporting date based on the forward exchange rates for the remaining term and are recorded in the schedule of assets.

k) Valuation of futures contracts

Futures contracts are valued at the latest available price. Realised and unrealised gains/losses in value are shown in the schedule of assets.

l) Formation expenses

The formation expenses of the Fund, including the preparation, printing and publishing of the issue document, the Management Regulations and the special regulations, are written off within the first five financial years and charged to the subfund existing on the day of its inception. Should additional subfunds be opened after the Fund has been launched, any accrued formation expenses which have still not been fully written off may be proportionally charged. Likewise, the additional subfunds shall bear their respective specific launch costs. These costs can also be written off over a period of a maximum of five years from the launch date.

m) Additional information to the report

This report was drawn up based on the net asset value as at 31 December 2021.

FESTINA LENTE FUND
Investment Fund (F.C.P.)

Note 2 – Fees and charges

Information on fees and charges are published in the current issuing document.

The other expenses listed in the statement of operations comprise publication fees, fees for regulatory authorities, transaction costs, marketing costs and printing costs as well as licence fees.

With regards to fees and charges, no significant changes were made in the reporting period.

Note 3 – Performance Fee

For the period from 1 January 2021 to 31 December 2021, the following Performance Fees apply:

	Performance Fee	in %
FESTINA LENTE FUND - Festina Lente Opportunities FundA	683.009,70 EUR	2,44%
FESTINA LENTE FUND - Festina Lente Opportunities Fund B	285.676,06 EUR	2,39%

The aforementioned Performance Fee's do not include possible income equalisations. Percentage values are calculated based on the average unit class volumes in the reporting period.

Further information on Performance Fees and their calculation methods are published in the current issuing document.

Note 4 – Taxes on capital (“*taxe d’abonnement*”)

In accordance with Luxembourg laws, fund assets are subject to an annual tax (“*taxe d’abonnement*”) of 0,01% p.a., payable quarterly on the net subfund assets reported at the end of each quarter.

Pursuant to Article 68(2) of the Law of 13 February 2007, the net assets invested in UCITS, which are already required to pay taxes on capital, are exempt from this tax.

Note 5 – Distribution of income

Dividend an interest income as well as other ordinary income of the fund are distributed for class A units and accumulated for class B and class F units.

Note 6 – Reimbursement of fees

Reimbursements for fees of a target fund are credited to the subfund less a processing fee.

FESTINA LENTE FUND
Investment Fund (F.C.P.)

Note 7 – Target fund administrative fees

Where the subfund invests in units of another investment fund (target fund), additional administrative fees may apply to the target fund units purchased.

During the reporting period, the net assets of the subfund of the FESTINA LENTE FUND - Festina Lente Opportunities Fund were not invested in any of the investment funds (target funds) managed by Axxion S.A.

Note 8 – Realised and unrealised gains and losses from securities

FESTINA LENTE FUND - Festina Lente Opportunities Fund

Realised gains	EUR	2.498.787,85
Realised losses	EUR	1.259.354,12
Change in unrealised gains	EUR	6.592.347,40
Change in unrealised losses	EUR	1.499.755,20

Note 9 – Information as per the Regulation on Transparency of Securities Financing Transactions and of Reuse (EU) 2015/2365 (unaudited)

Neither at the reporting date nor during the financial year, the Fund or subfund has not applied any securities financing transactions according to Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on the transparency of securities financing transactions and reuse and amending Directive (EC) 648/2012.

Note 10 – Information according to the Disclosure Regulation and the Regulation on Sustainable Finance of the European Parliament (unaudited)

Information as per the Regulation on sustainability-related disclosures in the financial services sector (EU) 2019/2088

The sub-fund takes sustainability risks into account when making investment decision in accordance with Article 6 of regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector.

Information as per the Regulation on the establishment of a framework to facilitate sustainable investment (EU) 2020/852

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

Note 11 – Other information

Possible effects of COVID-19

Facing the recent developments in relation to COVID-19, the Board of Directors of the management company believes that the business continuity plans take into account ongoing operational risks.

The Board of Directors has ensured that all necessary measures are taken to ensure that the company's activities are not disrupted. On the basis of the current developments with regard to COVID-19, the company assumes that business continuity is ensured both in terms of financial resources and human resources. Continuous monitoring of the performance as well as the risks – especially with regard to market and liquidity risks – is carried out by the risk management of the management company.

Current developments and the associated volatile markets may have an impact on FESTINA LENTE FUND in accordance with the investments. According to current information, the management company has no knowledge of any material negative effects of the COVID-19 pandemic on the fund at the end of the financial year.

Based on the current developments in relation to COVID-19, the company assumes that the business continuity of FESTINA LENTE FUND and its subfund is ensured.

Possible effects of the conflict in Ukraine

Recent developments in relation to the conflict in Eastern Europe led to considerable discounts and large fluctuations on the financial markets worldwide. The economic framework and hence the evolution of financial markets may be characterized by growing uncertainties leading to higher volatilities in the medium term. In this respect, the future performance of the fund may be as well subject to higher risks of fluctuations.

Note 12 – Subsequent events

Change of the organisational structure of Axxion S.A.

With effect of 1 January 2022 Mr. Thomas Amend, former Chairman of the Board of Managers of the management company, resigned from this position to join the Supervisory Board which, since then, is composed of Dr. Burkhard Wittek, Mr. Martin Stürner, Mrs. Constanze Hintze and Mr. Thomas Amend. Pursuant to this, the Board of Managers of the management company is, since then, composed of Mr. Stefan Schneider as Chairman, Mr. Pierre Girardet and Mr. Armin Clemens who was promoted to the Board of Managers with effect of 1 January 2022 to replace Mr. Thomas Amend.

Information on subscriptions and the valuation of unit class F

Subscriptions of share class F received at 31 December 2021 have been considered in the NAV calculation of 3 January 2022.

**Information duties pursuant to the law of 12 July 2013
on alternative investment fund managers (unaudited)**

Information on illiquid assets

The share of illiquid assets (> 30 days) governed by special regulations was 0,59% on the reporting date. Taking into account investor interest, the management company may temporarily suspend the subscription and redemption of units under extraordinary circumstances.

Information on new regulations governing liquidity management

No changes occurred in the liquidity management of the subfund during the reporting period.

Risk profile

The subfund aims for well-informed investors wishing to take advantage of the long-term earnings prospects of a diversified portfolio – by accepting high price fluctuations. Due to such price fluctuations, the investment horizon should be oriented towards the longer term.

Risk management systems used

To evaluate the main risks, the following measures were applied on the reporting date:

a) Market risk

Market risks are potential losses of the market value of open positions that result from modifications of underlying valuation parameters. These valuation parameters comprise the prices of securities, currencies, precious metals, commodities or derivatives and yield curves. Using derivative financial instruments, a UCI may be exposed to greater market risk than by directly investing in the underlying securities. The overall risk limit authorised by the Sales Prospectus based on a commitment approach was not exceeded.

b) Counterparty risk

Counterparty risk means the risk of losses in value caused by partial or complete non-fulfilment of agreed-upon performances of a business partner or a counterparty. Based on a commitment approach and authorised by the Sales Prospectus, the overall risk limit was not exceeded.

c) Liquidity risk

Liquidity risk in its strict sense means the potential loss resulting from a lack of liquidity at a specific date to make payments when due (e.g. meeting returns or initial margins) or to conduct business translation to reduce a risk position.

FESTINA LENTE FUND
Investment Fund (F.C.P.)

Changes of maximum leverage

During the financial year from 1 January 2021 to 31 December 2021, no changes were made to the maximum amount of leverage authorised or the total amount of leverage.

Total leverage level

A leverage effect may arise through the use of derivatives and through borrowing.

The maximum amount of leverage that can be used for this subfund is 3,00 using the “gross” method.

The maximum amount of leverage that can be used for this subfund is 2,00 using the “commitment” method.

FESTINA LENTE FUND - Festina Lente Opportunities Fund

Market risk in accordance with the commitment method as at 31 December 2021	100,00%
Market risk in accordance with the gross method as at 31 December 2021	96,76%

Information on employee compensation at the management company

The management company has a compensation system that meets regulatory requirements while promoting responsible, risk-aware behaviour among employees. This system is designed to be compatible with a solid and effective risk management strategy and does not encourage risk-taking. The remuneration committee reviews the compensation system at least once a year to assess its suitability and conformity with all legal provisions.

The company's goal is to use compensation that is in line with the market and working performance to take equal account of the interests of the company, the managing partners and employees and to promote the company's sustained and positive growth. Employee compensation consists of a suitable annual fixed salary and a variable remuneration component based on performance and results. Special provisions apply to company management and employees whose activities have a considerable impact on the company's overall risk profile and on the investment assets under their management.

The total employee compensation paid by Axxion S.A. in the financial year 2021 (period from 1 January 2021 to 31 December 2021) amounted to:

thereof fixed compensation:	TEUR 3.796
thereof variable compensation:	TEUR 450
total amount:	TEUR 4.246

Average number of employees of the management company: 50 (incl. Board of Managers)

The total risk taker compensation paid by Axxion S.A. in the financial year 2021 (period from 1 January 2021 to 31 December 2021) amounted to:

Compensation:	TEUR 2.073
thereof managers:	TEUR 2.073

FESTINA LENTE FUND
Investment Fund (F.C.P.)

The company's remuneration guidelines have been updated in 2021. Further details about the current remuneration guidelines are available free of charge on the homepage of the management company, www.axxion.lu, in the section concerning information for investors.

Changes in the published information for investors

Referring to the provisions of the Law of 12 July 2013 on alternative investment fund managers, we hereby confirm that no fundamental changes in the information for investors were made during the financial year from 1 January 2021 to 31 December 2021.