

**ALPHA QUEST FUNDS SICAV p.l.c.**

**Interim Combined Financial Statements**

**For the period from 01 January 2022 to 30 June 2022**

# ALPHA QUEST FUNDS SICAV p.l.c.

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# ALPHA QUEST FUNDS SICAV p.l.c.

## Directors, Officers and other information

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<b>Directors</b>	Dr. Frank Chetcuti Dimech Mr. Joseph Xuereb Mr. Michal Kosac Mr. Ovidiu Fer (Appointed on 28 February 2022)
<b>Registered Office</b>	Quad Central Q3 Level 9 Triq L-Esportaturi, Zone 1 Central Business District Birkirkara CBD 1040 Malta
<b>Company Registration Number</b>	SV430
<b>Administrator and Registrar</b>	Apex Fund Services (Malta) Limited Quad Central Q3 Level 9 Triq L-Esportaturi, Zone 1 Central Business District Birkirkara CBD 1040 Malta
<b>Company Secretary</b>	Apex Corporate & Advisory Services Ltd Quad Central Q3 Level 9 Triq L-Esportaturi, Zone 1 Central Business District Birkirkara CBD 1040 Malta
<b>Investment Committee</b>	Mr. Joseph Xuereb Mr. Michal Kosac Mr. Joseph Formosa
<b>Statutory Auditors</b>	KPMG 92 Marina Street Pieta PTA 9044 Malta

# ALPHA QUEST FUNDS SICAV p.l.c.

## SPECIFIC DISCLOSURES

### **Business activities**

The business strategy of both sub-funds is to invest assets in the Romanian restitution points that are to be converted into either immovable property during auctions or convert into cash in 5 equal yearly payments (20% each year up to the nominal value per point of 1 RON).

The Romanian Government has not made an official statement about auctions as at to-date, since there is a lack of proper cadaster to account for state owned properties and land. This does not affect the performance of the sub-funds since their base case scenario has remained, which is conversion of points into cash.

This has been very successful, since Romania continues to pay its liabilities connected with restitution points ahead of the law mandated 180 days after issuance of payment title.

Company has cashed in, in the first half of 2022, some of the payment titles that were to be paid in October-December 2022.

Company is investing cash received from Romanian government in Restitution points and money market instruments, mostly in highly rated and liquid corporate bonds.

This enables (a) high liquidity for purchases of points should an opportunity to buy presents itself (b) protection since the bond issued will be due in 2022. It enables the Company to build a strong cash position yielding return until the publicly issued bonds become due.

Looking forward, the company sees cashing in to be on schedule with the current law, which is 180 days from the issuance of payment titles.

*Risk factors and uncertainties that could negatively affect issuer's business include but are not limited to:*

- Risk of newly formed company: The Company does not have long enough history to show proven track record.
- Sub-funds being economically separated entities: The assets of other sub-funds cannot be used to satisfy obligations of other sub-funds. Thus only the assets of the sub-fund issuing financial obligation can be used to repay such obligation.
- Payment titles issued by Romanian government: The major part of the sub-fund's portfolio is invested in obligations issued by the Romanian state. Instrument is not publicly traded thus it is uncertain if it can be sold at a fair price at any time in the market place.
- Market risk: Since most of the assets of the sub-funds are invested in Romania which is considered an emerging market.
- Sub-fund's assets not being publicly traded: The Sub-funds invest in the Romanian instruments which are not publicly traded. Such instruments are considered risky and speculative in nature.
- Real estate investment risk: Part of the portfolio can be invested in real estate. The Sub-fund runs the risk of price fluctuations in the real estate market as well as liquidity risk associated with real estate investments.
- Pricing of real estate: Once invested in real estate, the sub-funds can potentially run the risk of pricing difficulties connected with real estate investments.
- Interest rates changing risk: Fixed income instruments, which can be bought as an investment by the subfunds, have an inverse relationship with changing interest rates. Unstable interest rates environment could have a negative impact on the fixed income instruments held by the sub-funds.

# ALPHA QUEST FUNDS SICAV p.l.c.

## SPECIFIC DISCLOSURES (CONTINUED)

*Risk factors and uncertainties that could negatively affect issuer's business include but are not limited to: (continued)*

- Liquidity risk: Real estate is considered as the most illiquid investment or else the average time of converting real estate to cash is the longest. In time of need of liquidity, each sub-fund can find itself in a difficult position since substantial part of its portfolio will be invested in real estate. In addition, since the Romanian obligations are not publicly traded, it might be hard to sell should the Romanian government start defaulting on its obligations.

High leverage risk: Since Alpha Quest Balanced Fund is an issuer of publicly traded bonds, it is exposing itself to enormous amount of risk should its investment strategy produce negative returns.

- Inflationary risk: Rising prices can affect the value of the underlying assets of the portfolio.

- Foreign exchange risk: The functional currency of the Company and its sub-funds is the EUR while the assets of the portfolio are denominated in RON. In case of RON depreciation, this will have negative effect on the underlying net asset value of the sub-funds.

- Concentration risk: The majority of fund's assets are invested in the Romanian restitution points. This creates a risk for the underlying net assets value should the Romanian government default on its obligations.

- Management compensation: Management have variable compensation based on the performance of the subfunds. This can incentivize them to undertake speculative investments in order to produce extraordinary returns.

-Operating risk: It can be created in the absence of rigorous internal processes.

- Company founded under foreign law: The Company and its sub-funds have been incorporated under the laws of Malta. Maltese law can substantially differ from Czech laws under which the publicly traded bond has been issued.

- Political, economic and social risks: Romania is classified as an emerging and post-socialistic market, which up to this date faced significant political, economic and social risk which could negatively impact the subfunds' performance and their net asset value.

In the 1H 2022 Alpha Quest Balanced Fund reported a net loss EUR 127,868 taking in to consideration accruals for all expenses including anticipated bond coupon payment. Alpha Quest Opportunity Fund reported net loss of EUR 1,978,869 for the same period.

In the 1H 2022, there were no subscriptions or redemptions in Alpha Quest Balanced Fund and in Alpha Quest Opportunity Fund.

As at 30 June 2022, total amount of Romanian restitution points held by Alpha Quest Balanced Fund was 270,061,176 while Alpha Quest Opportunity Fund held 21,666,346. Nominal value of one Restitution point is RON 1 (Romanian Leu).

The "market value" of Romanian restitution points ("valuation value" using cost amortization method, since no official secondary market exists) is EUR 37,998,380 for Alpha Balanced Fund and EUR 3,625,823 for Alpha Quest Opportunity Fund respectively.

There were no major movements in the scope of strategy and business model of Alpha Quest Funds SICAV plc.

### **Comparison with the corresponding period of the preceding year**

Cashing in process has started in 2017, thus 1H 2017 was the first accounting period during which the company has received actual payment titles for cashing in.

Comparing 1H 2022 and 1H 2021, the company was in line with its objectives, receipt of payment titles was on expected track. The cashing in process has taken place prior to the 180 day period from issuance of payment title.

# ALPHA QUEST FUNDS SICAV p.l.c.

## SPECIFIC DISCLOSURES (CONTINUED)

### Comparison with the corresponding period of the preceding year (continued)

Total amount of money cashed in from Romanian government as at 1H 2021 was RON 139,689,544 equivalent to EUR 28,352,059 for Alpha Quest Balanced Fund and RON 40,772,058 equivalent to EUR 8,275,292 for Opportunity Fund.

During the period 1H 2022 (as at 30 June 2021), total amount of money cashed in from Romanian government was of RON 33,659,673 equivalent to EUR 6,824,785 for Balanced Fund and RON 10,071,590 equivalent to EUR 2,042,169 for Opportunity Fund.

In terms of NAV, comparing 1H 2022 with 1H 2021, figures are as follows:

Alpha Quest Balanced Fund as at 30 June 2021 EUR 1,844.2885 per investor share, compared to EUR 1,977.9073 as at 30 June 2022.

Alpha Quest Opportunity Fund as at 30 June 2021 EUR 1,709.5148 per investor share compared to EUR 1,531.0214 as at 30 June 2022.

Idle cash was invested during both periods in money market instruments to achieve high liquidity and safety.

Portfolio composition as at 30 June 2022:

Alpha Quest Balanced Fund	
Romanian restitution points:	EUR 37,998,380
Bank Overdraft (Net):	(EUR 8,269,211)
Bonds:	EUR 25,351,211
Equities	EUR 4,018,615
Forward Contract	EUR 32,661

Alpha Quest Opportunity Fund	
Romanian restitution points:	EUR 3,625,823
Bank Overdraft (Net):	(EUR 4,501,835)
Bonds:	EUR 13,849,746

Besides points investments, cash received and not placed into points purchases, is deployed to purchases of highly graded and highly liquid Czech issued corporate bonds.

Alpha Quest Balanced as at 30 June 2022 owned total of seven bonds being: (i) Alpha Quest Funds SICAV; publicly traded bond issued by sub-fund of Alpha Quest Funds SICAV plc, (ii) J&T Global Finance, (iii) 3M Fund MSI, (iv) Savarin plc, (v) EPH Financing CZ, (vi) Fraternity Fund; publicly trade bond issued by Fraternity Funds SICAV plc and (vii) JTFIGR.

Alpha Quest Opportunity Fund as at 30 June 2022 owned total of four bonds being: (i) JTFIGR, (ii) 3M Fund MSI, (iii) Nupeh CZ SRO and (iv) ENERGO-PRO GREEN.

Alpha Quest Opportunity fund as at 30 June 2022 has no longer invested in the collective investment scheme Alpha Quest Balanced Fund, which is a sub-fund of Alpha Quest Funds SICAV plc.

# ALPHA QUEST FUNDS SICAV p.l.c.

## SPECIFIC DISCLOSURES (CONTINUED)

### Information about the Issuer

The name of the Company is Alpha Quest Funds SICAV p.l.c. (the “Company”).

The registered office of the Company is situated at Level 1, Central North Business Centre, Sqaq il-Fawwara, Sliema SLM 1670, Malta.

The Company was incorporated on 28 November 2016. The Company is organised as a multi-fund limited liability investment company with variable share capital under the laws of the Republic of Malta and licensed by the Malta Financial Services Authority (MFSA) with Licence Number SV 430 under the Investment Services Act (Chapter 370 of the Laws of Malta) as a Professional Investor Fund targeting Qualifying Investors.

The Company may establish a number of Sub-funds. Currently the Company has established two Sub-funds: the Alpha Quest Balanced Fund and the Alpha Quest Opportunity Fund. Pursuant to Legal Notice 241 of 2006, the assets and liabilities of each individual Fund comprised in the Company shall constitute a patrimony separate from that of each other Sub-fund of the Company so that the assets of one Sub-fund shall be available exclusively for the creditors and holders of Shares in that Sub-fund.

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The Company is not part of any group and, therefore, is not dependent upon any entities.

### Principal activity and investments

The Company is an investment company with variable share capital, the sole object of which is the collective investment of its funds in securities and other movable or immovable property, or in any of them, with the aim of spreading investment risks and giving Members the benefits of the results of the management of its funds.

The investment objective of both Sub-funds is to achieve capital appreciation primarily through investments in restitution points representing entitlement to immovable property located in Romania with the purpose of redeeming the points so acquired into cash or re-selling the immovable property so acquired. Such investments are derived from indemnification decisions issued by the Romanian Government – National Authority for Property Restitution (“ANRP”) regarding the measures for the completion of the restitution process, in kind or in equivalent, of the properties unlawfully seized during the Romanian communist regime, as subsequently amended. The Romanian law provides that where restitution in kind to the former owners is not possible, the restitution request is settled by granting compensation in the form of points (hereinafter “Points”), with each point having a value of one Romanian Leu (RON 1). Starting from 1 January 2017, persons obtaining such points may use them in order to acquire immovable property from a National Fund by public auction or, for a period of five (5) years, to redeem them into cash up to a maximum of 20% of the nominal value of Points per annum. There is no time-limit for utilizing Points to acquire immovable property by public auction. The Points will be acquired on the secondary market from existing owners through a notarial deed executed and registered in Romania. If Points are redeemed at public auctions, the Sub-fund will not enter into any co-ownership deal and will only acquire individual properties in their entirety. No Points will be acquired from any of the members of the Investment Committee and/ or any related parties to the Company.

# ALPHA QUEST FUNDS SICAV p.l.c.

## SPECIFIC DISCLOSURES (CONTINUED)

### Principal activity and investments (continued)

The Sub-funds may also invest in government and corporate bonds in developed markets. The Sub-funds may also enter into agreements with third party banks that desire to issue fixed income products linked to the Sub-fund's underlying assets and issue fixed income securities. The Sub-fund may from time to time invest unutilized cash in bonds and currency swaps. Such investments may be with various entities in various markets or industries and in different geographical locations, without limitation. Depending on market conditions, the Sub-fund may also from time to time invest in cash or money market instruments for liquidity purposes.

The Sub-funds are also exposed to market, credit and liquidity risks. Further information are disclosed in the notes to the financial statements.

During the comparative year, one of the sub-funds of the Company issued subordinated unsecured yield bond with maturity date on 15.12.2025 with a yield of 5% p.a., ISN SK4000018206 (the "Bond"). Bonds represent debt obligations issued in the Euro and traded at the Bratislava Stock Exchange. Issued Bonds as at 30 June 2022 amounted to EUR 40 million (2021: EUR 40 million)

During 2022, one of the sub-funds of the Company issued subordinated unsecured yield bond with maturity date on 22.06.2026 with a yield of 5.25% p.a., ISN CZ0000001375, issued in CZK and traded in Czech Republic at the Prague Stock Exchange. As at 30 June 2022, issued bonds amounted to CZK 200 million (2021: CZK 200 million)

The issuer's website is [www.aqbond.com](http://www.aqbond.com).

As at 30 June 2022 and 31 December 2021, neither the Bond nor the sub-Fund had a credit rating.

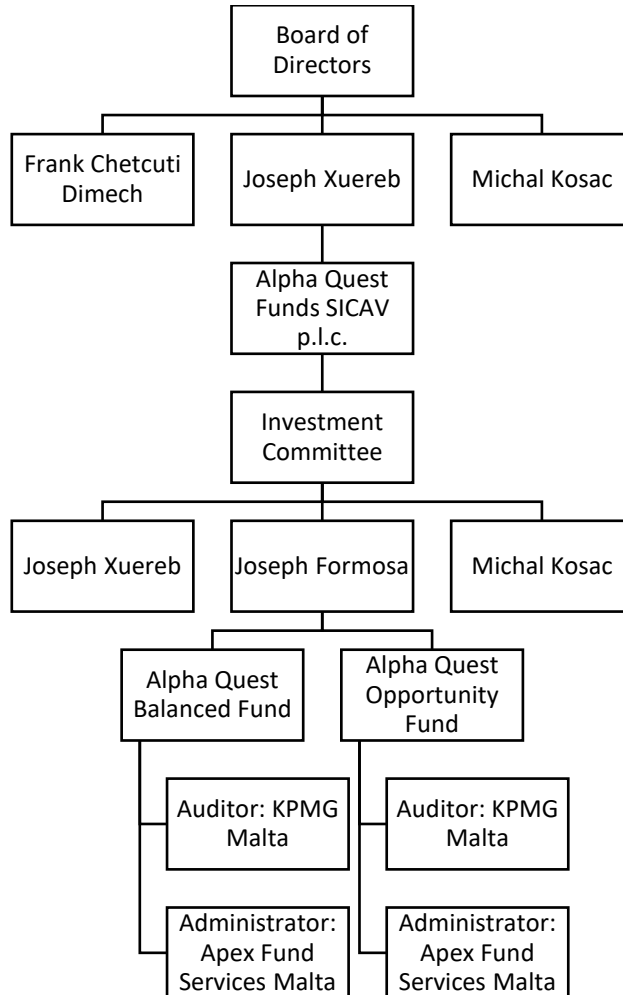


# ALPHA QUEST FUNDS SICAV p.l.c.

## SPECIFIC DISCLOSURES (CONTINUED)

### Functionaries and Officials as at 30 June 2022

*Organizational chart*



# ALPHA QUEST FUNDS SICAV p.l.c.

## SPECIFIC DISCLOSURES (CONTINUED)

### Functionaries and Officials as at 30 June 2022 (continued)

#### *Directors*

The affairs of the Company are managed by a Board of Directors. The judicial and legal representation of the Company shall be vested in any two directors acting jointly. As at 30 June 2022, the Company's Board of Directors is composed of three Directors approved by the MFSA and appointed by the holders of Founder Shares upon incorporation of the Company. Each Director shall have one vote. The Board of Directors was at 30 June 2022 composed of the following:

#### Frank Chetcuti Dimech

Dr. Frank Chetcuti Dimech co-founded CDF Advocates in Malta in 1993. He practices financial services, company, taxation and international law. He holds a Doctorate of Laws and a Masters in Financial Services from the University of Malta and an International Investment Advice Certificate from the Securities and Investment Institute, London.

#### Joseph Xuereb

Mr. Joseph Xuereb ACIB, IFS Associate is a Maltese national and a Banker by profession. He joined the Central Bank of Malta in 1979 occupying various roles at the dealing and investment department. In 1995 he joined APS Bank as Senior Manager Treasury Unit where he was responsible for all currency dealing, all investment portfolios and asset liability management. In 2000 he was appointed Head of the Asset Management of the Bank, responsible for the Treasury Unit, the Investment Services Unit and the Portfolio Management Unit. He was also a member of investment committees outside the banking sector, including insurance and airline companies. He currently sits on the investment committees of other Maltese funds.

#### Michal Kosac

Mr. Michal Kosac is working as a partner at Astone finance, s.r.o., a financial boutique regulated by the Czech National Bank. His primary responsibility lies in creating investment strategies for the company's clients. Michal started his career at Merrill Lynch in New London and Boston where he worked as an analyst in a private wealth management team. He then continued his career at WOOD & Company s.a. in Prague where he was responsible for the initial set up of the WOOD & Company Funds SICAV plc (an MFSA regulated entity) as well as administering its sub-funds and later co-managing the WOOD & Company Central & Eastern European Equity Fund as well as the WOOD Textiles Fund. He is also a member of the Investment Committee of IJC Funds SICAV plc which is regulated by the MFSA. Michal received his degree with honors from Connecticut College, Connecticut, United States.

On 28 February 2022, Ovidiu Fer was also appointed as director of the Company. Mr Fer is an investment professional with almost 20 years of experience in the European Emerging markets. Following a career on the sell side, most notably at WOOD & Company in Prague, Mr Fer has several advisory roles (most relevant with GapMinder- Romania's most prolific Venture Capital Fund) as well as board positions (currently an independent director at Medlife- Romania's largest private healthcare group). His education includes a BA from ASE, Romania and MBA from INSEAD.

#### *Investment Committee*

The Board of Directors of the Company shall appoint an Investment Committee for each Fund. The Investment Committee consists of three members, who are individuals. The Investment Committee of Company shall meet at least four times a year with the majority of meetings to be held in Malta, and shall be responsible for the day-to-day management of the Sub-funds, including amongst others the following:

- to monitor and review the investment policy and performance of a Sub-fund;
- to establish and review guidelines for investment by a Sub-fund;
- to issue rules for financial instrument selection and set the portfolio structure and asset allocation;
- to make recommendations to the Board of Directors.

# ALPHA QUEST FUNDS SICAV p.l.c.

## SPECIFIC DISCLOSURES (CONTINUED)

### Functionaries and Officials as at 30 June 2022 (continued)

#### *Investment Committee (continued)*

The Investment Committee shall report to the Board of Directors on its activities and the performance of a Sub-fund at least four times a year. The Investment Committee is conducting the day-to-day management of the assets of the sub-Funds and ensure that the assets of the sub-Funds are managed within the investment objectives, policies and restrictions of that sub-Fund. The Board of Directors may from time to time appoint advisers to the Investment Committee. Such advisers shall only provide guidance to the Investment Committee on the availability of assets and their relative prices and all investment decisions shall be undertaken solely by the Investment Committee.

Investment Committee was as at 30 June 2022 composed of the following voting members:

Joseph Xuereb  
Joseph Formosa  
Michal Kosac

#### Joseph Formosa

Mr Formosa has occupied a number of executive and managerial positions at Bank of Valletta p.l.c., Malta and for the last three years of his career with the bank occupied the post of Chief Officer, where he made a significant contribution to the growth and development of the Bank particularly in relation to its mortgage related business. Mr Formosa was also Chairman of the Banks' Card Services Ltd. This company was responsible for all of the Bank's credit card business. Mr Formosa has held the position of General Manager of Lohombus Bank Ltd, and is currently a Consultant with Middlesea Valletta Life Assurance Co focusing particularly on the areas of marketing, management and finance.

#### *Annual general meeting*

Apart from the appointment or removal of the Directors at the Company's annual general meeting in accordance with the Company's Articles, the Founder Shareholders may also at any time appoint or remove any Director or Directors at an extraordinary general meeting provided that the number of Directors always complies with the requirements prescribed in the Company's Memorandum. A Director need not be a Member.

#### *The Administrator*

Apex Fund Services (Malta) Limited has been appointed by the Company as Administrator to the Company and its Sub-funds in 2018, pursuant to an administration agreement ("The Administration Agreement"), to perform certain administrative functions in relation to the Company and the Sub-funds, including inter alia the calculation of the Net Asset Value, accounting services and transfer agency services. The Administrator may, subject to the written approval of the Company, sub-contract parts of its services to third parties.

#### *The Custodian*

Bank of Valletta p.l.c. ("BOV") has been appointed as a banker, broker and safe-keeper of the Fund. Bank of Valletta enjoys a large percentage of the Maltese banking market. The bank was incorporated in Malta as a limited liability company in 1974. It is licensed to carry on the business of banking as a credit institution in terms of the Banking Act 1994 and is a licensed custodian under the Investment Services Act. It is the parent company of the Bank of Valletta Group, which is actively involved in the provision of a comprehensive range of financial services in Malta. BOV is not the custodian for investments by the sub-funds in restitution points.

# ALPHA QUEST FUNDS SICAV p.l.c.

## SPECIFIC DISCLOSURES (CONTINUED)

### Functionaries and Officials as at 30 June 2022 (continued)

#### *Conflicts of Interest*

The officers of the Company have disclosed the following:

1. Mr Joseph Xuereb is a Director of the Company, a member of the Investment Committee and also the holder of 100% of the Founder Shares of the Company;
2. Dr Frank Chetcuti Dimech is a Director of the Company as well as its legal advisor as to Maltese law;
3. Mr. Michal Kosac who is the Director of the Company is also Director in Fraternity Capital Limited, and in Astone Group Ltd, and holds half of the "A" class shares in the company; and.
4. Mr. Ovidiu Fer is a Director of the Company and holds half of the "A" class shares in the Company.

### Designations, Powers and Rights of Shares

#### *The Founder Shares*

The Founder Shares shall rank equally in all respects, shall carry the right to one vote each, and save as provided in Article 26.1 of the Articles of Association, shall not carry a right to participate in any dividends or other distributions of the Company or in the assets of the Company on a winding up (other than the return of the paid up capital after payment of all amounts due to the Investor Shares).

#### *The "A" Ordinary Shares*

The Company shall also have a separate class of shares with no nominal value, made up of one hundred (100) "A" Ordinary Shares but which shall not constitute a distinct fund, shall rank equally in all respects, shall not carry the right to vote, and, save as provided in Article 26.1 of the Articles of Association, shall not carry a right to participate in any dividends or other distributions of the Company, if applicable, or in the assets of the Company on a winding up, except repayment of paid up capital following settlement of any and all amounts due to the Investor Shares and Founder Shares. The Board of Directors is authorised for a period of five (5) years, to issue and allot "A" Ordinary Shares up to the maximum amount specified in this paragraph.

#### *Article 26.1 of Articles of Association*

The Directors may, as they from time to time think fit, and subject to the applicable laws, declare and pay such interim or final dividends in such currency as the Directors may deem appropriate, subject to the observance of any applicable law, on Founder Shares, "A" Ordinary Shares and Investor Shares of a Sub-Fund as appears to the Directors to be justified, subject to any policy statement in relation to dividends in the Offering Supplement of a Sub-Fund: provided that when dividends are not paid on Investor Shares, income will be accrued within the Net Asset Value of the relative Sub-Fund and provided further that distributions on "A" Ordinary Shares and Founder Shares, if any, shall be calculated in a manner that the total amount of distributions on "A" Ordinary Shares and Founder Shares shall be an amount not exceeding the aggregate of the Management Fee and the Performance Fee due under the terms of the Offering Supplement of a Sub-Fund, which amount shall in no way be restricted to the amount of income received or receivable by the Company (from investments made by the Sub-Funds) during the relevant Accounting Period.

#### *The Investor Shares (Redeemable Shares)*

The Investor Shares do not carry any voting rights. The Investor Shares rank pari passu among themselves in all respects. The Investor Shares participate in the assets of the Company and in any dividends, and distributions of the sub-Funds upon liquidation. The Investor Shares may be redeemed at the option of the holders thereof according to the Articles of Association annexed hereto and in accordance with any terms and conditions pursuant to which the Investor Shares are issued.

# ALPHA QUEST FUNDS SICAV p.l.c.

## SPECIFIC DISCLOSURES (CONTINUED)

### Designations, Powers and Rights of Shares (continued)

#### *Classes*

With the prior approval of the MFSA, the Directors may from time to time establish a sub-Fund by the issue of separate classes of Shares of the Company on such terms as the Directors may resolve. Apart from Investor shares, the Company has issued by way of subscription:

- 1,000 Founder Shares which are fully paid up and subscribed by Joseph Xuereb;
- 50 “A” Ordinary Shares which are fully paid up and subscribed by Ovidiu Fer; and
- 50 “A” Ordinary Shares which are fully paid up and subscribed by Fraternity Capital Limited.

#### *Description of the decision making procedures of the statutory body*

Directors and Investment Committee members meet at least 4 times per year in addition to periodic phone calls. All investment decisions are thoroughly discussed and 2/3 of the votes are required to pass any decision. In order to evaluate an investment, a term sheet is prepared which is further discussed from the stand point of viability of fitness within the overall portfolio strategy. Upon diligent discussion, a vote is undertaken and an investment decision is made.

As per the Company’s Memorandum and Articles of Association sections 15 to 17, decision making is as follows:

#### 15.1 General Meetings

15.1 All general meetings of the Members in the Company enjoying a right to vote shall be held in Malta, or at such other place as the Directors may determine for any specific general meeting.

15.2 The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meeting in that year. Not more than fifteen (15) months shall elapse between the date of one annual general meeting of the Company and that of the next provided that so long as the Company holds its first annual general meeting within eighteen (18) months of its incorporation it need not hold it in the year of its incorporation. Subsequent annual general meetings shall be held once in each year and not more than six (6) months after the end of the Accounting Period of the Company as determined by the Directors from time to time at such time and place in Malta as may be determined by the Directors.

15.3 All general meetings (other than annual general meetings) shall be called extraordinary general meetings.

15.4 The Directors may call an extraordinary general meeting whenever they think fit and extraordinary general meetings shall be convened on such requisition, or in default may be convened by such requisitions, and in such manner as provided by the Act.

#### 16. Notice of General Meetings

16.1 At least fourteen (14) Clear Days’ notice specifying the place, the day and the time of the meeting, and in the case of special business the general nature of such business (and in the case of an extraordinary general meeting specifying the meeting as such) shall be given in the manner hereinafter mentioned to the Founder Shareholders being the holders of shares entitled to attend and vote.

16.2 The Directors and the Auditors shall also be entitled to receive notice of, and attend and speak at, any general meeting of the Company.

16.3 Every notice convening a meeting to pass an Extraordinary Resolution shall specify the intention to propose the Resolution, and in each notice calling a meeting of the Founder Shareholders, being the members entitled to attend and vote, there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not also be a Member.

16.4 The accidental omission to give notice to, or the non-receipt of notice by, any person entitled to receive notice shall not invalidate the proceedings at any general meeting.

# ALPHA QUEST FUNDS SICAV p.l.c.

## SPECIFIC DISCLOSURES (CONTINUED)

### Designations, Powers and Rights of Shares (continued)

*Description of the decision making procedures of the statutory body (continued)*

#### 16. Notice of General Meetings (continued)

16.5 The fourteen (14) day notice requirement may be waived if the Founder Shareholders holding not less than a majority of the total number of Founder Shares entitled to vote on all matters to be considered at the meeting have waived notice of the meeting or have agreed to a shorter notice period for the meeting.

#### 17. Proceedings at General Meetings

17.1 All business shall be deemed special that is transacted at an extraordinary general meeting and also all business that is transacted at an annual general meeting, with the exception of: a. the consideration of the accounts and Statement of Financial Position; b. the reports of the Directors and Auditors, c. the election of Directors in the place of those retiring or resigning or being removed and the fixing of their remuneration, d. the appointment of the Auditors and the fixing of the remuneration of the Auditors (directly or in such manner as the general meeting may determine); provided that the appointment of a new Director shall also require the approval of the MFSA.

17.2 Subject to Article 17.3 hereof, no business shall be transacted at any general meeting unless a quorum is present. Two (2) Members, having the right to vote, present either in person or by proxy, shall be a quorum for a general meeting. A representative of a corporation or company authorised pursuant to Article 18.14 to be present at any meeting of the Company shall be deemed to be a Member for the purpose of the constitution of a quorum.

17.3 If within half an hour from the time appointed for a meeting, a quorum is not present, the meeting, howsoever convened, shall proceed with such Members entitled to attend and vote as are present and they shall constitute a quorum even if there is only one member.

17.4 A Director nominated by the Directors shall preside as chairman at every general meeting of the Company, but if at any meeting none of the Directors be present within fifteen (15) minutes after the time appointed for holding the meeting, or if all the Directors present decline to take the chair, the Founder Shareholders shall choose some Member present to be chairman of the meeting.

17.5 The chairman may with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for fourteen (14) days or more, another fourteen (14) days Clear Notice at the least specifying the place, the day and the hour of the adjourned meeting, shall be given as in the case of the original meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting or to attach thereto any documents already sent with a prior notice. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

17.6 At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless before or upon the declaration of the result of the show of hands a poll is demanded by the chairman or by any Members present representing at least one-tenth in number or value of the shares in issue having the right to vote at the meeting. Unless a poll is so demanded, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution; provided that where a resolution requires a particular majority in value, the resolution shall not be deemed to have been carried on a show of hands by the required majority unless there be present at the meeting, whether in person or by proxy, a number of Members holding in the aggregate the required majority as aforesaid.

# ALPHA QUEST FUNDS SICAV p.l.c.

## SPECIFIC DISCLOSURES (CONTINUED)

### Designations, Powers and Rights of Shares (continued)

*Description of the decision making procedures of the statutory body (continued)*

#### 17. Proceedings at General Meetings (continued)

17.7 If a poll is duly demanded, it shall be taken in such manner and at such time and place as the chairman may direct (including the use of ballot or voting papers or tickets) and the result of a poll shall be deemed to be a resolution of the meeting at which the poll was demanded.

17.8 The chairman may, in the event of a poll, appoint scrutineers (who need not be Members) and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

17.9 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.

17.10 A poll demanded on the election of a chairman and a poll demanded on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and place as the chairman directs not being more than thirty days from the date of the meeting or adjourned meeting at which the poll was demanded.

17.11 The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

17.12 A demand for a poll may be withdrawn and no notice need be given of a poll not taken immediately.

### Principles of remuneration

#### *Remuneration of Directors*

The Directors of the Company shall receive for their services such remuneration as may be determined by the Company in a General Meeting from time to time or, in relation to a particular Sub-fund, as specified in a Supplement. Each Director's remuneration shall in no case exceed € 10,000 per annum. In addition, each Director may be paid reasonable travelling, hotel and other incidental expenses incurred in attending meetings of the Directors and general meetings of the Company. The amount paid from the assets of each sub-Fund shall be proportionate to the Net Asset Value of each sub-Fund when compared to the net asset value of the Company.

#### *Remuneration of Investment Committee members*

The members of the Investment Committee shall receive for their services such remuneration as may be determined by the Directors from time to time. The fee will be paid by the sub-funds. In addition, each Investment Committee member may be paid reasonable travelling, hotel and other incidental expenses incurred in attending meetings of the Investment Committee. The amount paid from the assets of each sub-Fund shall be proportionate to the Net Asset Value of each sub-Fund when compared to the net asset value of the Company.

#### *Remuneration of Founder Shareholders*

Founder Shareholders shall not be entitled to any remuneration but may be paid reasonable travelling, accommodation and other incidental expenses incurred in attending general meetings of the Company.

#### *Monetary and non-monetary benefits received by Directors and Investment Committee Members for the year*

Total monetary income of Directors of the Company for 2022 amounted to EUR 9,934 (2021: EUR 11,800). Out of total monetary income, all three directors received EUR 3,934 (2021: EUR 4,720) and all three Investment Committee Members received EUR 6,000 (2021: EUR 7,080).

Neither the Directors nor the Investment Committee Members received any non-monetary income.

# ALPHA QUEST FUNDS SICAV p.l.c.

## SPECIFIC DISCLOSURES (CONTINUED)

### **Corporate governance and the Code**

The Issuer has not voluntarily adopted the Corporate Governance Code prepared in 2018 by Czech Institute of Directors together with Deloitte and issued in 2019. This Code is available on the website of Czech Ministry of Finance [www.mfcr.cz](http://www.mfcr.cz).

However, the Issuer's Corporate Governance is organized in accordance with the principles outlined in this document, as defined in the internal policies and statutes of the Issuer. In addition to its own policies, the corporate governance is fully in line with applicable law.

The above mentioned code has not been voluntarily adopted because in addition to the simple shareholder structure, the Issuer considers the existing policies of the corporate governance fully adequate and functional.

### **Information about internal control principles and strategies and the rules for the treatment of risks**

The Board of Directors is responsible for implementing adequate administrative and accounting procedures for the preparation of the financial statements. The Board of Directors has responsibility for the planning, management and monitoring of those processes relating, in particular, to management and accounting information flows (including the automated data processing and accounting reporting systems) and for attesting to their adequacy and effective application, as defined by the relevant laws and regulations. The Company also established a position of a compliance officer ensuring the Company complies with its outside regulatory requirements and internal policies.

The Board of Directors identifies and assesses the risks on financial information, identifies and carries out the appropriate controls, targeted at mitigating the possibility that such risks will occur, and monitors and assesses the efficiency of the controls in relation to the financial information process. The Administrator calculates the Net Asset Value ("NAV") of the Sub-funds as at the date of the statement of financial position or at the settlement date of new investors and prepares draft financial statements. NAV calculation and financial statements are approved by the Board of Directors.

Investment committee approves each new investment (at least 2 members of the Investment committee shall approve it), evaluates the performance of the investment in Sub-funds and reports to the Board of Directors on its activities and the performance of each Sub-fund at least four times a year.

### **Risk factors and uncertainties that could negatively affect issuer's business include but are not limited to:**

- Risk of newly formed company: The Company does not have long enough history to show proven track record.
- Sub-funds being economically separated entities: The assets of other sub-funds cannot be used to satisfy obligations of other sub-funds. Thus only the assets of the sub-fund issuing financial obligation can be used to repay such obligation.
- Payment titles issued by Romanian government: The major part of the sub-fund's portfolio is invested in obligations issued by the Romanian state. This instrument is not publicly traded thus it is uncertain if it can be sold at a fair price at any time in the market place. The Fund's investments in the points awarded under indemnification decisions issued by the Romanian Government need to be sourced from individual beneficiaries of such points and acquired through public deeds registered in Romania. There is no guarantee that the sub-Fund will manage to source such points, or a particular number of points. The sub-Fund may also be exposed to changes in the Romanian Government's interpretation of the points system and/or to changes in the applicable laws.



# ALPHA QUEST FUNDS SICAV p.l.c.

## SPECIFIC DISCLOSURES (CONTINUED)

### **Risk factors and uncertainties that could negatively affect issuer's business include but are not limited to: (continued)**

- Specific risks when investing in Romania: Although Romania is a full member of the European Union, it is still susceptible to a shaky political and economic outlook and a relatively volatile business environment in which corporate financial information is sometimes neither readily available nor sufficiently reliable. Following the collapse of communist rule in 1989, Romania has undergone a long period of economic transition to a market economy, which has not been smooth. Since 2000, there has been more progress. An extensive programme of economic reforms included the privatisation of several state-owned enterprises and the restructuring of Romania's energy, mining and industrial sector. Externally, a slowdown in global trade may have a high impact on Romania's growth, mainly due to its reliance on other EU economies as trading partners. Geopolitical tensions, combined with the increase in the US Federal Reserve's key-interest rate could lead to increased investor caution, capital outflows and depreciation of the local currency (RON).
- Market risk: Most of the assets of the sub-funds are invested in Romania which is considered an emerging market.
- Sub-fund's assets not being publicly traded: The Sub-funds invest in the Romanian instruments which are not publicly traded. Such instruments are considered risky and speculative in nature.
- Interest rates changing risk: Fixed income instruments, which can be bought as an investment by the sub-funds, have an inverse relationship with changing interest rates. Unstable interest rates environment could have a negative impact on the fixed income instruments held by the sub-funds. If the level of market interest rates rises, the prices of interest-bearing securities in the Fund's portfolio can fall substantially. This is even more the case, if the Fund holds interest-bearing securities having a longer residual term to maturity with normal return/yield.
- Liquidity risk: Since the Romanian obligations are not publicly traded, it might be hard to sell should the Romanian government start defaulting on its obligations.
- High leverage risk: Since Alpha Quest Balanced Fund is an issuer of publicly traded bonds, it is exposing itself to enormous amount of risk should its investment strategy produce negative returns.
- Inflationary risk: Rising prices can affect the value of the underlying assets of the portfolio.
- Foreign exchange risk: The functional currency of the Company and its sub-funds is the EUR while the assets of the portfolio are denominated mainly in RON. Where the Fund holds assets denominated in foreign currency or currencies, it is exposed to a direct currency risk (provided the foreign currency positions have not been hedged). In case of RON depreciation, this will have negative effect on the underlying net asset value of the sub-funds. Conversely, the foreign exchange market also offers opportunities for gains. Besides direct risks, indirect currency risks also exist. Internationally active companies are more or less strongly dependent on the exchange rate development, which can have an indirect influence on the price development of investments.
- Concentration risk: The majority of fund's assets are invested in the Romanian restitution points. This creates a risk for the underlying net assets value should the Romanian government default on its obligations.

# ALPHA QUEST FUNDS SICAV p.l.c.

## SPECIFIC DISCLOSURES (CONTINUED)

### **Risk factors and uncertainties that could negatively affect issuer's business include but are not limited to: (continued)**

- Management compensation: Management have variable compensation based on the performance of the sub-funds. This can incentivize them to undertake speculative investments in order to produce extraordinary returns.
- Operating risk: It can be created in the absence of rigorous internal processes.
- Company founded under different law: The Company and its sub-funds have been incorporated under the laws of Malta. Maltese law can substantially differ from Czech laws and Slovak laws under which the publicly traded bonds of one of the sub-funds have been issued.
- Political, economic and social risks: Romania is classified as an emerging and post-socialist market, which up to this date faced significant political, economic and social risk which could negatively impact the sub-funds' performance and their net asset value.

### **Key Figures of the Company for the year**

Information about profit before tax for the year can be found in the Statement of Comprehensive Income in the financial statements which forms part of Annual Report. The result corresponds to the expectation and reward attributed to the sub-Fund for the issue of the bonds.

Information about the Company's total assets and financial situation as at 31 Decemebr 2021 can be found in the Statement of Financial Position in the financial statements which form part of the Annual Report.

#### *Evaluation of the business environment during the period*

Both sub-Funds performed very well and in line with Investment Committees' expectations, mainly due to the fact the payments from the Romanian Government are on track and on time. Both sub-Funds received the expected 20% of the nominal value of all points held well ahead of the due date. Performance of both sub-Funds was further boosted by the leverage that the Balance Fund currently has. Both sub-Funds also gained by investing free liquidity in corporate bonds.

### **Expected economic situation in next year**

In 2022, the Company expects a very similar scenario compared to prior year. The Company can already confirm that the Romanian Government should pay ahead of the 180-day due date.

### **Remuneration charged by auditors over the accounting period**

The statutory auditor's remuneration (including VAT) for the period amounted to EUR28,486 (2021: EUR 38,948) and the balance outstanding as at 30 June 2022 amount to EUR25,446 (2021: EUR 23,928). Other non-audit services provided by the auditors during the period comprised of tax services amounting to EUR 781 (2021: EUR 708) (including VAT).

### **Legal and arbitration proceedings**

The Company is not a party to any litigation or arbitration proceedings.

### **Major contracts and agreements executed on behalf of the Company during the period**

Alpha Quest Funds SICAV p.l.c. and its sub-funds, namely Alpha Quest Balanced Fund and Alpha Quest Opportunity Fund, have not entered into any major contract that would affect its regular course of business or pose any risk to its business objective.

# ALPHA QUEST FUNDS SICAV p.l.c.

## SPECIFIC DISCLOSURES (CONTINUED)

### **Issuer's subsidiaries and branches**

The Company did not have an organizational unit located abroad in 2022.

### **Acquisition of own shares (treasury shares)**

During the year, no acquisition of own shares (treasury shares) occurred.

### **Expenses incurred in connection with research and development**

The Company did not incur any research and development expenditure during the year.

### **Investment in tangible and intangible fixed assets**

The Company did not make any significant investments in tangible and intangible fixed assets during the year.

### **Environmental and labor relations activities**

The Company complies with all legal requirements in the field of environmental protection and complies with applicable legislation in the field of labor relations.

### **True and fair view statement**

The Board of Directors of Alpha Quest Funds SICAV p.l.c. declares that the Annual Report and financial statements provide a true and fair view of the financial position, business activities and results of the Company for the past accounting year and to the best of its knowledge, all the information and data in the Annual Report and financial statements correspond to the prospects for future financial and business performance and no significant circumstances have been omitted.

According to Article 34 part 2 a) of The Act on Stock Exchanges and Article 20 part 1 a) and f) of the law 431/2002 of The Accounting Act as amended, complete the information about:

- Development of the accounting entity and the state it is in; the information is provided in the form of balanced and comprehensive condition analysis and prognosis of development and contains significant financial and non-financial indicators including information about the impact of the accounting entity's activity on environment and employment, with a reference to the relevant data in financial statements (also specifying the average number of employees in 2020)

Accounting entity did business as usual on-going concern basis in the reporting period financial year 2022. The entity has no further information to disclose besides its principal activities defined and described in its audited Annual Report.

Since the company is internally managed, it employs the total of 6 people: three directors and 3 investment committee members.

Nature of the principal business activities of the company and its sub-funds is financial instruments with close to zero environmental impact.

# ALPHA QUEST FUNDS SICAV p.l.c.

## SPECIFIC DISCLOSURES (CONTINUED)

- Proposal of profit distribution or loss compensation

Profit and loss are attributable to the investors of the collective investment scheme, thus holders of accumulator class of shares of each sub-fund. Equity holders bear all the profits and losses.

According to Article 34 part 2 a) of The Act on Stock Exchanges and Article 20 part 6 b), d) and e) of the law 431/2002 of The Accounting Act as amended, complete the information about:

- All significant information about management methods and where such information is published

Company and its sub-funds are internally managed by Investment Committee. Board of Directors and Investment Committee meet periodically to discuss investments and day to day business of the company and its sub-funds. Minutes of the Board and Investment committee meetings are available at the registered office of the company.

Offering Memorandum, Articles of Association and Offering Supplements of both sub-funds are also available at the registered office.

- Description of the main system of internal controls and risk management in relation to financial statements

On top of company's Board of Directors, the company has an independent compliance officer who does on-site inspections and reports directly to the Maltese Financial Services Authority. Decision making power is vested in any two out of three directors, when it comes to investments in any two out of three Investment Committee Members.

- Information about activities of General Meeting and its powers (specifying General Meeting meetings in 2021 and resolutions that were adopted)

General Meeting is held once a year, usually in April, to ratify and execute audited Annual Report of the company. The Annual Report was the only ratification by the Annual General Meeting in 2021.

According to Article 34 part 2 a) of The Act on Stock Exchanges and Article 20 part 7 g) and j) of the law 431/2002 of The Accounting Act as amended, complete the information about:

- Regulations about replacing and dismissing of members of the Statutory body and the change of statutes

General Meeting nominates and Maltese Financial Services Authority approves members of the statutory body, namely directors who are part of the Board of Directors. Board of Directors nominates and approves members of the Investment Committee.

Investment objectives of the sub-funds are clearly defined in the Offering Supplements and can only be changed with the approval of holders of investment shares.

- All agreements concluded between the company and members of its corporate bodies or employees on the basis of which compensation is to be provided if the employment relationship is terminated by resignation, termination by the employee, dismissal, termination by the employer without giving a reason or the employment is terminated due to company takeover.

## ALPHA QUEST FUNDS SICAV p.l.c.

### SPECIFIC DISCLOSURES (CONTINUED)

According to Article 34 part 2 a) of The Act on Stock Exchanges and Article 20 part 6 e) of the law 431/2002 of The Accounting Act as amended, complete the information about the activities of the General Meeting in 2021.

*Company held one general meeting during the course of financial year 2021.*

Annual General Meeting was held on May 21st, 2021 during which the following resolutions have been adopted.

1. Waiver of fourteen (14) clear days' notice requirement.
2. Approval of company's annual report and consolidated financial statements for the year ended 31 December 2020.
3. Approval of director's annual report on the company's financial statements for the year ended 31 December 2020.
4. Approval of auditor's annual report on the company's financial statements for the year ended 31 December 2020.
5. Reappointment of KPMG Malta Limited as the auditor of the company and authorise changes in remuneration (if any).
6. Reappointment of the directors of the company and approval of the directors' and officers' remuneration.

According to Article 34 part 2 a) of The Act on Stock Exchanges and Article 20 part 7 g) of The Accounting Act, complete the information about the rules governing the appointment and dismissal of members of its statutory body and the amendment of its statutes.

#### *The Directors*

The company's Board of Directors will be composed of not less than three (3) and not more than seven (7) individual Directors approved by the MFSA and appointed by the holders of Founder Shares upon incorporation of the Company.

#### *The Investment Committee*

The Board of Directors of the Company shall appoint an Investment Committee for each Fund as described in the relevant Offering Supplement. The Investment Committee will consist of a minimum of three (3) members, who shall be individuals and will be listed in the relevant Offering Supplement.

According to Article 34 part 2 a) of The Act on Stock Exchanges and Article 20 part 7 j) of The Accounting Act, complete the information about any agreements concluded between the company and members of its corporate bodies or employees on the basis of which compensation is to be provided if the employment relationship is terminated by resignation, termination by the employee, dismissal, termination by the employer without reason.

Company has not signed any such agreements and does not provide any compensation should any of the directors or investment committee members' involvement be terminated the same applies should any of the involved parties resign.

# ALPHA QUEST FUNDS SICAV p.l.c.

## SPECIFIC DISCLOSURES (CONTINUED)

There were no such agreements during the reporting period.

All important information regarding the company, bonds issued, coupons paid and any other relevant notification can be found on [www.aqbond.com](http://www.aqbond.com).

### **Number of employees as of 30.06.2022**

Alpha Quest Funds SICAV p.l.c. employs zero (0) employees. All provided services are on contract basis.

### **Net turnover as of 30.06.2022**

Alpha Quest Funds SICAV p.l.c. does not generate net turnover figures in its financial statements.

Approved by the Board of Directors on 22 September 2022 and signed on its behalf by:



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Mr. Michal Kosac  
Director



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Mr. Joseph Xuereb  
Director

# ALPHA QUEST FUNDS SICAV p.l.c.

## Statement of financial position


As at 30 June 2022

		The Company	The Company
		30.06.22	31.12.21
	Notes	EUR	EUR
<b>Non-current assets</b>			
Restitution points	12	<u>32,227,854</u>	<u>16,622,110</u>
<b>Total Non-current assets</b>		<u>32,227,854</u>	<u>16,622,110</u>
<b>Current assets</b>			
Cash and cash equivalents	5	2,734,469	7,014,918
Financial assets at fair value through profit or loss	11	42,646,013	42,174,290
Prepaid expenses		1,316,207	66,925
Dividend receivable		78,202	-
Other receivables		1,056,311	867,202
Restitution points	12	9,396,348	11,731,057
Investment in advance		2,000,000	788,779
<b>Total Current assets</b>		<u>59,227,550</u>	<u>62,643,171</u>
<b>Total assets</b>		<u>91,455,404</u>	<u>79,265,281</u>
<b>Equity and Liabilities</b>			
<b>Share capital and Reserves</b>			
Share capital	6	1,100	1,100
Retained earnings		368,255	1,879,824
<b>Total equity</b>		<u>369,355</u>	<u>1,880,924</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Bonds issued	13	47,476,704	47,236,040
<b>Total Non-current liabilities</b>		<u>47,476,704</u>	<u>47,236,040</u>
<b>Current liabilities</b>			
Financial liabilities at fair value through profit or loss	11	-	101,123
Due to Broker		2,329,994	-
Bank overdraft	5	12,771,046	-
Interest payable	13	1,092,763	303,765
Administration fees payable	14	8,870	8,756
Audit fees payable		25,446	47,854
Due to "A" Class Shareholders		-	150,000
Investment advisory fee payable		50,000	100,000
Other payables	14	9,446	8,302
<b>Total Current liabilities</b>		<u>16,287,565</u>	<u>719,800</u>
<b>Total liabilities</b>		<u>63,764,268</u>	<u>47,955,840</u>
<b>Net assets attributable to holders of redeemable shares</b>	7	<u>27,321,780</u>	<u>29,428,517</u>
<b>Total Equity and Liabilities</b>		<u>91,455,404</u>	<u>79,265,281</u>

The accompanying notes are an integral part of these financial statements. These also include more detailed information about the amounts attributable to the founder shareholders and the attributable to unit holders of investor shares, in the next two pages.

The financial statements on pages 20 to 51 were approved and authorised for issue by the Board of Directors on 22 September 2022 and were signed on its behalf by:

  
Mr Michal Kosac  
Director

  
Mr Joseph Xuereb  
Director

# ALPHA QUEST FUNDS SICAV p.l.c.

## Statement of financial position

As at 30 June 2022

The following table provides more detailed information about the amounts attributable to founder shareholders and amounts attributable to unit holders of investor shares. This information is being presented in accordance with the prevalent local practice.

	Notes	Attributable to founder shareholders	Attributable to unit holders of investor shares of:	
		30.06.22 EUR	Alpha Quest Balanced Fund 30.06.22 EUR	Alpha Quest Opportunity Fund 30.06.22 EUR
<b>Non-current assets</b>				
Restitution points	12	-	29,774,855	2,452,999
<b>Total Non-current assets</b>		-	29,774,855	2,452,999
<b>Current assets</b>				
Cash and cash equivalents	5	2,734,469	-	-
Financial assets at fair value through profit or loss	11	-	28,796,267	13,849,746
Due from founder shareholders	8	-	9,653,741	1,628,795
Due from sub-funds	8	-	2,529,936	-
Prepaid expenses		-	1,308,515	7,692
Dividend receivable		-	78,202	-
Other receivables		-	708,216	348,095
Management and performance fee receivable	14	8,917,421	-	-
Restitution points	12	-	8,223,524	1,172,824
Investment in advance		-	-	2,000,000
<b>Total Current assets</b>		11,651,890	51,298,401	19,007,152
<b>Total assets</b>		11,651,890	81,073,256	21,460,151
<b>Equity and Liabilities</b>				
<b>Share capital and Reserves</b>				
Share capital	6	1,100	-	-
Retained Earnings		368,255	-	-
<b>Total equity</b>		369,355	-	-
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Bonds issued	13	-	47,476,704	-
<b>Total Non-current liabilities</b>		-	47,476,704	-
<b>Current liabilities</b>				
Bank overdraft	5	-	8,269,211	4,501,835
Investment advisory fee payable		-	-	50,000
Interest payable	13	-	1,092,763	-
Administration fees payable	14	-	4,435	4,435
Audit fees payable		-	12,723	12,723
Management fees payable	14	-	1,694,801	439,808
Performance fees payable	14	-	5,098,938	1,683,875
Other payables	14	-	4,723	4,723
Due to sub-funds	8	11,282,535	-	2,529,936
Due to Broker		-	2,329,994	-
<b>Total Current liabilities</b>		11,282,535	18,507,588	9,227,335
<b>Total liabilities</b>		11,282,535	65,984,292	9,227,335
<b>Net assets attributable to holders of redeemable shares</b>	7	-	15,088,964	12,232,816
<b>Total Equity and Liabilities</b>		11,651,890	81,073,256	21,460,151

The above information is an integral part of the notes to these financial statements.



# ALPHA QUEST FUNDS SICAV p.l.c.

## Statement of financial position (continued)

As at 30 June 2022

The following table provides more detailed information about the amounts attributable to founder shareholders and amounts attributable to unit holders of investor shares. This information is being presented in accordance with the prevalent local practice.

	Notes	Attributable to founder shareholders	Attributable to unit holders of investor shares of:	
		31.12.21 EUR	Alpha Quest Balanced Fund 31.12.21 EUR	Alpha Quest Opportunity Fund 31.12.21 EUR
<b>Non-current assets</b>				
Restitution points	12	-	14,330,818	2,291,292
<b>Total Non-current assets</b>		<b>-</b>	<b>14,330,818</b>	<b>2,291,292</b>
<b>Current assets</b>				
Cash and cash equivalents	5	2,107,725	2,412,066	2,495,127
Financial assets at fair value through profit or loss	11	-	30,267,867	11,906,423
Due from founder shareholders	8	-	9,541,191	-
Due from sub-funds	8	770,466	2,530,570	-
Prepaid expenses		-	60,067	6,858
Other receivables		-	618,562	248,640
Management and performance fee receivable	14	8,543,924	-	-
Restitution points	12	-	9,158,841	2,572,216
Receivable from Government of Romania		-	632,109	156,670
<b>Total Current assets</b>		<b>11,422,115</b>	<b>55,221,273</b>	<b>17,385,934</b>
<b>Total assets</b>		<b>11,422,115</b>	<b>69,552,091</b>	<b>19,677,226</b>
<b>Equity and Liabilities</b>				
<b>Share capital and Reserves</b>				
Share capital	6	1,100	-	-
Retained earnings		1,879,824	-	-
<b>Total equity</b>		<b>1,880,924</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Bonds payable	13	-	47,236,040	-
<b>Total Non-current liabilities</b>		<b>-</b>	<b>47,236,040</b>	<b>-</b>
<b>Current liabilities</b>				
Financial liabilities at fair value through profit or loss	11	-	101,123	-
Interest payable	13	-	303,765	-
Administration fees payable	14	-	4,378	4,378
Audit fees payable		-	23,927	23,927
Management fees payable	14	-	1,412,977	348,134
Performance fees payable	14	-	5,098,938	1,683,875
Due to "A" Class Shareholders	8	-	150,000	-
Investment advisory fee payable		-	-	100,000
Other payables	14	-	4,111	4,191
Due to sub-funds	8	9,541,191	-	2,530,570
Due to founder shareholders	8	-	-	770,466
<b>Total Current liabilities</b>		<b>9,541,191</b>	<b>7,099,219</b>	<b>5,465,541</b>
<b>Total liabilities</b>		<b>9,541,191</b>	<b>54,335,259</b>	<b>5,465,541</b>
<b>Net assets attributable to holders of redeemable shares</b>	7	<b>-</b>	<b>15,216,832</b>	<b>14,211,685</b>
<b>Total Equity and Liabilities</b>		<b>11,422,115</b>	<b>69,552,091</b>	<b>19,677,226</b>

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

# ALPHA QUEST FUNDS SICAV p.l.c.

## Statement of comprehensive income For the period ended 30 June 2022

		The Company	The Company
	Notes	30.06.22 EUR	30.06.21 EUR
<b>Income</b>			
Net (loss)/gain on financial assets at fair value through profit or loss		(4,329,273)	120,460
Income from restitution points		3,634,955	3,656,966
Net loss on foreign exchange		(222,901)	(689,890)
Interest income calculated using the effective interest method	15	1,192,551	588,609
Dividend income		168,463	-
<b>Total investment income</b>		<b>443,795</b>	<b>3,676,145</b>
<b>Expenditure</b>			
Administration fees	14	(17,967)	(19,366)
Audit fees	14	(28,486)	(38,948)
Directors and investment committee fees	8	(9,934)	(11,800)
Professional fees	8	(495)	(252,002)
Other operating expenses	17	(913,217)	(661,906)
<b>Total operating expenses</b>		<b>(970,099)</b>	<b>(984,022)</b>
<b>Operating (loss)/profit before finance costs</b>		<b>(526,304)</b>	<b>2,692,123</b>
Interest expense	16	(1,212,177)	(1,051,754)
<b>Total finance costs</b>		<b>(1,212,177)</b>	<b>(1,051,754)</b>
<b>(Loss)/profit for the year</b>		<b>(1,738,481)</b>	<b>1,640,369</b>
<b>Attributable to founder shareholders</b>		<b>368,256</b>	<b>868,661</b>
<b>Net (decrease)/increase in net assets attributable to holders of redeemable shares</b>		<b>(2,106,737)</b>	<b>771,708</b>
<b>Total comprehensive (loss)/income for the year</b>		<b>(1,738,481)</b>	<b>1,640,369</b>

The accompanying notes are an integral part of these financial statements. These also include more detailed information about the amounts attributable to the founder shareholders and the attributable to unit holders of investor shares, in the next two pages.

# ALPHA QUEST FUNDS SICAV p.l.c.

## Statement of comprehensive income For the period ended 30 June 2022

The following table provides more detailed information about the amounts attributable to founder shareholders and amounts attributable to unit holders of investor shares. This information is being presented in accordance with the prevalent local practice.

	Notes	Attributable to founder shareholders	Attributable to unitholders of investor shares of:	
		30.06.22 EUR	Alpha Quest Balanced Fund 30.06.22 EUR	Alpha Quest Opportunity Fund 30.06.22 EUR
<b>Income</b>				
Net gain on financial assets at fair value through profit or loss		-	(1,738,646)	(2,590,627)
Income from restitution points		-	2,994,426	640,529
Net gain/(loss) on foreign exchange		(4,866)	(220,873)	2,838
Income from management and performance fees	14	373,497	-	-
Interest income calculated using the effective interest method	15	-	715,623	476,928
Dividend income		-	168,463	-
<b>Total investment income</b>		<b>368,631</b>	<b>1,918,993</b>	<b>(1,470,332)</b>
<b>Expenditure</b>				
Administration fees	14	-	(8,983)	(8,984)
Audit fees	14	-	(14,243)	(14,243)
Directors and investment committee fees	8	-	(4,967)	(4,967)
Professional fees		-	(395)	(100)
Management fees	14	-	(281,824)	(91,674)
Other operating expenses	17	(375)	(524,272)	(388,569)
<b>Total operating expenses</b>		<b>(375)</b>	<b>(834,684)</b>	<b>(508,537)</b>
<b>Operating profit/(loss) before finance costs</b>		<b>368,256</b>	<b>1,084,309</b>	<b>(1,978,869)</b>
Interest expense	16	-	(1,212,177)	-
<b>Total finance costs</b>		<b>-</b>	<b>(1,212,177)</b>	<b>-</b>
<b>Profit/(loss) for the period</b>		<b>368,256</b>	<b>(127,868)</b>	<b>(1,978,869)</b>
<b>Attributable to founder shareholders</b>		<b>368,256</b>	<b>-</b>	<b>-</b>
<b>Net decrease in net assets attributable to holders of redeemable shares</b>		<b>-</b>	<b>(127,868)</b>	<b>(1,978,869)</b>
<b>Total comprehensive income/(loss) for the period</b>		<b>368,256</b>	<b>(127,868)</b>	<b>(1,978,869)</b>

The above information is an integral part of the notes to these financial statements.

# ALPHA QUEST FUNDS SICAV p.l.c.

## Statement of comprehensive income For the period ended 30 June 2022

The following table provides more detailed information about the amounts attributable to founder shareholders and amounts attributable to unit holders of investor shares. This information is being presented in accordance with the prevalent local practice.

	Notes	Attributable to founder shareholders	Attributable to unitholders of investor shares of:	
		30.06.21 EUR	Alpha Quest Balanced Fund 30.06.21 EUR	Alpha Quest Opportunity Fund 30.06.21 EUR
<b>Income</b>				
Net gain on financial assets at fair value through profit or loss		-	73,891	46,569
Income from restitution points		-	2,808,799	848,167
Net gain/(loss) on foreign exchange		106,505	(702,666)	(93,729)
Interest income calculated using the effective interest method	15	-	440,268	148,341
Income from management and performance fees	14	763,314	-	-
<b>Total investment income</b>		<b>869,819</b>	<b>2,620,292</b>	<b>949,348</b>
<b>Expenditure</b>				
Administration fees	14	-	(9,683)	(9,683)
Audit fees	14	-	(19,474)	(19,474)
Directors and investment committee fees	8	-	(5,900)	(5,900)
Performance fees	14	-	(232,691)	(179,673)
Professional fees		(590)	(250,706)	(706)
Management fees	14	-	(266,895)	(84,055)
Other operating expenses	17	(568)	(487,751)	(173,587)
<b>Total operating expenses</b>		<b>(1,158)</b>	<b>(1,273,100)</b>	<b>(473,078)</b>
<b>Operating profit before finance costs</b>		<b>868,661</b>	<b>1,347,192</b>	<b>476,270</b>
Interest (expense)/income	16	-	(1,114,502)	62,748
<b>Total finance costs</b>		<b>-</b>	<b>(1,114,502)</b>	<b>62,748</b>
<b>Profit for the year</b>		<b>868,661</b>	<b>232,690</b>	<b>539,018</b>
Attributable to founder shareholders		868,661	-	-
Net increase in net assets attributable to holders of redeemable shares		-	232,690	539,018
<b>Total comprehensive income for the year</b>		<b>868,661</b>	<b>232,690</b>	<b>539,018</b>

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

# ALPHA QUEST FUNDS SICAV p.l.c.

## Statement of changes in net assets attributable to holders of redeemable shares

For the period ended 30 June 2022

	The Company	The Company
	30.06.22	30.06.21
	EUR	EUR
<b>Balance at the beginning of the period</b>	29,428,517	27,765,196
(Decrease)/increase in net assets attributable to holders of redeemable shares	<b>(2,106,737)</b>	771,708
<b>Net assets as at the end of the period attributable to holders of redeemable shares</b>	<b>27,321,780</b>	<b>28,536,904</b>

The accompanying notes are an integral part of these financial statements. These also include more detailed information about the amounts attributable to unit holders of investor shares, in the next page.

# ALPHA QUEST FUNDS SICAV p.l.c.

## Statement of changes in net assets attributable to holders of redeemable shares

For the period ended 30 June 2022

	Attributable to unitholders of investor shares of:	
	Alpha Quest Balanced Fund	Alpha Quest Opportunity Fund
	30.06.21	30.06.21
	EUR	EUR
<b>Balance at the beginning of the period</b>	<b>15,216,832</b>	<b>14,211,685</b>
Decrease in net assets attributable to holders of redeemable shares	(127,868)	(1,978,869)
<b>Net assets as at the end of the period attributable to holders of redeemable shares</b>	<b>15,088,964</b>	<b>12,232,816</b>

	Attributable to unitholders of investor shares of:	
	Alpha Quest Balanced Fund	Alpha Quest Opportunity Fund
	30.06.21	30.06.21
	EUR	EUR
Balance at the beginning of the period	14,645,241	13,119,955
Increase in net assets attributable to holders of redeemable shares	232,690	539,018
<b>Net assets as at the end of the period attributable to holders of redeemable shares</b>	<b>14,877,931</b>	<b>13,658,973</b>

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

# ALPHA QUEST FUNDS SICAV p.l.c.

## Statement of changes in equity attributable to founder shareholders For the period ended 30 June 2022

	Share capital 30.06.22 EUR	Retained earnings 30.06.22 EUR	Total 30.06.22 EUR
Balance as at the beginning of the period	1,100	1,879,824	1,879,824
<b>Transactions with owners</b>			
Dividends declared to 'A' Class Shareholders	-	(1,879,825)	(1,879,825)
<b>Comprehensive income</b>			
Profit for the period	-	368,256	368,256
<b>Balance as at the end of the period</b>	<b>1,100</b>	<b>368,255</b>	<b>369,355</b>

	Share capital 30.06.21 EUR	Retained earnings 30.06.21 EUR	Total 30.06.21 EUR
Balance as at the beginning of the period	1,100	1,216,543	1,217,643
Comprehensive income			
Profit for the period	-	868,661	868,661
Balance as at the end of the period	1,100	2,085,204	2,086,304

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

# ALPHA QUEST FUNDS SICAV p.l.c.

## Statement of cash flows

For the period ended 30 June 2022

	The Company	The Company
	30.06.22	30.06.21
	EUR	EUR
<b>Cash flows from operating activities</b>		
Operating expenses paid	(110,536)	(792,855)
Interest received	1,003,442	523,633
Dividend received	90,261	-
Net received/(paid to) from sub-funds	-	1,974,446
Net paid to the founder shareholders	-	(1,852,440)
Purchase of investments and restitution points	(59,111,093)	(81,858,696)
Sale of investments and redemption of restitution points	45,734,985	45,423,976
Loans provided to related and third parties	-	6,119,244
Investment in advance	(2,000,000)	-
<b>Net cash outflows from operating activities</b>	<b>(14,392,941)</b>	<b>(30,462,693)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of bonds	-	27,108,063
Interest paid	(423,179)	63,867
Amounts advanced to 'A' Class shareholders	-	350,000
Dividends paid to 'A' Class shareholders	(1,879,825)	(1,216,543)
<b>Net cash (outflows)/inflows from financing activities</b>	<b>(2,303,004)</b>	<b>26,305,387</b>
Net decrease in cash and cash equivalents	(16,695,945)	(4,157,306)
Cash and cash equivalents at beginning of period	7,014,918	1,019,856
Effect of exchange rate fluctuations in cash and cash equivalents	(355,550)	(1,824,289)
<b>Cash and cash equivalents at end of period</b>	<b>(10,036,577)</b>	<b>(4,961,739)</b>

The accompanying notes are an integral part of these financial statements. These also include more detailed information about the amounts attributable to the founder shareholders and the attributable to unit holders of investor shares, in the next two pages.



# ALPHA QUEST FUNDS SICAV p.l.c.

## Statement of cash flows

For the period ended 30 June 2022

	Attributable to founder shareholders	Attributable to unitholders of investor shares of:	
		Alpha Quest Balanced Fund	Alpha Quest Opportunity Fund
	30.06.22 EUR	30.06.22 EUR	30.06.22 EUR
<b>Cash flows from operating activities</b>			
Operating expenses paid	(375)	368,151	(478,312)
Interest received	-	625,969	377,473
Dividend received	-	90,261	-
Net received/(paid to) from sub-funds	2,509,330	1,268	(1,268)
Net paid to the founder shareholders	-	(105,612)	(2,397,357)
Purchase of investments and restitution points	-	(41,189,349)	(17,921,744)
Sale of investments and redemption of restitution points	-	30,073,066	15,655,558
Investment in advance	-	-	(2,000,000)
<b>Net cash inflows/(outflows) from operating activities</b>	<b>2,508,955</b>	<b>(10,136,246)</b>	<b>(6,765,650)</b>
<b>Cash flows from financing activities</b>			
Interest paid	-	(423,179)	-
Dividends paid to 'A' Class shareholders	(1,879,825)	-	-
<b>Net cash outflows from financing activities</b>	<b>(1,879,825)</b>	<b>(423,179)</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents	629,130	(10,559,425)	(6,765,650)
Cash and cash equivalents at beginning of period	2,107,725	2,412,066	2,495,127
Effect of exchange rate fluctuations in cash and cash equivalents	(2,386)	(121,852)	(231,312)
<b>Cash and cash equivalents at end of period</b>	<b>2,734,469</b>	<b>(8,269,211)</b>	<b>(4,501,835)</b>

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

# ALPHA QUEST FUNDS SICAV p.l.c.

## Statement of cash flows (continued)

For the period ended 30 June 2022

	Attributable to founder shareholders	Attributable to unitholders of investor shares of:	
		Alpha Quest Balanced Fund	Alpha Quest Opportunity Fund
	30.06.21	30.06.21	30.06.21
	EUR	EUR	EUR
<b>Cash flows from operating activities</b>			
Operating expenses paid	(1,158)	(681,291)	(110,406)
Interest received	-	381,236	142,397
Net received/(paid to) from sub-funds	1,974,446	(17,816)	17,816
Net paid to the founder shareholders	-	(997,280)	(855,160)
Purchase of investments and restitution points	-	(46,972,654)	(34,886,042)
Sale of investments and redemption of restitution points	-	8,608,547	36,815,428
Loans provided to related and third parties	-	5,661,494	457,750
Net cash inflows from operating activities	1,973,288	(34,017,764)	1,581,782
<b>Cash flows from financing activities</b>			
Proceeds from issue of bonds	-	27,108,063	-
Interest paid	-	1,119	62,748
Amounts advanced to 'A' Class shareholders	350,000	-	-
Dividends paid to 'A' Class shareholders	(1,216,543)	-	-
Net cash outflows from financing activities	(866,543)	27,109,182	62,748
Net (decrease)/increase in cash and cash equivalents	1,106,745	(6,908,582)	1,644,530
Cash and cash equivalents at beginning of period	1,173,906	1,645,320	(1,799,370)
Effect of exchange rate fluctuations in cash and cash equivalents	(15,497)	(1,754,773)	(54,019)
Cash and cash equivalents at end of period	2,265,154	(7,018,035)	(208,859)

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

# ALPHA QUEST FUNDS SICAV p.l.c.

## Notes to the financial statements

For the period ended 30 June 2022

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### 1 Reporting entity

Alpha Quest Funds SICAV p.l.c. (the "Company") is organized under the laws of Malta as an investment company with variable share capital (SICAV) incorporated in accordance with the terms of the Companies Act, 1995 (Chapter 386, Laws of Malta) on 28 November 2016, with registration number SV430. The Company is licensed and regulated by the Malta Financial Services Authority ("MFSA") under the Investment Services Act (Chapter 370, Laws of Malta) as a Professional Investor Fund which targets Qualifying Investors as set out in the relevant Offering Supplement. In April 2022, the Company submitted an application to the Malta Financial Services Authority to convert its license into an Alternative Investment Fund. When this application is accepted, the Company will need to implement a number of structural changes needed to comply with the new license conditions.

As at reporting date, the Company has constituted two sub-funds, the Alpha Quest Balanced Fund and the Alpha Quest Opportunity Fund (the "Sub-funds"), which were both licensed on 30 November 2016. The Sub-funds are not separate legal entities. Alpha Quest Balanced Fund has issued bonds (see note 13) which are listed on the Prague Stock Exchange and on the Bratislava Stock Exchange.

The Company is the reporting entity and comprises all the activities of Alpha Quest Fund SICAV p.l.c. as the entity with the separate legal personality. The Statutory Financial Statements are those presented for the Company. The sub-funds are an integral part of that entity, as these do not have separate legal personality.

In accordance with prevalent local practice, segregated financial information relating to amounts 'attributable to the founder shareholders' and to amounts 'attributable to shareholders of the investor shares' (segregated by the specific sub-fund) are disclosed following each primary financial statement, as applicable, and these form an integral part of the notes to the financial statements. Also, in accordance with local practice, where appropriate, other disclosures in the notes in the financial statements are segregated by sub-fund. The inclusion of such financial information is nonetheless not a statutory requirement.

### 2 Basis of preparation

#### 2.1 Statement of compliance

These financial statements have been prepared and presented in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") (the "applicable framework"). All references in these financial statements to IAS, IFRS or SIC/IFRIC interpretations refer to those adopted by the EU.

These financial statements have also been prepared and presented in accordance with the provisions of the Companies Act, 1995 (Chapter 386, Laws of Malta).

#### 2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis, except for financial instruments at fair value through profit or loss, which are measured at their fair value.

#### 2.3 Functional and presentation currency

The financial statements are presented in Euro (EUR), which is the functional currency of the Company, rounded to the nearest unit.

'Functional currency' is the currency of the primary economic environment in which the Company operates. If indicators of the primary economic environment are mixed, then the directors use its judgement to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The Company's investments and transactions are denominated mainly in RON, CZK and EUR. Investor subscriptions and redemptions are determined based on net asset value, and received and paid in EUR. The expenses are denominated and paid in CZK, RON and EUR. Accordingly, the directors have determined that the functional currency of the Company is EUR.

#### 2.4 Use of assumptions, estimates and judgements

The preparation of financial statements in conformity with IFRS requires the directors to make judgments, estimates and assumptions that affect both the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate was revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In the opinion of the Directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult to reach, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1 *Presentation of Financial Statements*.

#### 2.5 New standards and interpretations not yet adopted

The Company did not early adopt new standards, amendments to standards and interpretations which are effective for annual periods beginning after 1 January 2022. None of these are expected to have a significant effect on the financial statements of the Company in the period of initial application.

# ALPHA QUEST FUNDS SICAV p.l.c.

## Notes to the financial statements

For the period ended 30 June 2022

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### 3 Significant accounting policies

The Company has consistently applied the accounting policies as set out below to all periods presented in these financial statements.

#### 3.1 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency at the spot exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the spot exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currency that are measured at fair value are retranslated to the functional currency at the spot exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the Statement of comprehensive income.

#### 3.2 Interest income and interest expense

Interest income comprises interest income on debt instruments. Interest expense comprises interest expense on borrowings. Interest income and interest expense are recognized as they accrue in profit or loss, using the effective interest method.

#### 3.3 Fees and commission expenses

Fees and commission expenses are recognised in the statement of comprehensive income as the related services are performed.

#### 3.4 Restitution points

Restitution points arise from a statutory right in Romania (as further explained in note 12) and consequently, are not considered to be a financial asset under IAS 32 *Financial Instruments: Presentation*. These points do not fall within the scope of any specific IFRS. The directors performed a reassessment of the restitution points under the EU adopted IFRS framework and concluded that such an asset would not pass the SPPI test under IFRS 9 in view of the existence of a potential option which would allow the Company to opt for the application of the full par amount of the Restitution Points to auction for property in lieu of cash. Following their reassessment, the directors are of the view that IAS 16 provides specific guidance on compensation for the impairment of property, plant and equipment. On the premise that a loss event that creates a right for the Company to assert a claim has occurred, the entity recognises a receivable for the compensation when it has an unconditional contractual right to receive the compensation, in this case through holding the Restitution Points. Under this classification, the initial and subsequent measurement of the Restitution Points remain unchanged. The Company, therefore, continues to account for the restitution points as follows:

On acquisition, the restitution points are recognised at the fair value of the consideration transferred, being the cash compensation paid to the transferor. Subsequently, these are measured at amortised cost based on the discounted future cash flows expected to arise from the redemption of the Restitution Points, on the basis that the Company will enjoy the economic benefits from these assets by way of redeeming them through forward claims against the Romanian State (compensated in cash, over a period of five years, in equal tranches of 20% of the total number of points it owns). In addition, the Company's potential benefit from exercising the option to auction for property is treated as a contingent gain in accordance with IAS 37.

#### 3.5 Financial assets and financial liabilities

##### 3.5.1 Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities at fair value through profit or loss ("FVTPL") on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognised on the date on which they are originated.

A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

##### 3.5.2 Classification and subsequent measurement

On initial recognition, the Company classifies financial assets as measured at amortised cost or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are SPPI.

All other financial assets of the Company are measured at FVTPL.

# ALPHA QUEST FUNDS SICAV p.l.c.

## Notes to the financial statements

For the period ended 30 June 2022

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### 3 Significant accounting policies (continued)

#### 3.5 Financial assets and financial liabilities (continued)

##### 3.5.2 Classification and subsequent measurement (continued)

###### *Business model assessment*

In making an assessment of the objective of the business model in which a financial asset is held, the Company considers all of the relevant information about how the business is managed, including:

- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how the investment manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity. Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

The Company has determined that it has two business models:

- **Held-to-collect business model:** this includes cash and cash equivalents, and other financial assets. These other financial assets are held to collect contractual cash flows.
- **Other business model:** this includes debt securities and investments in unlisted open-ended investment funds and derivatives. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

###### *Assessment whether contractual cash flows are SPPI*

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- prepayment and extension features;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

###### *Reclassifications*

Financial assets are not reclassified subsequent to their initial recognition unless the Company were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

###### *Classification and subsequent measurement*

The Company classified financial assets into the following categories.

- Financial assets at FVTPL  
*Designated as at FVTPL:* debt securities and mutual funds
- Financial assets at amortised cost:  
*Loans and receivables:* cash and cash equivalents and receivables.

The Company designated all debt investments as at FVTPL on initial recognition because it managed these securities on a fair value basis in accordance with its documented investment strategy. Internal reporting and performance measurement of these securities were on a fair value basis.

###### *Financial liabilities – Classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

# ALPHA QUEST FUNDS SICAV p.l.c.

## Notes to the financial statements

For the period ended 30 June 2022

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### 3 Significant accounting policies (continued)

#### 3.5 Financial assets and financial liabilities (continued)

##### 3.5.2 Classification and subsequent measurement (continued)

*Financial liabilities – Classification, subsequent measurement and gains and losses (continued)*

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Financial liabilities measured at amortised cost includes *Bonds issued and Other liabilities consisting of Other Payables*.

##### 3.5.3 Fair value measurement

'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 measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Company measures instruments quoted in an active market at a mid-price, because this price provides a reasonable approximation of the exit price.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction. The Company recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

##### 3.5.4 Amortised cost measurement

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

##### 3.5.5 Impairment

The Company recognises loss allowances for ECLs on financial assets measured at amortised cost.

The Company measures loss allowances at 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Company considers a financial asset to have low credit risk when the credit rating of the counterparty is equivalent to the globally understood definition of 'investment grade'. The Company considers this to be Baa3 by Moody's.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

# ALPHA QUEST FUNDS SICAV p.l.c.

## Notes to the financial statements

For the period ended 30 June 2022

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### 3 Significant accounting policies (continued)

#### 3.5 Financial assets and financial liabilities (continued)

##### 3.5.5 Impairment (continued)

###### *Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

###### *Presentation of allowance for ECLs in the statement of financial position*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

###### *Write-off*

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

##### 3.5.6 Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all of the risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with retention of all or substantially all of the risks and rewards include sale and repurchase transactions.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

##### 3.5.7 Net gain/loss from financial instruments at fair value through profit or loss

Net gain/loss from financial instruments at fair value through profit or loss includes all realised and unrealised fair value changes and foreign exchange differences.

Net realised gain/loss from financial instruments at fair value through profit or loss is calculated using the average cost method.

##### 3.5.8 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has currently a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis for gains and losses from financial instruments at FVTPL and foreign exchange gains and losses.

##### 3.6 Redeemable shares

The Company classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The Sub-funds issue redeemable shares on every dealing day defined as 31 December of each year, which are redeemable at the holder's option on every dealing day as defined above. Such shares are classified as financial liabilities. Redeemable shares can be put back to the Sub-funds at any time for cash equal to a proportionate share of the Sub-funds' net asset value attributable to the share class. The redeemable shares are carried at the redemption amount that is payable at the statement of financial position date if the holder exercises the right to put the share back to the Sub-funds.

# ALPHA QUEST FUNDS SICAV p.l.c.

## Notes to the financial statements

For the period ended 30 June 2022

### 3 Significant accounting policies (continued)

#### 3.6 Redeemable shares (continued)

Redeemable shares are issued and redeemed at the holder's option at prices based on the Sub-funds' net asset value per share at the time of issue or redemption. The Sub-funds' net asset value per share is calculated by dividing the net assets attributable to the holders of each redeemable share with the total number of outstanding redeemable shares. In accordance with the provisions of the Sub-funds' regulations, investment positions are valued annually on 31 December based on the latest available dealing price for the purpose of determining the net asset value per share for subscriptions and redemptions.

#### 3.7 Taxation

In terms of current Maltese fiscal legislation, collective investment schemes are classified as either 'prescribed' or 'non-prescribed' funds for income tax purposes. A collective investment scheme which declares that the value of its assets situated in Malta is less than eighty-five per cent of the value of its total assets is treated as a non-prescribed fund. On this basis, the Company qualifies as a non-prescribed fund for Maltese income tax purposes. Accordingly, the Company should not be subject to Maltese income tax in respect of the income or gain derived by it, except in respect of any income from immovable property situated in Malta, if any. Capital gains, dividends, interest and any other income from foreign investments held by the Company may nonetheless be subject to tax imposed by the country of origin concerned and any such taxes may not be recoverable by the Company or by the members under Maltese domestic tax law. The sub-funds are not a legal personality, so taxation is applied on the Company, which includes also the sub-funds.

##### *Members resident in Malta*

Capital gains realised by Maltese resident investors on the redemption, liquidation or cancellation of units may be subject to a 15% withholding tax. However, the Maltese resident investors may request the Company not to effect the deduction of the said 15% withholding tax in which case the investor would be required to declare the gains in his income tax return and will be subject to tax at the normal rates of taxes.

##### *Members not resident in Malta*

Any gains accruing to members not resident in Malta upon the transfer of shares (including a redemption) or upon a distribution on a winding-up of the Company should not be subject to tax in Malta subject to certain conditions being satisfied. The transfer of shares (including a redemption) and any distribution on a winding-up of the Company may result in a tax liability for the non-Maltese members according to the tax regime applicable in their respective countries of incorporation, establishment, residence, citizenship, nationality, domicile, or other relevant jurisdiction.

### 4 Format of the financial statements

In terms of Section 3(3) of the Third Schedule of the Companies Act, 1995 (Chapter 386, Laws of Malta) the layout, nomenclature and terminology of the items in these audited financial statements were adapted to the special nature of the Company. The profit and loss is referred to as the Statement of Comprehensive Income.

### 5 Cash and cash equivalents

Cash and cash equivalents as disclosed in the Statement of Cash Flows comprise cash at bank as follows:

<b>In EUR</b>	<b>30.06.2022</b>	31.12.2021
Founder shareholders	<b>2,734,469</b>	2,107,725
Alpha Quest Balanced Fund – Cash at Bank	-	2,412,066
Alpha Quest Opportunity Fund – Cash at Bank	-	2,495,127
The Company	<b>2,734,469</b>	7,014,918
<hr/>		
<b>In EUR</b>	<b>30.06.2022</b>	31.12.2021
Alpha Quest Balanced Fund – Bank Overdraft	<b>8,269,211</b>	-
Alpha Quest Opportunity Fund – Bank Overdraft	<b>4,501,835</b>	-
The Company	<b>12,771,046</b>	-
<hr/>		

### 6 Share capital

The Company's share capital is represented by the Founder Shares. The Founder shares were issued at EUR 1 each and carry the right to one vote each and shall be the only share class in the Company carrying voting rights. The "A" Ordinary Shares are issued at EUR 1 per share and these do not carry any voting rights.



# ALPHA QUEST FUNDS SICAV p.l.c.

## Notes to the financial statements

For the period ended 30 June 2022

### 6 Share capital (continued)

As at period end, the Company had EUR 1,100 issued share capital comprising of 1,100 fully paid-up shares being subscribed as follows:

- Joseph Xuereb	1,000 Voting Founder shares
- Fraternity Capital Limited	50 'A' Ordinary shares
- Ovidiu Fer	50 'A' Ordinary shares.

The total amount of distributions on Founder Shares and "A" Ordinary Shares shall be an amount not exceeding the aggregate of the Management Fee and Performance Fee due under the terms of the Offering Supplements.

### 7 Redeemable shares

Redeemable shares outstanding are represented by "Investor Shares" issued for each of the Sub-funds separately. The Investor shares do not carry any voting rights.

The maximum number of authorised investor shares of the Company is five billion (5,000,000,000) shares without any nominal value assigned to them, which may be issued as shares of any class representing the Sub-funds.

The movement in the Redeemable shares of the Sub-funds as at 30 June 2022 was as follows:

	Attributable to unitholders of investor shares of:	
	Alpha Quest Balanced Fund No. of shares	Alpha Quest Opportunity Fund No. of shares
Balance at the beginning of the period	8,067.03	7,989.97
Issue of redeemable shares during the period	-	-
Balance as at 30 June 2022	<u>8,067.03</u>	<u>8,067.03</u>

The movement in the Redeemable shares of the Sub-funds as at 31 December 2021 was as follows:

	Attributable to unitholders of investor shares of:	
	Alpha Quest Balanced Fund No. of shares	Alpha Quest Opportunity Fund No. of shares
Balance at the beginning of the year	8,067.03	7,989.97
Redemption of redeemable shares during the year	-	-
Balance as at 31 December 2021	<u>8,067.03</u>	<u>7,989.97</u>

The net asset value per share of the Sub-funds were as follows:

	2022	2021	2020
<b>Alpha Quest Balanced Fund</b>			
Investor shares in issue as at end of the period	8,067.03	8,067.03	8,067.03
Net asset value of investor shares as at end of the period	15,088,964	15,216,832	14,645,241
Net asset value per share as at end of the period	1,870.4485	1,886.2992	1,815.4437
<b>Alpha Quest Opportunity Fund</b>			
Investor shares in issue as at end of the year	7,989.97	7,989.97	7,989.97
Net asset value of investor shares as at end of the year	12,232,816	14,211,685	13,119,955
Net asset value per share as at end of the year	1,531.0215	1,778.6907	1,642.0531

# ALPHA QUEST FUNDS SICAV p.l.c.

## Notes to the financial statements

For the period ended 30 June 2022

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### 8 Related party balances and transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party in making financial or operational decisions.

#### *Identity of related parties*

The Company has a related party relationship with its founder shareholder, with its 'A' class shareholders, with the directors Mr. Joseph Xuereb, Mr. Frank Chetcuti Dimech and Mr. Michal Kosac and with other companies with common director or owned by a Company's director. Mr. Joseph Xuereb and Mr. Michal Kosac are also part of the Investment Committee of the Company. The Company and the sub-funds have also entered into transactions between themselves during the period.

The related party transactions entered during the period 1 January 2022 to 30 June 2022 are mentioned below:

- Alpha Quest Balanced Fund and Alpha Quest Opportunity Fund have paid directors and investment committee fees of EUR 4,967 each (2021: EUR 10,867 each).
- Alpha Quest Balanced Fund incurred Management fees of EUR 281,824 (2021: EUR 583,056), with management fees amounting to EUR 1,694,801 (2021: EUR 1,412,977) yet to be paid. The sub-Fund also incurred Performance fees of EUR Nil (2021: EUR 1,478,842), with performance fees amounting to EUR 5,098,938 (2021: EUR 5,098,938) yet to be paid.
- Alpha Quest Opportunity Fund incurred Management fees of EUR 91,674 (2021: EUR 195,110), with management fees amounting to EUR 439,808 (2021: EUR 348,134) yet to be paid. The sub-Fund also incurred Performance fees of EUR Nil (2021: EUR 363,910), with performance fees amounting to EUR 1,683,875 (2021: EUR 1,683,875) yet to be paid.
- There were no transfer of points between sub-funds during the current period.
- Alpha Quest Balanced Fund subscribed CZK 10 Million (equivalent to EUR 399,499) (2021: CZK 120 Million (equivalent to EUR 4,774,600) in its own bonds which were issued in 2022 and redeemed CZK 14 Million (equivalent to EUR 569,846) (2021: CZK 100 Million (equivalent to EUR 3,978,833) during 2022. The amount outstanding as at 31 December 2022 amounted to CZK 14 Million (equivalent to EUR 552,145) (2021: CZK 19.8 Million (equivalent to EUR 795,964)) and was netted against the bonds payable. The interest earned on such transaction was CZK 557,083 (equivalent EUR 22,514) (2021: CZK 1,566,250 (equivalent to EUR 62,900)).
- Alpha Quest Balanced Fund subscribed CZK 92 Million (equivalent to EUR 3,715,906) (2021: CZK 130 Million (equivalent to EUR 5,032,695)) bonds in a related party Fraternity Funds SICAV p.l.c. and redeemed CZK 38 Million (equivalent to EUR 1,526,662) (2021: CZK 20 Million (equivalent to EUR 785,076)) during 2022. The amount outstanding as at 30 June 2022 is CZK 151 Million (equivalent to EUR 6,096,199) (2021: CZK 110 Million (equivalent to EUR 4,159,798)). The interest earned on such transaction was CZK 4,095,058 (equivalent to EUR 165,500) (2021: CZK 4,179,583 (equivalent to EUR 167,025)).
- Alpha Quest Opportunity Fund subscribed CZK Nil (equivalent to EUR Nil) (2021: CZK 90 Million (equivalent to EUR 3,480,079)) bonds in a related party Fraternity Funds SICAV p.l.c. and redeemed CZK 58 Million (equivalent to EUR 2,340,006) (2021: CZK 30 Million (equivalent to EUR 1,177,486)) during 2022. The amount outstanding as at 30 June 2022 is CZK Nil (equivalent to EUR Nil) (2021: CZK 60 Million (equivalent to EUR 2,268,981)). The interest earned on such transaction was CZK 665,000 (equivalent to EUR 26,876) (2021: CZK 2,677,500 (equivalent to EUR 106,896)).
- For the redemption of restitution points (handled by the founder shareholders on behalf of the sub-funds), amounts receivable by the sub-funds from the founder shareholders is as below:  
  
Alpha Quest Balanced Fund - EUR 9,653,741 (2021: EUR 9,541,191)  
Alpha Quest Opportunity Fund – EUR 1,628,795 (2021: EUR Nil)  
  
For purchase of restitution points on behalf of the sub-funds by the founder shareholders, amount payable to the founder shareholders as at 30 June 2022 is as below:  
  
Alpha Quest Balanced Fund - EUR Nil (2021: EUR Nil)  
Alpha Quest Opportunity Fund – EUR Nil (2021: EUR 770,466)
- For the transfers between the sub-funds, Alpha Quest Opportunity Fund owes Alpha Quest Balanced Fund the amount of EUR 2,529,936 (2021: EUR 2,530,570).

# ALPHA QUEST FUNDS SICAV p.l.c.

## Notes to the financial statements

For the period ended 30 June 2022

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### 8 Related party balances and transactions (continued)

- Introducer fees charged by "A" class shareholders to Alpha Quest Balanced Fund amounted to EUR Nil (2021: EUR 400,000). Introducer fees payable to "A" class shareholders as at 30 June 2022 amounted to EUR Nil (2021: EUR 150,000).
- During the period, dividends of EUR 1,879,825 (2021: EUR 2,085,205) were declared to "A" Class shareholders. Amounts advanced or paid as dividends to "A" Class shareholders during the year amounted to EUR Nil (2021: EUR 1,735,205). The receivable from these shareholders as at 30 June 2022 amounted to EUR Nil (2021: EUR Nil).

Reference is also to be made to the Statement of changes in equity attributable to founder shareholders for transactions with founder shareholders and note 6.

### 9 Financial Risk Review

The Company is established as an investment company with variable share capital (SICAV) which implies that financial instruments are extensively used in the course of its routine business. The type of financial instruments in which the Company may invest is regulated by its Offering Memorandum and Offering Supplements investments restrictions.

The Company is an investment vehicle designed to specifically achieve different investment objectives through its sub-funds.

#### Investment objective

The investment objective of both Sub-Funds is to achieve capital appreciation primarily through investments in points representing entitlement to immovable property located in Romania with the purpose of redeeming the points so acquired into cash or re-selling the immovable property so acquired. Such investments are derived from indemnification decisions issued by the Romanian Government – National Commission for Real Estate Indemnifications, based on Law no. 165/2013 ("the Romanian Law") regarding the measures for the completion of the restitution process, in kind or in equivalent, of the properties unlawfully seized during the Romanian communist regime, as subsequently amended.

The Romanian law provides that where restitution in kind to the former owners is not possible, the restitution request is settled by granting compensation in the form of points (hereinafter "Points"), with each point having a value of one Romanian Leu (RON 1). Starting from 1 January 2017, persons obtaining such points may use them in order to acquire immovable property from a National Fund by public auction or, for a period of five (5) years, to redeem them into cash up to a maximum of 20% of the nominal value of Points per annum. There is no time-limit for utilizing Points to acquire immovable property by public auction.

The Points will be acquired on the secondary market from existing owners through a notarial deed executed and registered in Romania.

If Points are redeemed at public auctions, the Sub-fund (through the Company) will not enter into any co-ownership deal and will only acquire individual properties in their entirety. Nonetheless, the objective of the sub-funds is to redeem points for cash. No Points will be acquired from any of the members of the Investment Committee and/ or any related parties to the Company.

The Sub-funds may also invest in government and corporate bonds in developed markets. The Sub-funds (through the Company) may also enter into agreements with third party banks that desire to issue fixed income products linked to the Sub-fund's underlying assets and issue fixed income securities. The Sub-funds may from time to time invest unutilized cash in bonds and currency swaps. Such investments may be with various entities in various markets or industries and in different geographical locations, without limitation. Depending on market conditions, the Sub-fund may also from time to time invest in cash or money market instruments for liquidity purposes.

The Sub-funds are also exposed to market, credit and liquidity risks. This note presents information about the sub-fund's exposure to these risks, the objectives, policies and process for measuring and managing risk and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

# ALPHA QUEST FUNDS SICAV p.l.c.

## Notes to the financial statements

For the period ended 30 June 2022

### 9 Financial Risk Review (continued)

#### 9.1 Market risk

Market risk arises when changes in foreign exchange rates or equity prices affect the positions held by the Company. The Company does not regard either interest rate or commodity risks as material in its case. The Company invests neither in securities that exhibit direct interest rate sensitivity nor in commodities.

##### Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual instrument or its issuer, or factors affecting financial instruments traded in the market. All securities present a risk of loss of capital.

The Sub-funds are not exposed to market price risk arising from their investments in the Romanian restitution points. The sub-funds invest in restitution points which are not subject to price risk. The sub-funds also hold investments in debt securities, which was exposed to price risk.

As at 30 June 2022 and 31 December 2021, the fair value of the Bonds and Fund Investments exposed to price risk were as follows:

	Attributable to unitholders of investor shares of:		Attributable to unitholders of investor shares of:	
	Alpha Quest Balanced Fund	Alpha Quest Opportunity Fund	Alpha Quest Balanced Fund	Alpha Quest Opportunity Fund
	30.06.2022	30.06.2022	2021	2021
	EUR	EUR	EUR	EUR
Debt securities	24,777,652	13,849,746	27,576,990	11,906,423
Equity securities	4,018,615	-	2,690,877	-
	<b>28,796,267</b>	<b>13,849,746</b>	<b>30,267,867</b>	<b>11,906,423</b>

##### Sensitivity Analysis

As of 30 June 2022, had prices increased/decreased by 1% with all other variables held constant, the increase/decrease in the net assets attributable to holders of redeemable participating shares would have been EUR (+287,963/-287,963) (2021: EUR (+302,679/-302,679)) for Alpha Quest Balanced and EUR (+138,497/-138,497) (2021: EUR (+119,064/-119,064)) for Alpha Quest Opportunity Fund.

##### Currency risk

The Company invests in assets, which can be denominated in currencies other than the Euro, its functional currency. The Company is exposed to risks that the exchange rate of the Euro against other currencies may change in a manner that has an adverse effect on its Net Asset Value.

The Fund's total net exposure to foreign currency exchange rates at the reporting date was as follows:

##### All amounts stated in EUR for the Alpha Quest Balanced Fund:

30 June 2022 EUR	Cash and Cash equivalents	Bank overdraft	Loans and interest receivable	Financial Assets at FVTPL/ Restitution points/ Bonds Payable	Intercompany Balances	Total net exposure	5% of exposure
Romania Leu	35,254	(2,968,436)	-	40,205,830	4,112,336	41,384,984	2,069,249
Czech Koruna	9,108,815	-	677,087	27,162,376	163,679	37,111,957	1,855,598
United States Dollar	13,102	-	-	-	-	13,102	655

# ALPHA QUEST FUNDS SICAV p.l.c.

## Notes to the financial statements

For the period ended 30 June 2022

### 9 Financial Risk Review (continued)

#### 9.1 Market risk (continued)

*Currency risk (continued)*

31 December 2021 EUR	Cash and Cash equivalents	Loans and interest receivable	Financial Assets at FVTPL/ Restitution points/ Bonds Payable	Intercompany Balances	Receivable from Government	Total net exposure	5% of exposure
Romanian Lei	6,242,362	-	26,180,536	5,502,609	632,109	38,557,616	1,927,881
Czech Koruna	(12,636,492)	618,562	20,120,519	162,811	-	8,265,400	413,270
United States Dollar	12,063	-	-	-	-	12,063	603

*All amounts stated in EUR for the Alpha Quest Opportunity Fund:*

30 June 2022 EUR	Cash and Cash equivalents	Bank overdraft	Loans and interest receivable	Financial Assets at FVTPL/ Restitution points	Intercompany Balances	Total net exposure	5% of exposure
<b>Romania Leu</b>	<b>203</b>	<b>-</b>	<b>-</b>	<b>3,625,823</b>	<b>7,797,762</b>	<b>9,953,673</b>	<b>497,684</b>
<b>Czech Koruna</b>	<b>12,311</b>	<b>(13,303,021)</b>	<b>348,095</b>	<b>13,849,746</b>	<b>8,083</b>	<b>915,214</b>	<b>45,761</b>
<b>United States Dollar</b>	<b>2,825</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,825</b>	<b>141</b>
31 December 2021 EUR	Cash and Cash equivalents	Loans and interest receivable	Financial Assets at FVTPL/ Restitution points	Intercompany Balances	Receivable from Government	Total net exposure	5% of exposure
Romanian Lei	6,487,288	-	4,863,507	5,759,228	156,670	17,266,693	863,335
Czech Koruna	(6,121,564)	223,890	9,431,173	8,040	-	3,541,539	177,077
United States Dollar	2,601	-	-	-	-	2,601	130

*All amounts stated in EUR for the Founder Shareholders*

30 June 2022 EUR	Cash and Cash equivalents	Intercompany Balances	Total net exposure	5% of exposure
<b>Romanian Leu</b>	<b>2,715,478</b>	<b>(11,910,098)</b>	<b>(9,194,620)</b>	<b>(459,731)</b>
<b>Czech Koruna</b>	<b>2,481</b>	<b>(171,762)</b>	<b>(169,280)</b>	<b>(8,464)</b>
31 December 2021 EUR	Cash and Cash equivalents	Intercompany Balances	Total net exposure	5% of exposure
Romanian Leu	2,071,535	(11,261,838)	(9,190,303)	(459,515)
Czech Koruna	2,468	(170,851)	(168,383)	(8,419)

As at 30 June 2022 and 31 December 2021, should foreign exchange rates been 5% higher/(lower) against the Euro, with all other relevant variables held constant, the increase/(decrease) in net assets attributable to redeemable participating shareholders and in the equity for Founder shareholders for the year would have been as calculated in the above table.

# ALPHA QUEST FUNDS SICAV p.l.c.

## Notes to the financial statements

For the period ended 30 June 2022

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### 9 Financial Risk Review (continued)

#### 9.2 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company, resulting in a financial loss to the Company. It arises principally from debt securities held, loans receivable, cash and cash equivalents and other receivables. For risk management reporting purposes, the Company considers and aggregates all elements of credit risk exposure (such as individual obligor default risk, country risk and sector risk).

The Company's policy over credit risk is largely concentrated within the Government of Romania which is perceived as having a very low risk of default. Credit risk is monitored on a quarterly basis by the Board of Directors and Investment Committee in accordance with the policies and procedures in place. The Company's activities may give rise to settlement risk. 'Settlement risk' is the risk of loss due to the failure of a counterparty's ability to honour its obligations to deliver cash as contractually and legally agreed upon.

#### Restitution points

The Company is the holder of uncontested and liquid claims against the Romanian State, in the amounts expressly provided within the Restitution Certificates and Decisions of Compensation. The Romanian law establishes deadlines for local entities to approve or reject claims for compensation. The legislation also establishes penalties for violation of the legislation including failure to meet compensation deadlines. The Company monitors on a regular basis amendments on the legislation governing the compensation process.

#### Cash and cash equivalents

The cash and cash equivalents of the Company are held with J&T Banka and Banca Comerciala Romana S.A. The credit rating for Banca Comerciala Romana S.A is Baa1 by Moody's whereas J&T Banka is not rated by a credit rating agency.

#### Debt securities held

The debt securities held by the sub-Funds, including those held in Alpha Quest Balanced Fund, are all unrated.

#### 9.2.1 Amounts arising from ECL and Recoverability of receivables under restitution points

Impairment on cash and cash equivalents and related party balances have been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that these exposures have low credit risk based on the external credit ratings and/or financial positions of the counterparties.

The Company monitors changes in credit risk on these exposures by tracking published external credit ratings of the counterparties. During the period 2022, the Company did not recognise an impairment allowance nor did this condition change during the year ending 31 December 2021 as such impairment was considered to be immaterial.

The Company acquires Restitution points at a discount and values the asset at amortised cost. The Board of Directors monitors each and every contract with the Romanian Government to ensure that the 20% annual restitution is paid on time. To this date, all restitution points have been received on and when due, and successfully cashed by the Company. The Company continues to consider the Government of Romania as having "extremely low credit risk" at the reporting date of these financial statements.

#### 9.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's liquidity position is monitored on a regular basis. Redeemable shares are redeemed on demand at the holder's option provided that the redemption request is received by the respective Sub-fund three business days before the relevant dealing day, and if accepted by the Company, they will be dealt on every dealing day which is defined as 31 December of each year.

The Directors may limit the total number of the Investor shares which may be redeemed on any dealing day to 10% of the outstanding Investor shares in a particular sub-Fund. In the event that such a limit is reached at any point during a dealing day, the directors may defer any further redemption instructions received during that dealing day, to such time as the total number of redemption applications received on that dealing day is re-established at less than 10% of the outstanding Investor Shares in the particular sub-Fund.

The balance of such Investor Shares that are not redeemed on that dealing day because of the limit established above will be redeemed on the next dealing day, subject to the directors' same power of deferral until the original redemption instructions have been satisfied. Redemption requests which are deferred to the following dealing day will be given priority over any redemption requests received in relation to the said dealing day.

# ALPHA QUEST FUNDS SICAV p.l.c.

## Notes to the financial statements

For the period ended 30 June 2022

### 9 Financial Risk Review (continued)

#### 9.3 Liquidity risk (continued)

##### Alpha Quest Balanced Fund

On 22 December 2016, the Sub-Fund offered on the Prague Stock Exchange a private placement bond of CZK 500 million. In 2016, the sub-Fund issued CZK 460 million. On 27 December 2017, the Sub-Fund further offered and issued CZK 340 million bonds. On 8 January 2018, the Sub-Fund further offered and issued CZK 200 million bonds. These bonds were unsecured, their maturity date was on 22 December 2021 and had fixed annual coupons of 4.5%.

On 15 December 2020, the Sub-Fund offered on the Bratislava Stock Exchange a private placement bond of EUR 6,223,000. The bond is unsecured, its maturity date is on 15 December 2025 and has fixed annual coupon of 5%. During 2021, the Sub-Fund further offered and issued EUR 33,777,000 bonds.

During 2021, the Sub-Fund offered on the Bratislava Stock Exchange a private placement bond of CZK 200,000,000. The bond is unsecured, its maturity date is on 22 June 2026 and has fixed annual coupon of 5.25%.

The Sub-Fund is the owner of Romanian Restitution Certificates ("points") issued by the Romanian State. In January 2017, Romania started the pay-out of the par value of points (1 point = 1 RON) in five annual payments (20% of the par value each year, i.e. 0.20 RON per point). Proceeds of the payments made by the State will be used to satisfy the coupon payments required to be made by the issuer.

##### Alpha Quest Opportunity Fund

Alpha Quest Opportunity is also the holder of restitution points. The sub-Fund's liquidity position is monitored on a regular basis as mentioned in the above paragraph.

All other liabilities of the Company are due within less than one year.

### 10 Fair value information

#### Fair value hierarchy

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

#### 30 June 2022

Sub-Funds	Currency	Debt Securities held	Forward contracts	Equity	Level 1	Level 2	Level 3
Alpha Quest Balanced Fund	EUR	24,744,991	32,661	4,018,615	4,018,615	24,777,652	-
Alpha Quest Opportunity Fund	EUR	13,849,746	-	-	-	13,849,746	-

#### 31 December 2021

Sub-Funds	Currency	Debt Securities held	Forward contracts	Equity	Level 1	Level 2	Level 3
Alpha Quest Balanced Fund	EUR	27,576,990	(101,123)	2,690,877	2,690,877	27,475,867	-
Alpha Quest Opportunity Fund	EUR	11,906,423	-	-	-	11,906,423	-

# ALPHA QUEST FUNDS SICAV p.l.c.

## Notes to the financial statements

For the period ended 30 June 2022

### 10 Fair value information (continued)

As at 30 June 2022, the fair value of the bonds issued in Alpha Quest Balanced Fund amounted to EUR 46,257,782 (2021: EUR 47,763,675). This value is a level 2 under the fair value hierarchy. The fair values of other financial assets and liabilities approximate their respective carrying amount.

### 11 Financial assets at fair value through profit or loss

As at 30 June 2022, Financial assets at fair value through profit of loss consist of the following:

In EUR	Attributable to unitholders of investor shares of:		Attributable to unitholders of investor shares of:	
	Alpha Quest Balanced Fund	Alpha Quest Opportunity Fund	Alpha Quest Balanced Fund	Alpha Quest Opportunity Fund
	<b>30.06.2022</b>	<b>30.06.2022</b>	2021	2021
Debt securities	24,744,991	13,849,746	27,576,990	11,906,423
Equity securities	4,018,615	-	2,690,877	-
Forward contracts	32,661	-	-	-
	<b>28,796,267</b>	<b>13,849,746</b>	<b>30,267,867</b>	<b>11,906,423</b>
<b>In EUR</b>			<b>The Company</b>	<b>The Company</b>
			<b>30.06.2022</b>	2021
Debt securities			38,594,737	39,483,413
Equity securities			4,018,615	2,690,877
Forward contracts			32,661	(101,123)
			<b>42,646,013</b>	<b>42,073,167</b>

The debt securities consist of corporate bonds with coupon rates of 0.00% to 5.70% (2021: 4.90% to 5.90%) for Alpha Quest Balanced Fund and 4.80% to 6.50% (2021: 4.40% to 6.50%) for Alpha Quest Opportunity Fund. These debt securities include the bonds issued by Alpha Quest Balanced Fund (refer to note 8).

The collective investment scheme of Alpha Quest Opportunity Fund consists of the investment in Alpha Quest Balanced Fund.

### 12 Restitution points

The Restitution Certificates are the result of Law no. 165/2013 passed by the Romanian Parliament on April 2013, whereby it moves to compensation in the form of issuing points that can be used to purchase auctioned property confiscated during the Communist regime or redeemed for cash. The holder of the points must undergo a restitution process to exchange the points for the earmarked property or through a compensation process if restitution in kind is not possible.

The measurement basis chosen for the valuation of the Restitution Points held by the sub-funds was the discounted value approach, as this was deemed to be the only applicable approach given the characteristics of the assets and the sub-funds' intention to enjoy the economic benefits from the assets by way of redeeming them through forward claims against the Romanian State which will be compensated in cash, over the next five years in equal tranches of 20% of the total number of points it owns. It was also assumed that such claims shall be made at the beginning of each year, no later than 1 February of the respective year with cash received in 180 days after registering the claim with the National Authority for Property Restitution ("ANRP"), under the provisions of the Romanian Law.

To estimate the discounted value of the assets, the discounted cash flow method was applied. To derive the present value of the cash flows arising from the compensation of the points as mentioned above, it was considered that the appropriate discount rate should be the effective interest rate.

In addition, no asset has been recognised for the potential benefit arising from the possible option to auction for property as this is considered to be remote.

During the period, the sub-funds have invested in restitution points as stated below:

#### Alpha Quest Balanced fund

Balances outstanding in this sub-fund are as below.

The nominal value of outstanding points as on 30 June 2022 is RON 270,061,176 (equivalent to EUR 54,594,879) (2021: RON 153,416,616 (equivalent to EUR 31,000,930)). Cost of these points are RON 165,770,072 (equivalent to EUR 33,511,655) (2021: RON 99,080,867 (equivalent to EUR 20,021,293)).



# ALPHA QUEST FUNDS SICAV p.l.c.

## Notes to the financial statements For the period ended 30 June 2022

### 12 Restitution points (continued)

#### Alpha Quest Opportunity fund

Balances outstanding in this sub-fund are as below.

The nominal value of outstanding points as on 30 June 2022 is RON 21,666,346 (equivalent to EUR 4,380,108) (2021: RON 31,072,613 (equivalent to EUR 6,278,850)). Cost of these points are RON 13,504,253 (equivalent to EUR 2,729,985) (2020: RON 18,722,809 (equivalent to EUR 3,783,323)).

Based on the assumptions and analysis mentioned above, the discounted value of the Restitution points of Alpha Quest Balanced Fund is estimated at RON 187,964,279 (2021: RON 116,245,025) and for Alpha Quest Opportunity Fund is estimated at RON 17,935,637 (2021: RON 24,068,400) which was then converted into Euro, the base currency of the sub-Funds, applying the exchange rate as at reporting date.

The discounted value of the restitution points as at 30 June 2022 is follows:

<b>Alpha Quest Balanced Fund</b>	<b>EUR</b>
	<b>37,998,379</b>
<b>Alpha Quest Opportunity Fund</b>	<b>3,625,823</b>

The discounted value of the restitution points as at 31 December 2021 is follows:

Alpha Quest Balanced Fund	EUR
	23,489,659
Alpha Quest Opportunity Fund	4,863,507

Restitution points although not listed, are in high demand and can be easily sold to third parties should the company wish to do so without any obstacles.

### 13 Bonds issued

On 22 December 2016, the Alpha Quest Balanced Fund offered on the Prague Stock Exchange, through a public offer, a non-collateralized bond of CZK 500 million. In 2016, the sub-Fund issued CZK 460 million bonds, in 2017 it further issued CZK 340 million bonds and in 2018, the sub-Fund further issued CZK 200 million bonds for a total issued bonds as at 31 December 2022 amounting to CZK 1,000,000,000. These bonds were unsecured, their maturity date was on 22 December 2021 and had fixed annual coupons of 4.5%.

On 15 December 2020, the Sub-Fund offered on the Bratislava Stock Exchange a private placement bond of EUR 6,223,000. In 2021, the sub-Fund further issued EUR 33,777,000 bonds for a total issued bonds as at 31 December 2021 amounting to €40 million. The bond is unsecured, its maturity date is on 15 December 2025 and has fixed annual coupon of 5%.

During 2021, the Sub-fund also offered on the Prague Stock Exchange an unsecured Bond with maturity date on 22 June 2026 with a yield of 5.25% p.a. in the nominal value of CZK 200,000,000 (2021: CZK 200,000,000).

During 2021 and 2022, both sub-Funds subscribed and sold bonds in Alpha Quest Balanced Fund (see Note 8).

Interest payable on bonds on 30 June 2022 amounted to EUR 1,092,764 (2021: EUR 303,765).

The carrying amount of bonds issued as at 30 June 2022 is as follows:

Particulars	30 June 2022	2021
	Amount (EUR)	Amount (EUR)
Opening balance	<b>47,539,805</b>	36,354,539
Bonds issued during the year	-	41,617,508
Bonds matured during the year	-	(39,748,957)
Net Bonds sold/(repurchased) by the sub-Fund during the year	<b>197,784</b>	7,192,032
Unrealised exchange losses/(gains) during the year	<b>42,879</b>	1,872,112
Interest payable	<b>1,092,764</b>	303,765
Repayment of opening interest payable	<b>(303,765)</b>	(51,194)
Closing balance	<b>48,569,467</b>	47,539,805

Alpha Quest Opportunity Fund has not issued any bonds in during the period 30 June 2022 and 2021.

# ALPHA QUEST FUNDS SICAV p.l.c.

## Notes to the financial statements

For the period ended 30 June 2022

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### 14 Fees and other payables

#### 14.1 Management fees

##### Alpha Quest Balanced Fund

The founder shareholders are entitled to receive a management fee of 3.5% per annum of the Sub-fund's net asset value, calculated and paid on annual basis.

The management fees during the period amounted to EUR 281,824 (2021: EUR 583,056). The fees due for the reporting year is disclosed in the statement of comprehensive income and the outstanding management fees as at 30 June 2022 amounted to EUR 1,694,801 (2021: EUR 1,412,977).

##### Alpha Quest Opportunity Fund

The founder shareholders are entitled to receive a management fee of 1.5% per annum of the Sub-fund's net asset value, calculated and paid on annual basis.

The management fees during the period amounted to EUR 91,674 (2021: EUR 195,110). The fees due for the reporting year are disclosed in the statement of comprehensive income and the outstanding management fees as at 30 June 2022 amounted to EUR 439,808 (2021: EUR 348,134).

#### 14.2 Performance fees (continued)

##### Alpha Quest Balanced Fund

Each holder of Investor Shares will be subject to a Performance Fee payable to the founder shareholders in respect of each calculation period. For each Calculation Year, the Performance Fee shall be equal to 50% of the said increase in the NAV per Investor Share (without any accrual for the Performance Fee then under calculation) multiplied by the number of Investor Shares in issue.

The performance fees during the period amounted to EUR Nil (2021: EUR 1,478,842). The fees due for the reporting year is disclosed in the statement of comprehensive income and the outstanding performance fees as at 30 June 2022 amounted to EUR 5,098,938 (2021: EUR 5,098,938).

##### Alpha Quest Opportunity Fund

Each holder of Investor Shares will be subject to a Performance Fee payable to the founder shareholders in respect of each calculation period. For each Calculation Year, the Performance Fee shall be equal to 25% of the said increase in the NAV per Investor Share (without any accrual for the Performance Fee then under calculation) multiplied by the number of Investor Shares in issue.

The performance fees during the period amounted to EUR Nil (2021: EUR 363,910). The fees due for the reporting year is disclosed in the statement of comprehensive income and the outstanding management fees as at 30 June 2022 amounted to EUR 1,683,875 (2021: EUR 1,683,875).

#### 14.3 Administration fees

The Administrator is entitled to receive a minimum fee of €17,000 per annum or the below whichever the greater on each Sub-fund:

<i>NAV size</i>	<i>Administration fee</i>
Up to €100 million	3 bps
Greater than €100 million	2 bps.

The Administrator also charged additional fees for ad-hoc reports. The administration fees for the year for Alpha Quest Balanced Fund amounted to EUR 8,983 (2021: EUR 18,510) and the administration fees for the year for Alpha Quest Opportunity Fund amounted to EUR 8,984 (2021: EUR 18,510). The fees due for the reporting year are disclosed in the statement of comprehensive income and the outstanding administration fees as at 30 June 2022 amounted to EUR 4,435 (2021: EUR 4,378) for each Sub-fund.

#### 14.4 Auditors' Remuneration

Other than the audit fee disclosed in the Statement of comprehensive income, other non-audit services provided by the auditor during the period comprised tax services amounting to EUR 780 (2021: 2,800).

# ALPHA QUEST FUNDS SICAV p.l.c.

## Notes to the financial statements

For the period ended 30 June 2022

### 14 Fees and other payables

#### 14.5 Other payables

30 June 2022	The Company	Attributable to unitholders of investor shares of:	
		Alpha Quest Balanced Fund	Alpha Quest Opportunity Fund
	EUR	EUR	EUR
Annual fee payable	7,300	3,650	3,650
Taxation expenses payable	780	390	390
Other payable and accrued expenses	1,366	683	683
	<b>9,446</b>	<b>4,723</b>	<b>4,723</b>

31 December 2021	The Company	Attributable to unitholders of investor shares of:	
		Alpha Quest Balanced Fund	Alpha Quest Opportunity Fund
	EUR	EUR	EUR
Annual fee payable	5,200	2,600	2,600
Taxation expenses payable	1,416	708	708
Other payable and accrued expenses	1,686	803	883
	<b>8,302</b>	<b>4,111</b>	<b>4,191</b>

### 15 Interest income

Interest income of Alpha Quest Balanced Fund consists of interest earned on bonds, loans and bank deposits. Total interest income amounted to EUR 715,623 (2021: EUR 1,666,167). Interest income of Alpha Quest Opportunity Fund consists of interest earned on bonds. Total interest income amounted to EUR 476,928 (2021: EUR 538,332).

### 16 Interest expense

Interest expense is incurred on bonds issued by Alpha Quest Balanced Fund (see note 13) and amounted to EUR 1,212,177 (2021: EUR 3,012,372) for the year.

### 17 Other operating expenses

30 June 2022	Attributable to founder shareholders	Attributable to unitholders of investor shares of:	
		Alpha Quest Balanced Fund	Alpha Quest Opportunity Fund
	EUR	EUR	EUR
Broker charges	-	356,875	378,779
Placement Fee	-	80,617	-
Administration fee expense	-	36,126	-
Legal fee	-	30,284	-
Commission and other charges	-	8,559	3,721
Dividend Tax Withheld	-	4,512	-
Arrangement Fee Expense	-	292	-
Other Expenses	375	7,007	6,069
	<b>375</b>	<b>524,272</b>	<b>388,569</b>

31 December 2021	Attributable to founder shareholders	Attributable to unitholders of investor shares of:	
		Alpha Quest Balanced Fund	Alpha Quest Opportunity Fund
	EUR	EUR	EUR
Broker charges	-	305,028	128,772
Legal advisory fees	-	-	200,000
Arrangement Fee Expense	-	303,061	-
Bank charges	13,890	49,416	14,021
Legal fee	-	27,031	8,760
Commission and other charges	-	10,681	11,098
Secretarial fee	-	2,888	2,888
Reporting fee	-	2,100	2,100
MLRO Fee Expense	-	2,007	2,007
Placement fee	-	727,641	-
Other Professional Fees	590	-	-
Other expenses	1,016	74,647	11,951
	<b>15,496</b>	<b>1,504,500</b>	<b>381,597</b>

# ALPHA QUEST FUNDS SICAV p.l.c.

## Notes to the financial statements For the period ended 30 June 2022

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### 18 Subsequent events

Due to the outbreak of conflict between Russia and the Ukraine, followed by new sanctions announced by the U.S. and the EU countries against Russia, the Company has assessed the relevant risk factors relating to its business, results of operations and financial condition in a holistic approach. The Company has no business flows with Russian and Ukrainian counterparties and service providers nor with Russian banks and therefore, is not negatively affected as of the date of the approval of these financial statements.

There were no other subsequent events that could have a significant effect on the financial statements as at 30 June 2022.