

Addition to the Alpha Quest Funds SICAV p.l.c. Annual Report issued as at December 31st , 2018.

Based on “Notification of shortcomings identified and a call to eliminate them” issued on November 1st 2019 under Ref. No.: 2019/115172/CNB/570 by the Licensing and Enforcement Department of Czech National Bank (the “Regulator”), with registered address: Na Prikope 28, 115 03 Praha 1, Czech Republic, and a subsequent call to eliminate such shortcomings, Alpha Quest Funds SICAV p.l.c. (the “Company”), represented by its directors Mr. Michal Kosac, Dr. Frank Chetcuti Dimech, and Mr. Joseph Xuereb, in order to fulfill such requirements, issue the following information in order to satisfy the information required by the Regulator.

Shortcoming 1

“The financial statements of the Issuer do not contain the other comprehensive income statement. This is contradiction with IAS 1 p. 10 b)”

Alpha Quest Funds SICAV plc and its sub-funds (Alpha Quest Balanced Fund and Alpha Quest Opportunity Fund) do not have retained earnings or other reserves attributable to investor shares (since these are classified as liabilities), thus “Other Comprehensive Income” is null. New line item “Other comprehensive income” has been added.

Alpha Quest Funds SICAV p.l.c.,
Central North Business Centre, Level 1 Sqaq, il-Fawwara Sliema, SLM1670 Malta
Reg. No. SV 430

Alpha Quest Funds SICAV p.l.c.
Statement of Comprehensive Income

For the period from 01 January 2018 to 31 December 2018

	Note	Combined 31.12.18 EUR	Alpha Quest Funds SICAV p.l.c. 31.12.18 EUR	Alpha Quest Balanced Fund 31.12.18 EUR	Alpha Quest Opportunity Fund 31.12.18 EUR
Net income from financial instruments at FVTPL		1,337,799	-	181,428	1,156,371
Net gains on restitution points		10,661,146	-	7,781,298	2,879,848
Net foreign exchange loss		23,684	(53,647)	340,379	(263,048)
Interest income calculated using the effective interest method	15	251,648	5,514	183,691	62,443
Income from management and performance fees	14	4,110,728	4,110,728	-	-
Other income		13,900	10,000	-	3,900
Total revenue		16,398,905	4,072,595	8,486,796	3,839,514
Administration fees	14	(21,000)	-	(10,500)	(10,500)
Audit fees		(42,926)	-	(21,463)	(21,463)
Directors and investment committee fees	8	(17,700)	-	(8,850)	(8,850)
Performance fees	14	(3,548,767)	-	(2,692,436)	(856,331)
Professional fees		(310,445)	-	(301,968)	(8,477)
Management fees	14	(561,959)	-	(439,155)	(122,804)
Set up fees		-	-	-	-
Other operating expenses	17	(834,299)	(7,416)	(584,790)	(242,093)
Total operating expenses		(5,337,096)	(7,416)	(4,059,162)	(1,270,518)
Operating profit before finance costs		11,061,809	4,065,179	4,427,634	2,568,996
Interest expense	16	(1,735,198)	-	(1,735,198)	-
Total finance costs		(1,735,198)	-	(1,735,198)	-
Increase in net assets attributable to holders of redeemable shares before tax		9,326,611	4,065,179	2,692,436	2,568,996
Other comprehensive income		-	-	-	-
Total increase in net assets attributable to holders of redeemable shares and Other Comprehensive Income		9,326,611	4,065,179	2,692,436	2,568,996

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

Shortcoming 2

"The financial statements of the Issuer do not further elaborate on the fact that all of Issuer's assets and liabilities are classified as current. Such classification seems to be inadequate especially in case of bonds issued (they are due in 2021, the Issuer has right to prematurely repay these bonds within dates specified in terms and conditions, but the Annual Report, the financial statements or other information duties of the Issuer do not

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indicate that the Issuer is planning to use this right within next 12 months) and in case of restitution points (all the data indicate that the Issuer is planning to collect cash and hold them until their “maturity”; in this case it seems appropriate to distinguish current and non-current part).

Assets and liabilities were incorrectly classified as Current and Non-current in the Annual Report as at December 31st, 2018.

Assets and liabilities were classified in order of liquidity.

Shortcoming 3

“The financial statements do not contain any further details regarding financial assets at fair value through profit or loss (the financial statements only disclose that these assets are bonds). Given the current low volume of information regarding this class of assets the CNB is of the opinion that the financial statements do not contain sufficient information to fulfil requirements of IFRS 7 p.31.”

Redeemable shares

	Monday, January 1, 2018	Note	Original classification under IAS 39	Original carrying amount under IAS 39	New classification under IFRS 9	New carrying amount under IFRS 9
Assets						
Financial assets at fair value through profit or loss		6	Designated as at FVTPL	18,473,329	Designated as at FVTPL	18,473,329
Cash and cash equivalents		9	Loans and receivables	1,998,625	Amortised cost	1,998,625
Prepayments and other receivables			Loans and receivables	62,816,739	Amortised cost	62,816,739
Total asset				83,288,693		83,288,693
Liabilities						
Financial assets at fair value through profit or loss			Designated as at FVTPL	-	Designated as at FVTPL	-
Accrued expenses and accounts payable		5	Loans and receivables	50,663,151	Amortised cost	50,663,151
Total liabilities				50,663,151		50,663,151

Alpha Quest Opportunity Fund Bonds

CPI HOLDING	0%	11/28/2022
UNICAPITAL INV.	3.3%	03/08/2020
JT ENERGY FINANCING IV	0%	05/31/2024
ALPHA QUEST BALANCED FUND	4.5%	12/21/2021

Alpha Quest Balanced Fund Bonds

ALPHA QUEST BALANCED FUND	4.5%	12/21/2021
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Yours sincerely



Frank Chetcuti Dimech



Joseph Xuereb



Michal Kosac