

Alpha Quest Funds SICAV p.l.c.

Interim Combined Financial Statements

For the period from 1 January 2017 to 30 June 2017

Company Registration Number: SV 430

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Directors, Officers, and other information

Directors	Dr. Frank Chetcuti Dimech Mr. Joseph Xuereb Mr. Adrian Galea (resigned on 30 September 2017) Mr. Michal Kosac (appointed on 11 September 2017)
Registered Office	Level 1 Blue Harbour Business Centre Ta' Xbiex Yacht Marina Ta' Xbiex XBX 1027 Malta
Company Registration Number	SV430
Administrator and Registrar	Amicorp Fund Services Malta Limited Level 1 Blue Harbour Business Centre Ta' Xbiex Yacht Marina Ta' Xbiex XBX 1027 Malta
Company Secretary	Amicorp Services Limited Level 1 Blue Harbour Business Centre Ta' Xbiex Yacht Marina Ta' Xbiex XBX 1027 Malta
Investment Committee	Mr. Joseph Xuereb Mr. Mark L. Zammit Mr. Joseph Formosa
Custodian	Bank of Valletta p.l.c. BOV Centre Cannon Road Santa Venera SVR 9030 Malta
Statutory Auditors	KPMG Portico Building Marina Street Pieta PTA 9044 Malta

Alpha Quest Funds SICAV p.l.c.
Combined Statement of Financial Position
As at 30 June 2017

	Combined 30-Jun-17 EUR	Alpha Quest Funds SICAV plc 30-Jun-17 EUR	Alpha Quest Balanced Fund 30-Jun-17 EUR	Alpha Quest Opportunity Fund 30-Jun-17 EUR
Assets				
Current assets				
Cash and cash equivalents	1,542,488	1,000	87,285	1,454,203
Financial assets at fair value through profit or loss	12,498,387	-	-	17,475,417
Other receivables	6,405,339	-	6,405,339	2,658,465
Restitution points	18,233,380	-	18,233,380	-
Total assets	38,679,595	1,000	24,726,004	21,588,084
Equity and Liabilities				
Share Capital and Reserves				
Share Capital	1,000	1,000	-	-
Accumulated losses	(11,180)	(11,180)	-	-
Total equity	(10,180)	(10,180)	-	-
Current liabilities				
Bonds issued	13,052,259	-	18,029,288	-
Other payables	1,861,517	11,180	1,204,340	645,996
Net assets attributable to holders of redeemable shares	23,776,000		5,492,376	20,942,087
Total liabilities	38,689,775	11,180	24,726,004	21,588,084
Total equity and liabilities	38,679,595	1,000	24,726,004	21,588,084

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

The interim combined financial statements on pages 2 to 21 were approved and authorised for issue by the Board of Directors on 13 October 2017 and were signed on its behalf by:



Mr. Michal Kosac
Director



Mr. Joseph Xuereb
Director

Alpha Quest Funds SICAV p.l.c.
Combined Statement of Comprehensive Income
For the period ended 30 June 2016

	Combined 30-Jun-17 EUR	Alpha Quest Funds SICAV plc 30-Jun-17 EUR	Alpha Quest Balanced Fund 30-Jun-17 EUR	Alpha Quest Opportunity Fund 30-Jun-17 EUR
Income				
Net gain on financial assets at fair value through profit or loss	4,987,646		3,579,782	1,407,864
Interest income	117,501	-	-	236,328
	538,266		-	538,266
Net investment income	5,643,413	-	3,579,782	2,182,457
Expenditure				
Interest expense	(277,422)	-	(396,248)	-
FX losses	(707,091)	-	(707,091)	-
Other operating expenses	(2,223,826)	-	(1,404,301)	(819,525)
Total operating expenses	(3,208,338)	-	(2,507,639)	(819,525)
Loss for the period	2,435,075	-	1,072,143	1,362,932
Net increase/(decrease) in net assets attributable to holders of redeemable shares	2,435,075	-	1,072,143	1,362,932

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

Alpha Quest Funds SICAV p.l.c.**Combined Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares****For the period ended 30 June 2017**

	Alpha Quest Balanced Fund 30-Jun-17 EUR	Alpha Quest Opportunity Fund 30-Jun-17 EUR
Balance as at the beginning of the period	4,420,233	6,906,885
Issue of redeemable shares during the period	-	19,672,270
Redemption of redeemable shares during the period	-	(7,000,000)
Transactions with holders of redeemable shares	4,420,233	19,579,155
Capital raised from		
Increase/(decrease) in net assets attributable to holders of redeemable shares	1,072,143	1,362,932
Effects of exchange rate changes		
Net assets as at the end of the period attributable to holders of redeemable shares	5,492,376	20,942,087

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

Alpha Quest Funds SICAV p.l.c.
Combined Statement of Changes in Equity

For the period ended 30 June 2017

	Share Capital	Retained earnings	Alpha Quest Funds SICAV plc
	30-Jun-17	30-Jun-17	30-Jun-17
	EUR	EUR	EUR
Balance as at the beginning of the period	-	-	-
Transaction with owners			
Issue of share capital	1,000	-	1,000
Comprehensive income			
Loss for the period	-	-	-
Balance as at the end of the period	1,000	-	1,000

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

Alpha Quest Funds SICAV p.l.c.
Combined Statement of Cash Flows
For the period ended 30 June 2017

	Combined 30-Jun-17 EUR	Alpha Quest Funds SICAV plc 30-Jun-17 EUR	Alpha Quest Balanced Fund 30-Jun-17 EUR	Alpha Quest Opportunity Fund 30-Jun-17 EUR
Cash flows from operating activities				
Operating expenses paid	(616,622)	-	(421,257)	(195,365)
Income received	2,415,261	-	2,353,875	61,385
Issue of bonds	587,230	-	587,230	-
Other receivable	(6,405,339)	-	(6,405,339)	-
Purchase / sale of investments	(848,456)	-	4,273,542	(5,121,998)
Net cash (outflows)/inflows from operating activities	(4,867,926)	-	388,052	(5,255,978)
Cash flows from financing activities				
Issue of share capital	12,673,270	1,000	-	12,672,270
Redemption of share capital	(6,906,886)	-	-	(6,906,886)
Net cash inflows from financing activities	5,766,384	1,000	-	5,765,384
Net increase in cash and cash equivalents	898,457	1,000	388,052	509,405
Cash and cash equivalents at beginning of period	1,307,473	-	307,473	1,000,000
Effect of exchange rate fluctuations in cash and cash equivalents	(663,442)	-	(608,240)	(55,202)
Cash and cash equivalents at end of period	1,542,488	1,000	87,285	1,454,203

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

Alpha Quest Funds SICAV p.l.c

Notes to the interim combined financial statements For the period from 1 January 2017 to 30 June 2017

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Alpha Quest Funds SICAV p.l.c

Notes to the interim combined financial statements For the period from 1 January 2017 to 30 June 2017

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 November 28, 2016, with registration number SV430. The Company is licensed and regulated by the Malta Financial Services Authority (“MFSA”) under the Investment Services Act (CAP. 370, Laws of Malta) as a Professional Investor Fund which targets Qualifying Investors as set out in the relevant Offering Supplement.

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.

Collectively the Company and the Sub-funds are referred to as the “Fund”.

2 Basis of preparation

2.1 Purpose of these Interim Combined Financial Statements

These interim combined financial statements are prepared solely in connection with the offering memorandum and may not be suitable for any other purpose.

2.2 Statement of compliance

These interim combined 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 interim combined financial statements to IAS, IFRS or SIC/IFRIC interpretations refer to those adopted by the EU.

The first financial year-end of the Company in accordance with the terms of the Companies Act, 1995 (Chapter 386, Laws of Malta) is 31 December 2017, and therefore these interim combined financial statements should not be considered as the statutory financial statements, since the reporting period of these interim combined financial statements is for a shorter period.

Financial information of the Sub-funds is reported along with financial information of the Company in form of interim combined financial statements. “Combined” means that financial information of the Company and each Sub-fund stated separately is added together in another column of the interim combined financial statements and all intra-fund transactions (i.e. between the Company and Sub-funds) were eliminated.

2.3 Basis of measurement

The interim combined financial statements have been prepared on the historical cost basis, except for financial instruments at fair value through profit or loss and restitution points, which are measured at discounted value of the redemption right.

2.4 New standards and interpretations

A number of new standards, amendments to standards and interpretations have not yet become effective or have not yet been adopted by the EU for beginning of current reporting period and have thus not been applied in the preparation of these interim combined financial statements:

IFRS 9 – Financial Instruments (effective for accounting period beginning on or after 1 January 2018, to be applied retrospectively – not yet endorsed by the EU) issued in November 2009 contains new requirements regarding the classification and the measurement of financial assets. An amendment from October 2010 contains new requirements regarding the classification and the measurement of financial liabilities and derecognition. An amendment from November 2013 contains a new hedge accounting model. The final version of the standard was issued in June 2014. The key requirements are summarised below:

- In line with the IFRS 9 requirements regarding the classification and measurement, all recognised financial assets that currently fall under IAS 39 Financial Instruments: Recognition and Measurement will be subsequently measured either at amortised cost or at fair value. Specifically:

Alpha Quest Funds SICAV p.l.c

Notes to the interim combined financial statements For the period from 1 January 2017 to 30 June 2017

- A debt instrument that is (i) held within a business model whose objective is to collect contractual cash flows, and (ii) that has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, must be measured at amortised book value (less any impairments), unless the asset is designated at fair value through profit or loss (FVTPL) under the fair value option.
- A debt instrument that is (i) held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and (ii) whose contractual terms of the financial asset on specified dates give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding, must be measured at fair value through other comprehensive income (FVTOCI) unless the asset is designated at FVTPL under the fair value option.
- All other debt instruments must be measured at fair value through profit or loss.
- Impairment requirements are based on the expected credit losses model (ECL), which replaces the incurred losses model under IAS 39.

The Directors of the Fund expects IFRS 9 to be adopted in the statutory financial statements for the reporting period beginning on 1 January 2018. At the same time, the Fund will assess the impact of this standard on its financial statements.

2.5 Functional and presentation currency

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

2.6 Use of assumptions, estimates and judgements

The preparation of interim combined 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 interim combined 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 34 Interim Financial Reporting, except for those relating to the Alpha Quest Balanced Fund. Information about assumptions taken into consideration and that relate to the determination of the discounted value of the restitution points held by the Alpha Quest Balanced Fund are included in note 10.

3 Significant accounting policies

The same accounting policies applied for these interim combined financial statements shall be applied in the Company's first annual statutory financial statements as at 31 December 2017, although there might be a possibility that such accounting policies applied for these interim combined financial statements might change before the annual statutory financial statements are presented. If a decision is made to change a policy mid-year, the change is implemented retrospectively, and previously reported interim data is restated.

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.

Alpha Quest Funds SICAV p.l.c

Notes to the interim combined financial statements For the period from 1 January 2017 to 30 June 2017

3.2 Interest income and interest expense

Interest income and expense include interest income and expenses from restitution points and debt instruments.

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 Financial instruments

3.4.1 *Non-derivative financial assets*

The Fund recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset. Other financial assets and financial liabilities are recognised on the date on which they are originated.

Financial assets and financial liabilities at fair value through profit or loss are initially recognized at fair value, with transaction costs recognized in profit or loss. Financial assets or financial liabilities not at fair value through profit or loss are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue.

Financial assets and financial liabilities are offset and the net amount presented in the Statement of Financial Position when the Company has a current legal enforceable right to set off the recognised amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a Sub-fund of similar financial assets) is derecognized where:

- The rights to receive cash flows from the asset have expired; or
- The Sub-funds have transferred their rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- Either (a) the Sub-funds have transferred substantially all the risks and rewards of the asset, or (b) the Sub-funds have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

The Sub-funds derecognize a financial liability when the obligation under the liability is discharged, cancelled or expires.

Classification

The Company classifies its financial assets and financial liabilities as mentioned below in accordance with IAS 39.

Financial assets at fair value through profit or loss:

- Designated at fair value through profit or loss upon initial recognition – debt instruments

Financial assets at amortised cost:

- Cash and cash equivalents and receivables – cash and cash equivalents and interest income.

Cash and cash equivalents comprise of cash at bank with a contractual maturity of three months or less

Financial liabilities at amortised cost:

- Bond issued
- Other liabilities – other payables.

Alpha Quest Funds SICAV p.l.c

Notes to the interim combined financial statements For the period from 1 January 2017 to 30 June 2017

3.4.2 *Non-derivative financial liabilities*

The Fund initially recognises debt securities issued and subordinated liabilities on the date that they originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

3.5 **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, but excludes interest and dividend income.

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

3.6 **Redeemable shares**

The Fund 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. The first dealing date shall be 31 December 2017. 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.

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 such fund, 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.

Alpha Quest Funds SICAV p.l.c

Notes to the interim combined financial statements For the period from 1 January 2017 to 30 June 2017

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 interim combined 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 interim combined 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 of following

The balance as at 30 June 2017 is as follows:

In EUR	Alpha Quest SICAV p.l.c.	Alpha Quest Opportunity Fund	Alpha Quest Balanced Fund
J & T Banka		796,498	87,284
Raiffeisen Romania Bank		432,231	-
Vlad Neacsu		225,475	-

The balance as at 31 December 2016 is as follows:

In EUR	31.12.2016
Alpha Quest Fund SICAV p.l.c.	1,000
Alpha Quest Balanced Fund	307,473
Alpha Quest Opportunity Fund	1,000,000

6 Share capital

The Fund'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 classes in the Company carrying voting rights.

As at period end the Company had EUR 1,000 issued share capital comprising of fully paid-up shares being subscribed as follows:

- Joseph Xuereb	1,000 Voting Founder shares
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7 Redeemable shares

Redeemable shares outstanding are represented by "Investor Shares" issued as Sub-class 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 Fund 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 Redeemable shares on the Sub-funds as at 30 June 2017 are as follows:

Name of Sub Fund	Redeemable shares value
Alpha Quest Balanced Fund	5,492,376
Alpha Quest Opportunity Fund	20,942,088

Alpha Quest Funds SICAV p.l.c

Notes to the interim combined financial statements For the period from 1 January 2017 to 30 June 2017

The Redeemable shares on the Sub-funds as at 31 December 2016 are as follows:

Name of Sub Fund	Redeemable shares value
Alpha Quest Balanced Fund	4,420,233
Alpha Quest Opportunity Fund	6,906,885

8 Related parties

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 and director, Mr. Joseph Xuereb, who is also part of the Investment Committee of the Fund.

Related party transactions and balances

There were no other related party transactions during the financial period ended 30 June, 2017 other than the transactions mentioned below:

Reference is also made to the Statement of Changes in Equity for transactions with founder shareholders and note 6.

9 Investment risk management

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 investments restrictions.

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

Alpha Quest Balanced Fund

The investment objective of the Sub-Fund 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 for 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.

The Sub-fund may also invest in government and corporate bonds in developed markets.

The Sub-fund 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.

Alpha Quest Funds SICAV p.l.c

Notes to the interim combined financial statements For the period from 1 January 2017 to 30 June 2017

Alpha Quest Opportunity Fund

The Fund is exposed to market, credit and liquidity risks. This note presents information about the Fund's exposure to these risks, the Fund's objectives, policies and process for measuring and managing risk and the Fund's management of capital. Further quantitative disclosures are included throughout these interim combined financial statements.

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 to 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 exposed to market price risk arising from their investments in the Romanian restitution points and debt instruments. At June 30, 2017, the Sub-funds' price risk is affected by two main components: changes in actual market prices and foreign currency movements.

The Company performed a sensitivity analysis of its market price exposure. The following analysis represents the Company's best estimates of the effect on net assets and profit due to a reasonably possible change in the market price of the Company's financial instruments, with all other variables held constant. In practice, the actual trading results may differ from the sensitivity analysis and the difference could be material.

If the market price of the Company's securities had increased by 5% with all other variables held constant, this would have increased net assets attributable to holders of redeemable shares. Conversely, if the market price decreased by 5%, this would have decreased net assets by an equal amount. The table below shows the increase/decrease in net assets attributable to holders of redeemable shares as at 30 June 2017.

30 June 2017

Name of Sub Fund	Currency	Value of Assets	+/-5%
Alpha Quest Opportunity Fund	EUR	17,475,417	873,771

31 December 2016

Name of Sub Fund	Currency	Value of Assets	+/-5%
Alpha Quest Opportunity Fund	EUR	5,928,722	296,436

Currency risk

The Fund invests in assets, which can be denominated in currencies other than the Euro, its functional currency.

The Fund 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.

Alpha Quest Funds SICAV p.l.c

Notes to the interim combined financial statements For the period from 1 January 2017 to 30 June 2017

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 2017	Cash and Cash equivalents	Restitution points	Financial instruments	Total net exposure
Romanian Leu	1,457	-	18,233,380	18,234,837
Czech Koruna	48,683	-	-	48,683

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

30 June 2017	Cash and Cash equivalents	Financial instruments	Total net exposure
Romanian Leu	(294,895)	5,827,543	5,532,649
Czech Koruna	193,663	11,647,873	11,841,536

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

31 December 2016	Cash and Cash equivalents	Restitution points	Financial instruments	Total net exposure
Romanian Leu	1,465	21,179,672	-	21,181,137
Czech Koruna	242,127	-	(17,045,076)	(16,802,949)

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

31 December 2016	Cash and Cash equivalents	Financial instruments	Total net exposure
Romanian Leu	-	-	-
Czech Koruna	-	5,928,721	5,928,721

9.2 Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company, resulting in a financial loss to the Company.

Alpha Quest Balanced Fund

The Sub-fund 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 Fund monitors on a regular basis amendments on the legislation governing the compensation process.

Alpha Quest Opportunity Fund

The bond held by the Sub-fund was issued by the Alpha Quest Balanced Fund as described more in detail in note 10 below. The credit risk of the Sub-Fund is directly related to the credit risk on the Alpha Quest Balanced Fund since repayment of the bond depends on the compensation process of the Resitution Certificates as described more in detail in note 9.3 below.

The cash and cash equivalents of the Sub-Funds are held with J&T Banka, Raiffeisen Romania Bank and VLAD NEACSU

Alpha Quest Funds SICAV p.l.c

Notes to the interim combined financial statements For the period from 1 January 2017 to 30 June 2017

9.3 Liquidity risk

Liquidity risk arises when the Company encounters difficulty due to an inability to sell any of its investments quickly at close to fair value.

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.

Alpha Quest Balanced Fund

On 21 December 2016, the Sub-Fund issued a private placement bond of CZK 500 million. As at reporting date, the Sub-Fund attracted CZK 460 million, out of which CZK 160 million were subscribed by the Alpha Quest Opportunity Fund. The bond's maturity date is on 22 December 2021 with fixed annual coupons of 4.5%.

The Sub-Fund is the owner of Romanian Restitution Certificates ("points") issued by Romanian State. Romania, starting in January 2017 will start 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 state will be used to satisfy the coupon payments required to be made by the issuer.

All other liabilities of the Sub-funds 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 2017

Sub-Funds	Currency	Debt instruments	Level 1	Level 2	Level 3
Alpha Quest Opportunity Fund	EUR	11,647,873	5,827,543	-	11,647,873

31 December 2016

Sub-Funds	Currency	Debt instruments	Level 1	Level 2	Level 3
Alpha Quest Opportunity Fund	EUR	5,928,721	-	-	5,928,721

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11. Financial Assets at fair value through profit or loss

As at 30 June 2017 only Alpha Quest Opportunity Fund held financial assets at fair value through profit or loss. Alpha Quest Balanced Fund held no such financial instruments.

Alpha Quest Opportunity Fund

The Alpha Quest Opportunity Fund purchased a non-collateralised bond issued by the Alpha Quest Balanced Fund. The bond amounting to CZK 160 million has a maturity date of December 22, 2021 with a fixed interest of 4.5% per annum.

Taking into consideration that bond issue was a private placement and that and the purchase was carried out close to the reporting date, the fair value of the bond was considered as equal to the purchase consideration plus accrued interest of the said bond.

As the bond was purchased from another sub fund , it is fully eliminated for interim combined financial statements provided.

Fair value of financial assets as at 30 June 2017 is as follows:

	30 June 2017
Alpha Quest Balanced Fund	-
Alpha Quest Opportunity Fund	17,665,163
	31 December 2016
Alpha Quest Balanced Fund	-
Alpha Quest Opportunity Fund	5,928,721

12. Restitution points

On 2 December 2016, the Company, on behalf of the Alpha Quest Balanced Fund entered into an Assignment Agreement (the "Agreement") with J&T IB and Capital Markets a.s. (the "Assignor"), whereby by means of this Agreement, the Assignor definitively and irrevocably assigns to the Company all of the rights that the Assignor holds over the Restitution Certificates and the Decisions of Compensations under registration described in Schedule 1 and Schedule 2 annexed to the Agreement (the "Assigned Claims").

In exchange for the Assigned Claims, the Company paid the equivalent in Czech Koruna, the amount of Romanian Leu (RON) 94,989,574.55 to the Assignor on 22 December 2016. The nominal value of Assigned Claims is RON 146,137,807.

The Restitution Certificates are the result of Law no. 165/2013 passed by the Romanian Parliament on April 2013, whereby it moves to a 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 through a restitution process to exchange the points for the earmarked property or through a compensation process if restitution in kind is not possible.

The valuation technique chosen for the valuation of the Restitution Certificates held by the Alpha Quest Balanced Fund was the discounted value approach, as this was deemed to be the only applicable approach given the characteristics of the assets and the Fund's intention to 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 Ministry of Finance, 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 effective interest rate.

Based on the assumptions and analysis mentioned above, the discounted value of the Restitution points is estimated at RON 83,198,915, which was then converted into Euro, the base currency of the fund, applying the exchange rate as at reporting date.

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Notes to the interim combined financial statements For the period from 1 January 2017 to 30 June 2017

Alpha Quest Opportunity Fund have not issued any Restitution points in the period ended 30 June 2017

Discounted value of restitution points as at 30 June 2017 is follows:

In EUR	30 June 2017
Alpha Quest Balanced Fund	18,233,380
Alpha Quest Opportunity Fund	-

Discounted value of restitution points as at 31 December 2016 is follows:

In EUR	31 December 2016
Alpha Quest Balanced Fund	21,179,672
Alpha Quest Opportunity Fund	-

13 Bonds issued

On 22 December 2016, the Alpha Quest Balanced Fund issued a private placement bond of CZK 500 million. As at reporting date, the Sub-Fund attracted CZK 460 million, out of which CZK 160 million were subscribed by the Alpha Quest Opportunity Fund. The bond's maturity date is on 22 December 2021 with fixed annual coupons of 4.5%.

Alpha Quest Opportunity Fund have not issued any Bonds in the period ended 30.06.2017.

Net value of bonds issued after inter-fund elimination for interim combined financial statements purposes as at 30 June 2017 is as follows:

In EUR	30 June 2017
Alpha Quest Balanced Fund	(18,029,287)
Alpha Quest Opportunity Fund	4,977,029*
Combined value	(13,052,258)

Net value of bonds issued after inter-fund elimination for interim combined financial statements purposes as at 31 December 2016 is as follows:

In EUR	31.12.2016
Alpha Quest Balanced Fund	(17,045,079)
Alpha Quest Opportunity Fund	5,928,722*
Combined value	(11,116,354)

* Financial assets at fair value through profit or loss were eliminated for interim combined financial statements purposes.

14 Other payables

14.1 Management fees

Alpha Quest Balanced Fund

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

The management fees for the current period amounted to EUR 115,881 (2016: Nil). The fees due for the reporting period are disclosed in the statement of comprehensive income and the outstanding management fees as at 30 June 2017 amounted to EUR 115,881 (2016: Nil).

Alpha Quest Opportunity Fund

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

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Notes to the interim combined financial statements For the period from 1 January 2017 to 30 June 2017

The management fees for the current period amounted to EUR 160,114 (2016: Nil). The fees due for the reporting period are disclosed in the statement of comprehensive income and the outstanding management fees as at 30 June 2017 amounted to EUR 160,114 (2016: Nil)

14.2 Administration fees

The current Administrator, Amicorp Fund Services Malta Limited, is entitled to an administration fee under the terms of an agreement for each Sub-fund of the Company. The Administrator is entitled to receive the following fee on each Sub-fund:

<i>NAV size</i>	<i>Administration fee</i>
0 – EUR 50 million	EUR 10,000 p.a.
Over EUR 50 million	EUR 12,000 p.a. plus 0.03% on the amount in excess of EUR 50 million.

The administration fees for the current period for each Sub-fund amounted to EUR 5,000. The fees due for the reporting period are disclosed in the statement of comprehensive income and the outstanding administration fees as at 30 June 2017 amounted to EUR 5,833 (2016: EUR 833) for each Sub-fund.

The Custodian charges fees only for safekeeping in respect of listed equities and bonds, ETF's, money market instruments and units in third party Collective Investment Schemes, which are held under Custodian's global custody network, and for which Custodian has received Proper Instructions by the Investment Committee to perform such safekeeping function. Custodian fees paid for the period from 1 January 2017 to 30 June 2017 amounted to EUR 5,122 and Nil for Alpha Quest Opportunity Fund and Alpha Quest Balanced Fund respectively.

14.3 Other payables

30 June 2017	Alpha Quest SICAV plc EUR	Alpha Quest Balanced Fund EUR	Alpha Quest Opportunity Fund EUR
Incentive fee accrued		1,068,376	423,273
Management fee payable		115,881	160,114
Administration fee payable		5,833	5,833
Annual fee payable		500	500
Annual financial statement fee payable		675	675
Audit fee payable		2,750	2,750
Director fee payable		7,500	7,500
Reporting fee payable		437	437
Secretarial fee payable		885	885
Taxation expenses payable		500	500
Other payable and accrued expenses		1,003	23,529
Incorporation expenses payable		-	20,000
		<u>1,204,340</u>	<u>645,996</u>
31 December 2016	Alpha Quest SICAV plc EUR	Alpha Quest Balanced Fund EUR	Alpha Quest Opportunity Fund EUR
Formation expenses	10,000	20,000	20,000
Administration fee	-	833	833
Other payables	<u>1,180</u>	<u>1,003</u>	<u>1,003</u>
	<u>11,180</u>	<u>21,836</u>	<u>21,836</u>

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Notes to the interim combined financial statements For the period from 1 January 2017 to 30 June 2017

15 Interest income

Interest income of Sub-funds consists of interest income from financial assets at fair value through profit or loss and unwinding discount of restitution points. For details refer to note 11 and 12, respectively.

Interest income of Sub-funds for the period ended as at 30 June 2017 is as follows:

In EUR	30 June 2017
Alpha Quest Balanced Fund	-
Alpha Quest Opportunity Fund	236,327
Combined value	20,315*

In EUR	31 December 2016
Alpha Quest Balanced Fund	100,765
Alpha Quest Opportunity Fund	7,402*
Combined value	100,765

* As financial assets at fair value through profit or loss were eliminated for interim combined financial statements purposes, interest income is eliminated against part of interest expense as well. For details about interest expense see note 16.

16 Financial expenses

Financial expenses comprise interest expense from bonds issued, net gain or loss on financial assets at fair value through profit or FX gains or losses.

Interest expense is from bonds issued by Alpha Quest Balanced Fund, see note 13. There are no other financial liabilities due by any of Sub-funds.

Financial expenses of Sub-funds for the period ended as at 30 June 2017 is as follows:

30 June 2017

In EUR	Interest expense	Net loss on financial assets at FVTPL	FX loss
Alpha Quest Balanced Fund	(396,248)*	-	(707,091)
Alpha Quest Opportunity Fund	-	-	-
Combined value	(277,422)	-	(707,091)

31 December 2016

In EUR	Interest expense	Net loss on financial assets at FVTPL	FX loss
Alpha Quest Balanced Fund	(21,280)*	-	(61,402)
Alpha Quest Opportunity Fund	-	(78,680)	-
Combined value	(13,878)	(78,680)	(61,402)

* As financial assets at fair value through profit or loss were eliminated for interim combined financial statements purposes, part of interest expense is eliminated against interest income as well. For details about interest income see note.

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Notes to the interim combined financial statements For the period from 1 January 2017 to 30 June 2017

17 Other operating expenses

30 June 2017	Alpha Quest SICAV plc EUR	Alpha Quest Balanced Fund EUR	Alpha Quest Opportunity Fund EUR
Administration fee		5,000	5,000
Annual financial statements fee		675	4,147
Advisory fees		--	50,000
Annual fees		500	500
Audit fees		2,750	12,551
Bank charges		17	1,325
Custodian fees		5,122	-
Director fee		7,500	7,500
Reporting fee		437	438
Secretarial fee		885	885
Servicing fee		189,938	22,034
Setup fee		770	-
Taxation expense		500	500
Valuation fee		5,950	-
Broker charges		-	4,747
Legal fee		-	1,644
Management fee		115,881	160,114
Commission and other		-	124,867
Incentive fee		1068,376	423,273
		<u>1,404,301</u>	<u>819,525</u>

31 December 2016	Alpha Quest SICAV plc EUR	Alpha Quest Balanced Fund EUR	Alpha Quest Opportunity Fund EUR
Formation expenses	(10,000)	(20,000)	(20,000)
Administration fee	-	(833)	(833)
Other expenses	(1,180)	(1,003)	(1,003)
	<u>(11,180)</u>	<u>(21,851)</u>	<u>(21,836)</u>

18 Subsequent events

The Company's management is not aware of any subsequent events that could have an effect on the interim combined financial statements as at 30 June 2017.