

ANNUAL REPORT

OF THE COLLECTIVE INVESTMENT FUND ENTITLED:

Conseq Active Invest Dynamický, podfond Conseq Funds SICAV

FOR THE YEAR ENDED 31 DECEMBER 2019

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I. DISCLOSURES

required by Act No. 240/2013 Coll., on Investment Companies and Investment Funds, and Decree No. 244/2013 Coll., on the Specification of Certain Rules Contained in the Act on Investment Companies and Investment Funds

A. INFORMATION ABOUT THE ACTIVITIES OF THE MANAGER with respect to the Fund's assets in the accounting period

Throughout the accounting period, the collective investment fund Conseq Active Invest Dynamický, podfond Conseq Funds SICAV, (the "**Fund**") was managed by Conseq Funds investiční společnost, a.s., with its registered office at Praha 1, Rybná 682/14, postcode 110 05, identification number 24837202, recorded in the Commercial Register under section B, file number 17126, maintained with the Municipal Court in Prague (the "**Investment Company**").

During the reporting period and in relation to the Fund's assets, the Investment Company did not decide to do any change in the portfolio in the first months of the Year and therefore existing asset allocation was kept on hold. After a significant correction at the end of 2018 there was substantial uncertainty in the markets, magnified by ongoing trade disputes between US and China. However, the financial markets managed to recover from this and were able to relatively quickly offset previous losses. The Fund had participated on this price appreciation. During June there was implemented a change in the allocation of Japanese equity funds. It was decided to add 2 new funds, at the expense of funds which received lower final scores in the internal scoring model.

During August, the Investment Company decided to increase equity exposure. In exchange, money market instruments and low risk fixed income funds were reduced. More specifically, it was increased selectively the equity allocation in Asia ex-Japan, developed Europe and the CEE region. Main reasons for this change were more attractive valuations in those markets, especially when compared to (relatively) expensive fixed income, and also the improved expected global macro outlook. In October, a new fund focused solely on China on-shore equity (A-Shares) was added to the portfolio. Other Asia ex-Japan equity funds were proportionately reduced. The China equity market is already the second largest in the world (according to market capitalization), but the share of these stocks in the indices and the positions of investors do not correspond. Therefore, these stocks seem to be attractive, active management is also a good opportunity in this relatively inefficient market. In addition, the position in the real estate fund was decreased slightly in favor of less risky bond funds. Profits resulting from the rise in property prices in recent years have been partially realized. At the end of November, the investment company decided to reduce the equity exposure again, this time the new target allocation was slightly below neutral, i.e. equities were underweighted. Profits resulting from the growth of stock markets to new historical highs were realized. Resulting free liquidity was moved again to less risky bond funds. The investment company continued to hedge 75% of the USD exposure into EUR during the year.

The Fund's share price has risen by 14,92 %, the main reason being the price growth of global equity markets.

During the reporting period, the Investment Company as a manager resolved on transformation of the collective investment unit fund into a subfund of a joint stock company with variable registered capital with a decisive day of transformation on January 1, 2020. Previous Fund (Active Invest Progressive, otevřený podílový fond) was dissolved on December 31, 2019 in accordance with Section 421 par. 1 of Act No. 240/2013 Coll., on Investment Companies and Investment Funds, as amended, and Conseq Funds, SICAV a.s. (Id. No. 08805105) and its subfund Conseq Active

Invest Dynamický, podfond Conseq Funds SICAV was newly formed on January 1, 2020. Due to the transformation, unitholders of the dissolving fund become shareholders of the investment shares of the newly formed joint stock company with variable registered capital, or its subfund upon the day of registration of the newly formed joint stock company in the Commercial Register. The transformation decisive day (January 1, 2020) is also a day from which the asset of the dissolving fund is considered to be an asset in the subfund of the newly formed joint stock company with variable registered capital.

Performance as at 31/12/2019

	Performance (in EUR)
1 month	2.12 %
3 months	4.92 %
6 months	4.52 %
1 year	14.92 %
Total	10.90 %

Performance as at 31/12/2019

	Performance (in PLN)
1 month	2.29 %
3 months	5.39 %
6 months	5.65 %
1 year	7.58 %
Total	17.20 %

Main risks

The biggest risks of the fund are sinks in the world's equity markets, as the vast majority of the fund's assets are linked to them. Another risk is the currency risk, since the fund manager has no obligation to provide this risk. Currently, the largest open exposure is the EUR/USD currency pair.

The list of positions in the Fund summarizes the following table:

Position in the Fund	ISIN	Share as at 31/12/19
ALLEurEqGroWTEUR	LU0256883504	1,84 %
ALLChinaAWtUSD	LU1997245920	1,03 %
ALLStruRetITUSD	LU1529949155	1,42 %
BGFEurEqInclEUR	LU1222728690	2,26 %
BGFUSBasicVall2USD	LU0368249990	3,28 %
EquityFundB	IE0031283520	11,70 %
FFAmeFulUSD	LU1243244081	3,23 %
FFAustralialUSD	LU1808853821	1,06 %

FFCorBondYEUR	LU0370787359	3,38 %
FFEmeAsilUSD	LU0742535718	5,54 %
FFJapAggrlJPY	LU0261965585	2,09 %
FFlatAmelUSD	LU1560649805	1,42 %
FraK2AltStralUSD	LU1093756838	1,43 %
FranMutBeaclUSD	LU0195949986	3,12 %
FranMutEuropeEUR	LU0195950059	2,77 %
HGTurkeyEqEUR	LU0213961922	1,05 %
INGEuroEquityEUR	LU0095084066	2,91 %
INGJapanJPY	LU0191250686	1,21 %
LOYSEUSyslCapEUR	LU1129459035	2,84 %
NewEuropeBF_A	IE00B0SY6161	2,48 %
ParvBondEurShTIEUR	LU0212176118	1,70 %
ParvEnhCas6MIEur	LU0325598752	1,70 %
ParvEqBesSellnEUR	LU0823401814	2,97 %
ParvEqBSAsXJIEUR	LU0823397798	5,17 %
ParvEqLatAmIUSD	LU0102008223	1,45 %
ParvEqUSSmCalUSD	LU0823411292	2,69 %
ParvEurSmallCapI	LU0212179997	2,76 %
ParvRussEQIEUR	LU0823432371	1,63 %
ParvUSMulFaEqIUSD	LU1956164260	4,44 %
TemAsiaSmaIUSD	LU0390136223	2,95 %
TempAsianGrowtIUSD	LU0181996454	5,64 %
TempFronMarIUSD	LU0390136900	2,00 %
TempGlobBondIUSD	LU0181997262	1,04 %

Note: The table only contains positions in the fund exceeding 1% of the value of the Fund's assets on the date on which the valuation was carried out for the purposes of this annual report.

B. TOTAL NUMBER OF THE FUND'S UNITS

that are in circulation at the end of the accounting period and that were issued and redeemed in the accounting period

In 2019, 50 054 985 units were issued and 17 538 095 units were redeemed. As at 31 December 2019, 112 548 702 units were in circulation.

C. FUND'S EQUITY ATTRIBUTABLE TO ONE UNIT

at the end of the accounting period

As at 31 December 2019, the Fund's equity attributable to one unit was CZK 2.8109 (EUR 0.11065) and CZK 7.5699 (PLN 1.2683).

D. STRUCTURE OF THE FUND'S ASSETS AND CHANGES THEREIN

Percentage of total assets	31 December 2019	31 December 2018
Receivables from banks	3.65 %	2.31 %
Shares, units and other investments	95.74 %	96.87 %
Other assets	0.61 %	0.82 %

E. INFORMATION ABOUT ALL SFT AND SWAP REVENUES

No SFTs or swap revenues were realised on the Fund's account during the reporting period.

F. DEVELOPMENT OF THE FUND'S ASSETS

In the reporting period, assets slightly increased, growing by approximately CZK 126 million as a result of increased subscription to the Fund.

G. MOVEMENT IN THE FUND'S ASSETS

The Fund's assets increased primarily due to new subscriptions of units.

H. COMPARISON OF THE FUND'S TOTAL EQUITY AND EQUITY PER UNIT

for the three most recent accounting periods (as at the end of each period)

Period ended	Fund's equity (CZK)	Funds equity (CZK) / per unit
31 December 2017	151 442 025.00	2.7738 and 7.3149
31 December 2018	215 550 986.00	2.4818 and 6.4856
31 December 2019	340 548 751,44	2.8109 and 7.5699

I. FINAL VOLUME OF LIABILITIES RELATING TO TECHNIQUES
used by the manager in managing the Fund, as at the end of the accounting period,
classified into repo transactions and derivatives

Type	Nominal value (CZK)	Fair value (CZK)
Liabilities arising from FX derivatives	132 305 281.56	0.00

J. INFORMATION ABOUT ALL OF THE FUND'S PORTFOLIO MANAGERS
in the reporting period and about the duration of their activity as managers, including a
brief description of their experience and knowledge

Throughout the reporting period, the Fund's financial assets were managed by the Investment Company.

Investment Company's key personnel involved in the management of the Fund:

Jan Vedral

After graduating from the Faculty of Business of the University of Economics in Prague, he worked at Investiční banka. In 1992 he joined Agrobanka Praha (presently MONETA Money Bank) and, as its chief broker, participated in the first transactions on the emerging Czech primary and secondary capital markets. At the end of 1994, he established Conseq Finance, which he headed until 2003. For the entire period, he was in charge of operations, stock brokerage and investment management. At Conseq Investment Management, Jan Vedral works as chief investment manager, leading an investment team and setting key investment strategies. Together with Hana Blovká, he is involved in making decisions on the firm's business strategy and operational management.

Anne-Françoise Blüher

Anne-Françoise Blüher studied at Trinity College in Dublin and Christian-Albrechts-University in Kiel, Germany, where she obtained a Volkswirt diploma (equivalent to a master's degree), specialising in quantitative methods. Anne-Françoise Blüher worked as a macroeconomic analyst and financial market analyst for more than 20 years in the Czech and German financial sector, specifically in both investment banking and portfolio management. She worked at Union Investment in Frankfurt am Main, Conseq Finance, PPF and Komerční Banka. Since 2015, Anne-Françoise Blüher has continued in the Company as Portfolio Manager and since 2018 in Investment Company, where she is in charge of the strategic management of the Fund's portfolios.

Adam Šperl

He has worked as Portfolio Manager since 2017. He is in charge of portfolio management and also oversees the portfolios of retail and institutional clients. Since 2018, he has worked as Portfolio Manager in Investment Company, where he is in charge of portfolio management. Previously, he worked at Česká pojišťovna, where he participated in the management of investment risks of Generali Group. He majored in Banking and Insurance from the Faculty of Finance and Accounting and Economic Analysis at the Faculty of Economics of the University of Economics in Prague. He is the CFA Charterholder.

Tom Kadeřábek

He graduated in Finance from the University of Economics in Prague, Faculty of Finance and Accounting. In 2014, he joined the Company as Portfolio Manager and since 2018, he has continued in the Investment Company. He initially worked in the

sales department and currently is responsible for the management of the Fund's portfolios.

K. INFORMATION ABOUT THE FUND'S DEPOSITARY in the reporting period and about the duration of its activity as the depositary

Throughout the reporting period, UniCredit Bank Czech Republic and Slovakia, a.s., with its registered office at Želetavská 1525/1, Praha 4 - Michle, postcode 140 92, identification number 64948242, recorded in the Commercial Register under section B, file number 3608, maintained with the Municipal Court in Prague, acted as the Fund's depositary (the "Depositary").

L. INFORMATION ABOUT THE ENTITY CHARGED WITH THE CUSTODY OR SAFEKEEPING OF THE FUND'S ASSETS, provided that more than 1% of the Fund's assets is deposited with the entity

The Depositary has delegated the following companies: CLEARSTREAM BANKING, 42 Avenue JF Kennedy, L-1855 Luxembourg, VAT ID: LU 10294056, The Bank of New York Mellon SA / NV, 46 Rue Montoyerstraat, B-1000 Brussels, Belgium, company number 0806.743.159, and banks from the UniCredit group (especially UniCredit Bank Austria AG, 1010 Wien, Schottengasse 6-8, Austria, UniCredit Bank Hungary Zrt., Szabadság tér 5-6, H-1054 Budapest, Hungary, and Bank of Poland Kasa Opieky SA, Grzybowska 53/57, 00-950, Warsaw, Poland) to perform the safekeeping or other custody of foreign investment instruments, according to the type of investment instrument, country of issuer and the market where the investment instrument was purchased.

M. INFORMATION ABOUT THE MAIN PRIME BROKER in the reporting period and about the duration of its activity as the main prime broker

In the reporting period, no entity acted as the main prime broker with respect to the Fund's assets.

N. IDENTIFICATION OF THE FUND'S ASSETS provided their value exceeds 1% of the Fund's asset value as at the date of valuation for the purposes of this annual report, indicating total acquisition cost and fair value at the end of the reporting period:

Debt securities held by the Fund:

Name of security (or issuer)	ISIN	Total acquisition cost (TCZK)	Total fair value (TCZK)
ALLEurEqGroWTEUR	LU0256883504	5 263	6 273
ALLChinaAWtUSD	LU1997245920	3 248	3 534
ALLStruRetITUSD	LU1529949155	4 361	4 853
BGFEurEqIncEUR	LU1222728690	7 415	7 723
BGFUSBasicVall2USD	LU0368249990	9 988	11 198
EquityFundB	IE0031283520	35 805	39 981
FFAmeFulUSD	LU1243244081	10 484	11 028
FFAustralialUSD	LU1808853821	3 302	3 621
FFCorBondYEUR	LU0370787359	11 212	11 537

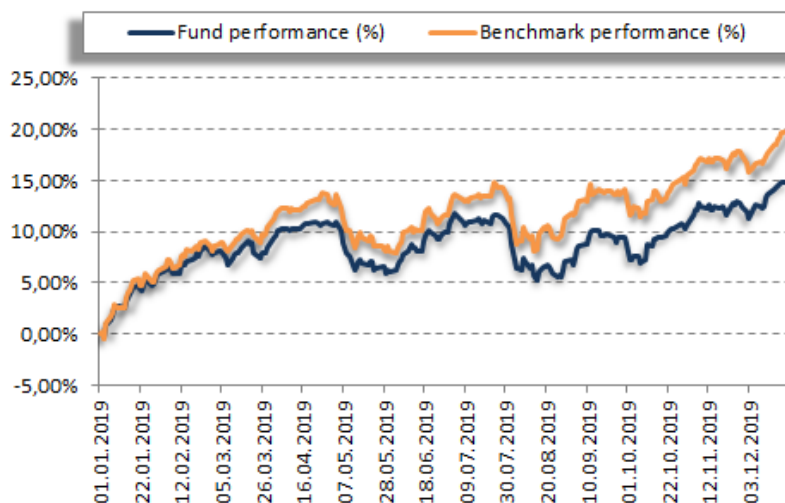
FFEmeAsilUSD	LU0742535718	16 371	18 913
FFJapAggrlJPY	LU0261965585	6 446	7 145
FFLatAmelUSD	LU1560649805	4 495	4 738
FraK2AltStralUSD	LU1093756838	4 578	4 875
FranMutBeacUSD	LU0195949986	9 332	10 668
FranMutEuroplEUR	LU0195950059	8 802	9 461
HG TurkeyEqIEUR	LU0213961922	3 271	3 580
INGEuroEquityIEUR	LU0095084066	9 350	9 954
INGJapanJPY	LU0191250686	3 647	4 126
LOYSEUSyslCapEUR	LU1129459035	8 647	9 701
NewEuropeBF_A	IE00B0SY6161	7 736	8 398
ParvBondEurShTIEUR	LU0212176118	5 832	5 794
ParvEnhCas6MIEur	LU0325598752	5 817	5 796
ParvEqBesSellnEUR	LU0823401814	9 163	10 135
ParvEqBSAsXJIEUR	LU0823397798	15 113	17 658
ParvEqLatAmUSD	LU0102008223	4 312	4 949
ParvEqUSSmCalUSD	LU0823411292	7 741	9 174
ParvEurSmallCapl	LU0212179997	9 233	9 440
ParvRussEQIEUR	LU0823432371	5 168	5 573
ParvUSMulFaEqUSD	LU1956164260	14 757	15 175
TemAsiaSmaColUSD	LU0390136223	9 766	10 062
TempAsianGrowtlUSD	LU0181996454	17 024	19 268
TempFronMarlUSD	LU0390136900	6 866	6 835
TempGlobBondlUSD	LU0181997262	3 494	3 552

Assets:	Purchase price (TCZK)	Fair value (TCZK) as at 31 December 2019:
Receivables from banks	12 472	12 472

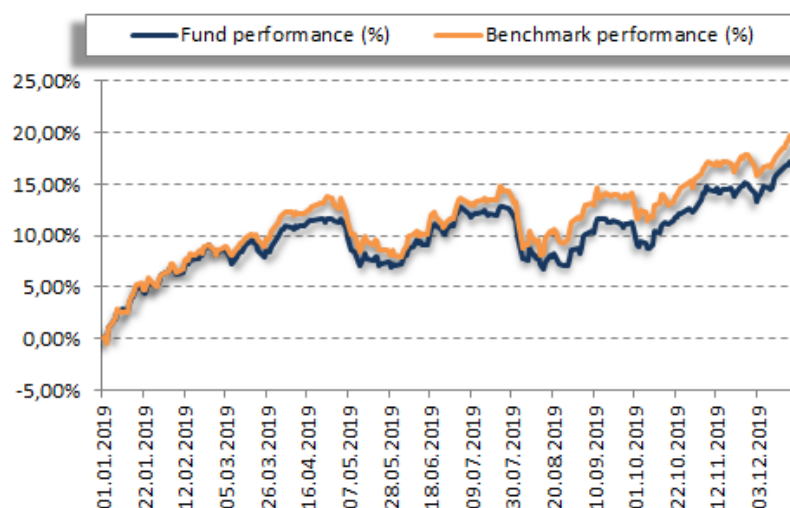
O. MOVEMENT IN UNIT VALUE IN THE REPORTING PERIOD

in graph form; if the investment strategy is based on an index or another financial quantitative indicator (benchmark), the movement in the index in the reporting period should also be provided in graph form

EUR



PLN



8

P. JUDICIAL OR ARBITRATION DISPUTES REGARDING ASSETS OR CLAIMS OF FUND UNITHOLDERS

where the value of the subject of the dispute exceeds 5% of the Fund's assets in the reported period

In the reporting period, the Fund did not participate in any judicial or arbitration disputes whose value exceeded 5% of the Fund's assets.

Q. THE VALUE OF ALL SHARES IN PROFIT PAID OUT PER UNIT

The Fund is a growth fund. It does not pay out shares in profit (dividends) or in revenues from the Fund's management; instead, these are reinvested and are reflected in the value of the Fund's units.

R. REMUNERATION PAID TO THE FUND MANAGER FOR THE MANAGEMENT OF THE FUND'S ASSETS

broken down into remuneration paid for performing the role of depositary, administrator, main prime broker and auditor, and figures relating to other expenses and taxes.

In the period from 1 January to 31 December 2019, remuneration paid for the management of the Fund's assets amounted to TCZK 4 235.

In the period from 1 January to 31 December 2019, performance-based remuneration totalled TCZK 0.

In the period from 1 January to 31 December 2019, remuneration paid for performing the role of depositary amounted to TCZK 239 and expenses relating to other depositary services amounted to TCZK 209.

In the period from 1 January to 31 December 2019, the Fund incurred audit-related costs of TCZK 101.

For the period from 1 January to 31 December 2019, was income tax (including tax on separate tax base) of TCZK 743.

S. RISKS RELATED TO DERIVATIVES, QUANTITATIVE LIMITATIONS AND RISK ASSESSMENT METHODS

selected for the assessment of risks related to portfolio management and Fund management techniques for the reported period, including information on transaction counterparties, types and amounts of security received, expenses and revenues linked to the application of these methods, and information on investment limits in respect of derivative contracts concluded for the Fund's account

Risks related to derivatives

Risks associated with financial derivatives generally comprise market risks (which, depending on the derivative's underlying asset, can include currency or interest rate risks) and counterparty credit risk. Derivatives are characterised by the leverage effect, whereby even a slight change in the price of a derivative's underlying instrument results in a relatively significant change in the price of the derivative.

Quantitative limitations

selected for the assessment of risks related to Fund management methods

The Fund management techniques are only repo transactions and financial derivatives. These techniques can be used only under the conditions and in compliance with the limits set for standard funds by the Act on Investment Companies and Investment Funds and Government Regulation no. 243/2013 Coll., about investment funds and investment techniques to manage them (hereinafter the "Government Regulation").

Quantitative limitations

selected for the assessment of risks related to the Fund portfolio management

The Fund invests at least 70% of the Fund's capital decreased by accumulated depreciation and provisions in securities issued by equity funds. The Fund cannot invest more than 20% of the adjusted fund capital in securities issued by a single collective investment fund. The assets of the Fund cannot acquire more than 25% of the value of one investment fund's assets. The securities issued by special funds cannot in total exceed more than 30% of the adjusted fund capital. Bank deposits cannot represent more than 20% of the adjusted fund capital. This limit doesn't have to be complied with for the time necessary in relation to the Depositary, in case of the financial settlement of the issue or redemption of the fund units. Investment securities and money market instruments issued by a single issuer cannot represent more than

10% of the adjusted fund capital, and in case of investment securities and money market instruments issued by issuers within the group for whom consolidated financial statements are prepared, up to 20% of the adjusted fully fund capital; the sum of these investments cannot exceed 30% of the adjusted fund capital. Irrespective of the limit specified above, the Fund may invest up to 25% of the adjusted fund capital in bonds issued by one bank, one savings bank and credit union or one foreign bank which has its registered office in an EU member state and is subject to state supervision, which is protecting the interests of the bondholders, if the funds gained by issuing these bonds are invested in such types of assets that the maturity date of bonds covers the obligations of the bond issuer and which in the case of insolvency of the issuer can be used primarily to repay the bond and the redemption. It is not allowed to invest more than 10% of the adjusted fund capital into investment securities stated in Section 3 Article 1 (e), and money market instruments mentioned in Section 9 of the Government Regulation. If the investment securities or money market instruments are not issued or guaranteed by a state or local government unit of a member state or issued by international financial organisations whose members are one or more member states, it is not allowed to acquire into the Funds more than 10% of: 1) the total nominal value or total number of shares issued by a single issuer, to whom no voting rights are attached; 2) the total nominal value of the bonds issued by one issuer; 3) the total nominal value or total number of money market instruments issued by a single issuer. The sum of the values of investment securities and money market instruments issued by a single issuer, the value of the receivables for the payment from the bank deposit placed at this issuer, and the value of the exposure to counterparty risk arising from derivative financial instruments not admitted to trading concluded with the issuer must not exceed 20% of the adjusted fund capital.

Methods

selected for the assessment of risks related to the portfolio management and Fund management methods

In managing the risks arising from the use of investment instruments that are part of the Fund's assets, the Investment Company applies the following methods:

- a) monitoring and checking compliance with relevant rules regarding risk distribution and limitations (investment limits and rules) laid down by generally binding regulations and the Fund's statutes
- b) monitoring movement in the Fund's performance volatility expressed as a standard deviation using the Fund's unit performance over 36 months expressed as an annual deviation
- c) monitoring operating risk.

The Investment Company secures credit risk regarding derivatives or repo transactions in line with rules laid down by the Fund's statutes and the Government Decree. The Investment Company also monitors the development of investment instrument credit ratings.

T. ANNUAL DEVIATION BETWEEN THE FUND'S PERFORMANCE AND THE PERFORMANCE OF THE MONITORED INDEX, if the Fund monitors certain indices or other financial quantitative benchmarks; including an explanation of the differences between the expected and real deviation for the reported period

EUR- The variation between the observed annual performance of the Fund and the performance of the observing index is -4.01%. The reason was worse performance of

emerging markets in comparison to the advanced and loss from the hedged position of the EUR/USD currency pair.

PLN- The variation between the observed annual performance of the Fund and the performance of the observing index is -1.73%. The reason was worse performance of emerging markets in comparison to the advanced and loss from the hedged position of the EUR/USD currency pair.

U. SIGNIFICANT CHANGES IN INFORMATION STATED IN THE STATUTES OF THE FUND, which occurred during the accounting period

The Depositary has delegated the following companies: CLEARSTREAM BANKING, 42 Avenue JF Kennedy, L-1855 Luxembourg, VAT ID: LU 10294056, The Bank of New York Mellon SA / NV, 46 Rue Montoyerstraat, B-1000 Brussels, Belgium, company number 0806.743.159, and banks from the UniCredit group (especially UniCredit Bank Austria AG, 1010 Wien, Schottengasse 6-8, Austria, UniCredit Bank Hungary Zrt., Szabadság tér 5-6, H-1054 Budapest, Hungary, and Bank of Poland Kasa Opiekcy SA, Grzybowska 53/57, 00-950, Warsaw, Poland) to perform the safekeeping or other custody of foreign investment instruments, according to the type of investment instrument, country of issuer and the market where the investment instrument was purchased.

V. INFORMATION ABOUT WAGES, RENUMERATIONS AND SIMILAR INCOME OF EXECUTIVE MEMBERS

which may be considered remuneration paid by the management of the Investment Company to its employees or managers in the accounting period, remuneration are divided into fixed and variable components, information about the number of employees and managers of the Fund and information about bonuses for capital appreciation that the investment fund or his manager has paid off

Wage and similar expenses of the Investment Company for 2019 amounted to TCZK 86 468. The variable component amounted to TCZK 80 435 out of total wages and similar expenses. The amounts above are related to the total remuneration of all employees and managers of the Investment Fund. In 2019, the average number of employees and executives of the Investment Company was eighteen.

The Investment Fund did not pay any remuneration to employees or executives for the Fund's capital appreciation.

The Investment Company has modified the remuneration system for persons whose activities have a significant impact on the risks to which the Investment Company or the Fund can be exposed, including the senior management of the Investment Company, in accordance with the principles in annex II to the AIFMD directive. The modification takes into account the size, internal organisation and the nature, scale and complexity of the activities of the Investment Company and the Fund. In opinion of the Investment Fund, the remuneration system is consistent with proper and effective risk management. Within the Investment Fund, risk management is encouraged, while it does not encourage risks that are incompatible with the risk profile and the statutes of the Fund. Information about the risk profile and risk management of the Fund is presented elsewhere in the annual report. The remuneration system includes measures to prevent conflicts of interest. The rules for preventing and resolving conflicts of interest are incorporated into the internal regulations of the Investment Company.

W. INFORMATION ABOUT WAGES, RENUMERATIONS AND SIMILAR INCOME OF EXECUTIVE MEMBERS

paid by the management of the Fund to its employees or executives whose activities have a material impact on the risk profile of the Fund,

In 2019, personnel expenses and remuneration of directors and other employees whose activities have a material impact on the Company and Fund's risk profile were TCZK 86 468. The variable component was TCZK 80 435.

II. DISCLOSURES

required by Section 21 of Act No. 563/1991 Coll., on Accounting

A. FINANCIAL AND NON-FINANCIAL DISCLOSURES

regarding events that occurred after the balance sheet date and that are significant for the compliance with the purpose of this annual report

At the end of 2019, the first news broke of the COVID-19 (coronavirus) outbreak. In the early months of 2020, the virus spread around the world, adversely affecting many countries. The Fund manager is continuously monitoring current developments (relating to the security measures due to the Covid-19 outbreak), and evaluates the potential short- and long-term impacts on the financial services industry and the Company's operations. The manager principally tries to assess all economic consequences which might impact the company's operations and its funds both in the near future and in the long-term horizon.

While it was impossible to observe any economic impacts in 2019, the first months of 2020 took a completely different and very fast direction. The immediate shock and the impact on the value of the managed assets was overall negative, but with differences between different asset types, the immediate exposition to the most affected sectors, the means and frequency of measurement, and also in the necessity to meet mandatory requirements arising from the fund status or legal regulations. Regardless of the above and of the intensity of the initial economic losses, our approach continues to follow our long-term vision, and we see asset valuation in Q1 and Q2 of 2020 more like a one-off anomaly whose intensity will fully depend on the duration of the security measures than the new norm of a lengthy recession. We encountered similar financial market behaviour and asset price developments at the beginning of the great financial crisis in 2008. In some cases, today's volatility is even larger due to the passive structures of the financial markets. Although we realistically expect a significant impact and a slowdown of economy in the first two to three quarters of 2020, followed by increased unemployment, growth in credit margins and the rate of credit failures, we believe that the promptly imposed government measures and allocated fiscal capacity will allow for the mitigation of the whole process and a return to the previous levels of economic activity, with a positive response of the stock markets and the total valuation of investment assets.

As at the time of preparation of financial statements, the Fund manager experienced neither any restrictions caused by a lack of employees due to the outbreak nor any other restrictions affecting employees, nor the necessity to secure additional hardware for new employees, nor a direct impact of the government's restrictions on foreign travel and the imposed quarantine measures. The Fund manager has not experienced any problems with meeting any covenants and financial liabilities.

Although we can rationally expect repeated extensions of the current restrictions with a considerable direct impact on the Company's financial results in the immediate future, at present the Company is able to meet its liabilities and increased client requirements to liquidate invested funds in relation to market conditions and government restrictions without any trouble. However, due to the above we believe it necessary to point out the necessity to carefully consider the selection of funds, and we recommend to abstract away from emotional news and headlines which often exacerbate the situation and may result in overlooking the actual situation. At present, the Company is in a position enabling it to efficiently face the current situation and ensure a seamless operation to overcome the challenges presented by the coronavirus outbreak.

After the balance sheet date, financial and non-financial information that would be relevant to the purpose of the annual report (with exception described above, especially in note I.A relating to transformation of the Fund and circumstances in connection with Covid-19 pandemic) did not occur .

B. EXPECTED DEVELOPMENT OF FUND'S ACTIVITIES

The Fund does not expect any changes in its investment policy in 2020. The main objective of the Fund in 2020 is to invest the collected capital in line with its investment strategy, limitations and unitholders' expectations as for the revenues and based on that create conditions for stable revenues and expansion of the Fund's assets in the long run.

C. RISKS

arising from the use of investment instruments and their management aims and methods

The aim of the Fund's risk management is to minimise risks linked to the Fund's business activities while complying with the Fund's investment strategy.

To assess risks linked to the Fund's efficient management methods and tools, methods were selected identifying the following individual significant risks:

- a) Market risk (interest rate and currency risks) - the Investment Company manages this risk by monitoring and following the above mentioned quantitative limitations and by using derivatives.
- b) Credit risk - the Investment Company minimises this risk by selecting counterparties and issuers with specific rating levels, by determining the volume limits on transactions with individual counterparties and issuers, diversification and appropriate contractual arrangement.
- c) Settlement risk - this risk is minimised particularly by selecting credible counterparties, settling transactions with investment instruments under reliable settlement systems and by arranging high-quality and reliable legal institutes in case of transactions with real assets.
- d) Liquidity risk - the Investment Company manages this risk by keeping a certain minimum level of liquid funds in the Fund and using other measures in line with generally binding legal regulations.
- e) The risk arising from the Fund's investment focus on specific industries, countries or regions, different parts of the market of specific types of assets - this systemic risk is managed by diversification, i.e. spreading of investments.
- f) The risk of loss of assets entrusted into custody or another type of safekeeping - the Fund entrusts its asset into custody or, where the nature of things excludes this, to another type of safekeeping to a Fund depositary that is a renowned bank.
- g) Operating risk that is the risk of a loss as a result of deficiencies or failures of internal processes or human factors or as a result of external circumstances - the Investment Company curbs this risk by maintaining an appropriate internal control system.

D. INFORMATION ON RESEARCH AND DEVELOPMENT ACTIVITIES

In the reported period, the Fund did not engage in any research and development activities.

E. INFORMATION ABOUT ACQUISITION OF OWN SHARES OR OWNERSHIP INTERESTS

The Fund did not acquire any own shares or ownership interests.

F. ENVIRONMENTAL PROTECTION AND INDUSTRIAL RELATIONS ACTIVITIES

In the reported period, the Fund did not engage in any environmental protection and industrial relations activities.

G. BRANCHES ABROAD

The Fund has no branches abroad.

Statutory declaration

To the best of our knowledge, this annual report represents a true and fair view of the Fund's financial situation, its business activities and profit and loss in the previous accounting period, and of the outlook for future development of the Fund's financial situation, business activities and profit and loss.

Date of preparation

30 April 2020

Signature of statutory representative



Ing. Jan Vedral



KPMG Česká republika Audit, s.r.o.

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This document is an English translation of the Czech auditor's report.
Only the Czech version of the report is legally binding.

**Independent Auditor's Report to the Shareholders of
Conseq Active Invest Dynamický, podfond Conseq Funds
SICAV (until 31 December 2019 Active Invest Progressive,
otevřený podílový fond)**

Opinion

We have audited the accompanying financial statements of Conseq Active Invest Dynamický, podfond Conseq Funds SICAV ("the Company"), prepared in accordance with Czech accounting legislation, which comprise the balance sheet as at 31 December 2019, the income statement and the statement of changes in equity for the year 2019 then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes. Information about the Company is set out in Note 1 to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2019, and of its financial performance for the year 2019 then ended in accordance with Czech accounting legislation.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors, and Auditing Standards of the Chamber of Auditors of the Czech Republic, consisting of International Standards on Auditing (ISAs) as amended by relevant application guidelines. Our responsibilities under those regulations are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Emphasis of Matter – fund transformation

We draw attention to Note 1 to the financial statements. On 1 January 2020, the Fund's name changed from Active Invest Progressive, otevřený podílový fond to Conseq Active Invest Dynamický, podfond Conseq Funds SICAV.

Our opinion is not qualified in respect of this matter.

Other Information

In accordance with Section 2(b) of the Act on Auditors, other information is defined as information included in the annual report other than the financial statements and our auditor's report. The statutory body is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable laws and regulations, in particular, whether the other information complies with laws and regulations in terms of formal requirements and the procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with those requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- the other information describing matters that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- the other information has been prepared in accordance with applicable laws and regulations.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatement. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement.

Responsibilities of the Statutory Body for the Financial Statements

The statutory body is responsible for the preparation and fair presentation of the financial statements in accordance with Czech accounting legislation and for such internal control as the statutory body determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with the above regulations, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the statutory body.
- Conclude on the appropriateness of the statutory body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



Statutory Auditor Responsible for the Engagement

Jindřich Vašina is the statutory auditor responsible for the audit of the financial statements of Conseq Active Invest Dynamický, podfond Conseq Funds SICAV as at 31 December 2019, based on which this independent auditor's report has been prepared.

Prague
30 April 2020

KPMG Česká republika Audit

KPMG Česká republika Audit, s.r.o.
Registration number 71

Ondřej Fikrle

Ondřej Fikrle
Engagement Partner

Jindřich Vašina
Engagement Partner
Registration number 2052

**Conseq Active Invest Dynamický,
podfond Conseq Funds SICAV**

**Financial statements
as at 31 December 2019**

Conseq Active Invest Dynamický, podfond Conseq Funds SICAV
Notes to the Czech statutory financial statements (translated from the Czech original)
Year ended 31 December 2019

BALANCE SHEET
AS AT 31 DECEMBER 2019

Assets			
TCZK	Note	31 December 2019	31 December 2018
Receivables from banks	3	12 473	4 995
of which: a) repayable on demand		12 473	4 995
Shares, units and other investments	4	327 020	209 272
Other assets	5	1 087	1 775
Total assets		341 580	216 042
Liabilities			
TCZK	Note	31 December 2019	31 December 2018
Other liabilities	6	507	491
Provisions	7	523	0
Capital funds	8	315 491	227 876
Retained profits/accumulated losses of the prior period		-12 325	10 943
Profit for the accounting period	8	37 384	- 23 268
Equity/Net assets Total		340 550	215 551
Total liabilities		341 580	216 042

Conseq Active Invest Dynamický, podfond Conseq Funds SICAV
Notes to the Czech statutory financial statements (translated from the Czech original)
Year ended 31 December 2019

OFF-BALANCE SHEET ITEMS
AS AT 31 DECEMBER 2019

TCZK	Note	31 December 2019	31 December 2018
Receivables from fixed term transactions	17	134 212	103 602
of which: b) currency instruments		134 212	103 602
Values placed under management	9	340 550	215 551
Total off-balance sheet assets		474 761	319 153

TCZK	Note	31 December 2019	31 December 2018
Payables from fixed term transactions	17	132 305	103 566
of which: b) currency instruments		132 305	103 566
Total off-balance sheet liabilities		132 305	103 566

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

TCZK	Note	2019	2018
Commission and fee income	10	99	58
Commission and fee expense	11	- 49	- 53
Gain or loss from financial operations	12	44 085	- 21 232
of which: conducted		1 515	- 4 186
: not conducted		42 570	-17 047
Administrative expenses	13	- 4 784	- 3 265
Profit from ordinary activities before tax		39 351	- 24 492
Income tax	15	- 1 967	1 224
Net profit for the accounting period		37 384	- 23 268

Conseq Active Invest Dynamický, podfond Conseq Funds SICAV
Notes to the Czech statutory financial statements (translated from the Czech original)
Year ended 31 December 2019

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

TCZK	Note	Capital funds	Retained profits/ Accumulated losses	Profit/loss for the current period	Total
Balance as at 1 January 2018		140 499	2 568	8 375	151 442
Profit/loss distribution	8	0	8 375	- 8 375	0
Sale of units	8	114 624	0	0	114 624
Purchase of units	8	- 27 792	0	0	- 27 792
FX gains (losses)		545	0	0	545
Net profit for the period	8	0	0	- 23 268	- 23 268
Balance as at 31 December 2018		227 876	10 943	- 23 268	215 551

TCZK	Note	Capital funds	Retained profits/ Accumulated losses	Profit/loss for the current period	Total
Balance as at 1 January 2019		227 876	10 943	-23 268	215 551
Profit/loss distribution	8	0	23 268	23 268	0
Sale of units	8	164 634	0	0	164 634
Purchase of units	8	- 52 704	0	0	- 52 704
FX gains (losses)		- 24 315			- 24 315
Net profit for the period	8	0	0	37 384	37 384
Balance as at 31 December 2019		315 491	-12 325	37 384	340 550

1 GENERAL INFORMATION

Information about the Fund

Conseq Active Invest Dynamický, podfond Conseq Funds SICAV (“the Fund”) was incorporated on 1 January 2020 upon its entry in the list of mutual funds maintained by the Czech National Bank by transformation of the collective investment unit fund into a subfund of a joint stock company with variable registered capital with a decisive day of transformation being 1 January 2020. The previous Fund (Active Invest Progressive, open-ended mutual fund) was dissolved on 31 December 2019, in accordance with Section 421 (1) of Act No. 240/2013 Coll., on Investment Companies and Investment Funds, as amended, and a new subfund, Conseq Active Invest Dynamický of Conseq Funds SICAV a.s., was established on 1 January 2020 (ID No. 08805105). Due to the transformation, the unitholders of the dissolving fund became the shareholders of the investment shares of the newly formed joint stock company with variable registered capital, or its subfund on the day of registration of the newly formed joint stock company in the Commercial Register. The transformation decisive day (1 January 2020) is also the day from which the assets of the dissolving fund are considered to be the assets of the subfund of the newly formed joint stock company with variable registered capital.

Until 31.12.2019 the Fund was a mutual fund within the meaning of Section 102 et seq. of Act No. 240/2013 Coll., on Investment Companies and Investment Funds (“the Act on Investment Companies and Investment Funds”). Mutual funds do not have a legal personality. Ownership of the assets in a mutual fund is shared jointly by all of its unitholders and is exercised by its manager on the manager’s behalf and for the mutual fund’s account (see the section on information about the manager of the Fund below).

The Fund’s purpose, until 31.12.2019, was to collect funds from the public by issuing units and, based on a set investment strategy and in accordance with the principle of risk diversification, to collectively invest these funds for the benefit of its unitholders and to further manage these assets. The Fund’s investment strategy is governed by its rules.

The Fund has been established for an indefinite period.

In terms of cross-border operations, the Fund’s units are offered in Slovakia and Poland.

The value of the Fund’s units Class EUR is shown in euro (EUR). The value of the Fund’s units Class PLN is shown in Polish Zloty (PLN).

Information about the manager of the Fund

Conseq Funds investiční společnost, a.s. (the “Company”), with its registered office at Rybná 682/14, Praha 1, postcode 110 05, is the investment company that manages and administers the Fund in accordance with the Act on Investment Companies and Investment Funds. The Company was recorded in the Commercial Register on 11 May 2011, identification number 248 37 202.

2 ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared on the basis of accounts maintained in accordance with the Act on Accounting and relevant regulations and decrees effective in the Czech Republic. The financial statements have been prepared under the historical cost convention on the basis of full accrual accounting, except for selected financial instruments that are stated at fair value.

These financial statements have been prepared in accordance with Decree of the Czech Ministry of Finance No. 501, dated 6 November 2002, as amended, which regulates the layout and definition of the individual items of financial statements and the extent of disclosures for banks and certain financial institutions.

Unless otherwise indicated, all amounts are shown in thousands of Czech crowns ("TCZK").

These financial statements are non-consolidated.

The fair values of investments listed on active markets are based on current asking prices (financial assets) or bid prices (financial liabilities). If no active market exists for a financial instrument, the Company determines the fair value of the Fund's financial instruments using valuation techniques including the use of an arm's length price, discounted cash flow analysis, options pricing models and other valuation techniques commonly used by market participants. These valuation techniques reflect market conditions prevailing at the measurement date, which may differ from the market conditions before or after the measurement date. At the reporting date, the Company's management reviewed the techniques used to ensure they adequately reflected current market conditions, including relative market liquidity and credit spread levels.

The Fund's financial statements have been prepared in accordance with the following significant accounting policies:

(b) Transaction date

Depending on the transaction type, the transaction date is generally defined as: the date of payment or cash collection; the date of purchase or sale of foreign currency or securities; date of executing a payment; date of settling the Fund's orders; date on which (foreign currency) funds are credited, as stated in an account statement; or the trade and settlement date for securities, foreign currency, options or other derivative transactions.

Financial assets and liabilities are recognised when the Fund becomes a contracting party to the transaction.

2 ACCOUNTING POLICIES (CONTINUED)

(b) Transaction date (continued)

The Fund derecognises a financial asset or part thereof from the balance sheet if it loses control of the contractual rights to the financial asset or part thereof. The Fund loses this control if it exercises the rights to the benefits defined in a contract, or if such rights expire or are waived by the Fund.

A financial liability or part thereof is extinguished when the obligation specified in a contract is discharged or cancelled or expires and the Entity no longer recognises the financial liability or part thereof in the balance sheet. The difference between the carrying amount of a financial liability (or part thereof) extinguished or transferred to another party and the consideration paid for the liability is recognised in profit or loss.

Spot purchases and sales of financial assets are recorded in the balance sheet from the settlement date.

(c) Securities at fair value through profit or loss

Securities at fair value through profit or loss are securities that have been acquired to generate profit from short-term price fluctuations. The Fund only invests in securities that meet this definition.

Securities at fair value through profit or loss are initially measured at cost, which includes ancillary expenses incurred in connection with their acquisition. Subsequently, they are measured at fair value based on market prices. Any related unrealised gains or losses arising from the revaluation of securities at fair value through profit or loss and gains or losses realised on their sale are recognised under “Gain or loss from financial operations”.

The fair value of a security is determined as the market price quoted by the respective stock exchange or another active public market, provided that the Fund is able to prove that the security can be sold at the market price. The fair value of a unit is determined as the fund capital value per unit declared by the investment company administering the relevant fund. Otherwise, fair value is estimated at the net present value of cash flows, taking into account credit and liquidity risks.

In applying valuation techniques to determine the fair value of the Fund’s securities, the Company only uses available market information. These valuation techniques reflect market conditions prevailing at the measurement date, which may vary from the market situation before or after that date. At the balance sheet date, the Company’s management reviewed these techniques to ensure they adequately reflected current market conditions, including relative market liquidity and credit spread levels.

(d) Interest income and expense

Interest income primarily comprises interest on term and current deposits. Interest income and expense is recognised on an accrual basis using the straight-line method.

2 ACCOUNTING POLICIES (CONTINUED)

(e) Receivables

Receivables are stated at nominal value reduced by any adjustment. Unrecoverable receivables are written off when the debtor's bankruptcy proceedings have concluded.

Receivables are reviewed for recoverability, which is the basis for establishing adjustments to receivables. The establishment of an adjustment is recognised as an expense; its utilisation is recorded together with the expenses or losses related to the reduction in assets in the income statement. The release of an adjustment no longer considered necessary is recognised in income.

(f) Establishment of provisions

A provision represents a probable cash outflow of uncertain timing or amount. A provision is recognised if all of the the following criteria are met:

- A present obligation (legal or constructive) exists as a result of a past event.
- It is probable or certain that an outflow of economic benefits will be required to settle the obligation ("probable" means a probability exceeding 50%).
- The amount of the obligation can be reliably estimated.

(g) Foreign currency translation

Transactions denominated in foreign currencies are recorded in the local currency at the exchange rate prevailing on the transaction date. Assets and liabilities denominated in foreign currencies, together with unsettled foreign exchange spot transactions, are translated into the local currency at the Czech National Bank official rate prevailing as at the balance sheet date. The net foreign exchange gain/loss arising from the translation of foreign currency assets, liabilities, share premium and other capital funds, except for investments denominated in foreign currencies and items that hedge currency risk resulting from agreements not yet recorded in the Fund's balance sheet or from expected future transactions, is recognised in the income statement as "Gain or loss from financial operations".

"FX gains (losses)" in the statement of changes in equity shows an effect of FX rates on the translation of the nominal value of foreign currency units and a relevant portion of the share premium into Czech crowns.

(h) Financial derivatives

Currency forwards are initially recognised off-balance sheet at the contractual value and subsequently remeasured at fair value. Fair values are derived from discounted cash flow models. The fair values of derivatives are recorded in "Other assets" (if the fair value is positive) or in "Other liabilities" (if the fair value is negative).

Changes in the fair values of financial derivatives that are not used for hedge accounting purposes are recorded under "Gain or loss from financial operations".

2 ACCOUNTING POLICIES (CONTINUED)

(i) Income tax

Tax expense comprises current and deferred tax, as well as withholding tax to the extent that it cannot be deducted from current tax.

Current tax comprises an estimate of tax payable calculated based on the taxable income, using the tax rate valid as at first day of the accounting period.

An income tax provision is established as the financial statements are prepared before the tax liability is determined. In the subsequent accounting period, the Company releases this provision and records the actual tax liability determined.

In the balance sheet, the income tax provision is reduced by income tax prepayments, and the net receivable (if any) is recorded in tax receivables.

(j) Value added tax

Since the Fund is not a registered value added tax (VAT) payer, any input VAT is expensed as incurred.

(k) Deferred tax

Deferred tax is recognised in respect of all temporary differences between the carrying amounts of assets and liabilities presented in the balance sheet and the amounts used for taxation purposes, using the full liability method. A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which it can be utilised.

Deferred tax is calculated using the tax rate enacted for the period in which the Company expects to utilise the deferred tax asset/liability.

(l) Related parties

In accordance with IAS 24 *Related Party Disclosures*, a related party of the Fund is defined as a party that:

- a) has control of the entity
- b) has significant influence over the entity as a result of an interest in that entity
- c) is a member of the key management personnel of the Company
- d) is a close member of the family of an individual covered by c).

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

2 ACCOUNTING POLICIES (CONTINUED)

Material related party transactions and balances and methods of determining the prices of related party transactions are provided in note 16.

(m) Items relating to other accounting periods

Items relating to another accounting period in terms of tax and accounting are recognised as current period income or expenses, with the exception of corrections of material errors relating to the recognition of prior period income or expenses and changes in accounting policies, which are recognised under “Retained profits (or accumulated losses)” in the Fund’s balance sheet.

(n) Changes in accounting policies

In 2019 and 2018, the Company made no changes to its accounting policies and procedures.

(o) Subsequent events

The effect of events that occur between the balance sheet date and the date of preparation of the financial statements is reflected in the financial statements where such events provide additional evidence of conditions that existed at the balance sheet date.

The impact of material events occurring between the balance sheet date and the date of preparation of the financial statements is described in the notes but not recognised in the financial statements where such events are indicative of conditions that arose after the balance sheet date.

3 RECEIVABLES FROM BANKS

TCZK	31 December 2019	31 December 2018
Current bank accounts	12 473	4 995
Total	12 473	4 995

4 SHARES, UNITS AND OTHER INVESTMENTS

All units are placed into portfolio of securities at fair value through profit or loss.

Units of other collective investment funds create the most significant item of the Fund’s assets.

TCZK	31 December 2019	31 December 2018
Units	327 020	209 272
Total	327 020	209 272

Most units in the Fund’s portfolio are subscribed and sold at the present fund capital value per unit and purchased through the investment company or a person authorised by the investment company who maintains the primary records of these securities and discloses the unit value.

For a more detailed structure units see Note 18 on financial instruments.

Conseq Active Invest Dynamický, podfond Conseq Funds SICAV
Notes to the Czech statutory financial statements (translated from the Czech original)
Year ended 31 December 2019

5 OTHER ASSETS

TCZK	31 December 2019	31 December 2018
Positive fair value of currency derivatives	2 059	260
Deferred tax asset	0	1 225
Estimated receivables	28	16
Total	2 087	1 775

6 OTHER LIABILITIES

TCZK	31 December 2019	31 December 2018
Estimated payables	507	342
Negative fair value of currency derivatives	0	148
Total	507	490

As at 31. December 2019 and 31. December 2018 the fond did not recognize any liabilities from the purchase of securities.

7 PROVISION

TCZK	31 December 2019	31 December 2018
Provisions	523	0
of which: a) Taxes	523	0
Total	523	0

For a more detailed analysis of tax provisions, see Section 15 Income Tax.

8 EQUITY

	31 December 2019	31 December 2018
Fund's equity (TCZK)	340 551	215 551
Allocation ratio of the Class (EUR): 88,7165 %	302 125	188 133
Allocation ratio of the Class (PLN): 11,2835 %	38 426	27 418
Number of units issued (quantity) (EUR)	107 466 189	75 804 325
Number of units issued (quantity) (PLN)	5 082 513	4 227 487
Equity per unit (CZK)	2, 8109	2,4818
Equity per unit (EUR)	0,1106	0,0965
Equity per unit (CZK)	7,56996	6,4856
Equity per unit (PLN)	1,2683	1,0844

The current value of a unit is defined as the Fund's equity attributable to one unit. The Fund's equity is understood to be the Fund's asset value decreased by the Fund's debt.

8 EQUITY (CONTINUED)

Units of open-end mutual funds are offered at a price equal to the current value of unit increased by selling fees.

The Company applied the exchange rate of CZK/EUR 25,410 declared by the Czech National Bank for 31 December 2019 to translate the value of equity denominated in EUR into CZK (in the previous period, the Company applied the exchange rate declared by the Czech National Bank for 31 December 2018: 25,725 CZK/EUR).

The Company applied the exchange rate of CZK/PLN 5,970 declared by the Czech National Bank for 31 December 2019 to translate the value of equity denominated in PLN to CZK (in the previous period, the Company applied the exchange rate declared by the Czech National Bank for 31 December 2018: 5,980 CZK/PLN).

Units sold and purchased can be analysed as follows:

TCZK	Number of units	Capital funds
Balance as at 1 January 2018	50 286 968	140 499
Units sold	39 539 168	114 624
Units purchased	- 9 794 324	- 27 792
FX gains (losses)	-	545
Balance as at 31 December 2018	80 031 812	227 876
TCZK	Number of units	Capital funds
Balance as at 1 January 2019	80 031 812	227 876
Units sold	50 054 985	164 634
Units purchased	- 17 538 095	- 52 704
FX gains (losses)	-	- 24 315
Balance as at 31 December 2019	112 548 702	315 491

FX gains or losses on the revaluation of assets and liabilities in the statement of changes in equity of TCZK 24 315 (2018: TCZK 545) represent FX gains or losses from the translation of foreign currency units into Czech crowns.

Profit distribution

The loss for 2018 of TCZK 23 268 was transferred to the unpaid losses from previous years.

The net profit for 2019 of TCZK 37 384 will be used to cover the loss from 2018 of TCZK 23 268 and the remaining portion of TCZK 14 016 will be transferred to retained profits.

(Zisk za rok 2019 ve výši 37 384 tis. Kč bude použit na úhradu ztráty z roku 2018 ve výši 23 368 tis. Kč a zbylá část zisku ve výši 14 016 tis. Kč bude převedena na účet nerozdělených zisků předchozích let)

9 VALUES PLACED UNDER MANAGEMENT

The Fund's assets, totalling TCZK 340 550 (2018: TCZK 215 551) as at 31 December 2019 are managed by the Company. The fee for the management of the Fund is disclosed in Note 13.

10 COMMISSION AND FEE INCOME

TCZK	2019	2018
Renewal commission	99	58
Total	99	58

A retention commission is a fee for brokers' work paid out annually on the anniversary of a contract's conclusion.

11 COMMISSION AND FEE EXPENSE

TCZK	2019	2018
Bank fee	47	52
Other fee	2	1
Total	49	53

12 GAIN OR LOSS FROM FINANCIAL OPERATIONS

TCZK	2019	2018
Gain/loss from securities transactions	44 134	- 16 205
Gain/loss from currency transactions	2 816	- 841
Other financial from derivative transactions	- 2 865	- 4 186
Total	44 085	- 21 232

13 ADMINISTRATIVE EXPENSES

TCZK	2019	2018
Fee for the management of the Fund	4 235	2 791
Depository service fee	448	369
Audit fee	101	101
Other	0	4
Total	4 784	3 265

The Fund is managed by the Company, to which it pays management fees. The fees are recognised on an accrual basis in accordance with the Fund's rules.

In accordance with the Fund's rules, the fee for the management of the Fund amounts to 1,5 % of the Fund's average annual equity. In accordance with the agreement with the Fund's depository,

the depositary service fee amounts to 0,07 % of equity as at the last calendar day of the respective month.

In the year 2019 the Fund did not fulfill criteria for paying off the performance fee.

14 REVENUES/EXPENSES BY GEOGRAPHICAL SEGMENTS

Geographical areas

TCZK	Czech Republic		European Union		Total	
	2019	2018	2019	2018	2019	2018
Fee and commission revenues	99	58	0	0	99	58
Fee and commission expenses	- 49	- 53	0	0	- 49	- 53
Profit or loss from financial operations	39 838	- 5 027	4 247	- 16 205	44 085	21 232
Administrative expenses	- 4 784	- 3 265	0	0	- 4 784	- 3 265

15 INCOME TAX

a) Income tax

TCZK	2019	2018
Current income tax	743	0
Deferred tax	- 1 224	1 224
Total	- 1 967	1 224

b) Current tax

TCZK	2019	2018
Profit/loss before tax	39 351	- 24 492
Income subject to withholding tax using a special tax rate	0	0
Taxable income	39 351	0
Utilisation of accumulated losses	- 24 493	0
Subtotal	14 858	
Current income tax at 5%	743	0
Separate taxable income	0	0
Tax payable on separate taxable income – withholding tax	0	0
Total current income tax	743	0

As at 31 December 2019, the Company recorded an income tax provision of TCZK 523, resulting from a tax liability of TCZK 14 858, reduced by tax advances of TCZK 220.

As at 31 December 2019, the Company has recorded a tax receivable of TCZK 220, which resulted from the advance tax payment of TCZK 220. As at 31 December 2018, the Company has recorded a tax receivable of TCZK 274, which resulted from the advance tax payment of TCZK 274 and recorded tax payable TCZK 0, as a result of incurred tax loss.

c) Deferred tax asset

The deferred tax asset from tax losses for the 2019 in amount of TCZK 0 (2018: TCZK 1 224) was calculated using the tax rate valid for the period in which the tax asset is utilised, i.e. 5%.

(Odložená daňová pohledávka z daňových ztrát za rok 2019 ve výši 0 tis. Kč (2018: 1 224 tis. Kč) byla počítána za použití daňové sazby platné pro období, ve kterém bude daňová pohledávka uplatněna, tj. 5 %.)

16 TRANSACTIONS WITH RELATED PARTIES

TCZK	31 December 2019	31 December 2018
Receivables		
Estimated receivables	27	16
TCZK	31 December 2019	31 December 2018
Liabilities		
Estimated payables	429	273
TCZK	2019	2018
Revenues		
Renewal commission	99	56
TCZK	2019	2018
Expenses		
Fee for the management of the Fund	4 235	2 791
Fee for performance remuneration	0	0
Fee for keeping units' records	0	0
Other expenses	0	0

The table includes all related party transactions.

All transactions with related parties were carried out under the same conditions at the time that were provided to other entities under comparable transactions and in accordance with the conditions defined in the Fund's rules.

In 2019 the Fund incurred a management fee totalling TCZK 4 235 (2018: TCZK 2 791), which was paid to Conseq Funds investiční společnost, a.s.

**17 RECEIVABLES AND LIABILITIES FROM FIXED TERM
TRANSACTIONS WITH CURRENCY INSTRUMENTS**

TCZK	31 December 2019 Off-balance sheet items			31 December 2018 Off-balance sheet items		
	Receivables	Liabilities	Fair value	Receivables	Liabilities	Fair value
Trading instruments						
Forward exchange contracts	134 212	- 132 305	2 059	103 602	- 103 566	112
Total	134 212	- 132 305	2 059	103 602	- 103 566	112

In the period between 17 November and 12 December 2019, the Fund concluded several currency swaps – for exchange of USD for EUR and PLN for EUR with the settlement date in period between 16 January and 31 January 2020. The values recorded on off-balance sheet accounts represent receivables and liabilities relating to these transactions.

18 FINANCIAL INSTRUMENTS – MARKET RISK

The Fund is exposed to market and credit risk as a result of its general investment strategy in accordance with its rules. The Fund obtains funds from unitholders and invests them in quality assets to generate a stable return, as measured in Czech crowns, in the short to medium term.

The Company monitors and assesses risks related to the investment instruments held by the Fund, e.g. by using the value-at-risk model and by monitoring the credit rating of securities issuers, interest rate sensitivity and the residual maturity of debt securities. The Company regularly monitors compliance with the limits set by the Act on Investment Companies and Investment Funds, Government Regulation No. 243/2013 Coll., on Investment by Investment Funds and on Investment Fund Management Techniques, and the Fund's rules. The Company calculates the standard deviation of the Fund's performance. The main risks that are monitored include credit risk, interest rate risk and liquidity risk.

(a) Credit risk

The Fund is primarily exposed to credit risk on receivables from banks. The Company manages the Fund's credit risk exposure by selecting assets in accordance with the investment restrictions defined by the Fund's rules.

Analysis of assets by geographical segments

31 December 2019

TCZK	Czech Republic	European Union	Total
Receivables from banks	12 278	195	12 473
Shares, units and other investments	0	327 020	327 020
Other assets	2 087	0	2 087
Total	14 365	327 215	341 580

31 December 2018

TCZK	Czech Republic	European Union	Total
Receivables from banks	4 232	763	4 995
Shares, units and other investments	0	209 272	209 272
Other assets	1 775	0	1 775
Total	6 007	210 035	216 042

Analysis of securities by sector of the issuer

Sector	31 December 2019	31 December 2018
Investment companies	327 020	209 272
Total	327 020	209 272

18 FINANCIAL INSTRUMENTS – MARKET RISK (CONTINUED)

(b) Currency risk

The following table shows the Fund's foreign currency position by currency.

31 December 2019

TCZK	CZK	EUR	USD	JPY	Other	Total
Receivables from banks	567	9 269	2 095	307	235	12 473
Shares, units and other investments	48 379	112 626	145 578	20 437	0	327 020
Other assets	2 087	0	0	0	0	2 087
Total assets	51 053	121 895	147 673	20 744	235	341 580
Other liabilities	507	0	0	0	0	507
Provisions	523	0	0	0	0	523
Equity	22 400	280 765	0	0	37 384	340 550
Total liabilities	23 430	280 765	0	0	37 384	341 580
Off-balance sheet assets	0	97 870	0	0	36 342	134 212
Off-balance sheet liabilities	0	36 021	96 284	0	0	132 305
Net foreign currency position	27 603	- 97 021	51 389	20 744	-807	1 908

31 December 2018

TCZK	CZK	EUR	USD	JPY	Other	Total
Receivables from banks	227	3 784	0	1	983	4 995
Shares, units and other investments	31 164	65 860	99 152	13 096	0	209 272
Other assets	1 775	0	0	0	0	1 775
Total assets	33 166	69 644	99 152	13 097	983	216 042
Other liabilities	491	0	0	0	0	491
Provisions	0	0	0	0	0	0
Equity	-12 326	199 094	0	0	28 783	215 551
Total liabilities	-11 835	199 094	0	0	28 783	216 042
Off-balance sheet assets	0	74 875	0	0	28 727	103 602
Off-balance sheet liabilities	0	28 736	74 830	0	0	103 566
Net foreign currency position	45 001	- 83 311	24 322	13 097	927	36

18 FINANCIAL INSTRUMENTS – MARKET RISK (CONTINUED)

(c) Interest rate risk

The Fund's financial position and cash flows are exposed to the risk of changes in market interest rates.

The following table summarises the Fund's exposure to interest rate risk. The table shows the carrying amounts of the Fund's financial assets and liabilities sorted by the earlier of the settlement date, the date on which the coupon rate changes and the due date.

31 December 2019

TCZK	Up to 3 months	3 - 12 months	Non-interest bearing	Total
Receivables from banks	12 473	0	0	12 473
Shares, units and other investments	0	0	327 020	327 020
Other assets	0	0	2 087	2 087
Total assets	12 473	0	329 107	341 580
Other liabilities	0	0	507	507
Provisions	0	0	523	523
Equity	0	0	340 550	340 550
Total liabilities	0	0	341 580	341 580
Gap	12 473	0	- 12 473	0

31 December 2018

TCZK	Up to 3 months	3 - 12 months	Non-interest bearing	Total
Receivables from banks	4 995	0	0	4 995
Shares, units and other investments	0	0	209 272	209 272
Other assets	0	0	1 775	1 775
Total assets	4 995	0	211 047	216 042
Other liabilities	0	0	491	491
Provisions	0	0	0	0
Equity	0	0	215 551	215 551
Total liabilities	0	0	216 042	216 042
Gap	4 995	0	- 4 995	0

18 FINANCIAL INSTRUMENTS – MARKET RISK (CONTINUED)

(d) Liquidity risk

The Fund is exposed to the daily drawing of disposable funds due to the mandatory buyback of units of its unitholders. Although the funds of unitholders are recognised in equity, the Fund's statute allows for the redemption of units, posing the greatest risk to the Fund's liquidity. As a result, the actual outflow of funds cannot be reliably estimated and is therefore presented in the following table in category "Not specified". Table classifies the Fund's assets and liabilities by residual maturity as at the balance sheet date.

31 December 2019

TCZK	Up to 3 months	3 - 12 months	Not specified	Total
Receivables from banks	12 473	0	0	12 473
Shares, units and other investments	0	0	327 020	327 020
Other assets	2 087	0	0	2 087
Total assets	14 560	0	327 020	341 450
Other liabilities	507	0	0	507
Provisions	0	523	0	523
Equity	0	0	340 550	340 550
Total liabilities	507	523	340 550	341 450
Gap	14 053	- 523	-13 530	0

31 December 2018

TCZK	Up to 3 months	3 - 12 months	Not specified	Total
Receivables from banks	4 995	0	0	4 995
Shares, units and other investments	0	0	209 272	209 272
Other assets	276	1 499	0	1 775
Total assets	5 271	1 499	209 272	216 042
Other liabilities	491	0	0	491
Provisions	0	0	0	0
Equity	0	0	215 551	215 551
Total liabilities	491	0	215 551	216 042
Gap	4 780	1 499	- 6 279	0

19 SUBSEQUENT EVENTS

The unprecedented safety and health measures adopted to prevent the spread of the COVID-19 outbreak affect many economic subjects, from companies to entrepreneurs to employees. The restrictions adopted impact most economic sectors, and at present, it is impossible to assess their effect on domestic and global economies. The Company's management is aware that the severity of the economic impact depends on the scope and period of the restrictive measures and therefore is continuously monitoring the developments in the fight against the outbreak both in the Czech Republic and globally. Should significant change take place, the Company plans to review its economic outlook including stress scenario parameters.

So far, the outbreak had an immediate negative impact on the Fund's asset valuation which decreased due to a reduction in investment instruments' prices. However, once the outbreak quiets down and the restrictive measures are lifted, we expect a rather speedy recovery and a gradual return to pre-pandemic levels.

The Company has adopted several measures to ensure the safe continuation of all our operations as well as the health protection of our employees.

- most employees were requested to work from home;
- employees who must be in the workplace are required to practice social distancing;
- personal contacts between clients and employees have been suspended;
- the Company has provided protective items and disinfectants for employees.

Despite a high uncertainty in relation to the Covid-19 pandemic, the Company believes that the adopted measures and its capital funds are sufficient to withstand even extremely adverse economic scenarios, and continues its management of the Fund as before in full.

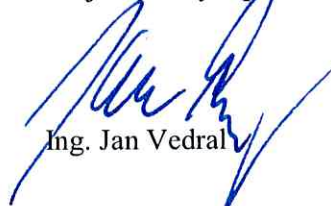
No other significant subsequent events occurred between the balance sheet day and the date of the financial statements preparation that would have any material impact on the financial statements as at 31 December 2019.

These financial statements have been approved by the Company's board of directors.

Date of preparation

30 April 2020

Signature of statutory representative



Ing. Jan Vedral