

**SUPPLEMENT NO 2
TO THE FUND PROSPECTUS OF
Conseq Funds SICAV, a.s.**

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

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1 DEFINITIONS	
The terms defined in this Supplement shall have the same meaning as those terms defined in the Prospectus, save as otherwise provided for.	
Equity Fund	means a collective investment fund which, in keeping with its prospectus, invests primarily in shares, similar securities representing a share in a company or other legal person, or securities replacing them or allowing for the acquisition or transfer thereof. Where the present Prospectus refers to shares, this also means securities pursuant to the preceding sentence.
Bank Deposits	claims to the payment of financial resources from an account in the Base Currency or a Foreign Currency with a maximum of one year until maturity from the CNB, another central bank, a bank established in the Czech Republic, a foreign bank with a branch situated in the Czech Republic, or another person referred to in Section 72(2) of the Investment Companies and Investment Funds Act
Foreign Currency	a currency other than the Base Currency
Valuation Date	the date on which the Investment Compartment's assets and debts are valued and the present value of an Investment Share is calculated
Publication Day	the date on which shareholders are notified, via the Fund's website, of the present value of an Investment Share as at the Valuation Date under standard market conditions, this is no later than the third business day following the Valuation Date
Bond Fund	a collective investment fund which, in keeping with its prospectus, invests at least 80% of its Fund Capital in money market instruments, bonds or similar securities representing a right to payment of an amount due, or securities replacing them or allowing for the acquisition or transfer thereof, the investment strategy whereof does not meet the definition of a Short-term Bond Fund. Where the present Supplement refers to money market instruments or bonds, this also means securities pursuant to the preceding sentence
Supplement	this Supplement No 2 to the Prospectus
Fund Capital	the value of Investment Compartment Assets less the value of debts constituting part of the assets and liabilities of the Investment Compartment
Investment Security	a share or bond; for the purposes of the Supplement, a security issued by an investment fund, other than a security referred to in Section 3(1)(c) of the Government Regulation, shall not constitute an investment security
Investment Period	the time frame commencing on each 1 January and 1 July, or on the date of establishment of the Investment Compartment and ending on 30 June or 31 December of the same year, or on the date of closure of the Investment Compartment
Investment Compartment Assets	assets constituting part of the assets and liabilities of the Investment Compartment
Investment Compartment	Conseq Active Invest Dynamický, podfond Conseq Funds SICAV
business day	a business day in the Czech Republic and simultaneously in Poland, save as otherwise expressly provided for

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Base Currency	EUR		
2 GENERAL INFORMATION ON THE INVESTMENT COMPARTMENT			
Name	Conseq Active Invest Dynamický, podfond Conseq Funds SICAV		
Investment Compartment's website	www.conseq.cz		
Historical information on matters of status	The Investment Compartment was formed by the transformation of the open-end mutual fund Active Invest Progressive, otevřený podílový fond. This mutual fund was formed on 4 October 2014 and was transformed into the Investment Compartment on [●]. The transformation took place further to a decision by the Manager that was based on the transformation project.		
CNB registration	The Investment Compartment is entered in the CNB-maintained register of investment funds with legal personality.		
ISIN of the Investment Shares	[●]		
Period for which the Investment Compartment has been established	indefinite		
Admittance to a European regulated market	no		
Record-keeping of the Investment Shares	separate records are maintained by the Registrar		
Issue price currency	CZK		
3 FEES AND CHARGES			
One-off fees charged before or after an investment			
(this is the maximum that may be charged to an investor before an investment is made or before the proceeds of the investment are paid out):			
	PLN Class	EUR Class	
Front-end load (surcharge)	up to 5.00%	up to 5.00%	of the value of the Investment Shares issued
Back-end load (deduction)	up to 0.00%	up to 0.00%	of the value of the Investment Share purchase price or the present Investment Share value upon acquisition
Charges taken from the Investment Compartment over a year			
Total expense ratio (TER)	2.92% p.a.	2.92% p.a.	of the average value of the Fund Capital
Charges taken from the Investment Compartment under certain specific conditions			
Performance fee	12.00%	12.00%	of the value above the benchmark performance

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<p>The total expense ratio (TER) of the Investment Compartment is equal to the ratio of total operating costs of the Investment Compartment to the average monthly value of the Fund Capital in the relevant year and may change every year.</p> <p>The Investment Compartment's assets shall be used to cover the fee payable to the Investment Company, the Custodian Bank's fee, and the costs referred to in Article 3. Investors shall pay a front-end load (surcharge), a back-end load (deduction) or an Investment Share record-keeping fee directly, provided that the contract concluded between an investor and the Investment Company, the Registrar or the Subregistrar specifies a fee for keeping Investment Shares in the records of the Registrar or the Subregistrar. Fees and charges paid from the Fund's assets shall ensure the management of its assets and may reduce the returns on the funds invested.</p>	
Front-end load (surcharge)	<p>A front-end load shall be charged by the Investment Company or the Registrar to an investor for arranging the purchase of Investment Shares. The amount of the front-end load, which shall accrue to the Investment Company or the Registrar, shall be no more than 5.00% of the value of the Investment Shares issued. The specific amount of the front-end load charged by the Investment Company or the Registrar shall be published in the price lists of the Registrar, available at the Investment Company's registered office.</p>
Fee for the management and administration of the Investment Compartment	<p>The Investment Company shall be entitled to a fee, payable from the Investment Compartment's assets, for the management and administration of the Investment Compartment. The fee shall be set as a portion of the average Fund Capital value (irrespective of the Investment Share Class) during the accounting period. It may be a maximum of 2.00% and the specific amount shall be determined by the Investment Company's board of directors. Unless otherwise determined by the Investment Company's board of directors, the portion shall be 1.50%. Information on the current amount of the fee for the management of the Investment Compartment's assets may be obtained by shareholders from the Registrar. The average Fund Capital value for the accounting period shall be calculated as the simple arithmetic average of the Fund Capital values on each day for which a present Investment Share value is determined. The management and administration fee shall be paid monthly in arrears and the amount of each monthly payment shall be determined by the equation:</p> $MF = PrVK * PP / 12$ <p>where</p> <p>MF = the monthly amount of the management and administration fee</p> <p>PrVK = the arithmetic average of the Fund Capital values on each day for which a present Investment Share value is determined, calculated for the relevant month</p> <p>PP = the relevant rate of such fee determined by the Investment Company's board of directors and expressed as a percentage p.a.</p>
Performance fee	<p>The Investment Company shall also be entitled to a performance fee for the management of the Investment Compartment's assets at 12% of the amount by which the yield of the Investment Compartment's portfolio (irrespective of the Investment Share Class) exceeds the benchmark performance in the relevant Investment Period (see Article 6.4 of the Supplement). The performance fee shall be paid annually; the amount of each such consideration shall be determined according to the following equation:</p> $AMF = 0,12 * MAX (VKP_{(P)} - VKP_{(P-1)} * (BMK_{(P)} / BMK_{(P-1)}) - \sum (OBJ_{(i)} * BMK_{(P)} / BMK_{(i)}); 0)$ <p>where</p> <p>AMF is the annual amount of the performance fee for management and</p>

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	<p>administration, derived from the rise in the Fund Capital, expressed in EUR.</p> <p>$VKP_{(P)}$ is the Fund Capital value on the last day of the Investment Period, before taking into account the performance fee accrued in the Investment Period.</p> <p>$VKP_{(P-1)}$ is the Fund Capital value on the last day of the preceding Investment Period.</p> <p>$BMK_{(i)}$ is the value of the benchmark in the Investment Period for the i-th valuation day</p> <p>$BMK_{(P)}$ is the value of the benchmark on the last day of the Investment Period</p> <p>$BMK_{(P-1)}$ is the value of the benchmark on the last day of the preceding Investment Period</p> <p>$OBJ_{(i)}$ is the value of all issued Investment Shares less the value of all Investment Shares redeemed on the i-th valuation day. The calculation shall be made according to the following equation.</p> <p>$OBJ_{(i)}$ is $(PLV_{(i)} - PLO_{T(i)})$</p> <p>where</p> <p>$PLV_{(i)}$ is the value of all issued Investment Shares on the i-th valuation day.</p> <p>$PLO_{(i)}$ is the value of all redeemed Investment Shares on the i-th valuation day.</p> <p>There shall be a claim to a performance fee only if the Fund Capital value of the EUR Class per Investment Share on the last day of the Investment Period exceeds the Fund Capital value of the EUR Class per Investment Share on the last day of the preceding period for which the performance fee was last paid.</p> <p>If no Performance Fee has yet been paid out, there shall be a claim to a performance fee only if the Fund Capital value of the EUR Class per Investment Share on the last day of the Investment Period exceeds the Fund Capital value of the EUR Class per Investment Share for which the first Investment Shares were issued.</p> <p>A future debt of the Investment Compartment in the form of a performance fee payable to the Investment Company after expiry of the Investment Period shall be determined, for the purposes of calculating the Fund Capital value, for each day; the daily amortised cost of this liability shall be weighted by the probability of satisfying the condition set out in the preceding paragraph.</p>
Value added tax	<p>The amounts of the management and administration fee indicated in this Supplement shall not include value added tax, where such activity is subject to this tax.</p>
Custodian Bank's fee	<p>The Custodian Bank shall be entitled to a fee, payable from the Investment Compartment's assets, for acting as the custodian bank. The custodian bank fee shall be set as a portion of the average Fund Capital value during the accounting period. It may be a maximum of 0.10% and the specific amount shall be determined in the depositary contract. The custodian bank fee shall be paid monthly in arrears and the amount of each monthly payment shall be determined on the basis of the Fund Capital value on each day for which a present Investment Share value is determined according to the equation:</p>

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	<p>$DF = PrVK * PPd / 12$</p> <p>where</p> <p>DF is the monthly amount of the custodian bank fee.</p> <p>PrVK is the arithmetic average of the Fund Capital values on each day for which a present Investment Share value is determined, calculated for the relevant month.</p> <p>PPD is the relevant rate of the custodian bank fee laid down by the depositary contract (%).</p>
Registrar's fee	<p>The Registrar shall be entitled to a Registrar's fee, comprising a portion of the Investment Company's fee, which shall be paid from the Investment Compartment's assets, for acting as the registrar.</p>
Cost of organising the Investment Compartment's activities	<p>The following costs shall also be covered from Investment Compartment Assets:</p> <ul style="list-style-type: none"> a) the cost of debt; b) costs associated with trades in investment instruments (commissions, fees to market organisers and securities traders); c) fees for the custody and administration of investment instruments; d) fees for the maintenance of investment instrument asset accounts; e) costs associated with repurchase transactions; f) the costs of option, future and other derivative transactions; g) fees to banks for account maintenance and the handling of financial resources; h) interest on credits and loans received by the Investment Compartment; i) costs associated with the management of an Investment Share issue; j) accounting and tax audit costs; k) court, administrative and notary fees; l) taxes; m) other costs not explicitly specified in subparagraphs (a) to (l), which the Fund, Investment Company or Registrar, acting with due diligence, necessarily and efficiently incurs in connection with the management and administration of the Investment Compartment. <p>All other expenses and costs related to the management and administration of the Investment Compartment which are not specified in Article 3 of the Supplement shall be covered from the assets of the Fund or the Investment Company.</p>

4 RULES GOVERNING THE ACCEPTANCE OF INCENTIVES AND RULES GOVERNING REMUNERATION

The Investment Company or the Registrar may receive fees from the issuers of investment instruments constituting part of the Fund's assets or their authorised persons (administrators, distributors, etc.) for services in the administration of subscriptions, repurchases, sales and purchases of investment instruments and in the keeping of the relevant records, or for the management of investment funds (hereinafter referred to as "incentives"). The Investment Company or the Registrar shall be entitled to keep such incentives provided that the acceptance thereof is not in contravention of their obligations to act in a qualified, honourable and fair manner and in the best interest of the Fund and its investors. More information shall be provided to investors via the Registrar.

The Investment Company has adopted principles for the remuneration of employees and senior

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officers (hereinafter referred to as “employees”) in a manner and to an extent consistent with the size of the Investment Company and the size of the funds under its administration, its internal organisation, and the nature, scope and complexity of its operations. The principles of remuneration:

- a) are consistent with due and effective risk management and support such risk management;
- b) do not encourage risk-taking inconsistent with the risk profile, prospectus or founding documents of the funds under the Investment Company’s management;
- c) do not interfere with the observance of the Investment Company’s obligation to act in the best interest of the funds;
- d) are consistent with the business strategy, objectives, values and interests of the Investment Company, the funds under its management, and their investors; and
- e) include measures to avoid conflicts of interest.

Detailed information on the current principles of remuneration, including a description of how remuneration and benefits are calculated, and the identity of persons responsible for granting remuneration and benefits, including the composition of the remuneration committee, if established, shall be available on the website at www.conseq.cz; copies of the current principles of remuneration in paper form shall be provided to investors free of charge by the Investment Company on request.

5 AUTHORISATION OF INVESTMENT SHARE HOLDERS AND INFORMATION PUBLISHED

- 5.1 The right to redeem Investment Shares at the request of the holder thereof to the account of the Investment Compartment shall attach to Investment Shares. Investment Shares shall be extinguished upon redemption.
- 5.2 The right to vote at the general meeting shall not attach to Investment Shares. Where the law requires that votes be cast at the general meeting by share type, a holder of an Investment Share to which no voting right is attached shall be entitled to vote at the general meeting.
- 5.3 The following information shall be published on the Investment Company’s website available at www.conseq.cz:
- a) the current version of the Prospectus, the Supplement and any amendments thereto;
 - b) the annual reports and half-yearly reports of the Fund and the Investment Compartment;
 - c) information on the present value of Fund Capital and an Investment Share;
 - d) information on the number of Investment Shares issued and redeemed, and on the amounts for which such Investment Shares have been issued and redeemed;
 - e) for each calendar month, information on the structure of the Investment Compartment’s assets as at the last day of the month;
 - f) information as to whether any of the investors has gained a specific advantage or a right to a specific advantage;
 - g) information on the provisions of the depositary contract facilitating the transfer or further use of the Investment Compartment’s assets by the Custodian Bank;
 - h) information on new measures adopted to manage any insufficient Investment Compartment liquidity;
 - i) information on changes to the extent of leverage, guarantees provided in connection with leveraging, and any and all changes relating to authorisation to make further use of the financial collateral provided or other comparable security given under another country’s law;
 - j) information on the extent of leverage by the Investment Compartment.

Investors may also obtain the documents referred to in under (a) and (b) in paper form by making contact via the contact details provided in Article 2 of the Prospectus – Contact Information.

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6 INVESTMENT STRATEGY

- 6.1 The Fund aims to perform better than the benchmark pursuant to Article 6.4 by improving the value of the Investment Compartment resources entrusted to it, as measured in EUR. In order to achieve this objective, the Fund shall invest primarily in securities issued by Equity Funds and, to a lesser extent, in other Investment Instruments as specified below.
- 6.2 Investment in the Investment Compartment shall be appropriate for those investors who are willing to assume higher financial risks accompanied by the greater likelihood of a higher rise in the value of their investment in the long term, as expressed in the Base Currency, and who are prepared to maintain their investment for a period of at least five years.
- 6.3 **No returns on any part of an investment in the Investment Compartment or yields from any such investment are assured or guaranteed. The Investment Compartment is not an assured or guaranteed fund. No third-party guarantees are provided for the purposes of investor protection.**
- 6.4 The Fund does not mirror and has no intention of mirroring the composition of any index or the benchmark. The Fund shall monitor the benchmark, which comprises the global equity index MSCI World (MXWO Index), with a 55.3% weighting, the emerging market equity index MSCI Emerging Markets (MXEF Index), with a 19.3% weighting, the Central and Eastern European equity index CECE Composite EUR (CECEEUR index), with a 10.4% weighting, the euro government bond index Bloomberg Barclays Series-E Euro Govt All 1Y+ (BERPGA Index), with a 5.0% weighting, the global government bond index ML Global Government Bond (W0G1 Index), with an 8.0% weighting, and the index arising as a result of the daily interest derived from the geometric average of the money market rate for 6M EURIBID (EURIBO6M Index) in the given Investment Period, with a 2.0% weighting.

EURIBO6M, BERPGA, W0G1, MXWO, MXEF and CECEEUR are abbreviations used by the Bloomberg information agency for the given rates and indices.

The performance of each component of the benchmark shall be monitored in the Base Currency and shall be multiplied by the factor $(1-T)$, where T is determined for each Investment Period as the income tax rate for investment funds pursuant to Act No 586/1992 on income tax, as amended, and expressed as a decimal number applicable on the first day of the Investment Period.

- 6.5 The Investment Compartment's investment strategy shall not be systematically focused on a particular economic sector, a particular geographical area, or a particular part of the financial market. The Fund's investment strategy shall concentrate on securities issued by Equity Funds. After a certain period of time, the Fund's investments may become focused in the manner set out in the first sentence of this Article if this is deemed to be appropriate for the Investment Compartment pursuant to an evaluation by the Investment Company.
- 6.6 In terms of the methodology for the classification of collective investment funds issued by the Czech Capital Market Association, the Investment Compartment cannot be primarily classified as an equity fund, despite its similarity to such funds (the share of the equity component in the Investment Compartment's assets is set by the present Prospectus at a minimum of 70% instead of the 80% required by the classification). As a result, the Investment Compartment's primary classification is that of a mixed fund. As the Investment Compartment's assets mainly comprise securities issued by investment funds, the Investment Compartment is a fund of funds.
- 6.7 **The Investment Compartment shall invest in the following investment instruments and other financial assets:**
- a) securities issued by Equity Funds;
 - b) shares, securities issued by Bond Funds, Short-term Bond Funds and Money Market Funds, government or corporate bonds, money market instruments and other investment instruments in which a standard fund may invest according to the Investment Companies and Investment Funds Act and the Government Regulation;

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- c) Bank Deposits.
- 6.8 The Investment Compartment may invest in investment instruments and other financial assets only under the terms and conditions and upon compliance with the limits laid down for a standard fund according to the Investment Companies and Investment Funds Act and the Government Regulation.
- 6.9 The Fund may engage in Repurchase Transactions to mitigate the risk attaching to the Investment Compartment's investing activity, to reduce the Investment Compartment's costs, or to generate additional income for the Investment Compartment. A Repurchase Transaction may be negotiated only with an admissible counterparty subject to the oversight of the oversight body of the state in which it is established. Repurchase Transactions may apply only to investment securities and to money market instruments which, according to the Prospectus, may be acquired as assets of the Investment Compartment. Repurchase Transactions may be negotiated only upon fulfilment of other conditions laid down in the Government Regulation.
- 6.10 In particular, swaps (including credit default swaps), futures, forwards and options may be acquired as assets of the Investment Compartment. Investment shall be permitted only in those financial derivatives consistent with the Investment Compartment's investment policy and risk profile. The most commonly used types of financial derivatives in the management of the Investment Compartment shall be:

a. Swaps.

"Swaps" generally means an agreement between two parties to mutually buy and sell underlying instruments at a predetermined price that is settled at certain moments in the future.

A currency swap is a combined transaction consisting, on the one part, of currency conversion with spot settlement and, on the other part, of "forward" currency conversion with future settlement. It shall be used by the Fund to hedge the Investment Compartment's assets against adverse movements in foreign currencies. The Fund shall apply this technique (instrument), for example, when it intends to buy an asset in foreign currency but does not wish to assume a currency risk. In this case, together with the purchase (conversion) of the required amount of foreign currency, it shall also engage in the sale (conversion) of the same amount of such currency back into the Investment Compartment's currency with settlement in the future, i.e. a currency swap.

An interest rate swap usually involves the exchange of variable interest claims for fixed interest claims or vice versa. They may also function as an exchange of fixed interest claims for other fixed interest claims or as an exchange of variable interest claims for other variable interest claims, if interest payments are offset by interest claims of the same kind in the Investment Compartment's assets. Depending on estimated developments in interest, the Investment Company may therefore – without selling the Investment Compartment's assets – avoid the risk of interest rate fluctuations, thereby preventing interest rate losses. Therefore, in keeping with a forecast rise in interest rates, for example, a fixed rate portion of the portfolio may be converted into variable interest claims or, vice versa, in anticipation of falling interest rates the variable interest portion may be converted to fixed interest claims. Interest rate swaps shall be used by the Fund to hedge assets against any predicted adverse movements in interest rates.

A credit default swap (CDS) is an agreement between two parties, according to which the purchaser of the CDS pays the seller a regularly determined amount (premium). The premium is the product of the CDS spread, expressed in basis points p.a., and the nominal value of the contract. In contrast, the seller undertakes to pay the nominal value of the contract if, during the validity of the CDS contract, a credit event occurs with respect to a reference issuer. A credit event normally means, in particular, bankruptcy, insolvency, restructuring or the denial of liabilities, a moratorium on due liabilities, etc. The Fund may use this instrument to hedge against possible adverse developments in corporate bond prices due to the expansion of market driven credit spreads (for example, in response to adverse developments in the issuer's financial management or to generally negative developments on the financial markets), and also to hedge against the risk of a credit event on the part of the issuer, which may lead to non-compliance with liabilities under maturing bonds issued by the issuer.

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b. Forwards.

“Forward” generally means a non-standardised agreement between two parties to buy or sell an underlying instrument at a predetermined price, with settlement at a future date.

A foreign exchange forward comprises currency conversion with settlement in the future. The exchange rate for settlement is derived (calculated) from the spot current rate and adjusted for the difference resulting from the different interest rates of the relevant currencies of the currency pair for the period from the date of conclusion of the contract until the date of settlement thereof. This instrument is used most commonly when the Fund holds an asset denominated in a foreign currency and expects adverse movements in the foreign currency compared to the currency of the Investment Compartment. To avoid having to sell the asset in question, the said currency conversion is simply arranged with settlement in the future so that the exchange rate is fixed against adverse movements in the future. Naturally, a situation may arise where the forecast for the currency movement is incorrect and the movement of the foreign currency is actually favourable in relation to the Investment Compartment’s currency. In this case, the economic impact of the transaction is reflected within the Investment Compartment to the effect that the Investment Compartment will not share in the proceeds resulting from the favourable movement in the foreign currency compared to the currency of the Investment Compartment.

In the management of the Investment Compartment’s assets, the Investment Company may also operate with types of financial derivatives not explicitly listed above provided that they are consistent with the investment objectives.

6.11 Description of securities financing transactions:

- a) For the purposes of Article 14(1) of the SFTR, the Investment Company declares that the Fund uses securities financing transactions within the meaning of Article 3(11)(a) to (c) of the SFTR; the Investment Compartment does not draw on operations that, by nature, are margin lending transactions or total return swaps.
- b) The Fund may enter into a Repurchase Transaction with a view to the efficient stewardship of the Investment Compartment portfolio. The maximum proportion of assets under management allocatable through Repurchase Transactions may not exceed 50% of the total assets under management, in which respect, depending on market conditions, the real proportion will range from 0% to 50%. All assets received under such Repurchase Transactions shall be treated as collateral received. Upon receipt of credit against collateral in the form of a security, the security provided is usually of higher fair value than the credit received. Conversely, upon the provision of credit against collateral, the fair value of the collateral received is required to be higher than the value of the credit granted.
- c) Assets received as collateral shall meet the terms and conditions laid down in Articles 6.7, 6.9 and 6.10 of the Prospectus. The subject of Repurchase Transactions shall mainly comprise government bonds or treasury bills of OECD members, securities issued by the central bank of an OECD member, or liquid corporate bonds and money market instruments of solvent issuers redeemable with a maturity consistent with the investment policy/investment profile. Assets received as collateral shall be kept safe at the Custodian Bank, where the nature thereof so allows, or at a third party to whom safekeeping is delegated by the Custodian Bank.
- d) Collateral received shall be fair-valued daily. If the fair value of collateral received is lower than the value of the credit granted, the counterparty shall be required to supplement the value of the collateral, most commonly by sending the variation margin. The counterparty’s requirement to supplement the variation margin if collateral is provided shall be duly verified by comparing the fair value of the collateral provided and the credit received.
- e) The issuer of an investment instrument received as collateral must not be a company associated with the manager. The manager shall materially verify that the degree of correlation between the credit risk of an investment instrument and the transaction

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counterparty is low. The collateral received shall be subject to basic diversification principles, which the manager shall apply with due professional care. Where the collateral received is of a non-pecuniary nature, it cannot be resold or reused as collateral.

- f) Repurchase transactions may be negotiated only with an admissible counterparty referred to in Section 6(3) of the Government Regulation, who shall be subject to the oversight of the oversight body of the state in which the counterparty is established. The criteria for selecting an appropriate counterparty shall include the counterparty's legal status, country of establishment and rating (as a rule, the counterparty will be a financial institution established in an OECD country and having an investment-grade rating).
- g) Any and all interest income received in connection with Repurchase Transactions shall accrue to the Investment Compartment; any and all interest expense linked to Repurchase Transactions shall be charged to the Investment Compartment. Transaction costs associated with Repurchase Transactions shall constitute an Investment Compartment expense in accordance with Article 3 of the Supplement. In its Repurchase Transactions, the Fund shall not rely on any third parties (e.g. agent lenders).
- h) The management of risks associated with Repurchase Transactions shall consist primarily of the selection and approval of appropriate counterparties; factors such as rating, registered office, regulatory environment and current financial situation shall be taken into account. Another risk management tool is the daily valuation of collateral received and a comparison thereof with the fair value of the credit extended. The risk of the reuse of collateral is managed in particular by the judicious selection of collateral. In particular, an emphasis is placed on the liquidity of an investment instrument, the possibility of reliably valuing that instrument on a daily basis, and the issuer's credit quality. The transaction risk, settlement risk and operational risk associated with Repurchase Transactions shall be managed in accordance with guiding principles for the management of such risks at the level of the Investment Company.

6.12 The investment limits for the Investment Compartment's investments in financial assets are as follows:

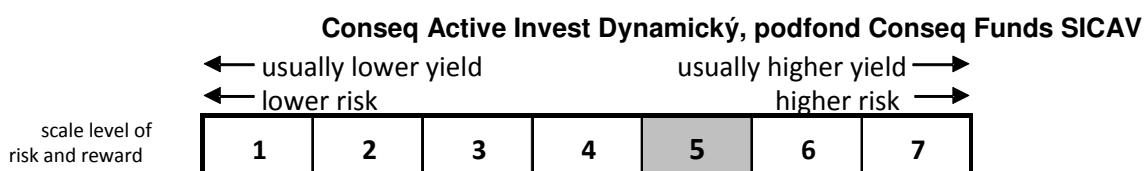
- a) the Fund shall invest a minimum of 70% of Fund capital in securities issued by Equity Funds;
- b) the Fund may not invest more than 20% of Fund Capital in securities issued by a single collective investment fund. No more than 25% of the value of the fund capital of a single collective investment fund may be acquired as assets of the Investment Compartment;
- c) securities issued by special funds shall not aggregate more than 30% of the Fund Capital;
- d) Bank Deposits shall not comprise more than 20% of the Fund Capital. This limit need not be observed, for as long as is strictly necessary, in relation to the Custodian Bank upon the financial settlement of the issuance or redemption of Investment Shares;
- e) investment securities and money market instruments issued by a single issuer shall not comprise more than 10% of the Fund Capital or, where investment securities and money market instruments are issued by issuers within a holding for which consolidated financial statements are drawn up, 20% of the Fund Capital; however, the sum of these investments shall not exceed 30% of the Fund Capital;
- f) notwithstanding the limit under (e), the Fund may invest up to 25% of the Fund Capital in bonds issued by a single bank, a single credit union or a single foreign bank established in a Member State and subject to the supervision of that state protecting the interests of bond holders, where financial resources obtained by the issue of such bonds are invested in such types of assets which, until the bond redemption date, cover the issuer's commitments under those bonds, and which may, in case of issuer insolvency, be used as a matter of priority to repay the bond and to pay the yields;
- g) no more than 10% of the Fund Capital may be invested in investment securities referred to in Section 3(1)(e) or in money market instruments referred to in Section 9 of the Government Regulation;

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- h) where investment securities or money market instruments are not issued or guaranteed by a Member State's central or local government, or are not issued by an international financial organisation of which one or more Member States are members, they may be acquired as assets of the Investment Compartment up to a maximum of 10% of:
- 1st the total nominal value or total number of shares issued by a single issuer to which no voting rights are attached;
 - 2nd the total nominal value of bonds issued by a single issuer; or
 - 3rd the total nominal value or total number of money market instruments issued by a single issuer;
- i) the sum of values of investment securities and money market instruments issued by a single issuer, the values of claims to payment from a Bank Deposit in respect of that issuer and the values of exposure to counterparty risk arising from financial derivatives not admitted to trading agreed with that issuer shall not exceed 20% of the Fund Capital; this shall be without prejudice to the limit under (f).
- 6.13 If the structure of the Investment Compartment's assets is inconsistent with the rules above for reasons which occur independently of the will of the Investment Company, the Investment Company shall be responsible for restoring such compliance without undue delay while taking account of the Investment Compartment investors' interests.
- 6.14 The only management techniques shall be Repurchase Transactions and financial derivatives. These techniques may be used only under the terms and conditions and upon compliance with the limits laid down for a standard fund according to the Investment Companies and Investment Funds Act and the Government Regulation.
- 6.15 Items not included in the Investment Compartment's assets cannot be sold on the Investment Compartment's account.
- 6.16 The Fund may borrow on the Investment Compartment's account only if:
- a) the maturity period of the borrowing is no longer than six months; and
 - b) the sum of the value of all borrowings received by the Fund does not exceed 10% of the adjusted Fund Capital.
- 6.17 Save for the exception referred to below in Article 6.18, the Fund's assets may not be used to grant a loan, credit or a gift, to secure third-party debt or to cover a debt.
- 6.18 The Fund may use the Investment Compartment's assets to provide security for the debt of another person or to cover a debt unrelated to the Investment Compartment's management. The provision of security or coverage of the debt under the preceding sentence must be consistent with the Investment Compartment's overall investment strategy and must not unreasonably increase the risk to the Investment Compartment's portfolio. Decisions on the provision of such security or coverage of a debt shall be taken by the Investment Company's board of directors. The Fund may use the Investment Compartment's assets to secure or cover debt arising from the Investment Compartment's borrowings pursuant to Article 6.16.

7 RISK PROFILE

- 7.1 **The value of an investment in the Investment Compartment may fall as well as rise over time, depending on developments on financial markets and other factors, and a return on initially invested amounts is not guaranteed. In view of the potential for unpredictable fluctuations on financial markets, the Investment Company cannot guarantee the achievement of the set objectives. The Investment Company warns investors that the Fund's past performance is no guarantee of the same performance in the future.**
- 7.2 The Investment Compartment's risk profile in the form of a synthetic indicator is shown on the scale of risk and reward categories below, with the attached verbal explanation:



Explanation and important information:

- a) historical data, such as are used in calculating the synthetic indicator, may not be a reliable indication of the future risk profile of the Investment Compartment;
- b) the Investment Compartment's risk and reward category is not guaranteed to remain unchanged and the categorisation of the Investment Compartment may shift over time;
- c) the lowest category does not mean a risk-free investment;
- d) the Investment Compartment has been classified on the scale of the category highlighted above, based on historical volatility calculated according to methodology developed by competent authorities working within the Committee of European Securities Regulators, for the following reasons:
 - i) the significant share of the equity component in the Investment Compartment's assets and the benchmark composition;
 - ii) the high rate of asset diversification in the Investment Compartment's portfolio in terms of sector and geographical allocation;
 - iii) the Investment Compartment's ancillary assets mainly comprise claims to the payment of financial resources from Bank Deposits, liquid bonds and money market instruments.
- e) the Investment Compartment does not offer any guarantee of a return on investments or other capital coverage;
- f) the synthetic indicator shown in the scale above does not adequately capture the following risks of substantial importance for investments in the Investment Compartment:
 - i) operational risks and risks related to the safekeeping of assets;
 - ii) currency risk entailing changes in the Fund Capital, depending on the volume of the Investment Compartment's overall unsecured exposures in currencies other than the Base Currency and exchange rate changes;
 - iii) risks specific to investments in securities issued by open-ended investment funds, including but not limited to the risk of a restriction on or termination of the redemption of such securities.

These risks are explained in Article 7.3 below.

7.3 Description of significant risks arising from investment in the Investment Compartment:

Risk of an unstable present Investment Share value

As the Investment Compartment's assets primarily comprise broadly diversified investments in securities issued by Equity Funds, investors must be aware of the fact that, despite maximum efforts at safe management, the Investment Share value may fluctuate in response to developments on financial markets as a result of the market risks assumed, and investors may make a loss if their Investment Shares are sold (redeemed) at an inappropriate time.

Market risk

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Market risk depends on the impacts that changes in market variables, such as prices, interest rates and exchange rates, have on the value of the Investment Compartment's assets. Key market risks assumed by the Investment Compartment are the currency and equity risk. The degree of market risk depends on the specific structure of the Investment Compartment's assets. The influence wielded by the market risk may be significant in particular in relation to financial derivatives, where a minor variation in the price of the underlying instrument could trigger a major change in the price of the derivative (the leverage effect). The Investment Company shall mitigate these risks by diversifying the Investment Compartment's assets and by hedging the Investment Compartment's assets denominated in a non-Base Currency against the risk of changes in the Foreign Currency's exchange rate to the Base Currency.

Credit risk

The credit risk may lie in particular in the fact that entities which have debts towards the Investment Compartment (e.g. debtors in respect of investment instruments held by the Investment Compartment, etc.) fail to honour with those debts in a due and timely manner. The Investment Company shall minimise these risks primarily by selecting counterparties and issuers on the basis of their solvency, by setting limits on exposure to individual counterparties and issuers, and by establishing appropriate contractual arrangements. Another element of credit risk is the settlement risk, i.e. the risk that the counterparty will not pay or will not supply investment instruments at the agreed time.

Liquidity risk

This risk lies in the fact that a particular Investment Compartment asset is not monetised in a timely manner and for a reasonable price, and that as a result the Investment Compartment will not be able to meet obligations towards shareholders. This risk shall be mitigated by Investment Compartment investments in investment instruments which are highly liquid, can be sold at sufficient volumes on a regular basis (these are securities issued by open-ended investment funds), or are traded in sufficient quantities on the relevant markets. Another measure is to retain the required volume of Investment Compartment assets in the form of Bank Deposits.

Risk attaching to the concentration of Investment Compartment investments

If the Investment Compartment were to concentrate its investments in a particular industry, state, region or asset type, this would induce the systematic risk that developments in the sector in which Investment Compartment investments are concentrated will affect a significant portion of the Investment Compartment's portfolio. This systematic risk is addressed by diversification, i.e. the distribution of investments across multiple industries, states, regions and asset types.

Operational risk

This risk lies in a loss due to deficiencies or failures in internal processes or the human factor, or as a result of externalities (e.g. the failure to supply up-to-date information for fund appraisals by a third party or the failure to deliver timely confirmation on transactions executed by the counterparty, etc.). This risk shall be mitigated by maintaining an adequate management and control system at the Investment Company. This risk includes the risk of the loss of assets entrusted for safekeeping or other custody, which may be caused in particular by the insolvency, negligence or wilful misconduct of the person who has safekeeping or other custody of the Investment Compartment's assets or securities issued by the Investment Compartment.

Risk of Investment Compartment closure

The Investment Compartment may be closed, for example, on the basis of such a decision by the Investment Company, due to the merger of the Investment Compartment, the winding-up of the Investment Company with liquidation of assets, or due to such a decision by the CNB, for example, if the Fund has no Custodian Bank for more than three months or if the Fund Capital fails to reach a threshold of EUR 1,250,000 within six months of its inception. This may result in a situation where investors do not hold an investment in the Investment Compartment for the full duration of the intended investment horizon. Investors are hereby warned that no guarantee

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exists or is given regarding the possibility for an investor to remain in the Investment Compartment.

Risk arising from investment in target funds

The Investment Compartment shall invest investors' resources in other (target) investment funds. There is a risk of the inappropriate selection of target funds which, for example, do not return the projected performance or do not manifest other desirable qualities. Another risk is the accumulation of fees, i.e. a situation where the Investment Compartment's overall yield is reduced not only by Investment Compartment asset fees paid to the Investment Company, but also by fees which target funds pay to the investment companies managing them. This is accompanied by the risk of the restriction on or termination of the redemption of target collective investment funds.

Repurchase Transaction risk

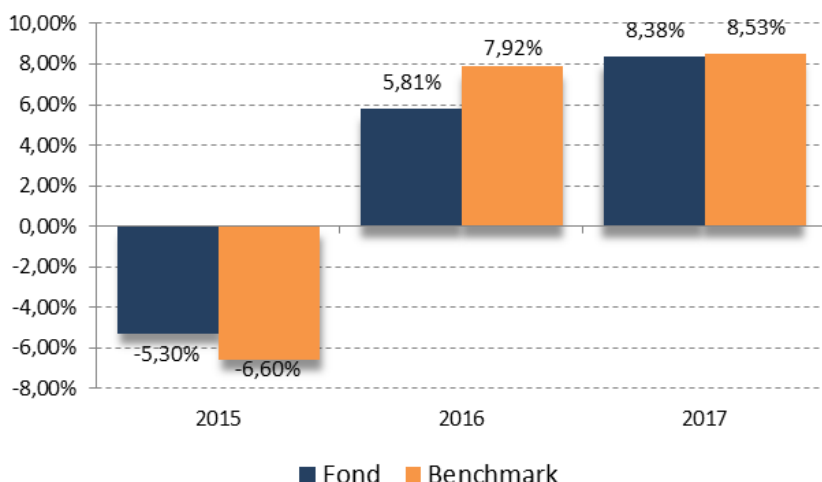
There are two core risks associated with Repurchase Transactions – the counterparty risk and the underlying asset risk, i.e. the risk posed by the investment instrument itself. The main risk with a repurchase agreement is the risk of counterparty default due, for example, to a rise in the price of a hedging investment instrument held in the counterparty account, which may be motivation for the investment instrument not to be returned. With a reverse repurchase agreement, there is an underlying asset risk resulting, for example, from the fact that a Fund receivable need not be repaid, with the investment instrument used for hedging then passing to the Investment Compartment's assets. In such an eventuality, the Investment Compartment would be exposed to risks associated with the holding of such an investment instrument, in particular market risk.

8 INFORMATION ON PAST PERFORMANCE

8.1 Information on the Fund's past performance is no indicator of future performance.

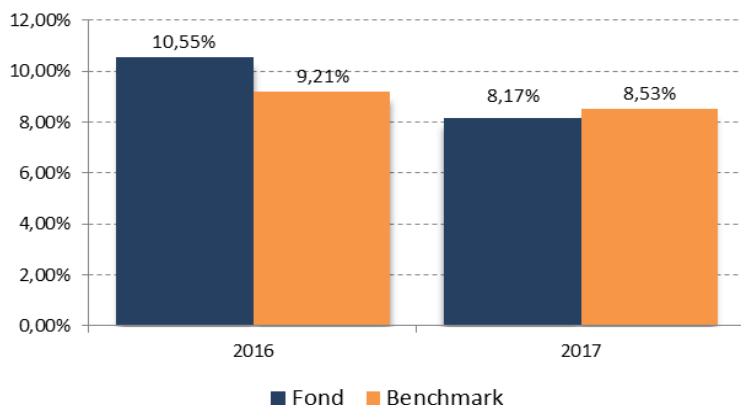
8.2 Graphs of the Fund's past performance (EUR and PLN classes) are presented below. For the sake of comparison, the graphs show the benchmark tracked by the Fund, as defined in Article 6.4 of the Supplement. The Investment Compartment's performance does not include any charges associated with the issuance (subscription) or redemption of Investment Shares.

EUR-class performance graph (CZ0008474640), commencing 4 March 2015:



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PLN-class performance graph (CZ0008474657), commencing 5 January 2016:



8.3 Important notice:

- a) information on the Investment Compartment's past performance has only limited usefulness as an indicator of future performance;
- b) the performance shown does not include any charges associated with the issuance or redemption of Investment Shares;
- c) the Investment Compartment was created in October 2014 (as a mutual fund – see information on matters of status) and the fund's first EUR-class shares, ISIN CZ0008474640, were issued in March 2015; the fund's first PLN-class shares, ISIN CZ0008474657, were issued in January 2016;
- d) performance to date is calculated in the Base Currency.

9 ASSET MANAGEMENT PRINCIPLES, PROFIT SHARING AND PAYMENT OF YIELDS

9.1 The Investment Compartment's accounting period shall be the calendar year.

9.2 Assets and debts from the Investment Compartment's investment shall be fair-valued pursuant to Section 196 of the Investment Companies and Investment Funds Act and other legislation, including but not limited to the Government Regulation.

9.3 The Investment Company's board of directors shall be responsible for the approval of the Investment Compartment's financial statements, decisions on the distribution of profit or other yields from Investment Compartment assets and decisions on the coverage of any loss incurred in the financial management of the Investment Compartment.

9.4 The Investment Compartment's assets and debts shall be appraised as at every day which is a business day in the Czech Republic (hereinafter referred to as the "**Record Date**"). If 30 June or 31 December is not a Record Date, the Investment Compartment's assets shall also be appraised as at that date. The appraisal of the Investment Compartment's assets and debts shall be the responsibility of the Registrar. In justified cases, assets and debts may be appraised at longer intervals of not less than once every two weeks. In justified cases, the Investment Company's board of directors shall decide on a change in the frequency of the appraisal of the Investment Compartment's assets and debts in line with the preceding sentence. Such a decision shall be published in a manner facilitating remote access sufficiently in advance of a change in the frequency of remuneration.

9.5 The Investment Company shall keep account of the balance and movement of assets, debts and other liabilities, costs and revenues, and the profit and loss on Investment Compartment assets separately from the Investment Company's own accounts and the accounts of the Fund

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and other funds under management and, to the extent required to determine the value of Fund Capital per Investment Share Class (Article 10.7), also broken down by Class. The Investment Company, in accordance with accounting methods under legislation governing accounting, shall ensure that accounts on the subject of accounting are kept in ledgers separately for the Investment Compartment in such a manner that it is able to compile financial statements for the Investment Compartment. The Investment Compartment's financial statements shall be audited.

- 9.6 The Fund shall not indulge in profit sharing (the pay-out of dividends) and shall not share yields from the financial management of the Investment Compartment. The Investment Compartment's profit and yields shall be reinvested and reflected in the increased value of Investment Shares.

10 INFORMATION ON THE ISSUANCE AND REDEMPTION OF THE INVESTMENT COMPARTMENT'S INVESTMENT SHARES

10.1 The Investment Shares are book-entry securities.

10.2 The Investment Shares have no nominal value.

10.3 The Investment Compartment shall issue PLN Class Investment Shares, attached to which is the right to hedge against the risk of a change in the value of the Investment Compartment's assets and liabilities pertaining to the Investment Shares of such Class against movement in the exchange rate of the Polish zloty (PLN) relative to the Base Currency; the manager shall take decisions with due professional care and with respect for investors' interests when considering whether to hedge the Investment Compartment's assets and liabilities pertaining to PLN Class Investment Shares in part or in full against currency risk. The Investment Compartment shall issue EUR Class Investment Shares, to which the right referred to in the preceding sentence is not attached. Unless otherwise referred to in the Prospectus, the shareholders of both Classes of Investment Shares shall be treated equally and the rules laid down in the Prospectus shall apply to them indiscriminately.

10.4 The present value of the PLN Class Investment Shares shall be determined in Polish zloty (PLN) and the present value of EUR Class Investment Shares shall be determined in the Base Currency.

10.5 The Registrar shall keep records of Investment Shares in a separate register in holders' accounts or clients' accounts. If the Registrar keeps Investment Shares in clients' accounts, the holder of a clients' account shall keep records relating to the records kept by the Registrar in holders' accounts on the basis of a contract with the Registrar. The holder of a clients' account may only be a person authorised to keep related records. The separate register kept by the Registrar and the related records shall be kept pursuant to Section 93 of the Capital Market Act and the Implementing Decree on Investment Instrument Records.

10.6 Investment Shares shall establish the equal rights of investors; any difference in the value of Fund Capital pertaining to each Investment Share Class (Article 10.7) shall not constitute a breach of this principle. Investors shall be entitled to have their Investment Shares redeemed by the Investment Company, which is required to redeem such Investment Shares under the conditions laid down in the Investment Companies and Investment Funds Act and in the Prospectus. The Investment Company shall redeem Investment Shares on the Investment Compartment's account. Investors shall not be entitled to request the distribution of the Investment Compartment's assets or the closure of the Investment Compartment.

10.7 The present value of an Investment Share in a given Class shall be determined as a proportion of the Fund Capital value of the Class, as this term is defined below, and the number of Investment Shares of the Class issued, rounded to four decimal places.

The Fund Capital value of a Class shall be determined as the product of the Fund Capital, before specific Class costs and yields are factored in, and the allocation ratio for the given Class of Investment Shares (hereinafter referred to as the "**Class Allocation Ratio**"); the resultant product shall be adjusted for the specific costs and yields of the Class. The Class Allocation Ratio on Day D is determined according to the following equation:

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$$AP_{TD} = (VK_{T(D-1)} + PLV_{T(D-1)} - PLO_{T(D-1)}) / (VK_{(D-1)} + PLV_{(D-1)} - PLO_{(D-1)})$$

where

AP_{TD} is the Class Allocation Ratio on Day D;

$VK_{T(D-1)}$ is the Fund Capital Value of the Class, including all specific Class costs and yields, determined as at the date preceding Day D, when the Investment Compartment's assets and debts were last appraised prior to Day D (hereinafter referred to as "**Day D-1**");

$PLV_{T(D-1)}$ is the value of newly issued Investment Shares in the Class from Day D-1 until Day D;

$PLO_{T(D-1)}$ is the value of redeemed Investment Shares in the Class from Day D-1 until Day D;

$VK_{(D-1)}$ is the Fund Capital Value on Day D-1;

$PLV_{(D-1)}$ is the value of all newly issued Investment Shares from Day D-1 until Day D;

$PLO_{(D-1)}$ is the value of all redeemed Investment Shares from Day D-1 until Day D.

Specific Class costs and yields encompass all costs and yields related solely to the Class in question. For PLN Class Investment Shares, this primarily means costs and yields derived from hedging against the risk of a change in the value of the Investment Compartment's assets and liabilities pertaining to Investment Shares of that Class in relation to movements in the exchange rate of the Polish zloty (PLN) to the Base Currency.

Investors of the same Class shall share in the Fund Capital value of the Class at a ratio of the number of Investment Shares they hold in that Class to the total number of Investment Shares issued in that Class.

- 10.8 The present Investment Share value shall be determined as at each Record Date. If 30 June or 31 December is not a Record Date, the present Investment Share value shall also be determined as at that date. In other justified cases, the present Investment Share value may be determined at longer intervals of not less than once every two weeks. The present value shall be determined no later than the third business day in the Czech Republic following the date for which it is determined.
- 10.9 The present value of Investment Shares in each Class shall be published on the Investment Company's website (Article 5.3). The present Investment Share value shall be published no later than on the third business day in the Czech Republic following the date as at which the value was determined pursuant to Article 10.8. The present Investment Share value shall be valid for applications for the issuance or redemption of Investment Shares in the relevant Class submitted no later than on the date as at which the present value is determined.
- 10.10 The Fund's Investment Shares in the relevant Class, on the date on which the Investment Company commences the issuance thereof, shall be issued for PLN 1 per Investment Share in the PLN Class and EUR 0.10 per Investment Share in the EUR Class. Where Investment Shares are issued for the first time, the time limits referred to in Articles 10.8, 10.9 and 10.15 shall be extended by one business day.
- 10.11 The Investment Company shall issue an Investment Share for an amount equal to the present value of an Investment Share in the relevant Class prevailing as at the Record Date. This shall be without prejudice to Article 10.10.
- 10.12 For the issuance of an Investment Share, every Record Date shall be decisive.
- 10.13 The minimum amount for which Investment Shares may be issued is not indicated. Minimum amounts for the submission of an application for the issuance of Investment Shares may be specified in a contract concluded between a party interested in the issuance of Investment Shares and the Investment Company, Registrar or Subregistrar.

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- 10.14 Applications for the issuance of Investment Shares shall be submitted to the Investment Company directly, via the Registrar or, for investors whose asset account is maintained by a person keeping related records in accordance with Article 10.5 (hereinafter referred to as a “**Subregistrar**”), via the Subregistrar. The Subregistrar shall purchase and redeem Investment Shares via the Registrar on behalf of investors whose asset accounts the Subregistrar maintains in the related records. Applicants shall remit an amount to the Investment Company, the Registrar or the Subregistrar to cover the selling price of Investment Shares. In a contract concluded between an applicant for the issuance of Investment Shares and the Investment Company, the Registrar or the Subregistrar, more detailed rules may be established for the determination of deadlines for the submission of applications for the issuance of Investment Shares, for the remittance of the amount from which the selling price of Investment Shares is to be paid, including the currency thereof (depending on the Class of Investment Shares) and for the determination of the front-end load and the manner of payment thereof to the Investment Company, the Registrar or the Subregistrar. The amount of the front-end load paid to the Investment Company, the Registrar or the Subregistrar may be a maximum of 5.00% of the present Investment Share value per Investment Share.
- 10.15 Applications for the issuance of Investment Shares shall be served by investors or the Subregistrar on the Investment Company or the Registrar not later than midday on the Record Date. The Investment Company or Registrar shall have discretion on whether to accept an application for the issuance of Investment Shares delivered later on the same day. Applications for the issuance of Investment Shares submitted at any time in the period from the previous Record Date to the present Record Date (while respecting the periods referred to in the preceding sentences) shall be deemed to have been submitted on the Record Date. The Investment Company shall confirm to the Registrar, for the purposes of informing the applicant for the issuance of Investment Shares, or the Subregistrar, the number, present value and selling price thereof no later than midday on the third business day following the Record Date. The applicant or the Subregistrar shall pay the selling price to the Investment Company directly or via the Registrar no later than on the third business day after the Record Date. If the selling price in this period is credited to the Investment Company's account, as at the same day the Investment Company shall issue the Investment Shares via the Registrar. As at the date of issuance, the Registrar shall credit the corresponding number of Investment Shares to the investor's asset account or to the Subregistrar's asset account maintained by the Registrar. The Subregistrar shall credit the corresponding number of Investment Shares to the investor's asset account maintained in the related records in accordance with Article 10.5 as at the same day on which the Investment Shares are credited to the Subregistrar's asset account in the separate records kept by the Registrar. Rights attaching to an Investment Share shall be established on the date of issuance thereof.
- 10.16 The selling price of issued Investment Shares shall be paid by the applicant seeking the acquisition thereof to the Investment Company directly, via the Registrar, or, by agreement with the Investment Company or the Registrar, directly to the Investment Company's account. The Investment Company, the Registrar or, directly, the applicant or the Subregistrar shall transfer an amount to the Investment Company's account corresponding to the selling price of the Investment Shares issued.
- 10.17 To maintain the stability of the Investment Company and its credibility, the Investment Company reserves the right to decide which applications from applicants seeking the acquisition of Investment Shares to accept.
- 10.18 Each investor shall be entitled to the redemption of Investment Shares by the Investment Company at a selected financial amount or number of Investment Shares. The Investment Company shall set special deadlines for the submission of applications for the redemption of Investment Shares; such deadlines shall be each Record Date and shall be published on the Investment Company's website.
- 10.19 The Investment Company shall redeem Investment Shares at the present Investment Share value as per the relevant Class prevailing on the Record Date as at which the application for the redemption of Investment Shares is submitted. This shall be without prejudice to Article 10.10.

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- 10.20 No minimum amount for which an individual redemption of Investment Shares may be made shall be set. Minimum amounts for the submission of an application for the issuance of Investment Shares may be specified in a contract concluded between a Fund investor and the Investment Company, Registrar or Subregistrar.
- 10.21 Applications for the redemption of Investment Shares may be submitted to the Investment Company directly, via the Registrar or, for investors whose asset account is maintained by the Subregistrar, via the Subregistrar. Applications shall be served by investors or the Subregistrar on the Investment Company or the Registrar not later than midday on the Record Date. The Investment Company or the Registrar shall have discretion on whether to accept an application for the redemption of Investment Shares delivered later on the same day. Applications for the redemption of Investment Shares submitted at any time in the period from the previous Record Date to the present Record Date (while respecting the periods referred to in the preceding sentences) shall be deemed to have been submitted on the Record Date. The Investment Company shall confirm to the Registrar, for the purposes of informing the investor or the Subregistrar, the number of Investment Shares to be redeemed, the present value thereof and the amount for the redemption thereof no later than midday on the third business day following the Record Date, and shall arrange, via the Registrar, for the cancellation of the redeemed Investment Shares in the records in accordance with Article 10.5 typically as at the third business day, but no later than the fourteenth calendar day, following the Record Date. As at that date, the Registrar shall clear the corresponding number of Investment Shares from the investor's asset account or from the Subregistrar's asset account. The Subregistrar shall clear the corresponding number of Investment Shares from the investor's asset account maintained in the related records in accordance with Article 10.5 as at the same day on which the Investment Shares are cleared from the Subregistrar's asset account. The Investment Company, itself or via the Registrar, shall financially settle the redemption of Investment Shares on the date on which the Investment Shares are cancelled; to this end, financial settlement means the dispatch of the corresponding monetary amount to the account of the investor or the Subregistrar. The time limits referred to in this Article shall apply unless the redemption of Investment Shares is suspended.
- 10.22 To redeem Investment Shares at a selected financial amount, the corresponding full number of Investment Shares, calculated as a ratio of the required amount to the Investment Share price, rounded to the nearest integer, in accordance with mathematical rules, shall be removed from the asset account of the investor or the Subregistrar maintained by the Registrar; a maximum of all Fund Investment Shares held in the asset account of an investor or the Subregistrar may be redeemed. The difference between the price of the number of Investment Shares being redeemed, thus identified, and the amount required shall be paid to the investor together with the amount for the Investment Shares redeemed, or, where applicable, the amount paid shall be lower, by that difference, than the amount sought by the investor.
- 10.23 Upon payment of the amount for redeemed Investment Shares, the amount paid shall be transferred by bank wire transfer in accordance with the contract between the investor and the Investment Company or the Registrar or the contract between the Subregistrar and the Registrar. That contract may also lay down more detailed rules for determining the terms and manner of payment of the amount for the redeemed Investment Shares, including the currency (depending on the Class of Investment Shares).
- 10.24 The Investment Company may suspend the issuance or redemption of Investment Shares for up to three months where this is necessary to protect the rights or legally protected interests of investors. The Investment Company may suspend the issuance or redemption of Investment Shares in particular at the end or the beginning of the calendar year, in cases of natural disasters, in justified cases where there is very strong turbulence on the capital markets, in case of problems with the liquidity of the Investment Compartment's assets, if high purchases or redemptions of Investment Shares could jeopardise assets in the Investment Compartment, or in other justified cases.
- 10.25 The Investment Company's board of directors shall decide on the suspension of the issuance or redemption of Investment Shares, and in doing so is required to draw up a record of its decision. That record shall specify the date and exact time of the decision on the suspension, the reasons

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and time of the suspension, and the period for which the issuance or redemption of Investment Shares is suspended. The Investment Company shall deliver the record on the suspension of the issuance or redemption of Investment Shares to the CNB without undue delay and at the same time shall publish, on its website, the date and exact time of the decision on the suspension of the issuance or redemption of Investment Shares, the reasons, the moment of suspension and the period for which the issuance or redemption of Investment Shares is suspended. If the suspension of the issuance or redemption of Investment Shares threatens the interests of investors, the CNB shall revoke the decision. The Investment Company shall publish, on its website, information that the CNB has cancelled the suspension of the issuance or redemption of Investment Shares. Upon resumption of the issuance and redemption of Investment Shares, the Investment Company shall issue or redeem Investment Shares, the issuance or redemption of which was suspended, and in respect of which there has been no payment of consideration for redemption or issuance, such being for an amount equal to the present value determined as at the date of application, or shall decide to disregard applications for issuance or redemption in respect of which there has been no payment of consideration for redemption or issuance, and shall call on investors who have submitted such an application to resubmit their application if they remain interested. Investors shall not be entitled to default interest for the period of suspension of the issuance or redemption of Investment Shares, unless the Investment Company, as at the date of suspension of the issuance or redemption of Investment Shares, is already in arrears with payment of an amount for redemption or if the CNB cancels the decision to suspend the issuance or redemption of Investment Shares. In such an eventuality, the Investment Company shall pay default interest from its assets.

- 10.26 At the time of publication of this version of the Prospectus, Investment Shares are issued and redeemed at the Registrar's registered office. At the time of publication of this version of the Prospectus, Investment Shares are publicly offered or issued, besides the Czech Republic, in Poland and Slovakia.
- 10.27 Investors shall not pay any fees to the person responsible for the records of Investment Shares, unless the contract concluded between an investor and the Investment Company, the Registrar or the Subregistrar specifies a fee for keeping Investment Shares in the records of the Registrar or the Subregistrar.