

## INDEPENDENT AUDITOR'S REPORT

To  
The Shareholders  
Of MUTUAL FUND "ACTIVA HIGHYIELD FUND"

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of **MUTUAL FUND "ACTIVA HIGHYIELD FUND" (the Fund)**, which comprise the Statement of financial position as of 31 December 2022 and the Statement of profit or loss and other comprehensive income, Statement of changes in net assets belonging to shareholders and Statement of cash flows for the year then ended, and the explanatory notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as of 31 December 2022 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants (including the International Independence Standards) issued by International Ethics Standards Board for Accountants (IESBA Code), together with the ethical requirements of the Independent Financial Audit Act (IFAA), applicable to our audit of the financial statements in Bulgaria. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for other information. The other information comprises activity report, prepared by the management in accordance with Chapter Seven of the Accountancy Act, but does not include the financial statements and our audit report thereon.

Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon, unless it is expressly stated in our report and to the extent, which is indicated.

## INDEPENDENT AUDITOR'S REPORT – continued

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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS as adopted by the EU and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements the management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern assumption and using the going concern assumption basis of accounting, unless the management either intends to liquidate the Fund or to cease its operations, or have 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 misstatements, whether due to fraud or error and to issue an audit report which includes our audit opinion. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with the Independent Financial Audit Act and ISAs 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 the audit in accordance with ISAs, we use professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, design and perform audit procedures in response 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 secret collusion, forgery, intentional omissions, misrepresentations, aiming to deceive the auditor as well as neglect or circumvention of internal control.

## INDEPENDENT AUDITOR'S REPORT – continued

- 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern assumption 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 Fund'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 disclosures in the financial statements related to this uncertainty 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 Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of 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 management regarding, among other matters, the planned scope and timing of the audit and the significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Report on Other Legal and Regulatory Requirements

#### *Additional Matters to be Reported under the Accountancy Act*

In addition to our responsibilities and reporting in accordance with ISAs, described in paragraph Information Other than the Financial Statements and Auditor's Report Thereon in relation to the management report, we have also performed the procedures added to those required under ISAs in accordance with the Guidelines for new and extended audit reports and auditor communication" of the professional organisation of registered auditors in Bulgaria, the Institute of Certified Public Accountants (ICPA). These procedures refer to testing the existence, form and content of this other information to assist us in forming an opinion about whether the other information includes the disclosures and reporting provided for in Chapter Seven of the Accountancy Act applicable in Bulgaria.

INDEPENDENT AUDITOR'S REPORT – continued

*Opinion in conjunction with Art. 37, para. 6 of the Accountancy Act*

Based on the procedures performed, we are of the opinion that:

- a. The information included in the activity report for the financial year, for which the financial statements have been prepared, is in line with the financial statements.
- b. The activity report was prepared in accordance with the requirements of Chapter Seven of the Accountancy Act.

**BRAIN STORM CONSULT - OD LTD**

*Audit Company*

Kameliya Terziyska – Manager

Republic of Bulgaria, Sofia, March 29 2023

Kameliya Terziyska

*Registered Auditor*

