ALTERNATIVE LIQUIDITY FUND LIMITED

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

ALTERNATIVE LIQUIDITY FUND LIMITED

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ALTERNATIVE LIQUIDITY FUND LIMITED

Highlights
For the year ended 30 June 2020

- US$2.2 million was distributed to B Shareholders

Financial highlights at 30 June 2020

	30 June 2020	30 June 2019
Total net asset value ("NAV")	US$25.5 million	US$41.6 million
NAV per Ordinary Share	17.36¢	28.40¢
Share price	7.20¢	11.75¢
Discount to NAV	58.5%	58.6%

ALTERNATIVE LIQUIDITY FUND LIMITED

COMPANY SUMMARY

Principal activity

Alternative Liquidity Fund Limited (the "Company" or "ALF") was incorporated and registered in Guernsey under The Companies (Guernsey) Law, 2008 on 25 June 2015. The Company's registration number is 60552 and it is regulated by the Guernsey Financial Services Commission ("GFSC") as a non-cellular company limited by shares. The Company is listed and began trading on the Main Market of the London Stock Exchange and was admitted to the premium segment of the Official List of the UK Listing Authority on 17 September 2015.

The Company is currently invested in a diversified portfolio of illiquid interests in funds, securities and other instruments with the objective to manage, monitor and realise these investments over time.

The Company agreed with Signet Multi-Manager SPC Inc ("SMMI") to acquire an initial portfolio of assets for an aggregate consideration of US$144 million, conditional upon Admission. The consideration for the Initial Portfolio took the form of ordinary shares which were distributed in specie to the existing investors of SMMI. Following completion of the acquisition of the Initial Portfolio, the Company held approximately 60 investments with an aggregate valuation of US$138.7 million.

In January 2016, the Company agreed with Trusthouse Holding NV to acquire a portfolio of assets, owned by two funds of which they were the liquidator, for an aggregate consideration of US$2.2 million, comprising US$0.4 million in cash and US$1.8 million in shares in the Company.

In September 2016, the Company issued 587,752 Ordinary Shares to shareholders of The Green Fund as of 30 June 2016. This issue was in exchange for a small number of positions, in accordance with the Company's investment policy, held by The Green Fund for a total consideration of US$0.5 million.

In January 2017, the Company completed the purchase of a small liquidating hedge fund portfolio from a liquidator in Luxembourg. The Company paid US$1 million for the portfolio.

In October 2019, in accordance with a resolution approved by Shareholders at an Extraordinary General Meeting ("EGM") of the Company on 25 February 2019, and as set out in a circular to Shareholders dated 6 February 2019, the Company published a new prospectus (the "New Prospectus") relating to a proposed placing programme of up to 100 million new Ordinary Shares, the proceeds to be invested in accordance with the Company's new investment policy (see below). Under the terms of the Prospectus, the Company's existing shares will be redesignated as Realisation Shares, and the Company's existing assets currently held within its existing portfolio will be attributable to the Realisation Portfolio, which will be realised as rapidly as possible and the proceeds returned to the Realisation Shareholders.

In November 2019, the Company completed the purchase of a portfolio of assets, owned by MVP Fund Range PCC Limited which was in liquidation, for a consideration of US$100,000.

Investment policy

The Company's new investment policy (the "new investment policy") is to invest in a diversified portfolio of illiquid investments, funds and funds of funds such as hedge funds, private equity funds, real estate funds, infrastructure funds, private investment funds, and other alternative investment vehicles sponsored or managed by investment managers across the world. The new investment policy also permits the Company to invest in a segregated portfolio of the Warana SP Master Fund SPC ("the Warana Master Fund"), including new segregated portfolios which are launched in the future, provided that any such portfolio has substantially the same investment policy as the Company.

The Company may utilise derivatives for the purposes of efficient portfolio management and principally for currency hedging. The portfolio will not be constructed to have any particular geographical bias. Accordingly, the Company has the ability to source and buy assets across the world and denominated in any currency. It is expected that the Company will largely be exposed to US Dollars, which is the Company's reporting currency.

At 30 June 2020, the Company was fully invested subject to a cash and cash equivalents amount retained for working capital requirements. It is the intention that the Company will aim to be fully invested at all times, although the Company may hold cash or cash equivalent investments from time to time. The Company expects to be very prudent in its use of borrowings due to the illiquid nature of the portfolio; however, the Company will have the ability to borrow up to 25 per cent of its net assets for short-term purposes. It is not intended for the Company to have any long-term or fixed structural gearing. The Company may be indirectly exposed to gearing to the extent that the Company's investee funds or segregated portfolios are geared by the external managers.

ALTERNATIVE LIQUIDITY FUND LIMITED

CHAIRMAN'S STATEMENT

Introduction

I am pleased to present the Financial Statements for the period from 1 July 2019 to 30 June 2020 (the "Period"). The Company is an investment trust listed on the London Stock Exchange ("LSE") which focuses exclusively on the realisation of hedge fund side pockets and other illiquid funds previously held in open-ended structures. The listing has provided liquidity to those shareholders who require it; monthly portfolio reporting; active portfolio realisation management; and superior corporate governance.

Portfolio and performance

The Company's investment portfolio (the "Portfolio") currently comprises illiquid fund positions emanating principally from the 2008 financial crisis and taken on by the Company at its inception, as well as a small number of new secondary investments made by the Investment Manager.

At the start of the Period, the Company had a NAV of US$41.6 million and a NAV per share of US$0.2840. At the end of the Period the Company's NAV was US$25.5 million (US$0.1736 NAV per share). The Company distributed approximately US$2.2 million (US$0.015 per share) to Shareholders in January 2020 by way of a B share issuance, and has a cash balance of approximately US$2.45 million as at 30 June 2020. Adjusting for the distributions in the period, there was a 33.59% (US$0.0954 per share) decrease in the value of the Company in the Period.

The primary detractor from performance over the year was an increase in the provision against Gillett, the Ukrainian real estate investment vehicle. Liquidity has been limited from the project as it continues to use cash from sales to complete its other phases The Investment Manager along with other stakeholders has been pushing for enhanced transparency at the underlying project level and these concerns have not been answered adequately by the local project manager.

Given these issues, the Investment Manager increased the provision on the investment from 70% to 100% in the last two months of the period in accordance with the provisioning methodology in determining the company's NAV.

The portfolio is also characterised by significant exposure to the Brazilian Real, which depreciated by approximately 42% against the US Dollar. The currency depreciation is expressed in consequential markdowns with respect to the Vision and Autonomy funds, which make up approximately 72% of NAV.

During the Period, the Company received US$3.47 million from underlying manager distributions. The Company made a distribution to Shareholders, paid in January 2020, of US$2.2 million, equivalent to 1.5¢ per share. A further cash distribution of US$1.46 million via a B share issuance in July 2020 was paid in August 2020 (equivalent to 1¢ per share). As at September 30, 2020 the Company held US$1.06 million in cash.

The Board has discretion with regard to cash distribution to Shareholders subject to the working capital requirements of the Company and the cost of distribution.

Outlook

In October of 2019 the Company published a prospectus detailing a 12-month placing programme to be effected by the creation of a new share class to fund future investments in the secondary market. The prospectus provided flexibility to raise up to US$100 million, with the new shares to be admitted to trade on the Premium Listing Segment of the Main Market of the LSE.

With investment flow and the opportunity set in the hedge fund secondary market being very robust the Investment Manager had intended to strategically use the prospectus to raise capital and grow ALF. However, with the onset of the COVID-19 pandemic, the ability to market the Company was severely limited due to travel restrictions and investor appetite for new raises of the Company's size and liquidity profile were significantly reduced. Thus, despite having previously received encouragement from potential investors for the proposed placing programme, the Company did not raise new capital via the placement programme.

The placing programme has now expired and the Board, together with the Investment Manager, are considering potential future options for the Company.

The Board believes that the existing portfolio will take several more years to become liquid. The Board is however also mindful of the difficulties of liquidating the remaining assets within the Portfolio, which are inevitably the most complex, and are aware of the need to reduce the cost base in what could be the equivalent to an orderly wind down.

CHAIRMAN’S STATEMENT, continued

Therefore the Board will be taking all of this into consideration when analysing the Company’s future and the options available. Recommendations will be put to the Company’s Shareholders.

Quentin Spicer
Chairman
28 October 2020

ALTERNATIVE LIQUIDITY FUND LIMITED

INVESTMENT MANAGER'S REPORT

Introduction

Warana Capital, LLC ("Warana" or the "Investment Manager") is the Investment Manager of the Company and is a specialist investor in, and manager of, illiquid fund interests.

The Portfolio of the Company is largely comprised of illiquid fund structures inherited at its inception. The Portfolio has a large exposure to emerging markets and is largely invested in vehicles managed by third parties that provide their own valuations. Warana utilises a provisioning process to evaluate the portfolio as objectively as possible by taking into account the quality of the information received from the underlying funds, their valuation processes, geographical locations and risks associated with the Company's assets. Where possible, this analysis is then checked against observable secondary market activity although there tends to be very limited trading in these assets. As such, the Company reports two separate net asset values ("NAVs") – the underlying manager NAV and the ALF NAV, inclusive of Warana's provisions (the latter is reported to the LSE as the primary valuation metric) and is the basis for the discussion in this report.

At the start of the year, the Company had a NAV of US$41.6 million and a NAV per share of US$0.2840. At the end of the year the Company's NAV was US$25.5 million (US$0.1736 per share). The Company distributed approximately US$2.2 million (US$0.015 per share) to Shareholders in January 2020 by way of a B share issuance, and has a cash balance of approximately US$2.45 million as at 30 June 2020 NAV. Adjusting for the distributions over the year, not including receivables, accruals and liabilities, there was a 33.59% (US$0.0954 per share) decrease in the value of the Company over the year. A further distribution of $1.46 million was paid in August 2020.

Portfolio

At the end of the year, the Company had exposure to approximately 24 different fund investments and direct investments managed by 16 different investment managers. The top nine fund investments represent 88% of the NAV and almost the entire portfolio (97%, excluding cash) consists of assets domiciled in emerging markets. Approximately 77% of the portfolio can be deemed credit, 7% equity; 5% real estate; with the balance in other positions and cash. We note though that the remaining credit positions do not have a fixed maturity date.

The Company's largest exposure is to the Vision Brazil funds (72.1% of NAV), which are predominantly made up of two separate pools of legal claims against the State Government of Rio de Janeiro (FCVS RJ) and Eletrobras, the Brazilian public utility firm. All the claims require novation in the local courts and given the current difficult economic environment in Brazil along with a very cumbersome judicial process, liquidity from these pools has been scarce and slow to date.

In March 2020 one of the other FCVS RJ holders (a Brazilian state bank) successfully filed a legal claim against Caixa (Government-owned bank responsible for the credit novations) for delaying this process. We understand that Caixa is reacting positively to this legal pressure and has re-started the process. FCVS claims can be used by local banks to satisfy reserve requirements under the PROER program making them an attractive security to purchase at a discount to their face value. Vision is in very early stage discussions with several banks who are considering this route. As the largest holder across all of the FCVS credits, Vision is theoretically in a strong negotiating position, whether through legal action, negotiating an exit with Caixa and/or negotiating a sale of the portfolio to a local bank. In turn, the Company is the largest shareholder of the Vision RJ portfolio, and the Investment Manager is in discussions with the Independent Directors and Vision management team regarding a new fee structure for the portfolio. The goal of these discussions is to further align Vision management with shareholders with a focus on return of capital in a reasonable timeframe.

Eletrobras (EBR) claims returned a significant amount of capital in 2019 – totaling BRL150million (approximately $38million). There have been two more distributions so far in 2020 totaling BRL30million (approximately $6million). The partial sale of the remaining government stake in EBR has been postponed due to the macroeconomic situation in Brazil. As a liability on the EBR balance sheet, Vision expects that the balances will need to be clarified further in conjunction with any government equity position sale. Despite the government's delay, Vision is encouraged by the interest generated from several large international investment managers, including a few parties who have previously worked with the Argentine government to successfully recover lapsed debt payments. Vision management, shareholders and the Independent directors have been negotiating a new fee proposal for over a year – currently Vision are only collecting legacy fees which have been due to them for many years. The new fee proposal has been verbally agreed and an EGM will soon tabled to officially approve the proposal. Continued work is required to progress and realize the claims and aligning Vision management with all shareholders with a focus on return of capital in a reasonable time frame is key. Under the proposed terms, amounts paid to Vision will be linked to proceeds above distribution hurdles provided to investors.

The Company's second largest exposure is to the Growth funds (4.2% of NAV), There are three remaining positions: 1) a minority shareholding in a satellite transmission and media service company active in Russia. This company is involved in legal actions against a former shareholder, there is no indicative timeframe for a court decision; 2) a Cyprus subsidiary which has exposure to two commercial properties in Ukraine and Crimea, a six-story shopping centre and a 44-room hotel in Sudak, Crimea. Both properties are marketed for sale, but there has been little interest; and 3) a holding in an investment fund which has exposure to Cuban government debt.

INVESTMENT MANAGER'S REPORT, continued

The Growth Funds have undergone a restructuring to reduce costs where possible and will continue to focus on liquidating the portfolio and the remaining positions. Given their complexity, the recovery amount and timing to resolution is difficult to predict.

The third largest exposure is to the Warana 2018 Fund (3.5% of NAV), this fund officially entered harvest mode in Q4 2019, having invested into 150 different funds and four direct investments during its investment period. The fund continues to make periodic distributions as cash is received in the portfolio, the total received up to June 2020 NAV is 53% of called capital. The fund continues to project an IRR of approximately 20% and a multiple of called capital of over 1.4x.

The primary detractor from performance over the year was an increase in the provision against Gillett, the Ukrainian real estate investment. During the second quarter of 2020 the Investment Manager has had numerous discussions with other stakeholders in the structure regarding mutual reservations with the transparency at the underlying project level. The project manager agreed to allow a third-party specialist auditing firm to review the assets and their financial arrangements. Given these concerns, the Investment Manager increased the provision on the investment to 85% for May 2020 NAV in accordance with the provisioning methodology (as discussed further in these Financial Statements in note 6) for the purposes of the Company's NAV. That discovery process seems to have stalled at the outset and concerns raised by stakeholders to the local project manager have been left unanswered. Therefore, for June 2020 NAV, the Investment Manager increased the provision to 100%. These two adjustments to the Gillett provision resulted in a markdown on the Company's NAV of -13.5% and corresponded to 3.8 cents of the decline in the share price over the year. The Investment Manager will continue to push for transparency and will evaluate all recovery options available to the Company.

The portfolio has significant exposure to the Brazilian Real which suffered considerable depreciation versus the US Dollar over the last 12 months. From July 1, 2019 to June 30, 2020 the currency depreciated approximately 42%, the impact is seen in markdowns on the Vision and Autonomy funds. The depreciation of the Brazilian Real has had a significant negative impact on the portfolio with an estimated 4.28¢ drop per share, contributing to the overall 11.04¢ drop in NAV per Ordinary Share.

During the year, the Company received approximately US$3.47million in distributions from underlying fund investments. These flows have come from:

- Vision ELT Fund 1,208,913
- Aarkad PLC 859,443
- Vision FCVS PB Fund 442,198
- Warana 2018 Fund 310,267
- Serengeti Opportunity Funds 232,029
- CAM Opportunity Funds 141,934
- Autonomy Rochavera 124,168
- Others 145,030

Liquidation timeline

Given the composition of the portfolio, projecting future liquidity is extremely difficult and speculative. To the extent possible, Warana seeks to work with the underlying managers to liquidate the positions appropriately. The sale of any positions in the secondary market would achieve an accelerated return of capital but we expect at a significant discount to our expected potential recovery. Such options are therefore considered very carefully.

Growth plans

The Company published a prospectus detailing a 12-month placing programme in October of 2019 seeking to raise up to US$100 million, over the 12-month period, with the new shares to be admitted to trade on the main market board of the LSE.

Due to the onset of the COVID-19 pandemic and its impact on investor risk appetite and the ability to hold meetings with potential investors, the Company did not raise new capital via the placing programme. The Directors and the Investment Manager have been discussing the future plans for the Company, given the environment and will be putting forward recommendations for the Shareholders.

Warana Capital, LLC
28 October 2020

BOARD OF DIRECTORS

The Directors are responsible for the development of the Company's investment objective and have overall responsibility for the Company's investment policy and the overall supervision of the business of the Company.

The Directors of the Company at the date of this report, all of whom served throughout the year and are non-executive and independent, are as follows:

Quentin Spicer, Chairman, age 75
Mr Spicer is a resident of Guernsey. He qualified as a solicitor with Wedlake Bell in 1968 and became a partner in 1970 and head of the Property Department. He moved to Guernsey in 1996 to become senior partner in Wedlake Bell Guernsey, specialising in United Kingdom property transactions and secured lending for UK and non-UK tax resident entities. Mr Spicer retired from practice in 2013. He is former chairman of F&C UK Real Estate Investments Limited, Quintain Guernsey Limited, The Guernsey Housing Association LBG, and is a director of a number of Property Funds including Summit Properties Limited and Phoenix Spree Deutschland Limited. He is a member of the Institute of Directors.

Anthony Pickford, aged 67
Mr Pickford is a resident of Guernsey. He qualified as a Chartered Accountant in 1976. He moved to Guernsey in 1978 as an Audit Senior with Carnaby Harrower Barham & Company (now Deloittes). In 1986 he joined Chandlers as a partner with a specialism in insolvency matters and advised a range of financial services companies and trading companies on insolvency matters as well as acting as financial adviser to local entities. He became Managing Director of the firm in 2000 and assumed the role of Chairman in 2004 until his retirement in 2008. He has previously been a non-executive Director of several listed companies and a Director of the Catholic National Mutual Limited, where he chaired the Audit Committee and served on the Investment Committee until he retired on 6 August 2017.

Dr Richard Berman, age 64
Dr Berman is a UK resident. He has been involved with the investment management sector since 1989. He was previously a Manager with Orion Bank Limited, Treasurer of Andrea Merzario SpA, Group Treasurer of Heron Corporation plc, joint Managing Director and co-founder of Pine Street Investments Limited, and CEO and co-founder of Sabrecorp Limited and Signet Capital Management Limited. His experience includes advising on the establishment, regulation and management of funds and fund management companies in a range of jurisdictions. He has a PhD in History from the University of Exeter and an MA in Economics from the University of Cambridge. He is a Fellow of the Chartered Securities & Investment Institute, a Fellow of the Association of Corporate Treasurers and a Visiting Research Fellow at Oxford Brookes University.

ALTERNATIVE LIQUIDITY FUND LIMITED

DISCLOSURE OF DIRECTORSHIPS IN PUBLIC COMPANIES LISTED ON RECOGNISED STOCK EXCHANGES

The following summarises the Directors’ directorships in other public companies:

Company Name	Stock Exchange
Quentin Spicer	
Summit Properties Limited (formerly Summit Germany Limited)	London Stock Exchange – AIM (delisted on 17 March 2020)
Phoenix Spree Deutschland Limited	London Stock Exchange – Main Market
Anthony Pickford	
None	
Dr Richard Berman	
None	

ALTERNATIVE LIQUIDITY FUND LIMITED

DIRECTORS' REPORT

The Directors of Alternative Liquidity Fund Limited (the "Company") are pleased to submit their Annual Report and the Audited Financial Statements (the "Financial Statements") for the year ended 30 June 2020. In the opinion of the Directors, the Financial Statements are fair, balanced and understandable and provide the information necessary for Shareholders to assess the Company's performance, business model and strategy.

The Company

The Company was incorporated and registered in Guernsey on 25 June 2015 under The Companies (Guernsey) Law, 2008 as a non-cellular company limited by shares. The Company's registration number is 60552 and it is regulated by the Guernsey Financial Services Commission ("GFSC") as a registered close ended investment scheme. The Company is listed and began trading on the Main Market of the London Stock Exchange and was admitted to the premium segment of the Official List of the UK Listing Authority on 17 September 2015.

Going Concern

The Company has been incorporated with an unlimited life. Under the Company's new articles of association (the "New Articles"), which were approved by Shareholders at the EGM held on 25 February 2019, the Board is obliged to propose a continuation vote at a general meeting of the Company in 2023, and every 2 years thereafter. If any such continuation vote is not passed, the Directors shall be obliged to put forward proposals for an orderly winding up or reconstruction of the Company.

After a review of the Company's holdings in cash and cash equivalents, investments and a consideration of the income to be derived from those investments, the Directors believe that it is appropriate to adopt the going concern basis in preparing the Financial Statements, as the Company has adequate financial resources to meet its liabilities as they fall due for a period of at least twelve months.

The Board of Directors acknowledges the coronavirus ("COVID-19") outbreak and its potentially adverse economic impact globally and on the locations in which the Company invests and operates.

The COVID-19 pandemic has presented a significant emerging risk to the global economy and financial markets and resulted in an unprecedented level of market volatility and disruption earlier this year. The impact of the pandemic is discussed further in the Investment Manager's report. The Board seeks to mitigate and manage these risks through continual review, policy-setting, enforcement of contractual obligations and monitoring of the Company's investment portfolio. The Directors believe that the impact of COVID-19 will have implications for the Company's business and the underlying investment portfolio. The investment portfolio may be negatively impacted by any restrictions placed on redemptions to investments, however these are difficult to quantify at this time.

The Board of Directors notes that all investee companies have successfully enacted plans to work remotely, and to make use of technology to continue to provide their services just as before.

The Company recognises that this situation requires continued attention. The Board closely monitors the latest developments relating to COVID-19 given its negative impact on the economy and many businesses across the globe. The Board can and does receive explanations and assurances from its key service providers as to their plans and ability to respond during times of crisis, such as at present following COVID-19.

The placing programme has now expired and the Board, together with the Investment Manager, are considering potential future options for the Company.

The Board believes that the existing portfolio will take several years to become liquid. The Board is however also mindful of the difficulties of liquidating the remaining assets within the Portfolio, which are inevitably the most complex, and are aware of the need to reduce the cost base in what could be the equivalent to an orderly wind down.

Therefore the Board will be taking all of this into consideration when analysing the Company's future and the options available. Recommendations will be put to the Company's Shareholders.

Viability Statement

In accordance with provision C.2.2 of the UK Corporate Governance Code (the "UK Code"), the Directors have assessed the prospects of the Company over a longer period than 12 months required by the going concern assessment. In accordance with the New Articles, the Company is required, by 31 December 2023, and every 2 years thereafter, to hold a meeting of the Shareholders to establish whether the Company should continue its strategic objectives or be wound up. As a result, the Directors have assessed the viability of the Company over a 3.5 year period to 31 December 2023, taking account of the Company's current position and the potential impact of the principal risks outlined in this statement.

DIRECTORS’ REPORT, continued

Viability Statement (continued)
The Directors are mindful of the risks that affect the viability of the Company and have undertaken a detailed risk analysis. The Directors have identified the risks and how the effects of these risks are mitigated by the Company to minimise any loss. The Directors have concluded that ultimately, due to the nature of the illiquidity of many of the investments, the most significant risk to the Company’s viability during this period is the availability of sufficient working capital to meet the Company’s ongoing expenses. In order to quantify this risk, the Company has prepared a base-level detailed financial forecast for the 3.5 year period to 31 December 2023. The key assumptions in the financial forecasts include:

- Estimated cash inflows from the existing portfolio in the period to December 2020 of US$1,563,158, based on known imminent realisations;
- Worst case scenario assumption of no further cash inflows from realisation of the existing portfolio for the remainder of the 3.5 year period;
- In the absence of further cash inflows from the portfolio, no further returns of capital are made to Shareholders;
- Base fixed costs of operation of approximately US$920,000 per annum for the remainder of the 3.5 year period.

Based on this forecast, the Company would continue to have sufficient cash resources to meet its ongoing liabilities only for the period from July 2020 to February 2023, in the unlikely absence of any realisations of the portfolio occurring in the 3 year period from January 2021 to December 2023.

The Investment Manager, under the supervision of the Board, actively manages the underlying managers of the portfolio investments such that the objective of realising the portfolio can be achieved, notwithstanding its illiquidity.

As noted in the Chairman’s Statement, the Investment Manager’s Report and the going concern assessment above, the Company has been unable to raise any funds under the placing programme.

As a result, the Board, together with the Investment Manager, are considering the potential future options for the Company, and intend to put appropriate recommendations to Shareholders. Given the uncertainty around the timing of realisation of the Company’s existing investments, there may come a point in time where the Company's cost base would be unsustainable in relation to the value of the remaining portfolio. In those circumstances, the Directors would consult with Shareholders and consider taking action prior to the continuation vote to instigate a winding up of the Company.

Based on the above considerations, the Directors are unable to state with any certainty that the Company will continue in operation and meet its liabilities as they fall due throughout the period to 31 December 2023.

Risks and uncertainties
In respect of the Company’s system of internal controls and its effectiveness, the Directors:

- are satisfied that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity; and
- have reviewed the effectiveness of the risk management and internal control systems including material financial, operational and compliance controls (including those relating to the financial reporting process) and no significant failings or weaknesses were identified.

In the Board’s opinion, the principal risk to the Company arises from the inherent difficulty of fairly valuing the portfolio assets in current market conditions. In order to manage this risk, the Investment Manager liaises with the underlying managers and administrators of the investee funds to obtain valuations that are as up to date as possible, and where applicable will update those valuations for movements in relevant foreign exchange rates. In addition the Board, in conjunction with the Investment Manager, may make provisions to adjust the carrying fair value of investments where they believe that such valuations do not reflect the likely realisation value of those investments.

The Board, together with the Investment Manager have developed a provisioning process to evaluate the portfolio as objectively as possible. In executing this process, the Investment Manager actively seeks to obtain good quality information from the underlying funds, and reviews and assesses this and the underlying funds’ valuation processes, geographical locations and risks associated with the assets. Where possible, this analysis is then checked against observable secondary market activity.

The Board appointed the Investment Manager after a substantial due diligence process, whereby they evaluated the Investment Manager experience and expertise in the management of illiquid assets. The Board and the Investment manager also hold quarterly board meetings which involve detailed discussions and presentation on the investment performance of the Company and the underlying investee companies. The Board also formally conducts a review of the performance of the Investment Manager on an annual basis.

Other risk and uncertainties
Market price risk is a second key risk associated with the Company. The Company monitors these risks, which are reviewed regularly.

Liquidity risk is a third risk associated with the Company. The Company is mainly invested in securities which lack an established secondary trading market or are otherwise considered illiquid. In the Board's opinion, the risk to the Company is its inability to realise assets at a price which reflects the valuation of those assets to date, or indeed at all, due inter alia to illiquidity in the market for such assets and general economic and financial conditions.

Other risks identified by the Board that could affect the Company's performance are as follows:

Regulatory risk: the Company operates in a complicated regulatory environment and faces a number of regulatory risks. Breaches of regulations, such as the London Stock Exchange Listing Rules, The Companies (Guernsey) Law, 2008 and The Protection of Investors (Bailiwick of Guernsey) Law, 1987 could lead to a number of serious outcomes and reputational damage. The Board monitors compliance with regulations by regular review of internal control reports.

Interest rate risk: The Company does not hold any interest bearing investments directly at the year end. Therefore interest rate risk is limited to the extent of the bank balances and any indirect interest rate risk at the investee company level. The Directors consider the impact of interest rate risk not to be material to the Company.

COVID-19: The pandemic has presented a significant emerging risk to the global economy and financial markets, which has resulted in an unprecedented level of market volatility and disruption.

Note 7 to the Financial Statements contains further details of the 'Risks associated with financial instruments'. Further information on the principal long-term risks and uncertainties of the Company is included in 'Risk Factors' of the prospectus which is available on request from the Company's Administrator.

Results and Dividends
The results for the year are shown in the Statement of Comprehensive Income on page 32. The Board will consider the appropriateness of the distribution of capital on the Ordinary Shares from time to time.

Independent Auditor
Grant Thornton Limited was re-appointed on 5 December 2019 and served as Auditor during the financial year. A resolution to re-appoint Grant Thornton Limited as Auditor will be put to the forthcoming Annual General Meeting ("AGM").

Investment Manager
The Directors are responsible for the determination of the Company's investment policy and have overall responsibility for the Company's activities. On 6 July 2017, the Company had, however, entered into an Investment Management Agreement with Warana Capital, LLC ("Warana" or the "Investment Manager") under which the Investment Manager was appointed to provide investment management services, which includes realising the Company's assets in an orderly and timely manner and the return of cash to Shareholders, subject to the overriding supervision of the Directors.

The Board believes that Warana have the ability, network and capital to grow the Company through either purchasing new illiquid positions for the existing share class, raising new capital for a new share class or restructuring existing illiquid funds and incorporating them into the Company's structure. The Directors consider the interests of Shareholders, as a whole, have been best served by the appointment of the Investment Manager to achieve the Company's investment objectives.

The management fee payable to the Investment Manager, the terms of which are set out in note 3 to the Financial Statements, was restructured in the prior year in order to reflect the new investment policy of the Company. The Board believes that the fee structure continues to align the interests of Warana with the interests of Shareholders.

Custody Arrangements
The Company's assets are held in custody by Citibank N.A. (London Branch) (the "Custodian") pursuant to a Custody Agreement dated 24 July 2015. A summary of the terms, including fees and notice of termination period, is set out in note 3 to the Financial Statements.

The Company's assets are registered in the name of the Custodian in each case within a separate account designation and may not be appropriated by the Custodian for its own account.

The Board conducts an annual review of the custody arrangements as part of its general internal control review. The Board also monitors the credit rating of the Custodian, to ensure the financial stability of the Custodian is being maintained at acceptable levels. As at 30 June 2020, the long-term credit ratings of the Custodian as reported by Moody's and Standard & Poor's are Aa3 and A+ respectively, which is deemed to be an acceptable level.

DIRECTORS' REPORT, continued

Directors and Directors' Interests
The Directors, all of whom are independent and non-executive, are listed on page 7.

None of the Directors has a service contract with the Company and no such contracts are proposed. Quentin Spicer is entitled to a fee of £35,000 per annum for his services as Chairman of the Board of Directors and Chairman of the Management Engagement Committee. Anthony Pickford is entitled to a fee of £30,000 per annum for his services as Chairman of the Audit and Risk Committee. Dr Richard Berman is entitled to a fee of £30,000 per annum for his services as Director.

The Directors had the following interests in the Company at 30 June 2020, held either directly or beneficially:

	30 June 2020		30 June 2019	
Name	**No. of ordinary shares**	**Percentage %**	**No. of ordinary shares**	**Percentage %**
Quentin Spicer (Chairman)	-	-	-	-
Anthony Pickford	100,000	0.07	100,000	0.07
Dr Richard Berman	-	-	-	-

There have been no changes to the Directors' shareholdings since 30 June 2020.

Substantial Shareholdings
As at 30 September 2020, the Company had the following shareholdings in excess of 5% of the issued share capital:

Name	No. of ordinary shares	Percentage
JP Morgan Securities LLC Clients a/c	35,331,365	24.09
HSBC Global Custody Nominee (UK) Limited	24,562,215	16.75
Bank of New York (Nominees) Limited	15,520,810	10.58

Related Parties
Details of transactions with related parties are disclosed in note 11 to the Financial Statements.

Ongoing charges ratio
The ongoing charges ratio, in accordance with the AIC guidance, is defined as annualised ongoing charges (i.e. excluding acquisition costs and other non-recurring items) divided by the average published undiluted net asset value in the year. The Company's ongoing charges ratio for the year ended 30 June 2020 is 2.76% (30 June 2019: 2.90%).

Listing Requirements
Since its listing on the Main Market of the London Stock Exchange and admission to the premium segment of the Official List of the UK Listing Authority, the Company has complied with the Prospectus Rules, the Disclosure and Transparency Rules and the Market Abuse Directive (as implemented in the UK through Financial Services and Markets Authority).

Foreign Account Tax Compliance Act
The Foreign Account Tax Compliance Act ("FATCA") became effective on 1 January 2013. The legislation is aimed at determining the ownership of US assets in foreign accounts and improving US tax compliance with respect to those assets. On 13 December 2013, the States of Guernsey entered into an intergovernmental agreement ("IGA") with US Treasury, in order to facilitate the requirements of FATCA. The Company registered with the Internal Revenue Service ("IRS") on 27 July 2015 as a Foreign Financial Institution ("FFI") and a Sponsoring Entity.

Reporting under the Foreign Multilateral Competent Authority Agreement For Automatic Exchange Of Taxpayer Information
On 13 February 2014, the Organization for Economic Co-operation and Development released a "Common Reporting Standard" ("CRS") designed to create a global standard for the automatic exchange of financial account information, similar to the information to be reported under FATCA. On 29 October 2014, fifty-one jurisdictions signed a multilateral competent authority agreement ("Multilateral Agreement") that activates this automatic exchange of FATCA-like information in line with the CRS. Pursuant to the Multilateral Agreement, certain disclosure requirements will be imposed in respect of certain investors in the Company who are, or are entities that are controlled by one or more, residents of any of the signatory jurisdictions. Guernsey committed to the adoption of the global CRS on Automatic Exchange of Information with effect from 1 January 2016, with first reporting taking place in 2017. The adoption of CRS by the States of Guernsey replaces any reporting obligations under The EU Savings Directive and the UK IGA with Guernsey.

DIRECTORS' REPORT, continued

Alternative Investment Fund Managers Directive
The Company is categorised as a non-EU Alternative Investment Fund ("AIF"). The Alternative Investment Fund Managers Directive ("AIFMD") seeks to regulate managers of alternative investment funds, such as the Company. It imposes obligations on managers ("AIFMs") who manage AIFs in a member state of the European Economic Area ("EEA state"), or who market shares in AIFs to investors who are domiciled, or with a registered office, in an EEA state. Under the AIFMD, an Alternative Investment Fund Manager ("AIFM") must be appointed and must comply with various organisational, operational and transparency requirements.

The Investment Manager is engaged by the Company to act as AIFM on behalf of the Company. The Investment Manager is responsible for fulfilling the role of the AIFM and ensuring the Company complies with the AIFMD requirements. Details of the total amount of remuneration for the financial year, split into fixed and variable remuneration, paid by the AIFM to its staff, and the number of beneficiaries, are made available to Shareholders on request to the Investment Manager.

By order of the Board

Anthony Pickford
Director
28 October 2020

CORPORATE GOVERNANCE

Compliance

As a Company registered in Guernsey and listed on the main market of the London Stock Exchange, the Company is subject to the requirements of the Finance Sector Code of Corporate Governance Code (the "Guernsey Code") issued by the Guernsey Financial Services Commission ("GFSC") and the UK Corporate Governance Code (the "UK Code") issued by the UK's Financial Reporting Council ("FRC"), or such other Code acceptable to the GFSC and the FRC. The Association of Investment Companies ("AIC") has issued the AIC Code of Corporate Governance which sets out a framework of best practice in respect of the governance of investment companies and has been endorsed by the GFSC and the FRC as compatible with the Guernsey and UK Codes. As the Company is an AIC member, the Board has elected to report in accordance with the principles and recommendation in the AIC Code.

The FRC published a new version of the UK Code in July 2018 which applies to accounting periods beginning on or after 1 January 2019. Following discussions with the AIC on an update to the AIC Code, the FRC confirms that member companies who report against the AIC Code will be meeting their obligations in relation to the UK Code. This endorsement means that AIC member companies may also make a statement that, by reporting against the AIC Code they are meeting their obligations under the UK Code (and associated disclosure requirements under paragraph 9.8.6 of the Listing Rules) and as such do not need to report further on issues contained in the UK Code which are irrelevant to them.

The GFSC published the GFSC Finance Sector Code of Corporate Governance (Guernsey Code) in 2011. The introduction to the Guernsey Code states that "Companies which report against the UK Corporate Governance Code or the Association of Investment Companies Code of Corporate Governance are deemed to meet this Code". Therefore, AIC Members which are Guernsey-domiciled and which report against the AIC's Code of Corporate Governance are not required to report separately against the Guernsey Code.

The Board places a high degree of importance in ensuring that high standards of corporate governance are maintained and has considered the principles and recommendations of the AIC Code which includes provisions relating to the role of the Chief Executive, executive Directors' remuneration and the need for an internal audit function.

For the year ended 30 June 2020, the Company has complied with the applicable provisions of the AIC Code, except for the matters set out below which the Board has determined do not impact effective corporate practices. It is the intention of the Board that the Company will continue to comply with the applicable provisions of the AIC Code throughout the year to 30 June 2020.

- *The appointment of a Senior Independent Director*: Given the size and composition of the Board it is not practical to separate the roles of Chairman and Senior Independent Director. The Board considers that all the independent Directors have different qualities and areas of expertise on which they may lead where issues arise and to whom concerns can be conveyed.
- *Internal audit function:* The Board has reviewed the need for an internal audit function and due to the size of the Company and the delegation of day-to-day operations to regulated service providers, an internal audit function is not considered necessary. The Directors will continue to monitor the systems of internal controls in place in order to provide assurance that they operate as intended.
- *The appointment of a Nomination Committee:* Given the size and composition of the Board it is considered unduly burdensome to establish a separate Nomination Committee. All the Directors are deemed to be independent and qualified to vote on candidates for the appointment of new independent directors.
- *The appointment of a Remuneration Committee:* Given the size of the Board it was considered unnecessarily costly to establish a separate Remuneration Committee. There are no executive directors and although consideration of directors' remuneration remains a function of the Board as a whole, no individual Director is entitled to vote in relation to his own remuneration.

The Board considers that these provisions are not relevant to the structure of the Company, being an externally-managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties and as a result, the Company has no executive directors, employees or internal operations. The Board has therefore not reported further in respect of these provisions.

Composition and Independence of the Board

As at 30 June 2020, the Board of Directors comprised three non-executive and independent Directors. The Company has no executive Directors or any employees. The biographies of the Board members can be found on page 7.

Quentin Spicer is Chairman of the Board, Chairman of the Management Engagement Committee and a member of the Audit and Risk Committee.

Anthony Pickford is Chairman of the Audit and Risk Committee and a member of the Management Engagement Committee.

CORPORATE GOVERNANCE, continued

Composition and Independence of the Board, continued
Dr.Richard Berman is a member of the Audit and Risk Committee, and the Management Engagement Committee.

In considering the independence of the Chairman, the Board is mindful of the provisions of the AIC Code relating to independence and has determined that Mr Spicer is an Independent Director.

The Board determined that all directors were independent of the Investment Manager.

Under the terms of appointment, all non-executive Directors are subject to re-election at the first Annual General Meeting ("AGM") and every third year thereafter. However, the Directors have decided to stand for re-election on an annual basis.

The Role of the Board
The Board is the Company's governing body and has overall responsibility for maximizing the Company's success by directing and supervising the affairs of the business and meeting the appropriate interests of shareholders and relevant stakeholders, while enhancing the value of the Company and also ensuring protection of investors. A summary of the Board's responsibilities is as follows –

– statutory obligations and public disclosure
– strategic matters and financial reporting
– review of investment performance and associated matters
– risk assessment and management including reporting compliance, governance, monitoring and control and
– other matters having a material effect on the Company.

The Board's responsibilities for the Annual Report are set out in the Statement of Directors' Responsibilities on page 19.

The Company will provide a comprehensive induction package to any newly appointed director immediately on appointment. The Company also participates as a Programme Partner Board in the NED Development Programme operated by the GTA University Centre.

The Directors are regularly updated on various matters such as corporate governance, listing rules and legal and regulatory requirements through bulletins and training programs and materials provided from time to time by the Company Secretary, the AIC and other industry bodies.

The Board receives quarterly management and service reports and meets at least quarterly to review the overall business of the Company and to consider matters specifically reserved for its disposal. At these meetings the Board monitors the investment performance of the Company. The Directors also review the Company's activities every quarter to ensure that it adheres to the Company's investment policy. Additional ad hoc reports are received as required and Directors have access at all times to the advice and services of the Company Secretary, who ensures that the Company complies with applicable statutory and stock exchange requirements.

The Board monitors the level of the share price and discount to determine what action, if any, is required. The Board and relevant personnel of the Investment Manager acknowledge and adhere to the Market Abuse (Amendment) (EU Exit) Regulations 2019.

Directors' Performance Evaluation
The Board has established an informal system for the evaluation of its own performance and that of the Company's individual Directors. It considers this to be appropriate having regard to the non-executive role of the Directors and the significant outsourcing of services by the Company to external providers.

The Directors undertake, on an annual basis, an assessment of the effectiveness of the Board particularly in relation to its oversight and monitoring of the performance of the Investment Manager and other key service providers. The evaluations consider the balance of skills, experience, Director independence and knowledge of the Company. The Board also evaluates the effectiveness of each of the Directors.

Directors' Remuneration
It is the responsibility of the Board as a whole to determine and approve the Directors' remuneration, having regard to the level of fees payable to non-executive Directors in the industry generally, the role that individual Directors fulfil in respect of Board, Committee responsibilities and the time committed to the Company's affairs. No individual Director is entitled to vote in relation to his own remuneration.

The Board undertook the last annual evaluation on 25 March 2020 and concluded that the Directors viewed the Board as a whole as being proactive, having a good combination of legal, accounting, fund management and other professional skills; a Board that operated very well together.

No Director has a service contract with the Company. Details of the Directors' remuneration can be found in the Directors' Remuneration Report on page 20.

CORPORATE GOVERNANCE, continued

Directors' and Officers' Liability Insurance
The Company maintains sufficient insurance in respect of directors' and officers' liability in relation to the Directors' actions on behalf of the Company.

Relations with Shareholders
The Company is committed to upholding the highest standards of corporate governance practices and maintaining effective communication with Shareholders and the financial community.

The Company reports to Shareholders twice a year by way of the Interim and Annual Reports which are published on the London Stock Exchange ("LSE") and are also made available to Shareholders on the Investment Manager's website https://waranacap.com, together with monthly net asset values and reports on investment performance, the prospectus and other relevant information.

The Chairman and individual Directors are willing to meet major Shareholders to discuss any particular items of concern regarding the performance of the Company. The annual general meeting of the Company provides an opportunity for face-to-face communication between the Board and the Shareholders of the Company, when the Chairman, the Audit and Risk Committee Chairman and the Investment Manager are available to answer any questions raised by Shareholders and to ascertain their views. Shareholders may at any time send their enquiries to the Board in writing through the Company Secretary at the Company's registered office address.

Stakeholders and Section 172
Whilst directly applicable to companies incorporated in the UK, the Board recognises the expectation under the AIC Code that matters set out in section 172 of the Companies Act, 2006 are reported. The Board strives to understand the views of the Company's key stakeholders and to take these into consideration as part of its discussions and decision-making process. As an investment company the Company does not have any employees and conducts its core activities through third-party service providers. Each service provider has an established track record and is required to have in place suitable policies and procedures to ensure it maintains high standards of business conduct, treats customers fairly, and employs corporate governance best practice.

The Board's commitment to maintaining high-standards of corporate governance, combined with the Directors' duties incorporated in The Companies (Guernsey) Law, 2008, the Company's constitutive documents, the Disclosure Guidance and Transparency Rules and the Market Abuse Regulation, ensure that shareholders are provided with frequent and comprehensive information concerning the Company and its activities.

Whilst the primary duty of the Directors is owed to the Company as a whole, the Board considers as part of its decision-making process the interests of all stakeholders. Particular consideration is given to the continued alignment between the activities of the Company and those that contribute to delivering the Board's strategy, which include the Company's Investment Manager and AIFM, the Administrator, the Broker and legal counsel.

Through the Board's ongoing programme of shareholder engagement and the reports produced by each key service provider at quarterly Board meetings, the Directors are satisfied that sufficient information is provided so as to ensure the matters set out in section 172 of the Companies Act are taken into consideration as part of the Board's decision-making process.

The Board respects and welcomes the views of all Stakeholders. Any queries or areas of concern regarding the Company's operations can be raised with the company secretary and the Chairman.

Directors' Meetings and Attendance
The table below shows the attendance at Board, Audit and Risk Committee and Management Engagement Committee meetings during the year. There were three formal quarterly Board meetings, three additional Board meetings, three Audit and Risk Committee meetings and one Management Engagement Committee meeting held during the year ended 30 June 2020.

Name	Board – formal quarterly meetings	Board – additional meetings	Audit & Risk Committee	Management Engagement Committee
Number of meetings held	3	3	3	1
Quentin Spicer	3	3	3	1
Anthony Pickford	3	3	3	1
Dr Richard Berman	3	3	3	1

CORPORATE GOVERNANCE, continued

Board Committees

Audit and Risk Committee

The Audit and Risk Committee comprising all Board members, meets at least twice a calendar year and is chaired by Anthony Pickford. As all Directors are non-executive and taking into account the size of the Board, it was considered reasonable that all Directors, including the Chairman, are also members of the Audit and Risk Committee.

The key objectives of the Audit and Risk Committee include a review of the Financial Statements to ensure they are prepared to a high standard and comply with all relevant legislation and guidelines, where appropriate, and to maintain an effective relationship with the external auditor. With respect to the external auditor, the Audit Committee considers the auditor's independence, the auditor's terms of engagement and remuneration and any non-audit services provided by the auditor. The Committee is also responsible for reporting to the Board on its review of the Company's system of internal controls and the identification and management of risks, and the Company's process for monitoring compliance with laws, regulations and ethical codes of practice. A report of the Audit and Risk Committee detailing responsibilities and activities is presented on pages 21 to 23.

Management Engagement Committee

The Management Engagement Committee meets at least once a year. It comprises the entire Board and is chaired by Quentin Spicer. The Management Engagement Committee is responsible for the regular review of the terms of the Investment Management Agreement and the performance of the Investment Manager, the Administrator and also the Company's other service providers. A report of the Management Engagement Committee detailing responsibilities and activities during the year is presented on page 24.

Internal Control Review and Risk Management System

The Board of Directors is responsible for establishing the system of internal controls relevant to the Company and for oversight of the effectiveness of those systems. The review of internal controls is an on-going process for identifying and evaluating the risks faced by the Company, designed to effectively manage rather than eliminate business risks to ensure the Board's ability to achieve the Company's business objectives.

It is the responsibility of the Board to undertake the risk assessment and review of the internal controls in the context of the Company's objectives in relation to business strategy, and the operational, compliance and financial risks facing the Company. These controls are operated by the Company's main service providers: the Investment Manager, the Administrator, the Custodian and the Registrar. The Board receives regular updates from each service provider and undertakes an annual review of the effectiveness of each service providers' controls environment.

The Board of Directors considers the arrangements for the provision of Investment Management, Administration, Custody and Registrar services to the Company and as part of the annual review the Board considered the quality of the personnel assigned to handle the Company's affairs, the investment process and the results achieved to date.

The Board is satisfied that each service provider has effective controls in place to control the risks associated with the services that they are contracted to provide to the Company and therefore the Board is satisfied with the internal controls of the Company.

CORPORATE GOVERNANCE, continued

Diversity Policy
The Board is mindful and supportive of the principle of widening the diversity of its composition. It is also committed to appointing the most appropriate available candidate taking into account the skills and attributes of both existing members and potential new recruits and thereby the balance of skills, experience and approach of the Board as a whole which will lead to optimal Board effectiveness.

Tenure Policy
The Chairman and the Directors have decided to stand for re-election on an annual basis and any Director who has held office with the Company, other than employment or executive office, for a continuous period of nine years is required to stand for re-election on an annual basis.

Anti-bribery and Corruption
The Board acknowledges that the Company's international operations may potentially give rise to claims of bribery and corruption. In consideration of The Bribery Act 2010, enacted in the UK, at the date of this report the Board has conducted an assessment of the perceived risks to the Company arising from bribery and corruption to identify aspects of business which may be improved to mitigate such risks. The Board has adopted a zero tolerance policy towards bribery and has reiterated its commitment to carry out business fairly, honestly and openly.

Criminal Finances Act
The Board of the Company has a zero tolerance commitment to preventing persons associated with it from engaging in criminal facilitation of tax evasion. The Board has satisfied itself in relation to its key service providers that they have reasonable provisions in place to prevent the criminal facilitation of tax evasion by their own associated persons and will not work with service providers who do not demonstrate the same zero tolerance commitment to preventing persons associated with it from engaging in criminal facilitation of tax evasion.

UK Modern Slavery Act
The Board acknowledges the requirement to provide information about human rights in accordance with the UK Modern Slavery Act. The Board conducts the business of the Company ethically and with integrity and has a zero tolerance policy towards modern slavery in all its forms. As the Company has no employees, all its Directors are non-executive and all its functions are outsourced, there are no further disclosures to be made in respect of employees and human rights.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report and Financial Statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and adopted by the European Union ("EU"), and The Companies (Guernsey) Law, 2008, which give a true and fair view of the state of affairs of the Company and of its profit or loss for that period.

International Accounting Standard ("IAS") 1 requires that Financial Statements present fairly for each financial period the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's "Framework for the preparation and presentation of financial statements". In virtually all circumstances a fair presentation will be achieved by compliance with all applicable IFRS.

In preparing Financial Statements the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors are also responsible for the keeping of proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Financial Statements comply with The Companies (Guernsey) Law, 2008 and the Listing Rules of the Main Market of the London Stock Exchange. They are also responsible for the system of internal controls, safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that they have complied with these requirements in preparing the Financial Statements.

The Directors are also responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom and Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

So far as the Directors are aware, there is no relevant audit information of which the Company's Auditor is unaware, having taken all the steps the Directors ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Responsibility Statement
Each of the Directors, whose names and functions are listed on page 7, confirms to the best of each person's knowledge and belief:

- the Financial Statements, prepared in accordance with IFRS as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Company, as required by Disclosure and Transparency Rule ("DTR") 4.1.12R; and
- the Annual Report, taken as a whole, is fair, balanced and understandable and includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that they face, as required by DTR 4.1.8R and DTR 4.1.11R.

Signed on behalf of the Board by:

Anthony Pickford
Director
28 October 2020

ALTERNATIVE LIQUIDITY FUND LIMITED

DIRECTORS' REMUNERATION REPORT

The Company's policy in regard to Directors' remuneration is to ensure that the Company maintains a competitive fee structure in order to recruit, retain and motivate non-executive Directors of excellent quality in the overall interests of Shareholders.

No element of the Directors' remuneration is performance related, nor does any Director have any entitlement to pensions, share options or any long term incentive plans from the Company.

The Directors received the following remuneration in the form of Directors' fees:

	For the year ended 30 June 2020		**For the year ended 30 June 2019**	
	Per annum	**Actual**	**Per annum**	**Actual**
	£	**£**	**£**	**£**
Quentin Spicer (Chairman of the Board and of the Management Engagement Committee)	35,000	35,000	35,000	35,000
Anthony Pickford (Chairman of the Audit and Risk Committee)	30,000	30,000	30,000	30,000
Dr Richard Berman	30,000	30,000	30,000	30,000
Total	**95,000**	**95,000**	**95,000**	**95,000**

The remuneration policy set out above is the one applied for the year ended 30 June 2020 and is not expected to change in the immediate future.

Directors' and Officers' liability insurance cover is maintained by the Company on behalf of the Directors.

Mr Spicer was appointed as a Director with effect from incorporation on 25 June 2015. Mr Pickford and Dr Berman were appointed as Directors by letters issued on 14 July 2015. Each Director's appointment letter provides that, upon the termination of their appointment, they must resign in writing and all records remain the property of the Company. The Directors' appointments can be terminated in accordance with the Articles and without compensation. The notice period for the removal of Directors is three months as specified in the Director's appointment letter. The Articles provide that the office of director shall be terminated by, among other things: (a) written resignation; (b) unauthorised absences from board meetings for twelve months or more; (c) unanimous written request of the other directors; and (d) an ordinary resolution of the Company.

Under the terms of their appointment, each Director is subject to re-election at the first Annual General Meeting ("AGM") and at least every three years thereafter. However, the Directors have agreed to stand for re-election on an annual basis. The Company may terminate the appointment of a Director immediately on serving written notice and no compensation is payable upon termination of office as a director of the Company becoming effective.

The amounts payable to Directors for the year ended 30 June 2020 are shown in note 11 and relate to services provided as non-executive Directors.

No Director has a service contract with the Company, nor are any such contracts proposed.

Anthony Pickford
Director
28 October 2020

ALTERNATIVE LIQUIDITY FUND LIMITED

REPORT OF THE AUDIT AND RISK COMMITTEE

The Company has established an Audit and Risk Committee with formally delegated duties and responsibilities within written terms of reference (which are available from the Company's Secretary).

Chairman and Membership
The Audit and Risk Committee is chaired by Anthony Pickford, a Chartered Accountant. He and its other members, Quentin Spicer and Dr Richard Berman, are all independent directors. Only independent directors serve on the Audit and Risk Committee; and members of the Audit and Risk Committee have no links with the Company's external auditor and are independent of the Investment Manager. The membership of the Audit and Risk Committee and its terms of reference are kept under review. The relevant qualifications and experience of each member of the Audit and Risk Committee is detailed on page 6 of these Financial Statements.

Duties
The Audit and Risk Committee's main role and responsibilities is to provide advice to the Board on whether the Annual Report and Audited Financial Statements and Interim Report and Unaudited Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for Shareholders to assess the Company's performance, business model and strategy. The Audit and Risk Committee gives full consideration and recommendation to the Board for the approval of the contents of the Interim and Annual Financial Statements of the Company, which includes reviewing the independent Auditor's report.

The other principal duties of the Committee are to consider the appointment of the Auditor; to discuss and agree with the Auditor the nature and scope of the audit; to keep under review the scope, results and effectiveness of the audit and the independence and objectivity of the Auditor; and to review the Auditor's letter of engagement, planning report for the financial period and management letter, as applicable.

The Audit and Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of the Company's internal control and risk management systems. The Audit and Risk Committee also focuses particularly on compliance with legal requirements, accounting standards and the relevant Listing Rules and ensuring that an effective system of internal financial control is maintained.

The Audit and Risk Committee also reviews, considers and, if appropriate, recommends for the purposes of the Company's Financial Statements, the valuations prepared by the Investment Manager. These valuations are the most critical element in the Company's Financial Statements and the Audit and Risk Committee considers them carefully.

Financial Reporting and Audit
The Audit and Risk Committee reviews, considers and, if thought appropriate, recommends to the Board, the approval of the contents of the Interim Report and Unaudited Financial Statements and Annual Report and Audited Financial Statements together with the external auditor's report thereon. The Audit and Risk Committee focuses particularly on compliance with legal requirements, accounting standards and the relevant Listing Rules and ensuring that an effective system of internal financial and non-financial controls is maintained. The ultimate responsibility for reviewing and approving the Interim Report and Unaudited Financial Statements and Annual Report and Audited Financial Statements remains with the Board.

The Audit and Risk Committee provides a formal forum through which the external auditor reports to the Board and the external auditor is invited to attend Audit and Risk Committee meetings at which Annual Financial Statements are considered.

The Audit and Risk Committee has determined that the key risk of misstatement of the Company's financial statements relates to the valuation of investments at fair value through profit or loss, in the context of judgements used to estimate current fair value.

As stated in note 6 to the Financial Statements, the total carrying amount of the Company's financial assets at fair value through profit or loss at 30 June 2020 was US$22,985,076 (30 June 2019: US$38,888,482). Freely tradeable market prices are not available for these financial assets and the Company's financial assets are valued based on the accounting policies described in detail in note 2(b) to the Financial Statements. The valuation process and methodology have been discussed with the Investment Manager and external Auditor. The Audit and Risk Committee reviews the valuation report on a six-monthly basis and the Investment Manager has confirmed to the Audit and Risk Committee that the valuation methodology has been applied consistently during the year and that the external Auditor's work had not identified any errors or inconsistencies that were material in the context of the Financial Statements as a whole.

REPORT OF THE AUDIT AND RISK COMMITTEE, continued

Financial Reporting and Audit, continued
After due consideration the Audit and Risk Committee recommended to the Board that the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's performance, business model and strategy.

External Auditor
The Audit and Risk Committee has responsibility for making a recommendation on the appointment, re-appointment or removal of the Auditor. Grant Thornton Limited was appointed as the first Auditor of the Company. During the year, the Audit and Risk Committee received and reviewed the audit plan and report from the Auditor. Periodically, the Audit and Risk Committee may meet privately with the Auditor without the Investment Manager being present.

To assess the effectiveness of the Auditor, the Audit and Risk Committee reviewed:

- The Auditor's fulfilment of the agreed audit plan and variations from it;
- The Auditor's report to the Audit and Risk Committee highlighting the major issues that arose during the course of the audit; and
- Feedback from the Investment Manager and Administrator evaluating the performance of the audit team.

For the year ended 30 June 2020, the Audit and Risk Committee was satisfied that there had been appropriate focus and challenge on the primary areas of audit risk and assessed the quality of the audit process to be good.

Where non-audit services are to be provided to the Company by the Auditor, full consideration of the financial and other implications on the independence of the Auditor arising from any such engagement will be considered before proceeding. All non-audit services are pre-approved by the Audit and Risk Committee if it is satisfied that relevant safeguards are in place to protect the Auditors' objectivity and independence.

To fulfil its responsibility regarding the independence of the Auditor, the Audit and Risk Committee considered:

- a report from the Auditor describing its arrangements to identify, report and manage any conflicts of interest; and
- the extent of non-audit services provided by the Auditor.

The following table summarises the remuneration paid to Grant Thornton Limited and to other Grant Thornton member firms for audit and non-audit services:

	For the year ended 30 June 2020	**For the year ended 30 June 2019**
	£	**£**
Annual audit of the Company	32,500	31,500
Interim review of the Company	3,296	3,200
Professional services - launch of new share class	-	38,000

Internal controls
The Investment Manager, Administrator and Custodian together maintain a system of internal control on which they report to the Audit and Risk Committee. The Audit and Risk Committee has reviewed the need for an internal audit function and has decided that the systems and procedures employed by the Investment Manager, Administrator and Custodian provide sufficient assurance that a sound system of risk management and internal control, which safeguards Shareholders' investment and the Company's assets, is maintained. An internal audit function specific to the Company is therefore considered unnecessary.

REPORT OF THE AUDIT AND RISK COMMITTEE, continued

Internal controls, continued

The Audit and Risk Committee is responsible for reviewing and monitoring the effectiveness of the internal financial control systems and risk management systems on which the Company is reliant. These systems are designed to ensure proper accounting records are maintained, that the financial information on which the business decisions are made and which is issued for publication is reliable, and that the assets of the Company are safeguarded. Such a system of internal financial controls can only provide reasonable and not absolute assurance against misstatement or loss.

In accordance with the guidance published in the Turnbull Report by the Financial Reporting Council (the “FRC”), the Audit and Risk Committee have reviewed the Company’s internal control procedures. These internal controls are implemented by the Company’s two main service providers, the Investment Manager and the Administrator. The Audit and Risk Committee have performed reviews of the internal financial control systems and risk management systems during the year. The Audit and Risk Committee is satisfied with the internal financial control systems of the Company.

The Audit and Risk Committee have considered non-financial areas of risk such as disaster recovery and investment management, staffing levels and considers adequate arrangements to be in place.

On behalf of the Audit Committee

Anthony Pickford
Audit Committee Chairman
28 October 2020

ALTERNATIVE LIQUIDITY FUND LIMITED

REPORT OF THE MANAGEMENT ENGAGEMENT COMMITTEE

The Management Engagement Committee's report for the year ended 30 June 2020, set its responsibilities and its key activities.

Chairman and membership
The Management Engagement Committee is comprised of the entire Board where Quentin Spicer is the chairman and Anthony Pickford and Dr Richard Berman are the members. They are all independent directors. The Management Engagement Committee meets annually and holds ad hoc meetings to address any arising issues as required.

Responsibilities
The formally delegated duties and responsibilities of the Management Engagement Committee are set out in written terms of reference which are available from the Company's Secretary upon request and published on the Company's website. The Management Engagement Committee's terms of reference are reviewed on an annual basis.

The principal duties of the Management Engagement Committee are to review the performance of and contractual arrangements with the Investment Manager and all other key service providers to the Company. The performance of and contractual arrangements with the independent Auditor is reviewed by the Audit and Risk Committee. In addition, the Management Engagement Committee is involved in monitoring and reviewing the level of remuneration of the Investment Manager to ensure that it is appropriate and competitive.

Key activities
The Management Engagement Committee conducts an annual review of the performance of, and contractual relationships with, the Company's key service providers, including the Investment Manager. To facilitate this review, the Company Secretary circulates a detailed questionnaire to each service provider which includes details of their internal control systems, business continuity plans, data security plans including cyber security, and details and resolutions of any issues or breaches encountered during the year .

The last Management Engagement Committee meeting was held on 1 July 2020 and no material issues were identified as a result of the annual service provider reviews, Accordingly, the Management Engagement Committee recommended to the Board that the retention of the Company's key service providers under the terms of their existing contracts was in the best interests of the Company and its Shareholders.

The Board reviews the performance of the Investment Manager annually by assessing the performance of the investments in the light of the Company's investment objectives, and the Investment Manager's position against its peers. At the meeting held on 1 July 2020, the Committee agreed to postpone this review until the completion of the Board's strategic business review in quarter 4 2020.

The Board also conducts periodic visits to the offices of the Investment Manager to meet with the senior executives from Warana Capital LLP and to review its internal control procedures. The last such visit took place on 20 September 2019 and the next planned visit has been delayed until further notice due to the impacts from COVID-19.

Quentin Spicer
Chairman, Management Engagement Committee
28 October 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALTERNATIVE LIQUIDITY FUND LIMITED

Opinion
We have audited the financial statements of Alternative Liquidity Fund Limited (the "Company") for the year ended 30 June 2020, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2020 and of its loss for the year then ended;
- are in accordance with IFRSs as adopted by the European Union; and
- comply with The Companies (Guernsey) Law, 2008.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards 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 ethical requirements that are relevant to our audit of the financial statements in Guernsey, including the FRC's Ethical Standard as applied to public interest entities, 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
We draw attention to the going concern disclosures in the basis of preparation disclosures in Note 2 to the financial statements. These disclosures note that the Directors, together with the Investment Manager, are considering the potential future options for the Company, and intend to put appropriate recommendations to the Shareholders. Based on this consideration, the Directors are unable to state with any certainty that the Company will be able to continue in operation and meet its liabilities as they fall due throughout the period to 31 December 2023. These financial statements had been prepared on a going concern basis. Our opinion is not modified in respect of this matter.

Conclusions relating to principal risks, going concern and viability statement
We draw attention to the Directors' Viability Statement on page 9 of the Annual Report, which indicates that the Directors are unable to state with any certainty that the Company will continue in operation and meet its liabilities as they fall due throughout the period to 31 December 2023.

Except for the impact of the matter above and the matters disclosed in the Emphasis of matter paragraph above, we have nothing to report in respect of the following information in the Annual Report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

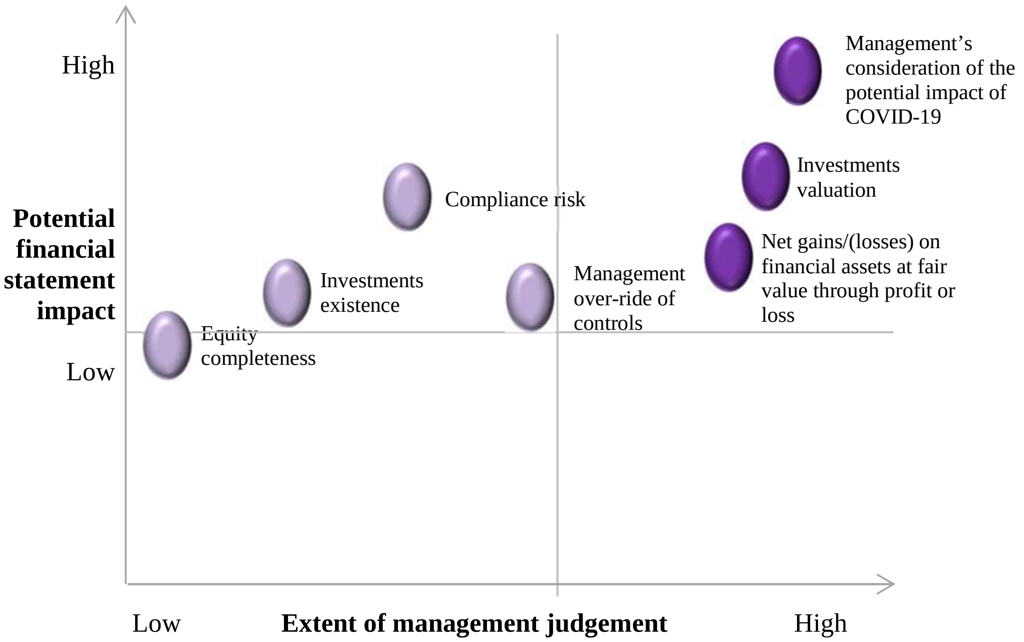
- the disclosures in the Annual Report set out on pages 10 and 11 that describe the principal risks and explain how they are being managed or mitigated;
- the Directors' confirmation, set out on page 10 of the annual report that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity;
- the Directors' statement, set out on page 9 of the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the Directors' identification of any material uncertainties to the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- whether the Directors' statement relating to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
- the Directors' explanation, set out on pages 9 and 10 of the annual report as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Overview of our audit approach

- Overall materiality: US$509,000, which represents approximately 2% of the Company's net assets as at 30 June 2020;
- Key audit matters were identified as investments valuation and net gains/(losses) on financial assets at fair value through profit or loss, and management's consideration of the potential impact of COVID-19; and
- Our audit approach was based on a thorough understanding of the Company's business and is risk-based.

Key audit matters

The graph below depicts the audit risks identified and their relative significance based on the extent of the financial statement impact and the extent of management judgement.



Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in the audit
Investments valuation The investment objective of the Company is to generate total returns for investors through the management and realisation of its portfolio. The investment policy of the Company is to invest globally in a portfolio of illiquid assets, which is expected to comprise predominantly investments in funds. Therefore, the Company has a significant exposure to fluctuations in foreign exchange rates and valuation of investments. There is inherent uncertainty on the fair value of the	Our audit work on valuation included, but was not restricted to: • assessing the independence, competence and qualifications of the Investment Manager; • reconfirming our understanding of the Company's Investment Manager's process to value unquoted investments; • understanding the rationale of the valuation process and verifying the reasonableness of assumptions used; • obtaining the Net Asset Values and other supporting documents from the asset managers of the investee companies and assessing the valuation methodology used to value the unquoted investments; • assessing the financial risks to which the Company is exposed, including the significant degree of the management estimates and judgement, by understanding the nature and

<table>
<tr><th>Key Audit Matter</th><th>How the matter was addressed in the audit</th></tr>
<tr><td>investments recorded as at the statement of financial position date.

Investments valuation (continued)

We therefore identified investments valuation as a significant risk, which was one of the most significant assessed risks of material misstatement.</td><td>composition of its investment portfolio and by confirming with the Investment Manager and the Board of Directors their consideration of the applicable provision rate used for the fair valuation of the investments; and
• assessing the reasonableness of the provisions made against the underlying investments, and investments with adjusted Net Asset Value as their fair value, through enquiry and discussion with the Investment Manager, obtaining and review of the management's calculation, examination of the supporting documents such as valuation reports, notices from liquidators and signed sales and purchase agreements, and assessment of whether the valuations were made in accordance with the stated accounting policy and Company's prospectus.

The Company's accounting policy on investments designated at fair value through profit or loss is shown in Note 2(b) to the financial statements and the related disclosures are included in Note 6. The Audit and Risk Committee identified the valuation of investments at fair value through profit or loss as a risk in its report on page 21, where the Committee also described the actions that it has taken to address this risk.

Key observations
Based on our audit work, we consider the valuation methodologies used by management to be appropriate. No significant exceptions were noted from our valuation testing of the investments and assessment of the valuation methodologies applied. Moreover, the valuations of these investments have inherent exposure in the timing and the range of possible outcomes of any realisation could lead to differences in the fair values that would have been used had a ready market for the investments existed, and that actual realisation may differ from these estimated fair values at year end. We consider that the related disclosures are appropriate and adequately disclose the significant degree of susceptibility of the estimates and judgement around the investment valuation.</td></tr>
<tr><td>Net gains/(losses) on financial assets at fair value through profit or loss (FVTPL)

Net gains/(losses) on financial assets at FVPTL is the Company's major source of income and is presented in the Statement of Comprehensive Income. The Company measures performance through the realisation of its underlying investments through sales, redemptions and capital appreciation of its underlying investments.

We therefore identified net gains/(losses) on financial assets at FVPTL as a significant risk, which was one of the most significant assessed risks of material misstatement.</td><td>Our audit work included, but was not restricted to:
• assessing whether the Company's accounting policy for net gains/(losses) on financial assets at FVPTL as stated in Note 2(b) of the financial statements is in accordance with IFRSs as adopted by the European Union;
• reconfirming our understanding of management's process around the accounting of net gains/(losses) on financial assets at FVPTL in accordance with the stated accounting policy and testing whether a sample of income transactions has been recognised in accordance with the policy;
• recalculating 100% of the unrealised gains/(losses); and
• recalculating and confirming that realised gains/(losses) that exceeded our audit testing threshold were correctly recorded and assessed whether any proceeds should be treated as part of investment disposals.

The Company's accounting policy on net gains/(losses) on financial assets at FVPTL is shown in Notes 2(b) to the financial statements and related disclosures are included in Note 6(b).

Key observations
Based on our audit work, our assessment is that the accounting policy adopted was consistent and appropriate level of income recognised in the Statement of Comprehensive Income. We found no material</td></tr>
</table>

Key Audit Matter	How the matter was addressed in the audit
	errors in the detailed testing of transactions and fair value gains calculations.

Key Audit Matter	How the matter was addressed in the audit
Management's consideration of the potential impact of COVID 19 Management has considered the potential impact of the adjusting post balance sheet events that have been caused by the COVID-19 pandemic on the current and future operations of the Company. In doing so, management have made estimates and judgements with a particular focus on the Company's ability to continue as a going concern for a period of at least 12 months from the date of approval of these financial statements. As a result of the impact of COVID-19 on the wider financial markets and the Company's share price, we have determined management's consideration of the potential impact of COVID-19, including their associated estimates and judgements, to be a significant risk, which was one of the most significant assessed risks of material misstatement.	In assessing management's consideration of the potential impact of COVID-19, we have undertaken the following audit procedures: • obtaining from management their latest assessments that corroborate the Board's assessment and conclusions with respect to the statements of going concern and viability respectively; • discussing with management and the Board the critical estimates and judgements applied in their latest assessments so we could understand and challenge the rationale underlying the factors incorporated and the sensitivities applied as a result of COVID-19; • in discussing, challenging and evaluating the estimates and judgments made by management and the board in their impact assessments, we noted the following factors that were considered to be fundamental in their consideration of the potential impact of COVID-19 on the current and future operations of the Company and which support the statements of going concern and viability respectively: - The Company will have sufficient cash resources to meet its ongoing liabilities up to February 2023 even in the unlikely absence of any realisations of the portfolio; - The Board has analysed and is satisfied with the business continuity plans of all key service providers as part of their COVID-19 operational resilience review. • considering the appropriateness of the disclosures made by management and the board in respect of the potential impact of COVID-19, as a non-adjusting post balance sheet event. The Company's accounting policy and related disclosures on going concern, including the impact of the COVID-19 pandemic on the Company, is shown in Note 2(a) to the financial statements. Based on our audit work, we have not identified any misstatements or matters arising with respect to both management's and the Board's consideration of the impact of COVID-19 on the operations of the Company.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALTERNATIVE LIQUIDITY FUND LIMITED, continued

Our application of materiality

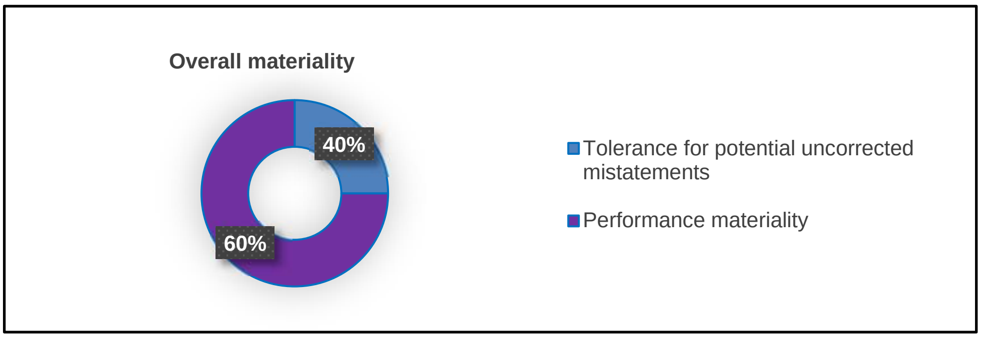
We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our audit work and in evaluating the results of that work.

We determined materiality for the audit of the financial statements as a whole to be US$509,000, which is approximately 2% of the Company's net assets as at 30 June 2020. This benchmark is considered the most appropriate because it is the key performance indicator that is relevant to the stakeholders of the Company and users of its financial statements.

Materiality for the current year is lower than the level that we determined for the year ended 30 June 2019 due to the lower net asset value. The change in the measurement percentage from 1% last year to 2% this year is in accordance with our audit methodology for materiality considerations.

We use a different level of materiality, performance materiality, to drive the extent of our testing and this was set at 60% of financial statement materiality. We also determine a lower level of specific materiality for certain areas such as Directors' remuneration and expenses, net asset value-based expenses, and related party transactions.

The graph below illustrates how performance materiality interacts with our overall materiality and the tolerance for potential uncorrected misstatements.



We determined the threshold at which we will communicate misstatements to the audit committee to be US$25,500. In addition, we will communicate misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

An overview of the scope of our audit

Our audit approach was based on a thorough understanding of the Company's business and is risk-based. The day-to-day management of the Company's investment portfolio, the custody of its investments and the maintenance of the Company's accounting records is outsourced to third-party service providers. Accordingly, our audit work is focussed on obtaining an understanding of, and evaluating, internal controls at the Company and the third-party service providers, and inspecting records and documents held by these third-party service providers. We undertook substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the effectiveness of controls over individual systems and the management of specific risks.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and the investment industry, in particular premium equity closed ended investment funds, in which it operates. We determined that the following laws and regulations were most significant: IFRSs as adopted by the European Union, The Companies (Guernsey) Law, 2008, UK Corporate Governance Code, The Association of Investment Companies (AIC) Code of Corporate Governance, London Stock Exchange Listing Rules, Disclosure and Transparency Rules, and the Registered Collective Investment Scheme Rules 2018, the Company being a registered closed-ended investment scheme.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALTERNATIVE LIQUIDITY FUND LIMITED, continued

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

- We obtained an understanding of how the Company is complying with those legal and regulatory frameworks by making inquiries of those responsible for legal and compliance procedures and obtaining and reviewing the related reports. We corroborated our inquiries through our review of the approved minutes of Board of Directors meetings, Audit and Risk Committee meetings and Management Engagement Committee meetings.

- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed included:
  - challenging assumptions and judgments made by management in its significant accounting estimates;
  - identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement in the other information. 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.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- Fair, balanced and understandable set out on page 22 – the statement given by the Directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- Report of the Audit and Risk Committee set out on page 21 – the section describing the work of the audit and risk committee does not appropriately address matters communicated by us to the audit and risk committee; or
- Directors' statement of compliance with the UK Corporate Governance Code set out on page 14 – the parts of the Directors' statement required under the Listing Rules relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which The Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Company; or
- the Company's financial statements are not in agreement with the accounting records; or
- we have not obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of Directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 19, the Directors are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Directors determine 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 Directors are 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 Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALTERNATIVE LIQUIDITY FUND LIMITED, continued

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 ISAs (UK) 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address
We were appointed by the Board of Directors on 14 July 2015 to audit the financial statements for the year ended 30 June 2016 and subsequent financial periods.

The period of total uninterrupted engagement is 5 years, covering the years ended 30 June 2016 to 30 June 2020.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report
This report is made solely to the Company's members, as a body, in accordance with section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Cyril Swale
For and on behalf of Grant Thornton Limited
Chartered Accountants and Recognised Auditors
St Peter Port, Guernsey. Channel Islands

28 October 2020

ALTERNATIVE LIQUIDITY FUND LIMITED

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2020

	Notes	For the year ended 30 June 2020 US$	For the year ended to 30 June 2019 US$
Income			
Net (losses)/gains on financial assets at fair value through profit or loss	6 (b)	(12,729,240)	31,084
Net foreign exchange loss		(12,699)	(25,423)
Total net (loss)/income		(12,741,939)	5,661
Expenses			
Investment Manager's fee and expenses	3	624,590	825,938
Other expenses	3	631,100	889,838
Total operating expenses		1,255,690	1,715,776
Total comprehensive loss for the year		**(13,997,629)**	**(1,710,115)**
Loss per ordinary share (basic and diluted)*	5	**(9.55)¢**	**(1.17)¢**

**Basic loss per ordinary share is calculated by dividing the total comprehensive loss for the year by the weighted average number of ordinary shares outstanding during the year. Diluted loss per ordinary share is the same as basic loss per ordinary share since there are no dilutive potential ordinary shares arising from financial instruments.*

The Company does not have other comprehensive income for the year and therefore the 'total comprehensive loss' is also the loss for the year.

All items in the above statement derive from continuing operations.

The accompanying notes on pages 36 to 59 form an integral part of these Financial Statements.

ALTERNATIVE LIQUIDITY FUND LIMITED

STATEMENT OF FINANCIAL POSITION
As at 30 June 2020

	Notes	30 June 2020 US$	30 June 2019 US$
ASSETS			
Non-current assets			
Investments at fair value through profit or loss	6	22,985,076	38,888,482
Current assets			
Prepayments		134,877	138,914
Other receivables	9	-	31,400
Cash and cash equivalents		2,452,048	2,854,667
		2,586,925	3,024,981
Total assets		25,572,001	41,913,463
Liabilities:			
Other payables		121,367	265,535
Total net assets		**25,450,634**	**41,647,928**
Equity			
Share capital	8	115,193,673	117,393,338
Retained losses		(89,743,039)	(75,745,410)
Total equity		**25,450,634**	**41,647,928**
Number of ordinary shares	8	**146,644,387**	**146,644,387**
Net asset value per ordinary share	10	**17.36¢**	**28.40¢**

The Financial Statements on pages 32 to 59 were approved and authorised for issue by the Board of Directors on 28 October 2020 and signed on its behalf by:

Anthony Pickford
Director

The accompanying notes on pages 36 to 59 form an integral part of these Financial Statements.

ALTERNATIVE LIQUIDITY FUND LIMITED

STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2020

	Note	Share capital US$	B Share Capital US$	Retained losses US$	Total US$
As at 30 June 2019		**117,393,338**	**-**	**(75,745,410)**	**41,647,928**
B shares issued as distributions to Shareholders	8	(2,199,665)	2,199,665	-	-
B shares redeemed and cancelled during the year	8	-	(2,199,665)	-	(2,199,665)
Total comprehensive loss for the year		-	-	(13,997,629)	(13,997,629)
As at 30 June 2020		**115,193,673**	**-**	**(89,743,039)**	**25,450,634**

	Note	Share capital US$	B Share Capital US$	Retained losses US$	Total US$
As at 30 June 2018		**123,259,114**	**-**	**(74,035,295)**	**49,223,819**
B shares issued as distributions to Shareholders	8	(5,865,776)	5,865,776	-	-
B shares redeemed and cancelled during the year	8	-	(5,865,776)	-	(5,865,776)
Total comprehensive loss for the year		-	-	(1,710,115)	(1,710,115)
As at 30 June 2019		**117,393,338**	**-**	**(75,745,410)**	**41,647,928**

The accompanying notes on pages 36 to 59 form an integral part of these Financial Statements.

ALTERNATIVE LIQUIDITY FUND LIMITED

STATEMENT OF CASH FLOWS
For the year ended 30 June 2020

	Note	For the year ended 30 June 2020 US$	For the year ended 30 June 2019 US$
Cash flows from operating activities			
Total comprehensive loss for the year		(13,997,629)	(1,710,115)
Adjustments for:			
Net losses/(gains) on financial assets at fair value through profit or loss	6 (b)	12,729,240	(31,084)
Net foreign exchange loss		12,699	25,423
Decrease/(increase) in prepayments		4,037	(125,345)
(Decrease)/increase in other payables		(144,168)	174,624
Decrease in other receivables		31,400	-
		(1,364,421)	**(1,666,497)**
Purchases of investments		(296,800)	(504,438)
Sales of investments		3,470,966	6,493,253
Net cash from operating activities		**1,809,745**	**4,322,318**
Cash flows from financing activities			
B shares redeemed during the year	8	(2,199,665)	(5,865,776)
Net cash used in financing activities		**(2,199,665)**	**(5,865,776)**
Net decrease in cash and cash equivalents during the year		**(389,920)**	**(1,543,458)**
Cash and cash equivalents brought forward		2,854,667	4,423,548
Effect of foreign exchange rate changes during the year		(12,699)	(25,423)
Cash and cash equivalents carried forward		**2,452,048**	**2,854,667**

The accompanying notes on pages 36 to 59 form an integral part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

1. General information

Alternative Liquidity Fund Limited (the "Company") was incorporated and registered in Guernsey under The Companies (Guernsey Law), 2008 (the "Guernsey law") on 25 June 2015. The Company's registration number is 60552 and it is regulated by the Guernsey Financial Services Commission as a non-cellular company limited by shares. On 17 September 2015 the Company began trading on the Main Market of the London Stock Exchange and was admitted to the premium segment of the Official List of the UK Listing Authority.

The Company is currently in a diversified portfolio of illiquid interests in funds and other instruments and securities with the objective to manage, monitor and realise these investments over time.

The Company agreed with Signet Multi-Manager SPC Inc ("SMMI") to acquire an initial portfolio of assets for an aggregate consideration of US$144.0 million, conditional upon Admission. The consideration for the Initial Portfolio principally comprised ordinary shares in the Company, which were distributed in specie to the existing investors of SMMI. Following completion of the acquisition of the Initial Portfolio the Company held approximately 60 investments with an aggregate valuation of US$138.7 million.

In January 2016, the Company agreed with Trusthouse Holding NV to acquire a portfolio of assets, owned by two funds of which they were the liquidator, for an aggregate consideration of US$2.2 million, comprising US$0.4 million in cash and US$1.8 million in shares in the Company.

In September 2016, the Company issued 587,752 Ordinary Shares to shareholders of The Green Fund as of 30 June 2016. This issue was in exchange for a small number of positions, in accordance with the Company's investment policy, held by The Green Fund for a total consideration of US$0.5 million.

In January 2017, the Company completed the purchase of a small liquidating hedge fund portfolio from a liquidator in Luxembourg. The Company paid US$1 million for the portfolio.

In November 2019, the Company completed the purchase of a portfolio of assets, owned by MVP Fund Range PCC Limited which was in liquidation, for a consideration of US$100,000.

The Annual Financial Statements of the Company (the "Financial Statements") are prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU"), which comprise standards and interpretations approved by the International Accounting Standards Board ("IASB") and endorsed by the EU, together with applicable legal and regulatory requirements of Guernsey law and the Listing Rules of the London Stock Exchange.

2. Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's Financial Statements:

(a) Basis of preparation

(i) Basis of measurement

The Company's Financial Statements have been prepared on a historical cost basis, as modified by the revaluation of financial instruments measured at fair value through profit or loss.

The preparation of Financial Statements requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates and judgements are discussed in note 2(a) (iii). The principal accounting policies adopted are set out below.

The Directors believe that the Financial Statements contain all of the information required to enable Shareholders and potential investors to make an informed appraisal of the investment activities and profits and losses of the Company for the period to which it relates and does not omit any matter or development of significance.

NOTES TO THE FINANCIAL STATEMENTS, continued
For the year ended 30 June 2020

2. Principal Accounting Policies, continued

(a) Basis of preparation, continued

(i) Basis of measurement, continued
Going Concern
The Company has been incorporated with an unlimited life. Under the Company's new articles of association (the "New Articles"), which were approved by Shareholders at the EGM held on 25 February 2019, the Board is obliged to propose a continuation vote at a general meeting of the Company in 2023, and every 2 years thereafter. If any such continuation vote is not passed, the Directors shall be obliged to put forward proposals for an orderly winding up or reconstruction of the Company.

After a review of the Company's holdings in cash and cash equivalents, investments and a consideration of the income to be derived from those investments, the Directors believe that it is appropriate to adopt the going concern basis in preparing the Financial Statements, as the Company has adequate financial resources to meet its liabilities as they fall due for a period of at least twelve months.

The Board of Directors acknowledges the coronavirus ("COVID-19") outbreak and its potentially adverse economic impact globally and on the locations in which the Company invests and operates.

The COVID-19 pandemic has presented a significant emerging risk to the global economy and financial markets and resulted in an unprecedented level of market volatility and disruption earlier this year. The impact of the pandemic is discussed further in the Investment Manager's report. The Board seeks to mitigate and manage these risks through continual review, policy-setting, enforcement of contractual obligations and monitoring of the Company's investment portfolio. The Directors believe that the impact of COVID-19 will have implications for the Company's business and the underlying investment portfolio. The investment portfolio may be negatively impacted by any restrictions placed on redemptions to investments, however these are difficult to quantify at this time.

The Board of Directors notes that all investee companies have successfully enacted plans to work remotely, and to make use of technology to continue to provide their services just as before.

The Company recognises that this situation requires continued attention. The Board closely monitors the latest developments relating to COVID-19 given its negative impact on the economy and many businesses across the globe. The Board can and does receive explanations and assurances from its key service providers as to their plans and ability to respond during times of crisis, such as at present following COVID-19.

The placing programme has now expired. As a result, the Board, together with the Investment Manager, are considering the potential future options for the Company, and intend to put appropriate recommendations to Shareholders.

The Board believes that the existing portfolio will take several years to become liquid. The Board is however also mindful of the difficulties of liquidating the remaining assets within the Portfolio, which are inevitably the most complex, and are aware of the need to reduce the cost base in what could be the equivalent to an orderly wind down.

Based on the above considerations, the Directors are unable to state with any certainty that the Company will continue in operation and meet its liabilities as they fall due throughout the period to 31 December 2023.

2. Principal Accounting Policies, continued

(a) Basis of preparation, continued

(i) Basis of measurement, continued
Investments at fair value through profit and loss
The investment portfolio (the “Portfolio”) has been included in these Financial Statements at fair value, in accordance with IFRS, see notes 2(b) and 6.

(ii) Functional and presentation currency
The Financial Statements of the Company are presented in the currency of the primary economic environment in which the Company operates (its functional currency). The Directors have considered the primary economic currency of the Company; the currency in which the original finance was raised; the currency in which distributions will be made; and ultimately what currency would be returned to Shareholders if the Company will wind up. The Directors have also considered the currency to which the Company’s investments are exposed. The Directors believe that US$ best represents the functional currency of the Company during the year. Therefore, the books and records are maintained in US$. For the purpose of the Financial Statements, the results and financial position of the Company are presented in US$, which has been selected as the presentation currency of the Company.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency monetary assets and liabilities at the year end are translated into the functional currency at the exchange rates prevailing at the year end date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction. Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

(iii) Judgements and estimates
The preparation of Financial Statements in accordance with IFRS requires the Board to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities and income and expenses. The estimates and associated assumptions are based on various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on a semi-annual basis. Revisions to accounting estimates are recognised in the period in which the estimate was revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The most critical judgements, apart from those involving estimates, that management has made in the process of applying the accounting policies and that have the most significant effect on the amounts recognised in the Financial Statements are the functional currency of the Company (see note 2(a)(ii)) and the fair value of investments designated to be at fair value through profit or loss (see note 2(b)).

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the amounts recognised in the Financial Statements are included in note 6 (c) and relate to the determination of the fair value of financial instruments with significant unobservable inputs.

(iv) New and amended accounting standards
In March 2018, the IASB published its revised ‘Conceptual Framework for Financial Reporting’, effective immediately, which made amendments to IFRS 2, 3, 6, 14, IAS 1, 8, 34, 37, 38, IFRIC 12, 19, 20, 22 and SIC-32 to update those pronouncements with regard to references to and quotes from the framework or to indicate where they refer to a different version of the Conceptual Framework. These amendments were effective for annual periods commencing on or after 1 January 2020.

2. Principal accounting policies, continued

(a) Basis of preparation, continued

(iv) New and amended accounting standards, continued
At the date of authorisation of these financial statements, the following relevant standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective:

- IFRS 3 (amended), “Business Combinations” (amendments to clarify the definition of a business, effective for periods commencing on or after 1 January 2020);
- IAS 1 (amended), “Presentation of Financial Statements” (amendments regarding the classification of liabilities effective for periods commencing on or after 1 January 2022).
- IFRS 9, IAS 39 and IFRS 7 (amended), “Interest rate benchmark reform” (amendments issued on 26 September 2019, effective date 1 January 2020, earlier application permitted).

In addition, the IASB published ‘Definition of Material (Amendments to IAS 1 and IAS 8)’ in October 2018. This project has amended IAS 1 and IAS 8 to clarify the definition of ‘material’ and to align the definition used in the Conceptual Framework and the standards, effective for accounting periods commencing on or after 1 January 2020.

The Directors do not anticipate that the adoption of these amended standards in future periods will have a material impact on the financial statements of the Company.

The following relevant amended standards have been applied for the first time in these Financial Statements:

- IAS 12 (amended), “Income Taxes” (amendments resulting from the IASB’s Annual Improvements 2015-2017 Cycle project regarding the income tax consequences of dividends, effective for periods commencing on or after 1 January 2019);
- IFRS 9 (amended), "Financial Instruments" (amendments regarding prepayment features with negative compensation and modifications of financial liabilities, effective for periods commencing on or after 1 January 2019); and
- IFRIC 23, "Uncertainty over Income Tax Treatments, effective for periods commencing on or after 1 January 2019).

The adoption of these amended standards has had no material impact on the Financial Statements of the Company.

(b) Investments at fair value through profit or loss

Recognition and initial measurement
Financial assets and financial liabilities at fair value through profit or loss are initially recognised on the trade date, which is the date on which the Company becomes party to the contractual provisions of the instrument. Other financial assets and liabilities are recognised on the date on which they are originated.

Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value, being the transaction price, with transaction costs recognised in the Statement of Comprehensive Income. Financial assets and financial liabilities not at fair value through profit or loss are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue.

Classification
An investment is classified at fair value through profit or loss if it is held for trading or it is designated as such upon initial recognition. Upon initial recognition, attributable transaction costs are recognised in the Statement of Comprehensive Income as incurred. Investments at fair value through profit or loss are measured at fair value and changes therein are recognised in the Statement of Comprehensive Income.

As the Company’s business is investing in financial assets with a view to profiting from their total return in the form of interest, dividends or increases in fair value, unlisted equities are designated as fair value through profit or loss on initial recognition. The Company manages and evaluates the performance of these investments on a fair value basis in accordance with its investment strategy and information about the Company is provided internally on this basis to the Board.

2. Principal accounting policies, continued

(b) Investments at fair value through profit or loss, continued

Investment entity
The investment entities amendment to IFRS 10 requires that a parent entity that has determined it is an investment entity under IFRS 10 is required to measure its investments in subsidiaries, associates and joint ventures at fair value through profit or loss in accordance with the appropriate standard. The criteria which define an investment entity are as follows:

- It has obtained funds from one or more investors for the purpose of providing those investors with investment management services;
- It has committed to its investors that its business purpose is to invest funds solely for the returns from capital appreciation, investment income or both; and
- It measures and evaluates the performance of substantially all of its investments on a fair value basis.

In assessing whether it meets the definition described above, an entity shall consider whether it has the following characteristics of an investment entity:

- It has more than one investment;
- It has more than one investor;
- It has investors that are not related parties of the entities; and
- It has ownership interests in the form of equity or similar interests.

Consideration is also given to the time frame of an investment. An investment entity should not hold its investments indefinitely but should have an exit strategy for their realisation.

The Company meets the definition of an investment entity and will account its investments at fair value through profit or loss in accordance with IFRS 9.

Fair value measurement
“Fair value” is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

If there is no quoted price in an active market, the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Company recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

Portfolio investment funds are typically valued utilising the net asset valuations provided by the administrators of the underlying funds and/or their investment managers. Investments in quoted investment funds in a non-active market or unlisted investment funds are included in Level 2 of the fair value hierarchy when fair value is determined based on the net asset values (“NAVs”) of the investment fund. Investments in investment funds with material redemption restrictions e.g. gates, suspended NAVs, etc, are included in Level 3 of the fair value hierarchy. Where significant redemption restrictions exist, restricting the Company’s ability to realise the investment, the inherent uncertainty in the timing and the range of possible outcomes of any realisation could lead to the differences between the fair value estimate and actual recoverable amounts becoming significant.

If in the case of any investment the Directors at any time consider that the above basis of valuation is inappropriate or that the value determined in accordance with the foregoing principles is unfair, they are entitled to substitute what in their opinion, is a fair value. Where this is the case or where no value is provided by the managers or administrators of the underlying funds, then the fair value is estimated with care and in good faith by the Directors in consultation with the Investment Manager with a view to establishing the probable realisation value for such units or shares as at close of business on the relevant valuation day. This process is also applied, where the Directors deem it necessary, to those funds subject to suspension, gating, side pockets, orderly wind down or liquidation. For further details relating to the techniques used to estimate the fair value of investments, please refer to note 6 (c).

2. Principal accounting policies, continued

Derecognition
The Company derecognises a financial asset when the contractual cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the Statement of Comprehensive Income. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

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

Offsetting
The Company shall offset financial assets and financial liabilities if the Company has a legally enforceable right to set off the recognised amounts and intends to settle on a net basis, or to realise the assets and settle the liability simultaneously.

(Losses)/Gains from financial assets at fair value through profit or loss are presented on a net basis in the Statement of Comprehensive Income.

(c) Foreign exchange
Foreign currency assets and liabilities are translated into US Dollar at the rate of exchange ruling at the year end date of GBP:US$ 1.2401 (30 June 2019: GBP:US$ 1.2696).

Transactions in foreign currencies are translated at the rate of exchange ruling on the transaction date. Differences thus arising are recognised in the Statement of Comprehensive Income on a net basis (see note 2 (a)(ii)).

(d) Income
Dividend income from investments is recognised when the Company's right to receive payment is established, normally the ex-dividend date.

Interest income is accrued on a timely basis, by reference to the principal outstanding and at the original effective interest rate applicable, which is the rate that exactly discounts estimated cash receipts through the expected life of the financial asset to the asset's original cost.

Dividend income and interest income arising from the Company's portfolio of investments are included in Investment income within the Statement of Comprehensive Income.

(e) Expenses
All expenses are accounted for on an accrual basis and are presented as expense items except for expenses that are incidental to the disposal of an investment which are deducted from the disposal proceeds.

(f) Other receivables
Other receivables do not carry any interest and are short-term in nature and are accordingly stated at their carrying value as reduced by appropriate allowances for estimated irrecoverable amounts. The carrying value of these assets approximates their fair value.

(g) Other payables
Other accruals and payables are not interest-bearing, are short term in nature and stated at their nominal value. The carrying value of these liabilities approximates their fair value.

(h) Cash and cash equivalents
Cash includes amounts held in interest bearing overnight accounts. Cash and cash equivalents comprise bank balances and cash held by the Company including short-term bank deposits with an original maturity of three months or less. The carrying value of these assets approximates their fair value.

(i) Financial liabilities and equity
Financial liabilities and equity are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Financial liabilities and equity are recorded at the proceeds received, net of issue costs.

2. Principal accounting policies, continued

(j) Provisions

A provision is recognised in the Statement of Financial Position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation, and the obligation can be reliably measured. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(k) Segment reporting

The Board has considered the requirements of IFRS 8 'Operating Segments'. The Board is of the view that the Company is engaged in a single segment of business, being investment in a portfolio of hedge funds, funds of hedge funds and other similar assets, with a diverse geographical and asset class exposure (see note 7(d)), that business being conducted from Guernsey. The Board, as a whole, has been determined as constituting the chief operating decision maker of the Company.

The investment decisions are based on the overall investment strategy, and the performance of the investments are evaluated on an overall basis. On a quarterly basis, an Investment Manager Report is issued by the Investment Manager for review by the Board. The Investment Manager Report aggregates the investment portfolio as a single segment, being all are illiquid investments, and reports on the details of the performance of the top investments.

The Board is charged with setting the Company's strategy. It has delegated the day to day implementation of this strategy to the Investment Manager but retains responsibility to ensure that adequate resources of the Company are directed in accordance with its decisions. The divestment decisions of the Investment Manager are reviewed on a regular basis to ensure compliance with the policies and legal responsibilities of the Board. The Investment Manager has been given full authority to act on behalf of the Company, including the authority to sell securities and other investments on behalf of the Company and to carry out other actions as appropriate to give effect thereto. Whilst the Investment Manager may make the divestment decisions on a day to day basis, any changes to the divestment strategy have to be approved by the Board, even though they may be proposed by the Investment Manager. The Board therefore retains full responsibility as to the major strategic decisions made on an on-going basis. The Investment Manager will always act under the terms of the Investment Management Agreement which cannot be changed without the approval of the Board and the Shareholders.

The key measure of performance used by the Board to assess the Company's performance and to allocate resources is the Company's net asset value per ordinary share ("NAV per share") (see note 10), as calculated under IFRS. A reconciliation between the measure of NAV per share used by the Board and that contained in these Financial Statements is disclosed in note 10.

Geographical information relating to the source of the Company's returns is disclosed in note 7(d).

The Company has a diversified Shareholder population. At the reporting date, only three investors had holdings of greater than 5% of the issued share capital of the Company.

NOTES TO THE FINANCIAL STATEMENTS, continued
For the year ended 30 June 2020

3. Expenses

	For the year ended 30 June 2020 US$	For the year ended 30 June 2019 US$
Investment Manager's fee and expenses	514,607	532,649
Investment Manager's realisation fees*	109,983	293,289
	624,590	825,938
Other expenses:		
Directors' remuneration and expenses	121,543	123,830
Accounting, secretarial and administration fees	167,914	146,705
Custodian fee	70,000	58,398
Legal and professional fees	117,670	382,178
Auditor's remuneration	44,325	38,481
Listing & regulatory fees	39,329	27,009
Registrar's fee	39,672	42,335
Directors and officers insurance	3,931	3,958
Sundry expenses	26,716	66,944
	631,100	889,838

*Realisation fees paid to the Investment Manager following the return of capital by way of redeemable B share issues as announced in December 2019.

The Company has no employees. The Directors, all of whom are non-executive, are the only key management personnel of the Company. Their remuneration is paid quarterly in arrears.

Investment Manager's fee and expenses
On 6 July 2017, Warana Capital, LLC ("Warana") was appointed as the Investment Manager to the Company. In accordance with the Investment Management Agreement, Warana is entitled to a fixed fee of US$500,000 per annum payable quarterly in advance. Warana are also entitled to a realisation fee of 5 per cent of the cash distributed to Shareholders (calculated before costs of distribution).

The Investment Management Agreement can be terminated by either party in writing giving no less than three months' notice.

Investment management fees for the year totalled US$624,590 (30 June 2019: US$825,938), made up of the fixed annual fee of US$500,000, US$109,983 realisation fees and US$14,607 of expenses incurred on behalf of the Company (30 June 2019: fixed annual fee of US$500,000, US$293,289 realisation fees and US$32,649 of expenses), of which US$126,366 (30 June 2019: US$127,740) had been prepaid at the year end.

Administration fees
With effect from 14 July 2015, Praxis Fund Services Limited (the "Administrator") was appointed as Administrator of the Company. Pursuant to the terms of the Administration and Secretarial Agreement between the Company and the Administrator, the Administrator is entitled to receive an administration fee and company secretarial fee, payable monthly in arrears, at the rate of 0.075 per cent per annum of the net assets of the Company, subject to a minimum fee of £95,000 per annum, plus disbursements.

The Administration Agreement can be terminated by either party in writing giving no less than three months' notice.

Administration fees for the year totalled US$167,914 (30 June 2019: US$146,705), of which US$31,592 (30 June 2019: US$32,024) was outstanding at the year end.

3. Expenses, continued

Custodian fee
With effect from 24 July 2015, Citibank N.A. (London Branch) (the “Custodian”) was appointed as Custodian to the Company. In respect of services provided under the Custodian Agreement, the Company pays the Custodian a quarterly fee at the rate of 0.035 per cent per annum of the net assets of the Company, subject to a minimum fee of US$70,000 per annum. Investment transaction fees of US$150 per trade are also payable.

The Custodian Agreement can be terminated by either party in writing on 60 days’ notice. The Custodian does not have any decision making discretion relating to the investment of the assets of the Company.

Custodian fees for the year totalled US$70,000 (30 June 2019: US$58,398), of which US$17,500 (30 June 2019: US$35,000) was outstanding at the year end.

Legal and professional fees
The decrease in legal costs related to the reversal of anticipated accrued costs in connection with the planned share issue.

4. Tax status
The Company is exempt from Guernsey taxation under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989. A fixed annual fee of £1,200 is payable to the States of Guernsey in respect of this exemption. The adoption of the amended standard IFRIC 23 has had no material impact on the Financial Statements of the Company.

5. Loss per ordinary share
Basic loss per ordinary share is calculated by dividing the total comprehensive loss for the year by the weighted average number of ordinary shares in issue during the year.

	For the year ended 30 June 2020		
	Total comprehensive loss for the year	**Weighted average number of ordinary shares in issue**	**Loss per ordinary share**
	US$	**No.**	
Ordinary shares	(13,997,629)	146,644,387	(9.55)¢

	For the year ended 30 June 2019		
	Total comprehensive loss for the year	**Weighted average number of ordinary shares in issue**	**Loss per ordinary share**
	US$	**No.**	
Ordinary shares	(1,710,115)	146,644,387	(1.17)¢

6. Fair value of financial instruments

(a) Investments at fair value through profit or loss

		30 June 2020 US$	30 June 2019 US$
Opening fair value		38,888,482	41,599,859
Purchases		296,800	504,438
Sales	– proceeds	(3,470,966)	(3,246,899)
	– realised gains/(losses) on sales	878,694	(5,368,717)
Movement in unrealised losses on investments		(13,607,934)	5,399,801
Closing fair value		22,985,076	38,888,482
Closing cost carried forward		101,737,505	104,032,977
Unrealised losses on investments		(78,752,429)	(65,144,495)
Closing fair value carried forward		22,985,076	38,888,482

Please refer to the Investment Manager's Report and to note 7(d) for strategic and geographical exposures within the Company's investment portfolio.

(b) Net (losses)/gains on financial assets at fair value through profit or loss

	30 June 2020	30 June 2019
Net realised gains/(losses) on financial assets at fair value through profit or loss	**US$**	**US$**
- Designated as at fair value through profit or loss	878,694	(5,368,717)
Movement in unrealised losses on financial assets at fair value through profit and loss		
- Designated as at fair value through profit or loss	(13,607,934)	5,399,801
Net (losses)/gains on financial assets at fair value through profit or loss	(12,729,240)	31,084

(c) Valuation models

None of the Company's financial assets and financial liabilities is traded in active markets and therefore the Company is unable to base the fair value of its financial assets and financial liabilities on quoted market prices or broker price quotations. For all financial instruments, the Company determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1 - Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3 - Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes investments in unlisted investment funds that have redemption restrictions in place.

NOTES TO THE FINANCIAL STATEMENTS, continued
For the year ended 30 June 2020

6. Fair value of financial instruments, continued

(c) Valuation models, continued

Valuation techniques include underlying manager, third party administrator, net asset value reports, observable market prices where they exist and other valuation models. Assumptions and inputs used in valuation techniques include foreign exchange rates and expected price volatilities and correlations, as well as eventual recovery assumptions and time taken to recover value.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Investments in redemption restricted unlisted open-ended investment funds or unlisted private equity investments are typically valued utilising the net asset valuation provided by the administrator of the underlying fund and/or its investment manager. The Investment Manager considers the Company's ability to redeem its investment in the investee fund/company on the reporting date based on the reported net asset value per share, which will determine whether the investee fund/company will be categorised within Level 2 or Level 3 of the fair value hierarchy.

Where normal policies of the investee fund/company provide for a significant redemption notice period or where other material redemption restrictions such as gates or suspended NAV's exist, the investee fund/company will be categorised at Level 3 in the fair value hierarchy ("redemption restricted funds"). This classification reflects the consideration of whether adjustments to the reported NAV are required to reflect the inherent uncertainty in the timing and the range of possible outcomes of any realisation between the reported NAV and ultimate recoverable amount which may be different and such differences could be material.

The Company's Portfolio is made up solely of redemption restricted funds. For the full Portfolio, the Investment Manager has considered whether the latest available reported net assets of these underlying investments reflect their probable realisation values. Where this is not the case, the Board, in consultation with the Investment Manager, has adjusted the carrying fair value of those assets accordingly. Because of the inherent uncertainty of valuing these underlying investments arising from their illiquid nature, the values of these underlying investments may differ significantly from the values that would have been used had a ready market for the investments existed and such differences could be material.

The Investment Manager has developed a discounting process to evaluate the portfolio as objectively as possible by taking into account the quality of information received from the underlying funds, their valuation processes, geographical locations and risks associated with the assets. Where possible, the analysis is then checked against observable secondary market activity.

6. Fair value of financial instruments, continued

(c) Valuation models, continued

The table below sets out information about significant unobservable inputs used as at 30 June 2020 in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

Description	30 June 2020 Fair Value (US$)	Valuation Technique	Unobservable Inputs	Discount applied	Sensitivity to changes in significant unobservable inputs	Quantitative disclosure of impact on Fair Value of changes in unobservable inputs to reasonable alternatives
Unlisted open-ended investment funds (redemption restricted)	28,875	Adjusted net asset value	Unadjusted NAV and applied discounts based on: -Alternative outcome advised by underlying manager, liquidator or other authorised party	53% - 100%	The fair value would decrease if the applied discount were higher. The estimated fair value would increase if the applied discount were lower.	A 20% increase/decrease in the input discounts used for the relevant investments in this category would result in a (decrease)/increase respectively in fair value of approximately (US$14,400) /US$2,664,000.
	21,261,703	Adjusted net asset value	Unadjusted NAV and applied discounts based on some or all of the following: -Delay in NAV reporting -Liquidator appointed -Unwillingness of manager to provide asset level information -Annual Financial Statements not produced on schedule -No third party administrator -Asset or Manager based in Emerging Markets Country -Exposure to assets which are caught up in legal proceedings, resulting in lack of certainty of full recovery -Asset leverage -Recent secondary market trading activity	10% - 100%	The fair value would decrease if the applied discount were higher. The estimated fair value would increase if the applied discount were lower.	A 20% increase/decrease in the input discounts used for the relevant investments in this category would result in a (decrease)/increase respectively in fair value of approximately (US$7,566,000) /US$13,781,000.
	1,694,498	Unadjusted net asset value	Unadjusted NAV and no discounts applied	N/A	The fair value would increase if the NAV of the investments were higher. The fair value would decrease if the NAV of the investments were lower.	A 20% increase/decrease in the unadjusted NAV of investments would result in an approximate decrease/increase in fair value of US$339,000.
Total investments	**22,985,076**					

NOTES TO THE FINANCIAL STATEMENTS, continued
For the year ended 30 June 2020

6. Fair value of financial instruments, continued

(c) Valuation models, continued

The table below sets out information about significant unobservable inputs used as at 30 June 2019 in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

<table>
<tr><th>Description</th><th>30 June 2019</th><th>Valuation Technique</th><th>Unobservable Inputs</th><th>Discount applied</th><th>Sensitivity to changes in significant unobservable inputs</th><th>Quantitative disclosure of impact on Fair Value of changes in unobservable inputs to reasonable alternatives</th></tr>
<tr><td></td><td>Fair Value (US$)</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td rowspan="3">Unlisted open-ended investment funds (redemption restricted)</td><td>497,187</td><td>Adjusted net asset value</td><td>Unadjusted NAV and applied discounts based on:

-Alternative outcome advised by underlying manager, liquidator or other authorised party</td><td>95% - 100%</td><td>The fair value would decrease if the applied discount were higher.

The estimated fair value would increase if the applied discount were lower.</td><td>A 10% increase/decrease in the input discounts used for the relevant investments in this category would result in a (decrease)/increase respectively in fair value of approximately (US$497,000) /US$1,394,000.</td></tr>
<tr><td>34,358,079</td><td>Adjusted net asset value</td><td>Unadjusted NAV and applied discounts based on some or all of the following:

-Delay in NAV reporting
-Liquidator appointed
-Unwillingness of manager to provide asset level information
-Annual Financial Statements not produced on schedule
-No third party administrator
-Asset or Manager based in Emerging Markets Country
-Exposure to assets which are caught up in legal proceedings, resulting in lack of certainty of full recovery
-Asset leverage
-Recent secondary market trading activity</td><td>30% - 100%</td><td>The fair value would decrease if the applied discount were higher.

The estimated fair value would increase if the applied discount were lower.</td><td>A 10% increase/decrease in the input discounts used for the relevant investments in this category would result in a (decrease)/increase respectively in fair value of approximately (US$7,370,000) /US$8,408,000.</td></tr>
<tr><td>4,033,216</td><td>Unadjusted net asset value</td><td>Unadjusted NAV and no discounts applied</td><td>N/A</td><td>The fair value would increase if the NAV of the investments were higher.

The fair value would decrease if the NAV of the investments were lower.</td><td>A 10% increase/decrease in the unadjusted NAV of investments would result in an approximate decrease/increase in fair value of US$403,000.</td></tr>
<tr><td>Total investments</td><td>38,888,482</td><td></td><td></td><td></td><td></td><td></td></tr>
</table>

6. Fair value of financial instruments, continued

(c) Valuation models, continued

Significant unobservable inputs are developed as follows:

- *Discount for anticipated difficulty in recovering NAV:* The Investment Manager has observed that for a number of reasons, it may not be possible for an underlying fund to recover the full value of its assets. These reasons include, without limitation, the possibility that those assets will not be recognised by a governmental authority and insolvency proceedings affecting the underlying assets. The Investment Manager has also observed that these risks have not been taken into account when the net asset value of the underlying fund has been calculated. The Board, acting with the advice of the Investment Manager, has formed the view based on its judgement that a discount should be applied to reflect the fact that there is a material possibility that less than the current stated net asset value of the underlying fund will be recoverable.
- *Discount for lack of certainty over time frame to realisation:* The Investment Manager has observed that for a number of reasons, it may not be possible for the Company to recover the full value of these assets within a specified time frame. These reasons include, without limitation the fact that the underlying positions are extremely illiquid and dependent upon external factors outside of the underlying investment manager's control.
- *Discount for no efficient or fair secondary market for liquidation:* The Investment Manager has observed that although a reasonably developed secondary market exists for most illiquid hedge fund portfolios there are some assets and portfolios that the secondary market has not been able to effectively research. This results in an extremely depressed secondary price and liquidity mainly due to the poor information available.
- *Discount for assets which are caught up in legal proceedings:* The Investment Manager has observed that it may not be possible for the Company to recover the full value of these assets due to very complicated legal proceedings mainly surrounding their ownership and clean title.
- *Discount for advice of alternative outcome:* The Investment Manager has observed advice from underlying managers, liquidators or authorised parties that they expect recovery to be materially less than the stated NAV.
- *Discount for lack of/delayed information:* If the NAVs or the audited financial statements of the underlying assets are delinquent and/or not provided on time the Investment Manager will apply a discount.
- *Discount for geographic, political or currency related risks:* The Investment Manager will apply an additional discount is applied if there is a perceived geographic, political or currency related risk.

Although the Company believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, changing one or more of the assumptions used to reasonably possible alternative assumptions would have the following effects on net assets attributable to holders of shares.

	30 June 2020		**30 June 2019**	
	Favourable	Unfavourable	Favourable	Unfavourable
Change in fair value of investments	US$16,784,000	US$7,919,400	US$10,205,000	US$8,270,000

The favourable and unfavourable effects of using reasonably possible alternative assumptions for the valuation of unlisted open-ended investment funds (redemption restricted) have been calculated by recalibrating the net asset values of a number of underlying funds using unobservable inputs. The most significant unobservable inputs are discounts for delay in cash realisation compared to a model, failure to recover certain assets, potential lack of available financing and potential lack of market exit and a reduction in value to reflect discounts needed to achieve exit. The above figures also include a 20% sensitivity analysis on the fair values of the remaining investments in the Company's portfolio for which no unobservable inputs are applied.

See the next page for a reconciliation between reported net asset value and fair value of investee funds/companies recognised in the Financial Statements where the Directors have estimated the fair value of certain investments as at 30 June 2020 and 30 June 2019.

6. Fair value of financial instruments, continued

(c) Valuation models, continued

As at 30 June 2020 and as described in the table on pages 47 to 48 and above, the Directors, in consultation with the Investment Manager, have applied adjustments against net asset values to a number of investment funds in the Portfolio due to illiquidity and/or restrictions on redemptions, among other factors. The following table summarises the write downs in terms of percentages applied to the relevant Level 3 investments:

30 June 2020	Investments valued at NAV US$	Fair value adjustment US$	Fair value US$
Level 3 investments with fair value adjustments of:			
10%	62,752	(6,275)	56,477
30%	1,554,653	(466,396)	1,088,257
32%	1,309,745	(414,267)	895,478
40%	30,600,274	(12,240,110)	18,360,164
53%	54,060	(28,733)	25,327
70%	6,806	(4,764)	2,042
80%	1,574,135	(1,259,308)	314,827
90%	5,422,264	(4,875,298)	546,966
99%	122,375	(121,335)	1,040
100%	41,549,708	(41,549,708)	-
	82,256,772	(60,966,194)	21,290,578
Level 3 investments without fair value adjustments			1,694,498
Total fair value of investments			22,985,076

30 June 2019	Investments valued at NAV US$	Fair value adjustment US$	Fair value US$
Level 3 investments with fair value adjustments of:			
30%	2,513,021	(753,906)	1,759,115
40%	43,159,958	(17,263,983)	25,895,975
70%	18,719,242	(13,103,469)	5,615,773
80%	1,562,596	(1,250,077)	312,519
90%	6,699,969	(6,029,973)	669,996
93.6%	1,625,905	(1,521,204)	104,701
95%	9,046,451	(8,594,128)	452,323
99%	4,486,410	(4,441,546)	44,864
100%	10,198,158	(10,198,158)	-
	98,011,710	(63,156,444)	34,855,266
Level 3 investments without fair value adjustments			4,033,216
Total fair value of investments			38,888,482

6. Fair value of financial instruments, continued

(d) Fair value hierarchy

The following table presents the Company's financial assets at fair value through profit or loss by level within the valuation hierarchy:

	30 June 2020	% of net assets
Fair value assets	**US$**	**%**
Level 3 - Investments valued at fair value		
Unlisted open-ended investment funds	22,985,076	90.3

	30 June 2019	% of net assets
Fair value assets	**US$**	**%**
Level 3 - Investments valued at fair value		
Unlisted open-ended investment funds	38,888,482	93.4

The table below provides a reconciliation from opening balance to closing balance for assets and liabilities measured at fair value on a recurring basis using Level 3 inputs:

	30 June 2020	30 June 2019
	US$	**US$**
Opening fair value	38,888,482	41,599,859
Purchases	296,800	504,438
Sales/distributions proceeds	(3,470,966)	(3,246,899)
Realised gains/(losses) on sales	878,694	(5,368,717)
Movement in unrealised losses recognised through profit or loss	(13,607,934)	5,399,801
Closing fair value	22,985,076	38,888,482
Closing cost carried forward	101,737,505	104,032,977
Unrealised losses on investments	(78,752,429)	(65,144,495)
Closing fair value carried forward	22,985,076	38,888,482
Total unrealised losses recognised on financial assets at fair value through the profit or loss held at the end of the year	(78,752,429)	(65,144,495)

The Company recognises transfers between levels of fair value hierarchy as of the end of each reporting period which the transfer has occurred.

There were no transfers between any fair value hierarchy levels during the current year (30 June 2019: no transfers).

7. Financial risk management

Financial risk factors

The Company is exposed to a variety of financial risks: market risk (including price risk, fair value interest rate risk, cash flow interest rate risk and currency risk), credit risk and liquidity risk. The risk management policies employed by the Company to manage these risks are discussed below. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures to minimise operational and legal risks.

(a) Market risk

The Company's activities expose it primarily to the market risks of changes in foreign currency exchange rates, interest rates and market prices.

Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market.

The Company is exposed to market price risk arising from the investment in a variety of hedge funds. The funds may be subject to valuation risk due to the manner and timing of the valuations of their investments. Investments in the funds may be valued by fund administrators or by the fund managers themselves, resulting in valuations which were not verified by an independent third party on a regular or timely basis.

As at the year end, the Company was directly exposed to market price risk arising from its investments. The Investment Manager manages the market price risk on a daily basis through careful selection of investments in accordance with the Company's investment objective and policy, and through ongoing analysis of the Company's investments to determine the optimal strategy for achieving the realisation of assets for the benefit of Shareholders.

Please refer to page 47 for details of price sensitivity.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest-bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

As at the year end, the Company's interest rate risk was managed on a monthly basis by the Investment Manager in accordance with the policies and procedures in place. The Company's overall interest rate risk will be monitored on a quarterly basis by the Board.

Although the Company's investments at fair value through profit or loss are not interest-bearing and are not directly subject to interest rate risk, the values of the underlying assets owned by the Company's investments may be affected by fluctuations in interest rates. The Company is therefore indirectly exposed to interest rate risk in respect of these investments. However, the Investment Manager and the Board do not consider that it is meaningfully feasible to measure the effect on the valuations of the Company's investments of such fluctuations, and accordingly, the interest rate sensitivity analysis on the next page is limited to the exposure to interest rate risk of the Company's assets which are directly exposed to interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS, continued
For the year ended 30 June 2020

7. Financial risk management, continued

(a) Market risk, continued

Interest rate risk, continued

The table below summarises the Company's exposure to interest rate risk:

Assets	Interest-bearing assets	Non interest-bearing assets	Total
	30 June 2020	30 June 2020	30 June 2020
	US$	US$	US$
Cash and cash equivalents	2,452,048	-	2,452,048
Trade and other receivables (excluding prepayments)	-	-	-
Investments at fair value through profit or loss	-	22,985,076	22,985,076
Total assets (excluding prepayments)	**2,452,048**	**22,985,076**	**25,437,124**

Liabilities	Interest-bearing liabilities	Non interest-bearing liabilities	Total
	30 June 2020	30 June 2020	30 June 2020
	US$	US$	US$
Trade and other payables	-	121,367	121,367
Total liabilities	**-**	**121,367**	**121,367**

Assets	Interest-bearing assets	Non interest-bearing assets	Total
	30 June 2019	30 June 2019	30 June 2019
	US$	US$	US$
Cash and cash equivalents	2,854,667	-	2,854,667
Trade and other receivables (excluding prepayments)	-	31,400	31,400
Investments at fair value through profit or loss	-	38,888,482	38,888,482
Total assets (excluding prepayments)	**2,854,667**	**38,919,882**	**41,774,549**

Liabilities	Interest-bearing liabilities	Non interest-bearing liabilities	Total
	30 June 2019	30 June 2019	30 June 2019
	US$	US$	US$
Trade and other payables	-	265,535	265,535
Total liabilities	**-**	**265,535**	**265,535**

Interest rate sensitivity

As at 30 June 2020, should interest rates have increased by 50 basis points with all other variables held constant, the increase in net assets attributable to holders of ordinary shares for the year would amount to approximately US$12,260 (30 June 2019: US$14,273). A decrease of 50 basis points would have had an equal, but opposite, effect. The calculations are based on the cash balance at the reporting date and are not representative of the year as a whole.

The above interest rate sensitivity analysis does not reflect any indirect interest rate risk that may arise resulting from the exposure of emerging market economies to changes in global interest rates.

NOTES TO THE FINANCIAL STATEMENTS, continued
For the year ended 30 June 2020

7. Financial risk management, continued

(a) Market risk, continued

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is invested directly in funds, funds of funds and other similar assets. Some of the underlying assets and liabilities of the Company as at 30 June 2020 and 30 June 2019 are denominated in currencies other than US Dollar (BRL – Brazilian Real; UAH – Ukrainian Hryvnia; RMB – Chinese Yuan; INR – Indian Rupee; GBP – Sterling). These currency exposures are unhedged. The carrying amounts of the Company's assets and liabilities are as follows:

30 June 2020	**BRL**	**UAH**	**RMB**	**GBP**	**USD/Other**	**Total**
	US$	**US$**	**US$**	**US$**	**US$**	**US$**
Assets						
Cash and cash equivalents	-	-	-	1,009,469	1,442,579	2,452,048
Prepayments	-	-	-	8,351	126,526	134,877
Investments at fair value through profit or loss	18,343,238	249,997	410,659	-	3,981,182	22,985,076
	18,343,238	249,997	410,659	1,017,820	5,550,287	25,572,001
Liabilities						
Other payables	-	-	-	103,867	17,500	121,367
Net assets	18,343,238	249,997	410,659	913,953	5,532,787	25,450,634

30 June 2019	**BRL**	**UAH**	**RMB**	**GBP**	**USD/Other**	**Total**
	US$	**US$**	**US$**	**US$**	**US$**	**US$**
Assets						
Cash and cash equivalents	-	-	-	347,108	2,507,559	2,854,667
Prepayments	-	-	-	10,992	127,922	138,914
Other receivables	-	-	-	-	31,400	31,400
Investments at fair value through profit or loss	26,451,079	5,863,680	650,428	-	5,923,295	38,888,482
	26,451,079	5,863,680	650,428	358,100	8,590,176	41,913,463
Liabilities						
Other payables	-	-	-	224,850	40,685	265,535
Net assets	26,451,079	5,863,680	650,428	133,250	8,549,491	41,647,928

7. Financial risk management, continued

(a) Market risk, continued

Currency risk, continued

Foreign exchange rate sensitivity
As at 30 June 2020 and 30 June 2019, should the US Dollar exchange rate increase/decrease against the above currencies by the reasonably possible proportions detailed below, with all other variables held constant, the decrease/increase in net assets attributable to holders of ordinary shares would be as follows:

	Possible change in exchange rate	30 June 2020 net exposure US$	30 June 2020 effect on net assets and profit or loss US$
US$/BRL	+/- 20%	18,343,238	-/+3,668,648
US$/UAH	+/- 20%	249,997	-/+49,999
US$/RMB	+/- 10%	410,659	-/+41,066
US$/GBP	+/- 10%	913,953	-/+91,395
		19,917,847	-/+3,851,108

	Possible change in exchange rate	30 June 2019 net exposure US$	30 June 2019 effect on net assets and profit or loss US$
US$/BRL	+/- 20%	26,451,097	-/+5,290,219
US$/UAH	+/- 20%	5,863,680	-/+1,172,736
US$/RMB	+/- 10%	650,428	-/+65,043
US$/GBP	+/- 10%	133,250	-/+13,325
		33,098,455	-/+6,541,323

(b) Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Investment credit risk
Credit risk generally is higher when a non-exchange traded financial instrument is involved, because the counter party is not backed by an exchange clearing house.

The Company is exposed to credit risk through its direct investments in funds and funds of funds. The Company holds a few relatively large positions in relation to the net assets of the particular funds. Consequently, a loss in any such position could result in significant losses to the Company. Certain investee funds of the Company also had redemption terms that had been amended to permit gates, suspensions and side pockets. As a result the Company may not be able to quickly liquidate its investments in these investee funds at an amount close to their fair value.

The carrying amounts of the financial assets less prepayments and cash balances in the Statement of Financial Position best represent the maximum credit risk exposure at the year end date.

Substantially all of the assets of the Company at the year end were held by Citibank N.A. (the “Custodian”). Bankruptcy or insolvency of the Custodian may cause the Company’s rights with respect to securities held by the Custodian to be delayed or limited. The maximum exposure to credit risk at the Custodian level is US$25,437,124 (30 June 2019: US$41,743,149), the carrying value of the securities and cash held by the Custodian.

7. Financial risk management, continued

(b) Credit risk, continued

Cash credit risk
The Company monitors its risk by monitoring the credit ratings of the Custodian. At the year end the long-term credit ratings of the Custodian were A+ (30 June 2019: A+) as rated by Standard and Poor's and Aa3 (30 June 2019: Aa3) by Moody's.

The maximum credit risk exposure in relation to the Company's cash balances is best represented by the carrying value of the cash balances in the Statement of Financial Position.

(c) Liquidity risk
Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities.

The Company is mainly invested in securities which lack an established secondary trading market or are otherwise considered illiquid. Liquidity of a security relates to the ability to easily dispose of the security and the price obtained and does not generally relate to the credit risk or likelihood of receipt of cash at maturity.

The Company's liquidity risk is managed by the Investment Manager in accordance with its policies and procedures. The Company's overall liquidity risks are monitored on a quarterly basis by the Board.

The markets for most of the securities owned by the Company are illiquid, making purchases or sales of securities at desired prices or in desired quantities difficult or impossible. Because of inherent uncertainty of valuing these investments, arising from their illiquid nature, the values of these investments may differ significantly from the values that would have been used had a ready market for the investments existed, and such differences could be material.

The table below analyses how quickly the Company's assets can be liquidated to meet the obligation of maturing liabilities.

Maturity Analysis

As at 30 June 2020	**Less than 1 month**	**1-12 months**	**>12months**	**No stated maturity**	**Total**
Assets	**US$**	**US$**	**US$**	**US$**	**US$**
Investments at fair value through profit or loss	-	-	-	22,985,076	22,985,076
Cash and cash equivalents	2,452,048	-	-	-	2,452,048
	2,452,048	-	-	22,985,076	25,437,124
Liabilities					
Other payables	122,376	-	-	-	122,376
	122,376	-	-	-	122,376

As at 30 June 2019	**Less than 1 month**	**1-12 months**	**>12months**	**No stated maturity**	**Total**
Assets	**US$**	**US$**	**US$**	**US$**	**US$**
Investments at fair value through profit or loss	-	-	-	38,888,482	38,888,482
Cash and cash equivalents	2,854,667	-	-	-	2,854,667
Other receivables	31,400	-	-	-	31,400
	2,886,067	-	-	38,888,482	41,774,549
Liabilities					
Other payables	265,535	-	-	-	265,535
	265,535	-	-	-	265,535

The Company's investments in funds are shown as having maturity dates in line with the table above. However, they may be liable to redemption gating, suspension or the creation of side-pockets for illiquid assets at the discretion of the underlying fund manager.

7. Financial risk management, continued

(d) Concentration Risk
The geographical concentration of the Company's portfolio is as follows:

	30 June 2020	30 June 2019
	US$	US$
Brazil*	18,343,238	26,451,079
Ukraine	249,997	5,863,680
China	410,659	650,428
Other	3,981,182	5,923,295
Total	22,985,076	38,888,482

*The portfolio has significant exposure to the Brazilian Real which suffered considerable depreciation versus the US Dollar over the last 12 months. From July 1, 2019 to June 30, 2020 the currency depreciated approximately 42%.

The concentration of the Company's portfolio by asset class is as follows:

	30 June 2020	30 June 2019
	US$	US$
Credit/Bonds	19,665,010	28,016,433
Real Estate	1,276,949	7,108,647
Equity/Other	2,043,117	3,763,402
Total	22,985,076	38,888,482

(e) Capital risk management
The capital structure of the Company consists of equity attributable to holders of ordinary shares, comprising share capital as detailed in note 8 and retained earnings. The Company does not have any externally imposed capital requirements.

The Company manages its capital in accordance with the investment policy, in pursuit of its investment objective as detailed on page 2. The Company does this by investing sufficient available resources whilst maintaining cash and cash equivalents amounts for working capital requirements. The Directors currently maintain a policy of retaining 24 months' cash resources to meet ongoing liabilities. The Directors have based this policy, on the advice of the Investment Manager and having regard to the profile of the investments, on the assumption that during the period these resources will be replenished by realisation of investments.

In addition, at an Extraordinary General Meeting held on 14 July 2016, Shareholders approved an amendment to the Company's Articles to allow for the return of capital to Shareholders. Under the terms of the return of capital to Shareholders, Shareholders will receive B shares pro rata to their holding of ordinary shares at the time of the issue of the B shares. Each B share will be redeemed by the Company on the redemption date for the redemption price. The Company will only return capital to Shareholders once material distributions are received from the underlying investment portfolio and subject to the retention of sufficient cash resources to meet ongoing working capital requirements.

The Company expects to be very prudent in its use of borrowings due to the illiquid nature of the portfolio; however, the Company will have the ability to borrow up to 25 per cent of its net assets for short-term purposes. It is not intended for the Company to have any long-term or fixed structural gearing. The Company may be indirectly exposed to gearing to the extent that the Company's investee funds or segregated portfolios are geared by the external managers.

8. Share capital

Authorised capital
The Company has the power to issue an unlimited number of shares of nil par value. The ordinary shares were issued at the issue price of US$1.00.

By written resolution of the Company passed on 15 December 2016, the Directors were authorised to issue shares up to a maximum aggregate nominal amount of US$146,644.

The Company is authorised to make market purchases of up to 14.99 per cent of the shares in issue immediately following Admission, such authority to expire at the conclusion of the next annual general meeting of the Company or, if earlier, 18 months after the resolution was passed.

NOTES TO THE FINANCIAL STATEMENTS, continued
For the year ended 30 June 2020

8. Share capital, continued

Issued share capital

Ordinary shares	**30 June 2020**	
	No.	**US$**
Share capital at the beginning of the year	146,644,387	117,393,338
Distributions	-	(2,199,665)
Share capital at the end of the year	146,644,387	115,193,673

Ordinary shares	**30 June 2019**	
	No.	**US$**
Share capital at the beginning of the year	146,644,387	123,259,114
Distributions	-	(5,865,776)
Share capital at the end of the year	146,644,387	117,393,338

At an Extraordinary General Meeting held on 14 July 2016, Shareholders approved an amendment to the Company's Articles to allow for the return of capital to Shareholders. Under the terms of the return of capital to Shareholders, Shareholders will receive B shares pro rata to their holding of ordinary shares at the time of the issue of the B shares. Each B share will be redeemed by the Company on the redemption date (without any further action from Shareholders) for the redemption price. Following redemption each B share will be cancelled.

On 5 December 2019, the Board announced that it had resolved to return an amount of US$0.015 per ordinary share to Shareholders, in total US$2,199,665, to be effected through the issue and subsequent redemption of redeemable B shares. All such redemption payments were made on 7 January 2020.

On 24 July 2020, the Board announced that it had resolved to return an amount of US$0.01 per ordinary share to Shareholders, in total US$1,466,444, to be effected through the issue and subsequent redemption of redeemable B shares. All such redemption payments were made on 18 August 2020.

B shares	**30 June 2020**	
	No.	**US$**
Share capital at the start of the year	-	-
Issue of B shares during the year*	146,644,333	2,199,665
Redeemed and cancelled during the year	(146,644,333)	(2,199,665)
Share capital at the end of the year	-	-

B shares	**30 June 2019**	
	No.	**US$**
Share capital at the start of the year	-	-
Issue of B shares during the year*	293,288,774	5,865,776
Redeemed and cancelled during the year	(293,288,774)	(5,865,776)
Share capital at the end of the year	-	-

* non-cash issuance of B shares in order to return capital to Shareholders upon redemption.

9. Other receivables

	30 June 2020	**30 June 2019**
	US$	**US$**
Other receivables	-	31,400
	-	31,400

NOTES TO THE FINANCIAL STATEMENTS, continued
For the year ended 30 June 2020

10. Net asset value per ordinary share

For the Published net asset value, financial assets are fair valued based on the latest available information at that time. During the post year end period and prior to the completion of this report, updated information for financial assets and liabilities at the reporting date is used within these Financial Statements if it becomes available. Accordingly the net asset value and reconciling items are as shown in the table below:

Ordinary share class	**Net asset value**	**Number of ordinary shares in issue**	**Net asset value per ordinary share**
As at 30 June 2020	**US$**	**No.**	
Published net asset value	25,690,403	146,644,387	17.52¢
Fair value adjustments	(239,769)	146,644,387	(0.16)¢
Net asset value per Financial Statements	25,450,634	146,644,387	17.36¢

Ordinary share class	**Net asset value**	**Number of ordinary shares in issue**	**Net asset value per ordinary share**
As at 30 June 2019	**US$**	**No.**	
Published net asset value	41,696,173	146,644,387	28.43¢
Fair value adjustments	(48,245)	146,644,387	(0.03)¢
Net asset value per Financial Statements	41,647,928	146,644,387	28.40¢

11. Related party transactions and Directors’ interests

The Investment Manager and the Directors were regarded as related parties during the year. The only related party transactions during the year are described below:

The fees and expenses paid to the Investment Manager are explained in note 3. The investment management fee and expenses during the year amounted to US$624,590 (30 June 2019: US$825,938), with US$126,366 prepaid at the year end (30 June 2019: US$127,740).

As at the last reported share register dated 30 September 2020, the Investment Manager did not hold any shares in the Company.

As at 30 June 2020 and 30 June 2019, the interests of the Directors and their families who held office during the year are set out below:

	30 June 2020 Number of ordinary shares	**30 June 2019 Number of ordinary shares**
Anthony Pickford	100,000	100,000

Anthony Pickford received a total of US$1,500 in capital returns through the issue and subsequent redemption of redeemable B shares in December 2019.

No Director, other than those listed above, and no connected person of any Director, has any interest, the existence of which is known to, or could with reasonable diligence be ascertained by, that Director, whether or not held through another party, in the share capital of the Company.

Fees and expenses paid to the Directors of the Company during the year were US$121,543 (30 June 2019: US$123,830). At 30 June 2020, fees amounting to US$29,452 (30 June 2019: US$nil) were outstanding.

12. Subsequent events

On 24 July 2020, the Board announced that it had resolved to return an amount of US$0.01 per ordinary share to Shareholders, in total US$1,466,444, to be effected through the issue and subsequent redemption of redeemable B shares. All such redemption payments were made on 18 August 2020.

Subsequent to the end of the Period, the Investment Manager proposed and the Board approved a B share issuance in July 2020, which was paid in August 2020, for a cash distribution of US$1.46 million (equivalent to 1c per share).

There were no other significant post year end events that require disclosure in these Financial Statements.

ALTERNATIVE LIQUIDITY FUND LIMITED

SCHEDULE OF INVESTMENTS
As at 30 June 2020

Number of Shares	Description	Fair Value	% of net assets
GBP (30 June 2019: 0.00%)			
594,053.6700	South Asian Real Estate Limited	-	-
		-	-
USD (30 June 2019: 93.37%)			
2,000,000.0000	AARKAD PLC	-	-
34,851,756.1400	AARKAD-USD	-	-
10,537.3400	Abax Arhat Fund Class Unrest Red Series 1 Jul 07	399,710	1.57
159,377.9300	Abax Upland Fund LLC Redeeming CL	10,949	0.04
33,621.0755	Aramid Distribution Trust - QSAM	-	-
3,362.1076	Aramid Distribution Trust GUARDIAN	-	-
5,459.5417	Autonomy Rochevera Limited Class A shares (2018)	529,576	2.08
405.5800	Bennelong Asia Pacific	2,042	0.01
9,590,340.6400	Blue Sugars Corporation Common Stock USD	-	-
591,993.8796	CAM Opportunity Fund I LLC Premium Euro Fund	8,814	0.03
1,155,812.9343	CAM Opportunity Fund I LLC Premium Sterling Fund	15,172	0.06
653.9343	CAM Opportunity Fund I Ltd Class A-1004	1,341	0.01
23,045.4500	Denholm Hall Russia Arbitrage Fund Class A EUR	-	-
137,409.7800	Denholm Hall Russia Arbitrage Fund Class A GBP	-	-
4,144.7900	Denholm Hall Russia Arbitrage Fund Class B EUR	-	-
210,672.8320	Denholm Hall Russia Arbitrage Fund Class B GBP	-	-
14,814.8150	Denholm Hall Russia Arbitrage Fund Class C EUR	-	-
600,000.0000	Duet India Hotels Limited	-	-
326.2711	Eden Rock Asset Based Lending Fund	22	0.00
284.0000	Fit Timber Limited - Premium Euro Fund	-	-
2,137.0000	Fit Timber Limited - Premium Sterling Fund	-	-
1.0000	Galileo Capital Partners LLC	184,379	0.72
2,589.0000	Gillett Holdings Limited	-	-
9,025.0020	Growth Management Ltd	784,514	3.09
16,458.4300	Growth Premier Fund IC Class A	303,743	1.19
4,223,308.2300	Lomond Capital LLC	-	-
1,523.1388	Longview Fund Intl Ltd Class B USD(1.5/25) 02/2007	34,233	0.13
1,522.1877	Longview Fund Intl Ltd Class B USD (2/25) 05/2007	32,086	0.13
9,098.2223	Longview Fund Intl Ltd Class B USD Initial Series	239,695	0.94
2,000.0000	NUR Energie Limited ‘A’ Preference Shares	-	-
1,200.0000	NUR Energie Limited Class B Preference Shares	-	-
7,177.0000	NUR Energie Limited Ordinary Shares EUR 1	-	-
346.6420	Quantek Master Fund SPC Ltd Feeder LP	6,505	0.03
29.7620	Quantek Opportunity Fund Class A-1 Premium EUR Fund	719	0.00
56.6800	Quantek Opportunity Fund Class A-1 Premium GBP Fund	733	0.00
81.6210	Quantek Opportunity Fund Class G-1 Premium GBP Fund	856	0.00
172.8000	RD Legal Funding Offshore Ltd Class A USD S D1	16,621	0.07
118.2400	RD Legal Funding Offshore Ltd Class A USD S D2	12,476	0.05
3.0880	Ritchie Multi-Strategy Global CL-S	-	-
804.6100	SA Capital Partners Limited	-	-
3,529.8830	Sector Spesit I Fund Class A	-	-
	Sub-total carried forward	2,584,186	10.15

ALTERNATIVE LIQUIDITY FUND LIMITED

SCHEDULE OF INVESTMENTS, continued
As at 30 June 2020

Number of Shares	Description	Fair Value	% of net assets
USD, continued			
	Sub-total brought forward	2,584,186	10.15
22.4430	Serengeti Opp Ltd - CLO - A210/0907SLVL1	12,769	0.05
3.5900	Serengeti Opp Ltd - CLO - A210/0907SLVL2	2,043	0.01
1.0000	Serengeti Opp PRT - PATTON 0907	-	-
1.0000	Serengeti Opp PRT - PATTON 1007	-	-
65.2250	Serengeti Opportunities - Mgt Fee A 210/0907	12,782	0.05
61.5050	Serengeti Opportunities - Station- A 210/0907 (June 11)	140,578	0.55
12.6610	Serengeti Opportunities – Station-A 210/0907 2 (June 11)	28,936	0.11
1.0000	Serengeti Opp PTR - CLO - 243/108	57	0.00
1.0000	Serengeti Opp PTR - CLO - 243/0907	115	0.00
1.0000	Serengeti Opp PTR - CLO - 243/1007	339	0.00
1.0000	Serengeti Opp PTR - CLO - 243/1107	110	0.00
1.0000	Serengeti Opp PTR - MGT FEE A 243/1210	6,533	0.03
1.0000	Serengeti Opp PTR - STATION-A 243/0108 JUNE 11	1,192	0.00
1.0000	Serengeti Opp PTR - STATION-A 243/0311 JUNE 11	2,566	0.01
1.0000	Serengeti Opp PTR - STATION-A 243/0907 JUNE 11	2,384	0.01
1.0000	Serengeti Opp PTR - STATION-A 243/1007 JUNE 11	7,026	0.03
1.0000	Serengeti Opp PTR - STATION-A 243/1210 JUNE 11	3,443	0.01
1.0000	Serengeti Opp PTR - STATION-A 243-1107 JUNE 11	2,286	0.01
804.6100	South Asian Management Limited	-	-
925,277.1000	Stillwater Asset Backed Fund II Onshore SPV/Gerova	-	-
10.7320	TCF SPV Limited	-	-
414.6466	Trafalgar Catalyst Fund SPV USD	-	-
2,090.2300	V Invest FCVS RJ (Cayman) Ltd	690,665	2.71
43.0940	Valens Offshore Fund	2,508	0.01
117,302.1019	Vision Chapadao Fund Series 1	6,492	0.03
38,872.2780	Vision Chapadao Fund Series 2	1,959	0.01
445,492.5360	Vision Chapadao Fund Series 3	25	0.00
1,590.3700	Vision Chapadao Fund Series 5	88	0.00
23,321.7093	Vision Piaui Fund Series 1	24,703	0.10
7,784.9820	Vision Piaui Fund Series 2	5,934	0.02
90,625.7960	Vision Piaui Fund Series 3	70,352	0.28
316.5600	Vision Piaui Fund Series 6	335	0.00
120,057.1990	Vision Tercado Fund Series 1	105,446	0.41
40,402.1530	Vision Tercado Fund Series 2	25,149	0.10
478,380.7240	Vision Tercado Fund Series 3	324,654	1.28
1,631.7100	Vision Tercado Fund Series 5	1,433	0.01
864.6693	Vision FCVS PB Fund Series 1	5,159	0.02
6,575.2398	Vision FCVS PB Fund Series 2	39,229	0.15
1,191.3056	Vision FCVS PB Fund Series 5	7,107	0.03
745.7676	Vision FCVS PB Fund Series 8	4,449	0.02
89.2955	Vision FCVS PB Fund Series 9	533	0.00
310,819.8510	Vision FCVS RJ Fund Series 1	2,615,269	10.28
297,520.8363	Vision FCVS RJ Fund Series 2	2,691,844	10.57
	Sub-total carried forward	9,430,678	37.05

SCHEDULE OF INVESTMENTS, continued
As at 30 June 2020

Number of Shares	Description	Fair Value	% of net assets
USD, continued			
	Sub-total brought forward	9,430,678	37.05
308,044.4190	Vision FCVS RJ Fund Series 4	2,688,655	10.56
192,714.3010	Vision FCVS RJ Fund Series 6	1,743,598	6.85
4,040.3600	Vision FCVS RJ Fund Series 7	36,555	0.14
100,142.7360	Vision I-NX	10	0.00
255,542.4647	Vision I-NX (D)	51	0.00
389.2725	Vision SCO Fund	1,040	0.00
38,697.8438	Vision Special Credit Opportunities ELT Fund Series 1	1,458,473	5.73
47,243.6476	Vision Special Credit Opportunities ELT Fund Series 2	1,780,553	7.00
53,046.8728	Vision Special Credit Opportunities ELT Fund Series 3	1,929,176	7.58
72,849.2809	Vision Special Credit Opportunities ELT Fund Series 5	2,745,597	10.80
641.9866	Vision Special Credit Opportunities ELT Fund Series 7	24,196	0.10
4,874.0000	Volia Limited	249,997	0.98
1,230.0000	Warana SP Offshore Fund SPC – 2018 Segregated Port	895,478	3.52
127,145.2050	Weavering FI Fund (in liquidation)	-	-
132.4171	White Oak Strategic Fund Limited	1,019	0.00
		22,985,076	90.31
Portfolio of investments		22,985,076	90.31
Other net assets		2,465,558	9.69
Total net assets attributable to Shareholders		25,450,634	100.00

ALTERNATIVE LIQUIDITY FUND LIMITED

Officers and Advisers

Directors:	Quentin Spicer *(Non-executive Independent Chairman)* Dr Richard Berman *(Non-executive Independent Director)* Anthony Pickford *(Non-executive Independent Director)*
Registered Office:	Sarnia House Le Truchot St Peter Port Guernsey, GY1 1GR
Administrator & Secretary:	Praxis Fund Services Limited Sarnia House Le Truchot St Peter Port Guernsey, GY1 1GR
Registrar:	Link Market Services (Guernsey) Limited Mont Crevelt House Bulwer Avenue St Sampson Guernsey, GY2 4LH
Investment Manager:	Warana Capital, LLC Level 3 154 Grand Street New York NY USA 10013
Auditor:	Grant Thornton Limited PO Box 313 Lefebvre House Lefebvre Street St Peter Port Guernsey, GY1 3TF
Custodian & Principal Banker:	Citibank, N.A. (London Branch) Canada Square London, E14 5LB
Guernsey Legal Adviser:	Carey Olsen (Guernsey) LLP Carey House Les Banques St Peter Port Guernsey, GY1 4BZ
UK Legal Adviser & Sponsor:	Dickson Minto W.S Broadgate Tower 20 Primrose Street London, EC2A 2EW
Company Number:	60552 (Registered in Guernsey)