

ALTERNATIVE LIQUIDITY FUND LIMITED

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

ALTERNATIVE LIQUIDITY FUND LIMITED

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For the year ended 30 June 2024

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ALTERNATIVE LIQUIDITY FUND LIMITED

Financial highlights as at 30 June 2024

	30 June 2024	30 June 2023
Total net asset value (“NAV”)	US\$9.89 million	US\$12.6 million
NAV per Ordinary Share ¹	6.75¢	8.58¢
Share price	2.75¢	5.00¢
Discount to NAV ¹	59.3%	41.7%

¹ See Appendix for Alternative Performance Measures (“APMs”)

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. On 26 January 2021, the Company successfully effected the transfer of the listing of its ordinary shares from the premium segment of the Main Market to the Specialist Fund Segment ("SFS") of the London Stock Exchange ("LSE").

The Company intends to put a proposal to shareholders at its AGM on 4 December 2024 to determine the timing of the Company's liquidation, with the aim of enabling the Company to maximise the realisation proceeds from the Portfolio. Should the proposal not be approved, the Directors will arrange for the Company to be placed into liquidation within a reasonable timeframe.

Management and the Board of Directors' intention is to realise illiquid assets in an orderly winddown process to maximise investor returns. As the investments are illiquid by nature, the timing of realisation is uncertain however management and the Board of Directors are in continual communication with management of investments, and third parties, to seek maximum proceeds through distributions or disposals.

Investment policy

Since 25 February 2019, the Company's investment policy has been to pursue a realisation strategy in relation to the Existing Portfolio. The Company is currently invested in a portfolio of illiquid interests in funds, securities and other instruments with the objective to manage, monitor and realise these investments over time.

The Company will not make any new investments. The Directors' have reviewed various options and believe an orderly wind up is the most effective method.

Company background

In 2015, 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 the period from launch to November 2019, the Company made a number of further acquisitions of small portfolios of illiquid investments.

Subsequently, the Board has reviewed potential growth strategies and the scope for the Company to offer new share classes, including the publication of a placing programme prospectus in October 2019 with a view to issuing an additional share class to make investments in line with the Company's then current investment policy. For a variety of factors, none of these attempts to raise new capital have been successful.

Following the transfer to the SFS of the LSE, Hindsight Solutions Ltd, a company owned and operated by Tim Gardner, was engaged to provide investment advisory services in relation to the Company. Tim had provided day-to-day operational oversight and support to the Investment Manager in relation to the Company and its portfolio since the Company's launch in 2015.

As at 30 June 2024, the Company was fully invested subject to a cash and cash equivalents amount retained for working capital requirements. The Company has 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

COMPANY SUMMARY, continued

The Future

At an AGM held on 6 December 2023, shareholders voted in favour of a resolution that the Company continue in existence and the Board continue the implementation of the Company's investment policy and strategy.

The Board and the Investment Adviser have undertaken a detailed analysis of the Company's remaining portfolio, including the current and anticipated liquidity profile of the underlying investments and the likely timeline of that liquidity. As at 30 June 2024, approximately 97% (2023: 95%) of the portfolio's NAV is represented by three investments in Brazil, two of which are funds and the other is a loan, all controlled by Vision Brazil Investments. Based on the illiquid nature of the investments, there is uncertainty as to the timing of investment realisations through distributions and disposals, however management and the Board of Directors are in continual communication with the managers of the investments, and third parties, to seek to maximise proceeds. Progress on this has been made, with anticipated receipts in the next quarter of approximately US\$0.63 million from disposal of the Autonomy and Warana investments along with the repayment of the initial principal from the V Invest Loan.

As Shareholders are aware, the majority of the balance of the investment portfolio (in terms of line items) is held at or close to zero value. The Board believes that there is no material advantage to be gained in retaining these assets within the portfolio any longer. The transfer of such nil or de minimis value assets can take months if not longer to conclude, during which time the Company continues to incur costs. During the year, the Directors have proceeded with the sale of this part of the portfolio which has realistically little or no value and intend to complete that process prior to the Company entering formal voluntary liquidation.

Accordingly, the Directors currently expect that most of the remaining portfolio will have been sold and the resultant cash distributed to Shareholders prior to the Company's anticipated formal orderly winding up. The appointment of a liquidator will therefore be to deal with any remaining assets, effect any final payments and to formally close the Company.

The intention is to liquidate and subsequently dissolve the Company once the assets have been sold.

ALTERNATIVE LIQUIDITY FUND LIMITED

CHAIRMAN'S STATEMENT

Introduction

I am pleased to present the Financial Statements for the year 1 July 2023 to 30 June 2024 (the "Period"). The Company is an investment trust listed on the SFS of the London Stock Exchange ("LSE") which currently focuses 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 best practice corporate governance.

Portfolio and performance

The Company's investment portfolio (the "Portfolio") comprises illiquid fund positions emanating principally from the 2008 financial crisis, as well as a small number of secondary investments subsequently made by the Company. It is almost entirely exposed to global emerging markets, with most of the underlying funds denominated in local currencies.

On 30 June 2023, the Company had a NAV of US\$12.58 million and a NAV per share of US\$0.0858. On 30 June 2024 the Company's NAV was US\$9.89 million (US\$0.0675 NAV per share). During the year, the Company received US\$0.25 million from underlying manager distributions.

The Company had a cash balance of approximately US\$0.22 million as at 30 June 2024 (30 June 2023: US\$0.92 million).

There was a 21.33% (US\$0.0183 per share) decrease (30 June 2023: 18.05% (US\$0.0222 per share) decrease) in the value of the Company in the year.

The Portfolio has significant exposure to the Brazilian Real, which depreciated by approximately 17% against the US Dollar during the Period (30 June 2023: appreciated 11%). The currency depreciation is expressed in consequential mark-downs with respect to the Vision and Autonomy fund positions.

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

As mentioned in my previous recent statements, the Board's over-riding aim is to preserve the inherent value of the remaining Portfolio and maximise shareholder returns. The Board's intention has been to complete the wind down during 2024 to enable the appointment of a liquidator with no meaningful assets remaining. There have been inevitable delays in the Brazilian process.

Given the significant positive differences in potential recovery that relate to the RJ Fund, which is dependent upon the progress made over the next several months, we will continue to evaluate the situation and present a detailed cost/benefit analysis to shareholders in November 2024. At that point, the Company intends to discuss the timing of a liquidation with shareholders to ensure that their perspectives are considered and to ascertain that they remain supportive of the recommended process and approach.

Quentin Spicer

Chairman

23 October 2024

ALTERNATIVE LIQUIDITY FUND LIMITED

INVESTMENT ADVISER'S REPORT

Introduction

Hindsight Solutions Ltd. (“Hindsight” or the “Investment Adviser”) is the Investment Adviser to the Company.

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. The Board and the Investment Adviser utilise 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 the provisions (the latter is reported to the LSE as the primary valuation metric) and is the basis for the discussion in this report.

On 30 June 2023, the Company had a NAV of US\$12.58 million and a NAV per share of US\$0.0858. On 30 June 2024 the Company's NAV was US\$9.89 million (US\$0.0675 NAV per share). During the Period, the Company received US\$0.25 million from underlying manager distributions. The Company had a cash balance of approximately US\$0.22 million as at 30 June 2024 (30 June 2023: US\$0.92 million). There was a 21.33% (US\$0.0183 per share) decrease (30 June 2023: 18.05% (US\$0.0222 per share) decrease) in the value of the Company in the Period.

The Portfolio has significant exposure to the Brazilian Real, which depreciated by approximately 17% against the US Dollar. The currency depreciation is expressed in consequential mark-downs with respect to the Vision and Autonomy fund positions.

Portfolio

At the end of the year, the Company had exposure to approximately 14 different fund investments and direct investments managed by 3 different investment managers. The top three fund investments represent 103% of the NAV and almost the entire portfolio (97%, excluding cash) consists of assets domiciled in emerging markets. Approximately 94% of the portfolio can be deemed credit, 2% real estate, 1% equity/other, 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 two largest holdings are the Vision Brazil funds (89% 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.

On 9 July 2024, Tim Gardner of Hindsight Solutions travelled, at no cost to the Company, to Brazil for meetings to obtain a first-hand update on the Vision assets, meet with external lawyers and service providers, and with Vision themselves, and to monitor the current monetisation strategy.

Vision FCVS Rio de Janeiro (RJ Fund)

Vision has successfully submitted the RJ Fund credits to Caixa for validation. 88% (in value terms) of the RJ Fund credits have been approved and validated by Caixa. An additional 5% (in value) of credits were re-submitted in August 2024, accompanied by the additional requested information by Caixa. If this 5% is accepted, then Vision will apply for 93% of the credits to be transferred into the Vision “matricula” – which is a designated securities account at Caixa. It is from this account that Caixa can then transfer the claims to the CGU (treasury) for novation. If there is any resistance or complication with the additional 5%, Vision will proceed with the 88% validated claims (continuing to work on the balance in parallel but move ahead with the 88%).

Once the claims are processed, moved into the Vision matricula and sent to the CGU for novation, they are on the path to monetisation. The maximum time monetisation can take is 18 months. However, it is at this point that the claims are saleable to a third party – most likely to one of the local Brazilian banks. At that point RJ Fund shareholders will try to secure a buyer whilst also proceeding along the full novation strategy.

Regarding the RJ Fund recapitalisation, we are pleased to report that an EGM was held in August 2024 and all resolutions were passed. The result will be that ALF and other V Invest shareholders will be repaid the principal of the V Invest Loan (approx. US\$335k for ALF), and although the current investors' equity in the RJ Fund will be diluted by approximately 18%, the shareholders would have onboarded extremely well-connected local investment partners who are motivated to expedite and manage the realisation process.

V-Invest Loan

This SPV was created in 2017 to provide working capital for the Vision FCVS RJ Cayman vehicles. It was originally funded with US\$1 million. The interest rate charged is approximately 30% per annum – however post recapitalisation (mentioned above) it will accrue at 10%. ALF invested a total of US\$335k in two separate tranches. This position now has a manager NAV of US\$2.4 million. The SPV has 100% control over the FCVS RJ portfolio. When cash is generated or collected by the RJ Fund from the claims novation or sale, the recent US\$3 million recapitalisation and the V Invest loan are repaid first. The balance then flows to the equity holders.

ALTERNATIVE LIQUIDITY FUND LIMITED

INVESTMENT ADVISER'S REPORT, continued

Portfolio, continued

Vision Special Credit Opportunity Eletrobrás Fund (Vision ELT)

Vision engaged a new lawyer to help release the Siemens claim as the official lawyer (Pereira) has not been successful. At the end of September 2024, the lawyer succeeded in obtaining a final court decision favorable to Vision, where he has been able to:

1. Prove that the ownership chain was correct and that Vision ELT was the verified owner of the payout (Eletrobras strongly questioned Vision ELT's entitlement)
2. Block Eletrobras claim to break the payment into two parts: undisputable (84%) and disputable (16%)
3. Receive authorisation the full release of the claim

Eletrobras entered an appeal to review the decision on 14 October 2024, but this should not delay payment release procedures. Vision expect the release to take about three months and the lawyers will continue to pressure the judiciary for the release of the funds held in escrow.

The three-month timeframe is slightly longer than usual because the judge did not issue a release permit in the current decision. Per the Vision lawyer, the judge intends to do so now that the appeal period has ended. We then assume Eletrobras will file "motions for clarification" and from there it goes to conclusion. As the current decision is very robust, and the appeal should not have a suspensive effect, Vision expect the judge to issue the permit in a timely manner. Once the permit is issued, Vision will take it to Caixa Economica Federal, who should in turn send the request to the central office in Brasilia for approval and payment.

Vision also do not expect the appeal to delay payment procedures because of the strength of the judge's current decision. It took all these years to get the case prepared for the kind of decision that was released - a very strong decision against Eletrobras' claims.

Liquidation preparedness

The Board is allowed (post shareholder-approved Article changes at the 2022 EGM), to absorb non-responsive shareholders' shares and funds if certain criteria have been met. At the end of August 2024, ALF absorbed approximately 461,165 shares and US\$24,750 from forfeited shares.

Citibank, the Fund's custodian, was given notice and the contract moved onto a day-to-day fee until all the assets in the portfolio have been transferred into ALF's name directly. An operational bank account has been opened with EFG.

During the year, the Company received US\$0.25 million in distributions from underlying fund investments. These flows have come from:

Investee Company	US\$
Abax Arhat	156,625
Abax Upland	3,889
Camofi	37,593
Serengeti LP	667
Serengeti Ltd.	9,333
Valens	246
Warana	42,827
Total	251,180

Additionally, during the year, the following positions were fully realised or liquidated and no longer make up part of the portfolio:

- ABAX Arhat
- ABAX Upland
- Serengeti

Hindsight Solutions Ltd.
23 October 2024

ALTERNATIVE LIQUIDITY FUND LIMITED

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, are as follows:

Quentin Spicer, Chairman, age 79, appointed 25 June 2015

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 and The Guernsey Housing Association LBG and is currently a director of a number of Property Funds including Summit Properties Limited. He is a member of the Institute of Directors.

Anthony Pickford, age 71, appointed 14 July 2015

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 Deloitte). 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.

Dr Richard Berman, age 68, appointed 14 July 2015

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.

None of the Directors has had any material business relationship with the Company or the former or current investment manager within the last three years; has received any additional remuneration from the Company, apart from their Director's fee; has any close family ties with any of the Company's advisers, Directors or the former or current investment manager; has any cross-directorships or significant links with other Directors, or has served on the board of any other company managed by the same manager; nor represents any significant shareholder. However, having served on the Board for over nine years from the date of their first appointment, none of the Directors can be considered to be independent under the terms of the UK Code of Corporate Governance.

Notwithstanding this fact, the Board is of the view that given that the Company is in managed wind-down, it is unlikely that any successor candidates would be forthcoming, and that, with their long experience of the Company, the current Board is best placed to continue to serve the interests of the Company and to achieve the optimal outcome for shareholders.

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

Quentin Spicer

None

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 2024. 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 closed-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. On 26 January 2021, the Company successfully effected the transfer of the listing of its ordinary shares from the premium segment of the Main Market to the Specialist Fund Segment ("SFS") of the London Stock Exchange.

The SFS is for investment entities that target institutional, professional, professionally advised and knowledgeable investors. The SFS is part of the LSE's regulated market. Securities admitted to the SFS are not admitted to the Official List and therefore are not required to comply with the Financial Conduct Authority's Listing Rules. Securities admitted to the SFS are subject to the LSE's Admission and Disclosure Standards, the Financial Conduct Authority's ("FCA") Disclosure Guidance and Transparency Rules, and Market Abuse regulations.

Going Concern

The Financial Statements have been prepared on a basis other than going concern and amended to reflect the fact that the Company is in a managed wind-down and the going concern assumption is not appropriate. This involves writing assets down to their net realisable value based on conditions existing at the end of the reporting period and providing for contractual commitments which, albeit they may not have become onerous, have been provided for as a consequence of the decision to wind down the entity.

The Directors deem it appropriate to adopt a basis other than going concern in preparing the Financial Statements given they intend to realise all investments held by the Company and distribute the proceeds to investors based on an orderly wind-down strategy. Due to the illiquid nature of the investments, there is uncertainty as to the timing of investment realisations through distributions and disposals, however management and the Board of Directors' intentions remain to maximise realisation proceeds through continual discussions with the managers of the investments and potential third-party buyers. Please refer to page 2 for detail regarding the Company's Investment Objective and Investment Policy.

The Company intends to put a proposal to shareholders at its AGM on 4 December 2024 to determine whether the Company should continue in existence for a further period with the aim of enabling the Company to maximise the realisation proceeds from the Portfolio. Should the proposal not be approved, the Directors will arrange for the Company to be placed into liquidation within a reasonable timeframe.

Ongoing geopolitical events, such as the conflicts in Ukraine and the Middle East, have been a significant influence on global markets and have had an economic impact on certain companies held within the Company's portfolio. The Board and the Investment Advisor closely monitor the latest developments relating to the ongoing geopolitical events, and the impacts they may have on the Company's portfolio.

Accordingly, the Board has adopted a basis other than that of going concern in the preparation of these Financial Statements. The Directors estimate that the remaining wind-down costs will be approximately US\$1,679,748 (30 June 2023: \$1,864,984) for which a provision has been recorded. This provision does not represent a present obligation and therefore is not in accordance with IAS 37, however this is considered to be in line with best practice when adopting a non-going concern basis of preparation. See note 11 for further details on the reconciliation of the wind down provision. The Directors consider that the net realisable amount of other assets and liabilities approximate to their fair value and no adjustment is required to their net realisable value under the non-going concern basis of accounting.

Viability Statement

In accordance with Provision 31 of the UK Corporate Governance Code, the Directors of the Company have considered the prospects of the Company over the period from present until a potential voluntary liquidation date in December 2025. This period is considered to be appropriate as it is the Board's view that this is the period of time over which the orderly wind-down of investments would take place in order to achieve maximum returns for shareholders, subject to approval of the proposal to be put to shareholders at the Company's forthcoming AGM on 4 December 2024.

ALTERNATIVE LIQUIDITY FUND LIMITED

DIRECTORS' REPORT, continued

Viability Statement (continued)

The Directors are mindful of the principal risks and uncertainties detailed below that affect the viability of the Company and have undertaken a robust risk analysis. The Directors have identified the principal 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, an inherent 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 14 months from the approval of these Financial Statements. The key assumptions in the financial forecasts include:

- Estimated cash inflows from the existing portfolio in Q4 2024 of US\$0.63 million to use for working capital purposes, based on indicated bids. These estimated inflows do not include the proceeds expected from the Vision RJ or Vision ELT investments, the timings of which are more uncertain. Significant bids for both holdings have been received, and one or both of these could therefore be sold to provide cashflow if required;
- Base fixed costs of operation of approximately US\$0.91 million for the remainder of the 14-month period from the approval of these Financial Statements, including liquidation costs.

Based on this forecast, the Company would continue to have sufficient cash resources to meet its ongoing liabilities for the period to December 2025. It should be noted however, that there remains significant uncertainty as to the timings of the estimated realisations from the portfolio.

The Investment Adviser, 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.

For further details on the future of the Company, please refer to page 3.

Principal 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 and emerging 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 and uncertainty 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 Adviser 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 Adviser, may make provisions to adjust the net realisable 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 Adviser have developed a process of estimating the fair value of investments as objectively as possible through consideration of a range of applicable discounts to unadjusted net asset values. In executing this process, the Investment Adviser 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 Adviser, whereby they evaluated the Investment Adviser's experience and expertise in the management of illiquid assets. The Board and the Investment Adviser 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 Adviser on an annual basis.

ALTERNATIVE LIQUIDITY FUND LIMITED

DIRECTORS' REPORT, continued

Other risks

- **Market price:** the Company monitors this risk, which is reviewed regularly in consultation with the Investment Adviser.
- **Liquidity:** 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 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.
- **Regulatory:** the Company operates in a complicated regulatory environment and faces a number of regulatory risks. Breaches of law and regulations, such as GFSC Rules, Codes and Guidance, The Companies (Guernsey) Law, 2008, the FCA Disclosure Guidance and Transparency Rules ("DTR") and The Protection of Investors (Bailiwick of Guernsey) Law, 2020 could lead to a number of serious outcomes and reputational damage. The Board monitors compliance with law and regulations by regular review of internal control reports.
- **Interest rate:** the Company does not hold any interest-bearing investments or borrowings 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 to be immaterial to the Company.
- **Geopolitical:** the Company holds assets where the underlying product is in regions which may have unpredictable political circumstances. The locations are continually monitored for changes in the level of risk.
- **Investment and Concentration risk:** The Company expects to hold a concentrated portfolio of investments and the Company will not seek to reduce the concentration risk through diversification. The opportunity set will dictate the number of holdings and the weighting of investments in the portfolio. The investments with the best return profiles will receive the largest weightings. The Company will therefore have no set diversification.

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 31. The Board will consider the appropriateness of the distribution of capital on the Ordinary Shares from time to time.

Independent Auditor

Grant Thornton Limited ("GT") has served as auditor during the financial year. GT has indicated its willingness to continue in office as auditor if required and a resolution proposing its reappointment, and to authorise the Directors to determine its remuneration for the ensuing year, will be put to shareholders at the Annual General Meeting ("AGM").

Investment Adviser

The Directors are responsible for the determination of the Company's investment policy and have overall responsibility for the Company's activities. On 1 January 2021, the Company had, however, entered into an Investment Advisory Agreement ("IAA") with Hindsight Solutions Limited, ("Hindsight" or the "Investment Adviser") under which the Investment Adviser was appointed to provide consultancy and investment advisory 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 Directors consider the interests of Shareholders, as a whole, have been best served by the appointment of the Investment Adviser to achieve the Company's investment objectives. The advisory fee payable to the Investment Adviser, the terms of which are set out in note 3 to the Financial Statements, was restructured in 2020 in order to reflect the new investment policy of the Company. The Board believes that the fee structure continues to align the interests of Hindsight with the interests of Shareholders. In light of the intention to place the Company into liquidation by December 2024, the Board approved a proposal from the Management Engagement Committee that the Company seek to amend the notice period under the Investment Advisory Agreement ("IAA") from three months to one month, which was agreed with the Investment Adviser on 30 July 2024, with effect from 31 October 2024.

ALTERNATIVE LIQUIDITY FUND LIMITED

DIRECTORS' REPORT, continued

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 2024, 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 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. There has been no increase in Directors' fees since April 2016.

The Directors had the following interests in the Company at 30 June 2024, held either directly or beneficially:

Name	30 June 2024		30 June 2023	
	No. of ordinary shares	Percentage %	No. of ordinary shares	Percentage %
Anthony Pickford	100,000	0.07	100,000	0.07

There have been no changes to the Directors' shareholdings since 30 June 2024.

Substantial Shareholdings

As at 30 September 2024, 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	35,436,910	24.25
DB London (Investor Services) Nominees Limited	25,162,215	17.22
Bank of New York (Nominees) Limited	20,061,952	13.73

Related Parties

Details of transactions with related parties are disclosed in note 10 to the Financial Statements.

Ongoing charges ratio

The ongoing charges ratio², calculated in accordance with the Association of Investment Companies ("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 2024 is 6.75% (30 June 2023: 5.30%). Whilst ongoing expenses have reduced in the current financial year against the prior year, the ongoing costs ratio has increased as a result of a current year decrease of approximately US\$2.4 million in the Company's average NAV against the prior year.

Corporate Governance

The corporate governance statement included on pages 14 to 18 forms part of the Directors' report.

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.

² See Appendix for Alternative Performance Measures ("APMs")

ALTERNATIVE LIQUIDITY FUND LIMITED

DIRECTORS' REPORT, continued

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 are imposed on the Company as a Financial Institution under the CRS 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 replaced any reporting obligations under The EU Savings Directive and the UK IGA with Guernsey.

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 Company is a self-managed AIF. The Board is responsible for fulfilling the role of the AIFM and ensuring the Company complies with the AIFMD requirements. The Board does not receive any additional remuneration for their services in relation to acting as AIFM. Details of the total amount of remuneration for the service provided in the financial year is made available to Shareholders on request to the Board.

By order of the Board

Anthony Pickford
Director
23 October 2024

ALTERNATIVE LIQUIDITY FUND LIMITED

CORPORATE GOVERNANCE

Compliance

As a Company registered in Guernsey and listed on the Specialist Fund Segment (“SFS”) 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, <https://www.theaic.co.uk/aic-code-of-corporate-governance>.

The GFSC has published its Finance Sector Code of Corporate Governance (the “Guernsey Code”), which was most recently updated in July 2023. 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 2024, 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.

- *The appointment of a Senior Independent Director:* Given the size and composition of the Board it is not practical or cost effective 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, who report to the Board on the outcomes of its internal monitoring programme, 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 a small self-managed AIF with day-to-day administrative functions outsourced to third parties. 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 2024, 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.

Dr Richard Berman is a member of the Audit and Risk and Management Engagement Committees.

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.

ALTERNATIVE LIQUIDITY FUND LIMITED

CORPORATE GOVERNANCE, continued

Composition and Independence of the Board, continued

The Board determined that all Directors were independent of the Investment Adviser.

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 performance 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
- appointment and removal of Directors and setting Directors remuneration
- 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 and Financial Statements are set out in the Statement of Directors' Responsibilities on pages 19 to 20.

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 Adviser 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 Adviser 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 22 March 2022 concluded that the Directors viewed the Board as a whole as being proactive, having a good combination of legal, accounting, audit, fund management and other professional skills.

ALTERNATIVE LIQUIDITY FUND LIMITED

CORPORATE GOVERNANCE, continued

Directors' Remuneration, continued

No Director has a service contract with the Company. Details of the Directors' remuneration can be found in the Directors' Remuneration Report on page 21.

Board Nominations and Succession

Each of the Directors is responsible for identifying and nominating for approval of the Board candidates to fill Board vacancies as and when they arise. The Directors will evaluate the balance of skills, knowledge, experience and diversity of the Board to evaluate the profile for any new candidate. The Board may also use open advertising or engage the services of external advisers to facilitate the search. The Board also formulates plans for succession of non-executive directors and the appropriateness of appointing a senior independent director.

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 Report and Financial Statements which are published on the London Stock Exchange ("LSE") and are also made available to Shareholders on the Investment Adviser's website <https://www.alternativeliquidityfund.com>, together with quarterly net asset values and reports on investment performance, the prospectus and other relevant information.

The Chairman and individual Directors are willing to meet 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 Adviser 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 the high-standards of corporate governance recommended in the AIC Code, and the Board's adherence to the principles of the GFSC code of practice – Company Directors, the constitutional documents, the Disclosure Guidance and Transparency Rules and the Market Abuse Regulation, ensures 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 being 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 Adviser and AIFM, the Administrator, the Broker and legal counsel.

Through the Board's ongoing programme of shareholder engagement, particularly at General Meetings, and dialogue with key service providers 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.

ALTERNATIVE LIQUIDITY FUND LIMITED

CORPORATE GOVERNANCE, continued

Directors' Meetings and Attendance

The table below shows the attendance at Board, Audit and Risk Committee and Management Engagement Committee meetings during the year ended 30 June 2024.

Name	Board – formal quarterly meetings	Audit & Risk Committee	Management Engagement Committee
Number of meetings held	4	3	1
Quentin Spicer	4	3	1
Anthony Pickford	4	3	1
Dr Richard Berman	4	2	1

Board Committees

Audit and Risk Committee

The Audit and Risk Committee meets at least twice a year. It comprises the entire Board 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 Board Chairman, are also members of the Audit and Risk Committee.

The key objectives of the Audit and Risk Committee include reviewing Annual Report and 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 and Risk Committee considers the auditor's independence, the auditor's terms of engagement and remuneration and any non-audit services provided by the auditor. The Audit and Risk 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 22 to 24.

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 Advisory Agreement and the performance of the Investment Adviser, the Administrator and the Company's other service providers. A report of the Management Engagement Committee detailing responsibilities and activities during the year is presented on page 25.

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 Adviser, 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 Advisory, 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.

ALTERNATIVE LIQUIDITY FUND LIMITED

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

There is no limit on tenure but the Chairman and the other Directors have resolved 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.

Board Diversity

The Company is listed on the Specialist Fund Segment of the London Stock Exchange and consequently subject to changes to the Listing Rules promulgated by the FCA in order to promote diversity of characteristics in board and executive membership and which took effect for accounting periods commencing on or after 1 April 2022. The Company has three directors, all of whom are male and none of whom is from a minority ethnic background.

Alternative Liquidity Fund Limited is a small company with a market capitalisation of approximately US\$4.0 million and a net asset value of approximately US\$9.9 million as at 30 June 2024. It is not a constituent of the FTSE 350 Index, nor the FTSE Small Cap Index, and so is out of scope with regard to the Listing Rules relating to diversity, the Davies Report on "Women on Boards", the Parker review into ethnic diversity and the Hampton-Alexander review on gender balance in FTSE leadership. The Board is cognisant of the codes and has kept the Board composition under review.

At the IPO it was considered that a Board of three directors would be optimal in view of the type of specialised asset, volatile income, and the desirability to keep expenses as low as possible without affecting Corporate Governance. As the Company matured and for eventual succession planning it was considered prudent to recruit an additional director. A suitable candidate was selected under the local Institute of Directors ("IoD") NED training scheme with a view to appointing at the end of the trial period. The subsequent offer of the position coincided with the lady taking a full-time senior position elsewhere and she therefore felt unable to commit to this Company.

In anticipation of a possible new capital raise in 2019, the Board sought to reconstruct the Board in case of a successful conclusion. Again, the Board identified a candidate who shadowed the Directors during the negotiations with a view to appoint her upon finalising the transaction. As a result of the uncertainty following the outbreak of hostilities in Ukraine, neither the capital raise nor the appointment took place.

Subsequently, the Board decided to wind down the Company, and believes that the current Board has the necessary skills and experience in these circumstances and could not justify additional expense. It is also unlikely that a short-term appointment would be feasible.

ALTERNATIVE LIQUIDITY FUND LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable laws and regulations. The Companies (Guernsey) Law, 2008 ("Guernsey Company Law") requires the Directors to prepare financial statements for each financial year. The Directors are required to prepare the Financial Statements in accordance with IFRS Accounting Standards as adopted by the European Union ("IFRS") (see note 2(a)). Under Guernsey Company Law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its profit or loss for that year.

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, expenses, equity, distributions and cash flows set out in the International Accounting Standards Board's "Framework for the preparation and presentation of financial statements". The Directors have prepared the Financial Statements on a basis other than going concern. With due consideration to the users of the Financial Statements, the Directors have provided for an estimation of wind-down costs which includes contractually driven costs and anticipated liquidation costs to the planned liquidation date. This is a deviation from the requirements of IAS 37 Provisions, Contingent Liabilities and Contingent Assets with no legal or constructive obligation existing as at year end.

As IAS 1 does not provide guidance on financial reporting requirements relating to a basis other than going concern, the Directors are of the opinion that raising a provision for wind-down costs provides the investors with the most relevant and reliable information available, being a best estimate of liquidation proceeds as at the planned liquidation date.

The above deviation includes the Directors judgement in developing an accounting policy with regards to the provision for wind-down costs which prudently and faithfully represents financial information which is deemed to be most relevant to the investors in the Company, being a best estimate of liquidation proceeds as at the planned liquidation date.

In making such judgement, the Directors have considered the requirements of IFRS in dealing with similar and related issues and the definitions, recognition criteria and measurement concepts for assets, liabilities and expenses in the Conceptual Framework for Financial Reporting and concluded that providing for wind-down costs, a deviation from IAS 37, provides more useful and relevant information to the investors.

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 IFRS as adopted by the EU. 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.

ALTERNATIVE LIQUIDITY FUND LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES, continued

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 and Financial Statements, 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
23 October 2024

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 2024		For the year ended 30 June 2023	
	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 2024 and is not expected to change in the immediate future. There has been no increase in the level of Directors' remuneration since April 2016.

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 2024 are shown in note 10 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
23 October 2024

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 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 Adviser. 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 7 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 Adviser. 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 net realisable amount of the Company's financial assets at fair value through profit or loss at 30 June 2024 was US\$11,389,231 (30 June 2023: US\$13,586,224). 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 Adviser and external auditor. The Audit and Risk Committee reviews the valuation report on a six-monthly basis and the Investment Adviser 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.

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.

ALTERNATIVE LIQUIDITY FUND LIMITED

REPORT OF THE AUDIT AND RISK COMMITTEE, continued

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 Adviser being present. The current audit partner has served 3 years as at the date of these Financial Statements and has 4 years remaining until rotating off.

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 Adviser and Administrator evaluating the performance of the audit team.

For the year ended 30 June 2024, 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 2024	For the year ended 30 June 2023
	£	£
Annual audit of the Company	41,250	37,500
Desktop review of the Company's interim Financial Statements*	3,500	3,000

*This is a non-audit service

Internal controls

The Investment Adviser, 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 Adviser, 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.

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.

ALTERNATIVE LIQUIDITY FUND LIMITED

REPORT OF THE AUDIT AND RISK COMMITTEE, continued

Internal controls, continued

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 Adviser 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 has considered non-financial areas of risk such as disaster recovery and investment management, staffing levels and considers adequate arrangements to be in place.

Subsequent events

Subsequent events have been disclosed as per note 12 to the Financial Statements.

On behalf of the Audit and Risk Committee

Anthony Pickford
Audit and Risk Committee Chairman
23 October 2024

ALTERNATIVE LIQUIDITY FUND LIMITED

REPORT OF THE MANAGEMENT ENGAGEMENT COMMITTEE

The Management Engagement Committee's report for the year ended 30 June 2024, 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 Adviser 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 Adviser 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 Adviser. 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 17 July 2024 and no material issues were identified as a result of the annual service provider reviews. The Management Engagement Committee concluded that each of the service providers maintained a satisfactory system of internal controls.

Based on the Board's orderly wind-down strategy, the Committee proposed that the Company seek to amend the notice period under the Investment Advisory Agreement ("IAA") from three months to one month, which was agreed with the Investment Adviser on 30 July 2024, with effect from 31 October 2024.

The Management Engagement Committee therefore recommended to the Board that retaining the Company's key service providers under the terms of their existing contracts, with the exception of the amendment to the IAA referred to above, was in the best interests of the Company and its Shareholders.

Quentin Spicer
Management Engagement Committee Chairman
23 October 2024

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 2024, which comprise the statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended, and Notes to the financial statements, including a summary of significant accounting policies. The financial statements framework that has been applied in their preparation is applicable law and IFRS Accounting Standards (IFRS) as adopted by the European Union (EU).

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Company as at 30 June 2024, and of its financial performance and its cashflows for the year then ended;
- are in accordance with IFRS as adopted by the EU; and
- comply with the Companies (Guernsey) Law, 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) 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 International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Guernsey, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – basis of preparation of the financial statements

We draw attention to note 2 of the financial statements, which describes the basis of the preparation of the financial statements. As described in the note, the Directors deem it appropriate to adopt a basis other than going concern in preparing the Financial Statements given they intend to realise all investments held by the Company and distribute the proceeds to investors based on an orderly wind-down strategy. Due to the illiquid nature of the investments, there is uncertainty as to the timing of investment realisations through distributions and disposals, however management and the Board of Directors' intentions remain to maximise realisation proceeds through continual discussions with the managers of the investments and potential third party buyers.

Accordingly, the directors have prepared the financial statements on a basis other than going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. 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.

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

The key audit matter	How the matter was addressed in our audit
<p>Valuation of unquoted investments (2024: US\$11.4m and 2023: US\$13.6m)</p> <p>We identified the valuation of unquoted investments as one of the most significant assessed risks of material misstatement, due to both fraud and error, with these being measured using inputs that are not based on observable market data (using models incorporating multiples of earnings or similar techniques) which are subject to estimation uncertainty and the possibility of management override of controls.</p> <p>The fair value of unquoted investments might be misstated due to the application of inappropriate methodologies or inputs to the valuations and/or inappropriate judgemental factors.</p> <p>The valuation of the Company's unlisted investments involves the use of significant estimates and judgements giving rise to a higher risk of misstatement and requiring significant audit attention.</p> <p><i>Refer to the Audit and Risk Committee Report (pages 22-24); Accounting policies in pages 35-42, and Note 6, 'Fair value of financial instruments', to the financial statements.</i></p>	<p>In responding to the key audit matter, we performed the following audit procedures:</p> <ul style="list-style-type: none"> • We obtained and inspected the investment schedule and the pricing sheet as at year-end and checked the arithmetical accuracy of these schedules. • We held discussions with the Investment Adviser to understand the performance of the underlying investments relative to the assumptions underpinning their valuation models to identify any issues and assessed whether the data used in the valuation calculations were appropriate and relevant. • We assessed the competence, capabilities and objectivity of the Investment Adviser and reviewed the valuation calculations. • We assessed and determined whether the valuation methodologies used to estimate the fair value of unquoted investments are consistent with methods usually used by market participants for similar types of instruments. • We performed an analytical review of the movement of investments during the year to identify potential concerns or errors. • We obtained the investment schedule from the Company's administrator that contains the Company's portfolio with their nominal holdings during the year and obtained confirmation from the Company's custodian, Citibank, to compare and reconcile the unit holdings of the investments and resolve any differences noted. • We obtained confirmation from the underlying fund administrators or managers that the reports and information used by management to determine the fair value of the investments are accurate, complete, and valid including confirmation of the net asset value of the underlying fund and the Company's interest in the underlying fund. • We assessed the reasonableness of the discount policy applied by management in determining the discount rate used in determining the fair value of investments by having discussions with the investment adviser about the rationale behind each discount criterion developed including any changes in the discount policy compared to prior year.

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

The key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> • We challenged the discounts applied to material investments in accordance with the discount policy by obtaining relevant updates from the Investment Adviser and inspecting the latest available audited financial statements of the underlying investments. • We performed back testing to evaluate the reasonableness of the discounts applied by comparing fair value at year end with close to year-end realisations or where there are noted indicative offers in the investments. • We evaluated whether fair value disclosures in the financial statements are appropriate, complete and in accordance with the requirements of IFRS 13 'Fair Value Measurement'. <p>Our results</p> <p>We have not identified any material matters to report to those charged with governance in relation to the fair value measurement of unquoted investments.</p>

Other information in the annual report

The directors are responsible for the other information. The other information comprises the information included in the annual report and audited financial statements, but does not include 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, 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.

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on pages 19 to 20, the Directors are responsible for the preparation of the financial statements which give a true and fair view in accordance with IFRS adopted by the EU, 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.

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 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.

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

Auditor's responsibilities for the audit of the financial statements, continued

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

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

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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.

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

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.

^{DS}


Wynand Pretorius
Grant Thornton Limited
Chartered Accountants
St Peter Port
Guernsey

23 October 2024

ALTERNATIVE LIQUIDITY FUND LIMITED
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2024

	Notes	For the year ended 30 June 2024 US\$	For the year ended to 30 June 2023 US\$
Income			
Net losses on financial assets at fair value through profit or loss	6 (b)	(2,081,677)	(2,704,007)
Sundry income		29,382	-
Total net loss		(2,052,295)	(2,704,007)
Expenses			
Investment Advisers' fee and expenses	3	351,743	450,651
Other expenses	3	466,156	466,228
Net foreign exchange loss		1,800	9,480
Provision for wind-down costs	11	(185,236)	(375,016)
Total operating expenses		634,463	551,343
Loss and total comprehensive loss for the year		(2,686,758)	(3,255,350)
Loss per ordinary share (basic and diluted)*	5	(1.83)¢	(2.22)¢

**Basic loss per ordinary share is calculated by dividing the 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 35 to 59 form an integral part of these Financial Statements.

ALTERNATIVE LIQUIDITY FUND LIMITED
STATEMENT OF FINANCIAL POSITION
As at 30 June 2024

	Notes	30 June 2024 US\$	30 June 2023 US\$
ASSETS			
Non-current assets			
Investments at fair value through profit or loss	6	11,389,231	13,586,224
Current assets			
Trade and other receivables		53,003	40,226
Cash and cash equivalents		218,707	918,767
		271,710	958,993
Total assets		11,660,941	14,545,217
Liabilities:			
Trade and other payables		92,118	104,400
Provision for wind-down costs	11	1,679,748	1,864,984
		1,771,866	1,969,384
Total net assets		9,889,075	12,575,833
Equity			
Share capital	8	107,861,454	107,861,454
Retained deficit		(97,972,379)	(95,285,621)
Total equity		9,889,075	12,575,833
Number of ordinary shares	8	146,608,826	146,644,387
Net asset value per ordinary share	9	6.75¢	8.58¢

The Financial Statements on pages 31 to 59 were approved and authorised for issue by the Board of Directors on 23 October 2024 and signed on its behalf by:



Anthony Pickford
Director

The accompanying notes on pages 35 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 2024

	Note	Share capital US\$	B Share Capital US\$	Retained deficit US\$	Total US\$
As at 30 June 2023		107,861,454	-	(95,285,621)	12,575,833
Total comprehensive loss for the year		-	-	(2,686,758)	(2,686,758)
As at 30 June 2024		107,861,454	-	(97,972,379)	9,889,075

	Note	Share capital US\$	B Share Capital US\$	Retained deficit US\$	Total US\$
As at 30 June 2022		110,061,119	-	(92,030,271)	18,030,848
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		-	-	(3,255,350)	(3,255,350)
As at 30 June 2023		107,861,454	-	(95,285,621)	12,575,833

The accompanying notes on pages 35 to 59 form an integral part of these Financial Statements.

ALTERNATIVE LIQUIDITY FUND LIMITED
STATEMENT OF CASH FLOWS
For the year ended 30 June 2024

	Notes	For the year ended 30 June 2024 US\$	For the year ended 30 June 2023 US\$
Cash flows (used in)/from operating activities			
Loss for the year		(2,686,758)	(3,255,350)
Adjustments for:			
Net losses on financial assets at fair value through profit or loss	6 (b)	2,081,677	2,704,007
Net foreign exchange loss		1,800	9,480
Increase in trade and other receivables		(2,777)	(6,929)
(Decrease)/increase in trade and other payables		(12,282)	23,815
Movement in provision for wind-down costs		(185,236)	(375,016)
		(803,576)	(899,993)
Purchases of investments - recapitalisation funding	6 (a)	(135,864)	-
Sales of investments		241,180	2,462,273
Net cash (used in)/from operating activities		(698,260)	1,562,280
Cash flows used in financing activities			
B shares redeemed during the year	8	-	(2,199,665)
Net cash used in financing activities		-	(2,199,665)
Net decrease in cash and cash equivalents during the year		(698,260)	(637,385)
Cash and cash equivalents brought forward		918,767	1,565,632
Effect of foreign exchange rate changes during the year		(1,800)	(9,480)
Cash and cash equivalents carried forward		218,707	918,767

The accompanying notes on pages 35 to 59 form an integral part of these Financial Statements.

ALTERNATIVE LIQUIDITY FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

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. On 26 January 2021, the Company successfully effected the transfer of the listing of its ordinary shares from the premium segment of the Main Market to the Specialist Fund Segment of the London Stock Exchange.

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. To the extent possible, the Adviser seeks to work with the underlying managers to liquidate the positions appropriately. Given the illiquid nature of the Company's remaining investments, it is difficult to provide certainty over the timeframe for realisation. It is the Board's intention to maximise proceeds of the realisation of investments at the earliest instance. Progress on this has been made, with anticipated receipts in the next quarter of approximately US\$0.63 million from disposal of the Autonomy, V Invest and Warana investments. For further information on the future of the Company please refer to the Company Summary on page 3; the Chairman's Statement on page 4; the Investment Adviser's report on pages 5 to 6; and the Viability Statement on pages 9 to 10.

The Annual Financial Statements of the Company (the "Financial Statements") are prepared in accordance with IFRS Accounting 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 Disclosure Guidance and Transparency Rules ("DTR").

2. Material 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

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 net realisable value which approximates the fair value. The position that the Company holds the valuation is at a reasonable estimate of what they expect to recover.

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.

Going Concern

The Financial Statements have been prepared on a basis other than going concern and amended to reflect the fact that the Company is in a managed wind-down and the going concern assumption is not appropriate. This involves writing assets down to their net realisable value based on conditions existing at the end of the reporting period and providing for contractual commitments which, albeit they may not have become onerous, have been provided for as a consequence of the decision to wind down the entity.

The Directors deem it appropriate to adopt a basis other than going concern in preparing the Financial Statements given they intend to realise all investments held by the Company and distribute the proceeds to investors based on an orderly wind-down strategy. Due to the illiquid nature of the investments, there is uncertainty as to the timing of investment realisations through distributions and disposals, however management and the Board of Directors' intentions remain to maximise realisation proceeds through continual discussions with the managers of the investments and potential third-party buyers. Please refer to page 2 for detail regarding the Company's Investment Objective and Investment Policy.

ALTERNATIVE LIQUIDITY FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS, continued
For the year ended 30 June 2024

2. Material accounting policies, continued

(a) Basis of preparation, continued

Going concern, continued

The Company intends to put a proposal to shareholders at its AGM on 4 December 2024 to determine the timing of the Company's liquidation, with the aim of enabling the Company to maximise the realisation proceeds from the Portfolio. Should the proposal not be approved, the Directors will arrange for the Company to be placed into liquidation within a reasonable timeframe.

Ongoing geopolitical events, such as the conflicts in Ukraine and the Middle East, have been a significant influence on global markets and have had an economic impact on certain companies held within the Company's portfolio. The Board and the Investment Advisor closely monitor the latest developments relating to the ongoing geopolitical events, and the impacts they may have on the Company's portfolio.

Accordingly, the Board has adopted a basis other than that of going concern in the preparation of these Financial Statements. The Directors estimate that the remaining wind-down costs will be approximately US\$1,679,748 (30 June 2023: \$1,864,984) for which a provision has been recorded. This provision does not represent a present obligation and therefore is not in accordance with IAS 37, however this is considered to be in line with best practice when adopting a non-going concern basis of preparation. See note 11 for further details on the reconciliation of the wind down provision. The Directors consider that the net realisable amount of other assets and liabilities approximate to their fair value and no adjustment is required to their net realisable value under the non-going concern basis of accounting.

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.

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.

ALTERNATIVE LIQUIDITY FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS, continued
For the year ended 30 June 2024

2. Material accounting policies, continued

(a) Basis of preparation, continued

Judgements

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 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 as above), and the fair value of investments designated to be at fair value through profit or loss (see note 2(a)(i) and 2(b)) and provision for wind-down costs (see note 2(a)(ii)).

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.

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 Company has an investment into an unconsolidated subsidiary with ownership interest of 73.97%. 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.

Estimates

The estimates and associated assumptions in these Financial Statements 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 net realisable 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.

(i) 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.

ALTERNATIVE LIQUIDITY FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS, continued
For the year ended 30 June 2024

2. Material accounting policies, continued

(a) Basis of preparation, continued

Estimates, continued

(i) Fair value measurement, continued

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, provided that the net asset value is derived from the fair value of underlying investments and is as of the same measurement date as that used by the Company. Investments in quoted investment funds in a non-active market or unlisted investment funds are included in Level 3 of the fair value hierarchy when fair value is determined based on the net asset values (“NAV’s”) of the investment fund as the fair values of the unquoted investments held by the Company are based on the published NAV provided by the investee companies administrators. 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.

In cases where the Board is of the view that the value reported does not approximate or constitute the fair value in an arm’s length transaction, the Directors will apply their own model to determine the fair value in accordance with IFRS. 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 Adviser with a view to establishing the probable fair 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).

(ii) Provision for wind-down costs

Neither a constructive or legal obligation exists as at year end in relation to the provision for wind-down costs with consideration to the requirements of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. As the Financial Statements have been prepared on a break-up basis, the provision has been estimated with consideration to the contractually driven costs and estimated liquidation costs to the planned date of liquidation. The Directors are of the view that the provision for wind-down costs provides investors with the most reliable and relevant information, being a best estimate of liquidation proceeds to planned liquidation date.

New accounting standards effective and adopted in the reporting period

The following relevant amended standards have been applied in these Financial Statements during the year:

- IAS 1 (amended), ‘Presentation of Financial Statements’ – (amendments regarding the disclosure of accounting policies, effective for accounting periods commencing on or after 1 January 2023); and
- IAS 8 (amended), ‘Accounting Policies, Changes in Accounting Estimates and Errors’ – (amendments regarding the definition of accounting estimates, effective for accounting periods commencing on or after 1 January 2023).

The changes arising from the amendments to these IFRSs are either presentational and/or minor in nature. In the opinion of the Directors, the adoption of these new and amended standards has had no material impact on the Financial Statements of the Company.

ALTERNATIVE LIQUIDITY FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS, continued
For the year ended 30 June 2024

2. Material accounting policies, continued

(a) Basis of preparation, continued

Standards and amendments in issue but not yet effective

The following relevant IFRSs, which have not been applied in these Financial Statements, were in issue at the reporting date but not yet effective:

- IAS 1 (amended), 'Presentation of Financial Statements' – (effective for accounting periods commencing on or after 1 January 2024);
- IFRS 7 (amended), 'Financial Instruments: Disclosures' – (effective for accounting periods commencing on or after 1 January 2026);
- IFRS 9 (amended), 'Financial Instruments' – (effective for accounting periods commencing on or after 1 January 2026); and
- IFRS 18, 'Presentation and Disclosures in Financial Statements' – (effective for accounting periods commencing on or after 1 January 2027).

The amendments to IAS 1 were published in January 2020 and relate to the classification of liabilities,

The amendments to IFRS 7 and IFRS 9 were published in May 2024 and relate to the classification and measurement of financial instruments.

IFRS 18 was published in April 2024 and sets out requirements for the presentation and disclosure of information in financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.

The Directors do not anticipate that the adoption of these new and amended standards in future periods will have a material impact on the Financial Statements of the Company.

In addition, the International Sustainability Standards Board (ISSB) published the following Sustainability Disclosure Standards in June 2023, effective for accounting periods commencing on or after 1 January 2024:

- IFRS S1, 'General Requirements for Disclosure of Sustainability-related Financial Information'
- IFRS S2, 'Climate-related Disclosures'

The purpose of both standards is to provide information that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity as applicable. 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.

(b) Financial instruments

In accordance with IFRS 9 – "Financial Instruments", the Company classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

Financial assets

The Company classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss ("FVTPL") on the basis of both:

- The entity's business model for managing the financial assets; and
- The contractual cash flow characteristics of the financial asset.

Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal ("SPPI") amount outstanding. The Company includes in this category cash and cash equivalents.

Financial assets measured at FVTPL

A financial asset is measured at fair value through profit or loss if:

- Its contractual terms do not give rise to cash flows on specified dates that are SPPI on the principal amount outstanding; or
- It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- At initial recognition, it is irrevocably designated as measured at FVTPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

ALTERNATIVE LIQUIDITY FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS, continued
For the year ended 30 June 2024

2. Material accounting policies, continued

(b) Financial instruments, continued

Financial assets, continued

Financial assets measured at FVTPL, continued

Fair value is defined as 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.

a) Classification

Financial assets classified at FVTPL are those that are managed and their performance evaluated on a fair value basis in accordance with the Company's investment strategy as documented in its prospectus.

The Company includes in this category Investments at fair value through profit or loss.

b) Measurement

Investments made by the Company are measured initially and subsequently at fair value, with changes in fair value taken to the Statement of Comprehensive Income. Transaction costs are expensed in the year in which they arise for those financial instruments classified at FVTPL.

Fair value estimate

The Directors have carefully considered the circumstances of the Company and have judged that the NAV provided by the third party administrator of the investee funds/companies is a suitable estimation of the fair value of the Company's holdings. The Company's NAV is based on valuations of unquoted investments. As described above, in calculating the NAV and the NAV per Share of the Company, the Administrator relies on the NAVs supplied by the administrators of the investee companies. Please refer to note 2(a)(iv).

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 net realisable value of these assets approximates their fair value.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Financial liabilities are initially recorded at fair value.

Financial liabilities may be designated at fair value through profit or loss rather than stated at amortised cost, when the Board has considered the appropriate accounting treatment for the specific liability. For financial liabilities designated as FVTPL using the fair value option ("FVO"), the amount of change in the fair value of such financial liabilities that is attributable to changes in the Company's credit risk must be presented in Other Comprehensive Income ("OCI"). The remainder of the change in fair value is presented in profit or loss, unless presentation in OCI of the fair value change in respect of the liability's credit risk would create or enlarge an accounting mismatch in profit or loss.

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss. The Company includes in this category, other payables.

Other payables

Other accruals and payables are not interest-bearing, are short term in nature and stated at their nominal value. Due to its short-term nature, the net realisable value of these liabilities approximates their fair value.

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.

ALTERNATIVE LIQUIDITY FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS, continued
For the year ended 30 June 2024

2. Material accounting policies, continued

(b) Financial instruments, continued

Derecognition, continued

On derecognition of a financial asset, the difference between the net realisable amount of the asset (or the net realisable 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

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is generally not the case with master netting agreements unless one party to the agreement defaults and the related assets and liabilities are presented gross in the Statement of Financial Position.

(c) Foreign Exchange

Foreign currency assets and liabilities are translated into US Dollar at the rates of exchange ruling at the year end date of:

Year end rate:	2024	2023
BRL:US\$	5.5925	4.7900
GBP:US\$	1.2645	1.2716
RMB:US\$	N/A	7.2540

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) Expenses

All expenses are accounted for on an accrual basis, with the exception to expenses associated with the provision for wind-down costs (see further details per 2(h) below). All expenses are presented as expense items except for expenses that are incidental to the disposal of an investment which are deducted from the disposal proceeds.

(e) Prepayments

Prepayments are expenses paid in advance that are amortised over the related period they are applicable for.

(f) Equity

Equity is 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. Equity are recorded at the amount of proceeds received, net of issue costs. Ordinary Shares are classified as equity in accordance with IAS 32 – “Financial Instruments: Presentation” as these instruments include no contractual obligation to deliver cash and the redemption mechanism is not mandatory.

(g) 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 Adviser Report is issued by the Investment Adviser for review by the Board. The Investment Adviser 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.

ALTERNATIVE LIQUIDITY FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS, continued
For the year ended 30 June 2024

2. Material accounting policies, continued

(g) Segment reporting, continued

The Board is charged with setting the Company's strategy. It has delegated the day-to-day implementation of this strategy to the Investment Adviser but retains responsibility to ensure that adequate resources of the Company are directed in accordance with its decisions. The divestment decisions of the Investment Adviser are reviewed on a regular basis to ensure compliance with the policies and legal responsibilities of the Board. The Investment Adviser 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 Adviser 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 Adviser. The Board therefore retains full responsibility as to the major strategic decisions made on an on-going basis. The Investment Adviser will always act under the terms of the Investment Advisory 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 9), 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 9.

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 (see 'Substantial Shareholdings' section of the Directors' Report on page 12).

(h) Provision for wind-down costs

In determining the provision for wind-down costs, estimates of costs have been obtained from the Board, the Investment Adviser and the Administrator. The net realisable amount of the provision as at 30 June 2024 was US\$1,679,748 (30 June 2023: US\$1,864,984). The reduction in the amount of the provision is due to expenditure incurred during the year and to a reduction in the amount of the realisation fee, corresponding to the reduction in the valuation of the portfolio.

Neither a constructive or legal obligation exists as at year end in relation to the provision for wind-down costs with consideration to the requirements of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. As the Financial Statements have been prepared on a break-up basis, the provision has been estimated with consideration to the contractually driven costs and estimated liquidation costs to the planned date of liquidation in order to provide investors with a best estimate of liquidation proceeds to such date.

ALTERNATIVE LIQUIDITY FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS, continued
For the year ended 30 June 2024

3. Expenses

	For the year ended 30 June 2024	For the year ended 30 June 2023
	US\$	US\$
Investment Advisers' fee and expenses	351,743	338,119
Investment Advisers' realisation fees ³	-	112,532
	351,743	450,651
<i>Other expenses:</i>		
Directors' remuneration and expenses	123,402	112,703
Accounting, secretarial and administration fees	128,185	103,113
Custodian fee	70,000	70,000
Legal and professional fees	3,414	25,342
Auditor's remuneration ⁴	74,137	31,586
Interim review of the Financial Statements	4,426	3,734
Listing and regulatory fees ⁵	17,480	54,724
Registrar's fee	26,623	30,759
Registrar's fee – B Share Distribution expenses	-	14,224
Directors and officers insurance	5,907	6,481
Sundry expenses	12,582	13,562
	466,156	466,228
Total expenses	817,899	916,879

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 Adviser's fee and expenses

With effect from 1 January 2021, Hindsight Solutions Limited ("Hindsight" or the "Investment Adviser") was appointed as the Investment Adviser to the Company. Pursuant to the terms of the Investment Advisory Agreement ("IAA") dated 4 December 2020, the Investment Adviser is entitled to receive an investment advisory fee of £23,000 per month payable in advance. The Investment Adviser is also entitled to a realisation fee of 5 per cent of the cash distributed to Shareholders. The Company shall also reimburse all reasonable international travel and expenses properly and necessarily incurred by Hindsight. Under the terms of the IAA, the IAA shall continue unless and until terminated as provided by the terms of the IAA. With effect from 30 July 2024, the Company and the Investment Adviser formally agreed that the notice period for termination of the IAA by either party be amended from three months to one month, provided that no such notice shall be given to expire prior to 31 October 2024.

Investment Adviser's fees for the year totalled US\$351,743 (30 June 2023: US\$450,651), made up of the fixed monthly fee of £23,000 (in total US\$344,481), realisation fees of US\$nil and US\$7,262 of expenses incurred on behalf of the Company (30 June 2023: US\$112,532 realisation fees and US\$5,055 of expenses), of which US\$29,084 (30 June 2023: US\$29,247) had been prepaid at the end of the year.

³ Realisation fees for the comparative period paid to the Investment Adviser following the return of capital by way of redeemable B share issues as announced in January 2023

⁴ Auditor's remuneration for the current year reflects an under-accrual of audit fees of approximately US\$22,000 in the prior year

⁵ Listing and Regulatory fees for the comparative period includes a payment to the Financial Conduct Authority (the FCA) of £22,739 in relation to the period 1 April 2022 to 31 March 2023 and a prepaid expense of £5,654 to the FCA for the period 1 April 2023 to 30 June 2023.

ALTERNATIVE LIQUIDITY FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS, continued
For the year ended 30 June 2024

3. Expenses, continued

Administration fees

With effect from 14 July 2015, Sanne Fund Services (Guernsey) 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 an original minimum annual fee of £80,000 which is subject to subsequent annual inflation increases with effect from 1 May each year. During the year, the Administrator earned a fee of £93,053 per annum until 30 April 2024 and £97,706 per annum with effect from 1 May 2024 (2023: £86,160 per annum until 30 April 2023 and £93,053 per annum with effect from 1 May 2023), 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\$128,185 (30 June 2023: US\$103,113), of which US\$27,185 (30 June 2023: US\$27,390) was outstanding at the year end.

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. On 28 November 2023, the Company served 60 days’ notice to terminate the Agreement, with the proviso that the Custodian would continue to act on the Company’s behalf whilst there remained assets requiring to be held in custody, with fees accruing on a day-count basis.

Custodian fees for the year totalled US\$70,000 (30 June 2023: US\$70,000), of which US\$5,833 (30 June 2023: US\$5,833) was outstanding at the year end.

Legal and professional fees

The legal costs incurred during the prior year related to an Extraordinary General Meeting (“EGM”) held on 19 October 2022, which dealt with amendments to the Articles allowing the Company to reduce the time periods following which unclaimed dividends and other distributions may be treated as forfeited and to give the Company increased flexibility to sell or purchase Shares held by an untraced Shareholder.

4. Tax status

The Company is exempt from Guernsey taxation under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989. A fixed annual fee of £1,600 (2023: £1,200) is payable to the States of Guernsey in respect of this exemption.

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.

	Total comprehensive loss for the year	For the year ended 30 June 2024 Weighted average number of ordinary shares in issue	Loss per ordinary share
	US\$	No.	
Ordinary shares	(2,686,758)	146,615,530	(1.83)¢
	Total comprehensive loss for the year	For the year ended 30 June 2023 Weighted average number of ordinary shares in issue	Loss per ordinary share
	US\$	No.	
Ordinary shares	(3,255,350)	146,644,387	(2.22)¢

There are no instruments in issue which could potentially dilute earnings or loss per Ordinary Share.

ALTERNATIVE LIQUIDITY FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS, continued
For the year ended 30 June 2024

6. Fair value of financial instruments

(a) Investments at fair value through profit or loss

	30 June 2024	30 June 2023
	US\$	US\$
Opening fair value	13,586,224	18,752,504
Purchases - recapitalisation funding	135,864	-
Sales proceeds	(251,180)	(2,462,273)
Realised losses on sales	(12,539,723)	(10,655,925)
Movement in unrealised losses on investments	10,458,046	7,951,918
Closing fair value	<u>11,389,231</u>	<u>13,586,224</u>
Closing cost carried forward	65,201,439	77,856,478
Unrealised losses on investments	(53,812,208)	(64,270,254)
Closing fair value carried forward	<u>11,389,231</u>	<u>13,586,224</u>

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

The fair value is also deemed to be the net realisable value. The position that the Company holds the valuation is at a reasonable estimate of what they expect to recover

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

	30 June 2024	30 June 2023
	US\$	US\$
Net realised losses on financial assets at fair value through profit or loss		
- Designated as at fair value through profit or loss	<u>(12,539,723)</u>	<u>(10,655,925)</u>
Movement in unrealised losses on financial assets at fair value through profit and loss		
- Designated as at fair value through profit or loss	<u>10,458,046</u>	<u>7,951,918</u>
Net losses on financial assets at fair value through profit or loss	<u>(2,081,677)</u>	<u>(2,704,007)</u>

(c) Valuation models

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

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.

ALTERNATIVE LIQUIDITY FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS, continued
For the year ended 30 June 2024

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.

The Investment Adviser 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. The discount methodology, and the reasons for each discount, which the Board applies where they do not believe the reported value of the underlying asset represents the fair value is detailed further below. In addition, please see note 2 (b) for details on the Company's accounting policy for "Investments at fair value through profit or loss".

ALTERNATIVE LIQUIDITY FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS, continued
For the year ended 30 June 2024

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 2024 in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

Description	30 June 2023 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)	-	Adjusted net asset value	Unadjusted NAV and applied discounts based on: -Alternative outcome advised by underlying manager, liquidator or other authorised party	100%	The estimated fair value would increase if the applied discount were lower.	A 20% decrease in the input discounts used for the relevant investments in this category would result in an increase in fair value of approximately US\$1,637,403.
	9,829,385	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	42% - 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\$4,578,866)/US\$8,321,319.
	1,559,846	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\$311,969.
Total investments	11,389,231					

ALTERNATIVE LIQUIDITY FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS, continued
For the year ended 30 June 2024

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 2023 in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

Description	30 June 2023 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)	17,811	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\$7,642) /US\$1,744,769.
	12,092,011	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\$4,768,635) /US\$9,697,411.
	1,476,402	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\$295,280.
Total investments	13,586,224					

ALTERNATIVE LIQUIDITY FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS, continued
For the year ended 30 June 2024

6. Fair value of financial instruments, continued

(c) Valuation models, continued

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 the unobservable inputs to reasonable alternatives detailed in the tables on pages 47 and 48 used would have the following total effect on net assets attributable to holders of shares.

	30 June 2024		30 June 2023	
	Favourable US\$	Unfavourable US\$	Favourable US\$	Unfavourable US\$
Total change in fair value of investments	10,270,691	(4,890,835)	11,737,460	(5,071,557)

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.

Significant unobservable inputs are developed as follows:

- *Discount for anticipated difficulty in recovering NAV:* The Investment Adviser 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 Adviser 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 Adviser, 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 Adviser 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 Adviser 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 Adviser 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 Adviser 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 Adviser will apply a discount.
- *Discount for geographic, political or currency related risks:* The Investment Adviser will apply an additional discount if there is a perceived geographic, political or currency related risk.

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 2024 and 30 June 2023.

ALTERNATIVE LIQUIDITY FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS, continued
For the year ended 30 June 2024

6. Fair value of financial instruments, continued

(c) Valuation models, continued

As at 30 June 2024 and as described in the table on pages 47 to 48 and above, the Directors, in consultation with the Investment Adviser, 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 2024	Investments valued at NAV US\$	Fair value adjustment US\$	Fair value US\$
Level 3 investments with fair value adjustments of:			
42%	274,366	(114,853)	159,513
45%	3,852,488	(1,733,620)	2,118,868
50%	440,133	(220,066)	220,067
60%	18,327,343	(10,996,406)	7,330,937
100%	26,899,279	(26,899,279)	-
	<u>49,793,609</u>	<u>(39,964,224)</u>	<u>9,829,385</u>
Level 3 investments without fair value adjustments			1,559,846
Total fair value of investments			<u>11,389,231</u>
30 June 2023	Investments valued at NAV US\$	Fair value adjustment US\$	Fair value US\$
Level 3 investments with fair value adjustments of:			
36%	339,607	(121,733)	217,874
45%	4,562,251	(2,053,013)	2,509,238
50%	502,666	(251,333)	251,333
53%	37,873	(20,129)	17,744
60%	22,280,596	(13,368,357)	8,912,239
85%	44,064	(37,411)	6,653
90%	636	(574)	62
95%	4,106,615	(3,901,285)	205,330
99%	641	(636)	5
100%	30,019,933	(30,019,933)	-
	<u>61,894,882</u>	<u>(49,774,404)</u>	<u>12,120,478</u>
Level 3 investments without fair value adjustments			1,465,746
Total fair value of investments			<u>13,586,224</u>

ALTERNATIVE LIQUIDITY FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS, continued
For the year ended 30 June 2024

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 fair value hierarchy:

Fair value assets	30 June 2023	% of net assets
	US\$	%
Level 3 - Investments valued at fair value		
Unlisted open-ended investment funds	11,389,231	106.78
	<hr/>	
Fair value assets	30 June 2023	% of net assets
	US\$	%
Level 3 - Investments valued at fair value		
Unlisted open-ended investment funds	13,586,224	108.03
	<hr/>	

The table on page 45 represents a reconciliation from opening balance to closing balance for investments measured at fair value on a recurring basis using Level 3 inputs, as all the Company's investments are classified in Level 3 of the fair value hierarchy.

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 2023: no transfers).

(e) Investment in unconsolidated subsidiaries, associates and joint ventures

	Date of acquisition	Domicile	Ownership	Fair Value US\$
Gillett Holdings Limited	01/07/2018	Ukraine	74%	-

There are no significant restrictions on the ability of an unconsolidated subsidiary to transfer funds to the Company in the form of cash dividends, nor any current commitments or intentions to provide financial or other support to an unconsolidated subsidiary.

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.

ALTERNATIVE LIQUIDITY FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS, continued
For the year ended 30 June 2024

7. Financial risk management, continued

(a) Market risk, continued

Price risk, continued

As at the year end, the Company was directly exposed to market price risk arising from its investments. The Investment Adviser 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 Adviser 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 Adviser 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 below is limited to the exposure to interest rate risk of the Company's assets which are directly exposed to interest rate risk.

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

Assets	Interest-bearing assets 30 June 2024 US\$	Non-interest- bearing assets 30 June 2024 US\$	Total 30 June 2024 US\$
Cash and cash equivalents	218,707	-	218,707
Other receivables	-	10,000	10,000
Investments at fair value through profit or loss	-	11,389,231	11,389,231
Total assets (excluding prepayments)	218,707	11,399,231	11,617,938
Liabilities	Interest-bearing liabilities 30 June 2024 US\$	Non-interest- bearing liabilities 30 June 2024 US\$	Total 30 June 2024 US\$
Trade and other payables	-	92,118	92,118
Total liabilities	-	92,118	92,118

ALTERNATIVE LIQUIDITY FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS, continued
For the year ended 30 June 2024

7. Financial risk management, continued

(a) Market risk, continued

Interest rate risk, continued

Assets	Interest-bearing assets	Non-interest-bearing assets	Total
	30 June 2023	30 June 2023	30 June 2023
	US\$	US\$	US\$
Cash and cash equivalents	918,767	-	918,767
Investments at fair value through profit or loss	-	13,586,224	13,586,224
Total assets (excluding prepayments)	918,767	13,586,224	14,504,991

Liabilities	Interest-bearing liabilities	Non-interest-bearing liabilities	Total
	30 June 2023	30 June 2023	30 June 2023
	US\$	US\$	US\$
Trade and other payables	-	104,400	104,400
Total liabilities	-	104,400	104,400

Interest rate sensitivity

As at 30 June 2024, should interest rates have increased by 500 basis points (30 June 2023: 500 basis points) with all other variables held constant, the increase in net assets attributable to holders of ordinary shares for the year would be immaterial. The calculations are based on the cash balances at the reporting date and are not representative of the year as a whole.

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 2024 and 30 June 2023 are denominated in currencies other than US Dollar (BRL – Brazilian Real; UAH – Ukrainian Hryvnia; RMB – Chinese Yuan; GBP – Sterling). These currency exposures are unhedged. The net realisable amounts of the Company's financial assets and liabilities are as follows:

30 June 2024	BRL US\$	GBP US\$	USD/Other US\$	Total US\$
Assets				
Cash and cash equivalents	-	19,053	199,654	218,707
Other receivables	-	-	10,000	10,000
Investments at fair value through profit or loss	9,449,929	-	1,939,302	11,389,231
	9,449,929	19,053	2,148,956	11,617,938
Liabilities				
Other payables	-	86,285	5,833	92,118
Net assets	9,449,929	(67,232)	2,143,123	11,525,820

ALTERNATIVE LIQUIDITY FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS, continued
For the year ended 30 June 2024

7. Financial risk management, continued

(a) Market risk, continued

Currency risk, continued

30 June 2023	BRL US\$	UAH US\$	RMB US\$	GBP US\$	USD/Other US\$	Total US\$
Assets						
Cash and cash equivalents	-	-	-	63,293	855,474	918,767
Investments at fair value through profit or loss	11,421,886	2,699	205,331	-	1,956,308	13,586,224
	<u>11,421,886</u>	<u>2,699</u>	<u>205,331</u>	<u>63,293</u>	<u>2,811,782</u>	<u>14,504,991</u>
Liabilities						
Other payables	-	-	-	98,567	5,833	104,400
Net assets	11,421,886	2,699	205,331	(35,274)	2,805,949	14,400,591

Foreign exchange rate sensitivity

As at 30 June 2024 and 30 June 2023, 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 2024 net exposure US\$	30 June 2024 effect on net assets and profit or loss US\$
US\$/BRL	+/- 15%	9,449,929	-/+ 1,417,489
US\$/GBP	+/- 10%	(67,232)	+/- 6,723

The sensitivity rates for US\$ against GBP and BRL have been set at 10% and 15% respectively, which is regarded as reasonable based on actual market volatility of the exchange rates during the year.

	Possible change in exchange rate	30 June 2023 net exposure US\$	30 June 2023 effect on net assets and profit or loss US\$
US\$/BRL	+/- 15%	11,421,886	1,713,283
US\$/RMB	+/- 10%	205,331	20,533
US\$/GBP	+/- 15%	(35,274)	5,291

(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.

ALTERNATIVE LIQUIDITY FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS, continued
For the year ended 30 June 2024

7. Financial risk management, continued

(b) Credit risk, continued

Investment credit risk, continued

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 net realisable amounts of the financial assets less prepayments 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\$11,617,938 (30 June 2023: US\$14,504,991), the net realisable value of the securities, cash and other receivables held by the Custodian.

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 2023: A+) as rated by Standard and Poor's and Aa3 (30 June 2023: Aa3) by Moody's.

The maximum credit risk exposure in relation to the Company's cash balances is best represented by the net realisable 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 Adviser 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 2024	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	-	-	-	11,389,231	11,389,231
Other receivables	-	10,000	-	-	10,000
Cash and cash equivalents	218,707	-	-	-	218,707
	<u>218,707</u>	<u>10,000</u>	<u>-</u>	<u>11,389,231</u>	<u>11,617,938</u>
Liabilities					
Other payables	92,118	-	-	-	92,118
	<u>92,118</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,118</u>

ALTERNATIVE LIQUIDITY FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS, continued
For the year ended 30 June 2024

7. Financial risk management, continued

(c) Liquidity risk

As at 30 June 2023	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	-	-	-	13,586,224	13,586,224
Cash and cash equivalents	918,767	-	-	-	918,767
	<u>918,767</u>	<u>-</u>	<u>-</u>	<u>13,586,224</u>	<u>14,504,991</u>
Liabilities					
Other payables	104,400	-	-	-	104,400
	<u>104,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>104,400</u>

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.

(d) Concentration Risk

The geographical concentration of the Company's portfolio is as follows:

	30 June 2024	30 June 2023
	US\$	US\$
Brazil*	9,449,929	11,421,886
China	-	205,330
Other	1,939,302	1,956,308
Total	<u>11,389,231</u>	<u>13,586,224</u>

*The portfolio has significant exposure to the Brazilian Real, which depreciated versus the US Dollar over the last 12 months. From 1 July 2023 to 30 June 2024 the currency depreciated approximately 17% (30 June 2023: appreciated 11.0%).

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

	30 June 2024	30 June 2023
	US\$	US\$
Credit/Bonds	11,009,468	12,855,782
Real Estate	220,250	438,265
Equity/Other	159,513	292,176
Total	<u>11,389,231</u>	<u>13,586,224</u>

(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 loss. 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. In line with the Company's managed wind-down strategy, the Board is closely monitoring costs and ensuring there is sufficient working capital. See the Company Summary on page 3 for further details on the future of the Company. The Directors have based this policy, on the advice of the Investment Adviser 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.

ALTERNATIVE LIQUIDITY FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS, continued
For the year ended 30 June 2024

7. Financial risk management, continued

(e) Capital risk management, continued

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.

Pursuant to Section 276 of the Law, a Share in the Company confers on the shareholder the right to vote on resolutions of the Company, the right to an equal share in dividends authorised by the Board of Directors, and the right to an equal share in the distribution of the surplus assets of the Company.

Issued share capital

Ordinary shares

	30 June 2024	
	No.	US\$
Share capital at the beginning of the year	146,644,387	107,861,454
Shares taken into treasury and cancelled	(35,561)	-
Share capital at the end of the year	<u>146,608,826</u>	<u>107,861,454</u>

Ordinary shares

	30 June 2023	
	No.	US\$
Share capital at the beginning of the year	146,644,387	110,061,119
Distributions	-	(2,199,665)
Share capital at the end of the year	<u>146,644,387</u>	<u>107,861,454</u>

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.

No B shares were issued or cancelled during the year.

On 7 September 2023, further to announcements made on 23 September 2022 and 30 August 2023, 35,561 shares belonging to untraceable shareholders were taken into treasury and cancelled with effect from 7 September 2023.

On 16 August 2024, further to announcements made on 23 September 2022, 30 August 2023 and 8 September 2023, 461,165 shares belonging to untraceable shareholders were taken into treasury and cancelled with effect from 16 August 2024.

ALTERNATIVE LIQUIDITY FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS, continued
For the year ended 30 June 2024

9. 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
	US\$	No.	
As at 30 June 2024			
Published net asset value	10,666,189	146,608,826	7.28¢
Provision for wind-down costs	(777,114)	146,608,826	(0.53)¢
Net asset value per Financial Statements	9,889,075	146,608,826	6.75¢

Ordinary share class	Net asset value	Number of ordinary shares in issue	Net asset value per ordinary share
	US\$	No.	
As at 30 June 2023			
Published net asset value	13,339,833	146,644,387	9.10¢
Provision for wind-down costs	(764,000)	-	(0.52)¢
Net asset value per Financial Statements	12,575,833	146,644,387	8.58¢

10. Related party transactions and Directors' interests

The Investment Adviser 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 and Investment Adviser are explained in note 3. The Investment Advisory fees and expenses during the year amounted to US\$351,743 (30 June 2023: US\$450,651), with US\$29,084 prepaid at the year end (30 June 2023: US\$29,247).

As at 30 June 2024, Timothy Gardner, controlling shareholder and a director of the Investment Adviser (Hindsight Solutions Limited), holds 349,116 shares in the Company (30 June 2023: 349,116).

As at 30 June 2024 and 30 June 2023, the interests of the Directors and their families who held office during the year are set out below:

	30 June 2024 Number of ordinary shares	30 June 2023 Number of ordinary shares
Anthony Pickford	100,000	100,000

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\$123,402 (30 June 2023: US\$112,703). At 30 June 2024, no fees (30 June 2023: US\$29,704) were outstanding.

11. Provision for wind-down costs

The wind-down costs represent the day to day running costs for the estimated period to liquidation.

	1 July 2023 to 30 June 2024 US\$	1 July 2022 to 30 June 2023 US\$
Opening balance	1,864,984	2,240,000
Reversal of the provision	(962,350)	(1,139,016)
Increase in provision during the year	777,114	764,000
Closing balance	1,679,748	1,864,984

ALTERNATIVE LIQUIDITY FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS, continued
For the year ended 30 June 2024

12. Subsequent events

On 30 July 2024, the Company agreed with Hindsight Solutions Limited, the Investment Adviser, to amend the Investment Advisory Agreement such that, with effect from 31 October 2024, the notice period under the Agreement be amended from three months to one month.

On 16 August 2024, the Company announced that 461,165 shares of untraceable shareholders have been taken into treasury and cancelled with effect from 16 August 2024. The remaining total number of shares in issue following the cancellation is 146,147,661. As at the date of the approval of these Financial Statements approximately US\$24,750 has to date been credited to the Company's bank account from unclaimed distributions that have been forfeited.

In September 2024, a Brazilian court ruled in favour of Vision ELT in its dispute with Eletrobras, a process that should lead to the realisation of the investment in due course.

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

ALTERNATIVE LIQUIDITY FUND LIMITED
UNAUDITED SCHEDULE OF INVESTMENTS
As at 30 June 2024

Number of Shares	Description	Fair Value	% of net assets
USD (30 June 2023: 101.85%)			
2,000,000	Aarkad Plc	-	-
34,851,756	Aarkad USD	-	-
3,931	Autonomy Rochevera Limited Class A Shares (2018)	220,067	2.23
2,589	Gillett Holdings Limited	-	-
3,449	V Invest FCVS RJ (Cayman) Ltd	1,559,662	15.77
117,302	Vision Chapadao Fund Series 1	12	0.00
38,872	Vision Chapadao Fund Series 2	4	0.00
445,493	Vision Chapadao Fund Series 3	45	0.00
1,590	Vision Chapadao Fund Series 5	-	-
310,820	Vision FCVS RJ Fund Series 1	1,891,762	19.13
297,521	Vision FCVS RJ Fund Series 2	2,066,484	20.90
308,044	Vision FCVS RJ Fund Series 4	2,006,096	20.29
192,714	Vision FCVS RJ Fund Series 6	1,338,532	13.54
4,040	Vision FCVS RJ Fund Series 7	28,063	0.28
100,143	Vision I-NX	10	0.00
255,542	Vision I-NX (D)	51	0.00
23,322	Vision Piaui Fund Series 1	-	-
7,785	Vision Piaui Fund Series 2	1	0.00
90,626	Vision Piaui Fund Series 3	9	0.00
317	Vision Piaui Fund Series 6	-	0.00
389	Vision SCO Fund	-	0.00
23,023	Vision SP Credit Opportunities ELT Fund Series 1	375,955	3.80
28,108	Vision SP Credit Opportunities ELT Fund Series 2	458,978	4.64
31,535	Vision SP Credit Opportunities ELT Fund Series 3	569,958	5.76
43,342	Vision SP Credit Opportunities ELT Fund Series 5	707,740	7.16
382	Vision SP Credit Opportunities ELT Fund Series 7	6,237	0.06
120,057	Vision Tercado Fund Series 1	-	-
40,402	Vision Tercado Fund Series 2	4	0.00
478,381	Vision Tercado Fund Series 3	48	0.00
1,632	Vision Tercado Fund Series 5	-	-
4,874	Volia Limited	-	-
1,230	Warana SP Offshore Fund SPC – 2018 Segregated Port	159,513	1.61
Portfolio of investments		11,389,231	115.17
Other net liabilities		(1,500,156)	(15.17)
Total net assets attributable to Shareholders		9,889,075	100.00

ALTERNATIVE LIQUIDITY FUND LIMITED

Officers and Advisers

Directors:	Quentin Spicer (<i>Non-executive Independent Chairman</i>) Dr Richard Berman (<i>Non-executive Independent Director</i>) Anthony Pickford (<i>Non-executive Independent Director</i>)
Registered Office:	1 Royal Plaza Royal Avenue St Peter Port Guernsey, GY1 2HL
Administrator & Secretary:	Sanne Fund Services (Guernsey) Limited 1 Royal Plaza Royal Avenue St Peter Port Guernsey, GY1 2HL
Registrar:	Link Market Services (Guernsey) Limited Mont Crevelt House Bulwer Avenue St Sampson Guernsey, GY2 4LH
Investment Adviser:	Hindsight Solutions Limited 19 Diamond Court Opal Drive Fox Milne Milton Keynes United Kingdom MK15 0DU
Auditor:	Grant Thornton Limited St James Place St James Street St Peter Port Guernsey, GY1 2NZ
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:	Stephenson Harwood 1 Finsbury Circus London, EC2M 7SH
Company Number:	60552 (Registered in Guernsey)

ALTERNATIVE LIQUIDITY FUND LIMITED

Appendix

Alternative Performance Measures used in the Annual Report

- NAV per share**

NAV per share is a calculation of the Company's NAV divided by the number of shares in issue and provides a measure of the value of each share in issue.

	30 June 2024	30 June 2023
NAV	US\$9,889,075	US\$12,575,833
Number of Ordinary Shares in issue	146,608,825	146,644,387
NAV per Ordinary Share	US\$0.0675	US\$0.0858

- Share (discount)/premium to NAV**

Share (discount)/premium to NAV is the amount by which the share price is lower/higher than the NAV per share, expressed as a percentage of the NAV per share, and provides a measure of the Company's share price relative to the NAV.

	30 June 2024	30 June 2023
NAV per Ordinary Share	US\$0.0675	US\$0.0858
Closing Ordinary Share price	US\$0.0275	US\$0.0500
Ordinary Share discount	(59.3)%	(41.7)%

- Ongoing charges ratio ("OCR")**

The ongoing charges ratio of an investment company is the annual percentage reduction in shareholder returns as a result of recurring operational expenditure. Ongoing charges are classified as those expenses which are likely to recur in the foreseeable future, and which relate to the operation of the company, excluding investment transaction costs, financing charges and gains or losses on investments. The OCR is calculated as the total ongoing charges for a period divided by the average net asset value over that period.

Year ended 30 June 2024

	Total US\$
Total expenses	817,899
Non-recurring expenses	(3,414)
Total ongoing expenses	814,485
Average NAV	12,057,651
Ongoing charges ratio (using AIC methodology)	6.75%

Year ended 30 June 2023

	Total US\$
Total expenses	916,879
Non-recurring expenses	(152,098)
Total ongoing expenses	764,781
Average NAV	14,426,429
Ongoing charges ratio (using AIC methodology)	5.30%