

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you are recommended to seek your own independent financial advice from your stockbroker, solicitor, accountant, bank manager or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, from another appropriately authorised financial adviser.**

If you have sold or otherwise transferred all of your shares in Alternative Liquidity Fund Limited (the "Company"), please send this document as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

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## **ALTERNATIVE LIQUIDITY FUND LIMITED**

*(incorporated in the Island of Guernsey under the Companies (Guernsey) Law, 2008,  
as amended, as a non-cellular company limited by shares with registered number 60552  
and registered as a registered closed-ended collective investment scheme with the GFSC)*

### **Proposals for the issue of up to 100 million New Shares on a non pre-emptive basis pursuant to the Placing Programme and Notice of Extraordinary General Meeting**

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The Company is a registered closed-ended investment scheme in accordance with Section 8 of the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended and the Rules. Notification of the Proposals has been given to the Commission pursuant to the Rules. The Commission has not reviewed this document and takes no responsibility for the correctness of any statements made or opinions expressed with regard to the Company.

Notice of the Extraordinary General Meeting of the Company to be held at 10.00 a.m. on 5 November 2019 at Sarnia House Le Truchot St Peter Port Guernsey, GY1 1GR (the "Extraordinary General Meeting") is set out at the end of this document. To be valid, the Form of Proxy accompanying this document must be completed and returned, in accordance with the instructions printed on it, so as to be received by Link Asset Services PXS1, 34 Beckenham Road, Beckenham BR3 4ZF, as soon as possible, but in any event not later than 10.00 a.m. on 1 November 2019.

## DEFINITIONS

The meanings of the following terms shall apply throughout this document unless the context otherwise requires.

<b>Admission Condition</b>	(i) the FCA having acknowledged to the Company or its agent (and such acknowledgement not having been withdrawn) that the application for the admission of the Ordinary Shares allotted pursuant to any Placing to the Official List with a premium listing has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject ("listing conditions")) will become effective as soon as a dealing notice has been issued by the FCA and any listing conditions having been satisfied and (ii) the London Stock Exchange having acknowledged to the Company or its agent (and such acknowledgement not having been withdrawn) that the Ordinary Shares will be admitted to trading
<b>Articles</b>	the articles of incorporation of the Company
<b>Board or Directors</b>	the directors of the Company
<b>Business Day</b>	any day on which banks are open for business in Guernsey and London (excluding Saturdays and Sundays)
<b>Commission or GFSC</b>	the Guernsey Financial Services Commission
<b>Company</b>	Alternative Liquidity Fund Limited, a company incorporated in Guernsey with registered number 60552
<b>Existing Shares</b>	the issued ordinary shares of US\$0.01 each in the capital of the Company which have been renamed and redesignated as the Realisation Shares
<b>Existing Shareholders</b>	a holder of Existing Shares and, given the proposals were approved at the extraordinary general meeting of the Company held on 25 February 2019, the Existing Shareholders will be referred to, going forward, as the Realisation Shareholders
<b>Extraordinary General Meeting</b>	the extraordinary general meeting of the Company to be held at 10.00 a.m. on 5 November 2019 at Sarnia House Le Truchot St Peter Port Guernsey, GY1 1GR
<b>FCA</b>	the Financial Conduct Authority or any successor entity or entities
<b>Form of Proxy</b>	the form of proxy for use by Shareholders in connection with the Extraordinary General Meeting
<b>Information and Subscription Agreement</b>	the information and subscription agreement dated 11 October 2019 entered into among the Company, Warana Capital LLC, the Warana Offshore Fund and the Warana Master Fund
<b>Initial Admission</b>	the first admission in relation to the first Placing under the Placing Programme
<b>Investment Manager</b>	Warana Capital, LLC, a company incorporated in the United States with registered number 6080636
<b>Law</b>	the Companies (Guernsey) Law, 2008 as amended

<b>New Shareholders</b>	holders of the Ordinary Shares
<b>New Shares or Ordinary Shares</b>	the new ordinary shares of US\$0.01 each in the capital of the Company
<b>Placing Programme</b>	the proposed programme of placings of up to 100 million New Shares
<b>Placing Programme Price</b>	the price per Ordinary Share under the Placing Programme
<b>Prospectus</b>	the prospectus published by the Company on 11 October 2019
<b>Prospectus Rules</b>	the prospectus regulation rules made by the FCA under Part VI of the Financial Services and Markets Act 2000 as amended from time to time
<b>Realisation Portfolio</b>	the portfolio of assets attributable to the Existing Shares determined in accordance with the Articles
<b>Regulatory Information Service</b>	a regulatory information service that is on the list of regulatory information services maintained by the FCA
<b>Resolution</b>	the special resolution to be proposed at the Extraordinary General Meeting to disapply pre-emption rights otherwise applicable to the allotment of shares under the Placing Programme
<b>Rules</b>	the Registered Closed-Ended Collective Investment Scheme Rules 2018
<b>Warana Master Fund</b>	Warana SP Master Fund SPC – 2020 Segregated Portfolio and/or any future or successor segregated portfolios of the Warana SP Master Fund SPC
<b>Warana SP Master Fund SPC</b>	Warana SP Master Fund SPC, a Cayman Islands Segregated Portfolio Company

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## *Directors*

Quentin Spicer  
Dr Richard Berman  
Anthony Pickford

## *Registered Office*

Sarnia House  
Le Truchot  
St Peter Port  
Guernsey GY1 1GR

11 October 2019

Dear Shareholder

## **Proposals for the issue of up to 100 million New Shares on a non pre-emptive basis pursuant to the Placing Programme**

### **Introduction**

The Board, together with the Company's investment manager Warana Capital, LLC, have been exploring various growth strategies and the scope for the Company to offer new share classes for illiquid assets and portfolios. The Company published a circular on 6 February 2019 convening an extraordinary general meeting and seeking shareholder authority in relation to its proposals to introduce a new class of ordinary shares (herein referred to as the "Ordinary Shares") with a new investment policy. This extraordinary general meeting was held on 25 February 2019 and the Company's shareholders approved these proposals. The Company has today published a prospectus in connection with the issue of up to 100 million new Ordinary Shares pursuant to the Placing Programme.

It is intended that the net proceeds of the Placing Programme will be invested in line with the Company's new investment policy in a diversified portfolio of illiquid investments, funds and funds of funds such as hedge funds, private equity funds, real estate funds, infrastructure funds, private investment funds and other alternative investment vehicles across the world.

In accordance with the new investment policy, the net proceeds of the Placing Programme are also permitted to be principally invested in a segregated portfolio of the Warana SP Master Fund SPC (such segregated portfolio herein referred to as the Warana Master Fund) and/or new segregated portfolios which are launched in the future, provided that such portfolio has substantially the same investment policy as the Company and the same terms of investment are offered to the Company as those currently contained within the Information and Subscription Agreement. The size of the Company's investment in the Warana Master Fund will depend on the net proceeds raised under the Placing Programme, the timing of the Placings and the size of the commitments received from the Warana Master Fund's other investors on its launch.

The Board further believes that introducing the new Ordinary Shares and raising additional capital offers significant benefits for all of the Company's shareholders as noted below:

- Given the Company's current investment portfolio (renamed the Realisation Portfolio) is in its realisation stage, these proposals will provide Existing Shareholders with a clear realisation strategy and the potential for a longer-term investment horizon due to the rights of automatic conversion that are included in the Articles.
- The issue of new Ordinary Shares under the Placing Programme is expected to provide an attractive overall investment proposition, further diversifying the Company's investment base and potentially affording Shareholders the opportunity to gain exposure to the Warana Master Fund's (or subsequent segregated portfolios launched in the future under the Warana SP Master Fund SPC's) range of assets which aims to provide investors with attractive, risk-adjusted returns over a multi-year period.

- Increasing the Company's issued share capital through the Placing Programme will result in the fixed costs of the Company being spread over a larger asset base and, as a result, the ongoing charges ratio should be lower.

The purpose of this document is to convene an extraordinary general meeting at which the appropriate shareholder authority will be sought to issue, on a non pre-emptive basis, up to 100 million New Shares pursuant to the Placing Programme. The Extraordinary General Meeting will be held at 10.00 a.m. on 5 November 2019 at Sarnia House, Le Truchot, St Peter Port, Guernsey GY1 1GR.

### **Details of the terms of the Placing Programme**

Under the Placing Programme, the Company is proposing to issue up to 100 million new Ordinary Shares (representing approximately 68 per cent. of the number of issued shares in the Company as at 9 October 2019) in accordance with the Law and the Articles, subject to Shareholder approval at the Extraordinary General Meeting.

The price of the new Ordinary Shares to be issued pursuant to the Placing Programme will be determined by the Board at the time of each placing under the Placing Programme. The price of the New Shares pursuant to the first Placing is expected to be US\$1.00 and for each Placing thereafter it will be calculated by applying a premium to the net asset value per Ordinary Share rounded to two decimal places. The Placing Programme Price will be announced through a Regulatory Information Service on the Business Day prior to the close of the relevant Placing under the Placing Programme.

The issue of Ordinary Shares under the Placing Programme will be at the discretion of the Directors. Each allotment and issue of new Ordinary Shares pursuant to the Placing Programme will be conditional, *inter alia*, on:

- the Placing Programme Price being determined by the Directors;
- the Admission Condition being satisfied pursuant to such placing under the Placing Programme;
- the necessary authorities being granted to the Company to allow it to disapply the rights of pre-emption attaching to the new Ordinary Shares in relation to the relevant Placing; and
- a valid supplementary prospectus being published by the Company if such is required pursuant to the Prospectus Rules.

### *Expected timetable*

The Placing Programme will open on 11 October 2019. It is flexible and, assuming the Existing Shareholders approve the Resolution, may have a number of closing dates in order to provide the Company with the ability to issue Ordinary Shares over a period of time from 6 November 2019. The Placing Programme will close on 9 October 2020.

### *Costs of the Placing Programme and dilution*

The costs and expenses of the Placing Programme will be borne by the Company in full and attributable to the Ordinary Shares.

*For illustrative purposes only*, if the maximum number of Ordinary Shares is issued under the Placing Programme in one placing at US\$1.00 per Ordinary Share, US\$100 million would be raised. In these circumstances, the expenses payable by the Company (including the documentation costs in respect of this document, the circular published by the Company on 6 February 2019 and the Prospectus) are estimated to be approximately US\$300,000.

Existing Shareholders will not suffer any dilution to the assets that are attributable to them. Existing Shareholders are not obliged to participate in the Placing Programme. However, those Existing Shareholders who do not participate in the Placing Programme will suffer, at most, a dilution of 68 per cent. to the percentage of the issued share capital of the Company that their current holding represents.

*For illustrative purposes only*, in the event the NAV per Realisation Share is US\$0.50 on Initial Admission, each Realisation Shareholder would have one vote for every two Realisation Shares held.

## **The Extraordinary General Meeting**

Pursuant to the Placing Programme, the Company is requesting Shareholders grant it the authority to issue up to 100 million new Ordinary Shares which represents approximately 68 per cent. of the total ordinary share capital in issue as at 9 October 2019 (the latest practicable date prior to the publication of this document) for cash without first offering such shares to Existing Shareholders *pro rata* to their existing shareholdings. If approved by Existing Shareholders, the authority conferred by this Resolution will continue in effect until 9 October 2020. The Resolution will be proposed as a special resolution requiring a majority of at least 75 per cent. of members entitled to vote and present in person or by proxy to vote in favour in order for it to be passed.

All of the Company's Shareholders are entitled to attend and vote at the Extraordinary General Meeting. In accordance with the Articles, all shareholders entitled to vote and present in person or by proxy at the Extraordinary General Meeting shall upon a show of hands have one vote and upon a poll shall have one vote in respect of every share held.

The formal notice convening the Extraordinary General Meeting is set out on page 7 of this document.

### **Action to be taken**

Existing Shareholders will find enclosed a Form of Proxy for use in connection with the Extraordinary General Meeting. Whether or not Existing Shareholders propose to attend the Extraordinary General Meeting, they are requested to complete, sign and return the Form of Proxy as soon as possible, in accordance with the instructions printed on it.

To be valid, the enclosed Form of Proxy must be lodged with Link Asset Services PXS1, 34 Beckenham Road, Beckenham BR3 4ZF as soon as possible and, in any event, so as to arrive by not later than 10.00 a.m. on 1 November 2019. The completion and return of the Form of Proxy will not prevent an Existing Shareholder from attending and voting in person at the Extraordinary General Meeting although such appointment will remain valid unless a hard copy notice to revoke the Form of Proxy is provided to Link Asset Services, PXS1, 34 Beckenham Road, Beckenham BR3 4ZF before the commencement of the Extraordinary General Meeting.

### **Recommendation**

The Directors consider the passing of the Resolution set out in the notice of the Extraordinary General Meeting at the end of this document to be in the best interests of the Company and its Existing Shareholders as a whole. Accordingly, the Directors unanimously recommend that the Existing Shareholders vote in favour of the Resolution to be proposed at the Extraordinary General Meeting.

Anthony Pickford intends to vote in favour of the Resolution in respect of his own beneficial holding of Realisation Shares (amounting to 100,000 Realisation Shares, representing approximately 0.07 per cent. of the issued share capital of the Company).

Yours faithfully

**Quentin Spicer**  
*Chairman*

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## NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Alternative Liquidity Fund Limited (the "Company") will be held on 5 November 2019 at 10.00 a.m. at Sarnia House Le Truchot St Peter Port Guernsey, GY1 1GR to consider and, if thought fit, pass the following resolution which will be proposed as a special resolution:

### SPECIAL RESOLUTION

That, in addition to any existing authority, the Directors of the Company be and they are hereby generally empowered, in respect of the Placing Programme (as such term is defined in the Circular published by the Company on 11 October 2019) to allot and issue in the Company or grant rights to subscribe for or to convert securities into, ordinary shares in the Company ("equity securities"), including the grant of rights to subscribe for, or to convert securities and make offers or agreements to allot equity securities for cash as if any pre-emption rights in relation to the issue of shares as set out in the Articles and/or the listing rules made by the Financial Conduct Authority under Part VI of the Financial Services and Markets Act 2000 (as amended) did not apply to any such allotment of equity securities, provided that this power:

- (i) shall be limited to the allotment of up to 100 million equity securities pursuant to the Placing Programme being approximately 68 per cent. of the number of issued shares in the Company as at 9 October 2019, in compliance with the Law; and
- (ii) expires on 9 October 2020 save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

Defined terms in this Notice of Extraordinary General Meeting and the resolution have the same meanings as given to them in the Circular sent to shareholders of the Company on 11 October 2019 save where the context requires otherwise.

*By order of the Board*  
**Praxis Fund Services Limited**  
*Company Secretary*

*Registered office*  
Sarnia House  
Le Truchot  
St Peter Port  
Guernsey  
GY1 1GR

11 October 2019

#### Notes:

1. As a Shareholder you are entitled to appoint a proxy or proxies to exercise all or any of your rights to attend, speak and vote at the Extraordinary General Meeting. A proxy need not be a member of the Company but must attend the Extraordinary General Meeting to represent you. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You can only appoint a proxy using the procedure set out in these notes and the notes to the proxy form.
2. To be valid any proxy form or other instrument appointing a proxy, together with any power of attorney or other authority under which it is signed or a certified copy thereof, must be received by Link Asset Services by post or (during normal business hours only) by hand at PXS1, 34 Beckenham Road, Beckenham BR3 4ZF. Proxy votes must be received no later than 48 hours (excluding non-working days) before the time of the meeting or any adjourned meeting.



3. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual and by logging on to the registrar's website [www.euroclear.com/CREST](http://www.euroclear.com/CREST). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
4. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's registrar (ID RA10) no later than 48 hours (excluding non-working days) before the time of the meeting or any adjournment. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Company's registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
5. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
6. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
7. The return of a completed proxy form or other instrument of proxy will not prevent you attending the Extraordinary General Meeting and voting in person if you wish. If you have appointed a proxy and attend the Extraordinary General Meeting in person your proxy appointment will remain valid and you may not vote at the Extraordinary General Meeting unless you have provided a hard copy notice to revoke the proxy to Link Asset Services PXS1, 34 Beckenham Road, Beckenham BR3 4ZF prior to the commencement of the Extraordinary General Meeting.
8. To have the right to attend, speak and vote and the Extraordinary General Meeting (and also for the purposes of calculating how many votes a member may cast on a poll) shareholders must be registered in the Register of Members of the Company no later than 48 hours prior to the commencement of the Extraordinary General Meeting or any adjourned meeting. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
9. As at 9 October 2019 (being the last business day prior to the publication of this notice) the Company's issued share capital consisted of 146,644,387 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 9 October 2019 were 146,644,387 votes.
10. Any person holding 5 per cent. or more of the total voting rights of the Company who appoints a person other than the chairman of the meeting as his proxy will need to ensure that both he and his proxy complies with their respective disclosure obligations under the UK Disclosure Guidance and Transparency Rules.
11. A quorum consisting of two Shareholders present in person or by proxy is required for the Extraordinary General Meeting. If, within half an hour after the time appointed for the Extraordinary General Meeting a quorum is not present, the Extraordinary General Meeting shall be adjourned for five business days at the same time and place or to such other day and at such other time and place as the Board may determine and no notice of adjournment need be given. Those Shareholders present in person or by proxy shall constitute the quorum at any such adjourned meeting.