

**DESCRIPTION**

Alternative Liquidity Fund Limited ("ALF" or the "Company") is a Guernsey-domiciled, London Stock Exchange-traded closed ended investment company. Warana Capital, LLC was appointed as the Investment Manager to continue the mandate to realize ALF's investments in an orderly and timely manner and return cash to investors.

**COMPANY INFORMATION**

Investment Manager:	Warana Capital, LLC	Subscriptions & Redemptions:	None, LSE Traded
Dollar Share	ORD	Bloomberg:	ALF.LN
Domicile:	Guernsey	Reuters:	ALF.L
SEDOL:	BYRGP6	ISIN:	GG00BYRGP65

**PORTFOLIO OVERVIEW (as of August 31, 2017):**

SIGNIFICANT POSITIONS	Underlying Manager NAV (\$M)	NAV Provision	ALF NAV	% of Portfolio
Vision FCVS RJ Fund	\$27.7	-8%	\$25.3	23%
Ubique Limited	\$21.0	-	\$21.0	19%
Vision Eletrobás	\$22.1	-11%	\$19.6	17%
Abax Arhat Fund	\$6.5	-	\$6.5	6%
Vision FCVS PB Fund	\$5.8	5%	\$6.1	5%
Growth Management Limited	\$4.2	-	\$4.2	4%
Duet India Hotels Limited	\$4.0	-	\$4.0	4%
South Asian Real Estate Limited	\$3.9	-	\$3.9	3%
Argo Special Situations Fund	\$2.9	-	\$2.9	3%
SFL Clover Limited	\$3.2	-16%	\$2.7	2%
GLG Emerging Markets Growth Fund	\$1.7	-	\$1.7	2%
Autonomy Fund	\$1.2	-	\$1.2	1%
Others	\$24.6	-83%	\$4.1	4%
Net Cash	\$4.0	-	\$4.0	4%
<b>Total</b>	<b>\$138.1</b>	<b>-19%</b>	<b>\$112.6</b>	<b>100%</b>
<b>Net Asset Value Per Share</b>	<b>\$0.9420</b>		<b>\$0.7675</b>	

ASSET CLASS EXPOSURE	% of NAV
Bonds/Credit	49%
Real Estate	33%
Equity	7%
Cash (Includes cash at underlying fund level)	9%
Other	2%
GEOGRAPHIC ALLOCATION (ex cash)	
<b>Europe</b>	<b>28%</b>
Ukraine	21%
Czech Republic	1%
<b>Americas</b>	<b>56%</b>
Brazil	52%
USA	2%
<b>Asia</b>	<b>16%</b>
India	8%
Indonesia	2%
China	6%
Other	0%

**FUND UPDATE**

During August 2017, ALF's Net Asset Value ("NAV") per share fell by 0.54%. The primary driver of the negative returns were foreign currency movements of some of the fund's larger exposures against the US Dollar. Namely, the Brazilian Real rose by 0.75% versus the USD, resulting in a similar decline in the value of ALF's Vision holdings.

As described in the last ALF fact sheet, the new Investment Manager is completing a detailed review of ALF's underlying holdings and it is expected that the outcome of the review will be incorporated into next month's NAV announcement.

At the last board meeting held on October 10<sup>th</sup>, the Board instructed the investment manager to calculate the company's current cash position, to forecast the cash needs going forward, and to draft a proposal for returning cash to shareholders. On October 30<sup>th</sup>, the investment manager recommended a distribution of 3 cents per share (\$4.4 million) which the Board approved. The cash distribution is scheduled for November 10<sup>th</sup>, which will bring the total distribution to 13 cents per share since ALF has been listed.



### BOARD OF DIRECTORS

The Board comprises three Directors, all of whom are non-executive and independent of the Investment Manager. The Directors are responsible for the determination of the Company's investment policy and overall supervision. The Directors are as follows:

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

**Dr. Richard Berman:** 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 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. Dr Berman was until recently a non-executive Director of SMMI and Sainty, Hird & Partners Limited.

**Anthony Pickford:** 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 Barnham & 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. During the year he was also a Director of the Catholic National Mutual limited where he chaired the Audit Committee and served on the Investment Committee until he retired on 6 August 2017.

### SERVICE PROVIDERS

Custodian:	Citibank, N.A.	Guernsey Legal:	Carey Olsen
Auditor:	Grant Thornton LLP	UK Legal:	Dickson Minto W.S.
Administrator:	Praxis Fund Services Ltd.	Registrar:	Capita Registrars

### RECENT DISTRIBUTIONS

Announcement Date	Ex Date	Record Date	Payment Date	Amount (per share)
August 31, 2016	September 5, 2016	September 6, 2016	September 15, 2016	\$0.020
November 28, 2016	November 30, 2016	December 1, 2016	December 15, 2016	\$0.055
June 8, 2017	June 20, 2017	June 21, 2017	June 30, 2017	\$0.025
October 30, 2017	October 31, 2017	November 1, 2017	November 10, 2017	\$0.030
			<b>Total</b>	<b>\$0.130</b>

### DISCLOSURES/ FOOTNOTES

There is no guarantee that any investment strategy will achieve its objectives, generate profits or avoid losses. Due to rounding, totals in tables may not add up to 100%. Fund holdings are subject to change and should not be considered investment advice.

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