ALTERNATIVE LIQUIDITY FUND LIMITED

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

ALTERNATIVE LIQUIDITY FUND LIMITED

CONTENTS

ALTERNATIVE LIQUIDITY FUND LIMITED
Highlights
For the year ended 30 June 2022

- US$2.2 million (30 June 2021: US$2.9 million) was distributed to B Shareholders.

Financial highlights at 30 June 2022

	30 June 2022	**30 June 2021**
Total net asset value ("NAV")	US$18.0 million	US$26.1 million
NAV per Ordinary Share	12.30¢	17.83¢
Share price	5.00¢	7.00¢
Discount to NAV	63.8%	60.7%

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.

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

Investment policy
The Company’s investment policy is to invest in a diversified portfolio of illiquid investments, funds and funds of funds such as hedge funds, private equity funds, real estate funds, infrastructure funds, private investment funds, and other alternative investment vehicles sponsored or managed by investment managers across the world.

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

Historically, 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 April 2022, the Company announced that Waverton Investment Management Limited had decided not to proceed with the launch of a new share class. The Company also announced that it would continue its existing investment policy and realisation strategy and continue to be advised by Hindsight Solutions Limited (the "Investment Adviser") in the execution of that strategy. 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 January 2016, the Company agreed with Trusthouse Holding NV to acquire a portfolio of assets, owned by two funds of which they were the liquidator, for an aggregate consideration of US$2.2 million, comprising US$0.4 million in cash and US$1.8 million in shares in the Company.

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

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

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

On 30 June 2020, the Company was fully invested subject to a cash and cash equivalents amount retained for working capital requirements. It is the intention that the Company will aim to be fully invested at all times, although the Company may hold cash or cash equivalent investments from time to time. The Company expects to be very prudent in its use of borrowings due to the illiquid nature of the portfolio; however, the Company 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.

Company background, continued

The Board reviewed potential growth strategies and the scope for the Company to offer new share classes. The Company published 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 current investment policy. For a variety of factors, including the onset of COVID-19, no new capital was raised under that placing programme.

Following the transfer to the SFS, the Investment Management Agreement between the Company and Warana Capital LLC was terminated by mutual agreement with effect from 31 December 2020. Hindsight Solutions Ltd, a company owned and operated by Tim Gardner, was engaged to provide investment advisory services in relation to the Company. The Investment Adviser is an appointed representative of Rampart Capital LLP, which is authorised and regulated by the Financial Conduct Authority. Tim has been providing 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.

The Future

The Board has been examining the options available to the Company to accelerate the continuing managed wind-down of the portfolio within a specified time frame. We will propose and discuss with Shareholders a designated realisation date. This may necessitate a formal alteration to the Company's current investment policy or articles, in which case Shareholders will be asked to approve this via the EGM on 19 October 2022.

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 23 September 2022, approximately 87%. 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. The Board currently expects that these investments will become liquid within the next 14 months from the approval of these financial statements.

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. The Directors therefore propose to proceed with the sale of this part of the portfolio which has realistically little or no value and 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.

Given the illiquid nature of the Company's remaining investments, it is difficult to provide certainty over the timeframe for realisation. However, the Board is aware that Shareholders will expect some guidance on the expected timeline, and it is the Directors' current estimate, based on its analysis of the current and anticipated liquidity profile of the underlying investments, that the Company will be able to target a solvent voluntary liquidation date prior to 31 December 2023.

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 2021 to 30 June 2022 (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 2021, the Company had a NAV of US$26.1 million and a NAV per share of US$0.1783. On 30 June 2022 the Company's NAV was US$20.1 million (US$0.1382 NAV per share). During the Period, the Company received US$3.4 million from underlying manager capital distributions. The Company made a capital distribution to shareholders, paid in December 2021, of $2.2 million, equivalent to 1.5¢ per share. The NAV was reduced accordingly by 1.5¢ per share.

The Company had a cash balance of approximately US$1.60 million as at 30 June 2022 (30 June 2021: US$1.43 million).

Adjusting for the distributions in the period, there was a 15.37% (US$0.0251 per share) decrease (30 June 2021: 7.23% (US$0.0177 per share) increase) in the value of the Company in the Period.

The Portfolio has significant exposure to the Brazilian Real, which depreciated by approximately 5.2% against the US Dollar. 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 reduction in size of the Portfolio due to successful realisations coupled with the failure to raise additional capital in the Covid-hit equity markets of 2020 led to the Board to consider the future of the Company. The Board's over-riding aim is to preserve the inherent value of the remaining Portfolio (the "Realisation Portfolio") so as preserve shareholder value.

On 6 September 2021, the Company held an EGM requesting Shareholder approval to issue a new segregated class of Ordinary Shares, and if successful, to appoint Waverton Investment Management Limited ("Waverton") as investment manager of the Ordinary Portfolio and to adopt a new investment objective and policy for the Ordinary Portfolio. Shareholders voted overwhelmingly in favour of the proposals.

The Company and Waverton targeted the end of March 2022 as the proposed listing date for the new share class. Unfortunately, despite a promising fundraising and marketing period, the Russian invasion of Ukraine destabilised the financial markets to such an extent that a successful listing was deemed to be extremely unlikely. The transaction was therefore suspended. Subsequently, Waverton was not appointed as Investment Manager and the Company did not adopt the new investment objective and policy. As previously communicated, all costs associated with the fundraising have been underwritten by Waverton, and the existing Shareholders of ALF will not have incurred any expenses or liabilities.

The Board has been examining the options available to the Company to accelerate the continuing managed wind-down of the portfolio within a specified time frame. We will propose and discuss with Shareholders a designated realisation date. This may necessitate a formal alteration to the Company's current investment policy or articles, in which case Shareholders will be asked to approve this via the EGM on 19 October 2022. Please refer to page 3 for further details on the future of the Company.

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

Quentin Spicer
Chairman
19 October 2022

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 2021, the Company had a NAV of US$26.1 million and a NAV per share of US$0.1783. On 30 June 2022, the Company's NAV was US$20.1 million (US$0.1382 NAV per share). During the period 1 July 2021 to 30 June 2022 (the "Period"), the Company received US$3.4 million from underlying manager capital distributions. The Company made a capital distribution to shareholders, paid in December 2021, of $2.2 million, equivalent to 1.5¢ per share. The NAV was reduced accordingly by 1.5¢ per share. The Company had a cash balance of approximately US$1.60 million as at 30 June 2022 (30 June 2021: US$. Adjusting for the distributions in the period, there was a 15.37% (US$0.0251 per share) decrease in the value of the Company in the Period (30 June 2021: 7.23% (US$0.0177 per share) increase).

Portfolio
At the end of the year, the Company had exposure to approximately 24 different fund investments and direct investments managed by 14 different investment managers. The top six fund investments represent 92% of the NAV and almost the entire portfolio (97%, excluding cash) consists of assets domiciled in emerging markets. Approximately 73% of the portfolio can be deemed credit, 6% equity; 3% real estate; 12% 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 (79% of NAV (30 June 2021: 85.2%)), which are predominantly made up of two separate pools of legal claims against the State Government of Rio de Janeiro (FCVS RJ) and Eletrobras, the Brazilian public utility firm. All the claims require novation in the local courts and given the current difficult economic environment in Brazil along with a very cumbersome judicial process, liquidity from these pools has been scarce and slow to date.

Novating the claims in FCVS RJ has not been permitted for several years, whilst claim holders have been waiting for a court decision on the allocation of liabilities to each claim. The Federal court finally rendered its judgment in February 2022, which found in favour of the "good faith" claim holders, of which Vision and ALF's holding is one. By the end of 2022 Vision expects to have the official report for the FCVS RJ portfolio published by Caixa. Theoretically it opens the path or route for the novation process to begin. More importantly this will validate the claims and allow Vision to market the entire portfolio for sale to one of the local banks.

The largest claim in the Vision Special Credit Opp Eletrobras Fund (Vision ELT Fund) is the Siemens claim, it represents approximately one quarter of the Vision ELT Fund NAV. In February 2022 the full amount of the claim was deposited by Eletrobras into the government escrow account. Vision expected to be able to withdraw the funds in the second quarter of 2022. In June 2022 however, the court requested additional ownership documents related to the claim. These were provided by Vision in August. The next step is for the court to allow Vision to withdraw the funds from the government's escrow account and distribute the funds to shareholders. Vision believes that this should happen by the end of 2022. Concurrently the Vision ELT shareholders, led by ALF, instructed the Vision Fund directors to run a sale process for the balance of the Vision ELT Fund portfolio. Several bids were received, and an agreement was reached with the preferred buyer. This sale is in its latter stages, and we now expect it to conclude during the fourth quarter of 2022, in line with the determined fair value.

The third largest exposure is an investment ©n Vision Invest RJ (6.6% of NAV). An SPV created three years ago by the independent directors of Vision to provide a working capital loan to the Vision RJ Cayman entities that risked becoming insolvent. The shareholders and the independent directors have been working and pressurizing Vision over the past six months to re-finance this loan. This process is difficult as the loan is secured by the RJ portfolio which as described above is extremely complicated and therefore difficult to evaluate its collateral value by potential new lenders. We will continue to pursue this re-finance and a long-term liquidity solution to the RJ portfolio as a matter of importance.

Portfolio, continued

The Company also has a large exposure to the Warana 2018 Fund (2.2% of NAV), this fund officially entered harvest mode in Q4 2019, having invested into 150 different funds and four direct investments during its investment period. The fund continues to make periodic distributions as cash is received in the portfolio, the total received up to June 2022 NAV is 104% of called capital. The fund continues to project an IRR of approximately 20% and a multiple of called capital of over 1.42x.

The portfolio has significant exposure to the Brazilian Real which depreciated significantly versus the US Dollar over the last 12 months. During the Period, the currency depreciated approximately 5.5%, the impact is seen in mark-downs on the Vision and Autonomy funds. The depreciation of the Brazilian Real has had a negative impact on the portfolio with an estimated 0.01¢ of loss per share, contributing to the overall 0.04¢ loss in NAV per Ordinary Share.

During the year, the Company received US$3,358,793 in capital distributions from underlying fund investments. These flows have come from:

Investee Company	US$
White Oak	4,126
Valens	16,294
Vision PB	23,617
Galileo	59,044
Aarkad	108,818
Warana	290,055
Vision ELT	2,856,839
Total	**3,358,793**

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

- RD Legal
- Growth Management
- Growth Premier
- Galileo
- Longview International
- Vision PB Funds
- White Oak Strategy

Liquidation timeline

Given the composition of the portfolio, projecting future liquidity is extremely difficult and speculative. To the extent possible, the Investment Adviser seeks to work with the underlying managers to liquidate the positions appropriately. The Board has asked the Investment Adviser to contact secondary market participants to gauge interest and bid levels on the smaller and less significant positions in the portfolio. Given the fact that the sale and transfer of illiquid holdings and liquidating funds often takes several months, the Board is considering disposing of these de-minimis positions to clean up the portfolio in advance of any managed wind down over the next 14 months from the approval of these financial statements.

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

Hindsight Solutions Ltd.
19 October 2022

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 and independent by virtue of having no material business relationship with the Company or the former investment manager within the last three years, having received no additional remuneration from the Company apart from a directors' fee, having no close family ties with any of the Company's advisers, Directors or the former investment manager, having no cross-directorships or significant links with other Directors or serving on the board of any other company managed by the same manager, nor representing any significant shareholder and having served on the board for less than nine years from the date of their first appointment, are as follows:

Quentin Spicer, Chairman, age 77, 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, aged 69, 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 Deloittes). In 1986 he joined Chandlers as a partner with a specialism in insolvency matters and advised a range of financial services companies and trading companies on insolvency matters as well as acting as financial adviser to local entities. He became Managing Director of the firm in 2000 and assumed the role of Chairman in 2004 until his retirement in 2008. He has previously been a non-executive Director of several listed companies.

Dr Richard Berman, age 66, 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.

ALTERNATIVE LIQUIDITY FUND LIMITED
DISCLOSURE OF DIRECTORSHIPS IN PUBLIC COMPANIES LISTED ON RECOGNISED STOCK EXCHANGES

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

Company Name	Stock Exchange
Quentin Spicer	
None	
Anthony Pickford	
None	
Dr Richard Berman	
None	

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 2022. 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 part of the Exchange'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 Exchange's Admission and Disclosure Standards, Disclosure and Transparency Rules, and Market Abuse regulations.

Going Concern

The Financial Statements have been prepared under a basis other than going concern and amended to reflect the fact that 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 may have become onerous as a consequence of the decision to wind-down the entity.

Under basis other than going concern, all assets are measured at net realisable value and provisions are made for estimated liquidation costs.

The Directors deem it appropriate to adopt a basis other than going concern in preparing the Financial Statements given the fact they believe that the investments held by the Company may be fully realised and the Company put into liquidation in the next 14 months from the date of approving these Financial Statements in line with the Company's managed wind-down strategy. Please refer to page 2 for detail regarding the Company's Investment Objective and Investment Policy.

The COVID-19 pandemic and ongoing geopolitical events (such as the Russia/Ukraine crisis) has been a significant influence on global markets and has had an economic impact on certain companies held within the Company's portfolio. The Board and the Investment Advisor closely monitors the latest developments relating to COVID-19 and ongoing geopolitical events, and the impacts they 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 wind-down costs will be approximately $2,240,000 for which a provision has been recorded however no present obligation exists and therefore is not in accordance with IAS 37 however its in-line with the adopting a non-going concern basis of preparation. The Board believes that the Company has sufficient funds available to meet its wind-down costs and day-to-day running costs for the next 14 months from the date of approving these Financial Statements. 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 the intended voluntary liquidate date in December 2023.

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 the period to December 2022 of US$5.03 million, based on known imminent realisations;
- Worst case scenario assumption of no further cash inflows from realisation of the existing portfolio for the remainder of the 14 months from the approval of these financial statements;
- In the absence of further cash inflows from the portfolio, no further returns of capital are made to Shareholders;
- Base fixed costs of operation of approximately US$1.27m per annum for the remainder of the 14 months from the approval of these financial statements

Based on this forecast, the Company would continue to have sufficient cash resources to meet its ongoing liabilities for the period from July 2021 to December 2023, even in the unlikely absence of any realisations of the portfolio occurring in the 14 months from the approval of these financial statements.

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 provisioning process to evaluate the portfolio as objectively as possible. 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 after a substantial due diligence process, 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.

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 SFS Rules, The Companies (Guernsey) Law, 2008, the 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.
- COVID-19: the pandemic has presented a significant risk to the global economy and financial markets, which has resulted in an unprecedented level of market volatility and disruption. The Board has reviewed the business continuity arrangements of the service providers to the Company, which include the ability for all key employees to work from home, and does not believe that the pandemic has had a significant effect on 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 29. The Board will consider the appropriateness of the distribution of capital on the Ordinary Shares from time to time.

Independent Auditor
Grant Thornton Limited was re-appointed on 8 December 2021 and served as auditor during the financial year. Grant Thornton Limited 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 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.

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 2022, the long-term credit ratings of the Custodian as reported by Moody's and Standard & Poor's are A3 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 8.

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 Director fees since April 2016.

The Directors had the following interests in the Company at 30 June 2022, held either directly or beneficially:

	30 June 2022		30 June 2021	
Name	**No. of ordinary shares**	**Percentage %**	**No. of ordinary shares**	**Percentage %**
Quentin Spicer (Chairman)	-	-	-	-
Anthony Pickford	100,000	0.07	100,000	0.07
Dr Richard Berman	-	-	-	-

There have been no changes to the Directors' shareholdings since 30 June 2021.

Substantial Shareholdings
As at 19 October 2022, the Company had the following shareholdings in excess of 5% of the issued share capital:

Name	No. of ordinary shares	Percentage
JP Morgan Securities LLC Clients a/c	35,331,365	24.09
HSBC Global Custody Nominee (UK) Limited	25,162,215	17.16
Bank of New York (Nominees) Limited	16,419,615	11.20

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

Ongoing charges ratio
The ongoing charges ratio, in accordance with the AIC guidance, is defined as annualised ongoing charges (i.e. excluding acquisition costs and other non-recurring items) divided by the average published undiluted net asset value in the year. The Company's ongoing charges ratio for the year ended 30 June 2022 is 4.22% (30 June 2021: 4.04%). 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$10 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.

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.

Warana Capital LLC ("Warana") was engaged by the Company to act as AIFM on behalf of the Company for the period 1 July 2020 to 31 December 2020. Warana was responsible for fulfilling the role of the AIFM and ensuring the Company complies with the AIFMD requirements. Details of the total amount of remuneration for the financial year, split into fixed and variable remuneration, paid by the AIFM to its staff, and the number of beneficiaries, are made available to Shareholders on request to Warana. As Warana was the AIFM for the period 1 July 2020 to 31 December 2020, the details of the Company's renumeration policy for Warana is outlined on page 42 within note 3 and accords with the principles established by AIFMD.

Upon resignation of Warana, the Company became 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 renumeration 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
19 October 2022

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 republished the GFSC Finance Sector Code of Corporate Governance (Guernsey Code) in October 2021. 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 2022, the Company has complied with the applicable provisions of the AIC Code, except for the matters set out below which the Board has determined do not impact effective corporate practices. It is the intention of the Board that the Company will continue to comply with the applicable provisions of the AIC Code throughout the year to 30 June 2023.

- *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 2022, 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.

Composition and Independence of the Board, continued
Dr Richard Berman is a member of the Audit and Risk Committee, and the Management Engagement Committee.
In considering the independence of the Chairman, the Board is mindful of the provisions of the AIC Code relating to independence and has determined that Mr Spicer is an Independent Director.

The Board determined that all Directors were independent of the Investment 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 renumeration
– 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 page 19.

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

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

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

The Board monitors the level of the share price and discount to determine what action, if any, is required. The Board and relevant personnel of the Investment 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.

Directors' Performance Evaluation, continued
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; and given the restrictions imposed by COVID-19 measures the Board remained proactive and effective.

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

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 monthly 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.

On 8 December 2021 at the Annual General Meeting of the Company, all resolutions were passed but resolution 9, to allow the Directors of the Company be and they are hereby generally empowered, to allot Ordinary Shares in the Company, in line with the provisions stated in the Notice of AGM, which did not pass. The board investigated in conjunction with shareholders and determined this was due to an administrative error.

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.

Stakeholders and Section 172, continued

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.

Directors' Meetings and Attendance
The table below shows the attendance at Board, Audit and Risk Committee and Management Engagement Committee meetings during the year. There were three formal quarterly Board meetings, three additional Board meetings, three Audit and Risk Committee meetings and one Management Engagement Committee meeting held during the year ended 30 June 2022.

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

Board Committees

Audit and Risk Committee
The Audit and Risk Committee comprising all Board members, meets at least twice per calendar year and is chaired by Anthony Pickford. As all Directors are non-executive and taking into account the size of the Board, it was considered reasonable that all Directors, including the 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 21 to 23.

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

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

It is the responsibility of the Board to undertake the risk assessment and review of the internal controls in the context of the Company's objectives in relation to business strategy, and the operational, compliance and financial risks facing the Company. These controls are operated by the Company's main service providers: the Investment 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.

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.

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. Guernsey Company Law requires the Directors to prepare financial statements for each financial yea which give a true and fair view of the state of affairs of the Company and of its profit or loss for that period.

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

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.

Responsibility Statement
Each of the Directors, whose names and functions are listed on page 8, 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
19 October 2022

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 2022		For the year ended 30 June 2021	
	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 2022 and is not expected to change in the immediate future.

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

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

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

The amounts payable to Directors for the year ended 30 June 2022 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
19 October 2022

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 8 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 2022 was US$18,752,504 (30 June 2021: US$24,781,828). 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.

Financial Reporting and Audit, continued

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

External Auditor

The Audit and Risk Committee has responsibility for making a recommendation on the appointment, re-appointment or removal of the auditor. Grant Thornton Limited was appointed as the first auditor of the Company. During the year, the Audit and Risk Committee received and reviewed the audit plan and report from the auditor. Periodically, the Audit and Risk Committee may meet privately with the auditor without the Investment Adviser being present. The current audit partner has served 2 years as at the date of these Financial Statements and has 5 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 2022, 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 2022	For the year ended 30 June 2021
	£	£
Annual audit of the Company	40,000	35,625
Review of the Company's interim financial statements*	4,000	3,500

*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.

Internal controls, continued

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

In accordance with the guidance published in the Turnbull Report by the Financial Reporting Council (the "FRC"), the Audit and Risk Committee have reviewed the Company's internal control procedures. These internal controls are implemented by the Company's two main service providers, the Investment 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 have considered non-financial areas of risk such as disaster recovery and investment management, staffing levels and considers adequate arrangements to be in place.
On behalf of the Audit Committee

Anthony Pickford
Audit and Risk Committee Chairman
19 October 2022

ALTERNATIVE LIQUIDITY FUND LIMITED
REPORT OF THE MANAGEMENT ENGAGEMENT COMMITTEE

The Management Engagement Committee's report for the year ended 30 June 2022, 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 7 July 2021 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 with the transition into a business continuity situation due to COVID-19 causing no significant operational disruption and all service providers had been able to provide a consistent level of service to the Company. Accordingly, the Management Engagement Committee recommended to the Board that the retention of the Company's key service providers under the terms of their existing contracts was in the best interests of the Company and its Shareholders.

Quentin Spicer
Chairman, Management Engagement Committee Chairman
19 October 2022

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 then ended 30 June 2022, 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 reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRSs") as adopted by the European Union ("EU").

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2022 and of the Company's loss for the year then ended;
- are in accordance with IFRSs 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) (the "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 to the financial statements, which describes the basis of preparation of the financial statements. As described in that note, the Company has written down its assets to their net realisable value based on conditions existing at the end of the reporting period and accordingly the directors have prepared the financial statements on a basis other than going concern. Our opinion is not modified in this respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of the 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.

<table>
<tr><th>The key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>

Valuation of unquoted investments (2022: US$18.8m and 2021: US$24.7m)

92% (2021: 94%) of the Company's investments total assets, consist of unquoted investments which are valued using different valuation techniques, as described in Note 2a (iv), 'Estimates', and Note 6, 'Fair value of financial instruments', to the financial statements.

We identified the valuation of unquoted investments as one of the most significant assessed risks of material misstatement due to fraud or 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.

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.

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.

Refer to the Audit and Risk Committee Report (pages 21-23); Accounting policies on pages 31-37, and Note 6, 'Fair value of financial instruments', to the financial statements.

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Our audit procedures consisted of:

- Updating our understanding of the processes, policies and methodologies, and controls in relation to the valuation and measurement of investments including the use of industry-specific measures, and policies for valuing unquoted investments held by the Company.
- Obtaining the investment schedule and the pricing sheet as at year-end from management and checking the arithmetical accuracy of the schedules.
- Evaluating the expertise, competency, and objectivity of the investment adviser.
- Performing an analytical review on the movement of investments during the year to identify potential concerns or errors.
- Obtaining the most recent net asset valuation reports or other supporting documents from the underlying fund managers or administrators and comparing them to the unit pricing and the calculations of the fair value of investments as at year end performed by management.
- Obtaining confirmations 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 and valid including confirmation of the net asset value of the underlying fund and the Company's interest in the underlying fund.
- Assessing the reasonableness of the discount policy used by management in determining the discount rate applied 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
- Challenging the discounts applied to significant investments in accordance with the discount policy by obtaining relevant updates from the management's expert and inspecting the latest audited financial statements of the investments.
- Evaluating the reasonableness of the discounts provided by comparing the receipts from realisations of investments during the year compared to their proportionate fair values in the prior year.
- Consider whether balances and transactions have been appropriately measured and presented in accordance with the non-going concern basis of preparation with particular focus on:
  - Correct classification of assets and liabilities have been as current or non-current;
  - Assets have been measured at their net recoverable amount; and
  - All liabilities and losses have been recorded up to the planned date of liquidation.
- Evaluating the appropriateness of the valuation methodology under IFRSs as adopted by the EU and whether appropriate disclosures were made.

</td></tr>
</table>

The key audit matter	How the matter was addressed in our audit
	Our results We have not identified any matters to report to those charged with governance in relation to the fair value measurement of unquoted investments at fair value through profit or loss.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, 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.

Matters on which we are required to report by exception

- We have nothing to report in respect of the following matters in relation to which the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:proper accounting records have not been kept by the Company; or
- the Company's financial statements are not in agreement with the accounting records; or
- we have not obtained all the information and explanations, which to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of the directors for the financial statements
As explained more fully in the Statement of Directors' Responsibilities set out on page 19, the Directors are responsible for the preparation of the financial statements which give a true and fair view in accordance with IFRSs as 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.
- 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.

Wynand Pretorius
For and on behalf of Grant Thornton Limited
Chartered Accountants
St Peter Port
Guernsey

20 October 2022

ALTERNATIVE LIQUIDITY FUND LIMITED
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2022

	Notes	For the year ended 30 June 2022 US$	For the year ended to 30 June 2021 US$
Income			
Net (losses)/gains on financial assets at fair value through profit or loss	6 (b)	(2,579,616)	4,633,922
Net foreign exchange gain		-	71,604
Total net (loss)/income		(2,579,616)	4,705,526
Expenses			
Net foreign exchange loss		40,494	-
Investment Manager's fee and expenses	3	-	324,688
Investment Advisers' fee and expenses	3	491,297	263,089
Other expenses	3	472,645	580,929
Provision for wind-down costs		2,240,000	-
Total operating expenses		3,203,942	1,168,706
Total comprehensive (loss)/income for the year		**(5,824,052)**	**3,536,820**
(Loss)/earnings per ordinary share (basic and diluted)*	5	**(3.97)¢**	**2.41¢**

**Basic (loss)/earnings per ordinary share is calculated by dividing the total comprehensive income/(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 earnings/(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 33 to 56 form an integral part of these Financial Statements.

ALTERNATIVE LIQUIDITY FUND LIMITED
STATEMENT OF FINANCIAL POSITION
As at 30 June 2022

	Notes	30 June 2022 US$	30 June 2021 US$
ASSETS			
Non-current assets			
Investments at fair value through profit or loss	6	18,752,504	24,689,159
Current assets			
Prepayments		33,297	43,530
Cash and cash equivalents		1,565,632	1,429,748
		1,598,929	1,473,278
Total assets		20,351,433	26,162,437
Liabilities:			
Other payables		80,585	107,871
Provision for wind-down costs		2,240,000	-
Total net assets		**18,030,848**	**26,054,566**
Equity			
Share capital	8	110,061,119	112,260,785
Retained losses		(92,030,271)	(86,206,219)
Total equity		**18,030,848**	**26,054,566**
Number of ordinary shares	8	**146,644,387**	**146,644,387**
Net asset value per ordinary share	9	**12.30¢**	**17.77¢**

The Financial Statements on pages 29 to 56 were approved and authorised for issue by the Board of Directors on 19 October 2022 and signed on its behalf by:

Anthony Pickford
Director

The accompanying notes on pages 33 to 56 form an integral part of these Financial Statements.

ALTERNATIVE LIQUIDITY FUND LIMITED
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2022

	Note	Share capital US$	B Share Capital US$	Retained losses US$	Total US$
As at 30 June 2021		**112,260,785**		**(86,206,219)**	**26,054,566**
B shares issued as distributions to Shareholders	8	(2,199,666)	2,199,666	-	-
B shares redeemed and cancelled during the year	8	-	(2,199,666)	-	(2,199,666)
Total comprehensive loss for the year		-	-	(5,824,052)	(5,824,052)
As at 30 June 2022		**110,061,119**	**-**	**(92,030,271)**	**18,030,848**

	Note	Share capital US$	B Share Capital US$	Retained losses US$	Total US$
As at 30 June 2020		**115,193,673**	**-**	**(89,743,039)**	**25,450,634**
B shares issued as distributions to Shareholders	8	(2,932,888)	2,932,888	-	-
B shares redeemed and cancelled during the year	8	-	(2,932,888)	-	(2,932,888)
Total comprehensive income for the year		-	-	3,536,820	3,536,820
As at 30 June 2021		**112,260,785**	**-**	**(86,206,219)**	**26,054,566**

The accompanying notes on pages 33 to 56 form an integral part of these Financial Statements.

ALTERNATIVE LIQUIDITY FUND LIMITED
STATEMENT OF CASH FLOWS
For the year ended 30 June 2022

	Notes	For the year ended 30 June 2022 US$	For the year ended 30 June 2021 US$
Cash flows (used in)/from operating activities			
(Loss)/profit for the year		(5,824,052)	3,536,820
Adjustments for:			
Net losses/(gains) on financial assets at fair value through profit or loss	6 (b)	2,579,616	(4,633,922)
Net foreign exchange loss/(gain)		40,494	(71,604)
Decrease in prepayments		10,233	91,347
Decrease in other payables		(27,286)	(13,496)
Provision for wind-down costs		2,240,000	-
		(980,995)	**(1,090,855)**
Purchases of investments	6 (a)	(1,754)	-
Sales of investments	6 (a)	3,358,793	2,929,839
Net cash from operating activities		**2,376,044**	**1,838,984**
Cash flows used in financing activities			
B shares redeemed during the year	8	(2,199,666)	(2,932,888)
Net cash used in financing activities		**(2,199,666)**	**(2,932,888)**
Net increase/(decrease) in cash and cash equivalents during the year		**176,378**	**(1,093,904)**
Cash and cash equivalents brought forward		1,429,748	2,452,048
Effect of foreign exchange rate changes during the year		(40,494)	71,604
Cash and cash equivalents carried forward		**1,565,632**	**1,429,748**

The accompanying notes on pages 33 to 56 form an integral part of these Financial Statements.

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. However, the Board is aware that Shareholders will expect some guidance on the expected timeline, and it is the Directors' current estimate, based on its analysis of the current and anticipated liquidity profile of the underlying investments, that the Company will be able to target a solvent voluntary liquidation date prior to 31 December 2023. For further information on the future of the Company please refer to page 3.

The Annual Financial Statements of the Company (the "Financial Statements") are prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU"), except for what has been described below, 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. Principal accounting policies

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

(a) Basis of preparation

(i) Basis of measurement

The Company's Financial Statements have been prepared on a historical cost basis, as modified by the revaluation of financial instruments measured at 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 under a basis other than going concern and amended to reflect the fact that 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 may have become onerous as a consequence of the decision to wind-down the entity.

Under basis other than going concern, all assets are measured at net realisable value and provisions are made for estimated liquidation costs.

The Directors deem it appropriate to adopt a basis other than going concern in preparing the Financial Statements given the fact they believe that the investments held by the Company may be fully realised and the Company put into liquidation in the next 14 months from the date of approving these Financial Statements in line with the Company's managed wind-down strategy. Please refer to page 2 for detail regarding the Company's Investment Objective and Investment Policy.

2. Principal accounting policies, continued

(a) Basis of preparation, continued

Going concern, continued
The COVID-19 pandemic and ongoing geopolitical events (such as the Russia/Ukraine crisis) has been a significant influence on global markets and has had an economic impact on certain companies held within the Company's portfolio. The Board and the Investment Advisor closely monitors the latest developments relating to COVID-19 and ongoing geopolitical events, and the impacts they 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, however, prior period comparatives have not been restated for the change in accounting policies as required by IAS 8. The Directors estimate that the wind-down costs will be approximately $2,240,000 for which a provision has been recorded however no present obligation exists and therefore is not in accordance with IAS 37, however, its in-line with the adopting a non-going concern basis of preparation. The Board believes that the Company has sufficient funds available to meet its wind-down costs and day-to-day running costs for the next 14 months from the date of approving these Financial Statements. 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.

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

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

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

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

(iii) Judgements
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 note 2(a)(ii)) and the fair value of investments designated to be at fair value through profit or loss (see note 2(b)).

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

2. Principal Accounting Policies, continued

(a) Basis of preparation, continued

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

(iv) 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.

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.

2. Principal accounting policies, continued

(a) Basis of preparation, continued

(iv) Estimates, continued

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 (“NAVs”) 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 arms 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).

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

- IAS 1 (amended), ‘Presentation of Financial Statements’ – (effective for accounting periods commencing on or after 1 January 2023)

- IAS 8 (amended), ‘Accounting Policies, Changes in Accounting Estimates and Errors’ – (effective for accounting periods commencing on or after 1 January 2023)

- IAS 37 (amended), ‘Provisions, Contingent Liabilities and Contingent Assets’ – (effective for accounting periods commencing on or after 1 January 2022)

The Company has considered all other standards and interpretations in issue but not yet effective and no material impact on the financial statements is expected.

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.

(vi) New accounting standards effective and adopted in the reporting period
There were no relevant new standards and interpretations which have been applied for the first time in these Financial Statements.

2. Principal accounting policies, continued

(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.

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.

2. Principal accounting policies, continued

(b) Financial instruments, continued

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

Financial liabilities are recorded at the amount of proceeds received, net of issue costs.

Financial liabilities may be designated at fair value through profit or loss rather than stated at amortised cost, when the Board have 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.

(i) 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.

(i)(a) 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.

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:	2022	2021
BRL:US$	5.2580	4.9683
GBP:US$	1.2178	1.3831
RMB:US$	6.6963	6.5412

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)).

2. Principal accounting policies, continued

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

(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.

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.

(g) Provisions
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 2022 was US$2,240,000.

3. Expenses

	For the year ended 30 June 2022 US$	For the year ended 30 June 2021 US$
Investment Manager's fee and expenses	-	271,301
Investment Manager's realisation fees*	-	53,387
Investment Advisers' fee and expenses	381,249	189,767
Investment Advisers' realisation fees*	110,048	73,322
	491,297	587,777
Other expenses:		
Directors' remuneration and expenses	125,553	129,170
Accounting, secretarial and administration fees	109,808	126,557
Custodian fee	70,000	70,000
Legal and professional fees	-	22,314
Auditor's remuneration	46,614	47,587
Interim review of Financial Statements	5,188	4,350
Listing and regulatory fees**	19,908	56,178
Broker's fees***	-	47,930
Registrar's fee	50,031	35,660
Registrar's fee – B Share Distribution expenses	-	17,500
Directors and officers insurance	5,831	3,909
Sundry expenses	39,712	19,774
Provision for wind-down costs	2,240,000	-
	2,712,645	580,929
Total expenses	3,203,942	1,168,706

*Realisation fees paid to the Investment Manager or Investment Advisor following the return of capital by way of redeemable B share issues as announced in October 2021, and for the comparative period, July 2020 and March 2021.
**Previous year Listing and regulatory fees includes a one time listing fee for the transfer to SFS
***Broker's fees paid relate to the period January 2020 to June 2021

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 "Adviser") was appointed as the Investment Adviser to the Company. Pursuant to the terms of the Advisory Agreement ("AA") 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 AA, the AA shall continue unless and until terminated as provided by the terms of the AA, or by either party giving to the other not less than three months written notice.

Investment adviser's fees for the year totalled US$491,297 (30 June 2021: US$263,089), made up of the fixed monthly fee of £23,000 (in total US$377,184), realisation fees of US$110,048 and US$4,065 of expenses incurred on behalf of the Company (30 June 2021: US$73,322 realisation fees and US$482 of expenses), of which US$28,009 (30 June 2021: US$31,811) had been prepaid at the end of the year.

3. Expenses, continued

Investment Manager’s fee and expenses (comparative period only)
In accordance with the Investment Management Agreement dated 6 July 2017 between Warana Capital, LLC (“Warana”) and the Company, Warana was appointed as the Investment Manager to the Company. Warana is entitled to a fixed fee of US$500,000 per annum payable quarterly in advance. Warana are also entitled to a realisation fee of 5 per cent of the cash distributed to Shareholders (calculated before costs of distribution). On 31 December 2020, the Company announced that Warana Capital, LLC, had resigned as Investment Manager.

Investment management fees for the year totalled US$Nil (30 June 2021: US$324,688). The prior year fees were made up of the fixed annual fee of US$500,000 apportioned up to date of resignation (30 June 2020: fixed annual fee of US$500,000, US$53,387 realisation fees and US$21,301 of expenses), of which US$Nil (30 June 2021: US$Nil) had been prepaid at the year end.

Administration fees
With effect from 14 July 2015, Sanne Fund Services (Guernsey) Limited (*formerly Praxis Fund Services Limited*) (the “Administrator”) was appointed as Administrator of the Company. Pursuant to the terms of the Administration and Secretarial Agreement between the Company and the Administrator, the Administrator is entitled to receive an administration fee and company secretarial fee, payable monthly in arrears, at the rate of 0.075 per cent per annum of the net assets of the Company, subject to a minimum fee of £80,000 per annum, plus disbursements.

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

With effect from 3 December 2021, the fund services division of PraxisIFM Group, which included Praxis Fund Services Limited, the Company’s Secretary and Administrator of the Company, was acquired by Sanne Group plc. Effective 6 December 2021, Praxis Fund Services Limited changed its name to Sanne Fund Services (Guernsey) Limited.

On 4 August 2022, the entire share capital of Sanne Group Plc, the ultimate parent company of Sanne Fund Services (Guernsey) Limited, the Administrator, was acquired by Apex Acquisition Company Limited, a wholly-owned subsidiary of Apex Group Limited.

Administration fees for the year totalled US$109,808 (30 June 2021: US$126,557), of which US$25,172 (30 June 2021: US$27,662) 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.

Custodian fees for the year totalled US$70,000 (30 June 2021: US$70,000), of which US$Nil (30 June 2021: US$17,500) was outstanding at the year end.

Legal and professional fees
In the prior year the legal costs include costs in connection with the planned share issue during that period. There were no such costs in current year.

4. Tax status

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

5. (Loss)/earnings per ordinary share

Basic (loss)/earnings per ordinary share is calculated by dividing the total comprehensive income/(loss) for the year by the weighted average number of ordinary shares in issue during the year.

	For the year ended 30 June 2022		
	Total comprehensive loss for the year	Weighted average number of ordinary shares in issue	Loss per ordinary share
	US$	No.	
Ordinary shares	(3,584,052)	146,644,387	(2.44)¢

	For the year ended 30 June 2021		
	Total comprehensive income for the year	Weighted average number of ordinary shares in issue	Earnings per ordinary share
	US$	No.	
Ordinary shares	3,536,820	146,644,387	2.41¢

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

6. Fair value of financial instruments

(a) Investments at fair value through profit or loss

		30 June 2022	30 June 2021
		US$	US$
Opening fair value		24,689,159	22,985,076
Purchases		1,754	-
Sales	– proceeds	(3,358,793)	(2,929,839)
	– realised (losses)/gains on sales	(4,917,441)	441,490
Movement in unrealised losses on investments		2,337,825	4,192,432
Closing fair value		18,752,504	24,689,159
Closing cost carried forward		90,974,676	99,249,156
Unrealised losses on investments		(72,222,172)	(74,559,997)
Closing fair value carried forward		18,752,504	24,689,159

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

	30 June 2022	30 June 2021
Net realised (losses)/gains on financial assets at fair value through profit or loss	US$	US$
- Designated as at fair value through profit or loss	(4,917,441)	441,490
Movement in unrealised gains on financial assets at fair value through profit and loss		
- Designated as at fair value through profit or loss	2,337,825	4,192,432
Net (losses)/gains on financial assets at fair value through profit or loss	(2,579,616)	4,633,922

6. Fair value of financial instruments, continued

(c) Valuation models

None of the Company's financial assets are 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.

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".

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 2022 in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

Description	30 June 2022 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)	20,075	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 10% increase/decrease in the input discounts used for the relevant investments in this category would result in a (decrease)/increase respectively in fair value of approximately (US$4,382) /US$875,930.
	16,817,095	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 10% increase/decrease in the input discounts used for the relevant investments in this category would result in a (decrease)/increase respectively in fair value of approximately (US$2,314,994) /US$5,141,776
	1,915,334	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 10% increase/decrease in the unadjusted NAV of investments would result in an approximate decrease/increase in fair value of US$189,017
Total investments	**18,752,504**					

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 2021 in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

Description	30 June 2021 Fair Value (US$)	Valuation Technique	Unobservable Inputs	Discount applied	Sensitivity to changes in significant unobservable inputs	Quantitative disclosure of impact on Fair Value of changes in unobservable inputs to reasonable alternatives
Unlisted open-ended investment funds (redemption restricted)	28,967	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 15% 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$11,628) /US$1,332,026.
	23,186,747	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 15% 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$6,034,742) /US$10,419,311
	1,473,445	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 15% increase/decrease in the unadjusted NAV of investments would result in an approximate decrease/increase in fair value of US$221,017
Total investments	**24,689,159**					

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 one or more of the assumptions used to reasonably possible alternative assumptions would have the following effects on net assets attributable to holders of shares.

	30 June 2022		**30 June 2021**	
	Favourable	Unfavourable	Favourable	Unfavourable
Change in fair value of investments	US$6,206,723	US$(2,508,393)	USD$11,972,354	US$(6,267,386)

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 30% 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 2022 and 30 June 2021.

6. Fair value of financial instruments, continued

(c) Valuation models, continued

As at 30 June 2022 and as described in the table on pages 44 to 45 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 2022	Investments valued at NAV US$	Fair value adjustment US$	Fair value US$
Level 3 investments with fair value adjustments of:			
40%	18,970,748	(7,588,299)	11,382,449
45%	8,355,325	(3,759,895)	4,595,430
53%	42,588	(22,636)	19,952
70%	6,056	(4,239)	1,817
85%	44,064	(37,411)	6,653
90%	4,107,826	(3,697,047)	410,779
99%	641	(636)	5
100%	37,005,136	(37,005,136)	-
	68,532,384	(52,115,299)	16,417,085
Level 3 investments without fair value adjustments			2,335,419
Total fair value of investments			18,752,504

30 June 2021	Investments valued at NAV US$	Fair value adjustment US$	Fair value US$
Level 3 investments with fair value adjustments of:			
10%	56,697	(5,670)	51,027
17%	863,230	(145,353)	717,877
30%	913,577	(274,073)	639,504
40%	35,522,718	(14,209,087)	21,313,631
53%	56,653	(30,940)	25,713
70%	9,018	(6,313)	2,705
80%	105,909	(84,727)	21,182
90%	4,163,342	(3,747,041)	416,300
99%	120,465	(119,442)	1,024
100%	37,413,595	(37,413,595)	-
	79,255,204	(56,036,241)	23,188,963
Level 3 investments without fair value adjustments			1,500,196
Total fair value of investments			24,689,159

6. Fair value of financial instruments, continued

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

	30 June 2022	% of net assets
Fair value assets	**US$**	**%**
Level 3 - Investments valued at fair value		
Unlisted open-ended investment funds	18,752,504	92.5

	30 June 2021	% of net assets
Fair value assets	**US$**	**%**
Level 3 - Investments valued at fair value		
Unlisted open-ended investment funds	24,689,159	94.8

The table on page 47 provides a reconciliation from opening balance to closing balance for assets and liabilities measured at fair value on a recurring basis using Level 3 inputs:

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 2021: no transfers).

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

	Date of acquisition	Domicile	Ownership
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.

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 44 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 on the next page is limited to the exposure to interest rate risk of the Company's assets which are directly exposed to interest rate risk.

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

Assets	**Interest-bearing assets**	**Non interest-bearing assets**	**Total**
	30 June 2022	**30 June 2022**	**30 June 2022**
	US$	**US$**	**US$**
Cash and cash equivalents	1,565,632	-	1,565,632
Investments at fair value through profit or loss	-	18,752,504	18,752,504
Total assets (excluding prepayments)	**1,565,632**	**18,752,504**	**20,318,136**

Liabilities	**Interest-bearing liabilities**	**Non interest-bearing liabilities**	**Total**
	30 June 2022	**30 June 2022**	**30 June 2022**
	US$	**US$**	**US$**
Trade and other payables	-	80,585	80,585
Total liabilities	-	**80,585**	**80,585**

7. Financial risk management, continued

(a) Market risk, continued

Interest rate risk, continued

Assets	Interest-bearing assets	Non interest-bearing assets	Total
	30 June 2021	30 June 2021	30 June 2021
	US$	US$	US$
Cash and cash equivalents	1,429,748	-	1,429,748
Investments at fair value through profit or loss	-	24,689,159	24,689,159
Total assets (excluding prepayments)	**1,429,748**	**24,689,159**	**26,118,907**

Liabilities	Interest-bearing liabilities	Non interest-bearing liabilities	Total
	30 June 2021	30 June 2021	30 June 2021
	US$	US$	US$
Trade and other payables	-	107,871	107,871
Total liabilities	**-**	**107,871**	**107,871**

Interest rate sensitivity
As at 30 June 2022, should interest rates have increased by 50 basis points with all other variables held constant, the increase in net assets attributable to holders of ordinary shares for the year would be immaterial. The calculations are based on the cash balance at the reporting date and are not representative of the year as a whole.

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 2022 and 30 June 2021 are denominated in currencies other than US Dollar (BRL – Brazilian Real; UAH – Ukrainian Hryvnia; RMB – Chinese Yuan; INR – Indian Rupee; GBP – Sterling). These currency exposures are unhedged. The net realisable amounts of the Company's financial assets and liabilities are as follows:

30 June 2022	BRL	UAH	RMB	GBP	USD/Other	Total
	US$	US$	US$	US$	US$	US$
Assets						
Cash and cash equivalents	-	-	-	535,697	1,029,935	1,565,632
Investments at fair value through profit or loss	16,436,260	-	410,662	-	1,905,582	18,752,504
	16,436,260	-	410,662	535,697	2,935,517	20,318,136
Liabilities						
Other payables	-	-	-	80,585	-	80,585
Net assets	16,436,260	-	410,662	455,112	2,935,517	20,237,551

7. Financial risk management, continued

(a) Market risk, continued

Currency risk

30 June 2021	BRL US$	UAH US$	RMB US$	GBP US$	USD/Other US$	Total US$
Assets						
Cash and cash equivalents	-	-	-	348,358	1,081,390	1,429,748
Investments at fair value through profit or loss	21,293,300	-	410,662	-	2,985,197	24,689,159
	21,293,300	-	410,662	348,358	4,066,587	26,118,907
Liabilities						
Other payables	-	-	-	90,371	17,500	107,871
Net assets	21,293,300	-	410,662	257,987	4,049,087	26,011,036

Foreign exchange rate sensitivity
As at 30 June 2022 and 30 June 2021, 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 2022 net exposure US$	30 June 2022 effect on net assets and profit or loss US$
US$/BRL	+/- 20%	16,436,220	1,643,626
US$/RMB	+/- 5%	410,662	20,533
US$/GBP	+/- 15%	535,697	80,355
		17,382,579	1,744,514

The GBP and RMB sensitivity rate has increased by 10% based on market volatility throughout the financial year of the Company against the US$.

	Possible change in exchange rate	30 June 2021 net exposure US$	30 June 2021 effect on net assets and profit or loss US$
US$/BRL	+/- 20%	21,293,300	4,258,660
US$/RMB	+/- 15%	410,662	61,599
US$/GBP	+/- 15%	348,358	52,254
		22,052,320	4,372,513

(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.

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$20,318,136 (30 June 2021: US$26,118,907), the net realisable value of the securities and cash 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 2021: A+) as rated by Standard and Poor's and Aa3 (30 June 2021: 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 2022	**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	-	-	-	18,752,504	18,752,504
Cash and cash equivalents	1,565,632	-	-	-	1,565,632
	1,565,632	-	-	18,752,504	20,318,136
Liabilities					
Other payables	80,585	-	-	-	80,585
	80,585	-	-	-	80,585

7. Financial risk management, continued

(c) Liquidity risk

As at 30 June 2021	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	-	-	-	24,689,159	24,689,159
Cash and cash equivalents	1,429,748	-	-	-	1,429,748
	1,429,748	-	-	24,689,159	26,118,907
Liabilities					
Other payables	107,871	-	-	-	107,871
	107,871	-	-	-	107,871

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 2022	30 June 2021
	US$	**US$**
Brazil*	16,436,220	21,292,472
Ukraine	-	-
China	410,661	410,661
Other	1,905,623	2,986,026
Total	18,752,504	24,689,159

*The portfolio has significant exposure to the Brazilian Real which depreciated versus the US Dollar over the last 12 months. From 1 July 2021 to 30 June 2021 the currency appreciated approximately 5.5%.

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

	30 June 2022	30 June 2021
	US$	**US$**
Credit/Bonds	14,563,115	22,090,300
Real Estate	598,484	779,658
Equity/Other	3,590,905	1,819,201
Total	18,752,504	24,689,159

(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. The Company does this by investing sufficient available resources whilst maintaining cash and cash equivalents amounts for working capital requirements. The Directors currently maintain a policy of retaining 24 months' cash resources to meet ongoing liabilities. The Directors have based this policy, on the advice of the Investment 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.

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 2022**	
	No.	**US$**
Share capital at the beginning of the year	146,644,387	112,260,785
Distributions	-	(2,199,666)
Share capital at the end of the year	146,644,387	110,061,119

Ordinary shares	**30 June 2021**	
	No.	**US$**
Share capital at the beginning of the year	146,644,387	115,193,673
Distributions	-	(2,932,888)
Share capital at the end of the year	146,644,387	112,260,785

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

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

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

On 25 March 2021, the Board announced that it had resolved to return an amount of US$0.01 per ordinary share to Shareholders, in total US$1,466,444, to be effected through the issue and subsequent redemption of redeemable B shares. All such redemption payments were made on 23 April 2021.

8. Share capital, continued

Issued share capital, continued

On 29 October 2021, the Board announced that it had resolved to return an amount of US$0.015 per ordinary share to Shareholders, in total US$2,199,655, to be effected through the issue and subsequent redemption of redeemable B shares. All such redemption payments were made on 3 December 2021.

B shares	**30 June 2022**	
	No.	**US$**
Share capital at the start of the year	-	-
Issue of B shares during the year*	2,199,666	2,199,666
Redeemed and cancelled during the year	(2,199,666)	(2,199,666)
Share capital at the end of the year	-	-

B shares	**30 June 2021**	
	No.	**US$**
Share capital at the start of the year	-	-
Issue of B shares during the year*	146,644,387	2,932,888
Redeemed and cancelled during the year	(146,644,387)	(2,932,888)
Share capital at the end of the year	-	-

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

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**
As at 30 June 2022	**US$**	**No.**	
Published net asset value	20,270,848	146,644,387	13.82¢
Provision for wind-down costs	(2,240,000)	-	(1.52)¢
Net asset value per Financial Statements	18,030,848	146,644,387	12.30¢

Ordinary share class	**Net asset value**	**Number of ordinary shares in issue**	**Net asset value per ordinary share**
As at 30 June 2021	**US$**	**No.**	
Published net asset value	26,147,870	146,644,387	17.83¢
Fair value adjustments	(93,304)	-	(0.06)¢
Net asset value per Financial Statements	26,054,566	146,644,387	17.77¢

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 Management and Investment Advisory fees and expenses during the year amounted to US$491,297 (30 June 2021: US$587,777), with US$28,009 prepaid at the year end (30 June 2021: US$31,811).

As at 30 June 2022, Timothy Gardner, controlling shareholder and a director of the Investment Adviser (Hindsight Solutions Limited), holds 349,116 shares in the Company (30 June 2021: 289,000).

10. Related party transactions and Directors' interests, continued

As at 30 June 2022 and 30 June 2021, the interests of the Directors and their families who held office during the year are set out below:

	30 June 2022 Number of ordinary shares	**30 June 2021 Number of ordinary shares**
Anthony Pickford	100,000	100,000

Anthony Pickford received a total of US$1,500 in capital returns through the issue and subsequent redemption of redeemable B shares in October 2021.

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$125,553 (30 June 2021: US$129,170). At 30 June 2021, fees amounting to US$Nil (30 June 2021: US$Nil) were outstanding.

11. Subsequent events

On 4 August 2022, the entire share capital of Sanne Group Plc, the ultimate parent company of Sanne Fund Services (Guernsey) Limited, the Administrator, was acquired by Apex Acquisition Company Limited, a wholly-owned subsidiary of Apex Group Limited.

On 19 October 2022, an Extraordinary General Meeting was held, and all resolutions were passed. The results were of the following resolutions were:

Resolution:	**Votes for:**	**Votes against:**
The Draft articles of incorporation produced to the meeting and, for purposes of identification, initialled by the Chairman of the meeting be adopted as the articles of incorporation of the Company in substitution for, and to the entire exclusion of, the existing articles of incorporation of the Company.	79,799,056 (100%)	Nil (0%)
The Company be in is hereby generally and unconditionally authorised, in accordance with the Companies (Guernsey) Law, 2008 (as amended) (the "Law") to make market purchases (as defined in that Law) of its Ordinary Shares in issue ("Ordinary Shares"), in line with the provisions stated in the Notice of EGM.	79,799,056 (100%)	Nil (0%)

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 2022

Number of Shares	Description	Fair Value	% of net assets
GBP (30 June 2021: 0.00%)			
594,054	South Asian Real Estate Limited	-	-
		-	-
USD (30 June 2021: 91.07%)			
2,000,000	Aarkad Plc	-	-
34,851,756	Aarkad USD	-	-
10,537	Abax Arhat Fund Class Unrest Red Series 1 Jul 07	399,713	1.97
159,378	Abax Upland Fund LLC Redeeming CL	10,949	0.05
36,983	Aramid Distribution Trust	-	-
3,931	Autonomy Rochevera Limited Class A Shares (2018)	498,824	2.46
406	Bennelong Asia Pacific	1,817	0.01
9,590,341	Blue Sugars Corporation Common Stock USD	-	-
654	CAM Opportunity Fund I Ltd Class A-1004	1,341	0.01
568	CAM Opportunity Fund I LLC Premium Sterling Fund	17,618	0.09
32	CAM Opportunity Fund I LLC Premium Euro Fund	993	0.00
23,045	Denholm Hall Russia Arbitrage Fund Class A EUR	-	-
137,410	Denholm Hall Russia Arbitrage Fund Class A GBP	-	-
4,145	Denholm Hall Russia Arbitrage Fund Class B EUR	-	-
210,673	Denholm Hall Russia Arbitrage Fund Class B GBP	-	-
14,815	Denholm Hall Russia Arbitrage Fund Class C EUR	-	-
600,000	Duet India Hotels Limited	-	-
26	Eden Rock Asset Based Lending Fund	5	-
284	Fit Timber Limited - Premium Euro Fund	-	-
2,137	Fit Timber Limited - Premium Sterling Fund	-	-
2,589	Gillett Holdings Limited	-	-
2,000	NUR Energie Limited 'A' Preference Shares	-	-
1,200	NUR Energie Limited Class B Preference Shares	-	-
7,177	NUR Energie Limited Ordinary Shares EUR 1	-	-
27	QMF Recap Limited	2,699	0.01
347	Quantek Master Fund SPC Ltd, Class Feeder LP	4,879	0.02
30	Quantek Opportunity Fund Class A-1 Premium EUR Fund	539	0.00
57	Quantek Opportunity Fund Class A-1 Premium GBP Fund	550	0.00
82	Quantek Opportunity Fund Class G-1 Premium GBP Fund	642	0.01
3	Ritchie Multi Strat Global CL-S	-	-
805	SA Capital Partners Limited	-	-
22	Serengeti Opp Ltd - CLO - A210/0907SLVL	13,415	0.07
4	Serengeti Opp Ltd - CLO - A210/0907SLVL 2	2,146	0.01
65	Serengeti Opp Ltd - Mgt Fee A 210/0907	12,047	0.06
1	Serengeti Opp PRT - Patton 0907	8	0.00
1	Serengeti Opp PRT - Patton 1007	24	0.00
1	Serengeti Opp PTR - CLO - 243/0108	60	0.00
1	Serengeti Opp PTR - CLO - 243/0907	121	0.00
1	Serengeti Opp PTR - CLO - 243/1007	357	0.00
	Sub-total carried forward	968,747	4.77

ALTERNATIVE LIQUIDITY FUND LIMITED
SCHEDULE OF INVESTMENTS, continued
As at 30 June 2022

Number of Shares	Description	Fair Value	% of net assets
USD, continued			
	Sub-total brought forward	968,747	4.77
1	Serengeti OPP PTR - CLO - 243/1107	116	0.00
1	Serengeti OPP PTR- Mgt Fee A 243/1210	6,511	0.03
805	South Asian Management Limited	-	-
925,277	Stillwater Asset Backed Fund II Onshore SPV/GEROVA	-	-
425	TCF SPV Limited USD G/Series 1-U	-	-
2,090	V Invest FCVS RJ (Cayman) Ltd	1,340,689	6.61
3	Valens Offshore Fund	121	0.00
117,302	Vision Chapadao Fund Series 1	12	0.00
38,872	Vision Chapadao Fund Series 2	4	-
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	3,063,856	15.11
297,521	Vision FCVS RJ Fund Series 2	3,121,238	15.40
308,044	Vision FCVS RJ Fund Series 4	3,133,237	15.46
192,714	Vision FCVS RJ Fund Series 6	2,021,731	9.99
4,040	Vision FCVS RJ Fund Series 7	42,386	0.21
100,143	Vision I-NX	10	-
255,542	Vision I-NX (D)	51	0.00
23,322	Vision Piaui Fund Series 1	4,550	0.02
7,785	Vision Piaui Fund Series 2	1	-
90,626	Vision Piaui Fund Series 3	9	-
317	Vision Piaui Fund Series 6	62	0.00
389	Vision SCO Fund	955	0.00
31,601	Vision SP Credit Opportunities ELT Fund Series 1	834,282	4.12
38,579	Vision SP Credit Opportunities ELT Fund Series 2	1,018,520	5.02
43,284	Vision SP Credit Opportunities ELT Fund Series 3	1,158,237	5.71
59,489	Vision SP Credit Opportunities ELT Fund Series 5	1,570,591	7.76
524	Vision SP Credit Opportunities ELT Fund Series 7	13,840	0.07
120,057	Vision Tercado Fund Series 1	14,527	0.07
40,402	Vision Tercado Fund Series 2	2	-
478,381	Vision Tercado Fund Series 3	48	0.00
1,632	Vision Tercado Fund Series 5	197	0.00
4,874	Volia Limited	-	-
1,230	Warana SP Offshore Fund SPC – 2018 Segregated Port	437,929	2.16
Portfolio of investments		**18,752,504**	**104.00**
Other net liabilities		**(721,656)**	**(4.00)**
Total net assets attributable to Shareholders		**20,270,848**	**100**

ALTERNATIVE LIQUIDITY FUND LIMITED

Officers and Advisers

Directors:	Quentin Spicer *(Non-executive Independent Chairman)* Dr Richard Berman *(Non-executive Independent Director)* Anthony Pickford *(Non-executive Independent Director)*
Registered Office:	Sarnia House Le Truchot St Peter Port Guernsey, GY1 1GR
Administrator & Secretary:	Sanne Fund Services (Guernsey) Limited (*formerly Praxis Fund Services Limited*) Sarnia House Le Truchot St Peter Port Guernsey, GY1 1GR
Registrar:	Link Market Services (Guernsey) Limited Mont Crevelt House Bulwer Avenue St Sampson Guernsey, GY2 4LH
Investment Adviser:	Hindsight Solutions Limited 19 Diamond Court Opal Drive Fox Milne Milton Keynes United Kingdom MK15 0DU
Auditor:	Grant Thornton Limited PO Box 313 Lefebvre House Lefebvre Street St Peter Port Guernsey, GY1 3TF
Custodian & Principal Banker:	Citibank, N.A. (London Branch) Canada Square London, E14 5LB
Guernsey Legal Adviser:	Carey Olsen (Guernsey) LLP Carey House Les Banques St Peter Port Guernsey, GY1 4BZ
UK Legal Adviser:	Stephenson Harwood 1 Finsbury Circus London, EC2M 7SH
Company Number:	60552 (Registered in Guernsey)