



One Managed Investment Funds Limited
as responsible entity for Alternative Investment Trust
ARSN 112 129 218 ASX Code: AIQ (AIQ)

ASX ANNOUNCEMENT

21 August 2024

AIQ NTA Fact Sheet July 2024

Please find attached the AIQ NTA Fact Sheet for July 2024

Authorised for release by One Managed Investment Funds Limited ABN 47 117 400 987 AFSL 297042 (**Responsible Entity**), the responsibility entity of the Alternative Investment Trust, and Warana Capital Pty Limited ACN 611 063 579 AFSL 493579, the investment manager of AIQ.

For additional information on AIQ, including the latest fact sheet, please refer to www.thealternativeinvestmenttrust.com

For any enquiries please contact the Responsible Entity on 02 8277 0000.



Trust Facts as at 31 July 2024

| | |
|--------------------------------------|--------------------|
| Net Tangible Asset Backing ('NTA') | AUD 48.708 million |
| NTA per unit | AUD 1.6020 |
| Adjusted NTA per unit ⁽¹⁾ | AUD 1.4560 |
| Units on issue | 30,405,185 |

Investment Objective & Strategy

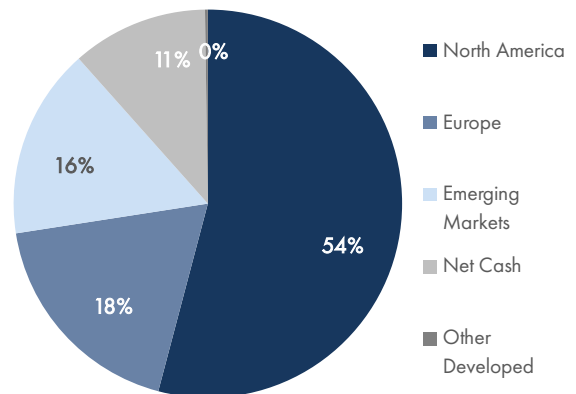
| | |
|-----------------------------|---|
| Investment Objective | The objective of AIQ is to generate attractive pre-tax risk-adjusted absolute returns over the medium to long term while maintaining a focus on capital preservation. |
| Investment Strategy | The strategy of AIQ is to gain exposure to a portfolio of leading international absolute return funds and selected direct investments in subordinated debt and equity co-investments. |

Portfolio Overview as at 31 July 2024

| Asset Breakdown (A\$m) | NTA | Adj. NTA ⁽¹⁾ |
|---|----------------|-------------------------|
| Secondary Market Funds | | |
| Warana 2018 Fund | \$ 1.1 | \$ 0.6 |
| Warana 2019 Fund | \$ 6.3 | \$ 5.1 |
| Warana 2021 Fund | \$ 13.6 | \$ 14.1 |
| Warana 2023 Fund | \$ 13.7 | \$ 11.1 |
| King Street Special Investments | \$ 3.0 | \$ 3.0 |
| Fortress PE Funds ⁽²⁾ | \$ 2.0 | \$ 1.4 |
| Total Secondary Funds | \$ 39.7 | \$ 35.3 |
| Primary Market Funds | | |
| King Street Real Estate Fund | \$ 1.2 | \$ 1.2 |
| Legacy AIQ Funds | \$ 2.2 | \$ 2.2 |
| Total Primary Funds | \$ 3.3 | \$ 3.3 |
| Direct Assets | | |
| Alternative Liquidity Fund Ltd (LSE: ALF) | \$ 0.3 | \$ 0.3 |
| WSS Kings LP | \$ 3.2 | \$ 3.2 |
| Net Cash & Cash Equivalents | \$ 2.1 | \$ 2.1 |
| Total Direct Assets | \$ 5.6 | \$ 5.6 |
| Total | \$ 48.7 | \$ 44.3 |
| Cents per Unit (July 31, 2024) | 1.6020 | 1.4560 |
| Cents per Unit (June 30, 2024) | 1.5652 | 1.3605 |
| Distribution - A\$ per Unit | 0.0391 | 0.0391 |
| Monthly Change (%) per Unit | 4.9% | 9.9% |

| Top Look-through Positions | A\$m | % of NTA |
|----------------------------------|--------|----------|
| King Street Special Investments | \$ 9.2 | 18.9% |
| Fortress PE Funds ⁽²⁾ | \$ 4.8 | 9.8% |
| WSS Kings LP | \$ 3.2 | 6.6% |
| Column Park Offshore Fund Ltd | \$ 3.0 | 6.3% |

Underlying Geographic & Cash Allocation (Incl. Look-through)



Note: The geographic allocation is estimated by the Investment Manager based upon available information and, therefore, may be inaccurate. The geographic allocation should be considered indicative only.

Currency Exposure and Performance

| Exposures: | Investment Port. | Cash Balances | Total |
|------------|------------------|---------------|-------|
| USD | 100% | 94% | 100% |
| AUD | 0% | 6% | 0% |

Currency Impact

| | | | |
|-----------------|----------|------------|------|
| Closing AUD/USD | \$0.6542 | | |
| AUD/USD | -1.9% | AIQ Impact | 2.0% |

Note: Some totals may not sum due to rounding.

- (1) Accounting standards require that underlying funds be held at the valuations provided by their third-party administrators and auditors. This results in an immediate valuation uplift for funds purchased in the secondary market at discounts to this value. The Adjusted NTA adjusts the value of funds purchased in the secondary market using the lower of their reported valuations and the Warana's estimated projected recovery cash flows discounted at 10% p.a.
- (2) Four private equity funds: Fortress Investment Fund IV, Fortress Investment Fund IV (Coinvestment), Fortress Investment Fund V and Fortress Florida Coinvestment Fund.

Portfolio Update and Commentary

- AIQ was up 4.9% in NTA terms and 9.9% in Adjusted NTA terms, both adjusted for the semi-annual distribution. This was mainly attributable to Warana funds June 2024 NAV updates and FX movements. During the month, the Trust funded Warana 2023 Fund's US\$450k capital call and received US\$121k distribution from Warana 2021 Fund and US\$55k from King Street Real Estate Fund.
- Payment of the semi-annual distribution from the Trust was made on 9th August 2024. All details can be found on the Trust's website (www.thealternativeinvestmenttrust.com) and the AIQ-specific page on the ASX website.

Company Data and Information

| | | | |
|---------------------------|---|------------------------|--|
| Responsible Entity | One Managed Investment Funds Limited ('OMIFL') ABN 47 117 400 987 AFSL 297042 | Management Fee | 1.5% plus GST |
| Investment Manager | Warana Capital Pty Limited ('Warana') ABN 44 611 063 579 AFSL 493579 | Performance Fee | 20% plus GST of NTA outperformance over 8% pa hurdle |
| Administrator | Unity Fund Services | ISIN | AU000000AIUQ2 |
| Custodian | One Managed Investment Funds Limited | SEDOL | B1B0GT6 |
| | | ARSN | 112 129 218 |
| | | Domicile | Australia |
| | | Currency | AUD |
| | | Exchange | ASX |



About the Responsible Entity of AIQ

One Investment Group is an independent funds management business specializing in providing Responsible Entity, Trustee, Custody and Administration services. It operates multiple licensed entities to act as responsible entity and trustee for in excess of 350 registered and unregistered managed investment schemes. The total value of assets under administration by the group is in excess of \$60 billion across a wide range of underlying asset classes.

About the Investment Manager of AIQ

Warana Capital Pty Limited focuses on managing portfolios invested in third party funds and has core expertise in acquiring and managing funds acquired in the secondary market. The underlying funds and assets acquired are generally illiquid with uncertain holding periods to ultimate recovery. Warana has significant experience acquiring these funds at sufficient discounts to deliver absolute and annualised returns notwithstanding the time period and recovery uncertainty.

Distribution Policy

Subject to sufficient cash reserves, AIQ intends to distribute 5% per annum of the Trust's NTA, paid in semi-annual installments. As at the end of the 2022 tax year, the Trust has in excess of A\$400m in accumulated tax losses and in excess of A\$20m in accumulated capital losses. Under certain circumstances and provided relevant legislative conditions are satisfied, these losses may be able to be applied against future taxable income to reduce the amount of taxable income and therefore the amount of any income distribution.

AIQ Valuation

The monthly NTA of AIQ is released by the 14th of each month and is available from AIQ's website and the ASX. The NTA is unaudited and is calculated by aggregating the fair values provided by the underlying fund managers and their third-party administrators ('Manager Value'). Unaudited valuations are generally provided to AIQ monthly /quarterly and the underlying funds are audited annually. The investment funds are largely illiquid and Warana believes that:

- it will likely take several years to fully receive liquidation proceeds; and
- if sold today, many holdings would be realised at discounts to their prevailing Manager Value.

AIQ also makes investments in funds via the secondary market at a discount to the Manager Value. AIQ's advisors have concluded that accounting principles require that these positions be written up to the Manager Value once the trade has settled. Thus, AIQ applies the Manager Value to all funds (including look-through funds) in calculating its NTA. It generally takes 6-8 weeks to receive the Manager Values from the underlying funds, which causes a similar lag in the inclusion in the AIQ NTA.

When funds are acquired in the secondary market, they are often done so at a price that reflects Warana's expectation that ultimate recovery will be lower than the Manager Value and that recovery will take several years (hence the purchase discount to Manager Value). As an additional resource for Unitholders, AIQ has included an Adjusted NTA calculated by AIQ's Investment Manager to adjust for underlying funds that have been acquired in the secondary market ('Secondary Funds') at discounts to the Manager Value. It is intended as an additional indicative valuation resource given the re-valuation of Secondary Funds to Manager Value creates an immediate and significant valuation uplift. The Adjusted NTA is equal to the lower of the Manager Value and Warana's estimate of the projected recovery cash flows discounted at a 10% p.a. rate. The Adjusted NTA is indicative only and there is no assurance the value will be achieved - unitholders should take care in relying on this metric as it is not produced or reviewed by a third party to AIQ. Neither Warana nor the Responsible Entity makes any express or implied warranty as to the completeness or accuracy of any projections, market outlooks or estimates used in estimating the Adjusted NTA. The Adjusted NTA is estimated using third-party information and other assumptions which may prove inaccurate.

Historical Performance

| <i>(See notes below)</i> | NTA | Adjusted NTA |
|------------------------------------|-------|--------------|
| 1 Month | 4.9% | 9.9% |
| 3 Months | 2.3% | 6.8% |
| 6 Months | 3.6% | 7.8% |
| YTD | 6.4% | 16.9% |
| 1 Year | 8.8% | 18.3% |
| 2 Year | 5.6% | 20.7% |
| 3 Year | 12.2% | 17.6% |
| 4 Year | 16.2% | 17.1% |
| 5 Year | 12.3% | 10.5% |
| Since Inv. Strategy Restart (p.a.) | 11.7% | 10.4% |
| Since IM Appointment (p.a.) | 10.5% | 9.2% |

Note: The Trust has conducted several capital raises to build scale since the recommencement of its investment strategy on 12 February 2018, including rights issues, unit placements and offers a distribution reinvestment plan. As a result of the new units issued at discounts to the NTA in some of these events, the NTA was diluted. "1 year", "2 years", "3 years", "4 years" and "5 years" returns are annualised returns. "Since Inv. Strategy Restart (p.a)" returns are annualised returns since the investment strategy recommencement. "Since IM Appointment (p.a)" returns are annualised returns since Warana Capital was appointed as Investment Manager of AIQ on 9 October 2017. The first produced an Adjusted NTA for the period ending 30 November 2019. Adjusted NTA performance relative to periods before this date utilise the regular NTA. Past performance is not indicative of future performance.

Other Information

Numbers in this factsheet are unaudited. For the period up to 31 July 2024 covered by this fact sheet there were no material changes to any of the following: the Trust's risk profile; the Trust's strategy; and key investment personnel related to the Alternative Investment Trust. For information since that date, please refer to either of the following websites www.thealternativeinvestmenttrust.com or www.oneinvestment.com.au/alternative-investment-trust.



Legal Notice

One Managed Investment Funds Limited (ABN 47 117 400 987) (AFSL 297042) is the responsible entity of the Alternative Investment Trust (ARSN 112 129 218) ('Trust' or 'AIQ'). The information contained in this fact sheet was not prepared by OMIFL but was prepared by other parties. While OMIFL has no reason to believe that the information is inaccurate, the truth or accuracy of the information contained therein cannot be warranted or guaranteed. Anyone reading this report must obtain and rely upon their own independent advice and inquiries.

Warana Capital Pty Limited (ABN: 44 611 063 579; AFSL: 493579) is authorised by and registered with the Australian Securities and Investments Commission. Warana is the investment manager of the Alternative Investment Trust. All references to Warana 2018 Fund, Warana 2019 Fund, Warana 2021 Fund and Warana 2023 Fund in this document mean Warana SP Offshore Fund SPC - 2018 Segregated Portfolio, Warana SP Offshore Fund SPC - 2019 Segregated Portfolio, Warana SP Offshore Fund SPC - 2021 Segregated Portfolio and Warana 2023 Master Fund LP, respectively. Warana believes that the information contained in this fact sheet is accurate when issued. Warana does not warrant that such information or advice is accurate, reliable, complete or up-to-date, and to the fullest extent permitted by law, disclaims all liability of Warana and its associates. This fact sheet should be regarded as general information only rather than advice. In preparing this fact sheet, Warana did not take into account the investment objectives, financial situation and particular needs of any individual person.

AIQ is exposed to foreign exchange risk as a result of investments in financial instruments denominated in foreign currencies, particularly US dollars. This risk is implicit in the value of portfolio securities denominated in a foreign currency and transactional exposure arising from the purchase or sale of securities. The Investment Manager and Responsible Entity have not hedged AIQ's exposure to the US dollar.

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