

**Alternative Investment Trust**  
**ARSN 112 129 218**  
**Half-Yearly Report**  
**Results for Announcement to the Market**  
**Appendix 4D**  
**30 June 2022**

		6 months ended 30 June 2022 \$'000	6 months ended 30 June 2021 \$'000
	% change		
<b>Results</b>			
Investment gains	Up 448.95%	7,054	1,285
Change in net assets attributable to unitholders	Up 687.78%	6,641	843
Profit attributable to unitholders	Up 687.78%	6,641	843
<b>Commentary on Results</b>			
Discussion and analysis of the Trust's results is contained in the Half-Yearly Report.			
<b>The Trust does not propose to pay an Interim distribution for the period</b>			
Interim distribution payable (\$'000)		-	-
Interim distribution payable (cents per unit)		-	-
Basic and diluted earnings (cents per unit)		2.36	0.30
Distribution reinvestment plan price (cents per unit)		-	-

	30 June 2022	30 June 2021
<b>Net tangible assets</b>		
Total net tangible assets attributable to unit holders (\$'000)	\$51,071	\$37,122
Units on issue ('000)	306,411	280,098
Net tangible assets attributable to unit holders per unit	\$0.17	\$0.13

## **Alternative Investment Trust**

ARSN 112 129 218

Interim report for the half-year ended 30 June 2022

## Index to the Financial Statements

	Page
Directors' Report	1
Investment Manager's Report	4
Auditor's Independence Declaration	10
Independent Auditor's Review Report	11
Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 30 June 2022	13
Statement of Financial Position as at 30 June 2022	14
Statement of Changes in Equity for the half-year ended 30 June 2022	15
Statement of Cash Flows for the half-year ended 30 June 2022	16
Notes to Financial Statements	17
Directors' Declaration	27

## Directors' Report

The directors of Columbus Investment Services Ltd (ABN 69 095 162 931; AFSL 221183) ("CISL" or the "Responsible Entity"), the responsible entity of Alternative Investment Trust (ARSN 112 129 218) ("AIT" or the "Trust"), present their report together with the financial report of the Trust for the half-year ended 30 June 2022.

### Responsible Entity

The responsible entity of the Trust is CISL. The registered office and principal place of business of the Responsible Entity is Level 16, Governor Macquarie Tower, 1 Farrer Place, Sydney NSW 2000.

### Investment Manager

The investment manager is Warana Capital Pty Limited (ACN 611 063 579; AFSL 493579) ("Warana" or the "Investment Manager").

### Information about the Directors and Senior Management

The names of the directors and company secretaries of the Responsible Entity in office from 1 January 2022 to the date of this report are:

Name	Title
Frank Tearle	Executive Director & Company Secretary
Sarah Wiesener	Executive Director & Company Secretary
Michael Sutherland	Executive Director

### Principal Activities

The Trust is a registered managed investment scheme domiciled and registered in Australia and quoted on the Australian Securities Exchange ("ASX") (ASX code "AIQ"). The Trust has exposure to a portfolio of absolute return funds.

### Results

The results of the operations of the Trust are disclosed in the Statement of Profit or Loss and Other Comprehensive Income of the half-year financial statements. The profit attributable to unitholders for the half-year ended 30 June 2022 was \$6,641,000 (30 June 2021 profit: \$843,000). More details are provided in the Investment Manager's report.

### Distributions of Income

In respect of the half-year ended 30 June 2022, a distribution of income of \$Nil (30 June 2021: \$Nil) was paid to unitholders.

### Returns of Capital

In respect of the half-year ended 30 June 2022, returns of capital of \$1,012,589 (30 June 2021: \$863,126) were paid to unitholders.

### Value of Assets and Units Issued

The total value of the Trust's assets at 30 June 2022 was \$51,518,000 (31 December 2021: \$42,860,000). The total number of units on issue as at 30 June 2022 was 306,411,093 (31 December 2021: 281,274,730).

### Fees Paid and Payable to the Responsible Entity and Investment Manager

#### Responsible Entity Fees

The Responsible Entity charged 0.07% per annum (excluding GST) of gross portfolio value, subject to a minimum of \$66,000 per annum (excluding GST).

As at 30 June 2022, the responsible entity fees expense incurred by the Trust to the Responsible Entity was \$34,485 (30 June 2021: \$34,485) of which \$Nil (31 December 2021: \$6,050) was payable at the end of the period.

#### Investment Manager Fees

The Investment Manager is entitled to a management fee of 1.5% (excluding GST) of the net asset value of the Trust ("Management Fee Entitlement"). The Trust also makes investments in other comingled vehicles that are managed by affiliates of the Investment Manager where fees are charged ("Downstream Funds").

It is noted that management fees and performance fees relating to the Trust's holding in these funds have and will continue to be rebated while Warana is the Investment Manager of the Trust so that the Investment Manager or any affiliate do not receive in aggregate in excess of the Management Fee Entitlement. In practice, the Investment Manager charges fees at the Downstream Funds and then rebates the net amount required such that the aggregate fees collected equal the Management Fee Entitlement.

**Directors' Report (continued)****Fees Paid and Payable to the Responsible Entity and Investment Manager (continued)****Investment Manager Fees (continued)**

In the period, these amounted to:

	30 June 2022	30 June 2021
Management Fee Entitlement	251,785	217,322
Rebate credited	(264,949)	(164,436)
<b>Net management fee rebate (receivable)/incurred by the Trust</b>	<b>(13,164)</b>	<b>52,886</b>

As at 30 June 2022, the net receivable from the Investment Manager in relation to management fees and management fee rebates is \$105,113 (31 December 2021: \$90,985).

The Investment Manager is entitled to a performance fee of 20% of the NTA performance above an 8% per annum hurdle. The Investment Manager has waived the performance fee payable at the Trust level. The Investment Manager is potentially entitled to performance fee equivalents associated with the Warana 2018 Fund, Warana 2019 Fund and the Warana 2021 Fund (collectively the Warana Funds) should each of those funds return cash above a hurdle. These amounts are only paid on cash realisations. Should the Warana Funds pay a performance fee equivalent, the maximum amount that would be paid to the Investment Manager would not exceed the performance fee calculated in accordance with Trust level performance fee that would otherwise be payable. The accrued performance fee at the Warana Fund level relating to the Trust is \$1,639,825 (31 December 2021: \$Nil).

**Significant Changes in State of Affairs**

During the financial half-year, the following changes occurred in the state of affairs of the Trust.

On 14 January 2022, a distribution by way of return of capital was declared with a record date of 20 January 2022 and payment date 14 February 2022, with a per unit distribution of \$0.0036.

On 27 June 2022, 25,136,363 units were issued following a placement to Wholesale Investors for \$0.11 per unit.

In the opinion of the directors of the Responsible Entity, there were no other significant changes in the state of affairs of the Trust that occurred during the half-year.

**Matters Subsequent to the End of the Half-Year**

On 30 June 2022, a notice of meeting was issued to all unitholders in relation to an extraordinary General Meeting (EGM) to be held on 29 July 2022. The meeting was called to in relation to the following:

- Approve Unit Consolidation 1 unit for 10
- Approve the Conditional Placement of 3,954,545 units at \$0.11 per units to a related party of the Investment Manager
- Approve the Placement of 25,136,363 units on 26 June 2022
- Approve a related party to underwrite up to two 2 DRPs
- Approve a related party loan, allowing of the Responsible Entity to enter into a funding facility with the Investment Manager

On 15 July 2022, a distribution was declared with a record date of 21 July 2022 and payment date 18 August 2022, with a per unit distribution of \$0.0041 pre-consolidation (\$0.041 post consolidation).

On 28 July 2022, a consolidation of 1 unit for 10 units was announced with an effective date of 29 July 2022, the record date was 3 August 2022 and registry to be updated by 10 August 2022.

On 29 July 2022, the EGM was held and all resolutions proposed were passed and these results were announced to the ASX.

On 29 July 2022, the Conditional Placement was approved with the 3,954,545 units issued at \$0.11 per unit.

On 10 August, the Unit Consolidation was completed and the total units on issue have been reduced from 310,365,638 to 31,036,638.

On 18 August 2022, 625,282 new units were issued as part of the distribution reinvestment plan.

## Directors' Report (continued)

### Matters Subsequent to the End of the Half-Year (continued)

On 25 August 2022, an On-Market Buy back was announced with the intention to offer up to 10% of the Trust units on issue to be purchased at or near the prevailing Adjusted NTA price. The On-Market Buy Back will commence on or after 9 September 2022.

Other than the above there has not been any other matter or circumstance occurring subsequent to the end of the year that has significantly affected, or may significantly affect, the operations of the Trust, the results of those operations or the state of affairs of the Trust.

### Likely Developments and Expected Results

The Trust will be managed in accordance with the Constitution.

The Investment Manager continues to review the capital structure of the Trust and consider corporate actions, unit purchase plans, and on market buybacks depending on the price versus the Net Tangible Asset (NTA).

Further information on likely developments in the operations of the Trust and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Trust.

### Interests of Directors of the Responsible Entity

The directors of the Responsible Entity did not hold any interest in the Trust as at 30 June 2022 (31 December 2021: no interest held).

### Environmental Regulation and Performance

The operations of the Trust are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory. There have been no known significant breaches of any other environmental requirements applicable to the Trust.

### Indemnification of Directors, Officers and Auditors

During or since the half-financial year, the Trust has not indemnified or made a relevant agreement to indemnify an officer of the Responsible Entity or auditor of the Trust or any related corporate body against a liability incurred by an officer of the Responsible Entity or auditor of the Trust. In addition, the Trust has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer of the Responsible Entity or auditor of the Trust.

### Non-Audit Services

The auditor of the Trust is Crowe Sydney (2021: Crowe Sydney).

There were no non-audit services performed by the auditor in the current half-year.

### Rounding of Amounts to the Nearest Thousand Dollars

The Trust is an entity of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the Directors' Report and Interim Financial Report. Amounts in the Directors' Report and Interim Financial Report have been rounded to the nearest thousand dollars in accordance with that legislative instrument, unless otherwise indicated.

### Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act 2001 is set out on page 10.

Signed in accordance with a resolution of the directors of the Responsible Entity, Columbus Investment Services Ltd.



Sarah Wiesener  
Director  
31 August 2022

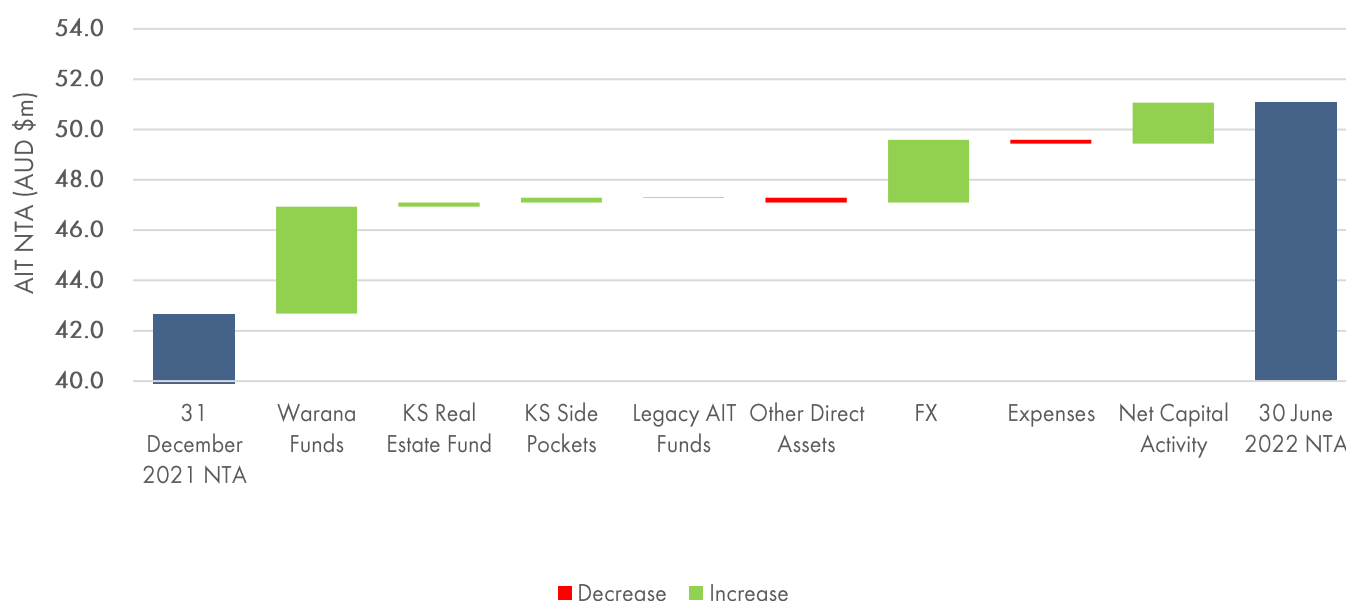
## Investment Manager's Report – 2022 Half Year Report



## Overview

The net tangible asset backing ("NTA") of Alternative Investment Trust ("AIQ" or the "Trust") increased by 15.3% during 1H 2022 and the Adjusted NTA<sup>1</sup> increased by 5.3%, both adjusted for distributions and the share placement. Excluding the impact of foreign exchange movements, the portfolio's NTA increased by 9.7% and the Adjusted NTA increased by 0.2%.

1H 2022 AIQ NTA Attribution



The NTA moved up materially due to the gains made on the write up of absolute return funds purchased in the secondary market.

The Trust maintained an average net cash balance of less than 10% of NTA over the period. The cash has been fully allocated and is expected to be called in 2022. AIQ has been busy from an investment perspective, noting the following activities during the period:

- Allocated a further US\$2.6mm (A\$3.8mm) to the purchase of illiquid absolute return funds in the secondary market via the Warana 2021<sup>2</sup> Fund. This capital was used to purchase exposure to an additional 47 interests at

<sup>1</sup> AIQ's monthly NTA is typically unaudited and calculated by aggregating the fair values provided by underlying fund managers and third-party administrators ('Manager Value'). AIQ includes an Adjusted NTA in its monthly NTA announcements calculated by AIQ's investment manager ('Warana') 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 make 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.

<sup>2</sup> All references to "Warana 2021 Fund" in this document mean "Warana SP Offshore Fund SPC – 2021 Segregated Portfolio".

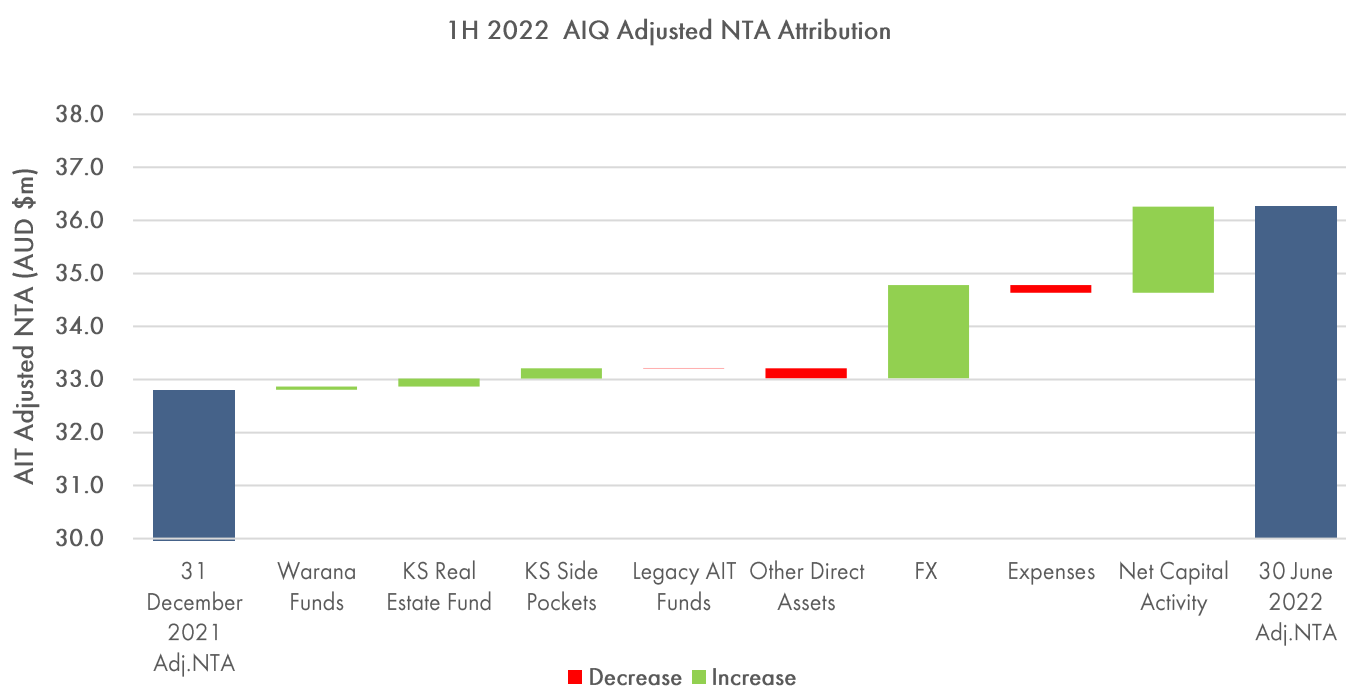
an average price of approximately 67% of underlying Manager Value. The Warana 2021 Fund is now 70% called and we expect the balance to be called over the course of 2022.

- Received distributions from Warana 2018 Fund<sup>3</sup>, Warana 2019 Fund<sup>4</sup>, King Street Real Estate Fund and King Street Side Pockets, totalling A\$2.8mm.
- During 1H2022, the Trust issued 25,136,363 new units (on a pre-consolidation basis) for A\$2.8mm and a further 3,954,545 units (pre-consolidation) for A\$435k via a conditional placement post half year end. It also made a return of capital during the period of A\$1.0mm to unitholders, with an additional post balance date return of capital of A\$1.3mm.

The all-in cost run rate for the Trust is below 1.50% per annum<sup>5</sup> and the Investment Manager will continue to review all appropriate cost-saving initiatives.

On 18 August 2022, AIQ paid another return of capital of A\$0.0041 per unit.

A summary of the Trust's Adjusted NTA performance is as follows:



At the portfolio level on Adjusted NTA terms, performance was basically flat which was a pleasing result in the context of broader equity markets falling > 20% over the period. The Adjusted NTA takes into account Warana's expectations from positions purchased in the secondary market. Warana actively reduced expectations for future liquidity in the period due to our concerns regarding the impact of inflation, more challenging capital markets and general valuation decreases. These decreases in expectations were offset by a number of positive exit developments.

### Investment Portfolio

The Trust's portfolio as of 30 June 2022 has a NTA per unit (pre-consolidation) of \$0.1667 with an adjusted NTA at \$0.1183. The difference between these two NTAs continues to become more material this year due to the significant number of positions that have been purchased at discounts to the manager-published net asset value.

<sup>3</sup> All references to "Warana 2018 Fund" in this document mean "Warana SP Offshore Fund SPC – 2018 Segregated Portfolio".

<sup>4</sup> All references to "Warana 2019 Fund" in this document mean "Warana SP Offshore Fund SPC – 2019 Segregated Portfolio".

<sup>5</sup> Calculation using net costs during the year HY2022 divided by average assets excluding costs at underlying funds.



As a reminder, where the Trust has purchased at a discount to the reported NAV in the unlisted secondary market, the adjusted NTA will reflect the Investment Manager's current recovery and liquidity timing expectations for that position – which are generally at discounts to their reported valuations (i.e. both the price paid and the present value of expected recovery are less than the Manager Value). With the average price of positions purchased in 2022 being approximately 67% of the Manager Value with recovery targets less than the Manager Value, the gap widened in the period as more positions are having discounts applied within the Adjusted NTA. We hope that we have been too conservative in our assumptions and that the underlying managers recover closer to their Manager Value.

The investment portfolio of the Trust as at 30 June 2022 was as follows:

Asset Breakdown (\$mm)	NTA	Adjusted NTA
<b>Secondary Market Funds</b>		
Warana 2018 Fund	\$ 2.0	\$ 1.7
Warana 2019 Fund	\$ 17.0	\$ 8.0
Warana 2021 Fund	\$ 18.5	\$ 13.6
King Street Capital Special Investments	\$ 4.2	\$ 3.9
Fortress PE Funds <sup>(2)</sup>	\$ 2.3	\$ 1.9
<b>Total Secondary Funds</b>	<b>\$ 44.0</b>	<b>\$ 29.2</b>
<b>Primary Market Funds</b>		
King Street Real Estate Fund	\$ 1.5	\$ 1.5
Legacy AIQ Funds	\$ 1.9	\$ 1.9
<b>Total Primary Funds</b>	<b>\$ 3.4</b>	<b>\$ 3.4</b>
<b>Direct Assets</b>		
Other Direct Assets	\$ 0.4	\$ 0.4
Net Cash	\$ 3.3	\$ 3.3
<b>Total Direct Assets</b>	<b>\$ 3.7</b>	<b>\$ 3.7</b>
<b>Total</b>	<b>\$ 51.1</b>	<b>\$ 36.3</b>

## Fund Investments

### Warana 2018 Fund, Warana 2019 Fund, and Warana 2021 Fund (together, the “Warana Funds”)

The Warana Funds are private funds managed by an affiliated Warana entity that buy illiquid absolute return fund interests at discounts to their reported value via the secondary market. The following table summarises each of the Funds:

Fund	Invested (US\$mm) <sup>7</sup>	Returned (US\$mm) <sup>8</sup>	# of transactions / underlying funds <sup>9</sup>	Projected IRR (% pa)	Avg price (% of manager NAV)	Projected MoM
Warana 2018 Fund	48.0	49.7	77/168	17%	46%	1.47x
Warana 2019 Fund	77.5	57.9	60/150	18%	22%	1.40x
Warana 2021 Fund	74.2	2.1	38/95	N/A <sup>10</sup>	61%	1.31x

<sup>7</sup> Allocated capital at master fund level

<sup>8</sup> Returned capital at master fund level

<sup>9</sup> At the time of purchase

<sup>10</sup> The Warana 2021 Fund is still in its investment period and targets a 20% IRR

As referenced earlier, recovery assumptions have generally been adjusted downwards to reflect current market conditions. We expect further pressure on manager valuations in the coming months as the full impact of private market pricing flows through to net asset values. Based on information currently available, we think these reductions are now already incorporated into the NTA and Adjusted NTA.

The market conditions have led to a significant increase in prevalence of absolute return funds having to side pocket illiquid assets or enter liquidations. We expect this to provide the platform for a continuation of very favourable buying conditions in the secondary market. For now, we are being cautious in new bidding activities while we wait for seller price asks to fall.

We are pleased with the performance of the various Warana Funds to date. The dispersion of prices paid is included in the portfolio's statistics above and highlights that it is rare that these positions are purchased at higher than 75 cents on the dollar. This discount hopefully provides a solid margin of safety and the opportunity for the funds to make a sound return even if the underlying manager doesn't return its current valuation.

### **King Street Real Estate Fund**

The King Street Real Estate Fund (Offshore PF), L.P ("KS REF") is an opportunistic global real estate fund which aims "to produce attractive, risk adjusted returns throughout diverse market environments – with a focus on situations which are out of favour, complex, misunderstood and / or in transitional markets." KS REF is now fully invested and has made 13 investments across Europe and the US. The position declined slightly in the period due to distributions of approximately 11% of remaining 31 Dec 2022 cost being received. Underlying performance remains solid and the manager marked up the position 7% in 1H2022.

### **King Street Capital, Ltd. Special Investments**

The King Street Capital, Ltd. Special Investments ("KS Side Pockets") are a portfolio of illiquid investments under King Street's deliberate side pocket strategy that extend beyond the liquidity horizon of their flagship hedge fund. This portfolio was acquired in the secondary market in November 2020 at roughly a 30% discount to the then underlying Manager Value with exposures to primarily European real estate and private equity investments. Before the purchase, AIQ already had exposure to KS Side Pockets indirectly through the Warana Funds and have had an overall positive experience. The Trust accepted this opportunity and has now received a total of US\$2.7mm in distributions from this investment, approximately 63% of the purchase cost.

### **Fortress PE Funds**

The Fortress PE Funds include two private equity funds managed by Fortress Investment Group ("Fortress"), a large, US-based investment manager. These funds were acquired in the secondary market at roughly a 50% discount to the underlying Manager Value. This exposure includes equity and preferred equity in the holding company for Florida Brightline Trains, a US passenger train business that has built a new line servicing West Palm Beach to Miami in the US state of Florida, along with a very significant real estate portfolio comprised of rail stations, commercial/retail and industrial developments. There have been a number of setbacks relating to the train expansion, including the re-routing of some rails around Orlando / Disney World and delayed construction progress on the train's northern extension. We do not expect material recovery from this position until 2024 at the earliest.

### **Legacy AIQ Funds**

The Legacy AIQ Funds are the tail-end positions that AIQ has owned for over 10 years. They are investments in illiquid funds, similar to those that have been acquired in the Warana Funds at discounts to their respective net asset values. The Legacy AIQ Funds, however, have more significant emerging market exposure. Each asset continues in wind-down, returning capital as available. These assets were invested by the Trust's previous managers via the primary market and are valued at their respective net asset value provided by the underlying fund managers as these are audited by third parties. Liquidity from these assets has been painfully slow and the majority of the remaining net asset value is related to a

significant Indian property development managed by Axon Capital, for which we do not expect any near term liquidity. During the period, the Legacy AIQ Funds' valuation increased by 5%, but decreased by -20bps excluding the impact of foreign exchange movements.

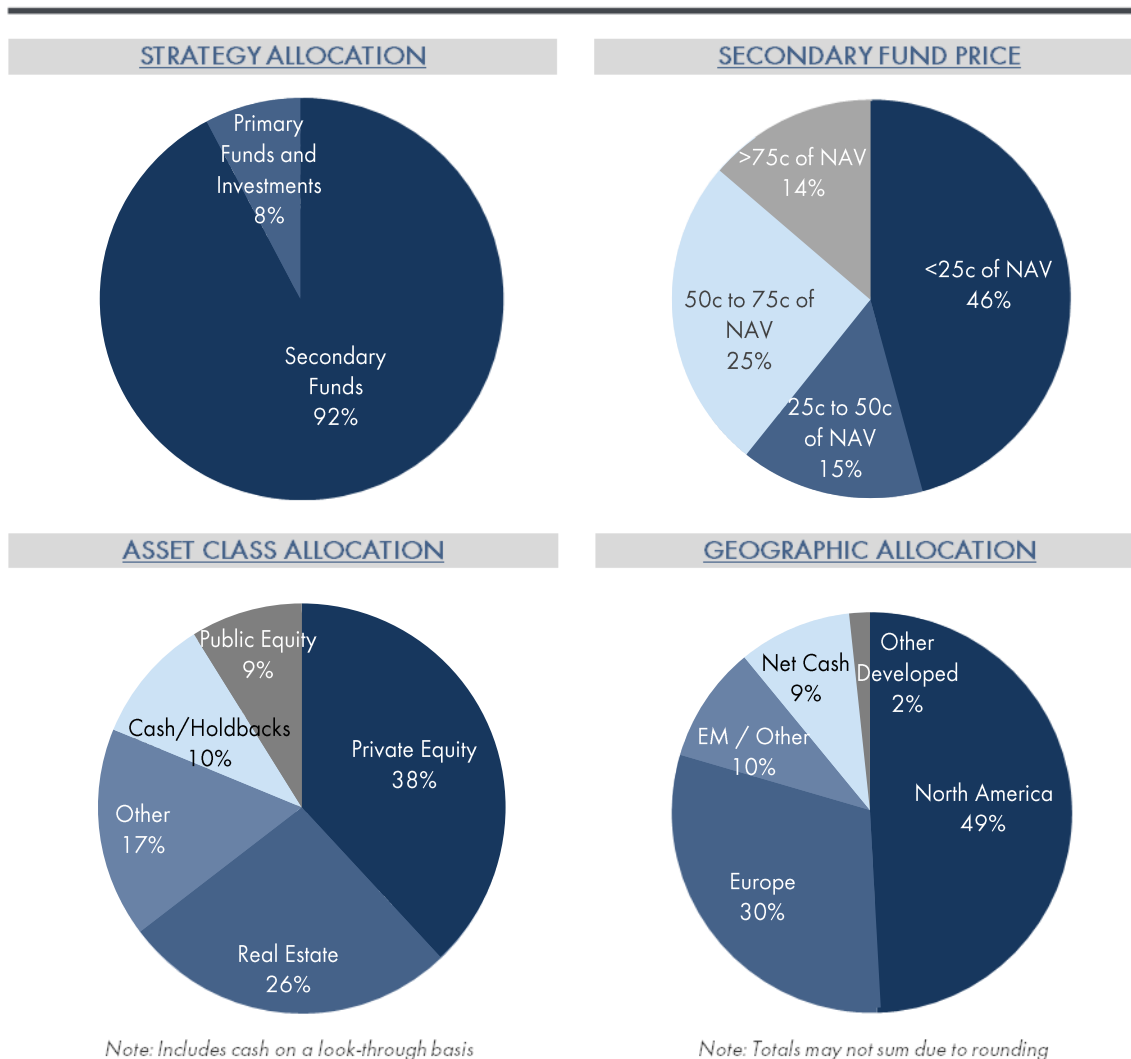
### Direct Investments:

The Fund currently does not have any material active Direct Investment exposures.

### Portfolio Statistics:

The following tables provide our estimated look through exposures across a variety of metrics.

#### PORTFOLIO STATISTICS (as of June 2022)



### Outlook:

Absolute return funds are under significant pressure following a challenging investment environment in 1H2022, poor returns and investor demands for liquidity. As investor preferences shift we expect meaningful redemption pressure which is going to be further complicated by hedge funds significant involvement in private investments in recent years. The secondary market for these funds tends to spike when 1) investors in funds with redemption terms are told the funds are no longer liquid and 2) redemptions increase and 3) a meaningful portion of the fund is in unlisted situations. We expect all these prerequisites to hit over the next two years and it will be difficult to most absolute return funds to grow assets.

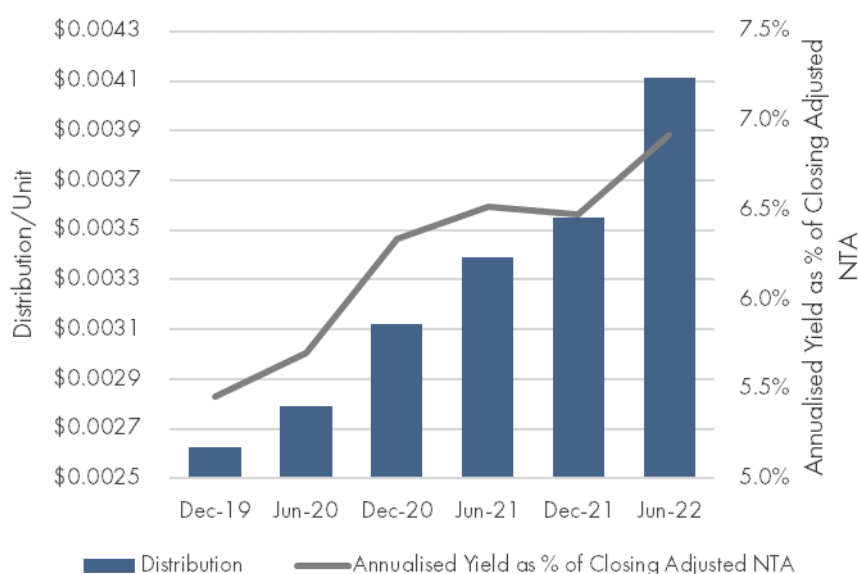
Over the past year, we have reviewed in excess of \$6bn of net asset value of absolute return funds which is our largest rolling 12-month period by a considerable margin. In the current environment we have been extremely cautious from a

pricing perspective and have become even more selective and conservative than normal, as we expect private asset valuations to come down significantly to be more in line with public market marks. We also expect seller pricing expectations to decrease as the true picture of the illiquid fund landscape emerges over time. We passed on over 70% of the volume that came through our pipeline in Q2.

Our strategy will be to continue to favour the secondary market due to the discounts available versus paying par in the primary market. Warana remains one of the most active global participants in this market and the Fund, to our knowledge, is the only global listed vehicle that prioritizes this exposure. The secondary market has been a very good hunting ground for investments with fantastic risk /return profiles over the last 10 years and we think it is set up to provide a strong pipeline for years to come.

We plan to continue to modestly grow the Fund and just prior to half year end completed a modest placement and turned on the Distribution Reinvestment Plan ("DRP"). The combined 31.4mm pre-consolidation units issued generated cash of \$3.9mm which will be deployed in line with the investment portfolio strategy and objectives. At the subsequent EGM various other capital planning initiatives were approved that have the purpose of providing additional flexibility should the Fund need capital quickly for further investment opportunities. We don't currently intend to underwrite the DRP or borrow unless the cash position of the Fund requires the additional liquidity.

The Fund is continuing its plan to return capital to unitholders via a semi-annual distribution. The Trust aims to distribute 5% of its net asset value in semi-annual increments. As the NTA of the Fund has grown, as too has the distribution and the yield as a portion of the adjusted NTA has also significantly increased.



Due to the significant carried forward tax losses, we continue to expect that the Trust will be able to offset any investment gains resulting from the distributions against said losses, to be treated as a tax-effective capital return (although we note this is subject to a number of assumptions).

31 August 2022

The Directors  
Columbus Investment Services Ltd  
As the Responsible Entity of Alternative Investment Trust  
Level 16, Governor Macquarie Tower,  
1 Farrer Place  
Sydney NSW 2000

Dear Directors

## Alternative Investment Trust

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of Columbus Investment Services Ltd.

As lead audit partner for the review of the financial report of Alternative Investment Trust for the half-year ended 30 June 2022, I declare that to the best of my knowledge and belief, that there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



**Crowe Sydney**



**Barbara Richmond**

Partner

*Liability limited by a scheme approved under Professional Standards Legislation.*

*The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.*

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# Independent Auditor's Report to the Unitholders of Alternative Investment Trust

## Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Alternative Investment Trust (the Trust), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

## Directors' Responsibility for the Half-Year Financial Report

The directors of Columbus Investment Services Ltd as Responsible Entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations), the Constitution of the Trust, and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review.

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*The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.*

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We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Trust's financial position as at 30 June 2022 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

As the auditor of Alternative Investment Trust, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Alternative Investment Trust is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Trust's financial position as at 30 June 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



**Crowe Sydney**



**Barbara Richmond**

Partner

31 August 2022

Sydney

## Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 30 June 2022

	Note	Half-year ended 30 June 2022 \$'000	Half-year ended 30 June 2021 \$'000
<b>Income</b>			
Net gain on financial instruments held at fair value through profit or loss	4	6,585	1,023
Interest income		1	-
Distribution Income		128	6
Foreign exchange gains/(losses)		76	92
Rebate income	12 (b)	264	164
Total investment gains		7,054	1,285
<b>Expenses</b>			
Responsible entity fees	12 (b)	34	34
Investment management fees	12 (b)	251	217
Other operating expenses	5	128	191
Total operating expenses		413	442
<b>Operating profit attributable to unitholders</b>		<b>6,641</b>	<b>843</b>
Returns of capital		(1,013)	(863)
(Increase)/decrease in net assets attributable to unitholders		(5,628)	20
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>
		<b>Cents</b>	<b>Cents</b>
<b>Profit per unit for profit from continuing operations</b>			
Basic and diluted profit per unit	6	2.36	0.30

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.



## Statement of Financial Position as at 30 June 2022

	Note	As at 30 June 2022 \$'000	As at 31 December 2021 \$'000
<b>Assets</b>			
Cash and cash equivalents	8	3,288	2,466
Receivables	9	418	281
Financial assets held at fair value through profit or loss	7	47,812	40,113
<b>Total assets</b>		<b>51,518</b>	<b>42,860</b>
<b>Liabilities</b>			
Payables	10	447	182
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>447</b>	<b>182</b>
<b>Net assets attributable to unitholders - liability</b>	11	<b>51,071</b>	<b>42,678</b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

## Statement of Changes in Equity for the half-year ended 30 June 2022

	Half-year ended 30 June 2022 \$'000	Half-year ended 30 June 2021 \$'000
<b>Total equity at the beginning of the half-year</b>		
Profit /(loss) for the half-year	-	-
Other comprehensive income	-	-
<b>Total comprehensive income</b>	-	-
Transactions with owners in their capacity as equity holders	-	-
<b>Total equity at the end of the half-year</b>	-	-

Under Australian Accounting Standards, net assets attributable to unitholders are classified as a liability rather than equity. As a result, there was no equity at the start or end of the half-year.

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## Statement of Cash Flows for the half-year ended 30 June 2022

		Half-year ended 30 June 2022 \$'000	Half-year ended 30 June 2021 \$'000
	Note		
<b>Cash flows from operating activities</b>			
Net proceeds from (purchase)/sale of financial assets designated as fair value through profit or loss		(1,083)	(3,740)
Interest received		1	-
Distribution received		128	6
Management and Responsible Entity fees paid		(300)	(114)
Other income received		248	129
<b>Net cash used in operating activities</b>	8 (b)	<b>(1,006)</b>	<b>(3,719)</b>
<b>Cash flows from financing activities</b>			
Proceeds from applications by unitholders		2,765	-
Returns of capital paid		(1,013)	(660)
<b>Net cash provided by/(used in) financing activities</b>		<b>1,752</b>	<b>(660)</b>
Net increase/(decrease) in cash and cash equivalents		746	(4,379)
Foreign exchange gains		76	92
Cash and cash equivalents at the beginning of the half-year		2,466	7,303
<b>Cash and cash equivalents at the end of the half-year</b>	8 (a)	<b>3,288</b>	<b>3,016</b>
<b>Non-cash investing activities</b>	8 (c)	<b>(334)</b>	<b>3,064</b>
<b>Non-cash financing activities</b>	8 (d)	<b>-</b>	<b>203</b>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

## Notes to Financial Statement

### 1. General Information

Alternative Investment Trust (the “Trust” or “AIT”) is an Australian registered managed investment scheme which is quoted on the Australian Securities Exchange (ASX code “AIQ”). The Trust was constituted on 7 April 2005 and is a for-profit entity for financial reporting purposes.

The responsible entity of the Trust is Columbus Investment Services Ltd (ABN 69 095 162 931; AFSL 221 183) (the “Responsible Entity”). The registered office and principal place of business of the Responsible Entity is Level 16, Governor Macquarie Tower, 1 Farrer Place, Sydney NSW 2000.

The investment manager of the Trust is Warana Capital Pty Limited (ACN 611 063 579; AFSL 493579) (“Warana” or the “Investment Manager”).

The coronavirus, COVID-19, was first identified as a new, highly contagious virus in December 2019. The World Health Organisation declared a global pandemic in March 2020 and as at the date of these financial statements, COVID-19 remains prevalent throughout the world, including Australia. COVID-19 has caused unprecedented disruption to populations, businesses and general economic activity. As the situation evolves, it continues to have significant impacts on investment funds and their trustees and managers, both directly and indirectly.

There is an increased level of global uncertainty associated with the conflict in Ukraine. The impacts of the Ukraine conflict are not yet known but are likely to result in increased market and economic volatility, which may in turn have an impact on the Trust.

As these situations are continuing, the Investment Manager has been monitoring both the valuation of the Fund’s assets and the Fund’s liquidity and is in close contact with service providers in assessing the ongoing operations, liquidity, and the basis of the values and estimates reported. In these circumstances, there is uncertainty around valuations. The Investment Manager will continue to closely monitor market situations to ensure that valuations remain appropriate. The Investment Manager will provide resources and updates where necessary to provide informed guidance for investors during this continuing environment.

These financial statements were authorised for issue by the Directors on 31 August 2022. The directors of the Responsible Entity have the power to amend and reissue the interim financial statements.

### 2. Adoption of New and Revised Accounting Standards

The Trust has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (“AASB”) that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### 3. Significant Accounting Policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements:

#### *a) Statement of compliance*

These financial statements are general purpose financial statements which have been prepared in accordance with the Australian Accounting Standard AASB 134 “Interim Financial Reporting” and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 “Interim Financial Reporting”.

#### *b) Basis of preparation*

These financial statements do not include all of the notes of the type normally included in the annual financial statements. Accordingly, these interim financial statements are to be read in conjunction with the annual financial statements for the year ended 31 December 2021 and any public announcements made in respect of the Trust during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies applied in these interim financial statements are the same as those applied to the Trust’s financial statements for the year ended 31 December 2021.

All amounts are presented in Australian dollars as the functional and presentational currency of the Trust.

**3. Significant Accounting Policies (continued)****b) Basis of preparation (continued)**

The Trust is an entity of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the Directors' Report and Interim Financial Report. Amounts in the Directors' Report and Interim Financial Report have been rounded to the nearest thousand dollars in accordance with that legislative instrument, unless otherwise indicated.

**4. Net Gain/(Loss) on Financial Instruments Held at Fair Value through Profit or Loss**

	Half-year ended 30 June 2022 \$'000	Half-year ended 30 June 2021 \$'000
Fair value gain on financial instruments held at fair value through profit or loss	6,585	1,023
<b>Total net gain on financial instruments held at fair value through profit or loss</b>	<b>6,585</b>	<b>1,023</b>

**5. Other Operating Expenses**

	Half-year ended 30 June 2022 \$'000	Half-year ended 30 June 2021 \$'000
Professional fees	9	7
Fund administration and custody expenses	41	41
Other general and administrative expenses	51	116
Auditor's remuneration	27	27
<b>Total other operating expenses</b>	<b>128</b>	<b>191</b>

**6. Earnings per Unit**

Basic profit/(loss) per unit is calculated as net profit or loss attributed to unitholders of AIT divided by the weighted average number of units on issue.

	Half-year ended 30 June 2022	Half-year ended 30 June 2021
Profit attributable to unitholders (\$'000)	6,641	843
Weighted average number of units on issue ('000)	281,830	279,710
Basic and diluted profit per unit in cents	2.36	0.30

There is no difference between basic and diluted profit/loss per unit as no units are dilutive in nature.

**7. Investments in Financial Instruments**

	As at 30 June 2022 \$'000	As at 31 December 2021 \$'000
<b>Fair value of financial assets designated as fair value through profit or loss</b>		
Investment in funds	46,939	39,088
Investment in listed securities	448	612
Investment in unlisted unit trusts	425	413
<b>Total financial assets held at fair value through profit or loss</b>	<b>47,812</b>	<b>40,113</b>

## 7. Investments in Financial Instruments (continued)

### *Trust Investments*

The Trust has direct exposure to the absolute return funds. The fair value of these assets was based on the net asset value information received from the underlying fund administrators, and, where appropriate, estimated performance data from the underlying funds' managers. These fair values were reconciled monthly by the Trust's third-party administrator and any changes in fair value reviewed for reasonableness by the Investment Manager.

### *Investments in Funds and Unlisted Unit Trusts*

The Trust has investments in Warana 2018 Fund, Warana 2019 Fund, Warana 2021 Fund, Warana Co-Investment Fund I ("WCFI"), WARANA SP USA III-A LLC, AIT Sub-Trust No. 1 and One HF Trust.

### *Fair Value Hierarchy*

Financial instruments carried at fair value are categorised under three level hierarchy. Financial instruments are categorised based on the observable market inputs when estimating their fair value. If different levels of inputs are used to measure a financial instrument's fair value, the instrument's classification within the hierarchy is based on the lowest level of input that was significant to the fair value measurement.

The investments in funds and unlisted unit trusts are classified under level 3. The valuations are determined by directors based on the following:

- Discussions with investment manager on valuations and fair value;
- Net asset values of the funds and unlisted unit trusts and related valuation methodology;
- Consideration of Manager's adjusted net asset values; and
- Other available information and performance data that impacts fair value of the funds and unlisted unit trusts.

In respect of the Level 3 assets, the Directors note the Manager's adjusted net asset value of underlying assets (referred to in the Investment Manager's Report included in these financial statements) may not be consistent with the responsible entity's adopted principles that asset valuations be conservative, consistently applied and independently verified where appropriate and apply a methodology that maximises the use of relevant observable data inputs and minimises the use of unobservable inputs and subjective adjustments.

As explained in the Investment Manager's Report included in these financial statements, the Manager's adjusted net asset value is originally based on the acquisition price of an investment, and this may have more to do with the motivations of the seller of these thinly traded and illiquid assets. After acquisition, the Manager's adjusted net asset value is based on the Manager's estimated cash flows discounted at a rate selected by the Manager.

The Trust's strategy remains to hold these Level 3 assets to realisation when it is expected, but not guaranteed, they will achieve the values provided by the underlying trust's managers and fund administrators. The directors believe the valuations provided by these managers and administrators are more consistent with its adopted valuation policy being a valuation derived by someone independent of the responsible entity and the Manager, likely to be based on information derived from independent valuers and included in financial statements that are audited.

**7. Investments in Financial Instruments (continued)*****Fair Value Hierarchy (continued)***

The following table shows an analysis of financial instruments held at 30 June 2022, recorded at fair value and presented by level of the fair value hierarchy:

	30 June 2022			Total \$'000
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
<b>Financial assets</b>				
Investment in funds	-	-	46,939	46,939
Investment in listed securities	448	-	-	448
Investment in unlisted unit trusts	-	-	425	425
<b>Total financial assets held at fair value through profit or loss</b>	<b>448</b>	<b>-</b>	<b>47,364</b>	<b>47,812</b>
	31 December 2021			Total \$'000
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
<b>Financial assets</b>				
Investment in funds	-	-	39,088	39,088
Investment in listed securities	612	-	-	612
Investment in unlisted unit trusts	-	-	413	413
<b>Total financial assets held at fair value through profit or loss</b>	<b>612</b>	<b>-</b>	<b>39,501</b>	<b>40,113</b>

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the half-year. The Responsible Entity and Investment Manager assess hierarchical classification at each reporting date.

**Valuation techniques used to derive level 1, level 2 and level 3 fair values*****Level 1***

The fair value of financial instruments that are traded in an active market (for example, listed equities) is determined using the last traded quoted price in an active market. As at 30 June 2022 the Trust had \$448,000 (31 December 2021: \$612,000) financial assets held at fair value through profit or loss included in level 1.

***Level 2***

The fair value of financial instruments that are not traded in an active market (for example, unlisted investments) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. As at 30 June 2022 the Trust had \$Nil (31 December 2021: \$Nil) financial instruments in level 2.

***Level 3***

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. As at 30 June 2022 the Trust had \$47,364,000 (31 December 2021: \$39,501,000) financial assets held at fair value through profit or loss included in level 3. The instruments are valued using published redemption prices. The values have not been adjusted for liquidity as the Investment Manager is in regular contact with underlying investment managers and deem the current values reasonable.

**7. Investments in Financial Instruments (continued)****Reconciliation of level 1, level 2 and level 3 fair values**

Financial assets measured on a recurring basis using significant unobservable inputs (Level 1, Level 2 and Level 3) are shown below:

<b>Half-year ended 30 June 2022</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Opening balance	612	-	39,501	40,113
Change in value of financial assets held at fair value through profit or loss	(164)	-	6,749	6,585
Net purchases/(sales)	-	-	1,114	1,114
<b>Closing balance</b>	<b>448</b>	<b>-</b>	<b>47,364</b>	<b>47,812</b>

<b>Year ended 31 December 2021</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Opening balance	2,195	-	31,275	33,470
Change in value of financial assets held at fair value through profit or loss	1,371	-	5,804	7,175
Net purchases	(2,954)	-	2,422	(532)
<b>Closing balance</b>	<b>612</b>	<b>-</b>	<b>39,501</b>	<b>40,113</b>

**Disclosed fair values**

For all financial instruments other than those measured at fair value their carrying value approximates fair value

**8. Cash and Cash Equivalents**

(a) Cash and cash equivalents include cash on hand and deposits held with banks. Cash at the end of the half-year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	<b>As at</b>	<b>As at</b>
	<b>30 June 2022</b>	<b>30 June 2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Domestic cash at bank	2,841	500
Foreign currency holdings	447	2,516
	<b>3,288</b>	<b>3,016</b>



**8. Cash and Cash Equivalents (continued)**

(b) Reconciliation of increase/(decrease) in net assets attributable to unitholders for the half-year to net cash provided by/(used in) operating activities:

	Half-year ended 30 June 2022 \$'000	Half-year ended 30 June 2021 \$'000
<b>Increase/(decrease) in net assets attributable to unitholders</b>	<b>5,628</b>	<b>(20)</b>
Return of capital to unitholders	1,013	863
Net gains on financial instruments held at fair value through profit or loss	(6,585)	(1,023)
Net proceeds from (purchase)/sale of financial assets designated as fair value through profit or loss	(1,083)	(3,740)
Foreign exchange gains	(76)	(92)
<b>Change in assets and liabilities:</b>		
(Increase)/decrease in other assets	(168)	(93)
Increase in trade and other payables	265	386
<b>Net cash used in operating activities</b>	<b>(1,006)</b>	<b>(3,719)</b>
(c) Non-cash investing activities		
Distributions applied to calls on investments	(334)	3,064
(d) Non-cash financing activities		
The following distribution payments to unit holders were satisfied by issue of units under the distribution reinvestment plan	-	203

**9. Receivables**

	As at 30 June 2022 \$'000	As at 31 December 2021 \$'000
Other receivables	-	147
Rebate receivable	418	134
<b>Total receivables</b>	<b>418</b>	<b>281</b>

**10. Payables**

	As at 30 June 2022 \$'000	As at 31 December 2021 \$'000
Responsible entity fees payable	-	6
Management fees payable	312	43
Trust administration and custody fees payable	11	12
Other payables	124	121
<b>Total payables</b>	<b>447</b>	<b>182</b>

**11. Net Assets Attributable to Unitholders**

	<b>Half-year ended 30 June 2022</b>	
	<b>No. of Units</b>	<b>\$'000</b>
Opening balance as at 1 January 2022	281,274,730	42,678
Proceeds from applications by unitholders	25,136,363	2,765
Units issued upon reinvestment of distributions	-	-
Net decrease in net assets attributable to unitholders	-	5,628
<b>Closing balance as at 30 June 2022</b>	<b>306,411,093</b>	<b>51,071</b>

	<b>Year ended 31 December 2021</b>	
	<b>No. of Units</b>	<b>\$'000</b>
Opening balance as at 1 January 2021	278,427,581	36,939
Proceeds from applications by unitholders	-	-
Units issued upon reinvestment of distributions	2,847,149	335
Net increase in net assets attributable to unitholders	-	5,404
<b>Closing balance as at 31 December 2021</b>	<b>281,274,730</b>	<b>42,678</b>

**12. Related Party Transactions****a) Key management personnel**

The names of the directors and company secretaries of the Responsible Entity are:

<b>Name</b>	<b>Title</b>
Frank Tearle	Executive Director & Company Secretary
Sarah Wiesener	Executive Director & Company Secretary
Michael Sutherland	Executive Director

The Trust has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the half-year.

Apart from those details disclosed in the note, no key management personnel have entered into a material contract with the Trust since the end of the previous financial year and there were no material contracts involving directors' interests existing at half-year end.

**b) Responsible Entity/Investment Manager fees****Responsible Entity fees**

The responsible entity of the Trust is Columbus Investment Services Ltd.

The Responsible Entity charged 0.07% per annum (excluding GST) of gross portfolio value, subject to a minimum of \$66,000 per annum (excluding GST).

As at 30 June 2022, the responsible entity fees expense incurred by the Trust to the Responsible Entity was \$34,485 (30 June 2021: \$34,485) of which \$Nil (31 December 2021: \$6,050) was payable at the end of the period.

**Investment Manager Fees**

The Investment Manager is entitled to a management fee of 1.5% (excluding GST) of the net asset value of the Trust ("Management Fee Entitlement"). The Trust also makes investments in other comingled vehicles that are managed by affiliates of the Investment Manager where fees are charged ("Downstream Funds").

It is noted that management fees and performance fees relating to the Trust's holding in these funds have and will continue to be rebated while Warana is the Investment Manager of the Trust so that the Investment Manager or any affiliate do not receive in aggregate in excess of the Management Fee Entitlement. In practice, the Investment Manager charges fees at the Downstream Funds and then rebates the net amount required such that the aggregate fees collected equal the Management Fee Entitlement.

**12. Related Party Transactions (continued)****b) Responsible Entity/Investment Manager fees (continued)****Investment Manager Fees (continued)**

In the period, these amounted to:

	30 June 2022	30 June 2021
Management Fee Entitlement	251,785	217,322
Rebate credited	(264,949)	(164,436)
<b>Net management fee rebate (receivable)/incurred by the Trust</b>	<b>(13,164)</b>	<b>52,886</b>

As at 30 June 2022, the net receivable from the Investment Manager in relation to management fees and management fee rebates is \$105,113 (31 December 2021: \$90,985).

The Investment Manager is entitled to a performance fee of 20% of the NTA performance above an 8% per annum hurdle. The Investment Manager has waived the performance fee payable at the Trust level. The Investment Manager is potentially entitled to performance fee equivalents associated with the Warana 2018 Fund, Warana 2019 Fund and the Warana 2021 Fund (collectively the Warana Funds) should each of those funds return cash above a hurdle. These amounts are only paid on cash realisations. Should the Warana Funds pay a performance fee equivalent, the maximum amount that would be paid to the Investment Manager would not exceed the performance fee calculated in accordance with Trust level performance fee that would otherwise be payable. The accrued performance fee at the Warana Fund level relating to the Trust is \$1,639,825 (31 December 2021: \$Nil).

**c) Other fees paid to related parties**

The Responsible Entity appointed third party service providers to the Trust, some of whom are related parties of the Responsible Entity. One Managed Investment Funds Limited ("OMIFL"), a subsidiary of One Investment Group ("OIG"), acted as custodian for the Trust and receives a fee for doing so.

**Custody Fees**

As at 30 June 2022, the custody fee expense incurred by the Trust to the OMIFL amounted to \$11,159 (30 June 2021: \$10,633) of which \$5,922 (31 December 2021: \$5,923) was payable at the end of the period.

**Accounting and administration and taxation fees**

Unity Fund Services Pty Limited ("UFS"), an associated entity of OIG has been appointed for the provision of administration and tax services to the Trust.

As at 30 June 2022, fund administration fees were incurred by the Trust amounted to \$29,460 (30 June 2021: \$28,996) of which \$5,269 (31 December 2021: \$8,569) was payable at the end of the period.

As at 30 June 2022, taxation fees were incurred by the Trust amounted to \$6,532 (30 June 2021: \$6,532) of which \$6,532 (31 December 2021: \$13,062) was payable at the end of the period.

**d) Holding of units**

During or since the end of the financial half-year, none of the directors of the Responsible Entity held units in the Trust, either directly, indirectly, or beneficially (31 December 2021: \$Nil).

**12. Related Party Transactions (continued)*****e) Investments in Unlisted Funds where Warana acts as Trustee***

The Trust holds two unlisted investments issued by members of OIG:

1. One HF Trust ("OHFT") – OMIFL is the trustee of the trust. The Trust owns 72.93% of OHFT. Fees paid or payable to OMIFL as trustee for the half-year were \$2,037 (30 June 2021: \$1,962). The value of the units in OHFT held by the Trust at 30 June 2022 is \$97,722 (31 December 2021: \$93,545).
2. AIT Sub-Trust No. 1 ("AITST") - One Funds Management Limited ("OFML") is the trustee of AITST, a subsidiary of OIG and AITST is a wholly owned sub-trust of the Trust. Fees paid or payable to OFML as trustee for the half-year were \$2,801 (30 June 2021: \$2,690). The value of the units in AITST held by the Trust at 30 June 2022 is \$327,095 (31 December 2021: \$319,712).

These units were valued at \$424,817 (31 December 2021: \$413,258) and were included within the financial assets as disclosed in note 7.

Both of the above mentioned trusts pay fees to One Registry Services Pty Ltd ("ORS"), a subsidiary of OIG, for the provision of registry services. Total fees paid or payable to ORS for the half-year were \$2,985 (30 June 2021: \$2,875).

The Trust holds one unlisted investment issued by Warana:

WCFI – Warana is the trustee of the trust. The purpose of WCFI holds one asset, a minority position in an eastern European broadband and telecom company that was sold by an absolute return fund in the final stages of its wind down. Fees paid or payable to Warana as trustee for the half-year were \$Nil (30 June 2021: \$Nil). The value of the units in WCFI held by the Trust at 30 June 2022 is \$Nil (31 December 2021: \$Nil).

On 22 June 2021, the Trust received a further distribution of \$0.7275 per unit following the completion of the sale of the asset held by the WCFI. The total received to date is now \$1.0196 per unit. The sale proceeds received was net of approx. \$0.06 per unit in holdback amounts to be received over the next 2 years. The \$0.06 per unit has been recorded at Nil until the funds have been released.

**13. Commitments and Contingencies**

The Trust has committed to invest \$18,829,200 (US\$13,000,000) (31 December 2021: \$17,901,000 (US\$13,000,000)) in Warana 2019 Fund, Warana 2021 Fund and King Street Real Estate Fund (Offshore, PF) as at 30 June 2022 and the detail below.

<b>As at 30 June 2022</b>	<b>Total Committed</b>	<b>Uncalled Commitments</b>
Warana 2021	\$17,380,800 (US\$12,000,000)	\$5,214,240 (US\$3,600,000)
King Street Real Estate Fund (Offshore, PF)	\$1,448,400 (US\$1,000,000)	\$332,754 (US\$229,739)
<b>Total</b>	<b>\$18,829,200 (US\$ 13,000,000)</b>	<b>\$5,546,994 (US\$3,829,739)</b>
 <b>As at 31 December 2021</b>	 <b>Total Committed</b>	 <b>Uncalled Commitments</b>
Warana 2021	\$16,524,000 (US\$12,000,000)	\$8,592,480 (US\$6,240,000)
King Street Real Estate Fund (Offshore, PF)	\$1,377,000 (US\$1,000,000)	\$186,791 (US\$135,651)
<b>Total</b>	<b>\$17,901,000 (US\$13,000,000)</b>	<b>\$8,779,271 (US\$6,375,651)</b>

The Investment Manager has provided assurances that the Trust has a range of strategies available to it to ensure it can manage its obligations in respect of these commitments.

**14. Subsequent Events**

On 30 June 2022, a notice of meeting was issued to all unitholders in relation to an extraordinary General Meeting (EGM) to be held on 29 July 2022. The meeting was called to in relation to the following:

- Approve Unit Consolidation 1 unit for 10
- Approve the Conditional Placement of 3,954,545 units at \$0.11 per units to a related party of the Investment Manager
- Approve the Placement of 25,136,363 units on 26 June 2022
- Approve a related party to underwrite up to two 2 DRPs
- Approve a related party loan, allowing the Responsible Entity to enter into a funding facility with the Investment Manager

On 15 July 2022, a distribution was declared with a record date of 21 July 2022 and payment date 18 August 2022, with a per unit distribution of \$0.0041 pre-consolidation (\$0.041 post consolidation).

On 28 July 2022, a consolidation of 1 unit for 10 units was announced with an effective date of 29 July 2022, the record date was 3 August 2022 and registry to be updated by 10 August 2022.

On 29 July 2022, the EGM was held and all resolutions proposed were passed and these results were announced to the ASX.

On 29 July 2022, the Conditional Placement was approved with the 3,954,545 units issued at \$0.11 per unit.

On 10 August, the Unit Consolidation was completed and the total units on issue have been reduced from 310,365,638 to 31,036,638.

On 18 August 2022, 625,282 new units were issued as part of the distribution reinvestment plan.

On 25 August 2022, an On-Market Buy back was announced with the intention to offer up to 10% of the Trust units on issue to be purchased at or near the prevailing Adjusted NTA price. The On-Market Buy Back will commence on or after 9 September 2022.

Other than the above there has not been any other matter or circumstance occurring subsequent to the end of the year that has significantly affected, or may significantly affect, the operations of the Trust, the results of those operations or the state of affairs of the Trust.

## Directors' Declaration

The directors of the Responsible Entity declare that:

- (a) the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- (b) the attached financial statements and notes give a true and fair view of the Trust's financial position as at 30 June 2022 and of its performance for the financial half-year ended on that date; and
- (c) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors of the Responsible Entity made pursuant to Section 295(5) of the Corporations Act 2001.

On behalf of the directors of the Responsible Entity, Columbus Investment Services Ltd.



Sarah Wiesener  
Director  
31 August 2022