One Managed Investment Funds Limited

as responsible entity for Alternative Investment Trust

ARSN 112 129 218 ASX Code: AIQ (AIQ)

ASX ANNOUNCEMENT

25 July 2025

AIQ Review and Update

Please find attached AIQ Review and Update.

Authorised for release by One Managed Investment Funds Limited ABN 47 117 400 987 AFSL 297042 (**Responsible Entity**), the responsible 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.

Alternative Investment Trust (AIQ): Review and Update

July 2025

www.WaranaCap.com

About the Responsible Entity of AIQ

One Managed Investment Funds Limited 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 450 registered and unregistered managed investment schemes. The total value of assets under administration by the group is in excess of $80 billion across a wide range of underlying asset classes.

About the Investment Manager of AIQ

Warana Capital Pty Limited ("Investment Manager", "Warana") serves as the Investment Manager of AIQ. Warana 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 has historically distributed 5% per annum of the Trust's NTA, paid in semi-annual instalments. Starting with the distribution that is anticipated for early 2026, AIQ currently intends to distribute 10% per annum of the Trust's Adjusted NTA, paid in semi-annual installments. As at the end of the 2024 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 generally audited annually. The underlying investment funds are largely illiquid and Warana considers that:

a. it will likely take several years to fully receive liquidation proceeds; and
b. if sold today, many holdings would likely 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, an Adjusted NTA is calculated by AIQ's Investment Manager to demonstrate that the underlying funds that have been acquired in the secondary market ('Secondary Funds') often 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 the Adjusted NTA 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 calculating the Adjusted NTA. The Adjusted NTA is calculated using third-party information and other assumptions which may prove inaccurate.

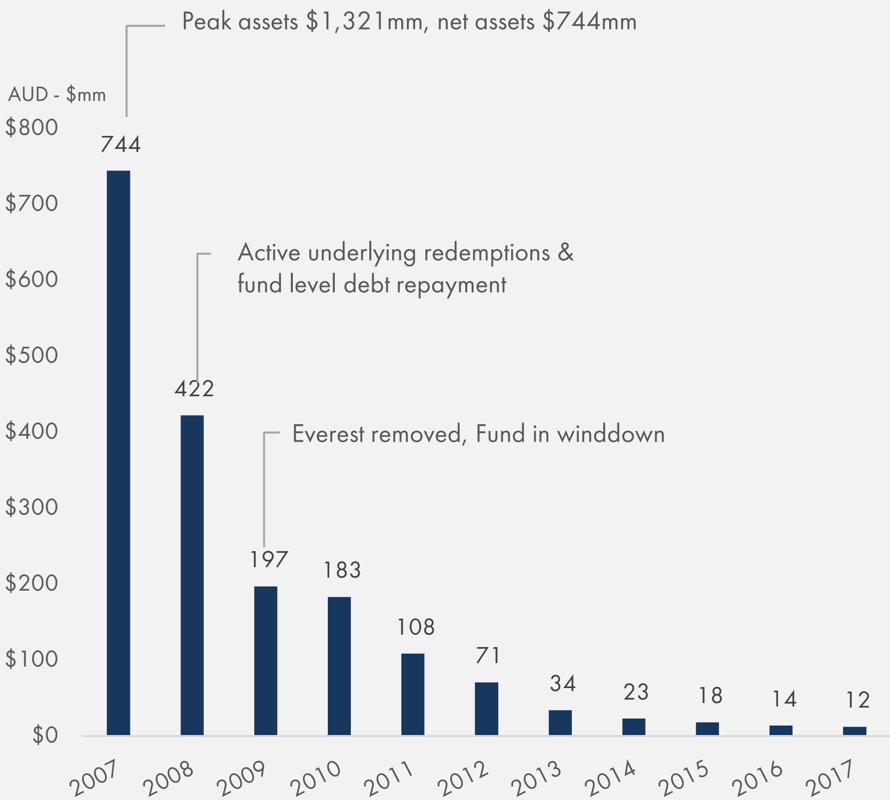
Other Information

Numbers in this update are unaudited. For the period up to 30 June 2025 covered by this update there were no material changes to any of the following: the Trust's risk profile; the Trust's strategy; and AIQ's 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.

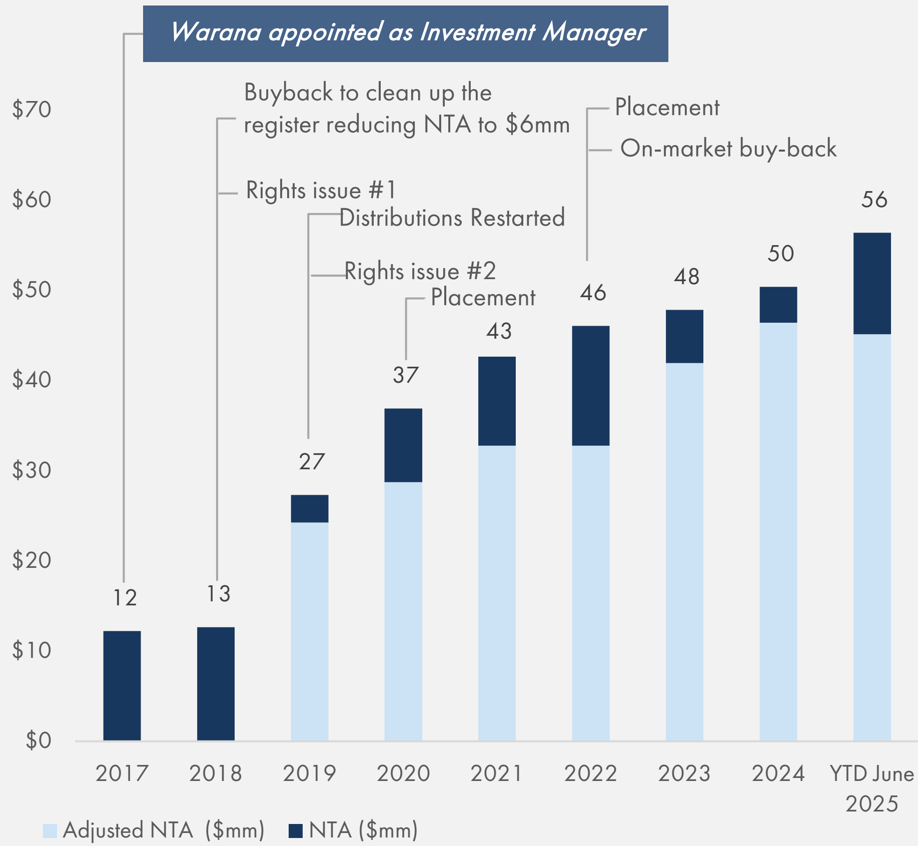
Legal Notice

AIQ History

AIQ was formerly the Everest, Babcock & Brown Absolute Return Fund



Warana was appointed as the Investment Manager in 2017[1]



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 Warana's estimated projected recovery cash flows discounted at 10% p.a. Please see page one for more information.

Potential Tax Advantages For Australian Investors

Warana Capital

- Over the 10+ year wind-down process, AIQ realised over A$400 million in tax losses
- In 2015, AIQ received a tax ruling that allowed it to utilise the tax losses if various requirements are satisfied including[1]:
  - It maintained the original investment mandate – "to generate attractive pre-tax, risk-adjusted returns by gaining exposure to a portfolio of leading international return funds and select equity and debt direct investments"
  - It remained listed
- Warana has continued to deploy capital in accordance with the original mandate to retain the tax losses
- Since the restart of the investment program in 2018, the tax losses have offset investment income
- AIQ has a policy of semi-annual distributions. These distributions have been in the form of return of capital:
  - Historically 5% of NTA per annum
  - Beginning with the distribution in early 2026, the new policy is expected to be 10% of Adjusted NTA per annum

1. Use of tax losses is subject to a number of assumptions and requirements which may or may not be met.

AIQ Operating Summary

Warana Capital

Operate to preserve and utilise tax losses	▪ Maintain same investment objective and strategy to keep compliance with the tax ruling regarding ongoing use of tax losses ▪ Current intention to pay a 10% annual distribution that is treated as capital return[1]
Take advantage of better risk/return by being a liquidity provider to illiquid funds	▪ Warana believes there is a significant opportunity to gain access to illiquid absolute return at an attractive risk/return value – Purchasing funds in wind down at significant discounts to manager audited net asset value ("NAV") provides significant margin of safety and attractive risk / return profile – Investing in funds that provide loans to funds, fund investors, and investment managers impacted by illiquidity in absolute return funds[2]
Implemented via allocations to Warana secondary funds, co-investment funds, and lending funds	▪ Secondary Exposure[3]: US$0.8mm (2018 Fund), US$4.8mm (2019 Fund), US$5.1mm (2021 Fund), US$8.1mm (2023 Fund), US$1.6mm (King Street Special Investment), US$0.5mm (Fortress PE Funds) ▪ Co-investment and loan exposure[3]: US$2.3mm (WSS Kings) ▪ Attempt to limit cash exposure and hold only USD when possible ▪ All downstream Warana fees are rebated or netted – The AIQ level performance fee is deferred until realised at underlying funds
Make AIQ as efficient as possible	▪ Limit operating costs and increase scale to offset fixed costs ▪ Implemented buy back program, which may be used if any units trade below Adjusted NTA

1. Use of tax losses is subject to a number of assumptions and requirements which may or may not be met.
2. Not a forecast. Historical performance is not indicative of future performance.
3. Exposure represents Adjusted NAV as of 30 June 2025.

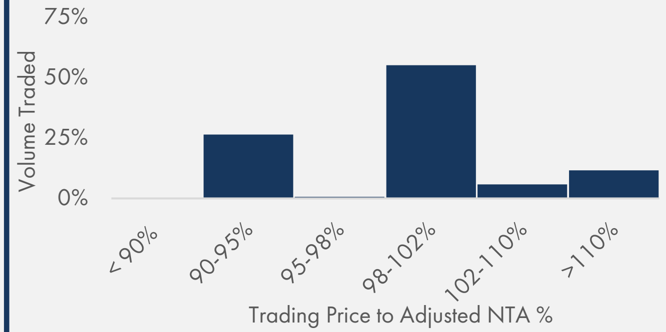
Initiatives Launched To Help Transparency

Warana Capital

On-market Buy-back

- AIQ has a tightly held register with limited large sellers since Warana took over as Investment Manager
- Launched on-market buy-back with aim of buying near Adjusted NTA and been active since August 2022
- Expect to:
  - Make accretive purchases
  - Give the market greater confidence of ability to exit
  - Pick up little pieces that historically have distorted price

The vast majority of AIQ's trading activity has occurred in a price range with little to no discount to Adjusted NTA (last 3 years trading)



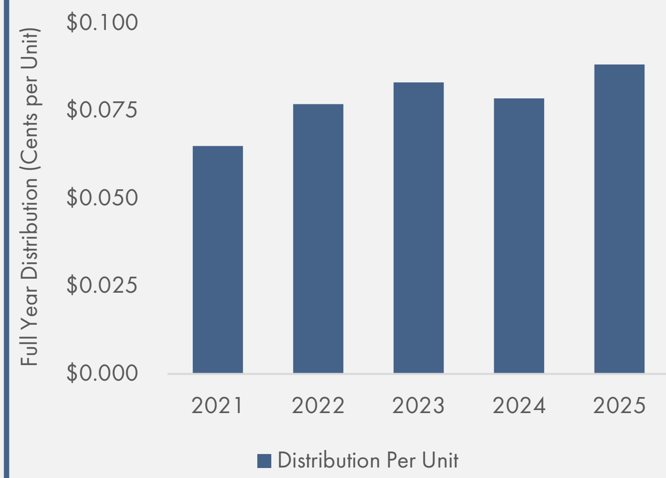
Tax Efficient Distributions

- Semi annual distributions of 5% of NTA, current intention to increase to 10% of Adjusted NTA beginning in early 2026
- Distributions treated as return of capital, not income[1]

Multiple NTAs

- Investments are carried at the NAV provided by the underlying fund managers
- This presents a valuation problem when AIQ acquires these interests at significant discounts to that NAV and generally doesn't expect to receive back that NAV
- Warana provides an Adjusted NTA that Warana considers is a "more accurate reflection" of the expected proceeds from secondary positions as they wind down

Full Year Distribution per Unit History[2]



1. Use of tax losses is subject to a number of assumptions and requirements which may or may not be met.
2. All Distributions per Unit are shown on a post consolidation basis. The Trust underwent a 10-to-1 consolidation prior to the year-end distribution in 2022. For consistency and clear presentation, the NTA and distribution figures shown prior to the consolidation have been adjusted by a factor of 10. 2025 includes announced distribution that is scheduled for payment in August 2025.

Current Portfolio

Warana Capital

Portfolio Overview as of 30 June 2025

Asset Breakdown (A$mm)	Asset Type	NTA	Adj. NTA[1]
Warana 2018 Fund	Secondary Market Funds	$3.5	$1.2
Warana 2019 Fund	Secondary Market Funds	$8.2	$7.3
Warana 2021 Fund	Secondary Market Funds	$10.3	$7.8
Warana 2023 Fund	Secondary Market Funds	$17.7	$12.3
King Street Special Investments	Secondary Market Funds	$2.7	$2.4
Fortress PE Funds [2]	Secondary Market Funds	$1.7	$0.7
Total Secondary Funds		**$44.2**	**$31.7**
WSS Kings LP	Loan Funds	$3.6	$3.6
Total Loan Funds		**$3.6**	**$3.6**
King Street Real Estate Fund	Primary Market Funds	$1.1	$1.1
Legacy AIQ Funds	Primary Market Funds	$2.2	$2.2
Total Primary Funds		**$3.3**	**$3.3**
Alternative Liquidity Fund Ltd (LSE: ALF)	Other	$0.5	$0.5
Net FX Hedging Value	Other	$0.4	$0.4
Net Cash & Cash Equivalents	Other	$4.4	$4.4
Other Assets[3]	Other	-	$1.3
Total Other Assets		**$5.4**	**$6.6**
Total		**$56.4**	**$45.2**

(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 Warana's estimated projected recovery cash flows discounted at 10% p.a.

(2) Private equity funds: Fortress Investment Fund V and Fortress Florida Co-investment Fund.

(3) Other Assets represent the adjustment for the portion by which the Warana Fund level performance fee exceeds that of the Trust.

Portfolio Allocation: Secondary Funds

Warana Capital

Target Investment Criteria	
	Gross returns of >20% IRR &1.3x MOIC
	Avg. ~50% discount to NAV
	Downside protection & wide margin of safety
	No/limited reliance on NAV growth
	Later stage to minimize duration
	Smaller where seller more motivated

Strategy

- Secondary strategy involves buying existing investors out of illiquid funds at a discount to NAV published by the manager of those funds
- By offering liquidity to investors who are otherwise "trapped" in illiquid funds, Warana is able to invest at discounts to underlying asset values in an inefficient market
- Value is created through capturing a portion of the purchase discount over the longer-term
- Opportunity set provides an attractive risk / return profile and low correlation with broader public markets

Opportunity Set For AIQ

- AIQ's exposure to secondaries continues to be a strong source of return for the Trust
- There is a significant need for liquidity among international absolute return fund investors because of muted capital markets activity and we continue to see a record level of deal flow
- This liquidity need is demonstrated by the growth of both the secondary market activity for private funds and the market for fund related lending / fund finance

Portfolio Allocation: Loan Funds

Warana Capital

Target Investment Criteria					
Loans with exposure to absolute return funds	Diversified and downside protected	Low LTV and underlying leverage	Multiple paths to paydown	High interest rates	Smaller loans

Strategy

- Warana continues to see high growth in the opportunity to lend to absolute return funds that are liquidity constrained
- Warana has deployed ~ USD$220 million across ~17 deals
- Average LTV on reported Fund NAV of 8% with interest rates in the high teens

Opportunity Set For AIQ

- Investment funds have struggled to generate liquidity and distributions to fund investors have drastically slowed
- Funds and fund investors have increasingly turned to the fund finance market to borrow money through a loan
- While there is a developed market for large loans, the market for small loans is inefficient and undercapitalized to meet the swelling increase in demand for smaller sized loans
- AIQ seeks to continue deploying capital into low LTV loans that offer exposure to absolute return funds that hold high quality assets[1]

1. Not a forecast. Historical performance is not indicative of future performance.

Portfolio Allocation: Primary Funds, Direct and Other Investments

Warana Capital

Target Investment Criteria	High bar for direct investments	Tactically managed	Usually result from changes in market conditions	Maximize return on cash holdings	Generally short term investments	Currency hedges

Strategy

- Currency hedging activity
- Cash and other short-term holdings
- Primary fund investments
- Equity and credit investments

Opportunity Set For AIQ

- In December 2024, AIQ entered a 2-year A$15mm FX hedging program, allowing AIQ to partially protect its USD exposure from AUD appreciation
- At present, AIQ has a minimal allocation to any direct investments. AIQ will typically only make direct investments when the risk-reward profile greatly exceeds that of AIQ's other investments
- Warana considers the current market environment, and the expected opportunity set will continue to favor investments in absolute return funds

Key Statistics and NTA Performance

Warana Capital

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.

Historical NTA & Adj. NTA Performance as of 30 June 2025		
(See notes below)	NTA	Adjusted NTA
YTD	14.5%	1.2%
1 Year	20.4%	6.9%
3 Year (p.a.)	8.5%	13.4%
5 Year (p.a.)	14.8%	13.7%
Since Inv. Strategy Restart (p.a.)*	13.0%	10.3%
Since IM Appointment (p.a.)*	11.8%	9.3%

Trust Data as of 30 June 2025	
Units on Issue	30,352,483
Tax losses	In excess of $400 million
Net Tangible Asset Backing ('NTA')	AUD 56.41 million
NTA per unit	AUD 1.8586
Adjusted NTA	AUD 45.16 million
Adjusted NTA per unit	AUD 1.4880
Market Capitalisation (ASX)	AUD 55.60 million

Company Data and Information

Responsible Entity	One Managed Investment Funds Limited ('One Managed')
Investment Manager	Warana Capital Pty Limited ("Warana")
Administrator	Unity Fund Services
Custodian	One Managed Investment Funds Limited
Management Fee	1.5% accrued monthly
Performance Fee	20% plus GST of NTA outperformance over 8% p.a. hurdle
Rebate	Downstream Warana Fees are rebated/netted

Note: The Trust has conducted several capital raises to build scale since the recommencement of its investment strategy on 12 February 2018. It conducted a 1-for-1 rights issue in March 2018, a 1-for-1 rights issue in August 2019, a placement in March 2020, a unit purchase plan in April 2020 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. Returns under each relevant time period show the movement including the impact of the dilution. "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 Adjusted NTA was produced for the period ending 31 October 2019. Adjusted NTA performance relative to periods before this date utilise the regular NTA. Past performance is not indicative of future performance.

AIQ Evolution

Increasing Distribution Policy	- Current intention to increase the distribution policy beginning with the first distribution in 2026 - Expect use of ongoing tax losses to make large portion or all capital return - Should be one of the highest pre and post tax distributions among LICs and LITs[1]
Scale	- Continue to manage expenses and costs - Dynamically manage the size and scale of the Trust - Planning a further rights issue in 2025 to increase scale and improve efficiencies

1. Use of tax losses is subject to a number of assumptions and requirements which may or may not be met.

Why AIQ

Access	▪ AIQ offers access to a broadly diversified strategy through the convenience of a single package ▪ The strategy is uncorrelated to broader markets and other LIC strategies and is diversified with over 500 underlying fund exposures
Track Record of Strong Performance and Risk Management	▪ The strategy has consistently generated returns in the mid to high teens with lower risk than the broader market ▪ Diversification vs. commonly held investments and low correlation to broader markets
High Distributions	▪ Strong distribution yield – highest among similar LICs ▪ Due to tax losses, distributions are not treated as income[1] ▪ Distributions are reliably funded from the stable cashflows of the underlying fund exposures
Consistent Buy-Back Program	▪ Commitment to consistent use of buy-back program ▪ Additional capital management actions to drive Unitholder value are also under consideration
Increased Efficiencies of Scale	▪ Larger fund size will provide scale efficiencies ▪ Increase in the free float should promote regular liquidity

1. Use of tax losses is subject to a number of assumptions and requirements which may or may not be met.