

Everest Alternative Investment Trust

December 2012 Factsheet



The Everest Alternative Investment Trust (EAIT) has exposure to a portfolio of absolute return funds. The objective of the Investment Portfolio is to generate attractive risk-adjusted absolute returns over the medium-to-long term.

Fund Facts as at 31 December 2012

Estimated monthly return ¹	0.00%
Estimated monthly return excluding FX	(0.32)%
NTA as at 31 December 2012 ^{1,2}	\$0.53

Investment manager summary

Investment positions posting positive returns	22
Investment positions posting negative returns	10
Largest manager allocation	18.2%

Fund NTA returns (net)

	Jan	Feb	Mar	April	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2012	-1.92%	2.67%	2.60%	0.00%	5.06%	-3.61%	-2.50%	1.28%	1.89%	1.85%	-3.64%	0.00% ¹	3.31%
2011	2.04%	-0.14%	0.14%	-4.64%	3.08%	-0.75%	-1.59%	1.77%	6.09%	-6.56%	2.63%	-2.80%	-1.41%
2010	1.18%	0.60%	1.84%	1.63%	-1.64%	-0.71%	2.03%	-0.37%	2.28%	0.49%	2.20%	-3.49%	6.03%
2009	-2.97%	0.00%	-0.44%	0.44%	1.75%	1.97% ³	0.23%	1.60%	1.02%	0.04%	0.75%	1.72%	6.16%
2008	-4.18%	0.77%	-2.29%	1.04%	1.80%	-2.15%	-1.58%	-2.14%	-9.84%	-15.15%	-8.57%	-7.81%	-41.02%
2007	2.60%	-0.13%	2.33%	2.51%	-4.89% ⁴	0.65%	0.00%	-3.44%	1.27%	3.27%	-1.70%	0.74%	2.90%
2006	4.15%	-0.21%	2.63%	2.01%	-3.94%	0.32%	-2.40%	1.72%	1.69%	2.85%	3.70%	2.67%	15.92%
2005	-	-	-	-3.60%	1.00%	2.71%	4.80%	0.23%	3.20%	-3.76%	2.76%	2.46%	9.83%

- 1 Unaudited – in calculating the NTA, EAIT asset values have been calculated using unaudited absolute return fund performance estimates for the month being reported.
- 2 For the purposes of calculating the above figures, the Australian Equivalents to International Financial Reporting Standards (AEIFRS) have been applied (other than for classification of net assets attributable to unitholders of EAIT where Australian Generally Accepted Accounting Principles, as applied before the introduction of AEIFRS, have been used).
- 3 Following the announcement of the intention to separate EAIT into two funds, performance data from 1 June 2009 onwards represents the underlying absolute return funds only. Prior to 1 June 2009 the performance data reflects both the absolute return funds and direct investments.
- 4 The May 2007 monthly NTA performance was impacted by the EBI rights issue and placement which were completed that month and does not include the implied value of EBB shares received by investors who successfully participated in the EBI capital raising. The May 2007 performance of the underlying investment portfolio (excluding the effect of the capital raising) was +2.40%.

Market Commentary

Global equity markets and high yield credit rallied in December as Congress appeared to reach a fiscal compromise by month-end. The S&P 500 Index and the MSCI World Index were up 0.9% and 1.7% respectively. Notably, high yield credit capped its fourth consecutive year of positive returns as the Merrill Lynch High Yield Index rose 1.6% for the month.

Despite some initial scepticism by investors, as evidenced by the VIX Volatility Index which climbed over 13% in December, equities showed continued strength and the S&P 500 Index closed 2012 up 16%. It was interesting that for all the recent noise surrounding the negotiations for the US "fiscal cliff" (the automatic tax increases and spending cuts established by the 2011 debt ceiling stand-off), risk assets remained buoyant as political leaders reached a partial agreement on the deadline. These discussions will now continue on into the early part of 2013 and will expand beyond the implemented tax increases to address more fundamental spending and entitlement reforms.

On the global front, European fiscal concerns and the outlook for global economic growth remain to be the two key macro considerations for investors as we move into 2013. However, assessing the impact of these factors on asset prices is becoming increasingly complicated, due to the fact that if the economy appreciably weakens precedent suggests that the Federal Reserve is likely to engage in further monetary stimulus (even if there is some question as to whether the Fed's toolbox has become somewhat depleted).

Performance Commentary

The Everest Alternative Investment Trust was flat for the month (net of all fees and expenses). The estimated return was down 0.3% in USD terms and the depreciation in the Australian dollar (from 1.043 to 1.039), contributed 0.3% to total Fund performance. This compares to monthly returns for the S&P 500 Index of 1.2% (in AUD terms) and the S&P/ASX 200 Accumulation Index of 3.4%.

The Fund's largest exposure, long only equities manager ESL, had a challenging month and was down 0.8% despite the relatively flat market conditions. ESL SPE I (which holds a position in Sears) was down 2.3% while ESL SPE II (which holds a position in Autonation) was up 1.5%. In aggregate, ESL detracted 0.1% from the total Fund return for December.

Our credit and distressed securities managers had a somewhat mixed month. The Fund's second largest exposure, the Drawbridge Special Opportunities Fund 2008 RCA was flat while Cerberus was down 1.8%, detracting 0.4% from the total Fund return.

Fund Update

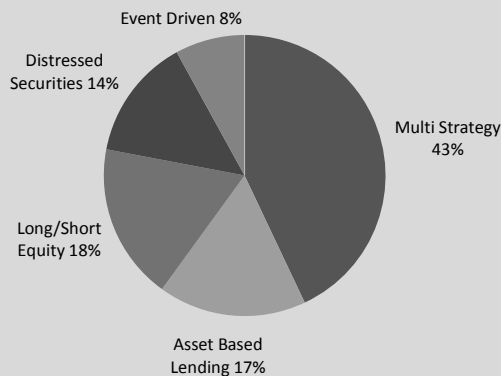
Please note that periodic statements for the period ending 30 June 2012 were mailed to unitholders on Monday 17 December 2012.

Everest Alternative Investment Trust December 2012 Factsheet



Exposure Summary

By Strategy (excluding cash)



Based on the gross value of the Investment Portfolio. Exposure numbers may not total exactly due to rounding.

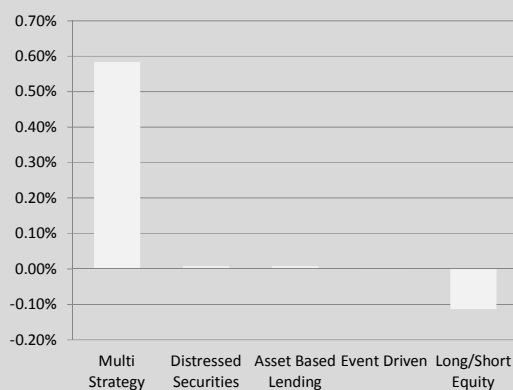
The investment strategy exposures are shown net of cash. Investment strategy and exposure data as at the first business day of the following month.

By Investment Manager (top eight managers)

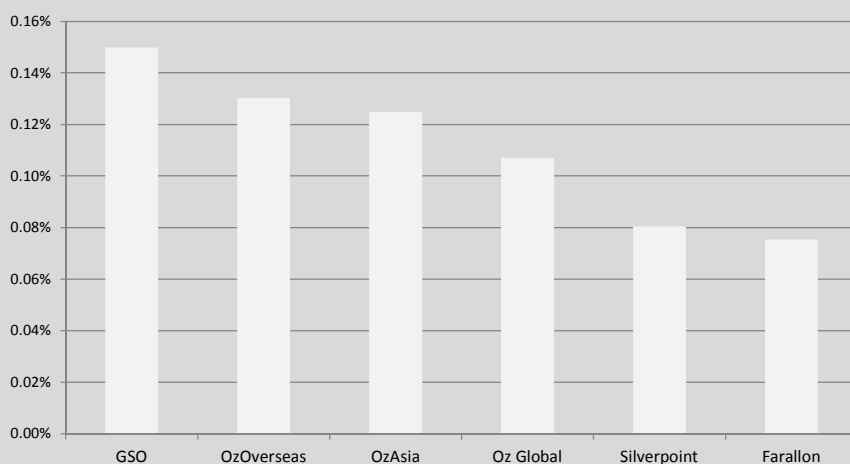
Fund	Strategy	Weight
ESL Investments	Long Biased Equity	18.2%
Drawbridge Special Opportunities Fund	Asset Based Lending	16.8%
TPG Axon	Multi Strategy	7.1%
Eton Park	Multi Strategy	6.0%
GSO	Multi Strategy	5.8%
OZ Global Special Situations Fund	Multi Strategy	5.8%
Cerberus	Distressed Securities	5.5%
Perry	Event Driven	5.3%
Total		70.5%

Monthly Performance Contribution

By Strategy (excluding cash)



By Investment Manager (top six contributors, excluding cash)



Contact us

For further information please contact One Managed Investment Funds Ltd

Email: info@oneinvestment.com.au

Address: Level 13
20 Hunter Street
Sydney NSW 2000

Phone: +61 2 8277 0000

This report is provided to you for information purposes only by One Managed Investment Funds Limited (OMIFL) ACN 117 400 987, AFSL 297 042, as responsible entity of the Everest Alternative Investment Trust (ARSN 134 483 319) (EAIT). OMIFL is a subsidiary of the One Investment Group. It does not constitute an offer or invitation to purchase or subscribe for EAIT or any other securities. Any financial product advice given in this presentation is of a general nature only. The information has been provided without taking into account the investment objective, financial situation or needs of any particular investor. Therefore, before acting on the information contained in this report you should seek professional advice and consider whether the information is appropriate in light of your objectives, financial situation and needs. OMIFL does not guarantee the performance of EAIT, the repayment of any capital or any rate of return. Investing in any financial product is subject to investment risk including possible loss. Past performance is not a reliable indicator of future performance. Information in this report is based on information provided to OMIFL by third parties that may not have been verified. OMIFL believes that the information is reliable but does not guarantee its accuracy or completeness. OMIFL is not able to give tax advice and accordingly, investors should obtain independent advice from an accountant and/or lawyer before making any decision based on the tax treatment of investments in EAIT.