

# Everest Alternative Investment Trust

## July 2014 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 July 2014

Estimated monthly return <sup>1</sup>	(0.45)%
Estimated monthly return excluding FX	(1.93)%
NTA as at 31 July 2014 <sup>1,2</sup>	\$0.2894

### Investment manager summary

Investment positions posting positive returns	9
Investment positions posting negative returns	10
Largest manager allocation	20.4%

### Fund NTA returns (net)

	Jan	Feb	Mar	April	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>2014</b>	-1.96%	1.17%	-2.12%	0.26%	0.83%	-1.84%	-0.45% <sup>1</sup>						<b>-4.09%</b>
<b>2013</b>	1.89%	0.00%	0.00%	0.00%	6.38%	2.50%	5.26%	0.00%	0.00%	-2.50%	5.88%	0.00%	<b>20.73%</b>
<b>2012</b>	-1.92%	2.67%	2.60%	0.00%	5.06%	-3.61%	-2.50%	1.28%	1.89%	1.85%	-3.64%	0.00%	<b>3.31%</b>
<b>2011</b>	2.04%	-0.14%	0.14%	-4.64%	3.08%	-0.75%	-1.59%	1.77%	6.09%	-6.56%	2.63%	-2.80%	<b>-1.41%</b>
<b>2010</b>	1.18%	0.60%	1.84%	1.63%	-1.64%	-0.71%	2.03%	-0.37%	2.28%	0.49%	2.20%	-3.49%	<b>6.03%</b>
<b>2009</b>	-2.97%	0.00%	-0.44%	0.44%	1.75%	1.97% <sup>3</sup>	0.23%	1.60%	1.02%	0.04%	0.75%	1.72%	<b>6.16%</b>
<b>2008</b>	-4.18%	0.77%	-2.29%	1.04%	1.80%	-2.15%	-1.58%	-2.14%	-9.84%	-15.15%	-8.57%	-7.81%	<b>-41.02%</b>
<b>2007</b>	2.60%	-0.13%	2.33%	2.51%	-4.89% <sup>4</sup>	0.65%	0.00%	-3.44%	1.27%	3.27%	-1.70%	0.74%	<b>2.90%</b>
<b>2006</b>	4.15%	-0.21%	2.63%	2.01%	-3.94%	0.32%	-2.40%	1.72%	1.69%	2.85%	3.70%	2.67%	<b>15.92%</b>
<b>2005</b>	-	-	-	-3.60%	1.00%	2.71%	4.80%	0.23%	3.20%	-3.76%	2.76%	2.46%	<b>9.83%</b>

- 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

Markets stumbled in their start to the second half of the year as geopolitical concerns once again weighed on investor sentiment. The S&P 500 Index was down 1.4% (recording its first negative month since January) while the MSCI World Index declined 0.9%. Reversing much of the tightening seen in the first half of the year, the Merrill Lynch High Yield Index fell for the first time since August 2013, declining 1.3%

Markets remained under pressure for most of the month as geopolitical tensions were heightened following the downing of a Malaysian passenger jet over eastern Ukraine. Despite the increase in volatility, markets avoided a significant selloff as investors seemed to take comfort in the Fed's reassurance of its accommodative monetary policy stance. On the economic front, the US economy rebounded in the second quarter, with GDP expanding by 4% on an annualised basis. The headline figure was boosted by an inventory rebuild, but nonetheless the underlying trend in economic growth remained robust. Rising business and consumer surveys also reassured investors that the current momentum should continue throughout the rest of the year.

### Performance Commentary

The Everest Alternative Investment Trust was down 0.5% for the month of July (net of all fees and expenses). The underlying portfolio was down 1.6% in USD terms, however the depreciation in the Australian dollar (from 0.943 to 0.929) added 1.5% from the total Fund performance. This compares to monthly returns for the S&P 500 Index of 0.1% (in AUD terms) and the S&P/ASX 200 Accumulation Index of 4.4%.

The Fund's largest exposure, long only equities manager ESL, had a challenging month. ESL SPE I and ESL SPE II, which hold positions in Sears and Automation, were down 2.9% and 6.3%, respectively. In aggregate, ESL detracted 0.6% from the total Fund return.

Our Multi Strategy managers also had a challenging month with the Fund's second largest exposure, the TPG Axon Side Pocket, posting a 0.8% loss for the period.

### Fund Update

The Fund paid two distributions totalling 6.36 cents per unit on 29 August 2014 (0.81 cents per unit relates to the 30 June 2014 Taxable Distribution reflected in this price & 5.55 cents per unit relates to a distribution that will be reflected in the August 2014 price).

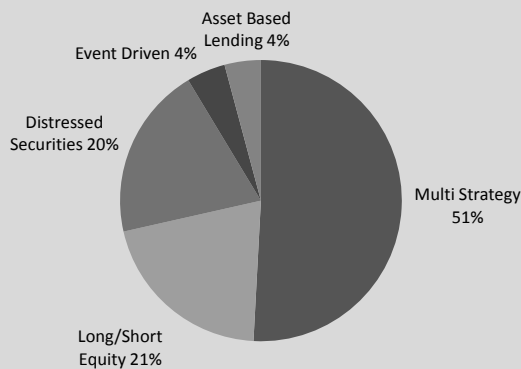
The Annual Tax Statements were issued on 8 September 2014.

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## Exposure Summary

### By Strategy (excluding cash)



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

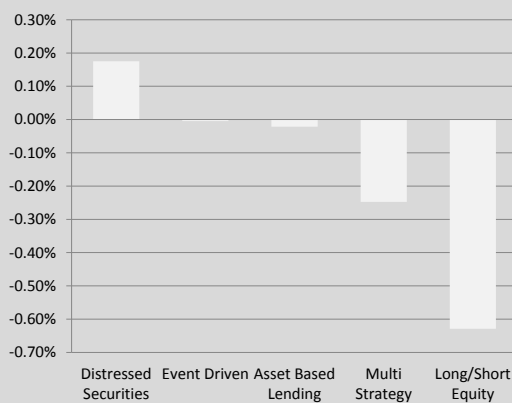
The investment strategy exposures are shown net of cash. Investment strategy and exposure data as at the first business day of the following month.

### By Investment Manager (top eight managers)

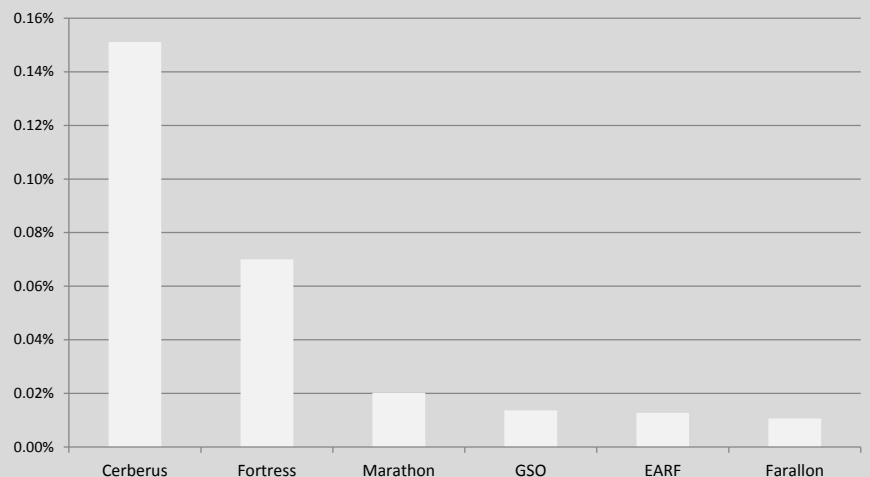
Fund	Strategy	Weight
ESL Investments	Long Biased Equity	20.4%
TPG Axon	Multi Strategy	10.6%
Eton Park	Multi Strategy	8.8%
Cerberus	Distressed Securities	7.4%
Fortress Partners	Multi Strategy	7.3%
Silverpoint LP	Distressed Securities	7.3%
Canyon Capital Advisors	Multi Strategy	6.7%
Marathon	Distressed Securities	5.2%
<b>Total</b>		<b>73.7%</b>

## Monthly Performance Contribution

### By Strategy (excluding cash)



### By Investment Manager (top six contributors, excluding cash)



### Contact us

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