

# Everest Alternative Investment Trust

## May 2013 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 May 2013

Estimated monthly return <sup>1</sup>	6.38%
Estimated monthly return excluding FX	(1.77)%
NTA as at 31 May 2013 <sup>1,2</sup>	\$0.50

### Investment manager summary

Investment positions posting positive returns	14
Investment positions posting negative returns	11
Largest manager allocation	27.4%

### Fund NTA returns (net)

	Jan	Feb	Mar	April	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>2013</b>	1.89%	0.00%	0.00%	0.00%	6.38% <sup>1</sup>								<b>8.39%</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

May was characterised by increased yields on benchmark sovereign debt, valuation concerns, and indications of economic softness, highlighted by declines in emerging markets and commodities. The S&P 500 Index and the MSCI World Index gained 2.3% and 1.1% respectively.

Following the release of strong economic data, particularly the non-farm payrolls number (165K, including a substantial upward revision to March and February), US equity markets moved higher. While favourable economic news provided a boost to growth-linked investments, it hurt fixed-income securities as investor focus shifted away from the economic concerns and toward fears of a potential rise in interest rates caused by the expected Fed "tapering". Specifically, the 10-Year US Treasury yields rose from an intra-month low of 1.63% to 2.13% (i.e. prices down). While the US continues to recover and concerns over "tapering" mount, central banks in Europe, South Korea, Australia, India, and beyond continue to ease by cutting interest rates and increasing supportive measures to counter economic softness. Japan has led the recent global stimulus actions through new monetary and fiscal policies, prompting increased volatility in sovereign debt and an 80% rally in local equity indices since November 2012 (before the sharp 15% decline in late May).

### Performance Commentary

The Everest Alternative Investment Trust was up 6.4% for the month of May (net of all fees and expenses). The underlying portfolio was down (0.4)% in USD terms and the significant depreciation in the Australian dollar (from 1.037 to 0.957) contributed 7.7% to the total Fund performance. This compares to monthly returns for the S&P 500 Index of 10.1% (in AUD terms) and the S&P/ASX 200 Accumulation Index of (4.5)%.

The Fund's largest exposure, long only equities manager ESL, had a relatively flat month. ESL SPE I and ESL SPE II, which hold positions in Sears and Autonation respectively, were mixed. For the month SPE I was down (0.5)% while SPE II was up 1.5%. In aggregate, ESL contributed 0.1% to the total Fund return.

Our credit and distressed securities managers had a positive month as the Fund's second largest exposure, the Drawbridge Special Opportunities Fund 2008 RCA was up 0.6%. Cerberus also provided a positive return of 1.5%.

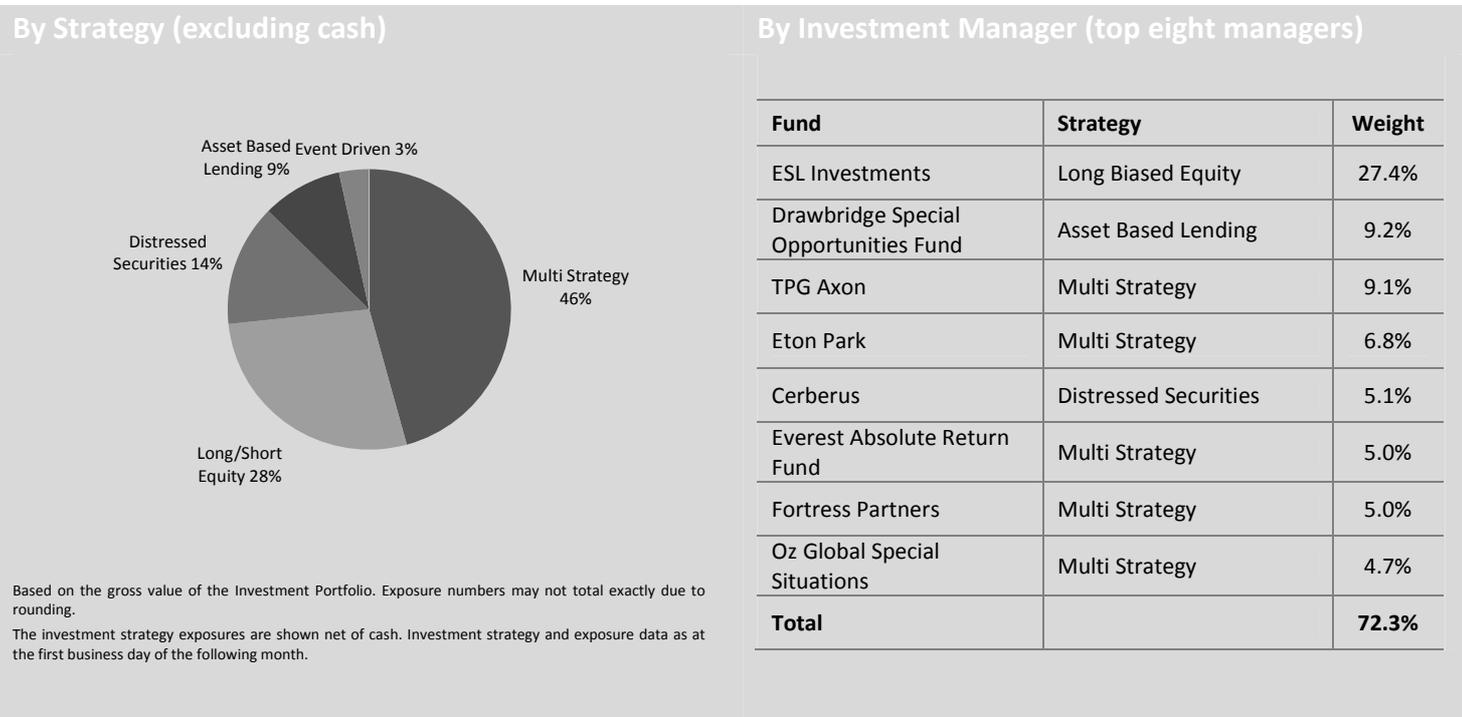
### Fund Update

Please note that a capital return of 9.5 cents per unit was paid to unitholders post month end on Friday 28 June 2013. Since March 2011 176.84 cents per unit has been returned to unitholders.

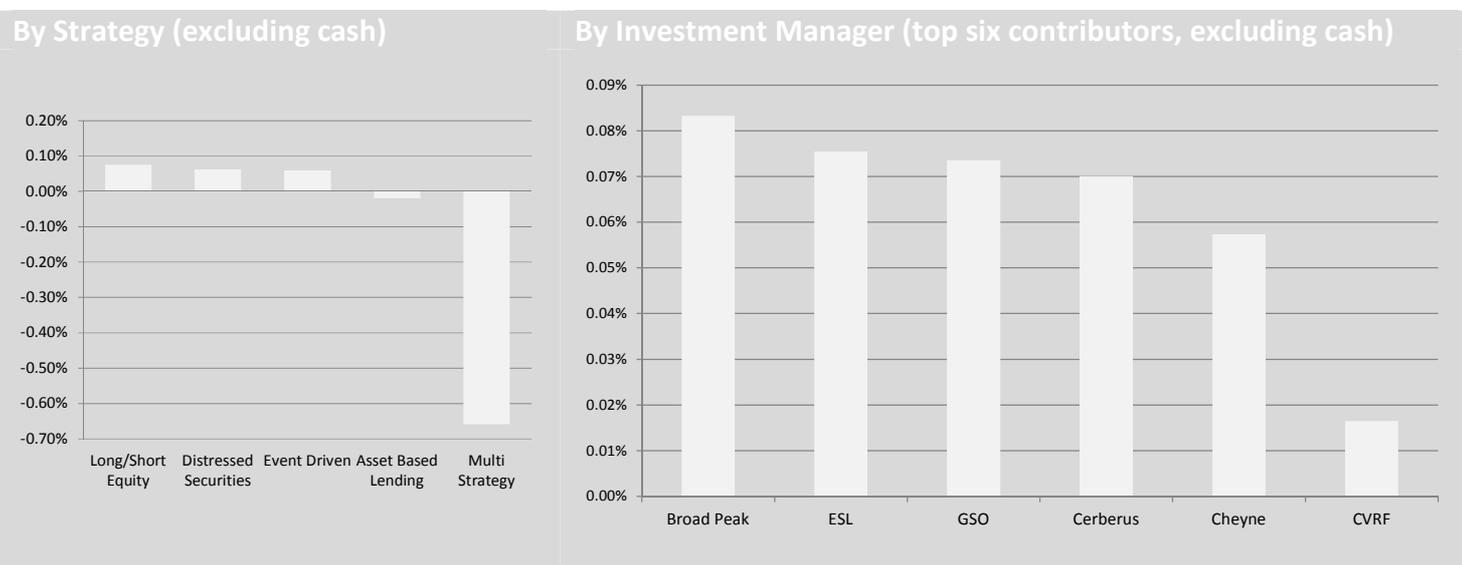
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## Exposure Summary



## Monthly Performance Contribution



### Contact us

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