

# Everest Alternative Investment Trust

## May 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 May 2014

Estimated monthly return <sup>1</sup>	0.83%
Estimated monthly return excluding FX	1.02%
NTA as at 31 May 2014 <sup>1,2</sup>	\$0.3044

### Investment manager summary

Investment positions posting positive returns	11
Investment positions posting negative returns	8
Largest manager allocation	35.1%

### 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% <sup>1</sup>								<b>-1.86%</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

May saw global markets move higher on continued expectations that major central banks will keep monetary policy accommodative in the medium term. The S&P 500 Index was up 2.3% (closing at all-time highs) while the MSCI World Index rallied 1.9%. Corporate credit yields again hit record lows as 5-10 year yields for US and German sovereigns fell 10-20 basis points.

In the US, macroeconomic data was generally positive despite the revision of first quarter GDP showing the economy shrank by 1%, the first contraction since 2011. Investors attributed this weakness in growth to the severe weather conditions at the beginning of the year, with the expectation that growth will rebound strongly in the second quarter.

On the European front, Ukrainian tensions eased as evidenced by the strong rally in Russian equities, which gained approximately 10% (clawing back a considerable portion of their negative YTD performance). In addition to this, the markets were also buoyed by the increasing speculation that the ECB will announce additional accommodative central bank policies in the near future.

### Performance Commentary

The Everest Alternative Investment Trust was up 0.8% for the month of May (net of all fees and expenses). The underlying portfolio was up 1.4% in USD terms, however the appreciation in the Australian dollar (from 0.929 to 0.931) detracted 0.2% from the total Fund performance. This compares to monthly returns for the S&P 500 Index of 2.1% (in AUD terms) and the S&P/ASX 200 Accumulation Index of 0.7%.

The Fund's largest exposure, long only equities manager ESL, had a mixed month. ESL SPE I and ESL SPE II, which hold positions in Sears and Automation, were down 4.5% and up 7.4%, respectively. In aggregate, ESL contributed 0.1% to the total Fund return.

Our Multi Strategy managers had a relatively stable month with the Fund's second largest exposure, the TPG Axon Side Pocket, posting a 0.3% gain for the month.

### Fund Update

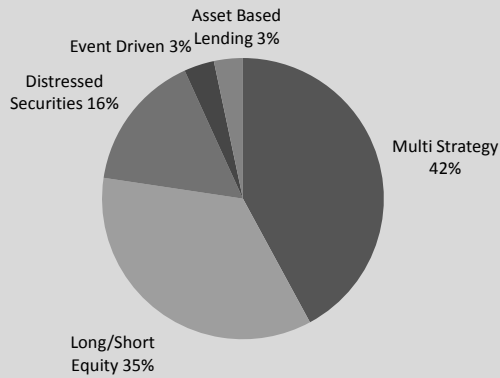
The Fund paid a distribution of 4.53 cents per unit on 23 May 2014.

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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)

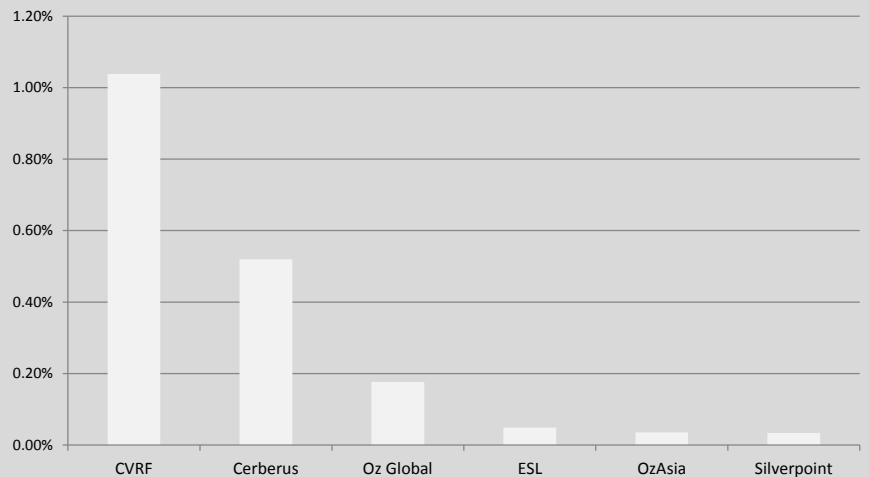
Fund	Strategy	Weight
ESL Investments	Long Biased Equity	35.1%
TPG Axon	Multi Strategy	8.7%
Eton Park	Multi Strategy	7.1%
Fortress Partners	Multi Strategy	5.9%
Cerberus	Distressed Securities	5.8%
Silverpoint LP	Distressed Securities	5.8%
Canyon Capital Advisors	Multi Strategy	5.6%
Marathon	Distressed Securities	4.3%
<b>Total</b>		<b>78.3%</b>

## Monthly Performance Contribution

### By Strategy (excluding cash)



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



### Contact us

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