

# Everest Alternative Investment Trust

## November 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 30 November 2012

Estimated monthly return <sup>1</sup>	3.64%
Estimated monthly return excluding FX	3.14%
NTA as at 30 November 2012 <sup>1,2</sup>	\$0.53

### Investment manager summary

Investment positions posting positive returns	18
Investment positions posting negative returns	14
Largest manager allocation	17.4%

### Fund NTA returns (net)

	Jan	Feb	Mar	April	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<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% <sup>1</sup>		<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

Despite significant intra-month volatility, equity markets were little changed for November as investors remained intensely focused on the US political arena. The S&P 500 Index and the MSCI World Index were up 0.6% and 1.1% respectively. Credit also remained firm with the Merrill Lynch High Yield Index gaining 0.7% for the month.

Increased uncertainty surrounding the US fiscal situation saw US equity indices down over 5% during November, however the selloff was only short lived. A combination of factors led to a rebound as the biggest driver appeared to be optimism that the fiscal issues in the US would be addressed in a pragmatic manner. The subsequent rally was particularly strong in Europe as leaders made progress on continued funding for Greece and restructuring for Spanish banks. Notably, spreads for 10 year Greek sovereign bonds (versus German sovereign bonds) fell 156 bps (since July Greek 10 year bond prices have now doubled to nearly 40% of par).

On the economic front, US macro data continued to be supportive of positive (although still slow) growth, as both the labor and housing markets continued to show strength. In addition, fears of a Chinese hard landing abated further as the world's second largest economy continued to show signs of stabilisation. Chinese industrial production and retail sales both accelerated in November, while the manufacturing sector index hit a 13-month high.

### Performance Commentary

The Everest Alternative Investment Trust was down 3.6% for the month (net of all fees and expenses). The underlying portfolio was down 3.1% in USD terms and the appreciation in the Australian dollar (from 1.037 to 1.043), detracted (0.5)% from 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 0.5%.

The Fund's largest exposure, long only equities manager ESL, had a difficult month despite the relatively benign market conditions. ESL SPE I and ESL SPE II, which hold positions in Sears and Autonation respectively, both experienced significant losses with SPE I down 25.5% and SPE II down 8.2% over the month. In aggregate, ESL contributed (2.9)% to the total Fund return.

Our credit and distressed securities managers also had a difficult month, with the Fund's second largest exposure, the Drawbridge Special Opportunities Fund 2008 RCA down 3.6%, detracting 0.4% from the total Fund return.

### Fund Update

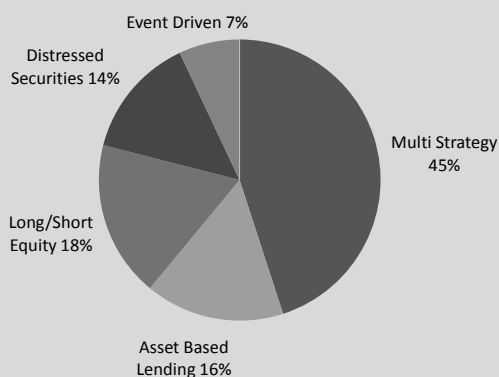
Please note that periodic statements for the period ending 30 June 2012 were mailed to unitholders on Monday 17 December 2012.

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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.

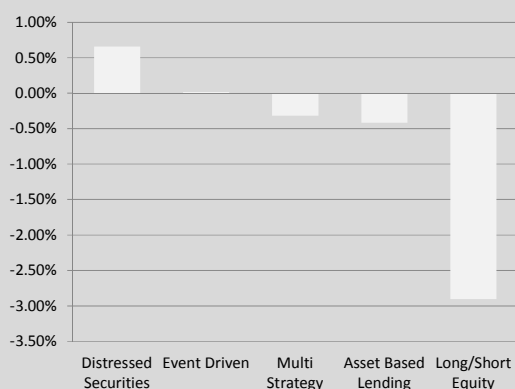
The investment strategy exposures are shown net of cash. Investment strategy and exposure data as at the first business day of the following month.

### By Investment Manager (top eight managers)

Fund	Strategy	Weight
ESL Investments	Long Biased Equity	17.4%
Drawbridge Special Opportunities Fund	Asset Based Lending	16.0%
TPG Axon	Multi Strategy	8.4%
GSO	Multi Strategy	5.9%
Cerberus	Distressed Securities	5.8%
OZ Global Special Situations Fund	Multi Strategy	5.8%
Eton Park	Multi Strategy	5.7%
Perry	Event Driven	5.2%
<b>Total</b>		<b>70.2%</b>

## Monthly Performance Contribution

### By Strategy (excluding cash)



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



### Contact us

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