

# Everest Alternative Investment Trust

## October 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 October 2014

Estimated monthly return <sup>1</sup>	5.12%
Estimated monthly return excluding FX	5.77%
NTA as at 31 October 2014 <sup>1,2</sup>	\$0.2402

### Investment manager summary

Investment positions posting positive returns	8
Investment positions posting negative returns	11
Largest manager allocation	23.3%

### 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%	-2.05%	-0.26%	5.12% <sup>1</sup>			<b>-1.51%</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

Global equity markets managed gains in October but not before experiencing substantial volatility, particularly in comparison to the relative stability of recent months. The S&P 500 index fell sharply in the first half of the month, falling by nearly 10% from the all-time high only to recover more than 8% in the following two weeks. The S&P 500 Index finished the month up 2.4% while the MSCI World Index gained 0.6%. The high yield bond and leveraged loan markets also experienced significant volatility during the month, but recovered from September's drawdown to finish up 1.0% and 0.3% respectively.

### Performance Commentary

The Everest Alternative Investment Trust was up 5.1% for the month of October (net of all fees and expenses). The underlying portfolio was up 6.3% in USD terms however the appreciation in the Australian dollar (from 0.875 to 0.880) detracted 0.6% from the total Fund performance. This compares to monthly returns for the S&P 500 Index of 1.8% (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 very positive month. ESL SPE I which holds a position in Sears was up 32.6% for the month. In aggregate, ESL contributed 7.2% to the total Fund return. In contrast, our Multi Strategy managers had a more challenging month with the Fund's second largest exposure, the TPG Axon Side Pocket, posting a 0.4% loss for the period.

### Fund Update

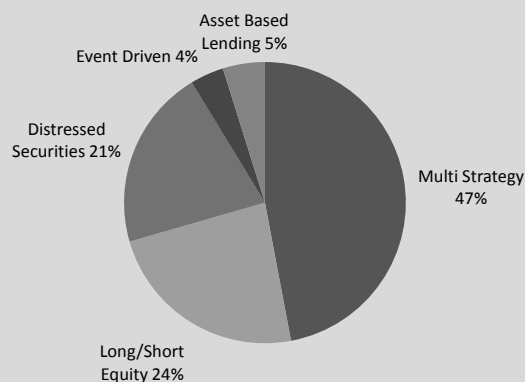
The Fund recently paid two distributions totalling 6.36 cents per unit on 29 August 2014 (0.81 cents per unit relates to the 30 June 2014 Taxable Distribution that was reflected in the July 2014 price & 5.55 cents per unit relates to a distribution that was reflected in the August 2014 price).

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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.

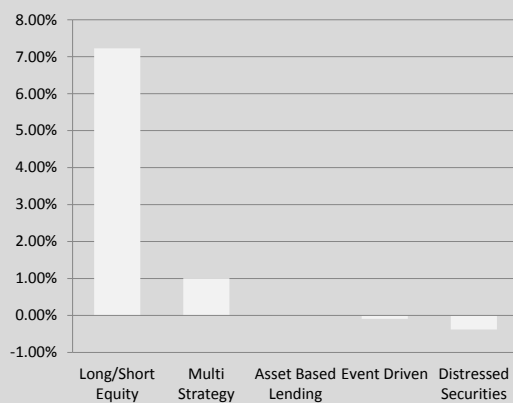
The investment strategy exposures are shown net of cash. Investment strategy and exposure data as at the first business day of the following month.

### By Investment Manager (top eight managers)

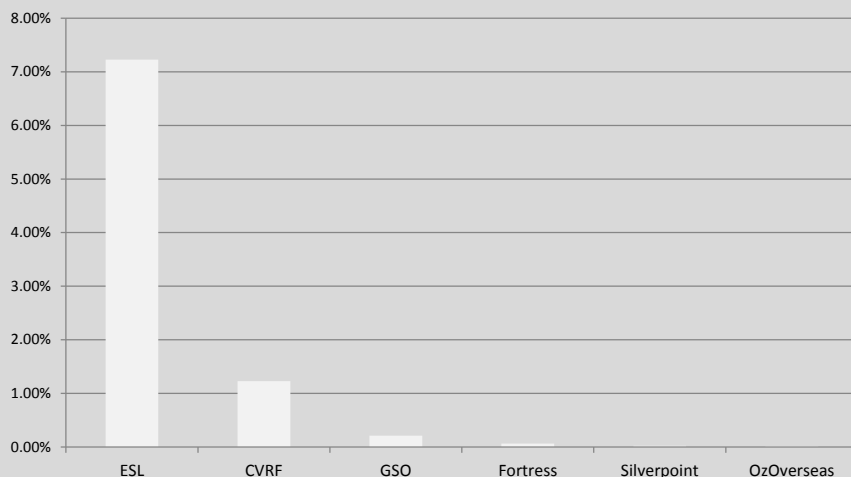
Fund	Strategy	Weight
ESL Investments	Long Biased Equity	23.3%
TPG Axon	Multi Strategy	11.0%
Silverpoint LP	Distressed Securities	7.6%
Fortress Partners	Multi Strategy	7.5%
Cerberus	Distressed Securities	7.4%
Eton Park	Multi Strategy	7.4%
Marathon	Distressed Securities	5.8%
Canyon Capital Advisors	Multi Strategy	5.0%
<b>Total</b>		<b>75.0%</b>

## Monthly Performance Contribution

### By Strategy (excluding cash)



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



### Contact us

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