

## **Everest Alternative Investment Trust**

ARSN 134 483 319

Annual report for the financial year ended 31 December 2013

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## Directors' Report

The directors of One Managed Investment Funds Limited (ABN 47 117 400 987; AFSL 297 042) ("OMIFL" or the "Responsible Entity"), the responsible entity of Everest Alternative Investment Trust ("EAIT" or the "Trust"), submit their report for the Trust for the year ended 31 December 2013.

### Information about the Directors and Senior Management

The names of the directors of the Responsible Entity are:

Name	Title
Frank Tearle	Executive Director and Company Secretary
Justin Epstein	Executive Director
Elizabeth Reddy	Non-Executive Director

### Responsible Entity

The Responsible Entity of the Trust is OMIFL. The registered office and principal place of business of the Responsible Entity is Level 13, 20 Hunter Street, Sydney NSW 2000.

### Principal Activities

The Trust is a registered managed investment scheme, domiciled in Australia.

On 11 February 2011, OMIFL decided to terminate the Trust pursuant to the terms of the Trust's Constitution. Investors were notified of this on 23 February 2011. Following the decision made by the Responsible Entity, the Trust is being managed with the goal of realising the Trust assets in an orderly manner.

The Trust did not have any employees during the year.

### Review of Operations

#### Results

The results of the operations of the Trust are disclosed in the Statement of Profit and Loss and Other Comprehensive Income of these financial statements. The gain attributable to unitholders for the year ended 31 December 2013 was \$2,331,487 (2012: \$376,370).

#### Distributions

In respect of the financial year ended 31 December 2013, a distribution of \$958,451 (2012: \$22,429) was paid to unitholders.

#### Return of Capital

In respect of the financial year ended 31 December 2013, returns of capital totaling \$7,846,623 (2012: \$19,519,373) were paid to unitholders. The following table shows the breakdown of the amounts paid to unitholders during the year ended 31 December 2013.

	Cents Per Unit	Units on Issue	Returns of capital \$
March 2013	6.60	37,364,860	2,466,081
June 2013	9.50	37,364,860	3,549,663
November 2013	4.90	37,364,860	1,830,879
<b>Total</b>			<b>7,846,623</b>

### ***Value of Assets and Units Issued***

The total value of the Trust's assets at 31 December 2013 is \$13,807,540 (2012: \$20,241,469). The total number of units on issue as at 31 December 2013 is 37,364,860 (2012: 37,364,860).

### ***Fees Paid and Payable to the Responsible Entity and Associates***

The following fees were paid or payable to the Responsible Entity and its associates out of the Trust's property during the year ended 31 December 2013:

Management fees for the year ended 31 December 2013 were \$215,878 (2012: \$356,992) of which \$49,121 (2012: \$70,885) was payable at year end.

### ***Changes in State of Affairs***

On 11 September 2012, Everest Capital Limited (now known as Redleaf Capital Pty Limited) ("Redleaf" or the "Former Responsible Entity") submitted to the Responsible Entity an indemnity claim for \$274,147. Redleaf sought to be reimbursed for certain costs and expenses it had incurred in connection with litigation which had been conducted in the Supreme Court of New South Wales ("Moss Litigation").

As a result of the claim by Redleaf, the Responsible Entity has been forced to pay reduced distributions to investors in the Fund pending a determination as to the validity and quantum of the claim.

On 26 July 2013, letters were distributed to the investors of the respective funds affected by the settlement of the claim, which stated that the Responsible Entity and Redleaf had settled Redleaf's indemnity claim. Under the settlement:

- a total of \$250,000 was paid to Redleaf in respect of its indemnity claim, of which \$ nil was paid out of the Fund and the balance by other funds previously administered by Redleaf; and
- Redleaf has acknowledged that it has no further claim against the Fund arising out of the Moss Litigation.

During the financial half-year there were no other significant changes in the state of affairs of the Trust.

### ***Subsequent Events***

Other than the above there has not been any other matter or circumstance occurring subsequent to the end of the year that has significantly affected, or may significantly affect, the operations of the Trust, the results of those operations, or the state of affairs of the Trust in future financial years.

### ***Future Developments***

The Trust will be managed in accordance with the Constitution. The realisation process will be managed in an orderly manner. Whilst assets are expected to be realised over several years, there is no certainty regarding the timing or value of the realisation and the completion of the wind up process.

### ***Environmental Regulation and Performance***

The operations of the Trust are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory. There have been no known significant breaches of any other environmental requirements applicable to the Trust.

### ***Indemnification of Directors, Officers and Auditors***

During the financial year, the Responsible Entity paid a premium in respect of a contract insuring the directors of OMIFL against a liability incurred as a director or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Responsible Entity has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Responsible Entity or of any related body corporate against a liability as such an officer or auditor.

***Auditor's Independence Declaration***

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act 2001 is set out on page 4.

On behalf of the directors of the Responsible Entity, One Managed Investment Funds Limited.

A handwritten signature in black ink, appearing to read 'Frank Tearle', written in a cursive style.

Frank Tearle  
Director  
28 March 2014

The Directors  
One Managed Investments Funds Limited  
20 Hunter Street  
Sydney NSW 2000

28 March 2014

Dear Directors

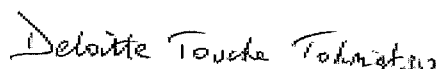
## **Independence Declaration - Everest Alternative Investment Trust**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of One Managed Investment Funds Limited, as Responsible Entity of the Everest Alternative Investment Trust.

As lead audit partner for the audit of the financial statements of Everest Alternative Investment Trust for the financial year ended 31 December 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Declan O'Callaghan  
Partner  
Chartered Accountants

## Independent Auditor's Report to the unitholders of the Everest Alternative Investment Trust

We have audited the accompanying financial report of the Everest Alternative Investment Trust (the "Trust"), which comprises the statement of financial position as at 31 December 2013, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in net assets attributable to unitholders for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 7 to 27.

### *Directors' Responsibility for the Financial Report*

The directors of the One Managed Investment Funds Limited as Responsible Entity of the Trust are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards as they apply on a non-going concern basis and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 3, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards as they apply on a non-going concern basis.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the entity's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## *Auditor's Independence Declaration*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of One Managed Investment Funds Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

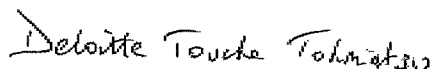
## *Opinion*

In our opinion:

- (a) the financial report of the Trust is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Trust's financial position as at 31 December 2013 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards as they apply on a non-going concern basis and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 3, as they apply on a non-going concern basis.

## *Significant Uncertainty in Relation to the Fair Value of Investments*

Without qualifying our opinion, we draw attention to the following matter. As disclosed in Note 4 to the financial report, the assets of the Trust include an investment in a total return equity swap. This asset which totals \$13,143,542 for the Trust as at 31 December 2013 is recorded at net realisable value. As disclosed in Note 3(c) there is significant uncertainty regarding the net realisable value of this investment, which in turn gives rise to significant uncertainty as to whether the Trust will be able to realise its asset at the amount stated in the financial report.



DELOITTE TOUCHE TOHMATSU



Declan O'Callaghan  
Partner  
Chartered Accountants  
Sydney, 28 March 2014



## Directors' Declaration

The directors of the Responsible Entity declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable;
- (b) in the directors' opinion, the attached financial statements and notes thereto are in compliance with the basis of preparation and accounting policies described in note 3 to the financial statements and present fairly the financial position and performance of the Trust as at 31 December 2013; and
- (c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Trust.

Signed in accordance with a resolution of the directors of the Responsible Entity made pursuant to Section 295(5) of the Corporations Act 2001.

On behalf of the directors of the Responsible Entity, One Managed Investment Funds Limited.



Frank Tearle  
Director  
28 March 2014

**Statement of Profit and loss and other comprehensive income for the year ended 31 December 2013**

	Note	Year ended 31 December 2013 \$	Year ended 31 December 2012 \$
<b>Income</b>			
Change in value of financial assets and liabilities held at fair value through profit or loss		2,748,425	863,919
Interest income		54,201	161,975
Other income		15,421	12,391
Total income		2,818,047	1,038,285
<b>Expenses</b>			
Management fees	5	215,878	356,992
Administration fees		67,662	88,662
Professional fees		46,079	41,783
Swap fees		100,663	118,863
Other expenses		56,278	55,615
		486,560	661,915
<b>Net gain attributable to unitholders</b>		<b>2,331,487</b>	<b>376,370</b>
<b>Finance costs attributable to unitholders</b>			
Distribution to unitholders		(958,451)	(22,429)
Increase in net assets attributable to unitholders		(1,373,036)	(353,941)
<b>Profit/(loss) for the year</b>		<b>-</b>	<b>-</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>

The accompanying notes to the financial statements should be read in conjunction with this statement.

# Statement of Financial Position as at 31 December 2013

	Note	31 December 2013 \$	31 December 2012 \$
<b>Assets</b>			
Cash and cash equivalents	10 (a)	649,910	2,205,506
Financial assets held at fair value through profit or loss	4	13,143,542	18,010,828
Other assets		14,088	25,135
Total assets		13,807,540	20,241,469
<b>Liabilities</b>			
Financial liabilities held at fair value through profit or loss	4	304,272	266,940
Management fees payable	5	49,121	70,885
Administrative fees payable		7,929	7,929
Professional fees payable		36,157	29,628
Other payables		81,292	63,731
Total liabilities (excluding net assets attributable to unitholders)		478,771	439,113
<b>Net assets attributable to unitholders</b>		<b>13,328,769</b>	<b>19,802,356</b>

The accompanying notes to the financial statements should be read in conjunction with this statement.

# Statement of Changes in Net Assets Attributable to Unitholders for the year ended 31 December 2013

	Note	Net assets attributable to unitholders of the Trust \$
Balance as at 1 January 2013		19,802,356
Returns of capital		(7,846,623)
Increase in net assets attributable to unitholders		1,373,036
<b>Balance as at 31 December 2013</b>	<b>7</b>	<b>13,328,769</b>
Balance as at 1 January 2012		38,967,788
Returns of capital		(19,519,373)
Increase in net assets attributable to unitholders		353,941
<b>Balance as at 31 December 2012</b>	<b>7</b>	<b>19,802,356</b>

The accompanying notes to the financial statements should be read in conjunction with this statement.

**Statement of Cash Flows for the year ended 31 December 2013**

		Year ended 31 December 2013	Year ended 31 December 2012
	Note	\$	\$
<b>Cash flows from operating activities</b>			
Interest received		54,201	161,975
Management fees paid		(237,642)	(432,513)
Administration fees paid		(67,662)	(88,662)
Proceeds from sale of financial assets and liabilities designated as fair value through profit or loss		7,653,043	20,086,376
Other net expenses paid		(152,462)	(264,428)
Net cash generated by operating activities	10 (b)	7,249,478	19,462,748
<b>Cash flows from financing activities</b>			
Distributions paid to unitholders		(958,451)	(22,429)
Returns of capital		(7,846,623)	(19,519,373)
Net cash used in financing activities		(8,805,074)	(19,541,802)
Net decrease in cash and cash equivalents		(1,555,596)	(79,054)
Cash and cash equivalents at the beginning of the year		2,205,506	2,284,560
<b>Cash and cash equivalents at the end of the year</b>	10 (a)	<b>649,910</b>	<b>2,205,506</b>

The accompanying notes to the financial statements should be read in conjunction with this statement.

## Notes to the Financial Statements

### 1. General Information

The Trust is an unlisted registered managed investment fund. The address of its registered office and principal place of business is Level 13, 20 Hunter Street, Sydney NSW 2000. The responsible entity of the Trust is One Managed Investment Funds Limited (ABN 47 117 400 987; AFSL 297 042) ("OMIFL"). The principal activity of the Trust is disclosed in the Directors' Report.

On 11 February 2011, OMIFL decided to terminate operations of the Trust. Investors were notified of this on 23 February 2011.

### 2. Adoption of New and Revised Accounting Standards

The Trust has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the "AASB") that are relevant to their operations and effective for the current year.

New and revised standards and amendments thereof and interpretations effective for the current year that are relevant to the Trust include:

- AASB 10 'Consolidated Financial Statements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'

#### *Impact of the application of AASB 10*

AASB 10 replaces the parts of AASB 127 'Consolidated and Separate Financial Statements' that deal with consolidated financial statements and Interpretation 112 'Consolidation – Special Purpose Entities'. AASB 10 changes the definition of control such that an investor controls an investee when;

- it has power over an investee;
- it is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Trust has reviewed its investments in other entities to assess whether the conclusion as to whether the Trust controls an investee or not is different under AASB 10. No differences were identified.

#### *Impact of the application of AASB 13*

The Trust has applied AASB 13 for the first time in the current year. AASB 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of AASB 13 is broad; the fair value measurement requirements of AASB 13 apply to both financial instrument items and non-financial instrument items for which other AASB's require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of AASB 2 'Share-based Payment', leasing transactions that are within the scope of AASB 117 'Leases', and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, AASB 13 includes extensive disclosure requirements.

AASB 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, the Trust has not made any new disclosures required by AASB 13 for the 2012 comparative period, the application of AASB 13 has not had any material impact on the amounts recognised in the financial statements

## Notes to the Financial Statements

### 3. Significant Accounting Policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements.

#### *a) Statement of compliance*

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations as they apply to a trust which is no longer a going concern, and comply with other requirements of the law.

Compliance with Australian Accounting Standards, as issued by the Australian Accounting Standards Board ("AASB") ensures that the financial statements and notes thereto comply with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

The financial statements were authorised for issue by the directors of the Responsible Entity on 28 March 2014.

#### *b) Basis of preparation*

As a result of the decision to terminate the Trust pursuant to the terms of the Trust's Constitution this general purpose financial report has been prepared on a non-going concern basis.

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within 12 months, except for investments in financial assets and net assets attributable to unitholders. The amounts expected to be received or settled in relation to these balances cannot be readily determined.

The accounting methods of computation adopted in the preparation of the annual financial report for the year ended 31 December 2013 are consistent with those adopted and disclosed in the Fund's 2012 annual financial report for the year ended 31 December 2012. The accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

All amounts are presented in Australian dollars as the functional and presentational currency of the Trust.

#### *c) Non-going concern basis*

As a result of the decision to terminate Trust operations on 11 February 2011, this financial report has not been prepared on a going concern basis, but instead on a liquidation basis. As the only significant assets of the Trust are its cash balances and investments in the total return equity swap, the net realisable values of the Trust's assets are equivalent to their fair values.

Due to the inherent uncertainty of valuation, the value of the investments held by the Trust may differ significantly from the values that would have been used, had a ready market for the investments existed, and these differences could be material to the value of the Trust.

#### *d) Revenue and income recognition*

##### **Revenue**

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Trust and the revenue can be reliably measured.

##### **Distributions**

Distributions from investments are recognised when the right to receive the payment is established.

##### **Interest income**

Interest income is recognised as the interest accrues (using the effective interest rate method, which is the rate that exactly discounts future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

## Notes to the Financial Statements

### 3. Significant Accounting Policies (continued)

#### *e) Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, cash at banks, cash balances held with brokers and cash held in the One Cash Management Fund ("OCMF"), a fund managed by a related party of OMIFL, which is redeemable on a daily basis.

#### *f) Investments in financial instruments*

Investments in financial instruments, as defined by AASB 132 'Financial Instruments: Presentation', are categorised in accordance with AASB 139 'Financial Instruments: Recognition and Measurement'. This classification is determined by the purpose underpinning the acquisition of the investment. The classification of each financial instrument is re-evaluated at each financial year end.

#### **Designated at fair value through profit or loss**

Investments of the Trust that have been designated as at fair value through profit or loss include securities that are held for trading but for which there is no positive intention to hold to maturity. All investments are initially recognised at fair value of the consideration paid excluding transaction costs. After initial recognition, the financial assets that are designated at fair value through profit or loss are re-valued to fair value at each reporting date.

The Trust carries its investments in other funds at fair value based on financial data supplied by the managers of the funds invested in. Changes in the fair value of the investment are included in the Statement of Comprehensive Income as an unrealised appreciation or depreciation on fund investments. Due to the inherent uncertainty of valuation, the value of the investments held by the Trust may differ significantly from the values that would have been used, had a ready market for the investments existed, and these differences could be material to the value of the Trust.

The investments held by the Trust have been designated as at fair value through profit or loss as doing so results in more relevant information. These investments are part of a full group of financial assets which are managed and have their performance evaluated on a fair value basis in accordance with risk management and investment strategies of the Trust.

#### *g) Taxation*

Under the current tax legislation, the Trust is not subject to income tax provided that the unitholders are presently entitled to the income of the Trust and that the Trust entirely distributes its taxable income.

There is no income of the Trust to which the unitholders are not currently entitled. Additionally, the Trust's Constitution requires the distribution of the full amount of the net income of the Trust to unitholders each year. As a result, deferred taxes have not been recognised in the financial statements in relation to the differences between carrying amounts of assets and liabilities and their respective tax bases. This includes taxes on capital gains which could arise in the event of a sale of investments for the amount at which they are stated in the financial statements. In the event that the taxable gains are realised by the Trust, these gains would be included in the taxable income and assessable in the hands of the unitholders.

#### *h) Distributions*

In accordance with the Trust's Constitution, the Trust distributes all distributable income to unitholders.

Distributable income includes capital gains arising from the disposal of investments and foreign exchange gains. Unrealised gains or losses on investments that are recognised in the Statement of Comprehensive Income are not distributed until realised. Capital losses are not distributed to unitholders and are retained to be offset against future realised capital gains.

#### *i) Foreign currency transactions*

The functional and presentation currency for the Trust is Australian Dollars. Transactions in foreign currencies are brought to account at the prevailing exchange rates at the date of the transaction. Foreign currency monetary items are translated at the exchange rate existing on reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.



## Notes to the Financial Statements

### 3. Significant Accounting Policies (continued)

#### *i) Foreign currency transactions (continued)*

The differences arising from these foreign currency translations are recognised in the Statement of Comprehensive Income in the year in which they arise.

#### *j) Goods and services tax ("GST")*

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the amount of GST is not recoverable from the taxation authority, it is recognised as part of acquisition of an asset or part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to the tax authority is included as part of receivables or payables. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

#### *k) Payables*

Trade and other payables are recognised when the Trust becomes obliged to make future payments resulting from the purchase of goods and services.

#### *l) Net assets attributable to unitholders*

Each unit issued confers upon the unitholder an equal interest in the Trust, and is of equal value. A unit does not confer any interest in any particular asset or investment in the Trust.

Contributions from unitholders and the net profit/(loss) attributable to unitholders of the Trust are recognised in the Statement of Financial Position as net assets attributable to unitholders.

Amounts payable to unitholders are classified as a financial liability. Non-distributable income is included in net assets attributable to unitholders. The change in this amount each year represents a non-cash financing cost as it is not settled in cash until such time as it becomes distributable.

#### *m) Applications and redemptions*

Applications received for units in the Trust are recorded net of any entry fees payable prior to the issue of units in the Trust. Redemptions from the Trust are recorded gross of any exit fees payable after the cancellation of units redeemed.

The application and redemption unit price is determined as the net asset value of the Trust, adjusted for any estimated transaction costs, divided by the number of units on issue at the date of the application or redemption. The Responsible Entity may, in its absolute discretion, accept redemptions outside the terms of the Product Disclosure Statement. The fulfilment of any redemption request is subject to the then liquidity of the investment portfolio and the underlying investment managers' redemption terms.

On 11 February 2011, OMIFL decided to terminate the Trust pursuant to the terms of the Trust's Constitution. Investors were notified of this on 23 February 2011. Following the decision made by the Responsible Entity, the Trust is being managed with the goal of realising the Trust assets in an orderly manner. As a result applications and redemptions have been suspended.

#### *n) Critical accounting judgements and key sources of estimation uncertainty*

Management has adhered to the Trust's unit pricing policy which sets out the basis upon which the units of the Trust have been valued, a copy of which is available upon request. In the application of the accounting policies, management are required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

## Notes to the Financial Statements

**3. Significant Accounting Policies (continued)****n) Critical accounting judgements and key sources of estimation uncertainty (continued)**

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The assumptions and methods used in the determination of the value of investments are outlined in notes 3 c) and 3 f) of these financial statements.

**o) Redeemable participating units**

The participating units issued by the Trust provide the unitholders with the right to redeem their units for cash equal to their proportionate share of the net asset value of the Trust. AASB 32 permits certain puttable instruments that impose on an entity an obligation to deliver to another party a pro-rata share of the net assets of the entity on liquidation to be classified as equity, subject to specified criteria being met. The Trust's redeemable participating units do not meet the specified criteria and have been consequently classified as liabilities. The liability to participating unitholders is presented on the Statement of Financial Position as "Net assets attributable to unitholders" and is determined based on the residual assets of the Trust after deducting the Trust's other liabilities

**4. Investments in Financial Instruments**

	31 December 2013 \$	31 December 2012 \$
<b>Fair value of financial assets designated as fair value through profit or loss</b>		
Total return equity swap (underlying investment portfolio)	12,839,270	17,743,888
Total return equity swap - Silverpoint position	304,272	266,940
	<b>13,143,542</b>	<b>18,010,828</b>
<b>Fair value of financial liabilities designated as fair value through profit or loss</b>		
Total return equity swap - Silverpoint position	<b>(304,272)</b>	<b>(266,940)</b>

The Former Responsible Entity, on behalf of the Trust, entered into a total return equity swap with Macquarie. This total return equity swap provides the Trust with an exposure to a leveraged portfolio of leading international absolute return funds and cash.

On 25 August 2011, OMIFL in its capacity as the Responsible Entity of the Trust entered into a sub-participation agreement with OMIFL in its capacity as the trustee of the One Opportunities Fund ("OOF"). The agreement allows OOF to hold its Silverpoint position under the Macquarie Swap in consideration of OOF paying an amount of \$304,834 to the Trust and assuming the risks and expenses in connection with OOF's Silverpoint position under the Macquarie Swap.

Financial instruments carried at fair value are categorised under a three level hierarchy. Financial instruments are categorised based on the observable market inputs when estimating their fair value. If different levels of inputs are used to measure a financial instrument's fair value, the instrument's classification within the hierarchy is based on the lowest level of input that was significant to the fair value measurement.

# Notes to the Financial Statements

## 4. Investments in Financial Instruments (continued)

### Level 1:

Financial instruments are valued by reference to quoted prices in an active market(s) for identical assets or liabilities. These quoted prices represent actual and regularly occurring market transactions on an arm's length basis.

### Level 2:

Financial instruments are valued using inputs other than quoted prices covered in Level 1. These other inputs include quoted prices that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). The inputs included in this level encompass quoted prices in active markets for similar assets or liabilities, quoted prices in markets in which there are few transactions for identical or similar assets or liabilities. Financial instruments that are valued using other inputs that are not quoted prices but are observable for the assets or liabilities also fall into this categorisation.

### Level 3:

Financial instruments that have been valued, in whole or in part, by using valuation techniques or models that are based on unobservable inputs that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Unobservable valuation inputs are determined based on the best information available, which might include the entity's own data, reflecting its assumptions as well as best practices carried out or undertaken by other market participants. These valuation techniques are used to the extent that observable inputs are not available.

The following table shows an analysis of financial instruments held at 31 December 2013, recorded at fair value and presented by level of the fair value hierarchy:

31 December 2013				
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Financial assets</b>				
Total return equity swap (underlying investment portfolio)	-	-	12,839,270	12,839,270
Total return equity swap - Silverpoint position	-	-	304,272	304,272
<b>Total financial assets designated at fair value through profit or loss</b>	<b>-</b>	<b>-</b>	<b>13,143,542</b>	<b>13,143,542</b>
<b>Financial liabilities</b>				
Total return equity swap - Silverpoint position	-	-	(304,272)	(304,272)
<b>Total financial liabilities designated at fair value through profit or loss</b>	<b>-</b>	<b>-</b>	<b>(304,272)</b>	<b>(304,272)</b>
31 December 2012				
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Financial assets</b>				
Total return equity swap (underlying investment portfolio)	-	-	17,743,888	17,743,888
Total return equity swap - Silverpoint position	-	-	266,940	266,940
<b>Total financial assets designated at fair value through profit or loss</b>	<b>-</b>	<b>-</b>	<b>18,010,828</b>	<b>18,010,828</b>
<b>Financial liabilities</b>				
Total return equity swap - Silverpoint position	-	-	(266,940)	(266,940)
<b>Total financial liabilities designated at fair value through profit or loss</b>	<b>-</b>	<b>-</b>	<b>(266,940)</b>	<b>(266,940)</b>

## Notes to the Financial Statements

**4. Investments in Financial Instruments (continued)**

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the year. The Trust's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

**Valuation techniques used to derive level 1, level 2 and level 3 fair values****Level 1**

The fair value of financial instruments that are traded in an active market (for example, listed equities) is determined using the last traded quoted price in an active market. As at 31 December 2013 the Trust had \$ nil (2012: \$ nil) financial assets held at fair value through profit or loss included in level 1.

**Level 2**

The fair value of financial instruments that are not traded in an active market (for example, unlisted investments) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. As at 31 December 2013 the Trust had \$ nil (2012: \$ nil) financial instruments in level 2.

**Level 3**

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. As at 31 December 2013 the Trust had \$13,143,542 (2012: \$18,010,828) financial assets held at fair value through profit or loss included in level 3. The Trust also had \$304,272 (2012: 266,940) financial liabilities held at fair value through profit or loss as at 31 December 2013. The instrument is valued by using the latest available statement received from the custodian.

**Reconciliation level 3 fair values**

Financial assets measured on a recurring basis using significant unobservable inputs (Level 3) are shown below:

	Year ended 31 December 2013 \$	Year ended 31 December 2012 \$
Opening balance	17,743,888	36,966,345
Change in value of financial assets and liabilities held at fair value through profit or loss	2,748,425	863,919
Net sales	(7,653,043)	(20,086,376)
<b>Closing balance</b>	<b>12,839,270</b>	<b>17,743,888</b>

The reconciliation of the level 3 fair values does not include the Silverpoint position as the Trust is not exposed any risks and rewards in relation to this exposure via the sub-participation agreement as outlined above.

**Disclosed fair values**

For all financial instruments other than those measured at fair value their carrying value approximates fair value.

**5. Management and Performance Fees**

The Responsible Entity of the Trust is OMIFL. In accordance with the Trust's Constitution, the Responsible Entity receives a total fee of 1.25% per annum on the Trust's assets (exclusive of GST), net of tax credits available to the entity.

The following table shows the management fees paid and payable to the Responsible Entity for the financial years ended 31 December 2012 and 2013.

	Year ended 31 December 2013 \$	Year ended 31 December 2012 \$
<b>Management fee expense for the year to the:</b>		
Responsible Entity	215,878	356,992
<b>Total management fee expense for the year</b>	<b>215,878</b>	<b>356,992</b>

## Notes to the Financial Statements

## 5. Management and Performance Fees (continued)

	Year ended 31 December 2013 \$	Year ended 31 December 2012 \$
Management fees payable at Statement of Financial Position date to the: Responsible Entity	49,121	70,885
<b>Total management fees payable as at Statement of Financial Position date</b>	<b>49,121</b>	<b>70,885</b>

No performance fees were paid during the year ended 31 December 2013 (2012: \$nil).

## 6. Distribution Payable to Unitholders

In accordance with the Trust's Constitution, the Trust fully distributes its distributable income to unit holders in cash. Such distributions are determined by reference to the net taxable income of the Trust. The distribution paid during the year ended 31 December 2013 was \$958,451 (2012: \$22,429).

## 7. Net Assets Attributable to Unitholders

## Year ended 31 December 2013

	No. of Units	\$
Opening balance as at 1 January 2013	37,364,860	19,802,356
Returns of capital		(7,846,623)
Distribution		(958,451)
Net gain attributable to unitholders		2,331,487
<b>Closing balance as at 31 December 2013</b>	<b>37,364,860</b>	<b>13,328,769</b>

## Year ended 31 December 2012

	No. of Units	\$
Opening balance as at 1 January 2012	37,364,860	38,967,788
Returns of capital		(19,519,373)
Distribution		(22,429)
Net gain attributable to unitholders		376,370
<b>Closing balance as at 31 December 2012</b>	<b>37,364,860</b>	<b>19,802,356</b>

## 8. Capital Management

The Trust's objectives for managing capital are:

- to maintain sufficient liquidity to meet the ongoing expenses of the Trust; and
- to maintain sufficient size to make the operation of the Trust cost-efficient.

The Trust is being managed to preserve value and return of capital to unitholders via an orderly realisation of underlying investments.

## 9. Auditor's Remuneration

	Year ended 31 December 2013 \$	Year ended 31 December 2012 \$
Audit of the financial report	22,660	17,184

The auditor of the Trust is Deloitte Touche Tohmatsu Australia.

# Notes to the Financial Statements

## 10. Cash and Cash Equivalents

- (a) Cash and cash equivalents include cash on hand, cash at banks net of outstanding overdrafts, cash balances held with brokers and cash held in the OCMF, which is redeemable on a daily basis. Cash at the end of the year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	31 December 2013 \$	31 December 2012 \$
Cash at banks	4,854	11,820
OCMF	645,056	2,193,686
	<b>649,910</b>	<b>2,205,506</b>

- (b) Reconciliation of increase in net assets attributable to unitholders for the year to net cash provided by operating activities:

	Year ended 31 December 2013 \$	Year ended 31 December 2012 \$
<b>Increase in net assets attributable to unitholders</b>	<b>1,373,036</b>	<b>353,941</b>
Net gains on assets held at fair value through profit or loss	(2,748,425)	(863,919)
Distributions to unitholders	958,451	22,429
Proceeds from sale of financial assets designated as fair value through profit or loss	7,653,043	20,086,376
<b>Change in assets and liabilities:</b>		
Decrease in other assets	11,047	24,739
Increase/(decrease) in trade and other payables	2,326	(160,818)
<b>Net cash generated by operating activities</b>	<b>7,249,478</b>	<b>19,462,748</b>

## 11. Financial Risk Management Objectives and Policies

Risks arising from holding financial instruments are inherent in the Trust's activities. These risks are managed through a process of ongoing identification, measurement and monitoring. The Trust is exposed to credit risk, liquidity risk and market risk.

Financial instruments of the Trust comprise investments in financial assets and liabilities held for the purpose of generating a return on the investment made by unitholders. In addition, the Trust also holds derivatives, cash and cash equivalents, and other financial instruments such as trade debtors and creditors, which arise directly from the operations of the Trust. The responsibility for identifying and controlling the risks that arise from these instruments is that of the Responsible Entity of the Trust.

The method used to measure the risks reflects the expected impact on the performance of the Trust as well as the assets attributable to unitholders of the Trust resulting from reasonably possible changes in the relevant risk variables. Information regarding the Trust's risk exposure is prepared and monitored by the Responsible Entity against established investment mandate limits. These mandate limits reflect the investment strategy and market environment of the Trust as well as the level of risk the Trust is willing to accept. Information about these risk exposures at reporting date is disclosed below.

## Notes to the Financial Statements

**11. Financial Risk Management Objectives and Policies (continued)****(a) Credit risk**

Credit risk is the risk that a counter party will fail to perform contractual obligations, either in whole or in part, under a contract and cause the Trust to incur a financial loss.

In relation to derivative financial instruments, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. This risk may be minimised by:

- ensuring counterparties, together with the respective credit limits are approved;
- ensuring that the transactions are undertaken with a large number of counterparties; and
- ensuring that the majority of transactions are undertaken on recognised exchanges.

The financial instruments of the Trust are not transacted on recognised exchanges and in fact are transacted with a single counterparty. The Trust therefore has concentration of credit risk to the counterparty. However, it mitigates the credit risk through dealing with recognised counterparties with good credit ratings (Moody's Senior Debt Rating of A2).

Further, the Trust has credit risk exposure to the U.S geographical region and the financial services industry only. The Trust's maximum credit exposure for the year ended 31 December 2013 is \$12,839,270 (2012: \$17,743,888).

The credit risk associated to the Trust's investment in OCMF is mitigated on the basis that OCMF only holds deposits with Australian Banks.

**(b) Market risk**

Market risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in the fair value of a financial asset. These fluctuations can be due to changes in market variables such as interest rates. Market risk is minimised by ensuring that all investment activities are undertaken in accordance with agreed investment and leverage guidelines, and meet the manager's selection, analysis and due diligence criteria.

**(c) Currency risk**

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Trust has exposure to foreign currency risk implicit in the value of the Underlying Investment Portfolio denominated in a foreign currency, and transactional exposure arising from planned purchases or sales of securities.

The portfolio held by EAIT is denominated in USD. In addition, the portfolio is not hedged and ultimate realisations of assets denominated in foreign currencies will be subject to exchange rate movements.

## Notes to the Financial Statements

## 11. Financial Risk Management Objectives and Policies (continued)

*(c) Currency risk (continued)*

The following table indicates the currencies to which the Trust had significant exposure quoted in AUD equivalents:

## 31 December 2013

	AUD \$	USD \$	Total \$
<b>Assets</b>			
Cash and cash equivalents	649,910	-	649,910
Financial assets held at fair value through profit or loss	-	13,143,542	13,143,542
Other assets	14,088	-	14,088
Total assets	663,998	13,143,542	13,807,540
<b>Liabilities</b>			
Financial liabilities at fair value through profit or loss	-	304,272	304,272
Management fees payable	49,121	-	49,121
Administrative fees payable	7,929	-	7,929
Professional fees payable	36,157	-	36,157
Other payables	81,292	-	81,292
Total liabilities (excluding net assets attributable to unitholders)	174,499	304,272	478,771
<b>Net assets attributable to unitholders</b>	<b>489,499</b>	<b>12,839,270</b>	<b>13,328,769</b>
Total foreign currency exposure	-	12,839,270	12,839,270
<b>Net foreign currency exposure</b>		<b>12,839,270</b>	<b>12,839,270</b>

## 31 December 2012

	AUD \$	USD \$	Total \$
<b>Assets</b>			
Cash and cash equivalents	2,205,506	-	2,205,506
Financial assets held at fair value through profit or loss	-	18,010,828	18,010,828
Other assets	25,135	-	25,135
Total assets	2,230,641	18,010,828	20,241,469
<b>Liabilities</b>			
Financial liabilities at fair value through profit or loss	-	266,940	266,940
Management fees payable	70,885	-	70,885
Administrative fees payable	7,929	-	7,929
Professional fees payable	29,628	-	29,628
Other payables	63,731	-	63,731
Total liabilities (excluding net assets attributable to unitholders)	172,173	266,940	439,113
<b>Net assets attributable to unitholders</b>	<b>2,058,468</b>	<b>17,743,888</b>	<b>19,802,356</b>
Total foreign currency exposure	-	17,743,888	17,743,888
<b>Net foreign currency exposure</b>	-	<b>17,743,888</b>	<b>17,743,888</b>



## Notes to the Financial Statements

## 11. Financial Risk Management Objectives and Policies (continued)

*(c) Currency risk (continued)*

The following table demonstrates the sensitivity of the Trust's Statement of Comprehensive Income to a reasonable change in foreign exchange rates, with all other variables held constant.

Index	Change in foreign exchange rate	Effect on net profit attributable to unitholders \$
<b>Year ended 31 December 2013</b>		
USD/AUD	20%/(20%)	2,567,854/(2,567,854)
<b>Year ended 31 December 2012</b>		
USD/AUD	20%/(20%)	3,548,778/(3,548,778)

*(d) Interest rate risk*

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments. The Trust's exposure to interest rate risk is set out in the following table:

	Floating interest rate \$	Non-interest bearing \$	Total \$
<b>31 December 2013</b>			
<b>Assets</b>			
Cash and cash equivalents	649,910	-	649,910
Financial assets held at fair value through profit or loss	-	13,143,542	13,143,542
Other assets	-	14,088	14,088
Total assets	649,910	13,157,630	13,807,540
<b>Liabilities</b>			
Financial liabilities at fair value through profit or loss	-	304,272	304,272
Management fees	-	49,121	49,121
Administrative fees	-	7,929	7,929
Professional fees	-	36,157	36,157
Other payables	-	81,292	81,292
Total liabilities (excluding net assets attributable to unitholders)	-	478,771	478,771
<b>Net exposure</b>	<b>649,910</b>	<b>12,678,859</b>	<b>13,328,769</b>

## Notes to the Financial Statements

## 11. Financial Risk Management Objectives and Policies (continued)

## (d) Interest rate risk (continued)

	Floating interest rate \$	Non-interest bearing \$	Total \$
<b>31 December 2012</b>			
<b>Assets</b>			
Cash and cash equivalents	2,205,506	-	2,205,506
Financial assets held at fair value through profit or loss	-	18,010,828	18,010,828
Other assets	-	25,135	25,135
<b>Total assets</b>	<b>2,205,506</b>	<b>18,035,963</b>	<b>20,241,469</b>
<b>Liabilities</b>			
Financial liabilities held at fair value through profit or loss	-	266,940	266,940
Management fees	-	70,885	70,885
Administrative fees	-	7,929	7,929
Professional fees	-	29,628	29,628
Other payables	-	63,731	63,731
<b>Total liabilities (excluding net assets attributable to unitholders)</b>	<b>-</b>	<b>439,113</b>	<b>439,113</b>
<b>Net exposure</b>	<b>2,205,506</b>	<b>17,596,850</b>	<b>19,802,356</b>

The following table demonstrates the sensitivity of the Trust's Statement of Financial Position and Statement of Comprehensive Income to a reasonable change in interest rates, with all other variables constant. The 25 basis point sensitivity is based on the volatility of change in the AUD cash interest rate over the last 10 years:

	Change in basis points increase/(decrease)	Sensitivity of interest income/expense to increase/(decrease) in interest rate	Sensitivity of changes in fair value of financial assets/liabilities
<b>Year ended 31 December 2013</b>			
AUD interest rate	25bp/(25bp)	1,625/(1,625)	-
<b>Year ended 31 December 2012</b>			
AUD interest rate	25bp/(25bp)	5,514/(5,514)	-

## (e) Price risk

Price risk is the risk that the fair value of investments decreases as a result of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual stock or factors affecting all instruments in the market. The Trust is not directly correlated with any particular stock market indices. Price risk is managed by monitoring compliance with established investment mandate limits. All securities present a risk of loss of capital. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

As at 31 December 2013, a positive 10% sensitivity on the underlying investment portfolio would have had an impact in the Trust's Statement of Comprehensive Income and net assets attributable to unitholders of \$1,283,927 (2012: \$1,774,389). A negative sensitivity would have an equal but opposite impact

## Notes to the Financial Statements

## 11. Financial Risk Management Objectives and Policies (continued)

*(f) Liquidity risk*

Liquidity risk is the risk that the Trust will encounter difficulty in raising funds to meet commitments associated with financial instruments. The investments of the Trust may experience limited or no liquidity and therefore an investment in the Trust should be regarded as an illiquid investment involving a high degree of liquidity risk. Some of the Trust's investments may be highly illiquid. In addition, in the case of unlisted securities, there is no established secondary market for those investments and realisation of those assets may take a considerable amount of time.

In order to control the liquidity risk associated with its investments, the Trust conducts its investing activities in accordance with agreed guidelines and leverage ratios to ensure a minimal concentration of risk.

*Maturity Analysis for Financial Liabilities*

Financial liabilities of the Trust comprise trade and other payables and net assets attributable to unitholders. Trade and other payables have no contractual maturities but are typically settled within 30 days.

EAIT unitholders may ask to have their EAIT units redeemed at any time, but there is no obligation for the Responsible Entity to satisfy the request. The directors have determined that it would be in the best interests of all unitholders to refuse applications and redemption requests until further notice. This, in addition to the decision to undertake an orderly wind down of the assets of the Trust result in the net assets attributable to unitholders to be classified as settling in more than 12 months.

The investment held on behalf of OOF is classified as settling in more than 12 months due to the nature of the investment and the expected period of time to realise the investment.

The amounts in the table are the contractual undiscounted cash flows. Balances due equal their carrying balances, as the impact of discounting is not significant.

The following table shows the maturity analysis of the Trust's liabilities.

	31 December 2013					
	On demand	< 1 month	1-3 months	3-6 months	6-12 months	> 12 months
Liabilities	\$		\$	\$	\$	\$
Financial liabilities at fair value through profit or loss	-	-	-	-	-	304,272
Management fees	-	-	49,121	-	-	-
Administrative fees	-	7,929	-	-	-	-
Professional fees	-	-	36,157	-	-	-
Other payables	-	-	81,292	-	-	-
Net assets attributable to unitholders	-	-	-	-	-	13,328,769
<b>Total liabilities</b>	<b>-</b>	<b>7,929</b>	<b>166,570</b>	<b>-</b>	<b>-</b>	<b>13,633,041</b>
						<b>13,807,540</b>

## Notes to the Financial Statements

## 11. Financial Risk Management Objectives and Policies (continued)

## (f) Liquidity risk (continued)

	31 December 2012						Total
	On demand	< 1 month	1-3 months	3-6 months	6-12 months	> 12 months	
	\$	\$	\$	\$	\$	\$	\$
<b>Liabilities</b>							
Financial liabilities at fair value through profit or loss	-	-	-	-	-	266,940	266,940
Management fees	-	-	70,885	-	-	-	70,885
Administrative fees	-	7,929	-	-	-	-	7,929
Professional fees	-	-	29,628	-	-	-	29,628
Other payables	-	-	63,731	-	-	-	63,731
Net assets attributable to unitholders	-	-	2,466,081 *	-	-	17,336,275	19,802,356
<b>Total liabilities</b>	-	<b>7,929</b>	<b>2,630,325</b>	-	-	<b>17,603,215</b>	<b>20,241,469</b>

\* Classified in 1-3 months due to a return of capital made to unitholders on 20 March 2013.

## 12. Commitments and Contingencies

There are no commitments or contingencies as at 31 December 2013 (2012: \$ nil).

## 13. Subsequent Events

There has not been any other matter or circumstances occurring subsequent to the end of the year that has significantly affected, or may significantly affect, the operations of the Trust, the results of those operations, or the state of affairs of the Trust in future financial years.

## 14. Related Party Transactions

## a) Responsible Entity's fees

In accordance with the Trust's Constitution, the responsible entity receives a total fee of 1.25% per annum on the Trust's assets, (exclusive of GST), net of tax credits available to the entity.

Transactions with related parties have taken place at arm's length and in the ordinary course of business. The transactions during the year and amounts payable at year between the Trust and the Responsible Entity have been disclosed in note 5.

## b) Investments in unlisted funds managed by OMIFL

The Trust has invested units valued at \$645,056 (2012: \$2,193,686) in the One Cash Management Fund ("OCMF") as at 31 December 2013. The trustee of OCMF is One Investment Management Pty Ltd ("OIMPL"), an authorised representative of OMIFL. OIMPL and OMIFL are subsidiaries of One Investment Group Pty Limited. This investment has enabled the Trust to improve its return on cash held. The investment has been included in cash and cash equivalents as it is redeemable daily.

OCMF charges a management fee to its unitholders at a rate of 0.50% per annum on net assets in the Fund. Management fees paid by the Trust to OCMF for the year ended 31 December 2013 were \$8,791 (31 December 2012: \$18,056).

OMIFL is the trustee for the Everest Absolute Return Fund ("EARF"). The Trust holds 6,495,792 units (2012: 6,495,792) of the units on issue by EARF. The units are valued at \$260,481 (2012: \$691,985).

## c) Investments by unlisted funds where OMIFL is Trustee

OMIFL is trustee for the Everest Global Growth Fund ("EGGF"). As at 31 December 2013, EGGF holds 4,385,681 (2012: 4,385,681) of the units on issue by EAIT. This holding represents 11.74% (2012: 11.74%) of the total EAIT units on issue.

## Notes to the Financial Statements

### 14. Related Party Transactions (continued)

#### c) Investments by unlisted funds where OMIFL is Trustee (continued)

During the financial year ended 31 December 2013, returns of capital amounting to \$920,993 (2012: \$2,291,076) were paid by EAIT to EGGF.

During the financial year ended 31 December 2013, distributions of \$112,498 were paid to EGGF (2012: \$2,633).

#### d) Other fees paid to related parties

During the course of the financial year ended 31 December 2013, an entity which shares a common director with the Responsible Entity, Unity Fund Services Pty Limited ("UFS") previously known as Unity Administration Pty Limited ("UA") and its wholly owned subsidiary Unity Taxation Services Pty Limited ("UTS") previously known as Unity Administration Taxation Services Pty Limited ("UATS") and One Registry Services ("ORS") provided administration, taxation and registry services to the Trust. The amounts of fees and the amounts payable at year end are:

	Year ended 31 December 2013 \$	Year ended 31 December 2012 \$
Expenses incurred by the Trust in relation to:		
- Administration services to UFS	67,662	88,662
- Preparation of the Financial Statements to UFS	4,703	4,826
- Registry Fees to ORS	26,551	15,628
- Taxation services to UTS	22,191	11,750
<b>Total expenses</b>	<b>121,106</b>	<b>120,867</b>
	Year ended 31 December 2013 \$	Year ended 31 December 2012 \$
Amounts due and payable in relation to:		
- Administration services to UFS	7,929	7,929
- Preparation of the Financial Statements to UFS	2,475	2,475
- Registry Fees to ORS	6,188	2,542
- Taxation services to UTS	5,819	9,417
<b>Total payables</b>	<b>22,411</b>	<b>22,363</b>

#### e) Sub participation agreement

On 25 August 2011, OMIFL in its capacity as the Responsible Entity of the Trust entered into a sub-participation agreement with OMIFL in its capacity as the trustee of the One Opportunities Fund ("OOF"). The agreement allows OOF to hold its Silverpoint position under the Macquarie Swap in consideration of OOF paying an amount of \$304,834 to the Trust and assuming the risks and expenses in connection with OOF's Silverpoint position under the Macquarie Swap.

### 15. Indemnities

The Trust enters into contracts that contain a variety of indemnifications. The Trust's maximum exposure under these arrangements is unknown. However, the Trust has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.