

EAIT Direct Investments Fund

ARSN 137 968 542

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 the EAIT Direct Investments Fund ("EDIF" or the "Fund"), submit their report for the Fund for the year ended 31 December 2013. The parent entity is EDIF which owns 100% of EDIF Sub-Trust. The subsidiary entity is EDIF Sub Trust.

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 Fund 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 Fund is a registered managed investment scheme, domiciled in Australia.

The principal activities of the Fund during the year were to continue with an orderly realisation of all assets and an orderly wind down of the Fund.

There has been no significant change in the activities of the Fund during the financial year.

The Fund did not have any employees during the year.

Review of Operations

Results

The results of the operations of the Fund are disclosed in the Consolidated Statement of Profit and Loss and Other Comprehensive Income of these financial statements. The loss attributable to unitholders for the year ended 31 December 2013 was \$76,416 (2012 loss: \$52,999).

Distributions

There were no distributions made to unitholders for the financial year ended 31 December 2013 (2012: \$ nil).

Return of Capital

In respect of the financial year ended 31 December 2013, a return of capital of \$872,999 (2012: \$1,406,499) was paid to the unitholders.

Value of Assets and Units Issued

The total value of the Fund's assets at 31 December 2013 was \$452,736 (2012: \$1,395,492). The total number of units on issue as at 31 December 2013 was 48,499,951 (2012: 48,499,951).

Fees Paid and Payable to the Responsible Entity and Associates

In accordance with the Fund's constitution, fees are paid to the Responsible Entity by the Fund in respect to the management of the Fund at 1.25% per annum (excluding GST) of the gross asset value of the Fund.

According to EDIF's Supplemental Deed dated 27 October 2010, the Responsible Entity must reduce or otherwise rebate the management fee for any calendar quarter period by the amount of any management fees paid to Alternative Private Investments Pty Limited as trustee of EDIF Sub Trust ("Trustee of the EDIF Sub Trust"), plus an amount of \$2,500 per calendar quarter to the extent that such a reduction or rebate causes the management fee for any calendar quarter to be a negative amount. In such case the shortfall is to be carried forward for the purposes of calculating the management fee for subsequent calendar quarters until such shortfall has been applied in full.

For the year ended 31 December 2013, Alternative Private Investments Pty Limited, as trustee of EDIF Sub Trust, was entitled to receive \$20,375 (2012: \$20,500) for the management of EDIF Sub Trust.

As at 31 December 2013, Alternative Private Investments Pty Limited, as trustee of EDIF Sub Trust, had received \$5,333 (2012: \$1,833) in advance for the management of EDIF Sub Trust.

As noted above, during the year ended 31 December 2013 the management fee reduction resulted in a negative management fee due to the Responsible Entity. As a result the management fee to the Responsible Entity for the year ended 31 December 2013 is \$ nil (2012: \$nil) of which \$nil (2012: \$nil) 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") 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.

On 12 February 2013, a return of capital of \$872,999 (1.8 cents per unit) was made to unitholders.

During the financial year there were no other significant changes in the state of affairs of the Fund.

Subsequent Events

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

Future Developments

The Fund will be maintained in accordance with the Fund's Trust Deed. 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 Fund are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State Territory. There have been no known significant breaches of any other environmental requirements applicable to the Fund.

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.



Frank Tearle

Director

28 March 2014

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

28 March 2014

Dear Directors

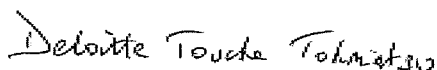
Independence Declaration – EAIT Direct Investments Fund

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 EAIT Direct Investments Fund.

As lead audit partner for the audit of the financial statements of EAIT Direct Investments Fund 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 EAIT Direct Investments Fund

We have audited the accompanying financial report of EAIT Direct Investments Fund (the "Fund"), which comprises the consolidated statement of financial position as at 31 December 2013, the consolidated statement of profit or loss and other comprehensive income, the consolidated 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 of the consolidated entity, comprising the Fund and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 7 to 27.

Directors' Responsibility for the Financial Report

The directors of One Managed Investment Funds Limited as Responsible Entity of the Fund are responsible for the preparation of a 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 Investments Funds Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

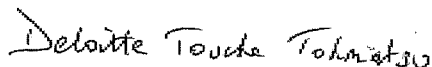
In our opinion:

- (a) the financial report of the Fund is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Fund's and the consolidated entity's financial position as at 31 December 2013 and of their 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 regarding litigation

Without qualifying our opinion, we draw attention to the following matter which is disclosed in Note 4 to the financial report, referring to a potential claim of \$2 million. As at the date of signing the financial report there is uncertainty as to the likelihood of the claim's success, quantum and timing of payment, if any; as well as the allocation between this Fund and other funds to which the claim relates. Since the ultimate outcome of the matter cannot presently be determined, no provision for any liability that could potentially arise as a result has been made in the financial report.

Yours faithfully



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 Fund will be able to pay its debts as and when they become due and payable;
- (b) in the directors' opinion, the consolidated 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 Fund as at 31 December 2013; and
- (c) in the directors' opinion, the attached consolidated 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 Fund.

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

Consolidated Statement of Profit and loss and other comprehensive Income for the year ended 31 December 2013

		Consolidated	
		Year ended 31 December 2013 \$	Year ended 31 December 2012 \$
	Notes		
Income			
Change in value of financial assets held at fair value through profit or loss	4	(7,743)	(16,545)
Interest income		9,908	49,842
Total income		2,165	33,297
Expenses			
Operating expenses		27,746	20,552
Administration fees		5,125	5,125
Professional fees		25,068	39,823
Bank fees		267	296
Management fees	5	20,375	20,500
Total expenses		78,581	86,296
Net loss attributable to unitholders before financing costs		(76,416)	(52,999)
Finance costs			
Distributions to unitholders		-	-
Net (loss)/gain attributable to unitholders after financing costs		(76,416)	(52,999)
Net (loss)/profit for the year		(76,416)	(52,999)
Other comprehensive income		-	-
Total comprehensive income		(76,416)	(52,999)

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

Consolidated Statement of Financial Position as at 31 December 2013

		Consolidated	
		31 December 2013	31 December 2012
		\$	\$
Assets	Notes		
Cash and cash equivalents	10 (a)	244,636	1,178,263
Investments in financial assets held at fair value through profit or loss	4	194,612	203,235
Other assets		13,488	13,994
Total assets		452,736	1,395,492
Liabilities			
Administration fees payable		458	458
Operating fees payable		11,532	6,485
Professional fees payable		18,622	17,010
Total liabilities (excluding net assets attributable to unitholders)		30,612	23,953
Net assets attributable to unitholders		422,124	1,371,539

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

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

	Note	Total attributable to the unitholders of the Fund \$
Balance as at 1 January 2013		1,371,539
Return of capital	6	(872,999)
Net loss attributable to unitholders before financing costs		(76,416)
Balance as at 31 December 2013	7	422,124
Balance as at 1 January 2012		2,831,037
Returns of capital	6	(1,406,499)
Net loss attributable to unitholders before financing costs		(52,999)
Balance as at 31 December 2012	7	1,371,539

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

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

	Consolidated	
	Year ended	Year ended
	31 December	31 December
Notes	2013	2012
	\$	\$
Cash flows from operating activities		
Interest received	16,401	77,348
Operating fees paid	(21,087)	(26,983)
Management fees paid	(23,875)	(32,795)
Legal fees paid	(1,999)	(3,781)
Other payments	(30,948)	(44,018)
Net cash used in operating activities	(61,508)	(30,229)
Cash flow from investing activities		
Return of capital from investments	880	152,126
Net cash provided by investing activities	880	152,126
Cash flows from financing activities		
Returns of capital to unitholders	(872,999)	(1,406,499)
Net cash used in financing activities	(872,999)	(1,406,499)
Net (decrease)/increase in cash and cash equivalents	(933,627)	(1,284,602)
Cash and cash equivalents at beginning of the year	1,178,263	2,462,865
Cash and cash equivalents at the end of the year	244,636	1,178,263

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

Notes to the Financial Statements

1. General Information

The Fund is an unlisted Australian registered managed investment scheme. 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 Fund is One Managed Investment Funds Limited (ABN 47 117 400 987; AFSL 297 042) ("OMIFL"). The principal activity of the Fund is disclosed in the Directors' Report.

2. Adoption of New and Revised Accounting Standards

Standards and Interpretations in issue not yet adopted

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.

The amendments made by AASB 2013-5 introduce an exception from consolidation requirements for investment entities. On adoption of the amendments, the Trust has determined that it meets the definition of an investment entity.

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

Notes to the Financial Statements

2. Adoption of New and Revised Accounting Standards (Continued)

not had any material impact on the amounts recognised in 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 fund 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

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 Fund.

c) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of the entities controlled by EDIF at 31 December 2013, and the results of those controlled entities for the year then ended.

Subsidiaries are fully consolidated from the date on which control is obtained by EDIF and cease to be consolidated from the date on which control is transferred.

The effects of all transactions between entities in the consolidated group are eliminated in full. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

d) Non-going concern basis

As a result of the decision to undertake an orderly realisation of assets, 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 Fund are its cash balances and investments in unit trusts, the liquidation value of the Fund's assets is equivalent to their fair values.

Notes to the Financial Statements

3. Significant Accounting Policies (continued)

e) 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 Fund 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.

f) Cash and cash equivalents

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

g) 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 Fund 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 Fund 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 Fund 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 Fund.

The investments held by the Fund 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 Fund.

h) Taxation

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

There is no income of the Fund to which the unitholders are not currently entitled. Additionally, the Fund's constitution requires the distribution of the full amount of the net income of the Fund 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 gain 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 Fund, these gains would be included in the taxable income and assessable in the hands of the unitholders.

Notes to the Financial Statements

3. Significant Accounting Policies (continued)

i) Distributions

In accordance with the Fund's constitution, the Fund 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.

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 Fund becomes obliged to make future payments resulting from the purchase of goods and services.

l) Applications and redemptions

Applications received for units in the Fund are recorded net of any entry fees payable prior to the issue of units in the Fund. Redemptions from the Fund 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 Fund, 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.

The directors have determined that it would be in the best interests of all unitholders to refuse applications and redemption requests until further notice. As at the date of this report, investor applications and redemptions in the Trust continue to be suspended until further notice.

m) Critical accounting judgements and key sources of estimation uncertainty

Management has adhered to the Fund's unit pricing policy which sets out the basis upon which the units of the Fund 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.

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.

Notes to the Financial Statements
3. Significant Accounting Policies (continued)
n) Redeemable participating units

The participating units issued by the Fund provide the unitholders with the right to redeem their units for cash equal to their proportionate share of the net asset value of the Fund. 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 Fund'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 Fund after deducting the Fund's other liabilities.

4. Investments in Financial Instruments

	Consolidated	
	31 December 2013	31 December 2012
	\$	\$
Fair value of financial instruments designated at fairvalue through profit or loss		
Investment in Everest Babcock & Brown Income Fund	194,612	203,235
	194,612	203,235

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.

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.

Notes to the Financial Statements

4. Investments in Financial Instruments (Continued)

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:

	Consolidated			
	31 December 2013			Total
	Level 1 \$	Level 2 \$	Level 3 \$	
Financial assets				
Investment in Everest Babcock & Brown Income Fund	-	-	194,612	194,612
Total financial assets designated at fair value through profit or loss	-	-	194,612	194,612

	Consolidated			
	31 December 2012			Total
	Level 1 \$	Level 2 \$	Level 3 \$	
Financial assets				
Investment in Everest Babcock & Brown Income Fund	-	-	203,235	203,235
Total financial assets designated at fair value through profit or loss	-	-	203,235	203,235

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

	Consolidated	
	Year ended 31 December 2013	Year ended 31 December 2012
	\$	\$
Opening balance	203,235	371,906
Change in value of financial assets held at fair value through profit or loss	(7,743)	(16,545)
Return of capital from investments	(880)	(152,126)
Closing balance	194,612	203,235

In relation to the Fund's investment in EBBIF, the responsible entity of EBBIF received a claim in July 2013, from the former responsible entity seeking to claim under its trustee indemnity in relation to costs it had incurred resulting from an investigation by ASIC into the former responsible entity's operation of EBBIF. The valuation of EBBIF could be impacted by such an indemnity claim. If a payment is subsequently made, the net realisable value of the investment in EBBIF is likely to be reduced. The indemnity claim is for approximately \$2m.

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.

Notes to the Financial Statements

4. Investments in Financial Instruments (Continued)

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:

	Consolidated	
	Year ended 31 December 2013 \$	Year ended 31 December 2012 \$
Opening balance	203,235	371,906
Change in value of financial assets held at fair value through profit or loss	(7,743)	(16,545)
Return of capital from investments	(880)	(152,126)
Closing balance	194,612	203,235

5. Management and Performance Fees

In accordance with the Fund's constitution, fees are paid to the Responsible Entity by the Fund in respect to the management of the Fund at 1.25% per annum (excluding GST) of the gross asset value of the Fund.

According to EDIF's Supplemental Deed dated 27 October 2010, the Responsible Entity must reduce or otherwise rebate the management fee for any calendar quarter period by the amount of any management fees paid to Alternative Private Investments Pty Limited as trustee of EDIF Sub Trust ("Trustee of the EDIF Sub Trust"), plus an amount of \$2,500 per calendar quarter to the extent that such a reduction or rebate causes the management fee for any calendar quarter to be a negative amount. In such case the shortfall is to be carried forward for the purposes of calculating the management fee for subsequent calendar quarters until such shortfall has been applied in full.

For the year ended 31 December 2013, Alternative Private Investments Pty Limited, as trustee of EDIF Sub Trust, was entitled to receive \$20,375 (2012: \$20,500) for the management of EDIF Sub Trust.

As at 31 December 2013, Alternative Private Investments Pty Limited, as trustee of EDIF Sub Trust, had received \$5,333 (2012: \$1,833) in advance for the management of EDIF Sub Trust.

As noted above, during the year ended 31 December 2013 the management fee reduction resulted in a negative management fee due to the Responsible Entity. As a result the management fee to the Responsible Entity for the year ended 31 December 2013 is \$ nil (2012: \$ nil) of which \$nil (2012: \$ nil) was payable at year end.

No performance fees are levied by the Responsible Entity on the EAIT Direct Investments Fund.

Notes to the Financial Statements
6. Distribution Payable to Unitholders

In accordance to the Fund's constitution the Fund fully distributes its distributable income to unitholders in cash. Such distributions are determined by reference to the net taxable income of the Fund. No distributions of income were made during the year ended 31 December 2013 (2012: \$ nil). Returns of capital paid during the year ended 31 December 2013 were \$872,999 (2012: \$1,406,499).

7. Net Assets Attributable to Unitholders
Year ended 31 December 2013

	No. of Units	\$
Opening balance as at 1 January 2013	48,499,951	1,371,539
Return of capital		(872,999)
Net loss attributable to unitholders		(76,416)
Closing balance as at 31 December 2013	48,499,951	422,124

Year ended 31 December 2012

	No. of Units	\$
Opening balance as at 1 January 2012	48,499,951	2,831,037
Return of capital		(1,406,499)
Net loss attributable to unitholders		(52,999)
Closing balance as at 31 December 2012	48,499,951	1,371,539

8. Capital Management

The Fund's objectives for managing capital are:

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

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

9. Auditor's Remuneration

	Consolidated	
	Year ended 31 December 2013	Year ended 31 December 2012
Audit of the financial report	11,330	11,559

The auditor of the Fund is Deloitte Touche Tohmastu Australia (2012: Deloitte Touche Tohmastu Australia).

Notes to the Financial Statements

10. Cash and Cash Equivalents

- (a) Cash and cash equivalents include cash on hand, cash at bank net of outstanding bank and broker overdrafts, cash balances held with brokers and cash held in One Cash Management Fund ("OCMF"). Cash at the end of the year as shown in the Consolidated Statement of Cash Flows is reconciled to the related items in the Consolidated Statement of Financial Position as follows:

	Consolidated	
	31 December 2013	31 December 2012
	\$	\$
Cash at bank	16,583	540,771
OCMF	228,053	637,492
	244,636	1,178,263

- (b) Reconciliation of net loss attributable to unitholders for the year to net cash used in operating activities:

	Consolidated	
	Year ended 31 December 2013	Year ended 31 December 2012
	\$	\$
Net loss attributable to unitholders	(76,416)	(52,999)
Net loss on assets held at fair value through profit or loss	7,743	16,545
Change in assets and liabilities:		
Decrease in other assets	506	30,022
Increase/(Decrease) in trade and other payables	6,659	(23,797)
Net cash used in operating activities	(61,508)	(30,229)

11. Financial Risk Management Objectives and Policies

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

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

The method used to measure the risks reflects the expected impact on the performance of the Fund as well as the assets attributable to unitholders of the Fund resulting from reasonably possible changes in the relevant risk variables. Information regarding the Fund'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 Fund as well as the level of risk the Fund 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 represents the risk that the Fund will incur financial loss as a result of a failure by a counter party to discharge an obligation to a financial instrument. In relation to financial instruments, credit risk arises from the potential failure of counterparties to meet their contractual obligations.

Risk concentration of credit risk exposure

Concentration of risk arises when a number of financial instruments are entered into with the same counterparty where a number of counterparties are engaged in similar business activities, activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes to economic, political and other conditions.

In order to avoid excessive concentration of risks, the Responsible Entity monitors the Fund's exposure to ensure that the concentration of risks remains within acceptable levels. In the event where the concentration of risks is deemed to be above acceptable levels, the Responsible Entity either reduces exposure to the counterparty or uses derivative instruments to manage the excessive concentration.

Concentration of credit risk is managed by geographical region and industry sector. The Fund is exposed to geographic and industry sector concentration as all the funds which it invests in are Australian domiciled funds in the financial services sector.

Credit risk arising from financial instruments is, at any time, limited to those with positive fair values.

(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 Fund does not have direct exposure to foreign currency risk as its financial assets and liabilities are denominated in Australian Dollars.

(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 Responsible Entity is responsible for managing direct interest rate risk and reporting any issues to the Board.

Notes to the Financial Statements
11. Financial Risk Management Objectivities and Policies (continued)
(d) interest rate risk (continued)

	Consolidated		
	Floating interest rate	Non-interest bearing	Total
	\$	\$	\$
31 December 2013			
Assets			
Cash and cash equivalents	244,636	-	244,636
Investments in financial assets held at fair value through profit or loss	-	194,612	194,612
Other assets	-	13,488	13,488
Total assets	244,636	208,100	452,736
Liabilities			
Management fees payable	-	-	-
Administration fees payable	-	458	458
Operating fees payable	-	11,532	11,532
Professional fees payable	-	18,622	18,622
Total liabilities (excluding net assets attributable to unitholders)	-	30,612	30,612
Net exposure	244,636	177,488	422,124

	Consolidated		
	Floating interest rate	Non-interest bearing	Total
	\$	\$	\$
31 December 2012			
Assets			
Cash and cash equivalents	1,178,263	-	1,178,263
Investments in financial assets held at fair value through profit or loss	-	203,235	203,235
Other assets	-	13,994	13,994
Total assets	1,178,263	217,229	1,395,492
Liabilities			
Management fees payable	-	-	-
Administration fees payable	-	458	458
Operating fees payable	-	6,485	6,485
Professional fees payable	-	17,010	17,010
Total liabilities (excluding net assets attributable to unitholders)	-	23,953	23,953
Net exposure	1,178,263	193,276	1,371,539

Notes to the Financial Statements

11. Financial Risk Management Objectivities and Policies (continued)

(d) interest rate risk (continued)

The following table demonstrates the sensitivity of the Fund's Statement of Financial Position to a reasonable change in interest rates, with all other variables held constant. The 25 basis point sensitivity is based on the volatility of change in the AUD cash interest rates 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
31 December 2013			
AUD interest rate	25bp/(25bp)	612/(612)	-
31 December 2012			
AUD interest rate	25bp/(25bp)	2,946/(2,946)	-

(e) Other price risk

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate or foreign currency movements). The effect on net assets attributable to unitholders and the Fund's Statement of Comprehensive Income as a result of reasonably possible changes in market factors, as represented by a 5% change in the unit prices of the managed funds, with all other variables held constant is indicated in the table below:

	Change in unit price of managed funds increase/(decrease)	Effect on net assets attributable to unitholders increase/(decrease)
Year ended 31 December 2013	5%/(5%)	9,731/(9,731)
Year ended 31 December 2012	5%/(5%)	10,162/(10,162)

(f) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in raising funds to meet commitments associated with financial instruments. The investments of the Fund may experience limited or no liquidity and therefore an investment in the Fund should be regarded as an illiquid investment involving a high degree of liquidity risk. Some of the Fund'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 Fund conducts its investing activities in accordance with agreed guidelines and leverage ratios to ensure a minimal concentration of risk

Maturity analysis of financial liabilities

Financial liabilities of the Fund comprise trade payables and net assets attributable to unitholders. Trade payables have no contractual maturities. These are, however, typically settled within 30 days.

Notes to the Financial Statements

11. Financial Risk Management Objectivities and Policies (continued)

(f) liquidity risk (continued)

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

	Consolidated						
	31 December 2013						
	On demand	< 1 month	1-3 months	3-6 months	6-12 months	> 12 months	Total
Liabilities	\$	\$	\$	\$	\$	\$	\$
Management fees payable	-	-	-	-	-	-	-
Administration fees payable	-	458	-	-	-	-	458
Operating fees payable	-	11,532	-	-	-	-	11,532
Professional fees payable	-	18,622	-	-	-	-	18,622
Net assets attributable to unitholders	-	-	-	-	-	422,124	422,124
Total liabilities	-	30,612	-	-	-	422,124	452,736

	Consolidated						
	31 December 2012						
	On demand	< 1 month	1-3 months	3-6 months	6-12 months	> 12 months	Total
Liabilities	\$	\$	\$	\$	\$	\$	\$
Management fees payable	-	-	-	-	-	-	-
Administration fees payable	-	458	-	-	-	-	458
Operating fees payable	-	6,485	-	-	-	-	6,485
Professional fees payable	-	17,010	-	-	-	-	17,010
Net assets attributable to unitholders	-	-	872,999 ¹	-	-	498,540	1,371,539
Total liabilities	-	23,953	872,999	-	-	498,540	1,395,492

¹ Classified in 1-3 months due to a return of capital made to unitholders on 15 February 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 Fund, the results of those operations, or the state of affairs of the Fund in future financial years.

14. Related Party Transactions

The Responsible Entity of EAIT Direct Investments Fund is One Managed Investment Funds Limited ("OMIFL").

a) Responsible Entity's fees

In accordance with the Funds constitution, fees are paid to the Responsible Entity by the Fund in respect to the management of the Fund at 1.25% per annum (excluding GST) of the gross asset value of the Fund.

Notes to the Financial Statements**14. Related Party Transactions (continued)****a) Responsible Entity's fees (continued)**

The management fee amounts attributable to the Responsible Entity are detailed in note 5 of the Financial Statements.

b) Investments in unlisted funds managed by One Investment Group

EDIF holds 7,461,548 (December 2012: 6,500,010) units valued at \$218,772 (December 2012: \$1,075,623) in the EDIF Sub Trust at 31 December 2013.

As at 31 December 2013, EDIF Sub Trust held 12,317,243 units, valued at \$194,612 in Everest Babcock & Brown Income Fund ("EBBIF") (December 2012: \$203,235). The investment in EBBIF allows the consolidated entity, EDIF, to achieve its intention of accessing a diversified portfolio of assets and gaining exposure to the investments in the subordinated debt. Alternative Private Investments Pty Limited the trustee of EDIF Sub Trust is not a related body corporate or associate of either the Responsible Entity or One Funds Management Limited ("OFML").

The Fund has invested units valued at \$228,053 (December 2012: \$637,492) in the One Cash Management Fund ("OCMF") as at 31 December 2013. The Trustee of OCMF is One Investment Management Pty Limited ("OIMPL"), an associate of OMIFL. OIMPL and OMIFL are subsidiaries of One Investment Group Pty Limited. This investment has enabled the Fund to improve its return on cash held.

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 Fund to OCMF for the year ended 31 December 2013 were \$1,434 (2012: \$2,487).

c) Investments by unlisted funds where OMIFL is the Trustee

OMIFL is Trustee for the Everest Global Growth Fund ("EGGF"). As at 31 December 2013, EGGF held 5,622,668 (2012: 5,622,668) of the units on issue by EDIF. This holding represents 11.59% (2012: 11.59%) of the total EDIF units on issue.

During the financial year ended 31 December 2013, returns of capital amounting to \$101,208 (2012: \$163,057) were paid to EGGF.

No distributions were made to EGGF for the financial year ended 31 December 2013 (2012: \$ nil).

d) Other fees 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.

Notes to the Financial Statements

14. Related Party Transaction (continued)

d) Other fees to related parties (continued)

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 Fund in relation to:		
- Administration services to UFS	5,125	5,125
- Preparation of the Financial Statements to UFS	3,135	3,135
- Registry Fees to ORS	14,198	10,521
- Taxation services to UTS	2,420	6,977
Total expenses	24,878	25,331
	31 December 2013 \$	31 December 2012 \$
Amounts due and payable at Statement of Financial Position date in relation to:		
- Administration services to UFS	458	458
- Preparation of the Financial Statements to UFS	2,475	2,475
- Registry Fees to ORS	2,775	2,782
- Taxation services to UTS	6,600	6,826
Total payables	12,308	12,541

15. Summary of Parent Information

	31 December 2013 \$	31 December 2012 \$
Assets		
Current Assets	231,251	319,411
Financial assets designated at fair value through profit or loss	218,623	1,075,752
Total assets	449,874	1,395,163
Liabilities		
Operating fees payable	9,277	6,485
Professional fees payable	18,622	17,010
Total liabilities (excluding net assets attributable to unitholders)	27,899	23,495
Net assets attributable to unitholders	421,975	1,371,668

The amount presented as current assets does not include the financial assets at fair value through profit and loss of the parent entity. These assets are liquid and could be sold within twelve months, the amount expected to be sold within twelve months cannot be reliably determined.

Total liabilities of the parent include net assets attributable to unitholders, which under Australian Accounting Standards, has been classified as a liability of the parent. This amount, which is considered to be capital by the Responsible Entity, has been disclosed separately in the table above as the actual amount expected to be settled within 12 months cannot be reliably determined.

Notes to the Financial Statements**15. Summary of Parent Information (Continued)**

Issued capital, reserves, and shareholders' equity, profit and loss and total comprehensive income of the parent entity are \$ nil under the measurement requirements of Australian Accounting Standards due to classification of net assets attributable to unitholders as a liability.

Notwithstanding this, the Responsible Entity considers that change in net assets attributable to unitholders represents the appropriate measure of profit using the alternative presentation allowed in the primary statements under AASB 132 Example 7, and this amount has been presented above for the parent entity.

There are no guarantees entered into by the parent entity relating to debts of subsidiaries (2012: \$ nil). As disclosed in note 12 to the financial statements, there are no contingent liabilities or commitments of the parent entity at the reporting date (2012: \$ nil).

16. Indemnities

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