

Everest Alternative Investment Trust

August 2016 Factsheet



The Everest Alternative Investment Trust (EAIT) has exposure to a portfolio of absolute return funds. The objective of the Investment Portfolio is to generate attractive risk-adjusted absolute returns over the medium-to-long term.

Fund Facts as at 31 August 2016

Estimated monthly return ¹	0.23%
Estimated monthly return excluding FX	(0.90)%
NTA as at 31 August 2016 ^{1,2}	\$0.1308

Investment manager summary

Investment positions posting positive returns	9
Investment positions posting negative returns	8
Largest manager allocation	17.0%

Fund NTA returns (net)

	Jan	Feb	Mar	April	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2016	1.09%	-2.23%	-6.92%	-0.59%	4.26%	-4.16%	-2.39%	0.23% ¹					-10.59%
2015	-0.04%	2.64%	2.83%	-5.63%	3.85%	-9.00%	3.97%	0.90%	0.60%	-1.85	-2.06	-3.16	-7.56%
2014	-1.96%	1.17%	-2.12%	0.26%	0.83%	-1.84%	-0.45%	-2.05%	-0.26%	5.12%	3.08%	2.30%	3.86%
2013	1.89%	0.00%	0.00%	0.00%	6.38%	2.50%	5.26%	0.00%	0.00%	-2.50%	5.88%	0.00%	20.73%
2012	-1.92%	2.67%	2.60%	0.00%	5.06%	-3.61%	-2.50%	1.28%	1.89%	1.85%	-3.64%	0.00%	3.31%
2011	2.04%	-0.14%	0.14%	-4.64%	3.08%	-0.75%	-1.59%	1.77%	6.09%	-6.56%	2.63%	-2.80%	-1.41%
2010	1.18%	0.60%	1.84%	1.63%	-1.64%	-0.71%	2.03%	-0.37%	2.28%	0.49%	2.20%	-3.49%	6.03%
2009	-2.97%	0.00%	-0.44%	0.44%	1.75%	1.97% ³	0.23%	1.60%	1.02%	0.04%	0.75%	1.72%	6.16%
2008	-4.18%	0.77%	-2.29%	1.04%	1.80%	-2.15%	-1.58%	-2.14%	-9.84%	-15.15%	-8.57%	-7.81%	-41.02%
2007	2.60%	-0.13%	2.33%	2.51%	-4.89% ⁴	0.65%	0.00%	-3.44%	1.27%	3.27%	-1.70%	0.74%	2.90%
2006	4.15%	-0.21%	2.63%	2.01%	-3.94%	0.32%	-2.40%	1.72%	1.69%	2.85%	3.70%	2.67%	15.92%
2005	-	-	-	-3.60%	1.00%	2.71%	4.80%	0.23%	3.20%	-3.76%	2.76%	2.46%	9.83%

- 1 Unaudited – in calculating the NTA, EAIT asset values have been calculated using unaudited absolute return fund performance estimates for the month being reported.
- 2 For the purposes of calculating the above figures, the Australian Equivalents to International Financial Reporting Standards (AEIFRS) have been applied (other than for classification of net assets attributable to unitholders of EAIT where Australian Generally Accepted Accounting Principles, as applied before the introduction of AEIFRS, have been used).
- 3 Following the announcement of the intention to separate EAIT into two funds, performance data from 1 June 2009 onwards represents the underlying absolute return funds only. Prior to 1 June 2009 the performance data reflects both the absolute return funds and direct investments.
- 4 The May 2007 monthly NTA performance was impacted by the EBI rights issue and placement which were completed that month and does not include the implied value of EBB shares received by investors who successfully participated in the EBI capital raising. The May 2007 performance of the underlying investment portfolio (excluding the effect of the capital raising) was +2.40%.

Market Commentary

August saw the narrowest trading month since 1928 with the market continuing its path of low volatility and improving economic data in the US. Investors continued to search for yield and with crude oil futures appearing to have bottomed, US High Yield marched onwards up 2.2% for the month and 14% YTD. The prospect of a rate hike remains at the forefront of investors' minds after minutes from the last Fed meeting showed policymakers diverging on the timing of when a rate hike is needed. The MSCI World index was up 0.1% in USD terms while the S&P 500 index advanced 0.1%. Emerging markets stock continued its rally with the MSCI EM up 2.8%. US Treasuries (aggregate) declined 0.5%.

Performance Commentary

Performance in August was effectively flat with the Fund detracting 0.19% in USD terms but was up 0.23% in Australia dollars aided by the depreciation of the Australian dollar depreciated from 0.759 to 0.751. This compares to monthly gains for the S&P 500 Index of 1.24% (in AUD terms) and small loss for the S&P/ASX 200 Accumulation Index of 0.02%.

As is usual with the tail of the EAIT portfolio, there were not any material moves of note with the exception of Cerberus which was down 1.56%. One of Cerberus' largest remaining positions is in a listed but illiquid shares which fell 6% in the month but post month have fully reversed and moved meaningfully higher.

Fund Update

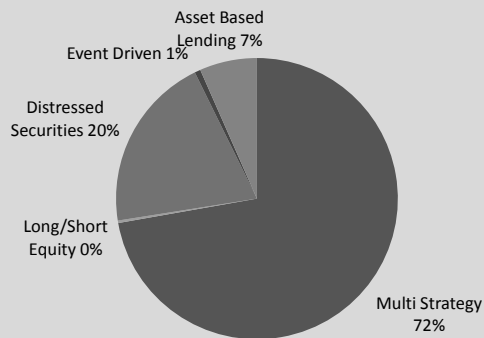
The Fund has issued a Nil Taxable Distribution letter to unitholders for the financial year ended 30 June 2016.

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Exposure Summary

By Strategy (excluding cash)



Based on the gross value of the Investment Portfolio. Exposure numbers may not total exactly due to rounding.

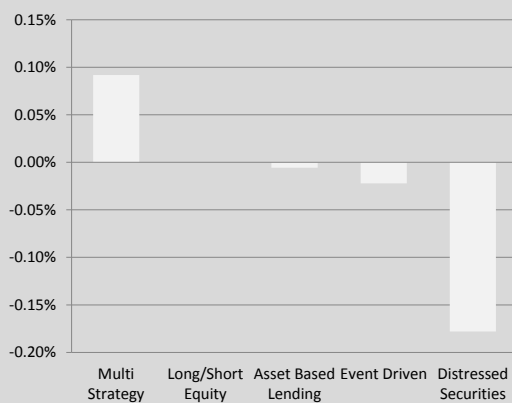
The investment strategy exposures are shown net of cash. Investment strategy and exposure data as at the first business day of the following month.

By Investment Manager (top eight managers)

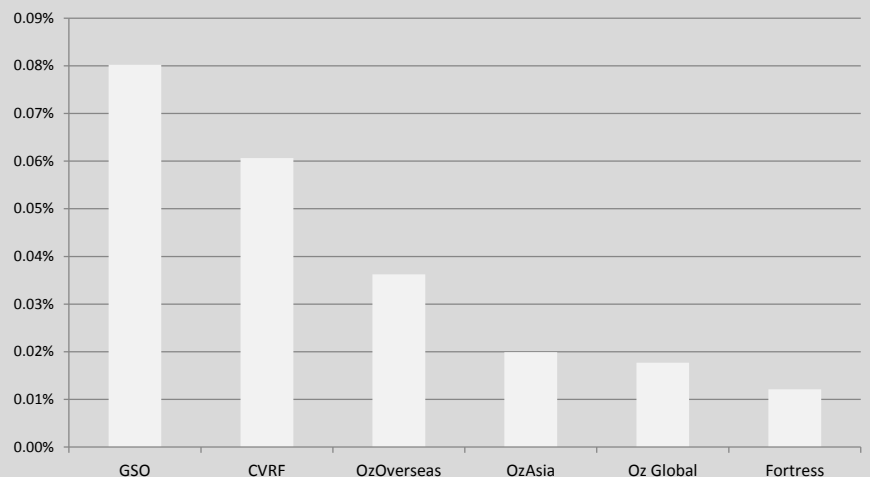
Fund	Strategy	Weight
TPG Axon	Multi Strategy	17.0%
Eton Park	Multi Strategy	14.3%
Fortress Partners	Multi Strategy	10.2%
Marathon	Distressed Securities	9.6%
Cerberus	Distressed Securities	9.1%
Drawbridge	Asset Based Lending	6.6%
Och-Ziff	Multi Strategy	6.2%
Farallon	Multi Strategy	6.1%
Total		79.1%

Monthly Performance Contribution

By Strategy (excluding cash)



By Investment Manager (top six contributors, excluding cash)



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