Everest Alternative Investment Trust
December 2016 Factsheet

Investment Group

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 December 2016

Estimated monthly return[1]	2.51%
Estimated monthly return excluding FX	0.13%
NTA as at 31 December 2016[1,2]	$0.1223

Investment manager summary

Investment positions posting positive returns	8
Investment positions posting negative returns	7
Largest manager allocation	23.9%

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%	-2.22%	-0.94%	0.16%	2.51[1]	**-11.64%**
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

Global markets saw the continuation of the "Trump Rally" in December with investors enthusiastic about the potential of a US political change coupled with the expectation for an improving global economy. The US dollar continued its march forward against most currencies however many investors are concerned about the long-term consequences of a strong US dollar on US corporate earnings. The Fed raised rates 0.25%, which was only the second time in a decade, causing US financial stocks to soar. Bond prices fell across most sectors as investor took on more risk. The S&P 500 finished as the best performing index in 2016 up 12%, closely followed by the Emerging market MSCI EM up 10.1%. The MSCI World index capped the year up 7.5%.

Performance Commentary

The Everest Alternative Investment Trust was up 2.51% for the month of December (net of all fees and expenses). The underlying portfolio performance in USD terms was 0.13% however this aided by the Australian dollar which depreciated 2.38% (from 0.739 to 0.722) allowing the fund to post a solid gain. This compares to monthly loss for the S&P 500 Index of 0.58% (in AUD terms) and a gain for the S&P/ASX 200 Accumulation Index of 3.14%.

The Funds largest position, TPG Axon saw a gain of 10.4% due to the sale of a small Indian asset at 2x its September valuation. The funds secondly larges position, the Eton Park Side Pocket was up 0.45%. These gains were offset by write-downs in the Och-Ziff and Drawbridge exposures.

Fund Update

The Fund paid two Distributions of 0.68 and 2.28 cents per unit to all investors on 20 December 2016 and 19 January 2017 respectively. The Distribution's will be reflected in the respective NAV prices.

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

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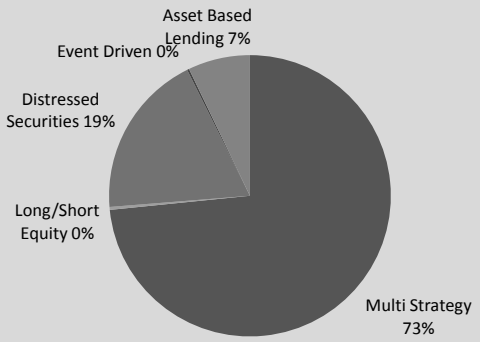
Exposure Summary

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.

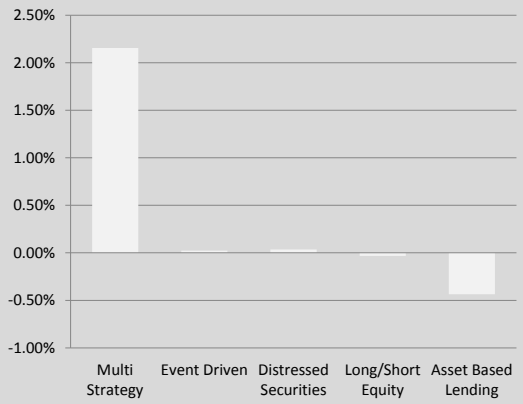
By Investment Manager (top eight managers)

Fund	Strategy	Weight
TPG Axon	Multi Strategy	23.9%
Eton Park	Multi Strategy	16.5%
Fortress Partners	Multi Strategy	13.3%
Marathon	Distressed Securities	10.7%
Drawbridge	Asset Based Lending	7.1%
Cerberus	Distressed Securities	6.3%
Och-Ziff	Multi Strategy	5.6%
EARF[1]	Multi Strategy	4.8%
Total		**88.2%**

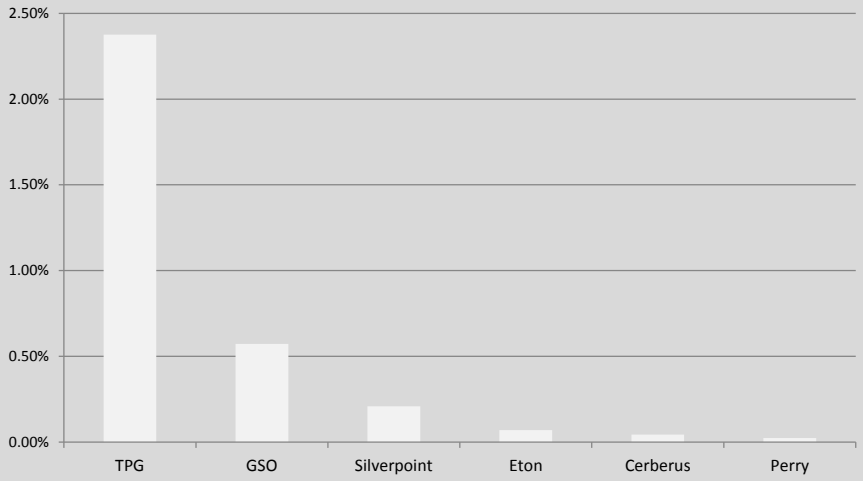
1. Unit in One Managed Investment Funds Limited as Trust of Everest Absolute Return Fund (EARF)

Monthly Performance Contribution

By Strategy (excluding cash)



By Investment Manager (top six contributors, excluding cash)



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