

Everest Alternative Investment Trust

October 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 October 2016

Estimated monthly return ¹	(0.94)%
Estimated monthly return excluding FX	(1.77)%
NTA as at 31 October 2016 ^{1,2}	\$0.1259

Investment manager summary

Investment positions posting positive returns	7
Investment positions posting negative returns	10
Largest manager allocation	17.3%

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% ¹			-13.94%
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

October saw investors returning to a more cautious tone as world markets declined modestly as a result of increased concerns about higher interest rates in the US and the uncertainty pertaining to the upcoming US Presidential election. Interesting to note was the global economy picked up steam with the PMI rising to 51.9, the highest level in two years. The US 3rd quarter real GDP expanded at an annual rate of 2.9% leading to consensus from investors that the Fed will most likely feel comfortable hiking rates in December. The MSCI World index was down 1.9% in USD terms while the S&P 500 index declined 1.8%. Emerging markets stock also continued its rally with the MSCI EM up 0.6%. US Treasuries (aggregate) declined 1.1%.

Performance Commentary

The Everest Alternative Investment Trust was down 0.94% for the month of October (net of all fees and expenses). Performance was aided by the Australian dollar which depreciated 0.84% (from 0.767 to 0.761) resulting in the underlying portfolio being down 1.78% in USD terms. This compares to monthly loss for the S&P 500 Index of 2.33% (in AUD terms) and a loss for the S&P/ASX 200 Accumulation Index of 2.93%.

The Fund's investment managers had a subdued month with the Funds two largest exposures, the TPG Axon Side Pocket and the Eton Park Side Pocket, down 0.24% and down 0.76%, respectively.

Fund Update

The Fund paid a Distribution of 0.68 cents per unit to all investors on 20 December 2016.

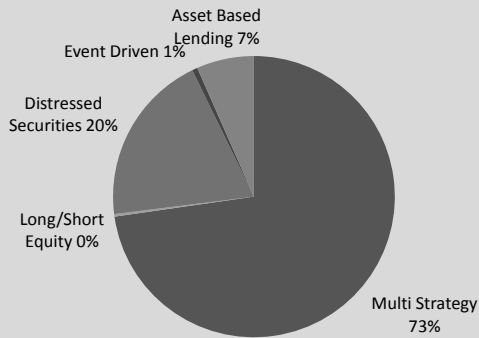
The Fund has issued a Nil Taxable Distribution letter to unitholders for the financial year ended 30 June 2016.

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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)

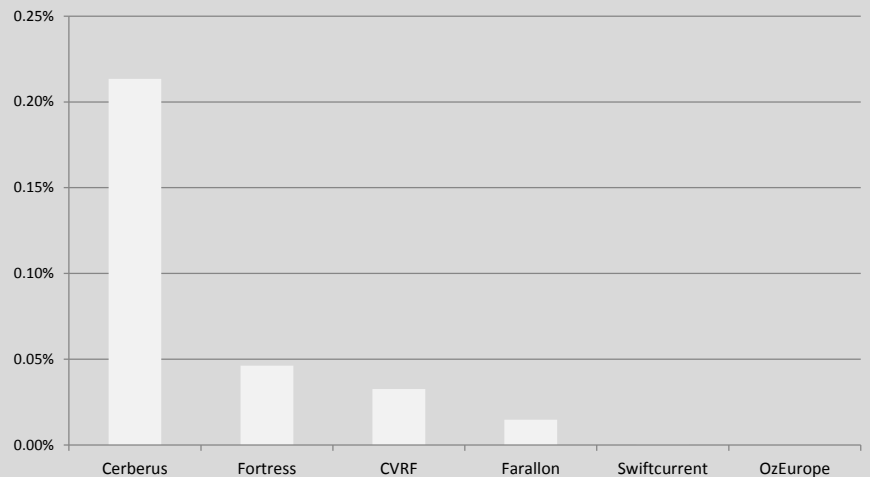
Fund	Strategy	Weight
TPG Axon	Multi Strategy	17.3%
Eton Park	Multi Strategy	14.5%
Fortress Partners	Multi Strategy	10.4%
Cerberus	Distressed Securities	9.5%
Marathon	Distressed Securities	8.7%
Drawbridge	Asset Based Lending	6.6%
Farallon	Multi Strategy	6.0%
Och-Ziff	Multi Strategy	6.0%
Total		79.0%

Monthly Performance Contribution

By Strategy (excluding cash)



By Investment Manager (top six contributors, excluding cash)



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