

Everest Alternative Investment Trust

December 2014 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 December 2014

| | |
|---|----------|
| Estimated monthly return ¹ | 2.30% |
| Estimated monthly return excluding FX | (1.79)% |
| NTA as at 31 December 2014 ^{1,2} | \$0.2533 |

Investment manager summary

| | |
|---|-------|
| Investment positions posting positive returns | 6 |
| Investment positions posting negative returns | 13 |
| Largest manager allocation | 23.2% |

Fund NTA returns (net)

| | Jan | Feb | Mar | April | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Year |
|-------------|--------|--------|--------|--------|---------------------|--------------------|--------|--------|--------|---------|--------|--------------------|----------------|
| 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% ¹ | 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

Volatility returned to markets in December with attention focused on weaker economic outlooks, a collapse in oil prices and the Russian ruble, and Greece's political instability. These contributed to sell-offs in risk assets and fanned fears of contagion and deflation. However, similar to the declines during October, markets rallied significantly to finish the month. The S&P 500 Index and the MSCI World Index recovered from declines near 5% to finish the month down 0.3% and 0.9% respectively.

Performance Commentary

The Everest Alternative Investment Trust was up 2.3% for the month of December (net of all fees and expenses). The underlying portfolio was down 1.1% in USD terms but the depreciation in the Australian dollar (from 0.851 to 0.817) added 3.9% to the total Fund performance. This compares to monthly returns for the S&P 500 Index of 3.6% (in AUD terms) and the S&P/ASX 200 Accumulation Index of 2.1%.

The Fund's largest exposure, long only equities manager ESL, had a challenging month. ESL SPE I which holds a position in Sears was down 2.3% for the month. In aggregate, ESL detracted 0.6% from the total Fund return. Our Multi Strategy managers also had a difficult month with the Fund's second largest exposure, the TPG Axon Side Pocket, posting a 7.2% loss for the period.

Fund Update

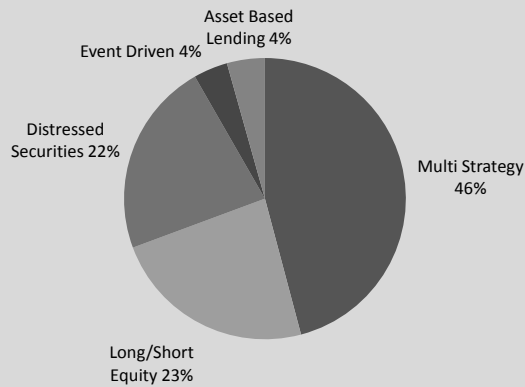
The Fund recently paid distribution of 2.94 cents per unit on 10 February 2015. This distribution will be reflected in the February 2015 price.

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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.

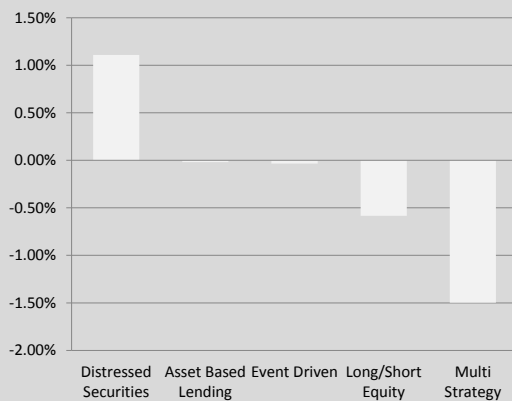
The investment strategy exposures are shown net of cash. Investment strategy and exposure data as at the first business day of the following month.

By Investment Manager (top eight managers)

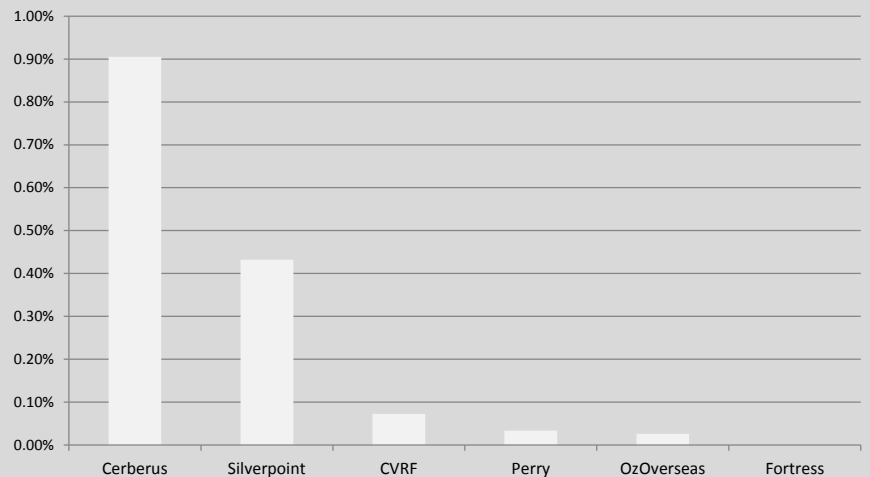
| Fund | Strategy | Weight |
|-------------------------|-----------------------|--------------|
| ESL Investments | Long Biased Equity | 23.2% |
| TPG Axon | Multi Strategy | 9.9% |
| Cerberus | Distressed Securities | 8.4% |
| Silverpoint LP | Distressed Securities | 8.2% |
| Fortress Partners | Multi Strategy | 7.8% |
| Eton Park | Multi Strategy | 7.4% |
| Marathon | Distressed Securities | 5.8% |
| Canyon Capital Advisors | Multi Strategy | 5.4% |
| Total | | 76.1% |

Monthly Performance Contribution

By Strategy (excluding cash)



By Investment Manager (top six contributors, excluding cash)



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