

Everest Alternative Investment Trust

March 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 March 2014

Estimated monthly return ¹	(2.12)%
Estimated monthly return excluding FX	1.60%
NTA as at 31 March 2014 ^{1,2}	\$0.3463

Investment manager summary

Investment positions posting positive returns	12
Investment positions posting negative returns	7
Largest manager allocation	32.5%

Fund NTA returns (net)

	Jan	Feb	Mar	April	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2014	-1.96	1.17	-2.12 ¹										-2.92
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

March proved to be a relatively quiet month for global equity markets, with only small changes in major indices. The S&P 500 Index was up 0.8% (closing at an all-time high) while the MSCI World Index was flat. Overall, investors showed restraint while digesting various political and market metrics to determine if the short term economic weakness was temporary or not.

Political turmoil in Ukraine and subsequent tensions with Russia took centre stage. Fears of an escalation in the region and the potential for a series of economically damaging sanctions saw global equity markets sell off, with European markets the hardest hit (given Russia is the major supplier of energy to the region). By month end, however, markets had calmed somewhat and largely recovered from the initial sell-off, with Russia apparently stopping at annexing Crimea and Western sanctions only affecting a small number of individuals.

In the US investors digested stronger than expected consumer spending figures and manufacturing data. The US employment situation also appears to be improving, with the unemployment rate now at 6.7%. In response to this the Federal Reserve reassured investors that a fall in unemployment past 6.5% will not trigger an instant interest rate rise.

Performance Commentary

The Everest Alternative Investment Trust was down 2.1% for the month of March (net of all fees and expenses). The underlying portfolio was up 1.7% in USD terms, however the appreciation in the Australian dollar (from 0.892 to 0.926) detracted 3.7% from the total Fund performance. This compares to monthly returns for the S&P 500 Index of (2.8)% (in AUD terms) and the S&P/ASX 200 Accumulation Index of 0.3%.

The Fund's largest exposure, long only equities manager ESL, had a positive month. ESL SPE I and ESL SPE II, which hold positions in Sears and Autonation, were up 6.4% and 1.0%, respectively. In aggregate, ESL contributed 1.3% to the total Fund return.

Our Multi Strategy managers had a somewhat more challenging month with the Fund's second largest exposure, the TPG Axon Side Pocket, posting a 2.1% loss for the month.

Fund Update

We paid 4.53 cents per unit return on 23 May 2014.

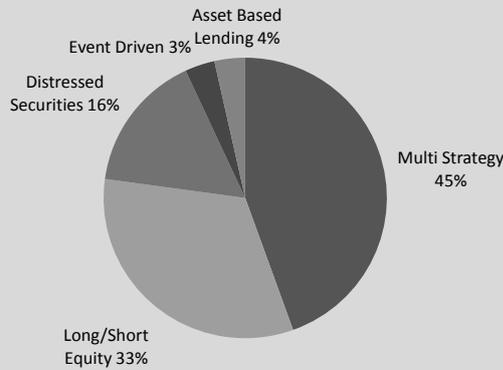
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Exposure Summary

By Strategy (excluding cash)



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

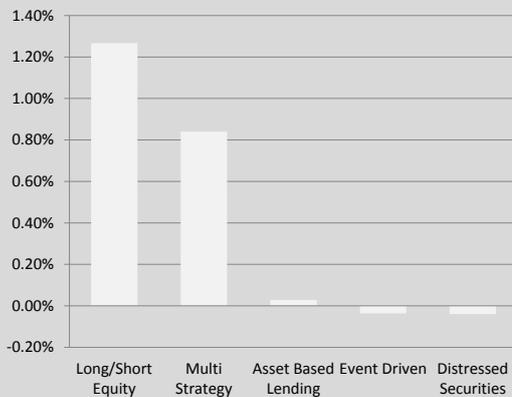
The investment strategy exposures are shown net of cash. Investment strategy and exposure data as at the first business day of the following month.

By Investment Manager (top eight managers)

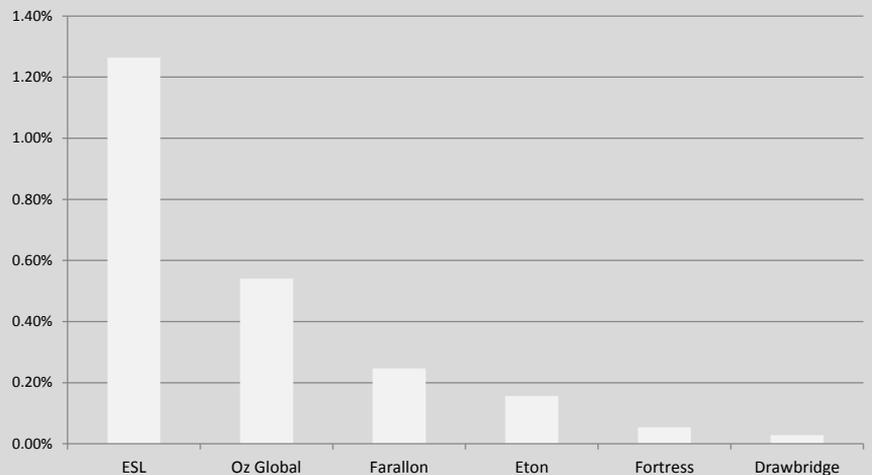
Fund	Strategy	Weight
ESL Investments	Long Biased Equity	32.5%
TPG Axon	Multi Strategy	10.3%
Eton Park	Multi Strategy	6.8%
Cerberus	Distressed Securities	6.2%
Fortress Partners	Multi Strategy	6.0%
Silverpoint LP	Distressed Securities	5.6%
Canyon Capital Advisors	Multi Strategy	5.1%
Oz Global	Multi Strategy	4.3%
Total		76.8%

Monthly Performance Contribution

By Strategy (excluding cash)



By Investment Manager (top six contributors, excluding cash)



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