

AIT *Alternative* Investment Trust

Alternative Investment Trust ("AIT") has exposure primarily to a portfolio of absolute return funds.

Fund facts as at February 2018

Monthly return	2.94%	Net Assets (NA)	AUD 5,107,367
Unaudited NTA Feb 2018	AUD 0.0944	Units in issue ⁽¹⁾	54,078,055
Gross Assets (GA)	AUD 5,358,064	Traded on	ASX
Leverage - GA/NA ⁽²⁾	1.05	Currency	AUD
Domicile	Australia	Responsible Entity	Columbus Investment Services Limited
SEDOL	B1BOGT6	ISIN	ABN 69 095 162 931, AFSL 221183
Ticker	AIQ AU	ARSN	AU000000AIQ2 112 129 218

(1) Includes 161,671 Units purchased via the On Market buy back due to settle 1 & 2 March 2018 and subsequently units cancelled

(2) Note that the difference between gross and net assets is fund payables

Commentary & Portfolio Updates

- AIT's NTA return was 2.94% for February 2018. The primary driver of the month's positive performance was the strengthening of the USD relative to the AUD. There was negligible movement in the USD value of the underlying assets in the portfolio.
- On 6 March 2018, the Responsible Entity (RE) concluded the on-market buy back period for units in AIT as well as the pro-rata non-renounceable rights issue as approved at the extraordinary general meeting of unitholders held on 12 February 2018 (EGM). Post the conclusion of those transactions, the total units on issue was 95,231,069. As announced on 2 March 2018, 91,027,410 new units were not subject to a valid application under the transactions and AIT has until 27 May 2018 to place the remaining shortfall units via AIT's appointed broker, Taylor Collison.
- As approved by unitholders at the EGM, AIT has recommenced its investment activities and has made its first new investment, being a commitment to a Cayman Islands based fund managed by an affiliate of AIT's investment manager. This fund primarily focuses on acquiring interests in international illiquid investment funds in the secondary market at discounts to their reported valuations, being Warana's core business.
- Warana and the RE intend to make further investments in accordance with AIT's investment strategy and will also continue to monitor the cash position of AIT as cash is returned from AIT's existing investment portfolio and potentially more units are issued under the shortfall.

NTA returns (net)

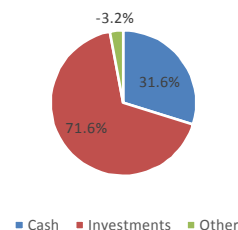
Annual	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
	9.3%	(9.5%)	(41.5%)	(16.3%)	(7.8%)	0.8%	1.7%	9.4%	3.4%	(0.1%)	(12.6%)	(12.8%)	
Monthly	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2009	(2.8%)	0.8%	(5.2%)	(2.9%)	(5.1%)	(0.4%)	(2.2%)	(1.1%)	(2.9%)	(1.1%)	(1.6%)	3.5%	(16.3%)
2010	0.5%	(0.3%)	(1.4%)	0.5%	7.0%	(1.1%)	(5.6%)	1.0%	(6.0%)	0.4%	2.2%	(4.5%)	(7.8%)
2011	3.0%	0.1%	0.3%	(3.5%)	0.8%	0.2%	(1.8%)	1.4%	6.6%	(4.6%)	(0.1%)	(2.4%)	0.8%
2012	(2.7%)	3.2%	3.4%	(0.9%)	4.9%	(5.6%)	(1.6%)	1.4%	1.6%	2.1%	(3.7%)	(0.2%)	1.7%
2013	(0.1%)	1.4%	(1.7%)	(0.2%)	(8.6%)	2.6%	(8.2%)	(0.1%)	(4.2%)	1.5%	3.5%	(0.7%)	9.4%
2014	1.7%	(2.0%)	(2.9%)	0.6%	(0.1%)	(1.6%)	1.7%	(1.1%)	4.9%	(1.6%)	2.2%	3.6%	3.4%
2015	1.7%	(1.0%)	1.8%	(3.9%)	1.5%	(0.3%)	2.3%	1.2%	(0.4%)	(1.8%)	(1.0%)	(0.9%)	(0.1%)
2016	0.3%	(2.9%)	(5.4%)	(1.0%)	2.0%	(2.7%)	(2.6%)	0.2%	(2.0%)	(0.0%)	0.7%	0.1%	(12.6%)
2017	(3.2%)	(0.6%)	0.5%	(1.6%)	(0.5%)	(3.4%)	(3.0%)	(0.8%)	1.1%	0.7%	0.5%	(3.1%)	(12.8%)
2018	(1.7%)	2.9%											1.2%

Unaudited – In calculating the NTA, AIT asset values have been calculated using unaudited absolute return fund performance estimates for the month being reported. 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 AIT where Australian Generally Accepted Accounting Principles (AGAAP), as applied before the introduction of AEIFRS, have been used).

AIT Top Holdings as at February 2018

Fund	% Gross Assets
Axon Partners Offshore Ltd	32.3%
Drawbridge Special Opportunities	8.6%
Marathon Special Opportunity Fund	6.2%
Och-Ziff Asia Overseas Fund	6.0%
Cerberus International Ltd	5.5%
Eton Park Overseas Fund Ltd	3.7%
Och-Ziff Overseas II Fund	3.3%
Fallaron II Holdings LP	2.9%
GSO Special Situations	1.9%
Och-Ziff Europe Overseas Fund	0.5%
Total	70.9%

Breakdown of Net Assets as at February 2018



Currency Exposure

AUD	12%
USD	88%

FURTHER INFORMATION may be obtained at www.thealternativeinvestmenttrust.com.au or by calling +612 8277 7000

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Company Data and Contact Information

Manager	Warana Capital Pty Limited	Management Fee	<i>(Until 11 Feb 2018)</i>
Administrator	Unity Fund Services	& Responsible Entity Fee	1.25% plus GST of average Gross Asset Value (GAV)
Focus	Absolute Return Fund		
Strategy	Absolute Return		<i>(From 12 Feb 2018, post EGM)</i>
Launch	2005	Management Fee	1.50% plus GST
Year End	31st December	Performance Fee	20% plus GST of NAV out performance over 8% pa hurdle

About the Responsible Entity of AIT

Columbus is a member of One Investment Group ("**OIG**") which is an independent funds management business specialising in providing Responsible Entity, Trustee, Custody and Administration services. One Investment Group is responsible for in excess of 250 funds and \$17bn in a wide range of underlying asset classes including infrastructure, real estate, equities, fixed income, private equity and fund of funds. OIG is not a fund manager and its clients include global and Australian listed companies, sovereign wealth funds, banks, insurance companies, pension funds, private equity firms and boutique managers.

About Warana Capital Pty Limited ("Warana")

Warana Capital Pty Limited ("**Warana**") focuses on managing portfolios invested in third party funds and has core expertise in acquiring and managing funds acquired in the secondary market. The underlying funds and assets acquired are generally illiquid with uncertain holding periods to ultimate recovery. Warana has significant experience acquiring these funds at sufficient discounts to deliver significant absolute and annualised returns notwithstanding the time period and recovery uncertainty.

Information

The monthly NTA is released to the ASX and www.thealternativeinvestmenttrust.com by the 14th of each month and AIT factsheets are available from AIT's website and the ASX. Figures in the factsheet are based on the interim monthly data available at the time that the corresponding monthly NTA is released.

Legal Notice

Warana Capital Pty Limited (ABN: 44 611 063 579; AFSL: 493579) is authorised by and registered with the Australian Securities and Investments Commission. Warana is the investment manager of the Alternative Investment Trust (ARSN: 112 129 218) (Fund or AIT).

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AIT is exposed to foreign exchange risk as a result of investments in financial instruments denominated in foreign currencies, including the Swap which is denominated in US dollars. AIT has exposure to foreign currency risk implicit in the value of portfolio securities denominated in a foreign currency and transactional exposure arising from the purchase or sale of securities. The Investment Manager and Responsible Entity have not hedged AIT's exposure to the US dollar.

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Elective Professional Clients invested in the fund who are individuals may be eligible complainants. If you have a complaint, please write to info@waranacap.com.

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