



7 March 2018

**Alternative Investment Trust ARSN 112 129 218 (ASX: AIQ)
Fund status update**

Columbus Investment Services Limited (**Responsible Entity**) in its capacity as the responsible entity of the Alternative Investment Trust (**AIQ**), wishes to advise the following:

- The Responsible Entity has concluded the on-market buy back period for units in AIQ at a price of up to the January 2018 net tangible asset backing (**Buy Back**) as approved at the extraordinary general meeting of unitholders held on 12 February 2018 (**EGM**). A total of 80,126,466 units were bought back in the process. The Responsible Entity may however buy back additional units in the future at its discretion up to the number of unit maximum and 12-month period afforded at the EGM;
- The Responsible Entity issued 39,665,060 new units under the pro-rata non-renounceable rights issue offer pursuant to the offer booklet dated 16 February 2018 (**Offer**). It is expected that the new units will begin trading today, Wednesday, 7 March 2018;
- As announced on 2 March 2018, 91,027,410 new units were not subject to a valid application under the Offer (**Shortfall**). As at the date of this announcement, 5,000,005 units have been placed to wholesale investors under the Shortfall. AIQ has until 27 May 2018 to place the remaining shortfall units. Taylor Collison Limited has been appointed as AIQ's broker with respect to the Shortfall. Any queries can be directed to Hamish Nairn at Taylor Collison on +61 8 8217 3908.
- As at the date of this announcement and following the cancellation of units bought back, the total number of AIQ units on issue will be 95,231,069;
- Following the completion of the Buy Back and the Offer, AIQ has pro forma cash reserves of approximately A\$4.9 million, net of accrued liabilities and excluding cash retained in a swap arrangement with Macquarie Bank. Further information relating to AIQ's balance sheet will be provided in its upcoming NTA backing per unit release and monthly fact sheet;



- As approved by unitholders at the EGM, AIQ has recommenced its investment activities. AIQ has made its first new investment, being a commitment (**Commitment**) to a Cayman Islands based fund (**Affiliate Fund**) managed by an affiliate of the AIQ's investment manager, Warana Capital Pty Limited (**Warana**). 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. It is expected that the Affiliates Fund portfolio will ultimately be diversified, and that the vast majority of the third-party investment funds acquired by the Affiliate Fund will be domiciled outside Australia, unlisted and are likely to be in some form of liquidation. The Affiliate Fund's mandate also includes the ability to either lend against these types of positions or to acquire them directly. The Affiliate Fund is structured as a draw down style vehicle with portions of investor commitments called over an 18-month period (subject to a six-month extension) as underlying investments are sourced. The maximum commitment over this period is US\$3.25 million with AIQ's first call amount being US\$162,500. The Commitment is being made in US Dollars and will represent less than 10% of the commitments to the Affiliate Fund which closed on 6 March 2018. This means that it is likely that AIQ will continue to hold a significant cash balance during that period. Following the call period (and potentially during), cash will be returned to AIQ out of the Affiliate Fund as received by the underlying investment funds. Exposure to the Affiliate Fund will provide AIQ with enhanced diversification on a small capital base and fees will be adjusted so that Warana and its affiliates do not receive aggregate amounts in excess of those agreed in the investment management agreement;
- Warana and the Responsible Entity intend to make further investments in accordance with AIQ's investment objective and strategy and will also continue to monitor the cash position of AIQ as cash is returned from the AIQ's existing investment portfolio and potentially new units are issued under the Shortfall.

For further information, please contact:

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