



Alternative Investment Trust (ARSN 112 129 218) (**Trust**) is a registered managed investment scheme under the Corporations Act 2001 (**Corporations Act**). Columbus Investment Services Limited (ACN 095 162 931) (**CISL** or **Responsible Entity**), a subsidiary of One Investment Group (**OIG**), is the responsible entity for the Trust is responsible for establishing and monitoring the corporate governance policies relevant to the Trust. The Responsible Entity holds an Australian Financial Services Licence authorising it to operate the Trust and, among other duties, has a duty to act in the best interests of unit holders of the Trust and if there is a conflict between the members' interests and its own interests, give priority to members' interests. As a registered managed investment scheme under the Corporations Act, the Trust has a compliance plan that has been lodged with the Australian Securities and Investments Commission (**ASIC**). A copy of the compliance plan can be obtained from the Responsible Entity or ASIC.

The corporate governance policies relevant to the Trust are available in the investors section of the Trust's website at www.thealternativeinvestmenttrust.com. These policies and the Responsible Entity's corporate governance practices mostly meet the requirements of both the Corporations Act and the 3rd edition of the Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Recommendations) as they apply to externally managed listed trusts.

This Corporate Governance Statement was approved by the Board of the Responsible Entity and is current as at 28 February 2018 in accordance with ASX Listing Rule 4.10.3.

Compliance with ASX Corporate Governance Principles and Recommendations

Principle 1 - Lay solid foundations for management and oversight

Recommendation 1.1 [Alternative for Externally Managed Listed Trusts] The responsible entity of an externally managed listed entity should disclose (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.

CISL is an independent responsible entity. This means, in respect of the Trust, the functions traditionally performed by an entity's management are instead performed by the Investment Manager. CISL monitors the performance of the Investment Manager in much the same way as an independent board monitors performance of management of the entity they are appointed to.

The roles and responsibilities of the Responsible Entity and the Investment Manager in connection with the Trust are set out in the Constitution and Management Agreement respectively.

With regards to performance of CISL's role and responsibility as responsible entity, it has a Board Charter supported by policies and procedures that set out the respective roles and responsibilities of management including those matters expressly reserved to the board and those delegated to management.

Given the size of its business, the Responsible Entity operates with a flat management structure with the Board delegating a number of its functions, activities and duties to managers and external service providers.

Recommendation 1.2 – Conduct appropriate pre-appointment checks	Recommendation 1.5 – Diversity Policy
Recommendation 1.3 – Written appointment letters	Recommendation 1.6 – Periodic evaluation of directors, board and committees
Recommendation 1.4 – Accountability of company secretary	Recommendation 1.7 – Periodic evaluation of senior executives

These recommendations are not relevant as the Trust (as the listed entity) is an externally managed entity.



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Principle 2 - Structure the Board to add value

Recommendation 2.1 – Have a nominations committee
Recommendation 2.2 – Board Skills Matrix

Recommendation 2.4 – Majority of Board Independent
Recommendation 2.5 – Chair to be independent
Recommendation 2.6 – Induction program for new directors

These recommendations are not relevant as the listed entity (the Trust) is an externally managed entity.

Recommendation 2.3 – Entity to disclose names of directors considered independent and if they have an interest but are still considered independent – disclose why and disclose length of service of each director

In determining the independence of directors, the Board has considered the factors set out in Box 2.3 of the ASX Principles.

The current Board of the Responsible Entity comprises two executive directors and one non-executive director, but no independent directors. All three directors, however, are independent of the Investment Manager which has day to day control of the Trust's Portfolio.

Each director has been a director of CISL for more than 7 years

The Responsible Entity's compliance with the Corporations Act is monitored by Compliance Committee which comprises a majority of external members (under the criteria set out in section 601JB(2) of the Corporations Act). The Responsible Entity is required to establish and maintain a Compliance Committee as the majority of its directors are not external directors when considered against the factors set out in section 601JA(2) of the Corporations Act.

Principle 3 – Act ethically and responsibly

Recommendation 3.1 – Establish a Code of Conduct.

The Responsible Entity has adopted a Code of Conduct that sets out the minimum acceptable standards of behaviour. Directors, management and staff are required to act with honesty, decency and integrity at all times. On joining OIG, all new employees receive training on the Code of Conduct and related policies and refresher training is provided annually to all staff. Staff are encouraged to report any breach of the Code of Conduct and related policies and procedures, and the Responsible Entity has a Whistleblower Policy in support of this. The Code of Conduct is available on the Trust's website at www.thealternativeinvestmenttrust.com.

Failure to comply with a material provision of the Code of Conduct or any of the Responsible Entity's related policies is regarded as a serious breach of the relevant policy requiring investigation which may result in disciplinary action ranging from warnings to termination.

Principle 4 - Safeguard integrity in financial reporting

Recommendation 4.1 – Establish an Audit Committee that meets the requirements of the ASX Principles or the fact that the Responsible Entity does not have an audit committee and the processes the Responsible Entity employs that independently verify and safeguard the integrity of the Trust's corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner

The size, nature and scale of the operations and assets of the Trust do not warrant the establishment of a separate audit committee of the Board. The full Board of the Responsible Entity considers the financial reporting for the Trust.

The Responsible Entity has appointed a properly qualified Fund Administrator with responsibility for preparing all financial reporting for the Trust. The Responsible Entity Board obtains appropriate representations from OIG management and where necessary the Investment Manager and Fund Administrator as to record keeping, risk management and the compliance with accounting standards of the financial statements.

Annually the Responsible Entity reviews the performance of the external auditor and assesses their continued independence against the Trust's then current circumstances. The Responsible Entity makes decisions on the appointment and removal of the external auditors. The external auditor is required to rotate the partner responsible for the Trust audit and review at least once every 5 years.



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Recommendation 4.2 – Statement from CEO and CFO as to preparation of financial statements

The Executive Directors of the Responsible Entity are in the best position to determine for themselves, when approving the Trust's financial statements for a financial period, whether the financial records of the Trust have been properly maintained and that the financial statements comply with the appropriate accounting standards giving a true and fair view of the financial position and performance of the Trust and that these opinions have been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The Board of the Responsible Entity may receive assurances similar to those provided by the CEO and CFO from the Investment Manager and the Fund Administrator appointed to the Trust.

Recommendation 4.3 – External Auditor to attend AGM

The Trust is an externally managed entity that does not hold AGMs and accordingly this recommendation is not applicable.

Principle 5 - Make timely and balanced disclosure

Recommendation 5.1 – Have and disclose a Continuous Disclosure Policy.

The Responsible Entity is committed to continuous disclosure and keeping the market informed, and places considerable importance on its processes for controlling market sensitive information and effective communication with security holders and market participants.

The Responsible Entity has a Continuous Disclosure Policy and a Communications Policy and it is available on the Trust's website.

Principle 6 - Respect the rights of security holders

Recommendation 6.1 – Disclose information about the Trust on its website.

The Responsible Entity acknowledges that most investors will expect to be able to find on the Trust's website up to date information about the Trust including the Trust's annual report, ASX announcements and media releases, distribution mail outs, email broadcasts and other information.

The Responsible Entity is committed to effective and accurate communication with investors and other stakeholders. The Responsible Entity provides investors with the opportunity to be contacted electronically in respect of their holding in the Trust where permitted.

The Responsible Entity has adopted a Continuous Disclosure and Communications Policy and it is available on the Trust's website.

Recommendation 6.2 – Design and implement a two way communication with investors.

The process adopted in respect of the Trust is disclosed in the Continuous Disclosure and Communications Policy available at www.thealternativeinvestmenttrust.com.

Recommendation 6.3 – Disclose policies and processes of the Trust to facilitate member participation at meetings.

The Trust is an externally managed entity and accordingly this recommendation is not applicable.

Recommendation 6.4 – Give security holders the option to received communications electronically

Through the registry provider engaged in respect of the Trust, the Responsible Entity will give investors the option to receive communications from it and the Investment Manager electronically. The Trust's website will be the main tool for communicating information about the Trust and investors are encouraged to check it regularly

The process adopted in respect of the Trust is disclosed in Continuous Disclosure and Communications Policy available at www.thealternativeinvestmenttrust.com.



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Principle 7 - Recognise and manage risk

Recommendation 7.1 – Establish a risk committee

The size, nature and scale of the operations and assets of the Trust do not warrant the establishment of a separate risk committee of the Board.

Recommendation 7.2 – Review risk management framework and report that review has taken place

The Responsible Entity as an Australian Financial Services Licence holder is required under the Corporations Act to have appropriate risk management systems. The Board of the Responsible Entity is responsible for risk management and has adopted a Risk Management Framework (Risk Statement) which outlines the material risks faced by the Trust and documents the framework and process for identifying, monitoring and mitigating the risks identified.

The Responsible Entity Board annually reviews the adequacy of this Risk Management Framework. This review was commenced in 2017 and is expected to be formally adopted in March 2018. The Responsible Entity's compliance with the requirement to have an adequate risk management framework is monitored by the Compliance Committee.

Recommendation 7.3 – Establish an internal audit function

The size, nature and scale of the operations and assets of the Trust do not warrant the establishment of an internal audit function.

Many of the aspect of an internal audit function are performed by the Compliance Committee's review of the methods and steps taken by the Responsible Entity to ensure it complies with its obligations under the Corporations Act. In addition aspects of the OIG's operations (for example the custody function) are reviewed in accordance with GS007.

Recommendation 7.4 – disclose whether the Trust has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks

The Responsible Entity Board does not consider the Trust has any material exposure to economic, environmental and social sustainability risks. Significant risks relevant to the Trust are disclosed in the Annual Report for the Trust.

Principle 8 – Remunerate fairly and responsibly

Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:

An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.

Recommendation 8.1 – Establish a Remuneration Committee

Recommendation 8.2 – Establish a Remuneration Committee

Recommendation 8.3 – Establish a Remuneration Committee

The Trust is an externally managed entity and accordingly Recommendations 8.1 to 8.3 (inclusive) are not applicable and it does not comply

The Trust does comply with modified Principle 8 as it applies to externally managed funds. The terms of the remuneration of the Responsible Entity are dealt with comprehensively in the Trust's constitution. The Corporations Act provides that the constitution for a registered managed investment scheme may only provide for remuneration to be paid to the responsible entity for the proper performance of its duties. A copy of the Constitution of the Trust is available to members at no cost. The Responsible Entity disclosed in the Annual Report for the Trust, the fees paid from the Trust assets to the Responsible Entity.

The Directors and employees of the Responsible Entity are not paid directly from the assets of the Trust and no Director or employee is remunerated based on the performance of the Trust.