

## ASX Announcement

14 June 2019

### Fund Update

Alternative Investment Trust (ARSN 112 129 218) - ASX Code: AIQ

Columbus Investment Services Limited (“**CISL**”), the responsible entity of the Alternative Investment Trust (“**AIQ**” or the “**Fund**”) and Warana Capital Pty Limited (“**Warana**”), the Fund’s investment manager, are pleased to announce several important updates:

#### 1. FUND DERIVATIVE UPDATE

As previously announced, AIQ agreed to unwind its legacy derivative arrangement (the “**Derivative**”) effective 30 November 2018 and has been in the process of transferring the assets originally housed in the Derivative (“**Positions**”) to being directly owned by the Fund. AIQ has received confirmation that the last of these Positions has been transferred and this completes the closure of the Derivative. Closing the Derivative represents a significant milestone and simplifies AIQ’s structure which is expected to reduce AIQ’s operating costs and cash receipt lag.

#### 2. CAPITAL RAISING

CISL as responsible entity of the Fund intends to shortly launch a 1 for 1 non-renounceable rights issue (“**Offer**”). Proceeds of the Offer will be used to expand the Fund’s investment portfolio, in accordance with its investment policy.

The record date for the capital raising is intended to be 12 July 2019 and the Offer price will be \$0.095 per unit. The Offer will not be underwritten and existing investors at the record date will be given an ability to subscribe for the shortfall of any units not taken up by other investors. Further information regarding the Offer will be provided shortly.

#### 3. DISTRIBUTION POLICY

The Fund expects to recommence paying distributions. Subject to having sufficient cash reserves, the Fund is targeting paying distributions equivalent to 5% per annum of the Fund’s net asset value paid in semi-annual instalments. The first such distribution is expected to be paid following the release of the 31 December 2019 annual accounts.

As at the end of the 2018 tax year, the Fund has in excess of A\$400m in accumulated tax losses and in excess of A\$20m in accumulated capital losses. The Fund is structured as a unit trust and under certain circumstances and provided relevant legislative conditions are satisfied, expects be able to apply these losses against future taxable income.

The Fund also intends to introduce a distribution reinvestment plan to allow existing investors to reinvest their distributions into the Fund without incurring brokerage.