



Warana Capital

Alternative Investment Trust

Alternative Investment Trust
ARSN 112 129 218

ASX Code: AIQ

Underwritten Non-Renounceable Rights Issue Offer Document

A non-renounceable rights issue offer to existing Unitholders of the Alternative Investment Trust (ARSN 112 129 218) of 1 New Unit at an issue price of A\$0.095 each for every 1 Unit held to raise up to approximately A\$11.8 million (before costs).

IMPORTANT NOTICES

The offer made pursuant to this Offer Document is for a rights issue of continuously quoted securities (as defined in the *Corporations Act 2001* (Cth) (**Corporations Act**)) of the Alternative Investment Trust (ARSN 112 129 218) (**AIQ** or the **Trust**). This rights issue Offer Document is not a product disclosure statement for the purposes of Part 7.9 Division 2 the Corporations Act.

The issuer under this Offer Document is Columbus Investment Services Limited (ACN 095 162 931) (**Responsible Entity** or **Columbus**) as responsible entity of the Trust. The Responsible Entity is offering the securities under this Offer Document without disclosure to investors under Part 7.9 Division 2 of the *Corporations Act* pursuant to section 1012DAA of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84). Accordingly, the level of disclosure contained in this Offer Document is significantly less than that required under a product disclosure statement and Eligible Unitholders should consider all relevant facts and circumstances, including their knowledge of the Responsible Entity and disclosures made to the ASX and should consult their professional advisors before deciding whether to accept the Offer.

This Offer Document is dated 23 July 2019 and was lodged with the ASX on that date. This Offer Document has not been lodged with ASIC. ASIC and the ASX do not take any responsibility for the contents of this Offer Document.

Securities will only be issued on the basis of this Offer Document in accordance with the terms set forth in this Offer Document.

As at the date of this Offer Document, the Responsible Entity has complied with:

- the provisions of Chapter 2M of the *Corporations Act*, as they apply to the Responsible Entity; and
- section 674 of the Corporations Act.

No excluded information

As at the date of this Offer Document the Responsible Entity is not aware of any excluded information of the kind which would require disclosure in this Offer Document pursuant to subsections 1012DAA (8) and (9) of the Corporations Act.

Foreign Unitholders

The Responsible Entity has not made any investigation as to the regulatory requirements that may prevail in the countries, outside of Australia, in which the Trust's Unitholders may reside. The distribution of this Offer Document in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Offer Document should seek advice on and observe those restrictions. Any failure to comply with restrictions might constitute a violation of applicable securities laws.

The Offer may only be accepted by Eligible Unitholders and does not constitute an offer in any place in which or to any person to whom, it would be unlawful to make such an offer.

The Responsible Entity has decided that it is unreasonable to make offers under the Offer to Unitholders with registered addresses outside Australia and New Zealand having regard to the number of Unitholders in those places, the number and value of the New Units they would be offered and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale by, and no New Units will be issued to Unitholders having registered addresses outside Australia and New Zealand.

New Zealand

In making this offer to Eligible Unitholders in New Zealand, the Responsible Entity is relying on the *Securities Act (Incidental Offers) Exemption Notice 2016* by virtue of which this Offer Document is not required to be registered in New Zealand.

No representations

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation in connection with the Offer not contained in this Offer Document may not be relied on as having been authorised by the Responsible Entity or its officers. This Offer Document does not provide investment advice or advice on the taxation consequences of accepting the Offer. The Offer and the information in this Offer Document, do not take into account your investment objectives, financial situation and particular needs (including financial and tax issues) as an investor.

Deciding to Accept the Offer

No person named in this Offer Document, nor any other person, guarantees the performance of the Trust, the repayment of capital or the payment of a return on the New Units.

Please read this document carefully before you make a decision to invest. An investment in the Trust has a number of specific risks which you should consider before making a decision to invest. Some of these risks are summarised in section 5. This Offer Document is an important document and you should read it in full before deciding whether to invest pursuant to the Offer. You should also have regard to other publicly available information about the Trust, including ASX announcements, which can be found at Alternative Investment Trust's and ASX's websites at:

- www.thealternativeinvestmenttrust.com/ and
- <http://www.asx.com.au/asx/statistics/announcements.do>

Forward Looking Statements

This Offer Document contains certain forward looking statements and statements of current intention. Such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which the Responsible Entity is involved as well as general economic conditions and conditions in the financial markets. Actual events or results may

differ materially from the events or results expressed or implied in any forward looking statement and such deviations are both normal and to be expected. None of the Responsible Entity, any of its officers, or any person named in this Offer Document with their consent or any person involved in the preparation of this Offer Document makes any representation or warranty (either express or implied) as to the accuracy or likelihood in any forward looking statement, and you should not place undue reliance on these statements. Forward looking statements in this Offer Document reflect views held only as at the date of this Offer Document.

Miscellaneous

It is the responsibility of overseas Applicants to ensure compliance with all laws of any country relevant to their Acceptance.

A number of terms and abbreviations used in this Offer Document have defined meanings, which are explained in the Definitions and Glossary in section 7.

Money as expressed in this Offer Document is in Australian dollars or else as indicated.

LETTER FROM THE RESPONSIBLE ENTITY

23 July 2019

Dear Unitholder,

UNDERWRITTEN NON – RENOUNCEABLE RIGHTS ISSUE

As announced on 14 June 2019 and 9 July 2019, Columbus Investment Services Limited (ACN 095 162 931) (**Responsible Entity** or **Columbus**) in its capacity as the responsible entity for the Alternative Investment Trust (ARSN 112 129 218) (**AIQ** or **Trust**) is pleased to invite Eligible Unitholders to participate in an Entitlement offer (**Offer**).

Eligible Unitholders are entitled to subscribe for 1 new Unit (**New Unit**) for each Unit they hold on Friday, 26 July 2019 at an issue price of \$0.095, which is equivalent to a 9.3% discount to the latest published monthly NTA backing per Unit announced on 12 July 2019 (**Issue Price**).

As at 30 June 2019, AIQ has a net tangible asset value (**NTA**) of approximately \$13.0 million and continues to be invested with the following investment objective and strategy:

Category	Description
Investment Objective	The objective is to invest in a portfolio of investments that aim to generate attractive pre-tax risk-adjusted absolute returns over the medium to long term while maintaining a focus on capital preservation.
Investment Strategy	AIQ's strategy is to gain exposure to a portfolio of leading international absolute return funds and selected direct investments in subordinated debt and equity co-investments.

The investment manager of AIQ, Warana Capital Pty Limited (ACN 611 063 579) (**Warana** or the **Investment Manager**), believe that there continues to be a number of investment opportunities that meet this objective. Although Warana continues to review primary investments and direct investments, the Investment Manager believes that the opportunity to purchase leading international absolute return funds at a discount to their reported net asset value in the secondary market provides the Trust with attractive opportunities to generate pre-tax absolute returns on a risk-adjusted basis. AIQ's largest investment exposure is to the Warana 2018 Fund (**Warana Fund**)¹, which is a fund that specialises in buying secondary fund interests. As at 12 July 2019, Warana Fund is approximately 85% invested and has already returned 22% of AIQ's committed investment in cash. Warana currently expects that the overall returns from Warana Fund will be in excess of 15% net per annum². It is expected that Warana Fund will be fully invested in the near term.

The Responsible Entity and Warana believe that it is a prudent time for AIQ to raise additional capital as:

¹ All references to Warana 2018 Fund or Warana Fund in this document are equivalent to Warana SP Offshore Fund SPC – 2018 Segregated Portfolio.

² This is not intended to be a forecast. The returns from Warana Fund may be less than currently expected.

- It is expected that AIQ's current available cash reserves will soon be fully deployed and Warana believes that it will be able to source additional investment opportunities to invest additional capital in accordance with the Investment Strategy; and
- As a listed investment trust, AIQ has a number of fixed cost overheads that ideally should be spread over a larger asset base than represented by the current NTA.

An increased scale may assist the Trust in utilising its significant carried forward tax losses. As at the end of the 2018 tax year, the Trust has in excess of \$400 million in accumulated tax losses and in excess of \$20 million in accumulated capital losses. AIQ is structured as a unit trust, and under certain circumstances, provided relevant legislative conditions are satisfied, expects to be able to apply these losses against future capital gains and taxable income³. With the potential to apply the tax losses and the Trust's updated distribution policy (planned 5% of net asset value per annum), Warana believes that the AIQ is well positioned to provide investors with a steady stream of distributions and capital growth.

Certain entities associated with Warana have committed to take up their full Entitlement.

Pursuant to the Corporations Act, the Responsible Entity is not required to prepare a product disclosure statement for the Issue. A summary of the key information with respect to the Offer is set out in this Offer Document. Please read the Offer Document carefully before deciding whether or not to invest. If there is any matter on which you require further information, you should consult your stockbroker, accountant or other professional advisor.

Interested Eligible Unitholders are invited to take up Additional Units in excess of their Entitlement. Any New Units not taken up in the Offer will be issued to the Underwriter.

A personalised Entitlement and Acceptance Form is attached to this Offer Document. If you are an Eligible Unitholder and you wish to accept your Entitlement pursuant to the Offer, you will need to complete the Entitlement and Acceptance Form and return it together with the appropriate application money to the Unit Registry before the Closing Date.

Yours Sincerely,



Frank Tearle
Director
Columbus Investment Services Limited

³ There is a risk that AIQ is unable to utilise some or all of these accumulated tax losses.

1. OFFER DETAILS

1.1 The Offer

This Offer Document is for an underwritten non-renounceable rights issue offer of approximately 124,204,979 New Units at the Issue Price of \$0.095 per New Unit, on the basis of 1 New Unit for every 1 Unit held by Eligible Unitholders as at the Record Date to raise up to \$11.8 million (Offer).

The Issue Price is equivalent to a 9.3% discount to the latest published monthly net tangible asset (NTA) backing per Unit (June 2019).

On the same date as announcing the Offer, the Responsible Entity applied to the ASX for the New Units to be granted official quotation on the ASX. Official quotation of the New Units is expected to occur on or about 21 August 2019.

The Responsible Entity may at any time decide to withdraw this Offer Document and the offer of New Units made under this Offer Document, in which case the Responsible Entity will return all application monies (without interest) within 28 days of giving notice of such withdrawal.

The Offer is fully underwritten.

1.2 Eligibility of Unitholders

Only Eligible Unitholders may apply for New Units under the Offer.

Eligible Unitholders are those Unitholders on the Record Date who have a registered address in Australia or New Zealand or who are Unitholders that the Responsible Entity has otherwise determined are eligible to participate.

The Offer is not being extended to Ineligible Unitholders because of the small number of such Unitholders, the number and value of Units that they hold and the cost of complying with the applicable regulations in jurisdictions outside Australia and New Zealand.

In particular, this Offer is not made in the United States or to persons (including nominees or custodians) acting for the account or benefit of a person in the United States, or to any person who is ineligible under applicable securities laws in any country to receive an offer under the Offer without any requirement for a product disclosure statement to be lodged or registered.

1.3 Minimum subscription

There is no minimum subscription to the Offer.

1.4 New Unit terms

Each New Unit will rank equally with all existing Units then on issue. Full details of the rights and liabilities attaching to the Units are set out in the Constitution, a copy of which is available for inspection at the Responsible Entity's registered office during normal business hours.

1.5 Acceptance of Entitlement to New Units

The number of New Units to which each Eligible Unitholder is entitled is calculated as at the Record Date and is shown on the personalised Entitlement and Acceptance Form accompanying this Offer Document. This Offer Document is for the information of Eligible Unitholders who are entitled and may wish to apply for the New Units. Fractional Entitlements will be rounded up to the nearest whole number.

Entitlements to New Units can be accepted by Eligible Unitholders in full or in part or in excess of their Entitlement by completing and returning the Entitlement and Acceptance Form which is attached to this Offer Document in accordance with the instructions set out below and in the Entitlement and Acceptance Form.

1.6 Important dates

Event	Date
Section 1012DAA(f) notice and Appendix 3B lodged with ASX	Before commencement of trading Tuesday, 23 July 2019
Notice to Unitholders setting out Appendix 3B information and timetable	Tuesday, 23 July 2019
Lodge Offer Document with ASX	Tuesday, 23 July 2019
Ex date	Thursday, 25 July 2019
Record date	Friday, 26 July 2019
Despatch of Offer Document and Entitlement and Acceptance Form to Unitholders	Tuesday, 30 July 2019
Opening Date	Tuesday, 30 July 2019
Closing Date	5.00 (Sydney time) Wednesday, 14 August 2019
Units quoted on a deferred settlement basis	Thursday, 15 August 2019
AIQ Notifies ASX of undersubscriptions	Monday, 19 August 2019
Settlement date	Wednesday, 21 August 2019
Allotment date of New Units	Wednesday, 21 August 2019
Despatch of New Units holding statements	Wednesday, 21 August 2019
Commencement of trading of New Units on ASX	Thursday, 22 August 2019

The dates set out in this table are subject to change and are indicative only. The Responsible Entity reserves the right to alter this timetable at any time, subject to the Corporations Act and the Listing Rules, without notice. In addition, the Responsible Entity, subject to the requirements of the Listing Rules and the Corporations Act, reserve the right to:

- withdraw the Offer without prior notice; or
- vary any of the important dates set out in this Offer, including extending the Offer.

1.7 Eligible Unitholders may apply for Additional Units

Entitlements not taken up may become available as additional Units to Eligible Unitholders (**Shortfall Offer**). Eligible Unitholders may, in addition to their Entitlements, apply for New Units over and above their Entitlement at the Offer Price (**Additional Units**) regardless of the size of their present holding.

To the maximum extent permitted by law, the Responsible Entity intends to allocate Additional Units to applicants under the Shortfall Offer prior to allocating any New Units to the Underwriter under the Underwriting Agreement.

It is an express term of the Offer that applicants for Additional Units will be bound to accept a lesser number of Additional Units allocated to them than applied for. If a lesser number is allocated to them, excess Acceptance Money will be refunded without interest (where the amount is \$1.00 or greater) and will be returned to Eligible Unitholders as soon as practicable following the Closing Date, without interest.

The Responsible Entity reserves the right to scale back any applications for Additional Units in their absolute discretion and to ensure that no Unitholder will as a consequence of taking up their Entitlement and being issued any Additional Units breach of the takeovers provisions in Chapter 6 of the Corporations Act.

However, it is the sole responsibility of the Eligible Unitholder to determine the maximum level of New Units they can apply for.

1.8 Underwritten Offer

The Underwriter has agreed to underwrite the Offer. This means that the Underwriter will subscribe for that number of New Units which are not taken up by Eligible Unitholders (together with those attributable to Rights of Ineligible Unitholders which are not sold by a nominee on their behalf) in accordance with the terms of the Underwriting Agreement.

A summary of the principal terms of the Underwriting Agreement are set out as follows:

- The Underwriter may appoint sub-underwriters.
- The Underwriter will not be paid an underwriting fee.
- The Underwriter may terminate its obligations under the Underwriting Agreement on the occurrence of a number of events which are usual for an Entitlement offer.
- The Trust has agreed to indemnify the Underwriter in connection with the underwrite against certain losses.

Further details are contained in section 4.

1.9 How to accept your Entitlement

Eligible Unitholders may accept their Entitlement either in whole or in part. They may also apply for Additional Units (as set out in section 1.7 above).

The number of New Units to which Eligible Unitholders are entitled to is shown on the Entitlement and Acceptance Form which accompanies this Offer Document.

If Eligible Unitholders take no action in respect of their Entitlement, they will have no right to subscribe for the New Units pursuant to this Offer. If you do not wish to accept all or any part of your Entitlement, do not take any further action and that part of your Entitlement will lapse.

If you do not take up all of your Entitlement in accordance with the instructions set out above, any New Units that you would have otherwise been entitled to under the Offer may be placed by the Responsible Entity to third parties.

(a) *Payment by cheque or bank draft*

Entitlements to New Units can be accepted in full or in part of the Entitlement by completing and returning the Entitlement and Acceptance Form which is attached to this Offer Document in accordance with the instructions set out on the Entitlement and Acceptance Form and forwarding the completed Form together with payment for the full amount so as to reach the Unit Registry by no later than 5.00pm (Sydney time) on the Closing Date. Payment may be made by cheque or bank draft. The Issue Price of \$0.095 per New Unit is payable in full on acceptance of part or all of your Entitlement.

If you wish to take up all of your Entitlement and apply for Additional Units, complete the Entitlement and Acceptance Form by inserting the number of New Units for which you wish to accept the Offer under this Offer Document plus the number of Additional Units (being more than your Entitlement as specified on the Entitlement and Acceptance Form) in accordance with the instructions set out on the form and ensure that your payment is sufficient to cover the Acceptance Money for both the New Units under your Entitlement and any Additional Units.

Cheques should be in Australian currency and made payable to “**Alternative Investment Trust**” and crossed “not negotiable”.

Completed Forms and accompanying cheques should be lodged at or forwarded to the following address:

Mailing Address	Hand Delivery
Alternative Investment Trust C/- Link Market Services Limited GPO Box 3560 Sydney, New South Wales, 2001, Australia	During business hours (Monday to Friday, 9.00am - 5.00pm) to: Alternative Investment Trust c/- Link Market Services Limited 1A Homebush Bay Drive Rhodes, New South Wales, 2138 <i>Note: Please do not use this address for mailing purposes</i>

Entitlement and Acceptance Forms will not be accepted at the Responsible Entity’s registered office.

(b) *Payment by BPAY®*

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form, which includes the Biller Code and Customer Reference Number. Eligible Unitholders who have multiple holdings will have multiple Customer Reference Numbers. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (i) you do not need to submit the Entitlement and Acceptance Form, but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Units which is covered in full by your Acceptance Money.

It is your responsibility to ensure that your BPAY® payment is received by the Unit Registry by no later than 5.00pm (Sydney time) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

(c) *Administration of applications for New Units*

No brokerage, handling fees or stamp duty is payable by Applicants in respect of their applications for New Units under this Offer Document. The amount payable on Acceptance will not vary during the period of the Offer and no further amount is payable on allotment. Acceptance Money will be held in trust in a subscription account until allotment of the New Units. The subscription account will be established and kept by the Responsible Entity on behalf of the Applicants. Any Acceptance Money received for more than your final allocation of Units (only where the amount is \$1.00 or greater) will be refunded as soon as practicable following the Closing Date. Any interest earned on the Acceptance Money will be retained by the Responsible Entity irrespective of whether allotment takes place.

If you do not wish to accept all or any part of your Entitlement, do not take any further action and that part of your Entitlement will lapse.

1.10 Binding effect of Entitlement and Acceptance Form

A completed and lodged Entitlement and Acceptance Form, or a payment made through BPAY®, constitutes a binding acceptance to acquire New Units on the terms and conditions set out in this Offer Document and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for New Units. The Responsible Entity's decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite application monies or making a payment by BPAY®, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you have fully read and understood both this Offer Document and your Entitlement and Acceptance Form in their entirety and you acknowledge the matters and make the warranties and representations and agreements contained in this Offer Document and the Entitlement and Acceptance Form;
- (b) you agree to be bound by the terms of the offer, the provisions of this Offer Document and the Constitution;
- (c) you authorise the Responsible Entity to register you as the holder(s) of New Units allotted to you;
- (d) you declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (e) you are an Eligible Unitholder and are not an Ineligible Unitholder, particularly, you are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Units under the Offer;
- (f) you acknowledge that the New Units have not been, and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside Australia; and

- (g) you have not and will not send any materials relating to the Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States.

1.11 Allotment and allocation policy

The Responsible Entity will proceed to allocate New Units as soon as possible after the Closing Date and receiving ASX permission for official quotation of the New Units.

In the case that there is less than full subscription by Eligible Unitholders to their Entitlements under this Offer Document, the Responsible Entity reserve the right to issue any Shortfall at their discretion.

Successful Applicants will be notified in writing of the number of New Units allocated to them as soon as possible following the allocation being made.

It is the responsibility of Applicants to confirm the number of New Units allocated to them prior to trading in New Units. Applicants who sell New Units before they receive notice of the number of New Units allocated to them do so at their own risk.

1.12 ASX listing

The Responsible Entity has applied for the listing and quotation of the New Units on the ASX on **21 August 2019**. If granted, quotation of the New Units will commence as soon as practicable after allotment of the New Units to Applicants. It is the responsibility of the Applicants to determine their allocation of New Units prior to trading.

If the ASX does not grant quotation of the New Units, the Responsible Entity will refund all application monies (without interest).

1.13 Investment risks

Investors should carefully read the section on Risk Factors outlined in section 5 of this Offer Document. An investment of this kind involves a number of risks, a number of which are specific to the Responsible Entity and the industry in which it operates.

1.14 CHESS

The Responsible Entity will apply for the New Units to participate in CHESS, in accordance with the ASX Listing Rules and ASX Settlement Operating Rules.

The Responsible Entity will not issue certificates to Unitholders with respect to the New Units. After allotment of the New Units, Unitholders who are issuer sponsored will be provided with an issuer sponsored statement and those who are CHESS Holders will receive an allotment advice.

The CHESS statements, which are similar in style to bank account statements, will set out the number of New Units allotted to each successful applicant pursuant to this Offer Document. The statement will also advise holders of their holder identification number. Further statements will be provided to holders which reflect any changes in their holding in the Trust during a particular month.

1.15 No rights trading

Entitlements to New Units pursuant to the Offer are non-renounceable and accordingly will not be traded on the ASX.

1.16 Overseas Unitholders

- (a) *No Offer outside of Australia or New Zealand*

This Offer Document and accompanying forms do not, and are not intended to, constitute an offer of New Units in any place outside Australia or New Zealand in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer or that Form. The distribution of this Offer Document and the accompanying form in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Offer Document and the accompanying form should seek advice on and observe those restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws.

The Responsible Entity has decided that it is unreasonable to make offers under the Issue to Unitholders with registered addresses outside Australia and New Zealand having regard to the number of Unitholders in those places, the number and value of the New Units they would be offered and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale by, and no New Units will be issued to Unitholders having registered addresses outside Australia and New Zealand.

In particular, the Offer is not made in the United States or to persons (including nominees or custodians) acting for the account or benefit of a person in the United States, or to any person who is ineligible under applicable securities laws in any country to receive an offer under the Offer Document without any requirement for a product disclosure statement to be lodged or registered.

(b) *Appointment of nominee*

Pursuant to ASX Listing Rule 7.7, the Responsible Entity has appointed a nominee, Taylor Collison Limited (**Taylor Collison**), to sell the Entitlements to which Ineligible Unitholders are entitled. The Responsible Entity has applied to ASIC to approve the appointment of Taylor Collison as nominee for the purposes of section 615 of the Corporations Act. On 22 July 2019, ASIC has approved the appointment. The nominee must sell the Entitlements and will have the absolute and sole discretion to determine the timing and price at which the Entitlements are sold and the manner of any such sale. In consideration for its services as nominee, Taylor Collison will be paid a fee of the greater of \$1,000 (plus GST) plus 1% brokerage on the Entitlements that it sells. If ASIC does not approve the appointment of the nominee, the obligations of the Underwriter under the Underwriting Agreement will be terminated.

The net proceeds of the sale of these Entitlements will then be forwarded by the Responsible Entity, as soon as practicable, to the Ineligible Unitholders, in proportion to their Units of such Entitlements (after deducting brokerage commission and other expenses). If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Responsible Entity for distributing those proceeds, such proceeds may be retained by the Responsible Entity.

Notwithstanding that the nominee may sell Entitlements, Ineligible Unitholders may, nevertheless, receive no net proceeds if the costs of the sale are greater than the sale proceeds.

Neither the Responsible Entity nor the nominee will be subject to any liability for failure to sell the Entitlements or to sell them at a particular price. If, in the reasonable opinion of the nominee, there is no viable market for the Entitlements of the Ineligible Unitholders, or a surplus over the expenses of the sale cannot be obtained in relation to the Entitlements that would have been offered to the Ineligible Unitholders, then those Entitlements will be allowed to lapse. The Units not taken up will form part of the Additional Units to be offered under the Shortfall Offer.

Unitholders who are residents in Australia and New Zealand holding Units on behalf of persons who are resident overseas are responsible for ensuring that taking up Entitlements under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed

Entitlement and Acceptance Form will be taken by the Responsible Entity to constitute a representation that there has been no breach of those regulations.

(c) *Notice to nominees and custodians*

Nominees and custodians may not distribute any part of this document in the United States or in any other country outside of Australia and New Zealand, except to beneficial Unitholders in another country (other than the United States) where the Responsible Entity may determine it is lawful and practical to make the Offer. Any person in the United States with a holding through a nominee may not participate in the Offer.

1.17 Enquiries

If you have any questions regarding the Offer or this Offer Document, please do not hesitate to contact the Responsible Entity, on +61 2 8277 0000 or ait@oneinvestment.com.au or the Unit Registry on 1300 554 474 or contact your stockbroker or professional advisor.

2. PURPOSE OF THE OFFER

2.1 Background

Columbus and Warana were respectively appointed as AIQ's Responsible Entity (on 25 May 2017) and Investment Manager (on 9 October 2017). AIQ restarted its investment programme following a unitholder vote on 12 February 2018 and plans to continue to invest consistent with its investment objective and strategy:

Category	Description
Investment Objective	The objective of the Investment Portfolio is to generate attractive pre-tax risk-adjusted absolute returns over the medium to long term while maintaining a focus on capital preservation.
Investment Strategy	AIQ's strategy is to gain exposure to a portfolio of leading international absolute return funds and selected direct investments in subordinated debt and equity co-investments.

The investment portfolio of AIQ as at 30 June 2019 is summarised in the following tables⁴:

Asset Breakdown	A\$million
Warana 2018 Fund	\$ 4.3
Legacy AIT Funds	\$ 3.1
King Street Real Estate Fund (Offshore PF), LP	\$ 1.0
Warana Co-Investment Fund I	\$ 0.4
Unfunded Capital Commitments	\$ 1.7
Other Net Cash	\$ 2.4
TOTAL	\$ 13.0

⁴ Totals may not sum due to rounding.

Significant Positions (30 June 2019)	A\$million	% NAV
Warana 2018 Fund	\$ 4.3	32.8%
Axon Partners (Offshore), Ltd	\$ 1.6	12.4%
King Street Real Estate Fund (Offshore PF), LP	\$ 1.0	7.4%
Drawbridge Special Opportunities Fund LP	\$ 0.5	3.8%
Warana Co-Investment Fund I	\$ 0.4	2.7%
Marathon Special Opportunity Fund, LP	\$ 0.3	2.6%
Och-Ziff Asia Overseas Fund, Ltd	\$ 0.2	1.5%
Och-Ziff Overseas II Fund, Ltd	\$ 0.1	0.9%
Cerberus International, Ltd	\$ 0.1	1.0%
Farallon II Holdings, LP	\$ 0.1	0.8%
GSO Special Situations Fund, Ltd	\$ 0.1	0.8%
Other Investments & Receivables	\$ 0.1	0.7%
Total Investment Portfolio	\$ 8.8	67.6%

The Legacy AIT Funds relate to historical investments made by the Trust that have been in run down over several years. Warana expects that it will take a number of years to fully realise the investments in the Legacy AIT Funds.

Since the relaunch of the investment strategy in 2018, the Trust has made two new primary investments – Warana Co-Investment Fund I which is an Eastern European telecom related private equity co-investment opportunity and King Street Real Estate Fund (“KSREF”) which focuses on dislocated real estate opportunities in Europe. As at 31 March 2019, KSREF has made 12 investments and expects to invest the balance of its available capital in the next 12 months.

The Trust has also gained access to illiquid hedge funds in the secondary market via its investment in the Warana Fund. As at 12 July 2019, Warana Fund is approximately 85% invested having acquired 135 absolute return funds in 67 transactions at an average price of 57% of the prevailing net asset value. The Warana Fund has already returned 22% of AIQ’s committed investment amount in cash and expectations for overall returns in that vehicle are currently in excess of 15% net per annum⁵. It is expected that Warana Fund will be fully invested in the near term.

Warana believes that international absolute return funds offer a very attractive risk return profile. Warana expects to continue to patiently invest capital in new opportunities as they are identified and critically assessed. Warana’s view is that there is compelling opportunity to buy funds in the secondaries market at discounts to their reported net asset value.

In the last two years, Warana and its affiliates (the **Warana Group**) have bid on over 370 opportunities relating to over US\$5 billion of net asset value. Warana estimates that there is over US\$25 billion trapped in illiquid absolute return structures that were created around the global financial crisis, such as those funds in the Legacy AIT Funds⁶. In the last 2 years Warana have noted that approximately US\$50 billion of new hedge fund closures have occurred, creating what Warana views as new opportunities to purchase fund interests from sellers who are frustrated and not interested in waiting for liquidity. It is intended that the Trust will make a significant commitment

⁵ This is not intended to be a forecast. The returns from Warana Fund may be less than currently expected.

⁶ This is an estimate only.

to the next Warana vehicle that is targeting the opportunity set once the Warana Fund is fully deployed.

2.2 Purpose of the Offer

The Investment Manager intends to apply the proceeds of the Offer to grow AIQ's investment portfolio including making an investment in the next Warana related fund that invests in illiquid hedge funds via the secondary market which is expected to be launched upon completion of the Warana Fund investment process in coming months.

2.3 Distribution policy

The Trust has announced it plans to recommence paying distributions to unitholders. Subject to available funds, AIQ is targeting paying distributions equivalent to 5% per annum of the Trust's net asset value paid in semi-annual instalments after the publication of the half and full year accounts, respectively⁷. The first such distribution is expected to occur following the release of the 31 December 2019 annual accounts⁸.

As at the end of the 2018 tax year, the Trust has in excess of \$400m in accumulated tax losses and in excess of \$20m in accumulated capital losses. AIQ is a unit trust and under certain circumstances and provided relevant legislative conditions are satisfied, may be able to apply these losses against future taxable income⁹.

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

The Responsible Entity and the Investment Manager will continue to assess the most efficient use of available cash resources on an on-going basis and these may include capital returns and additional on market buy backs in the future. Investors should note that there is no guarantee that these tax losses are useable or that AIQ will generate profits.

2.4 Valuation policy

The Trust generally invests in absolute return funds that are themselves audited. The net asset value of AIQ is calculated by aggregating the valuations provided to AIQ by the underlying portfolio managers and their administrators. Unaudited valuations are generally provided to AIQ monthly and the funds are generally audited annually. Notwithstanding this process and based on its knowledge of the funds held by AIQ and its experience on the secondary market, Warana believes that for some funds, particularly those acquired by Warana at discounts to their net asset value (including the Warana Fund):

- it will likely take several years to fully receive liquidation proceeds and in that period AIQ will be subject to either positive or negative performance; and
- if sold today, holdings would be liquidated at discounts to their prevailing net asset values.

⁷ AIQ may not be successful in paying distributions at this level.

⁸ AIQ may not be able to pay distributions by this time.

⁹ There is a risk that AIQ is unable to utilise some or all of these accumulated tax losses.

When the Warana Fund acquires positions in the secondary market it will generally acquire funds at discounts to the funds' reported (and audited, if available) valuations. The Warana Fund then itself reports a net asset value quarterly which aggregates:

- the most recent available net asset values provided by the underlying funds (with no discount reflecting the actual cost); and
- for fund positions that have fully transferred in at the quarter end (fund purchases generally take several months to complete).

It generally takes 6-8 weeks post quarter end for Warana Fund to receive the net asset values and position reports from the underlying funds, which causes a similar delay in Warana Fund releasing its own aggregated net asset value. AIQ reflects the updated Warana Fund valuation in the calculation of its net asset value as soon as it is published by Warana Fund – being generally the second month after quarter end.

3. ABOUT THE INVESTMENT MANAGER

The Warana Group includes Warana Capital Pty Limited (the investment manager to the Trust and holder of an Australian Financial Services Licence) and Warana Capital, LLC (SEC registered investment advisor). The Warana Group has offices in New York, London and Sydney and manages over US\$215 million in vehicles focused on the absolute return market.

The Warana Group focus on managing portfolios invested in third party funds and has core expertise in acquiring and managing funds acquired in the secondary market. In the last 2 years, the Warana Group has bid on over 740 opportunities and was successful on 131 transactions related to 216 underlying investment funds. These investment funds are generally acquired at discounts to their prevailing net asset value. The underlying funds and assets acquired are generally illiquid with uncertain holding periods to ultimate recovery. The Warana Group has significant experience acquiring these funds at sufficient discounts to deliver significant absolute and annualised returns notwithstanding the time period and recovery uncertainty.¹⁰

¹⁰ Historical returns are not a good indicator of likely future returns. This is not a forecast.

4. DILUTION AND EFFECT ON CONTROL

4.1 Present position

At the date of this Offer Document the Responsible Entity is of the view that there is no one entity which controls the Trust.

The top 20 Unitholders of the Trust as at 22 July 2019, are as follows¹¹:

Unitholders	Units	% Ownership
Dynasty Peak Pty Ltd	39,323,668	31.66%
Blann Investments Pty Ltd (Blann) ¹²	24,393,736	19.64%
Resurgence Capital Pty Limited ¹³	13,122,816	10.57%
G W Holdings Pty Ltd	12,691,932	10.22%
BOJU Pty Ltd	11,622,818	9.36%
Pagetdale Pty Ltd	5,434,780	4.38%
Citicorp Nominees Pty Limited	4,502,350	3.62%
HSBC Custody Nominees (Australia) Limited	2,172,849	1.75%
Pershing Australia Nominees Pty Ltd	1,600,000	1.29%
Apro Investments Pty Limited	1,142,315	0.92%
Mr Donald Keith Fidge	587,070	0.47%
LIC Investments Pty Ltd	415,444	0.33%
Morbride Pty Ltd	300,000	0.24%
Stoneglen Pty Ltd	286,957	0.23%
LMJ Investment Company Pty Limited	286,957	0.23%
Davdan Investments Pty Ltd	271,740	0.22%
Backyard Cricket Pty Limited	271,740	0.22%
Assumo (Nominees) Pty Ltd	271,740	0.22%
Daniel P Moses (Nominees) Pty Limited	271,740	0.22%
Mr Wanhee Lee & Mrs Hwa Sook Lee	225,000	0.18%
HSBC Custody Nominees (Australia) Limited - A/C 2	220,000	0.18%
Callaway Investments Pty Ltd	200,000	0.16%
Mr Paul Richard Milton & Mrs Niniek Saptowati Milton	186,015	0.15%
Mrs Deborah Callaway	155,422	0.13%
TOTAL	119,957,089	96.58%

¹¹ Totals may not sum due to rounding.

¹² Based on the settling of recent trades, the holdings of Blann Investments Pty Ltd are partially represented by nominee accounts named in the table above. A substantial holder notice lodged with ASX on 17 July 2019, confirms that Blann holds 27,522,736 (being a 22.16% interest in AIQ) as at the date of this Offer Document.

¹³ Based on the settling of recent trades, the holdings of Resurgence Capital Pty Limited are partially represented by nominee accounts named in the table above. A substantial holder notice lodged with ASX on 22 July 2019, confirms that Resurgence Capital Pty Limited holds approximately 15,922,816 (being a 12.82% interest in AIQ).

4.2 Capital Structure

The total number of Units on issue in the Trust immediately following the Issue will be as follows:

	Units
Units on issue at the date of the Offer Document	124,204,979
Maximum number of New Units under the Offer Document	124,204,979
TOTAL	248,409,958

As at the date of this Offer Document, the Trust does not have any options on issue.

4.3 Potential effect on control of the Offer

The Offer is a pro-rata offer. If all Eligible Unitholders take up their Entitlements, the voting power of all Eligible Unitholders will remain the same. In that event, there will be no actual or potential impact on the control of AIQ.

If an Eligible Unitholder takes up their full Entitlement, as the Offer is underwritten, that Eligible Unitholder's voting rights will remain the same.

If an Eligible Unitholder does not take up their Entitlement in full, there will be a dilutionary effect on that Unitholder's proportional holdings (which will occur as a combination of other Eligible Unitholders taking up Additional Units and Units being issued to the Underwriter).

In the event of a Shortfall, the Responsible Entity reserves the right to place the Shortfall at their sole discretion subject to the provisions of the Corporations Act and the Listing Rules. This will only occur if the Underwriting Agreement is terminated before the Underwriter is required to apply for Units in accordance with the terms of the Underwriting Agreement.

As set out in section 1.7 above, the Responsible Entity reserves the right to scale back any applications for Additional Units in their absolute discretion. Regardless, it is the sole responsibility of the Eligible Unitholder to determine the maximum level of New Units they can apply for.

The Offer is underwritten which may result in the Underwriter owning a significant number of Units particularly if the participation by Eligible Unitholders is low. The Underwriter has committed to take up their Entitlement on the existing Units they own.

Prior to the Responsible Entity agreeing to enter into the Underwriting Agreement, the Investment Manager approached a number of other persons in relation to possible alternative underwriting arrangements without success. These approaches included:

- approached the Wilson Entities and other larger unitholders to query whether they were interested in participating in an underwriting; there was no response;
- approached Taylor Collison and Koda Capital and asked whether they would act as third party underwriters; neither submitted a proposal; and
- emailed over 100 people known to the Investment Manager that are largely existing investors in other Warana funds without a positive response.

Based on known transfers up to the close of trading on 19 July 2019, entities related to Warana Capital Pty Limited (the investment manager), being Boju Pty Ltd atf Molleen Trust and Resurgence Capital Pty Limited atf Resurgence Capital Unit Trust (**Warana Entities**) control approximately 22.18% of the Units on issue and have agreed to take up their full Entitlement. The position of Warana Entities is not expected to increase above 22.18% of total interest of the Trust due to their participation under the Rights Issue.

Based on known transfers up to the close of trading on 19 July 2019, the Underwriter controls approximately 27,522,736 Units, being 22.16% prior to the Offer.

The table below sets out the percentage holding of Blann Investments Pty Ltd (being the Underwriter) based on Unitholder participation between 50% and 100% and assumes no other Unitholders participate in the Shortfall Offer and the Warana Entities fulfil their commitments.

Scenario	Participation by Eligible Unitholders	Underwriter's Control of Units after Entitlement	Additional Units Taken by Underwriter	Underwriter's Control of Units Post Issue	Underwriter's Control Percentage Post Issue
1	50%	55,045,472	62,102,490	117,147,962	47.16%
2	60%	55,045,472	49,681,992	104,727,464	42.16%
3	80%	55,045,472	24,840,996	79,886,468	32.16%
4	100%	55,045,472	0	55,045,472	22.16%

In addition to the Underwriter's interests on completion of the Offer, under the first three scenarios, the Warana Entities, by taking up their Entitlement, will control approximately 55,091,268 Units or 22.18% after the Offer.

Dynasty Peak Pty Ltd (the largest unitholder) and G W Holdings Pty Ltd are entities associated with Mr Geoffrey Wilson AO (together, the **Wilson Entities**). As at the date of this Offer Document the Responsible Entity has not been able to establish if the Wilson Entities will participate in the rights issue.

The total number of Units on issue in AIQ immediately following the Offer will be 248,409,958. This assumes the Underwriting Agreement is not terminated. See section 4.4 for more information on the Underwriting Agreement.

4.4 Summary of the Underwriting Agreement

AIQ has entered into an underwriting agreement with the Underwriter under which the Underwriter has agreed to underwrite the Offer (**Underwriting Agreement**). Under the Underwriting Agreement, the Underwriter is committed to subscribe or procure subscriptions for any Shortfall in Units.

AIQ has agreed to indemnify the Underwriter, their related bodies corporate, and their directors, officers and employees against certain losses in connection with the Offer, with limitations on that liability in conventional terms.

AIQ has given a range of traditional warranties and both positive and negative undertakings in favour of the Underwriters. There are limited termination rights contained in the Underwriting Agreement.

The Underwriter is required to meet its obligations under the Underwriting Agreement within 3 business days (or such other date as determined by the Underwriter) of receiving notification from AIQ of the underwriting Shortfall amount.

The obligation on Underwriter to underwrite the Rights Issue is subject to a limited number of termination rights. The Underwriters may terminate the underwriting agreement if:

- the Issuer has defaulted in the performance of any of its material obligations under the Underwriting Agreement;

- ASIC takes certain actions adverse to the Rights Issue.

The Underwriter will not be paid a fee under the Underwriting Agreement, however, the Trust will reimburse any costs (up to \$10,000) incurred from the Offer by the Underwriter.

Under the Underwriting Agreement, AIQ has the discretion under the Shortfall Facility to issue Units to Eligible Unitholders who subscribe for additional New Units in excess of their Entitlement which are not taken up under the Offer in advance of determining the Shortfall that the Underwriters will be required to take up.

The potential impact of the underwriting arrangements on Unitholder dilution and the control of the Underwriter is explained in section 4.3.

Oversubscriptions under the Offer from Eligible Unitholders will reduce the amount of any Shortfall which would otherwise be taken by the Underwriters.

5. RISK FACTORS

5.1 General Risks

The activities of the AIQ, as in any business, are subject to risks which may impact on its future performance. The Responsible Entity and Investment Manager have appropriate actions, systems and safeguards for known risks; however, some are outside its control. The principal risk factors are described below.

You should carefully consider the risks and uncertainties set out below and the information contained elsewhere in this Offer Document before you decide whether to subscribe for New Units.

Any potential investor should be aware that subscribing for New Units involves risks. The New Units to be issued pursuant to this Offer carry no guarantee with respect to the payment of dividends, return on capital or the market value of those New Units. An Applicant may not be able to recover his or her initial investment. More specifically, there exists the risks that:

- (a) the price at which the Applicant is able to sell the New Units is less than the price paid due to changes in market circumstances;
- (b) the Applicant is unable to sell the New Units; and
- (c) the Trust is placed in receivership or liquidation making it reasonably foreseeable that Unitholders could receive none, or only some of their initial investment.

Forward-Looking Statements. This document includes forward-looking statements. Forward-looking statements may be identified by the presence in such statements of the words "may," "will," "expect," "intend," "anticipate," "believe," "attempt," "seek," or "project," or the negatives, derivatives, and variations of such words or comparable terminology. The Trust has based these forward-looking statements on the Investment Manager's current expectations and projections about future events. These forward-looking statements are subject to risks, uncertainties and assumptions about the Trust, including, among other things, general and local economic business conditions. Without limiting the foregoing, any projections or other estimates in this document, including estimates of returns or performance, are forward-looking statements and are based on certain assumptions. Prior investment returns are not indicative of future success.

Financial projections. Financial projections concerning the estimated operating results of the Trust may be prepared by the Investment Manager. These projections would be based on certain assumptions which may prove to be inaccurate and which are subject to future conditions which may be beyond the control of the Investment Manager. There is no assurance that the results that

may be illustrated in financial projections would in fact be realized by the Trust. The financial projections prepared by the Investment Manager may not be examined, verified, confirmed or compiled by independent certified public accountants or any other person. Such projections are not guarantees or indications of future financial performance, nor should they be understood as such by subscribers or prospective investors in the Trust. Subscribers should be aware of the inherent inaccuracies of forecasting, and they should not solely rely on this information to make their decision to invest.

5.2 Market Risks

Unit price may decrease. The Units are currently quoted on the ASX. However, there can be no guarantee that there will be an active market in the Units or that the price of the New Units will increase. The New Units may trade on the ASX at higher or lower prices than the Issue Price. Investors who decide to sell their New Units may not receive the entire amount of their original investment.

The price at which the New Units trade on the ASX may be affected by external factors over which the Responsible Entity and the Investment Manager have no control. These factors may include, but are not limited to, movements in domestic and international markets, domestic and international interest rates and exchange rates, domestic and international economic conditions, government taxation, market supply and demand, and other legal, regulatory or policy changes.

Issues with availability of investment opportunities. The success of the Trust's investment strategy depends on the ability of the Investment Manager to identify potential investments, perform appropriate due diligence, and make suitable investments. The availability of investments to fulfil the Trust's investment strategy generally will be subject to current macroeconomic conditions.

The Trust will invest in assets as attractive opportunities arise. The timing of this process is difficult to forecast and may lead to the Trust holding more cash than preferred. This may lead to decreased investment returns.

5.3 Economic Factors & Currency Risk

The operating and financial performance of the Trust is influenced by a variety of general economic and business conditions including the levels of consumer confidence and spending, business confidence and investment, employment, inflation, interest rates, exchange rates, access to debt and capital markets, fiscal policy, monetary policy and regulatory policies. A prolonged deterioration in any number of the above factors may have a material adverse impact on the Trust's performance and/or the price of Units.

Since the Trust is capitalised in Australian dollars and will generally invest into opportunities in US dollars, movements in foreign exchange may adversely impact the net asset value and performance of the Trust.

5.4 Asset Performance and Liquidity Risk

Many underlying assets in the Trust will be relatively illiquid and this will limit the ability of the Trust to realise its investments. Some of the investments made by the Trust may not be readily realisable and their marketability may be restricted, in particular because markets in those investments may be made only by the relevant underlying portfolio manager, who may allow redemptions only at specific times and dates, and it may be difficult for the Trust to sell or realise its investments in whole or in part. Withdrawals or redemptions by other investors in the same underlying fund may also impact negatively the value of the Trust's investment in that fund.

Furthermore, investments held by underlying funds may themselves be illiquid, which in turn may impair the returns made by those funds, which illiquidity may affect certain strategies more than

others. Such illiquidity may result from the factors referred to above or from others, such as the nature of the instrument being traded or the nature and/or maturity of the market in which it is being traded, or because there is no established market for the relevant securities. Even where there is an established market the price and/or liquidity of instruments in that market may be materially affected by certain factors, some or all of which may be strategy specific. The Trust will generally be a minority investor in the underlying funds and will often have limited control influencing the timing of outcomes or underlying assets.

5.5 Underlying Portfolio Manager Risk

The Trust will invest in assets managed by other fund managers. The Trust is reliant on the skills of the underlying fund managers to invest diligently, apply good governance and ultimately achieve liquidity for the underlying assets. As an investor in third-party funds, the Investment Manager typically has limited access to due diligence materials and must often assess verbal assertions, third-party data points and other metrics in pricing opportunities, even though the underlying funds are generally audited. There is a risk that the underlying portfolio manager(s) interests, incentives and actions may not be in the best interests of the Trust. The Investment Manager will do its best to mitigate this risk through monitoring underlying managers and assets.

5.6 Valuation risk

The Warana Fund reports a net asset value quarterly which aggregates:

- the most recent available net asset values provided by the underlying funds (with no discount reflecting the actual cost); and
- for fund positions that have fully transferred in at the quarter end (fund purchases generally take several months to complete).

The interests in the underlying funds that the Trust invests in may not have readily ascertainable market prices and may have reported valuations that differ from their true and actual realisable value. The Trust will generally be investing in underlying funds that themselves are audited and / or provided by independent third parties to the underlying portfolio manager, however these valuations may be inaccurate. Some assets may not have ongoing valuations provided by third parties. The Investment Manager's investment recommendations are based on analysis and valuations which may be materially inaccurate. In addition, the Investment Manager may have to rely on old valuations in its due diligence process.

5.7 Management Actions

The Responsible Entity will, to the best of their knowledge, experience and ability (in conjunction with the Investment Manager) endeavour to identify and manage the risks inherent in the activities of the Trust, but without assuming any personal liability for the same, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Trust and its Units.

The Investment Manager acts in a similar role with respect to other funds affiliated with the Warana Group in which the Trust may invest. Conflicts of interest may arise in the event that the interests of the Trust run counter to the interests of any other fund in which it has directly or indirectly invested. There can be no assurances that any such conflicts of interest will be addressed in the best interest of the Trust.

Principals of the Investment Manager may engage in other activities in connection with their respective investment management businesses. Principals of the Investment Manager may manage other investment funds which may employ an investment strategy similar to that of the Trust. There are inherent conflicts of interests with respect to the management of such other investments by the

principals of the Investment Manager. The principals of the Investment Manager may also engage in such other activities even if such activities compete with the business of the Trust.

5.8 Regulatory Risk of changes to Government policy

Changes to taxation, interest rates, other legal, legislative and administrative regimes and Government policies in Australia, may have an adverse effect on the assets, operations and ultimately the financial performance of AIQ and the market price of its securities.

5.9 Future Capital Requirements

AIQ may require further financing in the future, in addition to amounts raised pursuant to the Offer. Any additional equity financing may be dilutive to Unitholders, may be undertaken at lower prices than the current market price (or the Issue Price) or may involve restrictive covenants which limit the Responsible Entity and Investment Manager's strategy for AIQ. Debt financing, if available, may involve restrictions on financing and operating activities. The increase in the number of Units issued and outstanding and the possibility of sales of such Units may have a depressive effect on the price of Units. In addition, as a result of such additional Units, the voting power of existing Unitholders will be diluted.

No assurances can be given that appropriate capital or funding, if and when needed, will be available on terms favourable to the Trust or at all. If the Responsible Entity is unable to obtain additional financing for the Trust, it may be required to reduce the scope of its operations and this could have a material adverse effect on the Trust's activities and could affect the Trust's ability to continue as a going concern.

5.10 Trading Liquidity

Although the Trust's Units are quoted on the ASX, AIQ is small with several large Unitholders meaning that it is likely that there may not be a liquid market in the Units and Unitholders may have difficulty in selling them at a level that reflects their fundamental value.

5.11 Other Risks

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Trust or by investors in the Trust. The above factors, and others not specifically referred to above, may, in the future, materially affect the financial performance of the Trust and the value of the New Units.

6. ADDITIONAL INFORMATION

6.1 Section 1012DAA of the Corporations Act

AIQ is a "disclosing entity" and therefore subject to regular reporting and disclosure obligations under the Corporations Act. Under those obligations, AIQ has to comply with all applicable continuous disclosure and reporting requirements in the Listing Rules.

This Offer is being undertaken pursuant to Section 1012DAA of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84). This section enables disclosing entities to undertake a rights issue in relation to securities in a class of securities which has been quoted by ASX at all times during the 12 months before the date of the Offer. Apart from formal matters, a notice under Section 1012DAA(2)(f) need:

- (a) to contain information that is excluded information as at the date of the Offer Document pursuant to sections 1012DAA(8) and (9); and
- (b) to state:

- (1) the potential effect the issue of the New Units will have on the control of the Trust; and
- (2) the consequences of that effect.

A notice under Section 1012DAA(2)(f) was lodged with the ASX on 23 July 2019.

6.2 Rights and liabilities attaching to New Units

The New Units will have from issue the same rights attaching to all existing Units on issue in AIQ. The rights attaching to ownership of the New Units are set out in the Constitution, a copy of which is available for inspection at the registered office of the Responsible Entity during business hours.

This Offer Document does not contain a summary of the principal rights and liabilities of holders of the New Units.

6.3 Expenses of the Offer

All expenses connected with the Offer are being borne by AIQ. Total expenses of the Offer are estimated to be in the order of between \$75,000 to \$80,000 (inclusive of GST and RITC), excluding any costs that might be associated with the placement of any Shortfall.

6.4 Consents and disclaimers

Written consents to the issue of this Offer Document have been given and at the time of this Offer Document have not been withdrawn by the following parties:

Warana Capital Pty Limited has given and has not withdrawn its consent to be named in this Offer Document as the investment manager for AIQ in the form and context in which it is named.

Link Market Services Limited has given and has not withdrawn its consent to be named in this Offer Document as the Registry of AIQ in the form and context in which it is named. It has had no involvement in the preparation of any part of this Offer Document other than recording its name as the unit registry to AIQ. It takes no responsibility for any part of the Offer Document other than the references to its name.

Mont Lawyers Pty Ltd has given and has not withdrawn its consent to be named in this Offer Document as solicitors to the Offer in the form and context in which it is named. It takes no responsibility for any part of the Offer Document other than references to its name.

6.5 Responsible Entity statement

This Offer Document is authorised and issued by Columbus in its capacity as responsible entity for AIQ.

Signed on the date of this Offer Document for and on behalf of Columbus in its capacity as the responsible entity for the Alternative Investment Trust by:



Frank Tearle
Director
Columbus Investments Services Limited

7. DEFINITIONS & GLOSSARY

7.1 Terms and abbreviations used in this Offer Document have the following meaning:

Term	Meaning
Acceptance	An acceptance of Entitlements.
Acceptance Money	The Issue Price multiplied by the number of New Units accepted for.
Additional Units	Has the meaning given in section 1.7.
AIQ or the Trust	Alternative Investment Trust (ARSN 112 129 218).
Applicant	A person who submits an Entitlement and Acceptance Form.
ASIC	Australian Securities & Investments Commission.
ASX	ASX Limited ACN 008 624 691.
CHESS	The clearing house electronic sub register system, an automated transfer and settlement system for transactions in securities quoted on the ASX under which transfers are effected in paperless form.
Closing Date	The date by which valid Acceptances must be received by the Unit Registry being 5.00pm (Sydney Time) 14 August 2019 or such other date determined by the Responsible Entity.
Constitution	The Constitution of AIQ.
Corporations Act	The <i>Corporations Act</i> 2001 (Cth).
Eligible Unitholder	A Unitholder on the Record Date whose registered address is in Australia or New Zealand.
Entitlement	The entitlement to accept New Units under this Offer Document.
Entitlement and Acceptance Form or Form	A personalised entitlement and acceptance form in the form attached to this Offer Document.
Ineligible Unitholder	A Unitholder who: (a) has a registered address which is not in Australian or New Zealand; (b) is in the United States or is US Person (as defined in Regulation S under the US Securities Act); or (c) is ineligible under any applicable securities laws to receive an offer under the Offer.

Investment Manager or Warana	Warana Capital Pty Limited (ACN 611 063 579).
Investment Portfolio	The investment portfolio of AIQ.
Issue or Offer	The offer and issue of New Units in accordance with this Offer Document.
Issue Price	\$0.095 for each New Unit, which is equivalent a 9.3% discount to the 30 June 2019 NTA backing per Unit.
Listing Rules	The official listing rules of the ASX.
New Units	Units proposed to be issued under the Offer.
NTA	Net Tangible Asset Backing.
Offer Document	This Offer Document dated 23 July 2019 as modified or varied by the Responsible Entity from time to time.
Opening Date	The date of commencement of the Offer, expected to be 30 July 2019.
Record Date	26 July 2019.
Register	The unit register of the AIQ.
Relevant Interest	Has the meaning given to that term in the Corporations Act.
Responsible Entity or Columbus	Columbus Investment Services Pty Limited (ACN 095 162 931), as the responsible entity for the Trust.
Securities	Has the same meaning as in Section 92 of the Corporations Act.
Shortfall	Those New Units which are not subject to a valid Entitlement and Acceptance Form.
Shortfall Offer	The availability for Eligible Unitholders to apply for Additional Units from the Shortfall.
Underwriter	Blann Investments Pty Limited (ACN 127 196 481).
Unit Registry	Link Market Services Limited (ACN 083 214 537).
Unitholders	The holders of Units from time to time.
Units	The ordinary units on issue in the Trust from time to time.
United States	The United States of America.
US Securities Act	The US Securities Act of 1933, as amended.
Warana	Warana Capital Pty Limited.

Warana Fund	Warana SP Offshore Fund SPC – 2018 Segregated Portfolio or Warana 2018 Fund.
Warana Group	Warana Capital Pty Limited, Warana Capital, LLC, Warana Master Fund SPC, Warana SP Domestic Fund, LLC, Warana SP Offshore Fund SPC, Alternative Liquidity Fund Limited, and any other vehicles managed by Warana.

8. CORPORATE DIRECTORY

Entity	Contact Information
Alternative Investment Trust	ARSN 112 129 218
Solicitors to the Offer	Mont Lawyers Pty Ltd Suite 18, 50 Stanley Street Darlinghurst, New South Wales, 2010
Responsible Entity	Columbus Investments Services Limited Level 11, 20 Hunter Street Sydney, New South Wales, 2000
Investment Manager	Warana Capital Pty Limited Level 12, 130 Pitt Street Sydney, New South Wales, 2000
Unit Registry	Link Market Services Limited Level 12, 680 George Street Sydney, New South Wales, 2000
AIQ Website	www.thealternativeinvestmenttrust.com/