



## Fund Facts as at 31 July 2019

Monthly return	4.87%
Unaudited NTA per unit	AUD 0.1099
Net Assets ("NA")	AUD 13.65 million
Units in issue	124,204,979
Closing AUD/USD	\$0.6845

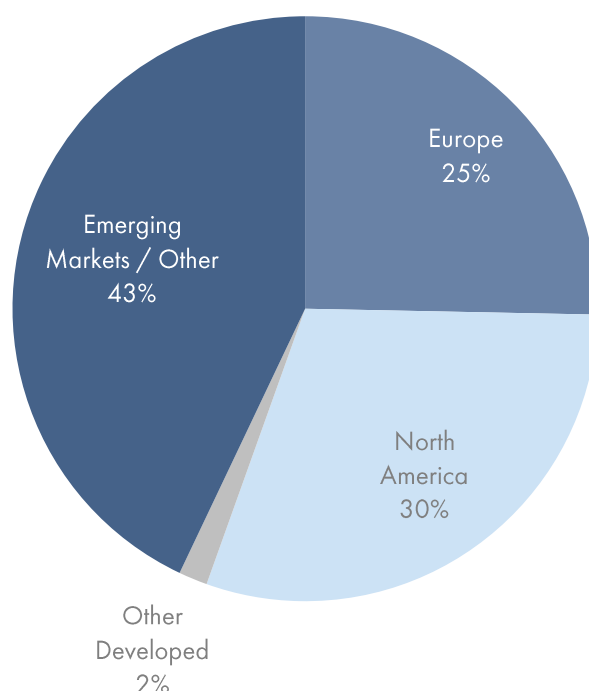
## Investment Objective & Strategy

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

## Portfolio Overview as at 31 July 2019

ASSET BREAKDOWN	A\$m
Warana 2018 Fund <sup>(1)</sup>	\$ 5.0
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 <sup>(2)</sup>	\$ 1.5
Other Net Cash	\$ 2.7
<b>Total</b>	<b>\$ 13.6</b>

## UNDERLYING GEOGRAPHIC ALLOCATION<sup>(4)</sup> (Excluding Cash)



SIGNIFICANT POSITIONS <sup>(3)</sup>	A\$m	% NA
Warana 2018 Fund	\$ 5.0	36.8%
Axon Partners (Offshore), Ltd	\$ 1.6	11.9%
King Street Real Estate Fund (Offshore PF), LP	\$ 1.0	7.2%
Drawbridge Special Opportunities Fund LP	\$ 0.5	3.7%
Warana Co-Investment Fund I	\$ 0.4	2.6%
Marathon Special Opportunity Fund, LP	\$ 0.3	2.5%
Och-Ziff Asia Overseas Fund, Ltd	\$ 0.1	0.8%
Och-Ziff Overseas II Fund, Ltd	\$ 0.1	0.6%
Cerberus International, Ltd	\$ 0.1	1.0%
Farallon II Holdings, LP	\$ 0.1	0.9%
GSO Special Situations Fund, Ltd	\$ 0.1	0.9%
Other Investments & Receivables	\$ 0.2	1.5%
<b>Total Investment Portfolio</b>	<b>\$ 9.6</b>	<b>70.5%</b>

TOP UNDERLYING WARANA 2018 FUND POSITIONS	A\$m
SFR Holdings Ltd	\$ 1.0
D.E. Shaw Special Investments	\$ 0.4
Other Investments (127)	\$ 3.1
Net Cash/Unsettled Trades	\$ 0.5
<b>Total</b>	<b>\$ 5.0</b>

## CURRENCY EXPOSURE & PERFORMANCE

	Inv. Port.	Cash	Total	July 2019 Performance	
USD	100%	91%	97%	AUD/USD	-2.5%
AUD	0%	9%	3%	AIT Impact	+2.4%

(Note: Some totals may not sum due to rounding)

## Portfolio Update and Commentary

- AIT's NTA return was 4.87% for July 2019.
- Performance in the month was primarily driven by Warana 2018 Fund following the release of the Q2 2019 net asset value and the depreciation of the AUD against the Trust's predominantly USD denominated assets (2.5%). This increased valuation for Warana 2018 Fund reflects 70 trades that had at least partially settled as at 30 June 2019. To date, Warana 2018 Fund has agreed 73 transactions to purchase over 170 separate funds and 3 direct assets. The fund is now fully allocated, and the Trust has paid the final capital call. Performance from AIT's legacy portfolio weighed down overall performance slightly.
- As an update to the most recent announcement to the ASX (released on 23 August 2019) regarding new investments for the Trust, one of the two proposed US\$1.0mm investments did not proceed to closure. Warana will continue to assess opportunities to deploy capital into attractive investments in line with the Trust's Investment Objective.

(1) All references to Warana 2018 Fund in this document are equivalent to Warana SP Offshore Fund SPC - 2018 Segregated Portfolio.

(2) Figure is net of 5% capital commitment to Warana 2018 Fund that has been waived.

(3) Represents Net Asset Value of investments calculated by aggregating Net Asset Values of underlying Investment Managers. Refer to the Other Information for further details on the valuation policy.

(4) Geographic allocation is estimated by the Investment Manager based upon the available information. In many cases, splits have been estimated and therefore may be inaccurate. The geographic allocation should be considered indicative only.



## Company Data and Information

<b>Responsible Entity</b>	Columbus Investment Services Limited ABN 69 095 162 931 AFSL 221 183	<b>Management Fee</b>	1.5% plus GST
<b>Investment Manager</b>	Warana Capital Pty Limited ABN 44 611 063 579 AFSL 493579	<b>Performance Fee</b>	20% plus GST of NTA outperformance over 8% pa hurdle
<b>Administrator</b>	Unity Fund Services	<b>ISIN</b>	AU000000AIUQ2
<b>Custodian</b>	One Managed Investment Funds Limited	<b>SEDOL</b>	B1B0GT6
		<b>ARSN</b>	112 129 218
		<b>Domicile</b>	Australia
		<b>Currency</b>	AUD
		<b>Exchange</b>	ASX

## About the Responsible Entity of AIT

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

## About the Investment Manager of AIT

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

## Distribution Policy

Subject to sufficient cash reserves, AIT intends to distribute 5% per annum of the Trust's net asset value, paid in semi-annual instalments following the publication of the half and full year accounts, respectively. As at the end of the 2018 tax year, the Trust has in excess of A\$400m in accumulated tax losses and in excess of A\$20m in accumulated capital losses. Under certain circumstances and provided relevant legislative conditions are satisfied, these losses may be able to be applied against future taxable income to reduce the amount of taxable income and therefore the amount of any income distribution. Unitholders may reinvest distributions by purchasing additional units through the Trust's Distribution Reinvestment Plan. Participation in the Plan is optional and is open to all unitholders residing in Australia and those who are residents outside of Australia and who have produced to AIQ such evidence as AIQ may require to satisfy it that any necessary governmental approvals required by unitholders to participate in the Plan have been obtained and that their participation is not contrary to any applicable laws.

## Historical NTA Returns

Monthly	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2006									1.7%	2.8%	3.5%	2.7%	9.3%
2007	2.8%	(9.3%)	2.1%	5.1%	(4.9%)	(4.9%)	(0.2%)	(3.2%)	1.3%	3.3%	(1.7%)	0.7%	(9.5%)
2008	(4.2%)	0.8%	(1.8%)	0.8%	1.5%	(3.8%)	(1.6%)	(1.9%)	(9.8%)	(15.4%)	(7.9%)	(7.8%)	(41.5%)
2009	(2.8%)	0.8%	(5.2%)	(2.9%)	(5.1%)	(0.4%)	(2.2%)	(1.1%)	(2.9%)	(1.1%)	(1.6%)	3.5%	(16.3%)
2010	0.5%	(0.3%)	(1.4%)	0.5%	7.0%	(1.1%)	(5.6%)	1.0%	(6.0%)	0.4%	2.2%	(4.5%)	(7.8%)
2011	3.0%	0.1%	0.3%	(3.5%)	0.8%	0.2%	(1.8%)	1.4%	6.6%	(4.6%)	(0.1%)	(2.4%)	0.8%
2012	(2.7%)	3.2%	3.4%	(0.9%)	4.9%	(5.6%)	(1.6%)	1.4%	1.6%	2.1%	(3.7%)	(0.2%)	1.7%
2013	(0.1%)	1.4%	(1.7%)	(0.2%)	(8.6%)	2.6%	(8.2%)	(0.1%)	(4.2%)	1.5%	3.5%	(0.7%)	9.4%
2014	1.7%	(2.0%)	(2.9%)	0.6%	(0.1%)	(1.6%)	1.7%	(1.1%)	4.9%	(1.6%)	2.2%	3.6%	3.4%
2015	1.7%	(1.0%)	1.8%	(3.9%)	1.5%	(0.3%)	2.3%	1.2%	(0.4%)	(1.8%)	(1.0%)	(0.9%)	(0.1%)
2016	0.3%	(2.9%)	(5.4%)	(1.0%)	2.0%	(2.7%)	(2.6%)	0.2%	(2.0%)	(0.0%)	0.7%	0.1%	(12.6%)
2017	(3.2%)	(0.6%)	0.5%	(1.6%)	(0.5%)	(3.4%)	(3.0%)	(0.8%)	1.1%	0.7%	0.5%	(3.1%)	(12.8%)
2018	(1.7%)	2.9%	(1.6%)	(0.2%)	(1.1%)	0.9%	0.0%	1.8%	(1.3%)	1.0%	4.0%	3.9%	8.8%
2019	(2.9%)	1.8%	0.0%	3.8%	0.3%	0.3%	4.9%						8.3%

\* Shaded areas show performance before investment strategy recommencement & EGM on 12 February 2018

## Other Information

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

The net asset value of AIT is calculated by aggregating the valuations provided to AIT by the underlying fund managers and their administrators. Unaudited valuations are generally provided to AIT monthly and the funds are audited annually. Notwithstanding this process and based on its knowledge of the AIT funds and its experience on the secondary market, Warana believes that:

- it will likely take several years to fully receive liquidation proceeds and in that period AIT 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.

When Warana 2018 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 2018 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);
- 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 2018 Fund to receive the net asset values and position reports from the underlying funds, which causes a similar delay in Warana 2018 Fund releasing its own aggregated net asset value. AIT reflects the updated Warana 2018 Fund valuation in the calculation of its net asset value as soon as it is published by Warana 2018 Fund - being generally the second month after quarter end. For the period up to 31 July 2019 covered by this fact sheet there were no material changes to any of the following: the Trust's risk profile; the Trust's strategy; and key investment personnel related to the Alternative Investment Trust. For information since that date, please refer to either of the following websites [www.thealternativeinvestmenttrust.com](http://www.thealternativeinvestmenttrust.com) or [www.oneinvestment.com.au/alternative-investment-trust](http://www.oneinvestment.com.au/alternative-investment-trust)

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

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