Warana Capital

Alternative Investment Trust

TICKER: AIQ AU

Fact Sheet as at 30 November 2018

Fund Facts as at 30 November 2018

Monthly return	4.05%
Unaudited NTA Sep 2018	AUD 0.0977
Net Assets ("NA")	AUD 12.13 million
Units in issue	124,204,979
Closing AUD/USD	$0.7320

Investment Objective & Strategy

Investment Objective	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.
Investment Strategy	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.

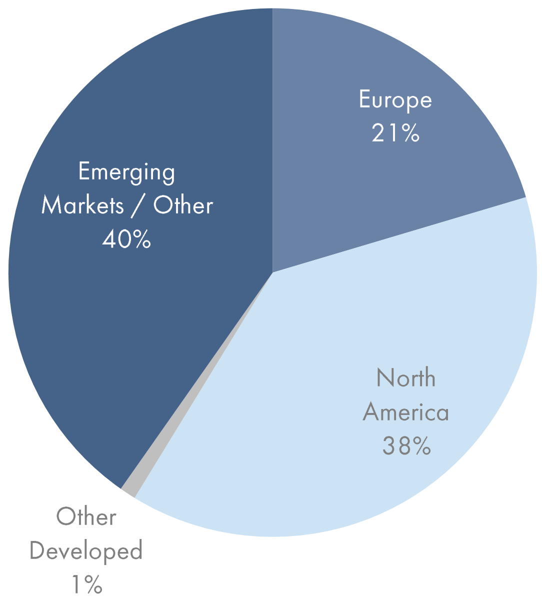
Portfolio Overview as at 30 November 2018

ASSET BREAKDOWN	A$M
Legacy AIT Funds	$ 3.2
Investment in Warana 2018 Fund [1]	$ 3.2
Cash Committed to Warana 2018 Fund [1] but not called	$ 1.2
Investment in Warana Co-Investment Fund I	$ 0.3
Other Net Cash	$ 4.2
Total	$ 12.1

SIGNIFICANT POSITIONS [2]	A$M	% NA
Warana 2018 Fund [1]	$ 3.2	26.7%
Axon Partners Offshore Ltd	$ 1.5	12.2%
Drawbridge Special Opportunities Fund LP	$ 0.5	4.2%
Marathon Special Opportunity Fund LP	$ 0.3	2.8%
Warana Co-Investment Fund I	$ 0.3	2.8%
Och-Ziff Asia Overseas Fund Ltd	$ 0.3	2.4%
Och-Ziff Overseas II Fund Ltd	$ 0.2	1.3%
Cerberus International Ltd	$ 0.1	1.0%
Farallon II Holdings LP	$ 0.1	0.9%
GSO Special Situations Fund Ltd	$ 0.0	0.3%
Eton Park Overseas Fund Ltd	$ 0.0	0.3%
Other Investments & Receivables	$ 0.0	0.3%
Total Investment Portfolio	$ 6.7	55.1%

TOP UNDERLYING WARANA 2018 FUND [1] POSITIONS	A$M
SFR Holdings Ltd	$ 1.2
King Street Capital Special Investments	$ 0.3
D.E. Shaw Special Investments	$ 0.1
Other Investments	$ 0.5
Net Cash/Unsettled Trades	$ 1.2
Total	$ 3.2

UNDERLYING GEOGRAPHIC ALLOCATION[3] (Excluding Cash)



CURRENCY EXPOSURE & PERFORMANCE

	Inv. Port.	Cash	Total	November 2018 Performance	
USD	100%	88%	94%	AUD/USD	+3.5%
AUD	0%	12%	6%	AIT Impact	-2.7%

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

Portfolio Update and Commentary

- AIT's NTA return was 4.05% for November 2018.
- The Trust's positive performance was driven primarily by an increase in Warana 2018 Fund [1], which reported its 3Q'18 net asset value during November. This increased valuation reflects 22 trades that as at 30 September 2018 had at least partially settled and are now carried at the underlying managers' net asset values. As at 30 November 2018, the Warana 2018 Fund [1] has agreed to approximately 47 transactions to purchase over 120 separate funds, representing approximately 67% of the Fund's committed capital.
- The strengthening AUD versus the USD in the month had a significant negative impact on the Trust's performance (-2.7%) and there was a slight decline in the reported net asset value of AIT's legacy holdings.

(1) Warana SP Offshore Fund SPC - 2018 Segregated Portfolio.
(2) 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.
(3) 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.

FURTHER INFORMATION may be obtained at www.thealternativeinvestmenttrust.com.au or by calling +612 8277 0000

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Fact Sheet as at 30 November 2018

Company Data and Information

Responsible Entity	Columbus Investment Services Limited ABN 69 095 162 931 AFSL 221183	**Management Fee**	1.5% plus GST
		Performance Fee	20% plus GST of NTA outperformance over 8% pa hurdle
		ISIN	AU000000AIUQ2
Investment Manager	Warana Capital Pty Limited ABN 44 611 063 579 AFSL 493579	**SEDOL**	B1B0GT6
		ARSN	112 129 218
		Domicile	Australia
		Currency	AUD
Administrator	Unity Fund Services	**Exchange**	ASX
Custodian	One Managed Investment Funds Limited	**Management Fee**	1.5% plus GST

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

The Fund is structured as a unit trust and intends to distribute taxable income when and if available. We note however that as at the end of the 2017 tax year, the fund has in excess of $400m in accumulated tax losses and in excess of $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.

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%		4.7%

*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 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:

a. 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

b. if sold today, holdings would be liquidated at discounts to their prevailing net asset values.

When Warana 2018 Fund[1] 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[1] then itself reports a net asset value quarterly which aggregates:

a. the most recent available net asset values provided by the underlying funds (with no discount reflecting the actual cost);

b. 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[1] to receive the net asset values and position reports from the underlying funds, which causes a similar delay in Warana 2018 Fund[1] releasing its own aggregated net asset value. AIT reflects the updated Warana 2018 Fund[1] valuation in the calculation of its net asset value as soon as it is published by Warana 2018 Fund[1] – being generally the second month after quarter end.

For the period up to 30 November 2018 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 or www.oneinvestment.com.au/alternative-investment-trust.

Legal Notice

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Warana Capital Pty Limited (ABN: 44 611 063 579; AFSL: 493579) ("Warana") is authorised by and registered with the Australian Securities and Investments Commission. Warana is the investment manager of the Alternative Investment Trust. Warana believes that the information contained in this fact sheet is accurate when issued. Warana does not warrant that such information or advice is accurate, reliable, complete or up-to-date, and to the fullest extent permitted by law, disclaims all liability of Warana and its associates. This fact sheet should be regarded as general information only rather than advice. In preparing this fact sheet, Warana did not take into account the investment objectives, financial situation and particular needs of any individual person.

AIT is exposed to foreign exchange risk as a result of investments in financial instruments denominated in foreign currencies, including the Swap which is denominated in US dollars. AIT has exposure to foreign currency risk 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; however when funds are available in the swap, these are converted from US dollars into Australian dollars and transferred to AIT's Australian dollar denominated bank account.

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