

APPENDIX 4E

Annual Report

For the year ended 31 December 2018

Name of entity: Alternative Investment Trust ARSN 112 129 218 ("AIT" or the "Trust")

1 Reporting Period and Previous Corresponding Period

Current Reporting Period:	12 months to 31 December 2018
Previous Corresponding Period:	12 months to 31 December 2017

2 Results for Announcement to the Market

	Year ended 31 December 2018 (\$'000)	Year ended 31 December 2017 (\$'000)
2.1 Revenue from ordinary activities	Up 235% to 1536	(1,138)
2.2 Profit (loss) from ordinary activities after tax attributable to unitholders*	Up 157% to 983	(1,736)
2.3 Net profit (loss) for the period attributable to unitholders*	Up 157% to 983	(1,736)

* excludes loss attributable to minority interest

	2018		2017	
	Amount per security	Tax deferred	Amount per security	Tax deferred
2.4 Distributions:	-	-	-	-
Final distribution	-	-	-	-
Interim distribution	-	-	-	-

2.5 Record date for determining entitlements to the final 2018 distribution – 31 December 2018
No distribution was declared or paid for the year ended 31 December 2018 (31 December 2017: \$nil)

2.6 An explanation of results is indicated on page 1 of the annual financial report and also included in the Investment Manager's report included in the annual financial report

7 Details of Individual and Total Dividends or Distributions and Dividend or Distribution Payments

No distribution was declared or paid for the year ended 31 December 2018 (31 December 2017: \$nil)

8 Details of Any Dividend or Distribution Reinvestment Plans in Operation

Not applicable

9 Net Tangible Assets per Security

Net tangible assets per security as at 31 December 2018 (Ex distribution)	\$0.10
Net tangible assets per security as at 31 December 2017 (Ex distribution)	\$0.09

10 Details of Entities over which Control has been Gained or Lost during the Year

The Trust did not gain or lose control over any entities during the year ended 31 December 2018

11 Details of Associates and Joint Venture Entities

Not applicable

APPENDIX 4E

12 Any Other Significant Information needed by an Investor to Make an Informed Assessment of the Entity's Financial Performance and Financial Position

Refer to the annual financial report and notes attached to them.

13 For Foreign Entities, which Set of Accounting Standards is used in Compiling the Report

Not applicable

14 Commentary on Results

An explanation of results is indicated in the directors' report and also included in the Investment Manager's report included in the annual financial report.

Additional Appendix 4E disclosure requirements can be found in the notes to the financial report for the year ended 31 December 2018.

This report is based on the annual report of the Trust which has been subject to an audit by Crowe Horwath.

Alternative Investment Trust

ARSN 112 129 218

Annual report for the financial year ended 31 December 2018

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Directors' Report

The directors of Columbus Investment Services Ltd (ABN 69 095 162 931; AFSL 221183) ("CISL" or the "Responsible Entity"), the responsible entity of Alternative Investment Trust (ARSN 112 129 218) ("AIT" or the "Trust"), present their report together with the financial report of the Trust for the year ended 31 December 2018.

Responsible Entity

The responsible entity of the Trust since 25 May 2017 is CISL. The registered office and principal place of business of the Responsible Entity is Level 11, 20 Hunter Street, Sydney NSW 2000.

Former Responsible Entity

Prior to 25 May 2017, the responsible entity of the Trust was The Trust Company (RE Services) Limited (ABN 45 003 278 831; AFSL 235150) (the "Former Responsible Entity"). The registered office and principal place of business of the Former Responsible Entity is Level 18, 123 Pitt Street, Sydney NSW 2000.

Investment Manager

The investment manager of the Trust since 9 October 2017 is Warana Capital Pty Limited (ACN 611 063 579; AFSL 493579) ("Warana" or the "Investment Manager").

Former Investment Manager

Prior to 25 September 2017, the investment manager of the Trust was Laxey Partners (UK) Ltd (the "Former Investment Manager").

Information about the Directors and Senior Management

The names of the directors and company secretaries of the Responsible Entity in office from 25 May 2017 to the date of this report are:

Name	Title
Frank Tearle	Executive Director and Company Secretary
Justin Epstein	Executive Director
Elizabeth Reddy	Non-Executive Director (Resigned on 26 October 2018)
Sarah Wiesener	Executive Director (Appointed on 26 October 2018) and Company Secretary

Frank Tearle

Director (Executive)

Frank joined the CISL Board in November 2009. Before founding One Investment Group (OIG), Frank served in various roles at Allco Finance Group, including as head of business transition and operations, managing director of the Hong Kong office, Director in the corporate finance team and general counsel.

Frank has been non-executive director of several companies, including the manager of a Singapore listed property trust and an APRA regulated insurance company. He has more than 10 years' experience working in major law firms in Australia and the United Kingdom, specialising in mergers and acquisitions, capital markets, funds management and corporate governance. Frank holds a Master of International Business Law from the University of Technology, Sydney and a Bachelor of Law (Honours) from the University of Leicester.

Other current directorships

One Managed Investment Funds Limited as responsible entity of:

- Agricultural Land Trust (ASX:AGJ); and
- Gryphon Capital Income Trust (ASX:GCIT);
- Fat Prophet Global Property Trust (ASX: FPP).

Directors' Report (continued)

Former directorships (last 3 years)

One Managed Investment Funds Limited as responsible entity of Aventus Retail Property Fund between 14 September 2015 and 11 March 2016 (ASX:AVN) (OMIFL retired as RE on 11 March 2016).

One Managed Investment Funds Limited as responsible entity of Residential Parks No.2 Trust, an entity within the stapled Gateway Lifestyle Group (ASX: GTY) which delisted from the ASX on 26 November 2018.

Asia Pacific Data Centre Limited (ACN: 159 624 585) (AFSL: 426502) as responsible entity of the Asia Pacific Data Centre Trust (ARSN: 161 049 556), a stapled entity of the APDC Group, ASX Code:AJD which delisted from the ASX on 24 December 2018.

Justin Epstein

Director (Executive)

Justin joined the OMIFL Board in September 2009. He is a founding partner of OIG.

Prior to joining OIG, Justin was the investment director of the LCJB Investment Group, where he was responsible for sourcing and leading investment opportunities. Justin has previously worked in group strategy and business development for a major Australian investment bank, for the corporate finance and restructuring division of Ernst & Young and for a specialised property finance and investment group. Justin holds a Bachelor of Commerce from the University of New South Wales and is a Fellow of the Financial Services Institute of Australia.

Other current directorships

One Managed Investment Funds Limited as responsible entity of:

- Agricultural Land Trust (ASX:AGJ); and
- Gryphon Capital Income Trust (ASX:GCIT);
- Fat Prophet Global Property Trust (ASX: FPP).

Former directorships (last 3 years)

One Managed Investment Funds Limited as responsible entity of Aventus Retail Property Fund between 14 September 2015 and 11 March 2016 (ASX:AVN) (OMIFL retired as RE on 11 March 2016).

One Managed Investment Funds Limited as responsible entity of Residential Parks No.2 Trust, an entity within the stapled Gateway Lifestyle Group (ASX: GTY) which delisted from the ASX on 26 November 2018.

Asia Pacific Data Centre Limited (ACN: 159 624 585) (AFSL: 426502) as responsible entity of the Asia Pacific Data Centre Trust (ARSN: 161 049 556), a stapled entity of the listed APDC Group, ASX Code:AJD which delisted from the ASX on 24 December 2018.

Elizabeth Reddy

Director (Non-Executive)

Elizabeth joined the CISL Board in January 2010 and resigned in October 2018.

Elizabeth spent a number of years practising law at both Herbert Smith Freehills and Atonaskovic Hartnell prior to undertaking a number of commercial roles.

Elizabeth specialises in advising on the Corporations Act, contractual disputes, mergers and acquisitions, equitable claims, trade practices and insolvency. She is also experienced in compliance and risk management issues. She holds a Diploma in Law awarded by the NSW Solicitors Admission Board.

Other current directorships

No current directorships.

Directors' Report (continued)

Former directorships (last 3 years)

One Managed Investment Funds Limited as responsible entity of Aventus Retail Property Fund between 14 September 2015 and 11 March 2016 (ASX:AVN) (OMIFL retired as RE on 11 March 2016).

One Managed Investment Funds Limited as responsible entity of Residential Parks No.2 Trust, an entity within the stapled Gateway Lifestyle Group (ASX: GTY) (Resigned October 2018).

One Managed Investment Funds Limited as responsible entity of Agricultural Land Trust (ASX:AGJ) (Resigned October 2018).

One Managed Investment Funds Limited as responsible entity of Gryphon Capital Income Trust (ASX:GCIT) (Resigned October 2018).

One Managed Investment Funds Limited as responsible entity of Fat Prophet Global Property Trust (ASX:FPP) (Resigned October 2018).

Asia Pacific Data Centre Limited (ACN: 159 624 585) (AFSL: 426502) as responsible entity of the Asia Pacific Data Centre Trust (ARSN: 161 049 556), a stapled entity of the listed APDC Group, ASX Code:AJD (Resigned October 2018).

Sarah Wiesener

Director (Executive) & Company Secretary (ACIS)

Sarah joined the CISL Board in October 2018.

Sarah is a lawyer with over 20 years' experience in the financial services arena across a range of roles, structures and asset classes. She is a Chartered Company Secretary and has acted as Company Secretary to a number of listed property funds. Sarah has been head of compliance for a number of listed property funds. She has been a member of investment committees and provided support to audit, risk, and compliance committees as well as remuneration and nomination committees. She has experience in structuring complex capital markets transactions in domestic and overseas jurisdictions (primarily debt, securitization and collateralised debt structures) and has worked closely with management on a number of fund management products for wholesale and retail investors. Sarah holds a Bachelor of Laws from Bristol University (Honours), ACIS and holds a current NSW practising certificate.

Other current directorships

One Managed Investment Funds Limited as responsible entity of:

- Agricultural Land Trust (ASX:AGJ) (Appointed October 2018); and
- Gryphon Capital Income Trust (ASX:GCIT) (Appointed October 2018);
- Fat Prophet Global Property Trust (ASX:FPP) (Appointed October 2018)

Former directorships (last 3 years)

One Managed Investment Funds Limited as responsible entity of Residential Parks No.2 Trust, an entity within the stapled Gateway Lifestyle Group (ASX: GTY) which delisted from the ASX on 26 November 2018.

Asia Pacific Data Centre Limited (ACN: 159 624 585) (AFSL: 426502) as responsible entity of the Asia Pacific Data Centre Trust (ARSN: 161 049 556), a stapled entity of the listed APDC Group, ASX Code:AJD which delisted from the ASX on 24 December 2018.

Principal Activities

The Trust is a registered managed investment scheme domiciled and registered in Australia and listed on the Australian Stock Exchange ("ASX") (ASX code "AIQ"). The Trust has exposure to a portfolio of absolute return funds and select equity co-investments. A portion of the portfolio previously held certain assets via a swap agreement with Macquarie Bank Limited (the "Swap") which was effectively unwound as at 30 November 2018.

The Trust did not have any employees during the year.

Directors' Report (continued)

Review of Operations

Results

The results of the operations of the Trust are disclosed in the Statement of Profit or Loss and Other Comprehensive Income of these financial statements. The gain attributable to unitholders for the year ended 31 December 2018 was \$983,000 (2017 loss: \$1,736,000).

Distributions

In respect of the financial year ended 31 December 2018, a distribution of \$nil (2017: \$nil) was paid to unitholders.

Returns of Capital

In respect of the financial year ended 31 December 2018, returns of capital of \$nil (2017: \$nil) were paid to unitholders.

Value of Assets and Units Issued

The total value of the Trust's assets at 31 December 2018 is \$12,844,000 (2017: \$12,468,000). The total number of units on issue as at 31 December 2018 is 124,204,979 (2017: 130,692,470).

Fees Paid and Payable to the Responsible Entity and Investment Manager

Responsible Entity Fees

The Responsible Entity charged 0.07% per annum (excluding GST) of gross portfolio value, subject to a minimum of \$66,000 per annum. The Former Responsible Entity charged 0.1% per annum (excluding GST) of gross assets, subject to a minimum of \$80,000 per annum.

As at 31 December 2018, the responsible entity fee expense incurred by the Trust was \$68,970 (31 December 2017: \$80,257). The responsible entity fee payable as at 31 December 2018 was \$6,050 (31 December 2017: \$6,050).

Investment Manager Fees

The Investment Manager received the following fees:

- From 1 January 2018 to 11 February 2018 – 1.25% (excluding GST) of the value of gross assets of the Trust less responsible entity fees.
- From 12 February 2018 to 31 December 2018 – 1.5% (excluding GST) of the net asset value of the Trust.

The Former Investment Manager received fees equal to the lower of \$200,000 or 0.75% of the value of gross assets of the Trust with no distribution fees. The fee arrangement was subject to the overall fee cap of 1.25% per annum of the value of gross assets of the Trust and the responsible entity fee of \$80,000. The responsible entity fees and investment manager's fees in total are not to exceed 1.25% per annum of gross assets.

As at 31 December 2018, the management fee expense incurred by the Trust was \$115,355 (2017: \$87,966). The management fee payable as at 31 December 2018 was \$34,164 (2017: \$14,641).

Directors' Report (continued)

Significant Changes in State of Affairs

During the financial year, the following changes occurred in the state of affairs of the Trust.

18 January 2018 - following the 29 December 2017 ASX announcement, the Notice of Extraordinary General Meeting and Explanatory Memorandum was issued to all Unitholders. The Notice of Extraordinary General Meeting contained 4 resolutions:

- Resolution 1 – Recommencement of investment activities
 - To re-commence investment activities using the same investment objective and strategy as previously employed by AIT on the terms and conditions set out in the Explanatory Memorandum.
- Resolution 2 – Approval for on market buy-back exceeding the 10/12 limit
 - Up to 75% of the Units on issue at \$0.092 per unit.
 - Responsible Entity to buy back on market, the number of units in AIT equal to 75% of the issued Units on-market during the next 12 months as detailed in the Explanatory Memorandum.
- Resolution 3 – Amendments to the Constitution
 - Modify the Trust's constitution on the terms and conditions set out in the Explanatory Memorandum.
- Resolution 4 – Ratification of the amended Investment Management Agreement ("IMA")
 - The IMA between AIT and the Investment Manager dated 9 October 2017 as amended as set out in the Explanatory Memorandum is ratified.

Please refer to the Notice of Extraordinary General Meeting and Explanatory Memorandum for further details.

9 February 2018 – details of the 1 for 1 Non Renounceable Rights Issue were released to the ASX.

12 February 2018 – the Extraordinary General Meeting ("EGM") was held and all 4 resolutions were passed.

16 February 2018 – the amendments to the Constitution approved at the EGM were lodged with the Australian Securities and Investment Commission ("ASIC"). The effective date of the Deed of Amendment is 12 February 2018.

16 February 2018 – the 1 for 1 Non-Renounceable Rights Issue offer with an issue price of \$0.092 per unit ("Rights Offer") was dispatched to all eligible unitholders. The Rights Offer closed on 27 February 2018 and the new Units issued following the Rights Issue commenced trading on 7 March 2018. The Trust issued 73,638,975 units for a total consideration of \$6,774,786.

19 February 2018 – the On-Market Buy Back approved at the EGM commenced and continued until 6 March 2018. The Trust purchased 80,126,466 units for a total consideration excluding brokerage of \$7,349,353.

30 November 2018 - the Macquarie Swap ("Swap") held by the Trust was effectively unwound as at 30 November 2018; the position has been received by the Trust directly.

Aside from the above, there were no other significant changes in the state of affairs of the Trust.

Subsequent Events

There has not been any other matter or circumstances occurring subsequent to the end of the year that have significantly affected, or may significantly affect, the operations of the Trust, the results of those operations, or the state of affairs of the Trust in future financial years.

Likely Developments and Expected Results

The Trust will be managed in accordance with the Constitution.

The Investment Manager may look at recommending that the responsible entity raises capital in the Trust if a capital raise can be appropriately structured in unitholders' best interests and prevailing market conditions at the time are suitable.

Further information on likely developments in the operations of the Trust and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Trust.

Directors' Report (continued)

Interests of Directors of the Responsible Entity

The directors of the Responsible Entity did not hold any interest in the Trust as at 31 December 2018 (2017: no interest held).

Environmental Regulation and Performance

The operations of the Trust are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory. There have been no known significant breaches of any other environmental requirements applicable to the Trust.

Indemnification of Directors, Officers and Auditors

The Responsible Entity has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Responsible Entity or of any related body corporate against a liability as such an officer or auditor. So long as the Directors and officers of the Responsible Entity act in accordance with the Constitution and Corporations Act, the Directors and officers remain indemnified out of the assets of the Trust against losses incurred while acting on behalf of the Trust.

Non-Audit Services

The auditor of the Trust is Crowe Horwath Sydney (2017: Crowe Horwath Sydney).

There were no non-audit services performed by the auditor in the current and prior financial year.

Rounding of Amounts to the Nearest Thousand Dollars

The Trust is an entity of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the Directors' Report and Annual Financial Report. Amounts in the Directors' Report and Annual Financial Report have been rounded to the nearest thousand dollars in accordance with that legislative instrument, unless otherwise indicated.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act 2001 is set out on page 9.

On behalf of the directors of the Responsible Entity, Columbus Investment Services Ltd.



Frank Tearle

Director

28 February 2019

Corporate Governance – Responsible Entity

Alternative Investment Trust ARSN 112 129 218 (“AIT” or “Trust”) is a registered managed investment scheme under the Corporations Act 2001 (“Corporations Act”). Columbus Investment Services Ltd (ABN 69 095 162 931; AFSL 221183) (“Responsible Entity”) is the responsible entity for the Trust and establishes the corporate governance policies of the Trust.

The Responsible Entity holds an Australian Financial Services Licence authorising it to operate the Trust and has a duty to act in the best interests of unit holders of the Trust. As a registered managed investment scheme under the Corporations Act, the Trust has a compliance plan that has been lodged with the Australian Securities and Investments Commission (“ASIC”). A copy of the compliance plan can be obtained from ASIC.

The Australian Securities Exchange Limited (“ASX”) Corporate Governance Council’s Corporate Governance Principles and Recommendations (“ASX Principles”), in conjunction with the ASX listing rules, require the Trust to disclose in its annual report the extent to which its corporate governance practices follow the ASX Principles and to give reasons why any recommendations have not been followed. The Responsible Entity complies with a majority of the ASX Principles. Where it does not, it is largely in respect of matters where the nature of the regulation of the Trust or of the Trust’s business is such that the board of the Responsible Entity considers that compliance is not appropriate and there is no detriment to unit holders arising from the Trust’s non-compliance. The Responsible Entity’s corporate governance statement can be found on the Trust’s website at <https://www.thealternativeinvestmenttrust.com>.



Year in Review

Alternative Investment Trust ("AIT" or the "Trust") made significant progress in 2018 on its path to simplifying its structure, improving cost efficiency and re-starting the investment program as approved by unitholders on 12 February 2018.

In February and March, the Trust launched a significant buy-back program that allowed all unitholders to elect to exit their investment in full at the prevailing net asset value by selling their units on-market.

The Trust also completed a 1-for-1 rights issue to replenish cash and help facilitate new investments.

Among the more important Trust structure developments was the agreement made in November with the Trust's legacy swap provider to unwind the complicated historical structure that held the legacy asset pool. AIT will now largely own these assets directly, which will lead to lower costs over the longer term and improved liquidity flow as cash is not trapped, held back or used to pay costs at downstream holding layers. The process of unwinding the structure involves submitting documentation to underlying fund managers to re-register the Trust interests and will take some time to be fully completed.

AIT re-started its investment program in 2018 and has been slowly deploying cash as interesting opportunities arise. In line with its original mandate, it is intended that AIT will invest largely in other investment funds targeting absolute return strategies alongside other third-party investors. To date, three new investments have been made:

1. Investment in **Warana SP Offshore Fund SPC – 2018 Segregated Portfolio** ("Warana Fund"). This vehicle seeks to allocate to absolute return investment funds through the acquisition of stakes in the unlisted secondary market. The Warana Fund calls capital over time as it agrees transactions with sellers. It is a commingled fund with other investors, and AIT has allocated US\$3.25 million, which was drawn to 50% as at 31 December 2018 (following the capital call in February 2019 the Trust is currently drawn to 60%). In January 2019, the Warana Fund distributed 6% of committed capital reflecting some early wins. Since its launch in March 2018, the Warana Fund has agreed to acquire over 126 funds totaling US\$32.0 million of cost to purchase and with US\$59.6 million of reported NAV (ie implied average purchase price of 53% of reported NAV). We currently expect the balance of AIT's commitment to be called in the next few months as Warana sources more investment opportunities. Note that it is the intention to value the Warana Fund position quarterly at the sum of the net asset values provided by the underlying fund managers, consistent with the historical valuation approach of the legacy fund portfolio. Warana intends to buy these positions at discounts to this valuation.
2. Allocation to **King Street Real Estate Fund (Offshore PF), L.P** ("King Street RE Fund"). The Trust has allocated US\$1.0 million to a new opportunistic real estate fund launched by King Street Capital ("King Street"). King Street is an absolute return fund manager with assets under management of over US\$20 billion. The King Street RE Fund is an extension of the manager's opportunistic global real estate activities that have been very successful as a part of their side pocket strategy. The King Street RE Fund is already approximately 54% called with the balance drawn as King Street sources new opportunities. AIT will value this position in line with the quarterly net asset value provided by the King Street RE Fund.
3. Investment in **Warana Co-Investment Fund I**. AIT has made a US\$0.25 million investment in a vehicle set up to buy one of the last remaining holdings from a hedge fund in wind down. It is an equity interest in an Eastern European telecommunication / pay-television provider alongside some high-profile private equity investors. As this exposure does not have a regular third-party valuation, it is intended that this position will be valued at the lower of cost or impaired value.

Each of the above investments is targeting net USD returns in excess of 15% per annum.

The following table summarises AIT's portfolio movements over 2018:

	31 December 2017 Balance	Cash Invested	Cash Returned to AIT	Performance	31 December 2018 Balance	Number of Positions
Legacy Portfolio (USD)	\$3.05mm	-	\$(0.50)mm	\$(0.10)mm	\$2.26mm	13
New Investments (USD)	-	\$2.43mm	-	\$0.74mm	\$3.32mm	3
Cash ¹ & Other (USD)	\$6.65mm	\$(2.43)mm	\$0.50mm	\$(1.37)mm	\$3.35mm	-
Net Assets (USD)	\$9.52mm	-	-	-	\$8.93mm	-
FX Rate ²	0.78	-	-	(9.59%)	0.71	-
Net Assets (AUD)	\$12.2mm	-	-	-	\$12.65mm	-
Units on Issue	130,692,470	-	-	-	124,204,979	-
NAV/Unit (AUD)	0.0933	-	-	8.79%	0.1015	-

(1) Includes cash held in both AUD and USD as well as cash within the derivative structure. Cash performance in 2018 was particularly impacted by the net outflow of capital due to the unit buy-back.

(2) RBA AUD:USD rate as at 31 December 2018 and 31 December 2017, respectively.



Year in Review (continued)

The Legacy Portfolio continues to wind down naturally over time. The valuation of the positions is the sum of the underlying net asset values provided by the fund administrators ("Reported NAV"). Notwithstanding that in each case these Reported NAVs are audited at year end, when Warana bids on similar investments it does not assume that it will recover the full amount of the Reported NAV over time. Of the remaining US\$2.4 million of Reported NAV, US\$1.1 million relates to Axon Partners ("Axon"). The key remaining assets in this vehicle relate to investments in various Indian real estate ventures including funds and co-investments managed by a prominent India real estate developer – IREO Management. Axon and other high-profile international investors have filed various lawsuits in India as they seek to recover their investment. Notwithstanding the legal claims, Axon believes the majority of the underlying assets have material potential upside, however, due to the dispute with the manager the results have become more binary in nature. Even if a resolution with the manager is achieved, we continue to expect the Axon investment and other remaining legacy assets will take several years to wind down.

It is expected that the majority, if not all, of the remaining uncalled capital amounts for the Warana Fund and King Street RE Fund will be called in the next 12 months, however, this is subject to prevailing market conditions and opportunities that may or may not arise. These amounts total US\$2.1 million of the cash balance.

The Future of AIT

We believe AIT provides investors with a differentiated investment opportunity particularly given its access to international absolute return fund managers, its entry point in many cases is at a discount to the Reported NAV and the potential ability to generate superior after tax returns given the significant tax losses inherent in the structure.

With the fixed overheads associated with a listed fund structure, it is important that AIT grow modestly in order to achieve better economies of scale. That said, we appreciate that we are entering what could be a turbulent investing environment and hence only want to expand the Trust to the extent that there are compelling opportunities that meet our mandate. We currently expect that in 2019 we will be launching a further capital raising to increase the scale of the fund.

AIT is a unit trust that intends to distribute all taxable income each year to its unitholders. Given the tax position of the Trust³ and assuming the tax losses are able to be applied to investment gains, the Trust at its current size would not generate taxable income that would otherwise be required to be distributed given its unit trust structure. As a result, while the Trust is sub-scale, going forward it will likely retain most of its capital. If it was determined that the Trust had surplus capital, it would likely be returned in the form of capital returns and unit buy-backs.

(3) As at the end of the 2018 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.

28 February 2019

The Directors
Columbus Investment Services Ltd
As Responsible Entity of Alternative Investment Trust
Level 11
20 Hunter Street
Sydney NSW 2000

Dear Directors

Alternative Investment Trust

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of Columbus Investment Services Ltd.

As lead audit partner for the audit of the financial report of Alternative Investment Trust for the financial year ended 31 December 2018, I declare that to the best of my knowledge and belief, that there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit;
and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



Crowe Horwath Sydney



John Haydon
Senior Partner

Independent Auditor's Report to the Unitholders of Alternative Investment Trust

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Alternative Investment Trust (the Trust), which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Trust is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Trust's financial position as at 31 December 2018 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Trust in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Uncertainty in Relation to Valuation of Investments in Funds

We draw attention to Note 3(g) and Note 8 in the financial report which describes the basis upon which the fair value of the Investments in Funds has been determined and the conditions of the underlying investment funds. The liquidity and the uncertainty of the timing of redemptions from the underlying investments indicate the existence of a material uncertainty that may cast significant doubt about the valuation and recoverability of the Investments in Funds.

The financial report does not include any adjustments relating to the valuation and recoverability of the Investment in Funds. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How we addressed the Key Audit Matter
Valuation of Investments in Funds	
The Trust invests in Funds which are carried at fair value in the statement of financial position. The Total Equity Swap held by the Trust was effectively unwound as at 30 November 2018 and the investment portfolio under the Swap agreement has been transferred to the Trust on 1 December 2018. The valuation of the investments is a key audit matter given the liquidity and uncertainty of the timing of redemptions from the investments disclosed in Note 3g) and Note 8 of the Financial Report.	Our procedures in relation to the valuation of the Investments in Funds included the following: ■ reviewed the Coordination Deed for the unwinding of the Swap; ■ confirmed the value of the investments which were transferred to the Trust as part of the unwinding of the Total Return Swap with Macquarie Bank; and ■ agreed the Net Asset Value ("NAV") of the investments received from the administrator of the Trust to the underlying Funds and the Trust's financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Trust's annual report for the year ended 31 December 2018, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Responsible Entity for the Financial Report

The directors of Columbus Investment Services Ltd as Responsible Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Conclude on the appropriateness of those charged with governance's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.



Crowe Horwath Sydney



John Haydon

Senior Partner

Dated at Sydney this 28th day of February 2019

Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2018

	Note	Year ended 31 December 2018 \$'000	Year ended 31 December 2017 \$'000
Income			
Net gains/(losses) on financial instruments held at fair value through profit or loss	5	1,127	(1,132)
Interest income		49	82
Other foreign exchange gains/(losses)		360	(88)
Total investment income/(loss)	4	1,536	(1,138)
Expenses			
Responsible entity fees			
Responsible Entity	14 (b)	69	47
Former Responsible Entity	14 (b)	-	33
Investment management fees			
Investment Manager	14 (b)	115	25
Former Investment Manager	14 (b)	-	63
Other operating expenses	6	369	430
Total operating expenses		553	598
Operating income/(loss) attributable to unitholders		983	(1,736)
Decrease/(increase) in net assets attributable to unitholders		(983)	1,736
Total comprehensive income		-	-
		Cents	Cents
Gain/(loss) per unit for loss from continuing operations			
Basic and diluted gain/(loss) per unit	7	0.85	(1.33)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position as at 31 December 2018

	Note	31 December 2018 \$'000	31 December 2017 \$'000
Assets			
Cash and cash equivalents	9 (a)	4,338	5,573
Receivables	10	551	36
Financial assets held at fair value through profit and loss	8	7,955	6,859
Total assets		12,844	12,468
Liabilities			
Payables	11	191	223
Total liabilities (excluding net assets attributable to unitholders)		191	223
Net assets attributable to unitholders - liability	12	12,653	12,245

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity for the year ended 31 December 2018

	Year ended 31 December 2018 \$'000	Year ended 31 December 2017 \$'000
Total equity at the beginning of the year		
Profit/(loss) for the year	-	-
Other comprehensive income	-	-
Total comprehensive income	-	-
Transactions with owners in their capacity as equity holders	-	-
Total equity at the end of the financial year	-	-

Under Australian Accounting Standards, net assets attributable to unitholders are classified as a liability rather than equity. As a result, there was no equity at the start or end of the financial year.

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows for the year ended 31 December 2018

		Year ended 31 December 2018 \$'000	Year ended 31 December 2017 \$'000
	Note		
Cash flows from operating activities			
Interest received		49	82
Management and responsible entity fees paid		(165)	(196)
Other expenses paid		(935)	(383)
Foreign exchange gains/(losses)		360	(88)
Net cash used in operating activities	9 (b)	(691)	(585)
Cash flows from investing activities			
Net proceeds from/(payments for) sale of financial assets designated at fair value through profit or loss		31	2,740
Net cash provided by/(used in) investing activities		31	2,740
Cash flows from financing activities			
Proceeds from applications by unitholders		6,774	-
Buyback of units from unitholders		(7,349)	-
Net cash used in financing activities		(575)	-
Net increase/(decrease) in cash and cash equivalents		(1,235)	2,155
Cash and cash equivalents at the beginning of the year		5,573	3,418
Cash and cash equivalents at the end of the year	9 (a)	4,338	5,573

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. General Information

Alternative Investment Trust (the “Trust” or “AIT”) is an Australian registered managed investment scheme which is quoted on the Australian Securities Exchange (ASX code “AIQ”). The Trust was constituted on 7 April 2005 and is a for-profit entity for financial reporting purposes.

The responsible entity of the Trust is Columbus Investment Services Ltd (ABN 69 095 162 931; AFSL 221 183) (the “Responsible Entity”). The registered office and principal place of business of the Responsible Entity is Level 11, 20 Hunter Street, Sydney NSW 2000.

The investment manager of the Trust is Warana Capital Pty Limited (ACN 611 063 579; AFSL 493579) (the “Investment Manager”).

The financial statements were authorised for issue by the Directors on 28 February 2019. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

2. Adoption of New and Revised Accounting Standards

a) New Standards and Interpretations

The Trust has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (“AASB”) that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations have been adopted:

AASB 9 Financial Instruments (and applicable amendments)

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting and impairment. The adoption of the amendment does not have a significant impact on the recognition, classification and measurement of the Trust’s financial instruments as they are carried at fair value through profit or loss. The derecognition rules have not changed from the previous requirements, and the Trust does not apply hedge accounting. AASB 9 introduces a new impairment model. However, as the Trust’s investments are all held at fair value through profit or loss, the change in impairment rules does not have a material impact on the Trust.

AASB 15 Revenue from Contracts with Customers

AASB 15 replaces AASB 118 Revenue which covers contracts for goods and services and AASB 111 Construction Contracts which covers construction contracts. AASB 15 is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

The Trust’s main sources of income are interest and gains on financial instruments held at fair value. All of these are outside the scope of the new revenue standard. As a consequence, the adoption of AASB 15 does not have a significant impact on the Trust’s accounting policies or the amounts in the financial statements.

3. Significant Accounting Policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements.

a) Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations, and comply with other requirements of the law.

Compliance with Australian Accounting Standards, as issued by the Australian Accounting Standards Board (“AASB”) ensures that the financial statements and notes thereto comply with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

3. Significant Accounting Policies (*continued*)

b) Basis of preparation

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within 12 months, except for investments in financial assets and net assets attributable to unitholders. The amounts expected to be received or settled in relation to these balances cannot be readily determined.

All amounts are presented in Australian dollars as the functional and presentational currency of the Trust.

c) Going concern basis

This financial report has been prepared on a going concern basis.

d) Foreign currency transactions

The functional and presentation currency for the Trust is Australian Dollars. Transactions in foreign currencies are brought to account at the prevailing exchange rates at the date of the transaction. Foreign currency monetary items are translated at the exchange rate existing on reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

The differences arising from these foreign currency translations are recognised in the Statement of Profit or Loss and Comprehensive Income in the year in which they arise.

e) Revenue and income recognition

Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Trust and the revenue can be reliably measured.

Distributions

Distributions from investments are recognised when the right to receive the payment is established.

Interest income

Interest income is recognised on an accruals basis taking into account the interest rates applicable to the financial assets.

f) Cash and cash equivalents

Cash and short term deposits in the Statement of Financial Position comprises cash at bank and on hand and short term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

g) Investments in financial instruments

Investments in financial instruments, as defined by AASB 132 *“Financial Instruments: Presentation”*, are categorised in accordance with AASB 9 *“Financial Instruments”*. This classification is determined by the purpose underpinning the acquisition of the investment. The classification of each financial instrument is re-evaluated at each reporting date.

Designated at fair value through profit or loss

Investments of the Trust that have been designated as at fair value through profit or loss include securities that are held for trading but for which there is no positive intention to hold to maturity. All investments are initially recognised at fair value of the consideration paid excluding transaction costs. After initial recognition, the financial assets that are designated at fair value through profit or loss are re-valued to fair value at each reporting date.

3. Significant Accounting Policies (continued)**Designated at fair value through profit or loss (continued)**

The Trust carries its investments in other funds at fair value based on financial data supplied by the managers of the funds invested in. Changes in the fair value of the investment are included in the Statement of Comprehensive Income as an unrealised appreciation or depreciation on fund investments. Due to the inherent uncertainty of valuation, the value of the investments held by the Trust may differ significantly from the values that would have been used, had a ready market for the investments existed, and these differences could be material to the value of the Trust.

The investments held by the Trust have been designated as at fair value through profit or loss as doing so results in more relevant information. These investments are part of a full group of financial assets which are managed and have their performance evaluated on a fair value basis in accordance with risk management and investment strategies of the Trust.

h) Payables

Trade and other payables are recognised when the Trust becomes obliged to make future payments resulting from the purchase of goods and services. These amounts represent liabilities for goods and services provided to the Trust prior to the end of the financial year. The amounts are carried at cost, are unsecured and are usually paid within 30 days of recognition.

i) Receivables

Receivables may include amounts for interest, dividends, distributions, Goods and Services Tax ("GST") recoverable from the Australian Taxation Office ("ATO"), and prepaid fees. Interest is accrued at the reporting date from the time of cash payment. Dividends are accrued when the right to receive payment is established.

j) Net assets attributable to unitholders

Each unit issued confers upon the unitholder an equal interest in the Trust, and is of equal value. A unit does not confer any interest in any particular asset or investment in the Trust.

Contributions from unitholders and the net profit/(loss) attributable to unitholders of the Trust are recognised in the Statement of Financial Position as net assets attributable to unitholders.

Non-distributable income is included in net assets attributable to unitholders. The change in this amount each year represents a non-cash financing cost as it is not settled in cash until such time as it becomes distributable.

k) Income tax

Under the current tax legislation, the Trust is not subject to income tax provided that the unitholders are presently entitled to the income of the Trust and that the Trust entirely distributes its taxable income.

There is no income of the Trust to which the unitholders are not currently entitled. Additionally, the Trust's Constitution requires the distribution of the full amount of the net income of the Trust to unitholders each year. As a result, deferred taxes have not been recognised in the financial statements in relation to the differences between carrying amounts of assets and liabilities and their respective tax bases. This includes taxes on capital gains which could arise in the event of a sale of investments for the amount at which they are stated in the financial statements. In the event that the taxable gains are realised by the Trust, these gains would be included in the taxable income and assessable in the hands of the unitholders.

l) GST

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the amount of GST is not recoverable from the taxation authority, it is recognised as part of acquisition of an asset or part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to the taxation authority is included as part of receivables or payables. Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

3. Significant Accounting Policies (continued)**m) Distributions**

In accordance with the Trust's Constitution, the Trust distributes all distributable income to unitholders by cash or reinvestment. The distributions are recognised in the Statement of Profit or Loss and Comprehensive Income as finance costs attributable to unitholders.

Distributable income includes capital gains arising from the disposal of investments and foreign exchange gains. Unrealised gains or losses on investments that are recognised in the Statement of Profit or Loss and Comprehensive Income are not distributed until realised. Capital losses are not distributed to unitholders and are retained to be offset against future realised capital gains.

n) Earnings/(loss) per unit

Basic and diluted earnings/(loss) per unit are calculated as profit/(loss) attributable to unitholders in the Trust divided by the weighted average number of units on issue.

o) Impairment of assets

Assets are reviewed for impairment at least each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Current market prices are used to determine recoverable amount.

p) Critical accounting judgements and key sources of estimation uncertainty

Management has adhered to the Trust's unit pricing policy which sets out the basis upon which the units of the Trust have been valued, a copy of which is available upon request. In the application of the accounting policies, management are required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The assumptions and methods used in the determination of the value of investments are outlined in note 3 g) of these financial statements.

4. Segment Information

AASB 8 "Operating Segments" requires operating segments to be identified on the basis of internal reports about components of the Trust that are regularly reviewed by the Investment Manager in order to allocate resources to the segment and to assess its performance.

The Trust engages in one business activity from which it earns revenues, being investment returns, and its results are analysed as a whole by the Investment Manager. As such, the Trust has one reportable operating segment. The following are the Trust's investment income/(losses) by reportable operating segment:

	Year ended 31 December 2018 \$'000	Year ended 31 December 2017 \$'000
Operating segment		
Investment management:		
Attributable to Australia	1,536	(1,138)
Total investment gains/(losses)	1,536	(1,138)

5. Net Gain / (Loss) on Financial Instruments Held at Fair Value through Profit or Loss

	Year ended 31 December 2018 \$'000	Year ended 31 December 2017 \$'000
Fair value gains/(losses) on financial instruments held at fair value through profit or loss	1,127	(1,132)
Net gains/(losses) on financial instruments held at fair value through profit or loss	1,127	(1,132)

6. Other Operating Expenses

	Year ended 31 December 2018 \$'000	Year ended 31 December 2017 \$'000
Professional fees	104	124
Trust administration and custody expenses	81	123
Other general and administrative expenses	141	136
Auditor's remuneration	43	47
Total other operating expenses	369	430

7. Earnings/(Loss) per Unit

Basic earnings/(loss) per unit is calculated as net gain/(loss) attributed to unitholders of AIT divided by the weighted average number of units on issue.

	Year ended 31 December 2018	Year ended 31 December 2017
Gain/(loss) attributable to unitholders (\$'000)	983	(1,736)
Weighted average number of units on issue ('000)	116,132	130,692
Basic and diluted gain/(loss) per unit in cents	0.85	(1.33)

There is no difference between basic and diluted earnings/(loss) per unit as no units are dilutive in nature.

8. Investments in Financial Instruments

	As at 31 December 2018 \$'000	As at 31 December 2017 \$'000
Fair value of financial assets designated as fair value through profit or loss		
Total return swap (underlying investment portfolio)	-	6,859
Investment in funds	7,937	-
Investment in unlisted unit trusts	18	-
Total financial assets held at fair value through profit or loss	7,955	6,859

8. Investments in Financial Instruments (continued)**Total Return Swap**

The underlying investment portfolio represents the Trust's exposure to the total return swap agreement with Macquarie Bank Limited (the "Swap"). Fair value of the Swap was calculated with reference to the fair value of the absolute return funds held within the Swap. The fair value of these assets was based on the net asset value information received from the underlying fund's administrator, and, where appropriate, estimated performance data from the underlying fund's manager. These fair values were reconciled monthly by the Trust's third party administrator and any changes in fair value reviewed for reasonableness by the Investment Manager. Fair values were also checked against the official Swap valuation provided by Macquarie Bank Limited.

The underlying investment portfolio also includes cash and cash equivalents held within the Swap. This includes cash on hand, unsettled trades, accrued interest on cash balances and any relevant fees in relation to the administration and custody of the Swap and its underlying portfolio. These cash and cash equivalents were carried at amortised cost.

The Swap held by the Trust was effectively unwound as at 30 November 2018; the position has been received by the Trust directly.

Investments in Funds and Unlisted Unit Trusts

All the investment portfolio under the swap agreement has been transferred to the Trust on 1 December 2018 and showing as investments in funds as of 31 December 2018. The Trust has investments in AIT Sub-Trust No. 1 and One HF Trust.

Neither the Investment Manager nor the Responsible Entity has direct input into the valuation methodologies applied by the underlying investment administrators in determining net asset values. However, the Investment Manager on behalf of the Responsible Entity, is in regular contact with both the underlying investment administrators and investment managers and enquires where there are unexpected valuation changes.

The underlying investment portfolio is either liquidating funds or side pocket positions where the underlying investments are highly illiquid and the timing of redemptions from the underlying investments are uncertain. Redemption proceeds may be uncertain and irregular as they are dependent on the timing of underlying managers realising individual illiquid investments.

Fair Value Hierarchy

Financial instruments carried at fair value are categorised under a three level hierarchy. Financial instruments are categorised based on the observable market inputs when estimating their fair value. If different levels of inputs are used to measure a financial instrument's fair value, the instrument's classification within the hierarchy is based on the lowest level of input that was significant to the fair value measurement.

The underlying investment portfolio is classified under level 3 in the fair value hierarchy table as valuations are based on net asset values of the absolute return funds which have underlying level 3 investments. The investments in funds and unlisted unit trusts are also classified under level 3 as valuations are based on the net asset values of those funds and unit trusts.

The following table shows an analysis of financial instruments held at 31 December 2018, recorded at fair value and presented by level of the fair value hierarchy:

	31 December 2018			Total \$'000
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
Financial assets				
Investment in funds	-	-	7,937	7,937
Investment in unlisted unit trusts	-	-	18	18
Total financial assets held at fair value through profit or loss	-	-	7,955	7,955

8. Investments in Financial Instruments (continued)
Fair Value Hierarchy (continued)

	31 December 2017			
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Total return swap (underlying investment portfolio)	-	-	6,859	6,859
Total financial assets held at fair value through profit or loss	-	-	6,859	6,859

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the year. The Responsible Entity and Investment Manager assess hierarchical classification at each reporting date.

Valuation techniques used to derive level 1, level 2 and level 3 fair values

Level 1

The fair value of financial instruments that are traded in an active market (for example, listed equities) is determined using the last traded quoted price in an active market. As at 31 December 2018 the Trust had \$nil (2017: \$nil) financial assets held at fair value through profit or loss included in level 1.

Level 2

The fair value of financial instruments that are not traded in an active market (for example, unlisted investments) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. As at 31 December 2018 the Trust had \$nil (2017: \$nil) financial instruments in level 2.

Level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. As at 31 December 2018 the Trust had \$7,955,000 (2017: \$6,859,000) financial assets held at fair value through profit or loss included in level 3. The instruments are valued using published redemption prices. The values have not been adjusted for liquidity as the Investment Manager is in regular contact with underlying investment managers and deem the current values reasonable.

Reconciliation of level 3 fair values

Financial assets measured on a recurring basis using significant unobservable inputs (Level 3) are shown below:

	Level 3 Year ended 31 December 2018 \$'000	Level 3 Year ended 31 December 2017 \$'000
Opening balance	6,859	10,731
Change in value of financial assets held at fair value through profit or loss	1,127	(1,132)
Net purchases/(sales)	(31)	(2,740)
Closing balance	7,955	6,859

Disclosed fair values

For all financial instruments other than those measured at fair value their carrying value approximates fair value.

9. Cash and Cash Equivalents

- (a) Cash and cash equivalents include cash on hand and deposits held with banks. Cash at the end of the year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	As at 31 December 2018 \$'000	As at 31 December 2017 \$'000
Domestic cash at bank	617	5,573
Foreign currency holdings	3,721	-
	4,338	5,573

- (b) Reconciliation of increase/(decrease) in net assets attributable to unitholders for the year to net cash used in operating activities:

	Year ended 31 December 2018 \$'000	Year ended 31 December 2017 \$'000
Increase/(decrease) in net assets attributable to unitholders	983	(1,736)
Net (gains)/losses on financial instruments held at fair value through profit or loss	(1,127)	1,132
Change in assets and liabilities:		
Increase in receivables	(515)	(8)
Increase/(decrease) in payables	(32)	27
Net cash used in operating activities	(691)	(585)

10. Receivables

	As at 31 December 2018 \$'000	As at 31 December 2017 \$'000
GST receivable	13	19
Other receivables	538	17
Total receivables	551	36

11. Payables

	As at 31 December 2018 \$'000	As at 31 December 2017 \$'000
Responsible entity fees	6	6
Management fees	34	15
Trust administration and custody fees	24	10
Other payables	127	192
Total payables	191	223

12. Net Assets Attributable to Unitholders

	Year ended 31 December 2018	
	No. of Units	\$'000
Opening balance as at 1 January 2018	130,692,470	12,245
Proceeds from applications by unitholders	73,638,975	6,774
Buyback of units from unitholders	(80,126,466)	(7,349)
Net gain attributable to unitholders	-	983
Closing balance as at 31 December 2018	124,204,979	12,653

	Year ended 31 December 2017	
	No. of Units	\$'000
Opening balance as at 1 January 2017	130,692,470	13,981
Net loss attributable to unitholders	-	(1,736)
Closing balance as at 31 December 2017	130,692,470	12,245

13. Financial Risk Management Objectives and Policies

The initial purpose of the investment portfolio was to meet the Trust's investment objective of positive risk adjusted, absolute returns over the medium to long term and in all market conditions. The strategy for achieving this objective focused on obtaining exposure to a portfolio of international absolute return funds ("Underlying Investment Portfolio") and select subordinated debt and equity company investments.

As approved by the unitholders during the extraordinary general meeting held on 12 February 2018, the Trust has re-commenced investment activities using the same investment objective and strategy previously employed by the Trust.

Risks arising from holding financial instruments are inherent in the Trust's activities, and are managed through a process of ongoing identification, measurement and monitoring.

Financial instruments of the Trust comprise investments in financial assets for the purpose of generating a return on the investment made by unitholders, in addition to derivatives, cash and cash equivalents, net assets attributable to unitholders, and other financial assets such as trade debtors and creditors, which arise directly from operations.

The Responsible Entity is responsible for identifying and controlling the risks that arise from these financial instruments.

The Trust is exposed to credit risk, market risk and liquidity risk arising from the financial instruments it holds. The risk management policies employed by the Investment Manager on behalf of the Responsible Entity to manage these risks are discussed below.

a) Credit risk

Credit risk is the risk that a counterparty will fail to perform contractual obligations, either in whole or in part, under a contract and cause the Trust to incur a financial loss.

In relation to derivative financial instruments, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. This risk may be minimised by ensuring counterparties, together with the respective credit limits are approved. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the Statement of Financial Position.

13. Financial Risk Management Objectives and Policies (continued)**a) Credit risk (continued)**

The Trust's financial assets have credit risk exposure to the following geographic regions:

31 December 2018	Australia \$'000	US \$'000	Total \$'000
Cash and cash equivalents	617	3,721	4,338
Receivables	58	493	551
Financial assets held at fair value through profit and loss	367	7,588	7,955
Total	1,042	11,802	12,844

31 December 2017	Australia \$'000	US \$'000	Total \$'000
Cash and cash equivalents	5,573	-	5,573
Receivables	36	-	36
Financial assets held at fair value through profit or loss	-	6,859	6,859
Total	5,609	6,859	12,468

The credit exposure of the financial assets designated at fair value through profit and loss in the US includes the intrinsic value of the total return swap of \$nil (2017: \$6,858,990) which is the fair value of the underlying investment portfolio. This credit risk is mitigated on the basis that the assets are held by third party custodians and subject to first ranking changes in favour of the Responsible Entity.

b) Liquidity risk

Liquidity risk is the risk that the Trust will experience difficulty in either realising assets or otherwise raising sufficient funds to satisfy commitments associated with financial instruments or satisfy creditors' claims of the Trust. Cash flow risk is the risk that the future cash flows derived from holding financial instruments will fluctuate. The Investment Manager manages the cash flow risk by preparing monthly cash flow forecasts to ensure that upcoming commitments can be met by the Trust, as and when they fall due.

The table below shows the Trust's financial liabilities into relevant maturity groupings based on the remaining period from 31 December 2018 to the contractual maturity date. The amounts in the table are contractual undiscounted cash flows. Balances due equal their carrying values, as the impact of discounting is not considered significant.

Amounts payable to unitholders are classified as a financial liability. The Trust is currently undergoing an orderly realisation of assets. Due to the uncertainty of the timing of redemptions from the underlying investments, it is not possible to determine the timing in which net assets attributable to unitholders will be paid to unitholders. As such, maturity analysis has not been conducted on the net assets attributable to unitholders.

	Less than 1 month \$'000	1-12 months \$'000	Greater than 12 months \$'000	Total \$'000
As at 31 December 2018				
Payables	191	-	-	191
As at 31 December 2017				
Payables	223	-	-	223

13. Financial Risk Management Objectives and Policies (continued)**c) Market risk**

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market variables such as interest rates, foreign exchange rates and equity prices or will be adversely affected as a result of market illiquidity. This risk is managed by ensuring that all activities are transacted in accordance with investment guidelines. Until 30 November 2018, the Trust was subject to the restrictions set out under the swap agreement with Macquarie Bank Limited.

i. Currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Trust has exposure to foreign currency risk implicit in the value of portfolio securities denominated in a foreign currency, and transactional exposure arising from the sale of securities.

The Investment Manager and Responsible Entity have not hedged the Trust's exposure to the US dollar. However, when funds are available, these are converted from US dollars to Australian dollars and transferred to the Trust's Australian dollar denominated bank account.

The following table indicates the currencies to which the Trust has exposure quoted in AUD equivalents:

31 December 2018	AUD \$'000	USD \$'000	Total \$'000
Assets			
Cash and cash equivalents	617	3,721	4,338
Receivables	58	493	551
Financial assets held at fair value through profit and loss	367	7,588	7,955
Total assets	1,042	11,802	12,844
Liabilities			
Payables	154	37	191
Total liabilities (excluding net assets attributable to unitholders)	154	37	191
Net assets attributable to unitholders	1,093	11,560	12,653
Total foreign currency exposure	-	11,560	11,560
Net foreign currency exposure	-	11,560	11,560
31 December 2017	AUD \$'000	USD \$'000	Total \$'000
Assets			
Cash and cash equivalents	5,573	-	5,573
Receivables	36	-	36
Financial assets designated at fair value through profit and loss	-	6,859	6,859
Total assets	5,609	6,859	12,468
Liabilities			
Payables	223	-	223
Total liabilities (excluding net assets attributable to unitholders)	223	-	223
Net assets attributable to unitholders	5,386	6,859	12,245
Total foreign currency exposure	-	6,859	6,859
Net foreign currency exposure	-	6,859	6,859

13. Financial Risk Management Objectives and Policies (continued)**c) Market risk (continued)****i. Currency risk (continued)**

The following table demonstrates the sensitivity of the Trust's Statement of Profit or Loss and Other Comprehensive Income to a reasonable change in foreign exchange rates, with all other variables held constant.

	Change in foreign exchange rate	Effect on net profit attributable to unitholders \$'000
Year ended 31 December 2018		
USD/AUD	10%/(10%)	1,156/(1,156)
Year ended 31 December 2017		
USD/AUD	10%/(10%)	686/(686)

ii. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments. The Trust's exposure to interest rate risk is set out in the following table:

	Floating interest rate \$'000	Non-interest bearing \$'000	Total \$'000
31 December 2018			
Assets			
Cash and cash equivalents	4,338	-	4,338
Receivables	-	551	551
Financial assets held at fair value through profit or loss	-	7,955	7,955
Total assets	4,338	8,506	12,844
Liabilities			
Payables	-	191	191
Total liabilities (excluding net assets attributable to unitholders)	-	191	191
Net exposure	4,338	8,315	12,653
	Floating interest rate \$'000	Non-interest bearing \$'000	Total \$'000
31 December 2017			
Assets			
Cash and cash equivalents	5,573	-	5,573
Receivables	-	36	36
Financial assets held at fair value through profit or loss	-	6,859	6,859
Total assets	5,573	6,895	12,468
Liabilities			
Payables	-	223	223
Total liabilities (excluding net assets attributable to unitholders)	-	223	223
Net exposure	5,573	6,672	12,245

13. Financial Risk Management Objectives and Policies (continued)**c) Market risk (continued)****ii. Interest rate risk (continued)**

The Trust is not exposed to significant interest rate risk as it does not maintain large reserves of cash and cash equivalents or any other interest bearing securities. Available cash is distributed to unitholders as soon as practical in line with the realisation strategy.

iii. Price risk

Price risk is the risk that the fair value of investments decreases as a result of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual stock or factors affecting all instruments in the market. The Trust is not directly correlated with any particular stock market indices. All securities present a risk of loss of capital. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

As at 31 December 2018, a positive 5% sensitivity on the Underlying Investment Portfolio would have had an impact in the Trust's Statement of Profit or Loss and Other Comprehensive Income and net assets attributable to unitholders of \$397,750 (2017: \$342,950). A negative sensitivity would have an equal but opposite impact.

Investment strategy

The Investment Manager's strategy, on behalf of the Responsible Entity, 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 total number of securities transactions, together with total brokerage paid during the period ended 31 December 2018 was:

Number of transaction: 10 (excluding the on market buyback)

Brokerage paid: \$nil (excluding the on market buyback)

The investment summary of the Fund as at 31 December 2018 is listed as below.

AUD

AIT Sub Trust No1
One HF Trust
Warana Co-Investment Fund I

USD

Axon Partners (Offshore), Ltd
Cerberus Interenational SPV, Ltd
Drawbridge Special Opportunities Fund, LP
Eton Park Overseas Fund, Ltd.
FCOI II Holdings, L.P.
Fortress Partners Fund LP
GSO Special Situations Overseas Fund, Ltd.
King Street Real Estate Fund (Offshore PF), L.P.
Marathon Special Opportunity Fund Ltd
Oz Asia Overseas Fund, Ltd
Oz Europe Overseas Fund II, Ltd
Oz Overseas Fund II, Ltd
Oz Overseas Fund, Ltd
Perry Partners International Inc
Warana SP Offshore Fund SPC - 2018 Segregated Portfolio

13. Financial Risk Management Objectives and Policies (continued)**c) Market risk (continued)****iii. Price risk (continued)****Capital management**

The Responsible Entity and Investment Manager's objective when managing capital was to continue the same investment objective previously employed by the Trust as it re-commenced investment activities in 2018.

14. Related Party Transactions**a) Key management personnel**

The names of the directors and company secretaries of the Responsible Entity are:

Name	Title
Frank Tearle	Executive Director and Company Secretary
Justin Epstein	Executive Director
Elizabeth Reddy	Non-Executive Director (Resigned on 26 October 18)
Sarah Wiesener	Executive Director (Appointed on 26 October 18) and Company Secretary

The Trust has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the year.

Apart from those details disclosed in the note, no key management personnel have entered into a material contract with the Trust since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year end.

b) Responsible Entity/Investment Manager fees**Responsible Entity fees**

The responsible entity of the Trust is Columbus Investment Services Ltd ("Responsible Entity"). Prior to 25 May 2017 the responsible entity of the Trust was The Trust Company (RE Services) Limited ("Former Responsible Entity").

The Responsible Entity charged 0.07% per annum (excluding GST) of gross portfolio value, subject to a minimum of \$66,000 per annum. The Former Responsible Entity charged 0.1% per annum (excluding GST) of gross assets, subject to a minimum of \$80,000 per annum.

As at 31 December 2018, the responsible entity fees expense incurred by the Trust to the Responsible Entity was \$68,970 of which \$6,050 (2017: \$6,050) was payable at the end of the period.

For the prior year, the total responsible entity fees expense was \$80,257 and was incurred as follows:

- From 1 January 2017 to 24 May 2017 – \$33,260 to Former Responsible Entity
- From 25 May 2017 to 30 December 2017 – \$46,997 to Responsible Entity

Investment Manager Fees

The investment manager of the Trust is Warana Capital Pty Limited (the "Investment Manager"). Prior to 9 October 2017, the investment manager of the Trust was Laxey Partners (UK) Ltd (the "Former Investment Manager") until 25 September 2017. Between 26 September and 8 October 2017 the Responsible Entity was responsible for the management of the Trust.

The Investment Manager received the following fees:

- From 1 January 2018 to 11 February 2018 – 1.25% (excluding GST) of the value of gross assets of the Trust less responsible entity fees.
- From 12 February 2018 to 31 December 2018 – 1.5% (excluding GST) of the net asset value of the Trust.

14. Related Party Transactions (continued)**b) Investment Manager fees (continued)**

The Former Investment Manager received fees equal to the lower of \$200,000 or 0.75% of the value of gross assets of the Trust with no distribution fees. The fee arrangement was subject to the overall fee cap of 1.25% per annum of the value of gross assets of the Trust and the responsible entity fee of \$80,000. The responsible entity fees and investment manager's fees in total are not to exceed 1.25% per annum of gross assets.

As at 31 December 2018, the management fee expense incurred by the Trust to the Investment Manager was \$115,355 of which \$34,164 (2017: \$14,641) was payable at the end of the period.

For the prior year, the management fee expense incurred by the Trust amounted to \$87,966. The breakdown of total management expenses is as follows:

- Laxey Partners (UK) Ltd for services rendered from 1 January 2017 to 25 September 2017 amounting to \$63,455;
- Columbus Investment Services Ltd for services rendered from 26 September to 8 October 2017 amounting to \$3,087; and
- Warana Capital Pty Limited for services rendered from 9 October 2017 to 31 December 2017 amounting to \$21,424.

It is noted that all management fees and performance fees relating to the Trust's holding in Warana SP Offshore Fund SPC 2018 ("WSPOF") have and will continue to be rebated while Warana is the Investment Manager of the Trust. Total rebate credited to the Trust was \$28,291 (2017: \$nil) of which \$15,876 (2017: \$nil) was receivable at the end of the period.

c) Other fees paid to related parties

The Responsible Entity appointed third party service providers to the Trust, some of whom are related parties of the Responsible Entity. One Managed Investment Funds Limited ("OMIFL"), a subsidiary of One Investment Group ("OIG"), acted as custodian for the Trust and receives a fee for doing so.

As at 31 December 2018, the custody fee expense incurred by the Trust amounted to \$20,715 (2017: \$28,523) of which \$19,387 (2017: \$5,500) was payable at year-end.

d) Holding of units

During or since the end of the financial year, none of the directors of the Responsible Entity held units in the Trust, either directly, indirectly, or beneficially (2017: \$nil).

(e) Investments in Unlisted Funds where members of OIG act as Trustee

The Trust holds two unlisted investments issued by members of OIG:

1. One HF Trust ("OHFT") – OMIFL is the trustee of this trust. The purpose of OHFT is to help facilitate the unwind of the Swap. Where the underlying investments cannot be split, OHFT will hold the assets on behalf of the Trust and Everest Alternative Investment Trust on an agreed unit split. The Trust owns 72.93% of OHFT. Fees paid or payable to OMIFL as trustee for the year were \$5,878 (2017: \$nil). The value of the units in OHFT held by the Trust at 31 December 2018 is \$8,553 (2017: \$nil).
2. AIT Sub-Trust No. 1 ("AITST") – ("OFML") is the trustee of AITST, OFML is a subsidiary of OIG and AITST is a wholly owned sub-trust of the Trust. The purpose of AITST is to help facilitate the unwind of the Swap. Fees paid or payable to OFML as trustee for the year were \$4,284 (2017: \$nil). The value of the units in AITST held by the Trust at 31 December 2018 is \$9,196 (2017: \$nil).

These units were valued at \$17,749 (2017: \$nil) and were included within the financial assets as disclosed in note 8.

Both of the abovementioned trusts pay fees to One Registry Services Pty Ltd ("ORS"), a subsidiary of OIG, for the provision of registry services. Total fees paid or payable to ORS for the year were \$5,647 (2017: \$nil).

15. Auditor's Remuneration

	Year ended 31 December 2018 \$	Year ended 31 December 2017 \$
Audit and review of financial statements	42,597	47,286
Total remuneration	42,597	47,286

The auditor of the Trust is Crowe Horwath Sydney (2017: Crowe Horwath Sydney).

16. Commitments and Contingencies

The Trust has committed to invest \$4,607,184 (US\$3,250,000) (2017: \$nil) in the WSPOF as at 31 December 2018. Uncalled commitments of the Trust at 31 December 2018 amounted to \$2,303,592 (US\$1,625,000) (2017: \$nil).

The Trust has committed to invest \$1,417,595 (US\$1,000,000) (2017: \$nil) in the King Street Real Estate Fund (Offshore, PF) as at 31 December 2018. Uncalled commitments of the Trust at 31 December 2018 amounted to \$653,017 (US\$460,651) (2017: \$nil).

17. Subsequent Events

There has not been any other matter or circumstances occurring subsequent to the end of the year that has significantly affected, or may significantly affect, the operations of the Trust, the results of those operations, or the state of affairs of the Trust in future financial years.

Directors' Declaration

The directors of the Responsible Entity declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable;
- (b) in the directors' opinion, the attached financial statements and notes thereto are in compliance with the basis of preparation and accounting policies described in note 3 to the financial statements and present fairly the financial position and performance of the Trust as at 31 December 2018; and
- (c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Trust.

Signed in accordance with a resolution of the directors of the Responsible Entity made pursuant to Section 295(5) of the Corporations Act 2001.

On behalf of the directors of the Responsible Entity, Columbus Investment Services Ltd.



Frank Tearle
Director
28 February 2019

Unitholder Information

The following unitholder information is provided as at 16 February 2019. Please read in conjunction with the ASX announcements.

a) Distribution of Unitholders

Size of holding	Number of unitholders	Number of units	% of units issued
Ranges			
1 to 1,000	439	223,065	0.18%
1,001 to 5,000	221	573,496	0.46%
5,001 to 10,000	74	558,940	0.45%
10,001 to 100,000	90	2,722,801	2.19%
100,001 and over	26	120,126,677	96.72%
Total	850	124,204,979	100.00%

b) 20 Largest Unitholders

Rank	Name of unitholder	Number of units	% of units issued
1	Dynasty Peak Pty Ltd	39,323,668	31.66%
2	Blann Investments Pty Ltd	23,796,791	19.16%
3	Resurgence Capital Pty Limited	13,122,816	10.57%
4	G W Holdings Pty Ltd	12,691,932	10.22%
5	BOJU Pty Ltd	11,622,818	9.36%
6	HSBC Custody Nominees (Australia) Limited	6,672,849	5.37%
7	Pagetdale Pty Ltd	5,434,780	4.38%
8	APRO Investments Pty Limited	1,142,315	0.92%
9	Stoneglenn Pty Ltd	1,086,957	0.88%
9	LMJ Investment Company Pty Limited	1,086,957	0.88%
10	LIC Investments Pty Ltd	708,243	0.57%
11	Mr Donald Keith Fidge	587,070	0.47%
12	Morbride Pty Ltd	300,000	0.24%
13	Davdan Investments Pty Ltd	271,740	0.22%
13	Backyard Cricket Pty Limited	271,740	0.22%
13	Daniel P Moses (Nominees) Pty Limited	271,740	0.22%
13	Assumo (Nominees) Pty Ltd	271,740	0.22%
14	Mr Wanhee Lee & Mrs Hwa Sook Lee	225,000	0.18%
15	Callaway Investments Pty Ltd	200,000	0.16%
16	Mr Paul Richard Milton & Mrs Niniek Saptowati Milton	186,015	0.15%
17	HSBC Custody Nominees (Australia) Limited - A/C 2	180,000	0.14%
18	Mr Stephen Paul Ellinghaus	156,317	0.13%
19	Mrs Deborah Callaway	155,422	0.13%
20	Glennfield Pty Ltd	141,325	0.11%
Total		119,908,235	96.56%

Unitholder Information (continued)**c) Substantial Unitholders**

Name of unitholder	Number of units	% of units issued
Dynasty Peak Pty Limited	52,015,600	41.88%
Resurgence Capital Pty Limited	24,745,634	19.92%
Blann Investments Pty Ltd	23,403,016	18.84%

d) Voting Rights

Voting rights which may attach to or be imposed on any unit or class of units is as follows:

- (a) On a show of hands every unitholder present will have 1 vote; and
- (b) On a poll every unitholder present will have 1 vote for each dollar of the value of the total interest they have in the Trust

Other Information

Company Secretary

Frank Tearle and Sarah Wiesener are company secretaries of Columbus Investment Services Ltd.

Directors

Frank Tearle

Justin Epstein

Elizabeth Reddy (Resigned on 26 October 18)

Sarah Wiesener (Appointed on 26 October 18)

Stock exchange listing

The Trust's units are listed on the Australian Securities Exchange and are traded under the code "AIQ".

Marketable parcels

The number of unitholders holding less than a marketable parcel of \$500 worth of units is 662 and they hold a total 806,637 units.

Buy-back

On 19 February 2018, the On-Market Buy Back approved at the EGM commenced and continued until 6 March 2018. The Trust purchased 80,126,446 units for a total consideration excluding brokerage of \$7,349,353.

Voluntary escrow

There are no restricted units in the Trust or units subject to voluntary escrow.

Unquoted units

There are no unquoted units on issue.

Registered office of the Responsible Entity

Columbus Investment Services Ltd

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Sydney NSW 2000

Phone: +61 2 8277 0000

Fax: +61 2 8580 5700

Unit registry

Name: Link Market Services Limited

Street address: Level 12, 680 George Street
Sydney NSW 2000

Postal address: Locked Bag A14
Sydney South NSW 1235

Phone (inside Australia): 1800 502 355

Phone (outside Australia): +61 2 8280 7111

Fax: +61 2 9287 0303

Email: registrars@linkmarketservices.com.au

Website: www.linkmarketservices.com.au

Auditor

Crowe Horwath Sydney

Level 15, 1 O'Connell St

Sydney NSW 2000