
Alternative Investment Trust (“AIT”)

March 2012

Laxey Partners Ltd

4th Floor
Derby House
64 Athol Street
Isle of Man
IM1 1JD

Laxey Partners (UK) Ltd

Princes House
38 Jermyn Street
London SW1Y 6DN

Tel +44 20 7494 6380

LAXEY PARTNERS LTD

Overview

AIT Facts

(as at 31 December 2011)

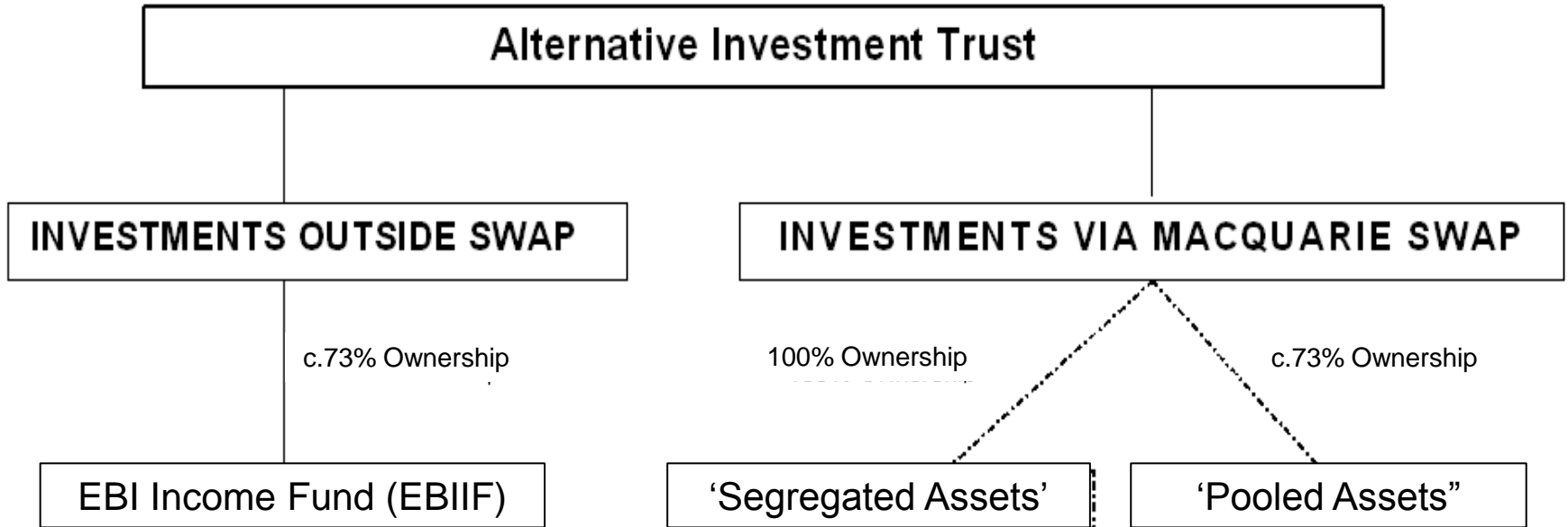
Gross Assets:	AUD 109m	Leverage Ratio (GA/NA):	1.01
Net Assets:	AUD 108m	Debt Remaining:	USD 0m
Market Cap:	AUD 83m	% of GA in 'Side Pockets':	30.00%
Units in Issue:	131m	% of GA in Cash*:	26.10%
NTA/unit:	AUD 0.8265		
Capital Returned per unit:			
Total 2011 Return:	AUD 0.53	Total Return since Feb 2009:	AUD 1.15
Post Balance Sheet Return**:	AUD 0.15		

*This includes the AUD 19.6m for the January 2012 distribution.

** paid on 20th Jan 2012

Source: company report and account

AIT Structure



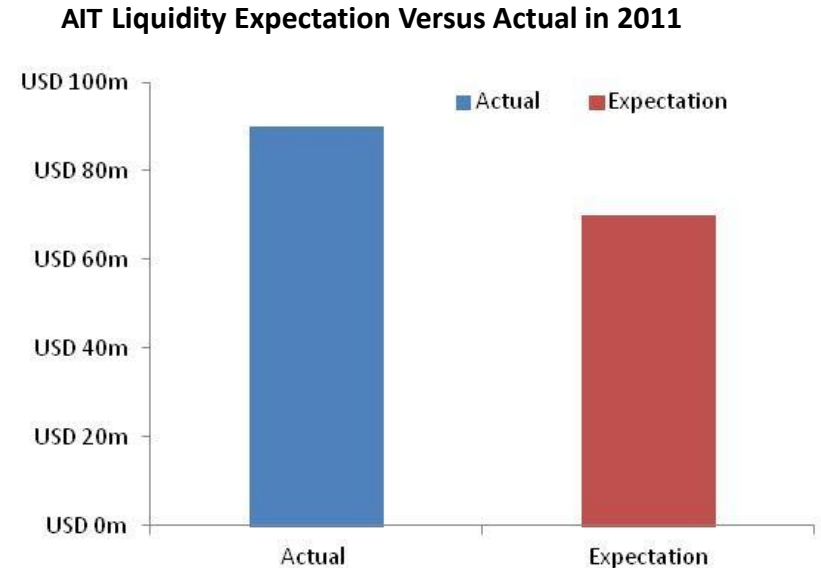
Note: AIT owns c.73% of the “Pooled Assets”, the rest is owned by Everest Alternative Investment Trust -“EAIT”. EBIIF is c.73% owned by AIT, c.27% by EAIT Direct Investment Fund, a sister entity to “EAIT”.

AIT Mandate

- AIT was Everest, Babcock & Brown Alternative Investment Trust (“EBB AIT”) until the reorganization in Jan 2009. AIT is pursuing an orderly wind up under investment manager, Laxey Partners (UK) Ltd (“Laxey”).
- The majority of AIT’s investments are held via an unleveraged swap with Macquarie Bank Ltd.
- Debt within the Swap fully paid off by Aug 2010 leaving any cash realised from assets held within it to be used for distributions back to unit holders.
- Total distributions of AUD 150 m or AUD 1.15 per unit - representing c.112% of AIT’s market value as at Jan 2009.
- A further distribution is anticipated for Q2 2012.

AIT Liquidity Expectation Versus Actual in 2011

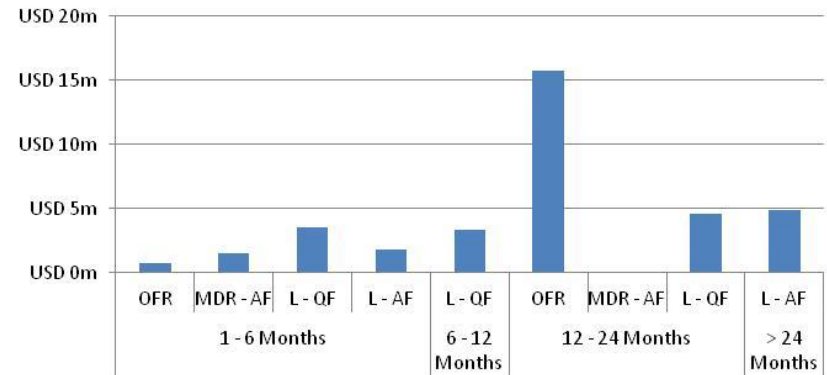
- Redemption proceeds exceeded our expectations by almost 30% (2010: c.25%).
- This is because some of the managers, of AIT's underlying funds, in particular Drawbridge and EBIF, were able to offer investors liquidity ahead of expectations and AIT took advantage of these opportunities to expedite the return of cash.
- Some side pocket investments with no liquidity profile offered investors an exit.



AIT Liquidity Expectation

- Side pockets account for c.30% of the gross assets of AIT (as at 31/12/11)*.
- Following the next distribution in Q2 2012, The manager expects to amass a further cash balance by December 2012 ahead of a significant redemption in early 2013.
- The accompanying graph does not take into account the possibility of early release of proceeds.

Fund Liquidity by Redemption Type



MDR - AF: Multi date redemption - Annual flow;

MDR - QF: Multi date redemption - Quarterly flow;

OFR: Once-off full redemption;

L - AF: Liquidating Fund - Ad hoc;

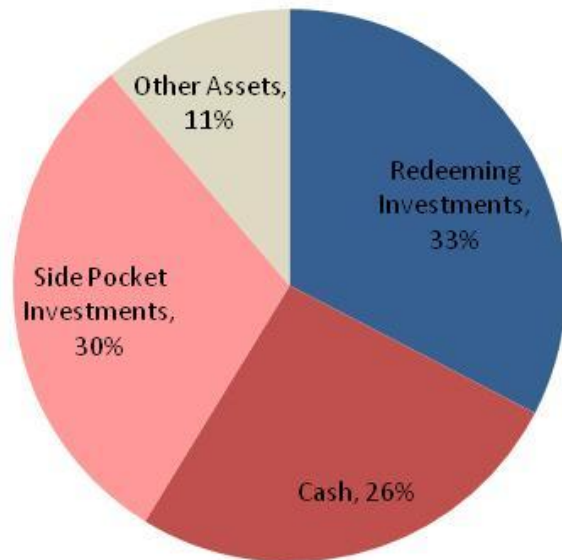
L - QF: Liquidating Fund - Quarterly flow;

The above chart does not include side pockets and it uses the best information available to Laxey, but given the nature of fund redemptions, the liquidity profiles may be subject to change;

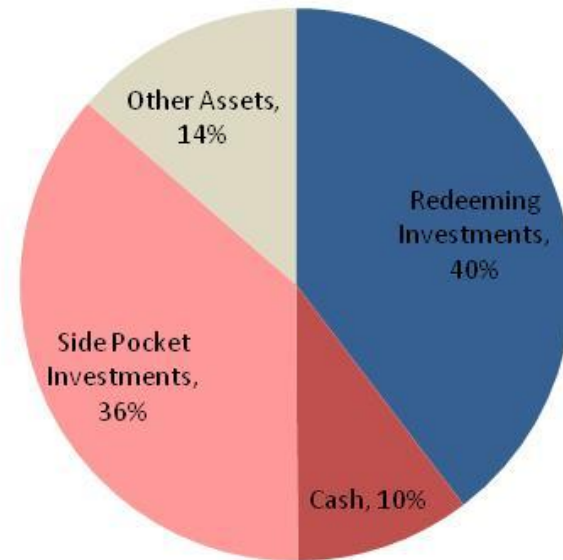
*If the AUD 19.6m January 2012 distribution is excluded, that number rises to 36%.

Portfolio Breakdown by Gross Assets

Breakdown by Gross Assets at 31 Dec 2011

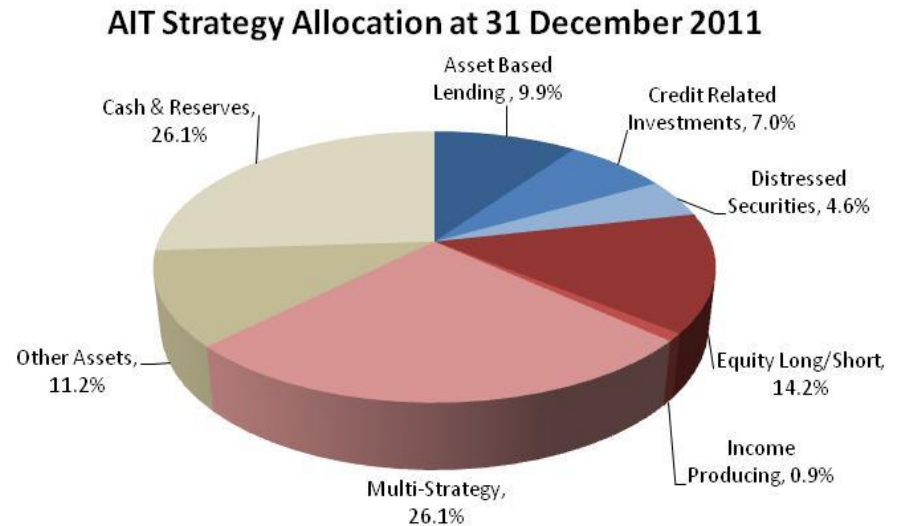


Breakdown by Gross Assets adjusted for ROC Post 31 Dec 2011



AIT Strategy Exposure

- At 31st Dec 2011, cash accounted for 26.1% of the portfolio.
- Post the Return of Capital in Jan 2012, cash reduced to c.10% of total gross assets.
- Most of the cash left in the portfolio is in AUD.



AIT Top Ten Holdings

- The majority of AIT's assets and liabilities are USD denominated, representing 77.7% of total net assets as at 31st Dec 2011.
- EBI Income Fund ("EBIIF") is AIT's only investment held outside the Swap facility.
- Only two investments report in AUD, Everest Absolute Return Fund and EBIIF.

*All measured in local currency adjusted for redemptions.

Top Ten Holdings as at 31 Dec 2011

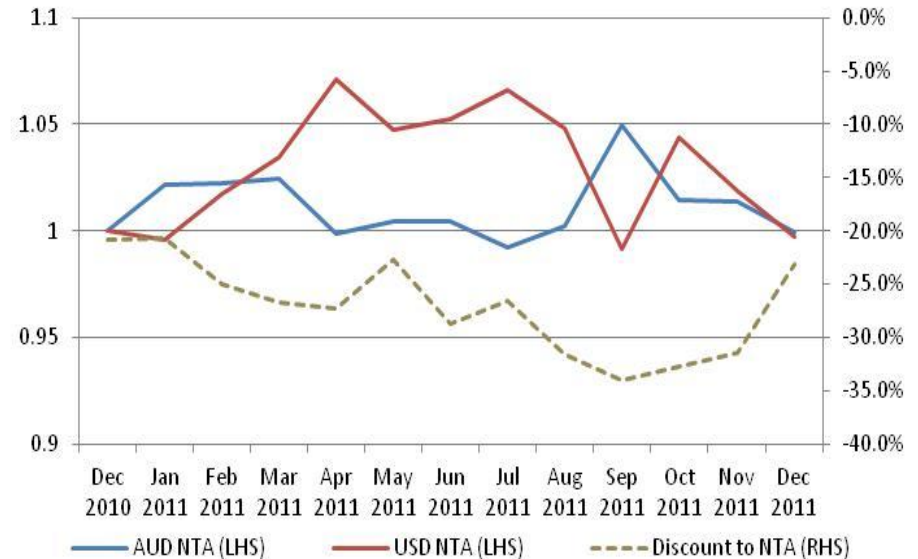
FUND NAME	STRATEGY	% OF GROSS ASSETS
ESL Investments	Equity Long/Short	14.13%
Drawbridge Special Opportunities	Asset Based Lending	9.87%
TPG-Axon Partners Offshore Ltd	Multi-Strategy	5.69%
Eton Park Overseas Fund Ltd	Multi-Strategy	4.27%
Everest Absolute Return Fund	Multi-Strategy	3.70%
GSO Special Situations Overseas	Credit Related Investments	2.99%
Och-Ziff Global Special Investments	Multi-Strategy	2.69%
Cerberus International Ltd	Distressed Securities	2.60%
Marathon Special Opportunity Fund	Credit Related Investments	2.29%
Perry Partners International	Multi-Strategy	2.19%
TOTAL		50.42%

AIT NTA and Discount Performance

- AIT is exposed to foreign exchange risk as there is no currency hedge under the revised Swap Agreement and terms of the wind up.
- For the year under review, AIT's NTA performance was flat after adjusting for the two returns of capital during the year.
- During 2011, the AUD fell slightly against the USD by 0.23%, although there was considerable fluctuation over the period.
- AIT's share price to NTA discount closed the year at c.23%.

NTA and Discount Performance

(Dec 2010 to Dec 2011)



Note: NTA is rebased to 1 at 31 Dec 2010

Significant Portfolio Developments

- Many of AIT's underlying funds have been able to return capital to AIT earlier than forecast.
- During 2011, AIT received a distribution of c.AUD 1m from Everest Absolute Return Fund. A further return of c.AUD 1.7m is expected for Q1 2012.
- GSO Special Situations returned USD 2.6m to AIT in 2011, Laxey expects a significant portion of the remaining interests will redeem in 2012.
- Marathon returned total of USD 6.8m in 2011 and AIT is now solely exposed to side pocket positions.
- In Nov, AIT took advantage of an opportunity to part redeem some of its Drawbridge holdings. This brought in approximately USD 16m with cash received by AIT between late Dec and early Feb.

Significant Portfolio Developments

- EBI Income Fund (EBIIF) - Following the successful negotiation with Euroports, EBIIF agreed to an early redemption of its Euroports mezzanine debt position at a 5% discount to its carrying value (NPV) or a 20% discount to its face value.
- The deal allowed for a full exit of a position that was not expected to pay out any cash until its maturity in 2016.
- Laxey worked with One Investment Group (RE of EBIIF) to negotiate the early redemption of the mezzanine debt almost 5 years ahead of maturity. The small discount to NPV was considered preferable to the unfavourable subordinated debt terms attached to the position in worsening economic conditions.
- EBIIF was able to return the large portion of its NAV to shareholders. The position now accounts for 0.9% of GA compared to 8.5% a year ago.
- Please refer to the AIT 2011 annual report for further details on AIT's top holding developments.

Highlights and Outlook

- When Laxey was appointed as the Investment Manager of AIT (23rd Feb, 2009), the stock was trading around AUD0.90 per unit.
- To date a total of AUD1.15 per unit has been distributed to unit holders.
- A further distribution is anticipated for the second quarter of 2012.

Disclaimer

By attending the meeting where this presentation is made, or by reading this document, you agree to be bound by the limitations set out below.

The information contained herein is for those persons attending this presentation (and to whom this presentation is directed) only, and is solely for their information and may not be reproduced or further distributed to any other person or published in whole or in part for any purpose.

All information contained herein has been compiled from public sources.

Past performance is not necessarily a guide to future performance

This presentation does not comprise a prospectus or constitute an offer or invitation to purchase or subscribe for any securities and should not be relied upon in connection with a decision to purchase or subscribe for securities. This presentation does not constitute a recommendation regarding any securities. No reliance may be placed for any purpose whatsoever on the accuracy of the information or opinions contained in this presentation or on its completeness. No responsibility or liability is or will be accepted for any information or opinions expressed in this presentation or omissions therefrom, and no representation or warranty, express or implied, is or will be given in relation to such information or opinions and any reliance you place on them will be at your sole risk. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially, however Laxey does not undertake any obligation to update any of the information contained herein.

This document is only directed at Professional Clients and Eligible Counterparties (as defined by the UK Financial Services Authority) and is not intended for, and should not be relied upon by anyone else.

This presentation has been issued by Laxey Partners (UK) Ltd, which is authorised and regulated by the Financial Services Authority. Laxey Partners Ltd is licensed by the Financial Supervision Commission of the Isle of Man.