

AIT *Alternative* Investment Trust

Alternative Investment Trust (AIT) has exposure primarily to a portfolio of absolute return funds. With a revised investment strategy, the assets of AIT are being realised and the fund is being wound down.

Fund facts as at December 2013

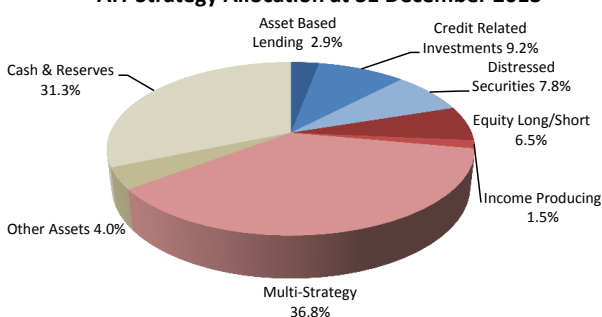
Monthly return	0.30%	Net Assets (NA)	AUD 34,426,291
Unaudited NTA Dec 2013	AUD 0.263	Units in issue	130,692,470
Gross Assets (GA)	AUD 34,646,334	Traded on	ASX
Leverage - GA/NA	1.01	Currency	AUD
Domicile	Australia	Responsible Entity	The Trust Company (RE Services) Limited
SEDOL	B1BOGT6		ACN 003 278 831 AFSL 235 150
Ticker	AIQ AU	ISIN	AU000000AIQ2

Commentary & Portfolio Updates

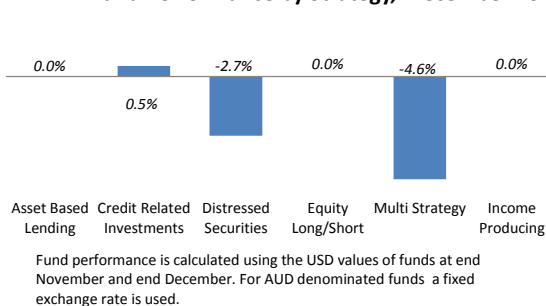
- AIT's NTA return was 0.3% for December. On a fixed exchange rate basis, the performance of AIT's continuing underlying funds was -2.72% for the month. The AUD weakened by 2.1% against the USD. This had a positive effect on AIT's NTA as the majority of AIT's net assets are USD denominated.
- In January 2014, AIT announced that it would distribute AUD 0.05 per unit to unit holders. The distribution was paid in February 2014 totalling approximately AUD 6.5m. More information can be found in the ASX release titled "AIQ Return of Capital to Unitholders" dated 21 January 2014 which is also attached to this Factsheet.

AIT Asset Allocation and Fund Performance for the Month by Strategy

AIT Strategy Allocation at 31 December 2013



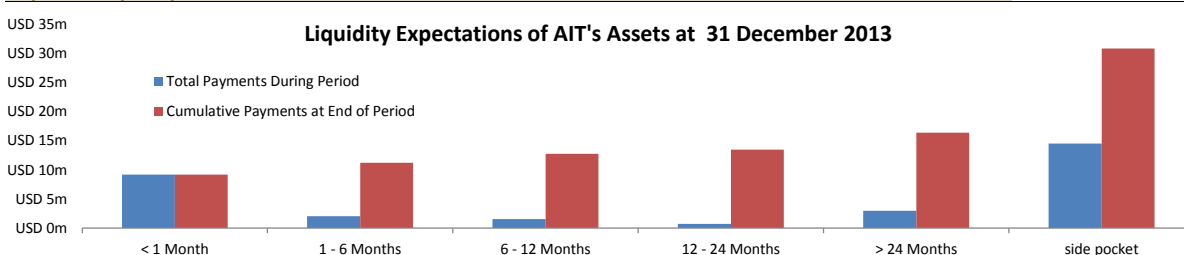
Fund Performance by Strategy, December 2013



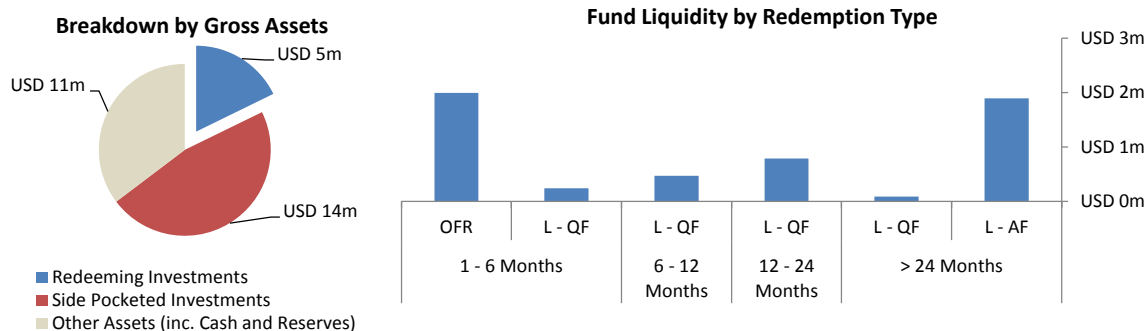
Liquidity of AIT

The portfolio of AIT consists of exposure to a basket of absolute return funds via a Swap facility with Macquarie Bank Ltd, together with two small investments held outside the Swap. With all debt repaid in August 2010, AIT is free to make distributions to unitholders. The first return of capital to unitholders under the revised investment strategy was made in August 2009. After the February 2014 distribution of AUD 0.05 per unit, AUD 1.68 per unit (219 million AUD in total) will have been returned to unitholders since February 2009; distributions will continue to be paid as per the revised mandate.

Expected Liquidity Profile of Gross Assets of AIT



Breakdown of Gross Assets by Redemption Type of Underlying Funds

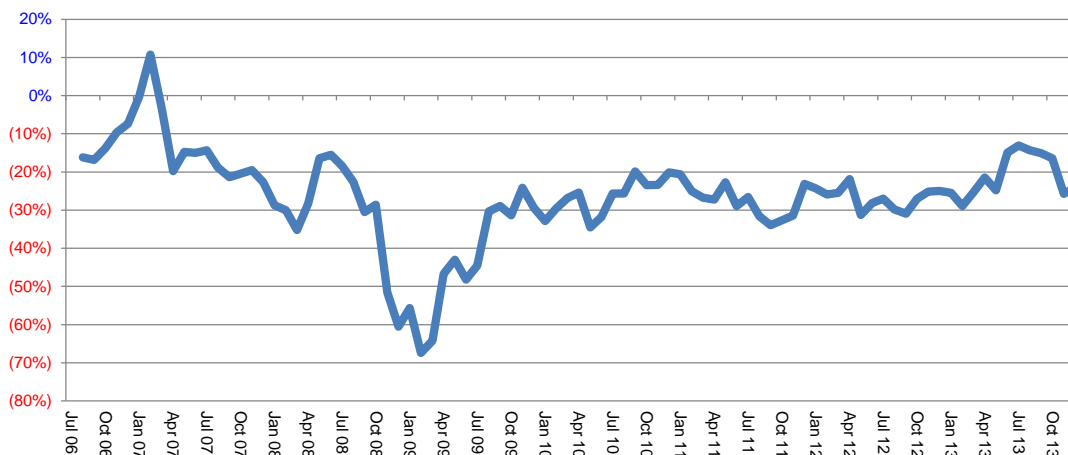


Glossary. MDR - AF: Multi date redemption - Annual flow ; MDR - QF: Multi date redemption - Quarterly flow ; OFR: Once-off full redemption ; L - AF: Liquidating Fund - Ad hoc flow ; L - QF: Liquidating Fund - Quarterly flow

Note: Liquidity profiles are based on best available information and may be subject to significant change in light of new information or events.

FURTHER INFORMATION may be obtained from Laxey Partners (UK) Ltd, Princes House, 38 Jermyn Street, London SW1Y 6DN
Tel: +44 20 7494 6380, www.thealternativeinvestmenttrust.com, ait@laxeypartners.com

**Alternative Investment Trust
Price to NAV Discount**



NTA returns (net)¹

Annual	2006	2007	2008	2009	2010	2011	2012	2013 YTD					
	9.3%	(9.5%)	(41.5%)	(16.3%)	(7.8%)	0.8%	1.7%	9.9%					
Monthly	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2009	(2.8%)	0.8%	(5.2%)	(2.9%)	(5.1%)	(0.4%)	(2.2%)	(1.1%)	(2.9%)	(1.1%)	(1.6%)	3.5%	(16.3%)
2010	0.5%	(0.3%)	(1.4%)	0.5%	7.0%	(1.1%)	(5.6%)	1.0%	(6.0%)	0.4%	2.2%	(4.5%)	(7.8%)
2011	3.0%	0.1%	0.3%	(3.5%)	0.8%	0.2%	(1.8%)	1.4%	6.6%	(4.6%)	(0.1%)	(2.4%)	0.8%
2012	(2.7%)	3.2%	3.4%	(0.9%)	4.9%	(5.6%)	(1.6%)	1.4%	1.6%	2.1%	(3.7%)	(0.2%)	1.7%
2013	(0.1%)	1.4%	(1.7%)	(0.2%)	(8.6%)	2.6%	(8.2%)	(0.1%)	(4.2%)	1.5%	3.5%	0.3%	9.9%

¹ Unaudited – In calculating the NTA, AIT asset values have been calculated using unaudited absolute return fund performance estimates for the month being reported. For the purposes of calculating the above figures, the Australian Equivalents to International Financial Reporting Standards (AEIFRS) have been applied (other than for classification of net assets attributable to unitholders of AIT where Australian Generally Accepted Accounting Principles (AGAAP), as applied before the introduction of AEIFRS, have been used). The May 2007 monthly NTA performance was impacted by the AIT (previously EBI) rights issue and placement which were completed that month and does not include the implied value of EBB shares received by investors who successfully participated in the EBI capital raising. The performance of the underlying investment portfolio (excluding the effect of the capital raising) for May 2007 was +2.40%. Adjustments due to Returns of Capital have been made to performances for 2009, 2011, 2012 and 2013.

AIT Top Holdings as at December 2013

Fund	Strategy	% Gross Assets
TPG-Axon Partners Offshore Ltd	Multi-Strategy	9.06%
ESL Investments	Equity Long/Short	6.46%
Eton Park Overseas Fund Ltd	Multi-Strategy	5.80%
Fortress Partners Fund LP	Multi-Strategy	5.41%
Cerberus International Ltd	Distressed Securities	5.12%
Marathon Special Opportunity Fund	Credit Related Investments	3.66%
Och-Ziff Global Special Investments	Multi-Strategy	3.44%
Canyon Value Realization Fund	Multi-Strategy	3.31%
Drawbridge Special Opportunities	Asset Based Lending	2.95%
GSO Special Situations Oversea	Credit Related Investments	2.89%
Total		48.10%

AIT Top Unitholders*

Weiss Capital	23.23%
FIM Group	17.56%
Regal Funds Management	11.86%
UBS AG	8.63%
Dakota Capital	5.59%
Dynasty Peak	5.48%
Simon Robert Evans	5.01%

* Source: Bloomberg

Currency Exposure

AUD	17.51%
USD	82.49%

Company Data and Contact Information

Manager	Laxey Partners (UK) Ltd	Management fee*	The lower of either AUD 200,000 or 0.75% of average Gross Asset Value (GAV)
Focus	Absolute Return Fund		
Strategy	Realisation of Assets	Year end	31st December
Launch	2005	Administrator	CITCO

About The Trust Company (RE Services) Limited, Responsible Entity of AIT

The Trust Company (RE Services) Limited is part of The Trust Company Limited, a specialist fiduciary service provider in Australia, New Zealand and Singapore. The Trust Company Limited was established in 1885 and has been acting as a responsible entity for its own internally managed schemes and for externally managed schemes since the introduction of the Managed Investments Act (MIA) in June 2000.

About Laxey Partners (UK) Limited ("Laxey")

Laxey is part of Laxey Partners Ltd. Based on the Isle of Man in the British Isles and founded in 1998 as a globally active value management company, Laxey Partners Ltd manages a range of assets and funds for institutional investors.

Information

The monthly NTA is released to the ASX and www.thealternativeinvestmenttrust.com by the 14th of each month and AIT factsheets are released within the first 14 days of the following month end and are available from AIT's website and the ASX. Figures in the factsheet are based on the interim monthly data available at the time that the corresponding monthly NTA is released.

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21 January 2014

ALTERNATIVE INVESTMENT TRUST (ASX: AIQ) – DISTRIBUTION OF APPROXIMATELY AUD 6.5 MILLION

The Trust Company (RE Services) Limited (“Trust”) in its capacity as Responsible Entity of AIQ and Laxey Partners (UK) Limited (“Laxey”) as investment manager of AIQ are pleased to announce that approximately AUD 6.5 million is being distributed at a rate of AUD 0.05 per unit to all unitholders recorded on AIQ’s register of unitholders as at 5.00PM Sydney time on 5 February 2014 (“Record Date”).

The distribution was made possible in part as a result of partial early redemption proceeds received from AIQ’s largest holding, ESL, as well as a significant redemption from Everest Absolute Return Fund. Both positions are held via AIQ’s swap agreement with Macquarie Bank (“the Swap”). The remainder of the distribution is made up of proceeds received from liquidating funds and side pockets held within the Swap.

The distribution is made in line with the orderly winding up of AIQ under a program of realisation of AIQ’s assets designed to optimise the return on investment to unitholders; and it is the ninth distribution to unitholders since AIQ began the realisation of its assets in February 2009. With today’s announced distribution, the total amount distributed per unit since the orderly realisation commenced is AUD 1.68 (AUD 219.6 million in total).

The distribution is expected to be a tax deferred amount for Australian income tax purposes (i.e. a return of capital to unitholders with no withholding tax). The final characterisation of the distribution will be communicated to unitholders in the tax statements for the year ending 30 June 2014.

The distribution will be paid to unitholders on 12 February 2014 (with cheques to be despatched on 18 February 2014). The ex date for the distribution will be 30 January 2014.

ENDS

For further information, please contact:

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**ASX
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**THE
TRUST
COMPANY**

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