

AIT *Alternative* Investment Trust

Alternative Investment Trust (AIT) has exposure to a portfolio of leading absolute return funds as well as an investment in EBI Income Fund. With a revised investment strategy, the assets of AIT are being realised and the fund is in wind down.

Fund facts as at February 2010

Monthly return	-0.35%	Net Assets (NA)	AUD 191,019,050
Unaudited NTA Feb 2010	AUD 1.462	Units in issue	130,692,470
Gross Assets (GA)	AUD 220,505,256	Traded on	ASX
Leverage - GA/NA	1.1544	Currency	AUD
Domicile	Australia	Responsible Entity	Permanent Investment Management Limited (PIML)
SEDOL	B1B0GT6		ACN 003 278 831 AFSL 235 150
Ticker	AIQ AU	ISIN	AU000000AIQ2

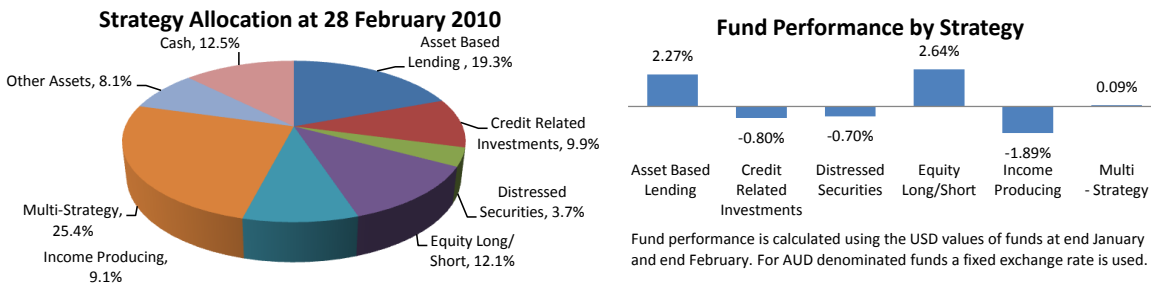
Commentary

For February 2010, AIT returned -0.35% in NTA terms. During the month, the AUD strengthened by 1.3% month-on-month against the USD. As the majority of AIT's assets - together with the Swap debt - are USD denominated, this had a negative impact on AIT's NTA. Against this, AIT's underlying funds returned a positive 1% for the month on a value-weighted basis - using a fixed exchange rate.

Portfolio Updates

• In February, AIT received a distribution of approximately AUD 2.3m from its single holding outside the Swap, EBI Income Fund. This sum will form part of the next distribution AIT intends to make to unitholders. EBI Income Fund is in liquidation mode, and is paying distributions to investors as cash becomes available.

AIT Asset Allocation and Fund Performance for the Month by Strategy



* 'Other Assets' includes collateral, and cash held within the secondary Swap that cannot be used for debt repayment or distribution until swap expiry (Dec2010). In the interests of transparency, Laxey have changed the reporting of CFD positions to more accurately reflect strategy exposures. This has reduced 'Other Assets' and increased 'Asset Based Lending' and 'Multi-Strategy' exposures compared to last month's methodology.

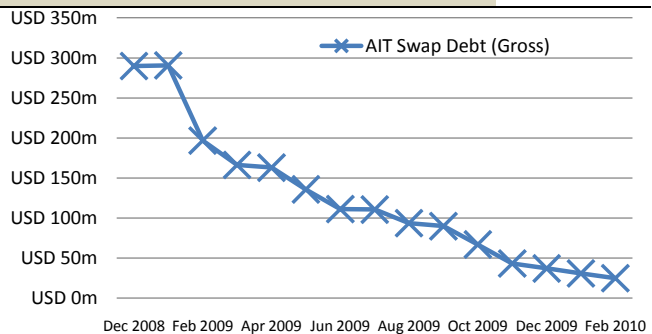
Liquidity of AIT

The portfolio of AIT consists largely of exposure to a basket of absolute return funds via a Swap facility with Macquarie Bank Ltd, together with a single investment in a fund held outside the Swap. Under the terms of the realisation of the AIT assets, the leverage from the Swap facility must be paid down before unitholders may receive distributions from assets sold or redeemed (that are within the Swap). During February AIT's leverage facility was reduced from USD 30.8m to USD 24.9m using redemption proceeds.

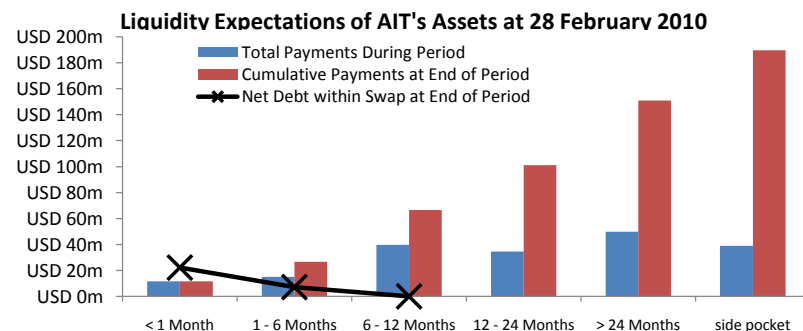
Debt Repayment Progress

• The graph to the right illustrates the level of AIT's debt on a monthly basis from the end of December 2008 to the end of February 2010. Debt has reduced from its peak at the end of January 2009 of USD 290.6m to USD 24.9m now - a reduction of 91%.

• AIT's debt is now largely within the secondary BNP swap facility. Laxey expect that this debt will be repaid once the swap is terminated largely using cash held within the secondary swap. Note: this cash is not used to calculate Net Debt within the Swap (below), as it cannot be used until the swap terminates.

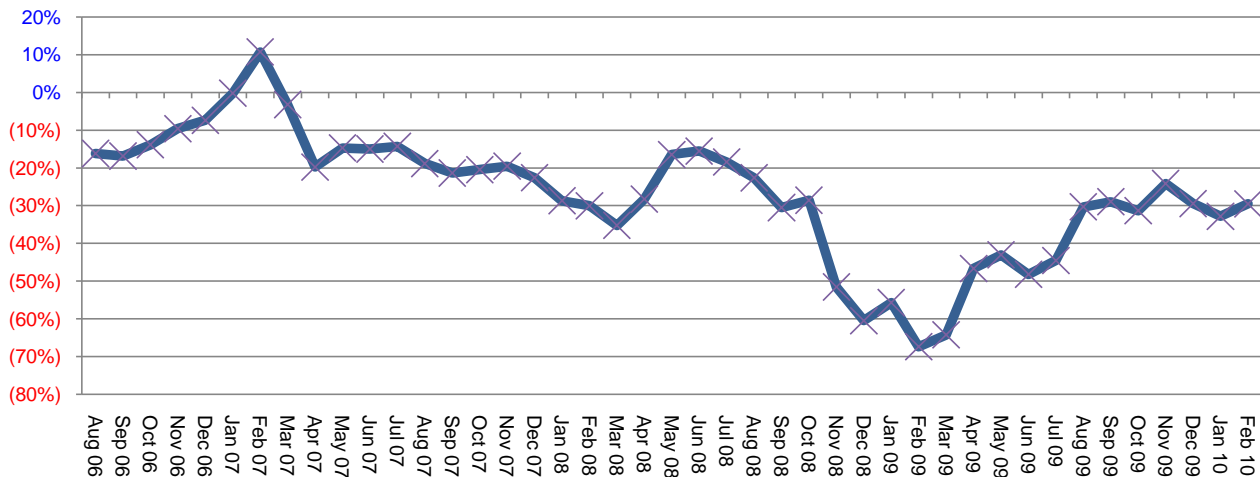


Expected Liquidity Profile of Gross Assets of AIT



This graph (see the April NTA factsheet for a full description) shows the payments that AIT expects to receive from its underlying investments as well as the anticipated reduction in AIT's Net Debt within the Swap. This latter figure excludes proceeds received from EBI Income Fund which sits outside the Swap.

**Alternative Investment Trust
Price to NAV Discount**



NTA returns (net)₁

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2006									1.69%	2.85%	3.47%	2.68%	9.26%
2007	2.83%	(9.30%)	2.10%	5.08%	(4.89%)	(4.91%)	(0.25%)	(3.20%)	1.27%	3.27%	(1.70%)	0.74%	(9.50%)
2008	(4.18%)	0.77%	(1.78%)	0.78%	1.54%	(3.80%)	(1.58%)	(1.87%)	(9.81%)	(15.4%)	(7.86%)	(7.75%)	(41.5%)
2009	(2.78%)	0.76%	(5.20%)	(2.88%)	(5.13%)	(0.43%)	(2.16%)	(1.05%)	(2.87%)	(1.07%)	(1.63%)	3.47%	(16.30%)
2010	0.47%	(0.35%)											0.12%

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%. 2009's performance is adjusted for the AUD 0.47 per unit distribution in August 2009.

AIT Top Holdings as at February 2010

Fund	Strategy	% Gross Assets
Drawbridge Special Opportunities †	Asset Based Lending	18.42%
Everest Babcock & Brown Income	Income Producing	8.68%
ESL Investments	Equity Long/Short	8.32%
Marathon Special Opportunity Fund	Credit Related Investments	5.18%
Eton Park Overseas Fund Ltd	Multi-Strategy	4.25%
Everest Absolute Return Fund	Multi-Strategy	3.81%
TPG-Axon Partners Offshore Ltd	Multi-Strategy	3.54%
Och-Ziff Overseas Fund II	Multi-Strategy	3.26%
GSO Special Situations Oversea	Credit Related Investments	2.28%
Och-Ziff Global Special Investments	Multi-Strategy	2.20%
Total		59.93%

AIT Top Unitholders*

Weiss Capital	32.11%
Laxey Partners Ltd	23.52%
Citigroup Global	9.80%
Carrousel Capital Ltd	9.49%

* Source: Bloomberg

Currency Exposure

AUD	16.77%
USD	83.23%

† The increase in the size of the Drawbridge position is due to a change in the reporting of CFD positions (see Strategy Exposure section on page 1).

Company Data and Contact Information

Manager	Laxey Partners (UK) Ltd	Management fee	0.75% of Gross Asset Value (GAV)
Focus	Absolute Return Fund	Performance fee	1% of each distribution made to unitholders
Strategy	Realisation of Assets	Year end	31st December
Launch	2005	Administrator	CITCO

About PIML, Responsible Entity of AIT

Permanent Investment Management Limited is part of Trust Company Limited (TCL), a specialist fiduciary service provider in Australia and Singapore. Trust Company was established in 1885 and has been acting as an RE 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 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 manages a range of assets and funds for institutional investors.

Information

The monthly NTA is also released to the ASX and www.thealternativeinvestmenttrust.com, by the 14th of each month and AIT factsheets will be released within the first 10 days following each month end and are available from AIT's website.

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