

# AIT *Alternative* Investment Trust

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

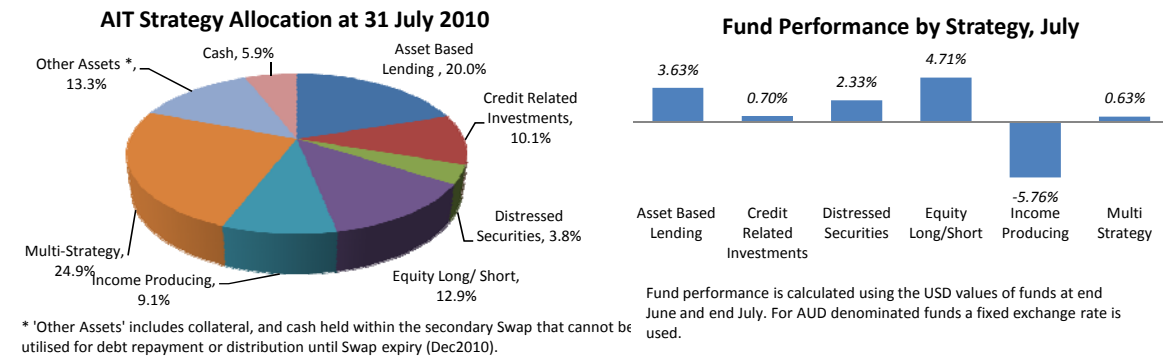
## Fund facts as at July 2010

Monthly return	-5.65%	Net Assets (NA)	AUD 188,897,897
Unaudited NTA Jul 2010	AUD 1.445	Units in issue	130,692,470
Gross Assets (GA)	AUD 191,097,829	Traded on	ASX
Leverage - GA/NA	1.0116	Currency	AUD
Domicile	Australia	Responsible Entity	The Trust Company (RE Services) Limited
SEDOL	B1B0GT6		ACN 003 278 831 AFSL 235 150
Ticker	AIQ AU	ISIN	AU000000AIQ2

## Commentary & Portfolio Updates

- For July 2010, AIT returned -5.65% in NTA terms. This was largely due to exchange rate movements during the month as the AUD strengthened by 7.54% 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. AIT's underlying funds returned +1.2% for the month on a value-weighted basis - using a fixed exchange rate.
- AIT's interim financial statements together with the Investment Manager's Report for the half year to June 2010 have now been released, and are available on AIT's website. The report gives further details on AIT's progress during 2010 - including an update on debt repayment and the BNP swap.

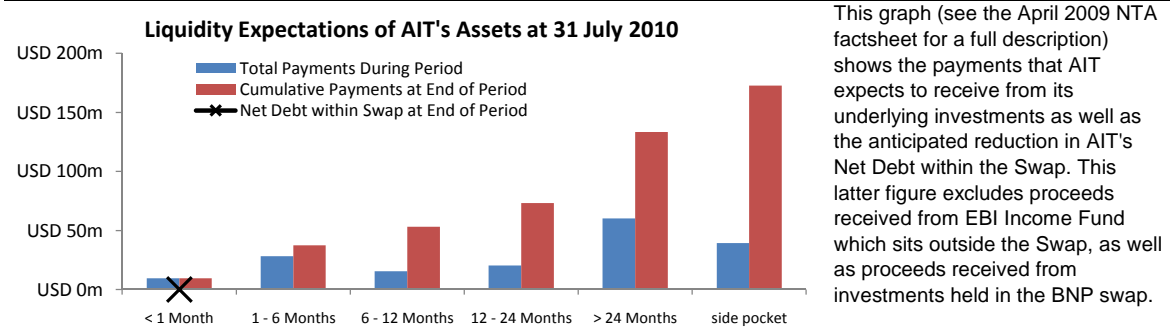
## AIT Asset Allocation and Fund Performance for the Month by Strategy



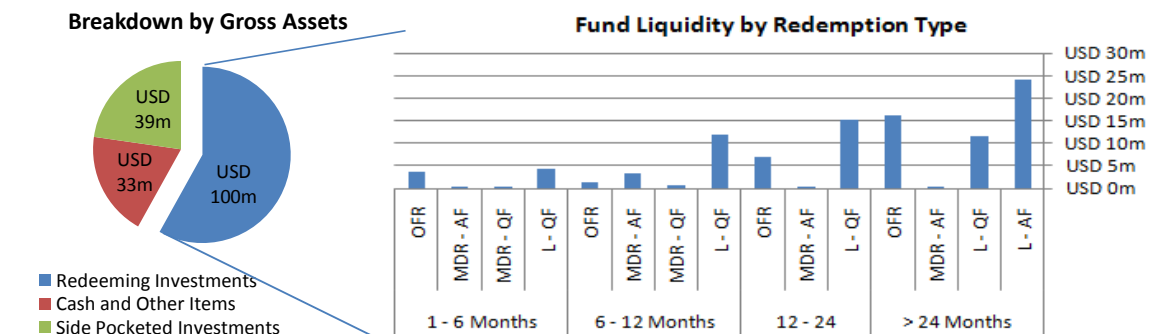
## Liquidity of AIT

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 AIT's 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 July, AIT's leverage facility remained at USD 0.9m. AIT now has a net cash position of USD 31.8m if cash within the BNP swap is included (disclosed within 'Other Assets' until released).

## Expected Liquidity Profile of Gross Assets of AIT



## Breakdown of Gross Assets by Redemption Type of Underlying Funds



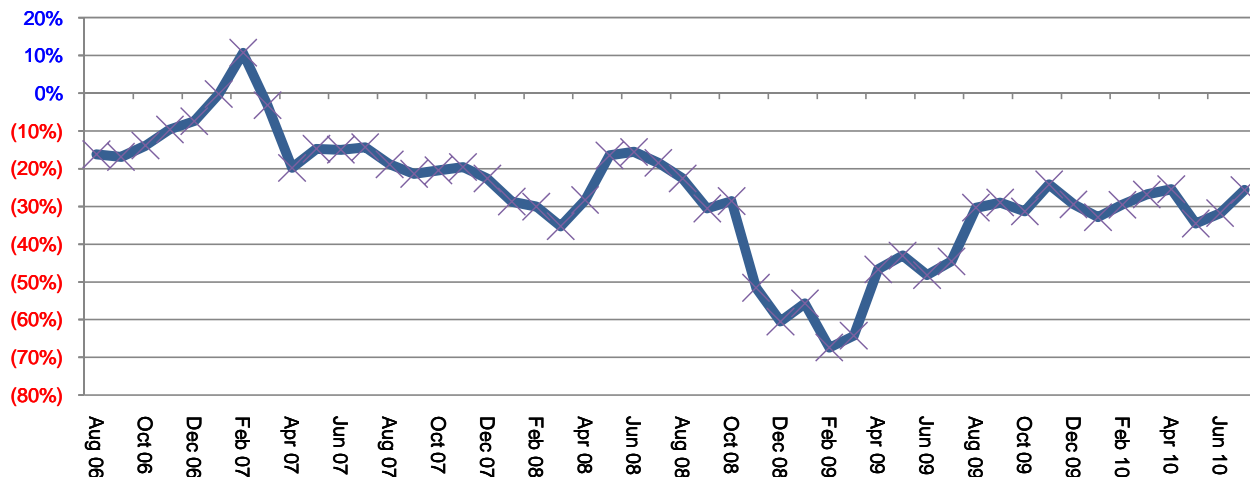
**Glossary.** MDR - AD: Multi date redemption - Annual flow ; MDR - QF: Multi date redemption - Quarterly flow ; OFR: Once-off full redemption ; L - AF: Liquidating Fund - Ad hoc flow ; L - QF: Liquidating Fund - Quarterly flow

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 FROM Laxey Partners (UK) Ltd, Princes House, 38 Jermyn Street, London SW1Y 6DN

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**Alternative Investment Trust  
Price to NAV Discount**



**NTA returns (net)<sup>1</sup>**

	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%)	(1.37%)	0.46%	7.00%	(1.15%)	(5.65%)						(1.00%)

<sup>1</sup> 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 (AIFRS) 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 AIFRS, 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 July 2010**

Fund	Strategy	% Gross Assets
Drawbridge Special Opportunities	Asset Based Lending	20.01%
ESL Investments	Equity Long/Short	9.29%
EBIIF	Income Producing	9.14%
Marathon Special Opportunity Fund	Credit Related Investments	5.66%
TPG-Axon Partners Offshore Ltd	Income Producing	4.04%
Eton Park Overseas Fund Ltd	Multi-Strategy	3.98%
Everest Absolute Return Fund	Multi-Strategy	3.80%
Och-Ziff Overseas Fund II	Multi-Strategy	3.64%
GSO Special Situations Oversea	Credit Related Investments	2.67%
Och-Ziff Global Special Investments	Multi-Strategy	2.46%
<b>Total</b>		<b>64.68%</b>

**AIT Top Unitholders\***

Weiss Capital	32.11%
Laxey Partners Ltd	23.52%
QVT Funds	8.08%
Citigroup Global	7.28%

\* Source: Bloomberg

**Currency Exposure**

AUD	14.35%
USD	85.65%

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

The Trust Company (RE Services) Limited (formerly PIML - see announcement on 22 June 2010) is part of The Trust Company Limited (TCL), a specialist fiduciary service provider in Australia and Singapore. TCL 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](http://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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