

AIT *Alternative* Investment Trust

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

Fund facts as at July 2009

Monthly return	-2.16%	Net Assets (NA)	AUD 259,237,020
unaudited NTA July 2009	AUD 1.984	Units in issue	130,692,470
Gross Assets (GA)	AUD 320,205,083	Traded on	ASX
Leverage - GA/NA	1.2352	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

30/06/09 Interim Financial Statements Highlights

- For the six months ended 30/06/09, AIT repaid USD180.9m of debt owing to Macquarie Bank Limited, the leverage facility provider.
- AIT's share price to NTA discount narrowed from 60.5% (01/01/09) to 48.22% (30/06/09).
- AIT's NTA fell 14.8% over the six months to 30/06/09 and the AIT share price rose 11.7%.
- NTA performance attributable to a strengthening AUD against the USD. On 01/01/09, 1 AUD bought 0.71 USD, by 30/06/09, 1 AUD bought 0.81 USD. The majority of AIT's assets are held in USD.
- Details of the August, 2009 return of capital distribution were outlined: AUD0.47 per unit was returned to unit holders, a total of AUD61.5m and equivalent to 23% of the 30/06/09 NTA.

Commentary

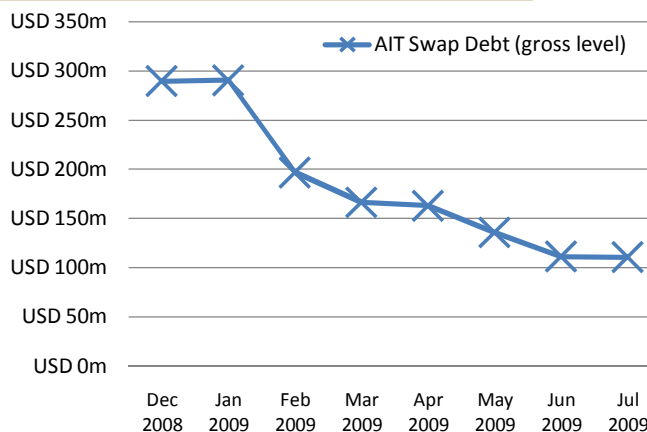
For July 2009, AIT returned -2.14% in NTA terms. During the month, the AUD recontinued its rise against the USD - strengthening by 3.66% month-on-month. As explained in previous factsheets a strengthening of the AUD against the USD adversely affects AIT's NTA, as the majority of AIT's assets - together with the Swap debt - are USD denominated. Against this, AIT's underlying funds returned roughly 1.4% for the month on a USD-value weighted basis.

Liquidity of AIT

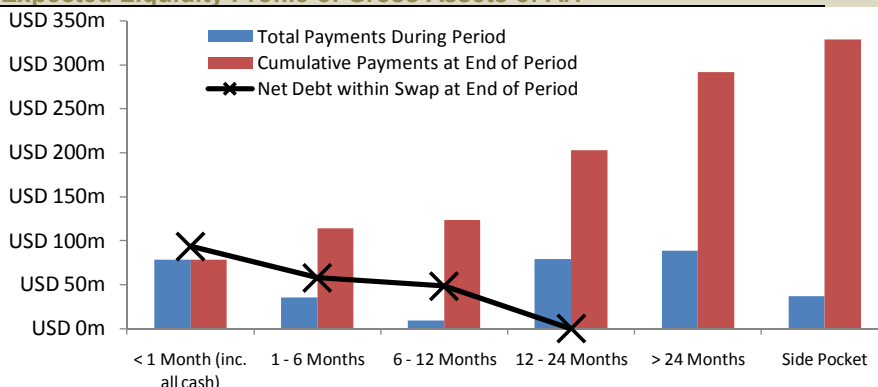
The portfolio of AIT consists largely of exposure to a basket of absolute return funds via a Swap facility with Macquarie Bank Ltd, together with a single investment in a fund held outside the Swap. Under the terms of the realisation of AIT's assets, the leverage from the Swap facility must be paid down before unitholders may receive distributions from assets sold or redeemed (that are within the Swap). During July, AIT's leverage facility was reduced from USD 111.2m to USD 110.6m 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 July 2009. Debt has reduced from USD 290.6m to USD 110.6m from its peak at the end of January to the end of July, a reduction of 62%.
- The small reduction in leverage between June and July does not fully reflect the redemption proceeds received in July. Much of the proceeds for the month were received too late to pay down the leverage before the end of the month; as such they will be reflected in August's debt levels.

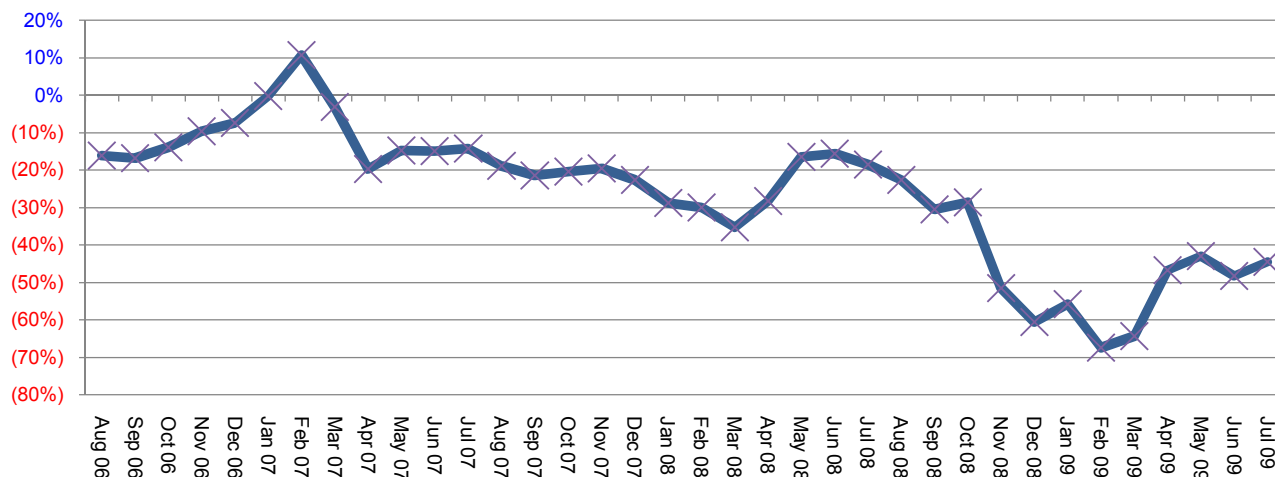


Expected Liquidity Profile of Gross Assets of AIT



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 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 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%.

AIT Top Holdings as at July 2009

Fund	Strategy	% Gross Assets
TPG-Axon Partners Offshore Ltd	Multi-Strategy	13.35%
Drawbridge Special Opportunities	Asset Based Lending	7.99%
Everest Babcock & Brown Income	Income Producing	6.38%
Marathon Special Opportunity Fund	Distressed Securities	4.21%
ESL Investments	Long/short Equity	4.05%
Eton Park Overseas Fund Ltd	Multi-Strategy	2.68%
Everest Absolute Return Fund	Multi-Strategy	2.19%
Och-Ziff Global Special Investments	Multi-Strategy	2.07%
Och-Ziff Overseas Fund	Multi-Strategy	1.20%
Cerberus International Ltd	Distressed Securities	1.14%
Total		45.24%

AIT Top Unitholders

Weiss Capital	28.66%
Carrousel Capital Ltd	25.19%
Laxey Partners Ltd	23.52%
Citigroup Global	9.80%

Currency Exposure

AUD	13.00%
USD	87.00%

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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