

AIT *Alternative* Investment Trust

Alternative Investment Trust (AIT) has exposure to a portfolio of leading absolute return funds and selected direct investments. Formerly Everest Babcock & Brown Investment Trust (EBI), following a vote by unitholders at a meeting held 30 January 2009, it was agreed that an orderly realisation of the EBI portfolio would occur and that EBI would be renamed AIT. Laxey Partners (UK) Ltd (Laxey) proposed a revised investment strategy to undertake an orderly wind down of the AIT portfolio by adopting a programme for the realisation of assets to optimise the return on investments to unitholders.

Fund facts as at March 2009

Monthly return	-5.20%
NTA as at March 2009	AUD 2.210
Gross Assets (GA)	AUD 532,423,802
Leverage - GA/NA	1.8414
Responsible Entity	Permanent Investment Management Limited (PIML) ACN 003 278 831 AFSL 235 150
Net Assets (NA)	AUD 289,137,386
Units in issue	130,692,470
Traded on	ASX
Currency	AUD
	Domicile Australia
	Ticker AIQ AU
	ISIN AU000000AIQ2
	SEDOL B1B0GT6

Commentary

- AUD 72m cash has been received in redemption payments from direct investments that are outside the Swap, this will be distributed to unitholders. Details of a distribution will be released in early July;
- Details of the anticipated realisation of the Top 10 AIT portfolio positions follow below and overleaf, though very few of these funds' investment managers have put gates in place to prevent holders from receiving full redemptions.

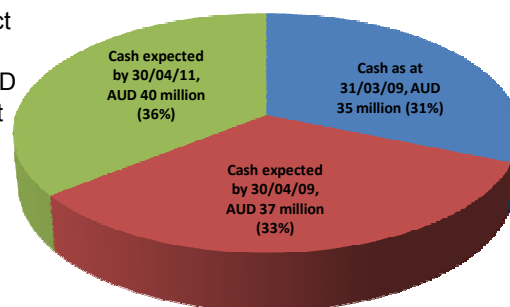
Liquidity of AIT

The portfolio of AIT consists largely of exposure to a basket of absolute return funds via a Swap facility with Macquarie Bank Ltd, with some direct investments. 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).

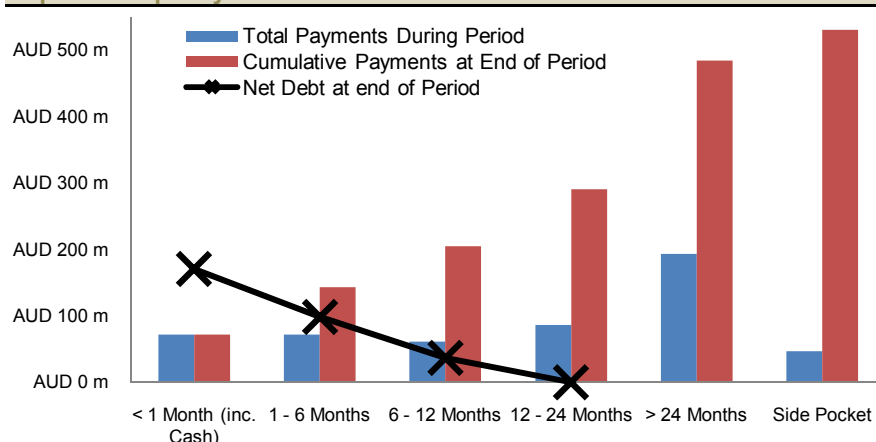
Direct Investments - AIT's largest holding is EBI Income Fund, which is a direct investment outside the Swap. Post 31 March 2009 a total of AUD 72m cash has been received in redemption payouts from EBI Income Fund. The remaining AUD 40m (estimated current value) from the EBI Income Fund is expected in the next two years. The pie chart opposite illustrates this.

Investments held in the Swap - Of the remaining Top 10 holdings of AIT – which all sit in the Swap and account for approx. 44% of gross assets – AIT expects to receive 27% of their current value within the next six months; that is, AUD 62m to be paid against the Swap leverage facility. An estimated AUD 18m is expected within twelve months, again to be paid against the Swap leverage facility until the debt is paid off in full. An estimated AUD 68m is expected after that but within two years. An estimated AUD 67m is expected thereafter, with a final estimated AUD 18m side-pocketed. The latter are assets within an uncertain liquidity profile.

Expected Liquidity of Gross Assets Held Outside the Swap (AUD 112m as at 31/03/09)



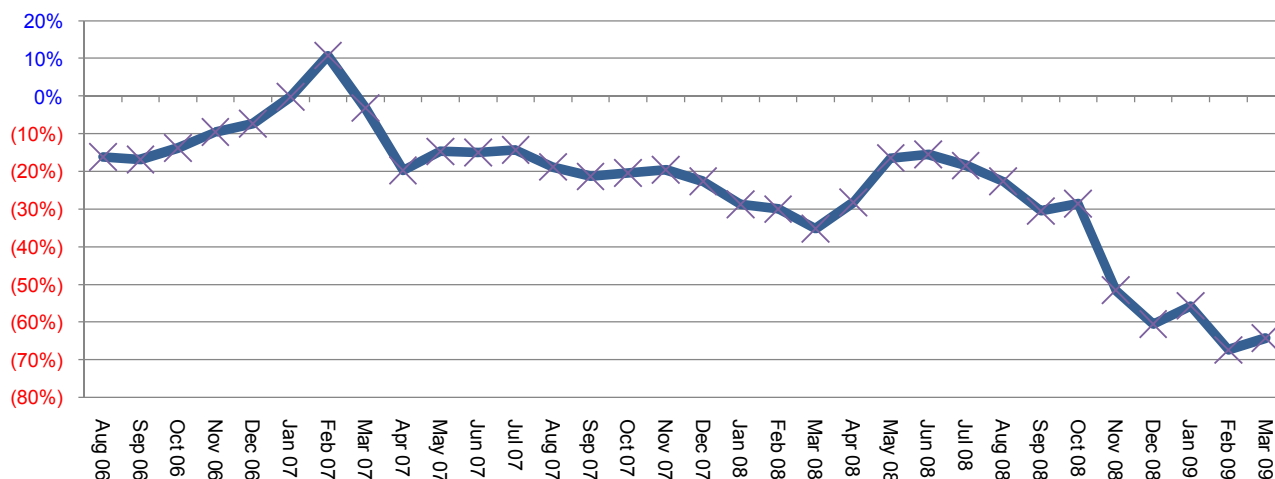
Expected Liquidity Profile of Gross Assets of AIT



This graph shows the payments that AIT expects to receive from its underlying investments, based on the current values of AIT's holdings and the best information available. Cumulative payments show the total amount expected to have been received by the end of each period. Note that 'Side Pocket' assets are assets whose liquidity profile is uncertain, and hence these assets are treated separately. Note also that 'Net Debt at end of Period' is the total debt due by the end of the period, less any cash in the Fund and any payments expected by that date.

Unitholders should be aware that the information provided on liquidity is illustrative only. The above information is based on estimates using market values of the funds as at 31 March 2009, and liquidity information from fund managers. In providing this information, we cannot allow for future rises or falls in the value of funds, gates on redemptions that could be put in place by fund managers (including gates put in place after a redemption request has been submitted by AIT) or other unforeseen events. Therefore, there is a risk that AIT will not receive liquidity in the time-frames provided, as well as a risk that the value of assets at liquidation may be less than their current value.

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%)										

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 March 2009

Fund	Strategy	% Gross Assets
Everest Babcock & Brown Income	Income Producing	14.46%
TPG-Axon Partners Offshore Ltd	Multi Strategy	10.92%
Eton Park Overseas Fund Ltd	Multi Strategy	7.89%
Drawbridge Special Opportunities	Asset Based Lending	7.38%
Silver Point Capital Partnership LP	Credit Related Investments	3.34%
Shumway Capital Partners Atlantic Fund	Long/Short Equity	3.30%
Marathon Special Opportunity Fund	Distressed Securities	3.27%
ESL Investments	Multi Strategy	2.89%
Atticus Global Ltd	Long/Short Equity	2.49%
Taconic Opportunity Offshore	Credit Related Investments	2.41%
Total		58.35%

AIT Top Unitholders*

Weiss Capital	27.28%
Carrousel Capital Ltd	25.19%
Laxey Partners Ltd	23.52%
Citigroup Global	6.90%

* disclosed during February 2009

Currency Exposure

AUD	30.09%
USD	69.91%

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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