

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 May 2009

Monthly return	-5.13%	Net Assets (NA)	AUD 289,137,386
NTA as at May 2009	AUD 2.036	Units in issue	130,692,470
Gross Assets (GA)	AUD 438,411,350	Traded on	ASX
Leverage - GA/NA	1.5163	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

Distribution Update

● Towards the end of July, AIT will announce details of its first distribution to unit holders. The announcement will be released to the ASX and posted to the fund's website.

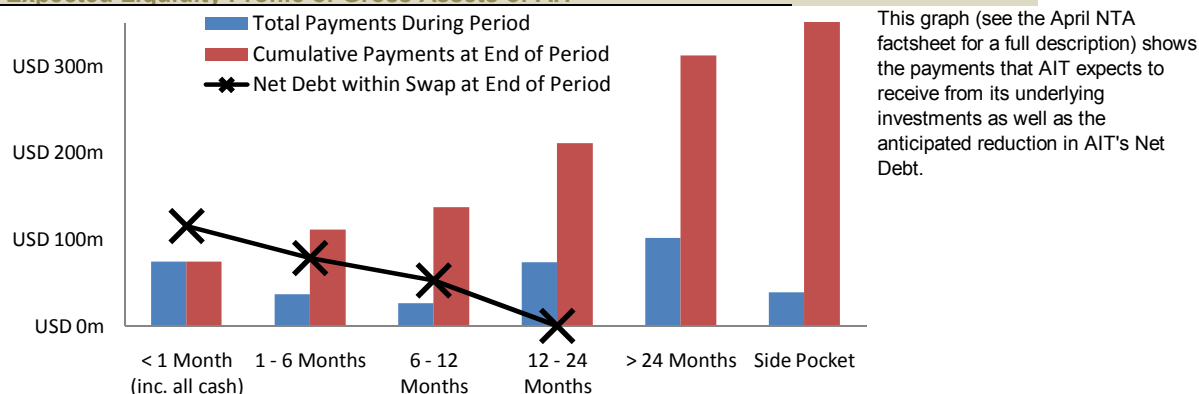
Commentary

● For May 2009, AIT returned -5.13%. During the month, the AUD continued to strengthen against the USD, rising almost 10% month-on-month. As in April, this adversely affected the fund's performance, as the majority of AIT's assets - together with the Swap debt - are USD denominated. It should be emphasised that AIT's negative performance is due primarily to this currency movement, and that, in USD terms, the value-weighted performance of AIT's underlying funds showed an increase of approximately 2%.

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 two 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). During May, USD 27m of redemption proceeds were used to reduce the leverage facility from USD 163m to USD 136m.

Expected Liquidity Profile of Gross Assets of AIT

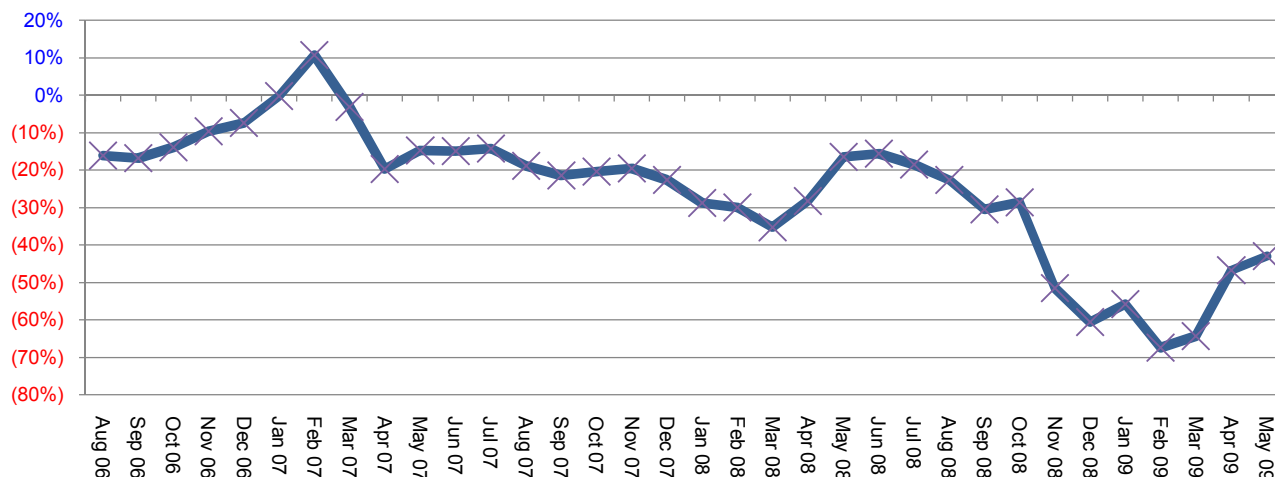


Of the redemption payments expected over the next year, the Manager's current expectations are that the majority of these will come from within the Swap, and go towards the payment of the debt. Payments outside the Swap remain difficult to predict as here AIT has exposure to just two funds, the majority of which is invested in the EBI Income Fund. As announced in previous factsheets, this fund is in liquidation mode, and has already paid out a substantial portion of its assets – representing the more liquid portion of the portfolio.

On current expectations, the above liquidity profile shows net debt of the Swap reducing to zero in twenty-four months time. This calculation only nets cash held within the Swap – included in the '< 1 Month' liquidity category – off current debt levels. Once the net debt has been reduced to zero, AIT can amass redemption funds to make further distributions to unit holders.

There are a number of positions to which AIT has exposure where managers have invested in highly illiquid assets. The nature and liquidity profile of these assets make it difficult for the managers concerned to give a firm indication of the likely realisation date for the investment, and these forecasts have been extended to reflect ongoing economic uncertainty. Such assets are designated 'Side Pocket' investments and are not generally eligible for redemption until realised by the manager. For this reason, Side Pocket investments are not expected to begin to become liquid for another two years.

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%)								

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 May 2009

Fund	Strategy	% Gross Assets
TPG-Axon Partners Offshore Ltd	Multi-Strategy	11.90%
Everest Babcock & Brown Income	Income Producing	8.96%
Drawbridge Special Opportunities	Asset Based Lending	7.54%
Eton Park Overseas Fund Ltd	Multi-Strategy	4.02%
Marathon Special Opportunity Fund	Distressed Securities	3.67%
Silver Point Capital Partnership LP	Credit Related Investments	3.65%
ESL Investments	Long/short Equity	3.50%
Taconic Opportunity Offshore	Multi-Strategy	2.62%
Everest Absolute Return Fund	Multi-Strategy	2.00%
Och-Ziff Global Special Investments	Multi-Strategy	1.88%
Total		49.73%

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	18.05%
USD	81.95%

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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