

# 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 strategy, the assets of AIT are being realised and the fund is in wind down.

## Fund facts as at December 2009

Monthly return	3.47%	Net Assets (NA)	AUD 190,793,154
Unaudited NTA Dec 2009	AUD 1.460	Units in issue	130,692,470
Gross Assets (GA)	AUD 233,605,737	Traded on	ASX
Leverage - GA/NA	1.2244	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

## Meet the Responsible Entity and Manager of Alternative Investment Trust

InterContinental Hotel, 117 Macquarie Street, Sydney, NSW

Wednesday 10<sup>th</sup> March, 2010 at 11am

*Refreshments will be provided (drinks and snacks)*

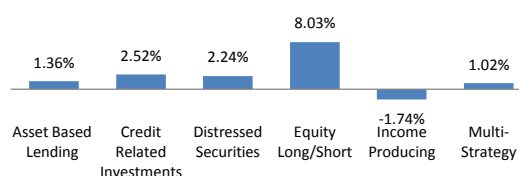
AIT unitholders and any interested parties are invited to attend a presentation hosted by Permanent Investment Management Limited and Laxey on Wednesday 10<sup>th</sup> March at 11am at the InterContinental Hotel, Sydney. The presentation will cover AIT's annual results for 2009, the progress made on the wind up of AIT and the manager's expectations regarding AIT's future.

<http://www.thealternativeinvestmenttrust.com/>

## Commentary & Fund Performance

- For December 2009, AIT returned +3.47% in NTA terms. The USD's rally against the AUD contributed to this, as the majority of AIT's assets - and its Swap debt - are USD denominated.
- AIT's underlying funds returned +1.9% for the month on a value-weighted basis - using a fixed AUD-USD exchange rate.
- The strength of global equity markets in December meant AIT's long/short equity managers were prime contributors to the fund's performance. One fund in particular returned over +9% for the month.

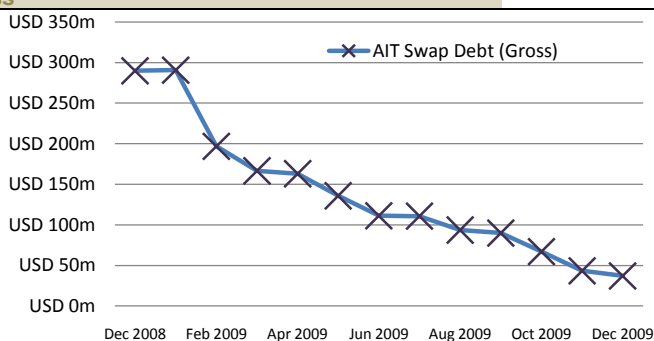
### Fund Performance by Strategy, December 2009



Fund performance is calculated using the unaudited USD values of funds at end November and end December. For AUD denominated funds a fixed exchange rate is used.

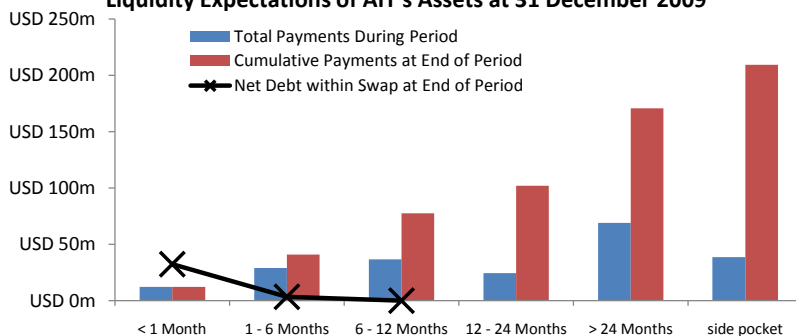
## Liquidity of AIT and Debt Repayment Progress

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 Swap agreement, the leverage from the Swap facility must be paid down before unitholders may receive distributions from assets sold or redeemed (within the Swap). During December AIT's leverage facility was reduced from USD 43.3m to USD 37.1m using redemption proceeds. Debt is down 87.2% from December 2008.



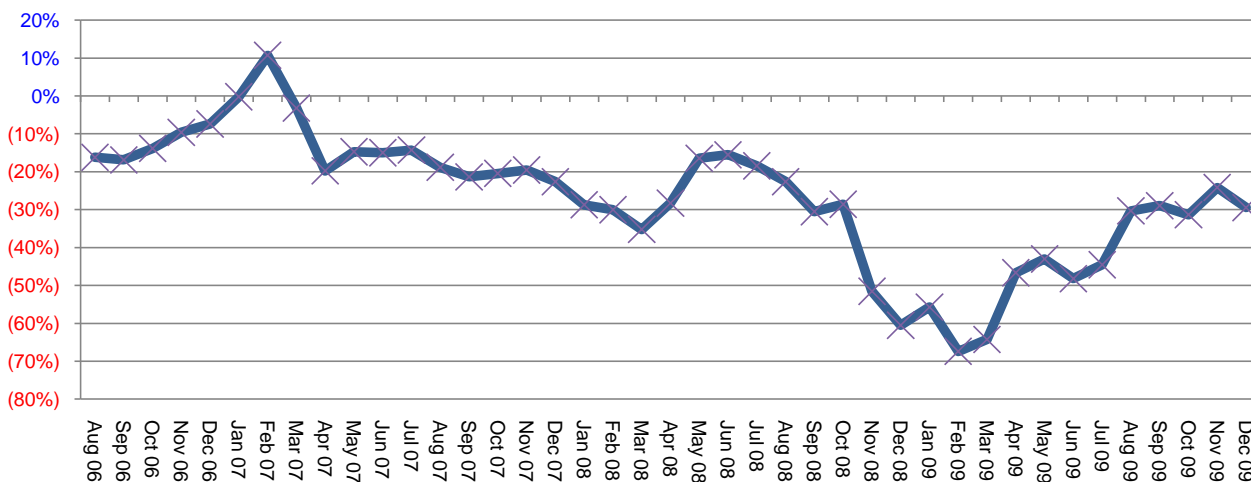
## Expected Liquidity Profile of Gross Assets of AIT

### Liquidity Expectations of AIT's Assets at 31 December 2009



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)<sub>1</sub>

	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%	(28.6%)

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%. Performance for Aug 2009 and YTD 2009 offset the capital return of AUD 0.47 / unit.

### AIT Top Holdings as at December 2009

Fund	Strategy	% Gross Assets
Drawbridge Special Opportunities	Asset Based Lending	12.25%
EBIIF	Income Producing	10.23%
TPG-Axon Partners Offshore Ltd	Multi-Strategy	9.60%
ESL Investments	Equity Long/Short	7.31%
Marathon Special Opportunity Fund	Credit Related Investments	6.86%
Eton Park Overseas Fund Ltd	Multi-Strategy	4.07%
Everest Absolute Return Fund	Multi-Strategy	3.52%
Och-Ziff Global Special Investments	Multi-Strategy	3.35%
GSO Special Situations Overseas Fund	Credit Related Investments	2.11%
Och-Ziff Overseas Fund II	Multi-Strategy	1.75%
<b>Total</b>		<b>61.05%</b>

### AIT Top Unitholders\*

Weiss Capital	29.69%
Carrousel Capital Ltd	23.52%
Laxey Partners Ltd	23.52%
Citigroup Global	9.80%

\* Source: Bloomberg, as at 31 Dec 2009

### Currency Exposure

AUD	18.09%
USD	81.91%

### 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](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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