

Meet the Responsible Entity and Manager of Alternative Investment Trust

InterContinental Hotel, 117 Macquarie Street, Sydney, NSW
Wednesday 9th March, 2011 at 11am

Refreshments will be provided (drinks and snacks)

AIT unitholders and any interested parties are invited to attend a presentation hosted by The Trust Company (RE Services) Limited (Trust) and Laxey Partners on Wednesday 9th March at 11am at the InterContinental Hotel, Sydney. The presentation will cover AIT's annual results for 2010, the progress made on the wind up of AIT and the manager's expectations regarding AIT's future.

<http://www.thealternativeinvestmenttrust.com>

Alternative Investment Trust (“AIT”)

March 2011

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LAXEY PARTNERS LTD

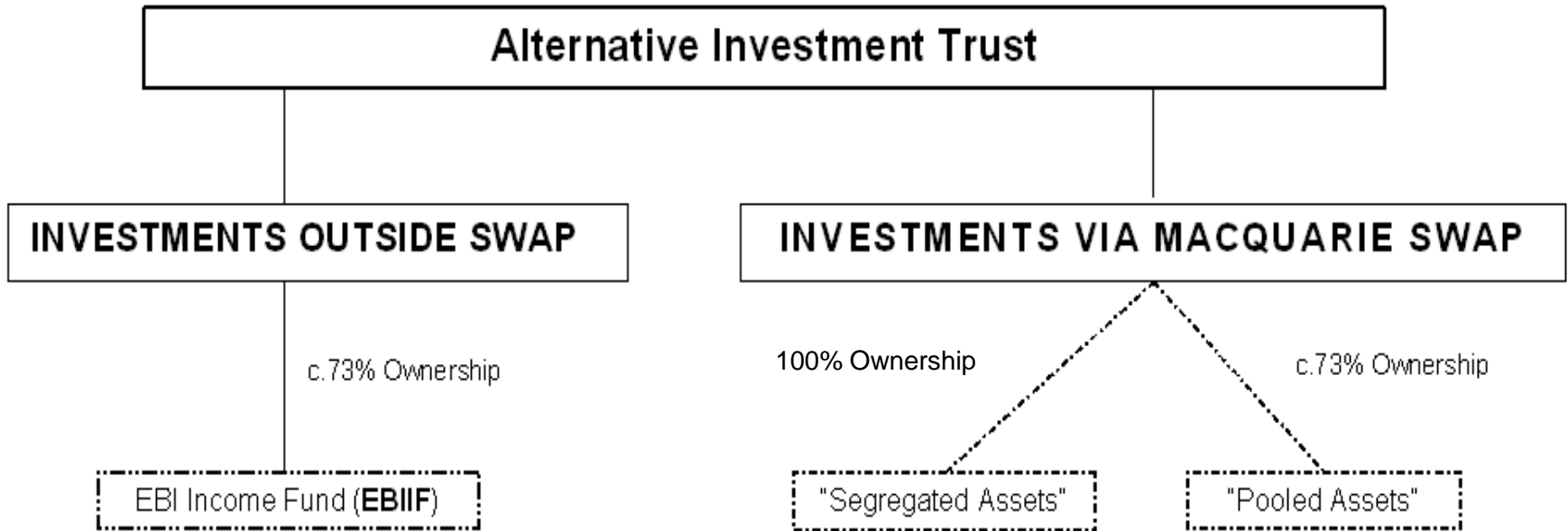
Overview

AIT Facts			
(as at 31 December 2010)			
Gross Assets:	AUD 179m	Leverage Ratio (GA/NA):	1.01
Net Assets**:	AUD 177m	Debt Rapid in 2010:	USD 37m
Market Cap:	AUD 140m	Debt Remaining:	USD 0m
Units in Issue:	131m	% of GA in 'Side Pockets':	22.10%
NTA/unit:	AUD 1.357	% of GA in Cash*: (cash post Feb 2011 ROC: 2.3%)	28.40%
Capital Returned per unit:			
Feb 2011 Return:	AUD 0.38	Total Return:	AUD 0.85
Aug 2009 Return:	AUD 0.47		

*includes cash held outside the Swap, cash held within the Swap and cash held in the secondary BNP swap.

** difference explained by fees and expenses.

AIT Structure



Note: AIT owns c.73% of the "Pooled Assets", the rest is owned by Everest Alternative Investment Trust - "EAIT". EBIIF is c.73% owned by AIT, c.27% by EAIT Direct Investment Fund, a sister entity to "EAIT".

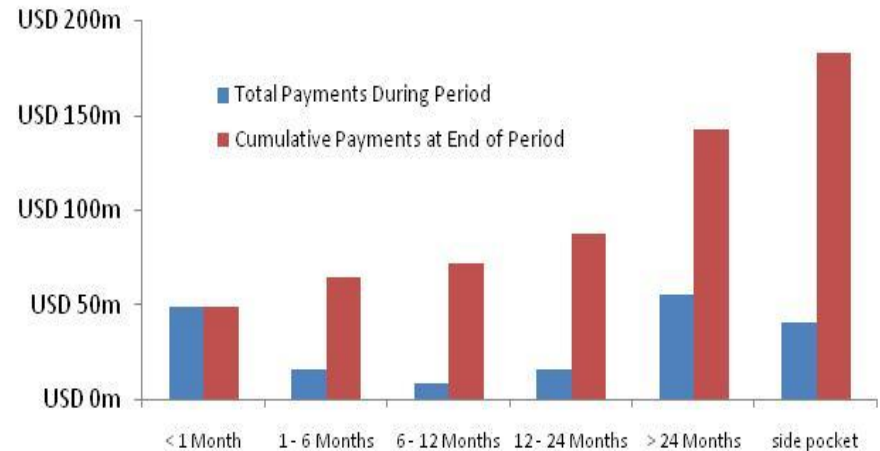
AIT Mandate

- AIT was Everest, Babcock & Brown Alternative Investment Trust until the reorganization in Jan 2009.
- AIT is pursuing an orderly wind up under investment manager, Laxey Partners (UK) Ltd (“Laxey”).
- The majority of AIT’s investments are held via an unleveraged swap with Macquarie Bank Ltd.
- Debt within the Swap fully paid off by Aug 2010 leaving any cash realised from assets held within it to be used for distributions back to unit holders.
- Total distributions of AUD 111m or AUD 0.85 per unit - Feb 2011 capital return of AUD 0.38 per unit.

AIT Liquidity Expectation

- Debt fully paid off in Aug 2010, which, at its peak in Jan 2009, stood at USD 289m.
- Side pockets account for c.22% of the gross assets of AIT (as at 31/12/10).
- Excluding the side pockets, Laxey expects 8% of current gross assets to redeem by June 2011, a further 5% by Dec 2011, and another 9% in less than two years.

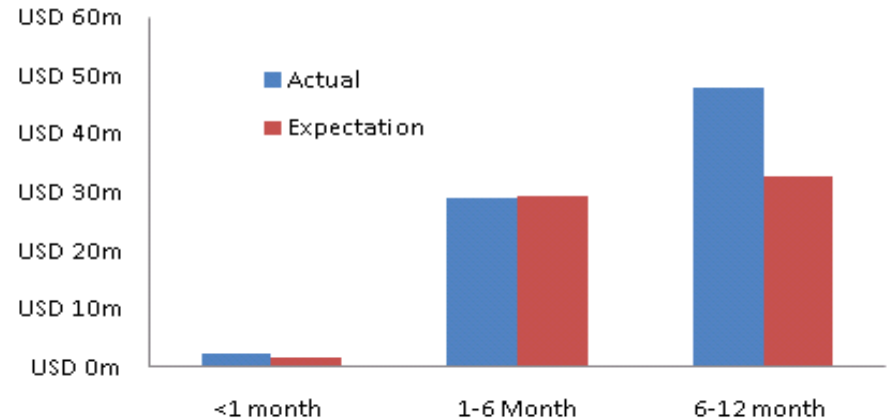
Liquidity Expectation of AIT's Assets at 31 Dec 2010



AIT Liquidity Expectation Versus Actual in 2010

- Redemption proceeds were broadly in line with expectations.
- Some of the managers of AIT's underlying funds were able to offer investors liquidity ahead of expectations and AIT took advantage of these opportunities to expedite the return of cash.
- Some side pocket investments with no liquidity profile offered investors an exit.
- Laxey monitors the secondary market in hedge funds as a possible exit strategy.

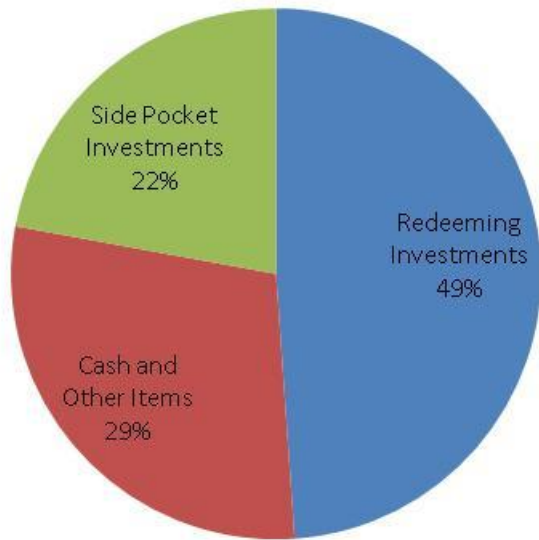
AIT Liquidity Expectation Versus Actual in 2010*



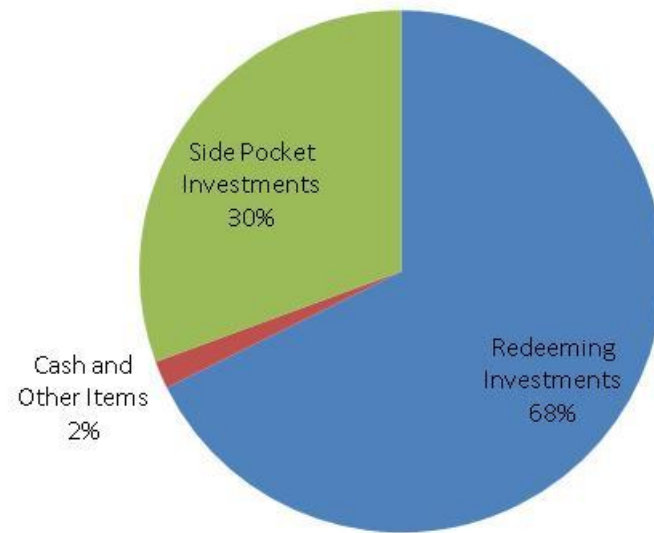
* "<1 month" does not include cash already held within the portfolio.

Portfolio Breakdown by Gross Assets

Breakdown by Gross Assets at 31 Dec 2010



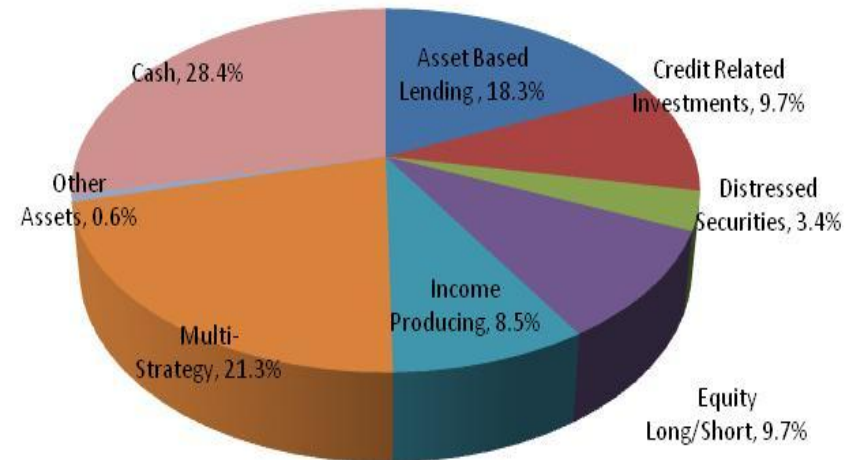
Breakdown by Gross Assets adjusted for Return of Capital



AIT Strategy Exposure

- As at the 31st Dec 2010, cash accounted for 28.4% of the portfolio.
- Post the Return of Capital in Feb 2011, cash reduced to c.2% of total gross assets.
- Most of the cash left in the portfolio is in AUD.

AIT Strategy Allocation as at 31 Dec 2010



AIT Top Ten Holdings

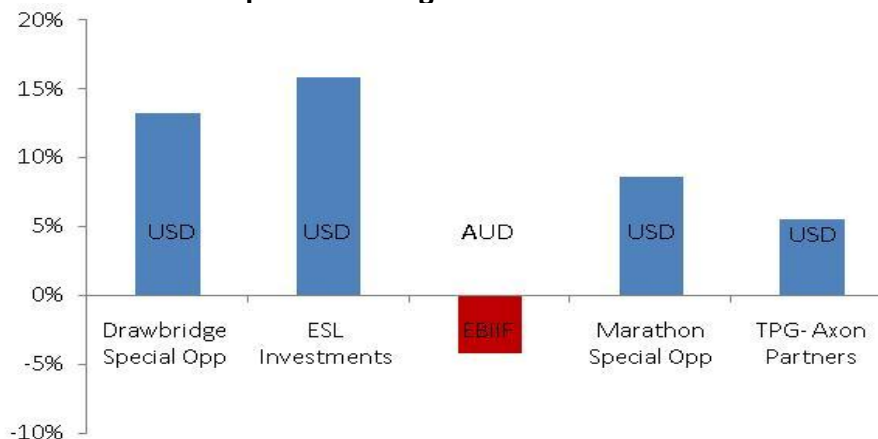
- The majority of AIT's assets and liabilities are USD denominated, representing 86% of total net assets as at 31st Dec 2010.
- EBI Income Fund ("EBIIF") is AIT's only investment held outside the Swap facility.
- Only two investments report in AUD, Everest Absolute Return Fund and EBIIF.

*All measured in local currency adjusted for redemptions.

Top Ten Holdings as at 31 Dec 2010

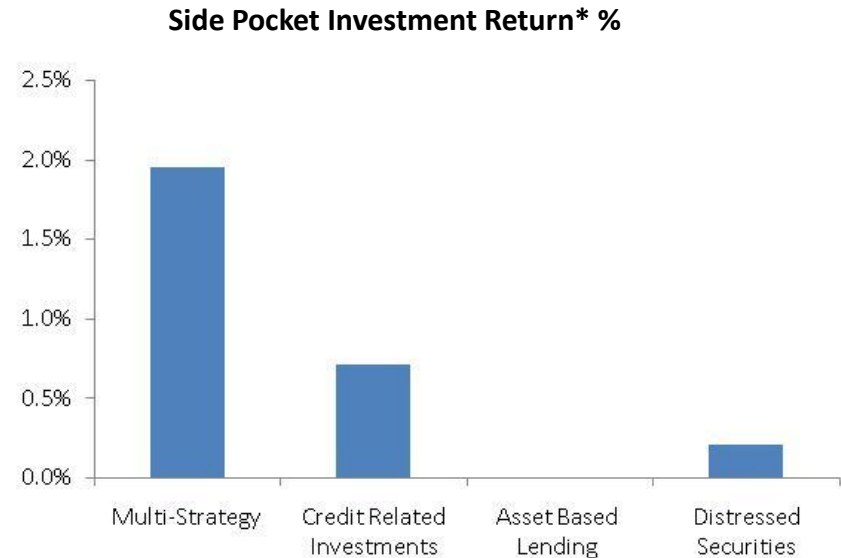
FUND NAME	STRATEGY	% OF GROSS ASSETS
Drawbridge Special Opportunities	Asset Based Lending	18.32%
ESL Investments	Equity Long/Short	9.72%
EBIIF	Income Producing	8.52%
Marathon Special Opportunity Fund	Credit Related Investments	5.16%
TPG-Axon Partners Offshore Ltd	Multi-Strategy	3.94%
Eton Park Overseas Fund Ltd	Multi-Strategy	3.93%
GSO Special Situations Overseas fund	Credit Related Investments	2.74%
Och-Ziff Global Special Investments	Multi-Strategy	2.73%
Everest Absolute Return Fund	Multi-Strategy	2.71%
Cerberus International Ltd	Distressed Securities	1.86%
TOTAL		59.63%

Top Five Holdings Performance in 2010*



AIT Side Pocket Investments Performance in 2010

- In 2010, AIT's side pocket investments generated a weighted average return of 2.9%.
- Side pocket investments continue to perform into 2011 as valuations improve.
- Multi-strategy funds outperformed all the other strategies over 2010. Asset Based Lending side pocket investments were the worst performing.



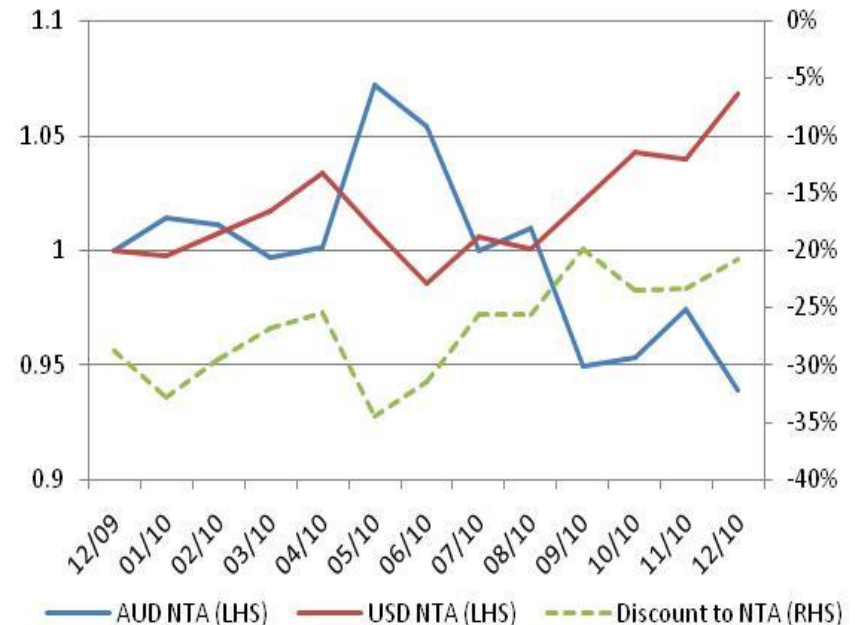
*All measured in USD adjusted for redemptions.

AIT NTA and Discount Performance

- AIT is exposed to foreign exchange risk as there is no currency hedge under the revised Swap Agreement and terms of the wind up.
- For the year under review, AIT's NTA decreased in AUD terms by 6.1%, whereas it increased in USD terms by 6.9%.
- USD weakened by 13% against the AUD during 2010, effectively lowering the value of AIT's underlying funds.
- AIT's share price to NTA discount closed 2010 at c.20%, compared to the low of 50% in early 2009.

NTA and Discount Performance

(Dec 2009 to Dec 2010)



Note: NTA is rebased to 1 at 31 Dec 2009

Significant Portfolio Developments

- Many of AIT's underlying funds have been able to return capital to AIT earlier than forecast.
- A number of side pocket investments saw valuation increases in line with increased global optimism towards such illiquid type assets.
- In Feb 2010, AIT received a distribution of c.AUD2.3m from its single holding outside the Swap - EBI Income Fund. Another capital return of c.AUD3m was announced by EBIIIF in Nov.
- In Oct, AIT completed the full sale of one of its major positions at a price close to NAV – which was under lock up until Oct 2011. Proceeds of c.USD6m went towards AIT's distribution in Feb 2011.
- Please refer to the AIT 2010 annual report for further details on AIT's top holding developments.

Highlights and Outlook

- On 23rd Feb 2009, Laxey was appointed as the Investment Manager of AIT when the stock was trading around AUD0.90 per unit.
- To date a total of AUD0.85 per unit has been distributed to unit holders.
- Return of Capital adjusted NAV as at 31st Dec 2010 is c. AUD0.98 per unit.
- More distributions expected.
- Q & A ?

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