

AIT *Alternative* Investment Trust

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

Fund facts as at August 2010

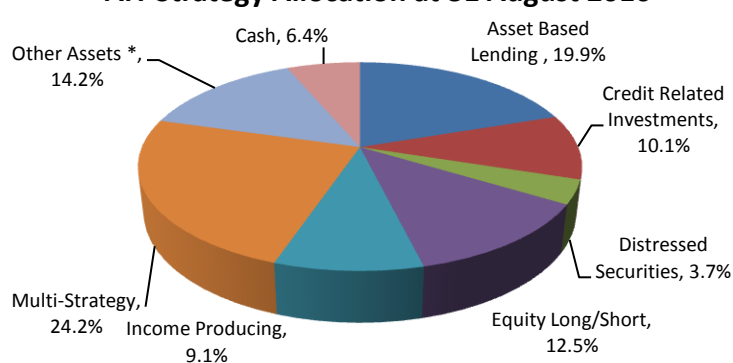
Monthly return	0.99%	Net Assets (NA)	AUD 190,764,380
Unaudited NTA Aug 2010	AUD 1.460	Units in issue	130,692,470
Gross Assets (GA)	AUD 191,749,964	Traded on	ASX
Leverage - GA/NA	1.0052	Currency	AUD
Domicile	Australia	Responsible Entity	The Trust Company (RE Services) Limited
SEDOL	B1B0GT6		ACN 003 278 831 AFSL 235 150
Ticker	AIQ AU	ISIN	AU000000AIQ2

Commentary & Portfolio Updates

- For August 2010, AIT returned +0.99% in NTA terms. This was largely due to exchange rate movements during the month as the AUD weakened by -1.6% against the USD. As the majority of AIT's assets are USD denominated, this had a positive impact on AIT's NTA. AIT's underlying funds returned -1.4% for the month on a value-weighted basis - using a fixed exchange rate.
- August 2010 saw the full repayment of AIT's outstanding debt. This paves the way for future distributions to unitholders and a distribution will be made as soon as sufficient cash is available to AIT; a large proportion of AIT's cash (USD 23.5m) remains locked up within the BNP swap, which is not due to expire until the end of December 2010. Laxey continue to work with related parties for an early release of the swap's assets.

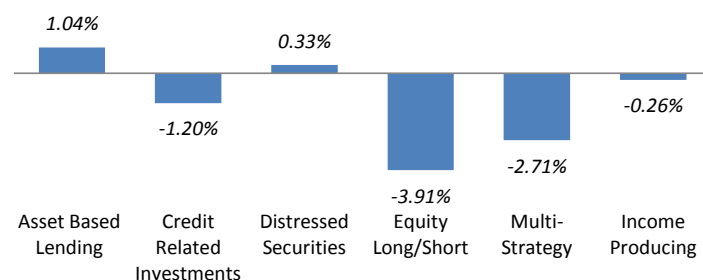
AIT Asset Allocation and Fund Performance for the Month by Strategy

AIT Strategy Allocation at 31 August 2010



* 'Other Assets' includes collateral, and cash held within the secondary Swap that cannot be utilised for debt repayment or distribution until Swap expiry (Dec2010).

Fund Performance by Strategy, August



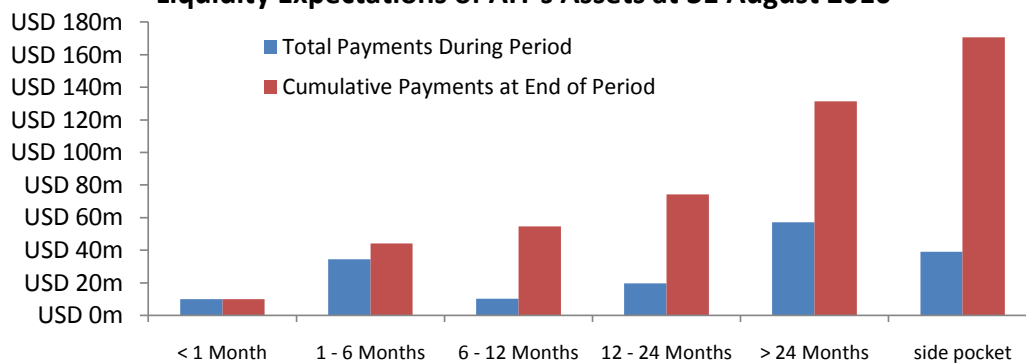
Fund performance is calculated using the USD values of funds at end July and end August. For AUD denominated funds a fixed exchange rate is used.

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). In August, AIT's leverage facility was fully paid off - from 0.9m USD at the end of July. AIT now has a net cash position of USD 34.5m if cash within the BNP swap is included (disclosed within 'Other Assets' until released).

Expected Liquidity Profile of Gross Assets of AIT

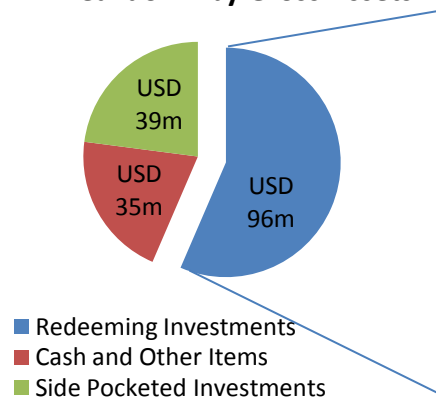
Liquidity Expectations of AIT's Assets at 31 August 2010



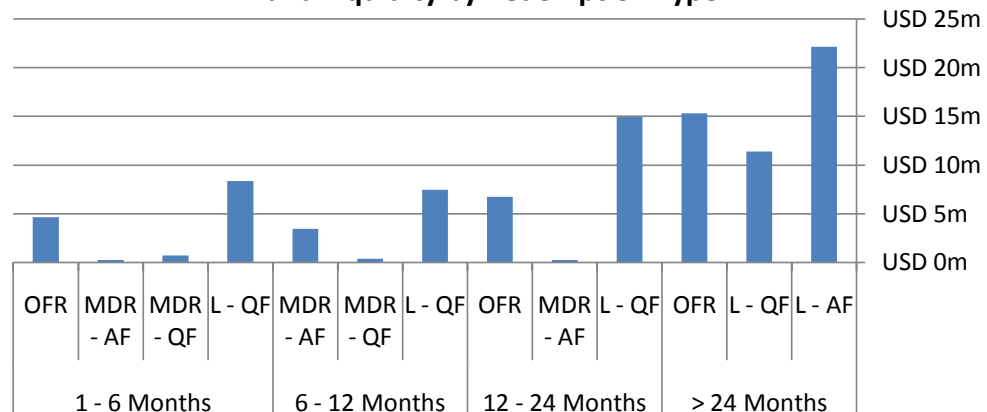
This graph (see the April 2009 NTA factsheet for a full description) shows the payments that AIT expects to receive from its underlying investments as well as the anticipated reduction in AIT's Net Debt within the Swap. This latter figure excludes proceeds received from EBI Income Fund which sits outside the Swap, as well as proceeds received from investments held in the BNP swap.

Breakdown of Gross Assets by Redemption Type of Underlying Funds

Breakdown by Gross Assets



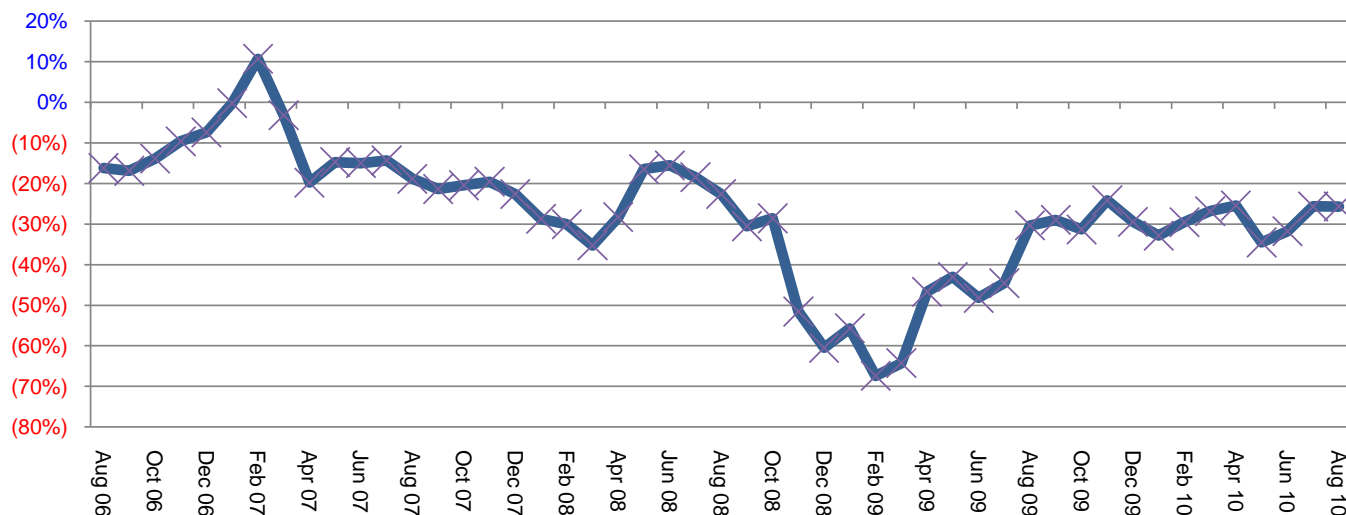
Fund Liquidity by Redemption Type



Glossary. MDR - AF: Multi date redemption - Annual flow ; MDR - QF: Multi date redemption - Quarterly flow ; OFR: Once-off full redemption ; L - AF: Liquidating Fund - Ad hoc flow ; L - QF: Liquidating Fund - Quarterly flow

Note: Liquidity profiles are based on best available information and may be subject to significant change in light of new information or events.

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%)	(1.05%)	(2.87%)	(1.07%)	(1.63%)	3.47%	(16.30%)
2010	0.47%	(0.35%)	(1.37%)	0.46%	7.00%	(1.15%)	(5.65%)	0.99%					(0.02%)

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%. 2009's performance is adjusted for the AUD 0.47 per unit distribution in August 2009.

AIT Top Holdings as at August 2010

Fund	Strategy	% Gross Assets
Drawbridge Special Opportunities	Asset Based Lending	19.83%
EBIIF	Income Producing	9.08%
ESL Investments	Equity Long/Short	8.97%
Marathon Special Opportunity Fund	Credit Related Investments	5.57%
TPG-Axon Partners Offshore Ltd	Multi-Strategy	4.14%
Eton Park Overseas Fund Ltd	Multi-Strategy	4.02%
Och-Ziff Overseas Fund II	Multi-Strategy	3.66%
Everest Absolute Return Fund	Multi-Strategy	2.86%
GSO Special Situations Oversea	Credit Related Investments	2.70%
Och-Ziff Global Special Investments	Multi-Strategy	2.48%
Total		63.33%

AIT Top Unitholders*

Weiss Capital	32.11%
Laxey Partners Ltd	23.52%
QVT Funds	8.08%
Citigroup Global	7.28%

* Source: Bloomberg

Currency Exposure

AUD	13.97%
USD	86.03%

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 The Trust Company (RE Services) Limited, Responsible Entity of AIT

The Trust Company (RE Services) Limited (formerly PIML - see announcement on 22 June 2010) is part of The Trust Company Limited (TCL), a specialist fiduciary service provider in Australia and Singapore. TCL 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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