

The Everest Alternative Investment Trust (EAIT) has exposure to a portfolio of absolute return funds and selected direct investments. The objective of the Investment Portfolio is to generate attractive risk-adjusted absolute returns over the medium-to-long term.

Fund facts as at 30 April 2009

Estimated Monthly return ¹	0.00%
NTA as at 30 April 2009 ^{1,2}	\$2.28
Leverage ratio ³	57.7%
Gross Assets	A\$ 261.9 million

NTA returns (net)²

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2009¹	-2.97% ⁴	0.00%	-0.44%	0.00%									-3.39%
2008	-4.18%	0.77%	-2.29%	1.04%	1.80%	-2.15%	-1.58%	-2.14%	-9.84%	-15.15%	-8.57%	-7.81%	-41.02%
2007	2.60%	-0.13%	2.33%	2.51%	-4.89% ⁵	0.65%	0.00%	-3.44%	1.27%	3.27%	-1.70%	0.74%	2.90%
2006	4.15%	-0.21%	2.63%	2.01%	-3.94%	0.32%	-2.40%	1.72%	1.69%	2.85%	3.70%	2.67%	15.92%
2005	-	-	-	-3.60%	1.00%	2.71%	4.80%	0.23%	3.20%	-3.76%	2.76%	2.46%	9.83%

1 Unaudited – In calculating the NTA, EAIT asset values have been calculated using unaudited absolute return fund performance estimates for the month being reported.

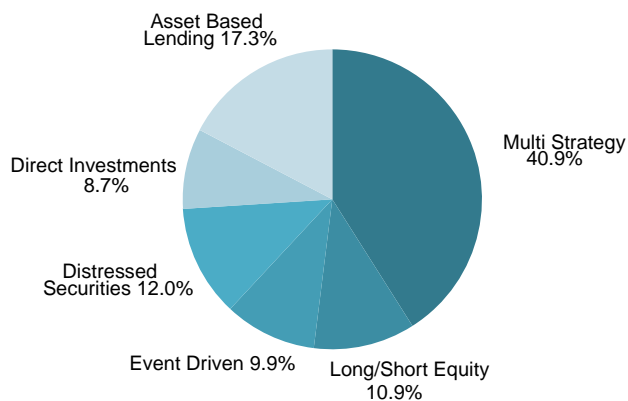
2 For the purposes of calculating the above figures, the Australian Equivalents to International Financial Reporting Standards (AEIFRS) have been applied (other than for classification of net assets attributable to unitholders of EAIT where Australian Generally Accepted Accounting Principles (AGAAP), as applied before the introduction of AEIFRS, have been used).

3 Gross Debt / Gross Assets

4 On 29 January 2009, the EBI portfolio was split proportionately between EAIT and EBI; accordingly historical performance figures before that date are for EBI.

5 The May 2007 monthly NTA performance was impacted by the 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 May 2007 performance of the underlying investment portfolio (excluding the effect of the capital raising) was +2.40%.

Investment strategy exposure (excluding cash)*



* Exposure numbers may not total exactly due to rounding. Based on the gross value of the Investment Portfolio. Does not include impact of FX, interest rate or equity hedges. The exposure chart shows the actively managed allocations of the Trust.

The investment strategy exposures are shown net of cash. As at the date of this report there was approximately US\$ 81.7 million cash in EAIT. It is our intention to use the cash to cover FX liabilities and progressively reduce the leverage of EAIT over the medium term.

Investment strategy and exposure data as at the first business day of the following month.

Top ten exposures shown on a look through basis, as appropriate.

EAIT top ten exposures*

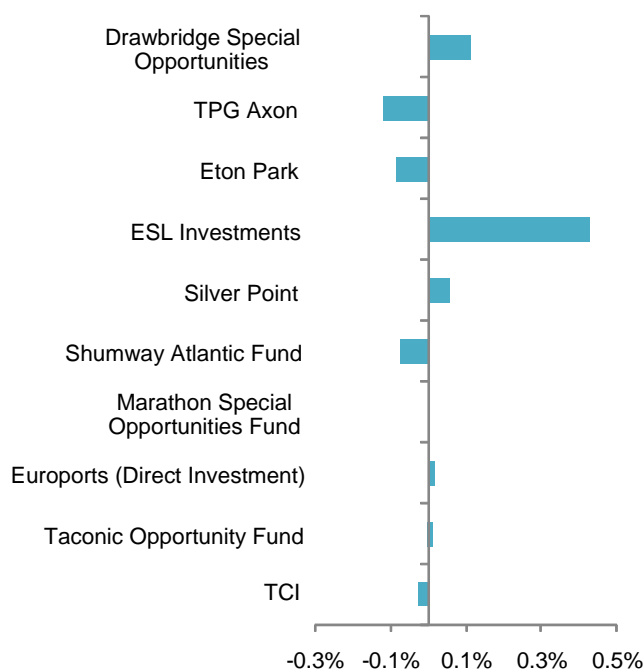
Fund	Strategy	Weight
Drawbridge Special Opportunities	Asset Based Lending	8.5%
TPG Axon	Multi Strategy	8.1%
Eton Park	Multi Strategy	2.7%
ESL Investments	Long Biased Equity	2.4%
Silver Point	Distressed Securities	2.4%
Shumway	Long/Short Equity	2.3%
Marathon Special Opportunities	Distressed Securities	2.1%
Euroports	Direct investment	1.8%
Taconic	Event Driven	1.8%
TCI	Long/Short Equity	1.3%
Total		33.4%

EAIT performance versus market benchmarks as at 30 April 2009

	April 2009	Calendar YTD	Rolling 12 months	Since Inception ¹	Annualised Rate of Return Since Inception
EAIT ²	0.00%	-3.39%	-40.23%	-25.35%	-6.91%
HFRX Global Hedge Fund Index	1.61%	2.31%	-20.19%	-7.18%	-1.81%
MSCI World Index ³	10.33%	-0.74%	-34.93%	-15.17%	-3.95%
S&P 500 ⁴	9.57%	-2.49%	-35.31%	-19.54%	-5.19%

1 Cumulative since inception performance not annualised. 2 On 29 January 2009, the portfolio was split proportionately between EAIT and EBI; accordingly historical performance figures before that date are for EBI. 3 Refers to The MSCI World net index, local currency. 4 Refers to S&P 500 Total Return Index. Please note: MSCI has ceased publishing the previously used Hedge Invest Index.

Top ten gross contributions for the month



Market Commentary

April saw both the credit and equity markets rebound on economic news that was 'less bad', which market participants interpreted as a positive development and heralding a potential recovery. Equity markets surged higher, with the S&P 500 and MSCI World gaining 9.6% and 10.3% respectively.

The rally in the equity markets was centred on lower quality and economically sensitive companies such as retailers, home builders, financials and automotive part manufacturers. Defensively positioned companies such as healthcare, food/consumer staples and defence companies underperformed during the period. Whilst markets rallied, the underlying economic fundamentals are little changed and many concerns remain – global financial systems still require massive capital injections, commercial real estate continues to deteriorate and increased savings rates and lower consumption all point to a subdued recovery. Our investment managers continue to view the expectations of a near-term recovery as premature.

While corporate bonds remain priced for a deep recession and the expectation of higher default rates, credit spreads tightened in April as confidence returned and an Armageddon scenario looked less likely. The improved confidence saw credit markets rally. The Merrill High Yield Master II index increased 11.5%, whilst the S&P/LSTA leveraged loan index jumped 10.3%.

Against this backdrop of increasing confidence, General Growth Properties and Chrysler filed for bankruptcy during the month. General Growth Properties, one of the largest US REITs, filed for chapter 11 bankruptcy protection with debts of up to \$27 billion after failing to refinance its maturing loans. Causing a much larger splash was the bankruptcy of Chrysler – the 6th largest business failure in US history. This landmark bankruptcy is likely to have far reaching impacts in terms of creditor rights and bankruptcy standards. Chrysler's bankruptcy petition recorded liabilities of US\$55.2bn supported by assets of only US\$39.3bn. While Chrysler has shrunk considerably over the past few years, the company still has 55,000 employees (and 105,000 retirees to whom it owes pension and health care benefits) and recorded revenues in 2008 of US\$48.4bn. Unfortunately fellow car manufacturer, General Motors, is also under severe pressure and is expected to file for bankruptcy by a government imposed 1 June deadline.

These high profile corporate difficulties point to the trend in higher defaults we have discussed in previous monthly commentaries. According to the JPMorgan Default Monitor, the year to date notional value of defaults has already exceeded US\$106bn. Our multi strategy and distressed securities managers continue to point to an increased opportunity set within stressed and distressed investments and are selectively deploying capital to the area as attractive opportunities continue arise.

Fund Commentary

EAIT's long/short equity investment managers remain sceptical of the rally and are generally conservatively positioned with both low gross and net exposure. Gains were experienced in Sears, Automation, Visa and Mastercard. Losses were experienced in positions such as St Jude Medical and Biogen Idec.

One of the EAIT's equity managers, ESL Investments, was a significant beneficiary of the rally due to a portfolio biased to retail stocks. Larger positions such as Sears (US department store), AutoZone (the dominant US auto parts retailer) and AutoNation (the largest US car retailer) performed strongly. Sears continues its focus on implementing its online retailing strategy and maintaining market share whilst carefully managing its inventory. AutoZone continues to perform well as consumers defer new car purchases and instead turn to DIY servicing of their existing vehicles. Recent quarterly sales have held up well with cost reductions and share buybacks leading to double digit EPS growth. The car retailer AutoNation has benefited from good management and heavy cost cutting which has allowed the company to maintain profitability despite the slump in US auto sales. AutoNation stands to benefit from market share gains as smaller car retailers struggle and the market consolidates. US government programs such as the TALF are also designed to improve the flow of credit for new car financing.

As noted above, EAIT's multi strategy managers have been selectively deploying capital to the distressed corporate and structured credit sectors. Conservative positioning and a lack of faith in the current rally has meant that their portfolios have not participated in the majority of the market rally. In the areas of convertible and capital structure arbitrage, weaker levels of competition has led to greater pricing inefficiencies and more attractive spreads. Buyers have re-entered the market and the convertible bond arbitrage strategy continued to perform well during the month.

Whilst the uptick in corporate distress is presenting a number of opportunities, EAIT's distressed securities investment managers are also opportunistically purchasing high yield and other corporate credit positions where they believe that the company is likely to complete a refinancing or a restructuring of their debts without having to resort to bankruptcy protection. On the short side, the focus is on

companies that are likely to fail despite any stabilisation in the economy and financial markets. Investment managers are seeking companies with near term catalysts that have weak balance sheets which will require some form of restructuring either in or out of the bankruptcy courts.

One distressed securities investment manager posted gains in positions such as Harrah's Casinos, Nortel (telecommunications) and Lyondell (chemicals). Gains were also experienced across investment grade debt positions in Altria (tobacco), Intelsat (satellite telecommunications) and News Corporation (media). Short positions in the automotive suppliers were detractors as the debt of these companies rallied along with other cyclical companies. The investment manager continues to hold conviction that these auto suppliers will suffer as the auto industry consolidates. Other detractors included short positions in retail, with additional stress to come as consumer savings rates continue to increase (and consumption decreases) in order to repair household balance sheets.

Unitholders should note that the closing date for requests to participate in the 31 December 2009 Withdrawal Offer is 31 May 2009. Please see the EAIT PDS for further information on the terms of the 31 December 2009 Withdrawal Offer. Copies of both the withdrawal request form and the PDS are available at www.everest.com.au.

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