Everest Alternative Investment Trust
April 2010 Factsheet

The Everest Alternative Investment Trust (EAIT) has exposure to a portfolio of absolute return funds. 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 2010

Estimated monthly return[1]	1.20%
NTA as at 30 April 2010[1,2]	$2.28

Investment manager summary

Investment managers posting positive returns	35
Investment managers posting negative returns	0
Largest manager allocation	17.0%
Smallest manager allocation	0.1%[3]

Fund NTA returns (net)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	**Year**
2010	1.18%	0.60%	1.84%	1.20%									**4.90%**
2009[1]	-2.97%[4]	0.00%	-0.44%	0.44%	1.75%	1.97%[5]	0.23%	1.60%	1.02%	0.04%	0.75%	1.72%	**6.16%**
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%[6]	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 Residual allocation following a redemption.
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 Following the announcement of our intention to separate EAIT into two funds, performance data from 1 June 2009 onwards represents the underlying absolute return funds only. Prior to 1 June 2009 the performance data reflects both the absolute return funds and direct investments.
6 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%.

Market Commentary

Major events during April included S&P's downgrade of Greece's sovereign credit rating to below investment grade, the Icelandic volcano eruption which caused the largest disturbance in air traffic since September 2001 and the US government's allegations of fraud by Goldman Sachs in underwriting and distributing sub-prime CDO products in 2007. Investors, however, seemed to merely ignore these events and US credit and equities markets continued their strong runs in April with the S&P500 up 1.6% for the month.

The Greece sovereign credit rating downgrade to junk was the first time a Euro member lost its investment grade rating since the Euro was implemented in 1999. This episode was followed by the EU and the IMF agreeing to a collaborative bailout of spectacular proportions (in early May, the €110 billion Greece rescue package was approved). Despite the bond downgrade and concerns about other European sovereign issuers, US credit market spreads tightened over the month and the high yield index ended the month yielding 8.1% (albeit relative to even lower Treasury yields).

European equities and the Euro were both weaker for the month as the European economic outlook appears bleaker than the US – where an economic recovery seems on track. Companies in the US reported upbeat earnings (off a low base) and are being helped on their path to recovery by low borrowing rates and the reopened capital markets. With investors searching for returns above the near zero Treasuries rates they are increasing capital allocations to more risky assets such as speculative corporate debt and lower quality, smaller equities with higher growth prospects. This is evident by leveraged loan issuance year-to-date already surpassing all of 2009 and companies with leveraged balance sheets, cyclical earnings and weaker management continuing to rally in April, outperforming large, blue-chip companies. This dynamic made short selling (low quality) equities highly frustrating for equities managers over the first quarter of 2010.

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Performance Commentary

EAIT's estimated performance for the month was +1.15%, bringing its 2010 year to date return to +4.90% and its rolling 12 month return to +14.79%.

A consistent theme in recent months has been strong performances from ESL Investments ('ESL'). Eddie Lampert, the Fund's Principal has come in for a degree of criticism in recent years, particularly with regard to the Fund's investment in Sears Holdings, however the man once dubbed as the next Warren Buffett continued his strong run in April, with ESL up almost 6% on a net basis. ESL was up 22% YTD to 30 April 2010. Sears, whose share price was up 45% YTD to the end of April, accounts for approximately 40% of the Fund. We note however that Sears' performance in May has been weak along with the broader market, with the share price falling significantly, down from US$122.36 a share on May 3, to US$87.11 on May 24 a decline of almost 28%.

Another investment manager whose performance has been 'moving the dial' in terms of EAIT's performance in recent months is TCI. Unlike ESL however, the Fund was unable to continue its strong run in April, returning -2.2%.

We note that there has been significant volatility in currencies in recent times and we remind investors that it is our intention to hedge the US dollar portfolio back to Australian dollars. This strategy has served to protect the portfolio from the AUD:USD climb from 63 cents in March 2009. It will also mean that the portfolio will not benefit from the weakness we have seen in the Australian dollar during May. Furthermore,

Portfolio Update

A snapshot of the Fund's investment portfolio at the end of April is shown below:

Asset	Market Value (AUDm)[1]	Weighting
Cash	$22.0	24%
Hedge Fund Assets (main share class)	$21.9	24%
Hedge Fund Assets (liquidating trust share class)	$31.8	35%
Hedge Fund Assets (side pocket share class)	$15.0	16%
Other	$0.7	1%
Investment Portfolio	**$91.4**	**100%**

[1] Based on current estimated values, subject to change

The Fund's cash balance is currently being used in order to facilitate foreign exchange hedging. Given the fall in the Australian Dollar in May to date, we expect an outflow of cash from the portfolio to meet the settlement of the outstanding hedging transactions (assuming rates stay near current levels). We also expect the value of the hedge funds assets, (which are largely denominated in US dollars) to appreciate in line with the currency movement. A reasonable cash balance will continue to be required to meet the requirements of the foreign exchange hedging arrangements going forward.

The hedge fund assets that are 'main class' are subject to the fixed redemption profiles of the underlying investment manager. Approximately $10 million of this classification has a redemption date at or before 31 December 2010, however in several cases this will incur redemptions fees of up to 5% of invested capital should a complete redemption be requested. The remaining 'main class' assets are subject to longer redemption profiles with the ESL investment (approximately 7% of the investment portfolio) not available for redemption until December 2012.

Liquidating share classes are generally issued to investors who have requested a return of their capital, but the fund is unable to meet that redemption in full. The Fund's liquidating trusts continue to return capital in line with forecasts, however for the larger exposures, the payment profiles still extend for several years. The major liquidating trust, Drawbridge Special Opportunities Fund (approximately 17% of the investment portfolio) has outlined that it expects the remainder of its capital to be paid back as their underlying loan portfolio rolls off over the next 4 years.

"Side pockets" are situations where an investment manager has elected to designate a portion of an investor's capital to a pool that has slower and less frequent liquidity terms. Returns from these investments can often be lumpy and may be relatively uncorrelated to short term movements in wider equity and credit markets. They do however generally require supportive capital markets, particularly IPO markets in order to general liquidity. There has been limited activity with regards to realisations from the Fund's side pocket investments in recent months.

While we continue to work with the underlying investment managers to maximise liquidity where possible, there are clearly a number of liquidity constraints within the portfolio.

31 December 2010 Withdrawal Offer

The next withdrawal offer for EAIT will be on the 31 December 2010. Further information on this Withdrawal Offer, including a Withdrawal Offer Form will be sent to Unitholders shortly.

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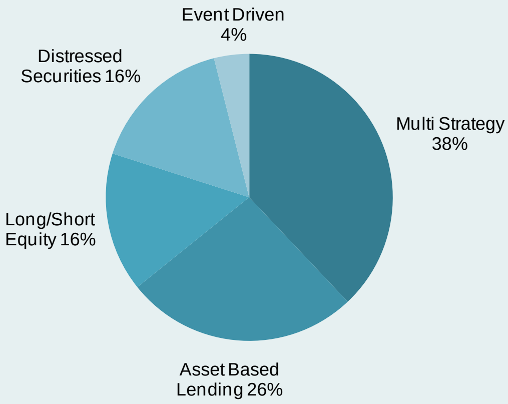
Exposure Summary

By Strategy



Based on the gross value of the Investment Portfolio. Exposure numbers may not total exactly due to rounding. Does not include impact of FX, interest rate or equity hedges.

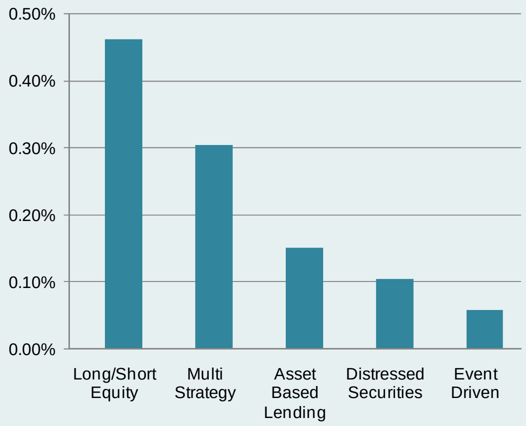
The investment strategy exposures are shown net of cash. Investment strategy and exposure data as at the first business day of the following month.

By Investment Manager (top seven managers)

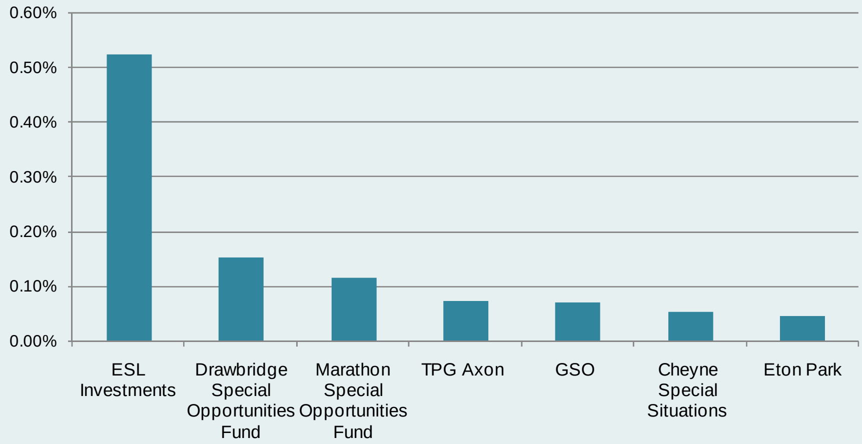
Fund	Strategy	Weight
Drawbridge Special Opportunities Fund	Asset Based Lending	17.0%
TPG Axon	Multi Strategy	9.0%
ESL Investments	Long Biased Equity	7.1%
Marathon Special Opportunities Fund	Distressed Securities	6.0%
Eton Park	Multi Strategy	3.7%
Och Ziff Overseas Fund	Multi Strategy	3.1%
TCI	Long/Short Equity	2.7%
Total		**48.6%**

Performance Contribution

By Strategy



By Investment Manager (top seven contributors)



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