



Everest Alternative Investment Trust

July 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 31 July 2010

Estimated monthly return ¹	2.03%
Pre Distribution NTA as at 30 June 2010 ^{1,2}	\$2.24
Distribution for 30 June 2010	\$0.10 ³
Post Distribution NTA as at 30 June 2010 ^{1,2}	\$2.14
Post Distribution NTA as at 31 July 2010 ^{1,2}	\$2.18

Investment manager summary

Investment managers posting positive returns	32
Investment managers posting negative returns	3
Largest manager allocation	20.8%
Smallest manager allocation	0.1% ⁴

Fund NTA returns (net)

	Jan	Feb	Mar	April	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2010	1.18%	0.60%	1.84%	1.68%	-1.55%	-0.71%	2.03%						5.10%
2009¹	-2.97% ⁵	0.00%	-0.44%	0.44%	1.75%	1.97% ⁶	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% ⁷	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 This is a rounded number. The full unrounded distribution amount is \$0.098556585 per unit.
- 4 Residual allocation following a redemption.
- 5 On 29 January 2009, the EBI portfolio was split proportionately between EAIT and EBI; accordingly historical performance figures before that date are for EBI.
- 6 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.
- 7 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

Despite recent weak economic data, equity and credit markets rallied in July, fuelled by easing fears of a double-dip recession as well as a strong Q2 earnings season in which the majority of the US companies that reported exceeded earnings expectations. Results of the European bank stress tests proved relatively benign and provided some comfort to the market despite growing budget deficits across the region.

Although it has been discussed widely for a while, it now seems clear - and evident in market behaviour - that the recent budding economic recovery has been primarily driven by government stimulus measures, resulting in a questioning of the sustainability of the rebound. Economic data continues to be soft and economists have been revising down GDP growth forecast for developed economies on deflationary concerns and the roll-off of fiscal stimuli measures. In the US, consumers are still facing weak real estate prices, sticky unemployment and continued deleveraging.

Performance Commentary

EAIT's estimated performance for the month was 2.03%, bringing its 2010 year to date return to +5.1% (versus S&P 500 -0.1%, and the ASX 200 (accumulation index) -5.9%).

The Fund's underlying active investment managers had a strong month in July as equity markets rallied. TPG Axon, the Fund's second largest investment, was up 2.93% net for the month as its equities portfolio performed well, and ESL, the Fund's third

largest holding, returned 6.9% net for the month. ESL's performance was driven by its largest holding, Sears, which was up 9.82% in July. The Drawbridge Special Opportunities Fund, EAIT's largest investment continues to return capital in line with our expectations.

Distribution

EAIT will make an income distribution of approximately 10.0 cents per unit for the period ended 30 June 2010. The record date for this distribution was 30 June 2010 and the payment date is currently being finalised.

Withdrawal Offer update

As investors will be aware from previous communications, EAIT does not have sufficient liquidity to satisfy all Unitholders withdrawal requests received under the 31 December 2010 Withdrawal Offer. In light of this, ECL has decided to delay all redemption requests for an indefinite period. ECL is currently considering that EAIT be formally terminated so that capital can be distributed to all Unitholders on a pro rata basis as and when it becomes available for distribution. The Fund continues to seek liquidity from its underlying investment managers.

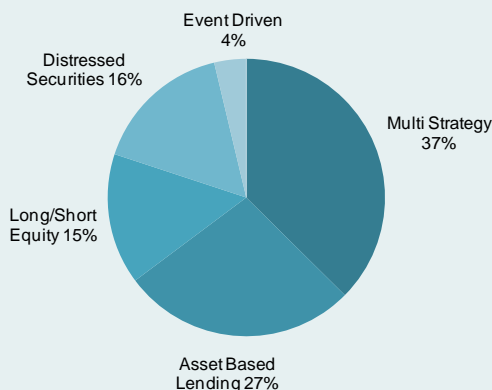
Investors will be provided with further information in a notice of meeting which includes, amongst other things, a proposed Unitholder vote on the change of the responsible entity to a member of the One Investment Group.



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Exposure Summary

By Strategy (excluding cash)



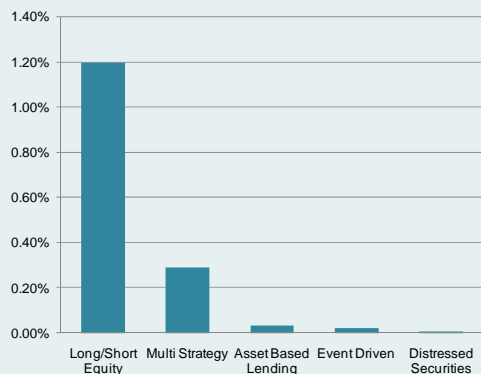
Based on the gross value of the Investment Portfolio. Exposure numbers may not total exactly due to rounding. Does not include impact of FX, interest rate or equity hedges. The investment strategy exposures are shown net of cash. Investment strategy and exposure data as at the first business day of the following month.

By Investment Manager (top seven managers)

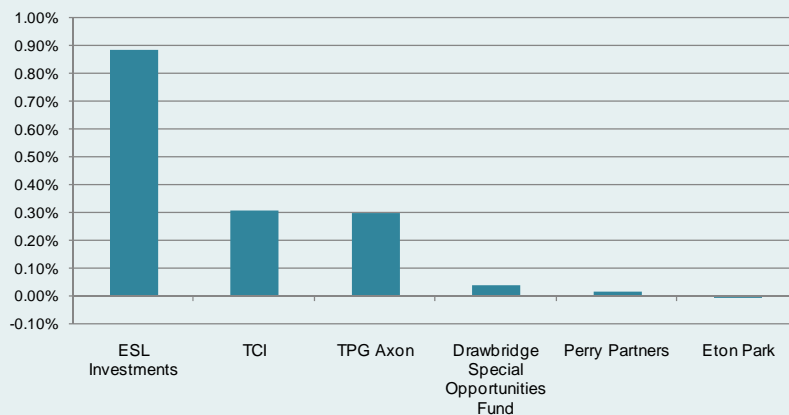
Fund	Strategy	Weight
Drawbridge Special Opportunities Fund	Asset Based Lending	20.8%
TPG Axon	Multi Strategy	11.2%
ESL Investments	Long Biased Equity	8.4%
Marathon Special Opportunities Fund	Distressed Securities	7.0%
Eton Park	Multi Strategy	3.7%
Och Ziff Overseas Fund	Multi Strategy	3.7%
TCI	Long/Short Equity	3.1%
Total		57.9%

Monthly Performance Contribution

By Strategy



By Investment Manager (top six contributors)



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