EVEREST
ALTERNATIVE INVESTMENT TRUST

June 2009

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.

Consolidated NTA 30 June 2009

Estimated Monthly return [1]	0.00%
NTA as at 30 June 2009[1,2]	$2.33

As per recent correspondence, it is our intention to separate EAIT into two Funds, the Everest Alternative Investment Trust (EAIT) and the EAIT Direct Investment Fund (EDIF). We believe that it is appropriate to physically separate the two portfolios to better reflect the different underlying investment strategies.

Accordingly, for illustrative purposes we have provided the estimated underlying NTA of the two investment strategies at the 30 June 2009 and further details on each of the portfolios.

Absolute Return Funds facts as at 30 June 2009

Estimated Monthly return [1]	1.97%
NTA as at 30 June 2009[1,2]	$2.07
Leverage ratio [3]	57%
Gross Assets	A$ 236.2 million

Investment manager summary

Positive return	27
Negative return	4
Largest allocation	8.7%
Smallest allocation	0.1%

Direct Investments facts as at 30 June 2009

Estimated Monthly return [1]	(13.3%)
NTA as at 30 June 2009[1,2]	$0.26
Leverage ratio [3]	0.0%
Gross Assets	A$ 12.8 million

Directs Summary

Number of investments	7
Largest allocation	52.6%
Smallest allocation	0.1%

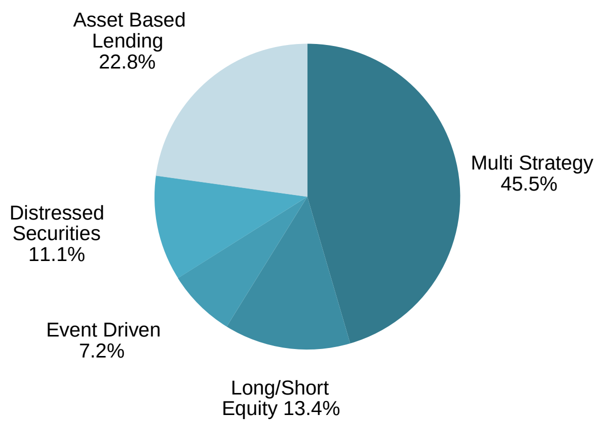
Absolute Return Funds NTA returns (net)[2]

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2009[1]	-2.97%[4]	0.00%	-0.44%	0.44%	1.75%	*1.97%*[6]							***0.67%***
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%.
6 Following the announcement of our intention to separate EAIT into two funds, performance data from 30 June 2009 onwards represents the underlying absolute return funds only. Prior to 30 June 2009 the performance data reflects both the absolute return funds and direct investments.

Absolute Return Fund Analysis

Absolute Return Funds investment strategy exposure (excluding cash)*



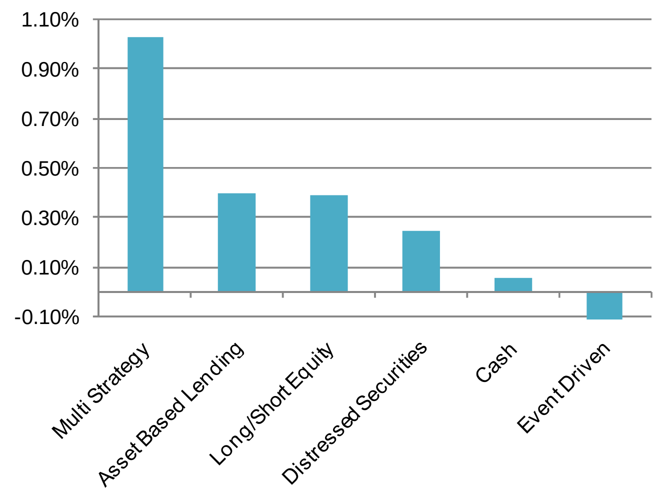
* Exposure numbers may not total exactly due to rounding. Based on the gross value of the Investment Portfolio. Does not include impact of FX, interest rate or equity hedges. The exposure chart shows the actively managed allocations of the Trust.

The investment strategy exposures are shown net of cash. As at the date of this report there was approximately US$ 118 million cash in EAIT. It is our intention to use the cash to cover potential FX liabilities, investor withdrawals at 31 December 2009 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.

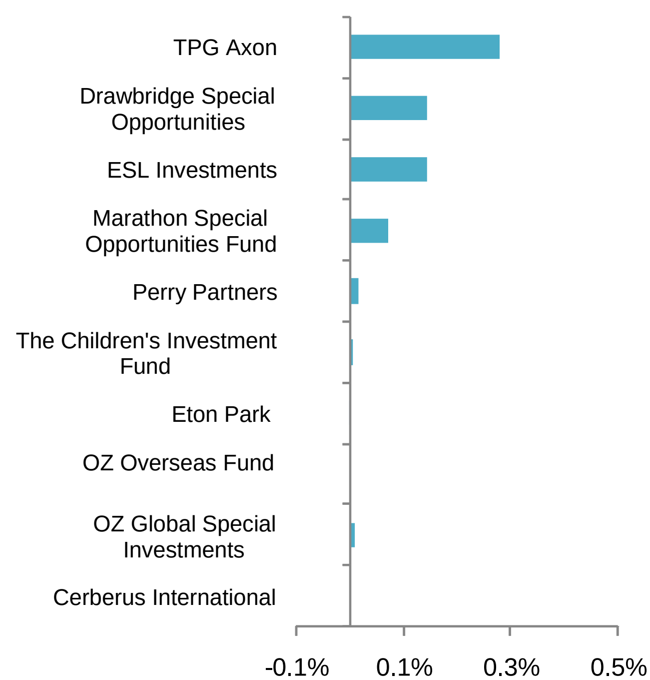
Contribution by investment strategy



Top ten exposures*

Fund	Strategy	Weight
TPG Axon	Multi Strategy	8.7%
Drawbridge Special Opportunities	Asset Based Lending	8.3%
ESL Investments	Long Biased Equity	2.4%
Marathon Special Opportunities	Distressed Securities	2.2%
Perry Partners	Event Driven	2.0%
TCI	Long/Short Equity	1.3%
Eton Park	Multi Strategy	1.1%
Och Ziff Overseas Fund	Multi Strategy	0.8%
Och Ziff Global Special Situations	Multi Strategy	0.8%
Cerberus International	Distressed Securities	0.7%
Total		**28.4%**

Top ten gross contributions for the month



EVEREST
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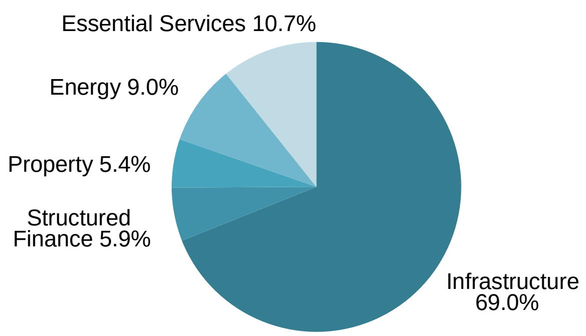
Direct Investments Analysis

Direct Investment strategy exposure (excluding cash)*



Direct exposures (excluding cash)*

Investment	Strategy	Weight
European Ports	Infrastructure	62.9%
New Parking	Essential Services	10.7%
Coogee	Energy	9.0%
BBRX1	Infrastructure	6.1%
TAHL	Property	5.4%
CDO Equities	Structured Finance	5.4%
Seiza	Structured Finance	0.5%
Total		**100.0%**

* Exposure numbers may not total exactly due to rounding. The exposure chart shows the actively managed allocations.

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

Exposures shown on a look through basis, as appropriate.

Direct Investment Summary

Investment	Description	Status as at 30 June 2009*
Babcock & Brown European Ports Investments	Mezzanine loan to a special purpose vehicle used to finance the acquisition of two European ports.	Like many assets around the world reliant on GDP growth and 'traffic' to drive revenues, this asset has underperformed in recent months. It is likely that the investment will not be realised in the short term as originally contemplated.
New Parking Holdings Inc	Mezzanine loan to a special purchase vehicle used to finance the acquisition of the third largest parking operator in North America	The mezzanine loan is generally performing in line with expectations, senior debt being amortised and coupons being paid.
Coogee Resources Limited	Investment in a special purpose vehicle to acquire an interest in Coogee Resources Limited. Coogee is the owner and operator of two oil fields in the Timor Sea.	Following the sale of Coogee Resources, we have now received a good proportion of anticipated proceeds. There are, however, other remaining balances subject to escrow arrangements for release over the next 1-2 years.
BBRX1	Mezzanine loan to BBRX1, the owner and lessor of freight car rolling stock which are leased for use in the North American markets.	The global financial recession continues to impact BBRX1, in terms of declining pressures on leasing rates and a market with few financiers. Additionally, there are asset specific and capital structure considerations which will likely require a restructuring of the investment as part of any sale or strategy to survive the downturn should no sale eventuate.
Tourism Asset Holdings Limited	Tourism Asset Holdings Limited (TAHL) is a hotel investor with most properties leased to Accor.	Whilst the loan has recently been restructured, TAHL has been making all agreed interest and principal repayments. We currently expect full repayment by 31 December 2009.
Babcock & Brown CDO Investments Pty Ltd	Investment in the Babcock & Brown CDO Investment Fund. The investment fund was established to focus on taking advantage of the distressed opportunities as well as purchasing quality CDO equity tranches based on a detailed and cautious loan level analysis.	The last six months continued to be tumultuous in the structured finance markets with generally no real improvement in the US housing sector or unemployment. Despite significant losses to date, our expectation is that these CDO bonds will continue to receive future cash flows.
Seiza Series 2006-1 & Seiza Augustus 2007-1	Australian Residential Mortgage Backed Securities ("RMBS")	The structures are effectively in wind-down with payments to RMBS noteholders being made on a priority waterfall. Currently the most senior notes are being paid down with our notes not currently receiving capital as they are lower down in the structure.

* Further information to be provided in the valuation report in mid to late August 2009.

EVEREST
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Absolute Return Fund performance versus market benchmarks as at 30 June 2009

	June 2009	Calendar YTD	Rolling 12 months	Since Inception [1]	Annualised Rate of Return Since Inception
Absolute Return Fund Portfolio[2]	1.97%[5]	*0.67%*[5]	*-37.48%*[5]	*-22.21%*[5]	*-5.74%*[5]
HFRX Global Hedge Fund Index	0.04%	5.57%	-18.13%	-4.22%	-1.01%
MSCI World Index[3]	-0.07%	4.77%	-26.33%	-10.46%	-2.57%
S&P 500[4]	0.20%	3.16%	-26.21%	-14.88%	-3.72%

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. 5 Performance numbers from the 30 June 2009 represent absolute return fund portfolio performance only

Market Commentary

The sharpest equity market rally since the 1930's began to falter during June as concerns over the macroeconomic outlook re-emerged. Government measures have allayed fears over a financial collapse, and allowed markets to recover, however the global economy continues to appear weak. Whilst it is clear that certain economies remain better positioned than others, it is not clear that they have the ability to initiate a global economic rebound.

In the first half of June, market themes were largely a continuation of trends from April and May. Riskier assets performed well, as markets continued their focus on global economic recovery. In the second half off the month, concerns began to emerge about the strength of recovery in western economies and the sustainability of the fiscal stimulus programs, causing modest weakness in equity markets. Differentiation across asset classes and markets continued, however, credit markets generally were not meaningfully impacted by weakness in equities and commodity markets.

Uncertainty though, remains high as does the fragility of markets, particularly since government policy decisions continue to weigh heavily on markets across asset classes.

It is interesting to note that a common factor across asset classes in June was the outperformance of quality. In previous months, companies that had the most significant deterioration in earnings were the strongest performers, as investors bet on recovery and a rebound in those earnings. In June, both across and within industries, companies with resilient earnings finally outperformed.

Fund Update

As per recent correspondence, it is our intention to separate EAIT into two Funds, the Everest Alternative Investment Trust (EAIT) and the EAIT Direct Investment Fund (EDIF). We believe that it is appropriate to physically separate the two portfolios to better reflect the different underlying investment strategies. Further information can be found in our recent correspondence and we will shortly be issuing a more detailed explanation pack. In accordance with this we have provided a more detailed analysis of the Direct Investments. We intend to issue to separate factsheets from next month.

Fund Commentary

The Absolute Return Fund Portfolio returned 1.97% for the month reflecting moderate gains from multi strategy, asset based lending and long/short equity investment managers.

For the month, the largest positive contributor to performance was the multi strategy allocation, as investment managers profited from returns in equities, convertibles and relative value fixed income. Gains were experienced across technology and transportation sectors and in Chinese banking stocks, where previous dislocations created strong performance this month. Further gains also resulted from strong performance amongst distressed investment managers who benefited from core long positions aided by the continued strength in the credit markets. Detractors from performance came primarily from healthcare, where continued political uncertainty and a general market aversion to defensive stocks, has driven underperformance; and financials where company leverage has caused increased uncertainty. Multi strategy managers remain relatively conservatively positioned, but we note that managers are increasing company specific exposures rather than macro themes.

Our long/short equity investment managers recorded gains across both European and North American positions. This was offset by losses in their Latin American and Asian (primarily Japanese shorts) investments. Our largest long/short manager continues to be defensively positioned across tobacco, power generation, consumer staples and select information technology companies. These core longs are characterised by strong market leading positions, large well known brand names and economic barriers to entry.

The other significant long/short manager in the portfolio continues to lighten their position in AutoZone (a large car parts retailer) into the market strength, having made several contrarian purchases at their market lows during the turmoil of October 2008. Their position in AutoNation (a leading U.S chain of new and used car dealerships) faces a brighter outlook. As smaller competitors leave the industry, AutoNation faces increased market share amid record low levels of US new car sales across the industry. AutoNation is also expected to be a net beneficiary of the US government's 'Cash for Clunkers' legislation.

Our distressed securities investment managers had a strong month with gains across financial positions including positions in Bank of America, Citigroup and Fannie Mae. Long positions were also profitable in high yield and investment grade credit, led by commodity related companies in energy, chemicals and mining. However, gains were not restricted to the long side of the portfolio, with one manager posting profits on shorts in select companies including Brunswick, Burlington Coat and various homebuilders, who continue to struggle amid the economic downturn in the US. Distressed debt positions also performed strongly with the managers' involvement in GM, LyondellBasell and the General Growth Properties bankruptcy. On the downside, gains for the month were moderated by market level hedges on the credit indices.

The net currency exposures associated with the Absolute Return Fund portfolio continues to be hedged back into Australian dollars.

The Direct portfolio continues to be managed with the objective of an orderly realisation of all assets. However this process will take time as the underlying direct assets, as discussed above, are generally illiquid and the issuers of such assets are typically highly geared and often require complex capital restructuring. We have completed our 30 June 2009 valuations for the assets and this is reflected in the NTA for 30 June 2009, which is down 13%. We will be providing a more detailed commentary on the underlying direct investments in mid to late August 2009.

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