EVEREST
EAIT DIRECT INVESTMENTS FUND

February 2010

The EAIT Direct Investments Fund (EDIF) has exposure to a portfolio of direct investments.

As investors are aware, the Fund is being managed to preserve value, realise assets where appropriate and return capital to unitholders. Based on information received from management of the remaining assets of the Fund, the aggregate value of the Fund's assets is estimated to be approximately $0.15 per unit as at 28 February 2010.

Fund Facts as at 28 February 2010

NTA estimate as at 28 February 2010	$0.15

Directs Summary

Number of investments	5
Largest allocation	79.4%
Smallest allocation	0.5%

28 February 2010 NTA estimate

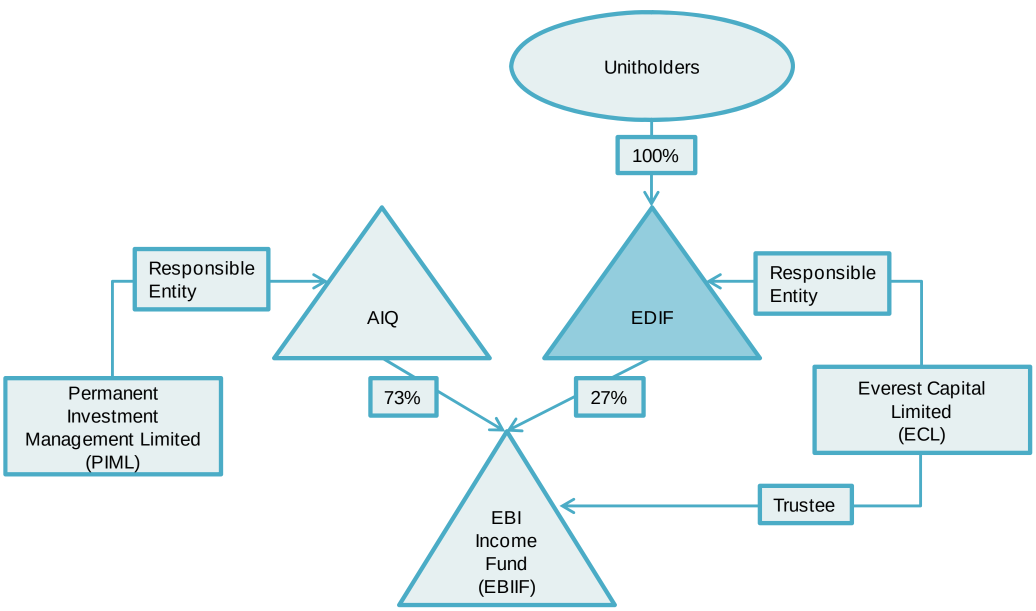
The estimated NTA for the Fund as at 28 February 2010 is $0.15 per unit.

Valuations

This NTA estimate includes a significant degree of uncertainty with respect to the valuation of the underlying investments and is based on a number of assumptions. The valuation process has and remains extremely difficult in the current market conditions given the challenges and uncertainties that some of the investments face.

EBI Income Fund - an update

EDIF's direct investment exposure is held via its holding in the EBI Income Fund ('EBIIF'), an unlisted unregistered trust. As a result of the EBI Exchange Offer in January 2009, Alternative Investment Trust (ASX:'AIQ') holds the majority of EBIIF as set out in the below diagram:



PIML, the responsible entity of AIQ, has been seeking to remove ECL as the trustee of the EBI Income Fund and become the replacement trustee by requesting a unitholder meeting to pass resolutions to achieve that outcome. Due to uncertainties in EBIIF's trust deed, ECL made an application to the Supreme Court of NSW for judicial advice as to how to proceed.

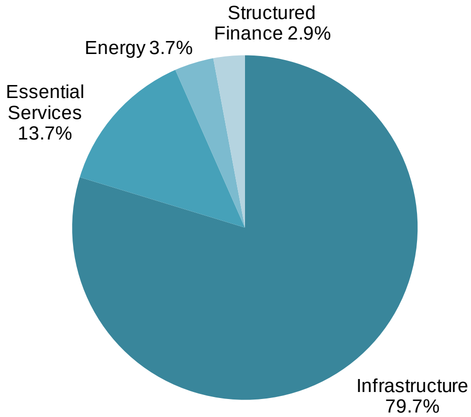
ECL decided to pursue this matter on behalf of EDIF unitholders in order to protect their decision making rights and to minimise overall on-going costs (ECL currently only earns fees at the EBIIF level, not at EDIF).

On Friday 12 March 2010, the Court ruled that unitholders did not have the power to replace the trustee under the trust deed of the Fund; they only had the power to direct the trustee to retire. The power to appoint a new trustee rests with the current trustee, namely ECL. Following the decision, a meeting of the Fund's unitholders was held and ECL will retire as trustee and ECL intends to appoint a new trustee in due course.

While the Court's decision allowed EDIF to block AIQ's intention to gain control, we were disappointed with the outcome as a new trustee at the EBIIF level will require time to get up to speed on the various investments and complexities and could also lead to an increase in the look through operating costs of EDIF's portfolio.

EDIF Analysis

Underlying Investment strategy exposure
(excluding cash)*



Investment exposures (excluding cash)*

Investment	Sector	Weight
European Ports	Infrastructure	79.4%
New Parking	Essential Services	15.6%
Coogee	Energy	2.0%
CDO Equities	Structured Finance	2.5%
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.

As investors are aware, the original investment objective was to invest on a look-through basis in a diverse portfolio of yielding investments primarily originated by Babcock & Brown. Recognising market conditions and the demise of Babcock & Brown, the Fund is currently being managed to preserve value, realise assets where appropriate and return capital to unitholders. The key objective for us has been to focus the attention of management of our respective portfolio companies on preserving value and cashflows and, if necessary, the restructuring of the debt arrangements to maximise the chances of stability of their operations.

Investment	Description	Status
BBI Port Acquisitions Luxembourg **(previously Babcock & Brown European Ports Investments Pty Limited)**	Mezzanine loan to finance the acquisition of two European ports.	In the second half of 2009, various stakeholders completed a complex restructuring and recapitalisation of the portfolio comprising new equity from incoming investors, partial repayment of senior debt and restructuring of junior debt. Part of the outcome for EDIF entailed moving its loan (on a look-through basis) from BBEPI (effectively an insolvent holding company) to BBIPAL (newly capitalised and strategically relevant asset backed company). As part of this restructure, the facility is now denominated in EUR as opposed to AUD (exposing returns to foreign exchange movements) and the term is for up to seven years with coupons either being paid or capitalised depending on underlying cashflows.
New Parking Holdings Inc	Mezzanine loan to a special purchase vehicle used to finance the acquisition of a car parking operator in North America	The mezzanine loan is generally performing in line with expectations, senior debt being amortised and coupons being paid. New Parking's performance has been positively impacted by the CAD/USD exchange rate over the period as it generates significant cash in Canadian dollars which need to be converted back to USD for debt service, corporate costs and reporting.
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 the majority of anticipated proceeds. There are however, additional relatively small remaining balances subject to escrow arrangements for release in the first quarter of 2011.
Babcock & Brown CDO Investments Pty Ltd	Investment in the Babcock & Brown CDO Investment Fund.	The key drivers of recovery values in the portfolio are home prices in the USA and loan level delinquency. Management do not expect home prices to improve significantly this year. Delinquency pipelines have also continued to deteriorate over the last six month period.
Seiza Series 2006-1 & Seiza Augustus 2007-1	Australian Residential Mortgage Backed Securities (RMBS)	Over the investment period the mortgage portfolios have deteriorated as more creditworthy borrowers refinance to benefit from lower interest rates from the major banks. Weighted average loan to value ratios, arrears and cumulative losses continue to tick upwards in the remaining portfolios.We continue to monitor this investment closely in light of the volatile economic conditions.

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