

EVEREST ALTERNATIVE INVESTMENT TRUST (EAIT)

TAX CONSEQUENCES OF PARTICIPATING IN THE EARLY WITHDRAWAL OFFER

Please find below general information on the tax consequences of participating in the EAIT Early Withdrawal Offer.

This general information may be of importance to investors when calculating any capital gains or losses on the disposal of EAIT units.

Unitholders who participated in the Early Withdrawal Offer have redeemed their relevant units.

The proceeds received on redemption, based on the current performance of EAIT, are likely to be a return of capital. This will be reviewed and confirmed when EAIT's taxable income position for the year ended 30 June 2010 is known.

On the basis that all proceeds constitute a return of capital, the redemption of units in EAIT will give rise to either a capital gain, a capital loss, or a nil result depending upon the proceeds that you receive for your units at the time of redemption when compared to the cost base or reduced cost base that you have in these units. For example, a capital gain will arise where the proceeds that you receive on the redemption exceeds the cost base in your units.

It is expected that unitholders would have a cost base in their units equal to the market value of EBI units at the time of the exchange offer, reduced by the recent In-Specie Distribution of EDIF units by EAIT. For further information please see the taxation summaries of these transactions on the EAIT website www.everest.com.au.

The CGT discount (applicable only to individuals, trustees and complying superannuation funds) will not be available in respect of any capital gains made on the redemption of units under the Early Withdrawal Offer because unitholders should not be taken to have held their units for greater than 12 months.

To the extent the proceeds received on redemption are not a return of capital, unitholders will need to include that portion of proceeds in their taxable income and reduce any capital gain that may arise by the amount so included.

SUMMARY

	Market Value used to calculate cost base in Exchange Offer	
	Market Value based on ASX Price	Market Value based on NTA
Cost base for EAIT under Exchange Offer is reduced by market value of EDIF at 31 July 2009	\$0.835	\$2.12
Proceeds per unit, being a 5% discount to 31 July 2009 NTA	\$1.97	\$1.97

For further information regarding the taxation impact of the Early Withdrawal Offer please see the EAIT Early Withdrawal Offer Booklet.

Everest Financial Group Limited does not provide tax advice and accordingly investors should obtain independent advice from an accountant and/or professional adviser regarding the tax treatment of their investment in EAIT.