

EAIT Direct Investments Fund Quarterly Report – June 2012



EAIT Direct Investments Fund (EDIF or the Fund)

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 on the remaining assets of the Fund, the aggregate value of EDIF's assets is estimated to be approximately \$0.03 per unit as at 30 June 2012.

Valuations

The assets of the fund are held in cash and a sub trust which holds units that are backed by cash assets. Further information on the CDO investment is provided below.

A summary of the status of the underlying investments on a look-through basis is provided below.

| Investment | Description | Status |
|--|--|--|
| 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. Given further write downs and losses on underlying assets of the fund and limited prospects for improvement, this asset has been written down to zero. |

Contact us

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