

QVT

QVT Financial LP

Fax

To: Manager, Company Announcements From: QVT Fund LP & Quintessence Fund L.
Firm: ASX Ltd. Phone: +1 212 705 6229
Fax: +61 2 9347 0005 Pages: 4 (incl. cover)
Phone: _____ Date: 17 May 2010
Re: Notice of Init. Subst. Holder CC:
FORM 603
☒ Urgent ☐ For Review ☐ Please Comment ☐ Please Reply ☐ Please Recycle

• Comments:

Please see attached announcement re:
AIQ

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1177 Avenue of the Americas, 9th Floor
New York, New York 10036
212 705-8888
www.qvt.com

17 May 2010

The Manager

Company Announcements

Australian Securities Exchange Limited

By fax +61 29347 0005

Notice of Initial Substantial Holder

Enclosed on behalf of QVT Fund LP and Quintessence Fund L.P. is an initial notice of substantial holdings (Form 603) in respect of Alternative Investment Trust (AIQ).

Please feel free to contact me directly with any additional questions.

Yours Sincerely,

Meg Nowicki

regulatoryfilings@qvt.com

+1 212 705 6229

Form 603Corporations Act 2001
Section 671B**Notice of initial substantial holder**To Company Name/Scheme Alternative Investment Trust ("AIQ")ACN/ARSN ACN 112 129 218**1. Details of substantial holder (1)**Name QVT Fund LP and Quintessence Fund L.P. (together, the "QVT Funds")ACN/ARSN (if applicable) N/AThe holder became a substantial holder on 12/05/2010**2. Details of voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary units	10,554,025	10,554,025	8.08%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
QVT Fund LP	Holder of ordinary units	9,517,666 ordinary units
Quintessence Fund L.P.	Holder of ordinary units	1,036,359 ordinary units
QVT Financial LP	Control of vote and disposal of all units held by QVT Fund LP and Quintessence Fund L.P.	10,554,025 ordinary units

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
QVT Fund LP	Deutsche Bank AG London	Deutsche Bank AG London	9,517,666 ordinary units
Quintessence Fund L.P.	Deutsche Bank AG London	Deutsche Bank AG London	1,036,359 ordinary units

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-Cash	
QVT Funds	2/3/2010	AUD 88,537.50		85,855 ordinary units
QVT Funds	3/3/2010	AUD 1,000.56		970 ordinary units
QVT Funds	4/3/2010	AUD 1,106,638.32		1,033,700 ordinary units
QVT Funds	5/3/2010	AUD 1,507.06		1,440 ordinary units
QVT Funds	8/3/2010	AUD 10,270.26		8,900 ordinary units

603 page 2/2 15 July 2001

QVT Funds	9/3/2010	AUD 104,828.37	101,352 ordinary units
QVT Funds	12/5/2010	AUD 9,326,538.64	9,289,344 ordinary units

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
QVT Associates GP LLC	QVT Associates GP LLC is the general partner of the QVT Funds and controls and manages the QVT Funds.
QVT Financial GP LLC	QVT Financial GP LLC is the general partner of QVT Financial LP and manages and controls the business affairs of QVT Financial LP.

7. Addresses

The addresses of persons named in this form are as follows:

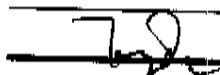
Name	Address
QVT Fund LP, Quintessence Fund L.P., QVT Financial LP, QVT Associates GP LLC, QVT Financial GP LLC	c/o QVT Financial LP, 1177 Avenue of the Americas, 9th floor, New York, NY 10036

Signature

print name Tracy Fu

Capacity: Managing Member of QVT Associates GP LLC, as general partner to the QVT Funds

sign here



date 17/05/2010

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.