

24 May 2010

Company Announcement Office
Australian Stock Exchange

**Everest Financial Group limited (EFG)
Annual General Meeting**

Please find attached the Chairman's address and presentation for the EFG Annual General meeting to be held on Monday, 24 May 2010 at 10.00am.

Yours faithfully



Gary Kalmin
Company Secretary

Attachment

Everest Financial Group Limited (EFG)

Annual General Meeting

Monday, 24 May 2010, 10.00am

InterContinental Hotel - Treasury Room

Agenda

1. Address by Greg Martin, Chairman
2. Address by Jeremy Reid, Chief Executive Officer
3. Questions, Ordinary Business and Voting

Chairman's Address

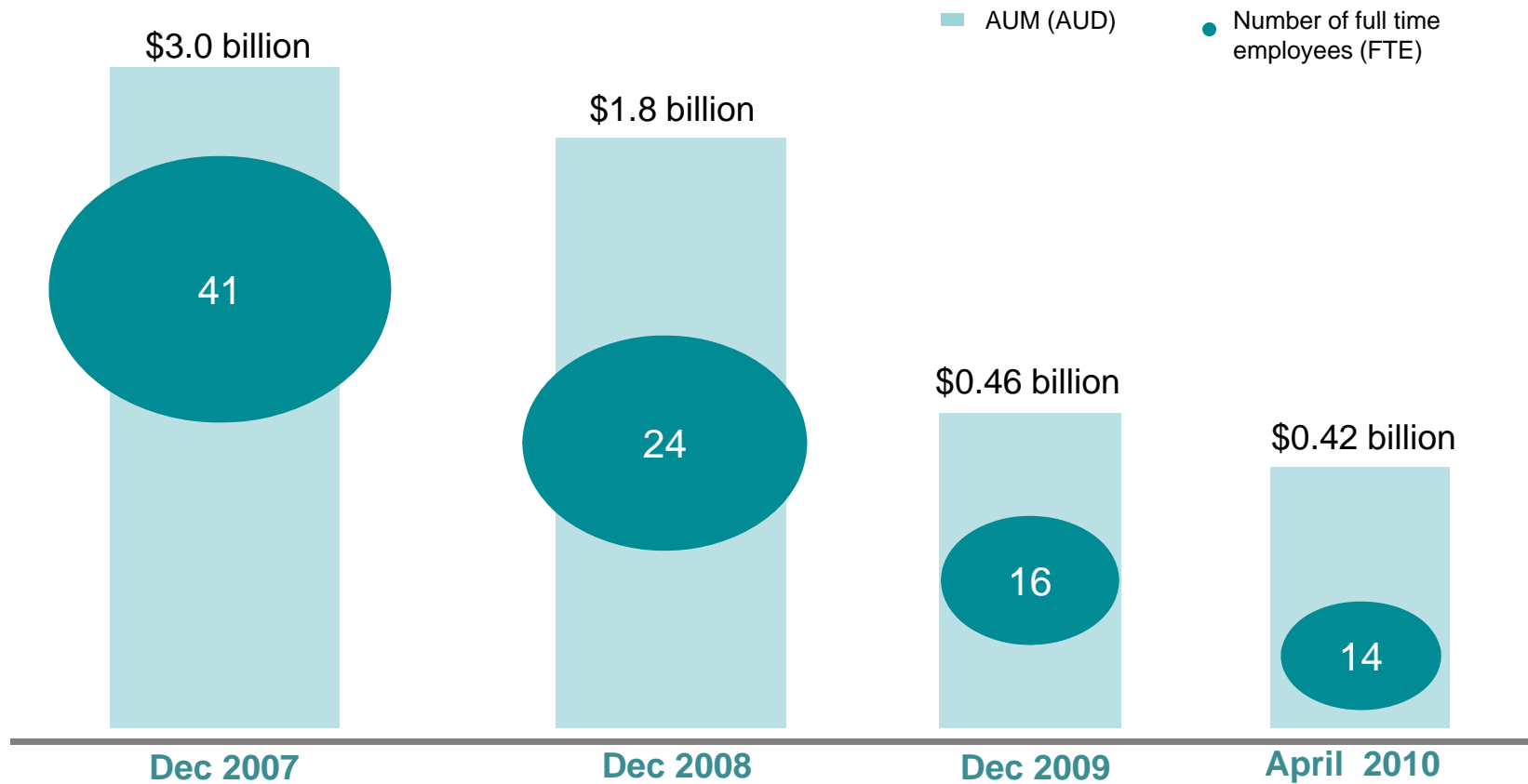
Financial Overview

	31 December 2009 (\$m)	31 December 2008 (\$m)
Net management fees	\$8.1	\$28.5
EBITDA	\$0.4	\$16.5
Pre-tax operating result	\$2.0	\$17.7
Net profit after tax	\$3.1	\$(305.6)
Cash NPAT	\$2.9	\$12.4
Cash EPS	1.3 cents	(122.4) cents
AUM (at year end)	\$460 million	\$1.8 billion

Current Position

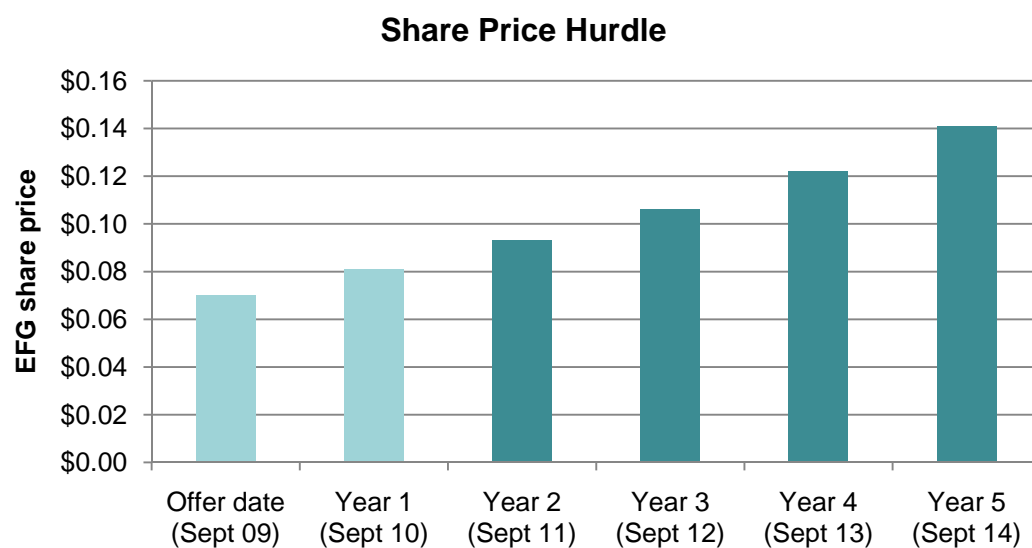
Strengths	Weaknesses
✓ Strong capital base / balance sheet	❖ Boutique investment firms out of favour
✓ Identifiable revenue stream over next 1-2 years	❖ Reduction in Assets under Management
✓ Extensive global hedge fund relationships	❖ Brand damage
✓ Licensed platform with product & scale (in-house finance, legal and compliance)	❖ ECL litigation
✓ Dedicated and focused team	

Assets under Management (AUM) and Headcount



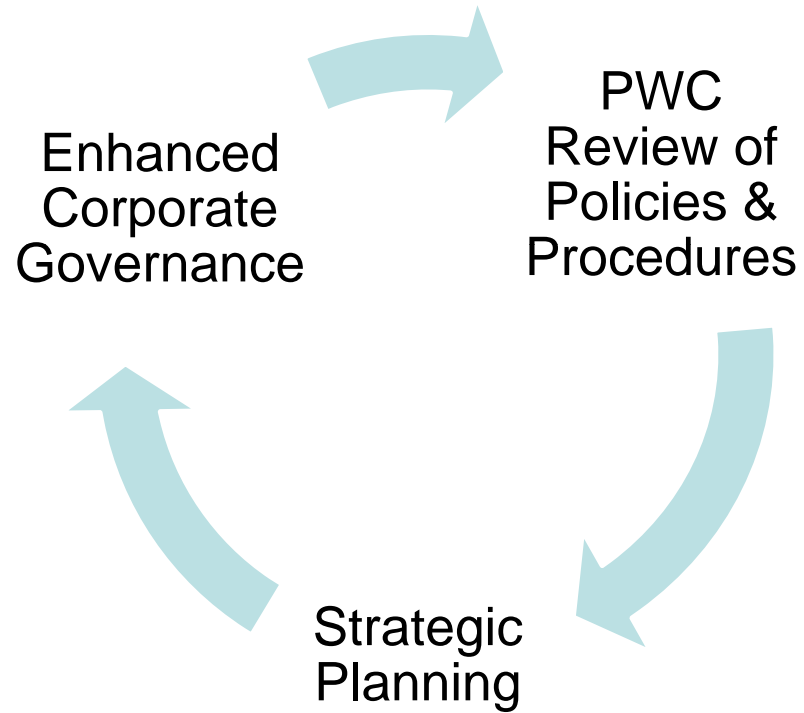
Remuneration Report

- In light of reduced revenue for 2009, your Board determined not to pay cash bonuses to senior executives.
- Key staff members issued with 5 year vesting options



For the options to fully vest in 2014 shareholders will have earned a total return of 143%

Corporate Governance

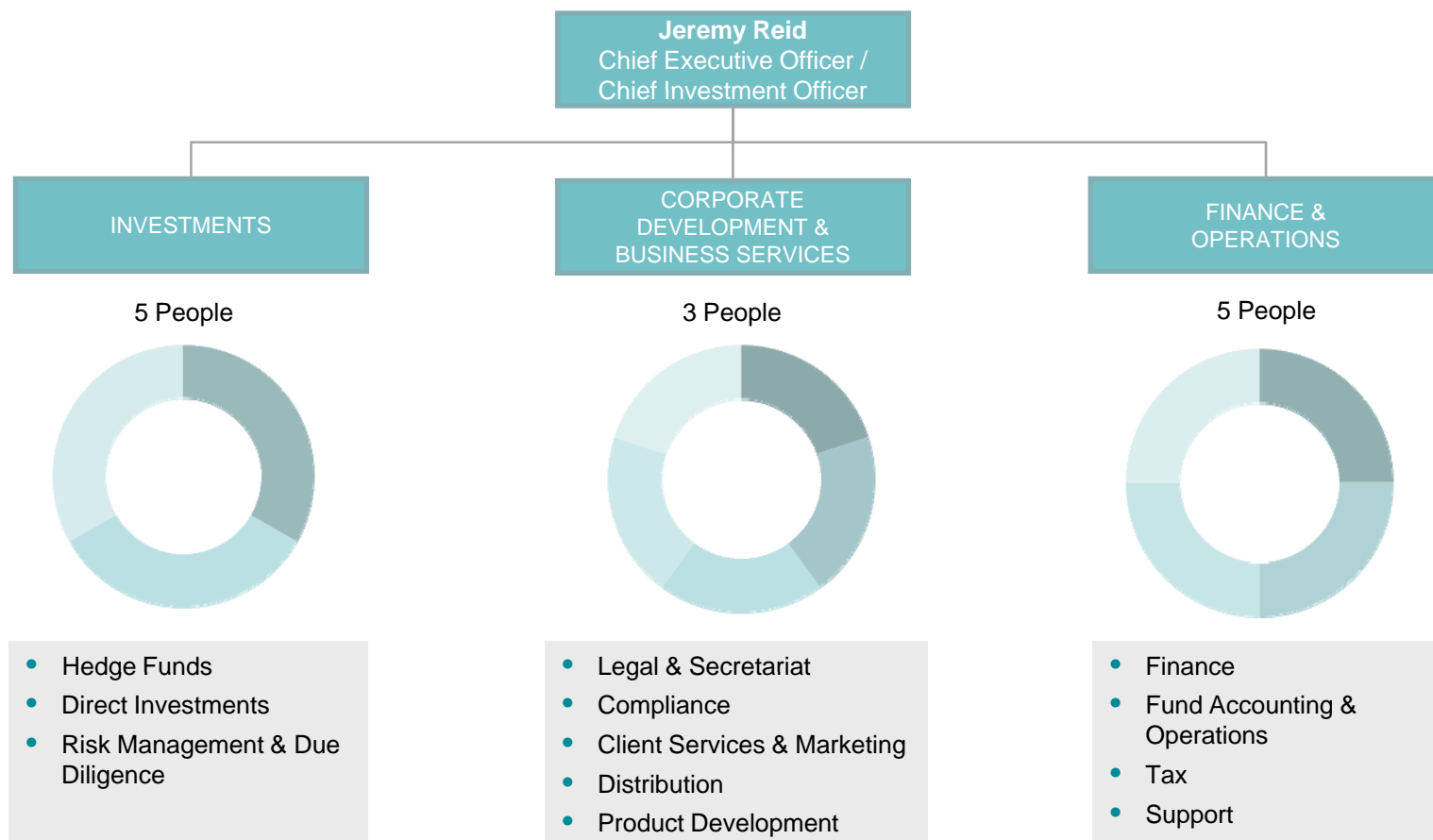


Outlook

- Challenging investment and capital raising environment
- Believe in the value of alternative Investments coupled with a rigorous and detailed due diligence process
- Focus on establishing targeted product for targeted clients
- Continue building new channels of distribution for existing product
- Exploration of strategic initiatives will continue
- Focus on cost containment will continue
- Monitor ECL litigation

Chief Executive Officer's Address

Organisational Structure



Greater Acceptance of Alternative Assets

Market leading superannuation fund investment portfolio:

Item	31 March 2009 Amount (\$m)	% (ex Telstra)
Australian equities	8,145	12.8
Developed markets shares	14,997	23.5
Developing markets shares	2,162	3.4
Private equity	1,482	2.3
Property	2,538	4.0
Infrastructure	2,066	3.2
Debt securities	13,985	22.0
Alternative assets	7,832	12.3
Cash	10,484	16.5
Total (ex Telstra)	63,692	100
Telstra	3,930	-
Total assets	67,622	-

Everest Credit Opportunities Fund (ECOF)

The Everest Credit Opportunities Fund portfolio:

Investment Manager	Firm Inception Date	Firm AUM US\$ ²	2009	YTD 2010	Annualised Rate of Return			
					1 Year	3 Years	5 Years	Since Inception of the fund
Anchorage Capital Partners	Jul-03	\$9.0 bn	37.1%	6.7%	41.7%	10.4%	13.5%	15.9%
Brigade Capital Management	Jan-07	\$7.4 bn	39.6%	5.6%	29.2%	8.6%	n/a	9.3%
Canyon Value Realisation Fund	Nov-93	\$17.5 bn	55.0%	5.9%	44.9%	6.1%	9.3%	10.2%
Davidson Kempner International	May-83	\$13.6 bn	21.8%	6.2%	24.8%	6.2%	9.4%	9.7%
Knighthood Offshore Fund	Jun-08	\$1.5 bn	67.6%	8.6%	63.2%	n/a	n/a	31.5%
Marathon Credit Opportunity Fund	Jan-98	\$11.5 bn	51.2%	7.2%	45.2%	n/a	n/a	43.7%
Post Total Return Offshore Fund II	July-96	\$5.3 bn	33.8%	5.2%	28.0%	3.5%	8.4%	11.7%
Taconic Opportunity Fund	Jun-99	\$9.0 bn	20.2%	4.1%	17.8%	4.0%	10.1%	10.2%
S&P 500 Index			26.5%	7.1%	38.8%	(5.1)%	2.6%	
MSCI World Index			25.7%	4.9%	33.0%	(7.1)%	2.9%	
ASX 200 Accumulation Index			37.0%	0.0%	32.4%	(3.8)%	8.4%	
Merrill Lynch High Yield Master II Index			57.5%	7.2%	44.2%	6.9%	8.4%	

Notes:

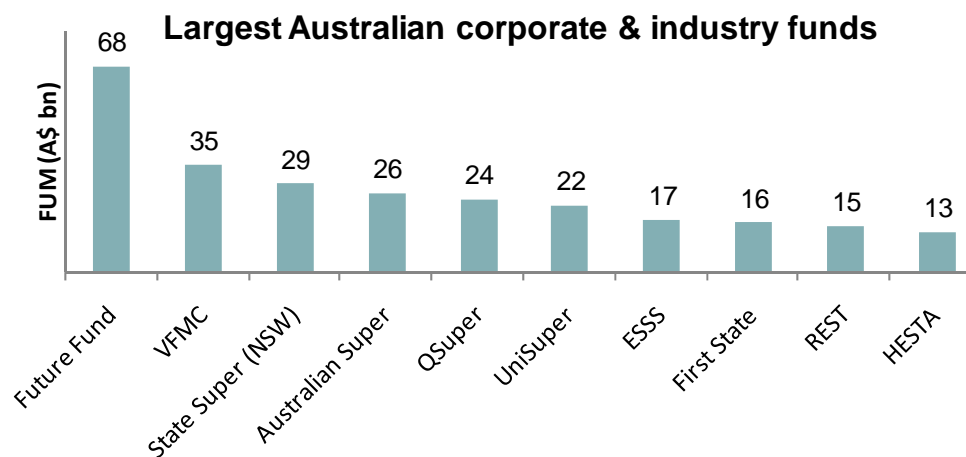
¹ Performance as at 30 April 2010. Underlying investment manager performance is net of their fees. Past performance is not a reliable indicator for future returns. Future returns and expenses will vary from the historical performance track record as set out on this page. Future asset allocations by investment manager, investment strategy, geography and asset class exposures will vary over time and depend on prevailing market conditions and sentiment. These may be significantly different to the current asset allocation.

² AUM as at April 2010.

Target Markets

- Continue building High Net Worth and retail presence
- Target Australian superannuation industry – significant and growing rapidly
- Over A\$1.3 trillion currently invested – expected to grow to \$5 trillion by 2025¹
 - \$1 trillion is managed in corporate and industry superannuation funds
 - Over \$330 billion managed in 410,318 self managed superannuation funds

¹ Source: Australian Government, Association of Superannuation Funds



Source: Rainmaker Information Pty Ltd, January 2010.

Conclusion

- Focused and committed team
- Remain at the forefront of hedge fund investing
- Unparalleled global relationships
- Rebuilding and increasing shareholder value

Questions, Ordinary Business and Voting

Everest Financial Group Limited (EFG)

Annual General Meeting

Monday, 24 May 2010, 10.00am

InterContinental Hotel - Treasury Room

CHAIRMAN'S ADDRESS

EVEREST FINANCIAL GROUP LIMITED

ANNUAL GENERAL MEETING

HELD ON MONDAY, 24 May 2010 at 10.00 AM

TREASURY ROOM, INTERCONTINENTAL HOTEL, SYDNEY

CHECK AGAINST DELIVERY

Slide 0 – Everest

Good Morning ladies and gentlemen, welcome to the Annual General Meeting of Everest Financial Group, which for convenience I will hereafter refer to as Everest or EFG.

My name is Greg Martin and I am the Chairman of Everest. This is my first Annual General meeting of Everest, having joined the Board in August 2009.

I am advised we have the required number present for a quorum to allow the meeting to proceed. Could I ask you all to check that your mobile phones are either switched off or turned to silent mode so as not to disrupt today's meeting. May I also remind you that only shareholders are entitled to speak at this meeting.

First, I would like to introduce my fellow Directors: Marea Laszok, who is an independent non-executive director, who joined the Everest Board in May 2009, and our Chief Executive Officer, Jeremy Reid.

I would also like to introduce Gary Kalmin, who is our Company Secretary.

We also have present representatives from our external auditors, Ernst & Young and the Company's legal advisers, Chang, Pistilli and Simmons and Lee Marshall from Link market Services who will act as returning officer. You will be able to ask questions of these representatives during the formal business section of today's meeting.

Slide 1: Agenda

The agenda for this morning's meeting will comprise:

- My Chairman's Address

- An Address by our CEO, Jeremy Reid

- Questions, Ordinary Business and Voting

I will now move to the first agenda item, my Chairman's Address.

Slide 2: Chairman's Address

As we progress through 2010, with its encouraging signs of a global recovery, we reflect on 2009 as a challenging year for EFG.

Slide 3: EFG 2009 Results

EFG's results for the year ending 31 December 2009 were as follows:

- Earnings before interest tax depreciation & amortisation (**EBITDA**) of \$400,000
- Underlying pre-tax operating result of \$2.0 million
- Net profit after tax of \$3.1 million, which includes the benefit of tax timing differences of \$2.7 million
- Assets under Management (**AUM**) of approximately \$460 million as at 31 December 2009

Slide 4: Current Position

Despite a number of challenges facing both the boutique funds management industry, and EFG specifically, Everest has been able to strengthen its balance sheet over the course of the year. At year end, EFG had in excess of \$20 million in cash

and seed investments in Everest funds. There are no borrowings on the balance sheet.

The board continues to assess a range of initiatives, including capital management options that will make best use of the balance sheet and maximise value for all shareholders. However, in light of current legal proceedings against our subsidiary ECL and the uncertainty of potential outcomes, the Board is maintaining a prudent and responsible position in relation to implementing any of the identified options. The board is also carefully considering the positives and negatives of continuing as a publicly listed entity. Any proposition of this nature will be put to shareholders as and when appropriate.

EFG remains at the forefront of hedge fund investing with extensive global hedge fund relationships. Our current platform provides a solid foundation for management to rebuild the business. The rebuilding of the business and in turn our brand, will only be achieved through the launch of successful new product and good investment performance. This will require continued dedication and focus from the Board, management and staff.

Slide 5: Assets under Management (AUM) and Headcount

During the year, our AUM was primarily impacted by two major factors.

As shareholders will recall, during 2008 and early 2009, Everest faced significant pressure from activist hedge funds in relation to the discount to NTA at which our largest Fund, formerly known as the Everest Babcock & Brown Alternative

Investment Trust (then referred to as EBI), was trading. EBI was a listed fund and was far from alone in trading at a substantial discount to NTA. Many such investment trusts faced substantial trading discounts as markets faced the reality of the Global Financial Crisis.

On 30 January 2009, following extensive negotiations, the then constituted Board of Everest Babcock & Brown Alternative Investment Trust (EBI), announced that it had completed the EBI Exchange Offer.

The offer provided the opportunity for EBI investors to exit EBI and become investors in the new Everest Alternative Investment Trust (EAIT), an unlisted fund to be managed by Everest. Approximately 27%, by value, of EBI Unitholders accepted the EBI Exchange Offer. This represented approximately \$270 million of gross funds under management, based on EBI's NTA at 31 December 2008.

Following the unitholder vote on the 30th January 2009, Permanent Investment Management Limited was appointed as responsible entity of the renamed Alternative Investment Trust and Everest ceased to be the investment manager of EBI on the 23rd February 2009.

The second major factor in declining AUM has been the provision of liquidity for those investors in Everest managed funds who were seeking access to their invested capital as they faced the full effects of the Global Financial Crisis. We have continued to reduce leverage and make capital returns to investors across several Everest funds.

These actions led to a substantial decrease in Everest's Assets under Management reducing from \$1.8 billion to \$460 million as at 31 December 2009. Continued investor desire for liquidity has resulted in a further decline to approximately \$420 million as at 31 March 2010.

Both the Board and Management appreciate that Assets under Management have reached a level that is not sustainable in the long term. Concerted action is required. This is a key driver of the options currently being considered by the Board, to address this position. However, as I said, no responsible Board can implement such initiatives until there is certainty surrounding the litigation that is on foot.

In light of the reduction in Assets under Management, your Board has worked to reduce the size and scale of our business platform to ensure it is as efficient as possible through a number of cost management initiatives:

- Costs have been reduced from \$17 million per annum at our peak in 2007 to approximately \$5.5 million per annum at the present time;
- Full time equivalent employee numbers have been reduced from 24 at the end of 2008 to 14 employees currently. This initiative has included the hiring of a small number of key new staff in critical roles in our core business areas including investment and risk management, legal and compliance.

These initiatives are expected to continue to provide further cost and operational savings over the remainder of 2010 and beyond. I can assure shareholders that we

have worked assiduously to make Everest as lean as possible – but without compromising its professional and fiduciary responsibilities and legal obligations.

Slide 6: Remuneration Report

In light of reduced revenue for 2009, your Board determined not to pay cash bonuses to senior executives. The Board did, however, issue key staff members with options that vested over 5 years, subject to achieving challenging performance hurdles that sought to create a strong and genuine alignment between key staff and shareholder interests. Full details of these arrangements were provided to shareholders and the ASX on 29th March this year. Our CEO, Jeremy Reid, has elected not to take up the option package offered to him. As such, the Board does not have to put a resolution to shareholders that would have provided for a cash equivalent payment to Mr Reid under certain circumstances.

Slide 7: Corporate Governance

Let me now turn to address corporate governance matters.

Since joining the Board in 2009 your Independent Directors have been mindful of industry best practice within our business. In light of the head count reduction that EFG has undertaken, we have engaged PricewaterhouseCoopers to assist in reviewing EFG's policies and procedures to ensure we are adhering to best business practises.

On the litigation front, in December 2009, a subsidiary of EFG (Everest Capital Limited) was served with a claim by LJK Nominees Pty Limited, in relation to its investment in the Everest Babcock & Brown Income Fund. Everest Capital Limited is defending the proceedings, although no date has yet been set for the hearing of the matter.

Given that this matter is before the Court, there is little more to be said at this point in time other than ECL intends to defend the matter.

On another matter, I am pleased to report that the defamation case that Jeremy Reid took against the Fairfax Media Group in relation to various media reports, has now been settled out of court and an apology and retraction printed in Fairfax publications, including the Sydney Morning Herald.

Slide 8: Outlook

As a consequence of our reduction in Assets under Management, it is expected that the operating result for the 2010 calendar year will be lower than 2009 and likely result in an operating loss for the year to 31 December 2010.

As mentioned, cost management initiatives implemented during 2009 and earlier this year will further reduce operating expenses within the business. Further initiatives are currently being reviewed to enhance efficiency and better manage operating expenses during the course of the year.

The environment remains challenging for fund raising within the alternative investment space. That being said, Everest remains committed to absolute return investing by providing access to, what we believe, are some of the world's leading investment managers.

We continue to believe that alternative investments, such as hedge funds, require rigorous and detailed research, as has been highlighted by the number of hedge fund failures over the last few years.

Everest will focus on providing research and analysis to build targeted portfolios, which we expect to deliver attractive risk-adjusted returns, targeting new market segments outside our traditional high net worth distribution base.

The Board continues to assess options and initiatives, including capital management initiatives, which will make best use of the balance sheet and maximise value for shareholders.

My thanks go to my fellow independent Director, Marea Laszok, the Chief Executive Officer Jeremy Reid and all the employees of Everest for their continued support and hard work during a particularly trying 2009.

I would now like to invite Jeremy Reid, to provide his CEO's report to the meeting.

Slide 9: Chief Executive Officer's Address

Thank you, Greg. Good morning ladies and gentlemen.

I would like to take this opportunity to update you on Everest's performance and provide an outlook for the year ahead.

But before I do, I'd like echo Greg's thanks to Marea and also to thank you, Greg. Over the past 12 months, we have faced a number of difficult situations. I am sincerely thankful to have both of you guiding and supporting me and our executive team, and look forward to our continued strong relationship.

Slide 10: Organisational Structure

2009 proved to be a most challenging period for Everest. As a result of our significant reduction in Assets under Management, we have had no choice but to think long and hard about our business, the future of our business and the resources required to rebuild our business.

Unfortunately, this has led to the downsizing and the exit from the business of some loyal Everest employees, which is never easy. I am very thankful for their time at Everest and for their understanding and gracious departures.

Where necessary, we have however taken advantage of the uncertainty in financial markets to hire some high quality individuals, who should serve us well as we re-

establish ourselves as one of the leading alternative investment platforms in Australia.

Following a few recent internal changes, the Everest team now consists of 14 full time employees.

Slide 11: The industry

Over the past two years, the hedge fund industry, both locally and internationally, has gone through a transformation phase, where only the strong have survived and remained in business. I believe that the survivors now have the opportunity to prosper in the future.

On the local front, some significant competitors have shut down their operations or ceased offering hedge fund products. Ironically, these withdrawals have come just as we are seeing increased investor acceptance of alternative investments, particularly within the superannuation industry, as many funds increase allocations from underweight positions.

This is evidenced in one of the country's largest and leading superannuation funds, which has now invested over \$7.8 billion in alternative assets, compared to the \$8.1 billion they have invested in Australian equities strategies.

On the global hedge fund front, there has also been a meaningful rationalisation of the industry. As Everest has always focused on the large "blue chip" investment managers, who have benefited from the consolidation and in particular a significant

reduction in capital employed by the proprietary trading desks of investment and commercial banks.

As a result of a reduction in both capital and leverage within the hedge fund world, competition for the best ideas has been substantially reduced from where it was a few years ago. Performance between investment managers has shown much wider return dispersal, as larger and stronger investment managers have generally prospered significantly over the past 12 months, delivering investors with attractive risk-adjusted returns.

Slide 12: Current initiatives

We continue to believe that our access to world class investment talent positions Everest well for the future. Exposure to this investment talent is currently not offered widely within the Australian investment landscape and we expect that allocations to alternative investment funds will increase over time. We have spent considerable time assessing the current market and working with investors to create and structure products that complement the portfolios of Australian investors. We look forward to sharing our latest investment offerings with the market during the course of 2010 and 2011.

The first of these offerings is the Everest Credit Opportunities Fund, which we call ECOF. ECOF focuses on investing in a portfolio of leading investment managers, who predominantly invest in distressed and value oriented investments within global credit markets. Whilst it is early days, performance to date in ECOF has been pleasing, with distressed credit markets continuing to provide solid returns despite

the uncertainty and volatility in global equity markets. We intend to continue to broaden our marketing efforts for ECOF for the remainder of 2010.

Each of the investment managers selected for ECOF is very experienced, with a strong proven track record and a risk management focus. The managers are of the highest pedigree and are specialists within the credit markets. We are both excited and confident that ECOF will deliver attractive risk-adjusted returns for its investors.

Slide 13: Target Markets

Everest's managed funds' currently have a client base of approximately 1,200 investors, which is made up significantly by high net worth individuals and direct retail investors.

As we expand and re-build our investment platform, we will also look to expand our distribution to both corporate and industry super funds and will target self-managed super funds.

The Australian superannuation industry is significant and growing rapidly with over \$1.3 trillion currently invested. According to industry sources, it is expected to grow to \$5 trillion by 2025¹, providing significant allocations to the alternative investment industry.

¹Source: Australian Government, Association of Superannuation Funds

Self-managed super funds, which are established and run by individuals, currently number approximately 400,000 funds, with combined assets under management of over \$330 billion. This has increased from about \$130 billion over the past 5 years. Again, self-managed super funds provide an attractive distribution base for alternative investments and Everest products.

Slide 14: Conclusion

Against that very encouraging backdrop, Everest remains at the forefront of hedge fund investing within Australia. We have unparalleled global relationships. We have a strong balance sheet. And hopefully, with a few less distractions, we can focus solely on increasing shareholder value through the rebuilding of the Everest Financial Group.

To conclude, I would like to thank the Everest team for their continued hard work and dedication. Despite the challenges we have faced, we recognise that there are further challenges ahead, but we believe we are well placed to deal with those challenges. Our team remains wholeheartedly focused and committed to achieving our objectives.

I will now hand the podium back to the Chairman for the formal business of the meeting. Thank you.
