Fact Sheet

Above The Index Asset Management Pty Ltd

ATI Australian Equity Portfolio

Information as at 29 February 2012

Portfolio Objective

The ATI Australian Equity Portfolio seeks to achieve total returns (includes income and capital appreciation, before the deduction of fees and taxes) that exceed those on the S&P/ASX300 Accumulation Index by 3% p.a. over rolling three-year periods.

Performance Update

(*Returns to 29 February 2012)	1 Month (%)	3 Months (%)	1 Year (%)	3 Years (% p.a.)	5 Years (% p.a.)	Inception (% p.a.)
ATI Equity Portfolio (gross)	1.6	5.2	(8.5)	16.1	1.4	4.8
S&P/ASX300 Accumulation Index	2.0	5.7	(6.7)	13.8	(1.7)	2.5
Relative Outperformance	(0.4)	(0.5)	(1.8)	2.3	3.1	2.3

*Past performance is not a guarantee of future results and may not be indicative of them. The gross returns are calculated using the Portfolio's net asset value of a model mandate within the OneVue SMA product. Performance assumes reinvestment of all income. Inception date is 23 December 2005.

Portfolio Details as at 29 February 2012

Largest Holdings	Portfolio Weight (%)	S&P/ASX300 Weight (%)
BHP Billiton	9.3	11.1
ANZ Bank	8.7	5.6
National Australia Bank	8.0	5.0
Westpac Bank	7.8	6.1
Telstra	6.5	3.9
Woolworths	4.9	2.9
Commonwealth Bank	4.5	7.4
Newcrest	3.8	2.4
CSL	3.3	1.7
News Corporation	3.2	0.8

Sector Allocation	Portfolio Weight (%)	S&P/ASX300 Weight (%)
Financials	37.1	37.2
Materials	20.9	25.8
Consumer Staples	8.8	7.6
Consumer Discretionary	6.8	4.0
Telecommunications	6.5	4.2
Industrials	6.2	7.7
Healthcare	3.3	3.5
Energy	2.3	7.7
Information Technology	2.0	0.6
Utilities	1.7	1.6

Selected Portfolio Statistics as at 29 February 2012

Inception Date	23-Dec-05
Number of Stocks	31
ATI Funds Under Management	~ $500m

MER (est.)	~ 0.90% p.a.
Tracking Error (forward estimate)	~ 3.0% p.a.

Portfolio Performance

The ATI Equity Portfolio rose 1.6% in February compared with a rise of 2.0% in the S&P/ASX300 Accumulation Index. Against this benchmark, ATI is producing excess returns on a 3 year, 5 year and since inception (Dec-05) basis.

The Best and Worst Performing Sectors

The best performing sectors in February were Industrials (+6.3%), Consumer Discretionary (+5.3%) and Energy (+5.0%); while the worst were Materials (-1.0%), Telecommunications (-0.7%) and Utilities (-0.7%).

Attribution of Stocks

The portfolio performance during February was assisted by overweight positions in Pacific Brands (PBG), Flight Centre (FLT) and Orica (ORI); and by not holding Iluka (ILU), Stockland (SGP) and Aquarius Platinum (AQP). Stocks in the portfolio that contributed most to its relative performance during the month included:

Pacific Brands (PBG) (+15.3%) outperformed again during the month following the release of its 1H12 result. Whilst the result was below market expectations, management's comments confirming that it had been approached *"by a number of parties"* and was engaging with them, fueled speculation that a formal takeover bid for the company could eventuate. PBG stated that the outlook remains challenging and that during 2H12 it expects a decline in underlying sales with EBIT to be *"materially"* down on pcp. PBG remains a portfolio holding and is relatively attractive based on fundamental valuation support, a high dividend yield and balance sheet strength with the ability to reinstate its 10% buyback (currently ~20% complete) if no takeover bid eventuates.

Flight Centre (FLT) (+15.8%) also outperformed again for the month following the release of its 1H12 result where Total Transactional Value (TTV) was up 9% resulting in a NPAT increase of 15.7%. Management also upgraded its FY12 guidance to 10-18% pre-tax profit growth, up from 8-12% growth. FLT remains relatively attractive and we are comfortable with viability of the business model which is: (i) more diversified in the corporate travel market, (ii) more diversified geographically, and (iii) adapting well and benefitting from the structural changes occurring in the online travel market.

Orica (ORI) (+9.9%) rose strongly in February even though the company didn't report financial results (due to it having a September year end). ORI's share price performance was consistent with other mining services companies that did report strong results during the month. The company did however announce the restart of the troubled Kooragang Island plant in Newcastle which supplies explosives to the Hunter valley coal region.

Positions that detracted most from the portfolio's performance during the month were from being overweight Lynas (LYC), Kingsgate (KCN) and National Australia Bank (NAB); and from not holding Santos (STO), Westfield Group (WDC) and Seek (SEK). Stocks in the portfolio that detracted most from performance during the month included:

Lynas (LYC) (-7.9%) significantly outperformed the market early in February, after the company effectively resolved the two main issues which had previously been overhanging the share price. Firstly it placed US$225m of convertible bonds with US-based investment firm Mount Kellett Capital, which relieved balance sheet concerns notwithstanding a ~$40m increase to capital costs. Secondly LYC received the long-awaited Temporary Operating Licence from the AELB (the Malaysian Atomic Energy Licensing Board), allowing the company to operate its processing plant in Malaysia for two years, subject to some additional conditions concerning waste disposal, and the payment of additional financial guarantees. However the stock came under pressure late in February after renewed campaigning by groups opposed to the company's LAMP (Lynas Advanced Materials Plant) in Malaysia, and the circulation of a number of negative press articles, resulting in the stock underperforming the market. After undertaking detailed proprietary research, ATI remains comfortable with LYC as a portfolio holding. The company continues to rank attractively in our Equity Ranking System, and although we anticipate both some teething issues as the company ramps up the LAMP, and some ongoing negative press coverage in the lead up to the Malaysian elections (which must be held by April 2013, but in our opinion are likely to be held in 2H 2012), we continue to believe that the expected returns justify the associated risk with the LYC portfolio weighting.

Kingsgate (KCN) (-10.3%) underperformed the market during February after a very strong start to the year (+34.2% in January). During February the company reported interim earnings of $34m, modestly below our forecast $38m. Despite ongoing strength in the gold price during February, and vastly improved operating performance from the company's two operations Chatree (Thailand) and Challenger (South Australia), KCN announced plans to raise $70m through an institutional placement at $7.10/share, an ~8% discount to the previous closing price, to advance progress on two new projects at Bowdens and Nueva Esperanza. Somewhat confusingly, the company also declared a 10¢/share dividend with the interim result which immediately drained ~$15m from the $70m capital raising. KCN effectively funded its dividend with an equity raising which is obviously not sustainable. Following the dilutive equity raising, a sharp fall in the gold price late in February, and confusion about the company's corporate and capital management strategy, KCN underperformed the market. KCN continues to rank relatively attractively within the ATI Equity Ranking System, however due to the above mentioned governance issues, we took the opportunity to reduce the portfolio weighting late in February, with the remaining holding under review at the end of the month.

National Australia Bank (NAB) (-0.8%) underperformed in February as its reported 1Q12 cash earnings of ~$1.4bn were weaker than the market consensus forecasts of ~$1.45bn. NAB's 1Q12 net interest margin declined 9bps to 2.19% largely as a result of retail deposit funding pressures experienced in the Australian market. The group's bad and doubtful debts provision of $545m for 1Q12 was ~$100m above market consensus forecasts, driven primarily *by "deteriorating conditions for UK banking customers and a reduction in [UK] collateral values".* The company announced a strategic review of its UK banking operations and will release details of this review in May with its 1H12 result. We now expect the UK business to only contribute about 3% of FY12 earnings as it has become a less important part of the NAB group. Despite the weaker than expected 1Q12 trading update, NAB remains relatively attractive and an overweight portfolio holding.

Portfolio Construction

The ATI portfolio continues to maintain its large stock bias with regard to its market capitalisation exposures against the S&P/ASX300 index with 90% of the portfolio (excluding cash) in the top 50 stocks (compared to 81% of the S&P/ASX300 index), 8% in the next 100 (14% of the index), and 3% in the last 150 stocks (4% of the index).

We expect the portfolio to remain overweight the larger cap stocks in these volatile markets and the number of holdings in coming months will only increase if those stocks that have become relatively attractive also improve the expected risk/return profile of the portfolio. Any new positions would be expected to complement the overweight positions already held in the larger cap stocks which history has shown us is a relatively good place to be in these uncertain and erratic market conditions.

During February the number of stocks in the portfolio increased by one to reach 31 with the addition of both Transfield Services (TSE) and Kingsgate (KCN), and the removal of Fairfax Media (FXJ). TSE entered the portfolio on an attractive valuation basis after it pre-released its 1H12 result and re-iterated full year guidance, and then aggressively re-commenced its buyback program. KCN entered the portfolio early in the month due to its attractive valuation, however the unexpected, dilutive capital raising noted above lead us to re-evaluate the position. Meanwhile, FXJ exited the portfolio after we concluded that the advertising market was showing no signs of recovery despite significantly easier comparisons to the previous year. Growth in the newspaper ad market turned negative in October/November 2010, and has remained in negative territory ever since. With our modeling indicating further downside risk to earnings forecasts for FXJ, we existed the stock before the 1H12 result which saw 6-9% consensus downgrades. The main weighting changes during February included increases for Newcrest (NCM), Lynas (LYC) and Orica (ORI); and decreases for Commonwealth Bank (CBA), Wesfarmers (WES) and BHP Billiton (BHP).

Portfolio Risk

The current forecast tracking error of ~3.0% (range of 2-8%) for the ATI portfolio has the potential to change in coming months as the risk/return benefit of taking on some relatively oversold stocks is assessed with reference to the global macro developments.

As present the main sources of portfolio risk are from overweight positions in Pacific Brands (PBG), Lynas (LYC), ANZ Bank (ANZ), and Telstra (TLS); an underweight position in Commonwealth Bank (CBA); and by not holding Origin Energy (ORG).

General Market Commentary

After many months where global macro factors dominated markets, February saw a return to more local issues with reporting season in full swing. Overall results were mixed, however not as bad as some had predicted which saw several underperforming stocks rebound strongly. Many companies commented about ongoing softness in domestic trading activity and margin pressure (particularly across the industrials and the banks), as guidance and outlook comments generally remained cautious. Interestingly, corporate activity began to increase during the month with (i) Billabong (BBG) approached by private equity, (ii) stakes built by Crown (CWN) in Echo Entertainment (EGP) and Singapore's Wilmar in Goodman Fielder (GFF), and (iii) both QBE Insurance (QBE) and AGL Energy (AGK) launched capital raisings.

The strong rebound in global equity markets that occurred in January continued into February (S&P500 +4.2%, Stoxx Europe 600 +3.9% and MSCI Asia APEX 50 +6.0%), however the Australian market continued to underperform (ASX 300 Accumulation +2.0%). Global concerns regarding the European debt crisis subsided slightly and bond yields fell during the month as an agreement was reached with respect to the Greek bailout and bond holder haircut, and the ECB's LTRO program increased liquidity. However, these ongoing macro issues were joined by increasing geopolitical tensions in the Middle East that saw oil up strongly (spot Brent +12.1%). February also saw copper (+3.7%) and other base metals higher, however iron ore was flat (+0.4%) and gold was weaker (-2.5%) after falling 4.9% on the last day of the month following comments from Federal Reserve Chairman Ben Bernanke that appeared to play down the prospect of further stimulus measures.

In Australia, the economic data was still rather mixed with employment, business and consumer confidence, and housing finance slightly better than expected, while credit growth disappointed, and retail sales were flat. Given this environment the RBA left interest rates unchanged at 4.25% which surprised the market, and saw the banks increase their rates by 8-10 bpts in out-of-cycle moves. Meanwhile the AUD rose 1% against the USD. The month ended with a return of some political certainty with the Prime Minister comfortably defeating Kevin Rudd for the leadership.

Outlook

ATI has responded to the recent market conditions with a series of active portfolio management decisions that have been implemented during this period of significant market instability. These decisions had the cumulative effect of concentrating and de-risking the portfolio into those large capitalisation stocks which provided the greatest expected return for the lowest level of expected risk. The ongoing volatility in equity markets reflects the fact that a synchronised global earnings recovery is now some way off as both Europe and the US are attempting to deal with mounting debt problems. As a result of revised global growth expectations, the ongoing domestic earnings downgrade cycle for equities is likely to continue, and until we see some improvement in the global macro backdrop, investors are likely to remain somewhat wary.

ATI's relative value process is still identifying some attractive opportunities in conjunction with some more defensive holdings that we feel are appropriate for these market conditions. Those stocks whose share prices have rallied excessively in anticipation of the expected simultaneous global economic recovery remain the standout risks over the course of the coming year as signs of earnings growth and a solution to the Eurozone issues are now required to drive the next upward phase in equity markets.

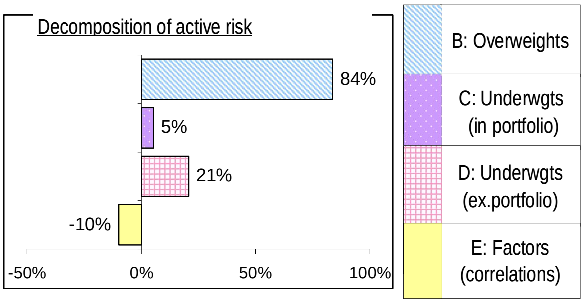
PORTFOLIO RISK SUMMARY

Portfolio Name:	**MyPort**		Model:	48months - 5 factors
Benchmark:	ASX300		Factor Analysis:	Multi-Factor
Date of Data:	29-Feb-12		Timestamp of Analysis:	6/03/2012 11:55:02 AM

Historic portfolio alpha	5.7%	**Active Exposures:**	
Historic portfolio beta	0.91	Held:	48.6%
Raw return	0.2%	Total:	85.1%

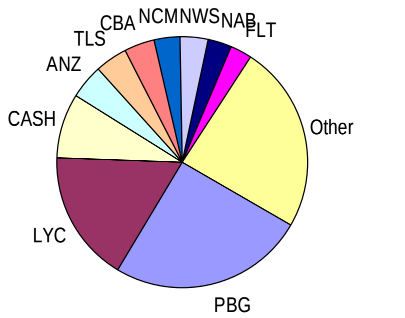
Forecast **Tracking Error**		
	2.54 %	**2.99 %**
	(residual risk)	(active risk)

	Source of portfolio risk	contribution to active portfolio risk	standard deviation	variance / covar.
A	Stocks held in portfolio (B+C)	89%	2.8	8.0
B	Overweight positions	84%	2.7	7.5
C	Underweight positions	5%	0.7	0.5
D	Stocks not held in portfolio	21%	1.4	1.9
E	Factors (correlations between stocks)	-10%		(0.9)
F	Total (A + D + E)	100%	**3.0**	9.0
G	Systematic risk (undiversifiable)		1.6	2.5
H	Residual risk definition tracking error (G - F)		**2.5**	6.4



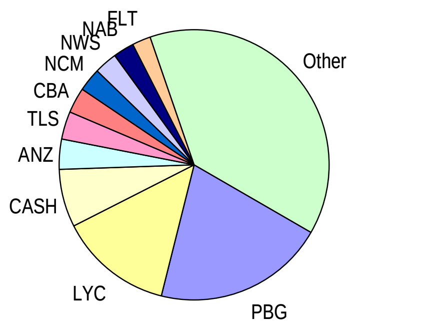
Top 10 sources of risk: Stocks held in the portfolio (A)

1	PBG	25%
2	LYC	17%
3	CASH	8%
4	ANZ	4%
5	TLS	4%
6	CBA	4%
7	NCM	3%
8	NWS	3%
9	NAB	3%
10	FLT	3%
	Other	24%



Top 10 sources of risk: All stocks in benchmark (B+C+D)

1	PBG	21%
2	LYC	14%
3	CASH	7%
4	ANZ	4%
5	TLS	3%
6	CBA	3%
7	NCM	3%
8	NWS	3%
9	NAB	3%
10	FLT	2%
	Other	39%



Active Weights