

Fact Sheet

ATI Australian Equity Portfolio

Information as at 30 April 2011

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 30 April 2011)

Performance as at 30 April 2011	1 Mth (%)	3 Mth (%)	1 Yr (%)	2 Yr (% p.a.)	3 Yr (% p.a.)	5 Yr (% p.a.)	Inception (% p.a.)
ATI Equity Portfolio (gross of fees)	(0.4)	2.3	3.4	20.0	3.5	5.8	7.3
S&P/ASX300 Accumulation Index	(0.3)	2.7	4.9	17.9	(0.5)	2.6	4.7
Relative Outperformance	(0.1)	(0.4)	(1.5)	2.1	4.0	3.2	2.6

*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 Share Invest SMA product. Performance assumes reinvestment of all income.

Inception date is 23 December 2005.

Portfolio Details as at 30 April 2011

Largest Holdings	Portfolio Weight (%)	S&P/ASX300 Weight (%)	Sector Allocation	Portfolio Weight (%)	S&P/ASX300 Weight (%)
BHP Billiton	15.9	13.0	Financials	42.7	37.2
ANZ Bank	8.3	5.3	Materials	29.3	28.2
National Australia Bank	7.4	5.0	Consumer Discretionary	6.0	3.9
Commonwealth Bank	6.3	7.1	Consumer Staples	5.2	8.0
Westpac Bank	6.1	6.3	Telecommunications	5.1	3.0
Rio Tinto	5.6	3.0	Industrials	3.6	6.6
Telstra	5.1	2.7	Energy	2.1	7.8
Woolworths	3.7	2.7	Healthcare	1.5	3.3
QBE Insurance	3.0	1.7	Utilities	1.2	1.3
News Corporation	2.4	0.7	Information Technology	0.0	0.7

Selected Portfolio Statistics as at 30 April 2011

Inception Date	23-Dec-05	MER (est.)	~ 0.90% p.a.
Number of Stocks	35	Tracking error (forward estimate)	~ 3.0% p.a.
ATI Funds under Management	~ \$460m		

Relative Portfolio Performance

The ATI Equity Portfolio fell 0.4% in April compared with a fall of 0.3% by the S&P/ASX300 Accumulation Index. Against this benchmark, ATI is producing excess return on a 2 year, 3 year, 5 year and since inception (Dec-05) basis.

The Best and Worst Performing Sectors

The better performing sectors during April were Telecommunications (+3.2%), Utilities (+2.4%) and Information Technology (+2.3%); while the worst performing sectors were Industrials (-3.8%), Consumer Discretionary (-2.4%) and Energy (-2.2%). Our monthly performance was assisted by overweight positions in the Financials and Telecommunications sectors, a relatively neutral position in the Materials sector, and an underweight position in the Industrials sector.

Attribution of Stocks

The portfolio performance during April was assisted by overweight positions in Equinox (EQN) (which received a takeover bid from Canadian gold producer Barrick Gold), National Australia Bank (NAB), and QBE Insurance (QBE), and by not holding Incitec Pivot (IPL) and Leighton Holdings (LEI). Stocks in the portfolio that contributed to its relative performance during the month included:

Equinox Minerals (EQN) (+38.1%) outperformed the market during April after Barrick Gold made an all-cash offer of C\$8.15 per share for EQN, representing an -8% premium to the last close of A\$7.34, and a -16% premium to the C\$7.00 offer for EQN from Minmetals. The EQN board unanimously agreed to recommend the offer to its shareholders. As a condition of the Barrick bid EQN terminated its offer for Lundin Mining. Barrick's offer is conditional upon achieving acceptance by two-thirds of EQN shareholders. The Barrick offer is open until 5pm, 1 June 2011. Notwithstanding the share price appreciation in April, EQN remains relatively attractive within the materials sector of our universe.

QBE Insurance (QBE) (+5.9%) rose during the month after it used its AGM to upgrade its FY11 Net Earned Premium (NEP) growth guidance to be *"at least 30%"* (previously 23-25%). The upgrade was driven partly by revised foreign exchange assumptions, and growth in premium income expectations from recent acquisitions, particularly the US crop businesses. The guidance range of 15-18% for the insurance profit margin was maintained despite a pick-up in catastrophe claims during the first quarter of calendar 2011. Based on this guidance, management also reiterated that the company should *"at least"* maintain its dividend in 2011. Meanwhile, it has been a bad first quarter for claims, with US\$650m in catastrophe claims so far this calendar year, accounting for almost half of QBE's FY11 allowance of ~US\$1.35bn. QBE remains relatively attractive within the insurance sector of our universe and remains an overweight portfolio holding.

National Australia Bank (NAB) (+4.8%) outperformed during April ahead of its 1H11 result in early May as the banks are expected by market analysts to show their earnings resilience in the upcoming reporting period. NAB also benefited from continued momentum building around a turnaround in its business lending growth outlook, and less concern surrounding the SAG (Specialised Asset Group). The media also speculated that NAB may bid for a number of Lloyds' branches in the UK which would increase its footprint in the UK. NAB remains relatively attractive and a core ATI portfolio holding.

Positions that detracted most from the portfolio's performance during the month were from being overweight Hastie Group (HST), OneSteel (OST) and Pacific Brands (PBG), and from not holding Wesfarmers (WES) and Newcrest Mining (NCM) which both outperformed. Stocks in the portfolio that detracted from performance during the month included:

Hastie Group (HST) (-79.5%) underperformed during the month after it released its 1H11 result after being in trading halt for seven weeks. HST reported 1H11 EBIT down 43% (sales up 11%), material writedowns (\$69m goodwill impairment for Rotary in the Middle East, and a \$34m provision for aged doubtful debts), poor cash flow (-81%), no dividend, a stretched balance sheet (net debt is now \$210m and EBIT interest cover 1.6x) and a covenant breach (HST is now in a standstill agreement with its banks, with no debt repayments until August 2011). FY11 EBIT guidance was cut by 32% from \$73m to \$50m. Of the \$23m gap, weather and project delays accounted for only \$3m and lower maintenance spend for \$2m, whereas \$9m was due to lingering low margin work contracted during the GFC, while the remaining \$9m was due to previously undisclosed performance problems within the NSW/Queensland plumbing business. As a result of the update, HST is no longer considered investment grade by ATI and is being removed as a portfolio holding.

OneSteel (OST) (-12.7%) underperformed during April despite iron ore spot prices strengthening ~4% during the month. Continued concerns around the potential impact of the introduction of a carbon tax on its domestic manufacturing business as well as a stronger AUD continued to weigh against investor sentiment. OST remains a portfolio holding and is still relatively attractive within the materials sector of our universe.

Pacific Brands (PBG) (-13.6%) fell in April on no specific company news, but was negatively impacted by economic data (retail sales) and 3Q releases from Wesfarmers (WES) and Woolworths (WOW) which indicated a continuation of soft consumer sentiment and a tough trading environment for consumer discretionary retailers (which PBG is a supplier to). The impact of higher input costs (cotton, oil and labour) are a headwind leading into FY12, however the benefits of a higher currency will partially offset these. The Australian consumer has been impacted by higher petrol, electricity, food and interest costs leading to a continuation of frugal spending habits. However, PBG remains a portfolio holding and continues

to rank attractively in our investment grade universe. A normalisation of the cotton price and a continuing high A\$ are key upside catalysts to observe.

Portfolio Construction

The ATI portfolio currently has a slight large stock bias with regard to its market capitalisation exposures against the S&P/ASX300 index with 84% of the holdings in the top 50 stocks (80% in the S&P/ASX300 index), 14% in the next 100 (15% in the S&P/ASX300 index), and 2% in the last 150 stocks (4% in the S&P/ASX300 index). The number of stocks (35) in the portfolio remains unchanged from last month. The ATI stock rankings are still indicating that the market has rallied to a point where the number of relatively attractive stocks has reduced such that the portfolio is likely to remain holding a similar number of stocks in the near term with overweight positions held in the larger capitalisation stocks which have become relatively attractive in the ATI stock universe.

Portfolio Risk

The current forecast tracking error of ~3.0% (range of 2-8%) for the ATI portfolio also reflects the fact that our stock rankings do not currently indicate the risk/return benefit of taking on additional risk and moving much above this current level.

As at 30 April the main sources of portfolio risk are from a variety of overweight smaller capitalisation stock holdings including Pacific Brands (PBG), PanAust (PNA), Mount Gibson (MGX) and Equinox Minerals (EQN). Larger capitalisation stocks that provide a contribution to portfolio risk include having no holding in Newcrest Mining (NCM) and Wesfarmers (WES), and having overweight positions in BHP Billiton (BHP), Rio Tinto (RIO), OneSteel (OST), Lend Lease (LLC) and Telstra (TLS).

General Market Commentary

Equity markets remained volatile during April. The early month strength soon gave way to selling pressure driven by the IMF cutting its growth forecasts for the US (largely due to higher oil prices), another large aftershock in Japan increasing concerns around nuclear fallout risks and a pull back in commodity prices which increased market concerns about the sustainability of recent price rises. Ongoing strength in offshore markets following continued positive surprises in US corporate results saw the Australian market rally before another round of selling on the back of the strong A\$ which continued to undermine both earnings growth expectations and foreign investor appetite for the Australian market. Despite the strong leads from overseas, the Australian equity market (S&P/ASX300 Accumulation Index) finished the month down (-0.4%).

The domestic market became increasingly focused on any earnings guidance announcements heading into May as this is the usual period for profit warnings to be issued as companies update the market before the June year-end reporting season commences. The risk of this was only increased by the strength of the A\$ and profit warning announcements by Goodman Fielder (GFF) and Leighton (LEI) highlighted the impact of higher commodity prices, the stronger A\$ and adverse weather on projects. Large scale M&A activity continued in April with a takeover bid for Equinox (EQN) initially by Minmetals Resources of China and later exceeded by Barrick; and Computershare (CPU) which announced it will buy BNY Mellon's Shareowner Services business for US\$550m subject to US regulatory approvals. The bid by Singapore Exchange Ltd for ASX was rejected by the Federal Government. More positive news included a binding agreement between Sinopec and Origin Energy (ORG) re the APLNG venture, and strong third quarter numbers from Sims Group (SGM) as a result of improvements in the US and Europe.

In local economic news, the trend in data during April remained generally positive, although there was little to suggest there will be near term upgrades to current market growth forecasts. Building activity and house prices remained soft, while the labour market numbers continued to exceed market expectations. Inflation data also surprised the market on the upside, reflecting seasonal factors impacting supply. The RBA, as expected, left rates unchanged at 4.75%. The A\$ was the highlight as it finished the month at a record high of US109.3¢ (+6.0¢) as investors continued to avoid the US where interest rates are set to remain on hold as the US Treasury attempts to complete its quantitative easing program by June.

Both Brent and WTI oil rallied to levels last seen in September 2008 as tensions in key oil-exporting countries, notably Libya, continued. However US crude inventories continued to rise over the month. Spot gold took out a new milestone in April, breaking US\$1500 and posting a 7.2% gain for the month, its biggest monthly jump since November 2009. A weak US\$ helped, though, with the A\$ gold price ending the month just 1.7% up on its December 2010 level and still 7.8% below the February 2009 record high (A\$1523). Base metals were mixed during April despite the helpful currency background with copper (-1.2%) succumbing to concerns over short-term Chinese demand, however aluminum continued its catch-up rally (+6.6%). Spot iron ore prices remained firm following a strong start for the year for Chinese steel production. The effects of weather disruption on Australian production also kept the market tight (e.g. Mount Gibson (MGX) reported a 41% fall in production in the March quarter due to weather impacts).

Outlook

The recent optimism towards equity markets was tested once again during April as ongoing concerns around the impact of a stronger A\$ compounded the geopolitical and global economic issues that have hovered over markets for several months now. The ATI portfolio continues to hold a mixture of stocks that are leveraged to the key growth themes driving the domestic economy (mining investment and volumes, plus consumption), as well as some stocks that are exposed to the US that have increasing potential for positive earnings surprises to emerge over calendar 2011. The resources sector remains leveraged to any ongoing improvements in global growth forecasts, while sentiment towards the major banks has the potential to continue to improve with there now being some chance that there will be upgrades to consensus forecasts post the May reporting period. As the current support for equity markets appears to be based on the anticipation of an earnings recovery, it will require a delivery of strong reported earnings over 2011 to ensure that investors do not go back into their shells and seek more risk adverse investment alternatives.

ATI's relative value process is still identifying some attractive opportunities, particularly in stocks where operating leverage may emerge during our three year forecast period. 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 next quarter as signs of earnings growth are now required to drive the next upward phase in equity markets.

PORTFOLIO RISK SUMMARY

Portfolio Name:	MyPort
Benchmark:	ASX300
Date of Data:	30-Apr-11

Model:	48months - 5 factors
Factor Analysis:	Multi-Factor
Timestamp of Analysis:	5/2/2011 4:07:06 PM

Historic portfolio alpha **7.3%** **Active Exposures:**
 Historic portfolio beta **1.00** Held: 43.0%
 Raw return **1.5%** Total: 84.0%

Forecast Tracking Error	2.67 %	2.67 %
	(residual risk)	(active risk)

Source of portfolio risk	contribution to active portfolio risk	standard deviation	variance / covar.
A Stocks held in portfolio (B+C)	95%	2.6	6.7
B Overweight positions	94%	2.6	6.7
C Underweight positions	0%	0.1	0.0
D Stocks not held in portfolio	47%	1.8	3.3
E Factors (correlations between stocks)	-41%		(2.9)
F Total (A + D + E)	100%	2.7	7.1
G Systematic risk (undiversifiable)		0.0	0.0
H Residual risk definition tracking error (G - F)		2.7	7.1

