Fact Sheet

Above The Index Asset Management Pty Ltd

ATI Australian Equity Portfolio

Information as at 30 April 2014

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 five-year periods.

Performance Update

(*Returns to 30 April 2014)	1 Month (%)	3 Months (%)	1 Year (%)	3 Years (% p.a.)	5 Years (% p.a.)	Inception (% p.a.)
ATI Equity Portfolio (gross)	2.6	7.7	12.7	8.8	13.2	7.8
Benchmark Index	1.7	6.9	10.1	8.8	12.3	6.0
Relative Outperformance	0.9	0.8	2.6	0.0	0.9	1.8

*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 30 April 2014

Largest Holdings	Portfolio Weight (%)	Benchmark Weight (%)
ANZ Bank	9.4	6.8
Commonwealth Bank	9.2	9.2
BHP Billiton	9.0	8.8
National Australia Bank	8.2	6.0
Telstra	7.3	4.7
Westpac Bank	7.2	7.9
Wesfarmers	3.8	3.5
CSL	3.5	2.4
Woodside Petroleum	3.4	1.8
Insurance Aust. Group	3.3	1.0

Sector Allocation	Portfolio Weight (%)	Benchmark Weight (%)
Financials	49.4	45.0
Materials	13.7	17.4
Telecommunications	8.3	5.2
Healthcare	7.0	4.6
Consumer Staples	5.8	8.0
Energy	4.5	5.9
Utilities	2.3	1.7
Industrials	2.3	6.7
Consumer Discretionary	2.6	4.8
Information Technology	1.0	0.8

Selected Portfolio Statistics as at 30 April 2014

Inception Date	23-Dec-05
Number of Stocks	33
ATI Funds Under Management	~ $400m

MER (est.)	~ 0.90% p.a.
Tracking Error (forward estimate)	~ 3% p.a.

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Portfolio Performance

The ATI Equity Portfolio rose 2.6% in April compared with a rise of 1.7% in the benchmark index. Against this benchmark, ATI is producing excess returns on a monthly, 3 monthly, 1 year, 3 year, 5 year and since inception (Dec'05) basis.

The Best and Worst Performing Sectors

The best performing sectors for the month were Property Trusts (+5.7%), Utilities (+4.1%), and Energy (+3.5%); while the worst were Health Care (-0.7%), Industrials (+0.3%), and Consumer Discretionary (+0.8%).

From a sector perspective, the relative performance of the ATI portfolio was most positively impacted from being overweight Financial stocks (49.4% v benchmark of 45.0%) and underweight Industrial stocks (+2.3% v benchmark of 6.7%), whilst it was most negatively impacted by being overweight Telecommunication stocks (8.3% v benchmark of 5.2%).

Attribution of Stocks

The portfolio performance during April was assisted by overweight positions in Resmed (RMD), Lend Lease (LLC), ANZ Bank (ANZ), and Worley Parsons (WOR); and by not holding QBE Insurance (QBE), Coca-Cola Amatil (CCL) and Fortescue Metals Group (FMG). The three stocks in the portfolio that contributed most to its relative performance during April were:

Resmed Inc. (RMD) (+14.1%) was finally a positive alpha contributor in April after underperforming in the prior two months. There was a positive reaction to the 3Q14 result that was released in late April. EPS growth of 8% was in line with market with price adjustments supporting volumes, but at the expense of margins. Gross margin for the quarter was 63.3%, down 142bp on pcp) and management lowered margin guidance to 61-63% from 63%-65% previously. RMD also announced the launch of two new masks, the AirFit F10 compact full face mask and AirFit N10 compact nasal mask, which should assist in supporting sales growth over the next few quarters. Uncertainty regarding future competitive pricing pressures and concerns surrounding potential bundling arrangements (as part of competitive bidding 3), have been a catalyst for shorters (with short interest remaining above 25%). We continue to remain overweight in RMD and have maintained our overweight portfolio position on the thematic that: i) it has structural leadership, in an underpenetrated global market, with high barriers to entry ii) market growth and permanent cost reductions will ease margin pressure; iii) home sleep testing continues to drive market growth and iv) there are potential longer term opportunities in new indications such as COPD and heart failure.

Lend Lease (LLC) (+9.3%) outperformed during April after hosting an investor day site tour early in the month that took analysts' to the Barangaroo site that had been a potential area of concern after the fire that had broken out in the basement of tower one during the previous month. The fact that LLC was prepared to still take investors through the site was the cause of some relief to the market as LLC confirmed that there should be no material delays to the current rollout dates for the Barangaroo project over the next couple of years. In addition, LLC announced in April that it could now begin planning for the third and tallest office tower at Sydney's Barangaroo development after the developer secured two tenants for the 49-storey building. PricewaterhouseCoopers Australia will take 12 floors of the tower and HSBC Bank Australia three and a half floors under details released of the new leases signed. LLC will now commence development and funding of the building, and intends to introduce co-investors into the tower "at an appropriate time in the future", depending on its funding needs as the development continues. Construction of the third tower is now expected to begin in the second half of 2014, and is expected to be completed in the 2016/17 financial year. LLC remains an over weight portfolio holding with the pending announcement of the sale of its stake in BlueWater (UK) as the next major positive catalyst expected.

ANZ (ANZ) (+4.3%) outperformed during April on expectations of a better result from the Asian operations after competitor Standard & Chartered released their interim results during the month. It noted that its Asian business had performed better than market expectations with trade finance being a key driver. With this division in mind, in its submission to the Financial System Inquiry during April, ANZ unsurprisingly advocated for more favourable regulatory treatments on banks' overseas expansion, particularly on capital treatment of equity positions held and trade finance. Also, ANZ argued that the government should not change the risk weighting framework to achieve policy objectives, such as addressing the perceived lack of competition in the banking sector. On valuation, ANZ is the second most attractive of the major banks in the ATI rankings and remains our most overweight bank portfolio holding.

Positions that detracted most from the portfolio's performance during the month were from being overweight M2 Group (MTU), Sandfire Resources (SFR) and National Australia bank (NAB); and from not holding Westfield Retail Trust (WRT), Origin Energy (ORG), and David Jones (DJS). Stocks in the portfolio that detracted most from relative performance during the month included:

M2 Group (MTU) (-6.0%) underperformed during April as 15.9mn shares are due to be released from voluntary escrow on 1 May 2014, issued as part of the acquisition of Dodo and Eftel in 2013. This has created a perceived overhang of stock, which may present buying opportunities in the upcoming period. In addition, during April, MTU announced a restructure of its business due to role duplication experienced from the acquisitive growth of the company over the past two years. It has identified approximately 150 roles in Melbourne and Hobart, across administration, customer service, technology, provisioning and sales that may become redundant. MTU remains relatively attractive in the ATI rankings and remains an overweight portfolio holding.

Sandfire Resources (SFR) (-2.7%) underperformed during April despite the copper price remaining relatively stable above US$3/lb through the month. As we have previously noted, SFR continues to deliver consistent operational results, consequently generating high levels of free cash flow. Indeed, during the month the company reported record quarterly copper production of 18.1kt for the March 2014 quarter as the underground mining rate was maintained at ~1.5mtpa whilst milling recoveries increased to 91%. Accordingly, SFR further reduced their outstanding project finance facility to A$170m with an accelerated A$20m prepayment late in April. Finally, the company announced a small A$6m investment to acquire ~37% of TSX-listed copper/gold explorer WCB Resources Ltd, which is itself earning a 70% interest in the Misima Copper-Gold Project in PNG. Diamond drilling is planned for late 2014 to test a large potential copper/gold porphyry target adjacent to the historical Misima mine from which ~4moz of gold and ~20moz of silver was produced by Placer Dome. We regard this as a sensible, low cost and potentially high impact investment consistent with SFR's corporate strategy. SFR remains attractively ranked in the ATI equity ranking system, and remains an overweight portfolio holding.

National Australia Bank (NAB) (-0.5%) underperformed during April after announcing significant management changes. NAB announced the retirement of Chief Executive Officer and Managing Director Cameron Clyne, effective 1 August 2014. He will be succeeded by Andrew Thorburn, Managing Director and CEO of Bank of New Zealand (BNZ). Subsequently, NAB announced that Anthony Healy would fill Andrew Thorburn's current role with BNZ. Andrew Thorburn has pledged to clean up the bank's UK operations and improve the performance of its Australian retail and business banks through an aggressive digital strategy. We also note that in its submission to the Financial System Inquiry, NAB echoed WBC's suggestion about encouraging superannuation savings into bank deposits, and highlighted the need to implement the Net Stable Funding Ratio (NSFR) without unduly impacting banks' balance sheets. In addition, NAB remains the most relatively attractive of the major banks in the ATI rankings and remains an overweight bank portfolio holding.

Portfolio Construction

The main portfolio weighting changes during April included: a new portfolio position in Pacific Brands (PBG); top-ups for our portfolio holdings in Ansell (ANN), Crown Resorts (CWN), Seven West Media (SWM) and Virtus Health (VRT); and slight portfolio reductions for our holdings in BHP Billiton (BHP), LLC and Woodside Petroleum (WPL). Cash at the end of April was 3.2%, slightly down from 3.7% in April.

The ATI portfolio, with regard to its market capitalisation exposures, remains differentiated to the benchmark index with ~92% of the portfolio (excluding cash) in the top 50 stocks (benchmark ~80%), ~6% in the next 100 (benchmark ~16%), and ~2% in the last 150 stocks (benchmark ~4%). The 10 largest holdings constitute ~66% of the portfolio (benchmark ~51%), the dividend yield is 4.4% (benchmark 4.1%) and the portfolio's historic or trailing PE is 16.0x (benchmark of 17.3x).

Whilst the portfolio's market cap bias is currently tilted to the larger stocks compared to the benchmark index, its underlying sector positioning is not too dissimilar to that of the benchmark. After the out-performance of some resource stocks over the last six months or so, ATI took advantage of that strength and reduced the portfolios materials sector exposure to now being underweight and has also moved to an overweight position in the financials sector. We remain comfortable holding positions in a number of resource stocks, particularly BHP & Rio Tinto (RIO), and copper exposure, SFR, whose expected returns are sufficiently attractive to justify some additional portfolio risk at this stage. We also continue to remain overweight in stocks we view as having industry structure advantages and/or the expected benefit of USD currency exposure from offshore earnings such as Brambles (BXB), Computershare (CPU), CSL (CSL), RMD and WES in combination with other opportunities that we feel have fundamental valuation support, such as Challenger (CGF), MTU, PBG, Suncorp Group (SUN) and VRT.

Portfolio Risk

The current forecast tracking error of ~2.3% is similar to last month (~2.3%). We are continuing to be presented with a number of stock opportunities in the materials, industrial and consumer staples sectors as a result of their recent market underperformance. At this stage we still feel that any further additional risk in the mining contractor stocks is unlikely to be justified in an environment with ongoing profit warnings and earnings downgrades, minimal forward earnings clarity and continued reductions in the expected mining capex spend of the larger mining companies over the next few years.

At present, the main sources of portfolio risk are from overweight positions in SFR, LLC, Telstra (TLS), RMD, Insurance Australia Group (IAG), MTU and Ardent Leisure (AAD).

General Market Commentary

The Australian equity market showed no signs of fatigue in April as it reached new 5-year highs twice during the month despite the ongoing concerns around China's growth profile, the Ukraine situation and a heavy US sell-off in technology and biotech stocks. The main issue domestically was rising fears of a harsh upcoming budget, including a potential 'deficit levy' in order to rein in the budget deficit, but this failed to prevent a positive month that saw the benchmark ASX300 accumulation index gaining another 1.7%. The materials stocks generally underperformed as iron ore prices fell quite sharply, while the rally in bonds tended to support the higher yielding sectors including property trusts, utilities and banks.

In company specific news: the potential for earnings risk re-emerged with Coca-Cola Amatil (CCL), Goodman Fielder (GFF) and Australian Pharmaceutical Industries (API) announcing profit downgrades; CCL downgraded 1H14 guidance to a ~15% decline in

EBIT pre significant items and the share price subsequently fell 16% over the month; M&A continued to shows signs of picking-up with a flurry of takeover announcements including South African based Woolworths Holdings bidding $4.00 cash per share for David Jones (DJS), Stockland Trust Group (SGP) bidding for Australand (ALZ) and a consortium led by Transurban Group (TCL) acquired Queensland Motorways for $7.01bn; Woolworths (WOW) and Coles both reported their 1Q14 LFL sales which were up 3.5%, and this represented the first time Coles did not lead Woolworths in like for like sales growth for 18 quarters; Wesfarmers (WES) announced the sale of its insurance broking operations to the US based Arthur J Gallagher.

The RBA kept the cash rate on hold at 2.5% for a seventh consecutive month and the minutes from the meeting bore a striking resemblance to the previous month by referring to a period of expected stability in interest rates ahead. The Aussie dollar hit a five-month high early in April as the RBA's monthly meeting statement refrained from expressing concerns about its level as we have seen in previous meetings. However it fell back later in the month in reaction to a lower-than-expected 1Q14 CPI number and falling iron ore prices. The Aussie dollar finished the month stronger at US$0.9287, compared to the previous month's close of US$0.9264 and below the intra-month high of 94.6¢.

With regards to domestic economic data releases, the general trends were quite positive: 1Q14 headline CPI printed 0.6% q/q (consensus +0.8%) and the mean inflation at 2.6% y/y is now sitting only slightly above the mid-point of the RBA's 2-3% target band; the NAB business confidence survey slipped for a second consecutive month with the index now given back the Federal election related gains and is now at its lowest level since July 2013; the Westpac consumer confidence index rose a modest 0.3% in April with the index remaining below the pivotal 100 level; the Australian economy added 18k (consensus +5k) jobs during March with the unemployment rate falling from 6.0% to 5.8% (consensus 6.1%) thanks to a 1% fall in the participation rate; building approvals data for February fell 5.0% m/m (consensus -2.0% m/m), after a gain of 6.9% in January; the fall was shared across both the multi-family (-7.7%) and single-family (-2.8%) sectors; February retail sales rose just 0.2% m/m (consensus +0.3%), the slowest in 8 months after an impressive 1.2% m/m in January and across the major categories, all segments but household goods sales (which grew 2.0% m/m after a 1.8% m/m gain in January) saw a deceleration.

Commodity prices generally rose during the month and nickel was once again the standout performer due to the impacts of an Indonesian export ban the previous month and continuing geopolitical tensions between the West and major nickel producer Russia in April. Nickel prices jumped (LME spot +15.4%) amid fears that sales from Norilsk Nickel (the world's biggest producer) would be curtailed as the US continued to impose sanctions on Russian companies close to Vladimir Putin. Conversely, iron ore continued to fall amid an investigation by Chinese authorities into iron ore financing deals, with the China Banking Regulatory Commission warning banks to tighten controls over letters of credit for iron ore imports. The benchmark spot iron ore contract, Tianjin 62% fines, fell 9.8% over the month and gave back most of the rally that began in March. The spot Brent crude oil price rose 1.6% over the month as the US imposed sanctions on Russia although prices did ease in the final trading days as Libya's oil supply re-entered the market following an eight-month blockade of a key terminal. The spot gold price was little changed over the month (+0.6%), somewhat surprising given the escalating geopolitical tensions in Ukraine and a weaker USD. Copper was steady (+0.1%) despite concerns over ongoing Chinese demand levels whilst silver was the worst performing major commodity during the month.

Outlook

The upward trajectory in the domestic equity market has continued in recent months despite the global macro and geopolitical backdrop still seeming to warrant some healthy level of investor caution. The driving force appears to be the improved earnings momentum seen in the recent reporting season with consensus earnings growth expectations for FY14 still remaining at close to double digit levels. As investors are still trying to gauge the strength of the global economy, we expect this uncertainty may linger for a while longer and any macro-led sector rotation out of the more relatively expensive (and defensive) higher yielding stocks may take longer to occur. The Australian equity market, like most developed markets, has been the beneficiary of ongoing PE multiple expansion and a continuation of improved earnings expectations remains essential as the domestic equity market valuation is stretched relative to history.

We remain positioned with a bias to the large cap stocks due to better relative transparency in their earnings forecasts, during times of global and domestic economic uncertainty. An example of this is our overweight positioning in the major banks that we hold with the view that they will meet or exceed market consensus earnings estimates in the current reporting season. We also remain positioned with a number of stocks having USD earnings exposure that are likely to benefit from any weakness in the Aussie dollar and we also expect a stronger US economic outlook will continue to put pressure on the gold price and this is why the portfolio still has no direct exposure to gold.

The portfolio's historically low active risk level (tracking error) has resulted from a combination of being more overweight the larger cap stocks and being less actively positioned at the specific sector level exposures. Given the elevated multiple at which the equity market is now trading, we feel that this lower risk positioning is appropriate for the current environment where earnings certainty now comes at a premium and the impact of market volatility is expected to be best mitigated being overweight in larger cap stocks. Other specific active sector positioning includes being underweight the industrials (including holding no mining services stocks), consumer staples and energy stocks. We remain overweight the financial, healthcare and telecommunications and utilities sectors.

PORTFOLIO RISK SUMMARY

Portfolio Name:	**MyPort**
Benchmark:	ASX300
Date of Data:	30-Apr-14
Sector Type:	GICS1

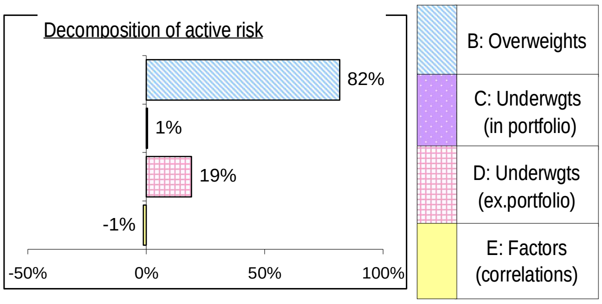
		Active Exposures:		%
Historic portfolio alpha	7.0%	Total:	74.8%	100.0%
Historic portfolio beta	0.99	Across sectors:	31.2%	41.7%
Raw return	17.8%	Within sectors:	43.6%	58.3%

Forecast **Tracking Error**

2.21 %

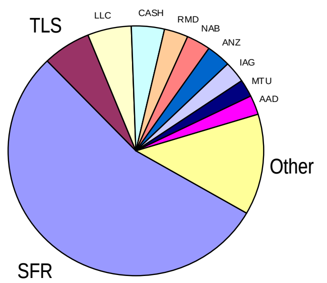
(active risk)

	Source of portfolio risk	contribution to active portfolio risk	standard deviation	variance / covar.
A	Stocks held in portfolio (B+C)	82%	2.0	4.0
B	Overweight positions	82%	2.0	4.0
C	Underweight positions	1%	0.2	0.0
D	Stocks not held in portfolio	19%	1.0	0.9
E	Factors (correlations between stocks)	-1%		(0.1)
F	Total (A + D + E)	100%	**2.2**	4.9



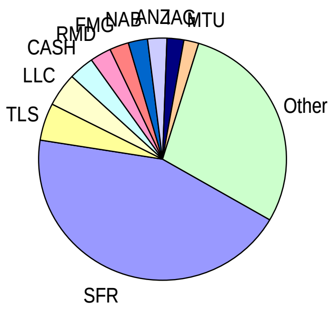
Top 10 sources of risk: Stocks held in the portfolio (A)

1	SFR	54%
2	TLS	6%
3	LLC	6%
4	CASH	4%
5	RMD	3%
6	NAB	3%
7	ANZ	3%
8	IAG	3%
9	MTU	2%
10	AAD	2%
	Other	13%



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

1	SFR	44%
2	TLS	5%
3	LLC	4%
4	CASH	3%
5	RMD	3%
6	FMG	3%
7	NAB	2%
8	ANZ	2%
9	IAG	2%
10	MTU	2%
	Other	29%



Active Weights