

Fact Sheet

ATI Australian Equity Portfolio

Information as at 30 November 2009

Portfolio Objective

The ATI Australian Equity Portfolio seeks to achieve total returns (includes income and capital appreciation and before the deduction of fees and taxes) that exceed those on the S&P/ASX 300 Accumulation Index by 3% per annum over rolling three-year periods.

Performance Update

(*Returns to 30 November 2009)

	1 Month (%)	3 Month (%)	1 Year (%)	2 Year (% p.a.)	3 Year (% p.a.)	Inception (% p.a.)
ATI Equity Portfolio (gross of fees)	1.2	6.4	41.6	(4.7)	4.3	7.9
S&P/ASX 300 Accumulation Index	1.8	6.0	32.5	(11.2)	(0.8)	4.3
Relative Outperformance	(0.6)	0.4	9.1	6.5	5.1	3.6

*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 November 2009

Largest Holdings	Portfolio Weight (%)	S&P/ASX300 Weight (%)	Sector Allocation	Portfolio Weight (%)	S&P/ASX300 Weight (%)
BHP Billiton	13.4	12.5	Financials	39.8	39.0
Commonwealth Bank	7.9	7.3	Materials	21.4	25.2
Westpac	6.5	6.4	Consumer Discretionary	7.7	3.9
NAB	6.0	5.4	Consumer Staples	7.7	8.5
ANZ	5.7	5.0	Telecommunications	6.4	3.8
Telstra	5.4	3.4	Industrials	5.9	6.6
QBE Insurance	4.0	2.1	Healthcare	5.3	3.4
Woolworths	3.7	3.1	Energy	2.2	7.4
RIO Tinto	3.5	2.8	Utilities	1.2	1.3
CSL	3.1	1.7	Information Technology	0.0	0.7

Selected Portfolio Statistics as at 30 November 2009

Inception Date	23-Dec-05	MER (est.)	~ 0.90% p.a.
Number of Stocks	37	Tracking error (forward estimate)	~ 3.5% p.a.
ATI Funds under Management	~ \$500m		

General Market Commentary

Australia's Market Performance

The S&P/ASX 300 Accumulation Index finished the month up 1.8%, driven mainly by the resources sector and continued increases in commodity prices. Financial stocks under performed during the month as profit taking post dividend season occurred and market uncertainty returned, when the Dubai Government controlled vehicle Dubai World, requested a standstill agreement on a US\$3.5b tranche of its US\$59b debt. The resultant widening of credit default spreads and the potential flow-on effects for credit liquidity and further provisioning in the financials sector will be closely monitored during December.

Many stocks with cyclical earnings leverage are now trading at a premium to the market and confirmation any earnings recovery in the 6 months to December 31 is required to justify existing valuations and the upgrades built into FY11 and FY12 earnings forecasts. The February 2010 reporting season represents the next major news-flow period for the Australian market.

Volatility in currencies, the banks into resources sector switch, the US\$ carry trade, and the potential for increasing M&A activity were the major issues investors focused on during November. The AGM season continued with little by way of fresh news emerging except for the retail stocks which indicated current trading was ahead of budget and the outlook for Christmas trading was positive. AMP combined with AXA SA to launch a surprise takeover bid for AXA Asia Pacific while Transurban Group received an unsolicited, conditional and non-binding joint proposal from Canada Pension Plan Investment Board and Ontario Teachers' Pension Plan. Global markets were assisted by statements from the G20 that suggested continued government stimulus policies would continue into 2010. As a result, the US\$ continued to weaken against all major currencies and commodity prices remained firm and provided ongoing support for the resources stocks.

The economic data during November remained positive and importantly both the RBA and the US Treasury upgraded their growth forecasts for 2010. The RBA increased the cash rate by an additional 25bp to 3.5%. The employment data remained strong while housing starts and finance data continued to indicate that the recovery in these sectors was still occurring. The A\$ continued to consolidate above US\$0.91 as the market priced in expectations of continued low US interest rates into the second half of 2010. Spot oil was little changed in November with the WTI gaining 0.4% to US\$77.28. Spot gold rallied strongly for the third month in a row to make all-time highs and ended the month up 12.2% at US\$1,172. Base metal prices generally increased reflecting the anticipation of continued Chinese demand and a weaker US\$. Spot iron ore prices made strong gains in November as Chinese inventory levels continued to fall from their highs and import volumes accelerated.

Investors remain focused on the length and duration of the economic recovery phase with a specific focus on how much earnings leverage will emerge in FY11 and what is currently being priced into share prices. The recent out-performance of the cyclical and resources stocks has resulted in many now trading at a premium to the market and history, suggesting current forecasts will need to surprise on the upside to justify any further out-performance.

The Best and Worst Performing Sectors

The better performing sectors during the month were: Materials (+8.9%); Telecommunications (+2.0%); and Consumer Staples (+1.2%). The worst performing sectors were; Financials (-2.8%); Industrials (-1.7%); and Information Technology (-1.4%).

Relative Portfolio Performance

The ATI Equity Portfolio rose 1.2% compared with a rise of 1.8% by the ASX300 Accumulation Index. The relative underperformance was due to sector overweight position in financial stocks and an underweight position in the Materials sector.

The better performing stocks were over-weight holdings in BHP, Telstra and Incitec Pivot and not holding Origin Energy. Stocks in the portfolio that contributed to its relative performance during the month were:

RIO Tinto – RIO (+12.4%) and **BHP Billiton – BHP (+10.3%)** both rose sharply during the month as commodity prices continued to firm in November. The spot market prices for iron ore and coal edged higher and there were good gains for the major base metals with the notable exception of nickel. The BHP AGM outlook was cautiously positive. Overall, the confidence in the global recovery continued to build and renewed confidence in the China growth story was a positive catalyst.

Wesfarmers – WES (+6.0%) shares ended the month higher after announcing board approval of its Curragh mine expansion, which will see export volumes rise from 7.0mtpa to 8.0-8.5mtpa and is estimated to contribute over \$50m to FY13 group EBIT. WES expects construction to begin in Q2 CY11 and the expansion to be operational by Q4 CY11. Momentum also continued with the turnaround of the Coles food and liquor business which was highlighted by the 1Q10 sales result and the Coles analyst briefing day.

Stocks that detracted most from the Portfolio's relative performance during the month were from not holding Newcrest Mining which outperformed the market and being overweight Westpac, National Australia Bank and QBE. Stocks in the portfolio that detracted from relative performance were:

Transfield Services – TSE (-8.4%) was the weakest of the engineering and construction stocks despite announcing the acquisition of hydrocarbon engineering and design business, Industrial Contract Designers, from Shell Australia. TSE also held its AGM this month and took the opportunity to reiterate its FY10 earnings guidance statement despite headwinds expected from the A\$ strength and a longer recovery in its US operations.

Brambles – BXB (-7.3%) was weaker in November after releasing a trading update alongside its AGM which suggested that group sales revenue for the 4 months to 31 October were -3% on pcp and that it has accumulated ~4m additional idle pallets. CHEP and Recall generated net new business wins in all regions, with the exception of CHEP USA, which experienced sales below expectations over the 4 months. Additionally, BXB said that it is yet to witness a widespread pick-up in activity or restocking in its major markets.

Westpac – WBC (-6.2%) traded lower during the month despite releasing its FY09 result early in the month, announcing cash earnings of \$4,627m which were slightly ahead of the market consensus. Key trends highlighted as part of the result were similar to those seen in the other banks' results at the end of October, including: strong margin benefits, lower bad and doubtful debt expense offset by higher costs and lower than expected asset growth. WBC's tier 1 capital position was 8.1%, at the bottom end of peers.

Outlook

Looking ahead, ATI will continue to search for opportunities to invest in companies that, subject to our disciplined investment process, trade at a discount to our assessment of their intrinsic fair value. ATI believes that a combination of bottom-up fundamental analysis of intrinsic value and use of select earnings data, together with a sound risk management overlay, will continue to add value for our investors over the medium to long-term.

PORTFOLIO RISK SUMMARY

Portfolio Name:	MyPort
Benchmark:	ASX300
Date of Data:	30-Nov-09
Timestamp of analysis:	12/1/2009 10:37:07 A.M

Data Frequency:	Monthly
No. of Periods:	48
Price or Accumulation:	Accumulation
Factor Analysis:	Multi-Factor

Historic portfolio alpha **7.0%** **Active Exposures:**
 Historic portfolio beta **0.92** Held: 36.7%
 Raw return **8.5%** Total: 69.9%

Forecast Tracking Error	2.94 %	3.23 %
(residual risk)		(active risk)

Source of portfolio risk	Contribution to active portfolio risk	Standard deviation	Variance / covar.
A Stocks held in portfolio (B+C)	46%	2.2	4.8
B Over weight positions	45%	2.2	4.7
C Under weight positions	1%	0.3	0.1
D Stocks not held in portfolio	18%	1.4	1.9
E Factors (correlations between stocks)	35%	3.7	3.7
F Total (A + D + E)	100%	3.2	10.4
G Systematic risk (undiversifiable)		1.3	1.8
H Residual risk definition tracking error (G - F)		2.9	8.6

