Fact Sheet

Above The Index Asset Management Pty Ltd

ATI Australian Equity Portfolio

Information as at 31 March 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 31 March 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)	0.5	3.5	2.8	24.4	5.1	6.3	7.5
S&P/ASX300 Accumulation Index	0.7	3.1	3.8	21.4	1.1	3.2	4.8
Relative Outperformance	(0.2)	0.4	(1.0)	3.0	4.0	3.1	2.7

*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 31 March 2011

Largest Holdings	Portfolio Weight (%)	S&P/ASX300 Weight (%)
BHP Billiton	16.3	13.2
Westpac Bank	8.2	6.2
ANZ Bank	7.8	5.2
National Australia Bank	7.3	4.7
Commonwealth Bank	5.8	6.8
Rio Tinto	5.7	3.1
Telstra	5.1	2.6
Woolworths	3.7	2.7
QBE Insurance	2.9	1.6
News Corporation	2.5	0.7

Sector Allocation	Portfolio Weight (%)	S&P/ASX300 Weight (%)
Financials	44.4	36.4
Materials	28.4	28.4
Consumer Discretionary	6.5	4.0
Consumer Staples	5.3	7.9
Telecommunications	5.1	2.8
Industrials	4.5	6.2
Energy	2.2	8.1
Healthcare	1.5	3.3
Utilities	1.2	1.2
Information Technology	0.0	0.7

Selected Portfolio Statistics as at 31 March 2011

Inception Date	23-Dec-05
Number of Stocks	35
ATI Funds under Management	~ $460m

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

Relative Portfolio Performance

The ATI Equity Portfolio rose 0.5% in March compared with a rise of 0.7% by the S&P/ASX300 Accumulation Index. Against this benchmark, ATI is producing excess return on a 3 month, 2 year, 3 year, 5 year and since inception (Dec-05) basis.

The Best and Worst Performing Sectors

The better performing sectors during March were Energy (+3.3%), Healthcare (+2.0%), and Telecommunication Services (+1.4%); while the worst performing sectors were Property (-2.1%), Consumer Staples (-1.6%), and Consumer Discretionary (-1.4%). 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 March was assisted by overweight positions in Westpac (WBC), BHP Billiton (BHP), and Alesco Corporation (ALS), and by not holding Wesfarmers (WES) and Westfield Holdings (WDC). Stocks in the portfolio that contributed to its relative performance during the month included:

> **Westpac (WBC) (+3.4%)** outperformed during March after it announced it had finalised the tax consolidation impact from the St George Bank (SGB) merger for FY11-14. The ATO has determined that WBC will not be liable to pay tax on the increase in value of certain SGB derivative contracts that arose as a result of the merger. WBC had previously announced that it had been cleared only for 2009-10, resulting in a $685m reduction in tax paid/payable. It has now been determined that tax payable will be reduced by a further $1.1bn for financial years 2011-14. Whilst the impact will be excluded from cash earnings, the entire benefit will be booked to statutory earnings for the 1H11 result in May. The tax consolidation will also add about 40 basis points to WBC's tier one capital position over the next four years. The reduction in future tax payable will increase deferred tax assets over coming years which will then be unwound as actual tax is paid. WBC remains a portfolio holding and is still relatively attractive within the financials sector of our universe.
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> **BHP Billiton (BHP) (+1.0%)** outperformed the market during March as the company announced further details on its proposed off-market buyback of Australian-listed stock. Shareholders are able to tender stock into the buyback between 21 March and 8 April 2011, with the final price (and any possible scale back) to be announced on 11 April 2011. Meanwhile the company continues to fulfil its capital management obligations in the UK market simultaneously, purchasing a significant amount of stock on-market. BHP also progressed its organic growth pipeline, sanctioning a further ~US$6.6bn of capital (BHP share) to increase its iron ore production capacity in Western Australia to 220mtpa (100% basis) by 2014, with de-bottlenecking options to potentially further increase capacity to 240mtpa. BHP continues to work on the Outer Harbour project at Port Hedland, which may increase capacity to ~350mtpa, for possible approval in 2012. BHP also approved a number of coking coal and port projects in Queensland, for a capital cost of ~US$2.5bn (BHP share), to add ~2.5mtpa of production (BHP share), and ~$400m to expand Hunter Valley energy coal in NSW. BHP remains relatively attractive and a core ATI portfolio holding.
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> **Alesco Corporation (ALS) (+5.8%)** rose during the month after completing the sale of its loss making Water division. This has allowed both management and the market to focus on the good progress being made in restructuring the remaining three core divisions, with ALS continuing its recent policy of greater market transparency by undertaking site visits across its portfolio of businesses (the latest being the Parchem unit within the Construction and Mining division). However, following its recent share price outperformance, ALS is now being removed from the portfolio as it has become relatively unattractive within the industrials sector of our universe.

Positions that detracted most from the portfolio's performance during the month were from being overweight OneSteel (OST), APN News & Media (APN), and Equinox (EQN); and from not holding Newcrest Mining (NCM) and Iluka (ILU) which both outperformed. Stocks in the portfolio that detracted from performance during the month included:

> **OneSteel (OST) (-9.6%)** underperformed during March. Despite the fact that almost 100% of the company's earnings are currently contributed by its iron ore exporting operations in South Australia (with the steel business currently loss-making), OST's steel-making operations continue to be impacted by government intervention. In addition to the likely imposition of the MRRT on the company's exports of iron ore, OST's steel business is likely to be impacted by the recently proposed carbon tax. Meanwhile, the rising A$ is making imports of steel products more attractive to consumers than domestically produced steel, and reducing margins in the iron ore business. Globally, steel prices continued to recover during March, with producers increasingly able to pass through higher iron ore and coking coal prices on the back of higher industry-wide capacity utilisation. OST remains a portfolio holding and is still relatively attractive within the materials sector of our universe.
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> **APN News & Media (APN) (-11.1%)** underperformed the market during the month after providing a 1Q11 trading update which confirmed the impact of the Queensland floods and Christchurch earthquake would be $9m. While this was largely in line with market expectations, the stock had drifted lower in anticipation of the news. In addition, the monthly SMI advertising agency data continued to show weakness in media advertising, particularly within the newspaper sector. While our conservative forecasts are below the market, we will continue to monitor these trends closely. APN remains relatively attractive within the industrials sector of our investment universe.

Equinox Minerals (EQN) (-9.6%) underperformed the market during March after it launched a C$4.8bn hostile takeover bid for Canadian-listed company Lundin Mining Corporation (Lundin). Lundin owns a minority interest (~24%) in the world class Tenke Fungurume copper/cobalt operation in the Democratic Republic of Congo, and 100% interests in the lower quality Neves-Corvo copper mine in Portugal and Zinkgruvan zinc/copper mine in Sweden. At the time that EQN launched its bid for Lundin, Lundin itself was engaged in a proposed friendly merger-of-equals with Canadian company Inmet Mining Corporation (Inmet). Following EQN's bid for Lundin, the proposed merger between Lundin and Inmet was cancelled, leaving EQN as the sole bidder for Lundin. Given that the offer by EQN is likely to require the issue of over 15% of existing EQN shares on issue, it requires the approval of EQN shareholders to proceed. (The EQN offer comprises a combination of cash and scrip, for the issue of a maximum of 380m EQN shares, or ~43% of existing EQN shares on issue.) As the market digested the terms of the proposed transaction, and issuance of EQN shares, the stock underperformed the market. However, as EQN remained relatively attractive, ATI maintained its portfolio position and added to its position on share price weakness. Subsequently, in early April, EQN itself received a takeover proposal from Chinese company Minmetals Resources Ltd. ATI notes the potential for further developments and/or the emergence of other interested parties. Notwithstanding the recent share price appreciation (in April), EQN remains relatively attractive within the materials sector of our universe.

Portfolio Construction

The ATI portfolio remains fairly neutral with regard to its market capitalisation exposures against the S&P/ASX300 index with 83% of the holdings in the top 50 stocks (81% in the S&P/ASX300 index), 13% in the next 100 (15% in the S&P/ASX300 index), and 3% in the last 150 stocks (4% in the S&P/ASX300 index). The number of stocks (35) in the portfolio has increased from last month with the addition of PanAust (PNA). The ATI stock rankings are still indicating that the market has rallied to a point where the number of relatively cheap 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 31 March 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

Just after markets had begun to digest the potential risks of any escalated Middle East / North African conflicts, the impacts of the domestic floods, the Christchurch earthquake and the higher than expected inflation data from China, Japan suffered a catastrophic and tragic tsunami that initially sent shudders through international share markets. This event saw the domestic equity market initially react with the largest weekly fall in ten months. The only positive reaction was for some energy stocks that have become beneficiaries of higher oil prices and the potential for Japan to opt for more gas fired power in the future as a result of the nuclear power plant problems post the tsunami. Markets did begin to recover over the second half of the month once the radiation risks from the damaged nuclear reactors were reported to be under control and the overall affect on global growth was estimated to be less than had initially been expected. Despite its sharp retreat over the first half of the month, the Australian equity market (S&P/ASX300 Accumulation Index) still finished the month broadly unchanged (+0.7%).

The Japanese earthquake had instant ramifications for a number of Australian stocks: Fitch Ratings said that concerns over nuclear power may potentially benefit the demand for Australian LNG providers such as BHP and Woodside Petroleum (WPL); QBE announced a preliminary estimate of claims associated with the earthquake; and, uranium stocks were sold off dramatically in anticipation of lower future demand. The offshore events only added to the increasing uncertainty emerging from a soft reporting season dominated by negative earnings revisions, particularly across the non-bank industrial stocks. In other domestic news: the Federal Government announced its intention to introduce a carbon tax without providing any details around potential compensation which only increased the future uncertainty for many industrial and resource companies; the Federal Government also published draft legislation that would allow banks to issue covered bonds; and press speculation linked significant buying of AUD from Europe to a possible takeover bid by BHP for WPL.

In local economic news, domestic data released during March tended to be weaker. The Dec-10 quarter GDP figures confirmed a softer domestic demand environment, while building approvals, housing starts and mortgage approvals were below market expectations. Employment releases were negative as the employment rate fell for the first time since August 2009, however the full-time numbers were still strong. As widely expected, the RBA left interest rates unchanged at 4.75%, with consensus expectations that they remain unchanged until later in calendar 2011. The A$ was very volatile during the month: on intraday trades it fell close to 97c following the Japanese earthquake and then went above $1.03 within eight trading days, ending the month at its highest close against the US$ since 1982 at US103.4¢ [+1.5¢).

An initial sell-off in oil prices following the Japanese earthquake was soon reversed as supply risks remained front of mind with the continuing unrest in the Middle East and North Africa, including air-strikes in Libya by a coalition of western nations. The West Texas Intermediate price (+10.1%) closed the gap on Brent crude price (+5.1%) which it has recently lagged. During March, gold retained the strong gains of February but did not meaningfully add to them (spot +1.6%) despite a weak US$, volatile financial markets and offshore unrest. Base metals were mostly weaker as events in Japan and Libya weighed on growth prospects and China continued its anti-inflation policies. The spot iron ore price also slipped (the Tianjin 62% benchmark fell by 5.7%) even though the Indian budget announced on the 28 February included higher taxes on iron ore exports.

Outlook

The expectation of some market certainty was again removed in March as the Japanese tsunami came hot on the heels of other events over the last few months including Queensland floods/cyclones, the Christchurch earthquake and an overheating Chinese economy. 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.

With an ongoing expectation of a US economic recovery and China still remaining in expansion mode despite higher inflation, equity markets have been willing to look through the recent rash of negative events including earthquakes, potential nuclear crisis, G7 hinting at foreign exchange intervention, Western military engagement in Libya, and ongoing debt issues still evident in many of the European nations. 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 averse 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

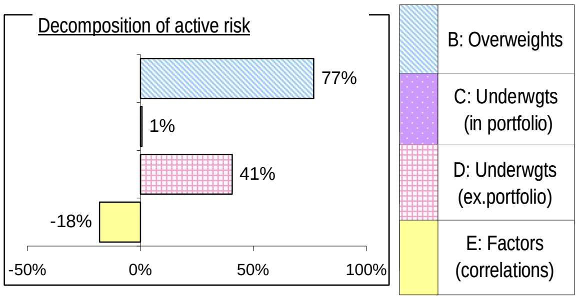
Portfolio Name:	**MyPort**
Benchmark:	ASX300
Date of Data:	28-Feb-11

Model:	48months - 5 factors
Factor Analysis:	Multi-Factor
Timestamp of Analysis:	4/1/2011 12:23:19 PM

Historic portfolio alpha	7.5%	**Active Exposures:**	
Historic portfolio beta	1.01	Held:	43.5%
Raw return	2.4%	Total:	84.3%

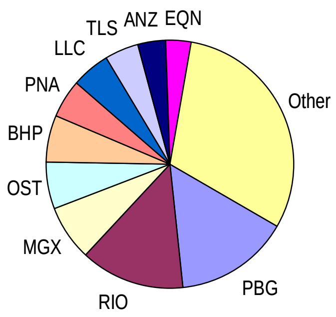
Forecast **Tracking Error**	**2.84 %**	**2.85 %**
	(residual risk)	(active risk)

	Source of portfolio risk	contribution to active portfolio risk	standard deviation	variance / covar.
A	Stocks held in portfolio (B+C)	77%	2.5	6.3
B	Overweight positions	77%	2.5	6.2
C	Underweight positions	1%	0.2	0.1
D	Stocks not held in portfolio	41%	1.8	3.3
E	Factors (correlations between stocks)	-18%		(1.5)
F	Total (A + D + E)	100%	**2.8**	8.1
G	Systematic risk (undiversifiable)		0.2	0.1
H	Residual risk definition tracking error (G - F)		**2.8**	8.1



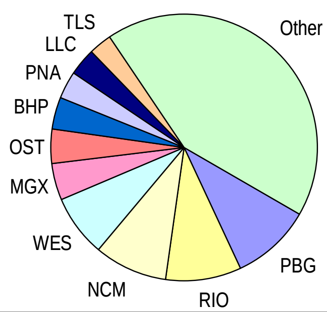
Top 10 sources of risk: Stocks held in the portfolio (A)

1	PBG	15%
2	RIO	14%
3	MGX	7%
4	OST	6%
5	BHP	6%
6	PNA	5%
7	LLC	5%
8	TLS	4%
9	ANZ	4%
10	EQN	3%
	Other	30%

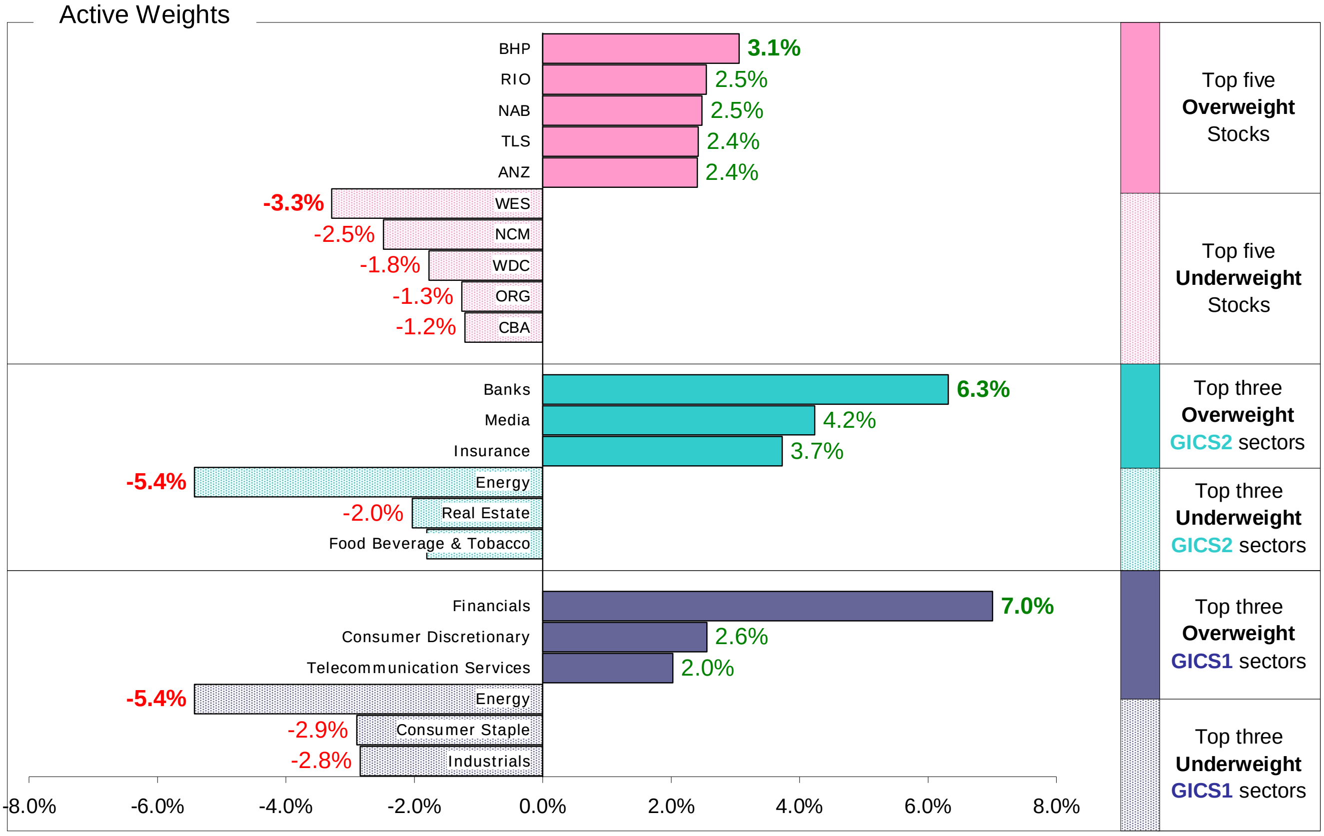


Top 10 sources of risk: All stocks in benchmark (B+C+D)

1	PBG	10%
2	RIO	9%
3	NCM	9%
4	WES	8%
5	MGX	5%
6	OST	4%
7	BHP	4%
8	PNA	3%
9	LLC	3%
10	TLS	3%
	Other	43%



Active Weights



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