Fact Sheet

Above The Index Asset Management Pty Ltd

ATI Australian Equity Portfolio

Information as at 28 February 2010

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 28 February 2010)

	1 Mth (%)	3 Mth (%)	1 Yr (%)	2 Yr (% pa)	3 Yr (% pa)	4 Yr (% pa)	Inception (% p.a.)
ATI Equity Portfolio (gross of fees)	1.9	0.2	58.8	2.2	2.6	7.1	7.5
S&P/ASX 300 Accumulation Index	2.0	-0.7	45.1	-4.6	-3.3	2.8	3.8
Relative Outperformance	(0.1)	0.9	13.7	6.8	5.9	4.3	3.7

*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 28 February 2010

Largest Holdings	Portfolio Weight (%)	S&P/ASX300 Weight (%)
BHP Billiton	12.9	12.6
Commonwealth Bank	7.4	7.5
Westpac	6.8	7.1
NAB	5.8	4.9
ANZ	5.6	5.3
Telstra	4.9	3.0
Woolworths	3.7	3.0
QBE Insurance	3.7	2.0
Rio Tinto	3.4	2.8
CSL	3.4	1.9

Sector Allocation	Portfolio Weight (%)	S&P/ASX300 Weight (%)
Financials	39.5	39.8
Materials	21.1	24.6
Consumer Staples	7.8	8.6
Consumer Discretionary	7.5	4.0
Telecommunications	6.0	3.4
Healthcare	5.5	3.5
Industrials	4.9	6.8
Energy	2.2	7.1
Utilities	1.3	1.4
Information Technology	0.0	0.8

Selected Portfolio Statistics as at 28 February 2010

Inception Date	23-Dec-05
Number of Stocks	38
ATI Funds under Management	~ $500m

MER (est.)	~ 0.90% p.a.
Tracking error (forward estimate)	~ 3.5% p.a.

General Market Commentary

Australia's Market Performance

In February, the market initially continued the decline started in January, as investor uncertainty regarding the consequences of potential sovereign default risks emerging in Europe (specifically Greece but also Italy, Portugal and Spain) and a slowing Chinese economy weighed on the stock prices. However, comfort in relation to the potential responses by the European Union (EU) to the Greek situation, and a reporting season that met expectations saw the ASX300 Accumulation Index rally to finish the month +2% higher.

The key focus for ATI during February was the analysis of interim and final results for the 6 months to December 2009. Whilst the overall reporting season met expectations, results were generally mixed reflecting the variability of demand across the economy. Earnings were ~16% down from pcp with consensus expecting overall results to be down ~17.5%.

The key trends of reporting season were weaker than expected sales growth offset by lower operating costs and net interest and tax charges. While outlook comments (if any) remain subdued with conservative guidance given, dividends and higher payout ratios reflected the relative strength in corporate balance sheets, many of which were recapitalised during the past 18 months. Companies which provided upgrades (eg Commonwealth Bank) and/or capital management (eg Woolworths) were rewarded by investors, whilst companies that disappointed on previous guidance or contained soft outlook statements were aggressively sold down (eg QBE Insurance and Telstra). The consumer staples (eg. Wesfarmers), healthcare (eg. CSL, Ansell) and utility stocks (eg. AGL) outperformed while telecoms (ie Telstra) and property trusts (eg. Westfield) lagged following disappointing results.

Positive market updates were provided by ANZ and Westpac indicating the loan loss cycle was improving faster than anticpated, while National Australia Bank was impacted by its offshore operations. In corporate news, Lend Lease announced an $806m entitlement offer to its expanded capital deployment pipeline.

Key economic indicators remained positive during February with building approvals (now running +58% off their lows), consumer confidence and unemployment (declining to 5.3%) providing further evidence that the worst has passed. However, the Reserve Bank surprised the market by (temporarily) keeping rates on hold. This caused the AUD to be volatile, with it hitting a low of 85.8¢ after the RBA announcement, then trading higher (as the Euro depreciated), before finishing the month at 89.0¢ (+0.7%).

Spot WTI oil rallied 6.9% in February, taking it back to roughly where it began the year. Spot gold was stronger in USD (+2.5%) as flows to gold funds began to recover following a sharp fall in January. Base metal prices recovered from a weak start to the year, copper rose +3.7% and spot iron ore prices rallied through February (Tianjin 62% fines +10.9%), despite further signs of monetary tightening and new year holidays in China. This is positive as the annual iron ore pricing contract negotiations have commenced. Any price rises above 40% from the previous year would likely lead to upgrades in RIO and BHP.

The lack of clear evidence of top line growth (generating operating leverage) during our forecast period is a disappointment. Heading into reporting season, the market was priced with the expectation of at least double-digit earnings growth and the resultant reported numbers did not provide enough to generate FY11 and FY12 earnings upgrades – a catalyst for further market gains.

Following the reporting season, ATI's relative value process is still identifying some attractive opportunities, particularly in stocks where there operating leverage may emerge during our three year forecast period. The key catalysts in the upcoming month will be further evidence of a recovery in the international markets and a resolution in relation to the Greek sovereign debt situation. Domestically, further analysis from the reporting season will occur and with specific focus on FY11 earnings expectations and the potential for downgrades in companies where the results were impacted by lower than expected sales or higher than expected costs.

The Best and Worst Performing Sectors

The better performing sectors during February were: Consumer Staples (+6.2%); Health Care (+3.8%); and Utilities (+3.2%). The worst performing sectors were; Telecommunications (-10.2%); Property Trusts (-0.2%); and Industrials (0.0%).

Relative Portfolio Performance

The ATI Equity Portfolio rose 1.9% compared with a rise of 2.0% by the ASX300 Accumulation Index. The monthly performance was due to a sector neutral position in financial stocks and an underweight position in the Materials and Energy sectors.

The portfolio performance was assisted by over-weight positions in Transfield Services, Ansell and CSL and by not holding Toll Holdings and Qantas.

Stocks in the portfolio that contributed to its relative performance during the month were:

Transfield Services (+12.9%) rose during February after releasing its result with reported NPAT up 33% and FY10 guidance reiterated for flat-to-modest growth on pcp. The business remains exposed to attractive market segments across a range of geographies and has a business model that can deliver substantial incremental earnings growth. The improvement in the North American and Emerging Market business segments were received positively by the market.

Ansell (+12.5%) shares reported a better than expected result with some recovery in occupational sales driven by restocking and a stronger than expected recovery in underlying industrial activity (particularly in automotive). Higher latex prices are expected to impact 2H10 profitability but management expects this can be offset to a significant degree through price increases and manufacturing efficiency improvements. Importantly FY10 guidance was increased by 19%-23%, assisted by a lower tax rate.

CSL (+10.3%) had a good month after a strong result with CSL upgrading guidance to the top end of its previously-provided range of 14-24% underlying constant currency growth. This was mainly driven by a higher than expected contribution from N1H1 (swine flu) sales which should continue to contribute into 2H10. CSL's Behring division a standout reporting sales growth of 10% even though IVIG pricing remained flat. This growth was driven through manufacturing efficiencies and strong growth in speciality products. The company has reduced the outlook for the division from 12% to 10% which CSFB postulates is on the back of slowing IVIG volumes. Talecris and Baxter results during the month also highlighted that the pricing environment for plasma is most likely to be flat for the rest of CY10, with demand/volume growth holding up at ~6-8%.

Positions that detracted most from the portfolio's performance during the month were from being overweight Telstra, QBE Insurance and Healthscope and from not holding Stockland and Origin Energy which both outperformed the market.

Stocks in the portfolio that detracted from performance during the month were:

Telstra (-6.9%) fell following a disappointing result, with poor operational trends driven by the IT transformation restricting Telstra's ability to compete; structural issues (e.g. calling volumes and PSTN decline); cyclical issues (e.g. Yellow Pages, Trading Post) and management distracted by the NBN uncertainty. The two key positives in the result were operational expenditure being down 4.8% and strong free cash flow of $2.6bn. Telstra indicated that it is seeing some optimistic signs following the pricing changes announced for fixed line broadband and wireless broadband and is expecting 2H10 sales to improve on 1H10. The company maintained its EBITDA and EBIT guidance for FY10. Little new detail was provided on NBN with the company highlighting it could be several months before it delivers any meaningful update.

QBE Insurance (-6.6%) fell late in February after reporting its results which saw a decline in insurance margins of 17.0% vs consensus expectations of ~18%). QBE also surprised the market with additional 2H09 reserving top-ups which may be symptomatic of an ongoing claims development problem. QBE stated that despite the poor margins of 2H09, it still had flexibility to fund acquisitions in excess of $1b gross written premium, the market is however concerned that QBE may not be able to generate inorganic growth (due to pricing and competition) in the coming years without further acquisitions.

Healthscope (-6.5%) fell in February despite the result being broadly in line with consensus. Margins in the core Australian hospitals and pathology divisions were flat, but capex increased threefold to $204m ($68m in pcp) as the company moved into its expansionary phase. Its pathology business reported +7% revenue growth and flat margins reflecting market share gains. The company announced that discussions regarding a potential acquisition in the Aged Care sector have ceased however management were effectively downgraded for a perceived lack of focus on the existing strategy of developing brownfield hospitals.

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

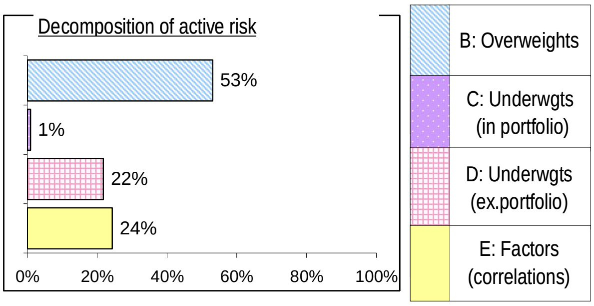
Portfolio Name:	**MyPort**
Benchmark:	ASX300
Date of Data:	28-Feb-10
Timestamp of analysis:	3/3/2010 4:42:03 PM

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

Historic portfolio alpha	6.8%	**Active Exposures:**	
Historic portfolio beta	0.95	Held:	36.9%
Raw return	5.6%	Total:	70.6%

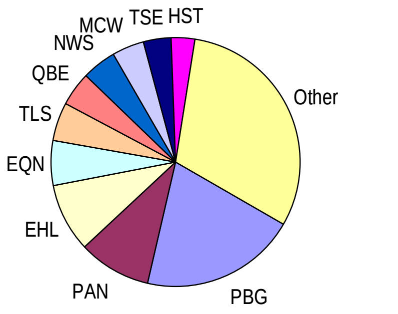
Forecast Tracking Error	**2.86 %**	**2.98 %**
	(residual risk)	(active risk)

	Source of portfolio risk	contribution to active portfolio risk	standard deviation	variance / covar.
A	Stocks held in portfolio (B+C)	54%	2.2	4.8
B	Overweight positions	53%	2.2	4.7
C	Underweight positions	1%	0.3	0.1
D	Stocks not held in portfolio	22%	1.4	1.9
E	Factors (correlations between stocks)	24%		2.2
F	Total (A + D + E)	100%	**3.0**	8.9
G	Systematic risk (undiversifiable)		0.8	0.7
H	Residual risk definition tracking error (G - F)		**2.9**	8.2



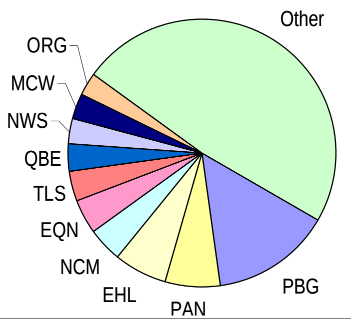
Top 10 sources of risk: Stocks held in the portfolio (A)

1	PBG	20%
2	PAN	9%
3	EHL	9%
4	EQN	6%
5	TLS	5%
6	QBE	5%
7	NWS	4%
8	MCW	4%
9	TSE	3%
10	HST	3%
	Other	31%



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

1	PBG	15%
2	PAN	7%
3	EHL	6%
4	NCM	4%
5	EQN	4%
6	TLS	4%
7	QBE	3%
8	NWS	3%
9	MCW	3%
10	ORG	3%
	Other	48%



Active Weights