Fact Sheet

Above The Index Asset Management Pty Ltd

ATI Australian Equity Portfolio

Information as at 29 February 2008

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 29 February 2008)

	1 Month (%)	3 Month (%)	1 Year (%)	2 Year (% p.a.)	Inception return (% p.a.)
ATI Equity Portfolio (gross of fees)	(3.1)	(13.4)	3.5	12.3	12.4
S&P/ASX 300 Accumulation Index	(0.7)	(14.3)	(0.8)	10.8	11.9

*Past performance is not a guarantee of future results and may not be indicative of them. The net returns are calculated using the Portfolios Net Asset Value. Performance assumes reinvestment of all income.

Portfolio Details as at 29 February 2008

Largest Holdings	Portfolio Weight (%)	S&P/ASX300 Weight (%)
BHP Billiton	12.9	11.9
ANZ Bank	6.9	3.8
Westpac	6.8	3.9
Commonwealth Bank	5.9	5.0
National Australia Bank	5.9	4.2
Rio Tinto	5.5	3.5
Telstra	4.0	2.7
QBE Insurance	3.2	1.8
News Corporation	2.5	0.5
Macquarie Infrastruct.	2.3	0.6

Sector Allocation	Portfolio Weight (%)	S&P/ASX300 Weight (%)
Financials	45.5	38.9
Materials	21.3	24.9
Consumer Discretionary	12.6	5.4
Industrials	6.5	8.0
Telecommunication Services	6.5	3.7
Health Care	2.2	3.4
Utilities	2.2	1.6
Consumer Staples	2.2	7.7
Energy	1.1	5.7
Information Technology	0.0	0.6

Selected Portfolio Statistics as at 29 February 2008

Inception Date	23-Dec-05
Number of Stocks	29
Portfolio Size [Inception]	0.30m
Portfolio Size (Current)	0.37m

MER [est.]	~ 0.80% p.a.
Tracking error (forward estimate)	~ 3% p.a.
ATI Funds under Management	~ $200m

General Market Commentary

Australia's Market Performance

The reporting season and significant volatility in the financial sector dominated the Australian equity market news during February. After initially being led lower by downgrades to the banks on the back of increasing provisions for bad debts, and some concerns about the viability of some highly leveraged investment companies, the market recovered some of the lost ground and finished the month slightly lower, with the S&P/ASX 300 accumulation index ending the month down 0.7%. Sentiment was calmed to some extent by a corporate reporting season which saw earnings generally in line with expectations, other than banks, property trusts and some small industrials. In spite of the strong pricing conditions, the resources sector had a mixed results season with many companies showing the effects of higher cost inflation and volume constraints.

As expected by the equity market, the RBA increased interest rates by 0.25% to 7.0% in February (a 12-year high) and signalled that an extended period of below-trend growth is required to reduce inflationary pressures (10-year bonds declined with yields increasing 12bp to close the month at 6.21%). Employment remained strong with the unemployment rate falling to 4.1% (a 33-year low) while wage growth remained at the elevated levels {4.2%) of the last few years. Consumer and business confidence indicators posted declines along with building approvals. The $A strengthened during February, finishing the month up nearly 6% at 94.6c. WTI Spot oil broke through $100 / barrel again in February on the back of supply issues and a cold snap in the US. Gold continued it's upwards momentum, rising over 5% to close at an all-time high of $975, whilst other base metals were generally stronger on the back of lower LME inventory levels and production supply concerns for South Africa and China.

Investors are expected to remain focused on the ongoing trade-off between risks to corporate earnings (given the expectation of slowing US economy, strong $A, increased costs of credit and its availability) and the increasing valuation appeal for equities relative to other asset classes.

The Best and Worst Performing Sectors

Investor focus during February was split between risk identification, particularly avoiding potential disasters of leveraged financial companies with direct exposure to the markets, and the outlook of the reporting season comments. The better performing sectors during the month were: Telco's (+12.1%); Energy (+11.9%); and Materials (+9.8%). The worst performing sectors this month were Financials (-13.2%); Property Trusts (-6.0%); and Consumer Discretionary (-3.2%).

Relative Portfolio Performance

Against this backdrop, the ATI Equity Portfolio fell 3.1% compared with a fall of 0.7% by the S&P/ASX300 Accumulation Index. Those stocks that contributed most to the Portfolio's relative performance during the month were:

Telstra – TLS (+12.2%) rallied strongly after posting an interim result at the top end of market expectations. The result confirmed the strong operating momentum and revenue growth, which bodes well for margins and earnings growth. TLS also upgraded its future earnings guidance for FY08 after cost savings initiatives were being successfully implementing.

Rio Tinto –RIO (+12.1%) rose after reporting a solid full year result which was above consensus forecasts. The strength of this result puts in doubt the likelihood of BHP's current takeover offer for RIO being appealing enough to be successful.

BHP Billiton – BHP (+7.7%) was a relatively strong performer during the month after reporting an impressive 1H08 result. The market also discounted the likelihood that BHP would have to issue scrip for a successful RIO takeover.

Stocks that detracted most from the Portfolio's relative performance during the month were:

Macquarie Group – MQG (-17.5%) was sold down along with the financial sector stocks. Despite MQG reaffirming its guidance for FY08 profit, the resignation of Alan Moss for Nicholas Moore did little to comfort the markets view of the stocks future earnings.

QBE Insurance – QBE (-16.5%) plunged after announcing its FY07 result. The result was below market expectations and questions were raised about the quality of the earnings in the result. The negative impact of the rising $A was greater then the market expected along with news that some profits were 'held back' for future periods.

ANZ Bank – ANZ (-15.4%) began the slide for the banking sector this month by announcing that it had increased its bad debt provisions substantially. Whilst these provisions were claimed to be one-offs due to their exposure to the sub-prime malaise in the US, credit rating valuation changes for commercial property and the collapse of a resources client, the market was more sceptical about the future earnings outlook for the Australian banks.

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 consensus data, together with a sound risk management overlay, will continue to add value for our investors over the medium to long-term.

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