ATI·AM
Above The Index Asset Management Pty Ltd

Fact Sheet

ATI Australian Equity Portfolio

Information as at 30 June 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 30 June 2008)

	1 Month (%)	3 Month (%)	1 Year (%)	2 Year (% p.a.)	Inception return (% p.a.)
ATI Equity Portfolio (gross of fees)	[9.0]	[4.9]	[13.8]	5.4	7.4
S&P/ASX 300 Accumulation Index	[7.6]	[1.8]	[13.7]	5.6	8.4

*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. Inception date is 23 December 2005.

Portfolio Details as at 30 June 2008

Largest Holdings	Portfolio Weight (%)	S&P/ASX300 Weight (%)
BHP Billiton	15.5	12.9
Commonwealth Bank	6.4	5.3
National Australia Bank	6.3	4.3
ANZ Bank	5.7	3.7
Westpac	5.7	3.6
Telstra	5.5	4.3
Rio Tinto	4.8	3.4
QBE Insurance	3.6	1.9
Macquarie Group	2.6	1.3
News Corporation	2.5	0.5

Sector Allocation	Portfolio Weight (%)	S&P/ASX300 Weight (%)
Financials	39.1	32.5
Materials	22.5	30.1
Consumer Discretionary	11.2	4.0
Telecommunication Services	7.2	4.7
Industrials	6.2	6.6
Consumer Staples	5.9	7.9
Utilities	2.0	1.5
Health Care	1.9	3.0
Energy	1.1	9.1
Information Technology	0.0	0.7

Selected Portfolio Statistics as at 30 June 2008

Inception Date	23-Dec-05
Number of Stocks	34
ATI Funds under Management	~ $200m

MER (est.)	~ 0.80% p.a.
Tracking error (forward estimate)	~ 4% p.a.

General Market Commentary

Australia's Market Performance

Risk aversion returned to the Australian equity market during June with the S&P/ASX 300 Accumulation Index finishing down 7.6%. The risks around inflation pressures from higher oil prices, ongoing concerns about the outlook for offshore financial sectors and further evidence the domestic economy is slowing saw investors reduce their equity exposure. Financial year end tax loss selling combined with a US lead sell off late in the month saw the market retest its previous lows set in mid March 2008. The S&P/ASX 300 Accumulation Index finished the 12 months to 30 June down 13.7%, the first negative return for a financial year since 2002/03. Increased volatility reflecting the unfolding credit crisis in the US combined with a significant increase in the oil price has been a prominent feature of equity markets over the last 12 months. The S&P/ASX 300 index peaked on 1 November 2008 and has fallen over 20% since, making this the first bear market since the end of the "dot-com" bubble in 2001/02.

The economic data flow during June provided further evidence that the domestic economy is slowing, with retail sales, building approvals and credit growth all continuing to soften. Employment growth turned negative, recording the first fall in 18 months while the RBA kept rates on hold after confirming inflation is high and demand will need to slow. The AUD remained strong ending the month at 96.6c (+1c) as the Fed remained on hold and iron ore negotiations concluded positively for Australian miners. Spot WTI oil hit a new intra-day high over $140 a barrel mid month, following news that Libya may cut oil production. Gold continued to regain its allure as an inflation hedge and tracked the oil price higher during June, rising to $924 / ounce [+4.4%] at the end of June. The CRB Metals index fell 2.9% in June with the movements in base metal prices being mixed

During June, investors remained focused on the oil price as it continued to trade around record highs and the potential impact on interest rates, consumer demand and inflation. Investor concern around the outlook for financial sector stocks was renewed as offshore banks continued to report large write-downs and look for new equity to strengthen their position. Overall credit availability improved but remains tight and expensive relative to the recent history. The steady stream of profit warnings continued during June as the 'confession' season pre-company reporting began. Many of the profit downgrades reflect the higher costs of inputs, finance and overall slowing domestic demand.

The Best and Worst Performing Sectors

The better performing sectors during the month were: Energy (+1.6%); Materials (-1.4%); and Information Technology (-3.6%). The worst performing sectors this month were Consumer Discretionary (-14.8%); Utilities (-13.3%); and Property Trusts [-12.5%].

Relative Portfolio Performance

Against this backdrop, the ATI Equity Portfolio fell 9.0% compared with a fall of 7.6% by the S&P/ASX300 Accumulation Index. Those stocks that contributed most to the Portfolio's relative performance during the month were:

BHP Billiton – BHP (+0.5%) share price managed to rise over the month as the ongoing strength in base metal prices and the ability of RIO to favourably settle iron ore price negotiations with Baosteel for the year ahead saw some ongoing support for the stock. BHP is still yet to settle its price for the 2008/9 contract deliveries of iron ore.

AGL Energy –AGK (-0.8%) declined during June as the broader market was heavily sold down. The only major news-flow was the ongoing sale process for the PNG assets held by AGK which are slated to be sold by the end of calendar 2008.

Rio Tinto – RIO (-1.8%) fell far less than the overall market in June as it managed to finalise its iron ore prices for the coming year at levels seen as attractive for RIO by investors. Other base metal strength also assisted to avoid the extent of the market sell-off.

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

Macquarie Infrastructure Group – MIG (-19.3%) share price fell heavily during June as the market began to question the sustainability of its dividend policy given the reduced distribution guidance given to the market by Transurban during the month. Further, weak traffic data form the US owned roadways highlighted the impact that rising petrol prices may have on road traffic across the entire portfolio of infrastructure roadways.

Ansell – ANN (-15.8%) slumped after management confirmed that latex prices were higher than expected and the price had hit an all-time high during the month. After the slump in share price, the company initiated an on-market buy-back for 5 million shares.

National Aust. Bank – NAB (-15.4%) continued to decline through the month as the negative sentiment for financial stocks from the US & UK continued to see an across the board sell-off in almost all financial sector stocks.

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.