Fact Sheet

Above The Index Asset Management Pty Ltd

ATI Australian Equity Portfolio

Information as at 30 September 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 September 2008)

	1 Month (%)	3 Month (%)	1 Year (%)	2 Year (% p.a.)	Inception return (% p.a.)
ATI Equity Portfolio (gross of fees)	(8.0)	(6.0)	(23.8)	0.7	4.4
S&P/ASX 300 Accumulation Index	(9.9)	(10.7)	(27.1)	(1.6)	3.2

*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 September 2008

Largest Holdings	Portfolio Weight (%)	S&P/ASX300 Weight (%)
BHP Billiton	14.7	11.9
National Australia Bank	6.4	4.3
Westpac	5.9	4.2
Commonwealth Bank	5.9	5.9
ANZ	5.8	3.9
Telstra	5.8	4.5
Rio Tinto	4.8	2.5
QBE Insurance	3.6	2.5
News Corporation	2.3	0.5
Macquarie Group	2.1	1.1

Sector Allocation	Portfolio Weight (%)	S&P/ASX300 Weight (%)
Financials	40.4	36.6
Materials	24.9	23.4
Consumer Discretionary	9.1	4.2
Consumer Staples	5.9	8.7
Telecommunication Services	5.8	5.1
Industrials	5.2	7.3
Utilities	1.6	1.5
Energy	1.0	8.4
Healthcare	1.0	4.0
Information Technology	0.0	0.7

Selected Portfolio Statistics as at 30 September 2008

Inception Date	23-Dec-05
Number of Stocks	34
ATI Funds under Management	~ $400m

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

General Market Commentary

Australia's Market Performance

September proved to be one of the most volatile months that equity markets have experienced due to the increasing uncertainty around the state of the US financial system. Increasing concerns over China's economic growth and the resulting weakness in commodity prices only increased investors' risk aversion. The Australian equity market finished the month at its lows, the S&P/ASX 300 Accumulation Index down 9.9%, and 10.7% for the September quarter.

Severe financial stress was evident across a broad range of measures as an unprecedented number of US financial institutions collapsed, were placed under administration by the Government or sold to peers. A US$700bn "rescue package", proposed by the US Fed/Treasury failed to pass through Congress by month end, resulting in further market declines. The introduction of restrictions on short selling of financial stocks, introduced across a range of global exchanges, also kept investors sidelined. ASIC's announcement that all short selling would be banned for 30 days in Australia, added to the confusion. Despite the increasing concerns around the US financial markets, the domestic banking sector finished September higher. There was a marked divergence between resources and industrials as economic news from developed economies suggested that recession is likely and emerging market growth indicators continue to deteriorate. Base metal prices and the oil price also cascaded lower as investors turned to gold, the USD and bonds as safe havens to escape the carnage seizing markets.

The RBA lowered interest rates by 25 basis points to 7% as expected, delivering the first rate cut since December 2001. The tone of the commentary gave no further guidance on further policy moves, but money markets moved to price in further rate reductions over the next 12 months, sending bond yields and the AUD lower. Domestic data was weaker though, with GDP growth lower than expectations and credit growth slowing. The rate cut and falling petrol prices gave some support to consumer confidence and retail sales. US data revealed a decrease in manufacturing activity and a jump in unemployment. The AUD suffered a major correction as domestic interest rate expectations reduced and the USD rallied, finishing the month at 79.2¢ (-7.7%).

The key issue for investors near term remains the trade-off between additional earnings risk from the slowing domestic economy, the weakness in commodity prices and the longer term implications from the financial meltdown offshore; versus increasingly attractive valuations for equities. A subdued recovery or "double dip" slowdown and a failure for the US authorities to appease the capital markets worldwide remain key risks to both resource and industrial earnings forecasts over the next twelve months.

The Best and Worst Performing Sectors

The better performing sectors during the month were: Financials (-1.2%]; Consumer Staples (-3.2%]; and Telco's (-4.6%]. The worst performing sectors this month were Materials (-22.7%); Utilities (-13.7%); and Energy (-12.8).

Relative Portfolio Performance

Against this backdrop, the ATI Equity Portfolio fell 7.8% compared with a fall of 9.9% by the S&P/ASX300 Accumulation Index. Those stocks that contributed most to the Portfolio's relative performance during the month were:

ANZ Bank – ANZ (+10.6%) share price rallied during September after recovering some of the previous month's losses. ANZ also issued $600m Tier 1 Hybrid Convertible noted at 30 day Bank bill rate + 200bp and indicated the shares are expected to convert on or post the 28 September 2009.

QBE Insurance – QBE (+8.3%) share price rose over the month after it announced that it should not be directly impacted by certain overseas collapses, with QBE confirming that its investments had no direct exposure to Lehman Brothers, Merrill Lynch or AIG (and only "immaterial exposure" to AIG-related entities via its reinsurance). QBE also benefited from the falling A$/US$ and the announcement that they had no material exposure to the catastrophic impacts of hurricanes Gustav and Ike.

Macquarie Infrastructure Group – MIG (+4.1%) ended the month higher as the commencement of the buy-back and the defensive nature of the businesses following proposed asset sales and lower interest rate environment.

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

Rio Tinto – RIO (-31.2%) and BHP Billiton – BHP (-24.2%) both fell sharply in September on the back of softer commodity prices and concerns that the worsening credit crunch can only negatively affect demand for raw materials along with the continuing deterioration in sentiment on China. The fall in bulk freight rates, steel prices, spot market iron ore prices, and spot market thermal coal prices added to these ongoing investor concerns.

Suncorp Metway – SUN (-17.3%) shares slumped again during September after concerns over its capital position and banking division. However, it did recover partially towards month end following the rally in financial stocks, the early completion of its DRP underwriting (via a placement), reiteration of guidance and its confirmation of no exposure to Lehman Brothers or AIG.

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.