Fact Sheet

Above The Index Asset Management Pty Ltd

ATI Australian Equity Portfolio

Information as at 31 January 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 31 January 2008)

	1 Month (%)	3 Month (%)	1 Year (%)	2 Year (% p.a.)	Inception return (% p.a.)
ATI Equity Portfolio (gross of fees)	(8.1)	(11.6)	7.7	13.7	14.6
S&P/ASX 300 Accumulation Index	(11.0)	(15.8)	2.6	11.7	12.8

*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 31 January 2008

Largest Holdings	Portfolio Weight (%)	S&P/ASX300 Weight (%)
BHP Billiton	12.7	10.9
ANZ Bank	7.1	4.3
Commonwealth Bank	5.8	5.7
Westpac	6.2	4.2
National Australia Bank	5.9	4.9
Rio Tinto	5.6	3.1
Telstra	3.7	2.3
QBE Insurance	3.3	2.2
News Corporation	2.5	0.5
Macquarie Infrastruct.	2.5	0.7

Sector Allocation	Portfolio Weight (%)	S&P/ASX300 Weight (%)
Financials	45.4	39.7
Materials	21.5	23.9
Consumer Discretionary	12.3	5.5
Industrials	6.8	8.0
Telecommunication Services	6.3	3.7
Health Care	2.2	3.2
Utilities	2.2	1.6
Consumer Staples	2.1	7.8
Energy	1.1	5.9
Information Technology	0.0	0.7

Selected Portfolio Statistics as at 31 January 2008

Inception Date	23-Dec-05
Number of Stocks	29
Portfolio Size [Inception]	0.30m
Portfolio Size (Current)	0.41m

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 Australian equity market commenced the 2008 calendar year under significant pressure, reflecting the increasing likelihood of a US recession during 2008, combined with concerns regarding on going sub prime market issues and the viability of a number of major offshore financial institutions. The market experienced significant volatility, initially declining 18% before rebounding 13% after the US Federal Reserve surprised the market with an intra-meeting rate cut of 75bps. The Fed cut a further 50bp at its scheduled meeting, taking the cash rate to 3.0%. This however failed to spark the market, and the S&P/ASX 300 accumulation index ended the month down 11%.

During January the RBA left interest rates unchanged at 6.75%, as expected, but markets appear to be pricing in a 25bps rise for February (10-year bonds declined with yields increasing 25bp to close the month at 6.09%). Housing finance was stronger but failed to reverse the declining trend, whilst business confidence and the terms of trade fell during the quarter. The $A remained volatile, finishing the month up 1.5c at 89.0c. WTI Spot oil fell around 4% to finish at $92.34, with recessionary fears leading the price downwards after briefly touching a record high of just above $100 per barrel early in the month. Gold continued its upwards momentum, rising nearly 10% to close at $920.60, whilst other base metals fell on the back of year end profit taking and global growth (ie demand) concerns.

Investors in 2008 will 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 increasing valuation risks for those stocks leveraged to the continuing strong Chinese / Indian growth outlook.

The Best and Worst Performing Sectors

Investor focus was mainly on identifying risk, particularly financial leverage or companies with direct exposure to the markets. Selling became indiscriminate as market declines accelerated with increasing pressure arising from margin calls and little support emerging from natural buying. The better performing sectors during the month were: Health Care (-5.2%); Materials (-6.9%); and Telecoms (-8.8%). The worst performing sectors this month were Information Technology (-20.1%); Property Trusts (-13.9%); and Financials (-12.7%).

Relative Portfolio Performance

Against this backdrop, the ATI Equity Portfolio fell 8.1% compared with a fall of 11.0% by the S&P/ASX300 Accumulation Index. Those stocks that contributed most to the Portfolio's relative performance during the month were:

Ramsay Healthcare – RHC (+1.7%) posted a positive return during the month following news from the UK that the patient choice for hospitals was a Government priority, including the use of private operators such as RHC to lessen the burden on the nationally operated health system. This includes the provision of elective surgery waiting lists for public hospitals.

Macquarie Infrastructure Group –MIG (+0.3%) held its ground during the month as its earnings are perceived as more defensive. MIG also completed the first stage of its $2bn buy-back designed to utilise surplus cash.

Metcash – MTS (-4.6%) was a relatively strong performer during the month as the defensive nature of the food business saw investors less inclined to sell the stock down in line with the market.

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

Lend lease –LLC (-17.6%) was sold down during the month as the stock was tarred with the same brush as Centro Property Group, despite a very different business model and a strong balance sheet. The poor outlook for the UK property market also had an impact as investors attempted to de-risk their portfolios from the property/debt funding businesses.

Commonwealth Bank – CBA (-16.4%) fell during the month as investors marked the stock down more than the other large banks. The reasons for the investor reaction included the facts that CBA has a relatively large amount of its earnings sourced from funds management operations which have fallen with the market and it announced that the additional costs of credit funding had exposed the Group to additional unexpected costs.

Fairfax Media – FXJ (-13.9%) fell during the month despite there being no material news-flow. The stock appears to have caught in the general sell-down as investors reacted to the obvious sub-prime fallout issues. The consumer discretionary stocks were also affected by the possible earnings implications of a protracted US recession on the global economy.

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.