Fact Sheet

Above The Index Asset Management Pty Ltd

ATI Australian Equity Portfolio

Information as at 31 July 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 July 2008)

	1 Month (%)	3 Month (%)	1 Year (%)	2 Year (% p.a.)	Inception return (% p.a.)
ATI Equity Portfolio (gross of fees)	[1.3]	[10.1]	[13.5]	5.3	6.6
S&P/ASX 300 Accumulation Index	[4.7]	[10.5]	[16.0]	4.0	5.9

*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. Inception date is 23 December 2005.

Portfolio Details as at 30 July 2008

Largest Holdings	Portfolio Weight (%)	S&P/ASX300 Weight (%)
BHP Billiton	15.6	12.1
Commonwealth Bank	6.3	5.5
National Australia Bank	6.2	4.2
Westpac	6.1	4.2
ANZ Bank	5.8	3.4
Telstra	5.8	4.7
Rio Tinto	5.2	3.2
QBE Insurance	3.4	2.0
Macquarie Group	2.5	1.4
News Corporation	2.5	0.5

Sector Allocation	Portfolio Weight (%)	S&P/ASX300 Weight (%)
Financials	39.4	33.7
Materials	22.8	28.2
Consumer Discretionary	11.3	4.0
Telecommunication Services	7.6	5.2
Industrials	6.0	7.2
Consumer Staples	5.9	8.1
Healthcare	2.1	3.1
Utilities	2.0	1.6
Energy	1.0	8.2
Information Technology	0.0	0.7

Selected Portfolio Statistics as at 31 July 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

July proved to be another difficult month for the Australian equity market with the S&P/ASX 300 Accumulation Index finishing down 4.7%. The market moved in a large trading range (+/- 8%) during the month driven by the volatility in financial stocks with the banks the most heavily sold down following CDO provisioning / earnings downgrades from both NAB and ANZ. Increasing concerns about the prospects for bank earnings combined with distribution cuts for property trusts and further uncertainty around offshore financial stocks only added to the ongoing market volatility.

The economic data flow during July was mixed employment growth and retails sales rebounding whilst credit growth continued to soften. Inflation data remained high but within market expectations while the RBA kept rates on hold, indicating the tightening cycle is over as a more benign economic outlook is expected. The AUD ended the month lower at 94.5c (-1.4c) after peaking at 97.9c. Spot WTI oil hit a new intra-day high of $146/bbl intra-month, but fell to $127.17/bbl on declining US oil inventories, a strengthening US dollar and easing concerns over Iran's nuclear ambitions. Gold was lacklustre in July easing 1.6% to $914 / ounce at the end of the month. The CRB Metals index continued to fall, losing 4.5% in July. Base metal priced reflected an underlying concern that the weakness of the developed economies is threatening to undermine the demand side of the commodity story while growth in the emerging economies slows.

Investor focus during July shifted between banks and resources. A significant pull-back in the oil price (-9.5%) saw some profit taking in the energy and resources sector stocks as there emerged increasing concerns over the sustainability of the Asian/China growth path. Transport-related and non-bank financial stocks were the major beneficiaries as investors sought oversold stocks across the market. The key issue for investors near term remains the trade-off between increasing earnings risks from restrictive financial conditions and the slowing domestic economy, versus increasingly attractive valuations for equities. Over the next month we have the key August reporting season which may clarify the outlook picture for companies given the increasing uncertainty in the domestic economic landscape.

The Best and Worst Performing Sectors

The better performing sectors during the month were: Telco's (+5.9%); Utilities (+4.4%); and Industrials (+4.0%). The worst performing sectors this month were Energy (-13.7%); Materials (-10.3%); and Property Trusts (-5.0%).

Relative Portfolio Performance

Against this backdrop, the ATI Equity Portfolio fell 1.3% compared with a fall of 4.7% by the S&P/ASX300 Accumulation Index. Those stocks that contributed most to the Portfolio's relative performance during the month were:

Macquarie Infrastructure Group – MIG (+10.8%) share price rallied during July despite further weak traffic data on some of its key roads, highlighting the impact of rising petrol prices and a slowing economy. However, the market was focused on the potential for MIG to either sell non-core assets or be privatised (by MQG) at or around the book value - well above the share price.

Qantas – QAN (+9.2%) share price rose over the month as the oil price eased and the company announced a raft of cost-cutting measures including 1,500 job cuts worldwide, a reduction in FY09 capacity growth to nil and the retirement of over 20 of the older aircraft in the fleet. The potential for the Frequent Flyer spin off this year was officially confirmed.

Metcash – MTS (+7.8%) shares rebounded from last months fall after it announced it was withdrawing from the sale process for Symbion Pharmaceuticals and would not be submitting a final bid. This followed an announcement by the ACCC expressing preliminary concerns regarding the associated logistics/buying joint venture with Sigma Pharmaceuticals.

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

ANZ Bank – ANZ (-13.2%) shares fell during the month after the company warned that it expected FY08 cash EPS would fall 20-25% year on year due to increased provisions relating to the downturn in the NZ economy, individual credit exposures and general credit impairment in the Australian market.

Wesfarmers – WES (-7.8%) shares slumped July as the forecast coal production and cost numbers were released and came in at above those forecast by the market. However, the profitable turnaround for the Coles supermarket business is now expected to take at least five years and this news saw the stock being sold down by investors.

National Aust. Bank – NAB (-6.8%) was sold off aggressively following the announcement of an additional $830m provision for credit market exposure in the US. In addition, the bank announced Mr Cameron Clynes would replace the incumbent CEO John Stewart in 2009.

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.