Fact Sheet

Above The Index Asset Management Pty Ltd

ATI Australian Equity Portfolio

Information as at 31 May 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 May 2008)

	1 Month (%)	3 Month (%)	1 Year (%)	2 Year (% p.a.)	Inception return (% p.a.)
ATI Equity Portfolio (gross of fees)	0.3	1.7	[4.5]	12.0	11.8
S&P/ASX 300 Accumulation Index	1.7	2.8	[6.7]	11.0	11.1

*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 31 May 2008

Largest Holdings	Portfolio Weight (%)	S&P/ASX300 Weight (%)
BHP Billiton	14.8	13.1
Commonwealth Bank	6.5	5.0
National Australia Bank	6.2	4.2
ANZ Bank	6.1	3.5
Telstra	6.1	4.2
Westpac	6.0	3.7
Rio Tinto	4.8	3.4
QBE Insurance	3.4	1.9
News Corporation	2.5	0.5
Macquarie Group	2.4	1.2

Sector Allocation	Portfolio Weight (%)	S&P/ASX300 Weight (%)
Financials	39.7	34.0
Materials	20.5	28.9
Consumer Discretionary	11.9	4.3
Industrials	6.2	6.8
Telecommunication Services	8.0	4.8
Health Care	2.1	3.0
Utilities	2.2	1.5
Consumer Staples	2.0	7.9
Energy	1.1	8.1
Information Technology	0.0	0.6

Selected Portfolio Statistics as at 31 May 2008

Inception Date	23-Dec-05	MER (est.)	~ 0.80% p.a.
Number of Stocks	31	Tracking error (forward estimate)	~ 3% p.a.
ATI Funds under Management	~ $200m		

General Market Commentary

Australia's Market Performance

The Australian equity market continued to rally strongly during the first part of May, led by the Energy and iron ore companies on the back of record oil prices and ongoing M&A activity in the iron ore and domestic gas sectors. The S&P/ASX 300 accumulation index market ended the month up 1.4% after the second half of the month was influenced by some profit taking in the resources sector and some renewed credit concerns after a number of leveraged companies indicated they were experiencing further difficulties in refinancing short term debt.

The economic data flow during May provided clear signs the domestic economy is slowing, with retail sales, building approvals and credit growth all declining. The RBA reduced its growth forecasts and kept rates on hold, while the Government's budget provided a contractionary impulse of 0.3% of GDP. Employment growth remained solid while the AUD continued towards parity with the USD ending the month at 95.6¢ (+1.2¢). Spot WTI oil hit a new intra-day high over $132 a barrel mid month, following news of continued rebel attacks and labour strikes in Nigeria and the re-emergence of political tensions in the Persian Gulf. Gold began the month in a sprightly fashion, following the oil price upwards, but a recovery in the US dollar towards the end of May pushed the price lower, ending the month at$883 / ounce (+1.4%). All base metal prices fell during May with the CRB Metals index falling 9.3%, which was the largest monthly fall since October 1990.

During May, investor focus shifted to the oil price as it continued to reach record highs, touching US$133/bbl intra-month, and the potential impact on interest rates, consumer demand and inflation. Investors also digested the major banks' interim results, a proposed merger between Westpac and St George and the implications of the part sale of Santos's LNG project to Petronas on domestic gas reserve valuations. The steady stream of profit warnings continued reflecting higher costs and slowing demand.

The Best and Worst Performing Sectors

The better performing sectors during the month were: Energy (+19.7%); Information Technology (+10.1%); and Utilities (+5.1%). The worst performing sectors this month were Consumer Discretionary (-16.9%); Industrials (-9.9%); and property Trusts (-5.6%).

Relative Portfolio Performance

Against this backdrop, the ATI Equity Portfolio rose 0.3% compared with a rise of 1.7% by the S&P/ASX300 Accumulation Index. Those stocks that contributed most to the Portfolio's relative performance during the month were:

Caltex – CTX (+24.4%) share price rallied with the oil price during May despite downgrading CY08 production guidance by ~2% and reiterating the ongoing strength of its marketing operations during a company update. CTX highlighted that it expects diesel and jet margins to remain strong, but noted the strength of the AUD is eroding margins.

AGL Energy –AGK (+15.3%) rose strongly during the month after stating at its investor day, that its growth strategy is focussed on: (1) Wind generation, which is underpinned by an expanded MRET scheme of 20% renewables by 2020; (2) Increasing gas reserves via CSM exploration; and (3) Retail margin expansion via Project Phoenix. AGL also formally announced the sale of its PNG assets which was seen as another step towards AGL focusing on its core business.

Telstra –TLS (+4.2%) rose over May ended the month higher as debate continued on the National Broadband Network (NBN). As the government extended the tender deadline by 12 weeks, a number of parties (including Telstra, Terria, SingTel Optus,) lodged the $5m bond required to proceed in the tender process. Late in the month Sensis and its Trading Post business entered the local online auction market with the launch of auctions on the new www.tradingpost.com.au website .

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

PMP – PMP (-25.9%) slumped after management issued some profit guidance for the 2008 full year. The guidance was below the market consensus and the stock was instantly sold off.

Macquarie Group – MQG (-10.9%) share price fell during May as the FY08 result of $1,803m was below market consensus. A lower tax rate as well as performance fees from unlisted funds supported full-year profits. On the outlook, management said it will be challenging to repeat FY08's profit, but noted that this may be achievable assuming an improvement in market conditions, some potential one-off benefits and the current pipeline of assets coming to fruition.

Commonwealth Bank – CBA (-5.6%) fell during May provided a trading update. The key highlight from the update was that the group expects a greater than expected FY08 provisions charge. CBA group says is yet to see any systemic credit issues flow through and that the increase in provisions is mainly due to the continuation of one-off single name exposures.

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.