Fact Sheet

Above The Index Asset Management Pty Ltd

ATI Australian Equity Portfolio

Information as at 31 May 2009

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 2009)

	1 Month (%)	3 Month (%)	1 Year (%)	2 Year (% p.a.)	3 Year (% p.a.)	Inception (% p.a.)
ATI Equity Portfolio (gross of fees)	1.8	19.7	(21.7)	(13.6)	(0.6)	0.9
S&P/ASX 300 Accumulation Index	1.5	15.2	(29.2)	(18.7)	(4.5)	(1.8)

*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 of a model mandate within the Direct Portfolio Services SMA product. Performance assumes reinvestment of all income. Inception date is 23 December 2005.

Portfolio Details as at 31 May 2009

Largest Holdings	Portfolio Weight (%)	S&P/ASX300 Weight (%)
BHP Billiton	13.6	13.6
Westpac	6.7	6.4
Commonwealth Bank	6.6	6.1
NAB	5.9	4.9
Telstra	5.8	3.8
ANZ	5.7	4.0
Woolworths	3.9	3.6
QBE Insurance	3.8	2.3
Wesfarmers	3.0	2.9
Westfield	2.9	2.7

Sector Allocation	Portfolio Weight (%)	S&P/ASX300 Weight (%)
Financials	40.2	35.9
Materials	21.4	25.6
Consumer Discretionary	9.5	3.9
Consumer Staples	9.2	9.5
Industrials	6.5	5.8
Telecommunications	6.3	4.4
Healthcare	2.2	3.8
Energy	1.7	8.6
Utilities	1.3	1.6
Information Technology	0.0	0.7

Selected Portfolio Statistics as at 31 May 2009

Inception Date	23-Dec-05
Number of Stocks	36
ATI Funds under Management	~ $320m

MER (est.)	~ 0.80% p.a.
Tracking error (forward estimate)	~ 3% p.a.

General Market Commentary

Australia's Market Performance

Equity markets consolidated recent gains during May with the S&P/ASX300 Accumulation Index trading in a tighter range and finishing the month up 1.5%. Investor confidence continued to improve with a raft of global economic data providing further evidence the global business cycle has started to stabilize, adding more weight that we may have seen the equity market lows occurring in March. The Australian Government delivered its FY10 budget adding further stimulus to the economy while ASIC removed the ban on covered short selling from financial stocks, a week earlier than expected. Investors were initially focused on the remaining bank results during early May which reinforced the initial trends of increasing provisions for bad debts and worsening book credit quality. Deeply discounted equity issues continued as companies sought to de-leverage their balance sheets ahead of any upcoming debt refinancing. ATI portfolio holdings that raised capital during May were APN, ANZ, BSL, HST, MQG, and PBG. Sentiment continued to shift towards stocks with earnings leveraged to the economic cycle (high beta cyclicals) as the macro leading indicators and commodity prices continued to show signs of improvement.

The RBA left interest rates unchanged at 3.0%, but retained an easing bias. The economic data provided further evidence that the economy could surprise on the upside as building approvals rose and retail sales exceeded expectations, while consumer sentiment held on to the recent gains. The AUD continued to rally against the $USD to finish the month at 79.0¢ (+6.5¢), largely attributed to increasing risk appetite and rising commodity prices. The oil price rose by 27% in May, the largest monthly increase since March 1999. Evidence of strong Chinese buying in April supported the price and the prospect of global economic recovery underpinned financial buying of oil futures. After two losing months, gold rallied in May, gaining 7% to end the month at US$949 per ounce as the weakness of the USD took affect. Most base metal prices were higher, with copper rising again (+6%) on the back of strong demand following a period of de-stocking.

The key issue facing investors is the sustainability of the recent equity market rally verses the expectation of some retracement in the near term. There is the potential for profit downgrades to occur as we approach the financial year end. Whilst investors are expected to remain cautious about the news-flow on the economic outlook in the near term, the relative merits of holding defensive stock positions verses cyclicals will come into question if the economic data and macro news flow begin to moderate or even improve. Valuations for equities continue to remain attractive despite the negative sentiment investors have had towards the macro outlook and the capacity of cyclical stocks to generate earnings growth in the current climate.

The Best and Worst Performing Sectors

The better performing sectors during the month were: Materials (+6.6%); Energy (+6.4%); and REIT's (+3.6%). The worst performing sectors were Healthcare (-7.5%); Telecommunications (-6.4); and Consumer Staples (-5.0%).

Relative Portfolio Performance

The ATI Equity Portfolio rose +1.8% compared with a rise of 1.5% by the S&P/ASX300 Accumulation Index.
Those stocks that contributed most to the Portfolio's relative performance during the month were:

Incitec Pivot – IPL (+27.5%) shares gained throughout the month on the back of its 1H09 result. The company reported NPAT (pre NRIs) of $169.8m, down 1% on the $171.1m. In line with the past seven years, IPL took significant costs below the line with some $101.1m pre tax ($70.2m after tax) of one-off charges. The largest of these was a $49.4m pre-tax write-down on phosphate rock for the super-phosphate operations despite the fact that these costs reflect the downturn in market conditions and should be treated probably as an integral part of IPL's normal operations.

Bluescope Steel — BSL (+26.9%) shares rose after announcing an $825m -$1,413m capital raising. BSL announced: (1) proceeds would be used to retire debt; (2) the company would not be paying a full-year dividend; and (3) No. 5 Blast Furnace would remain offline until market conditions improved. The capacity to retire debt was the catalyst the market was looking for before supporting the stock as other headwinds faced the operating business.

Pacific Brands – PBG (+23.1%) shares rose sharply again during May as investors reacted positively to the news of capital raising of between $156m and $256m consisting of a 1 for 3 pro-rata entitlement offer and a fully underwritten institutional placement. The proceeds are primarily to be used to pay down debt and this has allayed the market concerns of how they would service this debt.

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

CSL – CSL (-15.2%) shares fell throughout the month as the FTC (US anti-competition watchdog) moved to initiate legal action to block the acquisition of Talecris. The FTC said that the transaction would substantially reduce competition in the US for 4 products - IVIG, Albumin, Rho-D and Alpha-1. CSL noted that it would oppose the FTC decision. Late in the month, CSL signed a contract with the US Government to produce vaccines for swine flu which saw the stock recover.

QBE Insurance – QBE (-11.2%) shares were sold down on currency concerns as over 80% of its earnings are sourced offshore and the $AUD has rallied strongly over the last two months. The removal of the short selling ban in late May also had an impact on the stock.

AMP – AMP (-6.7%) was down during the month as concerns centred on the Gov't superannuation reviews and some small negatives from the Budget. The Henry tax review panel also published its initial conclusions on retirement incomes. The main recommendations were: (1) the compulsory contribution rate should remain at 9% (rather than increasing); and (2) the preservation age (when people can access super) be raised.

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.