Fact Sheet

Above The Index Asset Management Pty Ltd

ATI Australian Equity Portfolio

Information as at 31 October 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 October 2008 Gross of Fees)

	1 Month (%)	3 Month (%)	1 Year (%)	2 Year (% p.a.)	Inception return (% p.a.)
ATI	(9.4)	(13.8)	(32.4)	(6.9)	0.8
S&P/ASX 300 Accumulation Index	(12.9)	(18.8)	(38.3)	(10.3)	(1.7)

*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 October 2008

Largest Holdings	Portfolio Weight (%)	S&P/ASX300 Weight (%)
BHP Billiton	14.7	11.7
National Australia Bank	6.5	4.9
Commonwealth Bank	5.9	5.9
Telstra	5.7	4.8
ANZ	5.5	4.2
Westpac	5.4	4.5
Rio Tinto	4.4	2.7
QBE Insurance	3.6	2.7
News Corporation	2.5	0.5
Macquarie Infrastruct.	2.0	0.5

Sector Allocation	Portfolio Weight (%)	S&P/ASX300 Weight (%)
Financials	38.5	37.7
Materials	24.0	21.9
Consumer Discretionary	9.5	3.9
Consumer Staples	6.2	9.4
Telecommunication Services	5.7	5.7
Industrials	5.2	6.8
Energy	3.5	7.7
Utilities	1.5	1.6
Healthcare	1.0	4.5
Information Technology	0.0	0.7

Selected Portfolio Statistics as at 31 October 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)	~ 3% p.a.

General Market Commentary

Australia's Market Performance

Equity markets remained under extreme pressure during October as investor focus shifted from the risk of a collapse in the global financial system to the increasing likelihood and implications of a global recession. The Australian equity market did not escape the carnage and the S&P/ASX 300 Accumulation Index finished the month down 12.9%, its worst monthly performance since the October 1987 crash (-45%).

Market volatility hit record highs during October resulting in increasing risk aversion. Investors continued to switch out of equities into cash and stocks selection within portfolios became increasingly focused on defensive positions. Commodity prices came under pressure on the back of increasing concerns over China's economic growth prospects and from the continued de-leveraging of hedge fund positions. Resource and energy stocks were the main casualties as healthcare, telco and utility stocks outperformed relatively. Property trusts (-25%) were sold down very heavily due to a number of large capital raisings and concerns about debt refinancing, writedowns and potential (forced) assets sales.

The RBA surprised the market by cutting interest rates by 100 basis points to 6% in early October. Domestic interest rate expectations continued to move lower during the month reflecting the deteriorating outlook globally, a weaker oil price and further RBA rhetoric highlighting the slowing domestic economic momentum. Further rate cuts are still being priced in by the market to occur by December 2008 and into 2009. From a macro perspective, domestic data remained below trend and employment growth slowed despite still being positive. The AUD was decimated, finishing the month at 66.2¢ (-13¢) and is now at its lowest levels since April 2003.

The key issues for investors near term remains the trade-off between additional earnings risk from the slowing macro environment, both domestic and global, the weakness in commodity prices and the longer term implications from the global financial crisis; versus increasingly attractive valuations for equities. A longer than expected economic slowdown and a failure for the US authorities to appease the capital markets worldwide still 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: Healthcare (-2.1%); Telco's (-2.5%); and Utilities (-3.2%). The worst performing sectors this month were Property Trusts (-25.3%); Energy (-19.6); and Consumer Discretionary (-19.0%).

Relative Portfolio Performance

Against this backdrop, the ATI Equity Portfolio fell 9.4% compared with a fall of 12.9% by the S&P/ASX300 Accumulation Index. Those stocks that contributed most to the Portfolio's relative performance during the month were:

Amcor – AMC (+7.4%) share price rose during October as the fall in the $A boosted the translation of its offshore earnings. The AGM saw management water down the forecasts for next year but this was less than market expectations.

Woolworths – WOW (+2.2%) rose slightly over the month after reporting a solid first quarter sales result with Group sales up ~10%. The Australian food & liquor division continued to lead the way by reporting impressive earnings and sales growth numbers. The defensive nature of the WOW earnings was also a contributor to the stocks relative strong performance over the month.

AGL Energy – AGK (+2.0%) ended the month higher after settling on two large transactions. AGK has announced the sale of its 22% stake in Queensland Gas for $1.2bn and also the sale of its PNG assets for $1.1bn. This cash now gives AGK the opportunity to scour the market for appropriate bolt-on acquisitions to ensure the growth of the company.

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

Bluescope – BSL (-39.8%) fell sharply in October as the domestic steel sector continued to be weighed down by the further weakness in global steel prices together with ongoing uncertainty surrounding the longevity of the slowdown in China. Analysts began substantially lowering their forecasts for steel prices during the month and this added to the selling pressure on BSL.

Fairfax Media & APN News – FXJ (-27.3%) & APN (-24.9%) shares slumped during October on the back of continued concerns over diminished advertising spend and the perceived earnings risk associated with the negative macro outlook. Both companies also have exposure to the poorly performing New Zealand economy which puts further pressure on the outlook.

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.