

Fact Sheet

ATI Australian Equity Portfolio

Information as at 30 June 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 30 June 2009)

	1 Month (%)	3 Month (%)	1 Year (%)	2 Year (% p.a.)	3 Year (% p.a.)	Inception (% p.a.)
ATI Equity Portfolio (gross of fees)	4.4	13.9	(10.0)	(14.9)	(0.0)	2.2
S&P/ASX 300 Accumulation Index	4.0	11.5	(20.3)	(17.7)	(3.9)	(0.7)

*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 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 30 June 2009

Largest Holdings	Portfolio Weight (%)	S&P/ASX300 Weight (%)	Sector Allocation	Portfolio Weight (%)	S&P/ASX300 Weight (%)
BHP Billiton	12.6	12.9	Financials	40.7	36.9
Commonwealth Bank	7.1	6.6	Materials	19.3	25.0
Westpac	6.9	6.5	Consumer Discretionary	9.5	4.0
ANZ	6.4	4.3	Consumer Staples	8.5	9.4
Telstra	6.1	3.9	Industrials	6.4	5.9
NAB	5.9	4.8	Telecommunications	6.1	4.5
Woolworths	3.9	3.6	Healthcare	2.6	4.0
QBE Insurance	3.8	2.2	Energy	1.8	8.3
Wesfarmers	3.0	2.9	Utilities	1.1	1.5
Westfield	2.8	2.6	Information Technology	0.0	0.7

Selected Portfolio Statistics as at 30 June 2009

Inception Date	23-Dec-05	MER (est.)	~ 0.90% p.a.
Number of Stocks	37	Tracking error (forward estimate)	~ 3% p.a.
ATI Funds under Management	~ \$430m		

General Market Commentary

Australia's Market Performance

The Australian market continued its upward path during June with a gain of 4.0% in the ASX300 accumulation index. This was the fourth consecutive monthly rise (and the longest since February-May 2007). Signs of economic stability and improved investor sentiment emerged as global share markets continued to rise and poor data points continued to be interpreted positively. Notwithstanding this, the ASX300 declined 20.3% for the 12 months to June 30, representing the third worst performance since WWII. In the upcoming reporting season we will be specifically monitoring the extent of writedowns and the ongoing effect of debt

rationing and deleveraging on balance sheets; and the impact of margin compression on free cash flow and sustainable earnings and company outlook statements.

In June, the Australian market was driven up by the Healthcare, Telecommunications and Financial sectors (notably the banks outperformed following two months of underperformance). Resource stocks lagged despite commodity prices improving over the month. The key investor focus was on the proposed BHP/Rio Tinto (RIO) iron ore production JV and the RIO rights issue. Portfolio specific news included CSL terminating its proposed acquisition of Talecris after FTC objections; Suncorp (SUN) announcing a new CEO whilst Emeco (EHL) announced the resignation of its CEO; WES sold 45 non-performing Coles stores to Foodworks; and Downer EDI (DOW) won the Melbourne tram contract at the expense of Transfield (TSE).

Economic data continued to show signs of improvement with consumer sentiment rising 12.7% (now up 18% on pcp). GDP for Q1 was reported to have risen by 0.4%, thus avoiding the consecutive declines which constitute the conventional definition of a recession. Retail sales were modestly higher (in April), but earnings upgrades by JB HiFi (JBH), Myer and David Jones (DJS) were the catalyst for a switch into cyclical retailers in late June. The Reserve Bank held rates steady at its June meeting with the market remaining divided on the possibility of further cuts in the cash rate this year. Leading US indicators were mixed, with the ISM survey continuing to show improvement but consumer confidence falling. The US job market remains weak, with non-farm payrolls falling by 345,000 in May – although this was the smallest decline since September 2008.

The key issue facing investors is the sustainability of the recent equity market rally and this has resulted in some rotation from cyclical stocks back to more defensive stocks. We expect investors to remain cautious about the news-flow on the economic outlook in the near term as results from the reporting season begin to flow through. ATI's 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: Telecommunications (+8.6); Healthcare (+8.1%); and Financials (+6.5%). The worst performing sectors were and Utilities (-3.7%); Materials (-0.2%); and Energy (+0.4%).

Relative Portfolio Performance

The ATI Equity Portfolio rose +4.4% compared with a rise of 4.0% by the S&P/ASX300 Accumulation Index. The relative outperformance was due to overweight holdings in BSL, DOW, FLT and APN and not holding NCM, LGL and TOL. Stocks in the portfolio that contributed to the Portfolio's relative performance during the month were:

APN News and Media – APN (+13.5%) and Flight Centre – FLT (+18.1%) were examples of stocks that rose during the month without specific news flow as the market took the "green-shoots" view that the worst has passed, and rotated from defensive stocks into cyclical companies with earnings leveraged to economic recovery.

Downer EDI – DOW (+19.2%) was another example where investors continued to add cyclical leverage, via a more "defensive" cash generating companies such as DOW. During June, DOW announced that it was a key beneficiary of the Victorian Government's Train and Transport contract awards and also won the Melbourne Trams contract in JV with Keolis.

Bluescope Steel – BSL (+6.3%) was another cyclical stock that performed strongly in June as investors became more optimistic given stronger HRC pricing in East Asia and evidence that the end of destocking is approaching. Focus is now on the FY10 expected uplift in EPS, following various cost cutting measures that will impact the FY09 result.

Stocks that detracted most from the Portfolio's relative performance during the month were overweight holdings in NWS, TSE and IPL and not holding FMG. Stocks in the portfolio that detracted from performance were:

Transfield – TSE (-11.6%) Transfield fell due to its loss of the Victorian tram contract to DOW and a lower than expected (in margin terms) renewal of the Telecom NZ (TEL) contract. There were also concerns over possible write downs and lower dividends from TSI, the separately listed infrastructure fund of which TSE owns 49%.

Incitec Pivot – IPL (-10.9%) fell following the profit downgrade in Nufarm (NUF), which fell 25.2% in June after reporting poor fertiliser sales. Negative comments offshore from Monsanto and to a lesser extent Potash also weighed on the stock. In addition, lower than expected demand in the North American explosives markets is expected to impact the Dyno operations in 1H10.

News Corporation – NWS (-5.6%) announced that former Co-CEO Chase Carey will return as Deputy Chairman, President and COO, replacing Peter Chernin on July 1. In Film, 'X-Men Origins: Wolverine' and 'Night at the Museum 2' maintained their solid box-office momentum. At FIM, MySpace was finally surpassed by Facebook in the US. MySpace announced a global restructure, cutting ~500 (1/3rd of total) staff in the US, and ~300 (2/3rds of total) staff offshore.

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.