



Managed Imputation

June 2009

Investment Manager

OneVue Limited (OneVue) outsourced investment management to ATI Asset Management (ATI) in 2005.



Company background

ATI Asset Management (ATI)

ATI was established in September 2004 as a high conviction boutique Australian equities manager. The principals have extensive experience in the Australian funds management/finance industry. ATI has developed a proprietary Equity Ranking System (ERS) that forms the basis for the active management of Australian equity portfolios with a value style bias.

Investment process & strategy

ATI's broad investment philosophy is that structured and disciplined active management of its portfolios is the key to consistent and risk controlled outperformance. ATI's investment style is strongly based on the relationship between forecast earnings and dividends, relative market return (RMR) and current share price.

ATI utilises a four stage investment process that provides the framework for stock selection and portfolio construction. The ERS produces an ordinal ranking of an investment grade universe of stocks available for portfolio inclusion. ATI focuses on selecting those companies whose share prices appear cheap relative to the universe of stocks and the GICS industry sector that they are in. The ATI relative value approach applies at both the asset allocation and at the specific stock selection level.

Tax – aware investment management

Taxation effects are generally considered before switching between holdings. The "tax-aware" nature of portfolio management differentiates OneVue from external managers. As part of the tax management of portfolios, OneVue can realise capital losses while allowing, where feasible, unrealised gains to remain unrealised each year. Tax parcels are optimised to take advantage of any capital gains tax discount rules.

Inception date

1 July 2003

Designed for investors who:

- Have a minimum investment horizon of 5 years.
- Are seeking regular tax effective income and modest capital growth.

Mandate objective

Seeks returns primarily from dividends and some capital growth from exposure to companies predominantly from the ASX 200 Index. Assumes the investor can utilize imputation credits. A high percentage is held in banks and other domestic businesses. Takes into account the 45 day rule.

Mandate commentary

Relative Portfolio Performance

The Managed Imputation portfolio rose 17.81% in the June quarter compared with a rise of 11.29% for the ASX/200 accumulation index and returned -7.60% in the 12 months to June 30 versus a fall of 20.14% for the ASX/200 accumulation index.

The better performing sectors during the quarter were: Consumer Discretionary +17.4%; Industrials +13.1%; and Property Trusts +12.9%. The worst performing sectors this quarter were: Utilities -2.2%; Health Care +3.9% and Telecom's +6.3%.

The shares that positively contributed to the portfolio's relative quarterly performance include:

- **Pacific Brands – PBG** +285% shares rose sharply during the quarter as investors reacted positively to the news that PBG had extended the maturity of two debt tranches. Responding to a share price enquiry, PBG advised that FY09 EBIT (pre restructuring costs) would not vary by more than 15%. In June, PBG successfully completed a \$256M capital raising to be used to pay down debt, allaying market concerns about their ability to service debt.
- **Macquarie Countrywide Trust – MCW** +127% rose during the quarter as market concerns about its debt burden were addressed via the successful completion of the sale of 7 properties and the refinancing of two US debt facilities totalling \$165M. MCW like many other property trusts was re-rated during the quarter as the market bought deep value cyclical stocks.

Mandate composition guidelines

- **APN News and Media – APN +31% and Flight Centre – FLT +62)** were examples of stocks that rose during the quarter 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. APN alleviated concerns about its debt position by raising \$99M in May via an entitlement issue. FLT’s share price recovered in June, after falling significantly in April when it issued a profit downgrade to FY09 earnings.

The shares that negatively contributed to the portfolio’s relative quarterly performance include:

- **CSL Limited - CSL -1.0%** shares fell during the quarter as the US anti-competition watchdog, the Federal Trade Commission (FTC), moved to initiate legal action to block the acquisition of Talecris. The FTC said the transaction would substantially reduce competition in the US. As a result, CSL terminated the proposed merger. In June, CSL announced an on-market \$1.6B share buyback and signed a contract with the US Government to produce vaccines for swine flu, which saw the stock recover.
- **QBE Insurance Group– QBE +3%** underperformed during the quarter as concerns regarding the quality of QBE’s FY09 earnings were raised. The possibility of impairments charges being taken in the 1H09 result, FX currency concerns (as 80% of QBE’s earnings are from offshore) and the possibility of QBE raising additional equity to improve its capital position also weighed on its price in May and June.

Benchmark index	ASX 200 Accumulation Index
Investment universe	Stocks selected from the universe of listed & intended to be listed securities
Number of securities	10 - 35
Minimum number of market sectors	5
Financial sector maximum stock limit	60% of portfolio value
Property sector maximum stock limit	25% of portfolio value
Individual stock weighting limits	Maximum of 15% of portfolio value, and the greater of 6% or 30 times the index weight
Max cash holding	40%
Exchange Traded Option's	Yes
Taxation Rules	Takes into account the 45 day rule on franking & 12 month rule on CGT, where feasible

Information as at 30 June 2009

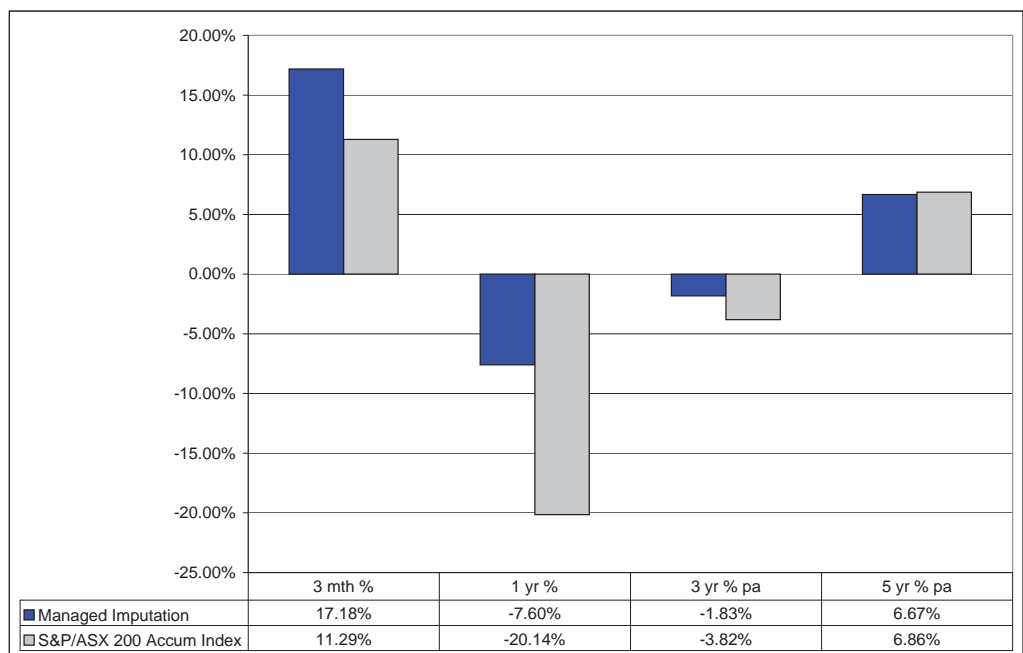
Fees

Applicable fees are set out in more detail in the Product Disclosure Statement dated 2 October 2007.

Management Cost

First \$250,000	1.65% p.a.
Next \$250,000	1.375% p.a.
Balance	1.375% p.a.

Performance



Market sector exposure

Australian Equities	Mandate %	Index %	Sector Tilt %
Consumer Discretionary	6.71	3.97	2.74
Consumer Staples	8.35	9.45	-1.10
Energy	1.04	8.23	-7.19
Financials	45.69	37.36	8.33
Health Care	2.48	3.93	-1.45
Industrials	6.42	5.61	0.81
Information Technology	0	0.56	-0.56
Materials	14.89	24.93	-10.04
Telecommunication Services	5.4	4.58	0.82
Utilities	0.00	1.39	-1.39
Cash	9.02	0.00	9.02
TOTAL	100.00	100.00	0.00

Information as at 30 June 2009

Mandate weighting changes – June 2009 Quarter

Bought	CSL, EHL
Sold	HVN
Unchanged	ANZ, BHP, BSL, BXB, CBA, CTX, DXS, FGL, FLT, FXJ, HST, IVC, LLC, MCW, MQG, NAB, PBG, QAN, QBE, RIO, SHL, SUN, TAH, TLS, TSE, WBC, WDC, WES, WOW

Top 10 holdings

Australian Equities	Mandate %	Index %	Stock Tilt %
BHP	9.88	13.13	-3.25
WBC	7.51	6.64	0.87
CBA	6.61	6.67	-0.06
NAB	6.55	4.85	1.70
ANZ	5.7	4.33	1.37
TLS	5.4	3.99	1.41
QBE	4.06	2.25	1.81
WOW	3.55	3.65	-0.10
CBAPB	3.01	0.00	3.01
WDC	2.97	2.68	0.29
Sub Total	55.24	48.19	7.05
Other stocks	35.74	51.81	-16.07
Cash	9.02		9.02
TOTAL	100.00	100.00	

Information as at 30 June 2009

Disclaimer

Issued by OneVue Limited ("OneVue"), ABN 18 072 262 312 AFSL 245525 as Responsible Entity for DirectPortfolio ("DP") ARSN 093 264 861. Performance figures are at 30 June 2009 and calculated without taking into account management fees or expenses but includes reinvestment of all dividends and distributions. This Mandate Profile has been prepared by the Responsible Entity and is not intended to represent investment or professional advice. The information does not take into account your particular investment needs, objectives or financial circumstances. Opinions expressed are subject to change.