Titanium Asset Management Limited

Profile April 27 2009

Titanium Asset Management Limited (TAM) is the Investment Funds Management arm of the **Titanium Financial Services Group**. TAM is fully licensed with ASIC - Australian Financial Service License (AFSL) # 331088), and is the Responsible Entity, Trustee and Manager of the *TAM ASX200 All-Weather Fund (The Fund).*

The Fund is unique in a number of key areas:

1. It is a "true" market-neutral fund, which means that market risk of the Fund is kept to a minimum at all times. This is in contrast to many superficially-similar funds that allow the taking of substantial market positions that represent substantial risk in volatile markets;
2. The Fund employs a unique stock valuation and selection process that has been developed over 20 years and is the subject of a doctoral thesis at a major Australian university, which has been shown to be highly effective in the consistent selection of both "long" and "short" portfolios that will outperform the market regardless of market conditions.
3. The Fund only invests in current constituents of the ASX200; the 200 largest, best-researched and highest-quality stocks listed on the Australian Stock Exchange (ASX). No other assets are invested in by the Fund (including derivatives of any form), and the Fund does not borrow cash to invest.

As a result of this process, we have been able to achieve extraordinary and consistent returns in the most difficult of market conditions, with the minimum of investment risk. The concept of the market-neutral fund has been around in the Australian market place for over a decade, but the ability to achieve sufficient consistency in stock portfolio selection to achieve acceptable returns has been missing. This is where the investment process is critical to the performance of the Fund to date.

Table A

Percentage Returns	
1 month	9.6%
3 months	18.3%
6 months	30.9%
1 year	103.9%
2 year average	n/a
3 year average	n/a
Compounded monthly return since incep.	5.2%
Highest monthly return	42.7%
Negative Months in 1 year	1
Rolling average last 12 months p.a.	103.9%
Cumulative returns since inception	174.8%
Annualised volatility*	10.4%

* Based on the standard deviation of monthly returns.

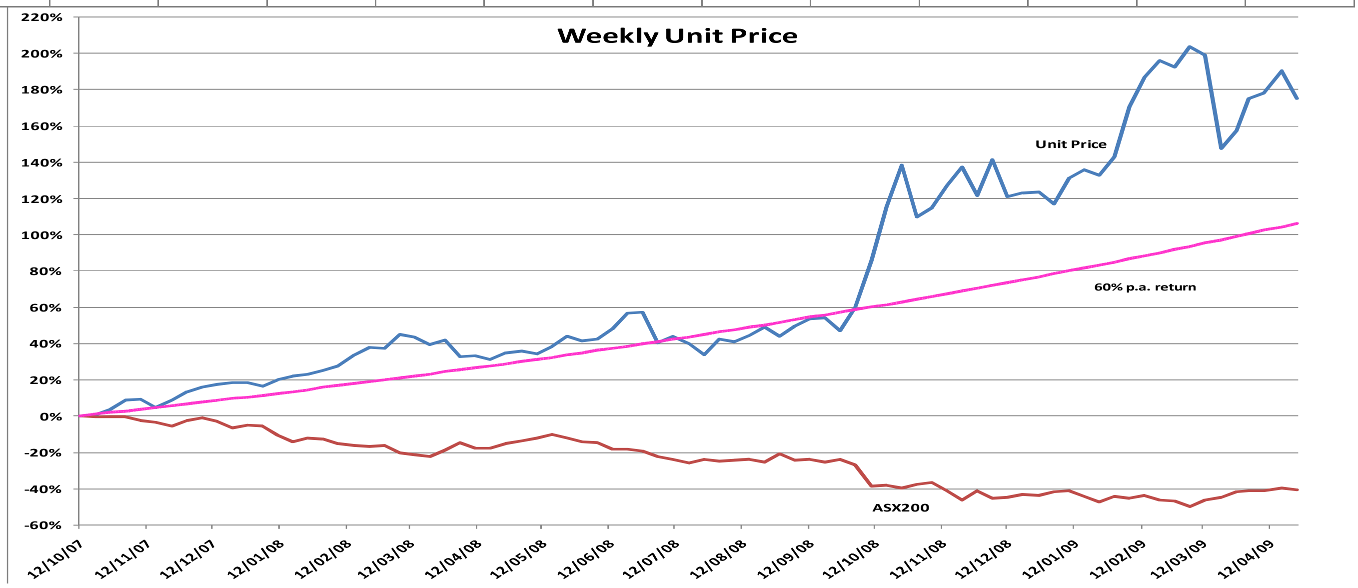
Calculations are based on Thursday's published unit price as per the TAM website.

The Table A calculations have been based upon the application of the investment approach and strategies more particularly set out in our published document titled 'Volume and Momentum Monitor'.

Performance History: % based on gross investment asset values (GAV, monthly)

Class A: Retail *(since inception October 2007, based on pre-distribution NAV)*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2009	8.6%	20.5%	-12.2%									
2008	4.0%	9.2%	0.4%	3.2%	3.8%	0.2%	0.6%	2.3%	3.8%	40.2%	2.8%	1.0%
2007	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	4.6%	12.2%



Declaration: **Titanium Asset Management Limited ASX 200 All-Weather Fund.** Whilst every care has been taken in the preparation of this document by Titanium Asset Management Limited ABN 60 132 768 382, AFSL 331088 and ARSN 134596302, the opinions expressed in this document are simply our opinions based on our observation of the market, which may not necessarily be shared by the reader. This information is supplied for the purposes of providing general advice only, and is not specific advice. It does not take into account your individual objectives, financial situation or needs. The offer to invest in the ASX200 All-Weather Fund ("The Fund") is made in the Product Disclosure Statement ("PDS"). Anyone who wishes to invest in the Fund should read the PDS carefully. and /or consult with your financial advisor. A copy of the PDS may be obtained from your adviser. The ASX200 All-Weather Fund is a registered investment scheme of Titanium Asset Management Limited, AFSL 331088.

Performance Commentary

We mentioned last week that we thought that things were going to get tougher, and unfortunately, we were right. We had our first negative return week in 5 as sentiment again appears to have taken a significant shift. The run in resources stocks from their oversold position is running out of steam, and nerves are starting to re-emerge on finance stocks. At the Index level, the shift has not been as dramatic, with the ASX200 down by 1.7% for the week, and the S&P500 effectively unchanged. However, when we look at the stock volatility, the shift is somewhat more pronounced.

What this suggests is that we are still in a trading market. The moves in both the overall market, and the shifts in sectoral and stock performance in both the US and Australian markets is coming not from significant shifts in potential fundamentals, but more from shifts in short-term trading patterns. As such, things that have had any reasonable run relative to the market are suddenly vulnerable to quick and sharp reversals, either on the up or the downside.

The reason for that is a combination of sharply reduced trading volumes (in all major global markets), an uncertain economic environment, and a shortage of credible corporate outlooks.

Reports from the major Australian brokers suggest that there is very little market activity by the major funds managers (who are generally the main investors), leaving plenty of room for the much more short-term traders. This appears to be the case in the US as well.

Relatively low trading volumes, plus a lack of clear macroeconomic direction, combine to create a market that leaves itself susceptible to being considerably more volatile than is normal. We know that, in the Australian market, average stock volatility relative to the market is running at between 3 and 5 times longer-term averages, and the volatility of the stocks in the ASX200 is now more than twice what it was 12 months ago and 3 times where it was in late 2006.

That makes life fairly difficult for investors, but provides a reasonable environment for short-term traders.

The economic uncertainty remains the key difficulty for the market. Up until the past week, there has been growing optimism that the worst may well be over for the banks in the US, and therefore for the rest of the economy. Not surprisingly, the US government and the Federal Reserve were at the forefront of creating that impression, as well as the CEO's of the major US banks (even while their European counterparts have remained stoically silent).

However, the IMF has now forecast a global contraction for the first time since World War II, even with a forecast of GDP growth for China of 6.5% and a major global fiscal stimulus agreement at the recent G20 meeting.

In terms of the key US banks, concerns are again starting to emerge as the detail of the current "stress-testing" regime by the Federal Reserve has seen the optimism that came from the early results in the current reporting season begin to wane. Not unexpectedly, there has been a major publicity push by US bank managements to paint a relatively rosy picture of the outcome of this process that seems to have more to do with the banks struggling to ensure that they remain independent of an increasingly-regulation oriented government, than it does reflecting the real economic and business environment for the sector. The result is that there is increasing suspicion that the better-than-expected results reported early in the reporting season where not fully reflective of the current environment (read: "wishful thinking"). Unfortunately for the rest of the world, until that issue gets properly sorted out, and the political posturing is removed and economic reality is addressed in the sector, a real economic recovery in the US and the rest of the world is still some way off.

The next week or so will see many of the Australian banks report results that will highlight the differential in the Australian banking environment and that of the rest of the western world. There will be falls in profits, but nothing like the magnitude that is evident elsewhere, and for that, the Australian economy should be particularly grateful. The key reason for that remains the introduction of the Basle II regulatory regime. It is therefore ironic that we have seen complaints that the big banks in Australia are now too strong!! However, it explains why several of the majors have continued to perform extremely well relative to the market over the past 6 months or so, and why we have WBC, CBA and NAB in our Long portfolio.

Apart from the banks, the market remains short on news which is leaving our market a little vulnerable. The next major economic news is the 1st quarter GDP data that is still some way off (early June), although monthly unemployment data will provide some indications. There is still some way to go in the current reporting season in the US, and that will continue to provide some direction, but once that is over, things are likely to go reasonably quiet from a fundamental perspective.

That will reduce the volatility of the overall market, but may well increase the individual stock volatility as the traders are increasingly left to influence the market.

As investors, we are hoping that the individual stock volatility stabilises, but that is difficult to see happening in the medium term. Unfortunately, that leaves us (and all of the other investor-types) having to live with more dramatic ups and downs in individual stock prices than we would like, but unfortunately, that appears to be a current market fact-of-life.

If you would like further information please visit our website at www.titaniumassetmanagement.com.au or by telephoning 1 300 785 276 or email your enquiry to Titanium Asset Management Limited at investments@titaniumassetmanagement.com.au.

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