Titanium Asset Management Limited

Profile March 2 2009

TITANIUM ASSET MANAGEMENT

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	20.5%
3 months	32.1%
6 months	97.6%
1 year	119.3%
2 year average	n/a
3 year average	n/a
Compounded monthly return since incep.	6.9%
Highest monthly return	40.2%
Negative Months in 1 year	None
Rolling average last 12 months p.a.	119.3%
Cumulative returns since inception	192.3%
Annualised volatility*	9.7%

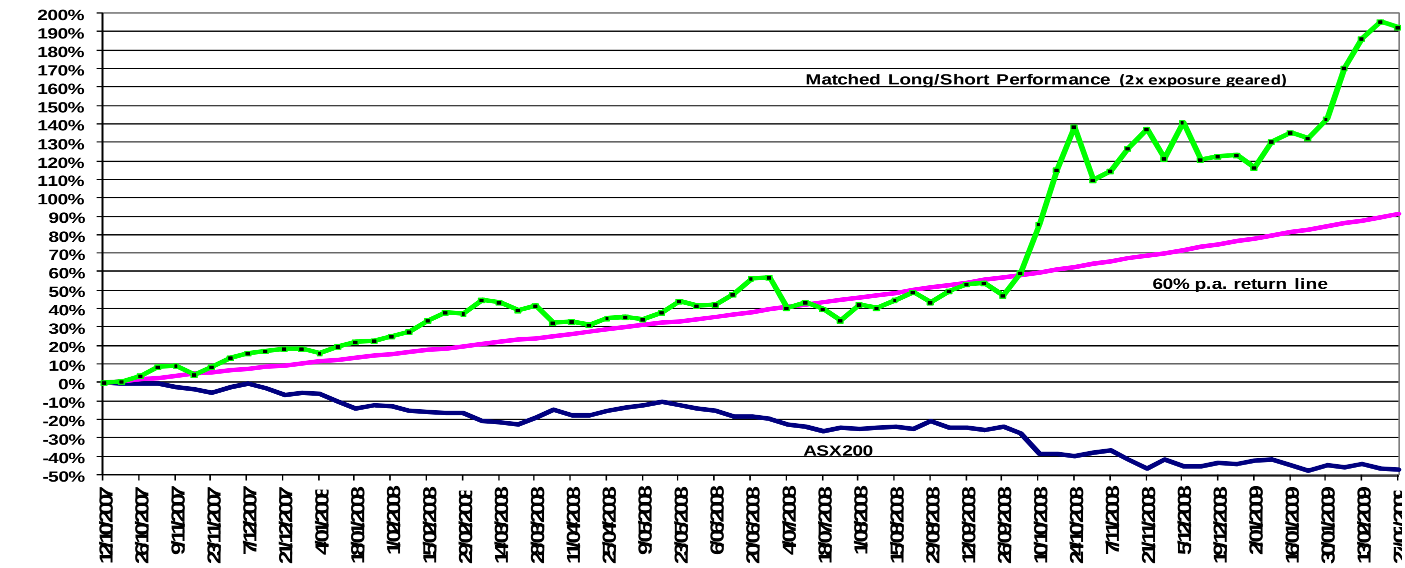
* Based on the standard deviation of monthly returns.

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' and annexed to our PDS.

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

Class A: Retail *(since inception October 2007, based on pre-distribution NAV, distributions exceeded earnings in select periods)*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2009	8.6%											
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%



Performance Commentary

The US market continued its recent dive, falling a further 4.6% this week bringing losses for the S&P500 year-to-date to an astonishing 18.6% after only 8 weeks. Australian market losses were considerably less with a drop of only 1.7% thanks to some surprisingly-reasonable result announcements late in the week.

Our week was a "week of two halves": at the end of Tuesday, we were up by over 6% (our second best two day performance since inception), but by the end of the week, we were down by 1.7% (our worst 3 day performance since inception) as the market was surprised by several interim results announcements. The result was that a number of stocks (many, in our Short Portfolio) jumped by up to 20% in a day, and one or two in our Long Portfolio that went the other way. Stocks such as TOL, SEK, APN, ROC, BPT and ABB surprised on the upside after having underperformed for some time, while disappointment from GFF, AIX and DUE, all hurt us. The fun of Reporting Season in a bear market!!!

The result was our second underperforming week since the start of the year, and the first week that our Short Portfolio has produced negative returns in the past 6 weeks. However, with the reporting season now over until the banks report in April, trading patterns will return to a more "normal" state as far as individual stock positions are concerned.

However, there will be a different tone next week. The announcement on Friday in the US that 4th quarter GDP had been revised from an estimate 3 weeks ago of -3.8%, to an actual of -6.2%, is the biggest revision in 30 years and will send shivers through all global markets; both equity and commodity. Oil has been firmer this week as a result of cuts in OPEC production (which boosted the performance of ROC and BPT), but it is difficult to see that firmness remaining in the face of US GDP numbers like those.

It has to be remembered that the revision is largely as a result of actual reported consumption expenditure and export performance being substantially lower than the official estimates that are only a few weeks old. This tells us that the numbers that result in the revision have been evident in only the last few weeks of the year. This is a period that is generally a good one for retail sales thanks to Xmas spending and final shipped exports that exporters are trying desperately to get away before the 31st December from an accounting perspective. To have the actual numbers in December effectively being sufficiently bad to result in a 2.4% lower overall figure for the quarter is a very bad indicator, and this is a major concern.

As a result, the performance of all markets following that data will be a major indicator for expectations over the next few months, and it is not likely to be good. Whatever else the past 18 months has proven, it has reiterated how important the US economy remains to the rest of the world, regardless of the increased performance of China, India, Japan and Europe, and each of these economies continues to rely on the US as the critical determinant of consumer demand, commodity prices and global economic confidence. As such, this week will be important as to how things go for the next few months.

This is likely to flow through to the Australian market. We will get data on our own 4th quarter GDP performance this week, and while we are unlikely to see data anywhere near as bad as the US, it won't be particularly good. either However, the real fear from a market perspective is that the US data (coupled with what we have seen in the UK and Japan over the past month or so) will make any reasonably good result seem irrelevant in the face of that level of slowing internationally; particularly from a commodity-stock and retail sales perspective.

The other thing which suggests that even a reasonable GDP number will mean little to the market is the obvious fact that the December retail sale season was heavily influenced by sales and inventory destocking in preparation for a bad 1st half of '09. We have seen that illustrated by the high profile job cuts that have happened since the start of the year. As such, retail sales and domestic consumption data for the quarter will be better than might otherwise have been the case.

The likelihood, as well, is that the optimism that resulted from the interim results mentioned above will have trouble holding. As such, apart from updating full year expectations on FY09 profits (which we have adjusted for), many of the stocks that have hurt us this week continue to be retained in the short portfolio, and we are likely to see much of the price moves late in the week that have hurt us reversed, but we will watch it closely.

All in all, it will make for an interesting week.

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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