



# SMARTfund Aggressive Growth OBSR

Short Form Report

Period 03 November 2008 to 03 November 2009

# SMARTfund Aggressive Growth OBSR



## INVESTMENT OBJECTIVE

To provide long term capital growth by investing in growth assets.

## INVESTMENT POLICY

To achieve its investment objectives, the fund will invest in a diversified portfolio of funds and other permitted investments that have a similarly diversified character.

The portfolio will be invested in funds investing in growth assets, such as shares and property, to provide the potential for capital growth.

## RISK PROFILE

This fund's risk profile is high.

## MARKET & FUND REVIEW (PROVIDED BY OBSR)

The fund is fully weighted to equities and the key driver in terms of performance has been the allocation to emerging markets. In this fund the allocation to emerging markets is dominated by regional not global funds and these have delivered pleasing relative and absolute returns over the review period. The bulk of the developed markets exposure performed well against the peer group and relevant benchmarks with the US and Japanese selections particularly noteworthy.

The equity weighting stayed in line with the strategic allocation from day one both in terms of the total allocation and the regional split and here our effort was focused upon building all-weather portfolios which could be opportunistic given the value that had emerged in equity markets but were robust enough to withstand further downside pressure. In the UK, we chose a balance between a core and very blue chip defensive fund in the form of the Invesco Income Fund and the more opportunistic BlackRock UK Dynamic and Rensburg UK Select Growth funds. These weightings were adjusted through the first 12 months with the Invesco Income Fund being continuously reduced in favour of the other funds and by the summer of 2009 being replaced by the AXA Framlington UK Select Opportunities Fund.

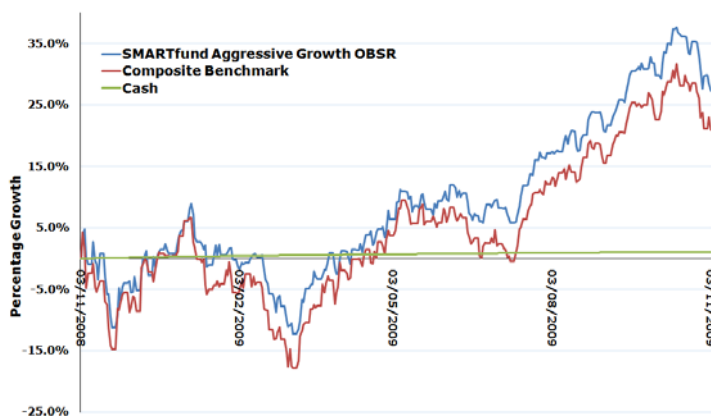
In the US, we again tried to balance risk with opportunity, favouring the Threadneedle American Fund as a core holding but embellishing this with exposure to both Schroder US Mid Cap and AXA Framlington American Growth fund. This decision was beneficial as all of the aforementioned actually beat their dedicated benchmarks over the last 12 months. In Europe, the same blend of risk and opportunity is evident with a core holding in the Cazenove European Fund complemented by holdings in the more opportunistic Jupiter European Special Situations Fund and CF Neptune European Opportunities Fund which comfortably outperformed the peer group and relevant benchmarks over the review period. Without doubt, the sell-off in Japanese equities had been one of the most savage and many stocks were trading on multiples not seen in decades. Our selection in Japan in the form of Invesco Perpetual Japan took advantage of these opportunities and outperformed the peer group and the relevant indexes. The single-region funds have generally performed well and are ahead of relevant benchmarks. The selected emerging regional funds did

well to keep pace with strongly rising markets with the Fidelity South East Asia Fund and Threadneedle Latin American Fund doing particularly well.

## ASSET ALLOCATION REVIEW (PROVIDED BY BARRIE & HIBBERT)

The strategic asset allocation for the Aggressive Growth SMARTfund consists entirely of Equity investments. In broad terms, this represents a globally diversified equity portfolio with a target volatility of approximately 18%. There remains a modest bias to UK equities, reflecting additional exchange rate risk associated with investment in non-UK assets, although this is less pronounced than in the lower risk SMARTfund portfolios.

## PERFORMANCE REVIEW



## Annual Percentage Growth - 03.11.2009

SMARTfund Aggressive Growth OBSR	Composite Benchmark	Cash
27.3%	20.9%	1.1%

PAST PERFORMANCE SHOULD NOT BE SEEN AS A GUIDE TO FUTURE PERFORMANCE

The performance figures above are based on a notional unit issued on the date of inception of the sub-fund, with an initial capital value the same as the minimum investment amount for that fund. The notional unit is based on the AMC including zero (0%) Adviser Charging and therefore reflects performance after all other expenses that would be included in the TER. The red benchmark is a composite of the following ETFs: LYXOR F ALL LYXOR ETF FTSE ALL SHARE (representing UK Equity), iShares S&P 500 (representing US Equity), iShares MSCI Europe ex-UK (representing European Equity), iShares MSCI JAPAN (representing Japan Equity), iShares MSCI Emerging Market (representing Emerging Market Equity) and iShares MSCI Pacific ex-Japan Idx (representing Asia ex Japan Equity). Each of these ETFs has been selected to represent an average market sector performance of an asset class included in the long term strategic asset allocation used to achieve the risk weighting of the fund. The percentage of the composite formed by each ETF is the same as that of the relevant asset class within that strategic asset allocation. The green benchmark represents the performance of cash based on the British Bankers Association - LIBOR 12 Month GBP rate. All data has been obtained from the Telekurs data exchange.

\*Performance data does not exist before the 03 Nov 2008 as the fund had not launched.

*There are no comparative figures for the period as this is the first annual accounting period of the scheme*

**THE VALUE OF INVESTMENTS CAN FALL AS WELL AS RISE – YOU MAY GET BACK LESS THAN YOU PAY IN**

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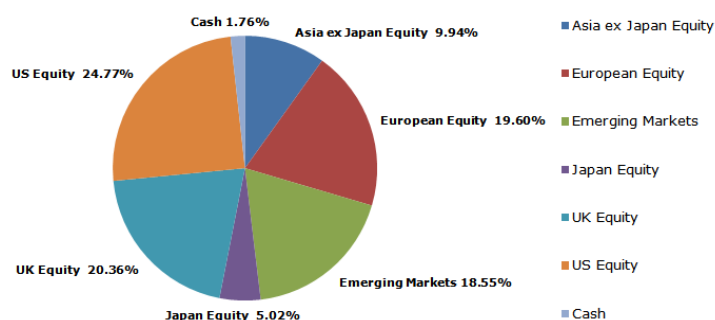
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## TOP 10 SECURITIES (AS AT 03 NOVEMBER 2009)

Security	%
Threadneedle American Fund	9.86
Threadneedle Latin American Fund	8.85
Schroder US Mid Cap Fund	7.96
Jupiter European Special Situations Fund	7.92
Rensburg UK Select Growth Fund	7.80
Blackrock UK Dynamic Fund	7.70
AXA Framlington American Growth Fund	6.95
Cazenove European Fund	6.80
Jupiter Emerging European Opportunities Fund	6.72
Invesco Perpetual Japan Fund	5.02

## ASSET ALLOCATION (AS AT 03 NOVEMBER 2009)



## TOTAL EXPENSE RATIO (TER)

03.11.2009

**Total expense ratio** 2.04%

The TER reflects the annual operating expenses of the SMARTfund to the average daily net asset value of each sub-fund. This does not include any Adviser Charging which is specific to each individual unitholder.

Adviser Charging: the amount of remuneration that the Investor agrees with their Adviser that the Manager will pay the Adviser for services provided.

## NOTIONAL UNITS

You should be aware that units for SMARTfund operate very differently to a conventional unit trust. Units in the SMARTfund Advantage are created and priced uniquely for each unit holder. For further information on how the unit price is calculated, you should refer to the Prospectus. If you have already invested in the SMARTfund you should login to check your own current and historic prices.

The figures below are based on a notional unit issued on the date of inception for the fund, with an initial capital value the same as the minimum investment amount for the fund, i.e. £3,000.00.

### Notional Unit Price and Income

	Highest Price	Lowest Price	Net Income
SMARTfund Aggressive Growth OBSR	£4,129.52	£2,632.77	£17.01

### Net Asset Value for Notional Unit

	03.11.2008	03.11.2009
SMARTfund Aggressive Growth OBSR	£3,000.00	£3,819.10

*There are no comparative figures for the period as this is the first annual accounting period of the scheme*

## Distribution Statement for Notional Unit

Distribution Payment Dates	Distribution Amount (£)
January 2009	3.63
February 2009	3.26
March 2009	3.74
April 2009	0.67
June 2009	0.18
September 2009	2.77
October 2009	2.76

The sub-funds accrue distributions on a daily basis and pay any income available to the unitholder on a monthly basis, three and a half months in arrears. All distributions are paid net of income tax.

## SUB-FUND DETAILS

Fund Manager	SMARTfund Administration Ltd 6 Broad Street Place London, EC2M 7JH
Investment Adviser	OBSR Advisory Services Ltd Scandinavian House 2 Cannon Street London, EC4M 6QQ
Trustee/Depository	HSBC 8 Canada Square Canary Wharf London, E14 5HQ
Auditor	BDO LLP 55 Baker Street London, W1U 7EU
Investment Adviser Start Date	03 November 2008
Fund Launch Date	03 November 2008
Fund Accounting Date - Final	03 November 2009
Fund Currency	GBP
Fund Sector	Unclassified
Fund Type	Authorised Unit Trust
Distribution Policy	Monthly

## OTHER INFORMATION

The information included in this document is designed to enable Investors to make an informed judgement on the activities of the fund during the stated period and the results of those activities at the end of the period. More information regarding these activities and performance of this fund over this period can be obtained from the Manager. The Long Report is available on request from the Manager.

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