



SMARTfund Growth OBSR

Short Report

Period 04 November 2009 to 03 November 2010

INVESTMENT OBJECTIVE

To provide long term capital growth with less fluctuation of returns than "high growth" investment options.

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 investments will be selected to achieve a mix of growth and defensive assets. A greater proportion of the portfolio will be allocated to funds investing in growth assets, such as shares and property and infrastructure securities, to provide the potential for capital growth than to funds investing in defensive assets such as fixed interest and cash.

RISK PROFILE

This fund's risk profile is medium to high.

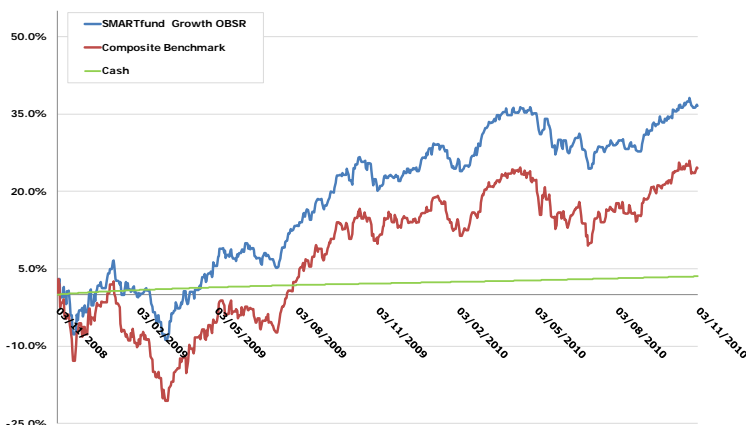
MARKET & FUND REVIEW (PROVIDED BY OBSR)

It has been a positive period for risk based assets with double digit returns being recorded in all instances. There was almost continuous strength in credit and property throughout the period and while equities displayed more volatility, they still provided very positive returns. The Growth portfolio retains a healthy weighting to both property and fixed interest which combined make up approximately 40% of the total portfolio. Both asset classes have seen outsized returns as investors recognised the attraction of the high yield on offer. This coincided with the more general hunt by investors for higher returns than those available from cash. Investment grade credit, which represents the largest single exposure in the portfolio, has seen dramatic returns in the last 12 months, following on from the significant gains posted in 2009. The opportunity set in credit has clearly diminished as nominal yields declined to very low levels and the spread versus government bonds continued to decline. With corporate balance sheets in such robust health there is little reason to anticipate a serious setback for the asset class but the best is past and yield type outcomes are now to be expected. The direct property market witnessed a significant period of growth in the first part of 2010 but this has slowed down as the prime market re-priced to near the 2007 lows. The bulk of property managers expect to see yield type returns moving forward with only limited potential for secondary property to make any capital gains.

Equities saw substantial gains over the year with emerging markets showing particular strength. The bulk of the fund selections added positively over the review period with the notable exceptions of Invesco Perpetual Japan, BlackRock UK Dynamic and Cazenove European. The strategic profiler allocates a relatively modest weighting to Europe which was beneficial as it underperformed. The US and UK are virtually equally weighted in the underlying portfolio and both provided strong double-digit returns.

PERFORMANCE REVIEW

03.11.2008 to 03.11.2010



Performance Table

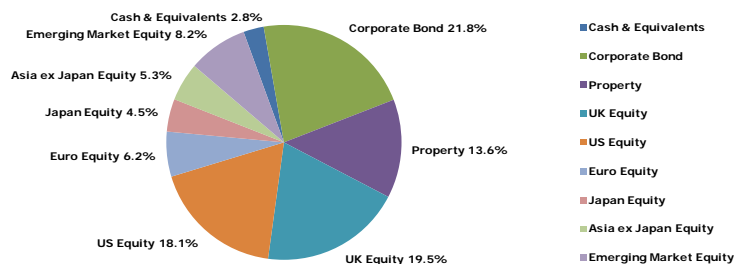
	Growth Strategy	Composite Benchmark	Cash
04.11.2009 to 03.11.2010	12.9%	12.1%	1.4%
03.11.2008 to 03.11.2010	36.6%	24.5%	3.5%

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 ETFs. Each ETF 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.

ASSET ALLOCATION

03.11.2010*



*Calculated as a percentage of total value of investments

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

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TOP 10 SECURITIES

	03.11.2010
Security	% *
M&G Strategic Corporate Bond	9.03
M&G Property Portfolio	8.15
BlackRock UK Dynamic Fund	8.05
Invesco Perpetual Corporate Bond	7.25
Threadneedle American Fund	7.08
JO Hambro UK Equity Fund	6.23
Schroder US Small and Mid Cap	5.99
Henderson Strategic Bond	5.55
Threadneedle UK Property Trust	5.46
AXA Framlington UK Opportunities Fund	5.18

	03.11.2009
Security	% *
Invesco Perpetual Corporate Bond	9.77
M&G Property Portfolio	8.87
Standard Life AAA Income Fund	7.90
Blackrock UK Dynamic Fund	7.63
Threadneedle American Fund	6.85
Invesco Perpetual UK 2 Income Fund	6.28
Threadneedle UK Property Trust	6.02
Henderson Strategic Bond	5.96
Schroder US Mid Cap Fund	5.91
Invesco Perpetual Japan Fund	4.99

*Calculated as a percentage of Net Asset Value

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/Depositary	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 2010
Fund Currency	GBP
Fund Sector	Unclassified
Fund Type	Authorised Unit Trust
Distribution Policy	Monthly

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

	Highest Price	Lowest Price
04.11.2009 to 03.11.2010	£4,142.77	£3,612.12
03.11.2008 to 03.11.2010	£4,142.77	£2,738.04

Net Asset Value for Notional Unit

	03.11.2010	03.11.2009
	£4,099.05	£3,631.39

Distribution Statement for Notional Unit

Distribution Payment Dates	Distribution Amount (£)
25 February 2010	21.64
12 May 2010	10.25
15 June 2010	0.79
20 July 2010	3.12
24 August 2010	7.96
21 September 2010	11.63
15 October 2010	0.07
17 January 2011	12.45
Net Income	67.91

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

TOTAL EXPENSE RATIO (TER)

	03.11.2010
Annualised TER	1.21%
Annualised Synthetic TER	1.95%

The Annualised TER reflects the annual operating expenses of the SMARTfund to the average daily net asset value of each sub-fund. The Annualised Synthetic TER incorporates the TERs of the underlying funds held within each sub-fund. These figures have been calculated on the basis of an AMC for the SMARTfund which does not include any Adviser Charging. Adviser Charging is specific to each individual unitholder and is included as a component within the AMC for that unit holder.

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

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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