



SMARTfund Growth OBSR

Short Report

Report for 04 November 2010 to 03 May 2011

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.

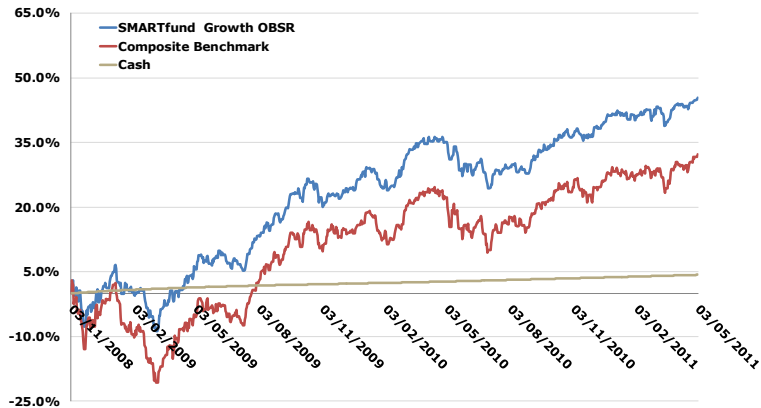
MARKET & FUND REVIEW (PROVIDED BY OBSR)

It has been a positive period for risk based assets with equities leading returns across the board. Investment grade bonds were relatively subdued as nominal bond yields reached new lows for this credit cycle and although spreads continued to narrow the nominal level actually rose from the lows seen in Q4 detracting from overall returns. Equities produced strong gains over the review period driven by developed markets, while emerging markets lagged on concerns over monetary tightening and slowing growth. The gains for property were consistent with the modest return we anticipate for the asset class given how far property bond yields have compressed.

Investment grade credit displayed more pedestrian returns as anticipated given the outsized returns that we have witnessed since March 2009. The driver of returns in credit, have largely been confined to financial bonds and exposure to high yield over this period. Many of the selected funds have struggled as they are underweight or have limited exposure to these areas. The prospects for corporate bonds may have diminished but the strength of corporate balance sheets combined with a relatively benign economic backdrop leaves the asset class dull but worthy. The equity markets have driven the returns for the portfolio over the review period as investors concerns over the Greek debt crisis and a reassessment of the scale of the global economic slowdown eased. US equities produced a strong return in Sterling terms with the bulk of the selected US funds significantly outperforming the benchmark. The UK was a relative laggard although our fund selections outperformed the benchmark in aggregate. The emerging markets were a relatively weak spot, although the selected funds in aggregate outperformed the underlying benchmark. The Asian selections were a particular bright spot, with both the Investec Asia ex Japan and Fidelity South East Asia Fund outperforming. The weakest selection was in Europe where the Cazenove European fund continues to struggle. However, the fund has been outperforming in the most recent period and we maintain our conviction in the manager.

PERFORMANCE REVIEW

03.11.2008 to 03.05.2011



	SMARTfund Growth OBSR	Composite Benchmark	Cash
6 months to 03.05.2011	6.5%	6.2%	0.8%
12 months to 03.05.2011	7.7%	8.2%	1.5%
Inception to 03.05.2011	45.5%	32.3%	4.3%

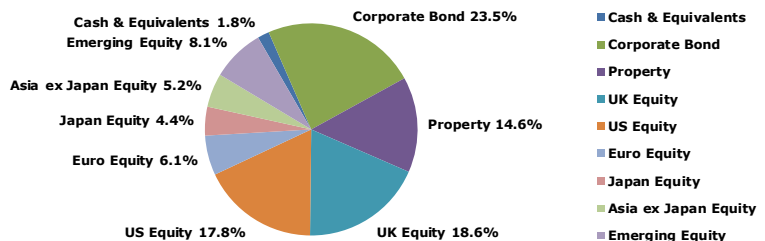
PAST PERFORMANCE SHOULD NOT BE SEEN AS A GUIDE TO FUTURE PERFORMANCE

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.

ASSET ALLOCATION

03.05.2011*



*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

SMARTfund Administration Ltd (6016828) is registered in England at 6 Broad Street Place, EC2M 7JH and is authorised and regulated by the Financial Services Authority under ref. 463566. Reference in this document to specific securities should not be construed as a recommendation to buy or sell these securities, but is included for the purposes of illustration only. Investors should also note that the views expressed may no longer be current and may have already been acted upon by the Investment Adviser and/or Manager. The investment service may not be suitable for all Investors and if you have any doubts you should contact your Financial Adviser. The full prospectus for this fund is available on request or at www.smartfund.co.uk. ph: 0844 801 0700

TOP 10 SECURITIES

	03.05.2011
Security	%*
M&G Strategic Corporate Bond	10.01
M&G Property Portfolio	8.69
BlackRock UK Dynamic Fund	7.72
Invesco Perpetual Corporate Bond	7.70
Threadneedle American Fund	6.92
Schroder US Small and Mid Cap	5.97
JO Hambro UK Equity Fund	5.97
Threadneedle UK Property Trust	5.86
Henderson Strategic Bond	5.84
AXA Framlington UK Opportunities Fund	4.94

	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

*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 2011
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 and Income

	Highest Price	Lowest Price
6 months to 03.05.2011	£4,365.00	£4,061.81
03.11.08 to 03.05.2011	£4,365.00	£2,738.04

Net Asset Value for Notional Unit

	03.05.2011	03.11.2010
	£4,365.00	£4,099.13

Distribution Statement for Notional Unit

Distribution Payment Dates	Distribution Amount (£)
February 2011	3.89
April 2011	6.97
May 2011	9.51
Net Income	20.37

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.

TOTAL EXPENSE RATIO (TER)

	03.05.2011
Annualised TER	1.10%
Annualised Synthetic TER	2.01%

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.

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

SMARTfund Administration Ltd (6016828) is registered in England at 6 Broad Street Place, EC2M 7JH and is authorised and regulated by the Financial Services Authority under ref. 463566. Reference in this document to specific securities should not be construed as a recommendation to buy or sell these securities, but is included for the purposes of illustration only. Investors should also note that the views expressed may no longer be current and may have already been acted upon by the Investment Adviser and/or Manager. The investment service may not be suitable for all Investors and if you have any doubts you should contact your Financial Adviser. The full prospectus for this fund is available on request or at www.smartfund.co.uk. ph: 0844 801 0700



SMARTfund Administration Limited
6 Broad Street Place, London, EC2M 7JH

Tel: 0844 801 0700 Fax: 020 7562 2451
www.smartfund.co.uk

**Authorised and regulated by the Financial Services Authority
whose address is 25 The North Colonnade, Canary Wharf, London E14 5HS.**