

WHAT ARE THE MANAGED PORTFOLIOS FROM OBSR?

The Managed Portfolios from OBSR are a range of five funds designed to actively target and maintain different levels of risk to suit investors with different risk and return requirements. By consistently targeting defined levels of risk, advisers are more easily able to identify which strategy may be appropriate for an Investor's appetite for risk and investment objectives.

MANAGEMENT PROCESS

- Barrie & Hibbert provide SMARTfund Administration with risk analysis on the five strategies allowing them to set the Strategic Asset Allocation to target defined levels of volatility over the medium term which can be matched to an investor's appetite for risk.
- OBSR then selects the funds which they believe are the most appropriate, given the intended risk and return profile of the SMARTfunds and the current market trends.

OBSR ADVISORY SERVICES LTD

OBSR's research philosophy and approach is not only long-established but is also developing over time in order that it remains robust and relevant in an ever changing industry. OBSR's research is respected by fund managers, product providers and professional intermediaries alike, with OBSR Fund Ratings widely acknowledged as an independent mark of quality.

OBSR's philosophy is grounded in the belief that a qualitative approach is critical to providing forward-looking research and opinions. OBSR believe that a qualitative understanding of a manager, gained through face-to-face meetings, is the only way to understand how a fund is managed, what it sets out to achieve and the prospects of those objectives being met in the future.

BARRIE & HIBBERT

Barrie & Hibbert's asset and product modelling capability has been developed over the last 13 years resulting in their becoming a global market leader in stochastic asset modelling services.

Barrie & Hibbert's primary focus is the identification, quantification and management of financial risk in savings and investment products, institutional portfolios and life and pensions balance sheets. They have developed a powerful library of financial models that can be used to understand the complicated joint financial relationships that drive uncertainty in long-term financial plans.

Collectively their staff of leading academics, quantitative analysts, actuaries and software engineers offer a depth and breadth of expertise combined with an unrivalled track record of experience in implementing risk solution for financial institutions around the world.

FUND DETAILS

Fund Manager	SMARTfund Administration Ltd
Manager's Details	6 Broad Street Place London EC2M 7JH
Investment Adviser	OBSR Advisory Services Ltd
Depository/Trustee	HSBC Bank Plc
Investment Adviser Start Date	June 2009
Fund Launch Date	June 2009
Fund Currency	GBP
Fund Sector	Unclassified
Fund Type	Authorised Unit Trust
Minimum Initial	£3,000
Minimum Additional	£500 (£250 for regular payments)
Pricing Method	Forward
Pricing Times	17.30
Dealing Frequency	Daily
Distribution Policy	Monthly

INVESTMENT OPPORTUNITIES

- Unit Trust
- ISA
- ISA Transfer
- SIPP (via 3rd party links)
- Offshore Bonds (via 3rd party links)

The Informed SMARTfunds are available within a wide range of Life and Pension products, both onshore and offshore. For full details, please contact SMARTfund Administration.

CONTACT US

If you would like to find out about how to invest into these funds please contact us at:-

Telephone: 0844 801 0700
Website: www.smartfund.co.uk/informed
Email: sales@praemium.com

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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/informed ph: 0844 801 0700

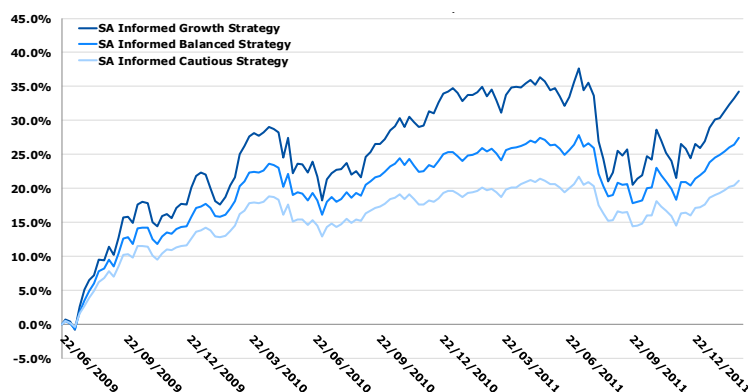
FUND OVERVIEW (PROVIDED BY OBSR)

Since December 2011, equity and credit markets have enjoyed a marked upswing from the lows they reached in the wake of the sharp downturn in the third quarter of 2011 and subsequent elevated volatility. While the eurozone sovereign debt crisis is far from resolved, investors have responded positively to clear evidence that there is a political will to avert a systemic crisis in the financial system. A key moment, although one that did not appear to be immediately recognised by investors, was the ECB's three-year long-term refinancing operation (LTRO) in December. This programme was seen to address the risk to the European banking system while also indirectly providing much-needed liquidity to non-core government bond markets. Unexpectedly strong US economic data further contributed to improving investor sentiment.

The resulting rally was led by assets and sectors perceived to be riskier; hence equities and high yield bonds performed particularly well with especially strong performance from higher-beta parts of these markets. In contrast, returns from gilts and defensive equity sectors have been robust but relatively anaemic. At the regional level, the risk trade was again in evidence as emerging markets significantly outperformed their developed counterparts.

It seems clear that the most extreme tail risks to capital markets have been alleviated by the progress made with respect to the eurozone debt crisis and high-quality equities still appear to offer long-term value. It is nevertheless difficult to envisage a continuation of the benign, positive market conditions in an environment of widespread deleveraging, high levels of government debt and ongoing problems in the eurozone, not to mention the shorter-term risks posed by more mixed recent US data and geopolitical tensions in the Middle East. As the rally narrows and traded volumes continue to fall, there is therefore the potential for a moderate correction, notwithstanding the probability that many investors are seeking to add risk on weakness.

PERFORMANCE (INCEPTION TO 29 FEBRUARY 2012)



	Q4 2010 – Q4 2011*	Q4 2009 – Q4 2010*	Q4 2008 – Q4 2009*	Q4 2007 – Q4 2008*	Q4 2006 – Q4 2007*
Growth	-6.1%	10.2%	-	-	-
Balanced	-2.6%	7.0%	-	-	-
Cautious	-1.9%	5.3%	-	-	-

*percentage growth for the 12 month period up to the end of the full quarter

The annualised volatility and performance figures above are based on the total investor returns from 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 of £3,000. The notional unit is based on the AMC of 1.40% and reflects performance after all other expenses that would be included in the TER.

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

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INVESTMENT OBJECTIVE

To provide relatively stable returns over the medium term with the potential for some long-term capital growth.

INVESTMENT POLICY

To achieve the investment objective, the Sub-Fund will invest in a diversified portfolio of funds and other permitted investments that have a similarly diversified character.

The portfolio will be comprised predominantly of Cash, Fixed Interest Securities, Equities and Property funds.

RISK PROFILE

This fund's risk profile is low to medium.

SUB-FUND DETAILS

Fund Manager	SMARTfund Administration Ltd
Investment Adviser	OBSR Advisory Services Ltd
Number of Holdings	17
Fund Type	Authorised Unit Trust
Initial Charge	0.5% + Adviser Charging*
Switching Charge	0%
Exit Charge	0%
Annual Management Charge	0.65% + Adviser Charging*

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

FUND COMMENTARY (PROVIDED BY OBSR)

The Cautious Portfolio delivered a strongly positive return over the three months to the end of February, with fund selection adding value in aggregate relative to both the underlying benchmarks and the relevant IMA sectors.

The highest sector weighting in the Barrie & Hibbert asset allocation is to corporate bonds, which continued to deliver positive performance over the period. As investor sentiment improved, however, the sector was increasingly underpinned by spread tightening rather than strength from gilts. Spread levels remain reasonably wide and continue to offer the potential for further tightening given the financial health of many companies. However, investors should expect only moderate total returns from here given the low level of nominal yields now available on corporate bonds. Property is also a material weighting in the Portfolio and the outlook for the asset class appears to be deteriorating as prime properties appear fully valued and yields on secondary properties remain under pressure. At best, property appears to offer the potential for very modest total returns underpinned by the income element.

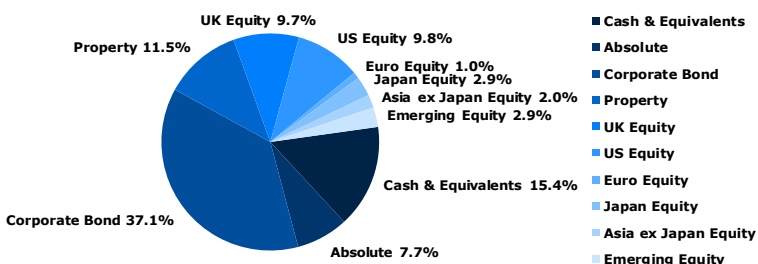
From a fund selection perspective, the outperformance over the period was mainly attributable to strength from the corporate bond, UK equity and UK equity fund blends, which form the larger non-property allocations in the Portfolio. Not only were all supported by a strong rebound from funds that underperformed during the downturn in third quarter of 2011, for example Invesco Perpetual Corporate Bond, but some of the stronger performers from 2011, such as M&G Strategic Corporate Bond and Threadneedle American, also continued to deliver robust returns.

TOP TEN SECURITIES

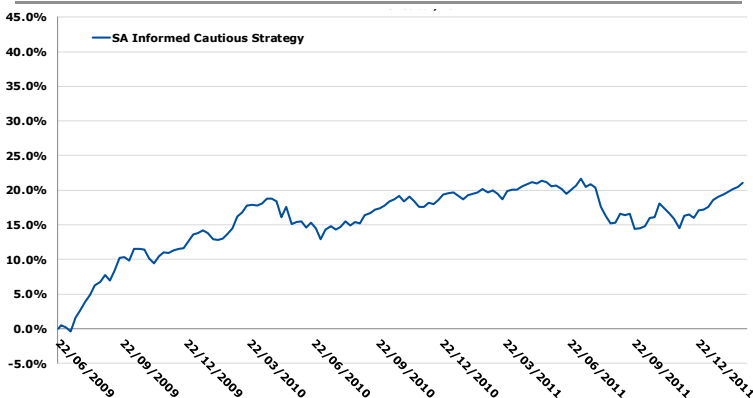
	(%)
Fidelity MoneyBuilder Income	14.68
M&G Strategic Corporate Bond	11.74
Invesco Perpetual Corporate Bond	10.72
Insight Absolute UK Equity Market Neutral	7.72
M&G Property Portfolio	6.73
Fidelity Cash Fund	6.74
Threadneedle American Fund	5.90
BlackRock UK Fund	5.85
Legal & General Cash Trust	5.78
Threadneedle UK Property Trust	4.78

As at 29 February 2012 The actual investment held by the fund at any other date may differ. Once invested, both Adviser and Investor can logon to the SMARTfund Platform to view an up-to-date list of notionally allocated holdings.

ASSET ALLOCATION (AT 29 FEBRUARY 2012)



PERFORMANCE (INCEPTION TO 29 FEBRUARY 2012)



Year on Year Percentage Growth

	Cautious Strategy	Cash
Inception to 29.02.2012	21.4%	4.1%

Annualised volatility of investor returns since inception

Inception to 29.02.2012	4.7%	0.1%
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The performance and volatility figures above are based on the total investor returns from 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 bears an AMC of 1.40% (being the rate of AMC that applied when the fund was launched with a zero Adviser Charging element) and reflects performance after all expenses that would be included in the TER and with all income reinvested. The element of AMC for new investors that is not investor specific and agreed between the investor and their IFA has since been reduced to 0.65%. Accordingly a new investor that agreed Adviser Charging of 0.75% would have an AMC rate and TER equivalent to that of the notional unit. The cash 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 22 June 2009 as the fund had not launched

INVESTMENT OBJECTIVE

To provide a balance of income and capital growth over the medium to long term.

INVESTMENT POLICY

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

The portfolio will be comprised predominantly of Cash, Fixed Interest Securities, Equities and Property funds. The allocation of the portfolio will be approximately balanced between, on the one hand, funds investing in growth assets, such as shares and property, to provide the potential for capital growth and, on the other, funds investing in defensive assets such as fixed interest securities and cash.

RISK PROFILE

This fund's risk profile is medium.

SUB-FUND DETAILS

Fund Manager	SMARTfund Administration Ltd
Investment Adviser	OBSR Advisory Services Ltd
Number of Holdings	16
Fund Type	Authorised Unit Trust
Initial Charge	0.5% + Adviser Charging*
Switching Charge	0%
Exit Charge	0%
Annual Management Charge	0.65% + Adviser Charging*

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

FUND COMMENTARY (PROVIDED BY OBSR)

The Balanced Portfolio delivered a strongly positive return over the three months to the end of February, with fund selection adding value in aggregate relative to both the underlying benchmarks and the relevant IMA sectors.

The highest sector weighting in the Barrie & Hibbert asset allocation is to corporate bonds, which comprise almost half the Portfolio and continued to deliver positive performance over the period. As investor sentiment improved, however, the sector was increasingly underpinned by spread tightening rather than strength from gilts. Spread levels remain reasonably wide and continue to offer the potential for further tightening given the financial health of many companies. However, investors should expect only moderate total returns from here given the low level of nominal yields now available on corporate bonds. Property is also a material weighting in the Portfolio and the outlook for the asset class appears to be deteriorating as prime properties appear fully valued and yields on secondary properties remain under pressure. At best, property appears to offer the potential for very modest total returns underpinned by the income element.

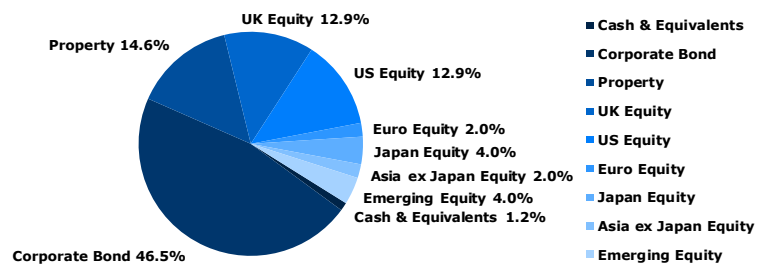
From a fund selection perspective, the outperformance over the period was mainly attributable to strength from the corporate bond, UK equity and UK equity fund blends, which form the larger non-property allocations in the Portfolio. Not only were all supported by a strong rebound from funds that underperformed during the downturn in third quarter of 2011, for example Invesco Perpetual Corporate Bond and M&G American, but some of the stronger performers from 2011, such as M&G Strategic Corporate Bond and AXA Framlington UK Select Opportunities, also continued to deliver robust returns.

TOP TEN SECURITIES

	(%)
Fidelity MoneyBuilder Income	14.88
M&G Strategic Corporate Bond	13.87
Invesco Perpetual Corporate Bond	12.84
M&G Property Portfolio	8.76
Threadneedle American Fund	5.98
Threadneedle UK Property Trust	5.82
BlackRock UK Fund	4.94
Henderson Strategic Bond	4.93
AXA Framlington UK Opportunities Fund	4.05
Schroder Tokyo Fund	3.97

As at 29 February 2012 The actual investment held by the fund at any other date may differ. Once invested, both Adviser and Investor can log on to the SMARTfund Platform to view an up-to-date list of notionally allocated holdings.

ASSET ALLOCATION (AT 29 FEBRUARY 2012)



PERFORMANCE (INCEPTION TO 29 FEBRUARY 2012)



Year on Year Percentage Growth

	Balanced Strategy	Cash
Inception to 29.02.2012	27.7%	4.1%

Annualised volatility of investor returns since inception

Inception to 29.02.2012	6.0%	0.1%
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The performance and volatility figures above are based on the total investor returns from 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 bears an AMC of 1.40% (being the rate of AMC that applied when the fund was launched with a zero Adviser Charging element) and reflects performance after all expenses that would be included in the TER and with all income reinvested. The element of AMC for new investors that is not investor specific and agreed between the investor and their IFA has since been reduced to 0.65%. Accordingly a new investor that agreed Adviser Charging of 0.75% would have an AMC rate and TER equivalent to that of the notional unit. The cash 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 22 June 2009 as the fund had not launched

INVESTMENT OBJECTIVE

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

INVESTMENT POLICY

To achieve the investment objectives, the Sub-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 medium to high.

SUB-FUND DETAILS

Fund Manager	SMARTfund Administration Ltd
Investment Adviser	OBSR Advisory Services Ltd
Number of Holdings	18
Fund Type	Authorised Unit Trust
Initial Charge	0.5% + Adviser Charging*
Switching Charge	0%
Exit Charge	0%
Annual Management Charge	0.65% + Adviser Charging*

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

FUND COMMENTARY (PROVIDED BY OBSR)

The Growth Portfolio delivered a strongly positive return over the three months to the end of February, with fund selection adding value in aggregate relative to both the underlying benchmarks and the relevant IMA sectors.

The Barrie & Hibbert asset allocation incorporates a meaningful allocation to corporate bonds, which continued to deliver positive performance over the period. As investor sentiment improved, however, the sector was increasingly underpinned by spread tightening rather than strength from gilts. Spread levels remain reasonably wide and continue to offer the potential for further tightening given the financial health of many companies. However, investors should expect only moderate total returns from here given the low level of nominal yields now available on corporate bonds. Equities are also a large part of the portfolio and it therefore benefited from strong stock market performance. The exposures to Asia and emerging markets were particularly helpful as these regions significantly outperformed amidst the recovery in global capital markets. Property is also a material weighting in the Portfolio and the outlook for the asset class appears to be deteriorating as prime properties appear fully valued and yields on secondary properties remain under pressure. At best, property appears to offer the potential for very modest total returns underpinned by the income element.

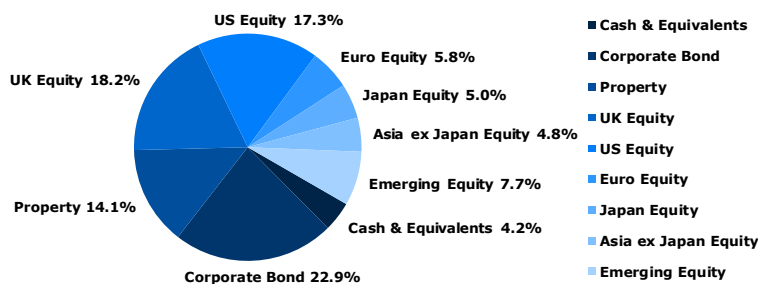
From a fund selection perspective, the outperformance over the period was mainly attributable to strength from the corporate bond and developed market equity fund blends. Not only were all supported by a strong rebound from funds that underperformed during the downturn in third quarter of 2011, for example Invesco Perpetual Corporate Bond and Invesco Perpetual Japan, but some of the stronger performers from 2011, such as M&G Strategic Corporate Bond, AXA Framlington UK Select Opportunities and Schroder Tokyo, also continued to deliver robust returns.

TOP TEN SECURITIES

	(%)
M&G Strategic Corporate Bond	11.49
M&G Property Portfolio	8.47
BlackRock UK Fund	7.64
Threadneedle American Fund	6.73
Invesco Perpetual Corporate Bond	6.68
JO Hambro UK Equity Fund	5.73
Schroder US Mid Cap	5.69
Threadneedle UK Property Trust	5.63
Invesco Perpetual Japan Fund	4.95
AXA Framlington UK Opportunities Fund	4.88

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ASSET ALLOCATION (AT 29 FEBRUARY 2012)



PERFORMANCE (INCEPTION TO 29 FEBRUARY 2012)



Year on Year Percentage Growth

	Growth Strategy	Cash
Inception to 29.02.2012	34.6%	4.1%

Annualised volatility of investor returns since inception

Inception to 29.02.2012	9.5%	0.1%
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*Performance data does not exist before the 22 June 2009 as the fund had not launched