



SA Informed Balanced Strategy

Short Report

Period 22 June 2010 to 21 June 2011

INVESTMENT OBJECTIVE

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

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 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.

MARKET & FUND REVIEW (PROVIDED BY OBSR)

It was a positive period for risk based assets with developed market equities leading returns. Investment grade bonds, the largest single weighting in the portfolio, were solidly positive as nominal bond yields fell to new lows for this credit cycle, despite a brief period of negative total returns from the asset class in the fourth quarter of 2010 as the impact of rising government bond yields outweighed credit spread compression. Fund selection was positive in the asset class.

Commercial property continued to deliver positive but slowing capital gains as investors continued to move into income producing assets. The prime property sector has seen a significant rerating in the last 18 months and the likes of London West End locations have revisited previous yield lows. The only real scope for capital gains is a rerating of better quality secondary property, the scope for which is limited against a still difficult economic background in the UK; as such we still see a yield-type outcome as the year progresses. The property fund selections continued to underperform their benchmarks and were in fact the key area of underperformance over the period; the past 18 months have been a challenging part of the cycle over which to outperform the IPD index. As an index comprising thousands of physical properties, it cannot be fully or partially replicated in the same way as equity managers can hold index constituents – every property is different – and this makes the dynamic of analysing and managing property funds relatively challenging. Moreover, the IPD is a fully-invested index that does not incorporate transaction costs. Over the recovery part of the cycle, this gives it a natural advantage over funds that typically seek to hold a 10-20% cash cushion to provide for potential outflows given that the liquidity of commercial property holdings does not match the daily liquidity offered to investors. 2009-11 has been a time of significant inflows to the sector and this has provided a further headwind both because of the transaction costs entailed in buying properties to invest inflows and because they often result in abnormally high cash weightings while new purchases are negotiated.

Equities were led by developed markets, which broadly benefited from a robust economic outlook, at least until the very end of the period, and the perception that valuations were cheap. In contrast, emerging markets lagged during the first half of 2011 on concerns over monetary tightening and slowing growth. Within equities, the small weighting in Japan delivered comfortably the weakest performance in absolute terms as the market fell sharply in the wake of the earthquake and subsequent nuclear disaster. One of the largest equity exposures is to the UK, which

performed well in aggregate due to strong performance from both AXA Framlington UK Select Opportunities and JOHCM UK Equity Income, the latter having been added to the blend early in the period. North America is the other key equity position and was slightly weaker due mainly to underperformance from M&G American, which can deliver relatively lumpy returns and suffered from underperformance from the recovery stocks in the portfolio.

PERFORMANCE REVIEW

22.06.2009 to 21.06.2011



Performance Table

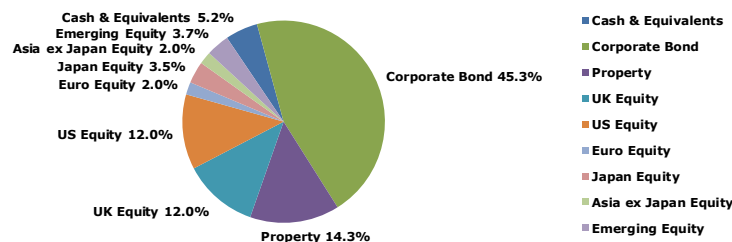
	Balanced Strategy	Composite Benchmark	Cash
22.06.2010 to 21.06.2011	4.3%	7.3%	1.5%
Inception to 21.06.2011	25.0%	28.8%	2.8%

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.

ASSET ALLOCATION

21.06.2011*



*Calculated as a percentage of total value of investment

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

Security	%*
21.06.2011	
Fidelity MoneyBuilder Income	14.57
M&G Strategic Corporate Bond	13.64
Invesco Perpetual Corporate Bond	12.29
M&G Property Portfolio	8.58
Threadneedle American Fund	5.68
Threadneedle UK Property Trust	5.67
Henderson Strategic Bond	4.79
BlackRock UK Dynamic Fund	4.49
AXA Framlington UK Opportunities Fund	3.75
JO Hambro UK Equity Income Fund	3.72
21.06.2010	
Fidelity MoneyBuilder Income	14.25
M&G Strategic Corporate Bond	13.31
Invesco Perpetual Corporate Bond	12.40
M&G Property Portfolio	8.81
Threadneedle American Fund	5.91
Threadneedle UK Property Trust	5.79
BlackRock UK Dynamic Fund	4.93
Henderson Strategic Bond	4.75
Gartmore Emerging Markets Opportunities Fund	4.05
AXA Framlington UK Opportunities Fund	3.98

*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	22 June 2009
Fund Launch Date	22 June 2009
Fund Accounting Date - Final	21 June 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 Informed SMARTfund 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
22.06.2010 to 21.06.2011	£3,824.58	£3,481.37
Inception to 21.06.2011	£3,824.58	£2,976.71

Net Asset Value for Notional Unit

	21.06.2011	21.06.2010
	£3,750.11	£3,594.18

Distribution Statement for Notional Unit

Distribution Payment Dates	Distribution Amount (£)
September 2010	8.94
October 2010	1.41
Final Distribution	5.97
Net Income	16.32

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

TOTAL EXPENSE RATIO (TER)

	21.06.2011
Annualised TER	1.55%
Annualised Synthetic TER	2.36%

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. In particular, the Long Report, contains the Directors' Statement and Reports of the Trustee and independent auditor and includes the statement that "during the course of our reviews we have made a number of recommendations regarding the systems and controls relating to internal compliance arrangements of SA Informed SMARTfund. The Trustee has requested the manager to take appropriate remedial action and has been monitoring progress/resolution of the work the manager has been actively pursuing". The Long Report is available on request from the Manager.

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