



SA Informed Growth Strategy

Short Report

Period 22 June 2010 to 21 June 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 was a positive period for risk based assets with developed market equities leading returns. They 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. The selection of Invesco Perpetual Japan in the region was also painful as the manager's high-conviction, valuation-driven approach has led him to make significant investments in underperforming parts of the market, for example financials. 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 here fund selection was also positive.

Investment grade bonds are also an important weighting in the portfolio and 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 also added value in the sector, with Henderson Strategic Bond, a relatively small weighting in the blend due to its higher-risk nature, benefiting from a supportive environment for its large overweights in riskier high yield and junior bank paper.

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.

PERFORMANCE REVIEW

22.06.2009 TO 21.06.2011



Performance Table

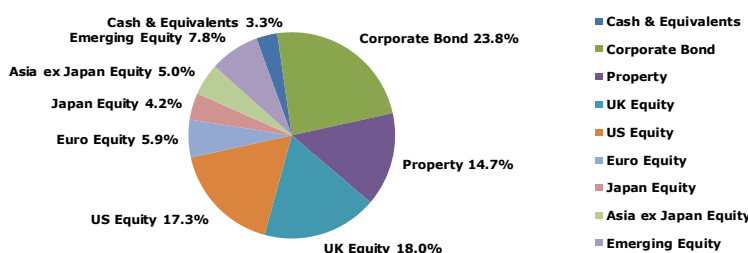
| | Growth Strategy | Composite Benchmark | Cash |
|---------------------------------|-----------------|---------------------|------|
| 22.06.2010 to 21.06.2011 | 6.2% | 9.3% | 1.5% |
| Inception to 21.06.2011 | 32.4% | 37.4% | 2.8% |

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 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

| Security | %* |
|---------------------------------------|-------|
| 21.06.2011 | |
| M&G Strategic Corporate Bond | 10.06 |
| M&G Property Portfolio | 8.85 |
| Invesco Perpetual Corporate Bond | 7.78 |
| BlackRock UK Dynamic Fund | 7.36 |
| Threadneedle American Fund | 6.85 |
| Henderson Strategic Bond | 5.95 |
| Threadneedle UK Property Trust | 5.85 |
| JO Hambro UK Equity Income Fund | 5.80 |
| Schroder US Small and Mid Cap | 5.77 |
| AXA Framlington UK Opportunities Fund | 4.86 |
| 21.06.2010 | |
| M&G Strategic Corporate Bond | 9.53 |
| M&G Property Portfolio | 8.80 |
| BlackRock UK Dynamic Fund | 7.89 |
| Invesco Perpetual Corporate Bond | 7.65 |
| Threadneedle American Fund | 6.89 |
| Rensburg UK Select Growth | 5.87 |
| Schroder US Mid Cap Fund | 5.82 |
| Threadneedle UK Property Trust | 5.80 |
| Henderson Strategic Bond | 5.70 |
| AXA Framlington UK Opportunities Fund | 4.98 |

*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/Depository | 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 | £4,098.84 | £3,546.02 |
| Inception to 21.06.2011 | £4,098.84 | £2,965.71 |

Net Asset Value for Notional Unit

| | 21.06.2011 | 21.06.2010 |
|--|------------|------------|
| | £3,972.75 | £3,741.99 |

Distribution Statement for Notional Unit

| Distribution Payment Dates | Distribution Amount (£) |
|----------------------------|-------------------------|
| September 2010 | 6.01 |
| October 2010 | 0.21 |
| February 2011 | 0.80 |
| April 2011 | 7.18 |
| Net Income | 14.20 |

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 | 2.46% |

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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**Authorised and regulated by the Financial Services Authority
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