



THE SUPERVISED FUND

The Supervised Fund
Performance Fact sheet
31 March 2011

Key Facts

APIR SIA0002AU

Fund Commencement	1 st December 2007
Legal Structure	Wholesale Managed Investment Trust
Investment horizon	Recommended 3 – 5 years plus.
Benchmark	RBA Cash Rate + 1.00%
Base currency	Australian Dollar
Distribution Policy	Annual; interest and capital gain receipts
Dealing Day for Fund Redemptions	Last Business Day of Every Month
Entry Fee	Nil
Exit Fee	Nil
Management Fee	1.25%pa
Performance Fee	20% (plus GST) of any return above the Benchmark subject to an annual high water mark
Minimum Investment	AUD 100,000.00
Additional Investment	AUD 100,000.00

Fund Objective

The objective of The Supervised Fund (TSF) is to deliver competitive returns from global equities whilst avoiding the risk of losing capital.

Investment Management

The investment manager of TSF is Mr David Constable AM. Mr Constable was a member of the ASX from 1961 until 1998 and during that time was Chief Executive and Senior Partner of two different stockbroking firms. He has considerable experience in the Financial Planning industry as Chairman of Directors of a large Australian firm and a Director of Towry Law PLC. Mr Constable founded Supervised Investments Limited in 1999 while he was a resident of the UK living in London.

Investment Policy

The management process is founded on of the philosophy of “conservative opportunism”. Through its proprietary investment management software, the *Supervised System*, TSF harnesses global data gathering capabilities to identify investment opportunities independent of geography or sector. Opportunities identified are screened through certain criteria and then, following further research, investments may be made.

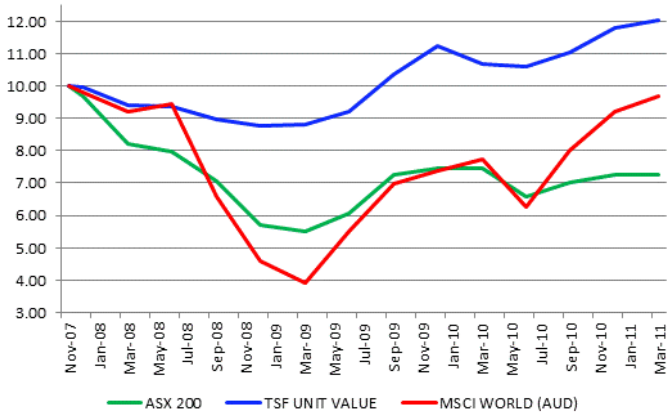
The portfolio is typically comprised of long positions in a range of global equities, investments in managed funds, currencies and occasionally commodities.

Performance at 31 March 2011

NAV: AUD 12.05 per unit	3 months	6 months	1 year	Inception
TSF (After Perf. Fees) %	2.23	9.07	12.63	20.50
MSCI World (AUD) %	3.29	5.97	-1.43	-29.07
ASX 200 %	1.95	5.55	-0.79	-25.95
Benchmark %	1.42	2.88	5.72	21.27
Excess Return on MSCI World (AUD) %	-1.06	3.10	14.05	49.57
Excess Return on ASX 200 %	0.28	3.51	13.41	46.45
Excess Return on Benchmark %	0.81	6.19	6.91	-0.77
Standard Deviation %				42.07
Sharpe Ratio				0.03

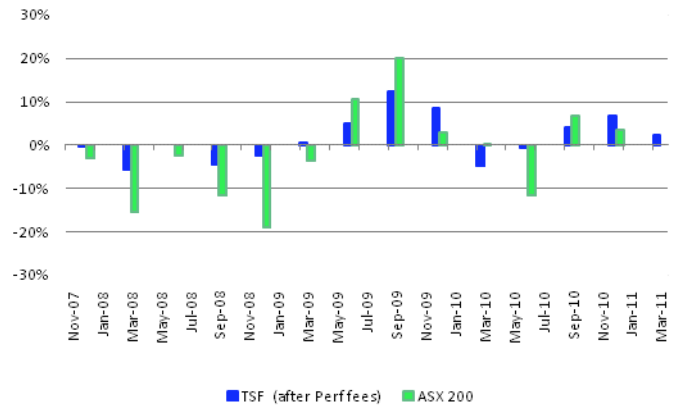
Financial Year	2010-2011 YTD	2009-2010	2008-2009	2H 2007-2008
TSF (After Perf. Fees) %	13.54	15.10	-1.73	-5.81
MSCI World (AUD) %	6.13	2.47	-18.84	-19.12
ASX 200 %	12.45	8.77	-24.17	-17.73
Benchmark %	4.31	4.77	5.60	4.16

The Supervised Fund Since Inception



This chart illustrates the value of \$10.00 invested in TSF since its inception date in November 2007, compared with the value of \$10.00 invested in the ASX 200 and the MSCI World (AUD).

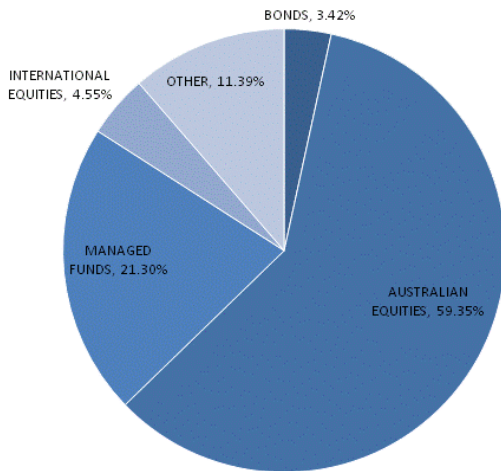
Monthly %



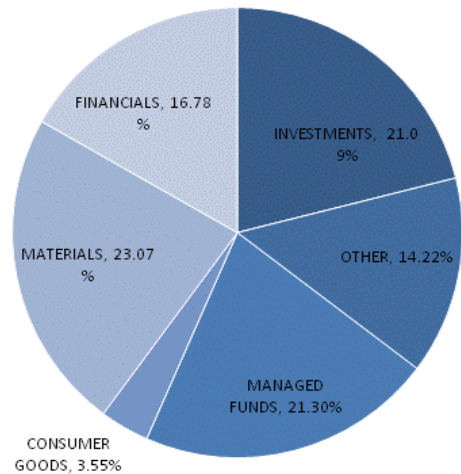
This chart illustrates the monthly performance of TSF since its inception date in November 2007, compared with the monthly performance of the ASX 200.

Past performance is no guarantee of future performance and no guarantee of future performance is implied

Security Analysis



Sector Analysis



Top Equity Holdings

Company	Main Business	Country	Net Assets
RuralAus Investments Limited	Lumber, Wood Production	Australia	8.97%
Macquarie Atlas Roads	Toll Roads	Australia	6.83%
Domino's Pizza Enterprises Limited	Restaurants	Australia	6.03%
Sirtex Mededical Limited	Biotechnology	Australia	5.91%
NIB Holdings Limited	Accident and Health	Australia	5.52%
Hunter Hall Limited	Ethical Investments	Australia	4.25%
HGL Limited	Conglomerates	Australia	3.95%
Calliden Group	Insurance Services	Australia	3.89%
Santos Limited	Energy	Australia	3.02%
Total Investments			48.38%
Number of Posotions Held			45
Net Assets (AUD)			16,684,880.20

Comment from the Chairman

The Supervised Fund (TSF) commenced operations on 1 December 2007 with an investment philosophy best described as “conservative opportunism”. TSF primarily invests in global equities. From time to time TSF may take investments in currencies, commodities, options and futures but the overall focus is on the global equities market. Since the commencement of operations in Australia TSF has significantly outperformed the ASX/200 and the MSCI World (AUD).

The heritage of TSF was Supervised Investments Limited (SIL), an international equities investment fund that I started in September 1999 while I was a resident of the UK living in London, and which consistently outperformed the major international indices. Over the last decade of its operation SIL achieved an average return of 11.2% per annum. In 2009 SIL was merged into TSF.

TSF uses our proprietary investment management tool, the *Supervised System*, which has been responsible for much of the success. Opportunities are identified globally and if certain criteria are met then, following further research, investments may be made. Competent management, opportunity for growth and realistic valuation are the overarching assessment criteria for adding stocks to the portfolio. A rigorous and disciplined approach to selling stocks should the market move against them is also fundamental.

The first nine months of 2010/2011 celebrates another excellent result for TSF. A wide range of equity investments chosen through our proprietary *Supervised System* showed strong returns. The 2010/2011 performance so far has built on the excellent 15.1% growth achieved in 2009/2010. Over the first nine months of 2010/2011 TSF was up 13.54%.

Comments on the Portfolio

The earnings recovery in 2010 and the expectations of further solid growth in 2011 are a welcome relief from the very difficult operating conditions of 2009, when markets suffered the worst of the global financial crisis. In the first nine months of 2010/2011 TSF was up 13.54% in AUD which outperformed the ASX/200 growth of 12.45% over the same period. One reason for the excellent performance of TSF was my belief that the Australian dollar would strengthen, and continue to do so. TSF has been overweight in Australian equities and the currency. As a result, the first nine month's performance of TSF was greatly protected from the effects of the strong upward move of the AUD.

A holding in the portfolio I have highlighted before is Dominos Pizza. This stock is a major player in the fast food sector. As at 30th June 2009 Dominos was \$3.19, at 30 September 2009 it was \$4.00 and at the end of March 2011 \$6.20, representing an increase of 95% since 30 June 2009.

Over the past two years TSF has been very confident about gold and TSF has been overweight in this sector. My confidence has been rewarded with a number of gold stocks in the portfolio showing excellent returns. I am also very confident about the growth possibilities for smaller materials equities. TSF has acquired a number of promising smaller growth companies in this market sector.

In the 2009/2010 TSF Annual Report I commented that an investment in TSF would make good sense as daily headlines were painting an improving picture of the global financial markets. TSF's fee structure (a low management charge and an absolute performance based investment incentive) together with the fact that all the Directors of TSF are significant investors in TSF, ensures that the interest of all stockholders are aligned. Investors prepared to take an appropriate longer term view, say 3 – 5 years, could find this a favourable time to consider investing in TSF.

David Constable AM
Chairman
Supervised Investments Australia Ltd.



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How to Apply

Applications can be made by completing the Subscription Form contained in the Information Memorandum and posting or faxing it to the Fund's Administrator TMF FundServices (Australia) Pty Ltd. Units will be issued on the first day of each month. The Information Memorandum can be downloaded from the website www.supervisedfund.com.au. Please contact any of the Directors for further information.

The minimum initial investment is AUD100,000 if the investor meets the definition of a Wholesale Client; refer to the Information Memorandum for details.

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