



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 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 are screened through criteria and following further research, investments may be made.

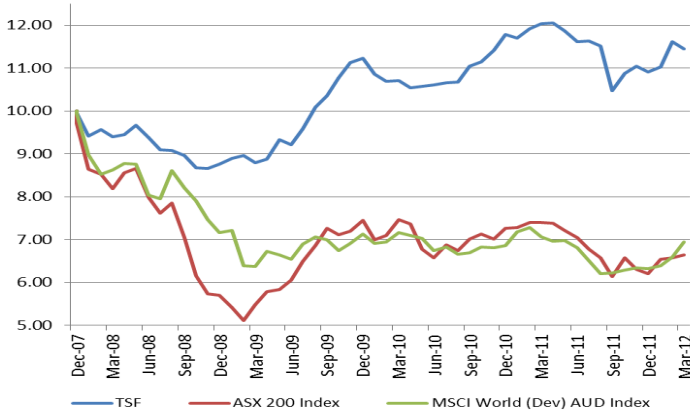
The portfolio is typically comprised of long positions in a range of global equities, investments in managed funds, currencies and occasionally commodities.

Performance at 31 March 2012

NAV: AUD 10.0942 per unit	3 months	6 months	1 year	2 years	3 years	Inception
TSF (After Perf. Fees) %	4.96	9.25	-4.98	6.89	30.17	14.46
MSCI World (AUD) %	9.83	11.55	-1.72	-3.16	8.96	-30.55
ASX 200 %	6.86	8.14	-10.40	-11.09	21.02	-33.65
Excess Return on MSCI World (AUD) %	-4.88	-2.30	-3.26	10.05	21.22	45.00
Excess Return on ASX 200 %	-1.91	1.11	5.42	17.97	9.15	48.10

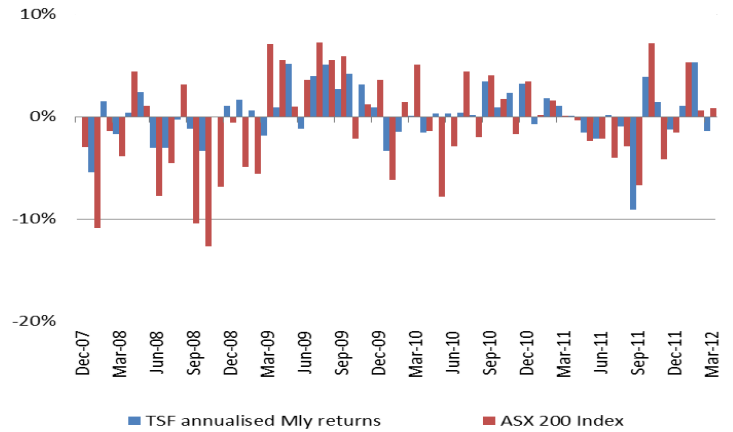
Financial Year	2011-2012 YTD	2010-2011	2009-2010	2008-2009	2H 2007-2008
TSF (After Perf. Fees) %	-1.45	9.43	15.10	-1.73	-5.81
MSCI World (AUD) %	1.90	1.06	3.01	-18.52	-19.15
ASX 200 %	-5.92	7.13	8.76	-24.17	-17.74

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 Dev (AUD).

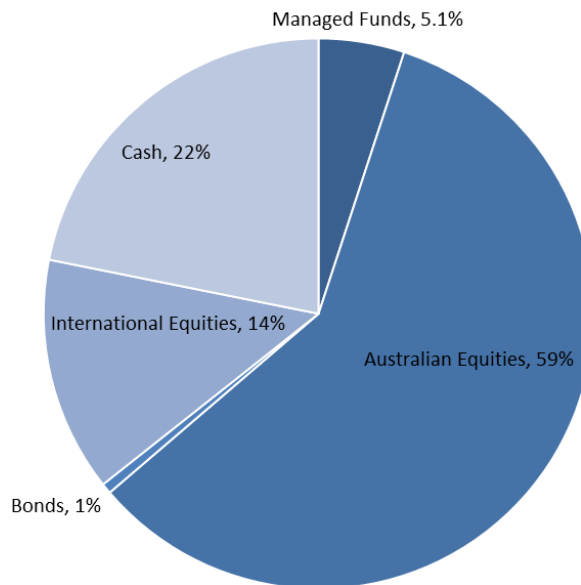
Monthly Returns vs ASX 200



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

Portfolio Analysis



Top Holdings

Company	Main Business	Country	Net Assets
Sirtex Medical Limited	Biotechnology	Australia	6.98%
RuralAus Investments Limited	Lumber, Wood Production	Australia	6.44%
Domino's Pizza Enterprises	Restaurants	Australia	6.11%
Macquarie Atlas Roads	Toll Roads	Australia	5.13%
NIB Holdings Limited	Accident and Health Insurance	Australia	4.98%
Woodside Petroleum	Oil and Gas	Australia	4.67%
Pancurri Investments Limited	Managed Investments	Bermuda	3.14%
HGL Limited	Conglomerates	Australia	2.68%
Yellow Brick Road Holdings Limited	Financial Services	Australia	2.62%
Hunter Hall International Limited	Ethical Investments	Australia	2.52%
Kingsrose Mining Limited	Materials	Australia	2.28%
Number of Positions Held			50
Net Assets (AUD)			\$ 14,898,531

Comment from the Chairman

The Supervised Fund (TSF) returned 4.96% over the third quarter of financial year 2012; the fund has continued to outperform the ASX 200 and the MSCI World Developed Indices. Since commencement of financial year 2012, TSF has outperformed the ASX 200 index by 4.47%. Since the fund's inception it has outperformed the ASX 200 and MSCI World Developed (AUD) Indices by 48.10% and 45.00% respectively.

TSF commenced operations in December 2007, only months before the largest financial markets collapse since 1929. Over the past 46 months the financial markets have experienced high volatility. Such volatility has been detrimental to many fund managers who employ leverage based trading strategies. I think it is important to note that TSF does not use leverage in any of its trades. TSF's proprietary investment tool, the *Supervised System* has been responsible for much of our success. Opportunities have been identified globally and when criteria met further research on investments were 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 in the event markets move against them, has also been fundamental. The *Supervised System* contains over forty years of my own intellectual property input within the system and a large amount of capital investment in order to automate the screening process.

In the 2011 Annual Report I remarked my expectation for Japanese and South Korean equities to outperform. As a result, TSF has been overweight in securities from this region; this has proven to be an enviable investment decision. Since commencement of financial year 2012 the South Korean KOSPI and Japanese MSCI Indexes have outperformed the ASX 200 by 6.5% and 9% respectively. Most of the outperformance has now occurred, in the months ahead I expect these markets to perform in line with global stock indices.

TSF's funds under management are low when compared to many other investment vehicles. This allows us to allocate proportionately high amounts of the fund into growth companies with low market capitalisation, without compromising liquidity in investments. It was on this rationale that TSF originally invested in Ainsworth Gaming Technology in July 2010. At this time the company possessed a market cap of only 15 million and was neglected by many investors on this basis. TSF purchased its original parcel of stock at a price of \$0.09. In February 2012 TSF closed its Ainsworth position with an average price of \$0.79, representing a return of approximately \$1,300,000.

Another of the holdings I would like to highlight is Sirtex Medical. Sirtex produces and markets a liver cancer treatment that has proven to significantly extend the life span for approximately 5% of all late stage liver cancers. The company is also developing treatments aimed for use on earlier stage cancers. I believe this stock to have enormous potential and on this basis have allocated it as TSF's largest holding for quite some time. As of the writing of this report in April 2012 Sirtex has returned in excess of 30% since commencement of financial year 2012.

For the months ahead I expect the somewhat slow recovery in the United States to continue, the European debt situation to drag European growth and for emerging markets to outperform. I expect a marginal reduction in the Australian Dollar and anticipate continued strength in Australian equities provided Chinese growth rates do not deteriorate. I am confident that the 'conservative opportunism' approach of TSF, along with our powerful investment tool and global connections, will serve us well in the future. Investors prepared to take a longer term view could find this a favourable time to consider investing in TSF.

David Constable AM
Chairman
Supervised Investments Australia Limited.



THE SUPERVISED FUND

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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