



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 & realised capital gain receipts
Dealing Day for Fund Redemptions	First 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 25,000.00
Additional Investment	AUD 25,000.00

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.

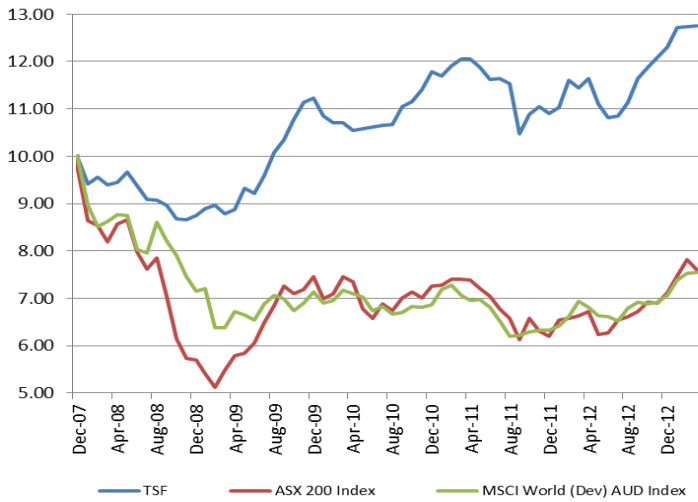
The portfolio is typically comprised of long positions in a range of global equities, investments in managed funds, currencies and occasionally commodities.

Performance at 31 March 2013

NAV: AUD 9.98017 per unit	3 months	6 months	1 year	2 years	3 years	Inception
TSF (After Perf. Fees) %	3.71	9.65	11.44	5.89	19.11	27.55
MSCI World (AUD) %	6.88	9.12	8.98	6.92	5.35	-24.44
ASX 200 %	6.83	13.21	14.57	2.66	1.87	-23.98
Excess Return on MSCI World (AUD) %	-3.17	0.53	2.46	-1.03	13.76	51.99
Excess Return on ASX 200 %	-3.12	-3.56	-3.13	3.23	17.25	51.53

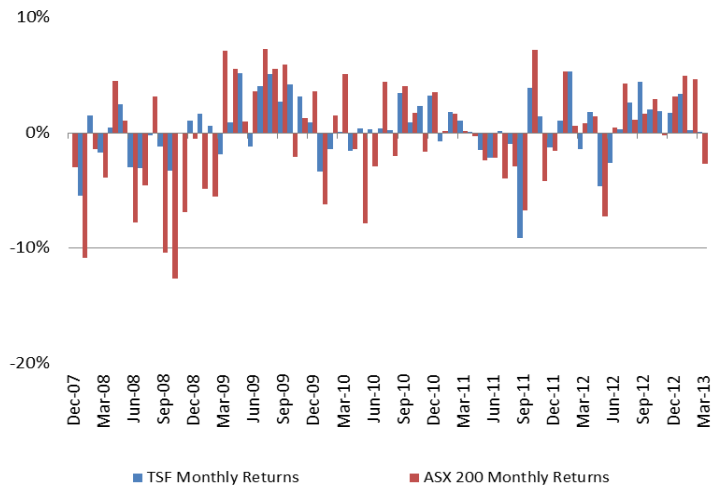
Financial Year	2012-2013 YTD	2011-2012	2010-2011	2009-2010	2008-2009	2H 2007-2008
TSF (After Perf. Fees) %	17.85	-6.81	9.43	15.10	-1.73	-5.81
MSCI World (AUD) %	14.12	-2.86	1.06	3.01	-18.52	-19.15
ASX 200 %	21.29	-11.14	7.13	8.76	-24.17	-17.74

The Supervised Fund Since Inception



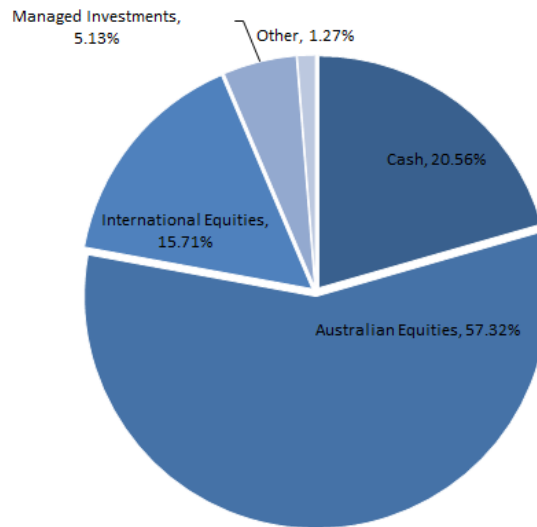
This chart illustrates the value of \$10.00 invested in TSF since inception in November 2007, compared with the value of \$10.00 invested in the ASX 200 and the MSCI World Dev (AUD).

Monthly Returns vs ASX 200



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

Portfolio Analysis



Top Equity Holdings

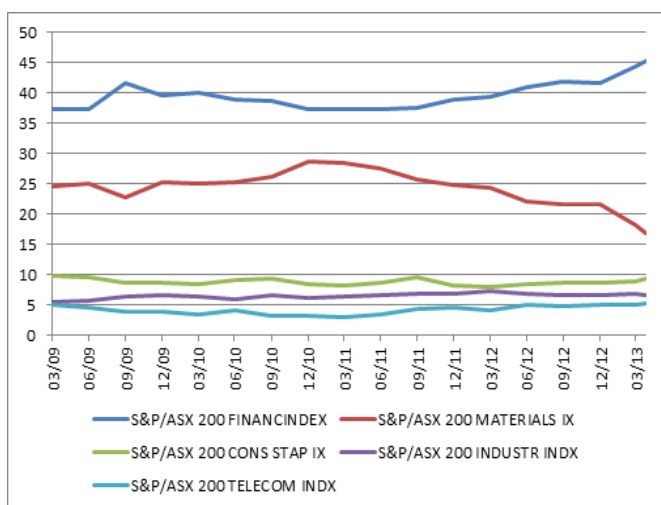
Company	Main Business	Country	% Assets
Sirtex Medical Limited	Biotechnology	Australia	10.41%
Gage Roads Brewing Co Limited	Brewing	Australia	8.85%
NIB Holdings Limited	Accident and Health Insurance	Australia	6.65%
Mintails Limited	Gold	Australia	3.30%
APN News & Media	Media	Australia	3.30%
Yellow Brick Road Holdings Ltd	Financial Services	Australia	3.28%
Thai Beverage Public Company Limited	Brewing	Thailand	3.07%
Pancurri Investments Limited	Managed Investments	Bermuda	3.02%
Samsung Electronics Co Ltd	Electronics	Republic of Korea	3.00%
Slater and Gordon Ltd	Legal Practice	Australia	2.70%
Qingling Motors Co Ltd	Vehicle Manufacturing	Hong Kong	2.50%
Number of Posotions Held			49
FUM (AUD)			\$ 14,759,000.00

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

Comment from the Chairman

The Supervised Fund (TSF) returned 3.71% after all fees during the three months ending March 31 2013. Since June 2012 TSF has returned 17.85% versus the MSCI world Developed (AUD) and ASX 200 14.12% and 21.2% respectively. I am pleased with this result especially given we have consistently allocated approximately 20% of the portfolio to cash.

Over the past twelve months there has been a shift out of Miners and into Financials within the Australian market. While the Financials Index has returned 30% financial year to date the mining or Materials Index has only returned 1.73%. This has had a major effect on the composition of the ASX200. The below chart shows the changing sector weightings of the ASX 200; we have seen Financials weighting (blue) grow approximately 10% and the Materials (red) sector decline by approximately 10%.



I don't think the stated return of the ASX 200 accurately reflects the state of the Australian equity market. Investors have been chasing yield and avoiding the longer dated global growth and commodity plays. There is much uncertainty surrounding the outlook for commodity prices; on the one hand are those who believe the Asian growth fundamentals coupled with the inflationary actions of developed economies central banks will apply continued positive pressure on prices, on the other hand there are those who believe the difficulty in Europe will drag Asian growth and by

doing so apply downward pressure on prices. I feel as if the former scenario is more likely however it seems there is continued volatility ahead in this space.

In the medium term I expect the search for yield in the Australian Equity market to continue to the Mid-Cap Industrials sector and I have weighted into this sector accordingly. The recent interest rate cuts are spurring the housing market and I expect to see a turnaround in the rate of construction of new housing dwellings. Abroad, the fundamentals for the Chinese consumer remain strong and we have been buying companies exposed to this sector who offer excellent earnings potential whilst meeting our stringent balance sheet and valuation criteria.

One holding I would like to highlight is Qingling Motors Co Ltd, a Chinese truck producer listed in Hong Kong. We bought this stock some months ago on the basis it was exposed to continued Chinese growth, has a 5 year compound aggregate growth in sales exceeding 10%, has no long term debt, no government ownership and an enviable valuation of less than 4x EBITDA. The company has already returned 12% this calendar year and I expect it to continue to outperform.

Looking ahead, I am confident that TSF's unique investment strategy coupled with our ability to invest off shore will serve investors well in the future. Investors who take a longer term view could find this a favorable time to consider investing in TSF.

David Constable AM
Chairman
Supervised Investments Australia Limited



SUPERVISED INVESTMENTS AUSTRALIA LTD

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 AUD25,000 if the investor meets the definition of a Wholesale Client; refer to the Information Memorandum for details.

Trustee

Supervised Investments Australia Ltd.
Suite 431, 5 Lime Street
Sydney NSW 2000
T: +61 (2) 8459 0095
www.supervisedinvestments.com
ABN: 45 125 580 305
AFSL: 317 155

Directors

Mr David Constable AM (Chairman)
Mr Ken Cooper
Dr John Harvey AO
Mr Damien Cooper

Support

Auditor

Ernst & Young
680 George Street
Sydney NSW 2000
+61 (2) 9248 5555
www.ey.com/au

Fund Administrator

TMF FundServices Pty Ltd.
GPO Box A2224
Sydney South NSW 1235
+61 (2) 9232 2746
www.tmf-group.com

Custodian

JP Morgan Worldwide Securities
Services
Level 21, J.P Morgan House
85 Castlereagh Street
Sydney NSW 2000

Legal Advisor

Henry Davis York
44 Martin Place
Sydney NSW 2000
+61 (2) 9947 6660
www.hdy.com.au