

# Smartfund 80% Protected historical returns



10 years to 31 July 2015

Below is a historical simulation of how the Smartfund 80% Protected Funds would have performed compared to their unprotected counterparts over the past ten years. The difference in performance can be attributed to a number of factors, including the protection, the cost of that protection, and the performance cap. Depending on the time frame of the investment, this difference can either be positive or negative, as illustrated in the table below.

The maximum peak to trough loss (the largest fall in value at any one time) is the biggest loss that an investor would have experienced in that 10-year period. As you see, there is only a relatively modest reduction in the annualised return, but the maximum peak to trough loss is substantially lower. The result - a very effective smoothing of returns and greatly reduced risk of loss of capital.

## Performance figures gross of the AMC

Portfolio	Annualised Returns	Annualised Volatility	Maximum peak to trough loss
Smartfund 80% Protected Growth	6.75	8.54	-19.98
Smartfund Growth	6.90	14.13	-54.53
Smartfund 80% Protected Balanced	6.29	6.74	-18.86
Smartfund Balanced	6.68	9.74	-40.21
Smartfund 80% Protected Cautious	5.86	4.79	-13.81
Smartfund Cautious	6.35	6.33	-23.17

All returns are total return in sterling and include reinvestment of dividends. The table above shows the historical simulation of the protected portfolios versus the 80% unprotected version of each strategy over ten years to 31 July 2015.

These performance figures reflect what a client might have expected to receive gross, which is before the deduction of any fund management charges or adviser fees. The annual management charge of the fund is 1.95%. These figures also reflect the impact of the monthly performance cap and the cost of the protection.

## Performance figures net of the AMC

Portfolio	Annualised Returns	Annualised Volatility	Maximum peak to trough loss
Smartfund 80% Protected Growth	5.19	7.95	-20.00
Smartfund Growth	4.84	14.11	-55.72
Smartfund 80% Protected Balanced	4.06	8.54	-19.43
Smartfund Balanced	4.62	8.02	-41.77
Smartfund 80% Protected Cautious	3.72	4.69	-15.23
Smartfund Cautious	4.30	6.32	-25.09

Source: Smart<sup>im</sup>, Morgan Stanley.

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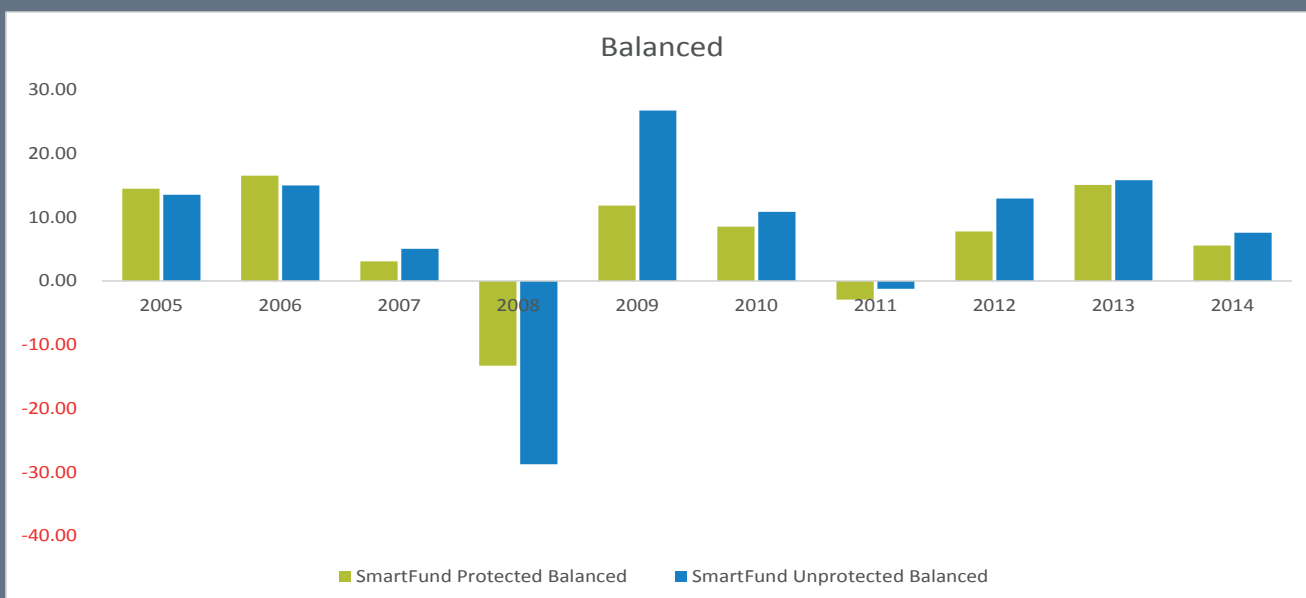
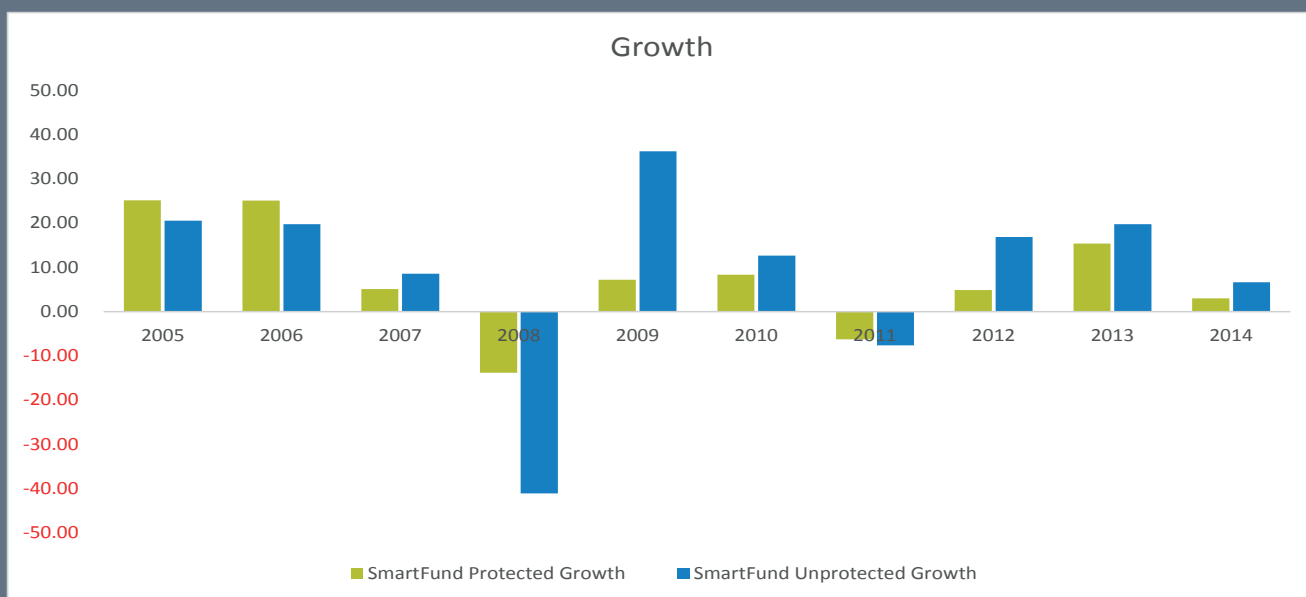
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# Smartfund 80% Protected historical returns

Calendar year performance - 10 years to 31 July 2015

Below is a historical simulation of how the Smartfund 80% Protected Funds would have performed compared to their unprotected counterparts over the past ten years. The difference in performance can be attributed to a number of factors, including the protection, the cost of that protection, and the performance cap. Depending on the time frame of the investment, this difference can either be positive or negative, as illustrated in the table below.

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All returns are total return in sterling and include reinvestment of dividends. The table above shows the historical simulation of the protected portfolios versus the 80% unprotected version of each strategy over ten years to 31 July 2015.

These performance figures reflect what a client might have expected to receive gross, which is before the deduction of any fund management charges or adviser fees. The annual management charge of the fund is 1.95%. These figures also reflect the impact of the monthly performance cap and the cost of the protection.