



The Munro Fund

Fact Sheet 2: September 2007

Fund Manager's Comment

Hanson and EMI left the market after being taken over and First Choice was replaced by TUI Travel after completing its acquisition. In the model portfolio First Choice only accounted for 0.079% but its replacement makes up 0.19% of the allocation. Dividend forecasts for Lloyds TSB increased from 38.89p to 39.05p, Aviva's from 38.4p to 38.9p and Diageo's rose 2p to 37.9p. BHP Billiton had the biggest increase in forecast dividend up from 24p to 31p taking its weight to 2.39% from 1.84%. Astra Zeneca's forecast dividend fell in sterling terms due to a weaker dollar and that for Drax fell from 66p to 65p reducing its weight to 0.30% from 0.31%. The crisis at Northern Rock has resulted in the standard deviation of its dividend forecasts to rise sharply to over 9 in contrast to a normal figure of around 1. Because of this high degree of uncertainty the manager has overridden the process and assumed it will not pay a dividend in 2008 and therefore the model will have no exposure to it.

Investment Objective

To provide a core, long term, UK equity market investment vehicle at low cost and low maintenance that will outperform a relevant tracker fund.

Why choose this Fund?

This fund combines the best attributes of a tracker fund and an active fund, but with less risk. Because it will hold most of the companies that make up the FTSE 350 index when fully invested it will have a lower risk relative to more concentrated funds. This also helps to capture most of the returns. Because the portfolio is calculated using a defined systematic investment process it removes individual bias from stock selection. It also means the process will be the same in ten years time irrespective of who is managing it. Monthly rebalancing ensures the fund always incorporates the latest forecasts.

Who runs this Fund?

The Munro Fund is run by Fundamental Tracker Investment Management Limited and uses Smith & Williamson Fund Administration as its Authorised Corporate Director.

Key Information

The fund is a UK authorised Open Ended Investment Company (OEIC) with single pricing on a forward basis. The Authorised Corporate Director is Smith & Williamson Fund Administration, 25 Moorgate, London EC2R 6AY. www.smith.williamson.co.uk

Investment Advisor

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Telephone Dealing Number

020 7131 4223

Custodian

Bank of New York.

Pricing

Daily at 12.00.

Dividend Pie

Distribution of forecast total dividend payouts in FTSE 350 (£b)

Top 10 Stocks	33.6
Next 20 Stocks	17.9
Next 70 Stocks	14.1
Remainder	7.2
	72.8



Distribution Allocation Dates

Finals May 31st, Interims September 30th.

Prospectus

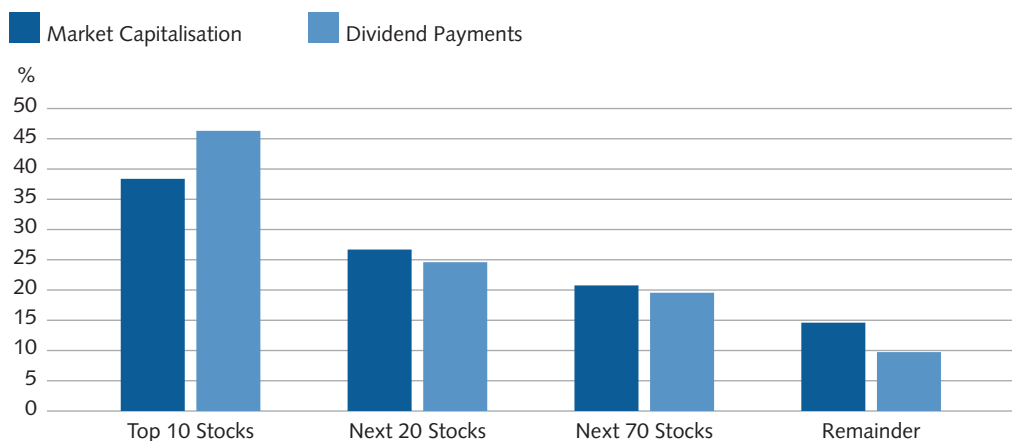
A simplified and a full Prospectus are available. They can be downloaded from the website at www.themunrofund.com.

Locum

The locum for the fund is Saracen Fund Managers Ltd, Burlington House, 183 Bath Street, Glasgow, G2 4HU.

Rebalancing Date

Tenth day of the month or the next business day after.

Fund relative to Index**Structure of FTSE 350 by Market Capitalisation and by Total Dividend Payout****Share Classes**

Each class has Accumulation and Income shares.

	Retail	Institutional	Direct	
Sedol Codes:	Accumulation	B1Z8MD2	B1Z8LD5	B1Z8LM4
	Income	B1Z8LY6	B1Z8MB0	B1Z8L91
Bloomberg Ticker:	Accumulation			
	Income			
Annual Management Charge	1.5%	1.25%	0.75%	
Initial Charge	5.0%	<5.0%	0.0%	
Minimum Initial Investment	£1,000	£100,000	£250	
Minimum Subsequent Investment	£1,000	£1,000	£100	
Charges	Taken from capital			
Accounting Period	January 31st			

Prices per Unit

	Unit	Price	Yield
Retail:	Accumulation	101.4p	n/a
	Income	101.4p	n/a
Institutional:	Accumulation	100.0p	n/a
	Income	100.0p	n/a
Direct:	Accumulation	101.4p	n/a
	Income	101.4p	n/a

Further information is available on our website www.themunrofund.com