



## The Munro Fund

Fact Sheet 4: November 2007

### Fund Manager's Comment

Bank shares have been under pressure over the last month mostly because of adverse sentiment to the unquantified liabilities to the credit crisis. However, dividend forecasts for the leading banks have been reduced. In the case of Royal Bank of Scotland the consensus for 2008 has declined from 41.4p to 40.8p. HSBC has seen its consensus forecast reduced from 52.2p to 50.9p, although there is an element of dollar weakness in that new estimate. Other companies to be hit by the weaker dollar are: BP, down from 23.8p to 23.3p, AstraZeneca down from 104p to 101p and Rio Tinto down from 63p to 61p. In contrast BHP Billiton, now bidding for Rio, saw its estimates revised up to 33p from 31p. Forecasts for the Man Group rose from 15.7p to 19p. In the model portfolio Vodafone moved up to the second largest weight to replace BP.

### 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. As 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](http://www.smith.williamson.co.uk)

### Investment Advisor

Fundamental Tracker Investment Management Limited  
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Email: [robert.davies@fundamentaltracker.com](mailto:robert.davies@fundamentaltracker.com)  
[www.fundamentaltracker.com](http://www.fundamentaltracker.com)

### Telephone Dealing Number

020 7131 4223

### Custodian

Bank of New York.

### Pricing

Forward basis 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
	<hr/> 72.8



## Distribution Allocation Dates

Finals May 31st, Interims September 30th.

## Prospectus

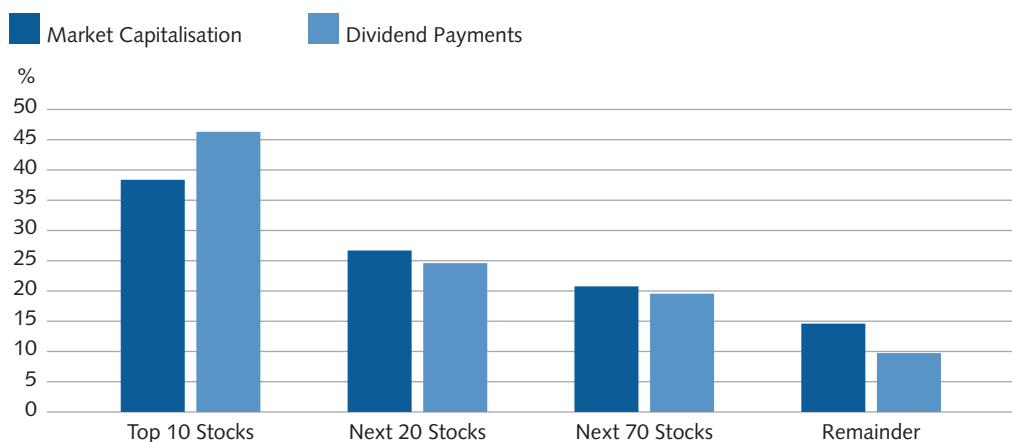
A simplified and a full Prospectus are available. They can be downloaded from the website at [www.themunrofund.com](http://www.themunrofund.com).

## 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	SWMNURA LN	SWMNUBA LN	SWMNUXA LN
	Income	SWMNURI LN	SWMNUBI LN	SWMNUXI LN
ISIN:	Accumulation	GB00B1Z8MD27	GB00B1Z8LD51	GB00B1Z8LM43
	Income	GB00B1Z8LY64	GB00B1Z8MB03	GB00B1Z8L916
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 at 13th November

	Unit	Price	Yield
Retail:	Accumulation	94.03p	–
	Income	94.02p	1.97%
Institutional:	Accumulation	100.0p	n/a
	Income	100.0p	n/a
Direct:	Accumulation	97.31p	–
	Income	97.26p	1.97%

Further information is available on our website [www.themunrofund.com](http://www.themunrofund.com)