



## The Munro Fund

Fact Sheet 5: December 2007

### Fund Manager's Comment

Despite the massive amount of negative publicity about banks and the stock market our research shows that the forecast total gross cash dividend for the FTSE 350 ex investment trusts for 2008 has risen by 0.3% to £72.5b. While consensus dividend forecasts for some banks have been revised down, others have been increased. Barclays forecast dividend has been reduced from 41.2p to 40.7p and that has reduced its weight in the model portfolio from 3.79% to 3.67%. In contrast consensus forecasts for HSBC have risen from 50.8p to 51.1p. In other sectors Vodafone's estimates continue to rise and now stand at 8.2p. That takes it total payout to £4.4b and its model weight to 6.1%. Estimates for Rio Tinto's have risen to 64.4p from 61.5p. BP's forecasts have been reduced from 23.3p to 22.7p. No trading was done in the last month as the deviations from the model portfolio were not large enough to warrant making adjustments.

### Investment Objective

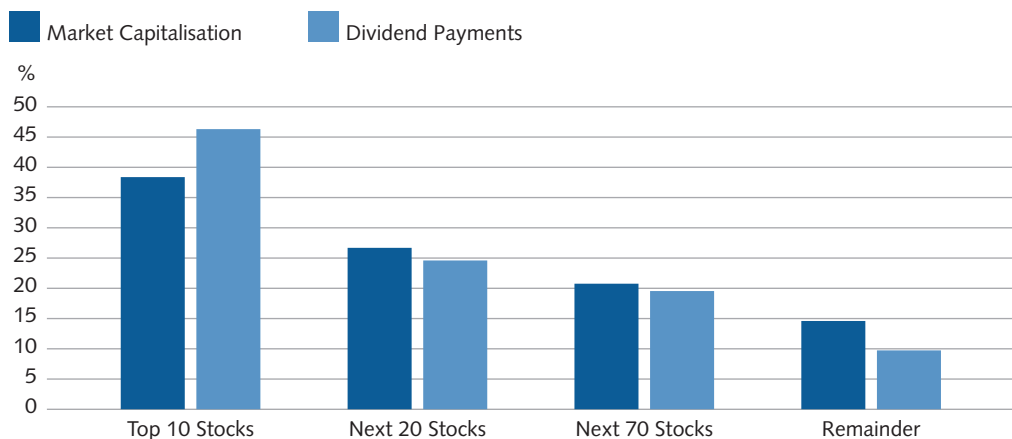
To provide a core, long term, UK equity market investment vehicle at low cost and low maintenance that will outperform a relevant tracker fund.

### 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.

### Fund relative to Index

#### Structure of FTSE 350 by Market Capitalisation and by Total Dividend Payout



### Key Information

The fund is a UK authorised Open Ended Investment Company (OEIC) with single pricing on a forward basis at 12:00. The authorised corporate director is Smith & Williamson Fund Administration, 25 Moorgate, London, EC2R 6AY, 020 7131 4223, [www.smith.williamson.co.uk](http://www.smith.williamson.co.uk). The custodian is Bank of New York.

The investment manager is Fundamental Tracker Investment Management Limited, Suite J, Exchange House, 50 Drymen Road, Bearsden, Glasgow G61 2RH. Tel: 0141 931 7645  
Email: [robert.davies@fundamentaltracker.com](mailto:robert.davies@fundamentaltracker.com)  
[www.fundamentaltracker.com](http://www.fundamentaltracker.com)

### 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.

### Telephone Dealing Number

020 7131 4223

## Top 50 Holdings

Company	Holding	Company	Holding
HSBC Holdings PLC	8.35%	SABMiller PLC	0.88%
Vodafone Group Plc	7.46%	Centrica Plc	0.87%
BP Plc	7.36%	BAE Systems PLC	0.84%
Royal Bank of Scotland Group PLC	5.77%	British Energy Group PLC	0.81%
GlaxoSmithKline PLC	4.51%	Reckitt Benckiser PLC	0.78%
Royal Dutch Shell Plc	4.20%	Prudential Plc	0.77%
Barclays PLC	4.19%	Old Mutual PLC	0.74%
HBOS Plc	3.38%	United Utilities Plc	0.73%
Lloyds TSB Group PLC	3.31%	Marks and Spencer Group PLC	0.72%
Royal Dutch Shell Plc	3.12%	BG Group plc	0.63%
British American Tobacco PLC	2.88%	Legal and General Group PLC	0.63%
BHP Billiton PLC	2.75%	British Sky Broadcasting Group PLC	0.58%
AstraZeneca PLC	2.35%	Cadbury Schweppes PLC	0.56%
Rio Tinto PLC	2.12%	Man Group Plc	0.54%
BT Group PLC	1.97%	Land Securities Group PLC	0.49%
Tesco PLC	1.87%	Xstrata Plc	0.49%
Unilever PLC	1.71%	Pearson PLC	0.48%
Diageo PLC	1.67%	Drax Group Plc	0.43%
National Grid Plc	1.64%	Reed Elsevier PLC	0.43%
Aviva PLC	1.60%	Scottish and Newcastle PLC	0.43%
Anglo American PLC	1.42%	Alliance & Leicester PLC	0.42%
Standard Chartered PLC	1.24%	Rolls-Royce Group PLC	0.42%
Scottish & Southern Energy PLC	1.06%	Standard Life Plc	0.40%
Imperial Tobacco Group PLC	1.03%	Investec Plc	0.40%
Carnival Plc	0.92%	Kingfisher PLC	0.40%

## 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 14th December

	Unit	Price	Yield
Retail:	Accumulation	94.15p	n/a%
	Income	94.14p	2.28%
Institutional:	Accumulation	100.0p	n/a
	Income	100.0p	n/a
Direct:	Accumulation	97.43p	n/a%
	Income	97.37p	2.28%

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