



The Munro Fund

Fact Sheet 7: February 2008

Fund Manager's Comment

ICI was taken over in January and Resolution and Kelda will be acquired in the next few weeks. Scottish & Newcastle has agreed terms with its buying consortium while Rio Tinto has rejected an increased all paper bid from BHP Billiton. The results season has started with relatively poor figures from BP although it sharply increased its dividend. It is now forecast to pay out £5b in 2009. Shell too has raised its dividend and, adding in the effect of a stronger dollar, it is forecast to pay a total of £5.06b next year. After poor third quarter results dividend forecasts for BT's next full year have been trimmed from 16.6p to 16.4p. A stronger euro has boosted Unilever's sterling dividend from 58.6p to 60p. Some banks have suffered further erosion in their forecasts with the worst being Royal Bank of Scotland where its 2008 dividend is now expected to be 35.8p instead of 36.1p. There was no trading during the month.

Investment Objective

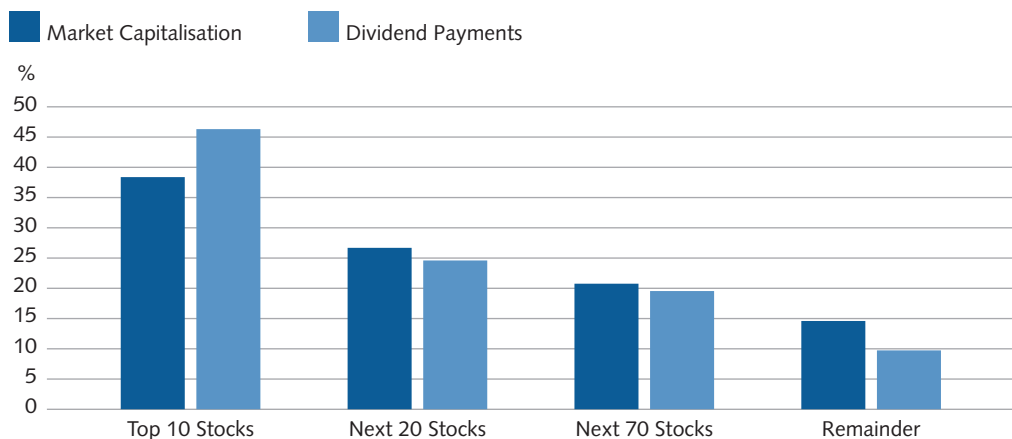
To provide a core, long term, UK equity market investment vehicle at low cost and low maintenance that will outperform a relevant tracker fund.

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 model portfolio 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. 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 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.

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	8.38%	BAE Systems PLC	0.92%
Vodafone Group Plc	7.97%	Centrica Plc	0.88%
BP Plc	6.54%	BG Group plc	0.83%
Royal Bank of Scotland Group PLC	5.34%	British Energy Group PLC	0.83%
GlaxoSmithKline PLC	4.38%	Reckitt Benckiser PLC	0.80%
Royal Dutch Shell Plc	4.23%	Prudential Plc	0.79%
Barclays PLC	3.88%	SABMiller PLC	0.78%
Lloyds TSB Group PLC	3.23%	United Utilities Plc	0.77%
British American Tobacco PLC	3.17%	Legal and General Group PLC	0.69%
HBOS Plc	3.17%	Xstrata Plc	0.62%
Royal Dutch Shell Plc	3.13%	Old Mutual PLC	0.61%
BHP Billiton PLC	2.90%	Cadbury Schweppes PLC	0.59%
Rio Tinto PLC	2.28%	Land Securities Group PLC	0.58%
AstraZeneca PLC	2.21%	British Sky Broadcasting Group PLC	0.57%
BT Group PLC	1.75%	Marks and Spencer Group PLC	0.56%
Tesco PLC	1.74%	Man Group Plc	0.54%
Diageo PLC	1.74%	Scottish and Newcastle PLC	0.50%
Unilever PLC	1.72%	Pearson PLC	0.46%
National Grid Plc	1.71%	Alliance & Leicester PLC	0.41%
Anglo American PLC	1.52%	Compass Group PLC	0.40%
Aviva PLC	1.50%	Reed Elsevier PLC	0.40%
Standard Chartered PLC	1.22%	Wolseley PLC	0.39%
Scottish & Southern Energy PLC	1.17%	Kingfisher PLC	0.38%
Imperial Tobacco Group PLC	1.10%	Resolution Plc	0.38%
Carnival Plc	1.04%	Royal & Sun Alliance Insurance Grp PLC	0.38%

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 12th February

	Unit	Price	Yield
Retail:	Accumulation	83.90p	n/a%
	Income	83.90p	2.28%
Institutional:	Accumulation	100.0p	n/a
	Income	100.0p	n/a
Direct:	Accumulation	86.82p	n/a%
	Income	86.82p	2.28%

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