



The Munro Fund

Fact Sheet 8: March 2008

Fund Manager's Comment

Most companies have now reported earnings for 2007 and the model portfolio is therefore largely based on 2009 dividend forecasts. Analysts are now forecasting total dividend income for the FTSE 350 ex-investment trusts for 2009 to be £71.2b. Last month the total forecast income for 2008 was £69.9b. That projected growth of 1.8% is below the average for recent years and goes a long way to explain recent stock market weakness. Another indication of weaker cash flow is that funds committed to share buy-backs this year is estimated at £30b. Last autumn our data indicated that £42b was due to be spent this way. The biggest changes in the model portfolio were an increase in the allocation to Rio Tinto of 0.36% and a reduction in GlaxoSmithKline by 0.27%. The weights in BHP Billiton and Royal Dutch Shell A both declined by 0.21% while the allocations to Barclays and British American Tobacco both increased by 0.21%. There was no trading during the month.

Investment Objective

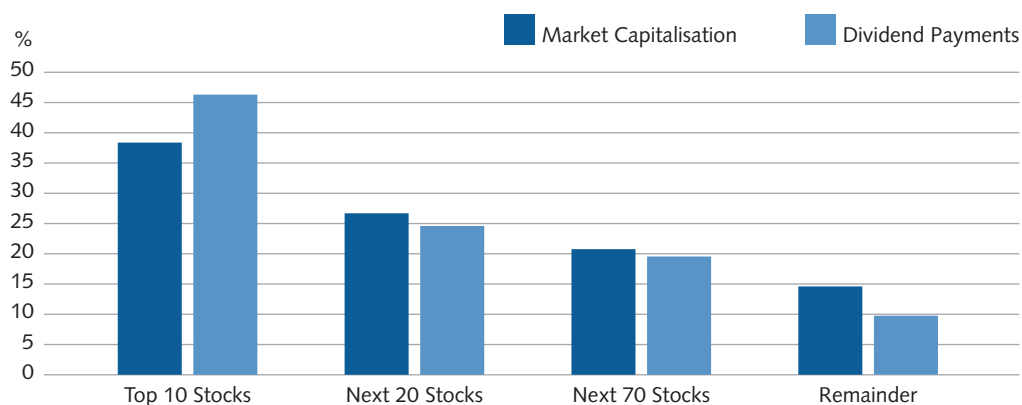
To provide a core, long term, UK equity market investment vehicle at low cost and low maintenance that will outperform a relevant tracker fund.

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	9.01%	BAE Systems	0.99%
Vodafone Group	7.07%	Carnival	0.94%
BP	6.45%	BG Group	0.87%
Royal Bank of Scotland	4.90%	Centrica	0.86%
Royal Dutch Shell A	4.19%	Prudential	0.83%
GlaxoSmithKline	4.18%	Reckitt Benckiser	0.82%
Barclays	3.68%	SABMiller	0.77%
Lloyds TSB Group	3.36%	United Utilities	0.73%
British American Tobacco	3.34%	Legal and General	0.68%
Royal Dutch Shell B	3.15%	Xstrata	0.65%
BHP Billiton	2.90%	British Sky Broadcasting Group	0.58%
HBOS	2.76%	Land Securities	0.57%
Rio Tinto	2.26%	Cadbury Schweppes	0.57%
AstraZeneca	2.15%	Old Mutual	0.55%
Tesco	1.83%	Man Group	0.53%
Unilever (UK)	1.73%	Marks and Spencer Group	0.52%
Diageo	1.70%	Scottish and Newcastle	0.51%
BT Group	1.68%	Pearson	0.50%
National Grid	1.63%	Reed Elsevier	0.43%
Anglo American	1.63%	Compass Group	0.40%
Aviva	1.54%	Resolution	0.39%
Standard Chartered	1.25%	Standard Life	0.38%
Imperial Tobacco Group	1.13%	Rolls-Royce Group	0.38%
Scottish & Southern Energy	1.06%	Alliance & Leicester	0.37%
British Energy Group	1.02%	Associated British Foods	0.37%

Fund Size: £836,791 Number of holdings: 80

Share Classes

		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 11th March

	Unit	Price	Yield
Retail	Accumulation	82.11p	n/a
	Income	82.10p	2.28%
Institutional	Accumulation	100.0p	n/a
	Income	100.0p	n/a
Direct	Accumulation	85.00p	n/a
	Income	85.00p	2.28%

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