



## The Munro Fund

Fact Sheet 9: April 2008

### Fund Manager's Comment

Total dividend payments by companies in the FTSE 350 for financial year 2009 are now forecast to be £71.3 billion. A month ago they were forecast to be £71.2b. That increase has mainly come from BP and Shell whose contributions have risen by 0.3% each so that both stocks have a model weight of 7.3%. Forecasts for HSBC have also increased and its model weight has risen by 0.19% to 8.69%. Companies that suffered slight reductions in dividend forecasts were the miners and some banks.

Over the last month the fund was able to take advantage of new money coming in and share price weakness in a number of stocks to bring the portfolio into line with the model. This new money was allocated to stocks where the fund was underweight. The positions in BP, Royal Dutch Shell B, HBOS and Royal Bank of Scotland were increased and a holding in Antofagasta was purchased for the first time.

### Investment Objective

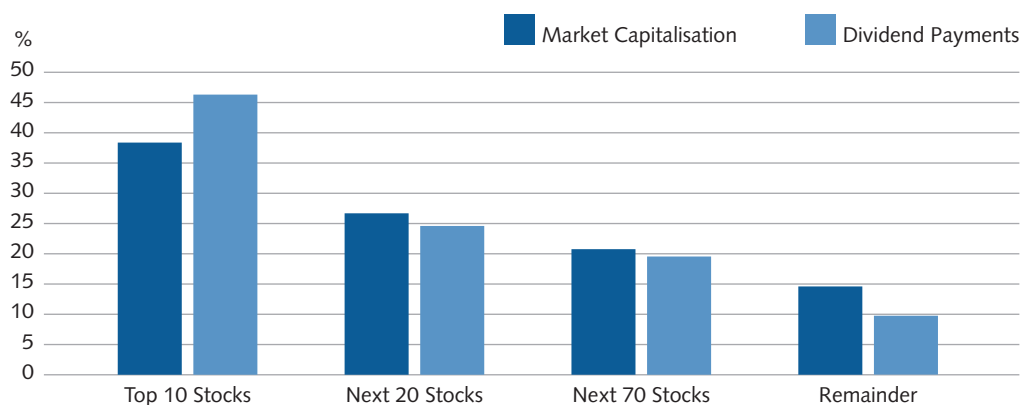
To provide a core, long term, UK equity market investment vehicle at low cost and low maintenance that will outperform a relevant tracker fund.

### 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.

### Income Relative to Size

#### 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            | 8.70%   | Carnival Plc                   | 0.89%   |
| BP Plc                       | 7.38%   | BAE Systems Plc                | 0.88%   |
| Vodafone Group Plc           | 6.42%   | Prudential Plc                 | 0.80%   |
| Royal Bank Of Scotland Group | 5.63%   | Reckitt Benckiser Group Plc    | 0.77%   |
| Royal Dutch Shell Plc-A Shs  | 3.90%   | Centrica Plc                   | 0.76%   |
| GlaxoSmithKline Plc          | 3.90%   | BG Group Plc                   | 0.76%   |
| Barclays Plc                 | 3.67%   | SABMiller Plc                  | 0.72%   |
| Royal Dutch Shell Plc-B Shs  | 3.19%   | United Utilities Plc           | 0.68%   |
| Lloyds TSB Group Plc         | 3.16%   | Legal & General Group Plc      | 0.65%   |
| HBOS Plc                     | 3.02%   | Xstrata Plc                    | 0.58%   |
| BHP Billiton Plc             | 2.96%   | Old Mutual Plc                 | 0.56%   |
| British American Tobacco Plc | 2.93%   | Cadbury Schweppes Plc          | 0.53%   |
| Rio Tinto Plc                | 2.20%   | British Sky Broadcasting Group | 0.53%   |
| Astrazeneca Plc              | 2.06%   | Land Securities Group Plc      | 0.50%   |
| Unilever Plc                 | 1.65%   | Man Group Plc                  | 0.50%   |
| BT Group Plc                 | 1.59%   | Marks & Spencer Group Plc      | 0.45%   |
| Diageo Plc                   | 1.59%   | Scottish & Newcastle Plc       | 0.45%   |
| Tesco Plc                    | 1.55%   | Pearson Plc                    | 0.44%   |
| Aviva Plc                    | 1.53%   | Standard Life Plc              | 0.42%   |
| Anglo American Plc           | 1.47%   | Reed Elsevier Plc              | 0.41%   |
| National Grid Plc            | 1.44%   | Royal & Sun Alliance Ins Grp   | 0.36%   |
| Standard Chartered Plc       | 1.23%   | Compass Group Plc              | 0.36%   |
| British Energy Group Plc     | 1.09%   | Rolls-Royce Group Plc          | 0.35%   |
| Imperial Tobacco Group Plc   | 0.97%   | Drax Group Plc                 | 0.35%   |
| Scottish & Southern Energy   | 0.92%   | Resolution Plc                 | 0.34%   |

Fund Size: £950,246 Number of holdings: 81

## 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 April

|               | Unit         | Price   | Yield |
|---------------|--------------|---------|-------|
| Retail        | Accumulation | 85.92p  | n/a   |
|               | Income       | 85.91p  | 2.28% |
| Institutional | Accumulation | 103.13p | n/a   |
|               | Income       | 100.0p  | n/a   |
| Direct        | Accumulation | 88.95p  | n/a   |
|               | Income       | 88.95p  | 2.28% |

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