



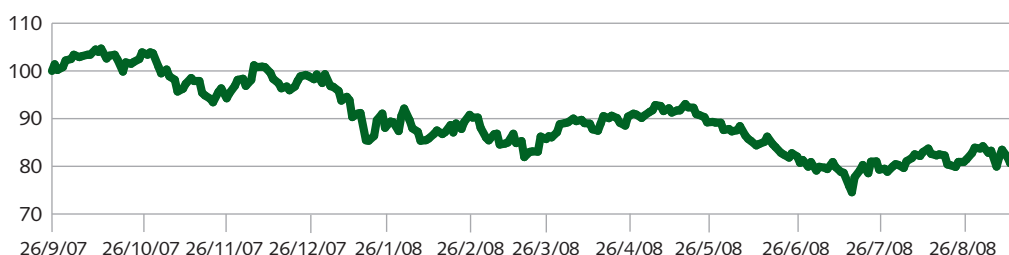
## The Munro Fund

Fact Sheet 14: September 2008

### Fund Manager's Comment

As with last month the biggest impact on consensus forecasts was the rise in the dollar. After a 3% fall in July the pound fell 8% to 1.76 against the dollar. That had the affect of increasing the total forecast dividend payout in 2009 by 3% to £74.9b. The biggest gainers were HSBC, BP and Shell. Forecasts for BHP Billiton rose because of the dollar effect and as a result of the model now taking in forecasts for 2010 subsequent to it reporting results for the year to end June 30th 2008. Estimates for Royal Bank of Scotland, Barclays, Lloyds and HBOS were all reduced but the overall impact was small compared to the dollar effect. Housebuilder Persimmon and building supplier Wolseley suffered from reductions in their dividend forecasts for next year after they released results. Trading during the month was limited to topping up positions in BHP Billiton, BT, BP and Eurasian Natural Resources Corporation.

### Munro X Acc Prices



### Investment Objective

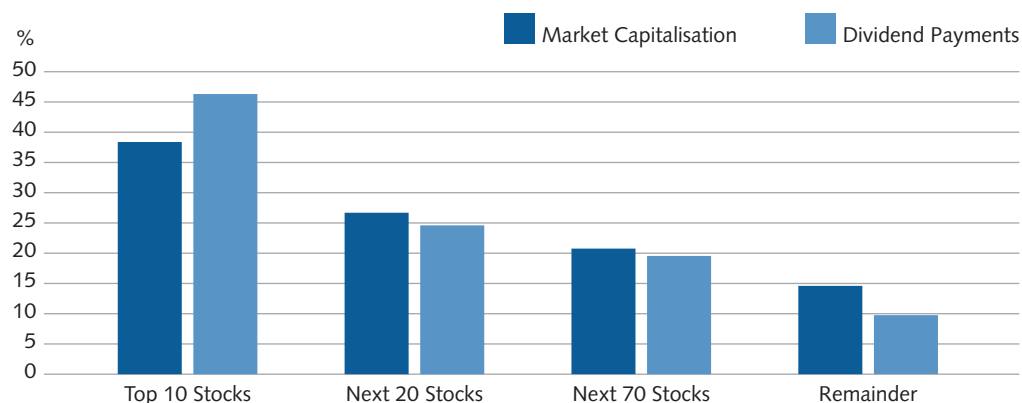
To provide a core, long term, UK equity market investment vehicle at low cost and low maintenance that will outperform a relevant tracker fund.

### 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



## Top 50 Holdings

Company	Holding	Company	Holding
HSBC Holdings Plc	9.89%	Scottish & Southern Energy	0.97%
BP Plc	7.74%	BAE Systems Plc	0.88%
Vodafone Group Plc	5.96%	SABMiller Plc	0.84%
Glaxosmithkline Plc	4.88%	Reckitt Benckiser Group Plc	0.83%
Royal Bank Of Scotland Group	4.50%	Centrica Plc	0.83%
Royal Dutch Shell Plc-A Shs	3.97%	BG Group Plc	0.72%
Barclays Plc	3.80%	Prudential Plc	0.72%
Royal Dutch Shell Plc-B Shs	3.21%	United Utilities Group Plc	0.55%
British American Tobacco Plc	3.16%	Legal & General Group Plc	0.53%
AstraZeneca Plc	2.91%	Land Securities Group Plc	0.50%
BHP Billiton Plc	2.90%	Man Group Plc	0.49%
Lloyds TSB Group Plc	2.80%	Drax Group Plc	0.48%
HBOS Plc	1.78%	Old Mutual Plc	0.47%
Rio Tinto Plc	1.67%	Pearson Plc	0.47%
Diageo Plc	1.67%	Eurasian Natural Resources	0.46%
Unilever Plc	1.66%	British Sky Broadcasting Gro	0.45%
Tesco Plc	1.59%	RSA Insurance Group Plc	0.43%
BT Group Plc	1.59%	Standard Life Plc	0.42%
National Grid Plc	1.50%	Cadbury Plc	0.40%
Aviva Plc	1.37%	Compass Group Plc	0.40%
Carnival Plc	1.27%	Reed Elsevier Plc	0.39%
Imperial Tobacco Group Plc	1.20%	Kingfisher Plc	0.37%
British Energy Group Plc	1.20%	Cable & Wireless Plc	0.36%
Standard Chartered Plc	1.08%	Xstrata Plc	0.35%
Anglo American Plc	1.06%	Rolls-Royce Group Plc	0.34%

Fund Size: £874,227 Number of holdings: 80

## Prices per Unit at 15th September

	Unit	Price	Yield	Sedol
Retail	Accumulation	78.50p	n/a	B1Z8MD2
	Income	76.50p	3.4%	B1Z8LY6
Institutional	Accumulation	94.20p	n/a	B1Z8LD5
	Income	100.00p	n/a	B1Z8MB0
Direct	Accumulation	81.30p	n/a	B1Z8LM4
	Income	79.20p	3.4%	B1Z8L91

## 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)

## 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.

## Website

[www.themunrofund.com](http://www.themunrofund.com)

## IMA Category

UK All Companies

## Rebalancing Date

Tenth day of the month or the next business day after.

## Telephone Dealing Number

020 7131 4223