



Fund Objective

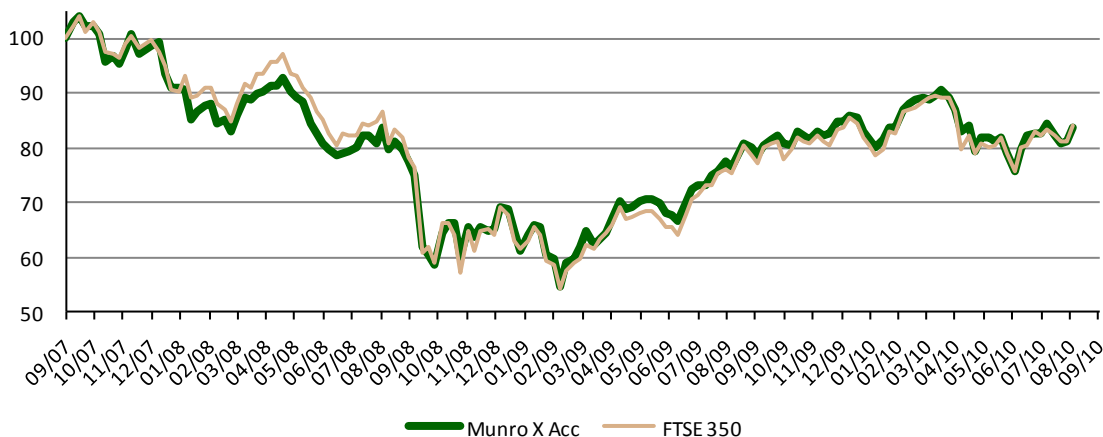
The Munro Fund seeks to deliver the total return of the FTSE 350 index through its unique process of creating a tracker fund using forecast gross cash dividends to construct the portfolio.

Fund Manager's Comment

The pound gave back some of the gains made in July and fell 1.6%. That was the main reason the forecast dividend income for the FTSE 350 rose by 2.7% to £68.8 billion. A noteworthy increase came from Lloyds Banking Group where consensus forecasts have risen from 0.7p to 1.3p per share. BHP Billiton reported results for the year to June 2010 in August and the new forecast used in the model is for the year to 2012 and is £240m higher. Trading during the month was modest but two new stocks were added to the portfolio. These are GKN and Hargreaves Lansdown. The biggest overweight position in the fund is BP and the biggest underweight is BG.

At the end of August the annual management charge on the X Class shares was reduced from 0.75% to 0.5%.

Munro X Acc Prices



Returns

	Since Launch	2 Year	1 Year	6 Month	3 Month
Munro X Acc	-16.2%	-0.5%	9.9%	-2.2%	4.0%
FTSE 350 Index	-15.5%	-3.3%	12.4%	-1.1%	4.4%
FTSE 350 TR Index	-5.4%	4.4%	16.2%	0.8%	5.0%

Tracking Error

4.08%

A measure of how closely a portfolio follows the index. It measures the standard deviation of the difference between the portfolio and index returns over one year and can be viewed as a measure of risk.

Excess Return

-5.85

The return on the fund minus the return on the benchmark. The higher the excess return the more the fund has outperformed the index. N.B. This measure takes no account of risk.

Information Ratio

-1.10

The excess return divided by the tracking error. A measure of risk adjusted performance which gives the average performance per unit of volatility against the benchmark. The higher the ratio, the higher the return of the fund for the risk taken.

Beta

0.78

A measure of a fund's volatility relative to that of its benchmark. Beta is the percent change in the price of the fund given a 1% change in the benchmark. This reveals if the fund moves in line with the benchmark with a beta of 1 indicating perfect alignment. It can also be used as a measure of risk: the higher the beta, the higher the risk.

Alpha

-0.06

The mathematical estimate of the return on a fund when the return on the benchmark is zero.

Yield

2.7%

Based on dividends paid and income received to date for future pay-out.

Source: Bloomberg and FTIM as at 02/09/10.

Disclaimer:

- The value of your shares and the income from them can go down as well as up and you may get back less than you invested.
- Past performance is not a guide to the future.

Top 30 Holdings

Company	Holding	Company	Holding
BP Plc	8.20%	Imperial Tobacco Group Plc	1.48%
Vodafone Group Plc	7.53%	Unilever Plc	1.44%
HSBC Holdings Plc	7.29%	Lloyds Banking Group Plc	1.32%
Royal Dutch Shell Plc-A Shs	5.18%	Reckitt Benckiser Group Plc	1.31%
GlaxoSmithKline Plc	4.65%	Aviva Plc	1.30%
BHP Billiton Plc	4.56%	Anglo American Plc	1.28%
Royal Dutch Shell Plc-B Shs	4.31%	SABMiller Plc	1.27%
British American Tobacco Plc	3.80%	Centrica Plc	1.22%
AstraZeneca Plc	3.51%	Scottish & Southern Energy	1.09%
Rio Tinto Plc	2.41%	BT Group Plc	1.02%
National Grid Plc	2.13%	Prudential Plc	0.89%
Tesco Plc	1.89%	BAE Systems Plc	0.88%
Standard Chartered Plc	1.68%	BG Group Plc	0.75%
Diageo Plc	1.61%	British Sky Broadcasting Gro	0.70%
Barclays Plc	1.54%	Xstrata Plc	0.66%

Fund Size: £1,787,850

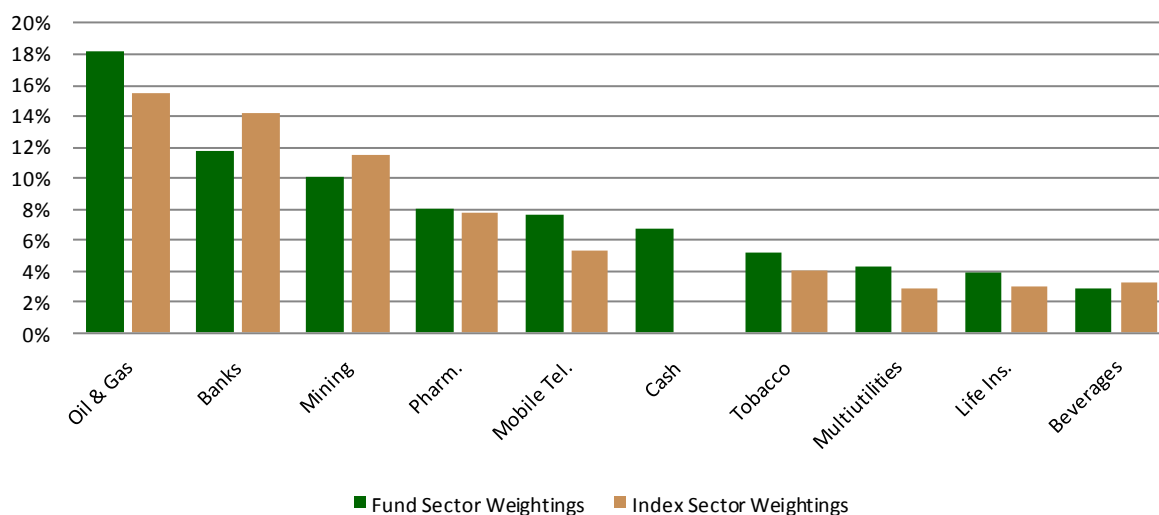
Number of Holdings: 115

Dividends

	A Class Income	X Class Income
2009 Interim Dividend	1.303p	1.343p
2010 Final Dividend	0.807p	0.833p
2010 Interim Dividend (paid Sept 30th)	1.223p	1.250p

Sector Weightings

Top 10 Sector Weightings



Sector

IMA Sector	UK All Companies
Benchmark	FTSE 350 Total Return Index

Website

Fund Website	www.themunrofund.com
Prices	www.themunrofund.com/0603_prices.html

Dealing

Please call: 020 7131 4223

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