

Fund Objective

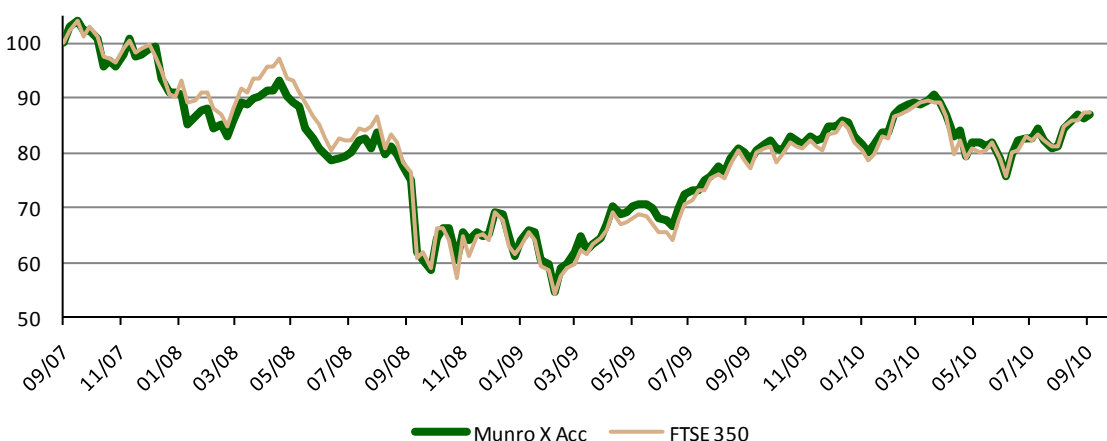
The Munro Fund seeks to deliver the total return of the FTSE 350 index through its unique process of creating a tracker fund using forecast gross cash dividends to construct the portfolio.

Fund Manager's Comment

Dollar weakness was the dominant theme again over the month as it went from 1.54 to 1.58 against sterling. That reduced the sterling value of the forecast dividends from large dollar earners like BHP Billiton and Shell. As a consequence the total forecast dividend from the market for next year declined by 0.6% to £68.4 billion. Sterling's weakness against the euro boosted the expected contribution from Unilever to 1.5% from 1.4%. September was another good month for the UK stock market with gains spread evenly across the market so only a limited amount of dealing was required to keep the fund in line with the model by trimming BP and adding to Vodafone. Tomkins was sold after being taken over and AMEC and Phoenix Group Holdings were added to the portfolio.

The biggest overweight position in the fund is BP and the biggest underweight is BG.

Munro X Acc Prices



Returns

	Since Launch	3 Year	2 Year	1 Year	6 Month	3 Month
Munro X Acc	-13.2%	-16.0%	15.7%	10.2%	-2.5%	14.6%
FTSE 350 Index	-12.5%	-14.4%	13.8%	12.3%	-2.6%	14.7%
FTSE 350 TR Index	-1.9%	-4.0%	22.8%	16.1%	-0.9%	15.6%

Tracking Error

4.05%

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

-6.24

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

-1.05

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

0.77

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

-0.05

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

Yield

2.6%

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

Source: Bloomberg and FTIM as at 04/10/10.

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	7.83%	Unilever Plc	1.45%
HSBC Holdings Plc	7.36%	Barclays Plc	1.41%
Vodafone Group Plc	7.25%	Reckitt Benckiser Group Plc	1.33%
Royal Dutch Shell Plc-A Shs	5.44%	Lloyds Banking Group Plc	1.31%
BHP Billiton Plc	4.63%	Anglo American Plc	1.27%
GlaxoSmithKline Plc	4.46%	SABMiller Plc	1.26%
Royal Dutch Shell Plc-B Shs	4.45%	Aviva Plc	1.25%
British American Tobacco Plc	3.71%	Centrica Plc	1.17%
AstraZeneca Plc	3.58%	BT Group Plc	1.05%
Rio Tinto Plc	2.16%	Scottish & Southern Energy	1.02%
National Grid Plc	2.11%	Prudential Plc	0.93%
Tesco Plc	1.91%	BAE Systems Plc	0.92%
Standard Chartered Plc	1.64%	BG Group Plc	0.76%
Diageo Plc	1.53%	Xstrata Plc	0.70%
Imperial Tobacco Group Plc	1.47%	Carnival Plc	0.70%

Fund Size: £1,856,460

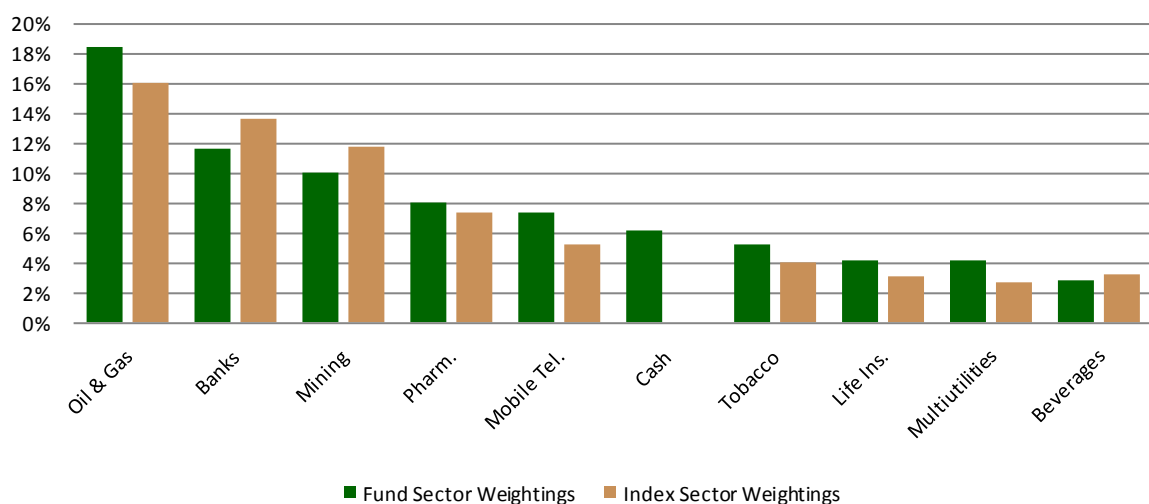
Number of Holdings: 116

Dividends

	A Class Income	X Class Income
2009 Interim Dividend	1.303p	1.343p
2010 Final Dividend	0.807p	0.833p
2010 Interim Dividend	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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