



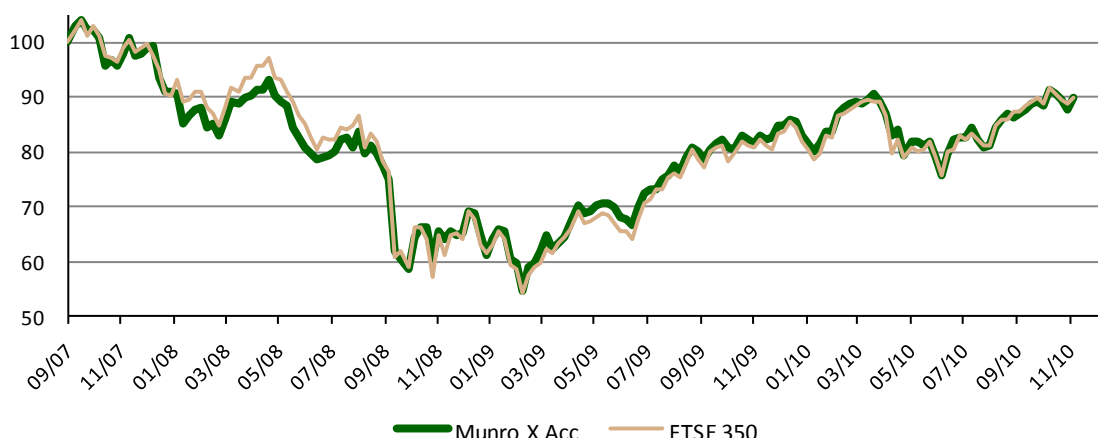
**Fund Objective**

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**

Analysts have dramatically cut estimates for the dividend BP is forecast to pay in 2011 from 27p to 23p a share. In gross terms that equates to a fall of about £750m. Another company that saw its estimates reduced was Lloyds Group where dividend forecasts were cut from 1.2p to 0.9p reducing the total payout by £200m. Despite those impacts the overall projected payout for the FTSE 350 is essentially unchanged at £68 billion after factoring in increases from other companies. A slight increase in the dollar exchange also provided a small positive impact. New money enabled the fund to add positions in Logica, Hiscox, Meggitt, Ladbrokes and UBM. As a consequence of the change in forecasts the fund reduced its holdings of BP, Lloyds and Billiton to bring it into line with the updated model. Some of the money raised was re-allocated to Vodafone, Imperial Tobacco, Compass, Centrica, Marks & Spencer and Capital Shopping Centres Group. After these changes the largest overweight holding is Vodafone and the biggest underweight position is Rio Tinto.

**Munro X Acc Prices**



**Returns**

	Since Launch	3 Year	2 Year	1 Year	6 Month	3 Month
Munro X Acc	-9.1%	-9.8%	42.2%	8.9%	13.0%	7.7%
FTSE 350 Index	-8.3%	-9.5%	48.9%	11.0%	15.2%	7.9%
FTSE 350 TR Index	3.4%	1.5%	60.2%	14.6%	16.6%	8.6%

**Tracking Error**

**3.99%**

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**

**-4.84**

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**

**-0.98**

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**

**0.81**

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**

**-0.04**

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

**Yield**

**2.5%**

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

Source: Bloomberg and FTIM as at 07/12/10.

**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
Vodafone Group Plc	7.50%	Unilever Plc	1.51%
HSBC Holdings Plc	7.31%	Anglo American Plc	1.39%
BP Plc	6.52%	SABMiller Plc	1.24%
Royal Dutch Shell Plc-A Shs	5.42%	Barclays Plc	1.23%
GlaxoSmithKline Plc	4.53%	Reckitt Benckiser Group Plc	1.21%
BHP Billiton Plc	4.51%	BT Group Plc	1.17%
Royal Dutch Shell Plc-B Shs	4.23%	Centrica Plc	1.15%
British American Tobacco Plc	3.65%	Aviva Plc	1.14%
AstraZeneca Plc	3.49%	Scottish & Southern Energy	1.02%
Rio Tinto Plc	2.10%	Lloyds Banking Group Plc	0.93%
National Grid Plc	1.99%	BAE Systems Plc	0.89%
Tesco Plc	1.99%	Prudential Plc	0.86%
Standard Chartered Plc	1.81%	Xstrata Plc	0.78%
Diageo Plc	1.63%	BG Group Plc	0.77%
Imperial Tobacco Group Plc	1.61%	Carnival Plc	0.69%

Fund Size: £2,047,089

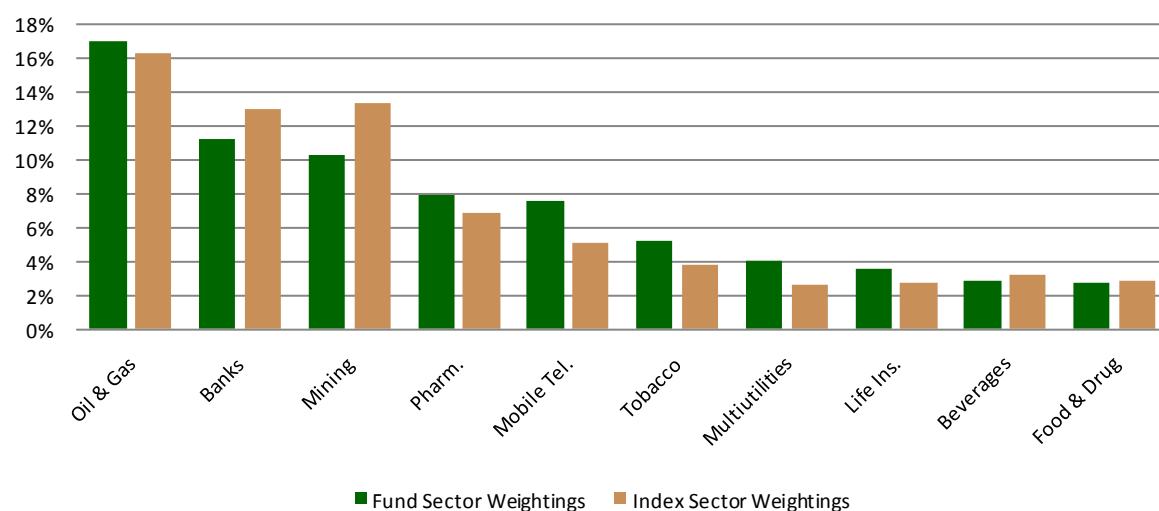
Number of Holdings: 122

## 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	<a href="http://www.themunrofund.com">www.themunrofund.com</a>
Prices	<a href="http://www.themunrofund.com/0603_prices.html">www.themunrofund.com/0603_prices.html</a>

## Dealing

Please call: 020 7131 4223

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