



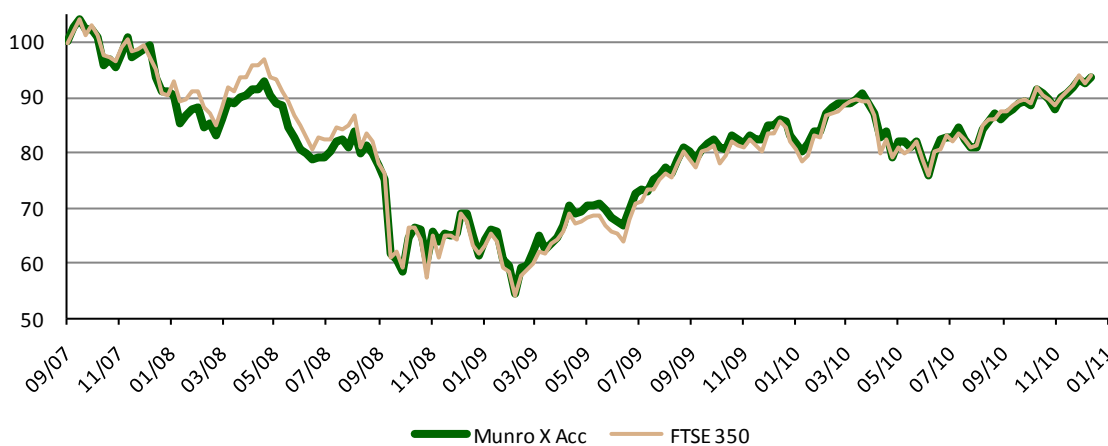
**Fund Objective**

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**

Despite further strength in the pound against the dollar and the euro the forecast total dividend for the FTSE 350 has increased by 0.8% to £68.6 billion. The largest increase came from Shell followed by Carnival Cruise Lines. After releasing results for 2010 the model is now using forecasts for Carnival for 2012. The overall forecast dividend for the index was also boosted by a number of smaller companies that were promoted to the FTSE 250 at the last reshuffle in December 2010. Reductions to forecasts were experienced by dollar earners such as BP and GlaxoSmithKline. A rising market increased the value of the fund and allowed it move further down the capital distribution curve. This enabled it to purchase Daily Mail Group, Close Brothers, Carillion and Exillon Energy. In addition some trading was carried out during the month to keep the fund in line with model. The largest overweight position in the fund is Vodafone and the biggest underweight holding is BG Group.

**Munro X Acc Prices**



**Returns**

	Since Launch	3 Year	2 Year	1 Year	6 Month	3 Month
Munro X Acc	-7.0%	-2.9%	35.0%	8.1%	16.6%	5.9%
FTSE 350 Index	-6.0%	-1.8%	38.1%	9.1%	16.4%	5.6%
FTSE 350 TR Index	6.0%	10.0%	48.5%	12.6%	17.9%	6.2%

**Tracking Error**

**3.96%**

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**

**-4.42**

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**

**-1.03**

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**

**0.82**

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**

**2.4%**

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

Source: Bloomberg and FTIM as at 10/01/11.

**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
HSBC Holdings Plc	7.53%	Unilever Plc	1.46%
Vodafone Group Plc	7.49%	Barclays Plc	1.31%
BP Plc	6.59%	Reckitt Benckiser Group Plc	1.28%
Royal Dutch Shell Plc-A Shs	5.51%	SABMiller Plc	1.26%
BHP Billiton Plc	4.58%	Anglo American Plc	1.19%
GlaxoSmithKline Plc	4.45%	Centrica Plc	1.17%
Royal Dutch Shell Plc-B Shs	4.33%	Aviva Plc	1.16%
British American Tobacco Plc	3.73%	Scottish & Southern Energy	1.09%
AstraZeneca Plc	3.54%	BT Group Plc	0.97%
Rio Tinto Plc	2.02%	BAE Systems Plc	0.91%
National Grid Plc	1.97%	Lloyds Banking Group Plc	0.89%
Tesco Plc	1.92%	Prudential Plc	0.88%
Standard Chartered Plc	1.69%	Xstrata Plc	0.78%
Diageo Plc	1.66%	BG Group Plc	0.78%
Imperial Tobacco Group Plc	1.60%	Carnival Plc	0.77%

Fund Size: £2,093,886

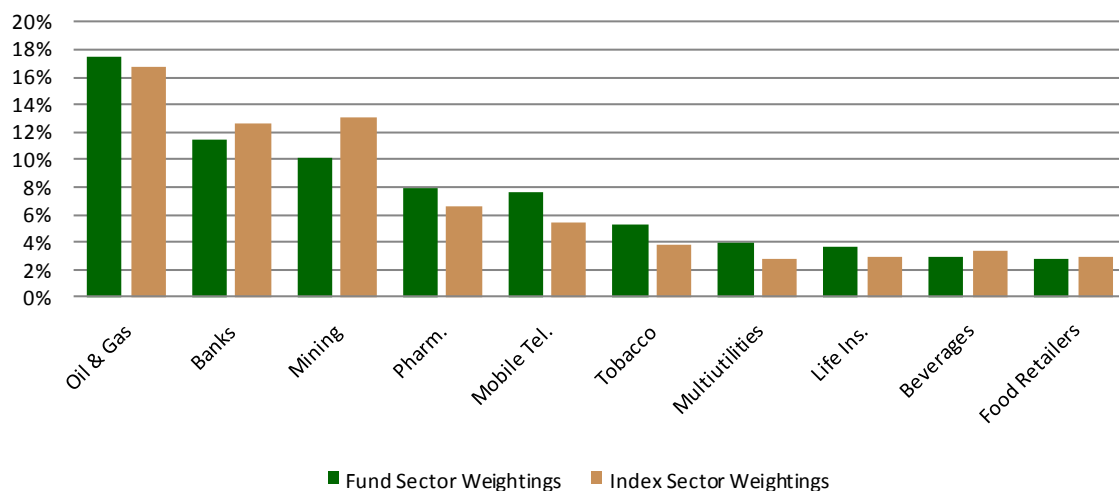
Number of Holdings: 126

## 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

FUNDAMENTAL TRACKER INVESTMENT MANAGEMENT LIMITED IS A COMPANY REGISTERED IN SCOTLAND, NO SC299736, AND IS AUTHORISED AND REGULATED BY THE FINANCIAL SERVICES AUTHORITY WITH REGISTERED NUMBER 457686. THIS COMMUNICATION IS FOR GENERAL INFORMATION PURPOSES ONLY AND DOES NOT CONSTITUTE PROFESSIONAL ADVICE. FUNDAMENTAL TRACKER INVESTMENT MANAGEMENT LIMITED ACCEPTS NO RESPONSIBILITY FOR ANY LOSS ARISING FROM RELIANCE ON THE INFORMATION IT CONTAINS.