



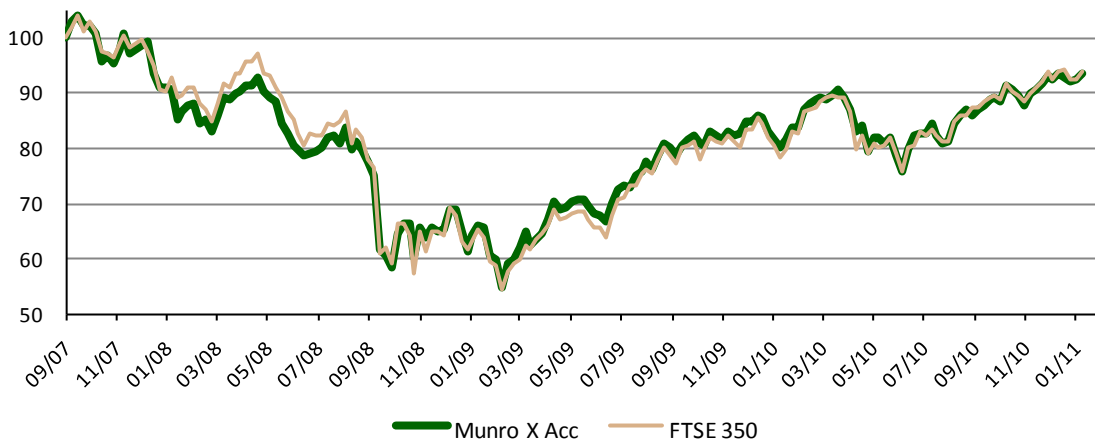
**Fund Objective**

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**

Another surge in the value of the pound relative to the dollar acted to reduce the total forecast dividends for some constituents of the FTSE 350. This negative effect was mitigated a little by increases in forecast dividends for other companies such as Unilever. In addition, since BP, Shell, GlaxoSmith-Kline and AstraZeneca have all reported earnings for 2010 the model is now using forecasts for 2012. The biggest single impact on the overall figure was the business combination of International Power with GDF Suez. That deal suggests that the total payout will rise from £182 million to £586 million as a consequence of the increased number of shares in issue. The net effect of all these changes was a 0.2% increase to £68.8 billion in the projected total dividend income for the FTSE 350. Apart from adding William Hill trading was limited to keeping the fund in line with the model.

**Munro X Acc Prices**



**Returns**

	Since Launch	3 Year	2 Year	1 Year	6 Month	3 Month
Munro X Acc	-6.0%	7.8%	42.3%	17.1%	11.4%	2.9%
FTSE 350 Index	-4.4%	7.3%	45.1%	20.9%	13.9%	3.5%
FTSE 350 TR Index	8.0%	20.3%	55.8%	24.8%	15.3%	3.9%

**Tracking Error**

**3.91%**

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**

**-6.47**

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**

**-1.04**

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**

**-0.05**

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 07/02/11.

**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
Vodafone Group Plc	7.30%	Unilever Plc	1.58%
HSBC Holdings Plc	7.25%	Barclays Plc	1.37%
BP Plc	5.75%	Aviva Plc	1.26%
Royal Dutch Shell Plc-A Shs	5.33%	SABMiller Plc	1.24%
GlaxoSmithKline Plc	4.47%	Reckitt Benckiser Group Plc	1.22%
BHP Billiton Plc	4.46%	Centrica Plc	1.13%
Royal Dutch Shell Plc-B Shs	4.08%	Scottish & Southern Energy	1.02%
British American Tobacco Plc	3.80%	Carnival Plc	0.98%
AstraZeneca Plc	3.69%	Anglo American Plc	0.97%
Rio Tinto Plc	2.03%	Prudential Plc	0.91%
National Grid Plc	2.00%	BT Group Plc	0.90%
Tesco Plc	1.86%	BAE Systems Plc	0.89%
Standard Chartered Plc	1.70%	International Power Plc	0.87%
Imperial Tobacco Group Plc	1.67%	Lloyds Banking Group Plc	0.84%
Diageo Plc	1.66%	BG Group Plc	0.83%

Fund Size: £2,139,662

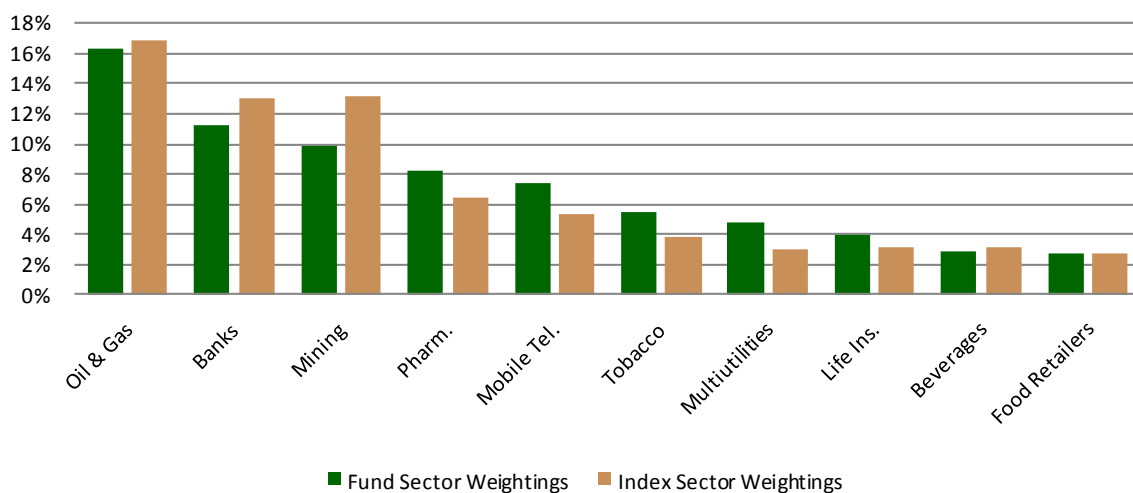
Number of Holdings: 127

## 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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