



Fund Objective

The Munro Fund seeks to deliver a better total return than the FTSE 350 index at lower risk.

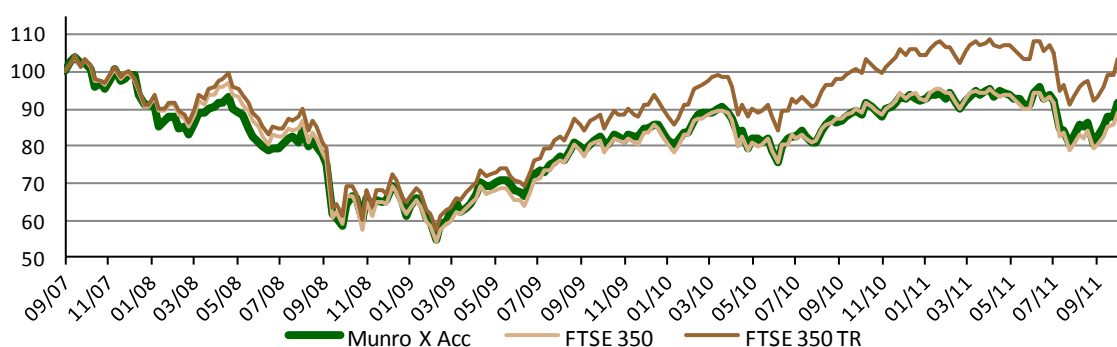
Fund Process

The fund uses consensus forecast gross cash dividends for each constituent company, in relation to the total for the index, to determine the size of each holding. Using a fundamental measure, rather than price (market capitalisation) as with most index funds, gives it a value bias. This model bridges the gap between active and passive funds. The model is rebalanced every month to incorporate changes to dividend forecasts and the fund is reconciled to the model every day to exploit volatility.

Fund Manager's Comment

A rise of sterling against the dollar during October of 2.6% was the main contributor to the 1.5% fall in the forecast for dividends to be declared for 2012 to £75.4 billion. Resource companies, and banks with an Asian focus, were the main companies that saw their estimates cut, and outweighed a 1% increase from Vodafone. Volatile conditions over the month allowed the fund to add to holdings in HSBC, Man Group, WPP, Billiton, Kazakhmys, RSA, ICAP, Amlin, Admiral, British Land, Reckitt & Benckiser, National Grid, Shell A, and a new position was taken in Cookson. The holding in GlaxoSmithKline was trimmed to comply with FSA rules. The fund is benchmarked against the FTSE 350 TR and its performance against that is detailed in the table below. However, it is interesting to note that according to Trustnet the fund is second quartile in the UK All Companies sector over one year with below average volatility. Over three years the fund is fourth quartile as a bias to value was not favoured in the sharp rally in cyclical stocks that followed the introduction of Quantitative Easing in March 2009.

Munro X Acc Prices



Returns

	Since Launch	3 Year	2 Year	1 Year	6 Month	3 Month
Munro X Acc	-11.2%	35.4%	10.1%	-1.6%	-4.0%	8.3%
FTSE 350 Index	-13.3	30.7%	7.2%	-4.9%	-7.1%	9.3%
FTSE 350 TR Index	0.8%	45.8%	14.6%	-1.7%	-5.4%	10.2%
Tracking Error	4.03	3.87	3.37	AMC (X Class)		0.5%
Information Ratio	-0.62	-0.30	-0.78	Initial Fee (X Class)		0%
Excess Return	-2.48	-1.30	-2.87	TER (X Class)		1.43%
Beta	0.97	0.94	0.96	Min. Investment		£250
Alpha	-0.21	-0.04	-0.20	Valuation Point		12 Noon
Alpha (Jensen)	-2.55	-0.57	-2.57	Yield (Net)		2.9%

Ratio definitions are at— www.themunrofund/0400_glossary.html

Source: Bloomberg and FTIM as at 31/10/11

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	9.83%	DIAGEO PLC	1.58%
HSBC HOLDINGS PLC	6.96%	BARCLAYS PLC	1.55%
BP PLC	5.60%	SABMILLER PLC	1.30%
BHP BILLITON PLC	5.60%	RECKITT BENCKISER GROUP	1.27%
ROYAL DUTCH SHELL PLC-A	5.57%	CENTRICA PLC	1.11%
GLAXOSMITHKLINE PLC	5.10%	BT GROUP PLC	1.07%
ROYAL DUTCH SHELL PLC-B	4.22%	AVIVA PLC	1.06%
BRITISH AMERICAN TOB	3.95%	ANGLO AMERICAN PLC	1.03%
ASTRAZENECA PLC	3.11%	NEW WORLD RESOURCES	1.03%
RIO TINTO PLC	2.32%	XSTRATA PLC	1.02%
NATIONAL GRID PLC	2.01%	SSE	1.01%
TESCO PLC	1.89%	CARNIVAL PLC	0.93%
STANDARD CHARTERED PLC	1.70%	PRUDENTIAL PLC	0.89%
IMPERIAL TOBACCO GROUP PLC	1.67%	BAE SYSTEMS PLC	0.86%
UNILEVER PLC	1.61%	LLOYDS BANKING GROUP	0.84%

Fund Size: £2,347,008

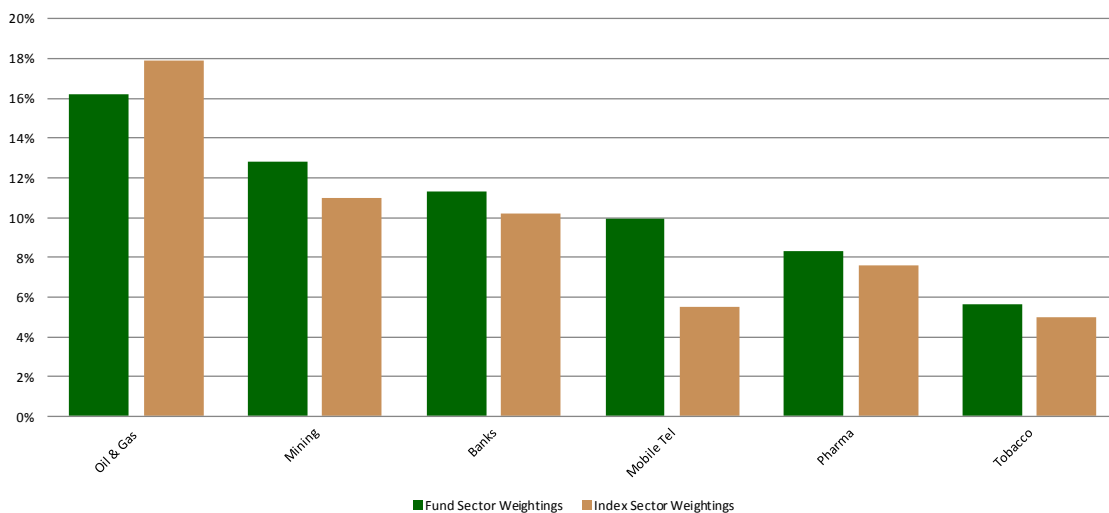
Number of Holdings: 137

Dividends

	A Class Income	X Class Income
2010 Interim Dividend	1.223p	1.250p
2010 Final Dividend	0.822p	0.848p
2011 Interim Dividend	1.4836p	1.522p
2011 Final Dividend	0.760p	0.779p

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

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.