

**Fund Objective**

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

**Fund Process**

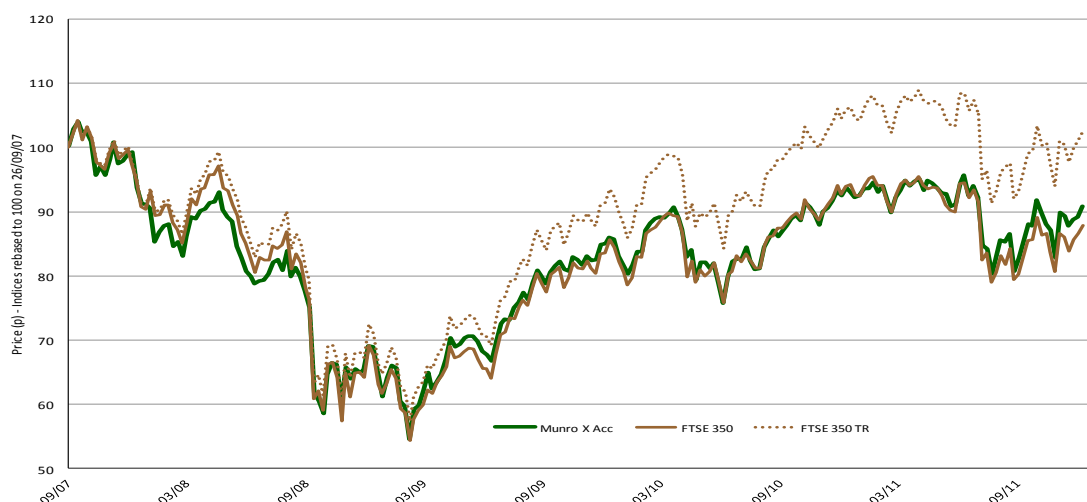
The fund uses consensus forecast gross cash dividends for each constituent company, in relation to the total for the index, to determine the size of each holding. Using a fundamental measure, rather than price (market capitalisation) as with most index funds, gives it a value bias. This model bridges 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**

Sterling fell against the dollar in December by 1.1%. That was positive for the total dividend forecast income but it was outweighed by the impact of three new stocks coming in that are all significant dividend payers. The net effect of all these changes was a 1.1% increase in the forecast payout to £76.8 billion for the FTSE 350. These stocks; CRH, Evraz and Polymetals were added to the fund as well as Hiscox over the month. As a consequence of difficult trading conditions Thomas Cook fell below the market capitalisation size criteria for the 350 Index and was removed from it and the fund sold its holding. The fund added to holdings in SABMiller, SSE, BP, Centrica, Glencore, BHP, Aviva, Resolution and Man Group over the month. The holding in GlaxoSmithKline was trimmed to comply with FSA rules. According to Trustnet the fund remains in the first quartile in the UK All Companies sector over one year with below average volatility.

**Munro X Acc Prices**

Munro X Acc Vs FTSE 350 Index Since Launch



**Returns**

	Since Launch	3 Year	2 Year	1 Year	6 Month	3 Month
Munro X Acc	-9.2%	27.3%	5.5%	-4.2%	-3.9%	7.7%
FTSE 350 Index	-11.1%	24.6%	2.7%	-7.0%	-7.2%	6.4%
FTSE 350 TR Index	3.7%	38.6%	9.7%	-3.8%	-5.7%	7.1%
Tracking Error	4.36	3.94	4.19	Port T'over Ratio		3.4%
Information Ratio	-0.67	-0.78	-0.62	Std Dev 3 yr ann		14.92
Excess Return	-2.95	-3.46	-2.75	TER (x Class)		1.43%
Beta	0.97	0.96	0.98	Min. Investment		£250
Alpha	-0.24	-0.22	-0.21	Valuation Point		12 Noon
Alpha (Jensen)	-3.02	-2.97	-2.69	Yield (Net)		2.9%

Ratio definitions are at— [www.themunrofund/0400\\_glossary.html](http://www.themunrofund/0400_glossary.html)

Source: Bloomberg and FTIM as at 06/01/12

**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	9.49%	UNILEVER PLC	1.63%
HSBC HLDGS PLC	6.89%	BARCLAYS PLC	1.55%
ROYAL DUTCH SH-A	5.61%	SABMILLER PLC	1.42%
BHP BILLITON PLC	5.52%	RECKITT BENCKISER	1.27%
BP PLC	5.04%	CENTRICA PLC	1.12%
GLAXOSMITHKLINE	4.84%	AVIVA PLC	1.08%
ROYAL DUTCH SH-B	4.11%	BT GROUP PLC	1.08%
BRIT AMER TOBACCO	3.94%	SSE PLC	1.07%
ASTRAZENECA PLC	3.19%	XSTRATA PLC	1.00%
RIO TINTO PLC	2.18%	ANGLO AMER PLC	1.00%
NATIONAL GRID PL	1.96%	GLENORE INT PLC	0.96%
TESCO PLC	1.79%	CARNIVAL PLC	0.91%
IMPERIAL TOBACCO	1.69%	PRUDENTIAL PLC	0.90%
DIAGEO PLC	1.65%	BAE SYSTEMS PLC	0.88%
STANDARD CHARTER	1.64%	INTL POWER PLC	0.80%

**Fund Size: £2,444,246****Number of Holdings: 143****Dividends**

	A Class Income	B Class Income	X Class Income
2010 Interim Dividend	1.223p	-	1.250p
2010 Final Dividend	0.822p	0p	0.848p
2011 Interim Dividend	1.4836p	1.882p	1.522p
2011 Final Dividend	0.760p	0.989p	0.779p

**Key Data**

Share Class		Retail (A)	Institution (B)	Direct (X)
AMC		1.5%	1.25%	0.5%
Bloomberg	Accumulation	SWMNURA LN	SWMNUBA LN	SWMNUXA LN
	Income	SWMNURI LN	SWMNUBI LN	SWMNUXI LN
SEDOL	Accumulation	B1Z8MD2	B1Z8LD5	B1Z8LM4
	Income	B1Z8LY6	B1Z8MB0	B1Z8L91
ISIN	Accumulation	GB00B1Z8MD27	GB00B1Z8LD51	GB00B1Z8LM43
	Income	GB00B1Z8LY64	GB00B1Z8MB03	GB00B1Z8L916
MexID	Accumulation	WLSWAS	WLSWBS	WLSW
	Income	WLSWXR	WLSWIB	WLSWXS

**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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