

MONTHLY PERFORMANCE BY FINANCIAL YEAR

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL RETURN
2017FY		1.4%	1.1%	-3.3%	2.2%	0.9%	1.9%	0.0%	2.1%	3.5%			10.0%

MONTHLY SUMMARY

Markets were stronger in April with the US S&P 500 up 0.91%, the European Stoxx 600 up 1.56% and the Japanese Topix up 1.27%. The MSCI AC World Index (AUD) returned 3.60% for the month, comprising a 1.28% equity return and, due to a falling AUD, a 2.31% currency return. While investor focus at various times during the month was on geopolitics, markets ultimately climbed the wall of worry and closed higher, supported by strong first quarter US earnings results as well as favourable election results in France.

Fund attribution for April was dominated by stock selection on the long side, with positions in Artificial Intelligence company Blue Prism (see overleaf), communications giants Facebook and Google, as well as construction beneficiaries Mastec and Kingspan all positively contributing. On the negative side, infrastructure play United Rentals (see overleaf) missed consensus in its Q1 results. On currencies, the Fund remains predominately hedged with a 25% holding in USD and consequently generated 0.49% from FX, far less than the index which fully benefited from the depreciation in the AUD against various offshore currencies.

The Fund maintained put option hedging through the worst of the Syrian crisis, as well as over the French election weekend. Ultimately, these puts expired worthless as the most adverse scenarios did not materialise costing the Fund 0.25% in April. The level of option premium or 'insurance' paid away during the month was higher than usual as the French elections in particular presented a systemic risk to Europe and the Euro, should the Centrist, Emmanuel Macron have not made it through to the 7 May presidential runoff.

MONTHLY OUTLOOK

Regular readers will have noted that we have consistently said that Trump and his business-friendly policies would be given the benefit of the doubt for longer than consensus expects, such is the potential upside to corporate earnings from tax cuts and infrastructure spending. With the administration now passing 100 days in office, doubts are now finally growing. Positive incremental news flow from Washington around tax or infrastructure is no longer buoying markets, as investors are generally sceptical that substantial tax reforms will pass Congress in the medium term. With Washington effectively stuck in the mud on policy formation, markets will now rely on earnings growth and an improving Europe to drive markets higher from here. The good news is earnings have been strong in Q1 to date with S&P 500 earnings showing an average 12% growth year-on-year, while revenue growth has risen 6.4% year-on-year. Similar strength has been seen in Europe, where there is considerably more room for earnings to grow, as political concerns have held back confidence to date and now Europe seems to be entering a rare period of political stability. Contrasting these positives is the impressive performance of markets year to date, which leave little room for disappointment as we enter the seasonally weak May – October period. Consequently, having finished April with slightly higher exposure than we would ordinarily envisage, we would expect market exposure to begin to shrink from here and will likely be 'banking' some profits, particularly in the Information Technology sector.

FUND SUMMARY

KEY NUMBERS

UNIT PRICE	\$1.0998
EXIT PRICE	\$1.0982
ENTRY PRICE	\$1.1014
FUM	\$46.3m
APIR	MUA0002AU

KEY FACTS

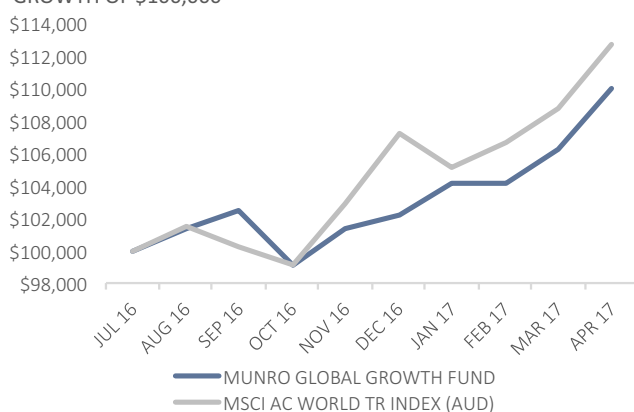
NUMBER OF STOCKS	30-50 POSITIONS
CASH WEIGHTING	0-100%
CURRENCY HEDGING	0-100%
MANAGEMENT FEE	1.35% P.A.
PERFORMANCE FEE	10%

TOP 5 HOLDINGS

STOCK	COUNTRY	INDUSTRY	WEIGHT
BLUE PRISM	UK	INFO TECH.	4.9%
FACEBOOK	US	INFO TECH.	4.5%
ACTIVISION BLIZZARD	US	INFO TECH.	4.1%
MICRON	US	INFO TECH.	4.0%
AMAZON	US	CONSUMER DISC.	4.0%

HISTORICAL PERFORMANCE

GROWTH OF \$100,000



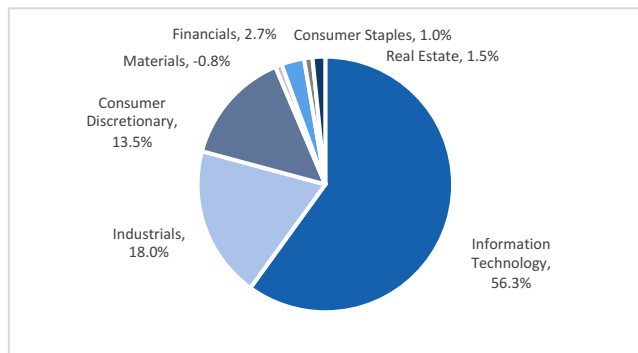
PERFORMANCE SUMMARY

	1MTH	2MTHS	3MTHS	6MTHS	9MTHS	1YEAR	SINCE INCEPTION
LOCAL CURRENCY RETURN	3.0%	5.0%	5.5%	11.4%	11.6%		11.6%
+/- CURRENCY IMPACT	0.5%	0.6%	0.1%	-0.4%	-1.5%		-1.5%
MUNRO GLOBAL GROWTH FUND (AUD)	3.5%	5.6%	5.6%	11.0%	10.0%		10.0%
MSCI AC WORLD TR NET INDEX (LOCAL CURRENCY)	1.3%	2.4%	5.4%	12.0%	12.4%		12.4%
+/- CURRENCY IMPACT	2.3%	3.3%	1.8%	1.5%	0.3%		0.3%
MSCI AC WORLD TR INDEX (AUD)	3.6%	5.7%	7.3%	13.7%	12.7%		12.7%



The Munro Global Growth Fund is an absolute return international growth equities fund. The Fund is index-unaware, aiming for meaningful absolute returns through the investment cycle, whilst maintaining a capital preservation mindset. The Fund's flexible mandate allows it to dynamically manage its market exposure and predominantly hedges currency exposure to protect clients capital and to enhance the long term returns of our investments.

SECTOR EXPOSURE



NOTABLE STOCK CONTRIBUTORS

TOP 5 CONTRIBUTORS		BOTTOM 5 CONTRIBUTORS	
BLUE PRISM	UK	UNITED RENTALS	US
ALPHABET	US	WELLS FARGO	US
FACEBOOK	US	MICRON TECHNOLOGY	US
MASTEC	US	BAOZUN INC	CH
KINGSPAN	IE	BMW	GY

FUND EXPOSURE

CURRENCY REGION	LONG EXPOSURE	NET EXPOSURE	CURRENCY EXPOSURE
AUSTRALIA	0.0%	0.0%	70.7%
NORTH AMERICA	55.7%	49.5%	25.1%
UNITED KINGDOM	11.9%	10.8%	1.7%
EURO AREA	19.9%	19.1%	1.8%
GERMANY	2.6%	1.8%	
SPAIN	2.2%	2.2%	
NETHERLANDS	6.6%	6.6%	
IRELAND	8.5%	8.5%	
KOREA	2.0%	2.0%	0.1%
JAPAN	2.7%	2.7%	0.2%
SWEDEN	4.1%	4.1%	0.6%
HONG KONG	1.2%	1.2%	-0.2%
EXPOSURE	97.5%	89.4%	100.0%
DELTA ADJUSTED EXPOSURE		89.4%	

IMPORTANT INFORMATION

Munro Asset Management Limited (ABN 28 163 522 254, AFSL 480509) is the product issuer of the Munro Global Growth Fund (ARSN 612 854 547), inception date 1 August 2016, the Product Disclosure Statement (PDS) is available at www.munropartners.com.au/access/. Munro Partners (ABN 58 295 538 057) is the investment manager of the Fund, together Munro. The information contained in this monthly report is for general information purposes only and does not constitute financial product advice. This monthly report may contain information about securities, opinions and forecasts, all of which may change without notice and none of which has been prepared taking into account your objectives, financial situation or needs. While this information is provided in good faith and is derived from sources believed to be accurate and reliable at the time of publication, Munro makes no warranty as to the accuracy or reliability of the information. To the extent permitted by law, Munro accepts no responsibility for any loss arising in any way (including by way of negligence) from anyone acting or refraining from acting as a result of this information. This document remains the property of Munro and must not be forwarded or otherwise distributed to any other recipient without the express written consent of Munro.

Returns of the Munro Global Growth Fund are net of applicable fees, costs and taxes. Returns have not been annualised. Past performance is not a reliable indicator of future performance. The MSCI AC World TR Index (AUD) refers to the MSCI All Country World Net Index in Australian dollars. The Fund Exposure and Top 5 Holdings depict end of month figures and may have changed materially from holdings during the month or not disclosed due to confidentiality reasons. The Delta Adjusted Exposure includes impact of options hedging. Numbers may not sum due to rounding. The currency exposure of 0-100% is biased to maintaining high levels of hedging and the performance fee is calculated once the Fund exceeds the high watermark and hurdle rate. You should consider the PDS in its entirety before making a decision to acquire or continue to hold an interest in the Munro Global Growth Fund. Please also see our Financial Services Guide, Privacy Policy and Terms of Use via www.munropartners.com.au/legals/.

NOTABLE STOCK MOVES

BLUE PRISM

Blue Prism contributed 123 basis points of performance during April. As discussed back in December, we see Artificial Intelligence (AI) as one of our key growth trends for 2017, while also flagging Blue Prism as one of our more exciting investments in this emerging space. The company delivered strong returns for the month on the back of its 2nd profit upgrade for the year, despite their fiscal year only being five months old. Blue Prism's lead in Robotic Process Automation (RPA) software has seen them achieve rapid adoption amongst leading Fortune 2000 organisations, particularly in the financial services space. Total customers have now grown to 240, with the company adding another 87 customers just this year to date, not to mention customer upsells which are now pacing at a similar rate to new customers in line with the company's 'land and expand' approach. Our channel checks amongst large financial customers had already confirmed its strong customer perception amongst potential buyers and consequently we had lifted the position size over recent months.

We still see RPA, (or software robots as they are otherwise known), as one of the most logical and efficient uses of basic AI technology today and see the total addressable market as north of \$30bn. Should Blue Prism continue to maintain its market share and pricing power, then further robust growth ahead looks likely.

UNITED RENTALS

United Rentals contributed -30 basis points from portfolio performance during April. The company reported results on April 20th and whilst positive, the market had high expectations given the rhetoric around US infrastructure spending.

Whilst equipment rentals grew year-on-year at over 4%, the company missed consensus EBITDA expectations by 1.5%. Despite the encouraging utilisation trends, (well ahead of market expectations and Munro estimates), rental rates in the US have declined by 1.4% year-on-year. Rental rates are predominantly driven by macroeconomic conditions, and we believe the structural shift to rentals and ability for United Rentals to gain market share can continue to support EPS for the foreseeable future. Additionally, the company raised their outlook and guidance; specifically revenues and EBITDA were upgraded by 5%.

We remain constructive on the growth in United Rentals earnings going forward, but are mindful of the Trump infrastructure spending rhetoric creating heightened market expectations. The structural forces at play will continue to support earnings and multiple expansion, with infrastructure spending and tax cuts added catalysts.

