

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%						4.2%

MONTHLY SUMMARY

In a noisy but positive start to the new year, US markets continued to gain with the S&P 500 closing up 1.8%, European markets were mixed with the Stoxx 600 finishing down 0.4%, while the Hang Seng rallied +6.2% and Japan's Topix ended January up 0.2%. The Fund produced a positive 1.9% for the month which was pleasing given the MSCI Index fall of 2.0%. The US reporting season has generally been positive so far with reasonably bullish results and outlook statements. Global growth also continues to improve with US PMIs now firmly in positive territory, rising 1.5 points to 56.0, the highest level since November 2014. European growth meanwhile continues to improve with the PMI strengthening to 55.2 in January, a solid uptick from 51.7 in August.

We continue to have a positive disposition towards equity markets and as such kept our net exposure high during January, averaging over 80%. Monthly performance was largely driven by a rebound in the technology sector, with large internet names Facebook and global gaming giant Activision Blizzard bouncing back from a weak 4th quarter. Elsewhere in technology, key semiconductor names Micron (US) and Sumco (Japan) also contributed positively to performance. Outside of technology, United Rentals jumped on improving results and our 'Short' positions in key global brick and mortar retailers also contributed to fund performance (see page 2).

The Fund closed the month predominately hedged versus the Australian dollar, however we maintained a 35% holding in USD, which caused losses of 1.8% on FX given the Australian Dollar appreciated 5.2% for the month. This is compared with the Index that lost just under 3.6% on FX. Looking ahead, we still see border taxes in the US as likely to be USD positive as markets adjust for changing terms of trade, but remain mindful that we are not in the relative return game and ultimately we have little tolerance for losing money on currencies.

MONTHLY OUTLOOK

While the media increasingly focuses on Trump's international agenda, markets are looking more closely at economic data which continues to improve since the election. As discussed previously, the Republican agenda of tax cuts, regulation cuts and infrastructure investment is likely to be given the benefit of the doubt for longer than most market participants expect, largely because the earnings accretion from such moves can be material and also because of 'animal spirits' such moves may unleash.

Elsewhere it is worth highlighting that other developed economies will be watching the outcome with interest and undoubtedly preparing their own stimulus programs as elections approach. Stronger growth combined with interest rates remaining low and being slow to react to changing conditions should be positive for equity markets. Stronger corporate earnings are balanced against market valuations, which despite being high, are still within an acceptable range, ensuring equities remain attractive versus other asset classes. Longer term, inflation is the key concern for markets because at some point if the above is successful central banks will find themselves behind the curve.

FUND SUMMARY

KEY NUMBERS

UNIT PRICE	\$1.0417
EXIT PRICE	\$1.0401
ENTRY PRICE	\$1.0433
FUM	\$39.7M
APIR	MUA0002AU

KEY FACTS

NUMBER OF STOCKS	30-50 POSITIONS
CASH WEIGHTING	0-100%
CURRENCY HEDGING	0-100%
MANAGEMENT FEE	1.25% P.A.
PERFORMANCE FEE	10%

TOP 5 HOLDINGS

STOCK	COUNTRY	INDUSTRY	WEIGHT
MICRON	US	TECHNOLOGY	4.1%
AMAZON	US	CONSUMER DISC.	4.0%
FACEBOOK	US	TECHNOLOGY	4.0%
ASML	NA	TECHNOLOGY	3.4%
UNITED RENTALS	US	INDUSTRIALS	3.3%

HISTORICAL PERFORMANCE

GROWTH OF \$100,000



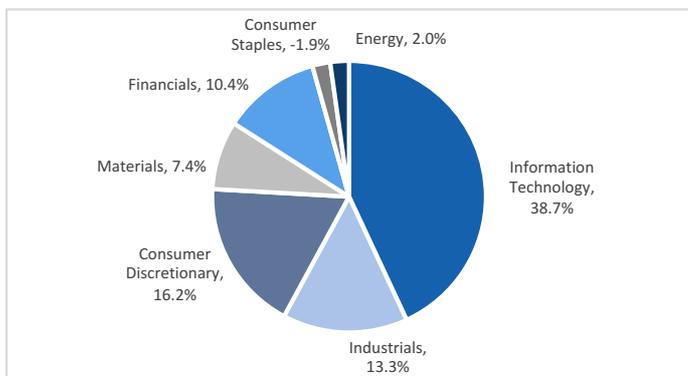
PERFORMANCE SUMMARY

	1MTH	2MTHS	3MTHS	6MTHS	9MTHS	1YEAR	SINCE INCEPTION
LOCAL CURRENCY RETURN	3.7%	3.8%	5.6%	5.8%			5.8%
+/- CURRENCY IMPACT	-1.8%	-1.0%	-0.5%	-1.6%			-1.6%
MUNRO GLOBAL GROWTH FUND (AUD)	1.9%	2.8%	5.1%	4.2%			4.2%
MSCI AC WORLD TR NET INDEX (LOCAL CURRENCY)	1.6%	4.1%	6.3%	6.7%			6.7%
+/- CURRENCY IMPACT	-3.6%	-1.9%	-0.3%	-1.5%			-1.5%
MSCI AC WORLD TR INDEX (AUD)	-2.0%	2.2%	6.0%	5.2%			5.2%



The Munro Global Growth Fund is an absolute return international growth equities fund. The Fund is index-unaware, aiming for double digit absolute returns through the investment cycle, whilst maintaining a capital preservation mindset. The Fund's flexible investment mandate allows it to dynamically manage its market and 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	
FACEBOOK	US	ZALANDO	GY
UNITED RENTALS	US	LAS VEGAS SANDS	US
MICRON TECHNOLOGY	US	ROBERT HALF INDUSTRIES	US
SUMCO	JP	ANADARKO PETROLEUM	US
ACTIVISION BLIZZARD	US	CLIFFS NATURAL RESOURCES	US

FUND EXPOSURE

CURRENCY REGION	LONG EXPOSURE	NET EXPOSURE	CURRENCY EXPOSURE
AUSTRALIA	2.3%	2.3%	65.1%
NORTH AMERICA	51.7%	51.7%	31.9%
UNITED KINGDOM	10.1%	6.2%	2.2%
EURO AREA	16.6%	15.3%	0.7%
GERMANY	3.9%	2.6%	
NETHERLANDS	3.4%	3.4%	
IRELAND	7.4%	7.4%	
FRANCE	1.9%	1.9%	
JAPAN	4.6%	4.6%	0.2%
SWEDEN	5.1%	4.0%	0.3%
HONG KONG	2.0%	2.0%	-0.4%
EXPOSURE	92.3%	86.1%	100.0%
DELTA ADJUSTED EXPOSURE		86.1%	

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

UNITED RENTALS

United Rentals (URI) contributed 46bps to Fund performance during January. United Rentals is a heavy machinery equipment rental company that operates primarily in the US. Post the Trump election victory and with the energy cycle bottoming, URI is set to benefit from a significant increase in industrial activity and therefore increased rental of industrial machinery.

Elsewhere URI benefits from the structural shift to equipment rental over ownership whereby US rental penetration rates are low at 53% versus other developed nations which average over 70%. Also, URI benefits from the ability to 'roll-up' a fragmented industry, whereby it is the largest player at just 10% market share with numerous acquisition options that could be added to their network.

These attributes were all exhibited in URI's 2016 results, with rental equipment revenue increasing 2% for the 4th quarter and the company announcing the acquisition of NES rentals for \$965m in cash. Management also spoke of "a genuine acceleration ... in overall demand. And if you dig a little bit deeper into that demand growth, you can point to new projects that have kicked off or that are ramping up that we expect will continue into 2017". Consequently, the shares rose 11% on results day and the stock was one of the Fund's best performers for the month.

RETAIL SHORT POSITIONS

Our European and US retail short positions contributed 40bps to Fund performance during January. These short positions included Associated British Foods and Kingfisher in the UK, H&M in Sweden and Target in the US.

As previously discussed, we see traditional brick and mortar retail as being under siege from dedicated e-commerce players who can generally offer a more competitive price, but more importantly, better fulfillment and convenience than a trip to the shops. Consequently, branded retailers like H&M, Primark and Target are left with numerous unpalatable choices.

Firstly, they need to slow store growth, which was previously their main source of earnings growth. Secondly, they need to invest in their own e-commerce offering, which is expensive and time consuming, or accept joining their competition on aggregated e-commerce sites. Finally, they now face fresh challenges in managing logistics chains in the face of potential border taxes and the associated currency volatility. Consequently, we expect this to be an ongoing area of short alpha over the long-term as traditional retailers struggle to adjust to an online world.

FUND ANNOUNCEMENT

Munro is pleased to inform Investors that as of 1 March 2017, the Fund will provide a unit price daily, as well as accept daily applications and redemptions. Previously, these were provided monthly.

