

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%				6.3%

MONTHLY SUMMARY

Markets were mixed in March with the US S&P flat, the European Stoxx 600 up 2.9% and the Japan Topix down 1.5%. The MSCI AC World Index (AUD) returned 2.0% for the month, comprising of a 1.1% equity return and, due to weaknesses in the AUD against various currencies, a 0.9% currency return. US equities and particularly the so called 'Trump Trade' lost momentum during March, with the month beginning with euphoria post 'The Donald's' State of the Union address and finishing in a whimper after the Republican's failed attempt to repeal Obama Care. Consequently, weakness was seen across Trump beneficiaries in financials, resources, consumer durables and infrastructure. On the flip side the technology sector was again strong and this was the main area of positive returns for the Fund.

Key semiconductor names Micron (see next page), ASML, Sumco and Siltronic all contributed strongly to monthly performance as investors continued to appreciate the super cycle of semiconductor investment required to drive the impending artificial intelligence (AI) revolution. Elsewhere, the Fund saw strength from some of our smaller software providers Datalex and Blue Prism, which also benefited strongly from companies looking to employ AI in the workplace and across their customer facing functions. The main source of negative contribution came from caravan producer Thor Industries (see next page) as it hit a speed bump in March. On currencies, the Fund remains predominately hedged with a 25% holding in USD and consequently generated little return from FX, with the index benefiting by 95bps due to weakness in the AUD versus mainly the Euro, Yen and GBP, but unfortunately not against the USD which was roughly flat for the month.

MONTHLY OUTLOOK

The Republican setback on health care is now likely to temper the markets' enthusiasm on the Trump agenda. While this may stop the market rise, we don't think it means significant weakness is around the corner as the health care defeat now moves tax reform to centre stage and this is what matters to earnings and consequently the equity market. As we have said for some time, Trump will be given the benefit of the doubt for longer than most expect, and should they be successful in enacting and passing meaningful tax reform then earnings and markets can go higher. We expect a tax reform bill to be in the chamber by August and any meaningful Trump disappointment would surface around that time.

Meanwhile markets have 1st quarter earnings to contend with, which will need to show some meaningful post-election improvement if sentiment surveys are anything to go by. In Europe, the May 7th French election is the next market moving event, but one where we see a very low chance of a market unfriendly Le Pen outcome, due to the nature of the two candidate run off system in France. We see Europe as probably stronger in a post Trump world as the benefits of stronger internal ties on trade, defence and immigration are further highlighted in the face of a hostile and anti-Euro US administration.

FUND SUMMARY

KEY NUMBERS	
UNIT PRICE	\$1.0627
EXIT PRICE	\$1.0611
ENTRY PRICE	\$1.0643
FUM	\$43.8m
APIR	MUA0002AU

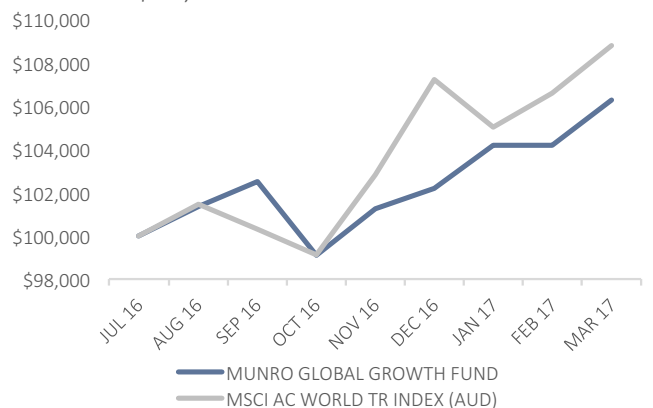
KEY FACTS	
NUMBER OF STOCKS	30-50 POSITIONS
CASH WEIGHTING	0-100%
CURRENCY HEDGING	0-100%
MANAGEMENT FEE	1.35% P.A.
PERFORMANCE FEE	10%

TOP 5 HOLDINGS

STOCK	COUNTRY	INDUSTRY	WEIGHT
ASML	NA	TECHNOLOGY	4.1%
FACEBOOK	US	TECHNOLOGY	3.8%
WELLS FARGO	US	FINANCIAL	3.5%
MICRON	US	TECHNOLOGY	3.5%
ALPHABET	US	TECHNOLOGY	3.3%

HISTORICAL PERFORMANCE

GROWTH OF \$100,000



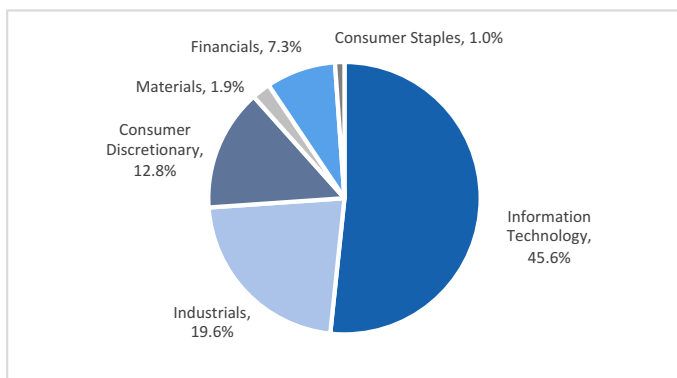
PERFORMANCE SUMMARY

	1MTH	2MTHS	3MTHS	6MTHS	9MTHS	1YEAR	SINCE INCEPTION
LOCAL CURRENCY RETURN	2.0%	2.4%	6.2%	5.0%			8.4%
+/- CURRENCY IMPACT	0.1%	-0.4%	-2.2%	-1.2%			-2.0%
MUNRO GLOBAL GROWTH FUND (AUD)	2.1%	2.0%	4.0%	3.7%			6.3%
MSCI AC WORLD TR NET INDEX (LOCAL CURRENCY)	1.1%	4.0%	5.7%	10.0%			11.0%
+/- CURRENCY IMPACT	1.0%	-0.5%	-4.1%	-1.3%			-2.0%
MSCI AC WORLD TR INDEX (AUD)	2.0%	3.6%	1.5%	8.5%			8.8%



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	
MICRON	US	THOR INDUSTRIES	US
DATALEX	IE	WELLS FARGO	US
ASML	NA	UNITED RENTALS	US
SUMCO	JP	CAMPING WORLD	US
ACTIVISION BLIZZARD	US	ANADARKO PETROLEUM	US

FUND EXPOSURE

CURRENCY REGION	LONG EXPOSURE	NET EXPOSURE	CURRENCY EXPOSURE
AUSTRALIA	0.0%	0.0%	73.2%
NORTH AMERICA	50.1%	48.8%	25.0%
UNITED KINGDOM	8.6%	8.1%	0.3%
EURO AREA	23.2%	23.2%	1.3%
GERMANY	4.0%	4.0%	
SPAIN	2.0%	2.0%	
NETHERLANDS	6.0%	6.0%	
IRELAND	10.0%	10.0%	
FRANCE	1.2%	1.2%	
JAPAN	2.0%	2.0%	0.0%
SWEDEN	4.7%	3.3%	0.4%
HONG KONG	2.9%	2.9%	-0.2%
EXPOSURE	91.5%	88.2%	100.0%
DELTA ADJUSTED EXPOSURE		86.0%	

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

MICRON TECHNOLOGIES

Micron Technologies contributed 69 basis points to fund performance during March. Micron is part of our 'Connectivity' Area of Interest and makes 'Memory' semiconductor components. As discussed in our December Quarterly Update ([click here](#)), advancements in Artificial Intelligence and Big Data analytics are driving demand for computing power, storage and network connectivity.

Micron specifically produces DRAM and NAND (computing power, flash memory and storage) which is benefitting from an explosion in the number connected devices and more importantly the data processing capabilities required to drive these connected devices. Think about the amount of data required to process and successfully drive an autonomous vehicle or industrial robot versus what is required to power a PC or smartphone. This in turn is driving a structural content dynamic for DRAM and most importantly NAND which benefits chiefly from more solid state drives (SSD's), essentially 'always on' computing. While the outlook for memory is good we need to keep in mind that DRAM and NAND are a largely commodity components and we must therefore be mindful of supply-side dynamics.

To this end our analysis suggests there is reasonable capacity discipline among the 3 major global producers, with DRAM capex spend expected to grow only 2% in 2017, as Micron's Asian large peers Samsung and SK Hynix maintain flat capex growth for the year. Consequently, we remain comfortable holding Micron over the medium term, but remain watchful for irrational behaviour which has plagued this industry in the past.

THOR INDUSTRIES

Thor Industries detracted 43 basis points from monthly performance. Thor's performance during March was somewhat disappointing given it has been the fund's best contributor to performance up until the end of February. Thor Industries is a manufacturer of motorhomes and caravans (towables) and is part of our 'Outdoor Active' area of interest.

The company reported results on the 6th of March which continued to show robust growth and strong earnings momentum from its recent Jayco acquisition. Revenues came in at \$1.59bn compared to consensus expectations of \$1.51bn, and EPS just beat consensus at \$1.23 compared to \$1.22. Despite continued growth, Thor's recent track record of significantly beating consensus estimates was interpreted as a sign that things may be slowing for the company. These concerns combined with relatively poor investor communication post the result did little to alleviate market concerns.

Despite the pull back we believe Thor continues to exhibit robust growth and earnings momentum. From our engagement with the sector, we continue to believe the company's growth is structural, rather than cyclical and it remains a core position in the portfolio, near term we look for continued growth in the market for RV's and better appreciation of the companies sustainable growth from the next set of quarterly results.

