

MONTHLY PERFORMANCE BY FINANCIAL YEAR ¹

| | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | TOTAL RETURN |
|--------|------|------|------|-------|------|------|------|------|------|------|------|-------|--------------|
| 2017FY | | 1.2% | 1.1% | -3.3% | 2.2% | 0.9% | 1.9% | 0.0% | 2.1% | 3.5% | 4.2% | -1.3% | 12.9% |
| 2018FY | 1.9% | | | | | | | | | | | | 1.9% |

MONTHLY SUMMARY

The Munro Global Growth Fund returned 1.9% for the month of July, comprising a return of 3.0% from equities and -1.1% from currency. The MSCI AC World Index (AUD) meanwhile returned -1.2% for the month (1.8% from equities, and -3.1% from currency). The Fund now has a 12-month track record with the Fund returning 15.1% after all fees and expenses relative to 11.4% for the index. Markets were better in July with the US S&P 500 up 1.9% (its best month since February), the European Stoxx 600 falling 0.4%, the Japanese Topix up 0.4% and the Hong Kong Hang Seng up 6.1%. Rising bond yields in the US and Europe that caused sector rotations in June moderated again in July, with previously hawkish statements from the ECB and US Fed somewhat 'walked back'.

In terms of stock specific attribution, positive performance for the Fund was driven by internet giants Facebook and Tencent, semiconductor names ASML and AMAT, as well as leading video game publishing companies Activision Blizzard and Electronic Arts. On the negative side, building materials company Kingspan lost value following the Grenfell Tower tragedy. While the company's materials are not considered to have been the problem products, the aftermath of the tragedy has focused on so-called insulated cladding as a cause of the fire and this is an area in which Kingspan's products are focused.

On currencies, the Fund remains predominately, but not completely hedged, and with the AUD strengthening during the month this resulted in a -1.1% loss from FX. By comparison, the fully unhedged index lost -3.1% from currencies.

MONTHLY OUTLOOK

Regular readers will recall that we had previously flagged an intention to reduce some of the Fund's net and gross market exposure into the seasonally weak mid-part of the year.

In particular, we called out the Fund's larger technology positions as likely to be trimmed and June did indeed provide somewhat of a pull-back with the Nasdaq down 4%. While probably not as deep a pullback as expected, we nonetheless took this as an opportunity to re-weight some of our key Areas of Interest while also introducing some new ones (see over the page) and consequently net equity exposure has moved up again from the mid-60s to just over 80% at the end of July. This market exposure is more a consequence of our confidence in key holdings through the earnings season rather than a rampantly positive broad market view. Looking ahead the biggest risks to the market is a US govt shutdown in September, geopolitics (North Korea) and market valuations (particularly in some parts of technology).

FUND SUMMARY

| KEY NUMBERS | |
|-------------|-----------|
| UNIT PRICE | \$1.1169 |
| EXIT PRICE | \$1.1152 |
| ENTRY PRICE | \$1.1186 |
| FUM | \$75.3m |
| APIR | MUA0002AU |

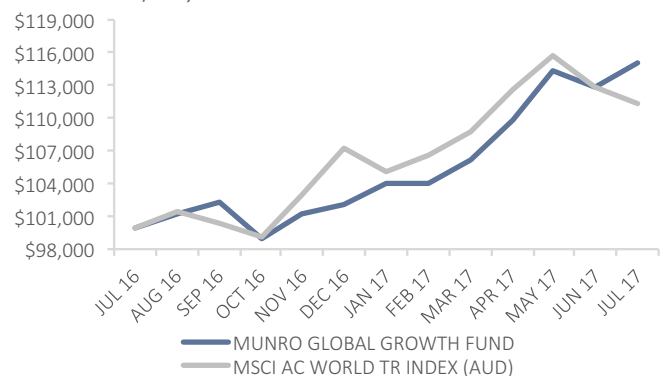
| KEY FACTS | |
|------------------|-----------------|
| NUMBER OF STOCKS | 30-50 POSITIONS |
| CASH WEIGHTING | 0-100% |
| CURRENCY HEDGING | 0-100% |
| MANAGEMENT COSTS | 1.39% P.A. |
| PERFORMANCE FEE | 10.25% |

TOP 5 HOLDINGS

| STOCK | COUNTRY | INDUSTRY | WEIGHT |
|-------------------|---------|----------------|--------|
| FACEBOOK INC. | US | INFO TECH. | 4.5% |
| AMAZON | US | CONSUMER DISC. | 4.4% |
| BLUE PRISM | UK | INFO TECH. | 4.3% |
| ACTIVISION BLIZZ. | US | INFO TECH. | 4.2% |
| ASML HOLDING | NE | INFO TECH. | 4.1% |

HISTORICAL PERFORMANCE ¹

GROWTH OF \$100,000



PERFORMANCE SUMMARY AS AT 31 JULY 2017 ¹

| | 1MTH | 3MTHS | 6MTHS | 1YR | SINCE INCEPTION |
|---|-------------|-------------|--------------|--------------|-----------------|
| LOCAL CURRENCY RETURN | 3.0% | 6.7% | 12.6% | 19.0% | 19.0% |
| +/- CURRENCY IMPACT | -1.1% | -1.9% | -1.8% | -3.4% | -3.4% |
| MUNRO GLOBAL GROWTH FUND (AUD) | 1.9% | 4.8% | 10.6% | 15.1% | 15.1% |
| MSCI AC WORLD TR NET INDEX (LOCAL CURRENCY) | 1.8% | 3.6% | 9.2% | 16.5% | 16.5% |
| +/- CURRENCY IMPACT | -3.1% | -4.7% | -2.9% | -4.4% | -4.4% |
| MSCI AC WORLD TR INDEX (AUD) | -1.2% | -1.1% | 6.1% | 11.4% | 11.4% |

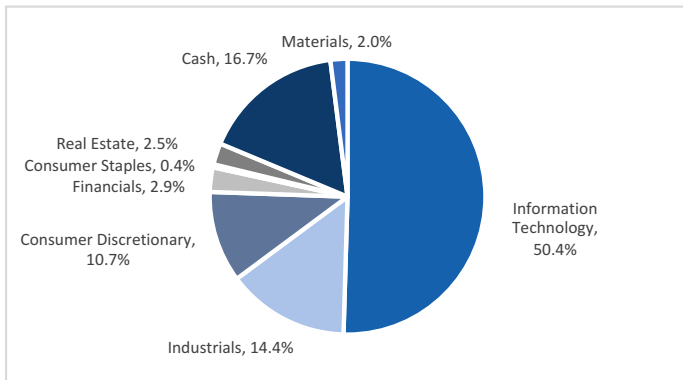
1. Past performance is provided for illustrative purposes only and is not a guide to future performance

Inception date is 1 August 2016. Returns of the Munro Global Growth Fund are net of management costs and assumes distributions have been reinvested. The MSCI AC World TR Index (AUD) refers to the MSCI All Country World Net Index in Australian dollars.



The Munro Global Growth Fund is an absolute return international equities fund with a core focus on growth equities. 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 | KINGSPAN | IE |
| FACEBOOK | US | MICRON TECHNOLOGIES | US |
| ASML HOLDING | NE | DATALEX | IE |
| ELECTRONIC ARTS | US | DCC | UK |
| TENCENT | HK | DOMETIC | SW |

FUND EXPOSURE

| CURRENCY REGION | LONG EXPOSURE | NET EXPOSURE | CURRENCY EXPOSURE |
|-------------------------|---------------|--------------|-------------------|
| AUSTRALIA | 0.0% | 0.0% | 78.4% |
| NORTH AMERICA | 56.6% | 53.7% | 19.2% |
| UNITED KINGDOM | 7.8% | 6.8% | 1.6% |
| EURO AREA | 15.2% | 12.6% | 0.1% |
| POLAND | 1.2% | 1.2% | 0.2% |
| SWITZERLAND | 0.0% | -1.2% | -0.1% |
| IRELAND | 6.0% | 6.0% | |
| FRANCE | 1.3% | 1.3% | |
| ITALY | 1.4% | 1.4% | |
| GERMANY | 1.2% | -0.2% | |
| NETHERLANDS | 4.1% | 4.1% | |
| TAIWAN | 2.5% | 2.5% | 0.0% |
| SWEDEN | 3.8% | 3.8% | 0.4% |
| HONG KONG/CHINA | 3.8% | 3.8% | 0.1% |
| EXPOSURE | 89.7% | 83.2% | 100.0% |
| DELTA ADJUSTED EXPOSURE | | 83.3% | |

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. Grant Samuel Funds Management Pty Limited ABN 14 125 715 004 AFSL 317587 ('GSFM') has a distribution arrangement with Munro to represent their products in the Australia and New Zealand markets. For more information see www.gsfm.com.au. 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.

The management costs are inclusive of GST and RITC. 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 or compounding returns. 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, Continuous Disclosure and Terms of Use via www.munropartners.com.au/legals/.

NOTABLE STOCK MOVES

AREAS OF INTEREST

In terms of portfolio exposure by our 'Areas of Interest', Video Games and Connectivity (Connected Devices, Artificial Intelligence) remain the largest positions within the Fund. We have introduced some new holdings focused on industrials benefiting from factory automation, which we have dubbed 'Intelligent Industry'. We also intend to increase short exposures in the Fund more broadly and specifically in consumer branded goods companies where multiples are high and they are at risk of 'Amazonification'.

FACEBOOK

Facebook contributed 44bps to portfolio performance during July, aided by strong second quarter results. The number of active Facebook users is growing at 17% year on year, with daily active users now standing at 1.32bn and monthly active users now at 2.01bn. This strong user base growth has allowed Facebook to post consistent growth in advertising revenue, user engagement and monetisation which again surprised to the upside on the Q2 result. Instagram advertising continues to scale, and video ads in the news feed are becoming more prevalent.

The market continues to underestimate the network effects at play here, which sees social engagement breed more social engagement and ultimately more opportunities for Facebook to monetise. This can be seen by the strong growth of Facebook communities - groups that become an important part of the social network experience - ranging from junior sporting teams to mother's groups to people suffering from rare diseases. With Facebook now the enabler in these community groups, it makes non-participation harder and harder for the remaining 5bn people on the planet who are not Facebook users. Our view is that Facebook will ultimately become like your mobile phone, something you initially tried to avoid but now find you can't live without.

ASML HOLDING

ASML contributed 44bps to Fund performance during July. ASML also reported strong results during July, further reinforcing their dominant position in lithography equipment, including recent sales for their emerging extreme ultraviolet lithography (EUV) technology. Lithography equipment is used to etch content onto silicon wafers to create semiconductors, and consequently is the main enabler of Moore's Law and essentially all technological progress globally.

Dutch listed ASML is the leading equipment player globally and has a virtual monopoly in leading edge lithography equipment where shrinking chips below 10 nanometres has become technically difficult. ASML's EUV technology below 10 nanometres is now the only available solution and order growth from Samsung, Intel and TSMC is extremely positive for the company's future earnings potential. With each EUV machine costing roughly 115m euros, coupled with broad acceptance of the technology, we see a long runway for earnings growth ahead.

