

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%	3.3%											5.2%

MONTHLY SUMMARY

The Munro Global Growth Fund returned 3.25% for the month of August, comprising a return of 3.15% from equities and 0.10% from currency. The MSCI AC World Index (AUD) meanwhile returned 1.04% for the month (0.38% from equities and 0.66% from currency).

Across the major markets the US S&P 500 was flat 0.1%, the European Stoxx 600 lost 1.1%, the Japanese Topix edged down -0.1% and the Hong Kong Hang Seng had yet another strong month up 2.4%. Major events in focus for the month included the ongoing escalation of tensions on the Korean peninsula as well as the impact of Hurricane Harvey in Texas. Despite all the negative headlines, volatility (as measured by the VIX), drifted back to near all-time lows of 10 from an intra-month high of 17.

On a stock-specific basis, positive performance for the Fund was driven by British robotic process automation company Blue Prism, US video game publisher Take-Two Interactive (see page 2) and Irish building materials company Kingspan, (see page 2). On the negative side, mid-cap US industrial companies Middleby Corporation and Mastec were both weak, while Chinese video game company Netease was a laggard. On currencies, the Fund remains predominately, but not completely, hedged and with the AUD depreciating during the month this resulted in a modest 10bps gain from FX. By comparison, the fully unhedged index gained 66bps from currencies.

MONTHLY OUTLOOK

Looking ahead we remain positive equity markets into the 2H of 2017. Growth remains solid in most major economies, while consistently benign inflation conditions are stopping central banks from removing monetary stimulus. This 'Goldilocks' like scenario is only soured by difficult politics in the US and some percolating geo political concerns in North Korea. Without wanting to be flippant, we see the latest flair up in North Korea as part of an ongoing negotiating tactic. Should we be wrong on this, it is worth flagging the Fund does hold short term put option protection on major indices should this situation escalate rapidly.

Our main near-term concern had been around the Trump regime using the impending US debt ceiling debate as a bargaining tool to progress their agenda, i.e. tying funding for the Mexican border wall to the debt ceiling legislation that ultimately forces gridlock and a government shutdown. Post Hurricane Harvey and the resulting damage bill, using this tactic just got considerably harder for the Trump regime, as forcing a shut down by not lifting the debt ceiling will have the added effect of withholding financial aid to the affected areas. This is surely political suicide that even Donald Trump would like to avoid! Assuming the debt ceiling issue can be averted then markets will be free to focus on what should be a strong third quarter reporting season and an improving economic outlook for 2018. Tax reform and regulation removal would be a bonus, should they occur, but not required to maintain current economic momentum in our view.

FUND SUMMARY

KEY NUMBERS

UNIT PRICE	\$1.1531
EXIT PRICE	\$1.1514
ENTRY PRICE	\$1.1548
FUM	\$85.4m
APIR	MUA0002AU

KEY FACTS

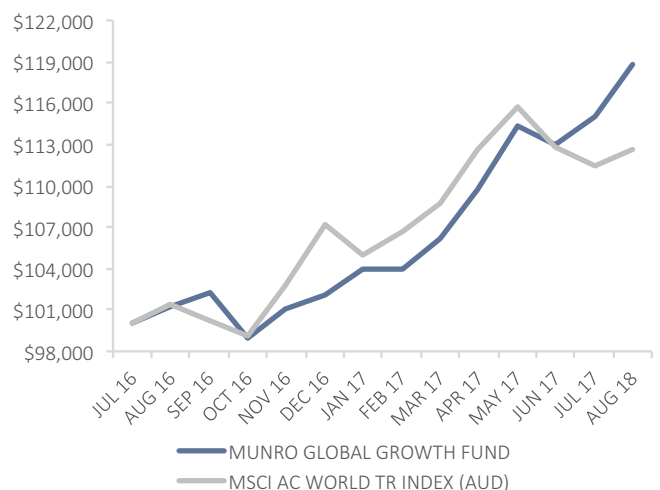
NUMBER OF STOCKS	30-50 POSITIONS
CASH WEIGHTING	0-100%
CURRENCY HEDGING	0-100%
MANAGEMENT COSTS	1.39% P.A.
PERFORMANCE FEE	10.25%

TOP 5 HOLDINGS

STOCK	COUNTRY	INDUSTRY	WEIGHT
BLUE PRISM	UK	INFO TECH.	5.0%
FACEBOOK	US	INFO TECH.	4.1%
ACTIVISION BLIZZ.	US	INFO TECH.	3.9%
AMAZON	US	CONSUMER DISC.	3.9%
ASML HOLDING	NE	INFO TECH.	3.2%

HISTORICAL PERFORMANCE ¹

GROWTH OF \$100,000



PERFORMANCE SUMMARY AS AT 31 AUGUST 2017 ¹

	1MTH	3MTHS	6MTHS	1YR	SINCE INCEPTION	SINCE INCEPTION (P.A.)
MUNRO GLOBAL GROWTH FUND (AUD)	3.3%	3.8%	14.3%	17.4%	18.8%	17.3%
MSCI AC WORLD TR INDEX (AUD)	1.0%	-2.7%	5.6%	11.0%	12.6%	11.6%
OVER / UNDER PERFORMANCE	2.3%	6.5%	8.7%	6.4%	6.2%	5.7%

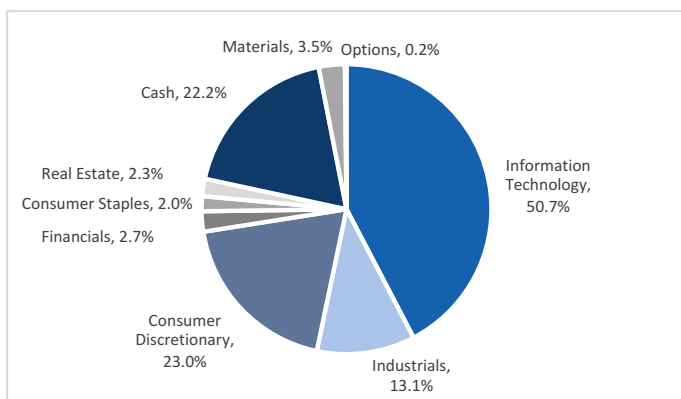
1. Past performance is provided for illustrative purposes only and is not a guide to future performance

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.

GROSS PORTFOLIO SECTOR EXPOSURE



NOTABLE STOCK CONTRIBUTORS

TOP 5 CONTRIBUTORS		BOTTOM 5 CONTRIBUTORS	
BLUE PRISM	UK	NETEASE	US
TAKE-TWO INTERACTIVE	US	MIDDLEBY	US
KINGSPAN	IE	MASTEC	US
MICRON TECHNOLOGY	US	FIRST REPUBLIC	US
ACTIVISION BLIZZARD	US	THULE	SW

FUND EXPOSURE

CURRENCY REGION	LONG EXPOSURE	NET EXPOSURE	CURRENCY EXPOSURE
AUSTRALIA	1.5%	1.5%	73.3%
NORTH AMERICA	57.2%	55.2%	23.1%
UNITED KINGDOM	6.0%	4.1%	2.7%
EURO AREA	13.4%	11.3%	0.5%
IRELAND	4.4%	4.4%	
FRANCE	2.0%	2.0%	
ITALY	1.8%	1.8%	
GERMANY	2.0%	1.1%	
SPAIN	0.0%	-1.2%	
NETHERLANDS	3.2%	3.2%	
TAIWAN	2.7%	2.7%	0.0%
SWEDEN	2.6%	0.7%	0.3%
ISRAEL	2.0%	2.0%	0.0%
HONG KONG/CHINA	2.1%	2.1%	0.2%
SWITZERLAND	0.0%	-2.0%	-0.1%
EXPOSURE	87.4%	77.6%	100.0%
DELTA ADJUSTED EXPOSURE		79.3%	

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

TAKE TWO INTERACTIVE

Take-Two contributed 39bps to portfolio performance during August following strong quarterly results. The company continues to be buoyed by the performance of its Grand Theft Auto franchise which is maintaining very high levels of user engagement and monetisation, despite GTA 5 being launched over 4 years ago. Results like these help validate our thesis that communities form around the best content and this prolongs the longevity of these franchises. The market is yet to fully appreciate that these companies have shifted from hit driven businesses to more sustainable franchises (i.e. the sell-side analysts keep expecting GTA 5 sales to slow but they keep surprising to the upside).

Take-Two remains one of six video game publishers held in the Munro Global Growth Fund. All remain leveraged to the shift to digital as opposed to physical sales (higher margin), more downloadable content (in-game sales, modifications) and are the beneficiaries of faster internet connectivity, allowing groups to play each other online. Additional catalysts include the explosive growth in mobile gaming (currently under monetised), the rise in the popularity of eSports (also under monetised) and the potential for new virtual reality / augmented reality games (likely to be supported by iOS 11 due in September).

For more detail on the video game publishers please see the Munro June 2017 Quarterly Video ([LINK HERE](#)).

KINGSPAN

Irish building materials supplier Kingspan contributed 28bps to August monthly performance. Kingspan is one of the world's leading providers of architecturally desirable and climate efficient insulation products. The stock had been weak into its Q2 results as investors became concerned about higher input costs and a demand pause post the role insulated panels played in the tragic Grenfell tower blaze in London this past June. Kingspan in fact reported strong numbers with sales and net income up 19% and 6% year on year respectively, absorbing higher input costs in the process.

Looking ahead Kingspan provided a robust outlook, as increasing building regulation around not just climate efficiency, but now also combustibility, will play to Kingspan's favour as the leading supplier of high end products. Demand for the company's higher end QuadCore and Kooltherm products was a key highlight in the result. Looking ahead Kingspan's role in the world of changing building regulation has improved and we see stronger sales and margin accretion ahead, which is still not adequately reflected in consensus earnings estimates.

