

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%	1.7%										7.0%

MONTHLY SUMMARY

The Munro Global Growth Fund returned 1.65% for the month of September, comprising a return of 1.41% from equities and 0.24% from currency. The MSCI AC World Index (AUD) meanwhile returned 3.04% for the month (2.10% from equities and 0.94% from currency).

It was a positive month for global equity markets with the US S&P 500 up 1.9%, the European Stoxx 600 added 3.9%, the Japanese Topix rose 4.2% and the Hong Kong Hang Seng declined 1.2%. Major events in focus for the month included the re-emergence of US tax reforms with the announcement of proposed corporate and individual tax cuts. Germany held elections, which should see Merkel remain in power as she looks to form a coalition government.

On a stock-specific basis, positive performance for the Fund was driven by semiconductor memory plays in Micron, ASML and Applied Materials (see page 2) and US RV brand owner Thor Industries. On the negative side, there was a short-squeeze on British apparel company Next on the back of better than expected results. Robotic Process Automation company Blue Prism gave back some of its gains, and US credit bureau Equifax declined after suffering a data breach (see page 2). On currencies, the Fund remains predominately hedged and given the AUD depreciated during the month this resulted in 24bps gain from FX. By comparison, the fully unhedged index gained 94bps from currencies.

MONTHLY OUTLOOK

Moving into the last quarter of the calendar year, we remain positive on equity markets. Economic data coming from the major global economies continues to be strong, with PMIs well above 50 in most regions. This is contributing to improving earnings growth for listed companies, not just in the upcoming quarter, but also well into 2018. Elsewhere US tax reform is back on the agenda, which would be a major fillip for markets in the last quarter and beyond. Whilst not in our base case thinking, the tax plan contains a promise for offshore cash repatriation and 100% deduction of capex. Should the tax reform be passed through Congress, follow-on consequences would include increased M&A activity, increased corporate leverage and a higher USD, along with the obvious increase in EPS for US corporate tax payers. The Eurozone looks reasonably well placed, with the announcement of domestic reforms by French President Macron. We will be watching Merkel's ability to form a coalition and the likelihood of further Eurozone integration. The net exposure of the Fund has been increasing as the level of conviction in certain 'Areas of Interest', such as 'Car of the Future' and 'Intelligent Industry' rises, while we are likely to bank some profits in our higher multiple technology names in the months ahead. The key risk to equity markets in the short term is higher interest rates. Central banks are currently happy to let growth and inflation improve without raising rates too aggressively, and we remain watchful for any change in messaging over the months ahead.

FUND SUMMARY

KEY NUMBERS

UNIT PRICE	\$1.1723
EXIT PRICE	\$1.1705
ENTRY PRICE	\$1.1741
FUM	\$91.3m
APIR	MUA0002AU

KEY FACTS

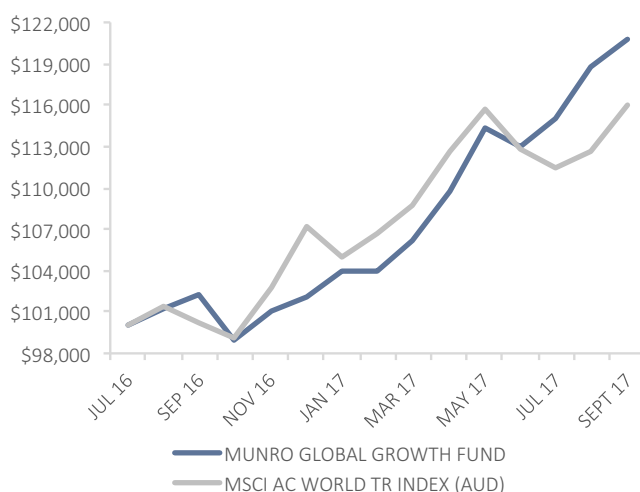
NUMBER OF STOCKS	30-50 POSITIONS
CASH WEIGHTING	0-100%
CURRENCY HEDGING	0-100%
MANAGEMENT COSTS	1.39% P.A.
PERFORMANCE FEE	10.25%

TOP 5 HOLDINGS

STOCK	COUNTRY	INDUSTRY	WEIGHT
AMAZON	US	CONSUMER DISC.	4.4%
BLUE PRISM	UK	INFO TECH.	4.3%
FACEBOOK	US	INFO TECH.	4.3%
ACTIVISION BLIZZ.	US	INFO TECH.	4.0%
ASML HOLDING	NE	INFO TECH.	4.0%

HISTORICAL PERFORMANCE ¹

GROWTH OF \$100,000



PERFORMANCE SUMMARY AS AT 30 SEPTEMBER 2017 ¹

	1MTH	3MTHS	6MTHS	1YR	SINCE INCEPTION	SINCE INCEPTION (P.A.)
MUNRO GLOBAL GROWTH FUND (AUD)	1.7%	7.0%	13.8%	18.0%	20.8%	17.6%
MSCI AC WORLD TR INDEX (AUD)	3.0%	2.8%	6.6%	15.7%	16.0%	13.6%
OVER / UNDER PERFORMANCE	-1.3%	4.2%	7.2%	2.3%	4.8%	4.0%

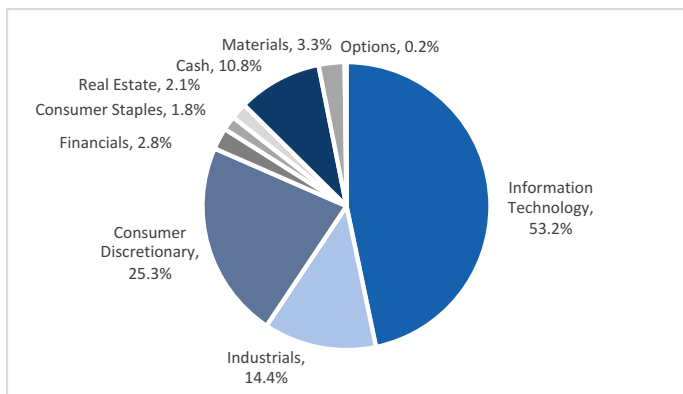
1. Past performance is provided for illustrative purposes only and is not a guide to future performance

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 & CASH



NOTABLE STOCK CONTRIBUTORS

TOP 5 CONTRIBUTORS		BOTTOM 5 CONTRIBUTORS	
MICRON TECHNOLOGY	US	BLUE PRISM	UK
APPLIED MATERIALS	US	TRANSUNION	US
KIDMAN RESOURCES	AU	EQUIFAX	US
THOR INDUSTRIES	US	ELITE MATERIAL	TA
THULE GROUP	SW	FIRST QUANTUM	CA

FUND EXPOSURE

CURRENCY REGION	GROSS EXPOSURE	NET EXPOSURE	CURRENCY EXPOSURE
AUSTRALIA	1.4%	1.4%	70.1%
NORTH AMERICA	66.2%	62.6%	28.3%
UNITED KINGDOM	4.3%	4.3%	-0.5%
EURO AREA	19.2%	13.5%	1.5%
IRELAND	5.3%	5.3%	
FRANCE	1.9%	1.9%	
ITALY	1.9%	1.9%	
GERMANY	4.6%	1.9%	
SPAIN	1.5%	-1.5%	
NETHERLANDS	4.0%	4.0%	
TAIWAN	1.3%	1.3%	0.0%
SWEDEN	3.7%	1.8%	0.6%
ISRAEL	1.9%	1.9%	0.0%
HONG KONG/CHINA	2.5%	2.5%	0.1%
SWITZERLAND	2.3%	-0.3%	-0.1%
EXPOSURE	102.8%	89.0%	100.0%
DELTA ADJ. EXPOSURE	110.6%	93.2%	

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

MICRON, APPLIED MATERIALS and ASML (LONG, +135bps)

Micron, (USA, Market Cap \$45bn), Applied Materials (USA, Market Cap \$55bn) and ASML (Netherlands, Market Cap Eur62bn) are not names that most would be familiar with, but they are all key players in the production of memory semiconductors, with memory being one of the key building blocks of all computational processes. We see the memory market as now in structural growth as connected devices create an explosion of data, which all needs to be rapidly processed to drive artificial intelligence (AI) outcomes.

Consequently, memory has gone from a highly cyclical component in smartphones and PC's to a key building block in cars, industrial facilities and hyper scale data centres. These new applications provide strong secular tailwinds for these key facilitators, which is not currently reflected in their valuations, with Micron and Applied Materials currently trading well below the market multiple. September was a good month for all three names as Micron's Q2 results and the Applied Materials analyst day served to highlight these rapidly changing market dynamics.

EQUIFAX & TRANSUNION (LONG, -50bps)

The key detractors in September were credit reporting agencies Equifax (USA, Market Cap \$13bn) and TransUnion (USA, Market Cap \$9bn). As readers may be aware, Equifax suffered a massive cyber security breach impacting up to 143 million US consumers, whose personal details including names, addresses, social security numbers, drivers' licenses details have been stolen. In short, our initial positive views on Equifax and the other credit reporting agencies was based on their unique and proprietary data sets that have been pivotal to enabling mortgage, credit card and auto financing for many years. We clearly did not expect them to then lose that data to cybercriminals. Unfortunately, if your only role in the world is to collect data; then losing that data is an instant sackable offence for many of their consumers and also for us as an investor.

Our liquidity meant we sold the stock on the day the news broke, with the stock down approximately 13%. Subsequently, Equifax fell a total of 35% in the week following the news. Fearing an industry wide backlash, we also sold our TransUnion position which is the 2nd major credit bureau in the US with both positions contributing to negative monthly performance. Looking ahead we still like the space and the dynamics of the industry, but fear a recalibration of the regulatory goal posts is ahead of us and ultimately we are better served looking elsewhere for earnings growth in the months ahead.

