MUNRO PARTNERS

MUNRO GLOBAL GROWTH FUND
MARCH 2019

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%	6.7%	1.1%	-2.5%	6.0%	0.1%	-2.5%	0.0%	2.8%	1.1%	**21.0%**
2019FY	-0.4%	5.1%	0.9%	-5.4%	-3.1%	-1.4%	2.1%	3.1%	1.2%				**1.6%**

MONTHLY SUMMARY

The Munro Global Growth Fund returned 1.2% for the month of March, comprising a return of 1.3% from equities and -0.1% from currency. The MSCI AC World Index (AUD) meanwhile returned 1.4% for the month, with a 1.6% move in equities and -0.2% from currency.

March was another positive month for stocks, the US S&P 500 up 1.8%, the European STOXX index up 1.7%, and the Hang Seng adding 1.5%. After a strong start to the year, the market continued to rally for the month driven by the continued dovish stance of the US Federal Reserve and falling bond yields globally. Elsewhere the Chinese government continued their stimulus efforts via cutting consumption tax and social security tax.

From a stock perspective, Fund strength driven by large US cloud computing companies, Amazon, Microsoft and Alphabet; US payments company Worldpay (see page 2); and luxury Chinese consumer companies Kering and Moncler. Boeing was the main detractor for the month, following the second tragic plane crash of their new model 737 MAX aircraft (see page 2). On currencies, the Fund maintains a 45% holding in USD. Currencies added little value to returns for the month for either the Fund or the index.

MONTHLY OUTLOOK

The US Federal Reserve has now effectively doubled down on its dovish pivot and extended its rate pause for all of 2019, while also effectively signalling an end to balance sheet reduction. This dramatic pivot from central banks globally, in the face of slowing economic growth and falling inflation expectations, is designed to extend this economic cycle. The significant lowering of the risk-free rate has the dual effect of lowering debt costs and viable savings alternatives, which in turn boosts equity valuations.

The bigger question is will it be enough to turn economic growth and earnings that continue to falter particularly outside the US? For now, the market is assuming it will, and history suggests it is right to do so, however with geo-politics continuing to deteriorate and sovereign debt burdens continuing to grow, we are mindful there is an eventual limit to how often central banks can use monetary accommodation to boost growth and asset prices.

We remain committed to structurally growing equities with strong balance sheets that we think only look better in this environment. However, we are still reluctant to factor in a significant economic recovery into our thinking and remain watchful for signs of policy fatigue in the months ahead.

FUND SUMMARY

KEY NUMBERS	
UNIT PRICE	$1.3076
EXIT PRICE	$1.3056
ENTRY PRICE	$1.3096
FUND FUM	$357m
STRATEGY FUM	$903m
APIR	MUA0002AU

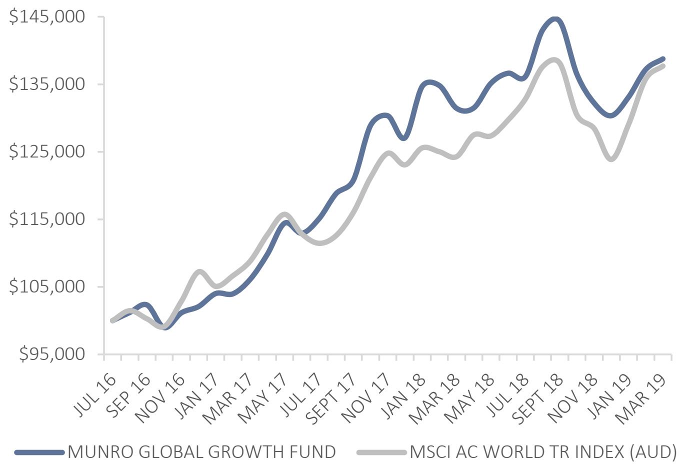
KEY FACTS	
NUMBER OF STOCKS	30-50 POSITIONS
CASH WEIGHTING	0-100%
CURRENCY HEDGING	0-100%
MANAGEMENT FEE	1.35% P.A.
PERFORMANCE FEE	10.00%

TOP 5 HOLDINGS

STOCK	COUNTRY	INDUSTRY	WEIGHT
AMAZON	US	CONSUMER DISC.	6.7%
ALPHABET	US	COMM. SERVICES	5.4%
MICROSOFT	US	INFO TECH.	5.2%
DANAHER	US	HEALTH CARE	3.1%
KERING	FR	CONSUMER DISC.	3.0%

HISTORICAL PERFORMANCE [1]

GROWTH OF $100,000



PERFORMANCE SUMMARY AS AT 31 MARCH 2019 [1]

	1MTH	3MTHS	6MTHS	1YR	2YRS	INCEPTION (P.A.)	INCEPTION CUMULATIVE
MUNRO GLOBAL GROWTH FUND (AUD)	**1.2%**	**6.5%**	**-3.8%**	**5.6%**	**14.3%**	**13.1%**	**38.7%**
MSCI AC WORLD TR INDEX (AUD)	1.4%	11.2%	-0.3%	10.8%	12.5%	12.8%	37.7%
OVER / UNDER PERFORMANCE	**-0.3%**	**-4.7%**	**-3.5%**	**-5.2%**	**1.9%**	**0.3%**	**1.0%**

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

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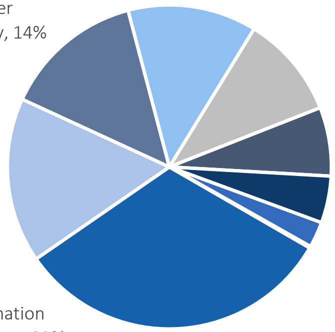
MUNRO GLOBAL GROWTH FUND
MARCH 2019

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, while maintaining a capital preservation mindset. The Fund's flexible mandate allows it to dynamically manage its market exposure and currency exposure to protect clients' capital and to enhance the long term returns of our investments.

NET PORTFOLIO SECTOR EXPOSURE & CASH



NOTABLE STOCK CONTRIBUTORS

TOP 5 CONTRIBUTORS		BOTTOM 5 CONTRIBUTORS	
AMAZON	US	BOEING	US
WORLDPAY	US	UNITED RENTALS	US
MICROSOFT	US	HENNES & MAURTIZ	US
ALPHABET	US	SQUARE	US
KERING	FR	ISHARES SEMIS ETF	US

FUND EXPOSURE

CURRENCY REGION	GROSS EXPOSURE	NET EXPOSURE	CURRENCY EXPOSURE
AUSTRALIA	1.7%	1.7%	53.6%
NORTH AMERICA	70.8%	65.0%	44.8%
UNITED KINGDOM	0.7%	0.7%	0.3%
EURO AREA	15.4%	14.4%	0.9%
FRANCE	8.8%	8.8%	
ITALY	2.7%	2.7%	
SPAIN	3.4%	3.4%	
BELGIUM	0.5%	-0.5%	
SWITZERLAND	2.2%	-2.2%	-0.1%
SWEDEN	3.5%	0.2%	0.2%
HONG KONG/CHINA	4.6%	4.6%	0.0%
JAPAN	1.0%	-1.0%	0.3%
EXPOSURE	**100.0%**	**83.4%**	**100.0%**
DELTA ADJ. EXPOSURE	104.0%	79.4%	

WORLDPAY

WorldPay added 46bps to monthly performance, as the merchant payment acquirer agreed to be acquired by payment services provider, Fidelity National Information Services, in a stock and cash deal. Digital payments beneficiaries have been a key area of focus for us for some time and the growth of digital payments in the US has led to several M&A transactions in the space over the last two years.

WorldPay is a leader in merchant acquiring, the business of authorising credit card transactions for merchants in both the on and offline space across the globe. Fidelity National Information Services is a leader in technology solutions, processing solutions and information-based services for the financial services industry in over 100 countries. Together, they can combine their solutions to more merchants and banks across the globe as customers increasingly look for integrated solutions to their digital payments business. Worldpay has been acquired at roughly 25x forward earnings at a 14% premium to its closing price prior to the announced acquisition. While the premium is optically low, the predominately stock-based nature of the deal means Worldpay shareholders should benefit from the cost and revenue synergies expected over the next three years once it becomes better appreciated by investors.

BOEING

Boeing detracted 36bps from Fund performance for the month as shares declined following the second tragic crash of its 737 MAX leading to global groundings and conjecture around plane design. The 737 is Boeing's most profitable program and it has delivered 350 MAXs to date with an additional ~5,000 orders in its backlog. Boeing will clearly have to wear some of the blame for these two tragic accidents and we expect the stock price to remain volatile near term.

Longer term it is important to remember how integral Boeing is to the airline industry, which itself is growing ~6%p.a. Currently there are only two aircraft manufacturers able to satisfy demand for the very important narrow body market (the 737 and Airbus A320). Any customer looking to switch their orders from Boeing to Airbus would have to wait over five years for a new plane, such is the backlog for these narrow body aircraft.

On the MAX issues itself, while it is difficult to estimate the time length of the grounding (and any associated production delays), it is important to note that most MAXs are still to be delivered and hence modifications would be resolved well before the majority of the 5,000 MAXs on order are delivered to customers. Boeing should therefore only be at risk to a delay in deliveries which should not hurt the long-term value of the company. This would become a timing of cash flows issue not a change to the overall cash generation potential of the company, and Boeing has a strong balance sheet to weather these nearer term disruptions.