MUNRO GLOBAL GROWTH FUND

ABSOLUTE RETURNS

2020 ANNUAL REVIEW

ANNUAL HIGHLIGHTS

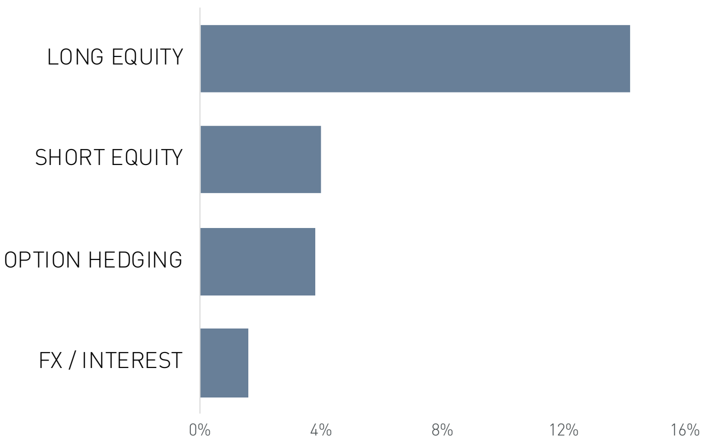
The past 12 months have been dramatic.

While global stocks finished the year slightly higher, it was punctuated by good equity markets up until January, a significant global equities drawdown caused by the coronavirus and then a V-shaped recovery in the final quarter of financial year 2020.

With the backdrop of a world economy heading into recession, governments and central banks moved quickly to provide unprecedented levels of stimulus and far reaching interventions into credit markets. Since COVID-19 is predominately a health crisis, 'Moral Hazard' has seemingly taken a back seat in favour of building an economic bridge across the valley. This has for now succeeded in creating a strong firewall against any near-term solvency concerns

In the end, the Munro Global Growth Fund recorded a 23.6% return for the year. Importantly, nearly a third, +7.8%, of the return came from our ability to short sell and hedge the portfolio through difficult periods. In addition, long equities performed strongly, adding +14.2%, and the Fund benefited with +1.6% of currency gains.

2020FY ATTRIBUTION BY SECURITY TYPE



TOP 10 PERFORMERS 2020 FY		
COMPANY	COUNTRY	CONTRIBUTION
AMAZON	U.S.	2.7%
MICROSOFT	U.S.	2.5%
ASML	NETH.	2.1%
ALPHABET	U.S.	1.8%
EXXON MOBIL (SHORT)	U.S.	1.1%
TSMC	TAIWAN	1.1%
NVIDIA	U.S.	1.0%
PAYPAL	U.S.	1.0%
SERVICENOW	U.S.	1.0%
HARLEY DAVIDSON (SHORT)	U.S.	1.0%

PERFORMANCE	1YR	2YRS (P.A.)	3YRS (P.A.)	INCEPTION (P.A.)	INCEPTION CUMULATIVE
MUNRO GLOBAL GROWTH FUND (AUD)	23.6%	12.9%	15.5%	15.2%	74.1%

MUNRO PARTNERS

OUTLOOK AND POSITIONING

Munro Partners was formed in 2016 as a growth equity manager designed to identify, invest in and benefit from some of the key structural changes that occur in our world today.

COVID 19 is clearly a major structural change for the world. While the longer-term impact is difficult to predict, in the medium term, a couple of points are now reasonably clear:

1. Economic growth will be weak;
2. Interest rates will remain low; and
3. Social distancing in some form is here to stay.

We can debate the how 'weak', 'low' or 'distant' but the trend is clear.

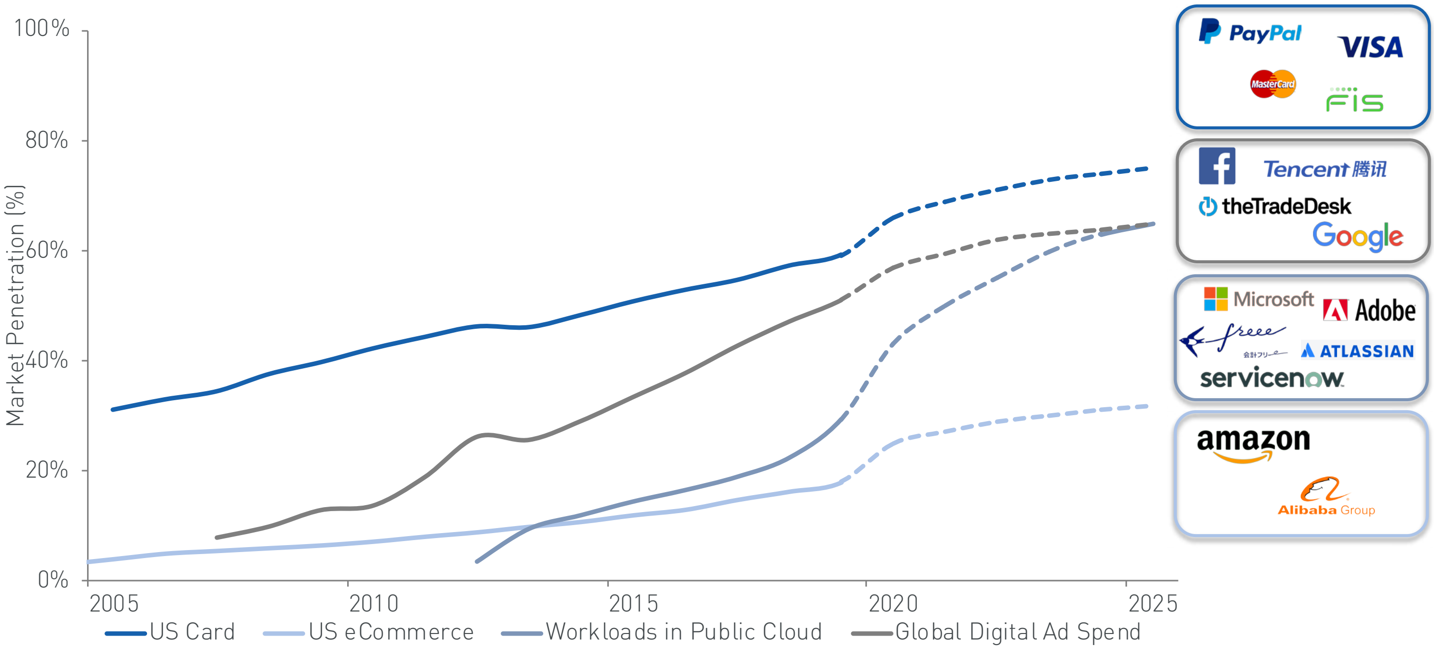
In response to this 'structural change', the Fund made changes to its core holdings over the first half of 2020.

Firstly, we chose to exit many of our emerging consumer holdings in aerospace (Airbus) and luxury goods (Kering and Moncler). Travel restrictions are likely to make these troubled areas for some time and we moved quickly to the sidelines. Secondly, we chose to double down in key Areas of Interest (AoI's) where the COVID crisis is likely to accelerate demand, namely in Digital Enterprise (software), Digital Payments, eCommerce and Innovative Healthcare.

We are already seeing numerous data points that indicate an acceleration or pull forward of demand in these areas, whether in team collaboration tools, activation of digital payment accounts, accelerated eCommerce sales or significant demand for COVID testing to enable the re-opening of the economy (see chart below). While we recognise the economic pie may shrink from here, many of our key portfolio holdings are now uniquely positioned to accelerate their market share dramatically, enabling them to grow earnings in the months and years ahead and consequently we expect their share prices to follow.

We would re-iterate that over the medium to long term it is far more important to correctly identify an area of structural growth and the companies set to benefit from that growth, than to try to predict the direction of the economy or market.

S-CURVES OF DISRUPTION ARE INFLECTING HIGHER THAN INITIAL FORECASTS



Source: Company Filings, Magna, Morgan Stanley, Munro estimates 30 June 2020

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GROWTH V VALUE DEBATE

It would be remiss to conclude without dedicating a short section to this never-ending Growth v Value debate and we would encourage readers to watch the short video where we spend more time on this topic.

As self-professed 'Growth' investors, we would stress that this does not mean we don't see 'Value' in all our investments, we do! We just choose to measure that value as the discounted cashflows of a business over a long timeframe rather than focusing over near-term valuation multiple that has little bearing on the long-term success of the investment.

As we have stated many times, equities are a game of very few winners and thousands of losers; and to find those winners you need to look for exceptional companies. Generally, we find exceptional companies invest heavily to capture growth and to protect against competition. This will often dampen near term earnings or quarterly returns in favour of long-term success, but history suggests you need to take a longer-term view to find these winners.

The COVID crisis has only served to accentuate this point as thousands of companies with weak balance sheets, high payout ratios or legacy buyback programs struggle to adapt to the new world, while the exceptional few continue to thrive, with most having made the necessary investments years ago.

While the world may change considerably in the months and years ahead, the trend to reward companies that invest in the future is likely to remain. As the landscape evolves, we will continue to strive to navigate it successfully for our clients.

Thank you for your continued support.

INVESTMENTS BY THEME: NET POSITIONING OF THE MGGF BY 'AoI' AS AT 30 JUNE 2020