

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%			16.4%

MONTHLY SUMMARY

The Munro Global Growth Fund returned 0.0% for the month of April, comprising a return of -0.4% from equities and 0.4% from currency. The MSCI AC World Index (AUD) meanwhile returned 2.6% for the month, with a 1.9% move in equities and 0.7% from currency.

April saw a rotation of market leadership by geography, with the US S&P 500 up a modest 0.4%, while the European STOXX index rose 4.6% and the Japanese TOPIX climbed 3.6%. There was also a rotation by style and sector, with Value outperforming Growth; and Energy significantly outperforming for the month, with the oil price hitting three-year highs.

Relative underperformance for the month was driven predominately by positioning and a strong focus on capital protection post the volatility of March. The Fund is overweight US markets and specifically US technology holdings, which suffered rotation over the month to under-owned parts of global equity markets. Elsewhere the Fund spent heavily on downside protection over the month to minimise a potential draw down. From a stock specific basis, positive performance was driven by long-term holdings, Thule, Amazon and Kingspan that all reported strong earnings. Negative contributors were several short positions in the European consumer space, such as Hugo Boss and Restaurant Group that both squeezed higher; and Goldman Sachs, the US-listed Investment Bank.

MONTHLY OUTLOOK

The story for 2018 so far is one of equity markets de-rating. If we exclude currency effects, the MSCI World AC Index is flat for 2018, despite strong earnings growth in most regions. Taking the US S&P 500 in isolation, we estimate the 12-month forward P/E multiple of the market has fallen from 18.3x in early January to 16.2x in late April. Markets generally de-rate because they become concerned about future earnings estimates and in this case, we have some sympathy with Mr Market's view.

The list of issues threatening future earnings growth is growing and includes interest rate hikes, raw materials inflation, trade wars, big tech regulation and the turnover of the US Administration. Of this list, our biggest concern centres on the pace of rising interest rates and the ongoing US / China trade dispute. Near term we have chosen to reduce our overall exposure to equity markets in both net and gross terms, with put option protection also in place. Bottom-up we remain excited about the earnings growth characteristics of key Fund holdings, but we recognise that market de-ratings are a process that needs to be worked through over time before earnings growth can re-assert its dominance as a market driver.

While, it is frustrating that share prices for many of our companies have not reacted more positively to recent strong earnings reports, this dynamic does ultimately create somewhat of a 'coiled spring' for stocks for when the dark clouds are lifted.

FUND SUMMARY

KEY NUMBERS

UNIT PRICE	\$1.2761
EXIT PRICE	\$1.2742
ENTRY PRICE	\$1.2780
FUM	\$188.6m
APIR	MUA0002AU

KEY FACTS

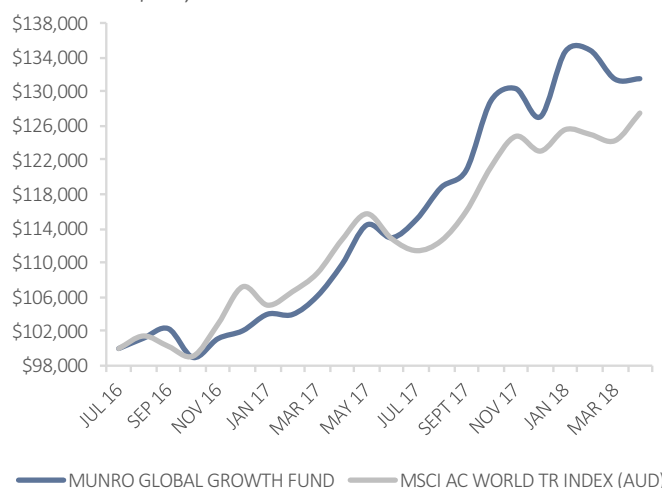
NUMBER OF STOCKS	30-50 POSITIONS
CASH WEIGHTING	0-100%
CURRENCY HEDGING	0-100%
MANAGEMENT COSTS	1.35% P.A.
PERFORMANCE FEE	10.00%

TOP 5 HOLDINGS

STOCK	COUNTRY	INDUSTRY	WEIGHT
AMAZON	US	CONSUMER DISC.	4.5%
MICROSOFT	US	INFO TECH.	4.0%
BLUE PRISM	UK	INFO TECH.	3.8%
ASML	NE	INFO TECH.	3.7%
VISA	US	INFO TECH.	3.6%

HISTORICAL PERFORMANCE ¹

GROWTH OF \$100,000



PERFORMANCE SUMMARY AS AT 30 APRIL 2018 ¹

	1MTH	3MTHS	6MTHS	1YR	INCEPTION (P.A.)	INCEPTION CUMULATIVE
MUNRO GLOBAL GROWTH FUND (AUD)	0.0%	-2.4%	2.0%	19.7%	17.0%	31.5%
MSCI AC WORLD TR INDEX (AUD)	2.6%	1.5%	5.2%	13.1%	15.0%	27.5%
OVER / UNDER PERFORMANCE	-2.6%	-3.9%	-3.2%	6.6%	2.0%	4.0%

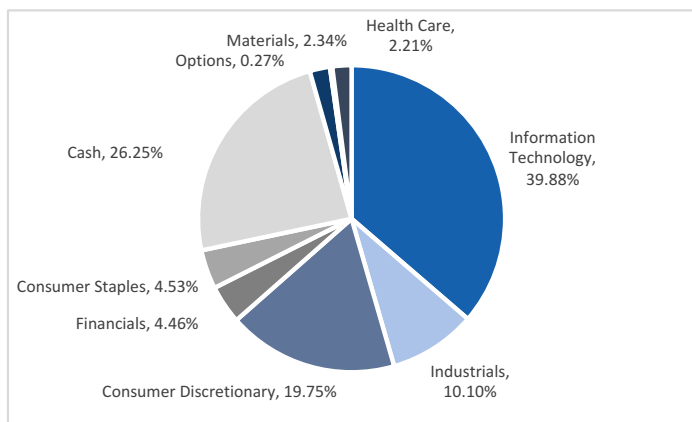
1. Past performance is provided for illustrative purposes only and is not a guide to future performance

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	
THULE GROUP	SW	GOLDMAN SACHS	US
AMAZON	US	HUGO BOSS	GY
FACEBOOK	US	KION GROUP	GY
KINGSPAN	IE	SINGAPORE PRESS	SP
TREASURY WINE	AU	TE CONNECTIVITY	US

FUND EXPOSURE

CURRENCY REGION	GROSS EXPOSURE	NET EXPOSURE	CURRENCY EXPOSURE
AUSTRALIA	1.9%	1.9%	70.0%
NORTH AMERICA	51.9%	51.9%	24.4%
UNITED KINGDOM	4.3%	3.2%	0.5%
EURO AREA	12.7%	8.0%	3.9%
IRELAND	1.7%	1.7%	
FRANCE	2.9%	0.2%	
ITALY	0.8%	0.8%	
SPAIN	1.8%	1.8%	
GERMANY	1.8%	-0.2%	
NETHERLANDS	3.7%	3.7%	
SINGAPORE	1.0%	-1.0%	-0.1%
DENMARK	0.9%	-0.9%	0.0%
SWEDEN	2.3%	2.3%	0.7%
ISRAEL	2.3%	2.3%	0.0%
HONG KONG/CHINA	4.9%	4.9%	0.2%
JAPAN	1.0%	1.0%	0.4%
EXPOSURE	83.3%	73.5%	100.0%
DELTA ADJ. EXPOSURE	86.9%	64.9%	

IMPORTANT INFORMATION

The information contained in this document reflects, as of the date of publication, the views of Munro Partners and sources believed by Munro Partners to be reliable. There can be no guarantee that any projection, forecast or opinion in these materials will be realised. The views expressed in this document may change at any time subsequent to the date of issue.

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Past performance information given in this document is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance. None of Grant Samuel Fund Services, Munro Partners its related bodies or associates nor any other person guarantees the repayment of capital or the performance of the Fund or any particular returns from the Fund. No representation or warranty is made concerning the accuracy of any data contained in this document. This document is issued on 4 May 2018.

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. 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.

THULE GROUP

Thule Group contributed 30bps positive performance for April. Swedish listed Thule Group delivered its first quarter results on April 26 which demonstrated strong consumer growth particularly its core cargo boxes / roof rack market and in the European RV market. Overall Thule Group was able to grow its top line over 5%, and operating profit by 10% year on year.

Like management, we are most excited by Thule's new growth opportunities particularly in a new area it calls 'Active with Kids'. Thule has recently diversified into outdoor prams and strollers designed for specific outdoor activities such as biking, running and skiing. This is the fastest growing segment for the company, growing at approximately 50% per annum. The company is also becoming increasingly profitable, in the first quarter Thule registered an EBIT margin of 19.2%, showing discipline on its cost structure and the improved profitability mix from the higher margin 'Active with Kids' division.

We have held Thule in the Munro Global Growth Fund from its inception in August 2016 and continue to like the company's compelling offering in what we see as a long runway for growth as consumers globally become more active.

KION GROUP

Kion Group released results during April and unfortunately it was the second result in a row that fell short of expectations. We initially bought into the German forklift maker on the back of its acquisition of Dematic, the world's largest warehouse automation player. The company had convinced us that the combination of electric and eventually autonomous forklifts with first class warehouse automation would see them positioned as a key beneficiary of global retailers moving into e-commerce. E-Commerce requires first class and timely fulfilment and consequently we expected an accelerated spend on warehouse automation from which Kion should ultimately benefit.

Unfortunately, the Dematic acquisition has been plagued by problems from the start, firstly from a difficult ramp up of manufacturing facilities, to now slowing or stalling order growth. The lumpy nature of Dematic's orders has us concerned that major E-commerce players such as Amazon have significant pricing power in this space, while smaller players simply don't have the appetite to make large investments. Regardless, after two downgrades to guidance based on the order backlog, we have lost confidence in the company's ability to grow earnings over the medium term and subsequently exited the position.

