

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%	3.3%			4.9%

MONTHLY SUMMARY

The Munro Global Growth Fund returned 3.3% for April, comprising a return of 3.0% from equities and 0.3% from currency. The MSCI AC World Index (AUD) meanwhile returned 4.3% (3.6% from equities and 0.7% from currency). The global equity market strength was broad based during April, with the US S&P 500 adding +4.1%, Euro Stoxx 600 increasing +3.9%, the Japanese Nikkei rose +5.0% and Hong Kong's Hang Seng climbed +2.3%. Strong consumer spending data helped the S&P 500 hit record highs, whilst PMIs were more positive than expected in both the US and China.

In terms of stock specific highlights, the Fund's investments in the Cloud Computing Infrastructure, Amazon with AWS and Microsoft with Azure, saw strong gains (see page 2). United Rentals, the US-based equipment rental company, also had good results and benefited from positive economic data providing a strong backdrop for future earnings, (see page 2). On the negative side, several short positions squeezed higher on results that weren't as poor than feared or where the market was willing to give the stocks the benefit of the doubt that earnings had bottomed. On currencies, the Fund is roughly 55% hedged back to AUD and 45% exposed to USD and hence the depreciation in the AUD resulted in 34bps of gains for the Fund, while the fully unhedged index gained 71bps.

MONTHLY OUTLOOK

With US 10-year bonds seemingly anchored around 2.5%, German & Japanese 10-year bonds at or below zero, and considerable fiscal stimulus added in China, authorities have collectively stabilised the global economy and re-inflated risk assets. While we have been somewhat surprised by the ferocity of the 'v-shaped move' back to all-time highs in the S&P500 (considering minimal lift in EPS expectations), we do acknowledge that policy support has contained near-term risks. Further, with earnings growth expectations ratcheted down in late 2018, the bar for earnings beats and raises in 2019 looks more achievable. Near term, the equity risk premium on equities versus other assets remains compelling and we continue to believe the current backdrop is a constructive one for investing in quality growth companies. Longer term though there are some issues that warrant monitoring. Firstly, markets may eventually over price a dovish Fed. While inflation is currently benign, we would be concerned if markets began to price in rate cuts, as we suspect they will be disappointed when the economy recovers in the second half of the year. Secondly, US political risks continue to rise as we head towards the 2020 presidential election. The Democratic presidential nomination is the near-term concern where Bernie Sanders prevailing over Joe Biden would be taken as a major negative for markets due to his populist policies that are likely to target the banks and the US healthcare system. Finally, it's important to remember the trade war issues are still on-going despite widespread media reports that the US and China are close to a deal.

FUND SUMMARY

KEY NUMBERS

UNIT PRICE	\$1.3512
EXIT PRICE	\$1.3492
ENTRY PRICE	\$1.3532
FUND FUM	\$379m
STRATEGY FUM	\$951m
APIR	MUA0002AU

KEY FACTS

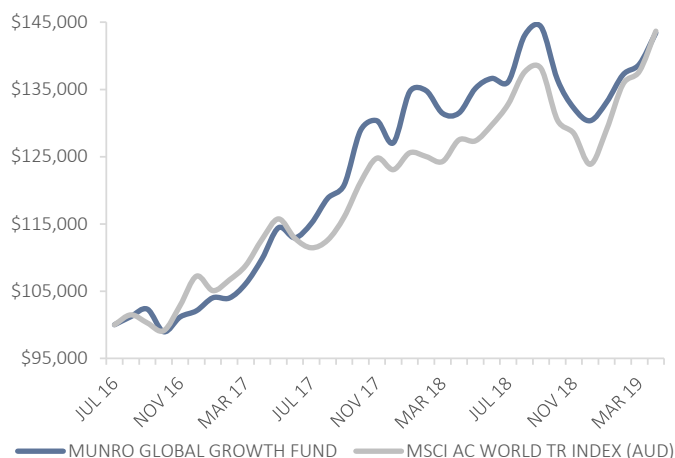
NUMBER OF STOCKS	30-50 POSITIONS
CASH WEIGHTING	0-100%
CURRENCY HEDGING	0-100%
MANAGEMENT FEE	1.35% P.A.
PERFORMANCE FEE	10.00%

TOP 5 HOLDINGS

STOCK	COUNTRY	INDUSTRY	WEIGHT
AMAZON	US	CONSUMER DISC.	7.3%
ALPHABET	US	COMM. SERVICES	5.9%
MICROSOFT	US	INFO TECH.	5.6%
UNITED RENTALS	US	INDUSTRIALS	3.4%
ADOBE	US	INFO TECH.	3.1%

HISTORICAL PERFORMANCE ¹

GROWTH OF \$100,000



PERFORMANCE SUMMARY AS AT 30 APRIL 2019 ¹

	1MTH	3MTHS	6MTHS	1YR	2YRS	INCEPTION (P.A.)	INCEPTION CUMULATIVE
MUNRO GLOBAL GROWTH FUND (AUD)	3.3%	7.7%	5.1%	9.1%	14.3%	14.0%	43.4%
MSCI AC WORLD TR INDEX (AUD)	4.3%	11.3%	10.1%	12.7%	12.9%	14.1%	43.7%
OVER / UNDER PERFORMANCE	-1.0%	-3.6%	-5.1%	-3.6%	1.4%	-0.1%	-0.3%

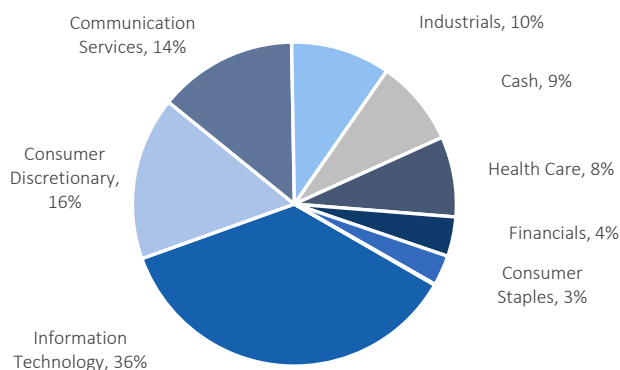
1. Past performance is provided for illustrative purposes only and is not a guide to future performance

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, 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	
MICROSOFT	US	SEMICONDUCTOR ETF	US
AMAZON	US	UNITED HEALTH	US
UNITED RENTALS	US	YASKAWA	JP
CHINA TOWER	HK	VAT GROUP	SW
FACEBOOK	US	WALT DISNEY	US

FUND EXPOSURE

CURRENCY REGION	GROSS EXPOSURE	NET EXPOSURE	CURRENCY EXPOSURE
AUSTRALIA	1.3%	1.3%	53.3%
NORTH AMERICA	69.8%	69.5%	45.0%
UNITED KINGDOM	1.4%	-0.6%	0.3%
EURO AREA	15.3%	15.3%	1.2%
FRANCE	7.0%	7.0%	
ITALY	2.6%	2.6%	
NETHERLANDS	1.5%	1.5%	
SPAIN	4.2%	4.2%	
SWITZERLAND	0.3%	-0.3%	-0.3%
HONG KONG/CHINA	6.1%	6.1%	0.5%
EXPOSURE	94.3%	91.3%	100.0%
DELTA ADJ. EXPOSURE	99.3%	86.2%	

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 GSFM Responsible Entity 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 6 May 2019.

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.

CLOUD COMPUTING - MICROSOFT & AMAZON

Both Microsoft (56 bps) and Amazon (56 bps) contributed strongly to Fund performance in April. Both companies released positive first quarter results, and both sets of results highlighted the strong growth in their cloud computing businesses.

Businesses all over the world are shifting into the cloud. Initially, businesses did this to save on costs, but today it has become a strategic imperative. Aggregating data storage in the cloud enables businesses to be device and region agnostic, providing better analytics and security, and ultimately making businesses more nimble in how they serve their customers and staff. Consequently, cloud adoption is accelerating and the business of hosting data is dominated by two cloud providers, Amazon and Microsoft.

In Microsoft's result, their Azure hybrid cloud product grew 75% year-on-year, almost the same as its 76% growth in the previous two quarters. In similar fashion, Amazon Web Services (AWS) delivered very strong results, with over 40% growth, which now places the business on a run-rate of over \$30bn in revenue in 2019. Not only has growth continued to accelerate on the top line, but profitability for both businesses has improved. Amazon's AWS operating margin has expanded over 3% since the same reporting period last year, and Microsoft's gross margin continues to progress towards 70%.

Despite these strong metrics, Cloud computing (Infrastructure-as-a-service and Software-as-a-service) is still in its relative infancy in terms of penetration, we estimate less than 10% of the addressable market has converted at this point, and consequently we see continued meaningful earnings growth for Microsoft and Amazon in the years ahead.

UNITED RENTALS

United Rentals contributed 54bps to monthly performance during April. United Rentals is the largest equipment rental company in North America, renting out equipment used primarily in the construction and maintenance industries.

In what is traditionally a cyclical business, there are some accelerating structural shifts occurring. Firstly, United Rentals and their peers, Sunbelt and H&E Services, have been rapidly consolidating what has been a fragmented market place. This larger footprint has allowed United Rentals to focus on broadening its state by state customer acquisition to National Accounts, and with the use of telematics and its digital offering, accelerating the adoption of renting versus owning equipment for major national customers. United Rentals was strong in April on the back of improving results which showed sustained growth in rental rates and strong free cashflow generation. National accounts using the companies 'Total Control' digital platform grew 39% making up nearly 20% of the companies \$9.4bn in revenue. Barring a recession, we see more growth ahead for United Rentals, while trading at just 7 times forward earnings, we remain hopeful that this will translate to a higher share price in the months ahead.

