MUNRO GLOBAL GROWTH FUND

ABSOLUTE RETURNS

MARCH 2021 QUARTERLY UPDATE

QUARTERLY HIGHLIGHTS

- The Munro Global Growth Fund returned 1.0% in the March quarter. The Fund's long positions contributed 0.1% while shorts and hedging added 0.5%. Currencies added a further 0.3% on quarterly performance.
- Global equity markets had another positive quarter in March. However, the strong market performance masked significant volatility under the surface as leadership rotated aggressively towards more cyclical stocks at the expense of longer duration assets like bonds, gold and growth equities.
- Despite the de-rating in growth equities, fund performance held up well. From a stock attribution perspective for the quarter, positive contribution came from High Performance Compute leaders ASML, TSMC and Micron. Detractors for the quarter included eCommerce companies Alibaba and Amazon, software holdings ServiceNow and Twilio and Climate holding, Vestas Wind Systems.

QUARTER RETURN#	1.0%	SINCE INCEPTION RETURN (P.A.)#	17.0%

FUND FEATURES

GLOBAL GROWTH EQUITIES

ABSOLUTE RETURNS

30-50 POSITIONS

CAPITAL PRESERVATION MINDSET

$1.2B FUND FUM

$3.8B STRATEGY FUM

MAET.ASX / MUA0002AU

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QUARTERLY HIGHLIGHTS

FUND COMMENTARY

Global equity markets had another positive quarter in March. However, the strong market performance masked significant volatility under the surface as leadership rotated aggressively towards more cyclical stocks that would benefit from the "re-opening" of businesses and economies, generally at the expense of longer duration assets like bonds, gold and growth equities.

This was driven by two factors: 1) A sense that the COVID-19 pandemic was under control, following a decline in death rates and increasing roll-out of COVID-19 vaccines in countries such as the US and the UK; and 2) The enormous fiscal stimulus package announced by Joe Biden, known as the American Rescue Plan, a $1.9tr. package.

The de-rating in long-duration assets did affect parts of the Fund, such as our software holdings in the Digital Enterprise Area of Interest, also for several of our eCommerce holdings as the expectation of economies re-opening would lead to improved growth in other retailers as consumers return to physical stores. However, this was offset by the High Performance Compute Area of Interest, which saw strong gains during the quarter as demand for semi-conductor chips from a diverse range of end-markets, such as automotive to data centres, leading to a global chip shortage.

From a stock attribution perspective for the quarter, positive contribution came from High Performance Compute leaders ASML (see page 3), TSMC and Micron. Detractors for the quarter included eCommerce companies Alibaba and Amazon, software holdings ServiceNow and Twilio and Climate holdings in Vestas Wind Systems.

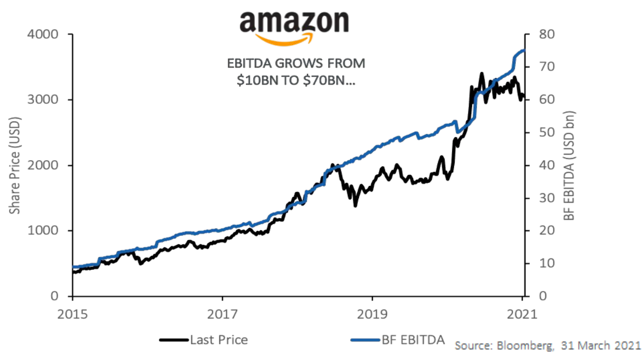
MARKET OUTLOOK

Despite their recent underperformance, we remain committed to our core holdings across Digital Enterprise, eCommerce, and Innovative Health. These stocks performed very well during the pandemic, and it is not surprising to see them pause as economies re-open. However, we do expect that the structural growth drivers behind these key themes will persist for many years into the future.

The prospect of re-opening though, has also allowed us to broaden the Fund to benefit from the economic recovery. Here we have re-entered some Areas of Interest we stepped to the sidelines on early in the pandemic, including Emerging Consumer (travel and leisure) and some of the more stimulus dependant areas of Climate (sustainable fuels, building products and infrastructure).

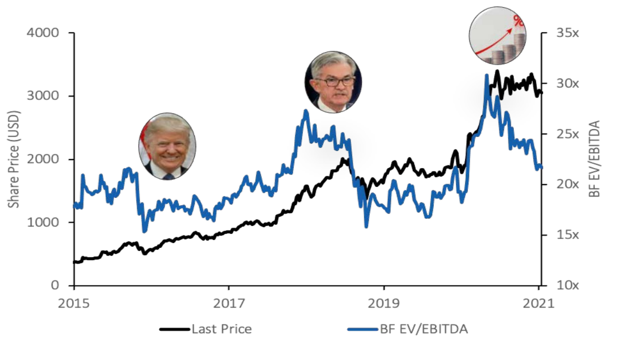
On equities markets more broadly, we remain positive. COVID-19 ending is good for growth and good for corporate earnings. While we acknowledge the risks around a continued move higher in interest rates and the impact on longer duration growth equities, we consider the current level of the US 10-year bond yield to be manageable for growth stocks, especially as earnings continue to improve. To that end, we are looking forward to the upcoming 1Q US reporting season where we expect our core holdings across our key areas of interest in Digital Enterprise, Climate, High Performance Compute, eCommerce to report good numbers and provide positive guidance given the improving backdrop.

Lastly, we get a lot of enquiries around our views on the macro, sector rotations and we thought it would be worthwhile re-iterating here why we believe focusing company earnings growth is more important. The below two charts show Amazon's earnings growth driving its share price from 2015 to today. Amazon's EBITDA has increased from $10bn to $70bn over the period, and the share price has risen over 7x.



Source: Bloomberg, 31 March 2021

While the stock's forward EV/EBITDA multiple has traded from anywhere from 15-30x based on everything from worries about Trump, to interest rates to inflation, in the end, these short-term re-sets have been completely superseded by the company's earnings trajectory. In short, earnings growth drives stock prices. Re-ratings and de-ratings will come and go, but it will not change who wins in the long run.



Source: Bloomberg, 31 March 2021

STOCK STORY- ALIBABA

Alibaba Group

AREA OF INTEREST: ECOMMERCE

MARKET CAP: USD 662B

Alibaba detracted 35 bps of performance for the Fund during the quarter.

Alibaba Group, often referred to as the Amazon in China, is the country's largest eCommerce player with its Tmall and Taobao marketplaces. It also runs logistics, media and cloud computing businesses and is part of a digital payment's duopoly in China via its affiliate Ant Financial.

While the US focus on Chinese technology companies has been with us for a while, the news that the Chinese were officially investigating Alibaba for anticompetitive practices within its eCommerce businesses was a new negative development in the March quarter. This latest investigation follows on from the failed Ant Financial IPO and increased scrutiny on Alibaba founder Jack Ma.

Having owned Alibaba for many years, we still think Alibaba is a compelling investment with multiple growth angles over the next decade. However, these latest developments are both extremely disappointing and opaque in terms of what the government is trying to achieve and what the eventual outcome will be. In our experience to date these situations in China tend to take time to play out (i.e., we have seen this before in luxury, spirits, Macao gaming, video games). They occur in waves and then settle down once companies and individuals modify practices.

That said, the continued government intervention with no recourse for management to appeal and protect shareholders is becoming problematic for western shareholders looking to invest in China. We suspect China still wants to foster its own national champions and are ultimately committed to open and fair markets, but in the short term, we do not know how this will end and hence have moved to the sidelines.

STOCK STORY- ASML

ASML

AREA OF INTEREST: HIGH PERFORMANCE COMPUTE

MARKET CAP: EUR 222B

ASML contributed 85bps of performance for the Fund during the quarter.

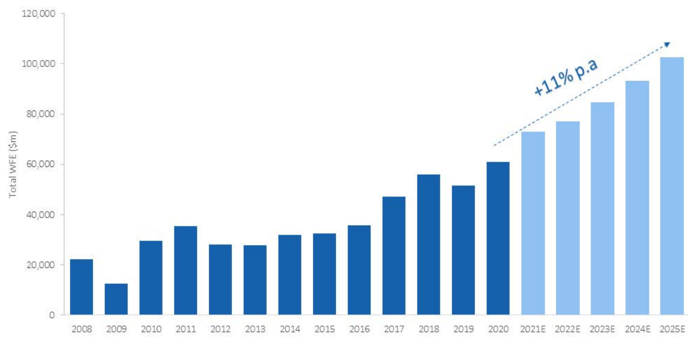
ASML produces lithography equipment for the semiconductor industry which is vitally important to the continuation of Moore's law. ASML equipment essentially facilitates shrinkage on semiconductors to continue and hence allows computers to become more powerful over time.

In the last few years, the company has just started rolling out its new product cycle, which is EUV technology (Extreme Ultraviolet Lithography). This new technology has been developed for the leading semiconductor foundries TSMC, Samsung and Intel to continue the process of squeezing more and more transistors onto a semiconductor. Via the EUV lithography technology, ASML has become a monopoly on the continuation of Moore's Law and hence as we like to call it: 'the most important company in the world that nobody has ever heard of'.

ASML performed strongly over the March quarter as the global semiconductor shortage shone a light on the key role they play in helping produce semiconductors and the role they play in improving them.

In response to the current shortage crisis TSMC, the worlds' largest semiconductor foundry has announced capex plans of \$100bn over three years on new capacity, while elsewhere Intel committed to a further \$20bn to build more capacity onshore in the US.

All in, it appears WFE (Wafer Fab Equipment) spending could be progressing to \$100bn per annum in the not too distant future, with a large chunk of this spending heading to ASML.



GLOBAL WAFER FAB SPENDING

Source: Cowen & Company, Munro Partners estimates, March 2021

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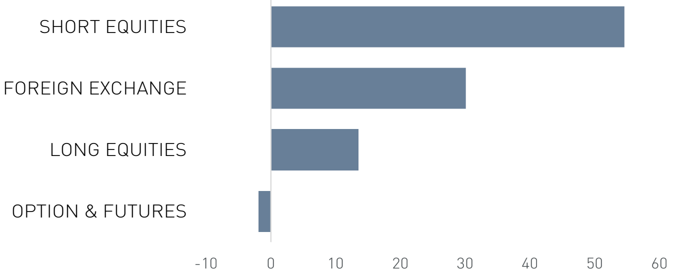
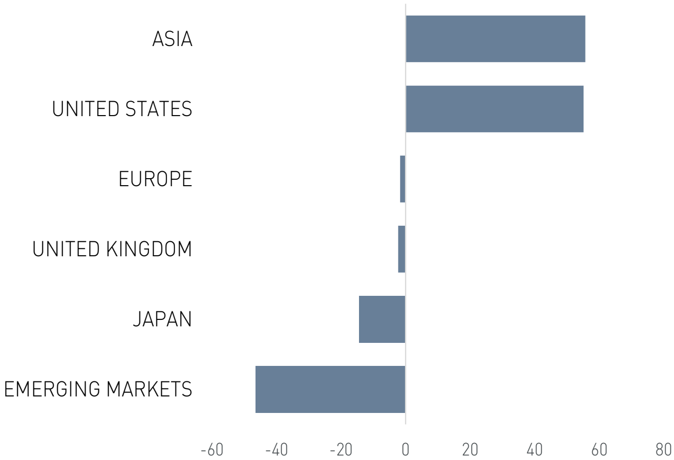
QUARTERLY FUND ATTRIBUTION (BASIS POINTS)

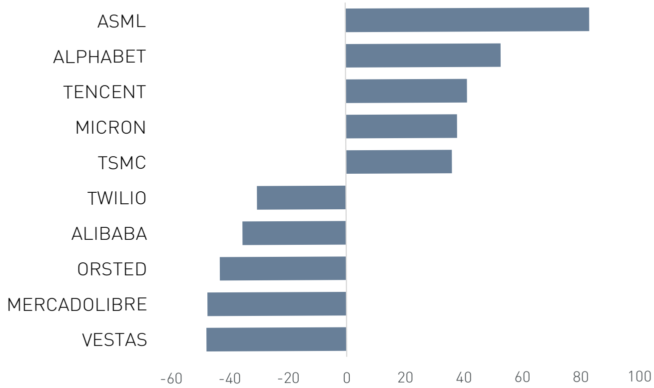
BY INVESTMENT CATEGORY



BY REGION (EQUITIES ONLY)



TOP & BOTTOM CONTRIBUTORS (EQUITIES ONLY)



QUARTER END EXPOSURE

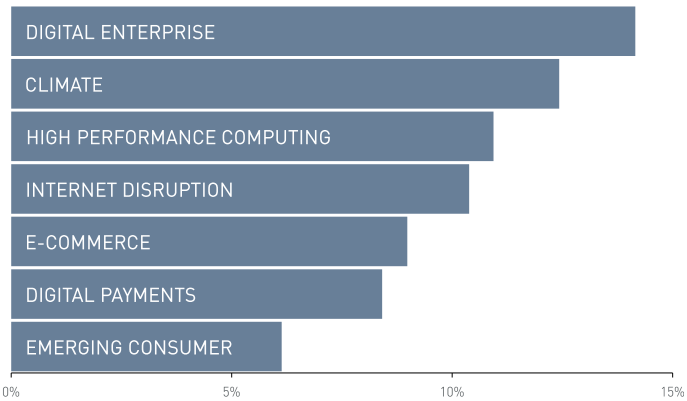
BY INVESTMENT CATEGORY

GROSS	88%	TOTAL POSITIONS	38
LONG	81%	LONG POSITIONS	35
SHORT	7%	SHORT POSITIONS	3
NET	74%		
DELTA ADJUSTED NET	74%		
CURRENCY HEDGE (AUD)	55%		

BY REGION

	GROSS	NET	CURR.
AUSTRALIA	0.0%	0.0%	54.7%
UNITED STATES	62.1%	48.2%	45.3%
HONG KONG/CHINA	1.4%	1.4%	-0.1%
EURO AREA	15.3%	15.3%	0.1%
GERMANY	3.7%	3.7%	
IRELAND	1.8%	1.8%	
FRANCE	3.3%	3.3%	
ITALY	2.9%	2.9%	
NETHERLANDS	2.5%	2.5%	
SPAIN	1.0%	1.0%	
DENMARK	1.7%	1.7%	0.0%
TAIWAN	3.1%	3.1%	0.0%
SWEDEN	1.5%	1.5%	0.0%
JAPAN	2.2%	1.4%	0.0%
SOUTH KOREA	1.0%	1.0%	0.0%
EXPOSURE	88.2%	73.6%	100.0%
DELTA ADJ. EXPOSURE	88.2%	73.6%	

BY AREAS OF INTEREST (AOI)



PERFORMANCE	3MTHS	6MTHS	1YR	2YRS (P.A.)	3YRS (P.A.)	INCEPTION (P.A.)	INCEPTION CUMULATIVE
MUNRO GLOBAL GROWTH FUND (AUD)	**1.0%**	**8.3%**	**31.9%**	**22.4%**	**16.5%**	**17.0%**	**107.8%**

	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%	-4.1%	2.4%	**3.1%**
2020FY	0.9%	-0.6%	-1.4%	-0.3%	4.6%	0.7%	5.6%	0.6%	1.3%	4.2%	3.9%	2.1%	**23.6%**
2021FY	6.1%	4.7%	-0.8%	2.2%	2.7%	2.2%	1.5%	0.9%	-1.5%				**19.4%**

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