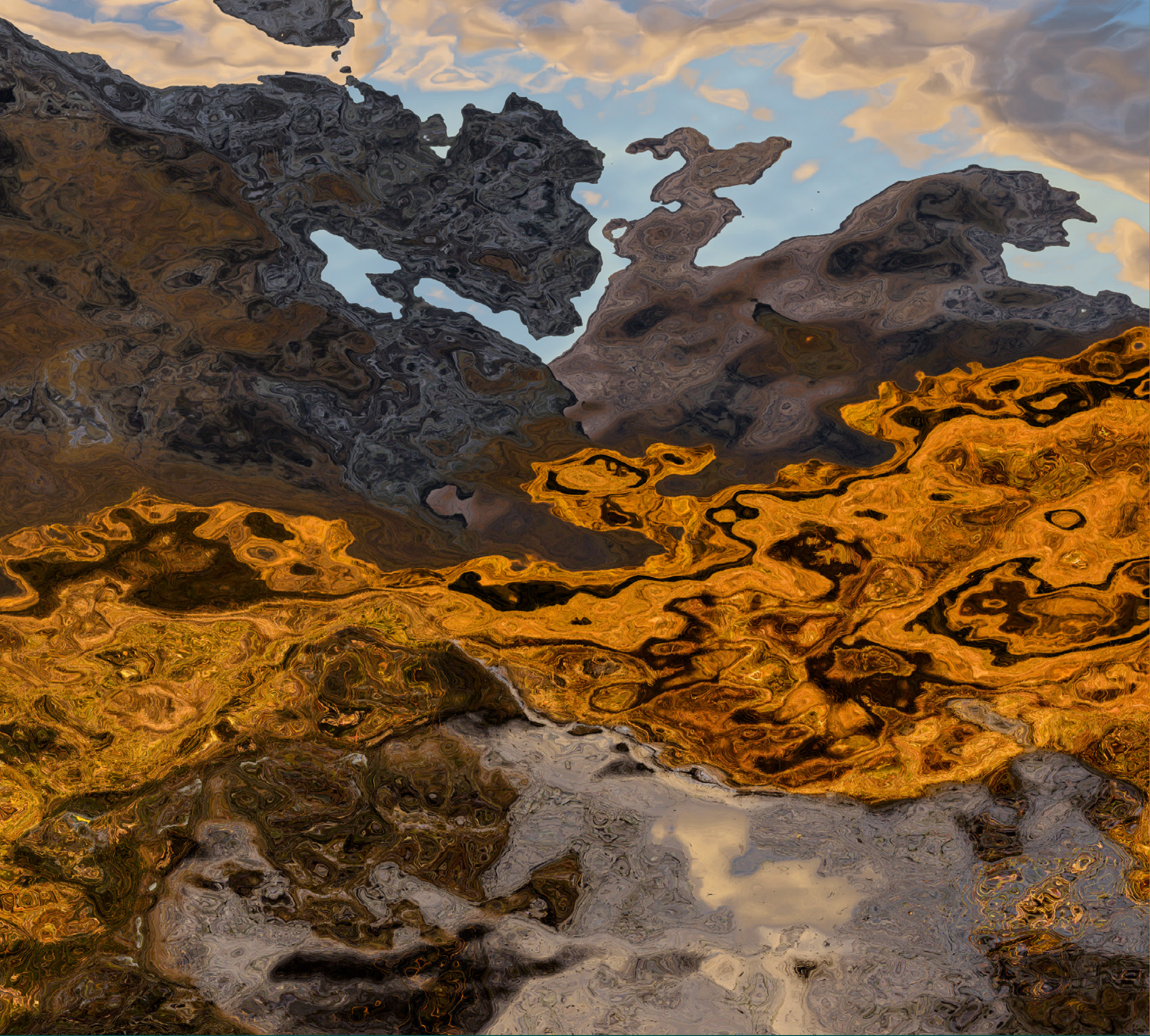

Quarterly report

Munro Concentrated Global Growth Fund

MCGG.ASX

June 2025

Munro Concentrated Global Growth Fund & MCGG.ASX
June 2025 – Quarterly report

MCGG Fund quarter return (net)
18.6%

MSCI World ex-Aus quarter return (net)
5.9%

MCGG.ASX Fund quarter return (net)
18.5%

MSCI World ex-Aus quarter return (net)
5.9%

QUARTERLY HIGHLIGHTS

- The Munro Concentrated Global Growth Fund returned 18.6% (net) for the June quarter (MCGG.ASX 18.5% net) outperforming the benchmark return of 5.9% by 12.7%.
- Nvidia was the biggest contributor to performance. While Climate positions GE Vernova and Siemens Energy also contributed. Detractors from performance included BYD, Northrop Grumman and CRH.
- Structural changes continue to evolve around us, presenting opportunities to invest in earnings growth. Tariff and geopolitical concerns have subsided (for now), and the Federal Reserve is expected to continue its monetary policy easing.

MUNRO MEDIA

Invest in the Journey Podcast, 2 July 2025
Uncovering growth opportunities from San Francisco & New York
Listen to the episode here

Invest in the Journey Podcast, 24 June 2025
Investing in the global nuclear energy renaissance
Listen to the episode here

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QUARTERLY COMMENTARY

Fund commentary

The Munro Concentrated Global Growth Fund returned 18.6% (net) for the June quarter (MCGG.ASX 18.5% net) outperforming the benchmark return of 5.9% by 12.7%.

For the 2025 financial year, the Fund returned 28.5% (net) compared to the benchmark return of 18.6% (net).

Equity markets experienced heightened volatility to commence the quarter as investors faced trade tensions between the US and many other countries around the globe. A subsequent pause in tariffs from the US Administration created a sharp rally in stocks, driven primarily by the S&P 500 and Nasdaq. Towards the end of the quarter, geopolitical tensions between Israel and Iran dominated headlines; however, markets again reacted favourably to US intervention and the subsequent ceasefire.

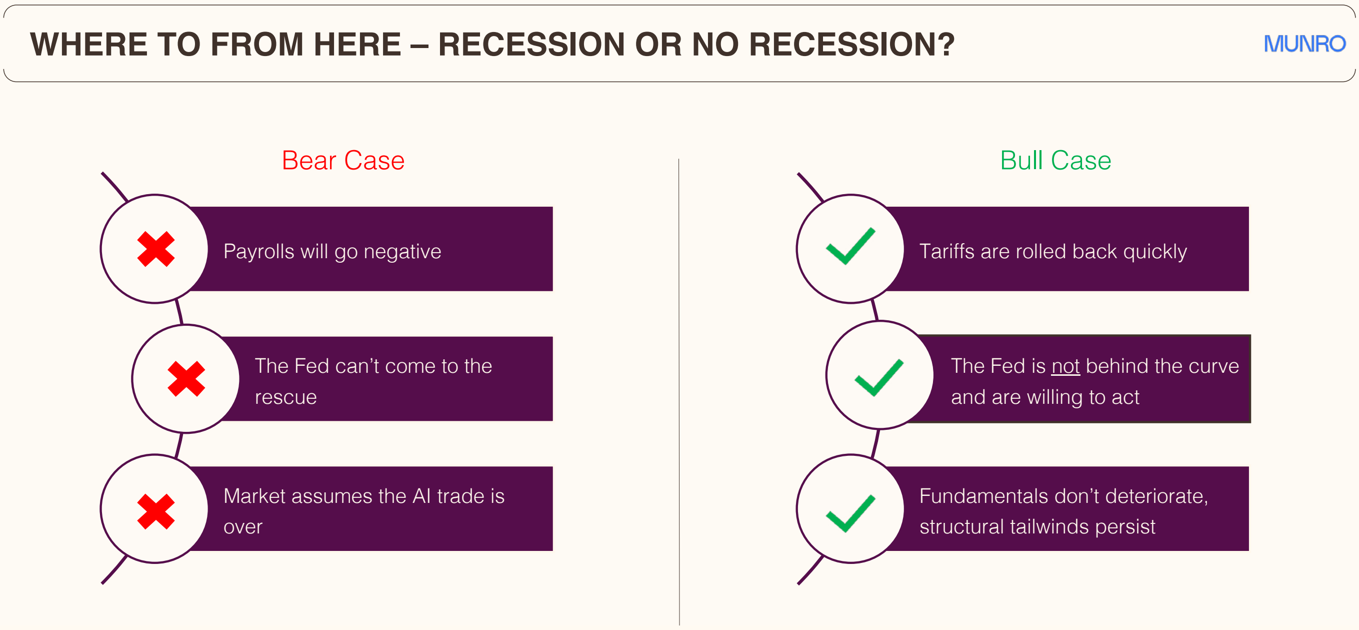
Market performance for the quarter was dominated by US indices, with both the S&P 500 and Nasdaq up over double digits, driven by trade relief and continued strong growth in megatrends, specifically artificial intelligence (AI) and climate change. European and Chinese stocks gained moderately, while the Japanese Nikkei also rose by double digits.

From a Fund perspective, Nvidia (High Performance Computing) was the biggest contributor to performance, rallying after the tariff pause, and benefiting from continued investor focus on accelerating AI trends. Climate positions GE Vernova and Siemens Energy also contributed to performance with their portfolios of power generation assets (gas, wind, nuclear) and grid equipment, becoming increasingly critical in the US and parts of Western Europe, where there is insufficient power supply and aging critical infrastructure. Microsoft delivered a strong fiscal third quarter result, showing an acceleration in their cloud computing platform Azure, removing investor concerns of a potential slowdown in AI investment by the company. Constellation Energy (Climate) contributed positively to performance as concerns around a specific nuclear energy repeal from the Inflation Reduction Act (IRA) were walked back. Constellation Energy also announced another long-term power offtake agreement with Meta during the quarter. Detractors from performance included BYD (Climate), as concerns were raised about pricing pressure in the Chinese EV market, Northrop Grumman (Security), who delivered a below expectations second quarter result, and CRH (Infrastructure), which was removed from the portfolio due to our stop loss process.

As we commenced the second quarter, the Trump Administration's tariff agenda was in full force, creating volatility in global markets that was driven by an increasingly uncertain economic outlook. As we flagged last quarter, the path forward was dependent on how much economic damage the US Administration was willing to allow to achieve its goals. After the initial tariff rate disclosures from the President, the market immediately sold off, and bond yields started to show signs that the US would inevitably end up in recession should the tariffs persist. A pause was announced by President Trump on April 9, and the S&P subsequently closed up around 9.5% and Nasdaq up 12% for the day. Ultimately, the Administration did not want to send the US economy into recession, indicating their unwillingness for the US bond market to be subject to unnecessary volatility.

Market outlook

Moving forward, we continue to expect further tariff related aftershocks as the pause comes to an end in early July, and the US Administration carves its next path forward for its economic agenda. However, it is clear now that the Administration is paying attention to whether the US economy will end up in recession, and what the domestic effects of the tariff agenda might be. Given this, we remain firmly on the right-hand side of the ledger in the chart below which is the bull case for the US equity market in the second half of the 2025 calendar year. For US exceptionalism to resume, the first key indicator was that tariffs are rolled back relatively quickly in order to reduce the underlying damage they have caused on the domestic US economy. In theory, tariffs are man-made, and therefore can be wound back, and for now, have been. Secondly, in the second half of 2025, we expect further rate cuts to occur. Hard economic data in the US is clearly slowing, and lower interest rates create a positive environment for growth equities. Lastly, and most importantly, fundamentals, specifically areas such as artificial intelligence, climate change and security, are all continuing to benefit from further investment, and in many cases investment in these areas is accelerating. This was evidenced throughout the first quarter reporting season, where many companies, backed by some of these structural changes, were able to look through the macroeconomic issues and focus on the fundamental opportunities ahead of them.



Finally, many of the 'extra tailwinds' that we believed existed for markets in 2025 because of the Republicans winning the US election are still occurring. That is, tax cuts remain on the agenda for the Administration as part of the 'Big Beautiful Bill', M&A activity continues to occur, and capital market activity accelerated in the second quarter, as evidenced by several IPO's being offered to investors, and the subsequent strong performance of these listings.

As we move into the second half of 2025, we remain bullish in our outlook for growth equities. Structural changes continue to evolve around us, presenting opportunities to invest in earnings growth. Tariff and geopolitical concerns have subsided (for now), and the Federal Reserve is expected to continue its monetary policy easing. Below we update several developments in some of our biggest Areas of Interest (AoIs).

High Performance Computing
The June quarter was a positive one for our High Performance Computing (HPC) Area of Interest, as spending on AI infrastructure continues to accelerate. During the quarter, we increased exposure to HPC, after continued commitments by hyperscalers to spend on capex, and a positive visit to the Nvidia company office. At the first quarter results, Microsoft, Alphabet and Amazon all indicated their unwavering capex commitments for 2025, that is spending billions on AI-related infrastructure, benefiting companies in our HPC AoI.

QUARTERLY COMMENTARY

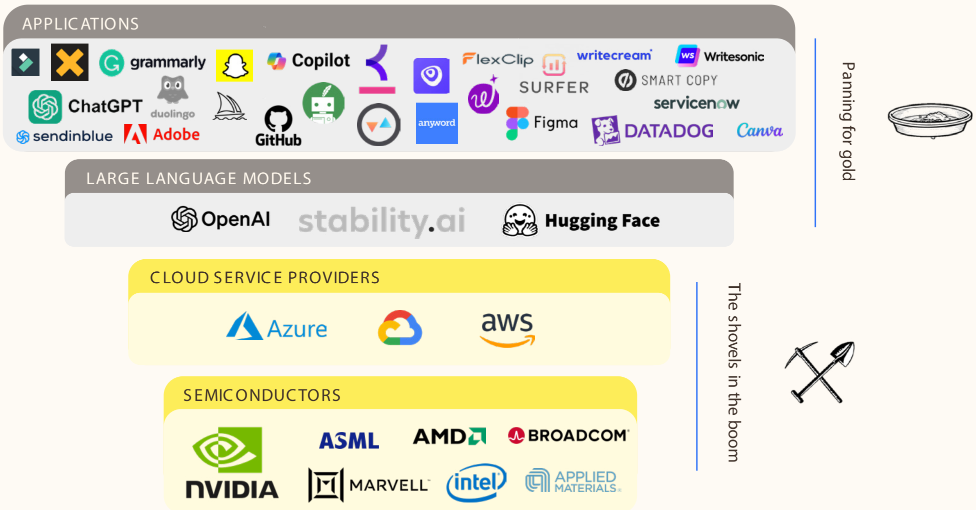
Meta increased their capex expectation for 2025, lifting their forecast by close to 9% at the midpoint of their guidance. Despite the tariff-related uncertainty at the time, these hyperscalers continue to aggressively push investment dollars to AI because they can see a significant opportunity for their businesses and customers in years to come.

After recently visiting Nvidia at their head office on the US West Coast, our team maintain their high conviction in the earnings runway ahead for the company. Nvidia management discussed the current hyperscaler investment opportunity as a trillion dollars of AI infrastructure spend, of which we believe Nvidia can potentially address over US$500 billion. Based on this, Nvidia's data centre revenues, we believe, can still double as this opportunity is realised. The opportunity doesn't end with hyperscale investments. New opportunities are already being presented in robotics and sovereign AI, as seen through the recent announcements by the US Administration in the UAE and Saudi Arabia, empowering countries around the world through US technology.

Going forward, we believe more opportunities for investment will become apparent at the application layer of the AI stack. Companies are rapidly advancing the use of AI in their businesses, and as such we believe over the next several years more AI applications will be created. Using the iPhone moment from the mid-2000's as an example, which ultimately changed the way consumers interact with technology, many of the applications that are now 'front page apps' for the iPhone were created several years after the first iPhone was released, and we expect a similar pattern to happen with AI applications in the future.

THE AI STACK – LOTS OF PLAYERS BUT ONLY A FEW ENABLERS

MUNRO



For illustrative purposes only, companies may or may not be held by the Munro funds.

As AI investment continues to ramp up, we have added Vertiv back to the portfolio, an important player in liquid cooling in data centre operations. We have also added Oracle to the portfolio, who have now, in our view, cemented themselves as an important hyperscale player. Oracle's earnings are accelerating, driven by the demand for their ability to host AI workloads in their cloud infrastructure and their AI data platform that can be used to build company specific AI applications. We continue to be excited about the investment opportunities to come in Artificial Intelligence.

Climate

The Fund's Clean Energy holdings generally performed well in the second quarter, driven by positive earnings results and the continued focus that AI is placing on power supply, the requirement to be able to electrify transport and buildings (electric vehicles and heat pumps), as well as the extensive load growth that will come from the US reshoring of manufacturing from Asia.

QUARTERLY COMMENTARY

During the quarter there was back and forth political rhetoric about what the US Administration would do with the Inflation Reduction Act (IRA), given Trump's election promises to scrap the "Green New Scam" (Biden's primary piece of environmental legislation).

While the distraction of which components of the IRA the US Administration would try to repeal is unhelpful, we note that Trump and the Republicans are having to balance their aggressive political message with the economic and business reality. That is, the IRA has provided a considerable tailwind to growth for a range of industrial and energy companies and is popular with corporates. They simply cannot scrap these incentives wholesale as it would be bad for business and jobs, particularly in Republican districts.

While we do expect some specific areas like residential solar and electric vehicle credits to come under specific pressure, we'd note that for the most part, areas like utility scale solar, battery storage, domestic clean energy manufacturing credits, at this stage look like they will have longer grace periods before their incentives roll off.

As anticipated, it also looks as though proposed changes to the parts of the IRA that promote nuclear energy, which have strong bipartisan support, have been the least impacted.

Separately, during the quarter, Constellation Energy announced a long-term power agreement to supply over 1GW of nuclear power to Meta over a period of 20 years. Meta now joins Amazon and Microsoft in making a public long-term nuclear power supply deal. As noted by the hyperscaler companies during their results, power remains a physical constraint for AI, and we expect to see continued power agreements and partnerships in the future.

Security

Towards the end of the quarter, geopolitical issues in the Middle East between Iran and Israel became a focus for markets. This was followed by the NATO Summit, where European nations and NATO allies committed to increasing their national defence spending, towards a new target of 5% of GDP each year by 2035. This represents a big structural shift and remains a tailwind to several of our holdings in the Security AoI.

STOCK STORY: MICROSOFT

AREA OF INTEREST: **Digital Enterprise**
MARKET CAP: **US$3tr**

Microsoft contributed 143bps to fund performance for the quarter.

Microsoft is a global technology leader with a diversified suite of products spanning across enterprise software, cloud computing, personal computing, and gaming. The company is uniquely positioned to benefit from a strong presence across the infrastructure, platform and application layers of the AI stack (most notably through Azure AI and Copilot). Just two years into the AI era, its AI business has already surpassed an annual revenue run rate of US$13 billion. We believe Microsoft will play a pivotal role in enterprises moving decisively from experimenting with AI to wide-scale implementation of AI through providing leading AI infrastructure and transforming the way consumers and businesses use software to improve productivity.

Despite its clear moat in AI, the company's share price came under pressure earlier in the year due to concerns about near-term customer demand, data centre lease cancellations, and uncertainties surrounding its evolving partnership with OpenAI. However, Microsoft shares soon rebounded to record highs after the company delivered better-than-expected earnings, with Azure growth reaccelerating to the mid-30% range. Investor sentiment reversed dramatically as management attributed the reacceleration to structural tailwinds including surging AI demand, expanded AI capacity, accelerating enterprise cloud migration, and large commitments from OpenAI for both AI and non-AI Azure services. With agentic AI adoption still in its early innings, M365 Copilot stands out as another growth driver, as enterprises look to expand usage and boost operational efficiency. Management's disciplined approach to cost control have also provided further upside, as evidenced in their ability to keep operating expense growth flat while revenue growth reaccelerated in the recent quarter.

We believe Microsoft remains a highly compelling investment, underpinned by significant opportunities in AI-powered cloud computing and enterprise software, as well as its proven commitment to operational cost discipline. Ultimately, we can see a pathway for Microsoft's earnings to potentially double over the next 5 years.

SIEMENS energy

AREA OF INTEREST: **Climate**
MARKET CAP: **US$92bn**

Siemens Energy contributed 182bps to fund performance for the quarter.

Siemens Energy is a German power equipment and electrical equipment company. The company provides power generation equipment for the gas, wind and nuclear markets, and grid equipment including transformers and storage for the electricity transmission and distribution sector. These products are becoming increasingly critical in the US and Western Europe where there is insufficient power generation supply, and aging sub-scale electrical infrastructure.

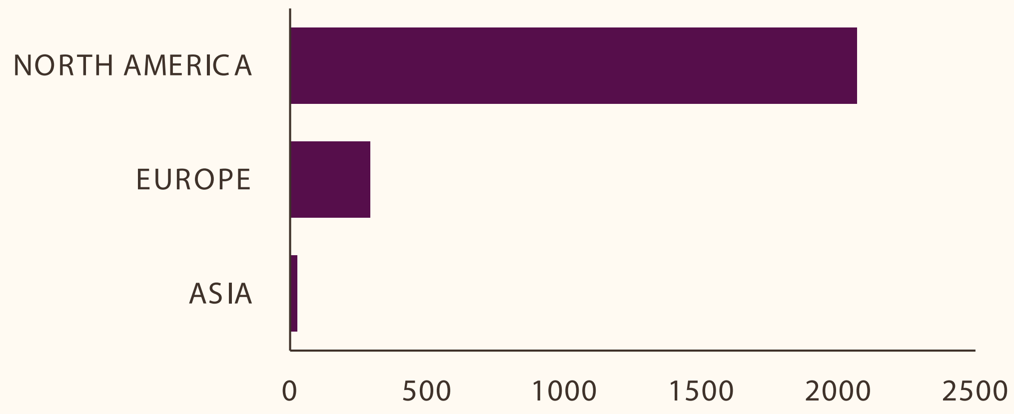
This robust demand dynamic is increasingly showing up in Siemens Energy's results with the company growing its orders at over 50% year on year at its latest earnings. Given the momentum in the end markets, we expect the company to formally lift its medium-term earnings growth guidance at its Capital Markets Day in November this year. We also note that with the financial health of the company improving (after difficulties with fixed priced contracts during Covid) it should be able to resume dividend payments in the medium term.

In terms of the longer-term backdrop, we expect demand to remain robust. According to the International Energy Agency, less than 30% of global energy use is electrified. Yet we know that to decarbonise things like transport (via electric vehicles), and heating and cooling, we need to power them with low carbon electricity. So, the high voltage electrical equipment from companies like Siemens Energy has an increasingly important role, especially when the overall electricity demand has also increased through artificial intelligence usage.

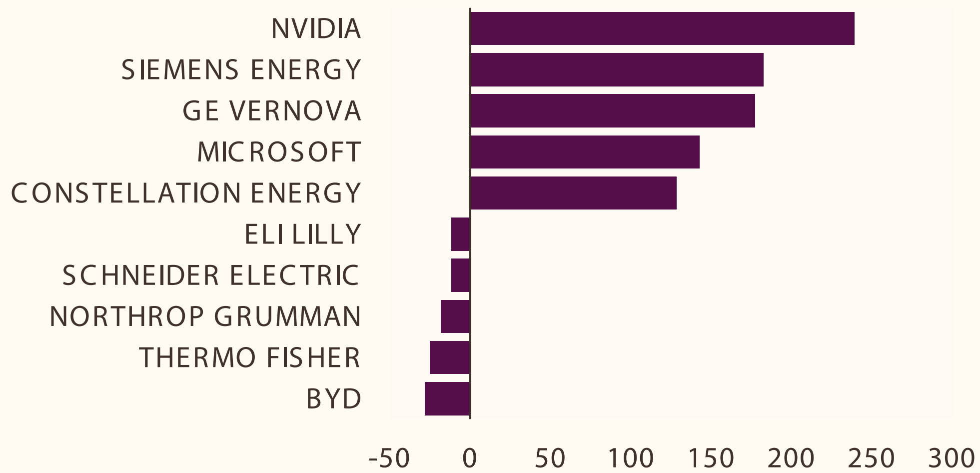
One issue the company needs to continue to work through is its wind segment, which has been challenged for many years. Despite ongoing global efforts to decarbonise electricity generation through adding renewables, equipment manufacturers have struggled to maintain profitability due to the unprecedented input cost inflation and supply chain issues absorbed throughout 2022-2023, which rendered many fixed price equipment and installation contracts unprofitable. Nonetheless, Siemens Energy (and peers) have since rationalised their pricing strategy and are targeting a return to profitability as this unprofitable component of the backlog is worked down. We are confident the industry has now consolidated and rationalised and that Siemens Energy and its major peers are through the worst of the problems.

QUARTERLY FUND ATTRIBUTION (BASIS POINTS)

By region (ex cash)



Top & bottom contributors to performance



Category

EQUITIES	97.4%
CASH	2.6%
NO. OF POSITIONS	40

Region

UNITED STATES	79.8%
EUROPE	5.9%
GERMANY	3.5%
FRANCE	1.0%
IRELAND	1.4%
BRITAIN	2.9%
HONG KONG	1.9%
JAPAN	1.0%
SWITZERLAND	2.5%
TAIWAN	3.4%
TOTAL	97.4%
CASH	2.6%

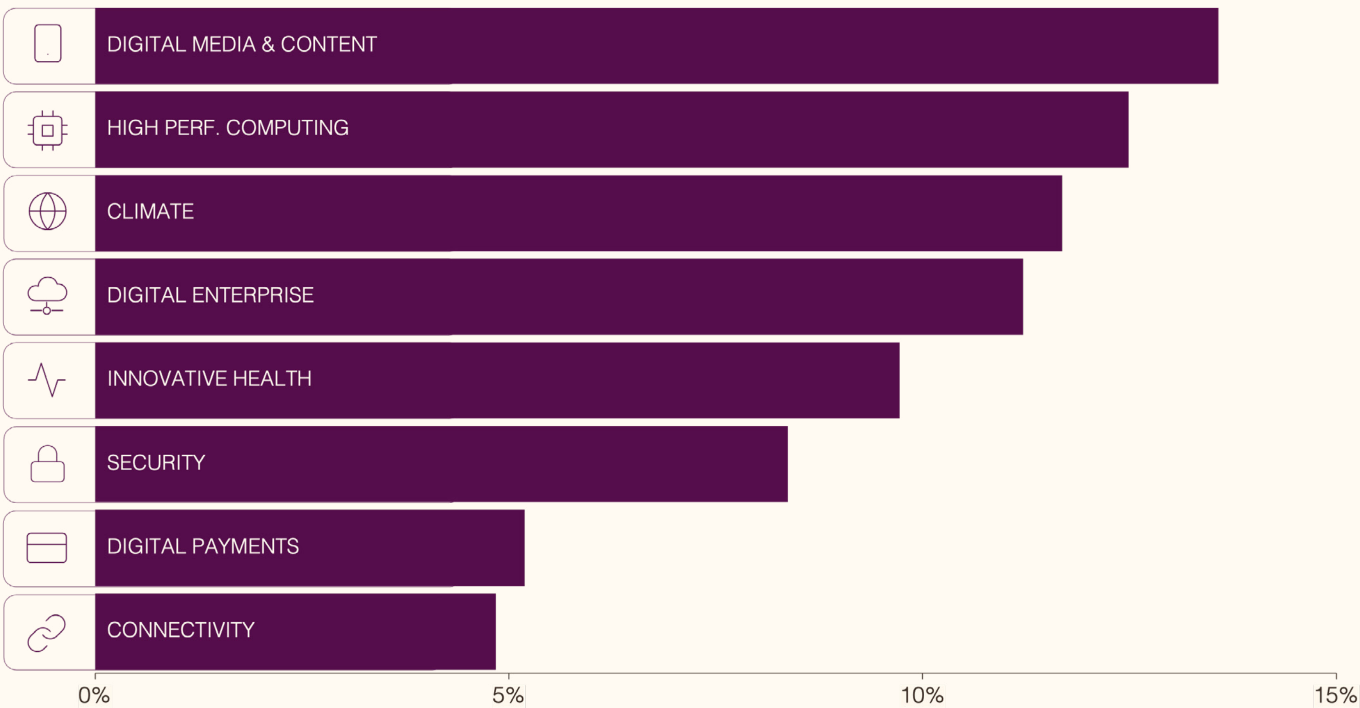
Sector

INFORMATION TECHNOLOGY	28.2%
INDUSTRIALS	25.2%
COMMUNICATION SERVICES	16.7%
HEALTH CARE	9.7%
FINANCIALS	6.6%
OTHER	10.9%
CASH	2.6%

Top 10 holdings

NVIDIA	7.9%
MICROSOFT	5.7%
AMAZON	4.8%
META	4.6%
TSMC	3.4%
CONSTELLATION ENERGY	3.3%
MASTERCARD	3.2%
ORACLE	3.0%
LIBERTY MEDIA: F1	3.0%
BAE SYSTEMS	2.9%

Top 8 Areas of Interest (AoIs)



Net Performance - MCGGF

	3 MTHS	6 MTHS	1 YEAR	3 YRS	5 YRS	INCEPT (P.A.)	INCEPT CUM.
MUNRO CONCENTRATED GLOBAL GROWTH FUND (AUD)	18.6%	11.0%	28.5%	29.9%	18.9%	20.1%	182.9%
MSCI WORLD (EX-AUS) TR INDEX (AUD)	5.9%	3.4%	18.6%	20.4%	15.8%	13.8%	108.0%
EXCESS RETURN	12.7%	7.6%	9.9%	9.5%	3.2%	6.3%	74.9%

INCEPTION: 31 OCTOBER 2019

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
2020FY				0.0%	4.9%	-1.2%	7.4%	-1.1%	-4.2%	6.7%	4.4%	1.3%	19.0%
2021FY	4.4%	4.4%	1.0%	2.0%	3.1%	0.5%	1.2%	-0.4%	-0.2%	3.6%	-2.2%	6.6%	26.5%
2022FY	4.7%	4.6%	-4.7%	1.5%	5.1%	-1.4%	-7.9%	-4.7%	-0.2%	-5.7%	-0.9%	-4.3%	-14.2%
2023FY	7.2%	-3.2%	-2.4%	5.9%	2.0%	-6.6%	1.1%	0.6%	7.6%	2.4%	5.3%	1.7%	22.7%
2024FY	0.5%	3.4%	-5.2%	1.1%	5.3%	0.8%	8.5%	12.0%	2.8%	-3.8%	5.3%	4.0%	39.0%
2025FY	-0.7%	-1.2%	1.0%	5.4%	7.2%	3.4%	5.0%	-3.7%	-7.5%	3.1%	8.8%	5.7%	28.5%

Net Performance - MCGG.ASX

	3 MTHS	6 MTHS	1 YEAR	3 YRS	INCEPT P.A.	INCEPT CUM.
MCGG.ASX (AUD)	18.5%	10.8%	27.9%	29.4%	19.6%	83.9%
MSCI WORLD (EX-AUS) TR INDEX (AUD)	5.9%	3.4%	18.6%	20.4%	13.1%	52.1%
EXCESS RETURN	12.6%	7.4%	9.4%	9.1%	6.5%	31.8%

INCEPTION: 3 FEBRUARY 2022

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
2022FY								-4.4%	-0.3%	-5.7%	-1.3%	-4.3%	-15.2%
2023FY	7.3%	-3.8%	-2.5%	6.0%	2.1%	-6.5%	1.1%	0.5%	7.7%	2.5%	5.2%	1.4%	22.0%
2024FY	0.5%	3.5%	-5.2%	1.0%	5.1%	0.8%	8.4%	11.9%	2.8%	-3.7%	5.3%	4.0%	38.8%
2025FY	-0.8%	-1.2%	1.0%	5.3%	7.2%	3.5%	5.0%	-3.7%	-7.5%	3.1%	8.8%	5.7%	27.9%

Differences in performance between the Munro Concentrated Global Growth Fund and MCGG.ASX (ASX quoted fund) may be due to cashflow movements, the buy/sell spread of the iNAV for MCGG.ASX, the timing difference between the issuing of units during the day on the ASX for MCGG.ASX and the purchase of units in the Munro Concentrated Global Growth Fund at the end of the day. This may result in variances in performance.