



MUNRO

Quarterly report

# Munro Concentrated Global Growth Fund

MCGG.ASX

September 2025



# Munro Concentrated Global Growth Fund & MCGG.ASX

## September 2025 – Quarterly report

### MCGG Fund quarter return (net)

5.4%

### MSCI World ex-Aus quarter return (net)

6.1%

### MCGG.ASX Fund quarter return (net)

5.6%

### MSCI World ex-Aus quarter return (net)

6.1%

## QUARTERLY HIGHLIGHTS

- The Munro Concentrated Global Growth Fund returned 5.4% net for the quarter (MCGG.ASX 5.6% net) underperforming the MSCI World (ex-Aus) Index return of 6.1% net.
- Top contributors to performance for the quarter included CATL, Nvidia and Oracle. Detractors from performance included Eli Lilly, Intuitive Surgical and Boston Scientific.
- As we move into the last quarter of 2025, we remain constructive on the earnings growth of our portfolio, and the backdrop for equities more broadly.

## MUNRO MEDIA

### Munro mid year update, 4 September 2025

Nick, Qiao and James provide an update before heading into the end of the year

[Watch the video here](#)

### Invest in the Journey Podcast, September 2025

Investing in climate change leaders mini series

[Listen to episode 1 here](#)

[Listen to episode 2 here](#)

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## INVESTMENT TEAM



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CIO



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Portfolio Manager



James Tsinidis  
Portfolio Manager

## QUARTERLY COMMENTARY

## Fund commentary

The Munro Concentrated Global Growth Fund returned 5.4% net for the quarter (MCGG.ASX 5.6% net) underperforming the MSCI World (ex-Aus) Index return of 6.1% net.

Equity markets remained robust after earlier volatility caused by proposed US trade tariffs. After delays to the proposed tariffs and subsequent dilution of the various tariff impacts, markets refocused on earnings growth, which remained strong throughout the second quarter reporting period. US markets led performance, with the S&P 500 up 7.8% and the Nasdaq up 8.8% for the quarter. Asian markets also rallied, with the Hang Seng up 11.6% and Nikkei up 11.0% benefiting from investor demand for diversification. The European Stoxx 600 delivered a more moderate performance but positive return of 3.1%.

Towards the end of the quarter, the US Federal Reserve recommenced its easing cycle, with Fed Chair Jerome Powell noting at Jackson Hole that economic conditions had sufficiently cooled, to allow for a 25bps rate cut, with the Fed's projections indicating a potential for two further 25bps cuts before year-end.

From a Fund perspective, key contributors to performance were Contemporary Amperex Technology Limited Co, Nvidia and Oracle.

Contemporary Amperex Technology Limited Co ('CATL' – Climate) was the largest contributor to performance, rallying following its Hong Kong listing in May. CATL manufactures batteries for energy storage solutions and electric vehicles and commands a dominant market share. The Fund participated in the IPO last quarter, and we see a long runway of earnings growth as it continues to grow its battery market share and expands into new applications and industries.

Nvidia (High Performance Computing) also contributed to performance, and at its result, upgraded its medium-term forecast for the total addressable opportunity in AI related spending to US\$3-4tr. Oracle (Digital Enterprise) delivered a solid result in early September, announcing 4 years' worth of remaining performance obligations (or 'backlog') for its cloud computing infrastructure business, a 230% increase on the prior quarter, reflecting strong demand for AI computing infrastructure.

Key detractors from performance included Eli Lilly, Intuitive Surgical and Boston Scientific (all within the Innovative Health Aol). Eli Lilly underperformed following clinical results from its oral GLP-1 drug that were below market expectations. While we expect Eli Lilly's oral GLP-1 drug to grow materially over the medium term, the disappointment created doubt among investors over the longer-term GLP-1 opportunity. Intuitive Surgical declined as the company made some cautionary outlook comments at an investor conference. Boston Scientific detracted largely due to rotation both within healthcare and into AI-focused parts of the market after Oracle's strong result.



## QUARTERLY COMMENTARY

## Market outlook

As we move into the last quarter of 2025, we remain constructive on the earnings growth of our portfolio, and the backdrop for equities more broadly. From a positioning perspective, the Fund remains heavily exposed to US equities, principally because we continue to see strong earnings growth opportunities in the US. In addition to these strong fundamentals, from a big picture perspective, we believe the tailwinds for equity markets emanating from the current US Administration and the interest rate backdrop provide further support. During the quarter, we saw further support from the Administration to promote and encourage the proliferation of AI. Coupled with the continued spending dynamic among hyperscalers and the insatiable consumer demand, the willingness to provide policy support further strengthens the durability of AI investment. In addition, we continue to see an increase in broad-based corporate M&A, as well as further growth in capital market activity. Policy measures that allow this activity to happen in our view is a tailwind for corporate America, and something we expect to provide further support for equity markets.

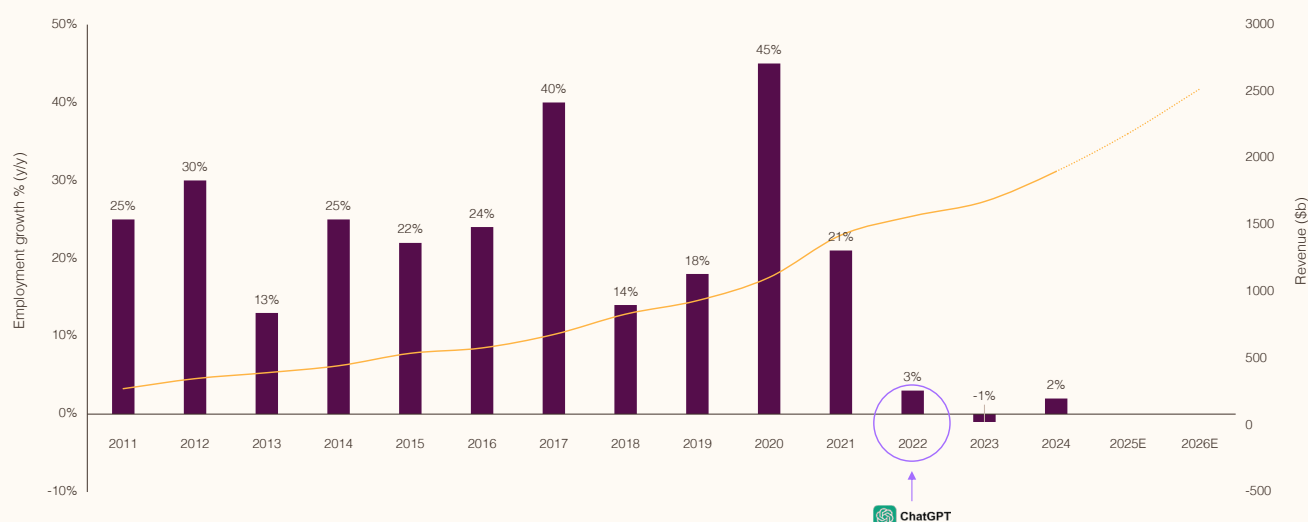
The US interest rate dynamic, in our view, also provides further support to equities. During the quarter, the US Federal Reserve recommenced its easing cycle, lowering interest rates in the US by 25bps. For the remainder of 2025, we expect the Fed to continue easing, which again should provide a supportive backdrop for equities. Provided the underlying US economy remains relatively resilient, monetary easing into a growing economy should further strengthen the supportive backdrop.

However, most importantly, we remain constructive as we continue to see strong fundamental earnings growth opportunities. Artificial Intelligence is showing clear signs of adoption among corporates globally, and so far, since ChatGPT emerged 3 years ago, we have seen a significant slowdown in the Magnificent 7's hiring, as demonstrated in the chart below. As AI continues to work its way into businesses globally, we expect further operational efficiencies and productivity gains to be a core focus. Companies such as Amazon and Microsoft have started to reduce headcount in their organisations because they are observing the operational benefits of AI.

## AI ADOPTION STORY IS PLAYING OUT

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Total employment growth and total revenue of the Magnificent 7



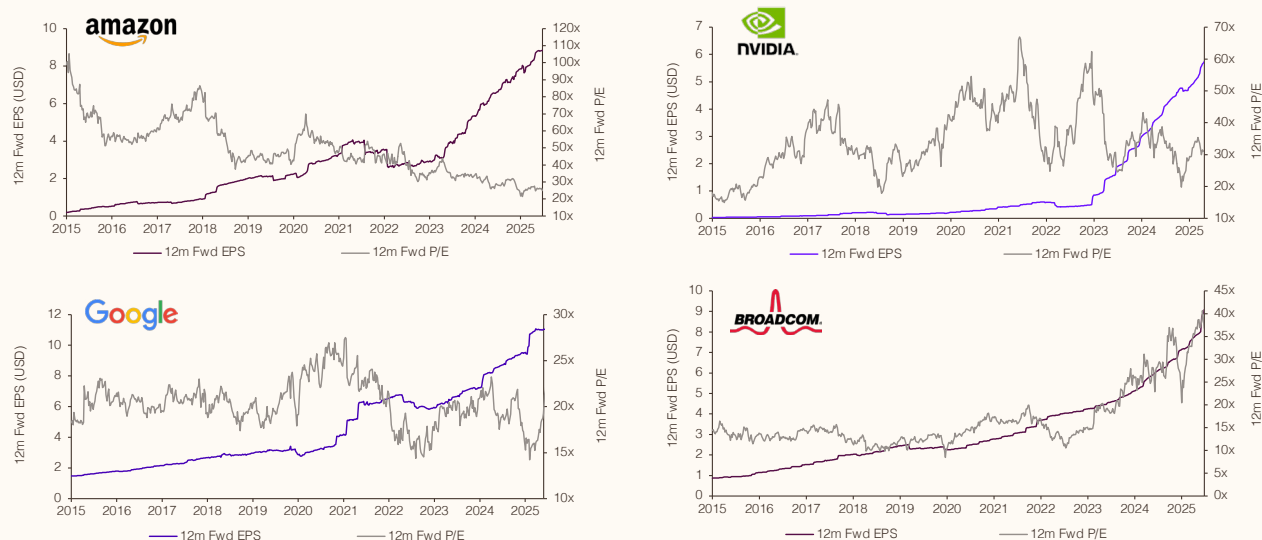
Source: Munro Partners and industry research as at 31 May 2025. Revenue (\$b) is in USD. ChatGPT, Apple and Tesla were not held by the Munro Funds at 30 September 2025..

## QUARTERLY COMMENTARY

This improvement in the operational footprint of the Magnificent 7 is driving accelerating earnings growth. Given the concentration of these companies in the S&P, we are now seeing accelerating earnings growth for the S&P 500, see chart below, which is fundamental to our positive outlook for equities.

## LEADING TO ACCELERATED EARNINGS GROWTH FOR THE S&amp;P 500

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Source: Munro Partners and Bloomberg Finance L.P., 30 September 2025.

Over time, we expect many opportunities for companies globally to adopt AI as part of their organisational workflows to improve productivity, save time and ultimately reduce costs. The benefits and utility that organisations and consumers can achieve through the use of AI, in our view, demonstrate a clear return on the billions of dollars of capex currently being spent. As a result, we expect the spending roadmap on AI computing infrastructure to continue over the medium term. At their result during the quarter, Oracle confirmed that OpenAI (and others) have big ambitions to continue to grow their products, scaling them out to facilitate more users and more workflows over time. Numerically this means that, as part of the Stargate project, which is now forming part of Oracle's remaining performance obligations (RPO, or 'backlog'), Oracle can now give detailed revenue guidance for its cloud infrastructure business to 2029. To put the demand and speed of the build-out into perspective, Oracle has non-cancellable commitments from customers to build a cloud computing infrastructure business that is similar in size to Amazon Web Services, over the next 4 years. For context, the current version of AWS was created in 2006.

This has positive ramifications for our High Performance Computing and Connectivity Areas of Interest, demonstrating that companies such as Nvidia, Coreweave, TSMC and Vertiv have durable earnings runways still ahead of them. The demand for compute has become so insatiable that OpenAI has now partnered with Broadcom to develop a custom XPU program (i.e. an 'alternative' to Nvidia) from scratch, starting in 2026. This commitment will likely have a material effect on the earnings growth opportunity for Broadcom over the next several years and stands to benefit other portfolio investments in our Connectivity Area of Interest, such as the independent chip manufacturer TSMC and Canadian networking company Celestica.

## QUARTERLY COMMENTARY

Our continued confidence in the AI spending cadence over the next several years also stands to benefit the Fund's Climate holdings. During the quarter, we met with management from GE Vernova. The company's messaging remains positive from a demand perspective moving forward. Data centres remain a significant pressure on physical power demand and given our increased confidence in the spending plans from companies such as Oracle, we continue to expect further power deals to be done as the AI build-out continues.

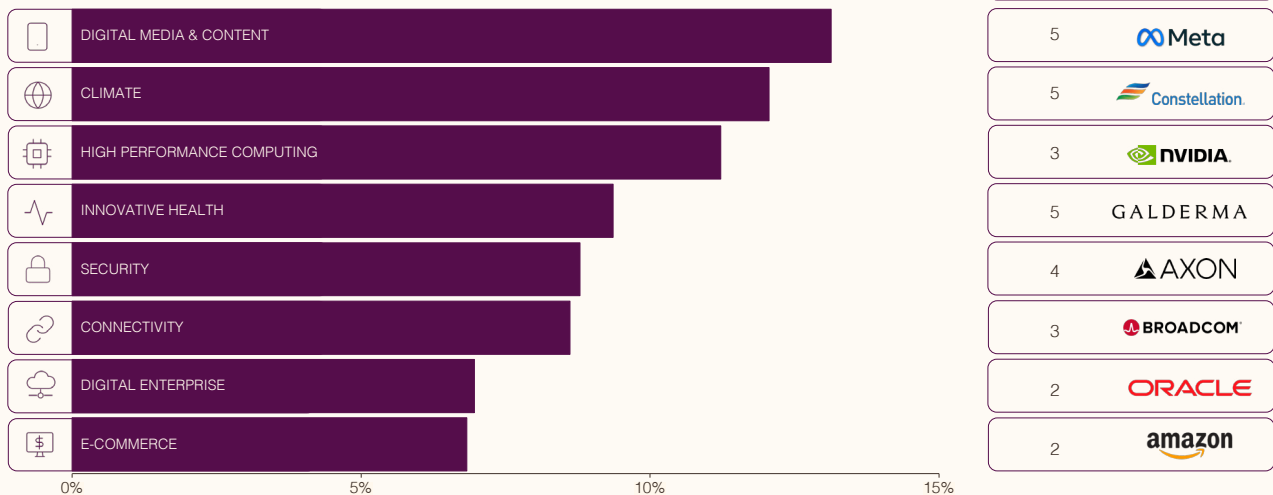
Outside of AI, the Munro investment team continues to find strong earnings growth opportunities in many different Areas of Interest. In Climate, we participated in the Contemporary Amperex Technology Co (CATL) IPO in Hong Kong. CATL has grown its share of the battery market to position itself as the dominant global player in recent years. The company's near-term earnings are driven by electric vehicles and energy storage, but over the medium- to long-term, we see many different industries and applications that will adopt battery technology. In Digital Media & Content, businesses such as TKO and Liberty Media Formula 1 continue to benefit from increasing viewership to their various sports. This growth leads to continued progression in the value of the rights to these sports over time. When combined with additional revenue opportunities in live events, merchandising and sponsorship, we believe the earnings growth trajectory for these companies is underappreciated by the market.

Overall, we remain constructive on the outlook for earnings growth in the portfolio and continue to be excited by the new opportunities being uncovered by the team. The September quarter further reinforced our view that our Area of Interest positioning provides us with structurally backed earnings growth opportunities.

### MCGGF INVESTMENTS BY THEME

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Positioning of the Munro Concentrated Global Growth Fund by 'Aol' – 30 September 2025



Source: Munro Partners 30 September 2025. Refer to the website for the full list of Aols.

## STOCK STORY: CATL


AREA OF INTEREST: **Climate**MARKET CAP: **\$260bn**

CATL contributed 155bps to performance during the September quarter.

CATL, in the Climate Area of Interest, is the world's largest battery cell manufacturer, with 35% of global market share. The company operates a vertically integrated model spanning mining, processing, R&D and battery cell production for electric vehicles (EVs) and energy storage systems (ESS). The company's customers include leading Chinese EV manufacturers Xiaomi, ZEEKR, AITO, and Li Auto, as well as global automotive leaders including Tesla, BMW, Mercedes-Benz, and Volkswagen. Energy Storage Systems have become an important energy consideration for utility solar and wind operators, and for data centre power generation. CATL holds a leading position in lithium iron phosphate (LFP) batteries, which are increasingly the preferred chemistry in EV's and ESS markets due to their cost advantage and superior safety profile.

In May, Munro participated in CATL's Hong Kong Stock Exchange listing. The company raised over US\$4 billion to fund the construction of its second European manufacturing plant in Hungary. The expansion positions CATL to capture incremental demand from the European Union's policy banning the sale of internal combustion engine vehicles by 2035, as well as from the accelerating adoption of renewable energy across the region.

CATL's share price delivered strong performance this quarter, supported by a robust demand outlook for EV's and ESS. Bloomberg New Energy Finance forecasts EV demand to grow 25% and ESS demand 35% in 2025. Much of this growth is driven by China's energy transition efforts, with solar and wind already accounting for nearly 25% of the country's power generation. Recently, the capacity of energy storage projects tendered in China has even surpassed global EV battery demand, and current targets call for this capacity to double by 2027. Looking ahead, wind and solar are expected to make up 60-70% of global electricity generation, with around half of that requiring ESS. As ESS becomes a larger share of overall battery demand, CATL stands to benefit from margin expansion as ESS has historically been more profitable.

CATL remains at the forefront of battery innovation, spending more on R&D than its three largest South-Korean peers combined (LG Energy Solution, Samsung SDI and SK ON). At a Munich auto show, CATL unveiled Shenxing Pro, the first LFP battery with 800 km range and 478 km charging in 10 minutes. The company has also introduced sodium-ion batteries and is slated to begin production of solid-state batteries (SSB), one of the most promising technological advancements for high performance uses.

Beyond manufacturing, CATL is pioneering battery swapping infrastructure in China installing over 300 swapping stations already with plans to increase to 1,000. Battery swapping has promising applications for fleet and commercial vehicles. These innovations highlight CATL's efforts to remove barriers to EV adoption: range anxiety, safety, performance in extreme climates, and expanding their products into more markets.

Longer term, we also see commercial trucks, vessels, eVTOL (electric vertical take-off and landing) aircraft and humanoid robots as compelling uses for CATL's technology. Over the coming decades, the company predicts that these other applications will together be larger opportunities than EV's and ESS.

## STOCK STORY: CATL CONTINUED

# CATL

AREA OF INTEREST: **Climate**MARKET CAP: **\$260bn**

Munro Investment Analyst, Tom Paul, recently visited CATL headquarters in China, meeting with investor relations and touring their manufacturing facilities. This was part of a broader research tour of the EV and battery supply chain in China, where he developed a further understanding of key players and the competitive dynamic in a critically important area of global decarbonisation. Two photos from Tom's trip are below, showing the battery cells and how they fit within customer Xiaomi's EV platform.

## IMAGES FROM CATL HEADQUARTERS

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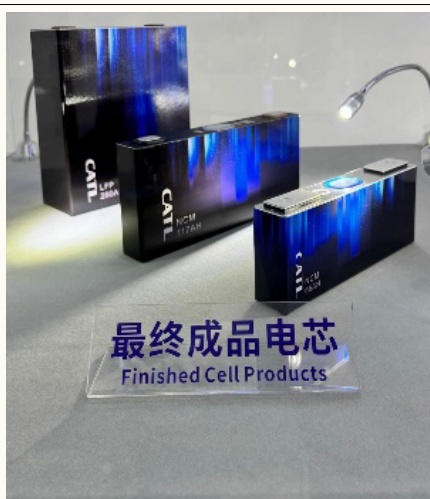


Figure 1: Finished NCM and LFP battery cells



Figure 2: CATL EV battery system in a Xiaomi platform

## Find out more

- Munro's CIO Nick Griffin and Responsible Investment Manager Mike Harut recently discussed CATL on Munro's Invest in the Journey Podcast, available [here](#).
- Munro's FY2025 Responsible Investment Report includes an engagement case study focusing on CATL's management of human rights risks in its supply chain, available [here](#).



## STOCK STORY: ORACLE

ORACLE

AREA OF INTEREST: **Digital Enterprise**MARKET CAP: **US\$802bn**

Oracle contributed 74bps to performance during the September quarter.

Oracle shocked the investment community at its most recent quarterly earnings release, when the company announced remaining performance obligations (or backlog) of US\$455bn. For some context, last quarter their backlog was US\$138bn, and their trailing twelve-month revenue was US\$59bn. It would have been reasonable to assume it was a typo. But it wasn't, and it marked the rebirth of a business that was not-so-long-ago labelled as "ex-growth," with revenue growth compounding at slightly over 1% from FY12 to FY22.

Oracle was a "high-flying" stock during the 2000s as the leading provider of on-premise enterprise database software, amassing over 40% market share at its peak. Enterprise customers did (and still do) pay a licensing fee for ongoing access to their database software and support. With the emergence of the cloud in the 2010s, rival companies such as Amazon Web Services and Microsoft Azure were able to take significant market share, mainly via new workloads or new customers. Oracle was slow to react and subsequently saw its growth stall. However, the database business is very "sticky" (once an enterprise's data is stored and organised on a centralised platform, it's very hard to move it), and therefore, Oracle was able to "hang on" to a large share of its footprint.

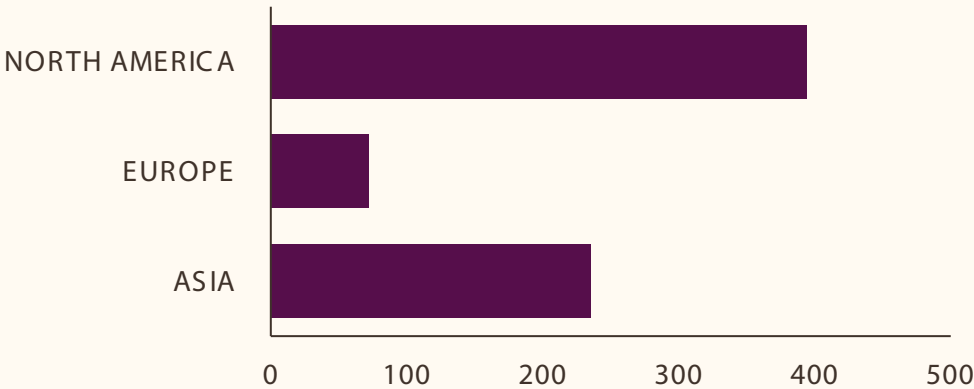
Through acquisition and internal expertise, Oracle has been able to pivot the business model towards new high-growth verticals. The most exciting pivot has been the creation of its infrastructure-as-a-service business. This largely began as "copying" their cloud-native disruptors, hosting traditional data centre infrastructure for enterprise customers such as Uber and Tiktok. Over the last few years, they have begun to invest more aggressively in hosting AI infrastructure, both for training and inference, as the demand for AI compute has grown exponentially. It made sense for Oracle, they had decades of experience in managing data centre infrastructure, and it unlocked a new, high-growth market for them. Today, they are still a relatively small player with approximately 4% of the total cloud market.

That all changed on the 9th of September, when Oracle amassed approximately 40% of the total hyperscaler cloud backlog, and issued guidance for revenue from their infrastructure-as-a-service segment to grow from US\$10bn to US\$144bn over the next 5 years. To put this in perspective, Oracle has committed to building a cloud computing business bigger than Amazon Web Services in just 5 years. This guidance is largely underpinned by the US\$455bn of backlog, which has no contingencies and is not cancellable. We understand that most of the backlog is OpenAI, the leading AI platform globally by market share. Oracle is a natural cloud partner for OpenAI, as many of the other cloud vendors have interests that directly compete with OpenAI. It's also important to note that OpenAI wasn't the only customer, there were two other "multi-billion-dollar contracts" signed in the quarter, the details of which companies are yet to be officially announced.

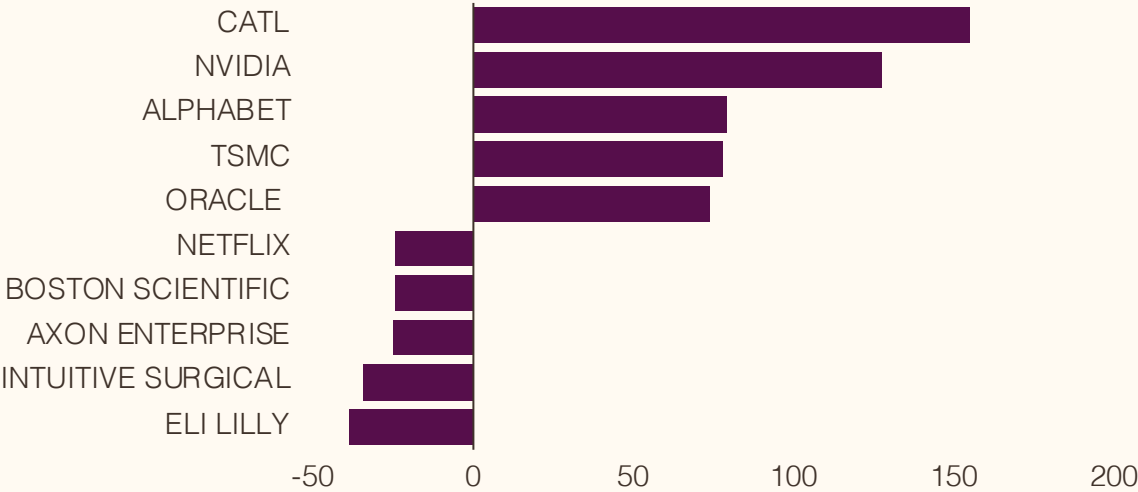
While there are many questions yet to be answered, and it will take a Herculean effort to construct the cloud infrastructure required in such a short period of time, Oracle has well and truly proven that they are anything but an "ex-growth" company, pursuing an aggressive strategic move, going all-in on AI. The founder, Larry Ellison, who still owns over 40% of the company, believes that AI training is a "multi-trillion-dollar market", and that AI inferencing is "much, much larger". As such, he is positioning Oracle to be at the epicentre of this seismic technological shift, and we see a credible path to Oracle's earnings tripling over the next 4 years.

QUARTERLY FUND ATTRIBUTION (BASIS POINTS)

By region (ex cash)



Top & bottom contributors to performance



## QUARTER END EXPOSURE

## Category

<b>EQUITIES</b>	98.2%
<b>CASH</b>	1.8%
<b>NO. OF POSITIONS</b>	39

## Sector

<b>INFORMATION TECHNOLOGY</b>	28.8%
<b>INDUSTRIALS</b>	24.4%
<b>COMMUNICATION SERVICES</b>	16.0%
<b>HEALTH CARE</b>	9.4%
<b>FINANCIALS</b>	7.0%
<b>OTHER</b>	12.7%
<b>CASH</b>	1.8%

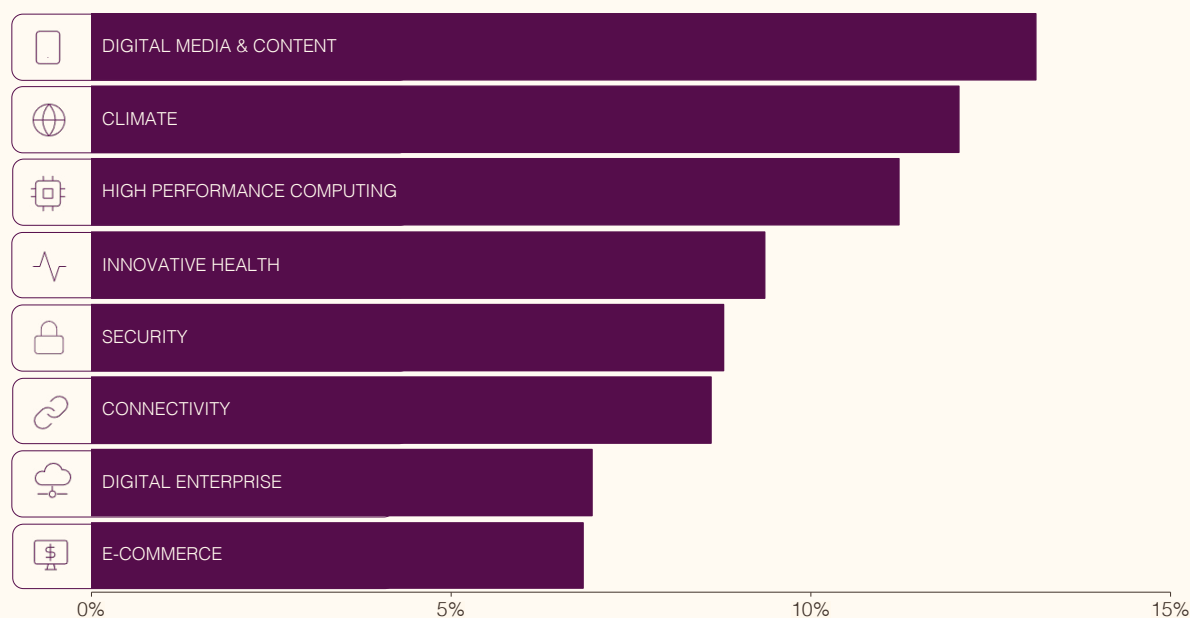
## Region

<b>UNITED STATES</b>	81.1%
<b>EUROPE</b>	6.4%
GERMANY	4.5%
FRANCE	1.9%
<b>HONG KONG</b>	4.5%
<b>SWITZERLAND</b>	2.5%
<b>TAIWAN</b>	3.7%
<b>TOTAL</b>	98.2%
<b>CASH</b>	1.8%

## Top 10 holdings

<b>NVIDIA</b>	6.9%
<b>AMAZON</b>	5.1%
<b>MICROSOFT</b>	4.3%
<b>TSMC</b>	3.7%
<b>CATL</b>	3.5%
<b>LIBERTY MEDIA F1</b>	3.4%
<b>BOSTON SCIENTIFIC</b>	3.2%
<b>UBER</b>	3.1%
<b>META</b>	3.1%
<b>CRH</b>	3.1%

## Top 8 Areas of Interest (Aols)



## Net Performance - MCGGF

	3 MTHS	6 MTHS	1 YEAR	3 YRS	5 YRS	INCEPT (P.A.)	INCEPT CUM.
<b>MUNRO CONCENTRATED GLOBAL GROWTH FUND (AUD)</b>	5.4%	25.1%	36.7%	31.6%	17.9%	20.3%	198.3%
MSCI WORLD (EX-AUS) TR INDEX (AUD)*	6.1%	12.4%	23.0%	22.6%	16.3%	14.3%	120.8%
EXCESS RETURN	-0.7%	12.6%	13.6%	9.0%	1.6%	6.0%	77.5%

INCEPTION: 31 OCTOBER 2019

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
<b>2020FY</b>				0.0%	4.9%	-1.2%	7.4%	-1.1%	-4.2%	6.7%	4.4%	1.3%	19.0%
<b>2021FY</b>	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%
<b>2022FY</b>	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%
<b>2023FY</b>	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%
<b>2024FY</b>	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%
<b>2025FY</b>	-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%
<b>2026FY</b>	4.2%	-1.9%	3.1%										5.4%

## Net Performance - MCGG.ASX

	3 MTHS	6 MTHS	1 YEAR	3 YRS	INCEPT P.A.	INCEPT CUM.
<b>MCGG.ASX (AUD)</b>	5.6%	25.2%	36.6%	31.5%	19.9%	94.2%
MSCI WORLD (EX-AUS) TR INDEX (AUD)*	6.1%	12.4%	23.0%	22.6%	14.0%	61.5%
EXCESS RETURN	-0.5%	12.7%	13.6%	8.9%	5.9%	32.8%

INCEPTION: 3 FEBRUARY 2022

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
<b>2022FY</b>								-4.4%	-0.3%	-5.7%	-1.3%	-4.3%	-15.2%
<b>2023FY</b>	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%
<b>2024FY</b>	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%
<b>2025FY</b>	-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%
<b>2026FY</b>	4.4%	-1.8%	3.1%										5.6%

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.

IMPORTANT INFORMATION: Past performance is provided for illustrative purposes only and is not a guide to future performance. Data is as at 30 September 2025 unless otherwise specified. The inception date of the Munro Concentrated Global Growth Fund (MCGGF) is 31 October 2019. MCGG.ASX invests in MCGGF and cash, the inception date of MCGG.ASX is 3 February 2022. Returns of the Funds are net of management costs and assumes distributions have been reinvested. Numbers may not sum due to rounding or compounding returns. The MSCI World (Ex-Aus) TR Index AUD refers to the MSCI World (Ex-Australia) Total Return Net Index in Australian Dollars. BPS refers to Basis Points. Aol refers to Area of Interest - refer to website for full list. EM refers to Emerging Markets (including China). GSFM Responsible Entity Services Limited ABN 48 129 256 104 AFSL 321517 (GRES) is the responsible entity of the Munro Concentrated Global Growth Fund ARSN 630 173 189 (Fund) APIR GSF9808AU and the Munro Concentrated Global Growth Fund Active ETF (MCGG.ASX), collectively the Funds. GRES is the issuer of this information. This information has been prepared without taking account of the objectives, financial situation or needs of individuals. Before making an investment decision in relation to the Funds, investors should consider the appropriateness of this information, having regard to their own objectives, financial situation and needs and read and consider the Target Market Determination (TMD) and the Product Disclosure Statement (PDS) for the relevant Fund which can be obtained from [www.gsfm.com.au](http://www.gsfm.com.au), [www.munropartners.com](http://www.munropartners.com) or by calling 1300 133 451. GSFM Responsible Entity Services has produced a TMD in relation to the Munro Concentrated Global Growth Fund and MCGG.ASX Fund. The TMD sets out the class of persons who comprise the target market for the Funds and is available at [www.gsfm.com.au](http://www.gsfm.com.au). None of GRES, Munro Partners, their related bodies or associates nor any other person guarantees the repayment of capital or the performance of the Funds or any particular returns from the Funds. No representation or warranty is made concerning the accuracy of any data contained in this document.

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