



MUNRO

Quarterly report

Munro Global Growth Small & Mid Cap Fund

September 2025



Munro Global Growth Small & Mid Cap Fund

September 2025 – Quarterly report

Munro Global Growth Small & Mid Cap Fund quarter return (net)

5.2%

MSCI ACWI SMID Net Index quarter return

5.1%

QUARTERLY HIGHLIGHTS

- The Munro Global Growth Small & Mid Cap Fund returned 5.2% net for the quarter while the MSCI ACWI SMID returned 5.1% net.
- Top contributors to performance for the quarter included Astera Labs, Celestica and Comfort Systems. Key detractors from performance included Tradeweb, On Holding and Coreweave.
- While lower interest rates and increased M&A activity are generally constructive for small and mid-cap companies, we believe the structural tailwinds driving our portfolio holdings represent far more powerful long-term performance drivers.

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](#)

Livewire Markets, 25 September 2025

6 winner-take-all stocks for the next decade

[Read the article here](#)

CONTENTS

| | |
|--------------------------|-------------------------|
| Fund commentary | page 3 |
| Market outlook | page 5 |
| Stock story: Astera Labs | page 9 |
| Stock story: Celestica | page 10 |
| Key statistics | page 11 |

INVESTMENT TEAM



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QUARTERLY COMMENTARY

Fund commentary

The Munro Global Growth Small & Mid Cap Fund returned 5.2% net for the quarter while the MSCI ACWI SMID returned 5.1% net.

In September, the US Federal Reserve initiated a 25 basis point rate cut, marking what we expect to be the start of a new easing cycle. Historically, such periods have supported both the operating environment and valuation multiples for smaller, growth-oriented companies. We have observed early signs of renewed mergers and acquisitions (M&A) activity following an extended period of subdued deal flow. While lower interest rates and increased M&A activity may support small and mid-cap companies generally, the Fund remains focused on companies benefiting from long-term structural growth trends that, in our view, provide more meaningful drivers of potential returns.

One such area is High Performance Computing (HPC). When the team first identified smaller companies involved in Nvidia's chip design ecosystem, the initial focus was on manufacturers and packagers of its large chips. Two years later, this ecosystem has expanded substantially. Nvidia now delivers entire rack-scale systems - standing over two metres tall and weighing more than a ton - integrating chips, networking equipment, and power and thermal management technologies.

At the same time, hyperscalers are investing not only in Nvidia's systems but also developing their own application-specific chips (ASICs) designed for specialised workloads. This evolution has created a wider investment universe of smaller companies across the HPC value chain. Examples include Celestica (Connectivity) which supports hyperscalers with customised networking modules; Vertiv (HPC) which provides advanced cooling systems; Astera Labs (HPC) which develops next-generation switches and retimers¹ to accelerate data transmission; and Ciena (Connectivity) which connects data centres with high-capacity optical networks. We believe these companies are positioned to benefit significantly as high performance computing continues to scale, and we expect to uncover even more opportunities within this fast-evolving ecosystem.

Key contributors to performance for the quarter were Astera Labs (High Performance Computing), Celestica (Connectivity), and Comfort Systems (Infrastructure).

Astera Labs posted exceptionally strong second-quarter results, with revenue surging 150% and profits climbing an impressive 300%. As a pure-play provider of network connectivity solutions for AI computing infrastructure, the company is benefiting from robust demand for its differentiated retimer¹ products. More recently, Astera introduced an innovative specialised switch designed to help scale AI compute workloads. Since the bottleneck in AI systems increasingly lies not within the compute layer (such as Nvidia's GPUs) but in efficiently linking chips together, we believe specialised solution providers like Astera Labs are well-positioned to capture sustained market demand. We expand on Astera Labs in the stock stories below.

Celestica also delivered strong performance over the quarter. Once regarded as a slow-moving provider of outsourced electronics manufacturing, the company has successfully reinvented itself by designing cost efficient, customised networking equipment for hyperscaler clients such as Meta and OpenAI. Meanwhile, its enterprise segment is showing clear signs of recovery following a cyclical downturn. A more detailed investment case for Celestica is provided below.

Comfort Systems also continued to execute well against strong construction demands from various onshoring projects (pharmaceutical plants, electric vehicle manufacturing, etc.) and data centres.

¹A retimer is a semiconductor device used to restore signal quality as data travels through a computer or network system to ensure high-speed data can travel longer distances without errors.



QUARTERLY COMMENTARY

Key detractors from performance for the quarter included TradeWeb (Big Data), Coreweave (High Performance Computing), and On Holding (Consumer).

TradeWeb shares have dropped in recent months despite solid Q2 results, amid concerns about rising competition from Trumid and a slowdown in the electronification of fixed income trading. At this point, we see no negative impact on TradeWeb from these trends.

After rising over 200% last quarter, CoreWeave shares fell sharply following its August IPO lockup expiration. We began selling before the lockup and have since fully exited this holding, though we retain conviction in the company, which remains in other Munro funds.

On Holding reported Q2 sales up 38% and EBITDA up 50% yet shares declined due to concerns about renewed Nike competition and weak consumer sentiment. We remain positive on On Holding's long-term prospects.

QUARTERLY COMMENTARY

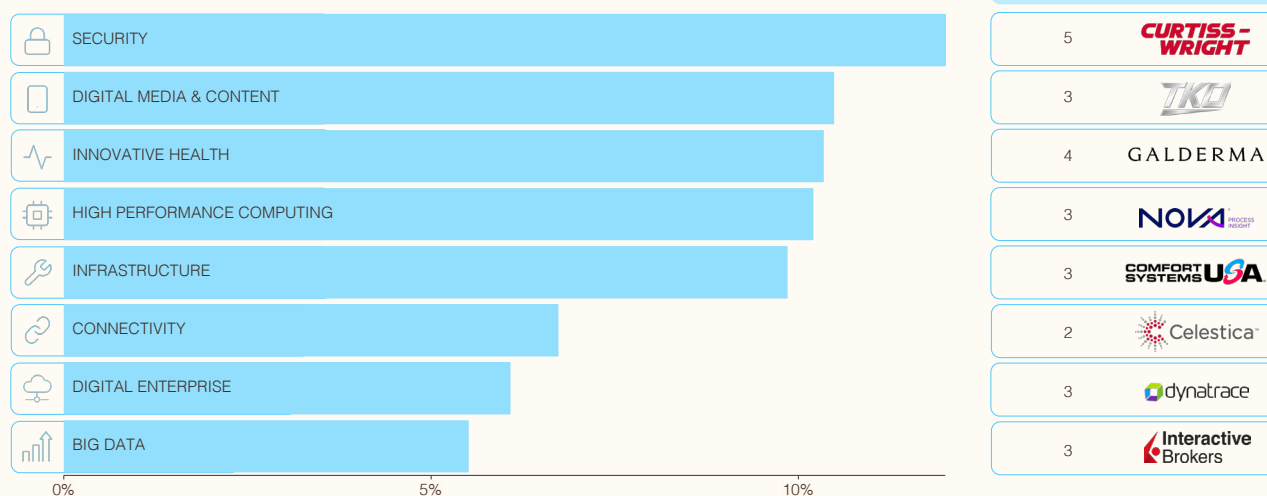
Market outlook

A supportive monetary policy backdrop, coupled with strong structural tailwinds, is creating a positive environment for global small and mid-cap growth companies. The breadth and diversity of our portfolio provide resilience across shifting market environments. As of 30 September 2025, no single Aol exceeded 14% of the portfolio.

SMID INVESTMENTS BY THEME

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Positioning of the Munro Global Growth Small & Mid Cap Fund by 'Aol' – 30 September 2025



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

The team's broader market outlook below has come from the Munro Global Growth Fund's quarterly report.

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.

QUARTERLY COMMENTARY

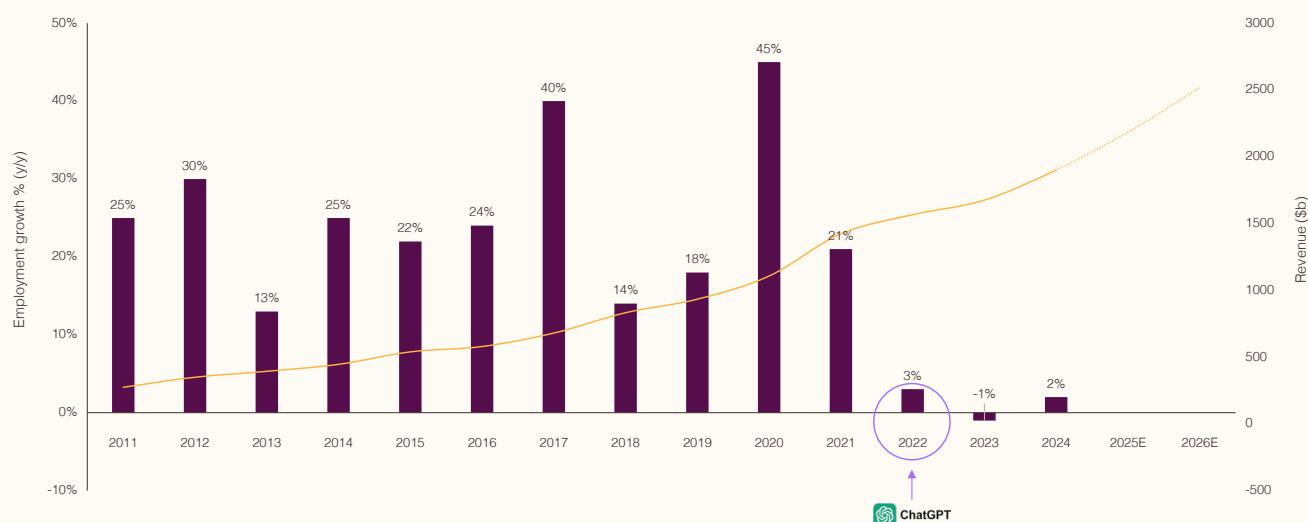
The US interest rate dynamic, in our view, also provides further support to equities. During the quarter, the US Federal Reserve recommenced its easing cycle, lowering interest rates in the US by 25bps. For the remainder of 2025, we expect the Fed to continue easing, which again should provide a supportive 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

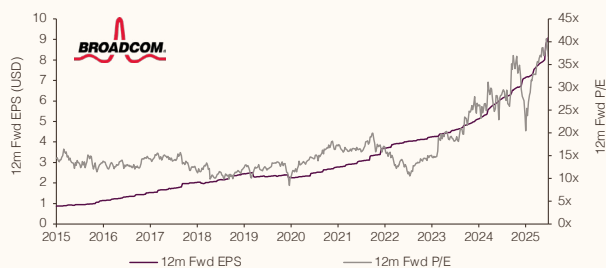
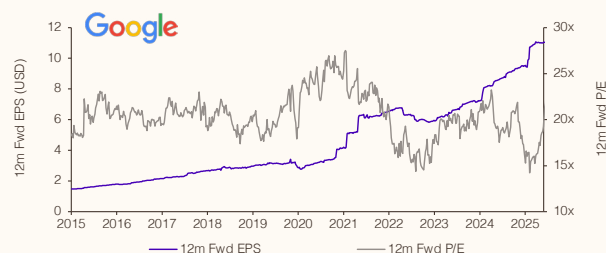
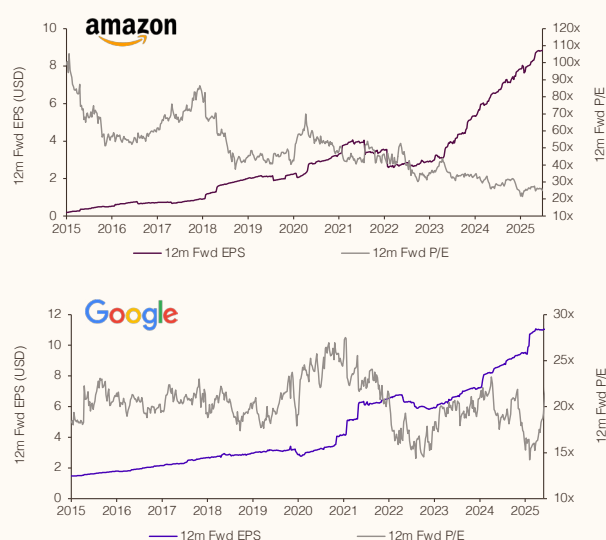


Source: Munro Partners and industry research as at 31 May 2025. Revenue (\$b) is in USD. ChatGPT, Apple and Tesla were not held by the Munro Funds at 30 September 2025.

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 on the next page, which is fundamental to our positive outlook for equities.

LEADING TO ACCELERATED EARNINGS GROWTH FOR THE S&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.

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.

QUARTERLY COMMENTARY

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.

STOCK STORY: ASTERA LABS



AREA OF INTEREST: **High Performance Computing**

MARKET CAP: **US\$33bn**

Astera Labs contributed 212 bps to performance during the September quarter.

Astera Labs was born from a simple but powerful observation: computing power was advancing by leaps and bounds, but connectivity wasn't keeping pace. In 2017, three engineers from Texas Instruments walked away from comfortable careers to solve this bottleneck, betting that networking would be the key constraint in scaling AI. Less than a decade later, that vision has taken shape. Astera Labs is on track to generate roughly US\$800 million in revenue this year, while forging strategic partnerships with Nvidia and Amazon to keep AI supercomputers running at the speed modern workloads demand.

The challenge at the heart of the business is straightforward. Training and deploying AI models requires streaming enormous amounts of data - not just quickly, but seamlessly across increasingly complex computing systems. To illustrate, imagine an AI processor as a fire hydrant blasting massive water pressure. Without the right networking, it's like attaching a flimsy garden hose to it - you'll never put out a burning building. The bottleneck has shifted from the processor itself to the "hose" - the interconnectors that move data within and across AI clusters. Astera Labs exists to build that fire hose: fat, fast, and reliable enough to keep up with the surging compute power created by GPUs.

Astera's first breakout product was its Retimer, a chip that restores signal quality in high-speed digital links where data can degrade as it travels. They beat giants like Broadcom to market, and their technology was quickly adopted in Nvidia's Hopper GPUs and Amazon's Trainium platform, embedding Astera directly into the AI supply chain. From there, they expanded into new purpose-built products designed to tackle their customers' hardest scaling problems. The launch of the "Scorpio" product family is a prime example: an advanced switch that enables both scale-up (combining GPUs inside a server to act as one massive processor) and scale-out (linking together multiple servers across a data centre fabric). The prize of solving these problems is big - Astera estimates a US\$5 billion market by 2030 for scale-up and a US\$2.5 billion market by 2028 for scale-out.

We expect Astera Labs to continue to pioneer industry advancements in solving this networking bottleneck, growing their market share within their existing product set and layering on new, innovative solutions over time.

STOCK STORY: CELESTICA



AREA OF INTEREST: **Connectivity**

MARKET CAP: **US\$28bn**

Celestica contributed 183 bps to performance during the September quarter.

Based in Canada and born as a spinout from IBM, Celestica specialises in designing and manufacturing complex hardware across communications, enterprise, and industrial markets, with networking infrastructure now at the centre of its growth story.

In the current AI arms race, capital spending by the world's largest cloud providers is rising at an accelerating pace. Celestica is a classic 'picks and shovels' in this development race – its specialty is networking equipment that ensures data can travel quickly and reliably between the GPUs powering AI workloads.

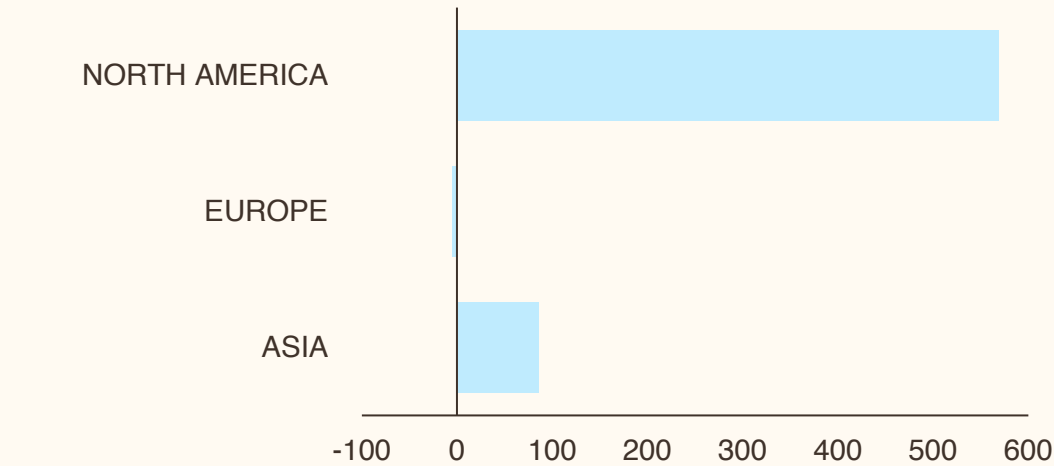
As compute demands intensify, the size of GPU clusters grows larger, creating an acute need for faster, more dependable communications both within and across data centre racks. Latency, the delay in data movement, has become a critical bottleneck, directly impacting the efficiency and ROI of multi-billion-dollar AI capex investments. Celestica, through its proven design and manufacturing capabilities, has established itself as a partner of choice for hyperscalers that require high-performance networking delivered on time and at scale.

A central strength in Celestica's positioning is its close relationship with Broadcom. This collaboration has allowed Celestica to secure high-profile customers, most notably Alphabet and Meta, by building out networking solutions around Broadcom's cutting-edge silicon. The pipeline now looks even more promising: in September, OpenAI announced plans to develop a custom chip with Broadcom, with production ramping in 2026. Given Celestica's established partnership, expectations are rising for the company to play a key role in this program, potentially adding OpenAI to its roster of strategic hyperscale customers.

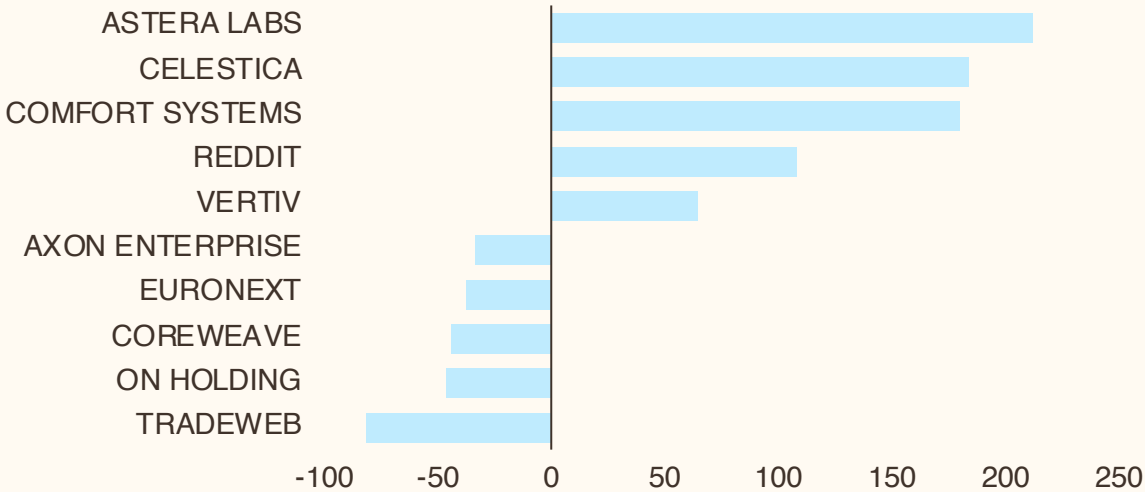
Celestica's July earnings release delivered both a strong beat and a raised outlook, reflecting robust demand trends. The subsequent OpenAI-Broadcom news only adds to future visibility. Looking ahead, rising capital spending commitments from its core customers, combined with the potential to win new strategic programs, should support strong earnings growth in 2026 and beyond.

QUARTERLY FUND ATTRIBUTION (BASIS POINTS)

By Region (ex-cash)



Top & bottom contributors to performance



QUARTER END EXPOSURE

Category

| | |
|-------------------------|-------|
| EQUITIES | 93.1% |
| CASH | 6.9% |
| NO. OF POSITIONS | 36 |

Sector

| | |
|-------------------------------|-------|
| INDUSTRIALS | 30.6% |
| INFORMATION TECHNOLOGY | 20.4% |
| FINANCIALS | 12.6% |
| COMMUNICATION SERVICES | 10.5% |
| OTHER | 19.0% |
| CASH | 6.9% |

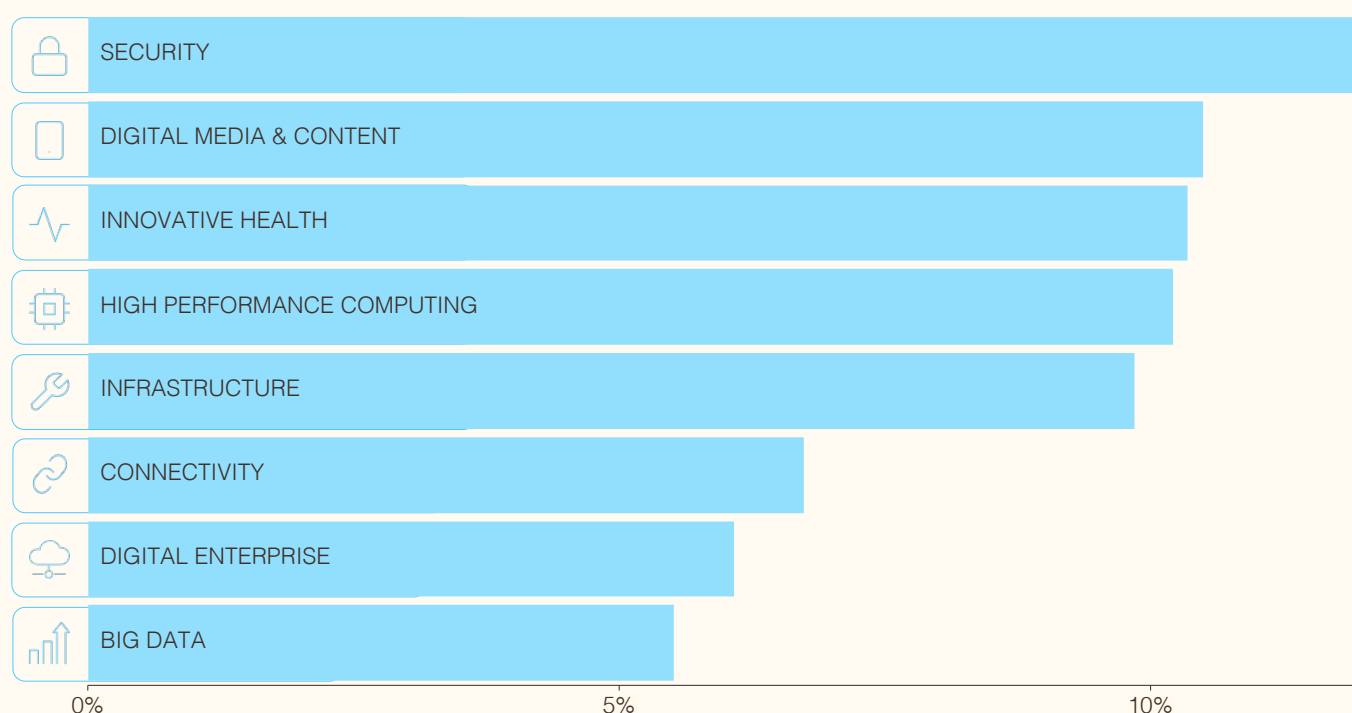
Top 5 holdings

| | |
|------------------------|------|
| COMFORT SYSTEMS | 4.7% |
| CELESTICA | 4.7% |
| CURTISS-WRIGHT | 4.6% |
| VERTIV | 4.2% |
| TKO GROUP | 4.1% |

Region

| | |
|----------------------|-------|
| NORTH AMERICA | 84.0% |
| EUROPE | 6.5% |
| ASIA | 2.5% |
| CASH | 6.9% |

Top 8 Areas of Interest (Aols)



Net Performance - SMID

| | 3 MTHS | 6 MTHS | 1YR | INCEPT P.A. | INCEPT CUM. |
|---|--------|--------|-------|----------------|----------------|
| MUNRO GLOBAL GROWTH SMALL & MID CAP FUND (AUD) | 5.2% | 21.8% | 39.3% | 43.8% | 100.7% |
| MSCI ACWI SMID NET INDEX (AUD)* | 5.1% | 11.8% | 18.2% | 20.7% | 43.4% |
| EXCESS RETURN | 0.1% | 10.0% | 21.1% | 23.1% | 57.3% |

INCEPTION: 31 OCTOBER 2023

IMPORTANT INFORMATION: Past performance is provided for illustrative purposes only and is not a guide to future performance. As at 30 September 2025 unless otherwise specified. Inception date is 31 October 2023. Returns of the Munro Global Growth Small & Mid Cap Fund are net of management costs and assumes distributions have been reinvested. MSCI ACWI SMID Net Index AUD refers to the MSCI All Country World Small and Mid Cap Net Index in Australian Dollars. BPS refers to Basis Points. Aol refers to Areas 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 Global Growth Small & Mid Cap Fund ARSN 670 777 885 (Fund) APIR GSF0874AU and 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 Fund, investors should consider the appropriateness of this information, having regard to their own objectives, financial situation and needs and read and consider the Product Disclosure Statement (PDS) for the Fund and the Additional Information to the Product Disclosure Statement (AIB) which may be obtained from www.gsfm.com.au, www.munropartners.com or by calling 1300 133 451. GSFM Responsible Entity Services has produced a Target Market Determination (TMD) in relation to the Munro Global Growth Small & Mid Cap Fund. The TMD sets out the class of persons who comprise the target market for the Fund and is available at www.gsfm.com.au. None of GRES, 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. The Fund's holdings, exposure and allocations depict end of month figures and may have changed materially or not disclosed due to confidentiality reasons. Numbers may not sum due to rounding or compounding returns.

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