

NANUK NEW WORLD FUND

A GLOBAL EQUITIES FUND GENERATING RETURNS
FROM INVESTMENTS IN A UNIVERSE OF LISTED EQUITIES EXPOSED
TO THE BROAD THEMES OF ENVIRONMENTAL SUSTAINABILITY
AND RESOURCE EFFICIENCY

Performance Summary

The Fund returned 1.3% during June, lagging conventional global equities benchmarks, such as the All Country World Net Total Return Index, by around 1.6%. Year to date in 2023 the Fund has returned 16.5% and has outperformed conventional global equities benchmarks by around 0.4%.

Global equities markets rose during the month, with Australian dollar denominated returns partially offset by the strengthening of the Australian dollar against the US dollar. Global equities returns were again led by the strong performance of mega cap growth stocks such as Tesla, Apple and Nvidia. The Fund's lack of exposure to this set of stocks contributed to the monthly underperformance, however the major detractors were stock specific, as discussed below.

	1 Month	YTD	1 Year	2 Years p.a.	3 Years p.a.	5 Years p.a.	SI p.a. ¹
Fund Return (%)	1.3	16.5	17.3	3.3	10.9	9.3	11.4
Global Equities ² (%)	2.9	16.1	20.4	5.2	12.2	10.4	9.8
Value Added (%)	(1.6)	0.4	(3.1)	(1.9)	(1.3)	(1.1)	1.7

Notes (1) Inception date 2 November 2015 (2) Global Equities returns relate to the MSCI All Countries World Index Total Return Net Index in Australian dollars and are derived from data sourced from Bloomberg. Fund return is net of all fees and expenses. **Past performance is not indicative of future performance.**

Key Contributors to Fund Performance



American multinational HVAC and fire & safety leader **Carrier Global Corp.** (+22%) and US electrical and mechanical design and installation services **EMCOR Group, Inc.** (+12%) both performed strongly as US stocks exposed to non-residential construction outperformed on continued strength in this part of the economy.



Zebra Technologies (+13%) is the global leader in barcode printers and handheld scanners and related software solutions. Its shares recovered, somewhat, following recent under-performance. During the month, prior to the rebound, this position was increased, as additional analysis indicates that demand for its products is currently below mid-cycle levels.



Valmet Corporation (-5%) provides capital equipment, service and automation, primarily to the paper and packaging industry. Its shares lagged on a series of announcements by paper manufacturers in both Europe and the US where demand is currently depressed following a surge during the pandemic and capital expenditure plans are being delayed.



Micron Technology, Inc. (-7%) is a leader in the manufacture of NAND and DRAM memory semiconductors. The Fund also holds a position in major competitor Samsung Electronics (-1%). Micron's ability to sell into China was restricted by the Cybersecurity Administration of China late in May amid ongoing tension between China and the US. This contributed to a weak outlook at the company's quarterly earnings report. Micron's shares performed strongly in recent months on evidence of improving industry





supply discipline and expectations of higher demand from AI related applications.

Siemens Energy AG (-30%) provides a range of power generation and grid equipment and technologies. It has leading positions in gas and hydrogen fired turbines, high voltage grid equipment and, through its ownership of Siemens Gamesa Renewable Energy (SGRE), onshore and offshore wind energy. The company withdrew its full year profit guidance after disclosing production and quality issues within SGRE that it estimated will cost over €1b to remediate. The Fund's holding in Siemens Energy was a recent addition and the position remains small, however we believe its other businesses will continue to benefit from strong demand and the market is effectively attributing no value to SGRE despite its the leading position in the fast growing, offshore wind market.

New Investments



Bureau Veritas SA operates a global testing, inspection and certification network. It is an eligible investment for the fund as its activities enhance industrial efficiency by assuring the quality of industrial processes and products. Veritas is an efficient operator, with high and industry leading returns on tangible capital. We expect its growth to surprise positively, aided by rising demand for sustainability assurance.



Murata Manufacturing Co., Ltd. is a Japanese manufacture of a wide range of specialised electronic components. It is the global leader in production of multi-layer ceramic capacitors (MLCCs) as well as a leader in RF filters and modules, used in all wirelessly connected devices. We expect its growth to surprise positively as it grows its strong position in electric vehicles, which require up to 5x more MLCCs than internal combustion vehicles, as well as in data centres. The company also stands to benefit from a potential recovery in mobile device sales.

Exited Positions and Other Portfolio Changes

The fund exited positions in information services and publishing businesses Wolters Kluwer and Pearson, UK water utility Penmon and a small remaining position in US waste management business Republic Services Group.

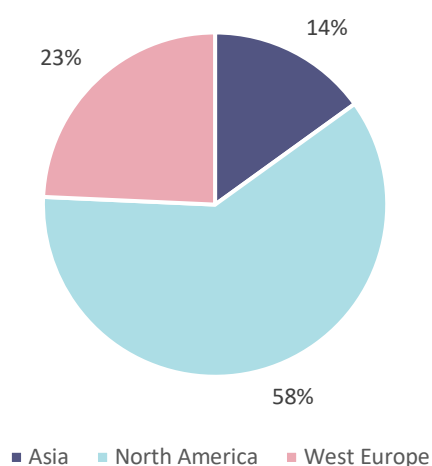
Top 10 Holdings

Security Name	Weight (%)	Country	Sector
Zebra Technologies Corporation Class A	5.0	UNITED STATES	Sustainable & Efficient Industry
Microsoft Corporation	4.2	UNITED STATES	Efficient Businesses and Economies
Siemens Aktiengesellschaft	3.9	GERMANY	Sustainable & Efficient Industry
Garmin Ltd.	3.6	UNITED STATES	Sustainable Healthcare
Hyundai Mobis Co., Ltd	3.6	SOUTH KOREA	Sustainable Transport
Taiwan Semiconductor Manufacturing Co., Ltd.	3.4	UNITED STATES	Sustainable & Efficient Industry
Carrier Global Corp.	3.1	UNITED STATES	Sustainable Cities and Infrastructure
International Flavors & Fragrances Inc.	2.9	UNITED STATES	Sustainable Food & Agriculture
CDW Corporation	2.8	UNITED STATES	Sustainable & Efficient Industry
Micron Technology, Inc.	2.6	UNITED STATES	Sustainable & Efficient Industry

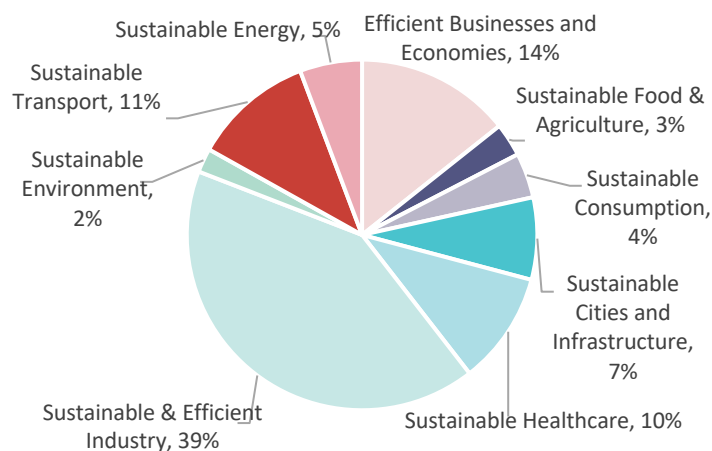


Portfolio Positioning

Regional Weights (%)



Sector Weights (%)



Market Commentary

June was a strong month for equity markets, with the MSCI All Country World Net Total Return Index up 4.2% and all major regional indices rising. The US' S&P 500 Index rose 6.5%, Europe's Stoxx 50 Index was up 4.3%, Japan's Nikkei 225 rose by 7.5%, and Hong Kong's Hang Seng Index rose 3.7%. Markets were encouraged by ongoing resilience in global economies and relatively unfazed by ongoing signs that Central banks would need to continue their rate hikes.

Notable Industry Developments

- Sustainable agriculture
 - New EU regulations against products sourced from deforested land came into force, though companies have until the end of 2024 to comply. Industry participants such as the Cocoa Board of Ghana, a leading producer, and confectioners including Lindt, Ferrero and Unilever expressed support for the regulation while noting the costs entailed in delivering it.
 - Upside Foods and Eat earned the first approval to sell cultivated meat in the US. Cultivated meat is a form of cellular agriculture where meat is produced by culturing animal cells. The two companies received the final greenlight for production from the US Department of Agriculture (USDA).
- Sustainable energy
 - The European Union hit a milestone in May when solar power generated more energy than the region's coal plants for the first time, before peak production in summer.
 - Biofuel mandates in the US were increased by the Environmental Protection Agency, with a total increase of roughly 2% in 2024 and 3% in 2025. The Fund recently invested in leading renewable diesel producer and feedstock supplier Darling Ingredients. Meanwhile France will provide €200m to support construction of a €1b sustainable aviation fuel plant and provide support to hydrogen and electric aviation start-ups.
 - California approved \$8.9b for home energy efficiency improvements from 2024 to 2031.
 - Nigeria's new President, Bola Tinubu, announced the abolition of a \$10 billion a year fuel subsidy and overhaul of the electric power sector amid a sweeping series of economic reforms.
 - Oil major Shell plc held an investor update following its CEO transition. It highlighted growth of its LNG portfolio as well as aiming to scale businesses in technologies including carbon capture and storage (CCS), EV charging and hydrogen, as it pursues a net zero 2050 goal. Relatedly, in 2022, Europe imported more LNG than pipeline gas for the first time according to industry body Energy Institute.
 - Meanwhile a Shell JV sought to scrap offshore wind contracts with Massachusetts claiming that the power-purchase agreements are no longer viable given an escalation in industry costs, and industry wide problem that is likely to affect other offshore wind developers.



- Sustainable industry
 - Oil major ExxonMobil signed a CCS deal with Steel producer Nucor. Combined with prior deals with ammonia manufacturer CF Industries and industrial gas producer Linde, up to 5 million tons of CO₂ will be captured annually. Operations are due to commence in 2026.
 - Germany and South Africa signed a cooperation agreement for development of hydrogen production in South Africa.
 - The Tasmanian government is selling the Bell Bay gas power station to Iberdrola and ABEL Energy to make green methanol from hydrogen for export. The firms expect to add an offshore windfarm and use grid power from Hydro Tasmania while procuring carbon from forestry wood waste.
 - Reports from property advisers Savills and MSCI highlighted that offices classified as “green” by virtue of their energy and water use were commanding 20 to 25% valuation premia compared with non-green buildings.
- Sustainable mobility
 - China said it will extend tax breaks for clean-energy vehicles through 2027.
 - Ford will receive a \$9.2 billion loan from the US government to finance three battery plants.
 - Hyundai raised its 2030 EV sales target from 1.87m to 2m vehicles per year. The Fund holds a position in Hyundai group company Hyundai Mobis, the exclusive supplier of electric drivetrain modules to Hyundai and Kia.
 - Rivian and Volvo followed GM and Ford with plans to adopt Tesla’s North American charging standard (NACS). The deal gives their customers access to Tesla’s 12,000 charger network. A number of charging network operators such as ChargePoint and EVgo said they would offer NACS chargers.
 - Stellantis launched an EV charging business, Free2move, that will offer access to an EV charging network and help people and businesses install chargers on their property.
 - Tata announced an agreement with Gujarat state in India to set up a giga-factory for lithium-ion batteries with an estimated cost of US\$1.6bn.
 - Zoox, Amazon’s autonomous driving company, began limited testing on public roads in Las Vegas. Its vehicles do not have a steering wheel or pedals. Testing will initially involve a one mile loop around the company’s headquarters, with ridership restricted to Zoox employees



The Nanuk New World Fund is a global equities fund generating its returns from investments in a universe of listed equities exposed to the broad themes of environmental sustainability and resource efficiency. The Fund invests in companies involved in clean energy, energy efficiency, agriculture, water, waste management, recycling, pollution control and advanced manufacturing and materials. All of these industries are undergoing significant changes as the world tries to reconcile economic growth with longer term sustainability and are a potentially rich and ongoing source of investment returns.

The Fund seeks to hold a globally diversified, yet relatively concentrated, portfolio of positions that align with Nanuk's views on security valuation and the evolving trends within these industries. The Fund aims to achieve long term capital appreciation and outperformance of traditional global equity indices while reducing volatility of returns and risk of capital loss through appropriate diversification and risk management strategies.

Fund Name	Nanuk New World Fund ASX ticker: NNUK	Currency	AUD
Type	Global Equities	Subscriptions	Daily
Domicile	Australia	Minimum Subscription	AUD 50,000 Direct (via ASX no minimum)
Responsible Entity	Equity Trustees Ltd	Redemptions	Daily
Administrator & Custodian	Citi	Notice period	1 Day
Inception	2 November 2015	Buy-Sell spread	0.25%
Total management costs	1.1%	AUM (30 June 2023)	AUD 713.5m
Platform Access	AMP North, BT (Panorama, Asgard), CFS (Edge, FirstWrap & FirstChoice), FNZ, Hub24, Insignia (Expand Extra, Grow Wrap, Voyage Wrap & Rhythm), Macquarie Wrap, Mason Stevens, MLC (Wrap & Navigator), Netwealth, OneVue, Powerwrap, Praemium, WealthO2 and Xplore Wealth.		



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