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 declined 4.8% during September, underperforming conventional global equities indices, such as the MSCI All Country World and FTSE All World net total return indices, by approximately 1.1%.

Global equities markets declined sharply during the month and benchmark bond rates in the US increased, negatively impacting higher growth stocks. The Fund's underperformance during the month was primarily attributable to the relative outperformance of the Financials and Energy (i.e. oil and gas) sectors, to which the strategy has limited and no exposure, and the negative contribution of Zebra Technologies, discussed below – along with an absence of any significant outperformers.

Class A – Unhedged Units

	1 Month	YTD	1 Year	2 Years p.a.	3 Years p.a.	5 Years p.a.	SI p.a.[1]
Fund Return (%)	**(4.8)**	**13.8**	**19.3**	**(0.3)**	**9.0**	**8.5**	**10.7**
Global Equities[2] (%)	(3.8)	15.6	20.4	3.6	10.7	8.9	9.6
Value Added (%)	(1.1)	(1.8)	(1.1)	(3.9)	(1.7)	(0.4)	1.1

Notes (1) Inception date 2 November 2015 (2) Global Equities Return is represented by the average of monthly returns of the MSCI ACWI Net Total Return USD Index and the FTSE All World Index Total Return Net Tax, using data derived from Bloomberg. USD indices are converted to AUD using rates at 4pm London fix sourced from FactSet, consistent with Fund NAV calculations. Fund return is net of all fees and expenses. **Past performance is not indicative of future performance.**

Class H – Currency Hedged Units

	1 Month	YTD	1 Year	2 Years p.a.	3 Years p.a.	5 Years p.a.	SI p.a.[1]
Fund Return (%)	**(4.4)**	**-**	**-**	**-**	**-**	**-**	**(2.3)**
Global Equities Hedged to AUD[2] (%)	(3.5)	-	-	-	-	-	1.8
Value Added (%)	(0.9)	-	-	-	-	-	(4.1)

Notes (1) Inception date 30 May 2023 (2) Global Equities Return (Hedged to AUD) is represented by adjusting the average of monthly returns of the MSCI ACWI Net Total Return USD Index and the FTSE All World Index Total Return Net Tax, by adding the estimated currency impact and hedging costs (assuming 1 month forward contracts rolled monthly), using data derived from Bloomberg and FactSet. USD indices are converted to AUD using rates at 4pm London fix sourced from FactSet, consistent with Fund NAV calculations. **Past performance is not indicative of future performance.**

Key Contributors to Fund Performance

Hyundai Mobis Co. Ltd (+2%) is a Korean auto parts supplier and the sole supplier of electric drivetrain modules for electric vehicles made by the Hyundai-Kia Group. Although there was no specific catalyst for the stock's outperformance during the month, the company has been reporting increasing sales of EV components related to the ongoing success of Hyundai and Kia electric vehicles globally and has announced orders to supply other auto manufacturers.

Nordex SE (+3%) is a leading supplier of wind turbine generators globally with a strong position in its home European markets. The company is experiencing improving profitability after a challenging period for the industry caused by supply chain disruptions related to COVID. The company announced several new orders during the month.

Johnson Controls plc (-9%) provides building energy efficiency equipment and services, focused on heating, ventilation and air conditioning (HVAC), and fire and safety (F&S). The company is a recent investment of the Fund following a period of share price underperformance that we believe provides an attractive entry point, but its shares continued to lag in September after a weak June-quarter earnings report and a cybersecurity incident late in the month.

Zebra Technologies (-14%) is the global leader in barcode printers and handheld scanners and related software solutions. Zebra's shares continue to lag after the downgrade in its June-quarter earnings report, as discussed in last month's Fund report.

New Investments

The Fund did not make any new investments during the month.

Exited Positions and Other Portfolio Changes

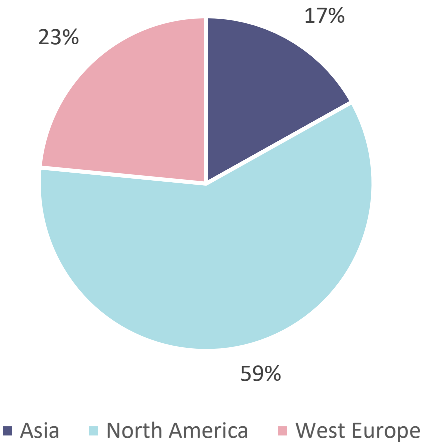
The Fund did not exit any positions during the month. The Fund's holdings in Zebra and Johnson Controls were both increased to take advantage of the underperformance of the stocks.

Top 10 Holdings

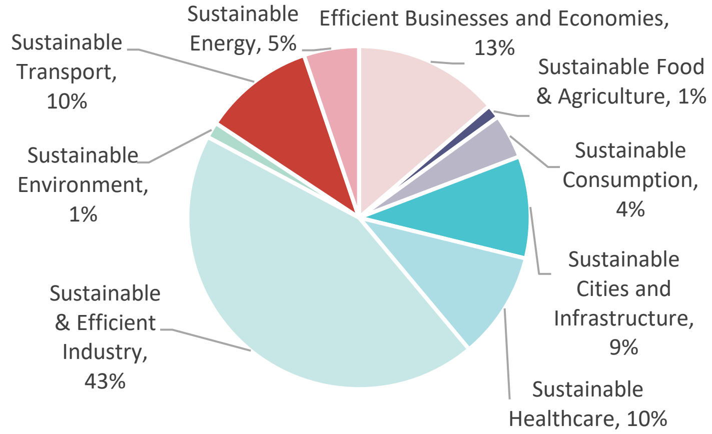
Security Name	Weight (%)	Country	Sector
Zebra Technologies	4.9	UNITED STATES	Sustainable & Efficient Industry
Microsoft Corporation	4.3	UNITED STATES	Efficient Businesses and Economies
Siemens Aktiengesellschaft	4.2	GERMANY	Sustainable & Efficient Industry
CDW Corporation	3.7	UNITED STATES	Sustainable & Efficient Industry
Hyundai Mobis	3.4	SOUTH KOREA	Sustainable Transport
Garmin Ltd.	3.3	UNITED STATES	Sustainable Healthcare
Dover Corporation	3.1	UNITED STATES	Sustainable & Efficient Industry
Taiwan Semiconductor Manufacturing Co	3.0	TAIWAN	Sustainable & Efficient Industry
Micron Technology	2.9	UNITED STATES	Sustainable & Efficient Industry
Johnson Controls	2.9	UNITED STATES	Sustainable Cities and Infrastructure

Portfolio Positioning

Regional Weights (%)



Sector Weights (%)



Market Commentary

Global equities markets declined in September, with conventional global equities indices such as the MSCI All Country World and FTSE All World indices down approximately 4.3% in US dollar terms. Most regional indices fell, with the US S&P 500 Index down 4.9% and the technology focused Nasdaq Composite Index declining 5.8%, Europe's Stoxx50 Index was down 2.8% (with European industrials and technology sectors down 6.1% and 8.2% respectively), Japan's Nikkei 225 Index fell 2.3% and Hong Kong's Hang Seng index was down 3.1%. Environmental equities, as represented by the FTSE Environmental Opportunities All Share Index, underperformed the broader market by approximately 0.6%, largely attributable to the relative outperformance of the Financials and Energy sectors.

The stand-out move in financial markets in September was not in the equity market but rather in fixed income. The key 10-year US Treasury yield surged from 4.1% to almost 4.6% in September leading to significant falls in fixed income security prices threatening an unprecedented third year in a row of negative bond returns. Yields surged, despite the US Federal Reserve holding cash rates flat at their September meeting, with the repricing happening at longer durations. Towards the end of the month 30-year US mortgage interest rates approached 8% for the first time this century.

The move in yields and strength in oil prices, with WTI appreciating to around $90/barrel, was reminiscent of 2022 and contributed to underperformance by environmentally themed equities. Small- and mid-cap companies also continued to underperform during the month. The Australian dollar weakened slightly during the month.

Notable Industry Developments

- Climate Change
  - September witnessed two extra-ordinary and ominous weather records. September blew past previous monthly temperature records to be roughly 1.7 degrees above pre-industrial temperatures, at least temporarily, above the Paris Agreement ambition to limit warming to 1.5 degrees above pre-industrial levels. This follows record global temperatures in July and August which were consecutively the hottest months on record. Antarctic sea ice peaked at 17m sq.km, 1m sq.km smaller than the prior low.
  - The International Energy Agency released its World Energy Outlook with an estimate that global fossil fuel production will peak this decade for each of oil, gas and coal. Exxon Mobil, a leading oil & gas producer, also released its annual energy outlook, with a forecast for 2050 global CO_2 emissions of more than double the target under the UN Intergovernmental Panel on Climate Change's 2-degree scenario.

- Sustainable Energy

- Leading offshore wind developer, Orsted, announced $2.3 billion in write-downs to its US project pipeline, primarily attributed to rising costs and higher interest rates. Its shares fell over 40%, a market value reduction of well over $10 billion.
- An auction of onshore wind capacity in Germany sold less than half of the initially planned capacity, while an auction of offshore capacity in the UK attracted no bids at all. Along with the cost and interest rate increases cited by Orsted, wind energy is being impacted by permitting and grid connection delays. In the UK, most projects queuing for a grid connection are forecast to wait over a decade. In Europe, Bloomberg New Energy finance (BNEF) recently commented that "the EU needs to urgently solve the permitting and grid bottlenecks" to meet its renewable generation targets. In the US, six governors from states working on offshore wind projects responded to Orsted's setbacks with a request for more federal subsidies – but also for a streamlined permitting process. The Fund has recently invested in European wind turbine manufacturers Nordex and Siemens Energy, as well as leading renewable energy cable supplier Prysmian. These companies have been impacted by these industry wide challenges in recent years but they stand to benefit significantly as permitting issues are resolved to enable more rapid deployment of wind energy to meet regional targets for renewable energy.
- Despite these challenges, the wind sector does continue to grow in less mature markets. September saw France Energy Minister Agnes Pannier-Runacher announce a "shore by shore consultation" of France's coastline is being prepared to support a 10GW tender with a target launch date of 2025, while a $6.5 billion offshore wind park was announced off Taiwan. In Brazil, Petrobras announced it is seeking permits for 23GW of offshore wind capacity.
- Californian utility Edison International published its view on delivery of the state's net zero 2045 targets. It called for "unprecedented innovation across planning, policy and technology" to deliver estimated required investments of $247 billion in clean energy generation and $125 billion in transmission and distribution.

- Sustainable Industry
  - Oil and gas major Chevron said it had purchased a majority stake in the world's largest hydrogen storage facility, in Utah, with a capacity of 300GWh. The facility would use renewable energy to produce hydrogen, store it, and then use the hydrogen to generate power during periods of high demand. South Korea's SK secured a site in excess of 1,000 sq.km in Canada to harness wind energy to produce green hydrogen and ammonia.
  - Total, also a leading oil & gas producer, said it is working on plans to switch the 500,000 tonnes of hydrogen it uses annually from "grey" (natural gas fuelled) to "green" (generated using renewable energy)
  - Sweden's H2 Green Steel raised €1.5 billion in equity to build a large scaled, hydrogen-powered green steel facility, while in the US startup Boston Metal raised $262 million for its electrolysis-based steelmaking process. ArcelorMittal, the world's leading steelmaker, led the funding round.
  - Carbon capture, usage and storage (CCUS) secured top billing at the 24th World Petroleum Congress, given its theme of "the path to net zero". The event was held in Calgary, Alberta, home to a highly resource intensive oil sands industry. Alberta's energy minister used the occasion to state that the province would provide financial support for development of carbon capture for oil producers in the state, and work to secure additional support from the federal government.
  - Occidental Petroleum, a US oil producer which has been an early leader in pivoting to carbon removal technologies including both direct air capture (DAC) and CCUS, secured Amazon as a customer by signing a deal for 2.5 million tons of DAC over 10 years. The UAE's Abu Dhabi National Oil Company also announced plans to expand its CCUS capacity, while in Texas a CCUS facility resumed operation after shuttering during COVID. Its annual capacity is 1.4 million tons of CO2.

- Sustainable Transportation
  - The auto sector became a political focal point in the US as the United Auto Workers union initiated a major strike against Ford, General Motors and Chrysler's parent, Stellantis. Both President Joe Biden and former President Donald Trump visited Michigan to opine on the dispute. At peak, close to 30,000 workers were on strike. At the time of writing, negotiations were under way but the strike remained in place. The electric vehicle transition features in the debate because most factories producing EVs and batteries are not unionised. In addition, Trump has argued that EVs are anti-worker and even anti-American, given China's strong position in EVs and especially battery production. The Biden administration is providing $12 billion to retrofit plants for EV production, partly in response to these attacks, with President Biden explicity stating the "funding will help existing workers keep their jobs and have the first shot to fill new good jobs". Nevertheless, the month saw Cummins, Paccar and Daimler announce a battery JV with China's EVE Energy focussed on trucks and the state of Illinois providing over $500 million in subsidies to China's Gotion High-tech to build a $2 billion battery plant.
  - The US is not alone in fearing China's strength in EVs, with the EU opening an investigation into Chinese subsidies in the sector that could lead to imposition of tariffs. France provided €650 million to an EV battery plant to be build in Dunkirk. Chinese brands' share of the EU EV market has risen from 1% in 2020 to 5.6% in 2023.
  - In a similar vein, Canadian Prime Minster Justin Trudeau was present for the announcement of C$7 billion battery manufacturing plant near Montreal by Sweden-based Northvolt. Trudeau noted "Northvolt's investment will bring

end-to-end battery manufacturing to Canada, making our country one of only a few locations to have this capacity outside of Asia"

- In the EV market itself, price cuts continue, as mentioned repeatedly in recent investor reports. Kia introduced a new EV in Korea priced for little over $20,000 (before subsidies), while Tesla again cut the price of its top-end Model S and Model X, bringing the year-to-date reduction in their prices to around 35%, while Xpeng and Zeekr have also cut prices in China. Tesla also released a refreshed version of its top-selling Model 3 in China, with a 9% longer range and upgraded audiovisual system, although in this case price increased by approximately 10% to around $36,000. EV buyers are also enjoying a wider choice of models, with Bloomberg calculating the number of EV models on sale in the US has increased by almost 25% in recent months, from 41 to 51.
- The UK rolled back some of its emission reduction policies, including deferring the ban of sale of petrol and diesel cars from 2030 to 2035 and of residential gas boilers from 2025 to 2035. The move was criticised by industry participants including automakers and utilities, while the CEO of Nissan, the UK's #1 car producer, said it would maintain its plans to be all-electric in Europe by 2030.
- Mercedes-Benz announced it will offer the first Level 3 autonomous driving system, which requires neither hands on the steering wheel nor eyes on the road while the car is in motion, while still requiring the driver to be alert (a system is in place to alert the driver if it assesses that they are falling asleep). Legal certification is required to sell the feature, which Mercedes is the first to receive. The feature is expected to be offered for $2,500 from 2024 on select models, and initially operate only in highly restricted conditions such as highways.
- The family behind leading shipping firm A.P. Moller-Maersk set up a new company that will produce 3 million tons of green methanol, which can substitute for fossil fuel in shipping. Maersk is based in Denmark; from 2024, shipping will be included within the EU's emissions trading system, which will increase cost for fossil fuelled ships, increasing the incentive to use alternatives sources. In Singapore, a state backed consortium supporting electric shipping is projected to see its maiden voyage before the end of the year.
- US ethanol mandates came under fresh scrutiny after the Environmental Protection Agency's Scientific Advisor Board published a "Draft Commentary" stating "it appears there is a reasonable chance there are minimal or no climate benefits from substituting corn ethanol for gasoline or diesel". Ethanol is a politically powerful industry due to presence in several low population states, making it a priority for a relatively large number of senators. In addition, a key ethanol producing state, Iowa, has historically hosted the first presidential primary for both Democrats and Republicans, leading numerous candidates to commit to supporting ethanol in an effort to make a strong start to their presidential campaigns.
- A new lithium discovery in a volcanic creator on the Nevada-Oregon border could be the biggest deposit in the world.

- Australia
  - Western Australia awarded A$1b of contracts for development of energy storage systems at coal facilities that are due to be closed. Contemporary Amperex Technology Co. Ltd., the world's #1 manufacturer of electric vehicle batteries, will be one of the suppliers.
  - Grok Ventures completed its acquisition of the Sun Cable renewable energy project in Western Australia and applied for a licence to export energy to Singapore.

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 (Class A units – unhedged) 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 Sep 2023)	AUD 695.5m
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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Responsible Investment Leader **2023**

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