NANUK ASSET MANAGEMENT

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 4.7% during October, underperforming traditional global equities benchmarks, such as the MSCI All Country World and FTSE All World net total return indices, by approximately 3.6%.

The Fund's underperformance was driven by both stock specific issues and broader factors.

Global equity returns this year have been dominated by the contribution of mega-cap technology stocks and collectively the 'FANG+' or 'MANAMAT' stocks continued to outperform declining equities markets in October. Several other themes influenced equity markets during the month, including the increasing impact of rising interest rates on company outlooks, the escalating conflict between Israel and Hamas, the potential influence of widespread adoption of GLP1 diabetes and anti-obesity drugs on healthcare businesses and the ongoing inventory adjustment cycles that have affected many industries post COVID. These trends contributed to the outperformance of, amongst others, defence and pharmaceutical stocks and the related underperformance of environmental equities benchmarks and the Fund's investment universe.

The Fund's performance also reflected exposure to several of these trends, with European capital goods companies, building materials and medical technology exposures all negatively impacted – as well as the absence of significant positive contributors during the month. Notable stock specific contributors are discussed below.

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 (%)	**(4.7)**	**8.4**	**6.8**	**(1.7)**	**7.7**	**9.2**	**10.0**
Global Equities[2] (%)	(1.1)	14.3	11.7	2.5	10.5	9.9	9.3
Value Added (%)	(3.6)	(5.9)	(4.9)	(4.2)	(2.8)	(0.7)	0.6

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 (%)	**(6.4)**	**-**	**-**	**-**	**-**	**-**	**(8.6)**
Global Equities Hedged to AUD[2] (%)	(2.8)	-	-	-	-	-	(1.0)
Value Added (%)	(3.6)	-	-	-	-	-	(7.5)

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

Microsoft Corporation (+7%) shares rose after September-quarter earnings exceeded expectations and the company indicated growing traction for its Generative-AI offerings.

Hyundai Mobis Co. Ltd (-13%) is a Korean Tier 1 auto parts suppliers and the sole supplier of electric drivetrain modules for electric vehicles made by the Hyundai and Kia group companies. Its shares fell despite strong orders and profit upgrades following its September-quarter earnings report. Most likely the stock was impacted by the general underperformance of automotive stocks globally following strikes in the US and increasing pressure on the prices and margins of leading auto manufacturers.

Zebra Technologies (-11%) is the global leader in barcode printers and handheld scanners and related software solutions. Its shares continue to lag after the major downgrade in its June-quarter earnings report, discussed in the prior two Fund reports.

Siemens Energy AG (-33%) provides a range of power generation and grid equipment and technologies. Its shares fell after the company confirmed reports that it is in talks with the German government about providing financial guarantees to support large projects in its gas services and grid technologies business. This follows the announcement of significant losses in its wholly owned wind turbine subsidiary Siemens Gamesa announced in previous months, but we believe the need for such guarantees, which have been provided by Siemens AG since Siemens Energy's separate listing, is indicative of strong demand in its core businesses.

Revvity, Inc. (-25%) offers life science and diagnostics products and services. Its shares fell after a guidance cut reflecting an anticipated slowdown extending through to 2024, primarily because of reduced demand from pharmaceutical customers who are themselves being impacted by spending cuts announced in the US Inflation Reduction Act.

New Investments

Otis Worldwide Corporation manufactures and services elevators. Elevators enable high-density building, conserving land and energy resources. Otis is the market leader and is expanding its competitive advantage through digitisation. Techniques include remote and preventive maintenance, and route optimisation of its service technicians. This is likely to produce earnings growth which we believe makes the company's valuation appealing.

Exited Positions and Other Portfolio Changes

The Fund exited its positions in leading HVAC equipment manufacturer Carrier Global and paper-based packaging company Packaging Corporation of America, both following periods of share price outperformance. The Fund also exited its position in leading diagnostic and imaging solutions provider Siemens Healthineers, which has not delivered the operational improvement anticipated.

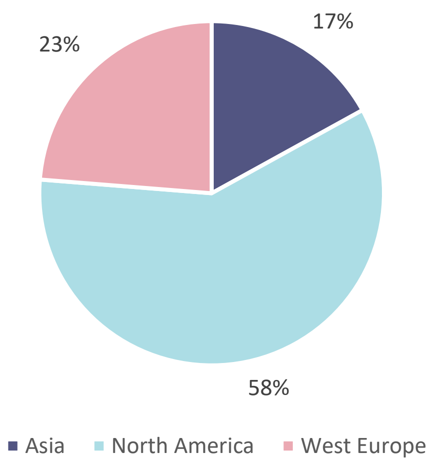
Top 10 Holdings

Security Name	Weight (%)	Country	Sector
Zebra Technologies Corporation Class A	4.9	UNITED STATES	Sustainable & Efficient Industry
Microsoft Corporation	4.8	UNITED STATES	Efficient Businesses and Economies
Siemens Aktiengesellschaft	4.0	GERMANY	Sustainable & Efficient Industry
CDW Corporation	3.7	UNITED STATES	Sustainable & Efficient Industry
Garmin Ltd.	3.3	UNITED STATES	Sustainable Healthcare
Valmet Corp	3.3	FINLAND	Sustainable Consumption

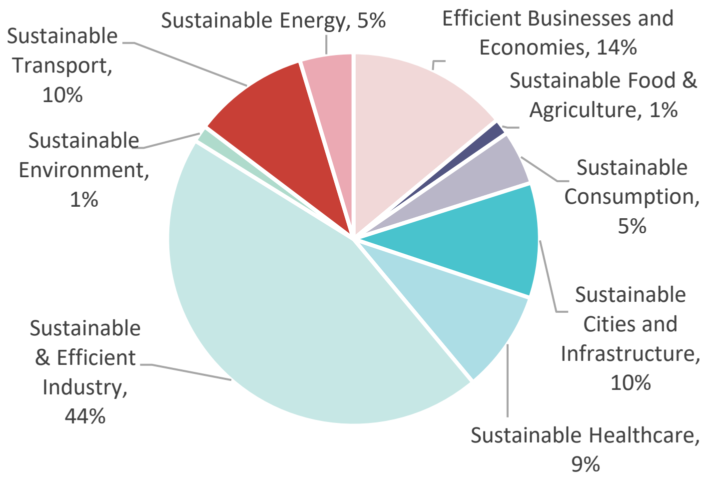
Hyundai Mobis Co., Ltd	3.1	SOUTH KOREA	Sustainable Transport
Taiwan Semiconductor Manufacturing Co., Ltd.	3.1	TAIWAN	Sustainable & Efficient Industry
Dover Corporation	3.0	UNITED STATES	Sustainable & Efficient Industry
Micron Technology, Inc.	3.0	UNITED STATES	Sustainable & Efficient Industry

Portfolio Positioning

Regional Weights (%)



Sector Weights (%)



Market Commentary

Global equities markets declined again in October, with traditional global equities indices such as the MSCI All Country World and FTSE All World indices down approximately 3.1% in US dollar terms. Most regional indices fell, with the US S&P 500 Index down 2.2% and the technology focused Nasdaq Composite Index declining 2.8%, Europe's Stoxx50 Index was down 2.7% (with European industrials again underperforming against local markets), Japan's Nikkei 225 Index fell 3.1% and Hong Kong's Hang Seng index was down 3.9%. Sustainably themed equities underperformed the broader market, with the FTSE Environmental Opportunities All Share Index down 5.1%, with clean technology stocks fairing particularly badly. Tesla fell 20%, leading global offshore wind developer Orsted fell 12% and solar technology leader SolarEdge was down over 40% - reflecting the increasing competition, rising costs and interest rates and inventory issues currently impacting many sustainable technology industries.

Nanuk's annual seminar, delivered during the month, addressed these short-term challenges and presented the case that recent underperformance and currently high levels of pessimism towards sustainable technology present an improving and potentially attractive medium-term outlook for sustainably themed equities. A recording of the presentation will be available on Nanuk's website and presentation materials are available on request.

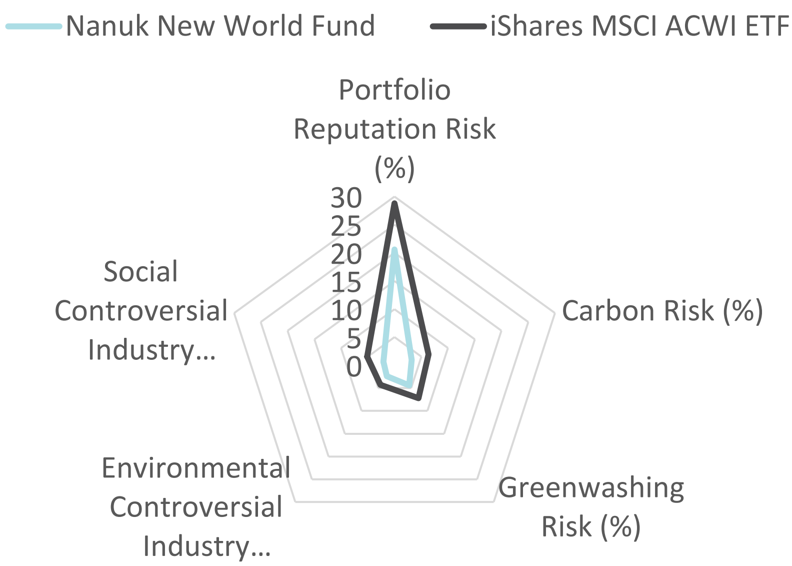
The Australian dollar weakened slightly, to US63.4c, benefitting returns reported in Australian dollar terms.

Responsible Investment – Sustainability In Focus

Nanuk New World Fund's eligible investment universe is constructed using both positive screening (for exposure to selected industries and technologies) and negative screening (including for exposure to activities that are deemed by Nanuk to be misaligned with improving global environmental sustainability, certain contentious activities and severe violations of norms for responsible business practices). For more details, please refer to Nanuk's ESG Policy, available on our website.

Although the Fund does not have specific sustainability or impact targets, the focus on investments in these areas will likely result in a portfolio that demonstrates greater alignment with global sustainability outcomes than broader passive global equities strategies.

The chart below compares the Nanuk New World Fund against Global Equities (represented by the holdings of the iShares MSCI ACWI ETF) as of 30/09/2023, using data from independent data provider, Sustainable Platform. Founded in 2017 and based in Perth, Australia, Sustainable Platform is a database providing access to ESG & SDG performance data for 22,000+ global companies.



Source: Sustainable Platform, Nanuk. As of 30 September 2023

Based on Sustainable Platform's data at the end of September, relative to Global Equities, the Nanuk New World Fund had:

- **53% lower** exposure to controversial industries (socially & environmentally controversial industry exposure)
- **50% lower** carbon risk
- **28% lower** reputational risk
- **39% lower** greenwashing risk

Notable Industry Developments

Sustainable Energy

- The offshore wind industry continues to generate headlines as higher interest rates and rising costs present challenges for current and future projects and have seriously impacted industry participants such as Orsted, mentioned above, and Fund holding, Siemens Energy.
  - European utility RWE said prices offered to developers in the UK need to rise by 25-70% to attract bids, following a failed offshore wind auction in September.
  - In the US, the state of New York rejected requests for retroactive price increases from some of the projects awarded in prior rounds, in response to cost inflation discussed in last month's report. It did, however, make conditional awards to three projects with a combined capacity of 4GW, at prices 20% above prior awards in the state. New York

also announced $300m of support for two turbine blade and nacelle factories to support the build out, indicating its longer-term commitment to the technology.

- Amid these difficult industry conditions, wind turbine manufacturer General Electric said its offshore wind business would lose $1 billion in each of 2023 and 2024.
- In China, turbine manufacturer Ming Yang attract headlines with claims of a 300 metre tall offshore turbine. This would have double the generation capacity of its largest operational model.

- The news was better for the onshore wind industry, with the European Union announcing a Wind Power Action Plan to address the key challenges facing the industry – including bottlenecks such as slow and complex permitting and grid connection procedures, fierce price competition in auctions for government support, and insufficient manufacturing capacity. Meanwhile, France announced a goal to double its renewable power capacity by 2035 with output from wind, solar and hydro to almost double by that date. Targets for increased use of biogas, renewable and synthetic fuels, hydrogen and carbon capture were also set. These announcements are likely to be favourable for the Fund's investments in European wind turbine manufacturers Nordex and Siemens Energy and high voltage transmission cable manufacturer Prysmian.
- Solar companies also reported challenges in October. SunRun, the leading US third-party owned solar developer, booked a non-cash write down of a $1.2 billion, equivalent to roughly 50% of its market value, on its acquisition of competitor Vivint Solar. SunPower, which offers a range of solar solutions, reported that its 2022, Q1'23 and Q2'23 filings should not be relied on, albeit the errors it stated that have led to this outcome appear to be of a relatively modest size. Inverter manufacturer SolarEdge issued a profit warning after "substantial and unexpected cancellations and pushouts" of customer orders in September.
- The US Department of Energy made $4.8 billion of awards in two packages, under the $20 billion allocated to grid improvement in the 2021 Bipartisan Infrastructure Law. The first package provided $3.5 billion to 58 smaller projects across 44 states, while the second provided $1.3 billion to three interstate transmission lines. Another $7 billion authorised by the same law was awarded for regional "hydrogen hubs" spread through the country.

Sustainable Transport

- The strike by the United Auto Workers against Chrysler, Ford and General Motors (GM), discussed in last month's report, was suspended as all three companies struck deals with the union. The deals need to be ratified by UAW's members. UAW President Shawn Fain used phrases including "a huge victory" and "squeezed every last dime out" in describing the deals which are negotiated separately with each company.
- Stellantis announced a €1.5 billion investment in Chinese EV manufacturer Leapmotor. The deal will give it 20% of Leapmotor and 51% of the newly formed Leapmotor International which will have exclusive rights for manufacturing and sale of Leapmotor products outside China.
- Toyota expanded its investment plans for its North Carolina battery plant by $8 billion. LG Energy Solution said it would invest $3 billion in its Michigan facility plant to supply Toyota's growing ambitions.
- Temasek and SBI were part of a $384 million funding round for Ola Electric. The company, which grew out of ride-sharing startup Ola, but has no ongoing relationship, according to the company, leads the EV scooter market in India with more than 30% market share and is valued at about $5.4 billion in the latest funding round.
- Autonomous vehicle safety was in the spotlight during the month. GM's Cruise unit had its license for operation of driverless vehicle in California withdrawn following a number of accidents, including one whose details were alleged by state officials to have been misrepresented by Cruise. Cruise disputes the allegations. Cruise then suspended all its fleets across the US, while the National Highway Traffic Safety Administration opened its own investigation. Tesla was in court this month in relation to a 2019 accident for which its Autopilot system was alleged to be at fault; however, after four days of deliberations, jurors found in Tesla's favour.
- Microsoft's purchase commitments of Sustainable Aviation Fuel exceed most airlines', as part of its commitment to become carbon negative by 2030. The company says it hopes its action will help drive adoption by others.

Government Policy

- Canada enacted a three-year suspension to a tax on oil for home heating, giving people time to switch to less polluting systems. Meanwhile, the UK government's adviser said that the government should rule out supporting hydrogen as a natural gas alternative for residential heating, emphasising that the use of heat pumps makes much more financial and environmental sense.
- France expanded restrictions on energy usage, introduced in the wake of Russia's invasion of Ukraine last year. The initial goal to reduce electricity and natural demand by 10% was met well ahead of schedule and has now been expanded to 12%. New measures include subsidies for home thermostats and restrictions on store lighting.
- Ireland's planning authority rejected a proposed LNG import terminal, on the grounds it violates the Irish government's emission reduction policy.

- In contrast to the IEA's anticipated decline in fossil fuels in the next decade (as discussed in last month's report) OPEC boosted their oil demand forecast to 116m barrels per day by 2045 with India and China showing the most gain in consumption.
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Australia

- Australia said it would add A$2 billion to a critical minerals financing facility. The policy is being operated in cooperation with the United States, with the Australia-US Taskforce on Critical Minerals holding its inaugural meeting during the month. The US' Inflation Reduction Act placed a focus on critical minerals, and Australia is home to reserves of many of these. Not unrelatedly, China tightened export restrictions on graphite, a critical material for EV production.
- Fortescue Metals said it would cease using carbon offsets, unless required by law, to meet its emission reduction goals. The company aims to eliminate Scope 1 and 2 emissions by 2030.
- Fund holding Wabtec and Australian mining firm Roy Hill have unveiled the world's first 100% battery-powered, heavy-haul locomotive for mainline service. The FLXdrive locomotive contains 72 lithium-ion modular battery packs with a total of 36,288 cells, giving the locomotive an energy capacity of 7 megawatt-hours. It will be used to replace existing diesel electric locomotives. Rio also announced plans to introduce electric locomotives in the Pilbara.

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 (31 Oct 2023)	AUD 655.5m
Platform Access	AMP North, BT (Asgard, Panorama, Wrap), CFS (Edge, FirstChoice, FirstWrap), Dash, FNZ, Hub24, Insignia (Expand, Grow Wrap, MLC, Rhythm, Voyage), Macquarie Wrap, Mason Stevens, Netwealth, Powerwrap, Praemium and ASX ETMF (NNUK)		

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