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 8.0%% during November, outperforming conventional global equities benchmarks, such as the MSCI All Country World and FTSE All World net total return indices, by approximately 3.7%.

The Fund's outperformance was attributable to a combination of attribution effects and stock specific performance during a month in which most equities markets rallied strongly. The Fund benefitted from its overweight allocation to industrials and electronic technology sectors which outperformed rising markets and its underweight positions in lagging sectors such as healthcare technology and services and the energy sector. The Fund also benefitted from its overweight exposure to outperforming European and South Korean equities markets and its lack of exposure to Hong Kong and Chinese equities which significantly underperformed.

The Fund's industrial holdings, particularly in Europe, contributed strongly – as noted below amongst the key contributors for the month.

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 (%)	**8.0**	**17.0**	**11.2**	**(1.1)**	**8.2**	**10.9**	**10.9**
Global Equities[2] (%)	4.3	19.2	13.2	3.0	9.5	11.2	9.8
Value Added (%)	3.7	(2.1)	(2.0)	(4.1)	(1.3)	(0.3)	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 (%)	**12.0**	**-**	**-**	**-**	**-**	**-**	**2.4**
Global Equities Hedged to AUD[2] (%)	8.0	-	-	-	-	-	6.9
Value Added (%)	4.0	-	-	-	-	-	(4.5)

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

SIEMENS

Siemens AG (+27%) is a global leader in industrial technology focused on the manufacturing, infrastructure and transportation sectors. Its shares, which had fared poorly over the prior quarter, rallied following its September-quarter earnings update, where it reported strong cashflow and issued guidance for its 2024 financial year which was slightly ahead of consensus estimates.

Infineon Technologies AG (+34%) is a leading provider of power semiconductors to the automotive and industrial markets. Similar to Siemens AG, Infineon, which also has a September financial year-end, saw its shares rally after an above expectations earnings report and 2024 guidance slightly ahead of street expectations – based on ongoing strong demand for its leading power semiconductor products.

Siemens Energy AG (+34%) provides a range of power generation and grid equipment and technologies. Siemens Energy's shares recovered quickly from a sharp decline last month following the revelation the company was seeking financial guarantees to support larger projects in its gas services business. The guarantees, which have subsequently been provided by the German government, aren't directly related to the significant write-downs and provisions in its troubled wind turbine business earlier this year. The company's gas services, grid and other technology businesses continue to perform well and we believe have value significantly in excess of the current market capitalisation.

Valmet Corporation (+19%) offers capital equipment, service and automation technology, primarily to the paper and packaging industry. Valmet's share price reversed some of its recent under-performance after signs that the capital investment downcycle in the paper industry is coming to an end.

Horiba Ltd. (+35%) is a Japanese leader in in measurement and control technologies. Its key profit driver is its strong market position in mass flow controllers and chemical concentration monitors used in the semiconductor industry, and it also provides automotive compliance testing for both internal combustion engines and electric vehicles. The company's shares outperformed after it raised its full year profit guidance due to strong demand from the semiconductor industry in China.

CDW Corporation (+6%) provides "value added reselling" of technology products and services, mainly in the US. Its share price rose during the month but lagged the market after a below-expectations September-quarter earnings report.

New Investments

Sprouts Farmers Market, Inc. operates a network of over 400 healthy grocery stores in the US specialising in fresh, natural and organic products. The company is benefiting from ongoing increasing consumer interest in healthier eating. The company has demonstrated strong growth and high rates of return on equity and we believe that it will be able to continue to do so for many years.

Linde plc is a global industrial gas and engineering company. It designs, builds and operates gas processing facilities and supplies atmospheric and process gases for industrial and medical usage. The company is likely to benefit from increasing investment in low emission hydrogen production.

ResMed Inc. is a medical device company specialising in devices for sleep apnoea and chronic obstructive pulmonary disease (COPD) – conditions affecting millions of people globally. The company is a global leader and continues to benefit from the recent withdrawal of its major competitors' products from the market as well as the ongoing enhancement of its devices (such as cloud connectivity) that enable better patient management. The company's shares have fallen significantly this year on concerns that widespread use of GLP1 weight loss drugs may significantly impact demand for the company's devices. We don't believe this will be the case and that the decline has presented an opportunity to buy the shares at an attractive valuation.

Ferguson plc is a multi-national distributor of heating, ventilation and air-conditioning (HVAC) and water, wastewater, drainage and fire protection products, primarily operating in the US. The company provides a range of products relevant to improving building energy efficiency and installing and maintaining water infrastructure and serves both residential and commercial contractors. The company has significant opportunity for further growth through acquisition of smaller competitors and is likely to benefit from increased spending on upgrading ageing water infrastructure in the US.

Exited Positions and Other Portfolio Changes

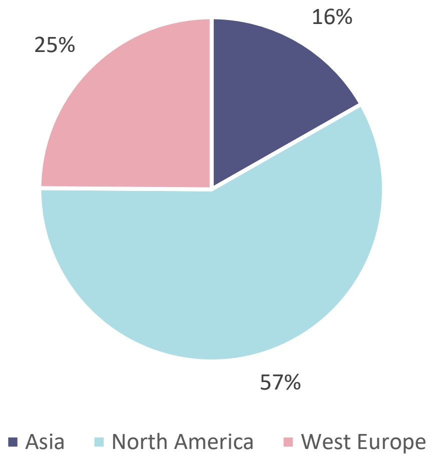
The Fund exited positions in US railway equipment leader Westinghouse Air Brake Technologies Corporation, which has performed strongly during the Fund's period of ownership and cloud-based subscription management platform Zuora, Inc, which has not delivered the improvement in profitability that we had anticipated.

Top 10 Holdings

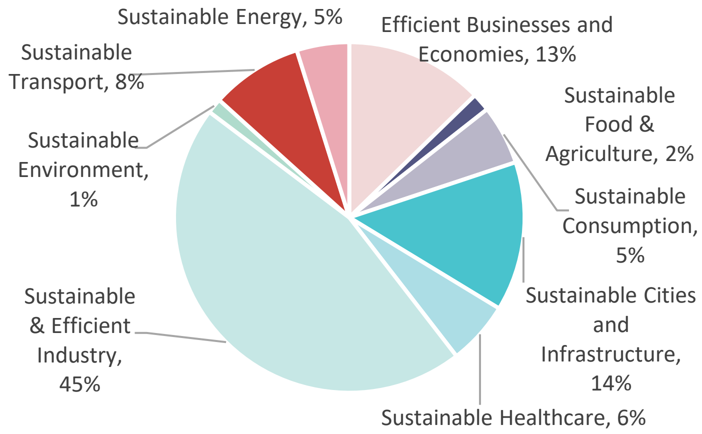
Security Name	Weight (%)	Country	Sector
Microsoft Corporation	4.7	UNITED STATES	Efficient Businesses and Economies
Zebra Technologies Corporation Class A	4.3	UNITED STATES	Sustainable & Efficient Industry
CDW Corporation	4.0	UNITED STATES	Sustainable & Efficient Industry
Otis Worldwide Corporation	3.9	UNITED STATES	Sustainable Cities and Infrastructure
Siemens AG	3.8	GERMANY	Sustainable & Efficient Industry
Valmet Corp	3.8	FINLAND	Sustainable Consumption
Taiwan Semiconductor Manufacturing Co., Ltd.	3.5	TAIWAN	Sustainable & Efficient Industry
Micron Technology, Inc.	2.9	UNITED STATES	Sustainable & Efficient Industry
Johnson Controls International plc	2.8	UNITED STATES	Sustainable Cities and Infrastructure
Dover Corporation	2.7	UNITED STATES	Sustainable & Efficient Industry

Portfolio Positioning

Regional Weights (%)



Sector Weights (%)



Market Commentary

Global equities markets mostly rose strongly during November coincident with indications of inflation easing and a sharp decline in government bond rates. Conventional global equities benchmarks, such as the MSCI All Country World and FTSE All World net total return indices, rose approximately 9.0% in US dollar terms. The benchmark 10 year US government bond yield fell from 4.9% to 4.3% and the US dollar weakening against most currencies, including the Australian dollar.

US and European equities markets both performed strongly, with the US S&P500 Index up 8.9% and the Euro STOXX50 Index up 7.9%. Asian markets were more mixed, with Japan's Nikkei 225 Index up 8.5% and the Korean KOSPI Index up 11%, but Hong Kong's Hang Seng Index down 0.4% and the Chinese Shanghai-Shenzhen Composite index down 2%.

Environmental equities, as represented by the FTSE Environmental Opportunities All Share Index, outperformed the broader market driven by overweight exposure to the outperforming Industrial and Technology sectors.

Notable Industry Developments

Climate Change

- The UN's annual climate change conference, referred to as COP28, was held during early December. Conflicts of interest were discussed prominently in the lead-in to the conference, which was held in the UAE, a major fossil fuel producer, and presided over by the CEO of the Abu Dhabi National Oil Company.
- Despite low expectations the COP28 conference is being hailed as a success. A wide division in opinions on the need and practicality of reducing fossil fuel usage was carefully bridged in a final agreement that, for the first time in 30 years of COP conferences, directly references fossil fuels. The final statement calls on countries to contribute to global efforts to transition "away from fossil fuels in energy systems in a just, orderly and equitable manner, accelerating action in this critical decade, so as to achieve net zero by 2050 in keeping with the science". Many were disappointed that the agreement did not achieve a clearer commitment to phase down or phase out fossil fuels, which is critical to achieving the emissions reductions of 43% by 2030 and 60% by 2035 that were acknowledged as requirements to limit warming to 1.5 degrees. The agreement has also been criticised for 'loopholes' supporting the use of 'transition fuels' (i.e. natural gas) and carbon capture and storage that may be used as justification to continue expansion of fossil fuel usage.
- The conference did achieve a number of important new multilateral commitments, including $700 million pledged to help especially vulnerable countries deal with climate change, a $30 billion fund for global climate solutions that aims to attract $250 billion of investment, a declaration by more than 130 countries to include emissions from agriculture and farming in their national plans to tackle climate change, an agreement by 118 nations to triple renewable power generation capacity

by 2030 and double the rate of improvement in energy efficiency and a commitment by 50 oil and gas companies to reach near-zero methane emissions by 2030.

- Alongside the conference, the UN's Environment Programme, UNEP, said current plans put the planet on track for 2.9 degrees of warming. The UN's Food and Agriculture Organisation, UNFAO, released a detailed roadmap for the food sector consistent with 1.5 degrees of warming, alongside reducing hunger and improving access to healthy diets. Its plan focuses on improving agricultural productivity and encouraging people, especially in richer countries, to switch to lower emission diets.
- The US published its Fifth National Climate Assessment. The 2,000-page report detailed how each part of the US is being impacted by climate change and the need for further action to lower emissions.

Sustainable Energy

- The European Commission (EC) published a non-binding European Grid Action Plan describing €584 billion in necessary investments by 2030 and a wide range of regulatory reforms. The EC also published a European Wind Power Action Plan seeking to get the industry back on track to the 2030 targets set for it, while also enhancing the competitiveness of European vendors. The wide-ranging plan tackles issues such as permitting laws, auction design and improving coordination between stakeholders.
- German utility RWE said it planned to spend €55 billion on green technologies by 2030 and specified that its offshore projects are proceeding as planned, despite the challenges experienced by competitor Orsted, described in our prior investor reports. Oil & gas producer BP and Macquarie Bank subsidiary Corio Generation also said they would invest $1.2 billion in offshore wind projects in South Korea.

Nuclear Energy

- NuScale Power, a start-up working on small modular nuclear reactors (SMRs) and the first to achieve US Nuclear Regulatory Commission (NRC) approval for its SMR design, announced the termination of its inaugural Carbon Free Power Project in Idaho due to cost over-runs.

Energy Storage and Battery Technology

- Sodium-ion batteries saw multiple significant investments. Sodium is more abundant than lithium but has lower energy density. This makes it suitable for stationary energy storage or cheaper, lower-range vehicles. EV battery leader CATL said in April that it would deploy some sodium-based batteries during 2023. In November, Sweden's Northvolt reported it is transitioning to industrialisation of its sodium-ion technology, while BYD said it had signed an agreement to invest 10 billion yuan in a sodium-ion battery manufacturing facility targeting the micro-car market.
- Leading oil & gas producer Exxon Mobil said it planned to become a top 10 global lithium producer, with its first project due online by 2027. It believes it can achieve superior economic and environmental performance with a technique called Direct Lithium Extraction (DLE) which is not currently widely used but which will leverage some of Exxon's existing capabilities. DLE uses membrane technology to extract salts from lithium rich brines and is potentially viable at lower lithium concentrations than existing approaches.

Carbon Capture and Storage

- The US saw its first Direct Air Capture Plant open in California, built by Heirloom, a startup backed by Bill Gates. The facility has a relatively modest capacity of 1,000 tons annually. Graphyte, another Gates-backed startup, said it was able to capture carbon for under $100 per ton, an industry benchmark, and was beginning to scale production with a target of 50,000 tons by July 2024. Its process is to dry, sterilise and insulate waste plant material, so that the carbon the material captures naturally is not released via decomposition.
- Leading cement manufacturer Holchim said it expected carbon capture will play be the most impactful of a range of innovations that will lower the emissions intensity of its production in the region by 45% by 2030, relative to a 2020 baseline.
- Occidental Petroleum said its carbon capture project in Texas is 65-70% sold out to 2030. The project is slated to commence production in 2025. BlackRock said it would invest $550 million directly into the project.

Hydrogen

- Plug Power, which describes itself as an "end-to-end green hydrogen company" and was valued at over $30 billion as recently as early 2021, issued a "going concern" warning at its September-quarter earnings update, citing disruptions to hydrogen supplies as well as to operations of its own factories.
- Private investors will finance a $3 billion hydrogen plant in Quebec, aiming to produce 70,000 tons of hydrogen per year fuelled by wind and solar generation.

Sustainable Transport

- Cruise, General Motors' autonomous-driving unit, saw its CEO resign amid a wide ranging reaction to the safety and regulatory difficulties discussed in our prior investor report. The company also recalled its "collision detection subsystem" software, announced the recruitment of a chief safety officer, and engagement of third-party legal and engineering reviews of the causes of an incident in which a Cruise vehicle dragged a person for about 20 feet.
- Agricultural vehicle manufacturer John Deere said it would offer an ethanol-powered engine for the Brazilian market, where ethanol is widely used as a light vehicle fuel.
- Ford Motor said it was scaling down plans for a battery facility under construction in higher labour costs and weaker demand than previously anticipated. The capacity of the Marshall, Michigan facility will now be 230,000 EVs, down from 400,000.
- Hyundai Motor detailed its plans to sell flying electric taxis. A test flight is targeted for December 2024 and commercial launch in 2028. Hyundai also broke ground on a new EV facility within its Ulsan Complex, where its first auto plant was built in 1968. The facility will have a capacity of 200,000 vehicles annually.
- China's SAIC Motor and India's JSW Group formed a JV in which SAIC will hold the majority stake to build the EV ecosystem in India.
- Stellantis began detailing the $19 billion in investment which it agreed to as part of the resolution to the UAW strike it faced in the US, with a $3.2 billion battery plant in Illinois, to be opened in 2028. Separately, Stellantis said it is working with CATL on battery facilities in Europe.
- Tesla faced a growing dispute with unions in Scandinavia. Swedish repair shop mechanics went on strike against the company on October 27, seeking a collective bargaining agreement; in sympathy, dockworkers in Denmark, Finland and Norway said they would cease loading Tesla vehicles, and PostNord, the Danish-Swedish postal service, said it would not deliver license plates, an action Tesla challenged in court unsuccessfully.
- Toyota Motor said it would sell parts of its stake in supplier Denso for around $2 billion, and use the proceeds to fund its EV transition, which has accelerated under new CEO Koji Sato. The Fund owns a position in Denso which has performed well as the company increasingly benefits from the electrification trend.
- Truckmaker Scania said it would offer electric heavy-duty trucks on a pay-per-use model. Electric trucks have yet to take off, and Scania hopes allowing customers to avoid the vehicles' higher upfront cost can help accelerate adoption.

Government Policy

- Sweden's nationalist party, Sweden Democrats, said they would back the country's 2045 net zero target. Although the target was legislated in 2045, the switch will enable Sweden's minority government to legislate towards its delivery.
- Indonesia published its Comprehensive Investment and Policy Plan for its power sector. The plain aims to achieve net zero emission within the sector by 2050.
- German climate law is being rewritten amid multiple defeats in court. Germany's Constitutional Court ruled €60 billion of off-budget funding contravenes Germany's basic law, and up to €770 billion of state-level funding with similar characteristics are also now at risk if legally challenged. At the same time, the government also lost lawsuits brought by environmental groups over failure to enforce sectoral emissions reduction targets which the government had argued had been superseded by economy-wide targets.
- President Biden invoked 1950 Defence Production Act of 1950, enacted for the US' mobilisation for the Korean War, to fund a $169 million grant for production of heat-pump components.

Australia

- The head of the Insurance Council of Australia said rising numbers of people are abandoning policies, as premiums rise due to climate-linked risks. This may leave the government expected to cover the cost of future disasters.

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 Nov 2023)	AUD 701.5m
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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Responsible Investment Leader **2023**

Investment Manager

Nanuk Asset Management Pty Ltd

Level 23, Australia Square, 264 George Street

Sydney NSW 2000, Australia

Tel: +61 2 9258 1600

Email: contact@nanukasset.com

www.nanukasset.com

Unit Registry

Automic

GPO Box 5193

Sydney NSW 2000

Email: hello@automic.com.au