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 returned 8.2% during February, outperforming conventional global equities benchmarks, such as the MSCI All Country World and FTSE All World net total return indices, by approximately 2.4%.

Global equities markets performed strongly during the month and the Australian dollar weakened slightly against the US dollar adding to the returns of the Fund's unhedged portfolio. (The Fund is now also accessible via a hedged unit class for which the direct foreign exchange exposures of holding international equities is substantially hedged, largely removing such variations in returns directly associated with exchange rate movements).

The key contributors to the Fund's outperformance included a diverse set of companies covering all three major regions of exposure (North America, Western Europe and Asia). The Fund also benefitted in February from its underweight exposure to pharmaceutical companies, which underperformed during the month. Significant individual contributors to the Fund's monthly performance are highlighted 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 (%)	**8.2**	**11.3**	**25.6**	**9.6**	**12.6**	**12.6**	**12.6**
Global Equities[2] (%)	5.8	9.9	27.4	12.2	13.1	12.5	11.0
Value Added (%)	2.4	1.4	(1.8)	(2.6)	(0.5)	0.1	1.6

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 (%)	**6.9**	**7.5**	**-**	**-**	**-**	**-**	**17.6**
Global Equities Hedged to AUD[2] (%)	4.6	5.8	-	-	-	-	17.6
Value Added (%)	2.4	1.7	-	-	-	-	0.0

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

Stocks with exposure to artificial intelligence (AI) continued to perform strongly during February. The Fund has holdings in a wide variety of companies that stand to benefit from the increasing adoption of AI and large language models within business and industry, where they are already being shown to deliver significant improvements in efficiency. The Fund's holdings range from GPU leader NVIDIA to semiconductor manufacturing and capital equipment companies through to users of the technology and consultancies focused on its adoption. Of note during the month were **NVIDIA Corporation** (+29%), which significantly exceeded revenue and profitability expectations for the fifth quarter in a row and companies in its supply chain that are benefiting from its success. This included **Taiwan Semiconductor Manufacturing Co., Ltd** ('TSMC') (+14%), which fabricates NVIDIA's GPUs and **Advantest Corp** (+16%), which provides the testing equipment used to test them. Another beneficiary was **KLA Corporation** (+15%), which offers process control equipment and yield management solutions used in semiconductor manufacturing.

Zebra Technologies (+17%) is the global leader in barcode printers and handheld scanners and related software solutions. Its products are used to more efficiently manage supply chains. Zebra benefitted from significant investment in supply chains and distribution during COVID, but has since experienced an unusually large slowdown that has led to its shares underperforming. We believe that an inevitable recovery from this downturn will support a return to strong growth for Zebra and the underperformance has provided an opportunity to buy the stock at an attractive valuation. Zebra's shares rose in February after the company provided revenue guidance for 2024 slightly above consensus expectations.

Valmet Corporation (-8%) offers capital equipment, service and automation, primarily to the paper and paper-based packaging industry. It is a leader in this industry and supplies to companies such as Fund holding Graphic Packaging Corporation, a leader in sustainable paper based packaging – and its automation products offer clients efficiency gains. Valmet's shares underperformed as continued over-capacity in paper manufacturing led to a weak short term outlook. Like Zebra, above, we believe the company is a leader in its industry and stands to benefit from an inevitable industry up-cycle.

Siemens AG (+12%) is a global leader in industrial technology focused on the manufacturing, infrastructure and transportation sectors. Conditions in its end markets are mixed which contributed to some weak results by peers; Siemens' shares outperformed after its December-quarter earnings and outlook defied these difficulties with particular strength in its division focused on electrification.

Sprouts Farmers Market, Inc. (+24%) operates a network of over 400 health food-oriented grocery stores in the US. Its shares rose after a strong December-quarter earnings report, in which the company indicated that its offering is resonating with customers and operational efficiency is good.

New Investments

Mettler Toledo International Inc. is a US company that offers precision instruments for laboratory and industrial applications. The company's product range is diverse, but it is best known for balances and scales where it is a global leader. Its products improve efficiency and yields in a range of industries, particularly through automation and quality control. The company has a record of faster than GDP revenue growth and high returns on capital. It has, however, been impacted by multiple headwinds, most notably a decline in laboratory spending following COVID driven over-spending. During this decline the company has continued to deliver strong organic growth in its services revenue and we believe recent share price underperformance provides an attractive entry point ahead of a likely recovery in laboratory spending led by the emerging recovery in investment in drug development by the major pharmaceutical companies.

Shimadzu Corporation is a Japanese company specialising in analytical instruments, most notably chromatographs and mass-spectrometers. Its instruments contribute to industrial efficiency, with quality control a key application. Shimadzu has a high return on invested capital, and we view its shares as attractively valued following recent underperformance, also impacted by a post-COVID downturn.

Exited Positions and Other Portfolio Changes

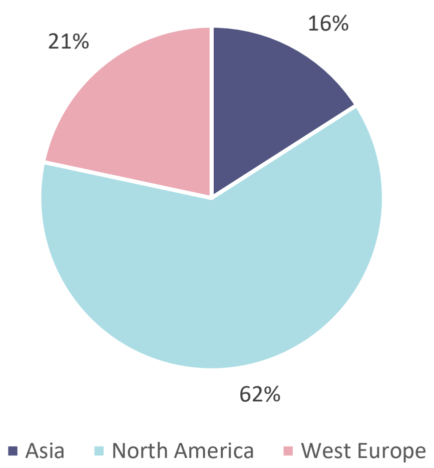
The Fund exited its position in technology consultancy Capgemini SE, following strong share price performance. The Fund's holding in global mapping specialist TomTom NV, which has failed to deliver anticipated revenue growth and profit improvement, has also been reduced following a recent recovery in its share price.

Top 10 Holdings

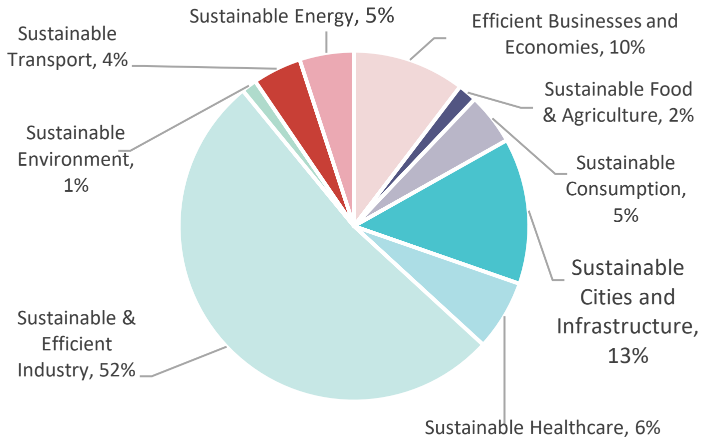
Security Name	Weight (%)	Country	Sector
Microsoft Corporation	4.9	UNITED STATES	Efficient Businesses and Economies
Zebra Technologies Corporation Class A	4.8	UNITED STATES	Sustainable & Efficient Industry
Taiwan Semiconductor Manufacturing Co., Ltd.	4.6	TAIWAN	Sustainable & Efficient Industry
CDW Corporation	4.4	UNITED STATES	Sustainable & Efficient Industry
Otis Worldwide Corporation	3.8	UNITED STATES	Sustainable Cities and Infrastructure
Siemens Aktiengesellschaft	3.4	GERMANY	Sustainable & Efficient Industry
Valmet Corp	3.3	FINLAND	Sustainable Consumption
Dover Corporation	3.2	UNITED STATES	Sustainable & Efficient Industry
Micron Technology, Inc.	3.0	UNITED STATES	Sustainable & Efficient Industry
Littelfuse, Inc.	2.8	UNITED STATES	Sustainable & Efficient Industry

Portfolio Positioning

Regional Weights (%)



Sector Weights (%)



Market Commentary

Global equities markets performed strongly during February, with conventional global equities benchmarks such as the MSCI All Country World and FTSE All World net total return indices up approximately 4.2% in US dollar terms.

Market performance was again led by the outperformance of large capitalisation growth stocks, and particularly those associated with AI. Global equities were led by the US market where these stocks account for a significantly larger proportion of the benchmarks. The US S&P 500 Index was up 5.1% and the more technology focused Nasdaq Composite Index was up 6.1%. Europe's Stoxx 50 index was up 4.9%. Asian equities markets also performed strongly, with Japan's Nikkei 225 Index up 7.9% as the Yen continued to weaken against the US dollar and Hong Kong's Hang Seng index bouncing back from recent significant underperformance rising 6.6%.

US ten-year government bond yields moved higher in February as higher inflation readings and hawkish Federal Reserve Governor speeches served to push out the anticipated timing of expected central bank easings.

Notable Industry Developments

Climate Change and Sustainability Policy

- Bloomberg New Energy Finance (BNEF) forecast India's renewable power installations in 2024 would significantly trail aggressive government targets, as they have in many other countries, and for some familiar reasons, including policy uncertainty, trade barriers, and grid constraints. Installations are both large and growing, forecast to rise 30% to 16.7GW, but well below the ~44GW needed annually to deliver Prime Minister Narendra Modi's target of 500GW of cumulative installations by 2030. Relatedly, India's cabinet approved a $9 billion scheme to boost installation of rooftop solar during the month.
- Germany approved plans to tender for 10GW of new gas generation capacity, at a cost of approximately €16b. Plants will be required to upgrade to burn hydrogen between 2035 and 2040, which officials said would help provide security of supply in periods of weak solar and wind generation. Germany faces a complex energy transition, with ambitious emissions reduction goals it is struggling to meet, the early closure of its nuclear generation, and the loss of most Russian energy supplies following Russia's full-scale invasion of Ukraine in 2022. The renewed focus on natural gas generation and decarbonisation of this mature technology with hydrogen and carbon capture and storage is a key tenet of the thesis for the Fund's holding in Siemens Energy, which is a global leader in gas turbines as well as grid technology.
- Philippines announced a clean energy auction focused on storage, following two prior rounds focused on intermittent sources such as solar and wind. Pumped hydro is expected be awarded the majority of 4.4GW of capacity, followed by large hydro and geothermal.

- Singapore said it would set up a US$3.7 billion Future Energy Fund, focused on clean energy tech and infrastructure. Deputy Prime Minister Lawrence Wong said the fund would better enable the country to move quickly on energy investments.
- The UK Labour party, which has a poll lead of around 20 points, with an election due to occur by January 2025, reduced its clean energy investment plan from £28 billion to £15 billion annually, citing a rise in interest rates and a deterioration in the UK economy since the plan was formulated in 2021.
- US Republicans claimed a victory in their campaign against ESG investing as JPMorgan Asset Management and State Street said they would exit the Climate Action 100+ investor group, and BlackRock said it would reduce its involvement. BNEF cites more than a dozen US states that have enacted anti-ESG legislation, while at the federal level both BlackRock and State Street were recently subpoenaed by House Republicans, claiming insufficient cooperation with their investigation of alleged conflicts between ESG policies and antitrust law.
- A new study suggests the Atlantic Meridional Overturning Circulation (AMOC) "is on tipping course". More commonly known as the Gulfstream, the AMOC brings heated Atlantic water to northern Europe, without which the region could be more than 10 degrees Celsius cooler than at present.

Sustainable Energy

- BNEF reported that wind capacity permitted in Germany almost doubled in 2023, indicating efforts to streamline permitting have been effective. Germany is far from alone in trying to reduce the impact permitting delays have on meeting renewable energy deployment targets. The Fund holds investments in German wind turbine manufacturer Nordex and Siemens Energy, which owns European wind turbine business Siemens Gamesa Renewable Energy, both of which are expected to benefit from continued government efforts in Europe to accelerate wind permitting and approval processes.
- Canadian state-owned utility Hydro-Quebec said it is making progress on financing its $137 billion investment plan. The plan aims to increase generating capacity, improve service quality by reducing outages, and expand its transmission network by 5,000km.
- US utility FirstEnergy made headlines after announcing it is "eliminating" the 2030 interim goal of its 2050 emission reduction strategy because sufficient sustainable generation capacity could not be put in place to replace the coal-fired capacity that was due to be retired. The company is currently undergoing a leadership transition after a political bribery scandal saw it fined $230 million and one legislator sentenced to 20 years in prison, so this outcome was arrived at under unique circumstances, even if, as noted above, implementation challenges in delivering sustainability goals are not unusual. Its 2050 sustainability goals were left in place.
- UK bank Barclays Plc said it would cease direct financing of new oil & gas investments and had also set "clear expectations of transition strategies" from existing energy clients. The bank has recently formed an "Energy Transition Group" to help clients "explore potential energy transition opportunities" and set a goal of facilitating $1 trillion of "sustainable and transition financing" by 2030.
- The UK national grid operator started a mechanism to pay EV owners to assist with grid balancing, enabling car owners to be paid to help grid congestion by charging during windy periods when the grid would otherwise have to pay wind generators not to produce clean energy.
- BNEF estimates that France's nuclear power generators will have returned to full strength in February, operating at around 83% utilisation, roughly double the lows of August 2022. At that time the absence of output from the French fleet significantly compounded Europe's energy woes during the first year of the Russia/Ukraine war.

Sustainable Industry

- Yara International, Europe's largest fertiliser company, contracted to purchase 100,000 tons annual of green ammonia, fuelled by solar power. The produce is due to be produced in Oman, in a facility currently under construction. Yara has told investors it believes green ammonia has the potential to more than double the size of the ammonia market by 2050, by capturing new applications such as shipping and power generation. It has also structured what it calls its "clean ammonia" activities into a separate reporting segment with a view to enabling an IPO.

Sustainable Transportation

- The EV sector's growing pains remained. In China, the largest EV market, the China Passenger Car Association reported an 83% increase in sales of plug-in hybrids compared to 21% for battery only vehicles (BEVs) in 2023. BYD's expertise in both plug-in hybrids and BEVs is now discussed as a competitive advantage to electric-only players such as Tesla, whom BYD recently overtook as the global #1 in total EV sales. BYD also cut the price of its flagship Qin Plus hybrid by over 10%, to 79,800 RMB. Elsewhere, Mercedes deferred its target of reaching 50% EV penetration from 2025 to the second half of the decade. Ford announced a ~10% price reduction to a leading model, with the price of its Mustang-E declining by $3,000-8,000 depend on the exact variant. Rivian forecast 2024 production would be flat year on year, around 30% below consensus expectations, and announced a workforce reduction of 10%; its shares have halved in 2024, leaving them over 90% below their 2021 IPO price.

- Despite these difficulties, growth very much continues. BYD also announced a range of new models including a 1.68m yuan supercar. Toyota said it would increase its EV investment in the US by $1.3 billion. Volkswagen said it would invest $1.8 billion in Brazil as it transitions both its model lineup and production capacity from ICE to EVs. Vietnamese EV manufacturer VinFast said it would invest $500 million in India for annual EV capacity of 150,000 vehicles. Upstream, Korea's LG Chem and General Motors signed a $19 billion cathode material supply agreement, enough for around 5m EVs. The materials will be primarily used by Ultium, a JV between LG Chem and GM which makes EV batteries. Exxon Mobil said it remained committed to its investment plans in lithium, despite a collapse in spot prices which has seen many pure play lithium producers scale back investments.
- California announced a purchase agreement with Swiss manufacturer, Stadler Rail, to purchase six hydrogen passenger trains, part of Governor Newsom's $10 billion multi-year zero emission vehicle package from 2022.
- China International Marine Containers Group (CIMC), the world's leading shipping container manufacturer, announced that it has begun making hydrogen electrolysers as well as containers, with related revenue reaching ~1 billion yuan in 2023, which it hopes to double by 2025.
- California's Air Resources Board reported that a majority of its diesel consumption last year was renewable. This outcome reflects the state's generous credits from the state's low carbon fuel standard program. The Fund holds a position in Darling Ingredients, which through its joint venture Diamond Green Diesel, is the largest producer of renewable diesel in the US. Darling processes fats and animal waste to produce food products and renewable fuels.

Australia

- Australia's first ever vehicle efficiency standards were published for consultation. The government aims to implement the standards, which would apply only to new vehicles, from the beginning of 2025. The proposals saw pushback from the auto industry and the Liberal Party.
- Australia's National Energy Market reported that electricity prices in Australia had been negative 14% of the time in 2023. In South Australia, the average price at 1pm during the December quarter was negative A$56/MWh. Negative prices serve to bolster the investment case for grid batteries while making the investment case more difficult for new solar facilities and existing fossil fuel powered generators.

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.

riaa Responsible Investment Leader 2023

Nanuk New World Fund

Type: Global Equities
Responsible Entity: Equity Trustees Limited
Total Management Costs: 1.1% p.a.

Distribution frequency: Annually as of 30 June
Currency: AUD
AUM (AUD as at 29 Feb 2024): $814.3m

Product	**Nanuk New World Fund**		**Nanuk New World Fund (Currency Hedged)**
	Unquoted Managed Fund	**ETMF**	**Currency Hedged Unquoted Managed Fund**
APIR / ASX CODE	SLT2171AU	SLT2171AU / NNUK	ELT0535AU
Currency Hedging	Unhedged		Hedged to AUD
Inception	2 November 2015		30 May 2023
Buy/Sell Spread	0.25%	ASX bid-offer spread *	0.25%
Platform Access	AMP North, BT (Asgard, Panorama), CFS (Edge, FirstChoice, FirstWrap), Dash, FNZ, Hub24, Insignia (Expand, Grow Wrap, MLC, Rhythm, Voyage), Macquarie Wrap, Mason Stevens, Netwealth, Powerwrap, Praemium	ASX & platforms that provide access to ASX listed investments	BT (Asgard, Panorama), CFS (Edge, FirstWrap), FNZ, Hub24, Macquarie Wrap, Netwealth, Praemium

** Bids and offers are set by the Fund's market maker based on an indicative net asset value per unit (iNAV)*

Investment Manager

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