

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 4.3% for the month of March, outperforming conventional global equity benchmarks such as the MSCI All Country World and FTSE All World net total return indices by approximately 1.4%. For the first quarter of 2024 the Fund returned 16.0%, outperforming conventional global equities benchmarks by approximately 3.0%.

The strong returns of equities markets in March were more broad-based than in recent months. Notwithstanding, the Fund benefited from strong contributions from technology stocks during the month, notably the semiconductor memory manufacturers who are experiencing a rapid improvement in profitability due to strong demand growth. Notable positive contributions came from a variety of sectors, including renewable energy and healthcare, as 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 (%)	4.3	16.0	25.5	13.8	11.7	13.3	13.0
Global Equities ² (%)	2.9	13.1	26.4	14.5	12.6	12.8	11.2
Value Added (%)	1.4	3.0	(0.9)	(0.8)	(0.9)	0.5	1.8

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 (%)	4.8	12.6	-	-	-	-	23.2
Global Equities Hedged to AUD ² (%)	3.3	9.2	-	-	-	-	21.4
Value Added (%)	1.5	3.4	-	-	-	-	1.8

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



The strong performance of AI related stocks continued during March. AI leader **NVIDIA Corporation's** share price rose 14% as profit expectations continue to rise, reflecting increasing expectations for AI related capital expenditure in coming years.



The Fund's investments in leading memory semiconductor manufacturers **Micron Technology** (+30%); and **Samsung Electronics** (+12%), whose world-leading memory business is its biggest profit driver, also performed strongly after Micron's February-quarter results, where both its earnings and company and industry outlooks were much more positive than expected. Industry supply growth has been heavily constrained following a period of severe overcapacity and significant losses, while demand for solid state memory is surging, especially for High-Bandwidth Memory (HBM) which is used alongside high performance AI processors.



Tandem Diabetes Care, Inc. (+33%) is a medical device company producing a market leading automated insulin delivery system used by diabetes patients as an alternative to self-administered injections. Tandem's shares rose on optimism that its new product initiatives, especially its recently released Mobi insulin pump, will increase the company's market share at significantly improved margins.



Nordex SE (+15%) is a leading European wind turbine manufacturer and a beneficiary of efforts to accelerate renewable energy deployment in Europe. Its share price rose after an encouraging medium-term outlook at its 2023 earnings report. The wind industry has been in a period of significant losses following COVID related supply chain disruptions, but we anticipate will see a significant improvement in profitability as government policy supports demand growth and improvements in industry wide pricing observed over the last 18 months translating to higher margins.



Ciena Technologies (-13%) makes data network equipment and is a global leader in coherent optical transceivers. Its share prices, which had performed strongly in January and February, fell following a below-expectation earnings report, driven by delays in anticipated demand from telecommunication service providers.



Soitec SA (-29%) provides engineered semiconductor wafers. Its shares fell after it lowered its 2025 financial year guidance on weaker than expected revenue from its primary end-market of smartphones. In addition, its Chairman is stepping down.



New Investments



MediaTek Inc is a fabless semiconductor company that provides system on chip (SoC) processors for a wide range of applications. It is a leader in smartphone processors and is likely to benefit from growing demand for more sophisticated processors required for AI applications. The company is expected to benefit from a recovery in the smartphone market as well as growth in its non-smart phone business – in markets such as PCs, edge devices and for cloud providers (MediaTek produces AI processors for Google).



Roper Technologies, Inc. is an industrial software business serving a wide range of industries. It owns a portfolio of 27 operating businesses providing industry specific solutions for areas such as the food and transportation supply chains, analytics and diagnostics software and equipment, and water and industrial metrology products. Roper's financial quality is high, with EBIT margins near 40% and negative working capital. We believe its shares are attractively valued following a period of under-performance. The company continues to grow through acquisition, signing two relatively attractively priced deals in the last two years and is seeking to deliver an increase in its organic growth which will support significant valuation upside if delivered.

Exited Positions and Other Portfolio Changes

During March, the Fund exited its holding in HVAC and building control business Johnson Controls, whose operational execution and profitability have not improved as we had expected. The Fund exited small positions in industrial gas business Linde and technology consultancy Accenture following strong share price performance not accounted for by improvement in its fundamentals. The Fund completed the disposal of mapping technology business TomTom, as discussed in last month's report. The Fund also switched its position in Taiwan Semiconductor Manufacturing Company ('TSMC') from the US-listed ADR to the Taiwan listed shares as the ADR's premium moved above 15%.

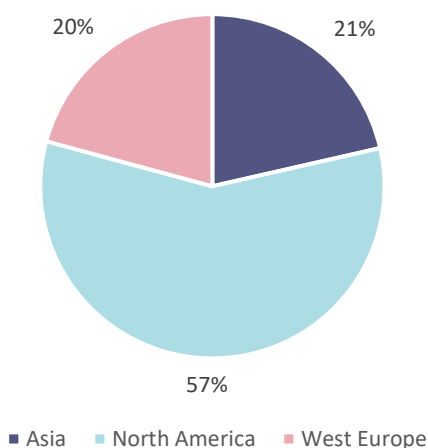
Top 10 Holdings

Security Name	Weight (%)	Country	Sector
Zebra Technologies Corporation Class A	5.0	UNITED STATES	Sustainable & Efficient Industry
Microsoft Corporation	4.8	UNITED STATES	Efficient Businesses and Economies
Taiwan Semiconductor Manufacturing Co., Ltd.	4.8	TAIWAN	Sustainable & Efficient Industry
CDW Corporation	4.4	UNITED STATES	Sustainable & Efficient Industry
Otis Worldwide Corporation	3.7	UNITED STATES	Sustainable Cities and Infrastructure
Dover Corporation	3.6	UNITED STATES	Sustainable & Efficient Industry
Micron Technology, Inc.	3.5	UNITED STATES	Sustainable & Efficient Industry
Valmet Corp	3.2	FINLAND	Sustainable Consumption
Siemens Aktiengesellschaft	3.0	GERMANY	Sustainable & Efficient Industry
Littelfuse, Inc.	2.7	UNITED STATES	Sustainable & Efficient Industry

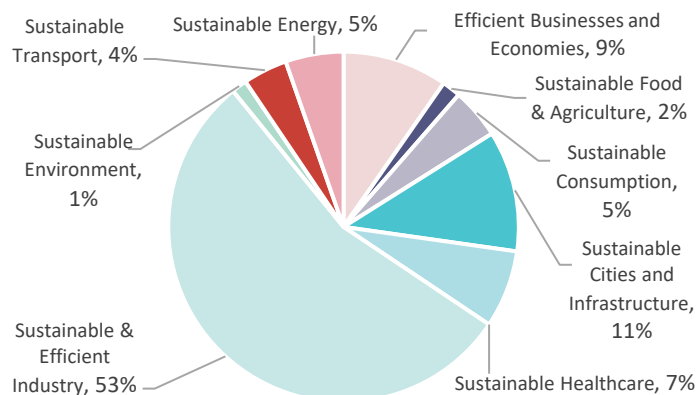


Portfolio Positioning

Regional Weights (%)



Sector Weights (%)



Market Commentary

Global equities markets performed strongly during March, with conventional global equities benchmarks such as the MSCI All Country World and FTSE All World net total return indices up approximately 3.1% in US dollar terms.

Market strength was broad based with little variation in regional returns. The US S&P 500 Index was up 3.1% and the technology focused Nasdaq Composite Index up 2.6%. Europe’s STOXX 50 Index was up 4.2% and Germany’s DAX Index up 4.6%. Returns in Asia were more mixed. Japan’s Nikkei 225 Index was up 3.1%, however Chinese equities underperformed again, with Hong Kong’s Hang Seng Index up only 0.2%. Sector returns showed greater variation and a change from recent months technology led rally, with sectors such as Utilities, Financials and Energy outperforming. These sector moves provided a headwind for environmental equities, with the FTSE Environmental Opportunities All Share Index (EOAS) rising 2.3%. The EOAS index was also negatively impacted by the underperformance of large constituent Tesla, which fell 13% during the month as demand growth for electric vehicles continues to slow.

Notable Industry Developments

Climate Change and Sustainability Policy

- China is tightening its carbon emissions market, pushing prices on its emission allowance market to record highs, albeit still at a modest level of around \$12 per ton.
- Sweden’s climate policy council assessed its government’s climate plan as misleading and inconsistent with both Sweden and EU targets.

Sustainable Energy

- Brazil held an auction for \$3.6 billion of new power transmission lines to connect renewable energy to load centres. The Fund’s investment in leading HV cable manufacturer Prysmian Group is premised, in part, on ongoing demand for new transmission to support increasing electricity demand and integration of distributed and intermittent renewable energy generation.
- Longi Green Energy Technology, the world’s largest Solar manufacturer, said it would reduce around 5% of its workforce, amid an increasingly competitive environment. Bloomberg New Energy Finance estimates excess capacity has continually grown in the sector, despite strong growth in demand. We have been cautious about profit growth in the solar sector and the Fund’s direct exposure to the sector has been very low in recent years and we currently do not hold any solar stocks. Recent share price underperformance has justified this stance and may present selective opportunities going forward, however the low barriers to entry, commoditisation and incessant competition are likely to continue to present challenges for the industry.
- A subsidiary of homeware giant Ikea won Norway’s first auction of fixed-base offshore wind. The park will have capacity of 1.5GW. Norway has previously held auctions for floating offshore wind.



- The UK tripled its annual support to offshore wind in its latest budget, to £800 million, after the country experienced a failed auction for the technology last year.
- The offshore wind industry has faced significant challenges in recent years as higher interest rates reduce project returns and suppliers face higher costs. Notwithstanding this, many regions continue to look to offshore wind as a large source of future electricity supply and the Fund's investments in Siemens Energy, the world's largest manufacturer of offshore wind turbines, and Prysmian – the dominant supplier of subsea cables used in offshore wind farms – stand to benefit from continued development around the world.

Sustainable Industry

- The Biden administration announced \$6 billion of grants for heavy industry. These include the US' first new aluminium smelter since the 1970s, as well as awards for steel, cement, petrochemical and even food production. Industrial leading indicators in the US point to continued strength as inventories decline and manufacturing activity rises – which provides a robust outlook for several of the Fund's investments in companies that will benefit from this strength and the increased investment in domestic manufacturing capacity. Companies such as Roper, above, industrial equipment and component manufacturer Dover Corporation and industrial processor and sensor manufacturer Texas Instruments are expected to experience strong organic growth as a result of these trends and increases in government support such as this announcement.
- Battery supply chain producers were also able to win Government support. The US offered a \$2.26 billion loan to Lithium Americas while Australian producers Arafura Rare Earths and Liontown Resources received more than A\$1 billion for their respective, rare earths and lithium projects.
- Germany held a €4 billion auction for "climate protection contracts", designed to allocate subsidies for cleaning up heavy industry. Its government aims to award €50 billion under the scheme over the next 15 years.
- France will provide €149 million to a clean-hydrogen production project led by startup Lhyfe in Le Havre. The money will go toward construction of a 100-megawatt electrolyzer that will produce hydrogen for a Yara International ASA fertilizer factory in the port city. That output will replace 15% of the natural gas used there, according to a statement from the government, which plans to reduce pollution from 50 of the country's top-emitting industrial sites.
- Hot brick start-up Rondo Energy, which aims to convert renewable electricity into the high temperatures required by industrial processes, unveiled its first commercial deployment supplying steam to an ethanol plant in California. The heat battery is designed to solve two problems at once. It can heat up its bricks in the middle of the day when, in places such as California, so much solar power floods the grid that much of it can't be used. The battery can then supply heat for hours to come, even after solar production starts fading in the afternoon. If widely deployed, the battery could soak up excess renewable power, while decarbonizing factories that can't easily run on electricity alone.

Sustainable Transportation

- Competition remained intense in the EV industry amid slowing demand and increasing inventories.
- Xiaomi, a leading Chinese smartphone manufacturer, invited pre-orders for its electric vehicle, the SU7. Priced at just US\$30,000, the 50,000 units available sold out in 27 minutes. Xiaomi aims to commence deliveries later this month. BYD cut the price of its cheapest model to below \$10,000. In the US, Fisker, a struggling, start-up EV maker, slashed prices by over 35%.
- Hertz, the car rental firm which made significant investments in EVs in recent years, is replacing the CEO who led its EV push. Falling EV prices have been a headwind for Hertz because they lower the resale value of its vehicles.
- Nissan and Honda said they would collaborate on developing EV technology.
- Toyota said it would invest \$2.2 billion to expand capacity for flex-hybrid vehicles in Brazil. These vehicles can run on gasoline, ethanol, and electricity.
- Volvo produced its last automobile with a diesel engine during March. The company still manufactures cars with petrol engines, but plans to sell only EVs by 2030.
- Air travel is seeing an impact from the cost of decarbonisation. Singapore will charge a tax on airfares to pay for sustainable aviation fuel (SAF), while in Europe airlines lost 25% of their previously free emissions allowances. Singapore will initially require a blend of 1% SAF, rising to 3 to 5% by 2030 (depending on certain factors). Fund holding Darling Ingredients aims to produce its first SAF around the end of this year to capitalise on growing demand for the fuel and generous US regulatory credits.

Australia

- Prime Minister Albanese announced Australia's Sunshot programme, providing A\$1 billion to support the development of a domestic solar manufacturing supply chain. As outlined above, the economics of the solar industry are unattractive even in the major global producers and we do not believe a domestic solar manufacturing industry will be economically viable.



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.



Nanuk New World Fund

Type: Global Equities	Distribution frequency: Annually as of 30 June
Responsible Entity: Equity Trustees Limited	Currency: AUD
Total Management Costs: 1.1% p.a.	AUM (AUD as at 31 March 2024): \$861.8m

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

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

This publication is prepared by Nanuk Asset Management Pty Ltd ('Nanuk') (AFS Licence no. 432119) for wholesale clients only. The information contained in this publication is of a general nature only, does not take into account the objectives, financial situation or needs of any particular person and is not to be taken into account as containing any personal investment advice or recommendation. Before making an investment decision, you should consider whether the investment is appropriate in light of those matters. While this publication has been prepared with all reasonable care, no responsibility or liability is accepted for any errors, omissions or misstatements however caused. No warranty is provided as to the accuracy, reliability and completeness of the information in this publication and you rely on this information at your own risk. Any prospective yields or forecasts referred to in this publication constitute estimates which have been calculated by Nanuk's investment team based on Nanuk's investment processes and research. To the extent permitted by law, all liability to any person relying on the information contained in this publication is disclaimed in respect of any loss or damage (including consequential loss or damage) however caused, which may be suffered or arise directly or indirectly in respect of such information. Any past performance information in the publication is not a reliable indicator of future performance. This publication should not be construed as an offer to sell or the solicitation of an offer to buy any financial services or financial products. This document is confidential, is intended only for the person to whom it has been delivered and under no circumstance may a copy be shown, copied, transmitted or otherwise given to any person other than the authorised recipient. Performance results are shown for illustration and discussion purposes only.

Equity Trustees Limited ('EQT') (ABN 46 004 031 298) AFSL 240975 is the Responsible Entity for the **Nanuk New World Fund**. This publication has been prepared to provide you with general information only. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. **We do not express any view about the accuracy or completeness of information that is not prepared by us and no liability is accepted for any errors it may contain.** Past performance should not be taken as an indicator of future performance. In preparing this information, we did not take into account the investment objectives, financial situation or particular needs of any particular person. You should obtain a copy of the product disclosure statement before making a decision about whether to invest in this product. Nanuk New World Fund's Target Market Determinations are available here: <https://swift.zeidlerlegalservices.com/tmds/SLT2171AU> and here <https://swift.zeidlerlegalservices.com/tmds/ELT0535AU>. A Target Market Determination is a document which is required to be made available from 5 October 2021. It describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.

