

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 was down 2.6% in April, outperforming conventional global equity benchmarks such as the MSCI All Country World and FTSE All World net total return indices by approximately 0.2%.

April saw the first monthly decline in global equities benchmarks since October last year. It also saw a reversal of the recent outperformance of some of the better performing sectors, in particular technology companies identified as beneficiaries of AI. Other sectors performed better and the Fund benefitted from the diversified nature of its portfolio, 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 (%)	(2.6)	13.0	20.8	13.1	9.9	11.5	12.5
Global Equities ² (%)	(2.8)	9.9	19.5	14.5	10.5	11.2	10.7
Value Added (%)	0.2	3.1	1.3	(1.4)	(0.6)	0.2	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 (%)	(2.5)	9.8	-	-	-	-	20.1
Global Equities Hedged to AUD ² (%)	(2.8)	6.2	-	-	-	-	18.0
Value Added (%)	0.3	3.6	-	-	-	-	2.1

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



The Fund's exposure to increasing investment in electricity grids and renewable energy generation performed well during the month amid growing awareness that AI adoption at large scale will require significant additional electricity supply. The Fund has exposure to several beneficiaries of increasing investment in electricity generation and infrastructure, including global high voltage cable supplier **Prysmian S.p.A** (+6%), **Siemens Energy AG** (+12%) – a leader in gas and steam turbines, grid technology and offshore wind turbines – and its recently listed US peer **GE Vernova Inc.** (+11%), and onshore wind turbine manufacturer **Nordex SE** (+8%). Nordex reported an anticipated improvement in margins consistent with an improvement in contract pricing achieved in the wind industry over the past two years.



The major detractors from Fund performance during April were holdings in companies with exposure to the rapid development of generative AI and related technology investment. Leading semiconductor automated test equipment supplier **Advantest Corp.** (-30%), which is the sole supplier of testing equipment for NVIDIA's advanced GPUs and semiconductor mask provider **Lasertec Corp.** (-20%) reversed some of their recent gains, as did **Microsoft Corporation.** (-7%). Leading semiconductor fabricator **Taiwan Semiconductor Manufacturing Co., Ltd** ('TSMC') (+0%) outperformed following another strong earnings result and reports that Intel continues to lag TSMC's leadership in advanced processor manufacturing.



Zebra Technologies (+4%) is the global leader in barcode printers and handheld scanners and related inventory management software solutions. The company reported quarterly results that indicated an anticipated improvement in demand following a severe downturn in its end market as customers, such as Amazon, exited the post-COVID period with high inventory levels.



Texas Instruments Incorporated (+1%) designs and manufactures analog and embedded semiconductors with almost three-quarters of its revenue from industrial and automotive markets. The Fund's position was recently significantly increased following a period of weakness in its end markets and share price underperformance. The company reported better than expected quarterly results and guidance implying an anticipated recovery in its end markets.



Otis Worldwide Corporation (-8%) manufactures and services elevators. Its shares fell after weak March quarter results driven by further deterioration in sales of equipment in China, where new construction remains weak.



New Investments



GE Vernova Inc. was spun out of General Electric during April. GE Vernova is the previous power and electrification businesses of GE, and includes globally leading businesses in gas generation, steam turbines, hydroelectricity, nuclear technology and both onshore and offshore wind turbines as well as electrical grid software and equipment. These divisions have reported poor profitability in recent years, but we expect a significant improvement in profitability as electricity demand growth and decarbonisation efforts drive improving demand for all its key businesses while management's cost cutting should also bear fruit.



Simplo Technology Co. Ltd. provides lithium-ion battery modules for applications including laptop computers, stationary energy storage systems (ESS), EV starter batteries, and e-bikes. The company is expected to grow in coming years due to ongoing structural growth in ESS, EVs, and e-bikes, and a likely replacement cycle in laptops as AI-capable machines become available.



SalMar ASA is a leading salmon farming company in Norway. Salmon farming uses less land and water resources and produces significantly lower emissions than other sources of animal protein. We believe Salmar will benefit from ongoing growth in demand for healthier and more sustainable protein while geographic and regulatory constraints on growth in supply combine to lead to improved pricing.

Exited Positions and Other Portfolio Changes

The Fund's position in solid state memory semiconductor manufacturer Micron Technology was reduced following very strong share price performance. A small position in technology consultancy Cognizant Technology Solutions was exited due to the company's ongoing failure to achieve anticipated growth amid ongoing challenges for the industry which now include disruption from AI.

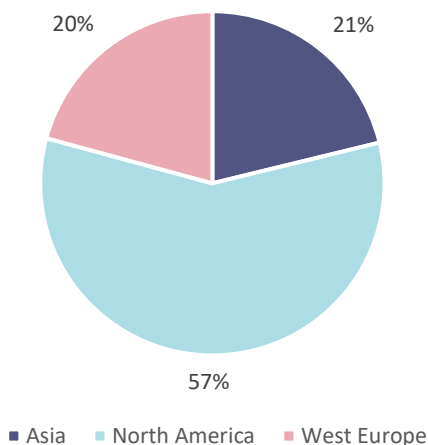
Top 10 Holdings

Security Name	Weight (%)	Country	Sector
Zebra Technologies Corporation Class A	5.3	UNITED STATES	Sustainable & Efficient Industry
Taiwan Semiconductor Manufacturing Co., Ltd.	4.8	TAIWAN	Sustainable & Efficient Industry
Texas Instruments Incorporated	4.7	UNITED STATES	Sustainable & Efficient Industry
Microsoft Corporation	4.6	UNITED STATES	Efficient Businesses and Economies
Otis Worldwide Corporation	3.9	UNITED STATES	Sustainable Cities and Infrastructure
CDW Corporation	3.7	UNITED STATES	Sustainable & Efficient Industry
Dover Corporation	3.5	UNITED STATES	Sustainable & Efficient Industry
Siemens Aktiengesellschaft	2.9	GERMANY	Sustainable & Efficient Industry
Littelfuse, Inc.	2.7	UNITED STATES	Sustainable & Efficient Industry
Valmet Corp	2.7	FINLAND	Sustainable Consumption

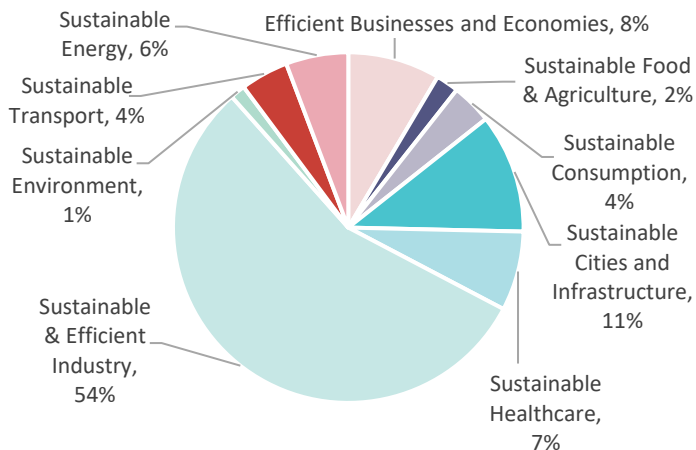


Portfolio Positioning

Regional Weights (%)



Sector Weights (%)



Market Commentary

Major global equities markets fell during April, with conventional global benchmarks such as the MSCI All Country World and FTSE All World net total return indices down approximately 3.3% in US dollar terms. Markets had risen significantly since October last year, and markets that had lagged during this period fared better in April, with the UK FTSE 100 index rising, Hong Kong’s Hang Seng index up 7.4%. Chinese equities markets also rose. The US S&P 500 index, however, was down 4.1% and the technology focused Nasdaq Composite Index fell 4.4% and Europe’s Stoxx 50 index fell 3.1%. These moves occurred in conjunction with a rise of around 50bp in US 10-year treasury yields.

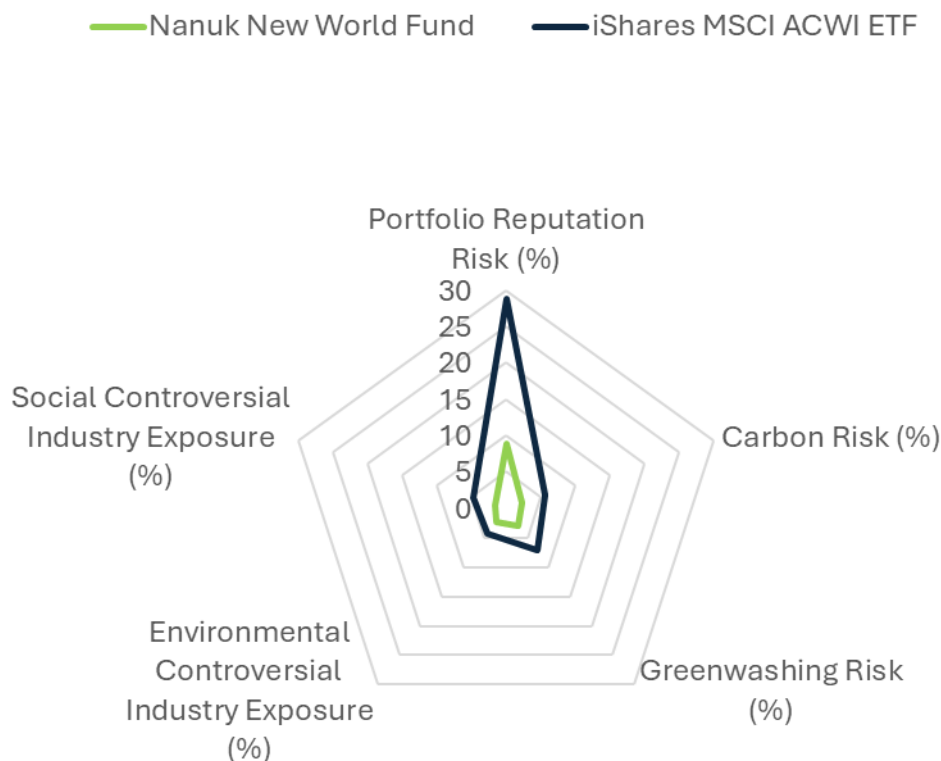
Responsible Investment

The Fund’s eligible investment universe is identified using both positive screening (for exposure to selected industries and technologies) and negative screening (that seeks to reduce or avoid exposure to activities that are deemed by Nanuk to be misaligned with improving global environmental sustainability, certain controversial activities and severe violations of norms for responsible business practices). The applicable materiality thresholds vary from 0% to 30% of revenue depending on the nature and severity of the relevant activities. 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 selection of investments from this universe is likely to result in a portfolio that demonstrates greater alignment with global sustainability outcomes, lower levels of exposure to companies involved in producing or using fossil fuels and lower levels of exposure to controversial activities (such as tobacco production and gambling operations) than conventional passive global equities portfolios.

Nanuk uses third-party data from independent providers, such as Sustainable Platform, to analyse this alignment and to illustrate the characteristics of the Fund’s portfolio. The diagram below compares statistics for the Nanuk New World Fund with the holdings of the iShares MSCI ACWI ETF as at 28/03/2024.





Source: Sustainable Platform, Nanuk. As of 28th March 2024. This analysis compares the holdings of Nanuk New World Fund against the holdings of iShares MSCI ACWI ETF. Further details available at <https://www.sustainableplatform.com/docs/metrics>. Portfolio Reputation Risk is a measure of a company’s risk of being involved in a controversy, determined through its exposure to Controversial Industries, Fines and other social metrics. Environmental Controversial Industry Exposure is the sum of Controversial Industry exposure that risks the wellbeing of the environment. i.e. defence, deforestation, fossil fuels, GM, nuclear. Social Controversial Industry Exposure is the sum of Controversial Industry exposure that has been known to negatively impact society or the health of people. i.e. adult industries, alcohol, defence, fossil fuels, gambling, nuclear, opioids and tobacco. Greenwashing Risk represents the company’s exposure to controversial industries related to the environment and takes into account any environmental fines against the company. Carbon Risk is a single metric used as a proxy for combined Scope 1, 2 & 3 reporting. It is calculated from fossil fuel exposure within a portfolio as a proportion of company revenue.

Notable Industry Developments

Climate Change and Climate Change Policy

- With the world’s attention focused on other issues, climate change has slipped from the headlines in recent months. But the news is not good. Record emissions and temperature increases continue and government support has waned in the face of other political pressures.
- April 2024 was the hottest on record, making it the eleventh consecutive month of record global surface temperatures. The average temperature over the last 12 months now sits at 1.49 degrees above pre-industrial levels. With CO2 concentrations at record levels and emissions not meaningfully reduced, it highlights the futility of the Paris Agreement’s ambition to limit global warming to 1.5 degrees.
- Policy makers are not rising to the challenge. Bloomberg New Energy finance (BNEF) released its annual ranking of the G20’s climate change policies. The EU, US, UK, and Japan all saw their scores decrease from 2023, while remaining at the top of the rankings. Australia was notable for a significant increase in its ranking but remains in the middle of the pack.
- The European Court of Human Rights (ECHR) held in favour of a claim, brought by four individuals and a senior-citizens’ association, that Switzerland had failed to protect its citizens from climate change. The ruling requires governments to set and comply with rigorous science-based pathways to Net Zero but does not prescribe remedies and leaves implementation to domestic courts and legislators.
- Days after the ECHR ruling, Scotland’s government said a goal to reduce carbon emissions by 75% by 2030 is not achievable and will cease to be a statutory target, after years of missing interim targets and failing in 2023 to produce a plan to deliver



the 2030 target. The Scottish government said it remains committed to Net Zero by 2045 but will propose new legislation to deliver it.

- Jamie Dimon, CEO of the US' largest bank, JP Morgan, criticised the Biden administration's recent suspension of awards of new export licenses for liquified natural gas. Biden suspended the awards on climate change grounds, however Dimon highlighted the move could be counter-productive if it leads to increased coal generation, as occurred in 2022 after Russia's invasion of Ukraine reduced Russian gas exports. Dimon also noted the geopolitical risk of ceding control of energy supplies to countries such as Russia.
- TotalEnergies' CEO said governments have a responsibility "to work seriously now on adaptation". Total is a leading producer of both oil and gas and renewable energy, investing \$5 billion annually in renewables and low-carbon fuels.
- As an example of adaptation, Greece announced it would spend €2b upgrading its firefighting capability.

Sustainable Energy

- Europe experienced elevated power market volatility during April. France, Germany, and the UK all experienced negative spot power prices as a result of surplus electricity supply from wind and solar generation. Spain's wholesale electricity price dropped to under €1/MWh, and Poland ordered renewable generators to curtail output amid strong supplies. This was followed, in Germany's case, by prices spiking to a five-month high. Increasing proportions of intermittent generation increase volatility in energy supply. This can be addressed through dispatchable generation from sources such as hydroelectricity and gas generation, transmission lines that can move power between electricity markets, energy storage, and demand response. The Fund has investments in several companies that are likely to benefit from increased investment in these areas, including Prysmian, Siemens Energy and GE Vernova.
- Nuclear generation is experiencing renewed interest as it offers baseload, emission free power. Tokyo Electric Power (TEPCO) continued its efforts to restart its Kashiwazaki-Kariwa plant, the world's largest nuclear facility, for the first time since the Fukushima disaster in 2011. Several safety checks remain to be completed, as does approval for a restart from the Governor of the prefecture in which the plant is located. In the US, the Department of Energy announced a \$1.5b loan to help reopen the Palisades nuclear plant in Michigan, while the CEO of Pacific Gas & Electric advocated for a further extension to the operating life of California's last operating nuclear generator, at Diablo Canyon.
- The US Environmental Protection Agency (EPA) issued a final carbon pollution standard for power plants. It requires coal-fired and baseload gas-fired plants to fit carbon capture technologies. The EPA projects this rule means 2035 power-sector remissions will be 62% below 2022 levels, with CO2 emission reductions of almost 70 million tons annually. Meanwhile the US Department of Energy announced a rule banning fossil fuels from new federal buildings. This rule is forecast to save just under 100,000 tons of CO2 annually. The Department for Housing and Urban Development (HUD) announced a periodic tightening to energy efficiency standards for housing funded with federal money, as required under a 2007 law. It estimates 150,000 new housing units annually will be impacted.
- A meeting in Turin of G7 countries put a timeline on a commitment made at the COP28 summit with energy and climate ministers reaching agreement to phase out coal power by 2035 where the emissions have not been captured.

Sustainable Industry

- As copper prices crossed \$10,000/t, researcher CRU said there was a 'clear and compelling need for additional mine capacity'. Increasing demand for electricity, substitution of fossil fuels and declining supply from ageing mines has led CRU to estimate as much as \$150 billion must be invested by 2032 to meet demand.
- General Mills saw a shareholder resolution require it to set goals for and report on reduction of plastic waste.
- Fortescue Energy said it had opened a hydrogen electrolyser facility in Queensland with a capacity goal of 2GW annually. BNEF analysis indicates the global electrolyser market is currently severely oversupplied, with capacity an order of magnitude higher than shipments.
- Sweden's SSAB said it would spend €4.5 billion on a green Steel facility with capacity of 2.5 million tons annually. Production is set to commence in 2028. The plant aims to remove 7% of Sweden's CO2 emissions.
- The US government announced grants for both TSMC and Samsung Electronics under the CHIPS Act for each company's leading edge semiconductor factories, presently under construction in Arizona and Texas, respectively. The grants are likely to be in excess of US\$6 billion each with TSMC also expecting to receive a loan of \$5 billion. The Fund holds investments in both TSMC and Samsung Electronics along with several semiconductor capital equipment providers that are likely to benefit from the construction and commissioning of these plants.

Sustainable Transportation

- Chinese EV battery leader CATL announced a further breakthrough in its battery technology at the Auto China show in Beijing. Its new Shenxing Plus LFP (lithium iron phosphate) battery offers 600km of range on a 10 minute charge or 1,000km on a full charge, up from 400 and 700km respectively for the original Shenxing battery, introduced last August and used in 50 EV models.



- Honda said it would build an \$11 billion EV supply chain in Canada including both vehicle and battery capacity. Production is set to commence in 2028.
- Tesla spent even more time than usual in the headlines during April. The company followed up weak March-quarter earnings with a 10% global workforce reduction as well as the departure of one its four named executive officers, Senior Vice President of Powertrain and Energy Drew Baglino. It then recalled almost 3,900 Cybertrucks, its latest model, due to a problem with accelerator pedals. The US' National Highway Transportation Safety Agency (NHTSA) announced an extension of its investigation into Tesla's Autopilot system. Notwithstanding, Tesla received approval in principal to sell its driver-assistance system in China, based on a deal with China's Baidu for mapping and navigation.
- Tesla was not alone in facing challenges. Ford's driver assistance systems also faced investigation by the NHTSA, after two fatal crashes involving vehicles using its BlueCruise technology. Ford also delayed the launch of its electric SUV from 2025 to 2027 due to weaker than anticipated demand. GM's Cruise had more welcome news as it resumed robotaxi testing after grounding its fleet following clashes with regulators over its handling of an accident late in 2023.
- The Biden administration authorized summer sales of E15 gasoline, which has a 15% ethanol content. The authorisation was made under emergency powers, citing conflicts in Ukraine and the Middle East.
- Hyundai Heavy, the world's largest shipbuilder, prepared to list Hyundai Marine Solution, a specialist in ship repair and management that is benefitting from demand to retrofit ships to sustainable fuel. Hyundai Marine's revenue reached 1.4 trillion won in 2023, up from 240 billion in 2017, and the company forecast it will double again by 2028.
- The UK imposed a ten percent sustainable aviation fuel target on all jet fuel for flights taking off from the UK from 2030.



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

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Responsible Entity: Equity Trustees Limited	Currency: AUD
Total Management Costs: 1.1% p.a.	AUM (AUD as at 30 April 2024): \$837.4m

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

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