

# 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 1.7% in November, underperforming conventional global equity benchmarks, such as the MSCI All Country World Net Total Return Index, which returned 4.3% in Australian dollar terms.

In November, US equity indices experienced a significant rise following the re-election of Donald Trump, outperforming other regions. While prospective policy implications influenced certain sectors, the Fund's underperformance was primarily due to its underweight position in US equities and stock-specific factors. Details of the major contributors and detractors is provided below.

The Fund's currency hedged unit class rose 1.6%, as the Australian dollar was relatively stable in aggregate, falling against the US dollar, but rising against other currencies.

### Class A – Unhedged Units

	1 Month	YTD	1 Year	2 Years p.a.	3 Years p.a.	5 Years p.a.	SI p.a. <sup>1</sup>
<b>Fund Return (%)</b>	<b>1.7</b>	<b>24.0</b>	<b>29.7</b>	<b>20.1</b>	<b>8.2</b>	<b>11.3</b>	<b>12.8</b>
Global Equities <sup>2</sup> (%)	4.3	26.0	28.4	20.5	10.8	12.2	11.5
Value Added (%)	(2.7)	(2.1)	1.3	(0.4)	(2.5)	(0.9)	1.3

Notes (1) Inception date 2 November 2015 (2) Fund returns are compared above to the MSCI ACWI Net in AUD (Total Return) index, being representative of conventional global equities indices. Nanuk entered a license agreement with MSCI in October 2024. Prior to this date the Fund returns were compared to the average return of two comparable conventional global equities indices. Differences are minor. A comparison can be provided on request. **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. <sup>1</sup>
<b>Fund Return (%)</b>	<b>1.6</b>	<b>20.1</b>	<b>28.2</b>	-	-	-	<b>18.8</b>
Global Equities Hedged to AUD <sup>2</sup> (%)	4.1	21.6	26.3	-	-	-	20.5
Value Added (%)	(2.5)	(1.5)	1.9	-	-	-	(1.7)

Notes (1) Inception date 30 May 2023. Fund returns are compared above to the MSCI ACWI 100% hedged to Net AUD (Daily) index, being representative of conventional global equities indices hedged to Australian dollars. Nanuk entered a license agreement with MSCI in October 2024. Prior to this date the Fund returns were compared to the average return of two comparable conventional global equities indices hedged to Australian dollars. Differences are minor. A comparison can be provided on request. **Past performance is not indicative of future performance.**



## Key Contributors to Fund Performance



**Fortinet, Inc.** (+21%) is a provider of network security solutions. During the month the company reported strong revenue growth and record margins for the September quarter.



**Global Payments Inc.** (+15%) provides software and payment processing solutions for a range of different industries. The company released solid results at the end of October and also announced the disposal of one of their businesses at a favourable price. Fintech stocks performed well following the US election outcome on expectations of increased spending and lower corporate taxes, also benefiting Global Payments.



**Rockwell Automation Inc.** (+11%) is one of the leading industrial automation companies globally, with a strong position in the US market. Rockwell's results, released during November, somewhat disappointed the market, but its share price rallied as the company was perceived to be a likely beneficiary of increasing spending in the onshoring of US manufacturing in response to the threat of increased tariffs in the US.



**GE Vernova Inc.** (+11%), **Siemens Energy AG** (+32%), and infrastructure contractor **MasTec, Inc.** (+17%), all beneficiaries of increasing investment in electricity generation and transmission, continued to outperform during the month. Siemens Energy's management team significantly upgraded the company's long-term financial targets when it released full year results in the month. Growing volumes and strong pricing power position the company well to grow profits in the medium-term.



Leading Asian semiconductor manufacturers **Taiwan Semiconductor Manufacturing Co. Ltd** (TSMC, -5%) (TSMC) and **Samsung Electronics Co. Ltd** (-9%) both underperformed. TSMC has benefitted significantly from demand for high performance processors, notably as the manufacturer of NVIDIA's GPUs. (NVIDIA is also a holding of the Fund). Trump's strong anti-China stance creates increased geopolitical uncertainty for TSMC. Samsung Electronics, whose largest business is manufacturing memory semiconductors, has failed so far to gain approval from NVIDIA for use of its latest generation HBM3 high bandwidth memory chips, ceding share to its competitors.



European wind turbine manufacturers **Nordex SE** (-11%) and **Vestas Wind Systems A/S** (-17%) and leading supplier of subsea HV power cables **Prysmian S.p.A.** (-6%) underperformed following the US elections. Trump has indicated his intent to stop development of offshore wind farms and is expected to make cuts to the Inflation Reduction Act that provides tax benefits to onshore wind developments, although it remains uncertain if and to what extent this will be enacted given the related investment occurring in Republican states. We anticipate that, irrespective of US policy changes, Nordex and Vestas will deliver improving profit margins due to significant increases in turbine pricing evidenced in recent years.





European companies **Kingspan Group Plc** (-14%), **Melexis NV** (-8%) and **ANDRITZ AG** (-7%) all evidenced weaker than expected growth in their major end markets – respectively European construction, automotive sensors and control units and pulp and paper capital equipment. We anticipate recoveries in these markets in 2025 and beyond.



**CDW Corporation** (-6%) provides “value added reselling” of IT products and services. The company’s shares continued to underperform after a weaker than anticipated quarterly result in October. We believe it is likely that corporate IT spending will improve amongst its US SME customer base following the election.

## New Investments

There were no new holdings within the Fund during November.

## Exited Positions and Other Portfolio Changes

The Fund did not exit any positions during November. The Fund increased its holdings in Agilent, Rockwell Automation and Vestas Wind Systems. Vestas was a new holding in October and the position was increased when the share price fell after the US election. Positions in Siemens, Revvity, Texas Instruments and Littelfuse were all reduced.

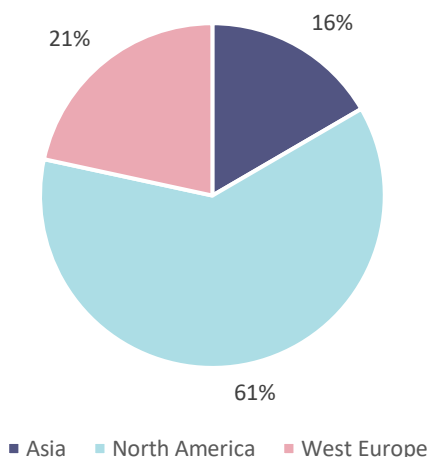
## Top 10 Holdings

Security Name	Weight (%)	Country	Sector
Microsoft Corporation	4.9	UNITED STATES	Efficient Businesses and Economies
CDW Corporation	4.5	UNITED STATES	Efficient Businesses and Economies
Taiwan Semiconductor Manufacturing Co., Ltd.	4.4	TAIWAN	Sustainable & Efficient Industry
Otis Worldwide Corporation	4.0	UNITED STATES	Sustainable Cities and Infrastructure
Rockwell Automation, Inc.	3.9	UNITED STATES	Sustainable & Efficient Industry
Agilent Technologies, Inc.	3.2	UNITED STATES	Sustainable Healthcare
NVIDIA Corporation	3.1	UNITED STATES	Sustainable & Efficient Industry
Zebra Technologies Corporation Class A	3.1	UNITED STATES	Sustainable & Efficient Industry
Bureau Veritas SA	3.1	FRANCE	Sustainable & Efficient Industry
Littelfuse, Inc.	2.7	UNITED STATES	Sustainable & Efficient Industry

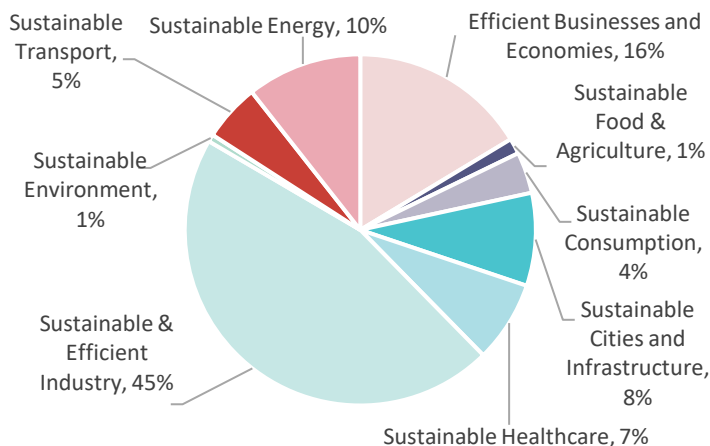


## Portfolio Positioning

Regional Weights (%)



Sector Weights (%)



## Market Commentary

The US elections were the key market driver in November. Donald Trump’s re-election was viewed to be bullish for US equities and problematic for much of the rest of the World. Global equities benchmarks rose with the MSCI All Country World Index up 3.6%, with all the gain accounted for by the performance of US equities.

President-elect Trump’s “America First” agenda, in general, and likely policies of corporate tax cuts, tariffs and de-regulation were all expected to have a positive impact on the outlook for US corporations and profits, driving equity returns. Significant outperformers included Tesla and the Financials sector, while clean energy companies underperformed on concerns that Trump will reduce support and step away from environmental commitments.

The US S&P500 Index rose 5.7%, with the smaller capitalisation focused Russell 2000 up 10.8%. The technology focused Nasdaq Composite index rose 6.2%. In contrast, Europe’s STOXX 50 Index was down 0.5%, Hong Kong’s Hang Seng Index declined 4.4% and Japan’s Nikkei 225 Index fell 2.2%. In US dollar terms the differences were even more significant as the Euro and Japanese Yen weakened against the US dollar by 2.8% and 1.5% respectively.

## Notable Industry Developments

### Climate Change and Sustainability policy

- A tumultuous UN climate summit (COP29) concluded in Baku. Delegates agreed a new goal of tripling the funding available to \$300bn, by 2025, for developing countries to cut emissions and tackle the impacts of climate change and agreed to work towards unleashing \$1.3 trillion of financing, with most of it expected to come from private financing. There was no further detail on how to further “the transition away from fossil fuels” which was one of the stated goals after last year’s COP28. COP30 will be held in Belem, Brazil, in the Amazon jungle, a stark contrast to the petro-State location for the last two meetings.
- The results of the US election were widely viewed as a setback for climate policy in the country. President elect Trump has been critical of the Inflation Reduction Act (IRA) and particularly disparaging of offshore wind projects. However, many of the projects that benefit from the IRA’s tax credits are in “red” electorates and have won significant support from elected Republicans, suggesting that the outcome is likely to be much less than a total repeal of the Act.
- Australia’s Climate Minister, Chris Bowen, announced an upgrade to the emissions reduction that the nation expects to deliver. Emissions are now targeted to be 42.6% below 2005 levels by 2030, far lower than the 32% reduction anticipated two years ago.



### Sustainable Energy

- China started generating power from a 1GW offshore solar project in the eastern province of Shandong. The project sits 8 km off the coast and covers 1,223 hectares. It uses 2,934 solar platforms that rest on large-scale offshore steel truss foundations, each platform measuring 60m by 35m. The industrial hub south of Beijing, plans to add more than 11 GW of offshore solar by 2025, with a goal of building 42 GW of capacity.
- Even before President Trump comes into office the US Commerce Department announced additional duties, of up to 271%, on solar panel cells and modules from Cambodia, Malaysia, Thailand and Vietnam, nations that provide most of the US' imports today. Restrictions on Chinese exports of panels were put in place 12 years ago, but many Chinese companies subsequently moved some of their manufacturing to other countries in South-East Asia, now captured by these tariffs.
- The resurgence of interest in nuclear power in response to electricity demand from data centres suffered a setback with the US Federal Energy Regulatory Commission (FERC) denying Amazon and Talen Energy's goal of connecting the former company's data centre to the latter's nuclear plant "behind the meter" (i.e. bypassing the electricity market and normal grid charges). FERC raised concerns about how the loss of supply would impact power bills and reliability for other system users. The message to power hungry hyperscalers is that they will have to invest in new electricity generation capacity, a dynamic that should benefit Fund holdings such as GE Vernova, Siemens Energy and Vestas Wind Systems.
- Russia announced a limit on exports of enriched uranium to the US, creating potential supply risks to reactors that generate almost a fifth of the country's electricity. Last year Russia supplied more than a quarter of the US' enriched uranium.
- Adani Group was accused by US federal prosecutors of offering more than \$250 million in bribes to Indian government officials in exchange for solar energy contracts for Adani Green Energy Ltd.
- The UK announced a package of measures to support the installation of heat pumps, easing permitting and offering grants of up to £7,500 for people to replace their gas boilers.

### Sustainable Industry

- South Korea's ambition to power the country with clean hydrogen suffered a setback with only one party bidding at a price under the auction's price cap and for only 12% of the targeted volumes.
- European steel producer Thyssenkrupp announced the closure of two blast furnaces and the shedding of 5,000 jobs. Production from the closed blast furnaces will be replaced by a direct reduction iron plant, a significantly less carbon emission intensive method of producing steel.

### Sustainable Transportation

- China's BYD, the global leader in electric vehicles, launched its first plug-in hybrid ute in Australia, the Shark 6. The Shark's 30kWh battery can be charged from a power socket but a 1.5 litre petrol engine is used to charge the battery when the charge runs low, promising 800km of range.
- European battery pioneer, Northvolt, filed for bankruptcy in a hit to the region's local manufacturing goals. The company had large contracts with European car and truck manufacturers but despite being well funded has struggled to cost effectively produce batteries to satisfy customers.
- Rivian Automotive Inc. won preliminary approval for a \$6.6 billion federal loan that would support the construction of an electric-vehicle factory the company put off building earlier this year to save money. The loan will come from the US Energy Department's Advanced Technology Vehicle Manufacturing program. It is one of several grant and lending commitments awarded in recent months by the Biden government. \$4.9 billion of conditional loan guarantees were offered for a high-voltage power transmission line project from Kansas to Missouri. Rivian also raised more money from VW who boosted its investment in the company by \$800 million.
- The California Air Resources Board updated its targets to reduce the carbon intensity of California's transportation fuel pool by 30% by 2030 and by 90% by 2045. The previous target had been 20% by 2030. The more stringent targets aim to increase the price of regulatory credits to support the producers of fuels such as renewable diesel and sustainable aviation fuel. The credits are an important source of revenue for producers such as Diamond Green Diesel, a joint venture between Valero and Fund holding Darling Ingredients.



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.



**SUSTAINABLE PLUS**  
— CERTIFIED BY RIAA —

### 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 30 November 2024): \$879.2m

Product	Nanuk New World Fund (Managed Fund)		Nanuk New World Fund (Currency Hedged) Active ETF	
	Unquoted Managed Fund	ETF	Currency Hedged Unquoted Mgd Fund	ETF
APIR / ASX CODE	SLT2171AU	SLT2171AU / NNUK	ETL0535AU	ETL0535AU / NNWH
Currency Hedging	Unhedged		Hedged to AUD	
Inception	2 November 2015		30 May 2023	
Buy/Sell Spread	0.25%	ASX bid-offer spread *	0.25%	ASX bid-offer spread *
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	ASX & platforms that provide access to ASX listed investments

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

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