

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 -2.3% in February, underperforming conventional global equities benchmarks, such as the MSCI All Country World Net Total Return Index, which returned -0.3% in Australian dollar terms.

The decline in global equity indices was led by weakness in US markets while European and Hong Kong markets performed strongly. Larger capitalisation US technology stocks, exemplified by the Magnificent 7, performed poorly in February, however, so too did smaller capitalisation companies. The Fund's underperformance was primarily due to stock specific returns notwithstanding strong contributions from industrial holdings in Europe, 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 (%)	(2.3)	1.4	15.3	20.4	11.5	11.9	12.9
Global Equities ² (%)	(0.3)	2.3	20.5	24.0	14.9	13.6	11.8
Value Added (%)	(2.0)	(0.9)	(5.2)	(3.6)	(3.4)	(1.7)	1.1

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. ¹
Fund Return (%)	(2.8)	1.4	10.9	-	-	-	15.6
Global Equities Hedged to AUD ² (%)	(0.8)	2.5	15.7	-	-	-	18.0
Value Added (%)	(2.0)	(1.0)	(4.8)	-	-	-	(2.4)

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



Several of the Fund's European industrial holdings performed strongly in February, continuing a resurgence in the region which began in January after under-performance in 2024. Wind turbine manufacturers **Nordex SE** (+17%) and **Vestas Wind Systems A/S** (+3%) both performed strongly as did building products companies **Kingspan Group Plc** (+18%) and **Compagnie de Saint-Gobain SA** (+7%). **Siemens AG** (+9%), **Infineon Technologies AG** (+12%) and **SGS SA** (+5%) all rose after they reported results which led to rising earnings estimates. **Prysmian S.p.A.** (-15%), an Italian cable manufacturer, however, saw its share price fall after a slightly disappointing earnings release.



Shares of **Agilent Technologies, Inc.** (-15%) declined during the month. The life sciences and industrial tools manufacturer was one of the Fund's top contributors in January, but weak results from peers led to share price declines in the sector. Agilent reported during the month and its recent financial performance beat expectations. Annual guidance was unchanged however Q2 guidance was below consensus. As with CDW (below), the government is an important participant in the sector both as a direct funder and particularly as a supporter of early stage research, placing Agilent at risk of both funding cuts and policy changes from incoming HHS Secretary RFK Jr.



CDW Corporation (-10%) a US value-added reseller of IT hardware, software and services released FY 2024 earnings which were ahead of market expectations, however, with a material proportion of its revenue from the US public sector the company at risk of the Trump administration's efforts to reduce government spending.



Management of **Taiwan Semiconductor Manufacturing Co Ltd** (-9%) was reported to be in discussions with Intel (not a Fund holding) and the US government, amongst others, about the company potentially partnering, in some fashion, in the management of Intel's struggling foundry operations. Any potential deal would be a complex one, involving the two respective governments. Intel, TSMC and Samsung Electronics (also a Fund holding) are the only three companies with leading-edge semiconductor foundry operations

New Investments

The Fund did not make any new investments during the month.

Exited Positions and Other Portfolio Changes

The Fund exited its holding in Japanese industrial and automotive semiconductor leaders Renesas Electronics Corporation following a short term recovery in its share price.

The Fund's holdings in optical semiconductor specialist Hamamatsu Photonics was substantially reduced as the company's management has focused heavily on strategic investment at the expense of profitability. The Fund's holding in Zebra Technologies was also reduced following a period of outperformance while the holdings in Kingspan Group Plc, SK Hynix Inc, Microsoft Corporation and Corpay Inc were increased.

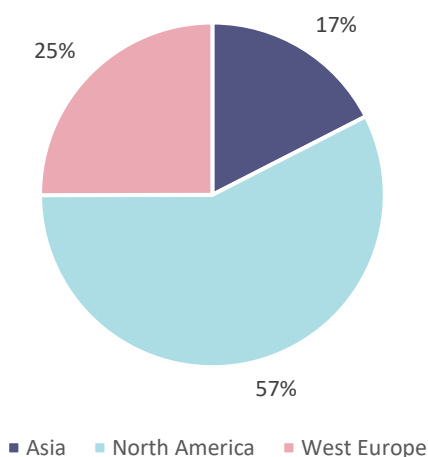


Top 10 Holdings

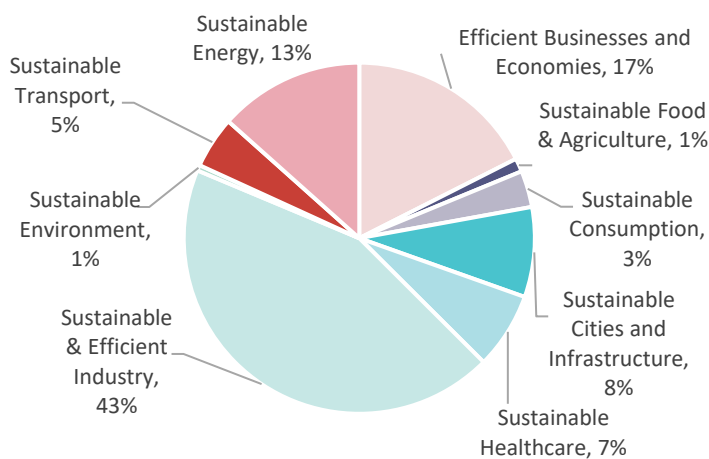
Security Name	Weight (%)	Country	Sector
Microsoft Corporation	5.0	UNITED STATES	Efficient Businesses and Economies
CDW Corporation	4.6	UNITED STATES	Efficient Businesses and Economies
Taiwan Semiconductor Manufacturing Co., Ltd.	4.6	TAIWAN	Sustainable & Efficient Industry
Rockwell Automation, Inc.	4.3	UNITED STATES	Sustainable & Efficient Industry
Vestas Wind Systems A/S	4.3	DENMARK	Sustainable Energy
NVIDIA Corporation	3.5	UNITED STATES	Sustainable & Efficient Industry
Otis Worldwide Corporation	3.5	UNITED STATES	Sustainable Cities and Infrastructure
Agilent Technologies, Inc.	2.8	UNITED STATES	Sustainable Healthcare
Bureau Veritas SA	2.7	FRANCE	Sustainable & Efficient Industry
KLA Corporation	2.6	UNITED STATES	Sustainable & Efficient Industry

Portfolio Positioning

Regional Weights (%)



Sector Weights (%)



Market Commentary

Global equities benchmarks declined in February with the MSCI All Country World Index losing 0.7% in US Dollar terms. European share markets performed strongly with the Euro STOXX 50 Index rising 3.3%.

US equities declined by 1.4% during the month as measured by the S&P 500 index with the declines led by the Magnificent 7, with an average decline of 8%. However, the smaller capitalisation focused Russell 2000 Index also underperformed, declining by 5.4% in February. Hong Kong’s Hang Seng Index appreciated significantly, rising 13.4%, buoyed by President Xi’s embrace of leading Chinese technology entrepreneurs at a symposium in Beijing urging the businessmen to “show their talent”. Japan’s Nikkei 225 Index fell 6.1% in local currency terms, although the decline was partly offset by a 3% rise in the Japanese yen against the US dollar. The Australian dollar, Euro and US dollar were broadly stable against one another.



Notable Industry Developments

Climate Change and Sustainability policy

- The European Commission (EC) presented an Affordable Energy Action Plan targeting a 90% reduction in greenhouse gas emissions by 2040 and providing fresh financial commitments. The EC aims to lower power bills for households and corporations using tools such as power purchase agreements and contracts for difference (CfD) to make clean energy generation more attractive and to reduce the linkage between electricity prices and volatile fossil fuels. A new €100bn Industrial Decarbonisation Bank, partly funded from carbon markets is a key component of the plan.
- The 16th United Nations Biodiversity Conference (COP16) concluded in Rome. Countries agreed on a plan to mobilize \$200 billion annually by 2030 to protect biodiversity. This includes raising \$20 billion per year for conservation efforts in developing nations by 2025, increasing to \$30 billion annually by 2030. A new fund (the Cali Fund) was created to facilitate contributions from industries benefiting from biodiversity, such as pharmaceuticals and agribusiness, however, no companies had yet contributed to the fund.
- The UK's Climate Change Committee estimates net-zero by 2050 could cost just 0.2% of GDP due to cheaper renewable technology. The UK needs £26 billion in annual investments but will save £22 billion in operating costs. By 2040, plans include a six-fold increase in offshore wind, widespread EV adoption, and heat pumps in half of UK homes, with industry shifting to electric heat.
- Stepping back from its sustainability commitments, HSBC's new Chief Sustainability Officer, Julian Wentzel, is pushing for a softer approach toward high-carbon intensity industries, arguing that banks should stop penalizing clients with large carbon footprints. He suggests that restricting fossil fuel financing could jeopardize energy security, downplaying the urgency of phasing out carbon-heavy industries. HSBC's CEO said that the bank has to pull back because their clients are.
- The journal Nature published a study on the loss of ice in glaciers in the Alps and Pyrenees which has reached 40% since 2000. Across the globe the loss is at a lower rate but sums to the equivalent of three Olympic swimming pools each second

Sustainable Energy

- China is to let market forces determine the power price received by new wind and solar projects from 1 June this year, in a shift likely to slow the rollout of renewable power. The shift is an extension of reforms that the country has undergone over the last five years. In 2023 nearly half of China's wind and solar power were sold on the open market, up from less than 10% in 2019.
- According to Australia's Clean Energy Council, 2024 finished strongly with \$2.4bn of projects reaching financial close in the quarter and \$9bn for 2024 in total.
- The results of Turkey's largest wind auction awarded 1.2 GW across five projects, attracting strong interest and raising \$120 million. Rule changes, including six years of wholesale market sales at high prices and a guaranteed US\$49.5/MWh rate, boosted participation. After six years, power will be sold at US\$35/MWh for 20 years, ensuring early profits for developers and long-term price stability. Dollar-based contracts reduced currency risk in the inflation-prone country.
- The UK government unveiled reforms to accelerate renewable energy, particularly offshore wind. Key changes include relaxing planning consent rules for fixed-bottom offshore wind and extending contract terms beyond 15 years. These measures aim to enhance investment certainty and expedite project development. The Clean Power 2030 Action Plan sets a target of 43 to 50 gigawatts of offshore wind capacity by the end of the decade, up from the current 30.7 gigawatts installed or committed.
- The Belgian government secured EU approval to extend the operation of two nuclear reactors, for an additional 10 years, while Japan announced plans to maximize nuclear energy usage to meet emissions targets and enhance energy security, aiming for nuclear power to constitute 20% of its electricity supply by 2040.
- AEMO Services awarded Long-Term Energy Service Agreements (LTESAs) to three long-duration storage projects in NSW, totalling 1GW of capacity and almost 14GWh of storage—the largest such tender to date. The awarded projects include an 800 MW/12 GWh pumped hydro project and two smaller, but long duration battery storage systems. This marks the first time a pumped hydro project has secured an LTESA. The projects support NSW's goal of 2 GW of long-duration storage by 2030 and 28 GWh by 2034.

Sustainable Industry

- The Queensland government withdrew its financial backing for the \$12.5 billion Central Queensland Hydrogen Project near Gladstone. Officials cited excessive funding demands and a focus on securing affordable, reliable energy for the state as reasons for pulling support.

Sustainable Transportation

- U.S. Environmental Protection Agency Administrator Lee Zeldin initiated a review of California's vehicle emissions standards under the Congressional Review Act, aiming to revoke California's authority to enforce stricter emissions regulations. These include its ban on new gasoline-powered car sales by 2035.
- Tesla rolled out a driver-assistance update in China, similar to Full Self-Driving in the U.S., but early users report limited functionality. The move was, at least partly, in response to market leader, BYD's, launch of its advanced driver-assistance



system, known as 'God's Eye', in vehicles priced from CNY100,000 (~A\$22,000). Reflecting the slowdown in consumer uptake of EVs, BMW announced it was reviewing plans to reintroduce EV Mini production in the UK and US-based EV manufacturer. Rivian Automotive announced that it expected to sell fewer vehicles in 2025 than it was able to in 2024, while losing around US\$1.8bn for the year.

- A recent, albeit small (250 cars), study by Australian used car marketplace Pickles indicates that electric vehicle (EV) batteries retain over 90% of their health even after 120,000 kilometres or four years of usage. Hyundai models exhibited an impressive 99.31% battery health, with BYD closely following at 98.62%, both surpassing Tesla's previous benchmarks. These findings challenge common concerns about EV battery degradation and suggest that used EVs maintain substantial battery health over time.



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 28 February 2025): \$915.5

Product	Nanuk New World Fund Active ETF		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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