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 8.7% in May in Australian dollar terms, significantly outperforming conventional global equities benchmarks, such as the MSCI All Country World Net Total Return Index which returned 5.1% for the month. The Australian dollar strengthened slightly against major currencies, resulting in the Fund's currency hedged unit class delivering a slightly higher return of 9.4%.

Global equities markets delivered strong performance across most regions following a period of high volatility and sharp market moves in recent months in response to policy and geopolitical uncertainty emanating from the US. The Fund benefited from the outperformance of information technology and industrial sectors (to which the Fund is overweight as a result of its focus on industries and technologies related to resource efficiency and environmental sustainability) and underperformance of the healthcare sector, energy and financials (in which the Fund is underweight relative to conventional global benchmarks). The majority of the Fund's performance came from stock specific returns – primarily from companies involved in sustainable energy infrastructure, wind energy and industrial automation. Key contributors are 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 (%)	**8.7**	**1.9**	**11.5**	**17.2**	**14.3**	**12.6**	**12.6**
Global Equities[2] (%)	5.1	1.3	17.4	18.8	16.4	14.1	11.4
Value Added (%)	3.5	0.6	(5.9)	(1.6)	(2.1)	(1.5)	1.2

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 (%)	**9.4**	**2.7**	**5.3**	**-**	**-**	**-**	**14.3**
Global Equities Hedged to AUD[2] (%)	5.6	3.0	11.8	-	-	-	15.9
Value Added (%)	3.8	(0.3)	(6.6)	-	-	-	(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

Shares in companies benefiting from the accelerating investment in electricity generation and transmission infrastructure performed strongly during May. This included leading grid equipment and gas and steam turbine suppliers **Siemens Energy AG** (+26%) and **GE Vernova Inc.** (+21%), US transmission engineering and construction business **MasTec, Inc** (+22%) and Italian company **Prysmian S.p.A.** (+18%), a global leader in high voltage submarine and underground transmission cables. These companies are beneficiaries of the structural shift towards greater electrification and the related need for increased investment in electricity generation and infrastructure. Demand has been further increased by the enormous energy requirements of the large data centres being constructed to support AI training and usage. Concerns about a potential slowdown in data centre investment saw shares in these companies fall sharply two months ago, but these concerns have not materialised in weaker investment and demand and shares have recovered sharply. The Fund has benefited from increasing its position in Prysmian during that period.

Leading wind turbine manufacturers **Vestas Wind Systems A/S** (+19%), and **Nordex SE** (+8%) both performed strongly during the month. The Fund holds positions in both (and also their major competitors Siemens Gamesa, owned by Siemens Energy, and GE Wind, owned by GE Vernova) on the expectation that profits will improve significantly in the next 2-3 years as they benefit from better pricing and contract terms achieved in the recent past following a period of significant industry consolidation. May saw a surprising restart of the US offshore Empire Wind project (for which Vestas is a supplier) – following earlier attempts by President Trump to stop all offshore wind development in the US. Both are potentially impacted by changes to incentives for wind projects in the US contemplated in the fiscal bill being considered by Congress, but proposed cuts are better than the elimination of support feared by some – and we think had been reflected in share prices.

Factory automation specialist **Rockwell Automation, Inc.** (+28%) surged in May due to stronger-than-expected Q2 earnings and an upward revision of its full-year guidance after the company’s shares had under-performed on fears US policy uncertainty would defer factory automation investments. In fact, following March quarter results, estimates for both the company’s revenue and profit margin rose slightly.

The Fund’s three holdings in the payment processing industry all under-performed in May. **Global Payments Inc.** (-1%) and **Corpay, Inc.** (flat) underperformed a rising market, but shares in **Fiserv, Inc.** (-12%) fell for the second month in a row when management confirmed at an investor conference that the company’s SMB (small and medium sized business) payments business, Clover, was likely to report a second quarter of mid-single digit growth in the upcoming June quarter results.

New Investments

Contemporary Amperex Technology Co, Ltd. (CATL), based in Fujian, China, is the world’s leading battery manufacturer. The company provides batteries for both vehicles (predominantly passenger vehicles but also trucks and other large vehicles) and electrical storage systems. CATL is the leading manufacturer in China but works with nine of the top ten automotive OEMs in the World. The company produces both lithium iron phosphate (LFP) and ternary batteries (those that include nickel, cobalt and manganese) and has strong battery chemistry, manufacturing technology and massive economies of scale that set it apart from competitors. The Fund invested in the company on the commencement of its trading on the HK stock exchange.

Vertiv Holdings primarily provides power and thermal management products to data centres. It is the market leader in both these products, positioning it to continue to grow strongly from surging demand for AI data centres and cloud infrastructure around the world. Recent concerns around AI capital expenditures after DeepSeek have lowered the valuation of the shares, but the company has continued to deliver strong revenue and order growth. Vertiv has some exposure to US tariffs but already has a strong US manufacturing capacity so should be able to limit the impact.

Exited Positions and Other Portfolio Changes

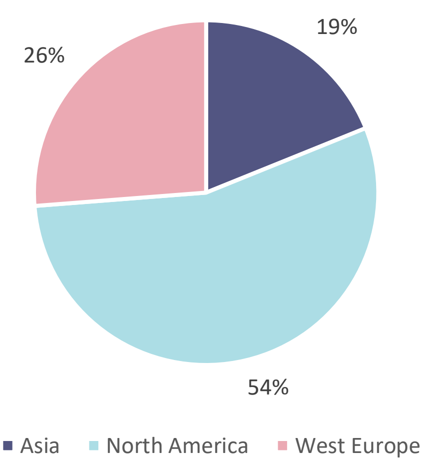
The Fund completed the sell down of its position in Check Point Software Technologies Ltd. after the company's shares delivered strong returns. In May, holdings in Graphic Packaging Holding Company, Bureau Veritas SA, and Oracle Corporation were also reduced, partly to fund the new investment in CATL. Oracle has been a strong performer for the Fund during its holding period.

Top 10 Holdings

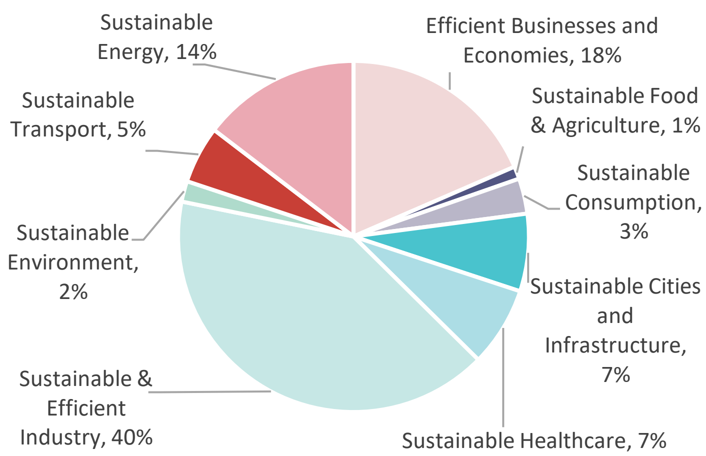
Security Name	Weight (%)	Country	Sector
Microsoft Corporation	5.0	UNITED STATES	Efficient Businesses and Economies
Taiwan Semiconductor Manufacturing Co., Ltd.	4.9	TAIWAN	Sustainable & Efficient Industry
Prysmian S.p.A.	4.8	ITALY	Sustainable Energy
NVIDIA Corporation	4.8	UNITED STATES	Sustainable & Efficient Industry
Vestas Wind Systems A/S	4.2	DENMARK	Sustainable Energy
CDW Corporation	4.2	UNITED STATES	Efficient Businesses and Economies
Rockwell Automation, Inc.	3.8	UNITED STATES	Sustainable & Efficient Industry
Otis Worldwide Corporation	3.6	UNITED STATES	Sustainable Cities and Infrastructure
Agilent Technologies, Inc.	2.9	UNITED STATES	Sustainable Healthcare
Global Payments Inc.	2.4	UNITED STATES	Efficient Businesses and Economies

Portfolio Positioning

Regional Weights (%)



Sector Weights (%)



Market Commentary

Equity markets continued to rally in May despite persistent headlines surrounding tariffs and global trade tensions. Although uncertainty persists, concerns about the impact of very high tariffs have abated as President Trump has repeatedly stepped back from enforcing them. The US S&P 500 Index rose 6.2% for the month, led by the strong performance of technology stocks. The "Magnificent Seven" climbed 13.5%, propelling the NASDAQ Composite Index to a 9.6% gain. The rally was, however, broad-based: the small-cap Russell 2000 Index rose 5.2%, Europe's Euro STOXX 50 Index gained 4.0%, and Japan's Nikkei 225 increased 5.3%. In contrast to April's volatility, currency markets were relatively stable.

Bond markets, however, saw a sharp sell-off, particularly at the long end of the yield curve. The US 30-year Treasury yield rose from 4.67% to 4.96%, breaching the symbolic 5% level during the month. The UK's 30-year yield hit its highest level since 1997, and Japanese government bond yields reached record highs. In the US, a downgrade by Moody's, removing the last AAA rating from a major agency — and the passage of the "One Big Beautiful Bill Act" by the House of Representatives, which proposed deep cuts to social services alongside tax breaks for high earners, contributed to the sell-off and concerns over widening fiscal deficits. In Japan, yields spiked after Prime Minister Shigeru Ishiba warned Parliament that "our country's fiscal situation is undoubtedly extremely poor, worse than Greece's." His stark remarks highlighted rising debt levels and borrowing costs, prompting renewed focus on the country's fiscal trajectory.

Notable Industry Developments

Climate Change and Sustainability policy

- As part of China's escalating climate action, six of its most energy-intensive sectors: steel, non-ferrous metals, chemicals, petrochemicals, construction materials, and data centres, are now mandated to meet national green power consumption standards by 2030, potentially driving their demand for green electricity certificates (GECs) to 1,500 TWh annually. This policy aims to revitalise the underperforming GEC market and significantly boost investment in renewable energy. By enforcing green energy quotas, particularly the 80% requirement for new data centres in key regions, China is advancing its climate goals while reshaping industrial energy consumption on a massive scale.
- The One Big Beautiful Bill Act, recently passed by the US House of Representatives, and now headed to the US Senate, includes provisions that weaken environmental incentives by eliminating or reducing tax credits for clean energy and electric vehicles.
- The US Energy Department is cancelling $3.7 billion in clean energy project funding, citing concerns over economic viability and insufficient returns for taxpayers, with many of the awards originally granted during the Biden administration's final weeks. The move, which includes halting major projects by companies like Exxon Mobil and Kraft Heinz, follows broader efforts by the Trump administration to audit more than $15 billion in clean energy grants and support.
- Water is now considered the greatest nature-related risk to the euro area economy, with surface water scarcity alone threatening nearly 15% of its output, according to the ECB and Oxford researchers. ECB Executive Board member Frank Elderson highlighted agriculture as the most vulnerable sector and warned of additional risks from water pollution and flooding.
- The World Meteorological Organization forecasts that we will have a year close to 2°C above pre-industrial levels in the next five years. Years in which the temperature rise is 1.5°C would be commonplace according to the Met Office Hadley Centre.
- Africa has launched its first continent-wide space agency, headquartered in Cairo, to coordinate national space programs and improve access to climate and weather data amid growing global data restrictions. The African Space Agency aims to fill data gaps by launching satellites and scaling up early warning systems, especially as the continent faces heightened climate vulnerability. Supported by the African Union and partnered with the European Space Agency, it seeks to unify efforts and share resources across member states.
- According to the latest report by Global Forest Watch, part of the World Resources Institute, global loss of tropical primary forests surged to 6.7 million hectares in 2024, nearly double the prior year, as wildfires, driven by record temperatures, overtook agriculture as the leading cause, accounting for 50% of destruction. Permanent agriculture caused 29% of the loss. The fires emitted over 4.1 billion tonnes of greenhouse gases, more than quadrupling global aviation emissions, and highlight an intensifying climate feedback loop. Despite COP26 pledges, 15 of the 20 nations with the most forest cover are now losing trees faster than in 2021.

Sustainable Energy

- New South Wales awarded Access Rights to 10 renewable energy projects totalling 7.15 GW in the Central-West Orana Renewable Energy Zone (REZ), centred around Dubbo. These include major wind, solar, and battery hybrids from developers including ACEN, Lightsource bp, and Tilt Renewables. The REZ is expected to power 2.7 million homes, cut 10 million tonnes of CO_2 annually, and attract $20 billion in private investment. Meanwhile, the Victorian government launched its 2025 Draft Transmission Plan, which proposes seven REZs across the state that could host 6 gigawatts of wind and 1.5 gigawatts of solar capacity by 2040. The 15-year plan outlines the location and size of onshore REZs, as well as key transmission projects outside the REZs required in Victoria (including those that support offshore wind). Two 1.4GW wind projects received State Development Approval in Queensland.

- The Trump Administration allowed the $5 billion offshore Empire Wind project (mentioned in last month's report) to resume construction. No reason was given. The project will use wind turbines from (Fund holding) Vestas Wind Systems. However, in the UK, Danish operator Orsted, announced that it would not go ahead with its 2.4GW Hornsea 4 offshore wind project as macro-economic changes, increased risks and supply chain challenges have "eroded the value creation" from the project. In Denmark, the government approved $4 billion of additional support for the sector to help cope with rising costs.
- Southern California Edison has proposed a $6.2 billion wildfire mitigation plan spanning 2026 to 2028, featuring over 700 miles of covered and underground power lines and enhanced firefighting support. The investment follows recent wildfires and includes recently announced upgrades.
- Indonesia's latest national power plan marks a major pivot toward renewable energy, with 75% of its planned 60 gigawatts in new capacity by 2034 coming from solar, hydro, and other clean sources, while scaling back earlier targets for natural gas. Despite being Southeast Asia's largest carbon emitter and still planning to add 6 GW of coal capacity, the country aims to raise renewables from 12% to 35% of its energy mix by 2035, supported by $183 billion in required investment. Progress under the Just Energy Transition Partnership remains limited, with officials stating coal retirements hinge on the availability of low-interest international financing.
- Major energy companies, Singapore's Sembcorp Industries, Malaysia's Tenaga Nasional and Petronas, and Vietnam's PetroVietnam have formed an alliance to explore cross-border renewable electricity trade, focusing on exporting offshore wind power from Vietnam. This collaboration supports ASEAN's vision of a regional super grid across the ten nations to meet growing clean energy demand, though significant grid infrastructure investment will be necessary to realize the plan.

Nuclear Energy

- In May, momentum behind nuclear energy accelerated globally, reflecting growing recognition of its role in energy security, decarbonization, and economic resilience. In the US, Elementl Power and Google announced a strategic partnership to pre-develop three advanced nuclear sites, each targeting at least 600 MW. NuScale Power received regulatory approval for a second small modular reactor (SMR) design. The Tennessee Valley Authority applied for approval to build an SMR designed by fund holding GE Vernova, while Canada's Ontario Power received approval to build approval of the same design. Meanwhile, Taiwan's energy policy showed signs of reversal, with a law passed to extend nuclear reactor lifespans from 40 to 60 years. However, the country also proceeded to shut down its final operating reactor, reflecting ongoing political divides and implementation delays. In Europe, a significant policy pivot unfolded: Germany dropped its opposition to EU nuclear support, while Belgium, Denmark, and Switzerland took steps to reverse phase-outs or lift bans.

Sustainable Industry

- Microsoft has signed a pioneering agreement with Sublime Systems to purchase up to 622,500 metric tons of low-carbon cement over six to nine years, allowing it to claim associated emissions reductions, even if it doesn't use the material directly. Sublime's electrochemical process, which eliminates limestone, cuts emissions by up to 90% compared to traditional cement, with commercial deliveries expected to begin in 2027.
- The EU's green hydrogen quotas are proving effective at driving demand, as shown by the 15 winning projects in the European Hydrogen Bank's second auction round, which collectively secured €992 million in subsidies and bid significantly below market costs. Notably, companies in higher-cost markets like Germany and the Netherlands won over half the funding, aided by recently implemented national legislation mandating green hydrogen use in key sectors. If built as planned, these projects would deliver 2.2% of the EU's 2030 hydrogen production target, highlighting both progress and the scale of the challenge ahead

Sustainable Transportation

- The US Senate voted to revoke California's EPA waiver allowing it to set its own vehicle emissions rules, threatening the state's "Advanced Clean Cars II" program that mandates two-thirds of new car sales be zero-emission by 2030. The move, using the Congressional Review Act, has drawn criticism from Democrats and clean transportation advocates, who warn it undermines longstanding environmental authority. California and its allies are expected to challenge the decision, continuing a long-running legal and political battle over states' rights to set stricter emissions standards.
- BYD's aggressive price cuts of up to 34% on 22 models have ignited a renewed price war in China's electric vehicle market, sending EV stocks tumbling and prompting warnings from the country's auto industry association about "vicious competition" eroding profits and safety standards. While the discounts aim to boost sales amid sluggish demand and high dealership inventories, they are intensifying pressure on rivals like Tesla, Volkswagen, and local Chinese brands, many of which are now following suit.
- In Europe, BYD outsold Tesla in battery electric vehicles (BEV) for the first time, with 7,231 units in April compared to Tesla's 7,165, according to JATO Dynamics. BYD only moved to sell outside Norway and the Netherlands in late 2022. Despite new EU tariffs, Chinese EV registrations in Europe rose 59% year-on-year, outpacing the 26% growth of rivals from other regions.
- CATL, the world's largest EV battery maker (a new Fund holding), is incentivising suppliers with preferential purchasing if they meet emissions targets, as it aims for carbon neutrality in core operations by 2024 and across its supply chain by 2035. Scope 3 emissions made up 95% of its 118.3 $MtCO_2e$ footprint in 2024. The company reported a 5% rise in direct emissions as overall battery output grew by nearly one-third.

- The battery industry outside China is facing mounting challenges, with two high-profile companies collapsing under financial pressure. Li-Cycle, a Canadian lithium-ion battery recycler, filed for bankruptcy after construction delays and cost overruns at its Rochester facility triggered a liquidity crisis, lawsuits, and a restructuring process involving Glencore as a key creditor. Meanwhile, Northvolt AB, once hailed as Europe’s flagship battery startup, announced it will halt production at its last operational factory in northern Sweden by the end of June, following a March bankruptcy filing and $5.8 billion in debt.

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 31 May 2025): $906.8

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)*

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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