

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 2.4% in May, outperforming conventional global equity benchmarks, such as the MSCI All Country World and FTSE All World net total return indices, by approximately 0.9%.

The Fund benefitted from the strong performance of several technology stocks which reported strong results during the quarterly reporting period. Highlights are noted below. The Fund also benefitted from exposures related to AI, with NVIDIA delivering an extraordinary quarterly profit as a result of demand for its leading graphic processing units (GPUs) while an increasing focus on the capacity of existing electricity infrastructure to meet new energy demand from dedicated AI datacentres boosted clean energy related holdings.

The Fund has benefitted in recent months from holdings in companies likely to benefit from the rapid build out of generative AI models and widespread adoption of AI related technologies. Some of these holdings have been reduced following strong share price performance and as we seek exposure in other areas where profit recovery or improvement is anticipated in coming years. This includes areas such as analog semiconductors, renewable energy and grid equipment, PC and smart phone components and analytical equipment for bioscience and biotechnology applications. Some of these areas were contributors this month, 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 (%)	2.4	15.7	23.3	15.8	10.6	12.7	12.7
Global Equities ² (%)	1.6	11.6	20.1	15.9	10.5	12.6	10.8
Value Added (%)	0.9	4.1	3.1	(0.1)	0.1	0.1	1.9

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 (%)	4.4	14.7	26.8	-	-	-	25.4
Global Equities Hedged to AUD ² (%)	3.6	10.1	23.3	-	-	-	22.3
Value Added (%)	0.8	4.6	3.5	-	-	-	3.1

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



Industrial electronics manufacturers were the Fund’s top contributors in May, amid further indications of a bottoming in the deep cyclical downturn the companies have suffered over the preceding 12-18 months. The current downcycle follows a period of supernormal demand and inventory increases catalysed by supply chain disruptions and shortages during the COVID period. The Fund’s holdings in leading power semiconductor manufacturer **Infineon Technologies AG** (+14%), **Texas Instruments Incorporated** (+11%), a leader in analogue and embedded semiconductors to the automotive and industrial markets, and **Littelfuse, Inc** (+12%) which offers circuit protection, power control and sensing products all reported better than expected results.



The Fund’s investments in renewable energy generation and transmission performed strongly for a second month in a row, supported by quarterly results ahead of expectations and an outlook supported by urgent demand for additional low emission energy supply to meet incremental demand from AI. The key contributors were **GE Vernova Inc.** (+14%), newly spun out of General Electric, which offers a range of power generation and electrification technologies; **Siemens Energy AG** (+31%) which provides wind, gas and grid products; **Nordex SE** (+10%), an onshore wind specialist; and **Prysmian S.p.A** (+19%), the leading producer of power cables.



NVIDIA Corporation (+27%) shares benefitted from another spectacular quarterly report as the company maintains its leadership position in AI processors. The performance of the Fund’s other AI-exposed holdings was mixed, but overall they contributed positively, with **Microsoft Corporation** (+7%) the next biggest contributor.



The Fund’s exposure to companies designing semiconductors for edge processing in PCs, smart phones and IoT devices performed well in May. **MediaTek Inc** (+25%) rose after its AGM where it indicated confidence in its prospects from on-device AI, while **Qualcomm Incorporated** (+24%) benefitted from a strong earnings report, a significant content win with Apple, and Microsoft’s release of its Copilot + range of PCs, the first of which are powered by Qualcomm’s Snapdragon processors.



CDW Corporation (-7%) provides “value added reselling” of technology products and services, mainly in the US. Its shares fell after its March-quarter earnings report where it cut 2024 guidance. It said difficult macroeconomic conditions and challenges in rolling out AI projects were delaying customer purchasing. We believe CDW will benefit from a significant PC refresh cycle in coming years as AI enabled products are adopted for business usage.



New Investments



Accenture Plc is a leading technology consultancy. The Fund acquired a new holding following a sharp share price decline, as consulting demand moderates after a post-COVID surge, and due to fears AI will depress demand for consulting. Industry researchers, however, forecast continued strong demand for technology consulting and Accenture's scale puts it in a strong competitive position to benefit from this demand.



MasTec, Inc. is a US construction contractor with 60% of revenue related to clean energy generation and power transmission and distribution infrastructure. The company is also well positioned to benefit from hydrogen and carbon capture projects from its pipeline business, which builds and maintains natural gas and water pipelines. MasTec is a leader in markets where demand is growing at a high single digit rate with improving pricing power, leading us to see upside to earnings expectations.



SGS SA is a leading provider of testing, inspection and certification (TIC) services and competes with Bureau Veritas which is another Fund holding. TIC services enhance industrial efficiency by assuring the quality of industrial processes and products. The company has overhauled its top leadership as well as accountability and incentives structures across the company, which we believe should drive improved financial performance.



Voltronic Power Technology Corp. offers uninterrupted power supply (UPS), solar inverters and industrial scale backup batteries. The company enjoys growth tailwinds from increasing electricity demand growth and growth in data centres, which use UPS to enhance reliability. As an outsourced manufacturer, the company is also growing market share as customers continue to outsource manufacturing.

Exited Positions and Other Portfolio Changes

The Fund's position in Littelfuse has been increased in anticipation of a cyclical recovery in its end markets. The Fund's holding in solid state memory semiconductor manufacturer Micron Technology was significantly reduced and has subsequently been exited after very strong share price performance and increasing concern that increasing industry capital investment plans will ultimately suppress profitability. The Fund also exited its position in Japanese flow measurement and emissions testing specialist Horiba Ltd, whose shares re-rated following strong results. Smaller positions in Copart, Fiserv, Fujitsu and Soitec were also exited to permit the new investments highlighted above.

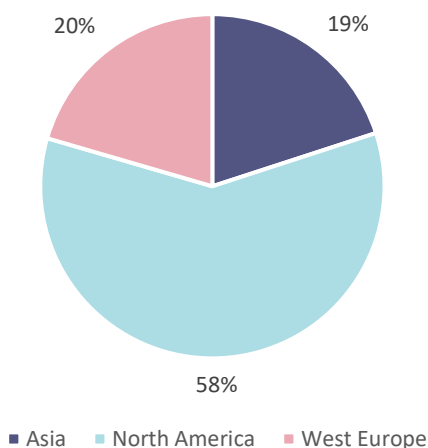
Top 10 Holdings

Security Name	Weight (%)	Country	Sector
Zebra Technologies Corporation Class A	4.8	UNITED STATES	Sustainable & Efficient Industry
Microsoft Corporation	4.7	UNITED STATES	Efficient Businesses and Economies
Taiwan Semiconductor Manufacturing Co., Ltd.	4.7	TAIWAN	Sustainable & Efficient Industry
Texas Instruments Incorporated	4.3	UNITED STATES	Sustainable & Efficient Industry
Littelfuse, Inc.	4.2	UNITED STATES	Sustainable & Efficient Industry
Otis Worldwide Corporation	3.9	UNITED STATES	Sustainable Cities and Infrastructure
Dover Corporation	3.4	UNITED STATES	Sustainable & Efficient Industry
CDW Corporation	3.3	UNITED STATES	Sustainable & Efficient Industry
Valmet Corp	2.7	FINLAND	Sustainable Consumption
Bureau Veritas SA	2.6	FRANCE	Sustainable & Efficient Industry

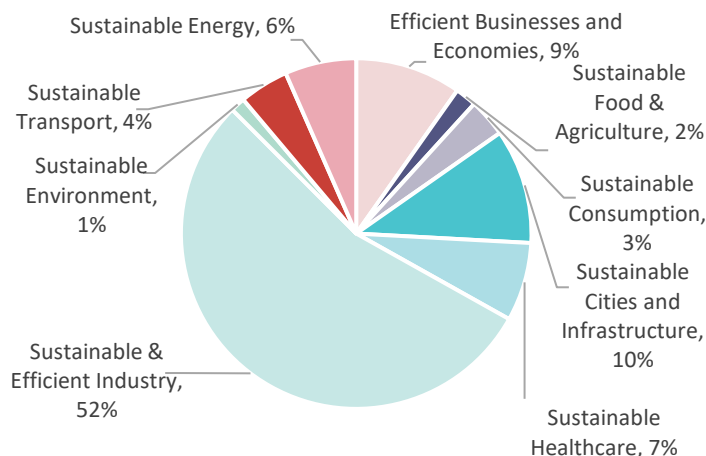


Portfolio Positioning

Regional Weights (%)



Sector Weights (%)



Market Commentary

Major global equities markets rose during May, with conventional global benchmarks such as the MSCI All Country World and FTSE All World net total return indices up approximately 4.0% in US dollar terms. Australian dollar denominated returns were slightly lower as a result of the Australian dollar strengthening approximately 2.8% during the month. Markets were led (again) by US technology stocks with the S&P 500 index up 4.8% and the Nasdaq Composite index up 6.9%. Other major developed markets lagged, with Europe’s STOXX 50 index up 1.3%, Japan’s Nikkei 225 index up 0.2% and Hong Kong’s Hang Seng index up 1.8%. The US dollar weakened slightly against major currencies as the US 10-year government bond rate declined slightly to around 4.5%.

Notable Industry Developments

Climate Change and Climate Change Policy

- For the twelfth consecutive month, May 2024 was the hottest corresponding month of the year on record, said the EU’s Copernicus climate observatory.
- A heatwave in India saw fatalities variously reported at up to 200, and acute water shortages in the Delhi capital region amid temperatures in excess of 50 degrees. Electricity supplies also ran short, and India’s government invoked emergency legislation to boost generation.
- Brazil also experienced a fatal natural disaster, with 169 fatalities reported following widespread flooding in the South of the country, as well as over \$1 billion in economic damage.
- The Australian Government published a Future Gas Strategy to spur the development of gas production facilities, citing it as an important transition fuel, alongside its Critical Minerals and H2 Superpower strategies.
- Governments, multilateral lenders and oil and gas companies at a key Paris conference pledged \$2.2 billion in financing to promote clean cooking in Africa and end a scourge that causes fatal respiratory disease, adds to carbon emissions and leads to deforestation.

Sustainable Energy

- China’s State Council issued a plan to support continued growth in renewable generation, as officials acknowledged that the country is unlikely to hit its 5-year goal to reduce energy intensity, relative to GDP, by 2025. Measures include accelerating construction of transmission lines and battery storage facilities, as well as allowing a high share of renewable energy use in areas whose grid is congested.
- Clean energy think tank Ember calculated the world’s share of renewable electricity generation reached a record 30% in 2023 (nuclear provides another 10% of carbon free power).



- The UK Government shelved plans for a hydrogen home heating trial announcing that heat pumps and heat networks would be the main route to cutting household emissions from heating.

Sustainable Industry

- Hydrogen fuel cell equipment manufacturer Plug Power was offered a \$1.66 billion conditional loan guarantee by the US Department of Energy. The company's shares rose almost 70% in response, having previously lost over 90% since a 2021 peak as the company continued to report significant losses.
- Australian start-up Hysata raised \$111m to scale up its hydrogen electrolyser manufacturing from investors including BP, Vestas Wind Systems and Posco.

Sustainable Transportation

- BYD showed off a hybrid powertrain with a range of 2,000km, adding it would be immediately available in two of its sedans at a price point below 100,000 yuan.
- Honda Motor released an 8 trillion Yen (\$52b) electrification investment plan through its March-2031 fiscal year end as well as 2 trillion Yen investment in software development.
- France's Renault and China's Zhejiang Geely hybrid powertrain joint venture was officially approved and incorporated, three years after first being agreed. The JV will be branded Horse and forecasts annual revenue of €15 billion.
- South Korea said it would provide 10 trillion Won (\$7 billion) to help its EV battery supply chain comply with US requirements to limit exposure to China in order to qualify for US tax credits.
- The US hiked tariffs on various Chinese products including EVs to a rate of 100% while also promising to watch out for attempts to export Chinese cars via Mexico. Chinese steel and semiconductors also saw tariff rates rise.
- Tesla re-hired some of its workers a month after firing the whole supercharger team.



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
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 2024): \$862.4m

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)

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