NANUK ASSET MANAGEMENT

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 2.1% in December, slightly underperforming conventional global equities benchmarks, such as the MSCI All Country World Net Total Return Index, which returned 2.7% in Australian dollar terms.

Global equity indices fell during the month, led by a decline in US benchmarks. However, the US dollar strengthened by a greater amount against other currencies including the Australian dollar, resulting in a positive return for unhedged investors. The Fund's currency hedged unit class declined 2.1% in December, underperforming the MSCI AWCI hedged to AUD net return index by 0.5%.

As discussed in the market commentary, large cap US technology stocks continued to perform strongly and related beneficiaries held by the Fund, such as TSMC, contributed positively to returns. Larger contributors and detractors are discussed below.

The Fund returned 4.9% for the quarter and 26.6% for the year ending 31 December, which although significant in absolute terms lagged conventional global equities benchmarks, by 6.0% and 2.9%, respectively. The final quarter of 2024 saw significant divergences in global equities, driven in part by the outcome of the US presidential election. The significant outperformance of US equities and strengthening of the US dollar as well as the underperformance of some sectors perceived likely to be negatively impacted under a Trump presidency impacted the relative performance of the Fund, which is underweight US equities. The continued outperformance of large capitalisation technology stocks, some of which are not within the Fund's investment remit, and the speculative rally in lower quality 'meme' stocks reminiscent of late 2020, also impacted the Fund's relative performance during this period.

2024 presented a challenging environment for sustainably themed investment, with slowing growth in the adoption of many sustainable technologies driven by a combination of unfavourable industry cycles, ongoing inflationary pressures, higher interest rates, geopolitical uncertainty and waning political support, followed by the re-election of President Trump. Many of the leading companies in sustainable technologies, such as solar and electric vehicles, have significantly underperformed this year due to weakening near term profitability and an increasingly uncertain outlook.

The Fund's exposure to these areas has remained low during the year, but we believe the impact of current investor pessimism on share prices will likely present opportunities for outperformance in many of the Fund's areas of focus in 2025.

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 (%)	**2.1**	**26.6**	**26.6**	**24.5**	**8.0**	**11.9**	**13.0**
Global Equities[2] (%)	2.7	29.5	29.5	25.4	11.2	12.9	11.8
Value Added (%)	(0.6)	(2.9)	(2.9)	(0.9)	(3.2)	(1.0)	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 (%)	**(2.1)**	**17.5**	**17.5**	**-**	**-**	**-**	**16.3**
Global Equities Hedged to AUD[2] (%)	(1.7)	19.6	19.6	-	-	-	18.2
Value Added (%)	(0.5)	(2.0)	(2.0)	-	-	-	(1.9)

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

The Fund's Taiwanese technology holdings delivered strong returns in December with semiconductor foundry leader **Taiwan Semiconductor Manufacturing Co. Ltd** (TSMC, +7%), the manufacturer of NVIDIA's GPUs, the largest contributor. Taiwanese semiconductor companies **Realtek Semiconductor Corp** (+18%) and **MediaTek Inc** (+12%), who specialise in design of semiconductors for specific applications such as networking, mobile devices and IoT, also outperformed. All three companies continued to experience positive earnings revisions during the month, continuing the trend of 2024.

Ciena Corporation (+21%) a leading optical networking technology company released quarterly results that were disappointing, but the company's shares rose on management's expectations of accelerating revenue growth and market share expansion. Ciena's optical products have historically been used for long-distance data transmission but will increasingly be used within data centres to reduce power consumption and increase data transmission speeds.

Otis Worldwide Corporation (-10%) provides elevator and escalator equipment, parts and services. The company's shares continued to decline following weak results at the end of October. The company has been negatively impacted by declining new construction in China, despite its limited overall contribution to profitability. We continue to believe the company is undervalued given the potential for continued growth in profits from its sizeable service business.

European wind turbine manufacturers **Vestas Wind Systems A/S** (-12%) and **Nordex SE** (-8%) continued to underperform in December, following the election of President Trump and concern about the potential impact on US wind development. Vestas' CFO also resigned during December. Both companies have reported solid order wins during the fourth quarter which we believe are likely to support continued improvement in profit margins in 2025 and 2026. The position in Vestas was increased during the month.

New Investments

Capgemini SE is a leading global technology consulting company that provides services in digital transformation, IT consulting, software development, cloud solutions, and business process management to help organizations innovate and optimize their operations. Similar to Fund holding Accenture, Capgemini's shares have been impacted by a recent industry wide slowdown in revenue growth that we believe will be temporary. The company's shares trade at a low valuation and we expect market estimates to be met or exceeded as the industry starts to see a recovery from the current weak environment.

Asia Vital Components Co., Ltd, is a Taiwanese Original Design Manufacturer (ODM) of thermal management and cooling products used in electronic devices, data centres, automotive systems and industrial applications. Notably its products are being used in GPU servers for AI applications. Increasing processing power is necessitating the adoption of more sophisticated cooling solutions and Asia Vital is benefiting from this trend.

SK Hynix Inc. is a Korean domiciled semiconductor memory manufacturer and is the global leader in the latest generation of high bandwidth DRAM memory solutions being used alongside GPU processors for AI applications. We believe that an improvement in the company's competitive positioning and strong ongoing demand for both DRAM and NAND memory will allow the company to sustain higher returns and that a recent fall in the company's share price presented an attractive opportunity.

Exited Positions and Other Portfolio Changes

The Fund exited positions in US companies Revvity, Inc., Dover Corporation, and Tandem Diabetes Care, Inc. during December. Revvity is a leader in diagnostic solutions, including instruments and consumables, used by the pharmaceutical industry. It has experienced weaker than anticipated demand due to an industry-wide slowdown in drug development expenditure, with the forthcoming change in the US administration providing further uncertainty. Diversified industrial equipment manufacturer Dover's shares have risen despite a weakening outlook that has negatively impacted our assessment of its valuation. Medical device manufacturer Tandem Diabetes has failed to deliver anticipated improvement in profitability following the release of its latest generation of Mobi insulin pumps.

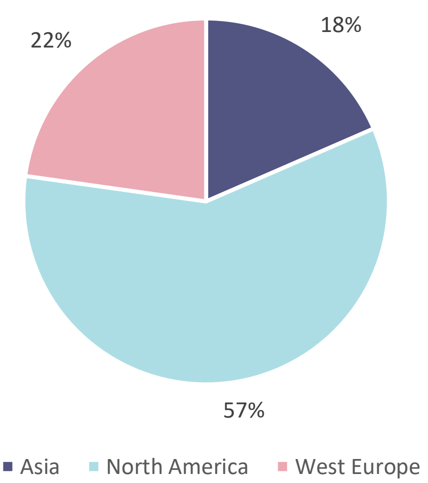
The Fund reduced its position in Zebra Technologies following a significant recovery in the company's share price and its position in diversified plumbing and HVAC supplier Ferguson Enterprises. As discussed above, Vestas Wind System's weighting was increased after being added to the Fund in October and an increase in the weight last month.

Top 10 Holdings

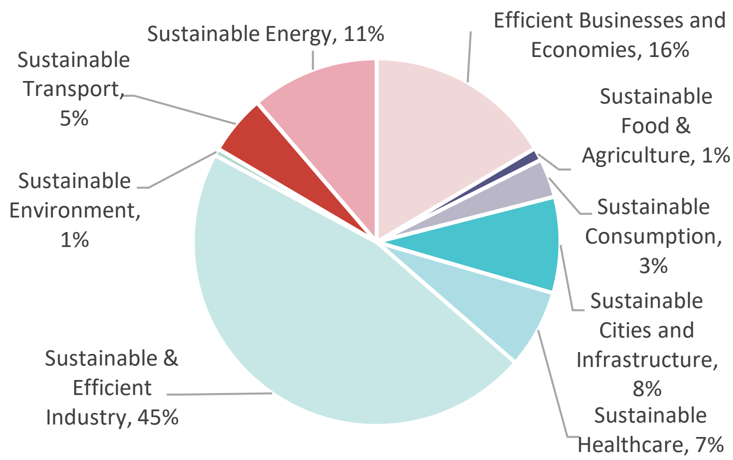
Security Name	Weight (%)	Country	Sector
CDW Corporation	4.8	UNITED STATES	Efficient Businesses and Economies
Microsoft Corporation	4.8	UNITED STATES	Efficient Businesses and Economies
Taiwan Semiconductor Manufacturing Co., Ltd.	4.7	TAIWAN	Sustainable & Efficient Industry
Rockwell Automation, Inc.	4.1	UNITED STATES	Sustainable & Efficient Industry
Otis Worldwide Corporation	3.9	UNITED STATES	Sustainable Cities and Infrastructure
Agilent Technologies, Inc.	3.3	UNITED STATES	Sustainable Healthcare
NVIDIA Corporation	3.3	UNITED STATES	Sustainable & Efficient Industry
Bureau Veritas SA	2.9	FRANCE	Sustainable & Efficient Industry
Vestas Wind Systems A/S	2.4	DENMARK	Sustainable Energy
KLA Corporation	2.3	UNITED STATES	Sustainable & Efficient Industry

Portfolio Positioning

Regional Weights (%)



Sector Weights (%)



Market Commentary

Global equities benchmarks declined in December with the MSCI All Country World Index down 2.5%. There was significant variation in returns globally, with the US election and rising US bond rates following a meeting of the US Federal Revere impacting currencies as well as equity markets.

US equities indices declined in December, following a strong rise in November. The US S&P500 index was down 2.5%. Large capitalisation technology stocks continued to perform well, with the Nasdaq Composite Index up 0.5%. Industrial companies and smaller capitalisation stocks did not fare so well, with the Dow Jones Industrial Average index down 5.3% and the smaller capitalisation focused Russell 2000 down 8.4%. In contrast, Europe’s STOXX 50 Index rose 1.9%, Hong Kong’s Hang Seng Index appreciated 3.3% and Japan's Nikkei 225 Index gained 4.4% in local currency terms. However, a 2% decline in the Euro and 5% decline in the Japanese Yen more than offset these gains when translated to US dollar terms.

The continued outperformance of the Magnificent Seven (Apple, Alphabet, Amazon, Meta, Microsoft, NVIDIA and Tesla) has been notable – as shown in the table below – and the proportion of conventional indices represented by these and other highly correlated stocks has continued to rise. These seven stocks now represent over 20% of global equities indices and a significantly higher proportion of US market indices.

	Dec 2024	**Q4 2024**	**2024**
Global Equities	-2%	-1%	18%
"Magnificent Seven" (Apple, Alphabet, Amazon, Meta, Microsoft, NVIDIA and Tesla)	5%	13%	59%
Global Equities excluding the Magnificent Seven	-4%	-4%	12%

Note: Analysis shows US dollar denominated performance calculated based on the holdings and weightings of the iShares ACWI ETF

The Australian dollar weakened by 5.0% against the US dollar in December.

Notable Industry Developments

Climate Change and Sustainability policy

- In a clear sign of weakening US federal government support for decarbonisation under President-elect Donald Trump, his nominee for energy secretary, Chris Wright, said that climate change poses only a modest threat to humanity and that "It's probably almost as many positive changes as there are negative changes". An energy industry veteran, Wright agrees that burning fossil fuels contribute to rising temperatures, but he also says climate change makes the planet greener by increasing plant growth, boosts agricultural productivity and likely reduces the number of temperature-related deaths annually as noted by the Wall Street Journal.

Sustainable Energy

- Australia announced the results of its latest round of awards from its Capacity Incentive Scheme (CIS) tender. 19 projects received support, encompassing 6.4GW of electricity generation (with the share of wind generation slightly exceeding solar) and supported by 3.5GWh of battery storage. The projects are expected to be operational by 2028 and proposal readiness and grid access were explicitly made part of the tender selection process. We have seen similar qualitative criteria added to tenders internationally, to help overcome some of the delays that have been witnessed in the roll-out of renewable energy.
- China started generating power from its biggest desert solar project, the 4GW project in Ruoqiang, supported by the Tianjin regional government. The project commenced construction in August 2023.
- Energy company BP and Japanese power utility, JERA, announced that they would combine their offshore wind businesses in an equally owned joint venture with a goal to have 13 GW of operating capacity and have agreed to invest US$5.8 billion by 2030.
- December saw divergent results for two offshore wind tenders. The Danish Energy Agency did not receive any bids in its tender whereas South Korea awarded project rights to five offshore projects including one floating offshore project (for 750MW). Fund holding, Siemens Energy's turbines are expected to be used in 3 of the 5 projects.
- Technip Energies and Fund holding GE Vernova were awarded a major contract for a gas-fired power station fitted with carbon capture and storage. The project aims to install a 742MW capacity Vernova turbine and to capture up to 2mt of CO2 per year.
- GE Vernova and its partner Hitachi passed another of the UK nuclear regulators' hurdles for the joint venture's BWRX-300 small modular reactor. The 300MW reactor aims for a two- to three-year construction timeframe and is the technology being deployed in a first-of-a-kind project in Ontario.
- France added its first new nuclear reactor to the country's grid since 1999. The country now has a total of 56 operable nuclear reactors. The project from Electricite de France adds 1.6GW of capacity, bringing the country's nuclear capacity to around 63GW. The project is currently 12 years behind schedule and the budget has quadrupled to €13.2 billion, a salient reminder of the difficulty of delivering nuclear projects on time and within budget, even for an experienced operator.
- The Australian CSIRO released a revised GenCost report, comparing the cost of power generation technologies in Australia, considering some of the criticisms of the prior methodology from the Australian Liberal Party. After the adjustments nuclear remained at least 50% more expensive than wind and 100% more expensive than solar in Australia.

Sustainable Industry

- NeoSmelt, a collaboration between steel manufacturer BlueScope and mining giants Rio Tinto and BHP Group, announced a plan to develop a “green” iron electric smelter at Kwinana, WA. The project received support of A$75 million from the Western Australian government
- Cement manufacturer Heidelberg Materials announced that their carbon capture plant was fully assembled and would enter commissioning at their plant southwest of Oslo. The aim is to capture 400kt of C02 per year with storage slated for a decommissioned fossil fuel field under the North Sea.

Sustainable Transportation

- In a move that reflects the huge challenges of commercialising fully autonomous vehicles, GM announced that it would wind down its Cruise robotaxi efforts. The company had been one of the leaders in the US but had suffered setbacks after a collision in October 2023. The group aims to combine the Cruise and GM in-house technical teams to continue working on Advanced Driver Assistance Systems (ADAS) for the company’s vehicles. GM expects to save more than $1 billion per year.

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 December 2024): $902.1m

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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