January 2025
Monthly Fund Update

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 3.7% in January, outperforming conventional global equities benchmarks, such as the MSCI All Country World Net Total Return Index, which returned 2.6% in Australian dollar terms.

Global equity indices rose during the month, led by European markets. Large cap growth stocks underperformed slightly, having outperformed substantially during the latter part of 2024. The Fund's outperformance was primarily driven by stock selection, with the Fund's overweight position in European equities also contributing positively.

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 (%)	**3.7**	**3.7**	**27.8**	**23.4**	**10.8**	**11.6**	**13.3**
Global Equities[2] (%)	2.6	2.6	27.9	25.1	12.9	12.6	12.0
Value Added (%)	1.1	1.1	(0.2)	(1.6)	(2.1)	(1.0)	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.[1]
Fund Return (%)	**4.3**	**4.3**	**22.0**	**-**	**-**	**-**	**18.3**
Global Equities Hedged to AUD[2] (%)	3.3	3.3	22.0	-	-	-	19.4
Value Added (%)	1.1	1.1	(0.0)	-	-	-	(1.2)

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 share price of CDW Corporation (+14%) a US value-added reseller of IT hardware, software and services, rebounded during January, having declined notably in recent months. The move didn't appear to relate to any specific newsflow.

Shares of **KLA Corporation** (+17%), a leading producer of semiconductor capital equipment, rose strongly during the month following the announcement of significant capital expenditure plans from cloud service providers, such as Meta and leading semiconductor foundry **TSMC** (also a Fund holding). The company released a strong set of financial results at the end of the month and has seen earnings estimates for its profit outlook increased.

Shares of **Agilent Technologies, Inc.** (+13%), a life sciences and industrial tools manufacturer, rose during the month amid positive commentary from the company and several of its peers at a major industry conference.

The arrival of Chinese large language model DeepSeek, in late January, significantly impacted equity markets with shares of **NVIDIA Corporation** (-11%) and other AI related companies falling sharply. DeepSeek's strong performance and reportedly dramatically lower cost of production compared to ChatGPT and other leading LLMs, led to a significant reassessment by investors of the outlook for companies benefiting from growth in AI model training and deployment. While DeepSeek's model still used NVIDIA's processors, the claimed breakthroughs in training speed and cost have created uncertainty about the amount companies such as OpenAI would continue to invest in NVIDIA's most powerful processors to stay on the leading edge of model development.

Several of the Fund's European industrial holdings performed strongly in January. **Valmet Corp** (+13%), **Prysmian S.p.A**. (+10%), **Siemens AG** (+10%), **ANDRITZ AG** (+12%) and **Siemens Energy** (+15%) performed strongly in January as European equities market outperformed. Companies viewed as beneficiaries of spending to increase electricity production to support AI data centres, such as Prysmian, Siemens and Siemens Energy, were adversely affected by the DeepSeek news late in January but still rose over the month. Pulp and paper industry capital equipment manufacturers, Valmet and Andritz, saw their shares rebound following weak performance in the latter part of 2024.

New Investments

Corpay, Inc. provides digital payment solutions to improve the efficiency of corporate payments, historically focused on vehicle and travel related expenses but increasingly on corporate payments and international transfers. The corporate payments solutions offered by Corpay help customers to streamline their back office operations and improve the efficiency of B2B payment processing. Corporate payments, in particular cross border payments are a growing part of the company's business with a higher organic growth rate where the company has a key competitive advantage. We believe the shares will re-rate as this business grows to be a larger part of the overall Group.

Exited Positions and Other Portfolio Changes

The Fund exited its holding in French-domiciled environmental services company Veolia Environnement SA in January. The company had failed to deliver anticipated earnings growth following the acquisition of peer Suez Environmental in 2020.

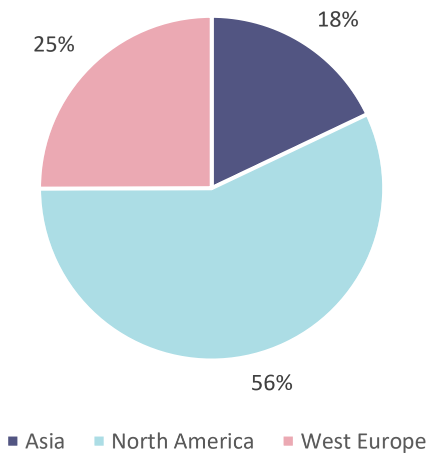
The Fund's holding in Vestas Wind Systems was further increased in January with the stock now the Fund's largest European holding and within the portfolio's top ten positions. The increase was funded primarily from reductions in the Fund's holdings in US company Zebra Technologies, a leader in inventory management systems, and global elevator and escalator specialist Otis Worldwide.

Top 10 Holdings

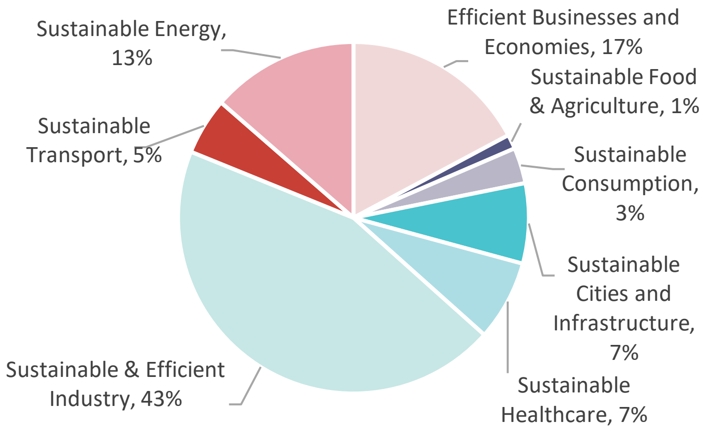
Security Name	Weight (%)	Country	Sector
CDW Corporation	5.0	UNITED STATES	Efficient Businesses and Economies
Taiwan Semiconductor Manufacturing Co., Ltd.	4.7	TAIWAN	Sustainable & Efficient Industry
Microsoft Corporation	4.5	UNITED STATES	Efficient Businesses and Economies
Vestas Wind Systems A/S	4.2	DENMARK	Sustainable Energy
Rockwell Automation, Inc.	3.9	UNITED STATES	Sustainable & Efficient Industry
Agilent Technologies, Inc.	3.5	UNITED STATES	Sustainable Healthcare
Otis Worldwide Corporation	3.2	UNITED STATES	Sustainable Cities and Infrastructure
NVIDIA Corporation	3.1	UNITED STATES	Sustainable & Efficient Industry
Prysmian S.p.A.	2.7	ITALY	Sustainable Energy
Bureau Veritas SA	2.7	FRANCE	Sustainable & Efficient Industry

Portfolio Positioning

Regional Weights (%)



Sector Weights (%)



Market Commentary

Global equities benchmarks rose in January with the MSCI All Country World Index returning 3.3% in US Dollar terms. European share markets performed strongly with the Euro STOXX 50 Index rising 8%. The Euro-USD exchange rate remained steady.

Markets reacted to the inauguration of Donald Trump and an immediate round of Executive Orders that were largely in line with his stated policy agenda. However, uncertainty about the extent to which his orders will be implemented and his threat to immediately impose tariffs on major trading partners have led to some volatility in share prices. In the second half of the month a new large language model (LLM), from Chinese AI company DeepSeek, generated significant market disruption. AI and the related massive investment in developing data centres to train LLMs, has been a major driver of stock market returns in the last two years since the emergence of Chat GPT. DeepSeek's R1 model, reportedly developed for a cost of only US$5.6m, has led to a significant reassessment of the cost of developing LLMs, the power requirements to build out data centres and the potentially lower cost, but wider use of AI. The initial reaction was negative for companies such as NVIDIA that provides hardware for training AI models and for companies that are building electricity generation systems. The potential impact on software and cloud companies that may be able to more broadly sell AI services was viewed positively.

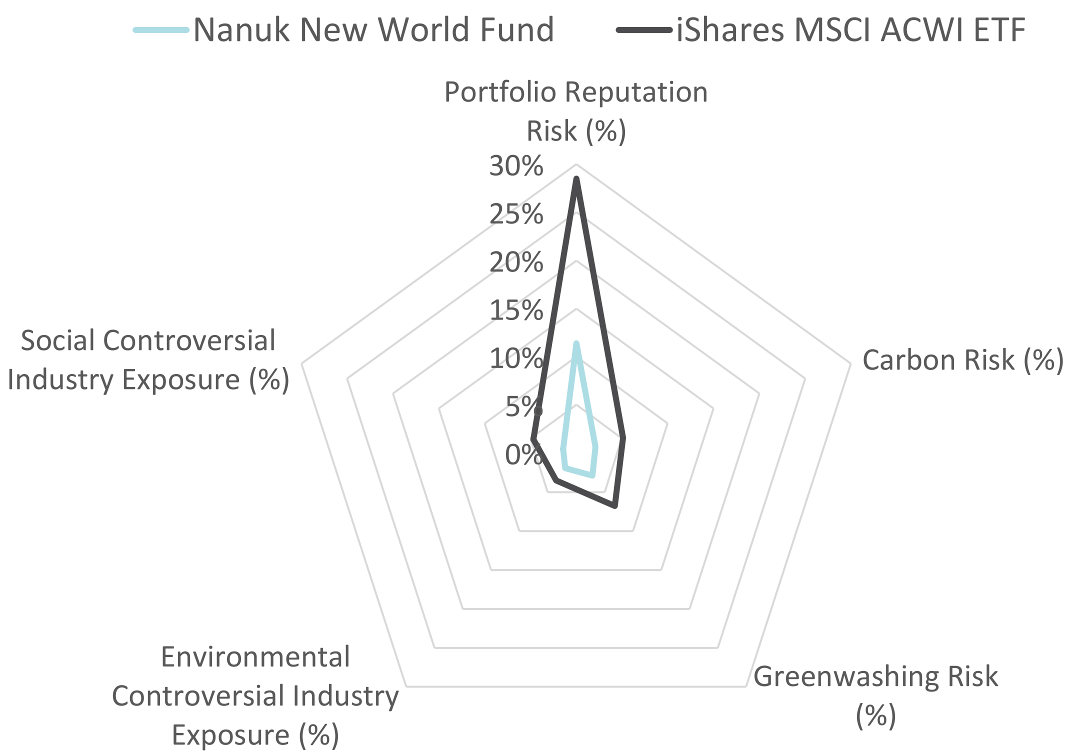
US equities rose during the month with the S&P 500 index rising 2.7%. Large capitalisation technology stocks lagged somewhat, with the Nasdaq Composite Index up 1.6%. The smaller capitalisation focused Russell 2000 Index matched the S&P 500, rising 2.6%. Hong Kong's Hang Seng Index appreciated 0.8% and Japan's Nikkei 225 Index fell 0.8% in local currency terms. The Australian dollar strengthened by 0.5% relative to the US dollar, while the Japanese Yen weakened slightly, by around 1.3%.

Responsible Investment – Sustainability In Focus

The Fund's eligible investment universe is identified using both positive screening (for exposure to selected industries and technologies) and negative screening (that seeks to reduce or avoid exposure to activities that are deemed by Nanuk to be misaligned with improving global environmental sustainability, certain controversial activities and severe violations of norms for responsible business practices). The applicable materiality thresholds vary from 0% to 30% of revenue depending on the nature and severity of the relevant activities. For more details, please refer to Nanuk's ESG Policy, available on our website.

Although the Fund does not have specific sustainability or impact targets, the selection of investments from this universe is likely to result in a portfolio that demonstrates greater alignment with global sustainability outcomes, lower levels of exposure to companies involved in producing or using fossil fuels and lower levels of exposure to controversial activities (such as tobacco production and gambling operations) than conventional passive global equities portfolios.

Nanuk uses third-party data from independent providers, such as Sustainable Platform, to analyse this alignment and to illustrate the characteristics of the Fund's portfolio. The diagram below compares statistics for the Nanuk New World Fund with the holdings of the iShares MSCI ACWI ETF as at 31/12/2024.



It is noteworthy that at the end of December, relative to Global Equities, the Nanuk New World Fund had:

- **59% lower** exposure to controversial industries (socially & environmentally controversial industry exposure)
- **59% lower** carbon risk

- **60% lower** reputational risk
- **57% lower** greenwashing risk

Source: Sustainable Platform, Nanuk. As of 31st December 2024. This analysis compares the holdings of Nanuk New World Fund against the holdings of MSCI ACWI ETF. Further details available at https://www.sustainableplatform.com/docs/metrics. Portfolio Reputation Risk is measured by the number of companies that have more than the global database average exposure to controversial industries or have more than the average number of corporate or environmental fines. Environmental Controversial Industry Exposure is the sum of Controversial Industry exposure that risks the wellbeing of the environment. i.e. defence, deforestation, fossil fuels, GM, nuclear. Social Controversial Industry Exposure is the sum of Controversial Industry exposure that has been known to negatively impact society or the health of people. i.e. adult industries, alcohol, defence, fossil fuels, gambling, nuclear, opioids and tobacco. Greenwashing Risk represents the company's exposure to controversial industries related to the environment and takes into account any environmental fines against the company. Carbon Risk is a single metric used as a proxy for combined Scope 1, 2 & 3 reporting. It is calculated from fossil fuel exposure within a portfolio as a proportion of company revenue.

Notable Industry Developments

Climate Change and Sustainability policy

- President Trump's moved quickly to implement his policy agenda following his inauguration. He signed a raft of executive orders directing federal government departments to take action or pause existing programs. Those orders included
  - Declaring an 'energy emergency', thereby allowing development of energy infrastructure to avoid existing regulatory hurdles, including environmental regulations
  - Support for the development of fossil fuel production and other preferred energy sources, including nuclear, geothermal and hydro.
  - Eliminating the "electric vehicle mandate" and federal tax credit support for EV purchases
  - Pausing further approval of offshore wind projects and reviewing policies with respect to wind (outlined further below)
  - Pausing further development of wind and solar on federal land.
  - Withdrawing from the Paris Climate Accord and terminating the US's commitments to climate change funding
- For further information on the industry and investment implications of these announcements and Trump's policy agenda please refer to our recent webinar, which can be ACCESSED HERE.
- The US experienced one of its worst natural disasters ever with an estimated economic loss of US$200 billion as wildfires ravaged Los Angeles in the middle of Winter. At this point fatalities have reached 29 people but are likely to rise further. The increasing incidence of fires, linked to global warming, is pressuring firefighting resources globally.
- Corporations continue to distance themselves from previous commitments to collaborate on addressing climate change, with the large Canadian banks quitting the Net Zero Banking Alliance and Blackrock leaving the Net Zero Asset Manager's Alliance.

Sustainable Energy

- China announced that it added 277GW of solar and 80GW of wind capacity in 2024, hitting its 2030 renewable energy installation targets six years early. Due to ongoing increases in power demand the country also installed 54GW of thermal power capacity.
- The UK announced that wind had overtaken gas as a source of power generation in 2024, contributing 29% of the country's electricity generation while gas shrunk to one quarter of generation. The UK has plans to add significantly to offshore wind capacity over the rest of the decade. An ongoing electricity market review is also considering splitting the UK power market into different zones to improve price signals, reduce curtailment of wind resources and better utilise the country's growing power supply.
- As expected, Donald Trump followed through quickly on his promise to inhibit wind development in the US. The President is likely to stop all offshore wind development and curtail onshore wind development on federal land, albeit this is only around 4% of existing onshore capacity and will not stop ongoing development on private and State Land. There is currently a large backlog of already permitted offshore wind projects, totalling 18GW, that remain likely to be developed.
- US-based Westinghouse and Korea Electric Power Corp resolved an intellectual property dispute to allow both companies to move forward with new nuclear reactor projects.

Sustainable Industry

- Santos announced the start-up of its Carbon Capture and Storage (CCS) project at Moomba in the Cooper Basin in South Australia. The $220 million project plans to ramp up to an injection capacity of 1.7mtpa.

- Australia announced a $2 billion production tax credit to assist aluminium smelters' switch to green electricity by 2036 as part of the government's Future Made in Australia programme. Four smelters are operating in Australia making the country the world's sixth-largest producer of aluminium, according to the Australian Aluminium Council.

Sustainable Transportation

- South Korean-domiciled battery maker LG Energy Solutions said that it would make major cuts to its capital spending in 2025 due to uncertainties over the global electric vehicle sector, even though the company expects to see sales increase by mid- to high-single digits in 2024. The company's new products to be rolled out in 2025 include a 46-mm diameter cylindrical battery and a lithium-iron-phosphate battery for energy storage.

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	Distribution frequency: Annually as of 30 June
Responsible Entity: Equity Trustees Limited	Currency: AUD
Total Management Costs: 1.1% p.a.	AUM (AUD as at 31 January 2025): $940.7m

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)*

Investment Manager

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