Q3 2022

TT ENVIRONMENTAL SOLUTIONS FUND

Fund Performance

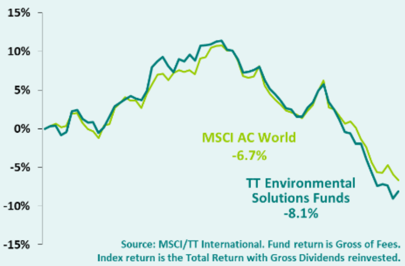
	Fund	MSCI AC World
Q3	-8.1	-6.7
YTD	-26.4	-25.3
1 Year	-23.3	-20.3
Inc (Ann.)	26.4	7.4

Returns are gross of fees in USD

Fund Value (USD mil) 109.0

Inception 12/05/20

USD Returns, Q3 2022

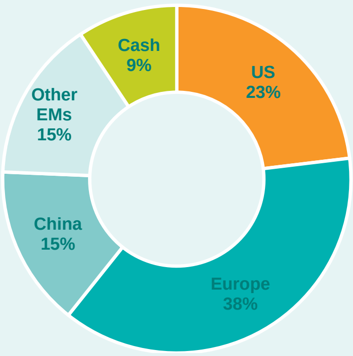


Source: MSCI/TT International. Fund return is Gross of Fees. Index return is the Total Return with Gross Dividends reinvested.

Top Five Securities %

China Three Gorges	China	5.1
Omega Energia	Brazil	4.9
DSM	Netherlands	4.8
Alupar	Brazil	4.4
Nexans	France	4.0

Regional Positioning



Charitable Contributions

Total contribution since inception USD:

2020	**20,794**
2021	**163,592**
2022 YTD	**180,504**

Performance

Global equities sold off during the quarter as concerns continued to mount over the challenging economic outlook. High inflation is squeezing both consumers and businesses, as well as prompting central banks to raise interest rates significantly, potentially leading to recessions in many parts of the world. Against this backdrop, the fund saw a negative absolute return, underperforming its benchmark.

Outlook and positioning

Equity markets have been very weak amid a deteriorating global macro picture, decidedly hawkish central banks, and a strong dollar. Added to these global headwinds are more country-specific issues, including China and its property market woes, and the UK's "mini" budget that caused sterling to collapse and gilt yields to spike, prompting the Bank of England to effectively enact yield curve control to stabilise the domestic pension fund industry.

Perhaps unsurprisingly, most gauges of short-term sentiment are now extremely bearish, be it relative strength indicators, cash balances, or options market positioning. At the time of writing in early October, we have just seen equity markets lurch higher, despite a lack of meaningful catalysts, which also demonstrates that positioning is light. It is also the case that, after a period of sustained weakness in markets, a tough economic outlook is increasingly factored into valuations. That said, we expect market volatility to continue, particularly as the bulk of earnings downgrades are likely still ahead of us, and are set to get sequentially worse as we move into 2023 as the weight of higher inflation and interest rates bears down on consumers and corporates alike.

However, this volatility is presenting more and more compelling medium-term opportunities, particularly as the structural outlook for many of our businesses has been materially enhanced by higher energy prices and policy tailwinds from the likes of REPowerEU and the US Inflation Reduction Act. We have been taking advantage of some of these opportunities, whilst continuing to maintain a defensive tilt to the portfolio, with a beta below 1, many relatively defensive equity holdings, and significant currency hedges.

The overall theme running through our trading activity in Q3 was that we generally bought or added to defensive assets. For example, Terna Energy, Renew Energy Global and China Three Gorges Renewables are very defensive renewable gencos that were added to. Other defensive top ups were nutrition company DSM and smart grid company Nari Technology. We also bought Ecolab, which supplies chemicals and hardware to industry and the hospitality sector, allowing them to save on their water and energy consumption. Although these end customers may be in cyclical industries, demand for Ecolab's products should be resilient. Indeed, even if a factory was temporarily operating at a loss during a downturn, it would likely continue to use Ecolab's solutions to reduce its water and energy consumption. In many ways the case for using these products is strengthened during tougher times.

Conversely, we trimmed or sold several stocks after strong performance include Lindsay, Plug, Greencoat and Advanced Drainage Systems. We also risk managed the position in Terna Italy ahead of the elections. Similarly, Smurfit Kappa was trimmed due to concerns over cyclical risk. Amongst other things it produces recyclable packaging for industrial and e-commerce purposes, and is therefore at risk of seeing temporary margin pressure as demand slows and input costs stay elevated.

Stock Focus

Nexans

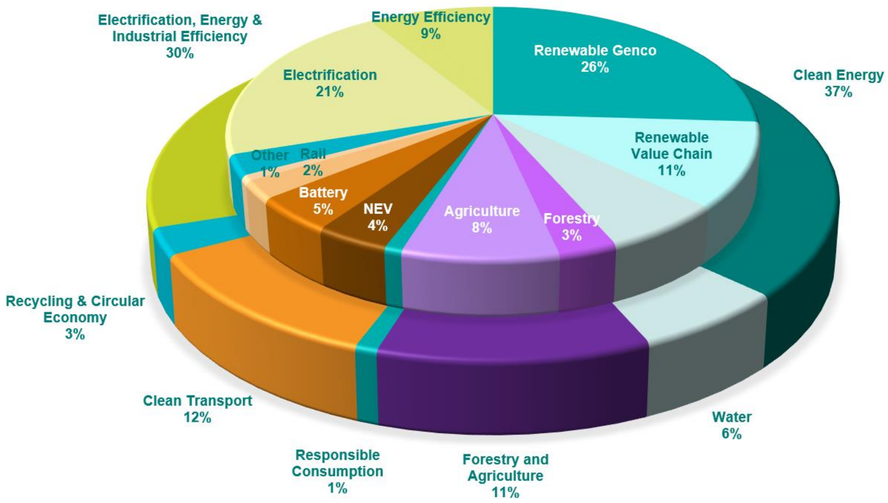
Nexans is the second-largest cable manufacturer in the world. At present around 55% of its revenues are derived from electrification, but this is expected to increase to over 90% as it is selling its non-core industrials and telecoms businesses. This means it will focus on its High Voltage Projects and Usages businesses. The former is comprised of high voltage interconnectors and high voltage offshore wind farms, while the latter serves utilities and buildings. Despite the difficult operating backdrop, the business is going from strength-to-strength. Its High Voltage Projects business has recently been awarded preferred supplier status for two very large projects with a combined value of €1.8bn. These projects are both extremely earnings accretive over the next few years and serve to increase our conviction in the company. The path to Nexans generating almost €1bn in EBITDA by 2025 is now visible and reasonably likely in our view. The company currently has an Enterprise Value of less than €4bn, all of which is equity as opposed to debt. In our view, a pure electrification player and facilitator of the energy transition should not be trading below 4x EV/EBITDA.

Xpeng

Xpeng is a Chinese electric vehicle company positioned in the mid-to-high-end of the market. Autonomous capability is one of Xpeng's key differentiators. Its XPilot autonomous system provides highway navigation and advanced automatic parking functions, with further evolution potential. Our comparison of the system with peers and interviews with experts suggest it is the most sophisticated ADAS system in China, except for Tesla. This is a big advantage over internal combustion engine and other EV peers as the software subscription service is high margin with limited incremental cost. The shares sold off after releasing disappointing sales numbers, with the market concerned that cyclical headwinds will scupper the secular growth opportunity. Whilst we acknowledge that risk, we are ultimately more sanguine. We note that auto volumes have been constrained over the past few years by a lack of supply. Inventories are low, and this should limit the degree to which overall auto volumes fall from here. Meanwhile, governments and auto OEMs remain committed to the phasing out of internal combustion engines, and we expect Xpeng to continue to have a high share of this growing market.

Portfolio Thematics and Performance

Here we show portfolio thematic exposure and the major drivers of performance over the quarter.



Themes

- As discussed above, we believe the medium-term outlook for many of our holdings has materially improved due to favourable policy tailwinds. Here we focus on one: the US Inflation Reduction Act. Among many other things, it offers a 10-year investment and production tax credit for renewables, a $7500 subsidy for EVs, a $3/kg hydrogen production tax credit, a $1.5 per megawatt hour nuclear energy production tax credit, a carbon capture tax credit of $85 per tonne, and a direct air capture tax credit of $180 per tonne. These are all very positive for many of the fund's holdings, including Stem, Plug, SolarEdge and Hansol Chemical.

Major Winners and Losers (Held Stocks Only)

	Stock	Country	Management Effect (%)
Top Contributors	Stem	United States	1.00
	Nexans	France	0.86
	Owens Corning	United States	0.47
	Plug Power	United States	0.45
	Industrie De Nora	Italy	0.41
Top Detractors	Guangdong Jia Yuan Tech	China	-1.04
	Xpeng	China	-1.03
	Terna	Italy	-0.76
	DSM	Netherlands	-0.54
	Niu Technologies	China	-0.53

Performance

- Outperformance in the US was overshadowed by underperformance in Emerging Markets and Europe.
- Stem is a key beneficiary of the US Inflation Reduction Act, which includes tax credits for energy storage. The company also had a capital markets day where it gave bullish growth guidance, particularly for its very high margin software business.
- Owens Corning traded higher after reporting very strong results.
- Nexans was awarded preferred supplier status for two large projects with a combined value of €1.8bn.
- Jia Yuan underperformed as its long-anticipated growth-funding capital raise acted as an overhang.
- Xpeng sold off after releasing disappointing sales numbers.
- Terna struggled into the Italian elections and amid higher real rates.

Q3 2022

TT ENVIRONMENTAL SOLUTIONS FUND

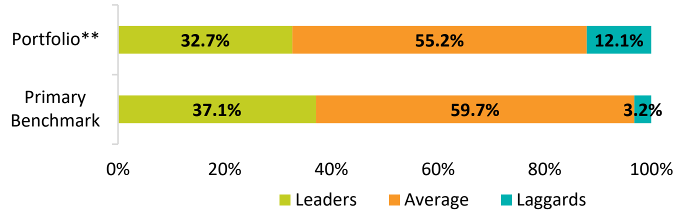
TT Environmental Solutions ESG Dashboard

Carbon Footprint and Avoided Emissions

	TT ESF	MSCI ACWI	Portfolio vs Benchmark
Carbon footprint (CO_2t per $1m invested)	60	102	**-41%**
Carbon intensity (CO_2t per $1m sales)	110	188	**-42%**
Coverage including cash	**99.9%**	**99.9%**	

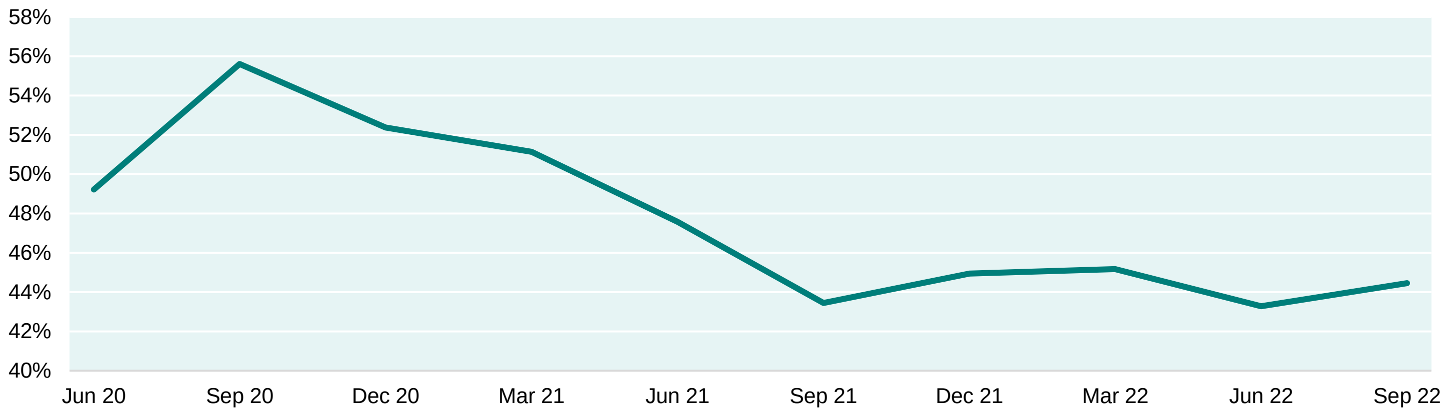
Our portfolio's avoided carbon emissions as disclosed by the investee companies is 23.9x its carbon footprint*

MSCI ESG Ratings Distribution

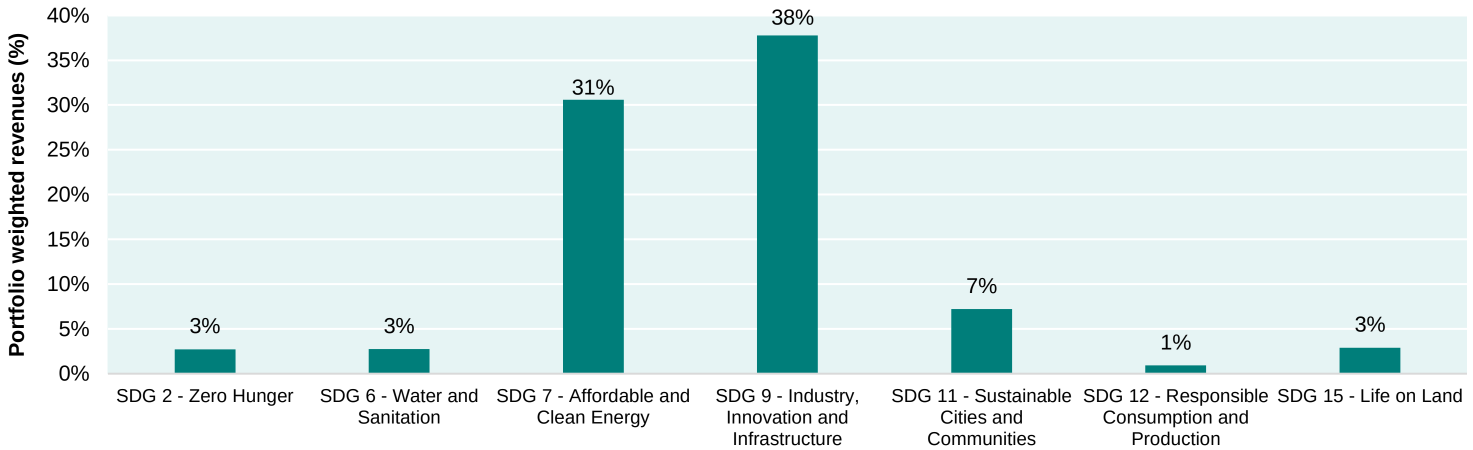


	Portfolio	Primary Benchmark
Weighted Avg. ESG Score	6.39	6.67

EU Taxonomy Alignment



SDG-Aligned Revenues of our Portfolio



*44 companies with reported or estimated carbon emissions, 23 companies reporting emissions avoided through their activities.

**8 companies not covered by MSCI ESG ratings.