Q4 2021

TT ENVIRONMENTAL SOLUTIONS FUND

Fund Performance

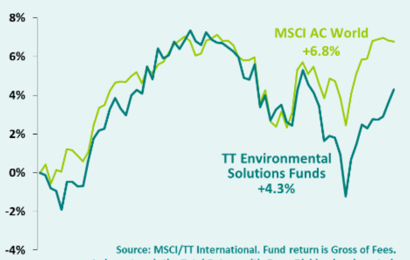
	Fund	MSCI AC World
Q4	4.3	6.8
YTD	20.9	19.0
1 Year	20.9	19.0
Inc (Ann.)	69.5	32.6

Returns are gross of fees in USD

Fund Value (USD mil) 83.3

Inception 12/05/20

USD Returns, Q4 2021

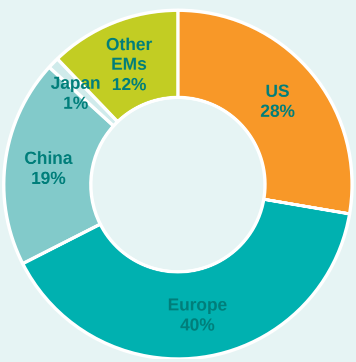


Source: MSCI/TT International. Fund return is Gross of Fees. Index return is the Total Return with Gross Dividends reinvested.

Top Five Securities %

Weyerhaeuser Co	US	6.9
China Three Gorges	China	5.0
Owens Corning	US	4.7
Knorr-Bremse	Germany	3.7
Nexans	France	3.7

Regional Positioning



Charitable Contributions

Total contribution since inception USD:

2020	**20,794**
2021	**163,592**

Performance

Global equities rebounded towards the end of the quarter as fears over the impact of Omicron began to subside. The fund saw a positive absolute return, underperforming its benchmark. It remains ahead of its benchmark over 1 year and since inception.

Outlook and positioning

We believe the outlook for environmental equities is very good. 2021 was a difficult backdrop for much of the environmental universe, and many of our holdings were impacted by rising bond yields, supply chain disruption and spiking input cost inflation. This has depressed sentiment and caused some stocks to sell off sharply. However, we believe these headwinds will, in many cases, prove transitory and that the share price weakness has presented significantly more attractive valuation levels in many stocks and an excellent entry point into the strategy. We have 11 positions in the fund that have fallen by more than 15% in December, of which 5 are down by more than 20%. In all cases we have increased our holdings. In fact, we have found so many attractive opportunities following the sell-off that cash is running at around its lowest level since the fund's inception and the portfolio now has 47% upside to mid-23 target prices on a position size-adjusted basis.

Examples of companies that we believe are deeply mispriced include Niu Technologies, Owens Corning and Omega Energia. Niu is a Chinese electric 2-wheeler company, producing some of the most tech-enabled, connected and popular scooters in the Chinese market. We estimate that Niu will grow its revenues 47% in FY21 and then 49% in FY22 as it continues to take share in the lithium-ion battery scooter market. Longer term we believe that Niu's products are the best placed amongst the Chinese brands to sell into Europe and North America. We see the stock on a 20x forward PE, which we consider very attractive for the growth and cash generation on offer. We have over 100% upside to our price target. Owens Corning is a US producer of insulation. Extreme tightness in insulation markets has put the company in a very strong position to increase prices and we see it as unlikely that the supply situation will be resolved in the next 12-18 months, given the long lead times to bring new insulation capacity online. Earnings have been revised up by nearly 100% over the last 12 months, leaving the stock on just 9x earnings – more than 1 standard deviation 'cheap' at a time when European makers of insulation such as Kingspan are trading at chunky premiums to history. We believe the market underestimates the length of the current earnings cycle and has failed to appreciate the importance of insulation as an environmental solution. We have more than 30% upside to our DCF-driven valuation. Omega Energia is a Brazilian renewable genco operating some of the highest load factor onshore wind assets in the world. Unlike many global peers, Omega enjoys long-term inflation-adjusted contracts, which provide visibility and protection. Whilst these contracts should command a premium multiple, Omega trades on c.9x forward EV/EBITDA, compared to peers on 12-15x. Despite this, Omega has a highly visible growth pipeline following the recent acquisition of Omega Development, its sister company. We believe that a combination of poor performance across the board for Brazilian assets as well as a complicated merger process has caused investors to overlook the stock and have over 100% upside here too. These three positions make up over 10% of the portfolio alone.

While there are undoubtedly significant opportunities on offer, there are of course risks to broader equity markets and the portfolio that we are also acutely aware of. The most significant is persistent inflation prompting a more hawkish turn at the Fed. We foresee several US rate hikes this year, which could test the valuations of some long duration stocks with limited earnings. Although some environmental technology companies would fall into this bucket, it is important to stress that the portfolio's factor exposure is well balanced, with a good mix of cyclical value names that should perform well in an environment of higher inflation and interest rates.

In addition to increasing the holdings discussed above, we recently bought Guangdong Jia Yuan, a Chinese copper foil manufacturer. While battery technology is changing quickly, one of the inputs that is likely to remain consistent for some time is copper foil. The market's perception is that Korea has the leading copper foil technology, but Guangdong Jia Yuan is one of only two Chinese players that are commercialising the leading 4.5 micrometre foil technology. Despite this, it trades at a big discount to its Korean rivals. We also bought Yunnan Energy, which makes separators for battery cells. It is the dominant player globally, with a market share of over 40%. Incumbent players such as Yunnan are benefitting from a lack of investment in the sector, which is allowing them to generate very attractive margins that we think can be sustained because we expect the lack of investment to persist. Conversely, we took profits in Delta Electronics, Terna Energy, Nari, First Solar, Installed Building Products and Aker Carbon Capture, fully exiting the latter.

Stock Focus

Weyerhaeuser: US-based Weyerhaeuser is a leading timber and forest products company. It is benefitting from strong home starts in the US, particularly single family homes, which use a disproportionate amount of wood. Weyerhaeuser is also a beneficiary of a rising carbon price as it is forming a new business group to monetise its negative carbon footprint, selling voluntary carbon certificates to other companies. The shares performed well as lumber prices bounced in Q4. In our view Weyerhaeuser's balance sheet is in great condition after 18 months of supernormal earnings and it is paying out a lot of cash to shareholders.

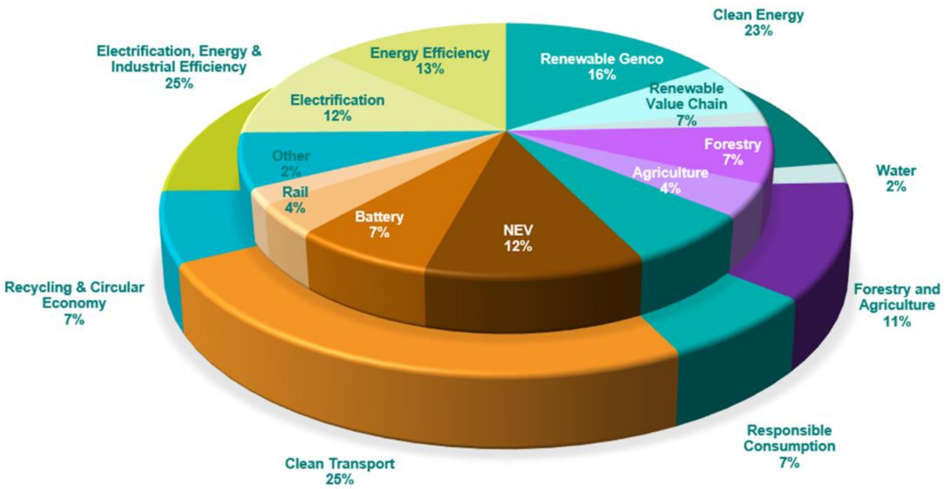
Planet Labs: Planet Labs is an earth observation company, selling satellite image data for use in a wide variety of applications, including improving crop yields and conservation efforts. It has two constellations of satellites that orbit the planet. One is a ring of satellites called Doves, which map the entire planet every day in very high resolution. It also has SkySats, which provide even higher resolution click-and-point images. Much of the data is sold to farmers to help improve crop yields. For example, the images can help to identify which parts of a crop have infestations or are suffering from drought. Other environmental and biodiversity uses for the data include tracking illegal logging and populations of endangered species. Planet Labs has also just signed a deal that will allow it to track point source emissions of methane globally. In essence, the company aims to effectively become a Google for the planet. We see a huge number of other potential uses for the data, including tracking ships in a port or refugee camps. The company released results over the quarter and sold off as, while revenues met expectations, margins were slightly weak. In our view the market is slightly missing the point as the company is not profitable yet and is not a margin story at this stage. Its appeal is its growth potential over the next five years.

Q4 2021

TT ENVIRONMENTAL SOLUTIONS FUND

Portfolio Thematics and Performance

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



Major Winners and Losers (Held Stocks Only)			
	Stock	Country	Management Effect (%)
Top Contributors	Weyerhaeuser Co	United States	0.62
	XPeng	China	0.57
	ON Semiconductor	United States	0.54
	Installed Building Products	United States	0.51
	Advanced Drainage Systems	United States	0.36
Top Detractors	Niu Technologies	China	-1.12
	Oatly Group	Sweden	-0.99
	Renew Energy Global	United States	-0.69
	Knorr-Bremse	Germany	-0.55
	Omega Energia	Brazil	-0.49

Themes

- The portfolio continues to have exposure to many exciting themes including energy storage, EVs and earth observation. The energy crisis, higher gas and coal prices, as well as blackouts in China should all be catalysts for governments to invest in grid-scale battery storage to accompany their build out of renewables generation. Meanwhile, EV penetration continues to run ahead of expectations, and earth observation is a nascent biodiversity-promoting technology that should enjoy strong growth in the coming years.
- Equally there are a range of exciting ideas that we are currently working on, which could be included in the portfolio within the next few months. These are in promising areas such as autonomous driving, industrial efficiency, agri-tech, solid-state batteries, carbon capture, battery and plastic recycling, clean aviation fuel, voluntary carbon credits, water treatment, offshore and floating offshore wind, nuclear fusion, and electric vertical take-off & landing vehicles.

Performance

- The fund underperformed its benchmark, with many holdings impacted by rising bond yields, supply chain disruption and spiking input cost inflation. We believe these headwinds will, in many cases, prove transitory and that the share price weakness has presented significantly more attractive valuation levels in many stocks.
- Forest products company Weyerhaeuser performed well as lumber prices bounced in Q4.
- Chinese EV manufacturer Xpeng continued to announce strong delivery numbers in Q4. It is now the best-selling challenger brand in China.
- Energy-efficient power solutions company On Semi released results showing strong margin improvements.
- Electric scooter company Niu was caught up in negative sentiment surrounding Chinese ADRs.
- Oat milk producer Oatly missed expectations at its quarterly results due to production issues.
- Planet Labs released results and sold off as, while revenues met expectations, margins were slightly weak. In our view the market is slightly missing the point as the company is not profitable yet and is not a margin story at this stage. Its appeal is its growth potential over the next five years.

Q4 2021

TT ENVIRONMENTAL SOLUTIONS FUND

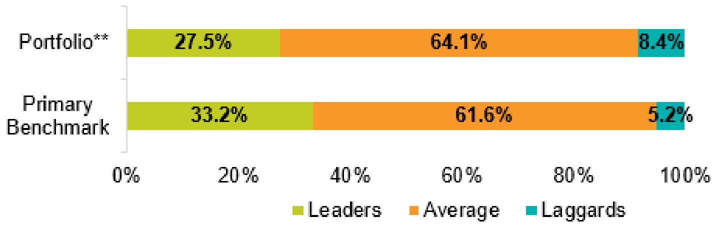
TT Environmental Solutions ESG Dashboard

Carbon Footprint and Avoided Emissions

	TT ESF	MSCI ACWI	Portfolio vs Benchmark
Carbon footprint (CO2t per $1m invested)	74	80	-7%
Carbon intensity (CO2t per $1m sales)	194	199	-2%
Coverage including cash	87.9%	99.7%	

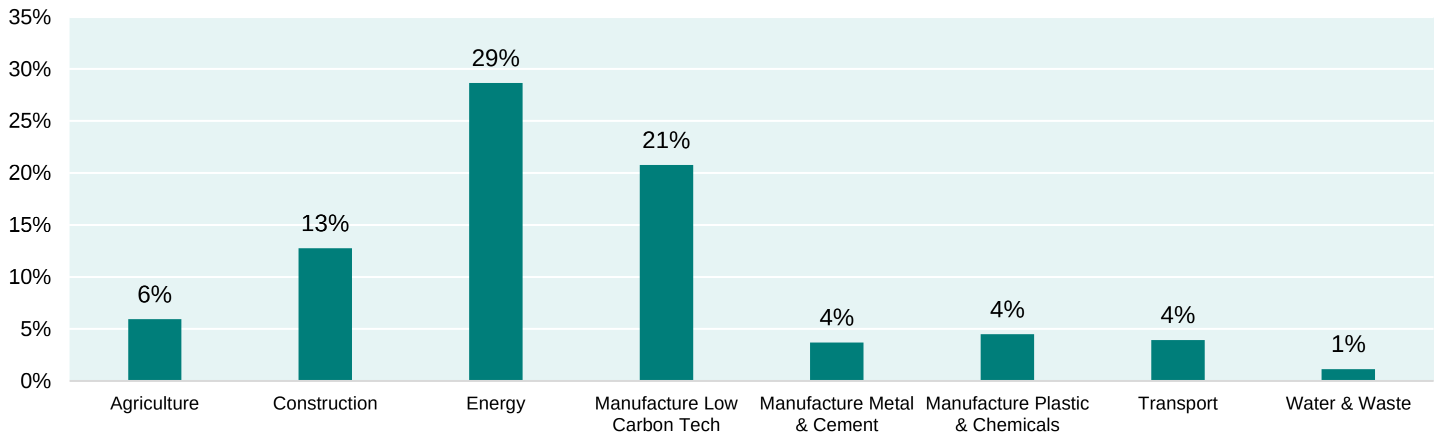
Our portfolio's avoided carbon emissions as disclosed by the investee companies is 12.2x its carbon footprint*

MSCI ESG Ratings Distribution

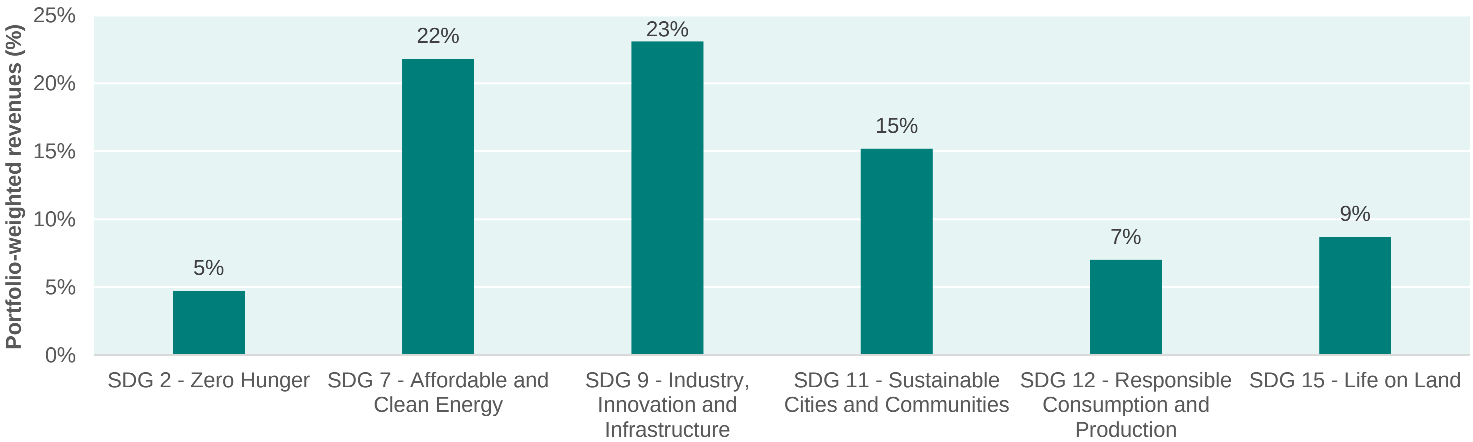


	Portfolio	Primary Benchmark
Weighted Avg. ESG Score	6.42	6.36

EU Taxonomy-Eligible Revenues



SDG-Aligned Revenues of our Portfolio



*38 companies with reported or estimated carbon emissions, 17 companies reporting emissions avoided through their activities.

**17 companies not covered by MSCI ESG ratings.