

Fund Performance

	Gross Returns	Net Returns	MSCI AC World SMID
Q4	-8.0	-8.2	-3.3
1 Year	2.9	1.8	9.2
Inc. Ann	13.6	12.4	11.6

Fund Value (USD mil)	9.5
Strategy Assets (USD mil)	176.0
Inception 29/11/22	



Top Five Securities %

Vita Coco	United States	3.1
Hyatt Hotels	United States	3.0
Transunion	United States	2.9
Cadeler	Norway	2.9
Topbuild Corp	United States	2.8

Performance

Global equities fell over the quarter, with the US bucking the trend due to optimism over deregulation and tax cuts, whilst other regional markets came under pressure amid worries over trade tariffs. More specifically for the fund, outperformance in the Technology theme was outweighed by underperformance in the Environmental and Demographic & Sociological themes.

Outlook and positioning

We have now reached a point where the strength of US equities and the dollar relative to the rest of the world appear extreme. Whilst we understand the reasons for this divergence, we do see potential for a partial reversal of these trends, particularly if there is a convergence in growth expectations between the US and the rest of the world. At this stage that is a contrarian view, but there are good reasons to believe it is possible. The US has benefited over the past few years from far more aggressive fiscal spending than in Europe and the UK, which has seen its cyclically-adjusted deficits widen to a much greater degree. US consumers have also run down their savings far more rapidly than those in Europe and the UK. Much of the positive US growth differential has stemmed from these factors, but clearly they cannot continue indefinitely. Meanwhile, there are several potential sources of positive surprise in Europe, including a removal of the German debt brake, or an end to the war in Ukraine. It is also important to note that Europe suffered far more than the US during the energy crisis following Putin's invasion. Regardless of whether the war can be brought to an end, energy now seems to be very well supplied, so Europe should benefit disproportionately from ongoing normalisation here. Europe has also suffered more acutely from the higher rate environment as a far greater proportion of its debt is floating rate. Thus, any further cut rates should have a quicker and more significant impact in Europe. Finally, it appears that the Chinese authorities are belatedly realising the seriousness of the problems facing their economy and the additional risks that an adversarial US president poses. Whilst our longstanding concerns around China are unchanged, namely debt, deflation, demographics and geopolitics, the likelihood of further Chinese stimulus would seem to be increasing, which would generate a positive growth delta for many economies outside the US, most notably in Asia. For these reasons, whilst we have marginally reduced the US underweight for risk mitigation purposes, we expect to remain underweight.

From a thematic perspective, we remain very bullish on AI. Hyperscalers such as Google and Microsoft are still increasing their investments in AI, and we are confident that this will continue for several reasons. Firstly, the models are still scaling, and are becoming increasingly useful in the real world as they do so. For example, improvements in models are now allowing companies to create agents to perform tasks that can replace humans – so-called agentic AI. This should drive productivity gains, increasing the value of the models and justifying the hyperscalers' CapEx. Secondly, there is an element of game theory here. For each of these companies, if they do not invest in AI, their core business could be disrupted. For example, Google's search business could be particularly vulnerable to AI disruption unless it continues to invest. Crucially, not only do the hyperscalers have the need to invest in AI, they also have the ability. Despite record investment, they remain free cash flow positive, with net cash balance sheets. Over the quarter we added Kaori Heat Treatment, which produces liquid cooling components that are increasingly being used in AI data centres. We see very significant growth from adding new products to existing customers, but also winning new customers.

Elsewhere, we added to the Digital Consumer theme through the purchase and top up of Rightmove and Scout24, respectively. They are the dominant property portals in the UK and Germany. Both are expanding the services they offer, and provide very high returns on capital. They trade on 20-25x next year's earnings, a material discount to competitors such as REA on 40x. Another purchase within this theme was CTS Eventim, a specialist in ticketing services and live entertainment. It is the second-largest ticketing company globally and the leader in Europe. Additionally, CTS ranks as the third largest event promoter in the world, behind Live Nation and AEG Presents. Despite the shift towards digital, people continue to seek real-world connections and experiences. Consequently, we believe the live entertainment industry represents a compelling long-term growth opportunity within the broader entertainment sector. CTS holds a leading position in the market, and demonstrates consistently strong execution. It has a net cash position, 20% return on invested capital, and nearly 100% net income conversion rate.

Conversely, we sold Aixtron due to concerns over the EV market, particularly given the potential for Trump to cut EV subsidies in the US. Samsonite was also sold due to disappointing earnings revisions and questions over its long-term growth potential in the face of rising competition. Finally, we took profits in CyberArk and Atkins Realis.

Stock Focus

Pure Storage

Pure Storage is the leading player in All-Flash-Array (AFA) storage for enterprises. AFA storage utilises NAND memory semiconductors and is gradually replacing legacy Hard Disk Drives as it is faster and more energy efficient. Hard Disk Drives are cheaper, but that gap is closing as Pure Storage rides the NAND cost curve lower, and we are reaching a point where the total cost of ownership of Flash is similar to that of Hard Disk Drives. We have seen this transition already in consumer electronics, but in the enterprise space Flash is only ~40% penetrated. The AFA market is already growing at double digit % rates, and AI should accelerate this growth as enterprises adopt machine learning technologies. Pure Storage's software architecture gives it a cost advantage versus its AFA competitors and the company has recently signed a deal with an undisclosed US hyperscale customer that should drive another leg of growth from 2026. We therefore expect annualised growth rates over the next 3 years of 15% for revenues and 25% for Free Cash Flow. The stock has performed well over the last 2 years and now trades on a relatively full valuation of 29x 2026 FCF. We have reduced our position on valuation grounds, but would increase our investment again at a more attractive multiple.

Attribution by Theme (%) - Held Stocks Only

	Q4 24
AI data centre	0.7
Automation	0.1
Cybersecurity	-0.0
Digital Consumer	-0.1
Knowledge Is Power	-0.1
Technology	0.5
Reshoring, Nearshoring and Friendshoring	0.7
Vietnam	0.3
India	-1.4
Macro	-0.3
Wealth Management	0.3
Travel & Leisure	0.1
Wellness	-0.8
Healthcare	-1.4
Demographic & Sociological	-1.7
Green Energy Metals	-0.3
Clean Energy	-0.7
Clean Transport	-1.0
Electrification, Industrial & Energy Efficiency	-1.3
Environmental	-3.2

Major Winners and Losers (Held Stocks Only)

	Stock	Country	Management Effect (%)
Top Contributors	Vita Coco	United States	0.92
	LPL Financial Holdings	United States	0.65
	Pure Storage	United States	0.61
	Atkins Realis	Canada	0.59
	Lemon Tree Hotels	India	0.52
Top Detractors	JD Sports Fashion	United Kingdom	-1.07
	Icon	Ireland	-0.79
	Hansol Chemical	Korea	-0.71
	Cadeler	Norway	-0.62
	Topbuild Corp	United States	-0.62

Performance

- The fund finished behind its benchmark, with outperformance in the Technology theme outweighed by underperformance in the Environmental and Demographic & Sociological themes.
- In Technology, our AI Data Centre sub-theme added value, with Pure Storage rallying after signing a deal with an undisclosed US hyperscale customer that should drive another leg of growth from 2026.
- Within Macro, engineering services company Atkins Realis performed well in the Reshoring, Nearshoring and Friendshoring sub-theme after releasing strong results, but our Financials holdings in India struggled due to fears over asset quality. We believe the issues are largely contained to the microfinance industry.
- In Demographic & Sociological, US wealth manager LPL benefited from strong US market performance following Trump's election victory, whilst clinical research organisation Icon sold off after announcing disappointing results and guidance.
- In the Environmental theme, insulation company TopBuild struggled due to concerns over weakness in US new home starts, while wind turbine installation vessel operator Cadeler traded lower on concerns that Trump will ban new offshore wind farms. However, Cadeler's exposure to the US market is minimal.

Fund 12-Month Discrete Periods (%)

Additional Fund Performance Information:

	Jan 24 - Dec 24	Jan 23 - Dec 23	Jan 22 - Dec 22	Jan 21 - Dec 21	Jan 20 - Dec 20
Gross of fees	2.9	31.7			
Net of fees	1.8	30.2			
Index	9.2	16.6			

Regional Allocation (%)

	TT GLOBAL SMID-CAP FUND		MSCI AC WORLD SMID-CAP
	30 Sep	31 Dec	31 Dec
North America	30.3	36.5	57.9
Developed Europe	33.4	34.6	14.0
Dev Pacific ex Japan	2.0		4.3
Japan	4.1	4.0	8.8
EM Asia ex China	27.6	23.3	8.3
China			2.0
EMEA			2.6
Latin America			1.0
Middle East	1.7		1.1
Cash	0.9	1.6	
Total	100.0	100.0	100.0

Theme Allocation (%)

	TT GLOBAL SMID-CAP FUND	
	30 Sep	31 Dec
Healthcare	9.4	9.2
Travel & Leisure	6.6	7.0
Wealth Management	4.1	6.2
Wellness	9.3	9.1
Demographic & Sociological	29.5	31.4
Clean Energy	3.3	2.9
Clean Transport	3.9	1.1
Electrification, Industrial & Energy Efficiency	5.9	8.3
Green Energy Metals	2.8	2.7
Environmental	16.0	15.1
India	15.4	11.7
Reshoring, Nearshoring and Friendshoring	9.2	7.9
Vietnam	4.1	3.4
Macro	28.6	23.0
AI data centre	11.0	12.0
Automation	2.9	2.2
Cybersecurity	1.7	
Digital Consumer	2.8	7.8
Knowledge Is Power	6.6	7.0
Technology	25.0	28.9
Cash	0.9	1.6
Total	100.0	100.0

Top 10 Stocks

September 30, 2024			December 31, 2024		
Security	Country	Weight %	Security	Country	Weight %
Cadeler	Norway	3.3	Vita Coco	United States	3.1
Icon	Ireland	3.0	Hyatt Hotels	United States	3.0
Accor	France	2.9	Transunion	United States	2.9
Dynatrace	United States	2.9	Cadeler	Norway	2.9
Vertiv Holdings	United States	2.8	Topbuild Corp	United States	2.8
Vita Coco	United States	2.8	Icon	Ireland	2.8
Gerresheimer	Germany	2.8	Gerresheimer	Germany	2.7
Allfunds Group	Netherlands	2.7	Nexans	France	2.7
Topbuild Corp	United States	2.6	Technopro Holdings	Japan	2.7
Glanbia	Ireland	2.5	CTS Eventim	Germany	2.5
Top 10 Positions		28.2	Top 10 Positions		28.0
Top 20 Positions		50.0	Top 20 Positions		50.7
No. of stocks		52	No. of stocks		52

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Important Information:

Shareholder Rights

A Prospectus is available for the Fund and Key Investor Information Documents (KIIDs) are available for each share class of each the sub-funds of the Fund.

The Fund's Prospectus can be obtained from www.ttint.com/fund-documentation/ and is available in English.

The KIIDs can be obtained from www.ttint.com/fund-documentation and are available in one of the official languages of each of the EU Member States into which each sub-fund has been notified for marketing under the Directive 2009/65/EC (the UCITS Directive).

In addition, a summary of investor rights is available from www.ttint.com/fund-documentation. The summary is available in English.

The sub-funds of the Fund are currently notified for marketing into a number of EU Member States under the UCITS Directive. The Fund can terminate such notifications for any share class and/or sub-fund of the Fund at any time using the process contained in Article 93a of the UCITS Directive.

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Switzerland: Prospectus, Key Investor Information Documents, Articles of Association, annual and semi-annual reports of the Fund may be obtained free of charge from the Swiss Representative (First Independent Fund Services AG, Klausstrasse 33, 8008 Zurich) and Paying Agent (NPB New Private Bank Ltd, Limmatquai 1, CH-8024 Zurich).

Additional risks

FDI Risk: FDI may fluctuate in value rapidly and leverage through FDI may cause losses that are greater than the original amount paid for the relevant FDI.

Operational Risk: human error, system and/process failures, inadequate procedures or control may cause losses to the Fund.

Liquidity Risk: the Fund may have difficulty buying or selling certain securities readily which may have a financial impact on the Fund.

Credit/Counterparty Risk: a party with whom the Fund contracts for securities may fail to meet its obligations (e.g. fail to pay principal or interest or to settle an FDI) or become bankrupt, which may expose the Fund to a financial loss.

For more information on these and other risk factors that apply to the Fund, see the section entitled "Risk Factors" in the Prospectus.