

Fund Information

Portfolio Managers

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Target Return

3% outperformance per annum on a three-year rolling basis

Comparative Benchmark

MSCI Emerging Markets ex-China Index

Typical Tracking Error

4-7%

Fund Inception

June-2023

Assets under management

Fund: USD 9.8m

Total EM Strategies: USD 3260.1m

Fund Performance

Past performance does not predict future returns

	Fund Gross	Fund Net	MSCI EM ex China	Gross Rel.	Net Rel.
December	4.9	4.8	-1.1	6.1	6.0
Quarter	8.1	7.8	-7.9	17.4	17.0
1 Year	28.1	26.5	4.2	22.9	21.4
Incep.	25.3	23.8	8.5	15.5	14.0

Returns are in USD

Fund Value (USD mil) 9.8

Inception 23/06/23

Q4 2024 Attribution

Country Allocation	9.3
Security Selection	5.8
Currency Effect	1.5
Management Effect	17.4

EM ex-China equities fell over the quarter amid tariff threats and dollar strength following Trump's election victory. The fund saw a positive absolute return, significantly outperforming its benchmark.

Performance

The fund finished significantly ahead of its benchmark, with outperformance particularly notable in Argentina, India and Korea.

Market Background

EM equities fell over the quarter amid tariff threats and dollar strength following Trump's election victory.

Outlook

We appear to be entering a more volatile, polarised world, characterised by an increasing divergence in performance across the EM universe. We believe our agile approach that combines top-down and bottom-up analysis is perfectly positioned to dynamically capitalise on these opportunities. So where do we see the key opportunities and risks at present?

We continue to be very constructive on Argentina. President Milei has made sweeping changes to the bureaucracy and red tape that has held the country back and, in less than a year, has converted a 3% primary fiscal deficit into a 2% surplus. With the trade deficit having also turned to a surplus, Argentina would appear to be relatively well insulated from an external shock. The manifest reform progress and a close relationship between Trump and Milei increase the likelihood of a renewed IMF deal, which would serve as another positive catalyst. Many areas appear to be moving towards the bull case, with economic activity levels, inflation and Milei's popularity all tracking well. The parallel and controlled exchange rates continue to converge, suggesting that the latter is not overvaluing the Peso. Such convergence will theoretically make it easier to remove currency controls, a major outstanding economic reform. It is also encouraging to detect a change in tone from the mainstream media regarding Argentina's reform programme, which should help equity risk premia. We recently shifted much of our Argentinian exposure into Financials, which we believe still trade at reasonable valuations and have a very strong credit growth cycle ahead of them, with credit penetration-to-GDP still in the single digits in Argentina. These positions subsequently rallied sharply, both in absolute terms and relative to other sectors, particularly after several broker upgrades.

We are also positive on Turkey, which in some ways resembles Argentina in the sense that inflation spiked due to gross mismanagement, but is now being reined in by a return to economic orthodoxy. With monetary policy in extremely restrictive territory, and fiscal policy likely to become slightly contractionary this year, inflation should continue on its downward trajectory. This should enable monetary loosening, and indeed the central bank recently cut rates by 250bps. We believe this provides an exciting opportunity for a depressed market to re-rate, particularly the banks that are very sensitive to rate cuts.

India also looks well positioned in the current environment as it is geopolitically 'neutral', with a vast domestic economy that is relatively isolated from tariff rhetoric. It should also benefit from lower oil prices in a scenario where an increasing supply of hydrocarbons, principally from the US, meets weakening global demand. The market currently appears to be in a mid-cycle 'air pocket'. We have been saying for some time that we would like to add to India if a pullback presented an opportunity to pick up stocks at more reasonable valuations. We have therefore arranged a research trip to identify potential ideas here.

From a sector perspective, we are particularly bullish on Technology, most notably 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.

On the other side of the coin, twin deficit countries are likely to be particularly vulnerable to an external shock, be it from tariff rhetoric or spikes in risk premia amid heightened volatility. Southeast Asian economies such as Thailand and Indonesia would fall into this category.

But it is Mexico and China that look particularly vulnerable at present. Mexico's socialist government was already implementing market-unfriendly reforms before Trump's victory, and the country is now firmly in Trump's tariff crosshairs due to its failure to control the flow of illegal drugs and immigrants across the border. For an economy that is heavily reliant on the US, this is a major risk.

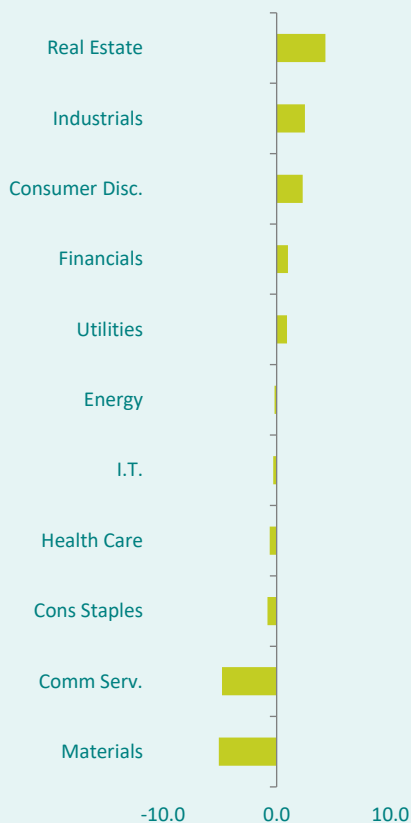
China's economy is facing a range of issues as it struggles to transition from export- and investment-led growth towards domestic consumption. These problems are likely to be exacerbated by an adversarial US president. However, we believe that China is waiting to assess the measures that Trump implements once in power, and will likely use stimulus measures to mitigate the impact. This could result in sharp relief rallies.

Finally, we are underweight Brazil, where fiscal policy appears too loose against a backdrop where inflation has ratcheted up to a 14-month high. Investors have priced in significant rate increases to offset this, with SELIC predicted to rise to 14-16%. Given Brazil's high debt levels, interest rates of this magnitude are leading the market to question debt sustainability.

Country relative to Index %



Sectors relative to Index %



Portfolio Positioning

Over the quarter we took some profits in several of our Argentinian holdings, most notably YPF, after a strong rally. The proceeds were recycled into some Financials and Pampa Energia, where we see better value. The latter has been a relative laggard, despite the fact that it is starting to develop a very promising area in the Vaca Muerta shale basin.

We also increased our AI exposure through positions in Quanta Computer and Elite Material. The former makes AI servers for Nvidia, whilst Elite provides substrates for PCBs. AI investment is only increasing from the hyperscalers, and we believe this will continue in 2025.

Conversely, we took some profits in Capstone, while Kotak and ASE were sold and reduced to free up capital for other ideas in India and Taiwan, respectively.

Finally, Banco BTG was exited as we looked to reduce the fund's exposure to Brazil further.

Stocks

Below we highlight a major winner and a major loser:

Emaar

Emaar is a leading real estate development company headquartered in Dubai. It is known for landmark projects such as the Burj Khalifa and The Dubai Mall, one of the world's largest shopping and entertainment developments. Some 80% of Emaar's NAV is its malls, offices and hotels, with the remainder being its development business. Emaar's portfolio includes master-planned residential communities, luxury hotels, mixed-use developments and commercial properties. The Dubai market continues to be strong, with Emaar firing on all cylinders. Historically, the company has been reticent to pay out the cash it has generated, which likely stems from Emaar previously being highly levered. However, in recent years it has moved into a substantial net cash position, and in December announced a far more aggressive dividend policy, which we believe is sustainable. It currently offers an 8% dividend yield – well above the level of comparable shares. Assuming a dividend yield of 6% and modest growth, we see another 40% upside in a defensive company that is effectively a dollar earner, given that the Dirham is pegged. The shares traded higher following the dividend announcement.

Mercadolibre

Mercadolibre is the largest e-commerce and online payments ecosystem in Latin America. Operating in 18 countries, including Brazil, Mexico, Colombia and Argentina, Mercadolibre's key strengths are its dominant market position in the region, its robust fintech ecosystem 'MercadoPago', and its innovative logistics infrastructure for efficient delivery. Despite generating very strong topline growth, the company has seen relatively lacklustre earnings expansion, partly due to margin compression on the infrastructure side. The latter was due to opening a number of distribution centres, which we see as vital to maintaining its dominant market position and bringing down costs over time. With the company investing for growth, we have been using weakness to add to the position, particularly as we believe that investors will start to recognise the hidden value of Mercadolibre's Argentinian business, which could eventually represent over 25% of NAV.

Performance Attribution Q4 2024

On this page we identify where your portfolio added or subtracted value, relative to the benchmark.

Country Selection (%)

Country	Country Allocation	Security Selection	Currency Effect	Management Effect
Total Portfolio	9.3	5.8	1.5	17.4
Equity	9.3	5.8	1.7	17.7
Top/Bottom 5 EM Countries	8.4	5.6	1.1	15.8
Argentina	8.3	0.2	0.9	9.4
India	-0.1	3.0	0.0	3.0
Korea	0.4	1.0	0.4	1.9
Taiwan	-0.2	1.0	0.0	0.8
UAE	0.1	0.5	0.0	0.6
Malaysia	-0.1	0.0	0.1	0.0
Indonesia	0.0	-0.1	0.0	-0.1
Qatar	0.0	0.0	-0.1	-0.1
Kuwait	-0.1	0.0	0.0	-0.1
Saudi Arabia	0.0	-0.1	-0.1	-0.3
Rest of World	0.9	0.2	0.6	1.6
Non Equity	-0.1	0.0	-0.2	-0.3
Cash	-0.1	0.0	0.1	0.0
Foreign Exchange	0.0	0.0	-0.3	-0.3

Highlights

- The fund finished significantly ahead of its benchmark, with outperformance particularly notable in Argentina, India and Korea.
- Sentiment towards Argentina continues to improve as Milei's programme bears fruit.
- Akbank performed well in Financials. Like Argentina, Turkey has seen positive macro developments, with the latest inflation print being encouraging. If inflation continues to fall, we should see significant monetary easing in 2025. Turkish banks are extremely sensitive to rate cuts, and Akbank has traded higher against this backdrop.
- CarTrade reported strong results. We continue to believe it represents one of the strongest compounders in India.
- Mercadolibre struggled due to margin compression on the infrastructure side.

Stock Selection (%)

	Stock	Country	Sector	Management Effect (%)	TT Held
Top Contributors	YPF	Argentina	Energy	1.88	√
	Galicia	Argentina	Financials	1.76	√
	Banco Macro	Argentina	Financials	1.62	√
	Transportador Gas	Argentina	Energy	1.34	√
	Alchip Technologies	Taiwan	Information Technology	1.16	√
Top Detractors	TSMC	Taiwan	Information Technology	-0.58	√
	Hon Hai Precision	Taiwan	Information Technology	-0.31	√
	Mercadolibre	Brazil	Consumer Discretionary	-0.28	√
	BK Rakyat	Indonesia	Financials	-0.23	√
	Capstone Copper	Chile	Materials	-0.17	√

Portfolio Breakdown (%)

	TT EM ex China		MSCI EM ex China
	30 Sep	31 Dec	31 Dec
Czech Republic			0.2
Egypt			0.1
Greece			0.6
Hungary			0.3
Kuwait			1.0
Poland	1.0		1.1
Qatar			1.2
Saudi Arabia	2.2	2.7	5.8
South Africa	5.2	3.1	4.1
Turkey	3.1	7.4	0.9
UAE	1.6	4.0	1.9
EMEA	13.1	17.3	17.2
India	28.7	23.5	26.9
Indonesia	2.9	1.6	2.0
Korea	9.0	5.9	12.5
Malaysia			2.1
Philippines			0.7
Taiwan	19.5	28.4	27.3
Thailand		0.9	2.0
		0.5	
Emerging Asia	60.2	60.8	73.6
Argentina	14.2	18.8	
Brazil	4.2	1.4	5.6
Chile	2.6	1.2	0.6
Colombia	0.3		0.1
Mexico			2.4
Peru	0.8		0.4
Latin America	22.2	21.4	9.2
Pan Emerging Markets	0.4		
Cash	4.1	0.6	
Total	100.0	100.0	100.0

Sector Allocation (%)

	TT EM ex China		MSCI EM ex China
	30 Sep	31 Dec	31 Dec
Communication Services			4.8
Consumer Discretionary	10.0	8.9	6.6
Consumer Staples	1.7	4.3	5.1
Energy	10.8	5.0	5.1
Financials	25.6	26.7	25.7
Health Care	3.2	2.9	3.4
Industrials	9.4	9.8	7.3
Information Technology	24.8	30.5	30.7
Materials	5.8	1.7	6.8
Real Estate	2.9	5.9	1.6
Utilities	1.7	3.7	2.8
Cash	4.1	0.6	
Total	100.0	100.0	100.0

Top 10 Stocks

September 30, 2024			December 31, 2024		
Security	Country	Weight %	Security	Country	Weight %
TSMC	Taiwan	9.6	TSMC	Taiwan	10.0
YPF	Argentina	3.4	Banco Macro	Argentina	4.7
ASE Technology Holdings	Taiwan	3.1	Galicia	Argentina	4.3
Five-Star Business	India	2.9	Emaar Properties	UAE	4.0
SK Square	Korea	2.9	Hon Hai Precision	Taiwan	3.6
Vista Energy	Argentina	2.7	Pampa Energia	Argentina	3.3
SK Hynix	Korea	2.6	Akbank	Turkey	3.2
Capstone Copper	Chile	2.6	Mediatek	Taiwan	3.1
Mediatek	Taiwan	2.5	Alchip Technologies	Taiwan	3.1
Anglogold Ashanti	South Africa	2.4	Transportador Gas	Argentina	2.7
Top 10 Positions		34.7	Top 10 Positions		41.9
Top 20 Positions		55.1	Top 20 Positions		62.1
No. of stocks		62	No. of stocks		55

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Additional Fund Performance Information:

Fund 12-Month Discrete Periods (%)

	Jan 24 - Dec 24	Jan 23 - Dec 23	Jan 22 - Dec 22	Jan 21 - Dec 21	Jan 20 - Dec 20
Gross of fees	28.1				
Net of fees	26.5				
Index	4.2				
Relative (gross)	22.9				
Relative (net)	21.4				

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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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.