



SFDR Article 9 Characteristics Card

(the "**Characteristics Card**")

The objective of this Characteristics Card is to provide investors and shareholders of the Fund with all relevant information in accordance with the Sustainable Finance Disclosure Regulation (Regulation EU/2019/2088) Article 10 and Article 9 requirements in a transparent and structured manner.

TT Environmental Solutions Fund

(the "**Fund**")

A sub-fund of

TT International Funds plc

1. GLOSSARY OF TERMS

In this Characteristics Card the following words and phrases have the meanings set forth below:

“Environmental Objectives”	climate change mitigation; climate change adaptation; the sustainable use and protection of water and marine resources; the transition to a circular economy; pollution prevention and control; the protection and restoration of biodiversity and ecosystems, as referenced and considered in more detail in the Taxonomy Regulation.
“ESG”	Environmental, social and governance.
“Investment Manager”	TT International Asset Management Ltd
“Management Company”	Carne Global Fund Managers (Ireland) Limited
“SDGs”	the United Nations Sustainable Development Goals
“SFDR”	the Sustainable Finance Disclosure Regulation (Regulation EU/2019/2088) as amended and as may be further amended from time to time.
“Sustainability Risk”	an environmental, social or governance event or condition that, if it occurs, could cause a negative material impact on the value of the investment.
“Sustainable Investment”	(a) an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy; or (b) an investment in an economic activity that contributes to a social objective, in particular, an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations; or (c) an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular, with respect to sound management structures, employee relations, remuneration of staff and tax compliance.
“Sustainable Investment Fund”	a fund that meets the criteria in SFDR to qualify as a financial product (which includes a UCITS authorised in accordance with Article 5 of the Directive 2009/65/EC and an AIF as defined in Article 4(1)(4) of Directive 2011/61/EU) and has Sustainable Investment as its objective.
“Taxonomy Regulation”	the Regulation on the Establishment of a Framework to Facilitate Sustainable Investment (Regulation EU/2020/852) as may be amended from time to time.

2. BACKGROUND

The EU has introduced a series of legal measures (the primary one being SFDR) requiring firms that manage investment funds to provide transparency on how they integrate sustainability considerations into the investment process with respect to the investment funds they manage.

This Characteristics Card has been prepared for the purpose of meeting the specific financial product level disclosure requirements in SFDR and, specifically, the disclosure requirements applicable to the Fund which has sustainable investment as its objective under Article 9 of SFDR.

Financial market participants have been advised to comply with the specific disclosure obligations in SFDR initially with a "high-level, principles-based approach" in mind.

The Fund therefore seeks to comply on a best-efforts basis with the relevant disclosure obligations and issues this Characteristics Card as a means of achieving this objective.

It is expected that this Characteristics Card will be reviewed and updated once the relevant RTS come into effect on 1 January 2022.

This Characteristics Card may also be updated to take account of the Taxonomy Regulation once it comes into effect 1 January 2022.

3. ARTICLE 9 CLASSIFICATION

It has been determined that the Fund meets the criteria in Article 9 of SFDR to qualify as a financial product which has sustainable investment as its objective and has prepared this Characteristics Card to make the associated disclosures as considered further in section 2 above.

The Management Company and the Investment Manager reserve the right to reassess this classification at any time and shall keep this classification under review pending the effective date of the RTS expected to be January 2022.

If the Management Company and/or the Investment Manager determines at any future point that the Fund does not meet the criteria to qualify as Article 9 Fund, this Characteristics Card shall be updated or withdrawn as appropriate, in accordance with the revised classification of the Fund

SFDR Requirement Article 10 of SFDR	Level 1 Per	Description of Requirement	Text
1.	Article 6 SFDR	The manner in which sustainability risks are integrated into their investment decisions and the likely impact on returns	<p>In managing the assets of the Fund, the Investment Manager takes account of any Sustainability Risks arising and the potential financial impact of such risks on the Fund's return.</p> <p>The Investment Manager believes that having an in-depth understanding of the relevant ESG issues applicable to the Fund's investments is a necessary aspect of evaluating the risk associated with a relevant investment. The Investment Manager incorporates such ESG considerations into the investment process at the stock selection stage as a mandatory part of assessing a potential investment and into the ongoing assessment and management of investments throughout the full life cycle of the Fund. This allows the Investment Manager to identify any Sustainability Risks before they escalate into events that may have investment ramifications and may potentially threaten the value of the Fund over and above the general risk factors set out under the heading "Risk Factors" of the Prospectus.</p> <p>The Investment Manager's approach to integrating ESG factors, such as physical climate risk, health and safety, and corporate governance, into the investment process includes carrying out in-depth research (including utilising the Investment Manager's proprietary ESG company screen and ESG checklist), active ownership of stocks (such as exercising voting rights and engagement with the relevant company) and collaboration within the investment industry.</p> <p>The Investment Manager will use the following three-step approach to limit any negative sustainability effects of investment decisions:</p> <ol style="list-style-type: none"> 1. Firstly, the Investment Manager will screen out companies that have more than 10% of their revenues from significantly environmentally harmful activities (e.g. hydrocarbons); 2. Following this initial screening process, the Investment Manager will then screen the remaining eligible securities for significant social or governance shortcomings and analyse whether a company has potentially violated any of the United Nations Global Compact Principles and has subsequently not adopted improvements / mitigating policies; 3. Finally, the Investment Manager will analyse adverse impact indicators at both company and portfolio level at regular intervals. Such indicators include the impact of: <ol style="list-style-type: none"> a) climate change (emissions and policies); b) water stress (risk, metrics and controversies) c) biodiversity loss (exposure, management and controversies); d) human and labour rights violations (supply chain and labour controversies); and e) corruption and bribery incidents.

			By implementing this ESG approach to the process of identification and selection of eligible securities, the potential impact of sustainability risks on the return of the Fund is limited.
2.	Article 10(1)(a) of SFDR Article 45(c) of RTS	Sustainable investment objective of the financial product	The main environmental themes targeted will be in the following sectors: (i) clean energy; (ii) clean transport; (iii) forestry and agriculture; (iv) responsible consumption; (v) recycling and circular economy; (vi) sustainable use and protection of water; and (vii) electrification, electrical and industrial efficiency. However, the Investment Manager will have discretion to identify additional sectors that contribute to the solution of an environmental problem.
3.	Article 10(1)(b) of SFDR Article 45(d) of RTS	Investment strategy	<p>In targeting Sustainable Investments, the Fund will seek to invest over 50 per cent. of its assets in issuers that generate at least 50 per cent. of revenues or operating profits from activities which contribute to the solution of an environmental problem. However, the Fund may also invest up to 50 per cent. of the net asset value of the Fund in companies that are making a material improvement to environmental issues but whose revenues or operating profits from such activities do not yet account for 50 per cent. of such companies' business.</p> <p>The Investment Manager has developed and utilises a detailed governance model that scores investments on red flags in audit, financing, conduct, board independence, board composition, remuneration, and shareholder rights. The Investment Manager's proprietary environmental and social screen collates metrics on employee relations, staff remuneration, and tax compliance, and finally, investments are screened on an ongoing basis against controversies, including on labour rights.</p>
4.	Article 10(1)(b) of SFDR Article 45(f) of RTS	Monitoring of sustainable investment objective	In order to assess the success of the Fund in achieving its objective, the Investment Manager will verify the revenues or operating profits derived from environmental solutions for each company that the Fund invests in using both public company disclosure and equity research.
5.	Article 10(1)(b) of SFDR Article 45(g) of RTS	Methodologies	<p>In order to achieve the objective of the Fund, the Investment Manager will invest in companies providing solutions to environmental problems and which the Investment Manager also believes have sound prospects for sustainable growth and represent value in the form of assets and earnings.</p> <p>The Investment Manager assesses 'eligible' revenues or operating profit using a conservative, backwards-looking basis (i.e. the Investment Manager will not seek to look into the future and predict a company's future environmental solutions revenue).</p>
6.	Article 10(1)(c) of SFDR Article 45(h) of RTS	Data sources and processing	<p>The Investment Manager's investment analysts describe how the core activity of a company contributes to the solution of an environmental problem, specifically stating whether the issue is climate change mitigation, climate adaptation, circular economy, water, pollution, or biodiversity. They also quantify the percentage of the revenues or operating profits that count towards the environmental solutions.</p> <p>The Investment Manager's Head of ESG independently assesses the revenues or operating profits from environmental solutions and identifies the companies that derive less than 50 per cent of their revenues or operating profit from environmental solutions. The data is sourced from public company filings and disclosure, and in a very small number of cases, equity research. The carbon emissions avoided through the companies' activities are also monitored periodically, where this information is directly taken from company disclosure.</p> <p>TT Compliance verifies the list of companies deriving less than 50 percent of their revenues or operating profits from environmental solutions with the Head of ESG on a monthly basis. To ensure compliance with the Fund's investment objective and guidelines, TT Portfolio Administration tracks the investments in companies that derive less than 50 per cent of their revenues or profit from environmental solutions as a percentage of invested capital and notifies the portfolio managers when this is above the Investment Manager's internal threshold.</p>

7.	Article 10(c) & Article 9(3) of SFDR	Designated benchmark	reference The Investment Manager has not adopted an EU Climate Transition Benchmark or EU Paris-aligned Benchmark because the Fund does not solely target climate change mitigation and has a broader environmental mandate. However, the Investment Manger tracks the carbon emissions avoided through the Fund's investee companies' activities, ensuring that the net impact of their activities is positive for climate change mitigation.
----	--------------------------------------	----------------------	---