



SFDR Article 8 – Website Disclosures Sections based on Articles 23 to 36 [SFDR Delegated Regulation \(EU\) 2022/1288](#)

TT Sustainable Thematics Fund (the “Fund”)

Legal entity identifier: 984500E4D4CACB55B910

Date of review: 28 December 2022

‘Sustainability-related disclosures’

‘Summary’

The investment objective of the Fund is to produce long-term capital growth by investing in a diversified portfolio of primarily equity and equity-related securities of small and mid-capitalisation companies traded in equity markets around the globe. The Fund will predominately invest in companies that contribute to the UN Sustainable Development Goals (“SDGs”) through their operations and/or products and which the Investment Manager also believes have sound prospects for sustainable growth and represent value in the form of assets and earnings. The Fund promotes environmental or social characteristics, but does not have sustainable investment as its investment objective.

To assess the success of the Fund in achieving its objective, the Investment Manager applies its proprietary SDG scoring system to assess companies in terms of their contributions to the SDGs and seeks to invest at a minimum of 80 per cent of the fund’s invested capital in companies that promote the SDGs through their operations and / or products. The Investment Manager’s SDG Screen quantifies each identified company’s contribution to the following goals through their operations and applies a positive, neutral or negative score to each company in each category: No Poverty (SDG 1), Good Health & Well-being (SDG 3), Quality Education (SDG 4), Gender Equality (SDG 5), Industry, Innovation and Infrastructure (SDG 9), Reduced Inequalities (SDG 10), Responsible Consumption and Production (SDG 8), Climate Action (SDG 13), and Peace, Justice and Strong Institutions (SDG 16). The Investment Manager aggregates the scores across the different SDGs and seeks to direct investments to the companies that have a positive overall score. For companies that do not have a positive score on the SDG screen framework, the Investment Manager verifies the company’s product alignment with the SDGs, referencing MSCI and Bloomberg, as well as by undertaking its own analysis.

The Fund is also subject to product-based exclusions, which is implemented by excluding companies that derive more than 10 per cent of their revenues from fossil fuels and related sectors, tobacco, cannabis, alcoholic beverages, gambling, weapons, and adult entertainment. The Fund also adopts a UN Global Compact violations filter so that any company that has grave and ongoing violations of the principles with no rectification plan will not form a part of the portfolio.

To assess the success of the Fund in achieving its objective, the Investment Manager applies its proprietary SDG scoring system to assess companies in terms of their contributions to the SDGs and seeks to invest at a minimum of 80 per cent of the fund’s invested capital in companies that promote the SDGs through their operations and / or products.

The Investment Manager will focus on interesting companies, meaning companies identified as presenting the opportunity for long-term growth, and sub-themes within the following global thematic when selecting securities as part of its analysis:

1. Environmental
2. Technological
3. Demographic and Sociological
4. Top Down and Opportunistic

The Fund promotes environmental and social characteristics and while it does not have sustainable investment as its objective, it will have a minimum proportion of 6.3 per cent sustainable investments with: a) an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy.

The environmental or social characteristics are monitored prior to any investment being made and throughout the life cycle of the Fund, as further detailed below.

The Investment manager sources ESG data electronically from MSCI, Bloomberg and RepRisk, processes it at regular intervals and feeds it into the Investment Manager's decision making process.

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, governance model, and ESG checklist), active ownership of stocks (such as exercising voting rights and engagement with the relevant company) and collaboration within the investment industry. The aim of the ESG screen and checklist is to identify areas of concern or missing information so as to guide further bottom-up research. If a target company is flagged for scoring poorly on particular criteria, or if it does not report on certain data points, then the analyst will endeavour to investigate and include their findings in the evaluation of the stock. Engagement is a cornerstone of the strategy, and the Investment Manager will especially prioritise engagements with companies that have areas of improvement in terms of their disclosure and practices, which can further enhance the portfolio's alignment with the SDGs. By implementing this ESG approach to the process of identification and selection of eligible securities, the potential impact on the return of the Fund is limited.

The Investment Manager is reliant on the experience and skill of its investment personnel and the data that is available to them. The data that the the Investment Manager acquires from third-parties and develops internally using its own research and ESG analysis may be subject to inaccuracies, limitations or biases that may impact the environmental or social characteristics promoted by the Fund. The scoring system relies on third-party data and certain company improvements may not be reflected real-time in the data and may understate the SDG alignment of a given company. However, the Investment Manager does not consider that any limitations that may be inherent in its methodologies or data sources will affect the sustainable characteristics promoted by the Fund.

The Fund designates the MSCI ACWI SMID Cap Index as a reference benchmark for performance measurement purposes only. The benchmark is not aligned with the environmental or social characteristics the Fund promotes.

'No sustainable investment objective'

The Fund promotes environmental or social characteristics, but does not have sustainable investment as its investment objective.

The Investment Manager considers the indicators applicable to investments in investee companies set out in Table 1 of Annex 1 of the Commission Delegated Regulation (EU) 2022/1288 ("SFDR RTS"). For the avoidance of doubt, the indicators from Table 1 of the SFDR RTS applicable to investments in: (a) sovereigns and supranationals; and (b) real estate assets, are not expected to be relevant to the Fund's investment strategy and will only be referred to where relevant. Additionally, the Investment Manager considers the voluntary indicator "Investments in companies without carbon emission reduction initiatives" from Table 2 of Annex 1 of the SFDR RTS and "Number of identified cases of severe human rights issues and incidents" from Table 3 of Annex 1 of the SFDR RTS. In considering such indicators, where sufficient data is available for each indicator, the Investment Manager incorporates sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters into its proprietary screen (the "ESG Screen") as well as initial and ongoing screening of companies. Specific adverse impacts such as exposure to companies active in the fossil fuel sector and violations of the UN Global Compact principles are captured by exclusion policies at the strategy level and exposure to controversial weapons is captured by the firm level exclusion policies. Specific impacts such as greenhouse gas intensity ("GHG") and board gender diversity form a part of the Investment Manager's SDG scoring framework.

The Investment Manager will take the principal adverse indicators set out above into account throughout the investment process, where these indicators are available. These indicators will form the basis for the Investment Manager's engagement efforts with the investee companies.

The OECD Guidelines for Multinational Enterprises are a legal international instrument on responsible business conduct and bring together all thematic areas of business responsibility, including human rights and labour rights, as well as information disclosure, environment, bribery, consumer interests, science and technology, competition, and taxation. The UN Guiding Principles on Business and Human Rights represent a global standard for preventing human rights violations and addressing any potential risk from economic activities. For companies, this entails a responsibility to act with due diligence to avoid infringement of human rights and address adverse impacts.

The Investment Manager incorporates sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters into its ESG Screen as well as the initial and ongoing screening of companies. The Investment Manager also adopts a UN Global Compact violations filter so that any company that has grave and ongoing violations of the principles with no rectification plan does not form a part of the portfolio. The Investment Manager references external research in the first instance in its due diligence on violations of the UN Global Compact Principles, which is complemented by internal research and where necessary, company engagement.

‘Environmental or social characteristics of the financial product’

The Fund promotes environmental and/or social characteristics by endeavouring to invest in companies that the Investment Manager believes contribute to the SDGs their operations and / or their products. The Fund will exclude companies that derive more than 10 per cent of their revenues from fossil fuels and related sectors, tobacco, cannabis, alcoholic beverages, gambling, weapons, and adult entertainment. For an investment by the Fund to be considered to be promoting environmental and/or social characteristics, the company must also follow good governance practices in accordance with Article 8 of SFDR.

To assess the success of the Fund in achieving its objective, the Investment Manager applies its proprietary SDG scoring system to assess companies in terms of their contributions to the SDGs and seeks to invest at a minimum of 80 per cent of the fund’s invested capital in companies that promote the SDGs through their operations and / or products (the “SDG Screen”). The Investment Manager’s SDG Screen quantifies each identified company’s contribution to the following goals through their operations and applies a positive, neutral or negative score to each company in each category: No Poverty (SDG 1), Good Health & Well-being (SDG 3), Quality Education (SDG 4), Gender Equality (SDG 5), Industry, Innovation and Infrastructure (SDG 9), Reduced Inequalities (SDG 10), Responsible Consumption and Production (SDG 8), Climate Action (SDG 13), and Peace, Justice and Strong Institutions (SDG 16).

The SDG Screen deliberately covers ‘people’ (e.g., SDG 3) and ‘planet’ goals (e.g., SDG 13), not only ‘prosperity’ goals, as the Investment Manager believes that this is a more holistic approach and will be aligned with stakeholder value creation at a global scale, and even more so in emerging markets. The Investment Manager sources its data from third party research providers such as Bloomberg and MSCI, and also source data from the World Bank for quantifying contributions to SDG 16.

The scoring system applies specific metrics to each SDG; for example, for SDG 3 “Good Health & Well-being”, a “people” goal, the following metrics are applied:

- Staff turnover: high employee turnover is penalised in the scoring framework;
- Controversial workplace practices: the company gets penalised in the scoring framework if it has faced significant recent controversy or criticism regarding employee health and safety; and
- Monitoring employee satisfaction: the company monitoring employee satisfaction is a positive; the converse is a negative

The Investment Manager aggregates the scores across the different SDGs and seeks to direct investments to the companies that have a positive overall score.

For companies that do not have a positive score on the SDG screen framework, the Investment Manager verifies the company's product alignment with the SDGs, referencing MSCI and Bloomberg, as well as by undertaking its own analysis.

'Investment strategy'

The Fund seeks to achieve its investment objective by investing in a diversified portfolio of equity and equity-related securities which are, or for which the underlying securities are traded in global markets (as defined by reference to the MSCI ACWI SMID Cap Index and which the Investment Manager believes have sound prospects for sustainable growth and represent value in the form of assets and earnings.

The Investment Manager will focus on interesting companies, meaning companies identified as presenting the opportunity for long-term growth, and sub-themes within the following global thematic when selecting securities as part of its analysis:

1. Environmental
2. Technological
3. Demographic and Sociological
4. Top Down and Opportunistic

The Investment Manager will adopt product-based exclusions, excluding companies that derive more than 10 per cent of their revenues from fossil fuels and related sectors, tobacco, cannabis, alcoholic beverages, gambling, weapons, and adult entertainment. The Investment Manager uses third-party data providers such as Bloomberg to identify and exclude the relevant companies that generate more than 10 per cent of their revenues from the listed sectors from the Fund's investment universe.

To achieve the objective of the Fund, the Investment Manager will invest in companies that contribute to the SDGs through their operations and/or products and which the Investment Manager also believes have sound prospects for sustainable growth and represent value in the form of assets and earnings. The Investment Manager will also adopt a UN Global Compact violations filter so that any company that has grave and ongoing violations of the principles with no rectification plan will not form a part of the portfolio.

The Investment Manager's approach to monitoring for good governance practices is to carry out in-depth research (including utilising the Investment Manager's proprietary ESG company screen, governance model, and ESG checklist).

The Investment Manager reviews investee companies' track record of treating minorities fairly and the alignment of executive remuneration with shareholders. The Investment Manager references proxy research and its own governance model in assessing good governance practices. The Investment Manager's proprietary ESG Screen and ESG checklist cover areas of due diligence on employee relations and tax compliance.

The Investment Manager engages in dedicated active ownership of stocks (exercising voting rights and engagement with relevant companies) to ensure that companies continue to adhere to good governance practices.

'Proportion of investments'

The Fund promotes environmental and social characteristics and while it does not have sustainable investment as its objective, it will have a minimum proportion of 6.3 per cent sustainable investments with: a) an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy.

To assess the success of the Fund in achieving its objective, the Investment Manager will apply its proprietary SDG Screen to score companies in terms of their contributions to the SDGs and will seek to invest at a minimum of 80 per

cent of the fund's invested capital in companies that promote the SDGs through their operations and / or products. The Fund's exposure to sustainable investments will predominately be direct. Indirect exposure may result from FDI or collective investment schemes as set out in the Fund's prospectus.

'Monitoring of environmental or social characteristics'

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 ESG 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.

Prior to any investment the Investment Manager will:

- verify that a prospective investee company does not derive more than 10 per cent of its revenues from fossil fuels and related sectors, tobacco, cannabis, alcoholic beverages, gambling, weapons, and adult entertainment;
- Review investee companies' governance track record (i.e. treating minorities fairly, the alignment of executive remuneration with shareholders); and
- check whether the companies considered for the strategy have grave and ongoing violations of the UN Global Compact principles using RepRisk as a data source. Companies with such violations that have not adopted a rectification plan will not form a part of the portfolio. The Investment Manager uses an automated order management and trading platform called Longview, supplied by software firm Linedata Services, that has a compliance module built into it which is used for coding investment restrictions and exclusions.

On a periodic basis the Investment Manager will:

- at least annually, review the Fund's portfolio and investment universe to confirm that stocks continue to be correctly classified pursuant to the investment strategy.
- verify the SDG alignment of the portfolio as asset values change and will rebalance the Fund's portfolio as required.
- convene monthly ESG risk reviews with the portfolio managers, the Head of ESG, and the Head of Risk. The ESG team monitors ESG controversies on a daily and indeed real-time basis and highlights financially material and reputational issues to the investment team.

'Methodologies for environmental or social characteristics'

The SDG Screen referred to above quantifies each identified target company's contribution to the following goals through their operations and applies a positive, neutral or negative score to each company in each category: No Poverty (SDG 1), Good Health & Well-being (SDG 3), Quality Education (SDG 4), Gender Equality (SDG 5), Industry, Innovation and Infrastructure (SDG 9), Reduced Inequalities (SDG 10), Responsible Consumption and Production (SDG 8), Climate Action (SDG 13), and Peace, Justice and Strong Institutions (SDG 16). The SDG Screen deliberately covers 'people' (e.g., SDG 3) and 'planet' goals (e.g., SDG 13), and not only 'prosperity' goals, as the Investment Manager believes that this is a more holistic approach and will be aligned with stakeholder value creation at a global scale, and even more so in emerging markets. The Investment Manager sources its data from third party research providers such as Bloomberg and MSCI, and also source data from the World Bank for quantifying contributions to SDG 16.

The scoring system applies specific metrics to each SDG, for example, for SDG 3 "Good Health & Well-being", a "people" goal, the following metrics are applied:

- *Staff turnover*: high employee turnover is penalised in the scoring framework;
- *Controversial workplace practices*: the company gets penalised in the scoring framework if it has faced significant recent controversy or criticism regarding employee health and safety; and
- *Monitoring employee satisfaction*: the company monitoring employee satisfaction is a positive; the converse is a negative

The Investment Manager will confirm the SDG-aligned product revenues of the companies using Bloomberg and MSCI as primary sources, along with its own research.

The Investment Manager aggregates the scores across the different SDGs and seeks to direct investments to the companies that have a positive overall score such that at a minimum 80 per cent of the fund's invested capital is aligned with the SDGs

'Data sources and processing'

- **MSCI** data covers environmental opportunity, climate change, water, biodiversity, human and labour rights, corruption and bribery.
- **Bloomberg** metrics mostly cover companies' ESG disclosure and policies, but also specific environmental and social metrics such as fatalities (employees and contractors), employee turnover, unionisation rates, number of environmental fines, and hazardous waste volumes. Bloomberg data is also used to identify and exclude the relevant companies from the Fund's investment universe that generate more than 10 per cent of their revenues from fossil fuels and related sectors, tobacco, cannabis, alcoholic beverages, gambling, weapons, and adult entertainment.
- **RepRisk** data is used to highlight factors including the companies with the most severe controversies and their current "controversy score", any recent increases in this score, whether the company is a known or probable violator of UN Global Compact principles, the country-sector risk score and what drives the risk, be it environmental, social or corruption, fraud and/or unethical behaviour issues.

The data is sourced electronically, processed at regular intervals and fed into the Investment Manager's decision making process. Approximately 45 per cent of the carbon emissions data may be based on estimates.

'Limitations to methodologies and data'

The Investment Manager is reliant on the experience and skill of its investment personnel and the data that is available to them. The data that the the Investment Manager acquires from third-parties and develops internally using its own research and ESG analysis may be subject to inaccuracies, limitations or biases that may impact the environmental or social characteristics promoted by the Fund. The scoring system relies on third-party data and certain company improvements may not be reflected real-time in the data and may understate the SDG alignment of a given company. However, the Investment Manager does not consider that any limitations that may be inherent in its methodologies or data sources will affect the sustainable characteristics promoted by the Fund.

'Due diligence'

The Investment Manager engages a “bottom-up” stock selection process to identify high quality companies that are attractively valued with exposure to structural growth drivers within certain global thematics outlined below.

The primary metrics considered by the Investment Manager assessing the quality of a stock are, without limitation: returns on invested capital and return on equity, free cash flow generation, balance sheet health, the quality of management (e.g., track record, experience, and alignment with the interests of minority investors) and the quality of business model with a focus on identifiable competitive advantages such as technology, brand, and structural cost advantage.

In particular, the Investment Manager will focus on interesting companies, companies identified as presenting the opportunity for long-term growth, and sub-themes within the global thematics outlined above when selecting securities as part of its bottom-up analysis.

The Investment Manager will then apply its sustainability framework to companies identified within these global thematics to ensure that they positively contribute to the attainment of the SDGs, as set out in more detail below. This sub-universe will then be subjected to screening to identify interesting investment opportunities using a combination of quality, earnings momentum and valuation criteria.

This process will also be periodically applied to a broader selection of stocks outside of the identified universe to ensure that potential candidates are not missed and to test the global thematics and sub-themes.

The steps outlined above will identify an investment universe and then narrow it down to a focused coverage list. The coverage list is fully assessed on a quarterly basis with stock selection meetings held weekly to determine which securities will be held in the portfolio as well as the appropriate weights. This selection process is enhanced by the Investment Manager’s expertise, engagement in and use of the following:

1. An in-depth knowledge of the investment universe;
2. Regular company meetings and engagement;
3. Independently building earnings models;
4. Stock screens which will identify undervalued growth companies; and
5. Engaging with sell-side brokers to gauge both positive and negative views.

In addition, the Investment Manager, integrates a rigorous and systematic ESG process into its identification and selection of eligible securities at each stage of the investment process.

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, governance model, and ESG checklist), active ownership of stocks (such as exercising voting rights and engagement with the relevant company) and collaboration within the investment industry.

The Investment Manager’s ESG checklist considers specific environmental, social, and governance issues and leverages the single company ESG screen described above. For example, the ESG checklist for governance considers the following areas:

- TT Governance score – comparison to home market and emerging markets peers, noting the highest governance risk area;
- Related party transactions and amounts as a percentage of pre-tax income sourced from the relevant company’s financial statements;
- Remuneration KPIs for management, share of cash vs. equity, and equity shareholding;
- Number of accounting flags and where there are 3 or more, note if there are any other audit flags;
- Scope of the corruption policy – detailed, general or none.

The aim of the ESG Screen and checklist is to identify areas of concern or missing information so as to guide further bottom-up research. If a target company is flagged for scoring poorly on particular criteria, or if it does not report on certain data points, then the analyst will endeavour to investigate and include their findings in the evaluation of the stock. By implementing this ESG approach to the process of identification and selection of eligible securities, the potential impact on the return of the Fund is limited.

TT's Head of ESG, who is a member of the investment team, has remuneration targets reflecting the inclusion of a sustainable risk analysis framework within our investment approach as a firm. Our analysts and portfolio managers in turn have explicit key performance indicators related to following TT's investment processes, which include the incorporation of ESG risks in their investment research. Adhering to TT's investment processes and procedures is a pre-requisite for all employees and is assessed at the semi-annual review process ahead of the more quantitative assessment of investment performance contributions to our clients' portfolios. The efficacy of TT's procedures is evaluated via its Compliance Monitoring Programme, as well as internal and/or external audits.

'Engagement policies'

The Investment Manager believes that it is in the best interests of its clients to be responsible in its approach to investment. The Investment Manager aims to engage with the management of all the companies in the Fund's portfolio on a regular basis. The purpose of such engagement is to ensure that management objectives and expectations are closely aligned with the investment goals of the Fund. Please see the Investment Manager's full [Engagement Policy](#).

Engagement is a cornerstone of the strategy, and the Investment Manager will especially prioritise engagements with companies that have areas of improvement in terms of their disclosure and practices, which can further enhance the portfolio's alignment with the SDGs.

'Designated reference benchmark'

The Fund designates the MSCI ACWI SMID Cap Index as a reference benchmark for performance measurement purposes only. The benchmark is not aligned with the environmental or social characteristics the Fund promotes.