

### Fund Information

#### Portfolio Managers

Niall Paul | Robert James

#### Target Return

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

#### Expected Capacity

USD 6bn + USD 1bn for existing clients

#### Benchmark

MSCI Emerging Markets Index

#### Typical Tracking Error

4-7%

#### Fund Inception

March-2011

#### Assets under management

Fund: USD 689,133,399

Strategy: USD 4,808,867,580

### Fund Performance

	Fund Gross	MSCI EM	Rel.
June	-5.5	-6.6	1.1
Q2	-10.7	-11.3	0.7
YTD	-21.3	-17.5	-4.7
1 Year	-32.4	-25.0	-9.9
3 Year (ann)	0.9	0.9	0.0
5 Year (ann)	3.3	2.5	0.8
Incep. (ann)	4.3	1.6	2.7

Returns are gross of fees in USD

Fund Value (USD mil) 689

Inception 30/03/11

### Q2 2022 Attribution

Country Allocation	0.9
Security Selection	-1.0
Currency Effect	0.9
Management Effect	0.7

### Markets



Source: MSCI. Returns are Gross Total Returns in local currency terms for the corresponding MSCI country index.

EM equities, as with most asset classes, experienced a disappointing Q2, ending a weak quarter and finishing towards the recent lows. The fund saw a negative absolute return whilst outperforming its benchmark over the month and quarter.

### Performance

The fund finished ahead of its benchmark, with outperformance particularly notable in China and South Africa

### Market Background

EM equities continued to be volatile with weakness towards the end of the quarter reflective of rising recessionary fears as inflation concerns continue to dominate market sentiment.

### Outlook

The sell-off in global markets continued to develop momentum in June, with the twin impact of market multiple compressions – a result of rising interest rates and quantitative tightening – as well as lower earnings expectations both weighing heavily on sentiment. Emerging markets are now starting to look extremely cheap with P/E and P/BV multiples approaching typical recessionary low levels seen only a handful of times over the last twenty years.

Global economic data has continued to surprise on the downside, with most measures of consumer confidence at all-time lows, reflecting the acute cost of living crisis as households adjust to elevated food and energy prices. Meanwhile, purchasing managers are beginning to ratchet down their new order intentions as they begin to reflect the record levels of inventories in the system and their observations of weakening end demand. Hand in hand with this weak economic data is perhaps the first signs of demand destruction from extremely elevated commodity prices with 'Dr Copper' signalling the balance of supply/demand tipping towards the former. Herein lies perhaps the main source of comfort from the weak data: inflation pressure might well have peaked as bad news on the economy becomes good news on the outlook for rates.

The strong dollar, however, supported by interest rate differentials and liquidity tightening, continues to lie in the background as a drag on global sentiment. In this environment it is important that domestic interest rate policy is sufficiently advanced in our emerging markets to support sentiment and underpin exchange rates. As a result we have some concerns on the Indian rupee as terms of trade and fiscal balances are impacted by strong oil prices whilst the Reserve Bank of India is slow to adjust monetary policy.

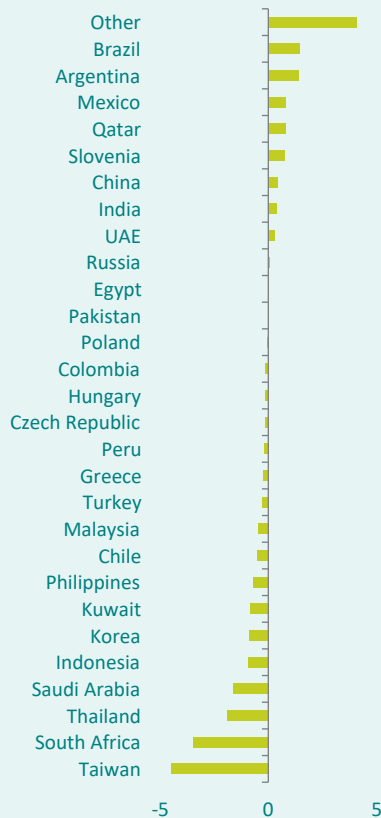
China has been the source of most positive news in

part due to further supportive statements from President Xi which helped boost confidence in the market. The Chinese economy has been decelerating since 2021 on the back of proactive policy tightening. This started with measures to deleverage the property sector and quickly morphed into regulatory pressures on private sector businesses ranging from the large internet platforms to education and healthcare companies with 'common prosperity' becoming a central tenet behind the government's policy making.

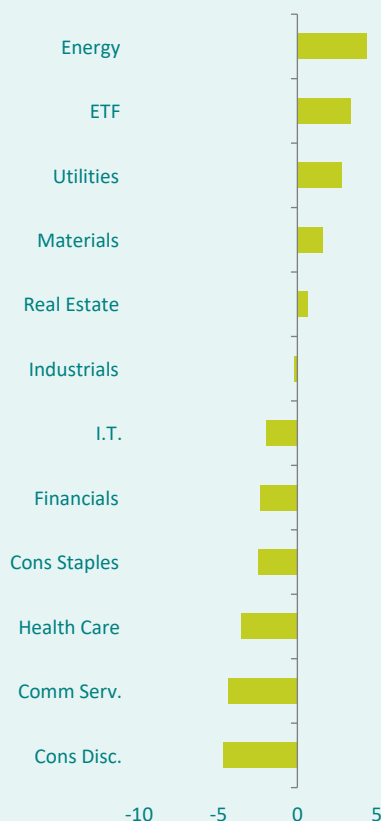
With the economy now growing at anaemic levels and unemployment becoming a focus on the back of a more challenging global outlook, we are seeing very clear signals that the government is shifting its focus back towards growth-oriented policies. Xi reiterated his commitment to achieving 5.5% GDP growth for 2022 which implies a notable acceleration over 2H. As for the large internet platforms, we have seen share buybacks accelerate, and what finally appears to be the start of the process to bring Ant Financial to the market with its long-awaited IPO. We have also seen the government provide mainland Chinese investors the permission to buy the HK Technology ETF, bringing access to companies like Alibaba for the very first time. In sum, China is one of the few large economies that has the fiscal and monetary scope to stabilise growth in the midst of a more challenged global environment, whilst micro policies appear designed to aid in a re-rating of the market - the upshot is that the portfolio has increased its exposure.

This document is not intended for distribution to, or use by any person/entity in any jurisdiction/country where such distribution/use would be contrary to local law/regulation. This document is issued by TT International Asset Management Ltd ("TT"). TT is authorised and regulated by the Financial Conduct Authority (FCA). TT International Funds plc (the "Fund") is a recognised collective investment scheme for the purposes of Part 17 of the Financial Services and Markets Act 2000 of the UK (as amended by Part 6 of the Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019). The Fund is being marketed into the UK under the Temporary Marketing Permission Regime. This document may be distributed only to persons to whom an offer to purchase shares/units in the Fund may legally be made. The circulation of this document is restricted to professional investors as defined in the legislation of the jurisdiction where this information is received. In the UK, the restriction is to "professional clients" within the meaning of the FCA Handbook of Rules and Guidance. No shares/units in the Fund may be offered/sold in the US. No representation is made as to the accuracy/completeness of any information contained herein, and the recipient accepts all risk in relying on this information for any purpose. Without prejudice to the foregoing, any views expressed herein are the opinions of TT as of the date on which this document has been prepared and are subject to change at any time without notice. The information herein does not constitute an offer of shares/units in the Fund, and it is not an offer to, or solicitation of, any potential clients or investors for the provision by TT of investment management, advisory or any other comparable or related services. No statement in this document is or should be construed as investment, legal, or tax advice, nor is any statement an offer to sell, or a solicitation of an offer to buy, any security/instrument, or an offer to arrange any transaction, or to enter into legal relations. This document expresses no views as to the suitability of the investments described herein to the individual circumstances of any recipient. Any person considering an investment in the Fund should consult the Fund prospectus. Investment in the Fund carries with it a high degree of risk. Past performance is not necessarily indicative of future results and investors may not retrieve their original investment. 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).

### Country relative to Index %



### Sectors relative to Index %



### Portfolio Positioning

Semiconductor stocks have underperformed sharply over recent months as the market started to price in a recession and some demand destruction in the near term. We have seen excess demand being taken out of the system particularly in low-end PCs and smartphones. While we acknowledge these near-term impacts and some potential negative revisions on the back of a weaker economy, we believe some names are starting to look increasingly attractive on the back of a strong long-term outlook.

This is partly because silicon chips are becoming a key enabler in driving long-term economic growth as secular trends in cloud, AI, ML, industrial and autos continue to evolve and progress over the coming years. These long-term drivers should support a 7-9% growth over the coming decade - much faster than what we have seen in the previous decade. TSMC, as the leading global foundry player, is the key company enabling this global trend. The stock has de-rated on back of global recession fears, but we believe its current valuation already incorporates a slowdown and it is not properly reflecting its long-term growth outlook. We expect TSMC to be able to sustain a mid-teens top-line growth over the coming five years on the back of strong volumes and ASP improvements. The stock is currently trading at 12x 2023 earnings or more than one standard deviation below its 7-year average despite its prospects being stronger today than in past previous cycles.

Elsewhere, we have reduced our positions in selective outperforming commodity producers (Glencore/OCI), whilst ensuring that valuations remain well underpinned - towards trough - for any cyclical exposure we have in the portfolio. In the cyclical bucket we would place the memory stocks of South Korea, which we have added to recently. Both Samsung and Hynix are approaching trough P/BV levels, and whilst there is no doubt inventory overhangs in the sector need to be worked through, a very considerable part of those fears are priced in by the market.

Finally, we have begun to selectively take profits in some of the more extended Chinese renewable exposure after a strong period of outperformance.

### Stocks

Below we highlight a major winner and a major loser:

#### Alibaba

Alibaba is the leading ecommerce and cloud service provider in China. The company de-rated sharply last year on the back of a challenging competitive and regulatory environment. With the Chinese economy growing at anaemic levels and unemployment particularly among the youth segment becoming a more serious problem, we are seeing clear signals that the government is shifting its focus back towards growth-oriented policies. Alibaba, as the leader ecommerce provider, will certainly benefit from a stronger economy in the 2H22 and into 2023.

Alibaba shifted its focus towards cost optimisation, and we have started to see the benefits of those decisions in the most recent quarterly results. With a large buyback program in place, the prospect of an acceleration in top line and a disciplined cost approach we expect earnings growth to accelerate over the next 18 months which, coupled with an undemanding valuation, makes a compelling investment case.

#### SK Innovation

SK Innovation has the largest oil refining capacity in Korea with over 1.1mbpd. The company is also expanding its EV battery capacity to 220 GWh by 2025 from 77 GWh at present to become a top 5 global manufacturer in the industry. The stock recently underperformed as there was speculation that the Korean government will introduce a tax on refiners as means to subsidise the price at the pump.

Asia refining margins hit a record high in the most recent quarter at over \$30bbl on the back of tight supply and demand environment. We expect this strong pricing environment in the refining division, plus the company reaching breakeven in the battery segment, to lead to large earnings revisions. These factors in tandem with a discounted valuation makes this a high-conviction position.

## Performance Attribution Q2 2022

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
<b>Total Portfolio</b>	<b>0.9</b>	<b>-1.0</b>	<b>0.9</b>	<b>0.7</b>
Equity	0.0	-1.0	0.5	-0.5
Top/Bottom 5 EM Countries	0.4	-0.6	0.4	0.2
South Africa	0.2	0.0	0.3	0.5
China	-0.1	0.2	0.3	0.4
Russia	0.3	0.0	0.0	0.3
Korea	0.2	0.0	0.1	0.3
UAE	0.0	0.2	0.0	0.1
India	0.0	-0.2	0.0	-0.2
Brazil	-0.2	0.1	-0.2	-0.2
Taiwan	0.4	-0.6	0.0	-0.2
Mexico	0.0	-0.4	0.0	-0.4
Argentina	-0.4	0.0	-0.1	-0.5
Rest of World	-0.3	-0.4	0.0	-0.6
Non Equity	0.8	0.0	0.5	1.3
Cash	0.5	0.0	0.2	0.7
Futures	0.3	0.0	0.0	0.3
Foreign Exchange	0.0	0.0	0.2	0.2

### Highlights

- The fund finished ahead of its benchmark, with outperformance particularly notable in China and South Africa.
- Alibaba and 360 Digitech performed well on the hope of easing regulatory pressure on Chinese internet and the potential IPO of Ant Financial.
- Pylon, EVE Energy and Sungrow performed well as expectations began to shift towards reduced margin pressure for the sector as a result of lower commodity prices.
- Key underweight South Africa benefited from a declining FX and a material sector that wilted under the pressure of a strong dollar and weaker commodity prices.

### Sector Selection (%)

Sector	Sector Allocation	Security Selection	Currency Effect	Management Effect
<b>Total Portfolio</b>	<b>0.0</b>	<b>-0.2</b>	<b>1.0</b>	<b>0.7</b>
Equities	-0.8	-0.2	0.5	-0.5
Industrials	0.0	1.3	0.2	1.5
Real Estate	0.0	0.1	0.1	0.2
Consumer Staples	-0.1	0.2	0.0	0.1
Financials	0.0	-0.1	0.0	0.0
Utilities	0.1	-0.2	0.0	-0.1
Information Technology	0.3	-0.3	0.0	-0.1
Communication Services	0.0	-0.1	0.1	-0.1
Energy	0.2	-0.3	-0.2	-0.3
Health Care	-0.1	-0.2	0.0	-0.3
Consumer Discretionary	-0.7	0.0	0.1	-0.6
Materials	-0.5	-0.5	0.2	-0.8
Non Equity	0.8	0.0	0.5	1.3
Cash	0.5	0.0	0.2	0.7
Futures	0.3	0.0	0.0	0.3
Foreign Exchange	0.0	0.0	0.2	0.2

### Highlights

- At the sector level, outperformance was particularly significant in Industrials and Real Estate.
- African gold producer Barrick struggled alongside other global material stocks.

### Stock Selection (%)

	Stock	Country	Sector	Management Effect (%)	TT Held
Top Contributors	Alibaba Group	China	Consumer Discretionary	0.70	√
	360 Digitech	China	Financials	0.57	√
	Wuliangye Yibin	China	Consumer Staples	0.56	√
	Pylon Technologies	China	Industrials	0.50	√
	Pinduoduo	China	Consumer Discretionary	0.44	√
Top Detractors	Barrick Gold	Other	Materials	-0.55	√
	Globant	Argentina	Information Technology	-0.45	√
	Meituan Dianping	China	Consumer Discretionary	-0.40	√
	TSMC	Taiwan	Information Technology	-0.37	√
	Yunnan Aluminium	China	Materials	-0.34	√

### Portfolio Breakdown (%)

	TT GEMS		MSCI EM
	31 Mar	30 Jun	30 Jun
Czech Republic			0.2
Egypt	1.9	0.1	0.1
Greece			0.3
Hungary			0.2
Kuwait			0.8
Poland	0.7	0.5	0.6
Qatar	1.8	1.8	1.0
Russia	0.1	0.1	
Saudi Arabia	0.9	2.6	4.3
Slovenia	0.9	0.7	
South Africa	1.9	0.0	3.5
Turkey			0.3
UAE	1.6	1.6	1.3
EMEA	9.8	7.5	12.4
China	32.4	35.8	35.4
India	12.8	13.1	12.7
Indonesia	2.1	0.9	1.8
Korea	9.7	10.3	11.2
Malaysia	0.7	1.0	1.5
Pakistan			0.0
Philippines			0.7
Taiwan	13.6	10.0	14.5
Thailand			1.9
Emerging Asia	71.4	71.2	79.7
Argentina	2.0	1.4	
Brazil	6.6	6.3	4.9
Chile			0.5
Colombia			0.2
Mexico	2.1	2.9	2.1
Peru			0.2
Latin America	10.7	10.6	7.8
Other	3.8	4.1	0.0
Cash	4.3	4.5	
Futures		2.1	
Total	100.0	100.0	100.0

### Sector Allocation (%)

	TT GEMS		MSCI EM
	31 Mar	30 Jun	30 Jun
Communication Services	6.8	6.3	10.6
Consumer Discretionary	10.2	10.2	14.9
Consumer Staples	4.3	3.7	6.1
Energy	7.2	9.4	5.0
ETF		3.4	
Financials	14.4	18.9	21.2
Health Care	0.6	0.4	4.0
Industrials	6.9	5.4	5.6
Information Technology	20.8	17.2	19.2
Materials	18.3	10.0	8.4
Real Estate	2.7	2.8	2.1
Utilities	3.6	5.7	2.9
Cash	4.3	4.5	
Futures		2.1	
Total	100.0	100.0	100.0

### Top 10 Stocks

March 31, 2022			June 30, 2022		
Security	Country	Weight %	Security	Country	Weight %
TSMC	Taiwan	9.5	TSMC	Taiwan	8.9
Alibaba Group	China	7.1	Alibaba Group	China	8.0
Samsung Electronics	Korea	5.1	Tencent	China	5.0
Tencent	China	4.8	Samsung Electronics	Korea	3.5
Barrick Gold	Other	2.2	KraneShares	China	3.4
Cemex	Mexico	2.1	HDFC Bank	India	3.3
HDFC Bank	India	2.1	Reliance Industries	India	2.6
Yageo	Taiwan	2.0	Barrick Gold	Other	2.6
Renew Energy	India	2.0	360 Digitech	China	2.4
Globant	Argentina	2.0	Eletrobras SA	Brazil	2.2
Top 10 Positions		38.7	Top 10 Positions		41.9
Top 20 Positions		56.8	Top 20 Positions		59.0
No. of stocks		59	No. of stocks		58

Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (www.msci.com)