

TT International – Position Statement on ESG Issues

February 2011

At TT International, we believe there is likely to be a strong link between the 'attitude' of a company to ESG issues and its business fortunes - i.e. good ESG practice makes good business sense. Furthermore sound corporate governance provides one of the most effective means to protect clients' financial interests.

Such issues are considered by the team in the research process and information gathered is blended with other forms of evaluation to arrive at an overall investment case. However we do not deploy dedicated ESG analysts. We do not set quantifiable targets or work to specific guidelines to screen for unsuitable companies.

In certain instances the perception of a company's ESG standards may become the critical factor in deciding whether to invest or retain an investment. For example, TT has on occasion made an active decision not to invest in companies where lack of transparency or management accountability could potentially be a serious impediment to the executive / shareholder relationship. We also avoid companies with large environmental risks on their balance sheets, as we would companies with large operational or financial risk that we perceive could become an unquantifiable future liability.

High Alpha Manager

TT manages high performance strategies with a dispassionate mindset. We are not forced to be long term holders of any given company. If material concerns about management or governance arise, we have the option to sell the shares.

Voting

At TT we have always taken our voting rights very seriously in order to protect our clients' financial interests. Please see our Proxy Voting Guidelines for further details.

Stewardship Code

We welcomed the publication by the Financial Reporting Council of the UK Stewardship Code. The Code is an important contribution to good corporate governance and represents a definitive statement of best practice on engagement with investee companies. TT became a signatory at the inception of this initiative on 1st September 2010.

Our Position Statement on the Stewardship Code is available at www.ttint.com