



investment architecture

The Millau Fund

# TCFD Product Level Report

For the year ended  
31<sup>st</sup> December 2023

Tutman is a trading style of TUTMAN LLP and Thesis Unit Trust Management Limited. TUTMAN LLP is registered in England and Wales, number OC369415 and Thesis Unit Trust Management Limited is registered in England and Wales, number 03508646. Both entities are authorised and regulated by the Financial Conduct Authority and have their registered office at Exchange Building, St. John's Street, Chichester PO19 1UP. Group VAT Number- 717 6168 21

# Report Information

This product report has been produced in compliance with the Task Force on Climate-related Financial Disclosures (TCFD) requirements and in accordance with the Financial Conduct Authority's (FCA) ESG Sourcebook regarding the disclosure of climate-related financial information consistent with TCFD Recommendations and Recommended Disclosures.

These disclosures are intended to help meet the information needs of market participants in relation to the climate-related impact and risks for TCFD in-scope business.

The table set out in the metric section presents the climate metrics for this Fund when compared to the benchmark\* along with a brief description of the metrics and how these should be used and interpreted.

The table sets out how much of the portfolio and the benchmark has been estimated due to lack of verifiable data, in percentage terms.

Tutman is publishing this report in its capacity as the independent Authorised Fund Manager of the Fund. Tutman delegates investment management to specialist third party investment manager(s) who are responsible for identifying and managing the climate risks and opportunities relating to the strategy of the Fund. Tutman has responsibility for ensuring that the delegated third party investment manager(s) are managing the Fund in accordance with the objective and policy as described within the Fund's prospectus.

This TCFD report for the Fund should be read in conjunction with the entity level TCFD report for Tutman ([link here](#)). The entity level report describes Tutman's Governance, Strategy and Risk Management arrangements relating to climate related risks and opportunities.

Please note that the delegated third party investment manager(s) may separately elect to prepare and publish TCFD reporting relating to the Fund. It is important to be aware that due to different methodologies, information and systems used by companies for obtaining TCFD metrics, the results reported will likely be different.

Our report does not disclose metrics relating to Climate Value at Risk (CVAR) data. These metrics rely on multiple estimates and assumptions about climate changes, policies and technology changes that are currently unknown.

# Methodology

Tutman use the company Impact Cubed to provide the below TCFD metrics. It should be noted that the criteria can be calculated in different ways and the methodology for producing them can differ. For that reason information that you see from other sources may vary.

The system uses public data “as reported” by companies where possible. This provides transparency and drives accountability in reporting and performance. The approach is consistent with the Global Greenhouse Gas Accounting and Reporting Standard for the Financial Industry.

The data is sourced, standardised and validated, from financial reports, environmental reports and company websites. Where it is sourced from varies depending on the factor and the region of the companies.

Not all companies currently disclose all climate factors, and some factors are reported on far less than others. For example, Scope 1 and 2 emissions are more widely disclosed than the Scope 3 emissions which can be more difficult to calculate.

Tutman use the Enterprise Value Including Cash (EVIC) to calculate emissions for each scope at a Fund level, in line with TCFD’s guidance for greenhouse gas emissions metrics for asset managers. This will provide a different output to a calculation that uses the company’s market capital for the calculation.

Where there are gaps in data, the figures are estimated using an industry classification system, which divides the economy into 2300 industry subsectors to categorise the products and services of each listed company. A geographic revenue model then enhances this. An average is calculated for every region. For example, a Taiwanese producer of semiconductors; based on this peer group, an estimate for a factor (such as Scopes 1 and 2 carbon intensity) is calculated using the peer group average and scaled based on revenue. Where this data is not available, the peer group is extended to look at producers of semiconductors in neighbouring countries.

The quality of the data produced is monitored through a series of algorithms that flags outlier values and values with unusual year on year changes. This identifies and eliminates simple data errors and data quality problems such as certain metrics requirement conversion, or at company-level.

## Metrics:

<b>TOTAL CARBON EMISSIONS</b>				
Description: The following section represents the complete Greenhouse Gas (GHG) emissions produced by companies in the Fund. It is calculated considering each companies emissions proportional to the Fund's stake in the company				
Purpose: This is an absolute measure to assess the real-world impact of the investments. It can be used to track whether overall emissions are reducing over time.				
Metric	The amount of Greenhouse Gases emitted in Tonnes		% estimated ** The % of the portfolio from which the level of emissions has been estimated due to the lack of current data available	
	Fund	Benchmark *	Fund	Benchmark *
Scope 1	1,450	3,310	40%	43%
Scope 2	580	980	41%	46%
Scope 3	17,640	23,950	50%	55%
Total Scope 1, 2 and 3	19,670	28,240		
<b>CARBON FOOTPRINT</b>				
Description: The following section represents the metric measures of total emissions associated with the Fund, but by dividing emissions per million dollars invested.				
Purpose: this provides a link between the money invested and the associated emissions				
Metric	The amount of Greenhouse Gases emitted in Tonnes (TCo2e) / \$M invested		% estimated** The % of the portfolio from which the level of emissions has been estimated due to the lack of current data available	
	Fund	Benchmark*	Fund	Benchmark*
Carbon Footprint	41.95	90.09	41%	43%
<b>WEIGHTED AVERAGE CARBON INTENSITY</b>				
Description: The following section represents the weighted average carbon intensities (WACI). This is a measure of the Fund's exposure to carbon emissions, calculated by weighting each company's emissions relative to its revenue by proportion to the Fund. The lower the WACI indicates less carbon emitted per unit of revenue.				
Purpose: this provides a comparison between Fund's, as it normalises emissions by revenue and then weights it by the size of the investment within the portfolio				
Metric	The amount of Greenhouse Gases emitted in Tonnes/ \$M revenue		% estimated ** The % of the portfolio from which the level of emissions has been estimated due to the lack of current data available	
	Fund	Benchmark *	Fund	Benchmark *
Scope 1 & 2 carbon intensity	83.64	159.61	41%	43%

\* the benchmark used is the Multi-Asset Global Aggressive (70/30). This benchmark has been used for emission comparison purposes only and may differ from the performance comparators used for the fund.

\*\* Not all companies disclose all climate factors, with some factors reported on less frequently than others, particularly in relation to Scope 3 emissions. Where a company does not disclose its performance we flag an estimated value. The calculation of those estimates are set out in the methodology section of this report

This Fund has not been identified as having concentrated exposures or high exposures to carbon intensive sectors.

#### Disclaimer

Tutman use Impact Cubed to produce the metrics set out in this report.

No reliance: Impact Cubed Ltd. provides this material as a general overview of our firm and our capabilities.

It has been provided for informational purposes only.

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