



# Terra Alpha Newsletter

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## Our commitment to driving positive change

At our core, Terra Alpha is an investment firm seeking to provide our investors with superior financial and environmental returns. We are extremely proud that our approach to investing has proven successful over our initial five years and five months. Yet, we founded the firm to serve an even larger purpose: Our investment process, alongside our engagement with companies, our public education, and our advocacy work, are all designed to achieve our vision of a truly sustainable world – one in which our economy is aligned with our environment and society.

In this quarter's newsletter we focus on some of our recent work to broaden our impact through collaboration, public education, and advocacy. We also commemorate Senior Research Analyst Jacob Hampton's five year anniversary with a note about his journey to Terra Alpha. Later this fall, we will publish a comprehensive Impact Report to provide further insight into the impacts we've championed across all aspects of the firm during our first five years.

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Note: Our three primary channels of communication are through email, [our website](#), and [LinkedIn](#). Our website has all of our past newsletters, Environmental Productivity (EP) Insights, and white papers, among other resources. Our LinkedIn page focuses on our public advocacy and education work. Your help broadening our reach to relevant audiences is always appreciated.

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# Impact Through Collaboration

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## Long-Term Stock Exchange Coalition



The Long-Term Stock Exchange (LTSE) officially began operating as an exchange in September of this year. Founded in 2012, its stated mission is to provide: "A public-share option for companies and investors who share a long-term vision." Terra Alpha fully supports the mission and principles of the LTSE.

### LTSE Principles:

- Long-term focused companies should consider a broader group of stakeholders and the critical role they play in one another's success.
- Long-term focused companies should measure success in years and decades and prioritize long-term decision-making.
- Long-term focused companies should align executive compensation and board compensation with long-term performance.
- Boards of directors of long-term focused companies should be engaged in and have explicit oversight of long-term strategy.
- Long-term focused companies should engage with their long-term shareholders.

While the exchange is in its early days of operating, our firm is directly engaging with LTSE already to both learn from their governance and resilience thinking and to support their work. We have agreed to join their Coalition, which demonstrates our commitment and allows us to exchange ideas with like-minded firms.

# Education Through Insights

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## Example of a corporation driving positive

## environmental change: TSMC



In early August, Taiwan Semiconductor Manufacturing Company (TSMC) announced a 20-year corporate purchase power agreement (PPA) with Orsted, a Danish onshore and offshore wind energy provider, to offtake the renewable power from one of Orsted's forthcoming wind farms off the coast of Taiwan. [This is the largest ever corporate PPA within renewable energy](#), with TSMC offtaking approximately 920MW from Orsted's offshore wind farm, contributing to TSMC's goal to transition to [25% renewable energy power](#) by 2030.

[Read more here.](#)

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## Public advocacy through education

During the third quarter, Terra Alpha hosted a webinar during Climate Week NYC and supported the work of Real Impact Tracker.

- Terra Alpha at Climate Week NYC: "Exploring Earth's Planetary Boundaries: Two Astronauts' Perspectives" -- [watch the recording here](#).
- Terra Alpha and [Real Impact Tracker](#): the Summer Soiree in July proved to be an excellent opportunity to exchange ideas with thought leaders in the certified community.

Moreover, we recommend to our readers the WWF film, *Our Planet: Too Big to Fail*. Moderated by Sir David Attenborough, the film powerfully portrays the centrality of global finance in the current state of our planet's environment and in the path to a sustainable economy.

- WWF Film: *Our Planet: Too Big to Fail* -- [available here](#).

## Advocacy for Long-term Asset Owners

## Department of Labor ERISA rule

As an active investment manager, we have an obligation to speak out on issues that we believe are detrimental to long-term asset owners' interests. Terra Alpha has formally filed comments with various federal agencies over the years. Last quarter, Terra Alpha, alongside more than 100 other investment firms, submitted a comment letter in opposition to a proposed rule by the US Department of Labor regarding the use of Environmental, Social, and Governance information by managers of ERISA funds.

While our firm does not manage assets in ERISA plans, and thereby would not be directly impacted by the proposed rule, our letter to the DOL stated:

"As institutional investors, we have a duty to act in the best long-term interests of our investors. In this fiduciary role, we believe that ESG factors may be financially material, and integrating ESG factors is core to investment decision-making."

As of 10/14/20, the DOL has not indicated if they will alter or withdraw the proposed rule.

## Terra Alpha earns high marks on the 2020 Principles for Responsible Investing Assessment

Terra Alpha Investments has been a signatory of the Principles for Responsible Investing (PRI) since 2017. One obligation of all signatories is to make an annual formal report to PRI on our progress towards set goals. We were pleased that for the second year in a row we received exceptionally high marks on the Principles for Responsible Investment Annual Assessment Report. We scored an "A+" rating in Strategy and Governance and "A" ratings for ESG Incorporation and Active Ownership. Our scores remain well above the median peer scores in each category.

[Read more here.](#)

## TAI People Profile: Senior Research Analyst Jacob Hampton

Jacob Hampton joined Terra Alpha as our first equity research analyst in August 2015, after completing his MBA in Finance at Southern Methodist University's Cox School of Business. Jacob brought a passion for investing with prior experience in private equity and in corporate



marketing. Jacob covers the consumer sector and has provided key insights in our equity research process. He describes his journey to Terra Alpha and sustainable investing in his blog post:

*"As I reflect on the past five years since I joined Terra Alpha Investments, I can't help but notice how much I have developed as a person. One specific area of development that I am proud of is how far I have come in my own personal journey towards appreciating the impact that can be created by investments in general, and public equity investments in particular."*

[Read more here.](#)



## About Terra Alpha

Terra Alpha Investments is a public equity manager founded in 2014 by highly experienced investors who share the conviction that our rapidly evolving world requires a change in investing thinking. Our rigorous and proprietary Environmental Productivity (EP) analysis values our planet's natural resources and sits at the center of our successful investment process. Our unique combination of quantitative and qualitative analysis helps us identify companies with the optimal combination of enduring business models and superior EP; which we believe is the primary driver of our ability to deliver superior long-term investment returns for our investors.

## Contact

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