



Terra Alpha Newsletter

This newsletter opens with reflections on the profound political and economic shifts reshaping the US and their implications for the future of sustainability and democracy. It highlights Terra Alpha’s recent impact through portfolio engagement on Science-Based Targets (SBTs) and human capital management, and recaps our sponsorship and advocacy efforts at US SIF’s FORUM 2025 and Capitol Hill Day. It also features our recent thought leadership, including receiving high Impact Authenticity and Execution scores from the Impact Evaluation Lab, the launch of our “10 in 10” series celebrating 10 years of Terra Alpha, and an introduction to our 2025 summer interns.

What Will America Look Like When it is 250 Years Old?

With the recent celebration of the 4th of July, we entered the 249th year since the US’s Declaration of Independence. Concurrently, we are witnessing consequential times that could very well reshape the nature of the US economy, society, and democracy. As discussed below, the actions, or in some cases inactions, taken so far in 2025 by all three branches of the US Federal government and many State governments have been breathtaking. Many Americans feel that the changes are overdue and will forge a better future. Though based on current polling data, a greater number have a diametrically opposite perspective. Frankly, the level of change is so rapid and so fundamental that none of us, not even the architects of the changes, can truly predict how collectively they will alter our nation and the world. While we have grave concerns about the current course being taken, it is our sincere hope that when we celebrate America’s 250th 4th of July we will find our nation in a better place than our current fears. Of course, we each have a role in shaping the future.

A consequential quarter

Over the course of the second quarter, plus the first few days in July, a multitude of actions were taken by the Trump administration which are likely indicative of what we may expect to see over the next 3 ½ years. The announcements came fast and furious – bookended by April 2nd’s “Liberation Day” and July 4th’s signing of the “Big Beautiful Bill,” with the large-scale bombing of Iranian nuclear facilities in the middle. The initial sweeping tariff announcements on April 2nd, the subsequent tariff negotiations, and the few actual agreements, indicate that the administration is committed to implementing a minimum 10% tariff on all imported goods, alongside higher sector- or country-specific tariffs, with a few possible sector- or country-specific tariff exemptions. The 2025 reconciliation bill, actions by the Department of Government Efficiency (DOGE) – with, and then without Elon Musk – and the White House’s proposed 2026 federal budget shows real intent to significantly shrink large swaths of the federal government and the social safety net, (cost cuts in the bill particularly focused on Medicaid and the Supplemental Nutrition Assistance Program (SNAP)), while expanding defense spending and immigration enforcement.

Of particular concern to us, in relation to necessary work to forge an environmentally and societally sustainable planet, are the Trump Administration’s executive orders aimed at sunseting many environmental regulations, proposed budget cuts for climate and earth science data collection, analysis, and research, and implementing tax policy changes intended to slow, if not reverse, the critical expansion of solar power, wind power, and electric vehicles in the US. This includes significant program and workforce reductions to the National Oceanic and Atmospheric Administration (NOAA), National Aeronautics and Space Administration (NASA), National Institutes of Health (NIH), National Science Foundation (NSF), Federal Emergency Management Agency (FEMA), and the US Forest Service. These actions will significantly reverse the work of the US government under President Biden to help to mitigate and/or adapt to growing environmental and societal challenges. At the same time the very real societal and economic impacts from climate change (e.g. heat storms, droughts, wildfires, floods) are greater than ever, both in the US and around the world.

Collectively, we have concerns about the impact the actions taken by the Trump Administration will have on the US economy and its position in the world. In the near term, our concern is that a step function increase in business costs and consumer prices is likely. In turn, these higher costs would squeeze both consumer wallets and corporate profits, and slow economic growth. The federal budget cuts will reduce federal government services and also present real near-term challenges for state governments as they work to fill in gaps in critical support (e.g. health care, food programs, emergency response). In the long term, we are very concerned about the impacts from the active efforts to slow the US energy transition and to reduce federal government programs and funding for science and medical research. Combined with the expected significant increase in the national debt and aggressive policies against legal immigration, we see the bulk of actions taken by the current administration as damaging to the underlying foundations of the US economy and to our global standing.



Tim Dunn, CFA
Co-Founder and CIO

Terra Alpha Impact

Portfolio-Wide Engagement on Science-Based Targets & Human Capital Management

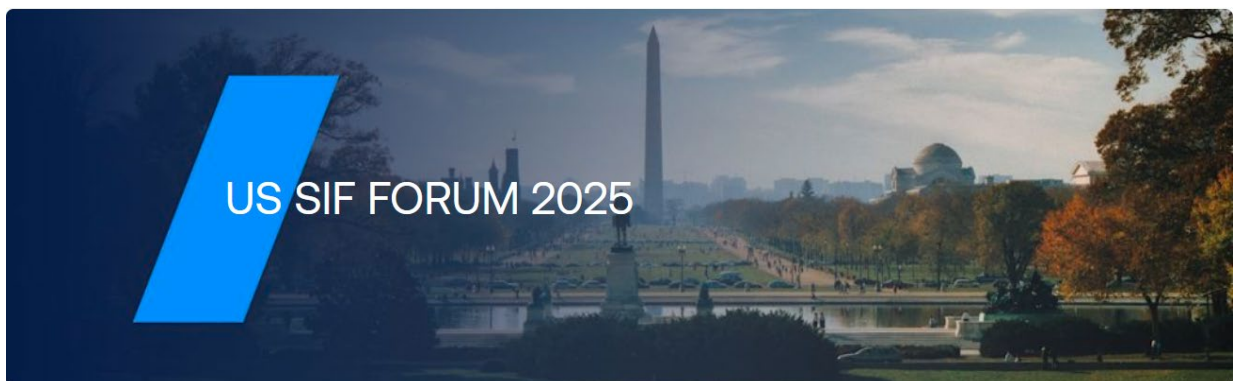
In the first days of July, we sent letters (via email) to the CEO and Director of Investor Relations of every current portfolio company. In the letters we reiterated our firm's commitment to enabling a sustainable planet for all society. We specifically urged every company to continue their work on managing their use and impact on natural resource systems (e.g. energy efficiency, reduced use and impact of freshwater systems and ecosystems, and lower material intensity) and on improved human capital management.

We particularly highlighted the importance of commitments to Science-Based Targets for greenhouse gas (GHG) emissions and formal water risk assessments. It is our ongoing contention that the efficient use of and impact on natural resources and best-in-class human capital management create real long-term value for all stakeholders, including shareholders.



Amy Dine
Director of Corporate Engagement

US SIF FORUM 2025 & Capitol Hill Day



In June, Co-Founder and CIO, Tim Dunn, and Director of Corporate Engagement, Amy Dine, attended the US Sustainable Investment Forum (US SIF) [FORUM 2025](#) in Washington, DC. Terra Alpha was proud to sponsor this event – the largest gathering of sustainable investment professionals in the US – as a [Peter DeSimone Program sponsor](#), supporting student and emerging professional participation. The annual forum brings together leaders from across the capital ecosystem to advance impact, sustainable investing, stewardship, advocacy, and more.

Tim and Amy also joined the [US SIF Capitol Hill Day](#) and members meeting. They participated in public advocacy efforts on the policy front through meetings with Congressional offices and industry colleagues. The meetings focused on preserving green credits and investments in the budget bill, the continuation of funding for Community Development Financial Institutions (CDFIs), and support for shareholder rights by advocating for the SEC to uphold its prior commitments to allow individual/shareholder proposals and to protect organizations that provide shareholders with information about annual meeting proposals.



[US SIF](#) is a US based membership association that advances sustainable investing across all asset classes. Their mission is to rapidly shift investment practices toward sustainability, focusing on long-term investment and the generation of positive social and environmental impacts.

Thought Leadership

Terra Alpha Receives High Impact Authenticity and Execution Scores from Impact Evaluation Lab



In 2024, Terra Alpha was among the first cohort of impact firms assessed by [Impact Evaluation Lab](#) (IEL) in their effort to create a new framework for evaluating funds that claim to have impact. Founded to help inform asset owners with growing interest in impact investing, IEL aims to bring greater standards, discipline, and accountability to assess the viability of a fund's impact strategy and the firm's actual execution to deliver their stated impact goals.

Terra Alpha received an IEL [Impact Authenticity Score](#) of 87 out of a possible 100, and an **Execution Score** of 97. We were recognized for our **"rigor and thoroughness in incorporating impact through the investment process."**

Following the evaluation, our Co-Founder and CIO, Tim Dunn, joined IEL's CEO [Terry Keeley](#) for a video discussion on sustainable investing in public equity markets.

"I did not expect Terra Alpha to come through our process as well as you did, Tim, I really didn't." Terry admitted. "I have been skeptical about public equity funds. I am thrilled to eat my words...I think there are a lot of people who claim to do what you do and don't do it."

Terry also dove deeper in a companion article, "[Can Public Equity Funds Have Impact?](#)" where he reflects on Terra Alpha as a firm not merely claiming to make a difference, but consistently doing

the hard, disciplined work to align financial performance with real-world environmental outcomes – demonstrating that public equity can be a powerful lever for meaningful change.

At Terra Alpha, we believe large companies have the potential to drive significant change – which is why we engage with them directly, encouraging progress toward a more sustainable future. In the article, Terry explores how our investment approach aims to deliver competitive financial returns, superior environmental outcomes, and real-world impact.

Read the Full Article: [Can Public Equity Funds Have Impact?](#)

Watch the Interview:

- Short version (8 mins): [Aligning Profit with Planet: How Terra Alpha Invests for a Sustainable Future](#)
- Full interview (37 mins): [FULL EPISODE - Aligning Profit with Planet: How Terra Alpha Invests for a Sustainable Future](#)

We encourage our readers to visit [Impact Evaluation Lab's website](#) to learn more about the evaluation process.

The Future of Finance Podcast with Georges Dyer, Featuring Tim Dunn



Tim was recently featured on the Future of Finance podcast hosted by [Georges Dyer](#) of the [Intentional Endowments Network](#).

In this thoughtful conversation, Tim discussed how Terra Alpha leverages Environmental Productivity to drive financial performance, environmental returns, and real-world impact. He shares Terra Alpha's journey, why we engage companies on science-based targets, and how integrating sustainability into investment decisions is not just responsible—it's essential.

Tune in to hear:

- Why environmental metrics must become standard accounting,
- How capital markets can lead the climate transition, and
- What investors should demand in this era of uncertainty.

Watch the full podcast on YouTube [here](#), or stream it on your favorite podcast platform [here](#).

A Decade of Terra Alpha - “10 in 10” Series Launch



This year, Terra Alpha is celebrating a major milestone – 10 years of growth, impact, and sustainable investing.

Of course, we are most proud of delivering to our investors the combination of **competitive financial returns, superior environmental returns, and real-world impact** through our thought leadership and corporate engagement.

Yet, there is so much more we have accomplished that is worth highlighting.

To mark this milestone, in 2Q 2025 we launched a celebration of our first decade. We're sharing 10 key accomplishments from our first 10 years – or “10 in 10” – that have helped define our journey. Over the next few months, we'll feature each one in a brief spotlight, offering a glimpse into the moments and achievements that shaped who we are today.

Thank you to our team, investors, partners, and supporters for being part of our journey, and stay tuned as we celebrate our first decade, one milestone at a time.

Here's to the next 10.

[Read the first three spotlights here.](#)



Our Founding Story



Low-Carbon Economy & SBTs



1% for the Planet

Wall Street Development Accelerator



In May, Senior Investment Analyst, Nathaniel Schwartz, returned for his third year to lead a weeklong bootcamp that covered equity research basics and financial statement analysis for the [Wall Street Development Accelerator](#) (WSDA).

The WSDA internship program aims to provide rising sophomores and juniors from underrepresented communities with an introduction to career possibilities in financial services. Internships can be a first step toward promoting diversity and can have an immediate and lasting impact on a student's career. This program is hosted by a collaborative group of fund managers and financial advisors who are passionate about sharing what we know about our professions with select students interested in financial services.

Sponsorships & Attendance

- In May, Tim Dunn attended the [Total Impact Summit '25](#) in Philadelphia, hosted by [ImpactPHL](#) – a regional non-profit supporting endowments and foundations in integrating impact into their portfolios. He spoke in the closing session on the transition to a sustainable world and the importance of systems-level action.
- Terra Alpha was a proud sponsor of the [Intentional Endowments Network's](#) (IEN) Virtual Forum, held June 2-5. The event brought together endowments, foundations, and sustainable investing leaders to discuss how to maintain intentional investing momentum. Topics included navigating political risk, climate, artificial intelligence, and advancing diversity, equity, and inclusion. We are also looking forward to sponsoring and attending the IEN Annual Forum this October 27th-28th at Goucher College in Baltimore, Maryland. [Click here to learn more.](#)

EP Insight | AstraZeneca: Low-Carbon Inhaler



Inhalers are essential for managing respiratory conditions, but their climate impact is often overlooked. In the U.K., inhalers contribute about 3% of the National Health Service’s (NHS) carbon footprint, mainly due to the hydrofluorocarbon (HFC) propellants used in most devices, which are potent greenhouse gases.

In our latest EP Insight, we highlight AstraZeneca’s recent U.K. approval of a low-carbon version of its COPD inhaler, Trixio Aerosphere. This new inhaler uses a next-generation propellant with 99.9% lower climate impact while maintaining the same safety and efficacy – marking an important step toward reducing healthcare emissions without compromising patient care.

This development highlights how innovation in healthcare can support both patient outcomes and environmental sustainability.

Read the full EP Insight [here](#).

Firm Updates

Team Spotlight: Terra Alpha Summer Interns



Prathmesh Mucchala

Prathmesh is an international student from Mumbai, India. He is a rising third-year student at the University of Virginia, pursuing a degree in economics and computer science. In his free time, he enjoys playing cricket, visiting new countries, and watching thriller movies. This summer, Prathmesh’s research is focused on the enterprise software sector, evaluating companies poised for growth through both a financial and environmental, social, and governance lens. As part of his work, he will present his research on a company at the forefront of this industry, along with his final recommendation.



Erik Pacheco

Erik is from West Lafayette, Indiana. He is a rising junior at New York University, where he is majoring in Finance and minoring in Public Policy. In his free time, he enjoys watching soccer and Formula 1, as well as trying new restaurants. This summer, Erik's research is focused on the healthcare industry, specifically the eyewear and eyecare space. He developed a detailed research report and financial model analyzing a company aligned with Terra Alpha's investment strategy and will present his findings and recommendation to the team.



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 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 as we seek to deliver superior long-term investment returns for our investors.

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