

News Release

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Columbia Threadneedle launches Sustainable Enhanced Income fund

*Resilient income from sustainability leaders
Overlay strategy seeks to enhance fund yield*

LUXEMBOURG – 30 August 2023 – Columbia Threadneedle Investments, a leading global asset management group, has launched the **CT (Lux) Sustainable Global Equity Enhanced Income Fund** (The “Fund”).

The Fund, actively managed by global equities portfolio manager Nick Henderson, aims to deliver attractive and resilient levels of income from a ‘core’ portfolio of sustainability income leaders and targets a yield in excess of the MSCI All Country World Index. The portfolio is complemented by an ‘overlay’ strategy to enhance income returns targeting a combined yield of between 4 and 8% per annum. Risk spreading is achieved through the Fund holding a balanced portfolio of equity securities of companies, which may be anywhere in the world. However, the investments of the Fund will be subject to market fluctuations and other risks normally associated with any investment. The Fund may also invest in derivatives. Investors should be aware of the greater volatility of derivative values and the correspondent increased volatility of the Fund's shares that may arise therefrom.

The Fund, categorised as Article 8 according to the SFDR regulation, is built around sustainability themes to identify 30-50 stocks from companies who stand to benefit from or contribute to trends in sustainable

development.¹ Nick Henderson and Columbia Threadneedle's broader global equities team have identified seven persisting 'megatrends' including energy transition, health and wellbeing and sustainable cities, which will provide long-term tailwinds to well-placed companies.

Nick Henderson is part of Columbia Threadneedle's specialist ESG Global Equities team and has a long history of managing global sustainable strategies. This team is part of the broader 24 strong Global Equities team, with c. €20bn under management, and works closely with Columbia Threadneedle's dedicated responsible investment specialists, which consists of over 40 professionals.

The Fund uses a clear philosophy to meet investors' sustainable objectives:

1. Avoid companies with damaging or unsustainable practices
2. Invest in companies that make a positive contribution to society and / or the environment
3. Improve companies' management of Environmental, Social and Governance (ESG) issues through engagement and voting

Focus is on resilient and growing income streams, avoidance of value traps and balanced approach to building the portfolio. Whilst ensuring a clear focus on sustainability solution providers, the resultant portfolio is one of a more core/value style factor tilt relative to many existing sustainable equity portfolios that are typically more growth orientated.

To enhance and diversify the portfolio's 'natural' income, the team employs a risk managed call overlay strategy that aims to boost the fund's yield by 2-4% per annum. Managed by Columbia Threadneedle's Systematic Factor Investments team, this dynamic approach combines short positions in call options with a long futures position. The premium received on the call options provides the higher yield, whilst the long futures position maintains market participation in a rising market, participation that would otherwise be limited with selling call options.

Michaela Collet Jackson, Head of Distribution, EMEA, at Columbia Threadneedle Investments, said: "The CT (Lux) Sustainable Global Equity Enhanced Income Fund gives investors the opportunity to combine an enhanced income generating strategy within a framework focused on identifying companies which seek to make a sustainable contribution. We have worked in partnership with our clients to design a strategy which we believe fills a unique gap that harnesses our proven track record of investing in high dividend yield stocks and generating long term returns through a sustainable portfolio. The overlay provides that enhanced income element which

¹ The decision to invest in the promoted fund should also take into account all the characteristics or objectives of the promoted fund as described in its prospectus. The fund's sustainability related disclosures can be found on our website columbiathreadneedle.com.

investors are so keen to capture in the current persistent inflationary environment. Columbia Threadneedle has a strong heritage in global equities, income portfolios and responsible investment and I am pleased that this strategy brings together these three strengths into one fund for clients.”

Nick Henderson, Portfolio Manager, CT (Lux) Sustainable Global Equity Enhanced Income Fund, added: “The launch of this Fund represents an important milestone. We believe it brings a new dimension to sustainable investing. Sustainable funds tend to be growth orientated while traditional income funds typically find above-average levels of dividend income in what one might consider “sunset” industries such as tobacco or energy. Through its value style factor tilt, we believe our Fund offers a real alternative: a sustainable product that delivers enhanced levels of income which do not come from conventional income sectors.”

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Notes to Editors

About the CT (Lux) Sustainable Global Equity Enhanced Income Fund

Inception date: 2 Aug 2023

Portfolio manager: Nick Henderson

Benchmark: MSCI ACWI

Yield target: 4-8% per annum

Investment approach: active, bottom up selection

Style: quality value tilt

SFDR: Article 8

Income distribution: annual

Vehicle: Luxembourg SICAV

Base currency: USD

Portfolio characteristics

Typical number of holdings: 30-50 stocks

Expected tracking error: 3-7%

Stock weights: Max 5% active weight in any single security

Sector weights: Max 15% +/- vs benchmark

Market cap: All caps

Regional weights: Developed markets: 80-100% / Emerging markets: 0-20%

Max % held in overlay portfolio: 10%

About Columbia Threadneedle Investments

Columbia Threadneedle Investments is a leading global asset manager, entrusted with €565bn² on behalf of individual, institutional and corporate clients around the world.

We have more than 2500 people including over 650 investment professionals based in North America, Europe and Asia³. We offer our clients a wide range of strategies across equities, fixed income and alternatives, as well as specialist responsible investment capabilities and a comprehensive suite of solutions.

Columbia Threadneedle Investments is the global asset management group of Ameriprise Financial, Inc. (NYSE:AMP), a leading US-based financial services provider. As part of Ameriprise, we are supported by a large and well-capitalised diversified financial services firm.

www.columbiathreadneedle.com

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The Fund is a sub fund of Columbia Threadneedle (Lux) III, a société d'investissement à capital variable (SICAV), registered in Luxembourg and authorised by the Commission de Surveillance du Secteur Financier (CSSF). English and German language copies of the Fund's Prospectus, summarised investor rights, English, Dutch, Finnish, French, German, Italian, Norwegian, Spanish and Swedish language copies of the key investor information document (KIID)/ Key Information Document (KID) can be obtained from Columbia Threadneedle Investments, Exchange House, Primrose Street, London EC2A 2NY, telephone: Client Services on 0044 (0)20 7011 4444, email:

sales.support@columbiathreadneedle.com or electronically at www.columbiathreadneedle.com.

Please read the Prospectus before taking any investment decision.

In Spain, Columbia Threadneedle (Lux) III is registered with the CNMV under No. 668. The Fund is a non-Spanish collective investment scheme duly registered with the CNMV for marketing in Spain. The fund should be subscribed to through locally authorised appointed distributors. Investors must read the relevant Prospectus and KIID for each fund they want to invest before subscribing. All other statutory documentation, as well as the NAV can be obtained from columbiathreadneedle.com.

The Prospectus, Key Information Document, Articles of Association, Annual and Interim Reports in German, as well as further information, can be obtained free of charge from our Swiss Representative: Carnegie Fund Services S.A., 11, rue du Général Dufour, CH-1204 Geneva, Switzerland, Web: www.carnegie-fund-services.ch. The paying agent is Banque Cantonale de Genève, 17, quai de l'Île, CH-1204 Geneva. The current prices can be found at: www.fundinfo.com.

The information provided in the marketing material does not constitute, and should not be construed as, investment advice or a recommendation to buy, sell or otherwise transact in the Funds. The manager has the right to terminate the arrangements made for marketing.

² Source: Ameriprise Financial Q2 2023 earnings release

³ As at 30 June 2023, Columbia Threadneedle Investments

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