

Your quarterly investment report

CT MM Navigator Range
Q3 2023

Market insights

Detail and discussion of the key drivers of market moves together with our views on where things are likely to head from here.

Market review – Q3 2023

July to September 2023 saw relatively flat total returns in aggregate after the upbeat rallies of the previous quarter. Rising interest rates and weak Chinese economic data initially increased fears of declining global growth. However, the Chinese government's move to boost demand saw commodities prices rise so that related equities, including energy stocks, outperformed. Nonetheless, concerns about further monetary tightening from persistently high inflation and a resilient US economy weighed on equities throughout the period. The Federal Reserve (Fed) raised interest rates by 0.25% in July, taking the Fed funds rate to 5.50%. Meanwhile, the European Central Bank (ECB) also increased its main refinancing rate by 0.50% to 4.50% but signalled that it's likely finished with policy tightening despite still high inflation.

Asset Performance (in GBP) Q3 2023

IA UK All Companies	0.80%
IA £ High Yield	1.26%
IA Europe ex-UK	-1.97%
IA £ Corporate Bond	2.16%
IA Japan	1.69%
IA UK Gilt	-0.84%
IA Asia Pacific ex-Japan	-0.83%
IA UK Index Linked Gilt	-4.45%
IA North America	0.81%
IA Global Mixed Bond	-0.28%
IA Global Emerging Mkts	0.31%
IA Targeted Abs Return	0.91%
IA UK Direct Property	-0.33%
IA Property Other	-0.68%

Columbia Threadneedle Investments and Lipper. All information as at 30 September 2023.

Past performance should not be seen as an indication of future performance.

Our view



We're relatively cautious based on current macroeconomic fundamentals and valuations (which don't look particularly cheap). We are underweight US equities on valuation concerns but do think bottom-up opportunities exist in the UK. Japan also offers reasonable fundamentals and valuations. We are cautious on Asian, emerging market and European equities. Within fixed income we remain comfortable with our stance and, in our view, are well positioned for an anticipated weakening of economic data and a move downwards for interest rates at some point.

We are underweight US equities on valuation concerns but do think bottom-up opportunities exist in the UK

PAUL GREEN, INVESTMENT MANAGER, MULTI-MANAGER

Performance update – Q3 2023

The CT MM Navigator range is a suite of actively managed multi-manager funds. Here we show how the portfolios have performed over the last calendar quarter and longer term.

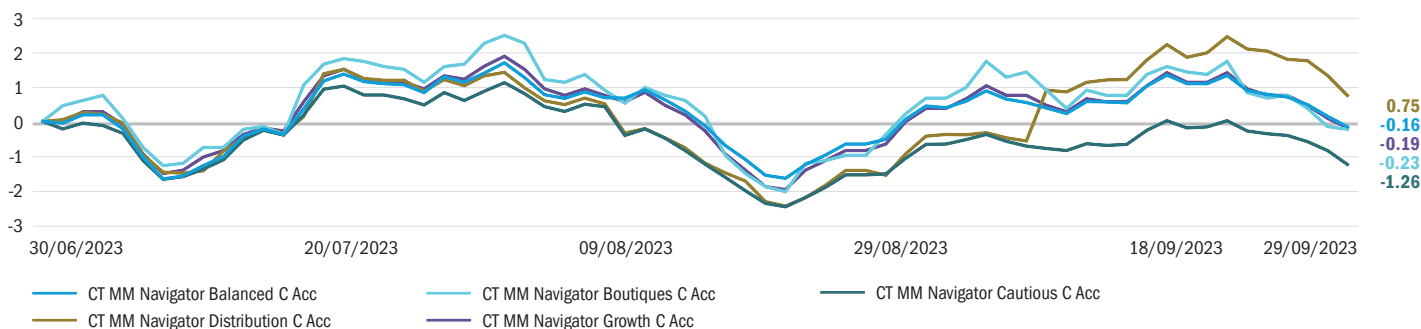
Key risks

Past performance should not be seen as an indication of future performance.

The value of your investments and any income from them can go down as well as up and you may not get back the original amount invested.

These funds invest principally in units in collective investment schemes. Please refer to the investment policy.

Three month performance (%)



Fund performance (%)

	3 months	6 months	1 year	3 year	5 year
CT MM Navigator Cautious C Acc	-1.26	-2.50	2.07	5.27	2.13
CT MM Navigator Distribution C Acc	0.75	0.45	4.03	12.43	1.29
CT MM Navigator Balanced C Acc	-0.16	-0.64	5.51	12.90	9.13
CT MM Navigator Growth C Acc	-0.19	-0.38	4.99	12.77	10.90
CT MM Navigator Boutiques C Acc	-0.23	0.85	6.41	15.29	20.92

Fund performance (%)

	2018/19	2019/20	2020/21	2021/22	2022/23
CT MM Navigator Cautious C Acc	2.04	-4.92	16.60	-11.56	2.07
CT MM Navigator Distribution C Acc	1.66	-11.38	16.06	-6.88	4.03
CT MM Navigator Balanced C Acc	1.53	-4.80	20.88	-11.47	5.51
CT MM Navigator Growth C Acc	0.55	-2.19	21.23	-11.41	4.99
CT MM Navigator Boutiques C Acc	3.69	1.16	26.54	-14.38	6.41

Source: Colombia Threadneedle Investments and Lipper, all figures net of fees in sterling on a mid-to-mid basis.

What has driven performance

In this section we take a closer look at what has driven portfolio performance over the quarter, assessing the contribution of our fund choices as well broader asset allocation decisions.

Asset allocation

+ Positive

A relative avoidance (underweight) of **European Equities** was positive during a tough quarter for the asset class.

— Negative

A relative avoidance (underweight) of **US Equities** was negative in a positive quarter for the asset class.

Fund selection

+ Positive

LF Morant Wright Nippon Yield (Navigator Growth, Balanced, Cautious & Boutiques) had a strong quarter, outperforming the IA Japan sector average by 8.4%, returning 10.1%.

In Europe, **Magallanes Value Investors European** (Navigator Growth, Balanced, Cautious & Boutiques) had a good quarter, rising in value by 2.9% and outperforming the IA Europe Excluding UK Sector by 4.9%.

LF Zennor Japan Equity Income (Navigator Growth, Balanced, Cautious & Boutiques) outperformed the IA Japan sector average by 3.9%, rising in value by 5.6%.

Within Navigator Distribution, strong performance was seen again from the **Pacific North of South Emerging Markets Equity Income** fund, which outperformed the IA Global Emerging Markets sector average by 8.9%, rising in value by 8.1%. In Asia, **CIM Dividend Income** rose in value by 9.2%, outperforming the IA Sector Average by 10%. **CIFC Global Floating Rate Credit** returned 6.8%, **Supermarket Income REIT** rose in value by 6.3% and **Round Hill Music Royalty Fund** increased by 62%.

— Negative

In Europe, both **Berenberg European Small Cap & Chelverton European Select** (Navigator Growth, Balanced, Cautious & Boutiques) had a tough quarter, falling in value by 11% and 6.9% – underperforming the broader IA Europe Ex-UK sector average by 9% and 4.9% respectively.

Darwin Leisure Property (Navigator Cautious & Distribution) had a valuation adjustment following a period of rising rates, falling in value by 24.1%.

Jupiter UK Dynamic Equity (Navigator Growth, Balanced, Cautious & Boutiques) had a tough quarter, falling in value by 4.8% and underperforming the IA sector average by 5.6%.

Turning to the Navigator Distribution fund, it was a weaker quarter for interest rate sensitive holdings, with **iShares \$ Treasury Bond 20+yr ETF** falling in value by 9.4%. **GCP Infrastructure Investments Ltd** (also held in Navigator Cautious) fell in value by 11.6%. It was a tough quarter for **FTF Clearbridge Global Infrastructure**, falling in value by 6.8%.

These do not constitute investment advice or recommendations to buy or sell investments and you should not place undue reliance on such statements or returns, as actual returns and results could differ materially due to various risks and uncertainties.

Views and opinions have been arrived at by Columbia Threadneedle Investments and should not be considered to be a recommendation or solicitation to buy or sell any funds that may be mentioned.

Portfolio activity

The lowdown on adjustments to asset allocation across the portfolios as well as details on recent fund purchases and disposals.

Fund selection

^ Additions

Navigator Growth, Balanced, Cautious & Distribution – We re-introduced **LXI REIT** to all five Lifestyle portfolios. Having sold the position in the summer of 2022 and following a turbulent period for REITs in the second half of last year, we decided to add the position back to the portfolios. The REIT contains diversified assets which are let on long-term, inflation-linked leases.

Navigator Growth, Balanced, Cautious & Boutiques – As part of an effort to harmonise our European Equity fund selections across the Navigator range and create more balanced exposure in the region, we introduced a position in **Polar Capital European ex UK Income**.

Navigator Growth & Balanced – As part of an effort to harmonise our European Equity fund selections across the Navigator range and create more balanced exposure in the region, we introduced a position in **MI Chelverton European Select Fund**.

▼ Disposals

Navigator Growth, Balanced & Cautious – Following the announcement of a second change in the fund management team of the **Memnon European Fund** leading to neither of the original co-managers being involved in the running of the fund any more, we exited the position.

Navigator Growth, Balanced & Cautious – Following the resignation of the co-portfolio manager, we sold our position in **TM Tellworth UK Select** from all portfolios.

Navigator Growth & Balanced – Over the quarter, we sold the position in **Darwin Leisure Development**.

Navigator Boutiques – We sold the position in **Crux Asia ex-Japan** over the quarter as we became more cautious on the outlook for growth companies in Asia.

Asset allocation

Equity markets had a mixed quarter. Japanese, UK, and North American equities all posted positive gains, but this was dampened by weaker returns elsewhere.

During the quarter we saw further evidence of falling inflation in most developed markets. Major central banks are now pausing their hiking program from their September meetings, indicating we're close to, if not already at, the summit in rate hikes for this cycle.

Despite this, bond yields continued to move higher over the quarter. Investors began to accept the central bank narrative that they will be holding interest rates 'higher for longer', in part due to repeated central bank comments but supported by a resurgent oil price.

Our asset allocation movements were relatively muted over the quarter, although we added moderately to Japanese equities and, to a lesser extent, government bonds. These moves were financed by a mild reduction in our overweight cash position.

We are still of the view that the real economy has yet to feel the impact of central bank tightening and we expect economic data to weaken in the months ahead. A combination of weakening forward-looking indicators and the most restrictive monetary signals witnessed for decades keep us relatively cautious in our positioning, not least given the re-rating of equity markets over the past year.

The portfolios ended the quarter underweight property & equities against their neutral asset allocations. Offsetting this, the portfolios remain overweight corporate bonds, absolute return funds, cash and gold.

Portfolio listings

Our aim is to offer investors access to highly diversified portfolios built with what we believe to be the best available funds.

CT MM Navigator Cautious Fund

Portfolio breakdown	%
Equities	39.03
UK Equities	15.16
The Heronbridge United Kingdom Equity Fund	3.48
Invesco UK Opportunities Fund	2.58
LF Lindsell Train UK Equity Fund	2.55
Artemis UK Select Fund	2.25
GVQ UK Focus Fund	2.04
LF Gresham House UK Smaller Companies Fund	1.67
Jupiter UK Dynamic Equity Fund	0.59
European Equities	4.23
Magallanes Value Investors UCITS – European Equity	2.19
Polar Capital European ex UK Income Fund	1.85
"MI Chelverton European Select Fund"	1.24
Berenberg European Small Cap Fund	0.48
Euro Stoxx 50 Index Futures	-1.53
Japanese Equities	4.41
LF Zennor Japan Equity Income Fund	1.70
LF Morant Wright Nippon Yield Fund	1.55
UI – Alpha Max Japan Fund	1.16
North America Equities	10.31
Pzena US Large Cap Value Fund	2.60
Edgewood L Select US Select Growth Fund	2.36
HC Snyder US All Cap Equity Fund	2.26
Lyrical US Value Equity Strategy I	1.28
Spyglass US Growth Fund	1.00
Pacific North American Opportunities Fund	0.82
Asian Equities	4.95
Prusik Asian Equity Income Fund	2.14
Fidelity Asia Pacific Opportunities Fund	1.82
Man GLG Asia (ex Japan) Equity Fund	0.99
Emerging Markets Equities	-0.04
TT Emerging Markets Unconstrained Fund	1.05
MSCI EM Index Futures	-1.08
Specialist (Non-Equity)	11.83
Man GLG UK Absolute Value Fund	3.12
Darwin Leisure Property Fund	2.97
LXI REIT PLC	2.04
Iguana Investments Long/Short Equity Fund	1.78
iShares Physical Gold ETC	1.24
Amedeo Air Four Plus Limited	0.68
Fixed Income	44.73
Janus Henderson Strategic Bond Fund	8.72
Man GLG Sterling Corporate Bond Fund	7.80
Allianz Strategic Bond GBP Fund	7.04
Artemis Funds (Lux) – Short-Dated Global High Yield Bond	3.79
Allianz Strategic Bond USD Fund	3.31
MI TwentyFour Monument Bond Fund	3.09
Jupiter Monthly Income Bond Fund U1 GBP Inc	3.06
Premier Miton Financials Capital Securities Fund	2.04
Man GLG High Yield Opportunities Fund	1.89
GCP Infrastructure Investments Limited	1.39
Barings Emerging Markets Debt Blended Total Return Fund	1.35
GCP Asset Backed Income Fund Ltd	1.25
Liquidity & Other	4.42
Liquidity & Other	4.42

CT MM Navigator Distribution Fund

Portfolio breakdown	%
Equities	34.83
UK Equities	15.34
J O Hambro Capital Management UK Equity Income Fund	6.05
Schroder Income Maximiser Fund	5.13
Montanaro UK Income Fund	4.15
European Equities	4.64
Polar Capital European ex UK Income Fund	4.39
Montanaro European Income Fund	2.52
Euro Stoxx 50 Index Futures	-2.27
Japanese Equities	1.79
CC Japan Income & Growth Fund	1.79
North America Equities	6.91
Schroder US Equity Income Maximiser	6.91
Asian Equities	5.48
Prusik Asian Equity Income Fund	3.36
CIM Dividend Income Fund	1.77
Schroder Asian Income Maximiser	1.32
Hang Seng Index Futures	-0.96
Emerging Markets	0.66
Pacific North of South EM Equity Income Opportunities Fund	1.73
MSCI EM Index Futures	-1.06
Specialist (Equity)	4.46
Liontrust Global Dividend Fund	2.54
FTF ClearBridge Global Infrastructure Income Fund	1.92
Specialist (Non-Equity)	11.52
Darwin Leisure Property Fund	3.80
Round Hill Music Royalty Fund Limited	3.60
Supermarket Income REIT plc	1.56
Amedeo Air Four Plus Limited	1.23
LXI REIT PLC	1.10
SLF Realisation Fund C shares	0.12
SLF Realisation Fund Limited- Ordinary	0.11
Fixed Income	43.53
Man GLG Sterling Corporate Bond Fund	7.03
MI TwentyFour Dynamic Bond Fund	6.87
Janus Henderson Strategic Bond Fund	6.32
Man GLG High Yield Opportunities Fund	4.00
TwentyFour Income Fund Limited	2.80
Artemis Funds (Lux) – Short-Dated Global High Yield Bond	2.52
MI TwentyFour Monument Bond Fund	2.42
GCP Infrastructure Investments Limited	2.14
Barings Emerging Markets Debt Blended Total Return Fund	2.03
Jupiter Monthly Income Bond Fund U1 GBP Inc	2.00
Premier Miton Financials Capital Securities Fund	1.98
iShares \$ Treasury Bond 20+yr UCITS ETF	1.67
CIFC Global Floating Rate Credit Fund	1.00
GCP Asset Backed Income Fund Ltd	0.75
Liquidity & Other	5.66
Liquidity & Other	5.66

CT MM Navigator Balanced Fund

Portfolio breakdown	%
Equities	60.96
UK Equities	21.04
The Heronbridge United Kingdom Equity Fund	5.05
Invesco UK Opportunities Fund	3.86
LF Lindsell Train UK Equity Fund	3.43
GVQ UK Focus Fund	2.98
Artemis UK Select Fund	2.67
LF Gresham House UK Smaller Companies Fund	2.28
Jupiter UK Dynamic Equity Fund	0.77
European Equities	8.05
Magallanes Value Investors UCITS – European Equity	3.01
Polar Capital European ex UK Income Fund	2.97
"MI Chelverton European Select Fund"	1.66
Berenberg European Small Cap Fund	1.16
Euro Stoxx 50 Index Futures	-0.75
Japanese Equities	5.96
LF Morant Wright Nippon Yield Fund	2.49
LF Zennor Japan Equity Income Fund	2.14
UI – Alpha Max Japan Fund	1.33
North America Equities	18.83
Pzena US Large Cap Value Fund	4.27
Edgewood L Select US Select Growth Fund	3.86
HC Snyder US All Cap Equity Fund	3.81
Lyrical US Value Equity Strategy I	3.11
Spyglass US Growth Fund	1.98
Pacific North American Opportunities Fund	1.80
Asian Equities	7.13
Prusik Asian Equity Income Fund	3.13
Fidelity Asia Pacific Opportunities Fund	2.04
Man GLG Asia (ex Japan) Equity Fund	1.50
T. Rowe Price China Evolution Equity Fund	0.46
Emerging Markets Equities	-0.05
TT Emerging Markets Unconstrained Fund	1.48
MSCI EM Index Futures	-1.53
Specialist (Non-Equity)	6.63
Man GLG UK Absolute Value Fund	2.29
LXI REIT PLC	1.96
Iguana Investments Long/Short Equity Fund	1.26
iShares Physical Gold ETC	1.12
Fixed Income	23.87
Janus Henderson Strategic Bond Fund	6.39
Man GLG Sterling Corporate Bond Fund	5.02
Allianz Strategic Bond GBP Fund	4.19
Allianz Strategic Bond USD Fund	3.16
Artemis Funds (Lux) – Short-Dated Global High Yield Bond	3.06
Man GLG High Yield Opportunities Fund	1.03
Premier Miton Financials Capital Securities Fund	1.03
Liquidity & Other	8.53
Liquidity & Other	8.53

CT MM Navigator Growth Fund

Portfolio breakdown	%
Equities	67.75
UK Equities	15.98
The Heronbridge United Kingdom Equity Fund	4.19
Invesco UK Opportunities Fund	2.92
LF Lindsell Train UK Equity Fund	2.27
GVQ UK Focus Fund	2.22
Artemis UK Select Fund	1.61
LF Gresham House UK Smaller Companies Fund	1.32
Augmentum Fintech Plc	0.90
Jupiter UK Dynamic Equity Fund	0.56
European Equities	9.53
Magallanes Value Investors UCITS – European Equity	3.67
Polar Capital European ex UK Income Fund	3.24
"MI Chelverton European Select Fund"	2.22
Berenberg European Small Cap Fund	1.42
Euro Stoxx 50 Index Futures	-1.02
Japanese Equities	7.44
LF Morant Wright Nippon Yield Fund	3.05
LF Zennor Japan Equity Income Fund	2.50
UI – Alpha Max Japan Fund	1.89
North America Equities	24.45
Pzena US Large Cap Value Fund	5.13
Edgewood L Select US Select Growth Fund	5.08
HC Snyder US All Cap Equity Fund	4.72
Lyrical US Value Equity Strategy I	4.15
Spyglass US Growth Fund	2.74
Pacific North American Opportunities Fund	2.62
Asian Equities	10.08
Prusik Asian Equity Income Fund	4.32
Fidelity Asia Pacific Opportunities Fund	3.26
Man GLG Asia (ex Japan) Equity Fund	2.01
T. Rowe Price China Evolution Equity Fund	0.49
Emerging Markets Equities	0.27
TT Emerging Markets Unconstrained Fund	1.81
MSCI EM Index Futures	-1.54
Specialist (Non-Equity)	7.04
Man GLG UK Absolute Value Fund	2.39
LXI REIT PLC	2.00
Iguana Investments Long/Short Equity Fund	1.46
iShares Physical Gold ETC	1.20
Fixed Income	18.01
Janus Henderson Strategic Bond Fund	5.70
Allianz Strategic Bond GBP Fund	4.34
Man GLG Sterling Corporate Bond Fund	4.03
Allianz Strategic Bond USD Fund	2.44
Man GLG High Yield Opportunities Fund	1.50
Liquidity & Other	7.20
Liquidity & Other	7.20

CT MM Navigator Boutiques Fund

Portfolio breakdown	%
Equities	92.49
UK Equities	9.07
The Heronbridge United Kingdom Equity Fund	2.11
GVQ UK Focus Fund	1.98
LF Gresham House UK Smaller Companies Fund	1.86
LF Lindsell Train UK Equity Fund	1.72
Augmentum Fintech Plc	0.85
Jupiter UK Dynamic Equity Fund	0.54
European Equities	17.18
Magallanes Value Investors UCITS – European Equity	6.30
Polar Capital European ex UK Income Fund	4.33
"MI Chelverton European Select Fund"	4.19
Berenberg European Small Cap Fund	2.35
Japanese Equities	7.04
LF Morant Wright Nippon Yield Fund	3.40
LF Zennor Japan Equity Income Fund	2.26
UI – Alpha Max Japan Fund	1.38
North America Equities	49.26
HC Snyder US All Cap Equity Fund	12.57
Pzena US Large Cap Value Fund	11.36
Edgewood L Select US Select Growth Fund	10.94
Lyrical US Value Equity Strategy I	8.95
Pacific North American Opportunities Fund	4.97
Spyglass US Growth Fund	3.50
S&P 500 Index Futures	-3.03
Asian Equities	8.48
Prusik Asian Equity Income Fund	5.43
New Capital Asia Future Leaders Fund	3.05
Emerging Markets Equities	1.46
TT Emerging Markets Unconstrained Fund	2.51
MSCI EM Index Futures	-1.05
Specialist (Non-Equity)	1.58
Man GLG UK Absolute Value Fund	1.58
Liquidity & Other	5.93
Liquidity & Other	5.93

Understanding risk and getting the right balance

Before investing it's important to think about financial goals and circumstances. These factors will help determine the choices that are made.

Making money work harder than it would in a savings account usually means taking greater risk with capital. Our CT MM Navigator Funds offer a range of options so investors can choose the balance of risk and potential reward that's right for them.

How does this work? Each portfolio invests in 30+ carefully selected individual funds across a range of asset classes – the type and proportions in each tailored with a view to delivering defined investment outcomes.

For those seeking growth and comfortable with higher levels of risk, the Boutiques and Growth funds with their higher equity exposure may be appropriate. Why? Because equities can offer scope for higher returns, but that potential comes with greater risk of loss.

More cautiously minded investors meanwhile, can select the Balanced and Cautious funds with a higher allocation to fixed income assets. The likes of government and high-quality corporate

bonds tend to be less volatile in their performance than equities. Distribution, meanwhile, is a cautiously managed portfolio with an income remit.

Adviser and individual work together to decide which portfolio is the right option, usually by discussing financial aims and objectives together with investment timeframe.

Things to remember when considering investing

The value of investments and any income derived from them can go down as well as up as a result of market movements. You may not get back the original amount invested.

These funds invest principally in units in collective investment schemes. Please refer to the investment policy of each fund.

Expertise in numbers

1996

established in 1996; pioneers in multi-manager investing ever since

24+

years working together; a stability that's rare in this industry

8

strong team


200+

years' combined investment experience



Want to know more?

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 columbiathreadneedle.com

Private individuals

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