



Your quarterly investment report

CT MM Lifestyle Range
Q1 2024

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 – Q1 2024

The first quarter of 2024 was a period of remarkable success for global equity markets, driven by several key factors. Many indices soared to new all-time highs propelled by the rally in technology stocks on the back of AI-related optimism. This surge in market sentiment was further bolstered by better-than-expected economic data, raising hopes of a 'soft landing' for many economies. On the back of the resilient economic performance, the US delivered strong corporate earnings growth. This positive performance managed to offset the disappointment of dampened rate cut expectations. However, towards the end of the period, investors again began to factor in a higher probability of rate cuts, given the increasingly dovish stance of central banks. The Federal Reserve (Fed) and the European Central Bank (ECB) maintained their rates but hinted at the potential for rate cuts in 2024.

Asset Performance (in GBP) Q1 2024

IA UK All Companies	2.84%
IA £ High Yield	1.94%
IA Europe ex-UK	6.07%
IA £ Corporate Bond	0.43%
IA Japan	10.36%
IA UK Gilt	-1.82%
IA Asia Pacific ex-Japan	2.90%
IA UK Index Linked Gilt	-2.67%
IA North America	10.69%
IA Global Mixed Bond	0.10%
IA Global Emerging Mkts	3.22%
IA Targeted Abs Return	2.18%
IA UK Direct Property	-0.94%
IA Property Other	-1.92%

Our view



With the US economy showing continued resilience, and the UK and eurozone emerging from the shallowest of recessions, the economic backdrop is more benign than had been feared. Market expectations for the interest rate outlook have shifted significantly, with the realisation that sticky inflation

and stronger economic fundamentals mean interest rates will not come swiftly. Our positioning reflects a little more optimism, with an overweight to equities and underweight in bonds. We are neutral in cash and absolute return funds.

Our positioning reflects a little more optimism, with an overweight to equities

**ANTHONY WILLIS, INVESTMENT MANAGER,
MULTI-MANAGER**

Columbia Threadneedle Investments and Lipper. All information as at 31 March 2024.

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

Performance update – Q1 2024

The CT MM Lifestyle 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.

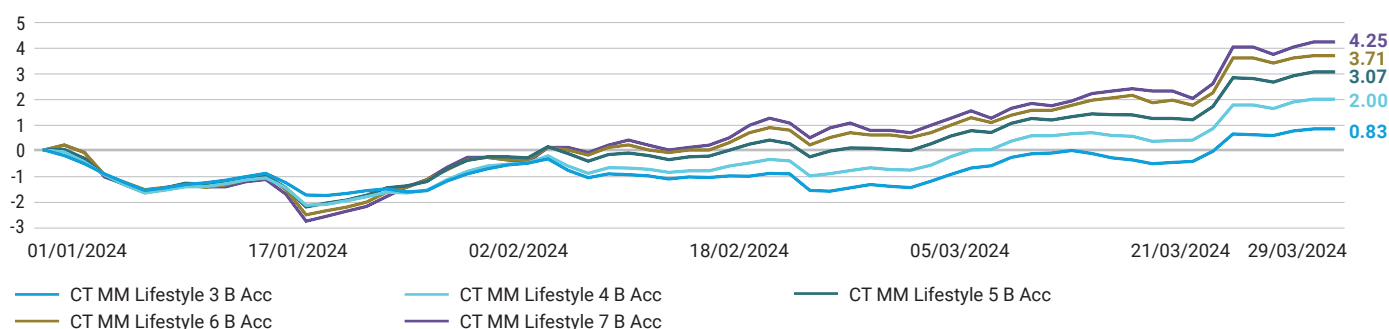
Key risks

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 (%)



Volatility

	Lifestyle 3	Lifestyle 4	Lifestyle 5	Lifestyle 6	Lifestyle 7
Volatility boundaries % – DT* long-term estimates	4.2 – 6.3	6.3 – 8.4	8.4 – 10.5	10.5 – 12.6	12.6 – 14.7
Annualised volatility % – portfolio actual since launch	5.33	7.89	9.34	10.97	12.59

Discrete performance Percentage growth (%)

	2023/24	2022/23	2021/22	2020/21	2019/20
CT MM Lifestyle 3 B Acc	3.17	-5.76	0.31	12.54	-4.05
CT MM Lifestyle 4 B Acc	5.74	-4.85	1.79	20.68	-7.00
CT MM Lifestyle 5 B Acc	8.20	-4.03	3.42	28.06	-9.81
CT MM Lifestyle 6 B Acc	8.98	-3.22	2.61	33.62	-13.01
CT MM Lifestyle 7 B Acc	9.10	-2.86	2.45	39.22	-15.80

Fund performance (%)

	3 months	6 months	1 year	3 year	5 year
CT MM Lifestyle 3 B Acc	0.83	6.27	3.17	-2.47	5.31
CT MM Lifestyle 4 B Acc	2.00	7.84	5.74	2.42	14.95
CT MM Lifestyle 5 B Acc	3.07	8.88	8.20	7.39	24.03
CT MM Lifestyle 6 B Acc	3.71	9.13	8.98	8.22	25.80
CT MM Lifestyle 7 B Acc	4.25	9.32	9.10	8.59	27.28

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

The overweight to Japan was a positive contributor to performance within equity holdings. Elsewhere the property allocation was a positive performance driver.

— Negative

An underweight to US and European Equities was slightly detrimental to performance given the strong performance of both regions during the quarter.

Fund Selection

+ Positive

The bond holdings saw **Man GLG Sterling Corporate Bond** (Lifestyle 3, 4, 5 & 6) deliver strong outperformance, up 5.29% against the IA £ Corporate Bond sector which was up 0.42%.

In equities, strong performance from US growth stocks once again helped **Jupiter Global Equity Growth Unconstrained** (Lifestyle 3,4,5,6 & 7) to outperform the IA North American sector average, with the fund up 14.89%, 4.2% ahead of the benchmark.

In the Absolute Return space, **Iguana Investments Long/Short equity** (Lifestyle 3,4,5,6 & 7) delivered a strong return, up 8.99% and well ahead of the IA Targeted Return sector average, which was up 2.18%

— Negative

The UK holdings generally underperformed their benchmark, which was up 2.67%. The weakest performance was from **Premier Miton UK Value Opportunities** (Lifestyle 3,4,5,6 & 7), which was up 0.49%

The **Berenberg European Small Cap fund** (Lifestyle 4, 5, 6 & 7) gave back some of its very strong Q4 2023 performance, and was down 0.32% compared to the IA Europe ex-UK sector average which was up 6.07%.

In the bond holdings, the **Allianz Strategic Bond fund** (Lifestyle 3,4,5,6 & 7) underperformed, down 3.15% against the IA Global Mixed Bond sector average, which was up 0.10%.

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.

Asset allocation

Our asset allocation movements over the quarter saw limited changes with the overweight to UK and Japanese equities maintained. The equity weight moved slightly overweight, and cash moved lower to neutral as our more sanguine view of markets and the economic growth outlook allowed for more positive portfolio positioning. Bonds, meanwhile, were reduced as we trimmed our duration positioning given the expectation that interest rates will now stay higher for longer.

The quarter saw solid returns from most equity markets despite a significant shift in market expectations on how quickly central banks were likely to cut interest rates. Having come into 2024 on the back of central banks indicating that the 'higher for longer' rates environment was coming to an end, economic strength and stubborn inflation data meant that expectations for when central banks would cut rates, and the number of cuts expected in the year saw some big shifts.

The quarter began with seven rate cuts expected in the US over the course of 2024, and six cuts expected in the UK and the eurozone. Inflation continued to ease, but at a slower pace than expected in the US, and this meant that by the end of the quarter, only 2-3 rate cuts were expected for the year as a whole in the US, UK and eurozone. Despite the expectation that rate cuts would be delayed, equities performed reasonably well but bond markets struggled to make gains. This sticky inflation in the US should be seen in the context of an economy that still appears in solid health with the lagged impact of the rate hikes we have seen in the past two years failing to significantly slow the economic momentum. Market expectations for rates have moved a lot since the start of the year but investors have grown comfortable with rates staying somewhat higher for longer because the economic momentum has continued which in turn translates into healthy corporate earnings.

The first quarter of 2024 has seen a solid start to the year for equities, less so for bonds. Investors should be mindful, however that the market is yet to see any form of significant consolidation this year and has been on a very strong run since last October. With sentiment and complacency levels elevated, any negative headlines could be the catalyst for some profit taking and a market pullback. The fact that underlying economic fundamentals remain benign however should mean any pullback may well prove short lived. The positive signals from the central banks that interest rate cuts are coming, albeit later than many had hoped, are supportive for risk appetite and in the absence of data or news flow to disrupt this narrative, the path of least resistance for equity markets appears to be higher for now. Bond markets appear a little more circumspect, trying to filter out the 'noise' from the central banks and waiting for action on interest rates. Once we see higher confidence that rate cuts are imminent, the darker clouds over parts of the bond market should be lifted.

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 Lifestyle 3 Fund

Portfolio breakdown	%
Equities	25.71
UK Equities	10.06
Premier Miton UK Value Opportunities Fund	2.54
Montanaro UK Income Fund	2.31
River and Mercantile UK Recovery Fund	1.66
LF Lindsell Train UK Equity Fund	1.31
TM Redwheel UK Equity Income L Inc	1.18
iShares Core FTSE 100 UCITS ETF	1.06
Japanese Equities	7.00
JK Japan Fund	3.47
LF Zennor Japan Equity Income Fund	2.18
Eastspring Investments – Japan Dynamic Fund	1.36
North America Equities	8.65
iShares Core S&P 500 UCITS ETF	2.94
Jupiter Global Equity Growth Unconstrained Fund	2.87
Pzena US Large Cap Value Fund	2.84
Property	2.62
LondonMetric Property REIT	1.49
Darwin Leisure Property Fund	1.14
Fixed Income	52.31
UK Gilts	9.90
Amundi UK Government Bond UCITS ETF Dist	9.90
UK Index Linked Bonds	7.85
Allianz Index-Linked Gilt Fund	5.83
iShares \$ TIPS UCITS ETF	2.02
UK Corporate Bonds	15.68
Janus Henderson Strategic Bond I Inc Fund	6.54
Man GLG Sterling Corporate Bond Fund	5.10
TwentyFour Corporate Bond Fund	4.03
International Bonds	18.88
iShares Core Global Aggregate Bond UCITS ETF	6.91
Allianz Strategic Bond GBP Fund	4.01
iShares \$ Treasury Bond 1-3yr UCITS ETF	3.33
Allianz Strategic Bond USD Fund	3.06
Man GLG Dynamic Income Fund	1.57
Absolute Return	3.58
Man GLG UK Absolute Value Fund	2.00
Iguana Investments Long/Short Equity Fund	1.58
Liquidity & Other	15.78
Liquidity & Other	15.78

CT MM Lifestyle 4 Fund

Portfolio breakdown	%
Equities	45.33
UK Equities	14.91
Premier Miton UK Value Opportunities Fund	3.90
Montanaro UK Income Fund	3.29
River and Mercantile UK Recovery Fund	2.63
LF Lindsell Train UK Equity Fund	2.02
TM Redwheel UK Equity Income L Inc	1.67
iShares Core FTSE 100 UCITS ETF	1.40
European Equities	4.82
Polar Capital European ex UK Income Fund	2.18
"MI Chelverton European Select Fund"	1.36
Berenberg European Small Cap Fund	1.28
Japanese Equities	7.75
JK Japan Fund	3.68
LF Zennor Japan Equity Income Fund	2.44
Eastspring Investments – Japan Dynamic Fund	1.64
North America Equities	13.66
iShares Core S&P 500 UCITS ETF	5.07
Pzena US Large Cap Value Fund	4.54
Jupiter Global Equity Growth Unconstrained Fund	4.05
Asia Pacific Equities	4.19
Federated Hermes Asia-ex Japan Equity Fund	1.92
Fidelity Asia Pacific Opportunities Fund	1.27
Man GLG Asia (ex Japan) Equity Fund	1.00
Property	2.50
LondonMetric Property REIT	1.48
Darwin Leisure Property Fund	1.02
Fixed Income	42.89
UK Index Linked Bonds	7.99
Allianz Index-Linked Gilt Fund	5.85
iShares \$ TIPS UCITS ETF	2.13
UK Gilts	5.04
Amundi UK Government Bond UCITS ETF Dist	5.04
UK Corporate Bonds	15.08
Man GLG Sterling Corporate Bond Fund	5.77
Janus Henderson Strategic Bond I Inc Fund	5.54
TwentyFour Corporate Bond Fund	3.77
International Bonds	14.79
iShares Core Global Aggregate Bond UCITS ETF	6.44
Allianz Strategic Bond GBP Fund	2.99
Allianz Strategic Bond USD Fund	2.03
iShares \$ Treasury Bond 1-3yr UCITS ETF	2.02
Man GLG Dynamic Income Fund	1.31
Absolute Return	3.64
Man GLG UK Absolute Value Fund	2.21
Iguana Investments Long/Short Equity Fund	1.43
Liquidity & Other	5.64
Liquidity & Other	5.64

CT MM Lifestyle 5 Fund

Portfolio breakdown	%
Equities	64.77
UK Equities	24.00
Premier Miton UK Value Opportunities Fund	6.06
Montanaro UK Income Fund	5.06
River and Mercantile UK Recovery Fund	3.79
LF Lindsell Train UK Equity Fund	3.52
iShares Core FTSE 100 UCITS ETF	3.25
TM Redwheel UK Equity Income L Inc	2.33
European Equities	4.56
Polar Capital European ex UK Income Fund	2.03
MI Chelverton European Select Fund	1.29
Berenberg European Small Cap Fund	1.23
Japanese Equities	7.61
JK Japan Fund	3.54
LF Zennor Japan Equity Income Fund	2.41
Eastspring Investments – Japan Dynamic Fund	1.66
North America Equities	20.33
iShares Core S&P 500 UCITS ETF	10.06
Pzena US Large Cap Value Fund	5.30
Jupiter Global Equity Growth Unconstrained Fund	4.97
Asia Pacific Equities	4.06
T. Rowe Price China Evolution Equity Fund	0.53
Man GLG Asia (ex Japan) Equity Fund	1.03
Fidelity Asia Pacific Opportunities Fund	1.39
Federated Hermes Asia-ex Japan Equity Fund	1.11
Emerging Markets Equities	4.21
Schroder ISF Emerging Markets Value	1.58
iShares Emerging Markets Equity Index Fund	1.01
Bennbridge ICAV – Global Emerging Markets Equity Fund	0.87
TT Emerging Markets Unconstrained Fund	0.75
Property	2.36
LondonMetric Property REIT	1.44
Darwin Leisure Property Fund	0.92
Fixed Income	25.70
UK Index Linked Bonds	4.01
Allianz Index-Linked Gilt Fund	2.97
iShares \$ TIPS UCITS ETF	1.04
UK Gilts	2.99
Amundi UK Government Bond UCITS ETF Dist	2.99
UK Corporate Bonds	7.93
Man GLG Sterling Corporate Bond Fund	2.97
Janus Henderson Strategic Bond I Inc Fund	2.97
TwentyFour Corporate Bond Fund	1.99
International Bonds	10.77
iShares Core Global Aggregate Bond UCITS ETF	4.92
Allianz Strategic Bond GBP Fund	2.82
Allianz Strategic Bond USD Fund	2.00
Man GLG Dynamic Income Fund	1.03
Absolute Return	3.53
Man GLG UK Absolute Value Fund	2.23
Iguana Investments Long/Short Equity Fund	1.30
Liquidity & Other	3.65
Liquidity & Other	3.65

CT MM Lifestyle 6 Fund

Portfolio breakdown	%
Equities	78.02
UK Equities	25.07
Premier Miton UK Value Opportunities Fund	6.66
Montanaro UK Income Fund	5.10
River and Mercantile UK Recovery Fund	4.16
LF Lindsell Train UK Equity Fund	3.53
iShares Core FTSE 100 UCITS ETF	3.09
TM Redwheel UK Equity Income L Inc	2.53
European Equities	4.63
Polar Capital European ex UK Income Fund	2.11
MI Chelverton European Select Fund	1.28
Berenberg European Small Cap Fund	1.24
Japanese Equities	7.61
JK Japan Fund	3.54
LF Zennor Japan Equity Income Fund	2.41
Eastspring Investments – Japan Dynamic Fund	1.66
North America Equities	20.46
iShares Core S&P 500 UCITS ETF	9.05
Pzena US Large Cap Value Fund	6.28
Jupiter Global Equity Growth Unconstrained Fund	5.13
Asia Pacific Equities	10.04
Federated Hermes Asia-ex Japan Equity Fund	3.73
Fidelity Asia Pacific Opportunities Fund	2.78
Man GLG Asia (ex Japan) Equity Fund	2.46
T. Rowe Price China Evolution Equity Fund	1.07
Emerging Markets Equities	10.22
Schroder ISF Emerging Markets Value	3.99
iShares Emerging Markets Equity Index Fund	2.70
TT Emerging Markets Unconstrained Fund	2.07
Bennbridge ICAV – Global Emerging Markets Equity Fund	1.46
Property	2.31
LondonMetric Property REIT	1.38
Darwin Leisure Property Fund	0.93
Fixed Income	16.20
UK Corporate Bonds	8.15
Man GLG Sterling Corporate Bond Fund	3.61
Janus Henderson Strategic Bond I Inc Fund	2.50
TwentyFour Corporate Bond Fund	2.04
International Bonds	8.05
iShares Core Global Aggregate Bond UCITS ETF	3.56
Allianz Strategic Bond GBP Fund	2.49
Allianz Strategic Bond USD Fund	1.99
Absolute Return	3.15
Man GLG UK Absolute Value Fund	1.86
Iguana Investments Long/Short Equity Fund	1.29
Liquidity & Other	0.32
Liquidity & Other	0.32

CT MM Lifestyle 7 Fund

Portfolio breakdown	%
Equities	91.92
UK Equities	34.16
Premier Miton UK Value Opportunities Fund	8.51
Montanaro UK Income Fund	7.05
River and Mercantile UK Recovery Fund	5.42
LF Lindsell Train UK Equity Fund	5.23
iShares Core FTSE 100 UCITS ETF	4.16
TM Redwheel UK Equity Income L Inc	3.80
European Equities	4.76
Polar Capital European ex UK Income Fund	2.07
Berenberg European Small Cap Fund	1.35
MI Chelverton European Select Fund	1.35
Japanese Equities	7.62
JK Japan Fund	3.58
LF Zennor Japan Equity Income Fund	2.45
Eastspring Investments – Japan Dynamic Fund	1.59
North America Equities	23.48
iShares Core S&P 500 UCITS ETF	11.04
Pzena US Large Cap Value Fund	6.36
Jupiter Global Equity Growth Unconstrained Fund	6.09
Asia Pacific Equities	10.99
Federated Hermes Asia-ex Japan Equity Fund	4.00
Fidelity Asia Pacific Opportunities Fund	3.26
Man GLG Asia (ex Japan) Equity Fund	2.75
T. Rowe Price China Evolution Equity Fund	0.98
Emerging Markets Equities	10.90
Schroder ISF Emerging Markets Value	4.28
iShares Emerging Markets Equity Index Fund	2.60
TT Emerging Markets Unconstrained Fund	2.51
Bennbridge ICAV – Global Emerging Markets Equity Fund	1.51
Property	1.81
Darwin Leisure Property Fund	0.96
LondonMetric Property REIT	0.84
Fixed Income	4.26
Global High Yield Bonds	1.99
Artemis Funds (Lux) – Short-Dated Global High Yield Bond	1.99
International Bonds	2.27
Allianz Strategic Bond USD Fund	1.52
iShares Core Global Aggregate Bond UCITS ETF	0.75
Absolute Return	1.67
Iguana Investments Long/Short Equity Fund	0.85
Man GLG UK Absolute Value Fund	0.82
Liquidity & Other	0.35
Liquidity & Other	0.35

Source: Columbia Threadneedle Investments.
All information as at 31 March 2024.

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. Here we discuss the CT MM Lifestyle Range and the risks associated with making an investment.

Making money work harder usually means taking greater risk with capital. Our CT MM Lifestyle 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 of the portfolios invests across a range of asset classes – the type and proportions in each tailored with a view to delivering defined investment outcomes. In the case of the CT MM Lifestyle Funds, that means target volatility bands (volatility is a commonly used measure of risk).

For those comfortable with higher levels of risk, a growth portfolio with 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 a portfolio 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.

Adviser and individual work together to decide which of the Lifestyle funds is the right option, usually by discussing financial aims, circumstances and the likely timeframe as well as completing a questionnaire to accurately assess attitude to risk.

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.

Want to know more?

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