

CT Net Zero Transition Buy and Maintain Credit Funds

An actively managed buy and maintain credit strategy with a formal commitment to net zero.

The three funds will be invested in investment grade corporate bonds that mature over discrete periods. This approach:



**Provides stable
income**



**Minimises
transaction costs**



**Aligns cash flows
with future liabilities**

The strategy implements explicit ESG objectives, with assets being managed under a Net Zero Framework.

Our approach

- 1 Fundamental stability of revenues and cashflows**
Our approach to investment grade credit is based on high-quality, bottom-up, issuer research. For buy and maintain, this is tilted towards stability of revenues and cashflows which enable the companies to withstand shock.
- 2 Team-based approach to investment grade**
A team of over 20 dedicated portfolio managers and analysts, debating issuers, industries and market outlook, results in the best investment decisions for our clients.
- 3 Downside Risk Management**
We understand that in this asset class we risk our clients' capital to earn stable cash flows. Downside risk management is the main starting point to managing credit portfolios successfully.

Each fund has a maturity span of seven years running from 2024 to 2046. This gives all pension scheme clients – large and small – the flexibility to match their own unique liability profile.

Meet the team

- 14 Investment Grade Portfolio Managers
- 40 Responsible Investment Specialists
- 18 Credit Analysts
- 7 Climate Experts



Rebecca Seabrook
Buy & Maintain Credit Portfolio Manager



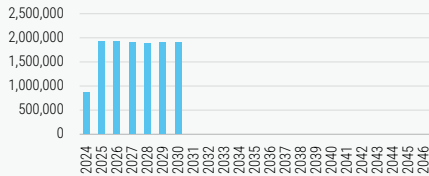
Andrew Brown
Buy & Maintain Credit Portfolio Manager



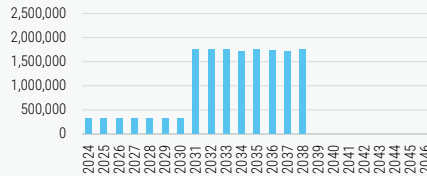
Richard Ferris
Investment Solutions Specialist

Illustrative cashflow profile (per £10m invested)

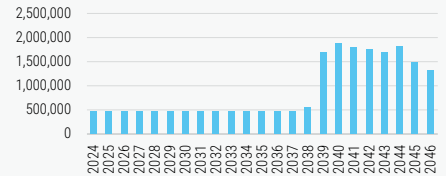
CT Net Zero Transition
2024 – 2030 Buy & Maintain Fund



CT Net Zero Transition
2031 – 2038 Buy & Maintain Fund



CT Net Zero Transition
2039 – 2046 Buy & Maintain Fund



Source: Columbia Threadneedle Investments. For illustration only.

Our experience



26+
years

Experience of managing
buy and maintain credit



£16+
billion*

Managed globally in buy
and maintain credit



£35.6
billion*

AUM in strategies explicitly
linked to ESG criteria

ESG objectives

Implementation of ESG objectives aligned to **Article 8 under SFDR****

Carbon emissions reduction aligned to a global Net Zero pathway

- 'Top-down' portfolio emissions reduction in line with a global net zero pathway
- 'Bottom-up' assessment of asset alignment and target for 70% of portfolio emissions to be aligned or aligning

Elevated standards of sustainability

- Limit investment in Weapons, Tobacco, Fossil Fuels and Electricity Generation

Enhanced standards of good governance

- Formal review policy for lowest ESG scores and companies with severe breaches of UN Global Compact Principles

Characteristics

Maturity buckets: 2024 – 2030, 2031 – 2038, 2039 – 2046

Expected return: Gilts + 1.0% over a full market cycle

Base currency: GBP

Launch date: October 2024

Management style: Maturing Buy and Maintain

ESG style: ESG Elevated***

Number of issuers: 100–150

Credit rating: BBB- or above at purchase

Issuer exposure: AAA: 5%; AA: 3%; A: 2%; BBB: 1.5%; Sub-IG: 1.5%

Interest rate exposure: At least 50% GBP bonds. Portfolio hedged to GBP

FX: Hedged to GBP

Vehicle: Luxembourg FCP

* Source: Columbia Threadneedle Investments as of 31 December 2023

** Article 8 of the Sustainable Finance Disclosure Regulation (SFDR) requires that financial products promote environmental or social characteristics

*** Source: PRI definition: uses ESG factors to assess the sustainability of companies and countries.

To find out more visit columbiathreadneedle.com

