

## CT Universal MAP fund range

Suitability report paragraphs are an important part of offering investors the most appropriate investment advice. They are an area we can help you with.

Please note that it is your responsibility and not that of Columbia Threadneedle Investments to ensure that your letter is compliant with the rules of the regulatory authorities. You should have a particular regard to the suitability of the investment for your client and that they are aware of the risks involved.

### Why risk profiling is important

Accurate risk profiling, the process of determining the balance of risk and reward that's right for an investor, is essential to providing quality investment advice. The consequences of not doing it or getting it wrong can be severe for both investor and adviser. In the UK, there are many examples of individuals being mis-sold products which did not fit their risk profile. The benefits of getting it right however are also significant; from your perspective there is the opportunity to avoid unwanted investment experiences which are either too risky, or indeed too conservative (which is the case for many UK consumers).

### Benefits of active management

The CT Universal MAP range will always be predominantly actively invested. The benefit of active fund management is that it can add value by selecting or avoiding companies that passive funds cannot, as passive funds are tied to tracking a stock market index. Active managers also have the flexibility to tilt their portfolios to focus on different sectors in light of prevailing market conditions. However, if the management team believes value cannot be added from active funds in certain areas, they can choose to invest in passive funds.

### Why multi-asset?

Different investments (or asset classes) can deliver a variety of returns over time, and this can change depending on the economic environment. As a result, many investors choose to diversify their investment via a multi-asset fund, which ensures they spread their capital and avoid putting 'all their eggs in one basket'. By choosing a multi-asset fund to meet your investment needs, you can benefit from an experienced multi asset team who will continually monitor and make investment decisions based on their knowledge, research and expertise.

### Exposure to multiple asset classes

The CT Universal MAP range is an institutional calibre product that is globally diversified and invests in individual equities and fixed income securities, derivatives, collective schemes and exchange-traded funds (ETFs).

## The CT Universal MAP range investment process

The aim of the range is to deliver steady, long-term, risk-controlled returns and it is designed on three key principles:

- **Risk-controlled** – Carefully managed exposure to multi asset investments aligned to an investors attitude to risk with a CPI+ return expectation
- **Active** – combining strategic and tactical asset allocation with individual security selection
- **Cost focused** – capped 0.29% OCF designed to meet the need for high quality, low-cost investment solutions

## Three step active process

**Strategic asset allocation:** Reviewed quarterly, this is the main lever of the investment process and aims to position the portfolio with a long-term perspective of the economic cycle. This allows for further minor shifts in the approach, and helps ensure the fund stays within its volatility levels.

**Manager selection:** The managers chosen within the range are predominantly in-house experts who the CT Multi-Asset team believe have the experience and expertise to select the best securities and who have a long track record of beating their benchmarks.

**Tactical asset allocation:** The CT Multi-Asset team, along with asset class specialists, formally review the asset allocation of the funds on a monthly basis to identify short term market anomalies that can either protect capital values or potentially increase returns. Tactical asset allocation decisions can sometimes be made on a more frequent basis if the CT multi-asset team believe that certain market events warrant a more rapid response. Tactical asset allocation decisions include:

- Asset class allocation between equities and bonds on a global basis
- Geographical allocations within equities
- Sub-asset class allocations within fixed income
- Risk mitigation trades

## Risk mapped

The CT Universal MAP range offers six risk- controlled portfolios, so investors can choose an investment which aligns to their risk attitude for growth, or instead select the income option. These have been independently reviewed by leading independent asset allocation experts and risk mapped as follows:

Fund	Dynamic Planner	DefaqtoEngage	eValue (15Yr)Standard 1-10	FinaMetrica	Synaptic Risk1-5 (1-10)
CT Universal MAP Defensive Fund	3	3	1	21-44	1.9 (2)
CT Universal MAP Cautious Fund	4	4	2	45-54	3.4 (3)
CT Universal MAP Balanced Fund	5	5	3	55-60	3.2 (5)
CT Universal MAP Growth Fund	6	6	4	64-75	3.8 (6)
CT Universal MAP Adventurous Fund	7	8	5	76-100	4.7 (8)
CT Universal MAP Income Fund	5	5	3	61-63	3.1 (5)

As at the end of Q4 2022

## Income focused [when the income fund is selected]

The fund invests in individual equities and fixed income securities, derivatives, collective schemes and exchange-traded funds (ETFs) that can deliver a consistent income in excess of 4% per annum. Quarterly income payments are made four times a year in February, May, August and November.

## Ongoing charges

All funds in the range are capped at 0.29% OCF, and we do not believe that any other company is offering both active asset allocation and active security selection at this cost level. The CT Multi Asset team manages circa £40bn in multi asset portfolios for institutional investors and they have leveraged their considerable scale and expertise to offer a low cost fund range to the UK retail market.

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