

CT (Lux) Sustainable Global Equity Enhanced Income

At a glance

This global equity fund aims to generate attractive and resilient levels of income from a 'core' portfolio of sustainability income leaders complemented by an 'overlay' strategy to enhance income returns.

Investment objective & policy

To generate income with the potential for long-term capital growth by investing primarily in a high-conviction portfolio of global companies of any market capitalisation that deliver sustainable outcomes. The fund aims to provide a yield in excess of the MSCI All Country World Index from this 'core' equity component and employs a simple derivatives-based overlay strategy to generate additional income for the fund.

In line with its active management strategy, portfolio holdings may deviate significantly from those of the index.

Risks

This fund is suitable for investors who can tolerate high levels of risk and volatility and have a long-term investment horizon. Investors could lose some or all their capital and should read the Prospectus for a full description of all risks.

Investment risks: Investment in equities, smaller companies, derivatives, portfolio concentration and ESG criteria.

Associated risks: Screening out sectors or companies may result in less diversification and therefore more volatility.

"This new fund joins our established line-up of ESG-orientated global equity strategies, leveraging off a proven ethos and approach."

– Nick Henderson

Key facts

Fund inception date: 2 August 2023

Typical fund holdings: 30 to 50 companies

Target yield: 4-8% per annum

Fund size: €1.4 billion (as at 31.12.2024)

SFDR: Article 8*



Nick Henderson

Portfolio Manager
(since inception)

Key reasons to invest

- 1 Value-tilted portfolio:** Provides differentiated style dynamic to many growth-biased Environmental, Governance and Social (ESG) orientated equity strategies.
- 2 Clear philosophy:** Robust 'Avoid, Invest, Improve' philosophy underpins the portfolio and its management to support positive change for the world we live in.
- 3 Enhanced income:** Derivatives overlay boosts overall portfolio yield and provides differentiated income source.

*The fund promotes environmental or social characteristics under Article 8 of the EU Regulation 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR). 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.

Investment approach

Sustainability lies at the heart of our portfolio. Strict exclusion criteria ensure we avoid sectors and companies involved in damaging practices. At the same time, we want to invest in sustainable companies or those that actively support sustainability. Our Global Equities team works closely with our Responsible Investment (RI) specialists to assess the impact of individual businesses, including within their supply chains.

Our 'A.I.M.' framework helps identify companies that can make a real difference. In-depth assessment of three distinct features allows us to focus on those that are authentic sustainability leaders. Once a sustainable opportunity is identified we conduct detailed fundamental research, seeking to identify high-quality, well managed and attractively priced companies.

High-quality businesses: we clearly define quality. We look for readily understandable business models with durable competitive advantages, supported by long-term growth drivers. Additionally, we seek positive alignment with the United Nations Sustainable Development Goals.

Strong management: we want to entrust our clients' capital to proven, well-incentivised management teams with a consistent track record of execution and a responsible approach to capital allocation.

Attractive price: the success of an investment is determined by the price you pay and ultimately sell. We seek opportunities with meaningful upside potential and use discounted cash flow to determine a conservative assessment of intrinsic value.

Active ownership is a key part of our investment philosophy. Our portfolio managers work closely with our RI specialists to gain a deep understanding of a company's commitment to sustainability and their ESG practices. Through focused engagement and voting we seek to drive positive change in the companies we invest in on ESG issues.

Enhancing portfolio income: we recognise that investors may be seeking an enhanced level of yield, over and above that generated by our equity component. To generate additional yield, we employ a simple derivative-based overlay strategy which is managed by our Systematic Factor Investments team. This overlay strategy seeks to enhance the fund yield by 2 to 4% each year.

The 'A.I.M.' framework

Additionality

The innovation provided to address emerging sustainability challenges

Intentionality

The drive of the management to direct the company towards sustainability challenges

Materiality

Assessment of revenue linkage of the company towards sustainability opportunities



To find out more visit columbiathreadneedle.com



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The SICAV's current Prospectus, the Key Investor Information Document (KIID)/ Key Information Document (KID) and the summary of investor rights are available in English and/ or in local languages (where applicable) from the Management Company Threadneedle Management Luxembourg S.A., International Financial Data Services (Luxembourg) S.A., your financial advisor and/or on our website www.columbiathreadneedle.com. In Switzerland from Banque Cantonale de Genève, 17, quai de l'Île, 1204 Genève, Switzerland and in the UK from Columbia Threadneedle Investments, Cannon Place, 78 Cannon Street, London EC4N 6AG, telephone: Client Services on 0044 (0)20 7011 4444 and / or email: clientsupport@columbiathreadneedle.com. Threadneedle Management Luxembourg S.A. may decide to terminate the arrangements made for the marketing of the SICAV.

Past performance is calculated according to the BVI method in Germany. In Spain, Columbia Threadneedle (Lux) III is registered with the CNMV under No. 668. Pursuant to article 1:107 of the Act of Financial Supervision, the sub-fund is included in the register that is kept by the AFM.

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