

Threadneedle (Lux) Euro Dynamic Real Return

At a glance

This long-only, dynamically managed multi-asset fund targets a real return of 4% above EU inflation (CPI), in line with the long-run real return of equities, with up to two-thirds of equity volatility.¹

Investment objective & policy

To provide a positive real rate of return above inflation (defined as the MUICP European Consumer Price Index) over the medium to long term and to provide a positive return, notwithstanding market conditions.*

The fund can invest in equities, bonds, property, commodities and cash.

The fund will not invest directly in physical property or commodities.

The fund is not managed in reference to a benchmark.

* The fund targets an average annual return of inflation +4% before charges when measured over 3 to 5 years. In times of heightened inflation this target is unlikely to be met.



Christopher Mahon

Portfolio Manager (since November 2022)

Key facts

Fund inception date

24 April 2018

Fund size (as at 31.12.2022)

€34 million

Key reasons to invest

1. Dynamic investment approach: Using a flexible, active approach, we can participate in growth opportunities when they present themselves, while protecting capital when threats appear.

2. Leveraging the experience of our global platform: Our robust, collaborative process ensures portfolios benefit from the very best ideas from across our global investment platform.

3. Managed by experienced Multi-Asset team: With over 25 years' experience, multi-asset investing is at the heart of what we do at Columbia Threadneedle.

Risks to be aware of

This fund is suitable for investors who can tolerate a medium to high level of risk and volatility and have a medium to 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, debt securities, commodities, property, derivatives and currencies.

Associated risks: The fund may be exposed to additional credit, market, interest rate and liquidity risks due to the nature of investing in global fixed income markets.

With the Euro Dynamic Real Return fund, our goal is to deliver consistent performance, even in times of market volatility. Rather than constrain our opportunity set, each position needs to earn its way into the portfolio from a return and risk perspective. Having the ability to restructure our portfolio is key to navigating different investment environments and ultimately meeting the aim of delivering a smoother overall investment ride.

– Christopher Mahon

¹ EU inflation is defined as the Monetary Union index of consumer prices (MUICP). Please note that the performance target may not be attained. The performance target is gross of fees.

Investment approach

The Fund seeks to deliver a real return in line with EU inflation (CPI) +4% per annum over a 3-5 year period. We aim to achieve this by dynamically changing the portfolio risk budget using a long-only unleveraged approach – investing in passive products or internal strategies to gain exposure to idiosyncratic corporate level risk (eg, equities, corporate bonds, property), but directly managing the government bond and currency allocations.

The asset allocation is managed across the risk spectrum, from times where we want to protect investors' capital to those when we want to participate in risk markets, in the belief that taking risk will be well rewarded. We can be zero-weighted in any asset, and there is no 'neutral' allocation, therefore every investment position needs to earn its way into the portfolio from a risk and return perspective. We manage this fund using a three-stage investment process, which is outlined in the diagram below:

Proven and repeatable investment process



To find out more visit columbiathreadneedle.com



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