

CT (Lux) European Social Bond

At a glance

This investment grade credit fund unlocks the full potential of bonds to deliver both financial returns and positive social outcomes.

Investment objective & policy

To provide a total return from income and capital appreciation and outperform the ICE BofA Euro Non-Sovereign (50%), ICE BofA Euro Corporate Euroland Issuers (50%) Index. The fund invests in a well-diversified portfolio primarily of investment grade debt securities (high-quality bonds, as assessed by a credit rating agency) that support or fund socially beneficial activities and development principally in Europe.

In line with its active management strategy, portfolio holdings may deviate significantly from those of the index while there is also the flexibility to invest in off-benchmark debt securities.

Risks

This fund is suitable for investors who can tolerate a moderate level of risk and have a medium-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 debt securities, 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 debt markets.

“In a market currently dominated by exclusion-based products focused on negative screening, our social bond strategies are based on a markedly different approach to social investment: the principle of positive inclusion. We actively allocate capital to businesses that address real social needs, using a broad range of bonds to target specific positive outcomes.” – **Tammie Tang**

Key facts

Fund inception date: 23 May 2017

Fund size: €407 million (as at 30.09.2023)

SFDR: Article 9*



Tammie Tang

Portfolio Manager (since July 2022)

Key reasons to invest

- 1 Innovative approach:** Using a dynamic social assessment methodology to guide investment decisions, the portfolio manager actively targets bonds that combine clear social benefits with sound financial attributes.
- 2 Strength in partnership:** Our strong reputation across both fixed income credit and social investment is enhanced by our social partnership with INCO Group,¹ an organisation focused on the European social economy and a leader in assessing sustainable social businesses.
- 3 Proven track record in social bond investing:** We have successfully managed outcomes-based social bond strategies since 2013 and have over €1 billion invested in a range of strategies for clients in the UK, Europe and the US.

*The Fund promotes environmental or social characteristics under Article 9 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.

¹ INCO operates under the auspices of Europe's leading social enterprise: Groupe SOS and Le Comptoir de l'innovation.

Investment approach

We use an outcomes-based approach to deliver both social and financial returns, investing in businesses that have a positive social impact predominantly in Europe, accessing a broad social universe of around 2,000 bonds. We actively source bonds from seven key social development fields, targeting the most beneficial projects in the areas of most need, with geography being a key driver.

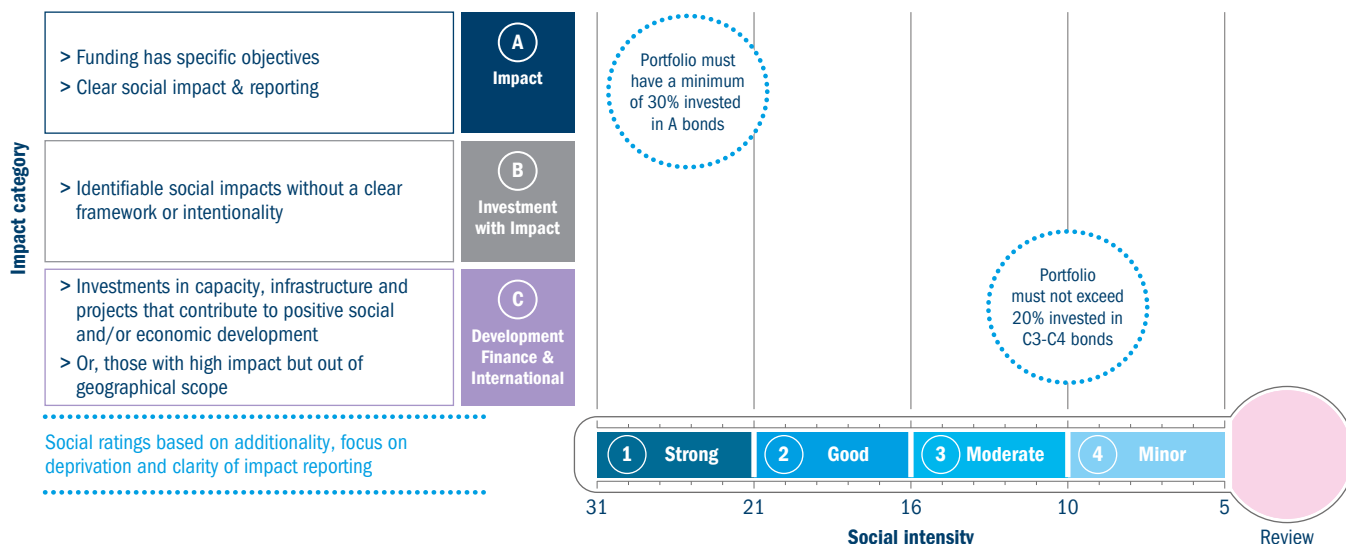
Eligible investments are ranked both by their impact category and social intensity by our Responsible Investment (RI) analysts. Our Investment Grade credit research analysts ensure investment ideas pass rigorous financial tests for inclusion in the portfolio. We actively engage with company managements to understand how their businesses work and take a proactive role with both corporates and governments in the growth and development of the social bond market. Our social partner, INCO Group, brings its expertise and reputation by deepening the research on the social outcomes of potential investments; reviewing, advising and monitoring our social assessments via a quarterly Social Advisory Panel; and producing an independent annual report.

Financials: we aim to maximise return per unit of risk, pursuing income within a total return framework to deliver consistent, sustainable returns. Particular attention is paid to managing liquidity and a proportion of the fund will be in highly liquid but lower yielding investments. Credit research analysts produce bottom-up fundamental analysis on companies deemed investible.

Controversy & ESG: credit research and RI analysts work together to assess and engage with companies on material ESG concerns, evaluating issuers' responses to past or present controversies and engaging with management to ensure appropriate action is taken to give us confidence that they will 'do the right thing' now and in the future.

Impact: RI analysts produce impact and social intensity assessments for all issuers held by the fund. The portfolio is well-diversified, targeting a minimum of 80% European social domestic outcomes. The Social Advisory Panel ensures oversight of the fund's activities.

Social assessment methodology directs investments to positive social outcomes



To find out more visit columbiathreadneedle.com



Important information: Your capital is at risk. This financial promotion is issued for marketing and information purposes only by Columbia Threadneedle Investments.

The Fund is a sub-fund of Columbia Threadneedle (Lux) I, a Luxembourg domiciled investment company with variable capital ("SICAV"), managed by Threadneedle Management Luxembourg S.A.

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. Threadneedle Management Luxembourg S.A. may decide to terminate the arrangements made for the marketing of the SICAV. 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. Past performance is calculated according to the BVI method in Germany.

These documents are available in Switzerland from the Swiss Representative and Paying Agent CACEIS Investor Services Bank S.A., Esch-sur-Alzette, Zurich Branch, Bleicherweg 7, CH 8027 Zurich.

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In Spain, Columbia Threadneedle (Lux) I is registered with the CNMV under No. 177. The Fund is a non-Spanish collective investment scheme duly registered with the CNMV for marketing in Spain. The fund should be subscribed to through locally authorised appointed distributors. Investors must read the relevant Prospectus and KID for each fund they want to invest before subscribing. All other statutory documentation, as well as the NAV can be obtained from www.columbiathreadneedle.com.

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