

CT (Lux) Global Social Bond

At a glance

A global credit fund that uses a positive social outcomes approach to unlock the full potential of bonds to aim to deliver both financial and social returns.

Investment objective & policy

The fund aims to provide income with the prospect of some capital growth over the long term. The fund invests in a well-diversified portfolio primarily of investment grade debt securities (high-quality bonds, as assessed by a credit ratings agency) that support or fund socially beneficial activities and development worldwide.

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, Environmental, Social and Governance (ESG), market, interest rate and liquidity risks due to the nature of investing in debt markets.

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

Key facts

Fund inception date: 5 December 2023

Social partner: The Good Economy's role is to review, advise and monitor the fund's social impact via an independent Social Advisory Panel – which also includes social impact adviser Steward Redqueen – and produce an annual impact report for clients.

Average credit quality: A

Liquidity: Daily

Fund size: \$7 million (as at 31.12.2024)

SFDR: Article 9*



Tammie Tang

Portfolio Manager (since December 2023)

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 The Good Economy, a leading impact advisory firm and specialist in evaluating long-term sustainable impact.
- 3 Pioneers 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 portfolios for clients.

*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](https://www.columbiathreadneedle.com).

Investment approach

In designing the Global Social Bond strategy, we follow our established investment approach that seeks to balance social impact, financial return and liquidity.

We start with a clear social objective – to identify bond issuers that seek to make a positive social impact from seven key social development fields to form a broad global-based social investable universe of over 8,000 bonds. We target the most beneficial projects in the areas of most need, with geography being a key driver. These outcomes are then mapped to the underlying 169 targets of the 17 United Nations Sustainable Development Goals.

Once we have identified this initial social investment opportunity set, our analysis starts with the financial opportunity. Our investment grade credit analysts evaluate issuers using our **established, bottom-up credit research process** to ensure investment ideas meet the necessary financial, governance and liquidity requirements for inclusion in the portfolio. Particular attention is paid to managing liquidity and a proportion of the fund will be in highly liquid but lower yielding investments. A bond will not be included if it fails the financial analysis.

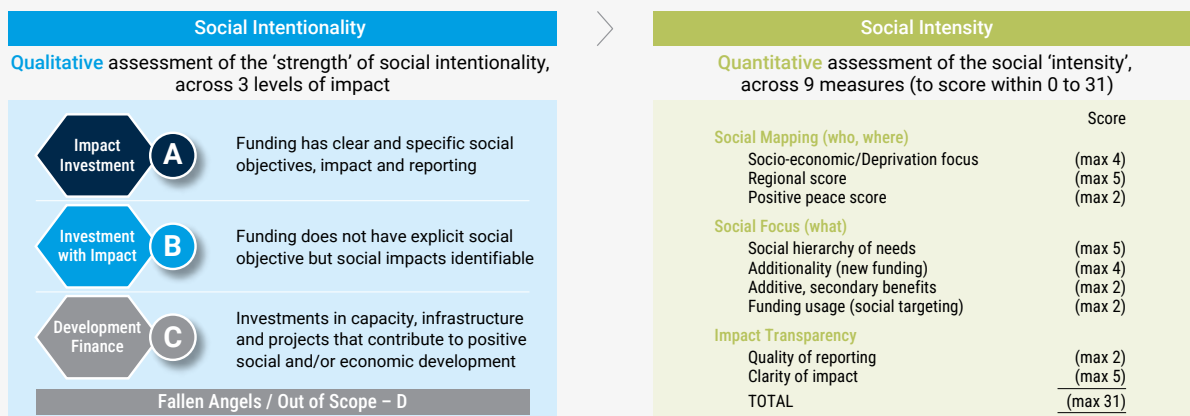
We then apply that same research intensity principle to the **bottom-up, social impact assessment**. Unlike the financial evaluation which considers issuing entity-level analysis, our social impact analysis is conducted at bond level, as different bonds by the same issuer can deliver differing social outcomes. There are two parts to our social impact analysis: a qualitative and quantitative component we call the social 'intentionality' and social 'intensity' respectively.

Social intentionality: looks at the 'intention' to have a positive impact – and how strong that intention is – and assigns an **impact category** of A, B or C.

Social intensity: looks at multiple measures to gauge 'who and what benefits' from the outcomes and assigns a **social intensity score** from 0 to 31 (which is sorted into quartiles: 1=strong; 2=good; 3=moderate; 4=minor).

Overall, the process generates a discrete social score (A1 to C4) that is used to compare bonds meeting different social needs and monitors the portfolio's social intensity over time.

Dynamic social assessment methodology directs investments to positive social outcomes



To find out more visit columbiathreadneedle.com



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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 Paying Agent CACEIS Investor Services Bank S.A., Esch-sur-Alzette, Zurich Branch, Bleicherweg 7, CH 8027 Zurich.

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