

# CT (Lux) Japan Equities

## At a glance

A high-conviction Japanese equity fund that invests in quality companies with durable competitive advantages that aim to generate strong, sustainable returns.

## Investment objective & policy

To generate long-term capital growth by investing in a concentrated portfolio of Japanese companies in which the portfolio manager has a high conviction that the current price does not reflect the prospects for that business.

The fund is actively managed in reference to the MSCI Japan Index. The fund is not constrained by this benchmark and, 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 Environmental, Social and Governance (ESG) criteria.

“Our bottom-up stock picking approach that looks for companies across the market cap spectrum means we are well-placed to take advantage of the many opportunities available across the Japanese corporate landscape.”

– **Daisuke Nomoto**

## Key facts

**Fund inception date:** 14 December 2023

**Typical fund holdings:** 30 to 60 companies

**SFDR:** Article 8\*



**Daisuke Nomoto**

Portfolio Manager (since December 2023)

## Key reasons to invest

- 1 Strength of research:** Fundamental research supplemented by quantitative, ESG and macro-economic assessment tools – analysing multiple sources of excess returns – provides us with a clear view of key stock performance drivers.
- 2 Stability of team:** There have been no departures from the team since inception in 2012 and this stability helps ensure the consistency and repeatability of the investment process.
- 3 All-cap strategy:** Proven ability to generate excess returns from stock selection across the whole market capitalisation.

\*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](http://columbiathreadneedle.com).

# Investment approach

We look for quality companies with strong competitive advantages that can generate high or improving returns on capital and compound growth over the long term. The ability of these companies to sustain these high returns and above-average growth is often underestimated by the market, meaning potential winners trade at a discount to their intrinsic value and it's this inefficiency that we are looking to exploit.

Our specialist Japan Equity team has day-to-day contact and collaboration with philosophically aligned equity teams, all of which act as sources of idea generation and help the team in cross-checking companies in the portfolio and under consideration. Our deep research network is complemented by global central research and RI experts, all of which can contribute ideas and insights.

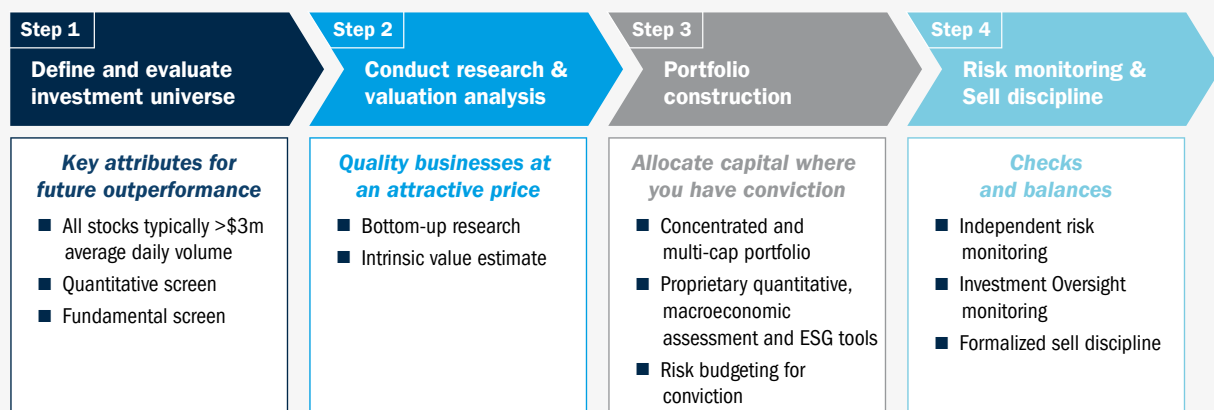
Bottom-up stock selection is the main driver of the investment process. Evaluating companies using fundamental research, supplemented by proprietary quantitative, ESG and macroeconomic tools – analysing multiple sources of excess returns – is more effective than

any single approach because it yields a more comprehensive understanding of factors that drive performance.

Our investment process is centred around the premise of 'no unintended bets', where we seek an informed view for all companies within our investment universe, including a perspective of those we don't hold. This is achieved through creating both upside and downside price targets for all companies within our defined universe. These targets become our 'map' to allocate capital during the portfolio construction stage, where high-conviction positions contribute most to portfolio risk.

There is a formalised sell discipline in place for the portfolio; so, if a stock declines by 15% from the purchase level or falls to the fifth quintile in the quantitative model, we put the stock under review with a bias to trim or sell out. Independent monitoring teams also help eliminate unintended risks, promote strong, consistent returns and ensure the strategy is aligned with its investment objective.

## Clearly defined and repeatable process



To find out more visit [columbiathreadneedle.com](https://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](https://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](https://www.columbiathreadneedle.com).

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