

# CT Global Social Bond Fund

## AT A GLANCE

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

## 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. 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 portfolios for clients.

“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: 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 social outcomes.”

– Tammie Tang



**TAMMIE TANG**

Portfolio Manager (since June 2023)

## KEY FACTS

### Fund inception date

28 June 2023

### Fund Objective

Please refer to the Fund KIID for the objective and policy of this fund.

### Social Partner

The Good Economy role is to review, advise and monitor the Fund's social impact via the independent Social Advisory Panel and produce an annual impact report. The Panel also includes social impact adviser Steward Redqueen.

### Benchmark index

Bloomberg Global Credit Aggregate Index (hedged).

### Average credit quality

A

### Liquidity

Daily

## INVESTMENT APPROACH

We use an outcomes-based approach to deliver both social and financial returns. We 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 c8,100 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 UN Sustainable Development Goals.

Our investment grade credit analysts evaluate issuers using our established 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 eligible if it fails the financial analysis.

We then use our proprietary bottom-up social assessment process to provide a social impact score to categorise and rate each and every bond deemed eligible, which is led by the Social Bond investment team but also reviewed by our social partner, The Good Economy. The first step assigns an impact category of either A, B or C, the second step assigns a social intensity score from 0 to 31 (which is sorted into quartiles). Overall, the process generates a discrete social score (A1 to C4), which is used to compare bonds meeting different social needs and monitors the degree of the portfolio's social intensity over time.

We are proactive with corporates and governments in the fast-moving growth of the social bond market. We also actively engage with company managements on material ESG concerns, evaluating issuers' responses to past or present controversies to ensure appropriate action is taken.

## DYNAMIC SOCIAL ASSESSMENT METHODOLOGY DIRECTS INVESTMENTS TO POSITIVE SOCIAL OUTCOMES



## KEY RISKS

Past performance is not a guide to future returns and the fund may not achieve its investment objective.

Your capital is at risk. The value of investments can fall as well as rise and investors might not get back the sum originally invested. The Fund invests in securities whose value would be significantly affected if the issuer refused, was unable to or was perceived to be unable to pay. The fund holds assets which could prove difficult to sell. The fund may have to lower the selling price, sell other investments or forego more appealing investment opportunities. Most bond and cash funds offer limited capital growth potential and an income that is not linked to inflation. Inflation is likely to affect the value of capital and income over time. Changes in interest rates are likely to affect the fund's value. In general, as interest rates rise, the price of a fixed rate bond will fall, and vice versa. The investment policy of the fund allows it to invest in derivatives for the purposes of reducing risk or minimising the cost of transactions.

The fund's assets may sometimes be difficult to value objectively and the actual value may not be recognised until assets are sold.

The Fund aims to invest in assets that are deemed to be supporting and funding socially beneficial activities and development and utilises a Social Assessment Methodology. This will affect the Fund's exposure to certain issuers, industries, sectors, and regions, and may impact the relative performance of the Fund positively or negatively, depending on whether such investments are in or out of favour. The concept of socially beneficial activities and development is subjective. It is therefore possible that an investment may not perform in a way that an investor considers to be a socially beneficial activity or development, even though it has been selected in accordance with the Social Assessment Methodology.

All the risks currently identified as being applicable to the Fund are set out in the "Risk Factors" section of the Prospectus.

Please read the Key Investor Information Document and the Fund Prospectus if considering investing.



To find out more visit [columbiathreadneedle.co.uk](http://columbiathreadneedle.co.uk)

