

CT (Lux) Pan European Absolute Alpha

At a glance

This fund invests in high-quality companies while at the same time shorting unattractive stocks.

Investment objective & policy

To provide long-term capital growth by investing in a well-diversified, balanced and actively managed portfolio of both long and short positions in European equities. Derivatives will be used to obtain, increase or reduce exposure to underlying assets and may create gearing. Derivatives will also be used for short selling (which is designed to make a profit from falling prices).

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, currencies, derivatives and volatility.

Associated risks: The fund may be exposed to additional market, counterparty, political and valuation risks.

“In an era of unpredictable markets, a low-volatility absolute return strategy fulfils many clients’ needs. We expect interest rates to rise to only a limited extent in Europe, which will provide us with attractive investment opportunities for both long and short investments.”

– Paul Doyle

Key facts

Fund inception date: 20 September 2016

Typical fund holdings: 40-80 companies

Fund size: €23 million (as at 31.12.2024)



Paul Doyle
Portfolio Manager
(since inception)



Frederic Jeanmaire
Portfolio Manager
(since inception)

Key reasons to invest

1

Ability to generate excess returns with lower volatility:

The fund can reduce the impact of volatility on client portfolios as it can deliver positive returns in both rising and falling markets.

2

High-conviction approach:

Bottom-up stock selection is the main driver of returns. We measure quality by analysing business models for both our long and short positions.

3

Managed by well-resourced team:

The managers have extensive experience and draw on perspectives from our pan European equity team and across the wider investment platform.

Investment approach

The team thoroughly analyses company and industry prospects. We use growth at a reasonable price (GARP), an approach that seeks to combine both growth investing and value investing to select individual stocks, and our research framework is based on Porter's Five forces, which aims to identify the source and durability of companies' competitive advantages. Environmental, Social and Governance (ESG) analysis is central to our approach.

For long positions, we search for stocks which have durable competitive advantages and robust business models, and therefore strong and sustainable long-term growth.

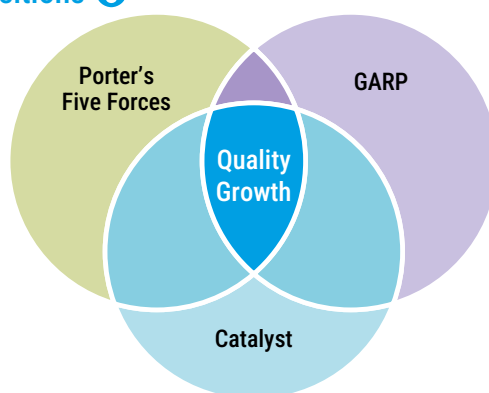
For short positions, we look for companies which have deteriorating competitive positions, leading to weak returns, weak cash generation and low growth.

We work closely with our regional equity teams, global central research and responsible investment teams to build a high-conviction portfolio of high-quality companies, whilst unattractive stocks. The strategy that has the potential to deliver outperformance in both rising and falling markets.

What we look for in long positions 🐯

What we look for in short positions 🐼

- 🐯🐼 Our research process revolves around Porter's Five Forces
- 🐯 We invest in companies and industries with high P5F scores
- 🐼 We short companies and industries with low P5F scores



- 🐯🐼 We add equity free cash flow yield to long-term growth as a proxy for annual return potential
- 🐯 We look for high single-digit (or higher) potential returns
- 🐼 We look for weak cash generation and low growth

- 🐯 Catalysts can be product, cost cutting, synergies, etc.
- 🐯 We seek companies with potential positive catalysts
- 🐼 Catalysts can be sales decline, debt refinancing, etc.
- 🐼 We seek companies with potential negative catalysts



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 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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CTEA7502970.1 | WF2780772 (Valid from 01.25 to 12.25)