This is a marketing communication. Please refer to the prospectus of the AIF before making any final investment decisions.

CT Sterling Liquidity Fund

Q2 2025 | For professional investors only

Objectives and investment policy

The investment objective is to maintain high levels of liquidity and generate a return in line with money market rates.

Key risks

The value of investments and any income from them can go down as well as up and investors may not get back the original amount invested. Money Market Funds (MMFs) are not guaranteed investments and are different from deposits. Its net asset value may fluctuate and the invested capital is not guaranteed. Under no circumstances may the fund draw on external support to guarantee or stabilise its net asset value.

Key facts

Fund inception date:	13 August 2009
Lead portfolio managers:	Luke Living, Alex Jones
Fund size:	£1.67 billion
Base currency:	GBP
ISIN:	LU0442197272
Fund type:	FCP
Dealing frequency:	Daily
Fund administrator:	State Street
Benchmark:	GBP SONIA (Sterling Overnight Index Average)
Fitch Fund Rating:	AAAmmf

Discrete performance as at 30.06.25 (%)

	2024/25	2023/24	2022/23	2021/22	2020/21
Fund	4.93	5.41	2.97	0.25	0.06
Benchmark	4.71	5.15	3.10	0.29	-0.08

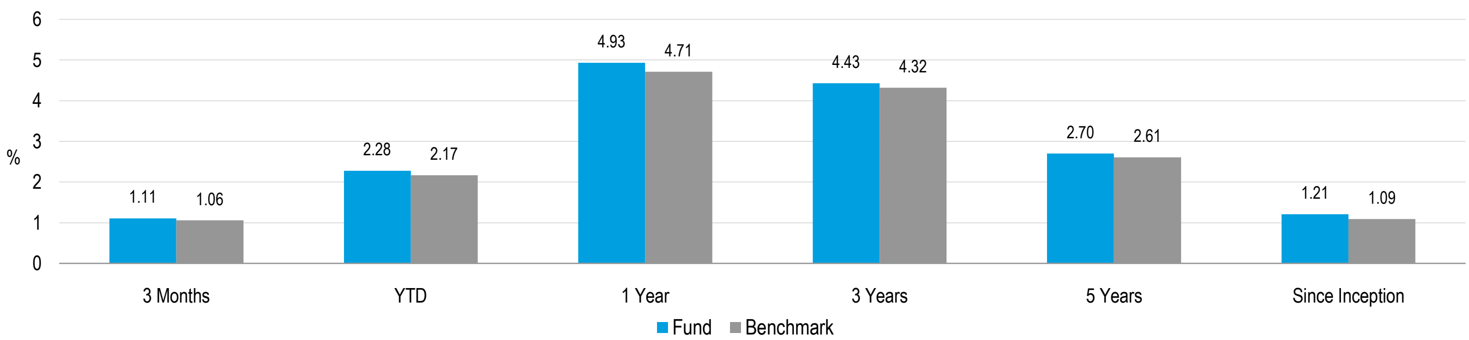
Source: Columbia Threadneedle Investments as at 30-Jun-25.

Performance as at 30.06.25 (%)

	3 Months	YTD	1 Year	3 Years	5 Years	Since Inception*
Fund	1.11	2.28	4.93	4.43	2.70	1.21
Benchmark**	1.06	2.17	4.71	4.32	2.61	1.09

Returns for periods greater than one year are annualised. All figures are gross of management fees. The effect of fees or costs will be to lower the figures shown. Past performance should not be seen as an indication of future performance.
*Inception date 13.08.2009
**1 week Sterling LIBID to 01/12/21 – SONIA onwards

Fund performance as at 30.06.25



Market overview

In the UK the Bank of England (BoE) lowered base rates by 25 bps in May, to 4.25%. While a further 25-bp cut was discussed at the June Monetary Policy Committee meeting, there was a 6-3 vote in favour of waiting to see how inflationary trends developed in the months ahead, particularly given ongoing uncertainties globally. Escalating geopolitical tensions in the Middle East could affect energy prices and it remains to be seen how bilateral US-UK tariffs could affect consumer prices, despite a trade deal being agreed in principle during the quarter.

Borrowing costs were lowered in the eurozone. The European Central Bank (ECB) cut its main interest rate by 25 basis points in both April and June, reducing it to 2.00%. In their latest communications, officials suggested that trade tensions are likely to continue and possibly intensify. This is complicating the outlook for inflation and, in turn, policy settings.

The federal funds rate in the US was unchanged at 4.25%–4.50% during the quarter, in line with consensus forecasts. The Fed Chair indicated that newly introduced import tariffs will likely add to pricing pressure and that inflation could rise to 3.0% by the end of this year. Officials are not expecting inflation to fall back to the target level until 2027, at the earliest.

Fund activity

Fund size was relatively stable during the quarter, with the CT Sterling Liquidity Fund ending the period with £1.67 billion under management, a gain of £61 million. However, activity was better reflected by the AUM range over the period with a low of £1.40 billion, shortly after Trump shocked the world with his Trade Tariff announcements, and high of £1.80 billion a month later.

These early outflows were funded through both maturities and sales of short-dated UK Treasury bills, while subsequent inflows were allocated to ultra short-dated and liquid assets.

Amidst the unstable market environment, these assets were principally reinvested in rolling one-day repo positions (offering a meaningful pick-up in yield versus overnight deposits), which were then run down to meet investor calls for liquidity in early May.

CP/CD maturities beyond this were partly rotated back into Bills as increased issuance provided attractive opportunities in the primary market, ending the quarter with 56.6% of the Fund held in UK Government debt and 16.3% in CP/CDs, with 8.5% retained as Cash.

We were able to maintain our exposure to Floating Rates notes through participation in primary issuance, which remains thin but sufficient for our requirements, ending the quarter at 12.6% of the Fund. This had the effect of extending our WAL, largely explaining the rise from 57.5 to 66.7 days over the period, while WAM increased from 38.5 to 42.5 days.

Market outlook and positioning

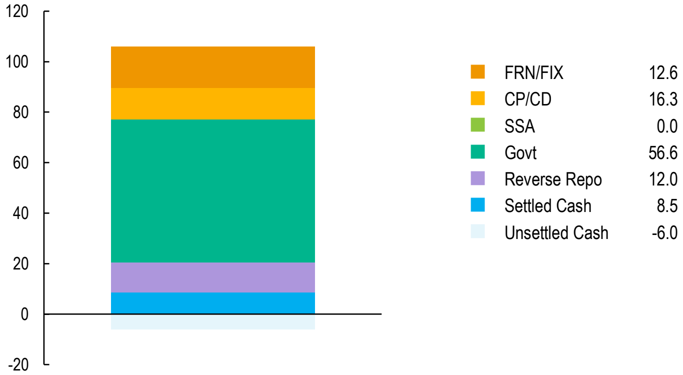
BoE officials believe consumer price inflation in the UK is unlikely to fall meaningfully in the remainder of 2025, but that it could fall back towards the 2.0% target next year. Against this background, policymakers have suggested that a gradual and cautious approach to the further withdrawal of monetary policy restraint remains appropriate.

More specifically, we anticipate a continuation of the quarterly interest rate cuts seen over the past year, most likely in August as reflected by the market. However, a week is a long time in global markets in the current environment, and we take nothing for granted, leaning into longer maturities only when the interest rate risk is adequately rewarded. We will continue to focus Fund positioning on short-term liquidity provision while dynamically rotating core fund holdings across Government bonds and CP/CDs in response to market conditions.

Fund performance and attribution

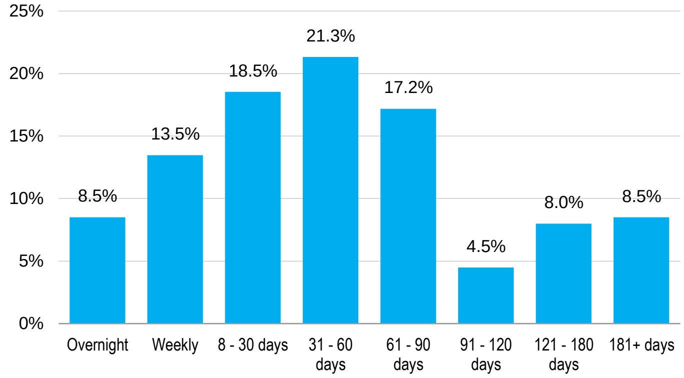
The fund returned 1.11% during the quarter, versus a benchmark return of 1.06%

Current asset allocation (%)



Data as at 30.06.25
Source: Columbia Threadneedle Investments

Maturity profile



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Telephone calls may be recorded

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