

CT (Lux) European Strategic Bond

At a glance

An active bond fund that invests in a diversified portfolio of our best fixed income ideas sourced primarily from European bond markets.

Investment objective & policy

To provide income with the potential for capital appreciation over the long term by outperforming the ICE BofA 1-7 Year All Euro Government Index (20%), ICE BofA 1-10 Year Euro Corporate Index (40%) and ICE BofA European Currency High Yield Constrained Index (40%). This fund invests in a well-diversified portfolio of both long and short positions consisting primarily of European bonds of less than 10 years, using derivatives where appropriate.

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 in return 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: Due to the nature of investing in debt instruments and their derivatives the fund may be exposed to interest rate, credit market and liquidity risks.

“Our European Strategic Bond strategy offers clients a one-stop solution to European fixed income management. We have experience managing this type of portfolio through several different market cycles and our flexible approach allows us to generate returns from a variety of different fixed income assets.” – **Ryan Staszewski**

Key facts

Fund inception date: 2 April 1999

Investment universe: Investment grade credit, high yield, government bonds and emerging market debt (max 15%)

Fund size: €125 million (as at 31.12.2024)



Alasdair Ross

Portfolio Manager (since September 2024)

Key reasons to invest

- 1 Flexible investment approach:**
By investing actively across fixed income markets, the portfolio managers can navigate changing investment conditions that influence performance across fixed income sectors.
- 2 Strength in research:** Our global fixed income research team is resourced to provide a balance between detailed due diligence of issuers and a clear vision of markets and sector trends. The strength and depth of our research base helps us to understand better the changing fixed income landscape.
- 3 Downside risk management:**
We embed downside risk management in our proprietary research where analysts supplement their opinions with a risk rating for each potential investment to measure its durability.

Investment approach

The portfolio managers expect that through the investment cycle around a third of returns will come from duration management, a third from allocation across fixed income markets and the remaining portion from bottom-up security selection. The portfolio managers agree a strategic risk budget which drives the portfolio construction process whereby position sizes are determined by conviction levels in various strategies.

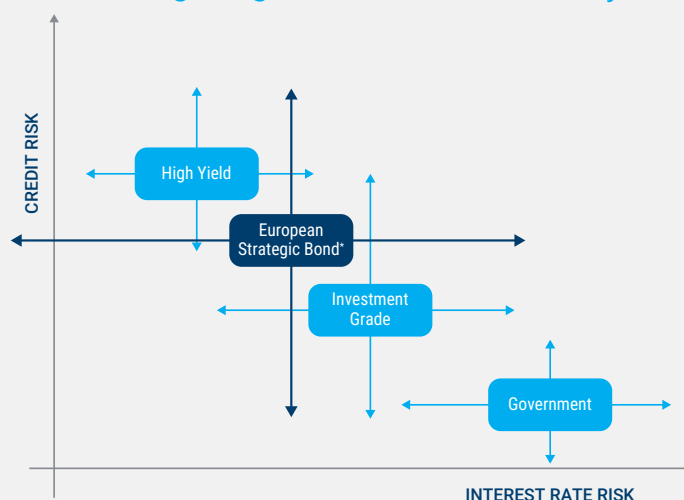
The fund uses an active, research-driven investment approach using fundamental, structural and valuation analysis. Macro analysis covering interest rates, government bonds and currencies drives our duration, cure and currency views and sets the top-down input into our views on credit markets and individual securities.

Issuer and security selection is driven by a credit research process that surveys the global opportunity set to select those investments that offer the best risk-adjusted returns. Analysis is performed by a team of experienced analysts who develop independent, fundamental views of the industries and companies they focus upon and their credit quality. Our research considers business strategy, management strength, competitive position as well as a variety of financial metrics.

The aim of the portfolio construction process is to own our favoured issues and issuers, expressed in a size that is consistent with the portfolio's risk and return objectives and ensuring that any resulting industry and overall credit market risk is not out of line with our team's industry or credit market risk views. The fund invests predominantly in European domiciled issuers or issuers with significant operations in Europe and will be invested primarily in short-to-medium-term instruments of less than 10 years.

Risk management is embedded in our investment process and we employ both quantitative and qualitative techniques to measure and manage risk in the portfolio. Each investment recommendation is accompanied with a thesis statement, which includes an issuer risk score. This statement includes the analyst's expectations and risks around the evolution of financial metrics, operating results and management behaviour. In addition, analysts set out which parts of the thesis are critical to the recommendation and list the events that might trigger a change in view. These inputs form the basis of portfolio construction, position sizing, risk monitoring and our sell discipline. The overall level of credit market risk in the portfolio will be driven by the recommendations of the Fixed Income asset allocation team and country exposure is always closely monitored.

A flexible approach to navigating bond market volatility



*For illustrative purposes only.



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.

The Fund is categorised as Article 6 under the EU Regulation 2019/2088 on sustainability related disclosures in the financial services sector (SFDR) and DOES NOT promote environmental or social characteristics as an objective. Sustainability risks are integrated into the fund's investment decisions making process for financial Risk Management purposes only.

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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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