

CT (Lux) US High Yield Bond

At a glance

An active bond fund that takes a dynamic approach to investing, combining bottom-up and top-down analysis to uncover investment opportunities in the broad US high yield market.

Investment objective & policy

To provide income with the potential for capital appreciation over the long term by outperforming the ICE BofA US Cash Pay High Yield Constrained Index. This fund invests in a well-diversified portfolio primarily of US high yield debt securities issued by companies that are rated below investment grade (as assessed by a credit rating agency).

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 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 and derivatives.

Associated risks: The fund may be exposed to additional credit, market, interest rate and liquidity risks due to the nature of investing in corporate credit bond markets.

“Given the higher risk nature of the high yield asset class, we believe the management of risk and return is inseparable. We seek strong and consistent risk-adjusted returns focusing on generating excess returns while actively managing downside risk.”

– **Brett Kaufman**

Key facts

Fund inception date: 12 December 2003

Fund size: \$86 million (as at 31.12.2024)



Brett Kaufman

Portfolio Manager
(since June 2022)

Key reasons to invest

- 1 High quality research:**
Our independent, bottom-up fundamental research produced by our team of dedicated high yield career analysts results in a deeper understanding of issuer and industry dynamics.
- 2 Trusted investment team:**
Portfolio managers and analysts are full partners in the portfolio construction and monitoring process, drawing on insights from across our global fixed income team.
- 3 Our size is to our advantage:**
With c\$20bn in assets under management, the size of our US high yield credit business is ideal for managing such strategies. We are large enough to have access to issuers and counterparties yet nimble enough to extract value from security selection.

Investment approach

The portfolio manager takes a dynamic approach to investing, combining bottom-up and top-down analysis to uncover investment opportunities in the broad US high yield market, with the aim of delivering consistent, competitive risk-adjusted returns. Strong and independent research is the cornerstone of our approach, while a proprietary risk and relative value rating system based on rigorous, in-house

credit research helps position the portfolio based on the trade-off between risk and expected return. A constant focus on downside risk management using portfolio diversification, position size management and strong credit selection supports the goal of reducing return volatility relative to the broader high yield market.

Key tenets

Strong proprietary credit research	Credit selection is paramount in high yield investing. We devote substantial resources to developing bottom-up fundamental research which typically contributes two-thirds of the excess returns generated
Tactical portfolio management	A key to performing in varying market environments is to effectively assess the outlook for financial and economic conditions. By adding a top down overlay approach to our process, we find that tactical management can typically contribute one-third of the excess returns generated and even higher levels during extreme market conditions or "turns" in the credit cycle
Downside risk management	A constant focus on downside risk is required due to the asymmetrical risk profile of high yield. Our approach to portfolio diversification, position size management, and our strong sell discipline are distinguishing features of our downside risk management capability



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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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