

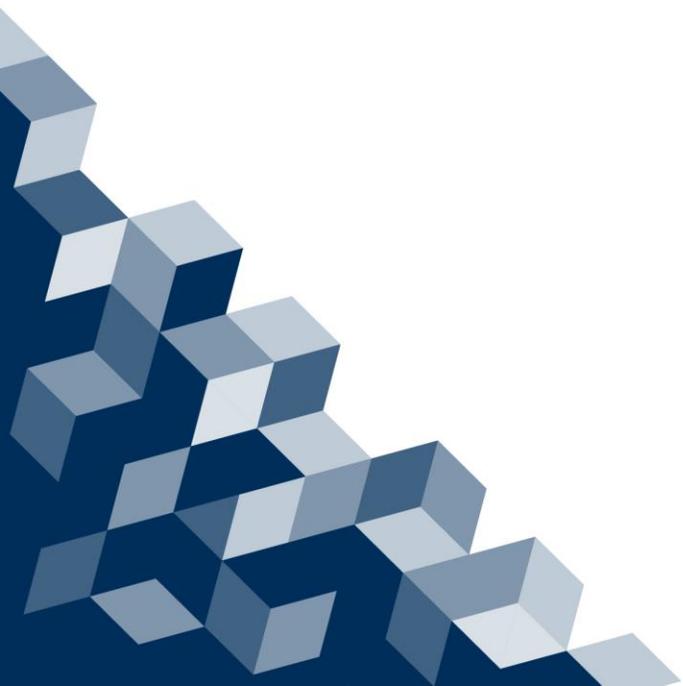


Your success. Our priority.

Social Bonds at Columbia Threadneedle Investments

Presentation to Julius Baer

29 April 2021



Your presenter today:



Simon Bond

Director

Responsible Investment
Portfolio Management

Agenda

- 1 Columbia Threadneedle Investments overview
- 2 Responsible Investment at Columbia Threadneedle
- 3 Fixed Income capabilities / resources
- 4 Social bond overview
- 5 Threadneedle (Lux) European Social Bond
- 6 Threadneedle UK Social Bond Fund
- 7 Conclusion
- 8 Appendix



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Section 1

Columbia Threadneedle Investments overview



Columbia Threadneedle Investments

Global Reach

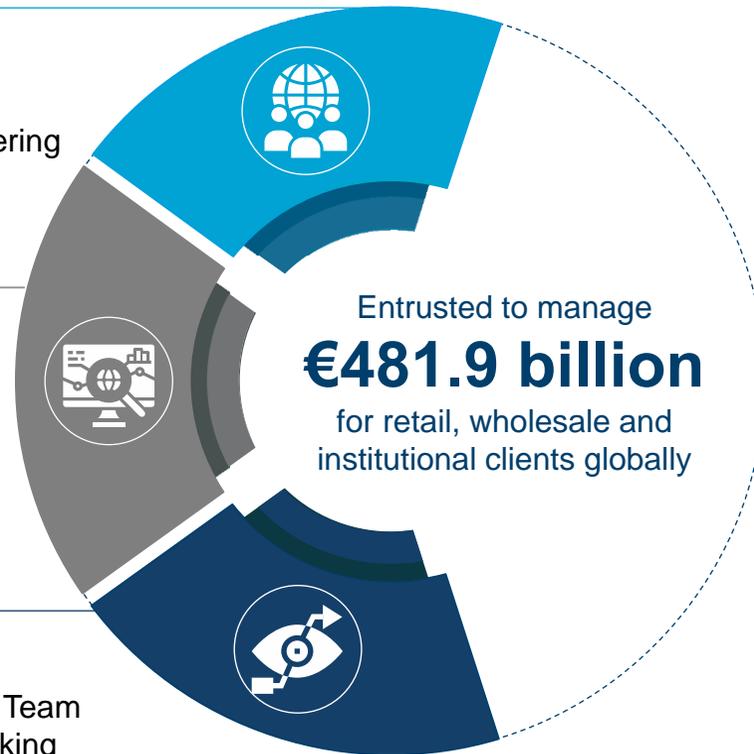
We have built a global team of 2,000 people working together, including 450+ investment professionals covering all major asset classes and markets

Research Intensity

Behind every investment, you'll find original, independent analysis powered by our research experts. Responsible Investment (RI) principles are key and, with our proprietary RI tools, add real value to investment decisions

Forward-looking

Our independent Investment Consultancy & Oversight Team ensures the integrity of each strategy we manage, working with our portfolio managers to foster continuous improvement



Source: Columbia Threadneedle Investments, as at 31 March 2021.

All data is for the Columbia and Threadneedle group of companies. AUM includes externally managed funds under administration as well as all assets managed on a discretionary or non-discretionary basis by the entities in the Columbia and Threadneedle group of companies.

Investment approach

Our commitment to **client success** is underpinned by our distinctly different **investment approach** based on four pillars:



GLOBAL PERSPECTIVES

Macro view

Extensive reach enables understanding of economic, social and political trends

Micro view

Deep presence in local markets and strong relationships with companies

Continuous collaboration

Exchange of insights and ideas from analysts and portfolio managers across asset classes and sectors



RESEARCH INTENSITY

Independent research

Around 160 analysts and research analysts driving independent research*

Data and technology

Big data, analytics and augmented intelligence turning information into forward-looking insights



RESPONSIBLE INVESTMENT

Focused research

Seeks to identify well-managed companies that look to the future and are better positioned to navigate risks and challenges and achieve sustainable performance and long-term value creation



CONTINUOUS IMPROVEMENT

Autonomy

Investment teams cultivate and apply the best ideas

Analysis

Investment oversight helps ensure investment teams adhere to a consistent approach and avoid unintended risks

Accountability

Independent monitoring evaluates strengths, weaknesses and opportunities

(*) Information as at 31 March 2021.



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Section 2

Responsible Investments at Columbia Threadneedle



Columbia Threadneedle Investments

Our breadth and scale

We manage client assets across the breadth of the responsible investment spectrum and are entrusted with the assets and values of a range of investors across the world.

As at 31 March 2021, we managed **€28.8 billion** in **111 accounts**



€17.6bn
58 accounts

€10.2bn
47 accounts

€1.0bn
6 accounts

Client Type	€(bn)	No. of Accts
Central Bank/ Sovereign Wealth	10.06	7
Corporate	6.66	22
Foundation & Endowment	0.19	4
Institutional – Pooled	0.47	3
Insurance	2.83	35
Multi-Employer	0.05	2
Public	3.67	10
Religious	0.03	3
Sub-Advisory	3.88	16
ETF	0.01	2
HNW	0.04	3
Mutual Fund	0.92	4

Information as at 31 March 2021.

* Best-in-class investment refers to the composition of portfolios by the active selection of only those companies that meet a defined ranking hurdle established by environmental, social and governance criteria.



➤ In addition to custom separate accounts, we offer a variety of dedicated RI strategies:



Fixed Income

- European Social Bond
- UK Social Bond
- US Social Bond



Equities

- UK Sustainable Equity Outcomes
- Global Sustainable Equity Outcomes

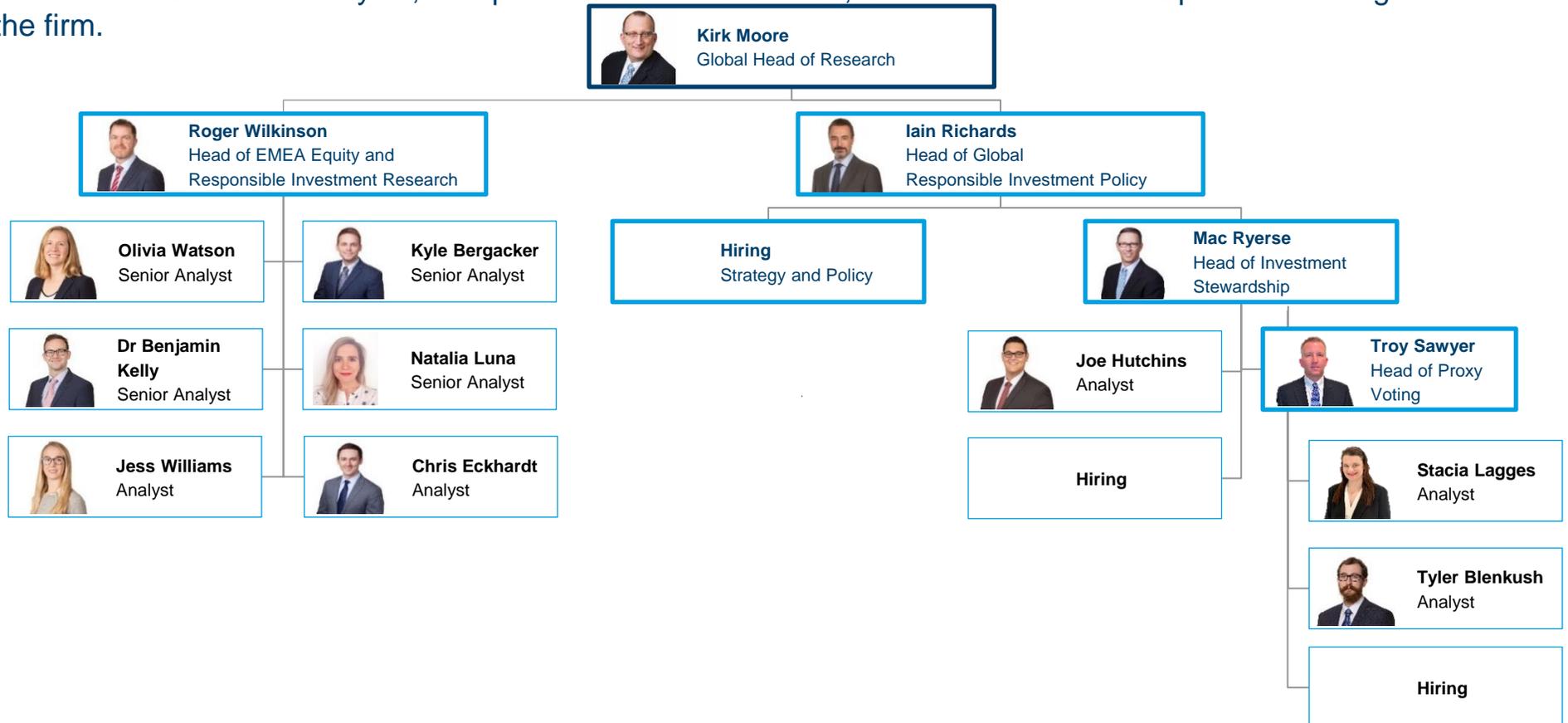


Alternatives

- Carbon Neutral Real Estate
- European Sustainable Infrastructure

Responsible Investment Research Team

Our RI analysts are part of the Global Research team and are organized into three areas. They collaborate with over 130 fundamental analysts, our quantitative research team, data science team and portfolio managers across the firm.



Source: Columbia Threadneedle Investments as of 31 March 2021.



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Section 3

Fixed Income capabilities / resources



Investment grade credit team

Experienced | Dedicated to Investment Grade | Sector Specialists

European Investment Grade Portfolio Management Team
Alasdair Ross, CFA , Senior Portfolio Manager, Head of Investment Grade Credit, EMEA
Ryan Staszewski, CFA , Senior Portfolio Manager
Christopher Hult, CFA , Portfolio Manager
.....
Tammie Tang , Senior Portfolio Manager
John Hampton, CFA , Senior Portfolio Manager
Simon Bond , Senior Portfolio Manager
James Phillips , Portfolio Analyst
Sarah Kendrick , Senior Trader
James Lake , Trader
.....
David Oliphant , Executive Director Fixed Income
Angelina Chueh , Client Portfolio Manager
Charlotte Edwards , Client Portfolio Analyst
Jake Lunness , Client Portfolio Analyst
21 years average experience
13 Professionals

Investment Grade Research Team	
Todd Czachor, CFA , Senior Analyst Head of U.S. Investment Grade Research Energy, Insurance	Jonathan Pitkanen , Head of Investment Grade Credit Research, EMEA & Asia Industrials, Insurance
Dori Aleksandrowicz , Senior Analyst Banks, Financials	Justin Ong , Senior Analyst Asian Corporate Credit
Arabella Duckworth , Senior Analyst Retail, Consumer, Telecom, Media	Tony Pederson , Analyst Insurance
Guillaume Langellier, CFA , Senior Analyst ABS & Property	Rosalie Pinkney, CFA , Senior Analyst Banks
Michael Laskin , Senior Analyst Retail, Consumer	Gregory Turnbull Schwartz , Senior Analyst Capital Goods
Nate Little , Senior Analyst Media, Technology, Cable, Telecom	Paul Smillie , Senior Analyst Banks
David Morgan, CFA , Senior Analyst Industrials, Transportation, Aerospace/Defense	Mary Titrer, CFA , Senior Analyst Utilities
Ben Myrtle, CFA , Analyst Housing Associations	Sharon Vieten , Senior Analyst Utilities & Infrastructure
20 years average experience	20 years average experience
16 Research Professionals	16 Research Professionals

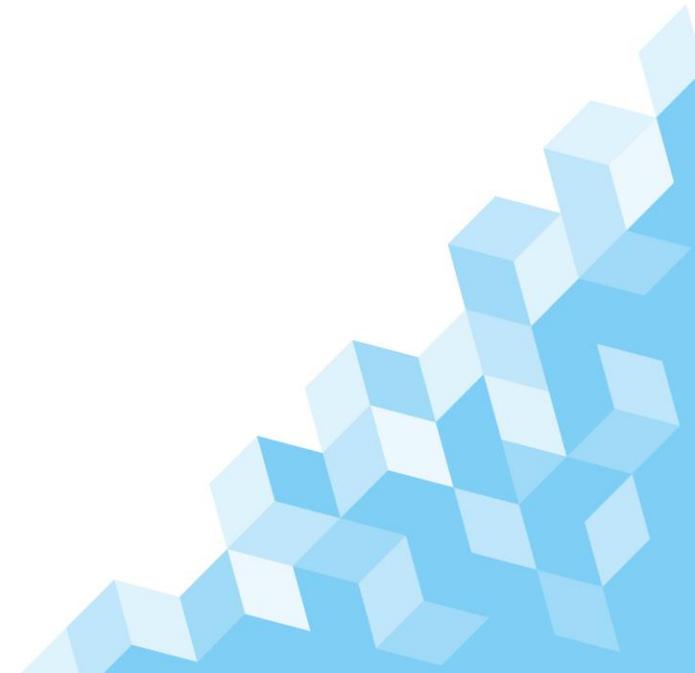
Source: Columbia Threadneedle Investments, as at 31 March 2021.



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Section 4

Social Bond overview





ESG: Doing the Thing Right

Impact: Doing the Right Thing

Spectrum of RI approaches



ESG: Doing the Thing Right

Impact: Doing the Right Thing



* Best-in-class investment refers to the composition of portfolios by the active selection of only those companies that meet a defined ranking hurdle established by environmental, social and governance criteria.

What are the social needs are we targeting?



Why Bonds?

Bonds can offer a more “targeted” social investment opportunity

Can be issued by companies without public equity

- Mutuels
- Charities / NGOs
- Not for Profit Organisations
- Special Purpose Vehicles
- Project Bonds
- Government Agencies
- Regional / Local Government
- Supranationals

Liquidity

- Bonds are tradable and offer liquidity

Can be secured on identifiable assets

- Property
- Cash flow from specific operations

Can be issued from “Ring Fenced” regulated businesses or subsidiaries

- Social Rented Sector (Housing Associations)
- Regulated Utilities
- Regulated Transport Industries

Specific use of Proceeds

- Green, Sustainability, Social Bonds

Investing for social impact

At Columbia Threadneedle, we believe...



Positive inclusion



Evidenced based
analysis



Engagement

Social investing



Financials

No concessions

1



**Controversy
& ESG**

Culture /
materiality

2



Impact

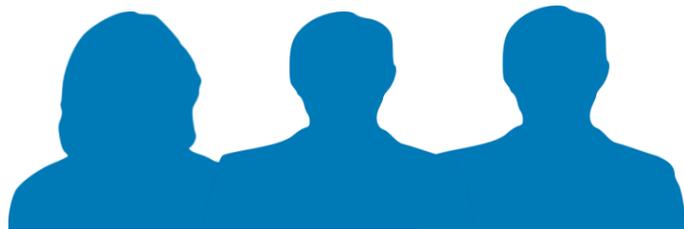
Externalities

3

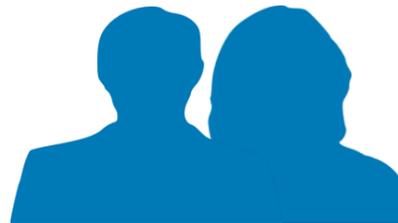
Threadneedle (Lux) European Social Bond Social Advisory Panel

Independent panel whose role is to:

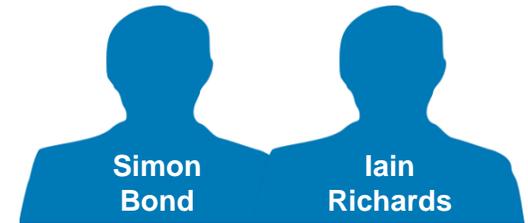
- Review
 - Will meet on a quarterly basis to review the social influence of the Fund
 - INCO to produce an annual report on the social performance of the Fund
- Advise
 - Act as advisor on social viability of investments
- Monitor
 - Ensure the management of the Fund is driven by social purpose



INCO Appointees



Independent
Appointees



Simon
Bond Iain
Richards
Portfolio Managers

Threadneedle UK Social Bond Fund

Social Advisory Committee

Independent Panel whose role is to:

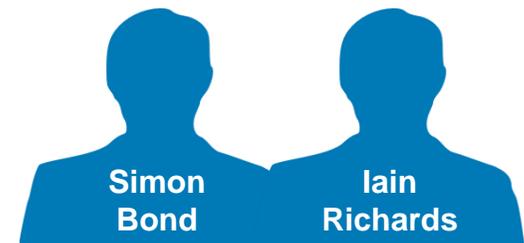
- Advise
 - Act as advisor on social viability of investments
 - Guardian of the Social Investment Methodology
- Review
 - The Advisory Committee will meet on a quarterly basis to review the social influence of the fund
 - BII to produce an Annual Report on the social performance of the fund
- Challenge
 - Ensure the management of the fund is driven by social purpose



Big Issue Appointees



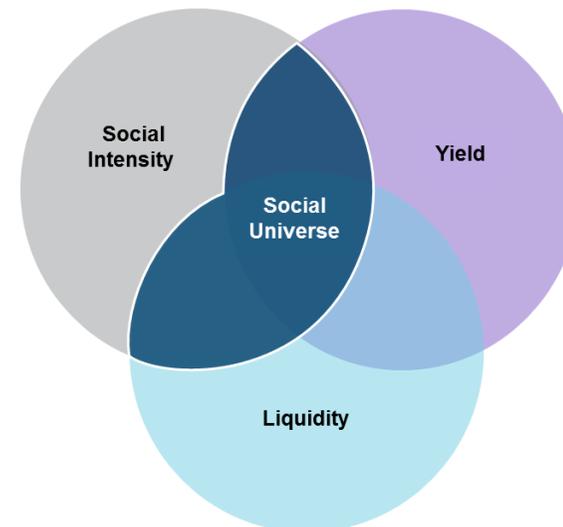
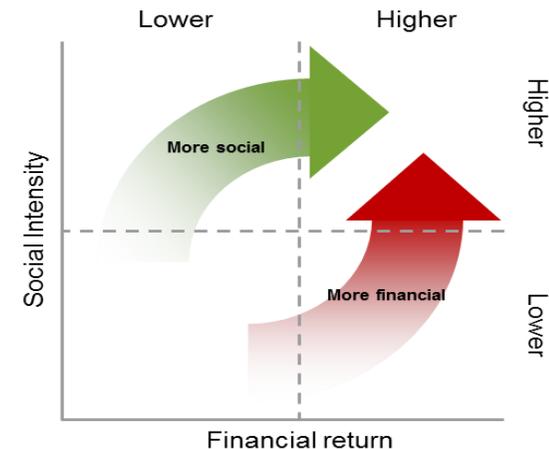
Independent Appointee



Fund Managers

Portfolio approach

- We will take a diversified portfolio approach to achieve the objectives of the strategy
- A proportion of the portfolio will be in less liquid instruments
- A proportion of the portfolio will be in highly liquid but lower yielding instruments
- The two key parameters of traditional investing are **financial risk** and **financial return**. Social investment adds a further two: **social performance risk** and **degree of social intensity** – the risk that the social benefit will not be realised versus the degree of social influence
- 80% of social outcomes will be European focussed



Portfolio construction

Fund duration

- Positioned relative to benchmark (+/- 2 years constraint)

Currency

- All hedged back into euros (predominantly using three-month rolling futures)

Credit sizing risk positions

- **Issuer** risk positions are taken to deliver the best social outcome and return characteristics
 - Managed on all of absolute and relative % NAV. % CTD and % DTS (duration * spread) measures against benchmark
 - Given the liquidity requirement we will target a proportion of the fund in more liquid bonds related to an assessment of the investors in the fund.
- Resulting **Industry** and **Rating** risk factors monitored and managed in line with analyst credit thesis outputs
- Overall **portfolio spread beta** is targeted to deliver financial return characteristics
 - Managed on a relative portfolio DTS measure
 - Range driven by performance objective of fund and spread duration of the benchmark, between 0.85x and 1.15x

Credit sizing risk positions (cont.)

- **Diversity** targeted relative to the universe opportunity
 - Ensure that exposure to bonds from any one country is limited to 33%
 - Managed relative to the benchmark of the fund

Managing risk positions

- Aim to build appropriate **market beta** positions without exposure to tail risk instruments
- **Simple % weights** (absolute and relative) supplement above methodology, especially as this is the main criteria for measuring social outcome exposure.

Optimise the social, mitigate the financial effects, utilise all available sources of alpha

The fund characteristics described above are internal guidelines (rather than limits and controls). They do not form part of the fund's objective and policy and are subject to change without notice in the future.



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Section 5

Threadneedle (Lux) European Social Bond



Threadneedle (Lux) European Social Bond

Portfolio positioning



Objective

- Actively allocate capital to support or fund socially beneficial activities and development principally in Europe
- Deliver, after fees, a corporate bond market return, as well as social alpha.



Approach

- Focus on bottom-up, fundamental financial and social analysis
- Dynamic and innovative Social Research Methodology guides investment decisions
- Emphasis on downside risk management



Team

- Experienced, specialist portfolio management team
- Supported by large team of credit analysts
- Social assessment provided by Responsible Investment team and our European Social Investment partner, INCO



Key selling points

- Unique approach to enhancing social outcomes through mainstream markets
- Social outcomes are independently assessed via our partnership with INCO
- Daily liquidity

Portfolio manager	Simon Bond	
Deputy portfolio manager	Tammie Tang	
Domicile	66% from European issuers	
Focus	80% of outcomes in Europe	
Benchmark	50% Bank of America Merrill Lynch Euro Non-sovereign Index 50% Bank of America Merrill Lynch Euro Corp Euroland Issuers Index	
Portfolio holdings¹	180 issuers	
	Portfolio	Benchmark
Average duration	5.83 years	5.83 years
Average yield	0.39%	0.32%
Average rating	A	A

Source: Columbia Threadneedle Investments, as at 31 March 2021. Past performance is not a guide to future returns. Where references are made to portfolio guidelines and features, these may be subject to change over time and prevailing market conditions. Actual investment parameters will be agreed and set out in the prospectus or formal investment management agreement.

¹ 331 issues to 180 issuers.

Threadneedle (Lux) European Social Bond

Social alpha

SDG mapping



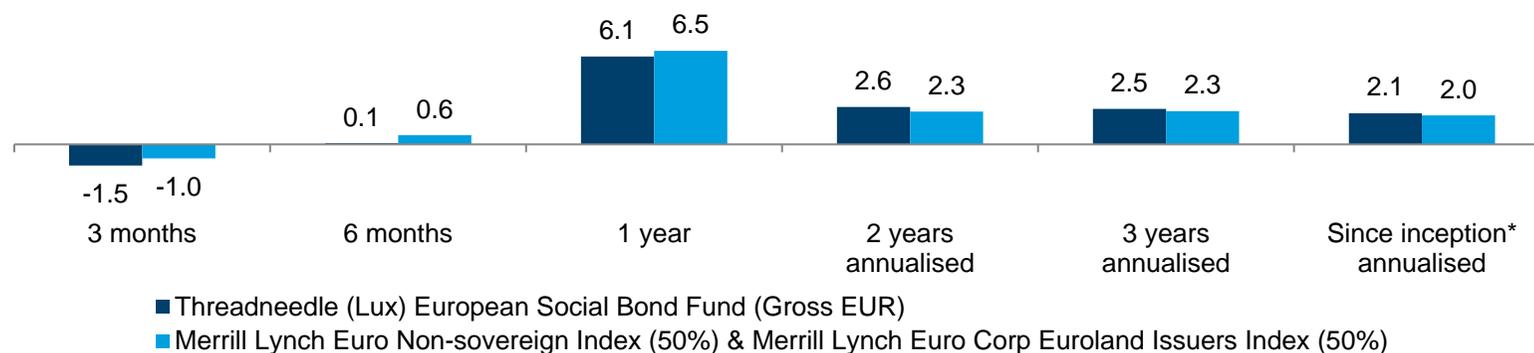
SDGs		%
1	No Poverty	2.58%
2	Zero Hunger	2.35%
3	Good Health and Well-Being	14.70%
4	Quality Education	1.29%
5	Gender Equality	--
6	Clean Water and Sanitation	2.03%
7	Affordable and Clean Energy	16.34%
8	Decent Work and Economic Growth	13.03%
9	Industry, Innovation and Infrastructure	12.93%
10	Reduced Inequalities	5.81%
11	Sustainable Cities and Communities	18.47%
12	Responsible Production and Consumption	0.48%
13	Climate Action	5.60%
14	Life Below Water	0.09%
15	Life on Land	--
16	Peace, Justice and Strong Institutions	--
17	Partnerships for the Goals	0.41%

Source: Columbia Threadneedle Investments, as at 31 March 2021.

Note: Additive/contextual SDGs are often relevant across outcomes, e.g. the link of an outcomes intensity in addressing social exclusion and deprivation and the Poverty SDG). The Fund itself and work around it link to SDG 11: Sustainable Cities and Communities. UN logos. Use does not imply UN endorsement of this fund. Use for promotion of the SDGs. The mention of any specific shares or bonds should not be taken as a recommendation to deal. All intellectual property rights in the brands and logos set out in this slide are reserved by respective owners.

Threadneedle (Lux) European Social Bond Performance analysis

Annualised gross performance (%)¹



Outperformance ¹	3 months	6 months	1 year	2 years annualised	3 years annualised	Since inception* annualised
	-0.5%	-0.5%	-0.4%	+0.3%	+0.2%	+0.1%

Calendar year gross performance (%)¹

	2021 YTD	2020	2019	2018	2017*
Threadneedle (Lux) European Social Bond	1.5	3.5	6.1	-0.8	1.1
Merrill Lynch Euro Non-sovereign Index (50%) and Merrill Lynch Euro Corp Euroland Issuers Index (50%)	-1.0	2.7	5.7	-0.8	1.1
Relative return	-0.5	+0.8	+0.3	-0.1	+0.0

Source: Columbia Threadneedle Investments and FactSet, all data as at 31 March 2021 and in EUR. Past performance is not a guide to future returns. All returns include gross reinvested income and fund returns are gross of TER. EUR Share class (LU1589837373). ¹ Fund returns gross of fees and management expenses for comparison with Merrill Lynch Euro Non-sovereign Index (50%) and Merrill Lynch Euro Corp Euroland Issuers Index (50%). Relative return is shown on a geometric basis. (*) Since inception is fund inception of 31 May 2017.

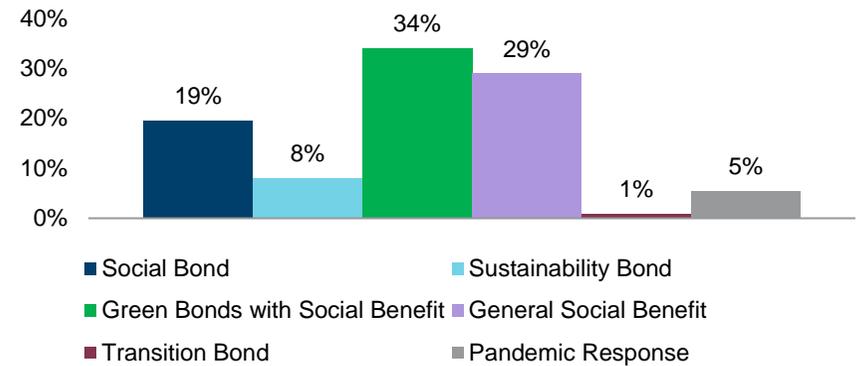
Threadneedle (Lux) European Social Bond

Measuring the social value added

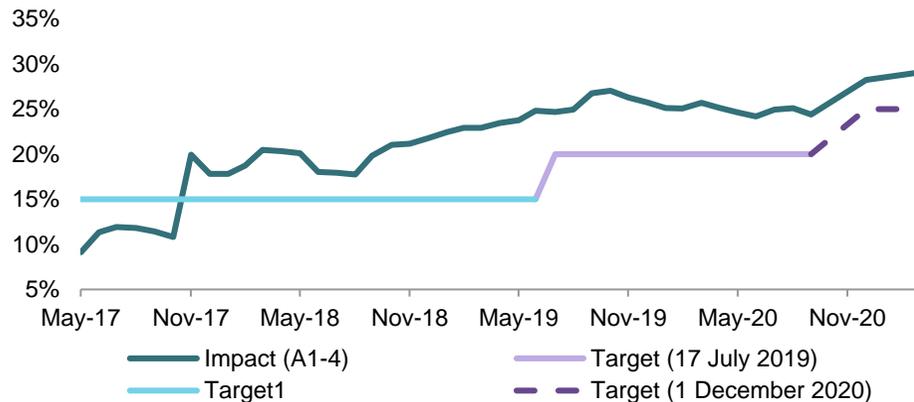
Average social score



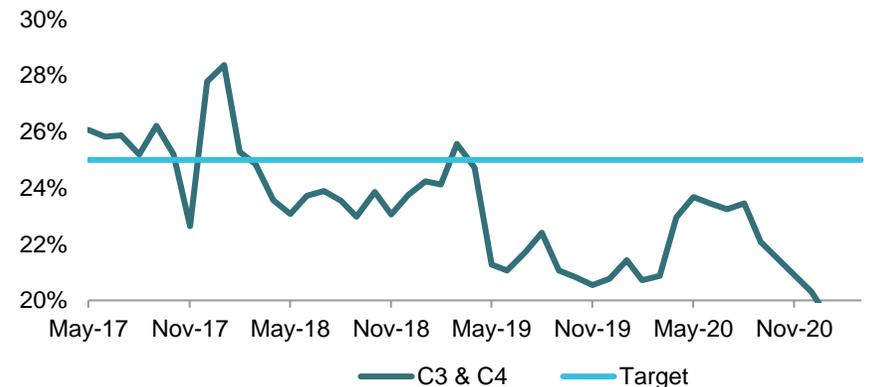
Bond type



Impact investments



Lower social outcomes



Source: Columbia Threadneedle Investments, as at 31 March 2021.

2020 Impact Report

Social fund highlights

€176.5m
 Invested, out of €185M under management

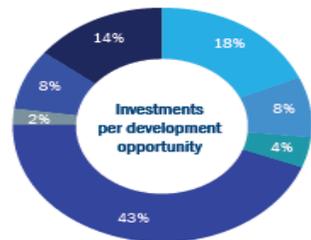
3
 Labels & Awards

272
 Bonds from 162 issuers

Social Targets & Profile

Social Target	Achievement 2019-2020	Achievement 2018-2019
Over 20% of the fund invested in Social Impact Investments (rated A)	24.2%	24.8%
Under 25% of the fund invested in Lower Social Outcomes (rated C3 or C4)	23.5%	21%
Raising the Average Social Intensity Score year on year	18.2	18.1

Diversified portfolio targeting seven outcome areas aligned to the UN Sustainable Development Goals:

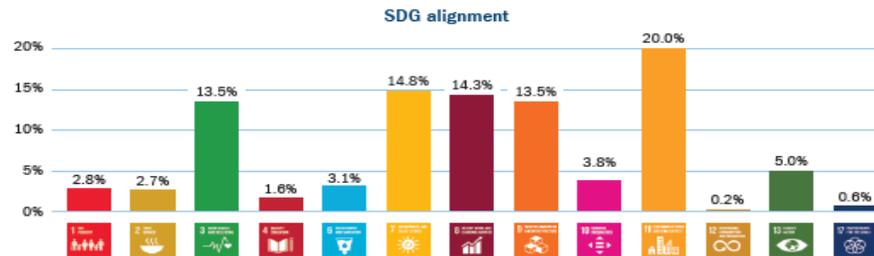


- Access to Services
- Affordable Housing
- Community
- Economic Regeneration & Development
- Education & Training
- Employment
- Health & Welfare

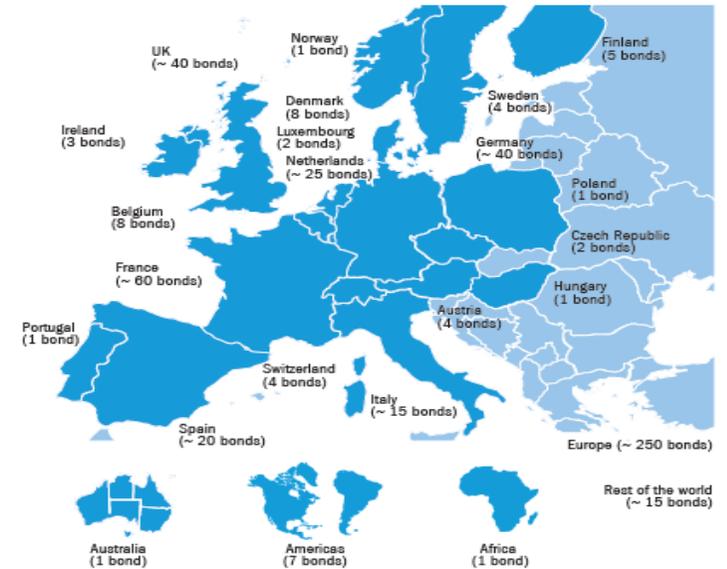


The Fund celebrates its 3 year anniversary
 The Fund passed its €100m AuM milestone
 The Fund has benefitted from a general shift from Environmental to Social themes

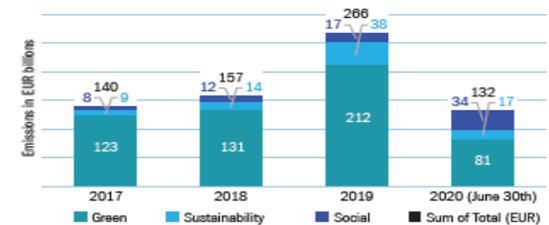
All our investments are mapped to the UN Sustainable Development Goals (SDGs), demonstrating the Fund's alignment with global social and environmental imperatives.



The fund targets positive social outcomes in Europe, allowing itself a 20% international exposure to access high impact issues with global outcomes, improve liquidity and overall stability.



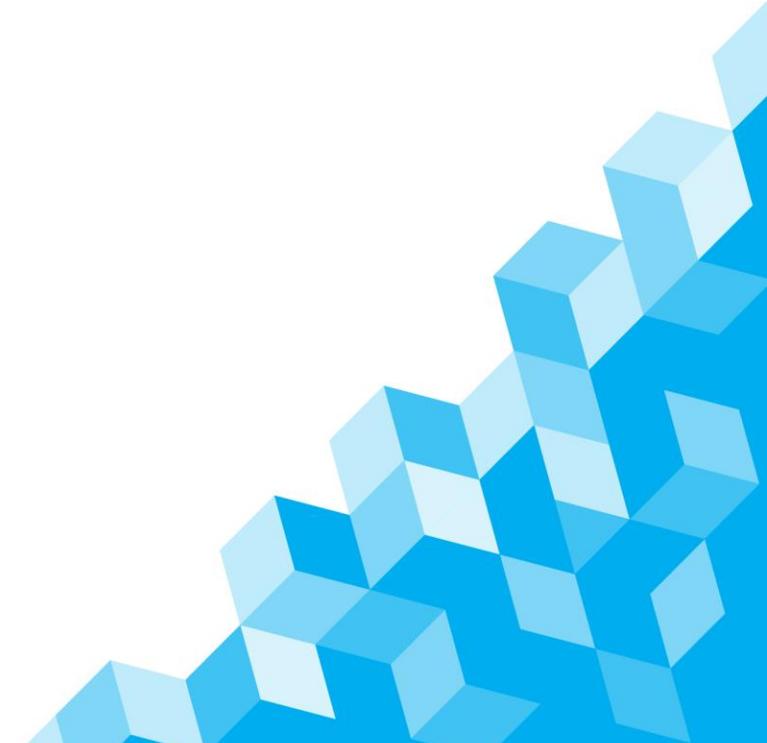
Portfolio growth and social impact split over time



Source: INCO: 2020 Impact Report and Columbia Threadneedle Investments, as at 30 June 2020.

Section 6

Threadneedle UK Social Bond Fund



Summary

Threadneedle UK Social Bond Fund

Bringing social investment into the mainstream

Objective

- Aims to deliver UK investment grade corporate bond type returns from investments that provide positive social outcomes in the UK

Approach

- Focus on bottom-up, fundamental financial and social analysis
- Dynamic and innovative Social Assessment Methodology guides investment decisions
- Emphasis on downside risk management

Team

- Experienced, specialist portfolio management team
- Supported by large team of credit analysts
- Social assessment provided by Responsible Investment team

Differentiators

- Unique approach to enhancing social outcomes through mainstream markets
- Social outcomes are independently assessed via our partnership with Big Issue Invest
- Daily liquidity

Lead Fund Manager	Simon Bond		
Launch date	January 2014		
Domicile	66% of domiciles in UK		
Focus	80% of outcomes in UK		
Benchmark	BofA Merrill Lynch 1-10 Year Sterling Non-Gilt Index		
Portfolio holdings¹	119 issuers		
Regulated OEIC Fund	Daily liquidity NURS ²		
	Portfolio	Non-Gilt Universe	1-10 Yr Universe*
Effective duration (years)	4.39	7.83	4.40
Yield	1.24%	1.64%	1.19%
Average Rating	A-	A	A
DTS Beta	0.62	1	0.48

Source: Columbia Threadneedle Investments, as at 31 March 2021. Past performance is not a guide to future returns. The fund characteristics described above are internal guidelines (rather than limits and controls). They do not form part of the fund's objective and policy and are subject to change without notice in the future. Please refer to the Fund Objective in the appendix for further information regarding the Funds benchmark. *1-10 Year Non Gilt Index introduced 6 April 2017.

¹ 223 issues to 119 issuers. The long-term aim of the Fund is to arrive at between 100-150 holdings. ² NURS = Non-UCITS Retail Scheme.

Social alpha

Measuring the social value added

SDG mapping



SDGs		%
1	No Poverty	0.18%
2	Zero Hunger	-0.12%
3	Good Health and Well-Being	5.11%
4	Quality Education	2.11%
5	Gender Equality	--
6	Clean Water and Sanitation	4.58%
7	Affordable and Clean Energy	11.51%
8	Decent Work and Economic Growth	19.73%
9	Industry, Innovation and Infrastructure	10.04%
10	Reduced Inequalities	6.46%
11	Sustainable Cities and Communities	34.88%
12	Responsible Production and Consumption	0.70%
13	Climate Action	4.58%
14	Life Below Water	--
15	Life on Land	--
16	Peace, Justice and Strong Institutions	--
17	Partnerships for the Goals	--

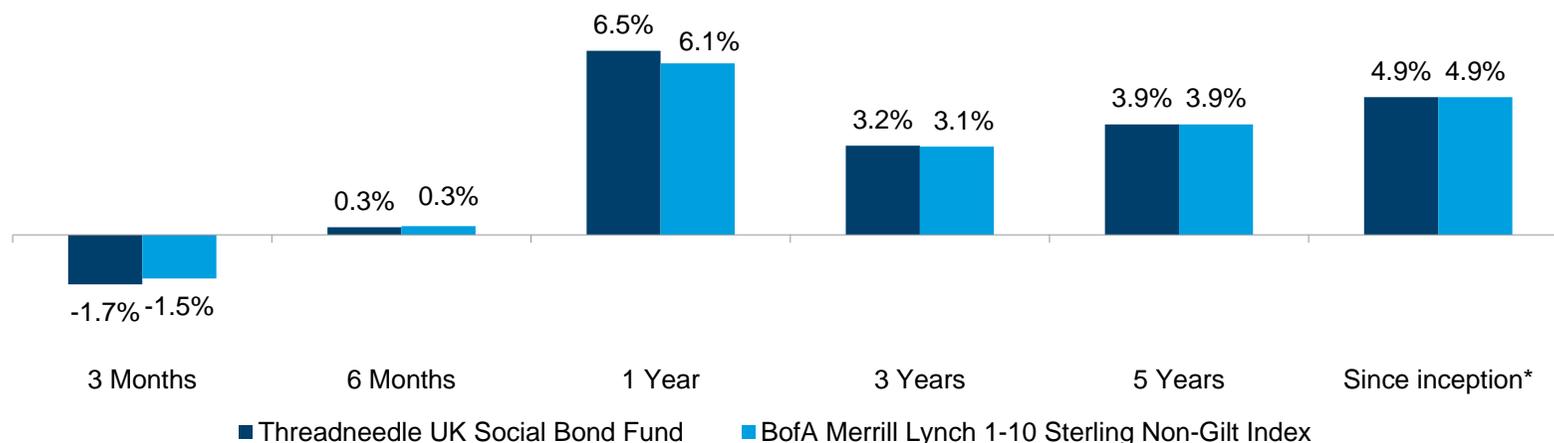
Source: Columbia Threadneedle Investments, as at 31 March 2021.

Note: Additive/contextual SDGs are often relevant across outcomes, e.g. the link of an outcomes intensity in addressing social exclusion and deprivation and the Poverty SDG). The Fund itself and work around it link to SDG 17: Partnership for the Goals UN logos. Use does not imply UN endorsement of this fund. Use for promotion of the SDGs. The mention of any specific shares or bonds should not be taken as a recommendation to deal. All intellectual property rights in the brands and logos set out in this slide are reserved by respective owners.

Threadneedle UK Social Bond Fund

Performance analysis

Annualised gross performance



Outperformance ¹	3 Months	6 Months	1 Year	3 Years	5 Years	Since inception*
	-0.2%	-0.0%	+0.4%	+0.0%	-0.0%	+0.0%

Calendar year gross performance (%)

	2020	2019	2018	2017	2016
Fund	4.8	5.91	-0.0	4.2	10.2
Index	4.8	5.9	-0.6	3.9	10.6
Outperformance¹	+0.0	+0.0	+0.6	+0.3	-0.4

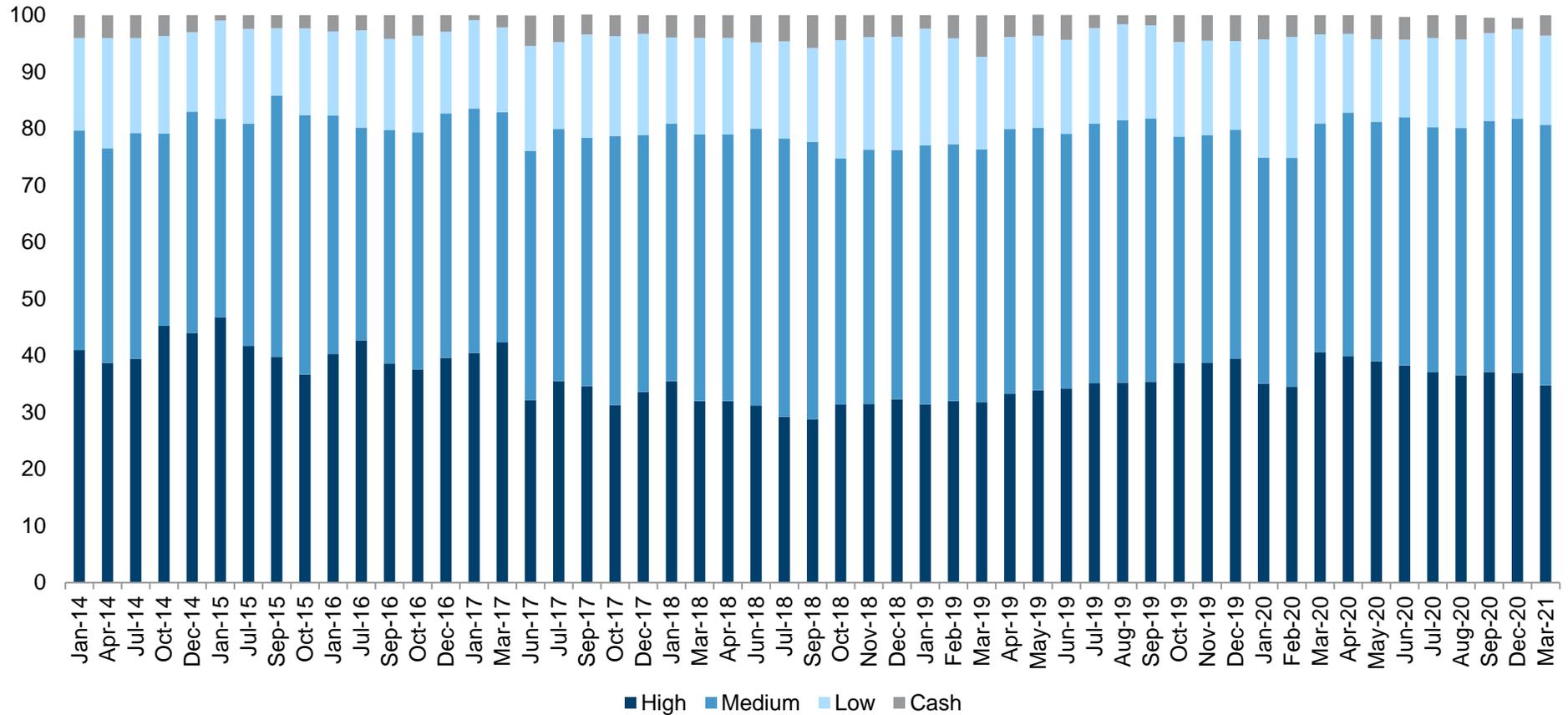
Source: Columbia Threadneedle Investments and FactSet, as at 31 March 2021. Fund returns gross of tax and TER (GB00BF233790) for comparison with indices. All data is quoted in GBP. From 01.04.2010 fund gross returns are calculated in FactSet using daily official Global Close valuations and daily cash flows. All prices are calculated by the fund's administrator. All returns are gross of fees and included gross reinvested income. Benchmark was BofA Merrill Lynch 1-10 Year Sterling Non-Gilt Index from 6 April 2017 and BofA Merrill Lynch Sterling Non-Gilt before 6 April 2017. The relative returns shown are calculated on a geometric basis. Past performance is not a guide to future performance.

¹ Since inception is fund inception of 5 December 2013.

Threadneedle UK Social Bond Fund

Measuring the social value added

Social intensity exposure



Source: Columbia Threadneedle Investments, as at 31 March 2021.

The evidence of impact

2020 Impact Report

Social highlights



The fund holds bonds from **24** Housing Associations

111 issuers including charities, registered social housing providers and listed companies

722,510 properties owned and managed by Housing Associations in the Fund

Invest in building societies which provide banking services and mortgages to over **16 million people** across the UK

Regional investments and social outcomes



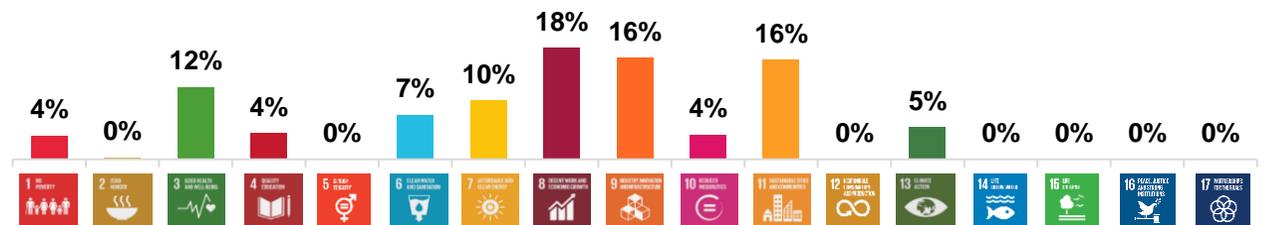
80% of bonds are UK-based, the remainder are global in reach

24% of bonds support development in the North of England

59% of the bonds favour regional development outside the Greater South East

37% of the bonds have regional catchment areas

SDG alignment



Source: Columbia Threadneedle Investments, as at 30 June 2020. Data shown is for the Threadneedle UK Social Bond Fund.

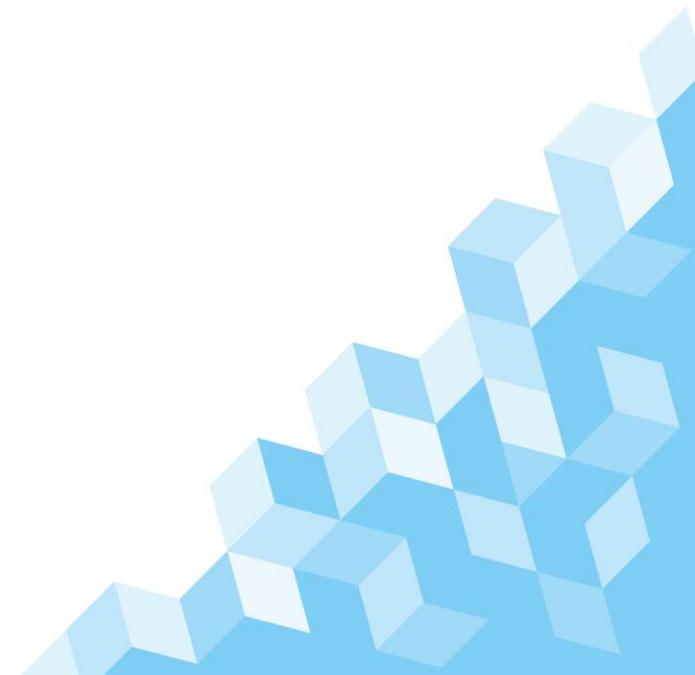
NB: Additive/contextual SDGs are often relevant across outcomes, e.g. the link of an outcomes intensity in addressing social exclusion and deprivation and the Poverty (SDG). The Fund itself and work around it link to SDG 17: Partnership for the Goals.



Your success. Our priority.

Section 7

Conclusion



Conclusion



Objective

- Actively allocate capital to support or fund socially beneficial activities and development principally in Europe
- Deliver, after fees, a corporate bond market return, as well as social alpha.



Team

- Experienced, specialist portfolio management team
- Supported by large team of credit analysts
- Social assessment provided by Responsible Investment team and our Social Investment partners



Approach

- Focus on bottom-up, fundamental financial and social analysis
- Dynamic and innovative Social Research Methodology guides investment decisions
- Emphasis on downside risk management



Key selling points

- Unique approach to enhancing social outcomes through mainstream markets
- Social outcomes are independently assessed via our partnership our social partners Big Issue for UK and INCO for the European Social Bond Funds
- Daily liquidity

How did ...
When are ...
Where is ...
Who is ...
Can I ...
Will there ...
Should we ...
How can ...
Tell us ...



Exclusions

Minimum standards



 **> 0% Sales**

 **> 1% Sales**

 **> 5% Sales**

 **> 5% Sales**

 **> 5% Sales**

 **> 0% Production**

 **> 1% Sales / 5% Revenue**

 **> 10% Revenue**

 **> 10% Revenue**

Source: Columbia Threadneedle Investments, as at 31 December 2020.

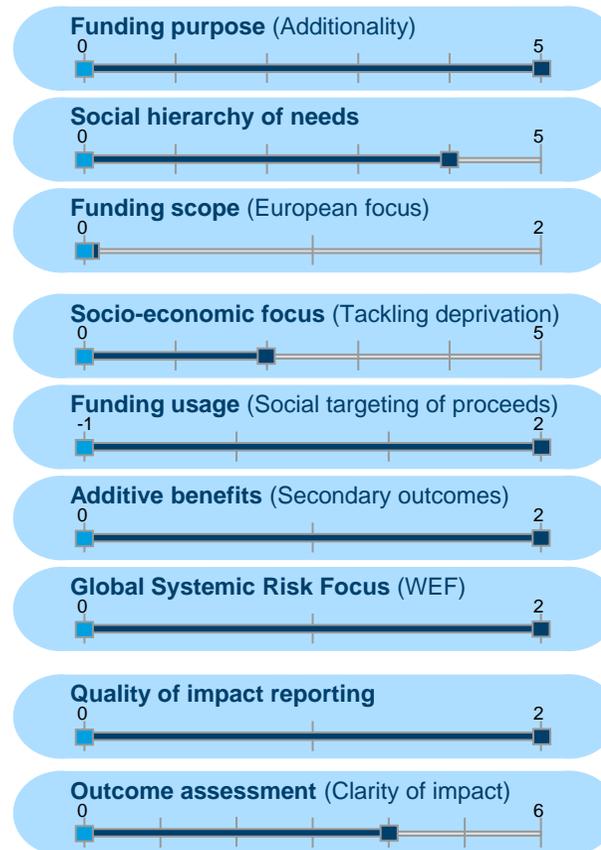
Social rating scoring

Taking an evidence based approach

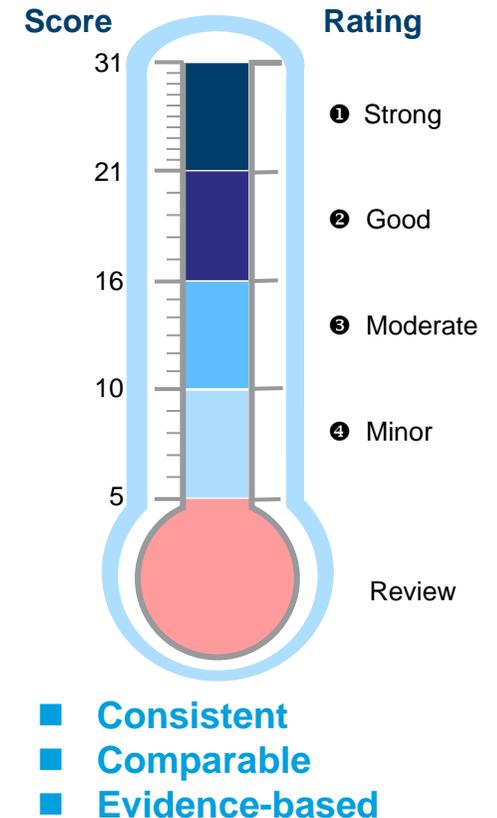
Stage assessment:



Stage score gauges:



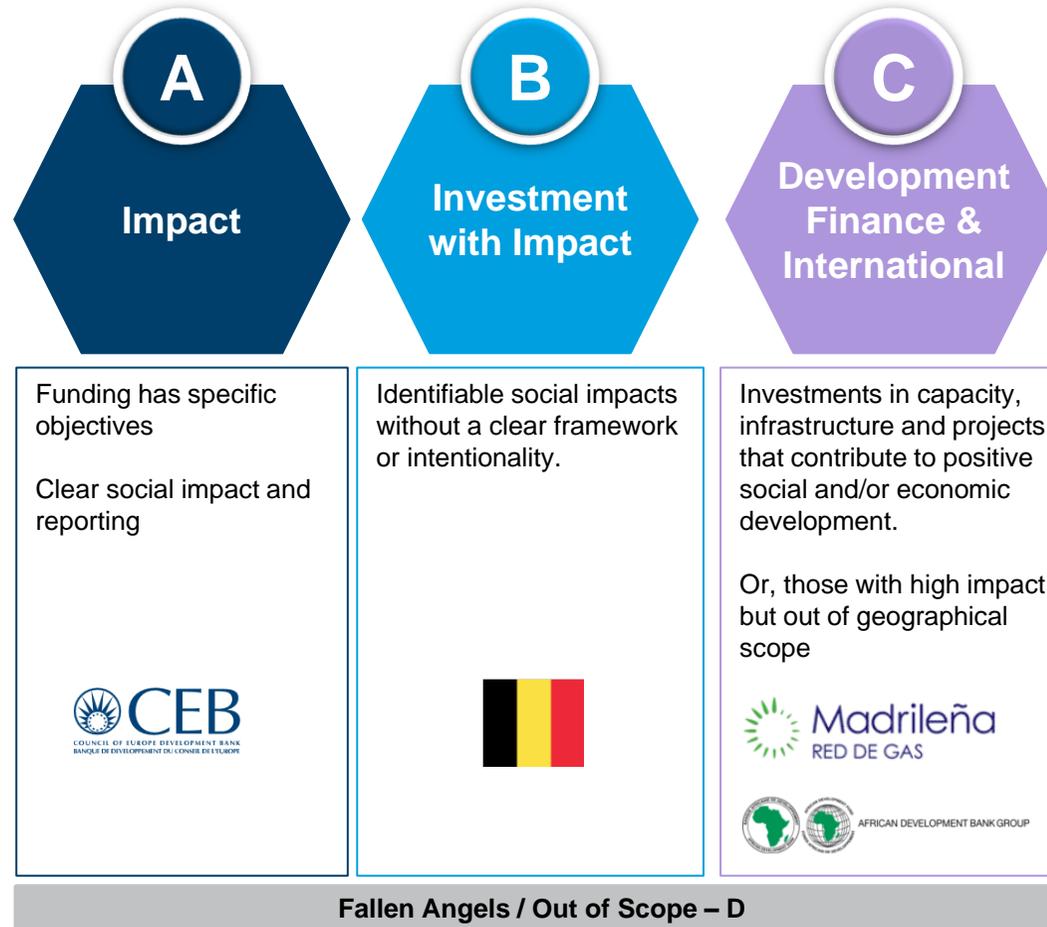
Social intensity:



Source: Columbia Threadneedle Investments, 2021.

Categorisation

Intentionality of the social impact



* Derived from development work from Intra-American Development Bank on categorisation models

Source: Columbia Threadneedle Investments, 2021.

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Wellcome Trust

Charity focused on advancing human health



Funding of health research and delivery supporting over 14,000 people in more than 70 countries.

- The Wellcome Trust is an independent global charitable foundation dedicated to improving health, achieved through funding from their £23.2 billion investment portfolio.
- Examples of their contribution to global health need include vaccine development, e.g. co-funding the development of a new Ebola vaccine, and targeting research leaders in developing countries such as through their Developing Excellence in Leadership Training and Science Africa Initiative .
- They funded the Wellcome Sanger Institute which played a key role in the Human Genome Project, mapping 30% of the human DNA sequence as part of an international collaboration.
- They also undertake programmes related to behavioural change and advocacy; encouraging governments and global businesses to take part in building a more secure future for global health.

Source: Columbia Threadneedle Investments, as at 30 April 2018.

1: This is a proprietary social bond rating assessment constructed and implemented by the Columbia Threadneedle Global Responsible Investment Team

2. MSCI rating.

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Wellcome Trust	
ISIN	XS1171485722
Social Bond Rating¹	High C1
ESG Credentials²	Low risk
Credit Rating	Aaa (Moody's)
Social Needs Category	Basic Needs
Use of Proceeds	General Purpose
Reporting – Use of Proceeds	
<ul style="list-style-type: none"> ■ The bond is not a ringfenced use of proceeds bond, however given the nature and charitable status of the organisation there is substantial reporting related to the specific projects which they fund. 	
Outcome	
<ul style="list-style-type: none"> ■ The bond aids the charity's funding of its core mission to advance human health across all its programmes and geographies – currently more than 70 countries. ■ Their work materially contributes to the SDGs, particularly the specific targets within SDG 3 which focus on global health need. 	



Iberdrola Finanzas

Green Bond to create offshore wind farm in the UK



Iberdrola Finanzas produces and supplies electricity to around 100 million in the people in the countries in which it operates.

- One of the leading wind generation companies in the world and one of the cleanest generation pools in the industry.
- Company’s emissions are approximately 70% less than the average for the sector (versus 2015 data for continental Europe).
- Iberdrola issued its first Green bond in 2014 to finance and refinance investments, for projects in renewable energy, distribution and smartgrids which contribute to climate change mitigation and energy management.
- The proceeds will be exclusively focused on creating East Anglia ONE – an offshore wind farm located 85km from East Anglia occupying an area of 300 km² in the North Sea.

Source: Columbia Threadneedle Investments, as at 31 January 2019.

1: This is a proprietary social bond rating assessment constructed and implemented by the Columbia Threadneedle Global Responsible Investment Team

2. MSCI rating.

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Iberdrola Finanzas Green Bond	
ISIN	XS1847692636
Social Bond Rating ¹	A1
ESG Credentials ²	AAA
Credit Rating	BBB+/A-
Social Needs Category	Societal Development
Use of Proceeds	Green Bond
Reporting – Use of Proceeds	
<ul style="list-style-type: none"> ■ Allocation reporting within one year from the date of issuance ■ Output recoding indicators include: Installed Capacity (MW), Attributable Capacity (MW), Annual attributable renewable energy produced by the wind (MWh), and Annual attributable GHG emissions avoided (tCO₂e) ■ Vigeo Eiris provides a second opinion 	
Outcome	
<p>East Anglia ONE consists of up to 102 Siemens wind turbines each rated at 7 megawatts. This gives an overall generating capacity of up to 714 megawatts.</p> <p>The creation of a renewable energy wind farm contributes to climate change mitigation and energy transition in alignment with the following UN Sustainable Development Goals.</p>	
 	

Council of Europe Development Bank

Social bond from The Social Development Bank in Europe



Established to bring solutions to the problems of refugees, its scope has progressively widened to other sectors contributing to strengthening social cohesion in Europe

- Established in 1956 by eight member countries of the Council of Europe (France, Germany, Italy, Belgium, Luxemburg, Greece, Iceland and Turkey)
- Council of Europe Development Bank is the oldest international financial institution in Europe and the only one with an exclusively social mandate.
- Established to bring solutions to the problems of refugees, its scope has progressively widened to other sectors contributing to strengthening social cohesion in Europe.
- This is a 7-year social inclusion bond dedicated to social housing, education and MSME support.

Source: Columbia Threadneedle Investments Council of Europe Development Bank, as at 31 May 2018

1: This is a proprietary social bond rating assessment constructed and implemented by the Columbia Threadneedle Global Responsible Investment Team

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Council of Europe Development Bank 		
ISIN	XS1799045197	
Social Bond Rating¹	A1	
ESG Credentials	Robust ESG due diligence and monitoring processes	
Credit Rating	Aaa1 (Moody's)	
Social Needs Category	Social Empowerment	
Use of Proceeds	Ringfenced	
Reporting – Use of Proceeds		
Proceeds raised through the Social Inclusion Bond will be exclusively used to finance and/or finance in part or in full, existing and new loans through the following social categories:		
<ul style="list-style-type: none"> ■ Financing MSMEs: The creation and preservation of jobs that will strength competitiveness and the promotion of migrants' integration. ■ Education: This includes construction and rehabilitation of education facilities, training for the unemployed and in favour of disadvantaged populations. ■ Social Housing: Access to property ownership, rental housing or related infrastructure. 		
Outcome		
The loans will be selected from the three above-mentioned sectors of action according to the year of their disbursement . The outcomes within each sector are as follows:		
<ul style="list-style-type: none"> ■ Supporting MSMEs: Number of MSMEs, number of jobs preserved and created. ■ Education: Number of schools (construction/renovation, number of students ■ Social Housing, Number of dwellings, number of beneficiaries 		
		

2020: Specific use of proceeds issuance in numbers

US\$0.5 trillion

Total issuance

US\$220 billion

Issuance in September – November

US\$100 billion

COVID-19 Specific Bonds issued

25%

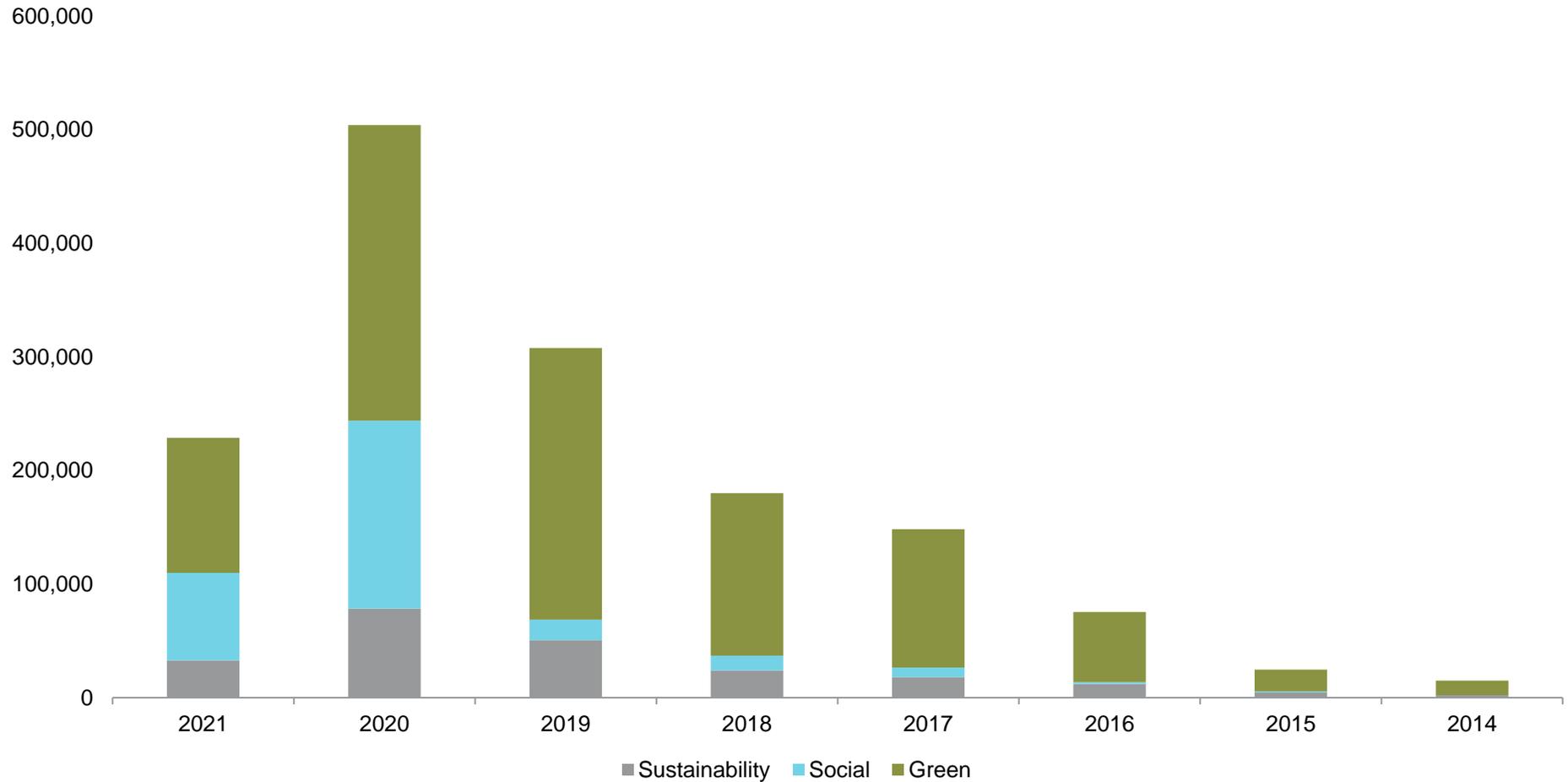
Growth in Green Bond issuance year-on-year

894%

Growth in Social Bond issuance year-on-year



Specific Use of Proceeds Issuance



Source: Bloomberg, as at 19 March 2021.

Biography

SIMON BOND

Director – Responsible Investment Portfolio Management



Simon Bond joined the company in 2003 and has been the portfolio manager of the Threadneedle UK Social Bond Fund since its launch in 2013, as well as the Threadneedle (Lux) European Social Bond Fund launched in 2017. Having previously managed a number of institutional and retail investment grade corporate bond portfolios, Simon now concentrates his focus on managing Columbia Threadneedle's social bond portfolios and developing other responsible investment strategies across the firm.

Simon has 34 years' experience in the fund management industry, with the last 29 years specialising in corporate credit. Throughout his career, Simon has taken a keen interest in the social investment space and as an analyst the first entity Simon reported on was Peabody Trust and the first sector he covered was housing associations. Simon is particularly passionate about the role of infrastructure in both regeneration and economic growth.

Prior to joining the firm, Simon managed £6 billion in his role as the Senior UK Credit Fund Manager for AXA. Simon also worked for GE Insurance as a Portfolio Manager, Provident Mutual as a Fixed Income Analyst and Hambros Bank as an Investment Accountant and Pension Fund Investment Administrator.

Simon is a Fellow of the Chartered Institute for Securities and Investment, holds the Investment Management Certificate and the General Registered Representatives Certificate.

Company start date: 2003

Industry start date: 1986

Threadneedle (Lux) European Social Bond

Key Risks and Objective

Investment Risk: The value of investments can fall as well as rise and investors might not get back the sum originally invested.

Currency Risk: Where investments are made in assets that are denominated in multiple currencies, changes in exchange rates may affect the value of the investments.

Issuer Risk: The fund invests in securities whose value would be significantly affected if the issuer either refused to pay or was unable to pay or perceived to be unable to pay.

Liquidity Risk: 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.

Inflation Risk: 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.

Interest Rate Risk: 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.

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

Derivatives for EPM / Hedging: The investment policy of the fund allows it to invest in derivatives for the purposes of reducing risk or minimising the cost of transactions.

Volatility Risk: The fund may exhibit significant price volatility.

Objective: The aim of the Fund is to provide both income and the potential to grow the amount you invested. The Fund's investments aim to support socially beneficial activities and developments.

Threadneedle UK Social Bond Fund

Objective

Objective: The Fund aims to provide income with the prospect of some capital growth over the long term (5 years or more), through investment in debt securities that are deemed to be supporting and funding socially beneficial activities and development, primarily in the UK.

The Fund is actively managed, and seeks to maximise its investment exposure to socially beneficial activities and development, based on assessments produced under the Fund's Social Assessment Methodology.

The Social Assessment Methodology ensures that social impact considerations are integrated into the investment decision-making process. Investment is directed towards eight social outcome areas: housing and property; community services; education, learning and skills; employment and training; financial inclusion; health and social care; transport and communications infrastructure, utilities and the environment. Eligible Investments are assessed to establish an overall view of the investment's "social intensity". Some debt securities will have more direct and tangible social benefits than others, however all those selected for investment are considered to have net positive impacts.,.

A Social Advisory Committee regularly reviews the Social Assessment Methodology and the assessments carried out and may propose amendments or updates over time. An annual report is made available to investors which provides a summary of the Fund's social impact performance.

The Fund may invest in all forms of debt security (usually investment grade) issued by a supranational, public, private or voluntary and/or charitable sector organisation, including without limitation, bonds, notes, bills, and loans, whether they have a fixed, floating, variable, index-linked rate or have a zero coupon.

Cash or near cash will be retained within the Fund for the purpose of efficient management, and similarly deposits and money market instruments may be held for this reason. The Fund may also use derivatives and forward transactions with the aim of reducing risk or managing the fund more efficiently (including the hedging of any non-sterling denominated securities back to sterling). Derivatives may also be used for investment purposes, providing not less than 60 days' notice is given to shareholders.

Other Information: The ICE BofAML 1-10 Year Sterling Non-Gilt Index is currently used as a point of reference against which the Fund's financial performance may be compared. The Index is regarded as an appropriate performance measure of British pound sterling-denominated investment grade bonds with a remaining maturity of between 1-10 years, issued by a broad range of corporations.

Threadneedle UK Social Bond Fund

Key Risks

Investment Risk: The value of investments can fall as well as rise and investors might not get back the sum originally invested.

Issuer Risk: The fund invests in securities whose value would be significantly affected if the issuer either refused to pay or was unable to pay or perceived to be unable to pay.

Liquidity Risk: The fund may hold assets that are not always readily saleable without suffering a discount to fair value. The fund may have to lower the selling price, sell other investments or forego another, more appealing investment opportunity.

Inflation Risk: 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.

Interest Rate Risk: 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.

Derivatives for EPM / Hedging: The investment policy of the fund allows it to invest in derivatives for the purposes of reducing risk or minimising the cost of transactions.

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Please read the Prospectus before investing.

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