

THREADNEEDLE (LUX) EUROPEAN SOCIAL BOND

Targeting positive social impact and financial returns

A portfolio that invests in bonds and aims to deliver both positive social outcomes and corporate bond market returns, as well as providing daily liquidity.

We actively allocate capital to outcomes that address real social needs predominantly in Europe, using a broad universe of bonds issued by government agencies, regional & local government bodies, mutuals and charities.



Positive inclusion, evidence-based analysis and engagement

Using our dynamic social assessment methodology to integrate social impact considerations in the investment decision-making process. The portfolio manager works with our responsible investment analysts to identify the best opportunities based on evidence and engagement with issuing entities.

In parallel to this, our Investment Grade Credit team evaluates these bonds to ensure they meet the necessary financial requirements for inclusion within the portfolio.



Strength in partnership

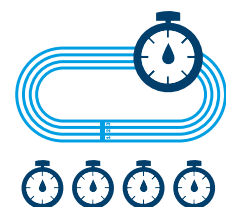
Our proven experience in both fixed income credit and responsible investment is enhanced by our social partnership with INCO, an organization focused on the European social economy.¹

INCO is responsible for deepening the research and verifying the social outcomes of investments, as well as forming part of the Social Advisory Panel to review, advise and monitor the Fund's investments – and report annually to investors – from a social performance perspective.



Proven track record in social bond investing

We have successfully managed outcomes-based social bond strategies since 2013 and have over €1 billion invested in a range of strategies for investors in Europe, the UK and the US.



PORTFOLIO MANAGER

Simon Bond has over 30 years' industry experience and throughout his career has been a pioneer in the social investment space. He has managed the Threadneedle (Lux) Social European Bond since its launch in May 2017, as well as the Threadneedle UK Social Bond strategy since December 2013.

¹ INCO is a leader in assessing sustainable social businesses and operates under the auspices of Europe's leading social enterprise: Groupe SOS and Le Comptoir de l'innovation.

Key risks & opportunities

Risks

- The value of investments can fall as well as rise and investors might not get back the sum originally invested.
- The Fund aims to invest in assets that are deemed to be supporting and funding socially beneficial activities and development and utilises a social rating methodology. This will influence the Fund's exposure to certain issuers, industries, sectors and regions, and may affect the relative performance of the Fund positively or negatively.
- Where investments are in assets that are denominated in multiple currencies, or currencies other than your own, changes in exchange rates may affect the value of the investments.
- The Fund invests in securities whose value would be significantly affected if the issuer refused, was unable to or was perceived to be unable to pay.
- 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.
- 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.
- The Fund's assets may sometimes be difficult to value objectively and the actual value may not be recognised until assets are sold.
- The Fund may invest in derivatives with the aim of reducing risk. Such derivative transactions may benefit or negatively affect the performance of the Fund. The Investment Manager does not intend that such use of derivatives will affect the overall risk profile of the Fund.

Opportunities

- An innovative, liquid social investment fund that uses a dynamic social assessment methodology to guide investment decisions.
- The fund benefits from the strength in partnership between INCO, a leader in assessing sustainable social businesses, and Columbia Threadneedle Investments, an established asset manager with a strong reputation across both bonds and social investment.
- Meets growing demand from clients to invest in a fund that can generate positive social outcomes, as well as competitive financial returns.
- Simon Bond has over 25 years' experience investing in corporate credit and has a passion for the social investment space, having analysed and invested in this area for many years.

To find out more visit columbiathreadneedle.com



Important information: Data as at 28 February 2021, unless otherwise specified. This is an advertising document. Past performance is not a guide to future performance. The value of investments and any income is not guaranteed and can go down as well as up and may be affected by exchange rate fluctuations. This means that an investor may not get back the amount invested. Your capital is at Risk. This material is for information only and does not constitute an offer or solicitation of an order to buy or sell any securities or other financial instruments, or to provide investment advice or services. Threadneedle (Lux) is an investment company with variable capital (Société d'investissement à capital variable, or "SICAV") formed under the laws of the Grand Duchy of Luxembourg. The SICAV issues, redeems and exchanges shares of different classes. The management company of the SICAV is Threadneedle Management Luxembourg S.A, which is advised by Threadneedle Asset Management Ltd. and/or selected sub-advisors. Certain sub-funds of the SICAV are registered in Austria, Belgium, Denmark, France, Finland, Germany, Hong Kong, Iceland, Ireland, Italy, Liechtenstein, Luxembourg, Macau, the Netherlands, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the UAE and the UK; however, this is subject to applicable jurisdictions and some sub-funds and/or share classes may not be available in all jurisdictions. Shares in the Funds may not be offered to the public in any other country and this document must not be issued, circulated or distributed other than in circumstances which do not constitute an offer to the public and are in accordance with applicable local legislation. Shares in the Funds may not be offered, sold or delivered directly or indirectly in the United States or to or for the account or benefit of any "U.S. Person", as defined in Regulation S under the 1933 Act. Subscriptions to a Fund may only be made on the basis of the current Prospectus and the Key Investor Information Document, as well as the latest annual or interim reports and the applicable terms & conditions. Please refer to the 'Risk Factors' section of the Prospectus for all risks applicable to investing in any fund and specifically this Fund. Documents other than KIID are available in English, French, German, Portuguese, Italian, Spanish and Dutch (no Dutch Prospectus). KIIDs are available in local languages. Documents can be obtained free of charge on request by writing to the management company at 44, rue de la Vallée, L-2661 Luxembourg, Grand Duchy of Luxembourg, from International Financial Data Services (Luxembourg) S.A. at 47, avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg, from www.columbiathreadneedle.com and/or from our representative and Paying Agent in Switzerland, RBC Investor Services Bank S.A., Esch-sur-Alzette, Zurich branch, Bleicherweg 7, CH 8027 Zurich. The mention of any specific shares or bonds should not be taken as a recommendation to deal. Columbia Threadneedle Investments does not give any investment advice. If you are in doubt about the suitability of any investment, you should speak to your financial adviser. Threadneedle Management Luxembourg S.A. Registered with the Registre de Commerce et des Sociétés (Luxembourg), Registered No. B 110242 44, rue de la Vallée, L-2661 Luxembourg, Grand Duchy of Luxembourg. **Columbia Threadneedle Investments is the global brand name of the Columbia and Threadneedle group of companies.**
columbiathreadneedle.com

Issued 04.21 | Valid to 04.22 | J31279 | 3517886