



# Demographics, decarbonisation, digitalisation – you don't need to be a thematic investor to benefit

## David Dudding – Portfolio Manager

For professional investors only

Q2 2022

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

# Threadneedle (Lux) Global Focus

## Objective and key risks

### Objectives and Investment Policy

The Fund aims to increase the value of your investment over the long term. The Fund invests at least two-thirds of its assets in shares of companies worldwide. The Fund can invest in developed and emerging markets. The Fund's "focus" investment approach means it will typically hold a small number of investments compared with other funds. The Fund may use derivatives (sophisticated investment instruments linked to the rise and fall of the value of other assets) for hedging purposes.

The Fund may also invest in asset classes and instruments different from those stated above. The Fund is actively managed in reference to the MSCI ACWI Index. The index is broadly representative of the companies in which the Fund invests, and provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

The Fund promotes environmental and social characteristics by aiming to compare favourably against the index over rolling 12-month periods when assessed according to the Columbia Threadneedle ESG (environmental, social and governance) Materiality Rating. The index is not designed to specifically consider environmental or social characteristics. The fund manager has discretion to select investments with weightings different to the index, and that are not in the index, and the Fund may display significant divergence from the index.

The Fund also aims to exclude companies that breach accepted international standards and principles (e.g. the United Nations Global Compact) unless the fund manager believes that there are tangible mitigating factors for the company to be held.

Further information on the investment guidelines, including the Columbia Threadneedle ESG Materiality Rating methodology and engagement policy is available at [columbiathreadneedle.com](http://columbiathreadneedle.com).

The Fund is categorised as one that promotes environmental or social characteristics under Article 8 of the EU Regulation 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR).

**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 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.

**Effect of Portfolio Concentration** – The Fund has a concentrated portfolio (holds a limited number of investments and/or has a restricted investment universe) and if one or more of these investments declines or is otherwise affected, it may have a pronounced effect on the fund's value.

**Derivatives for EPM / Hedging** – The fund may invest in derivatives with the aim of reducing risk or minimising the cost of transactions. Such derivative transactions may benefit or negatively affect the performance of the fund. The Manager does not intend that such use of derivatives will affect the overall risk profile of the fund.

**Volatility Risk** – The fund may exhibit significant price volatility.

# Save the horseshoe crab!

Only natural source of LAL<sup>1</sup> and essential to biomedicine



Source: Forbes. 1. LAL: Limulus Amebocyte Lysate.

# Demand for LAL<sup>1</sup> is increasing

## Is protecting our crustacean friends the next big theme?!



**36%** increase in crabs  
bled for LAL between  
**2018** and **2020**



**Lonza** created rFC<sup>2</sup> (a  
synthetic alternative)  
back in **2003**



**Eli Lilly** has been  
using rFC since **2017**

**Lonza**  
*Lilly*

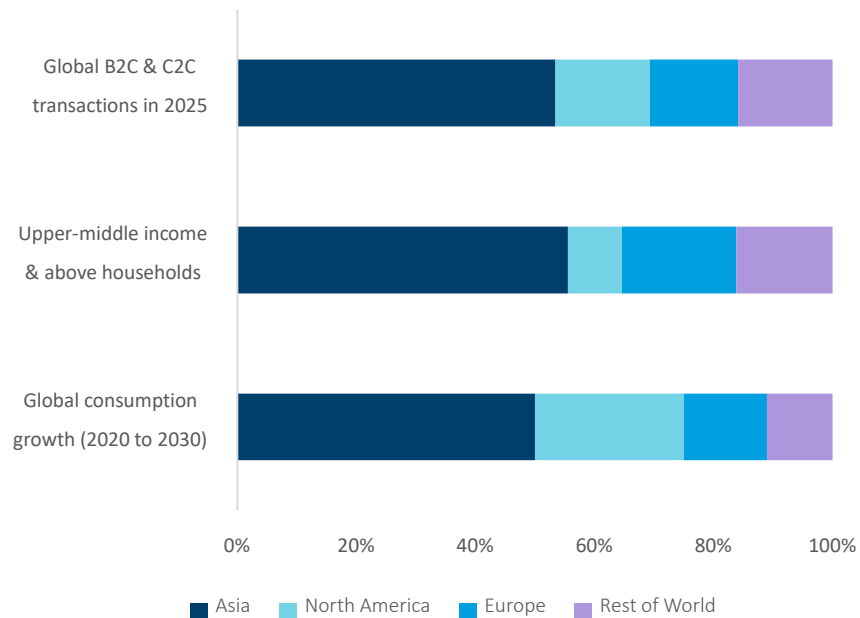
We own both companies  
in the Threadneedle  
Global Focus strategy

We own these companies as they are **innovators** with **powerful competitive advantages**  
not because of a supposed theme

# A structural growth opportunity is good, but... ... most are well documented

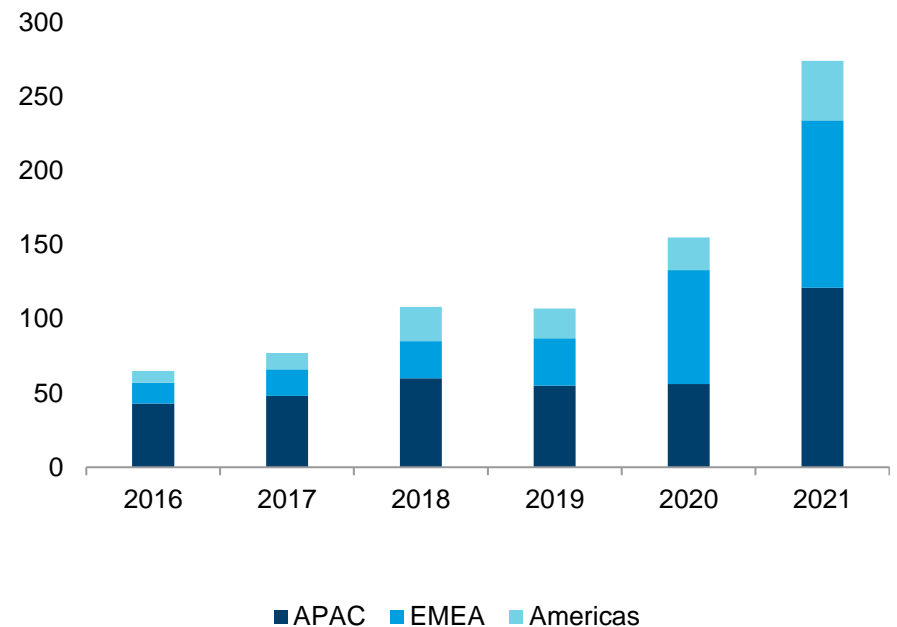
## Rise of the Asian consumer

Global share (%)<sup>1</sup>



## Decarbonisation

Electrified transport investment by region<sup>2</sup>



If it's in the paper, it's in the price

Source: 1. McKinsey, 2021. 2. BloombergNEF. Note: 2021 investment numbers are based on prelim EV sales data.

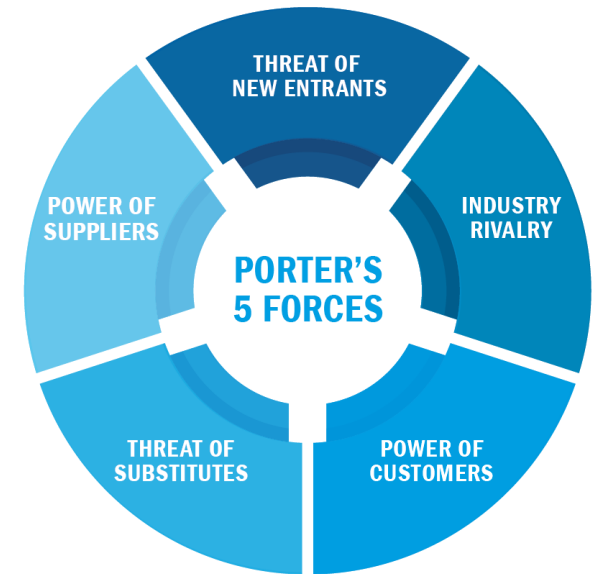
# Better to focus on what makes a company great

## The search for compounders



# The tools for building conviction

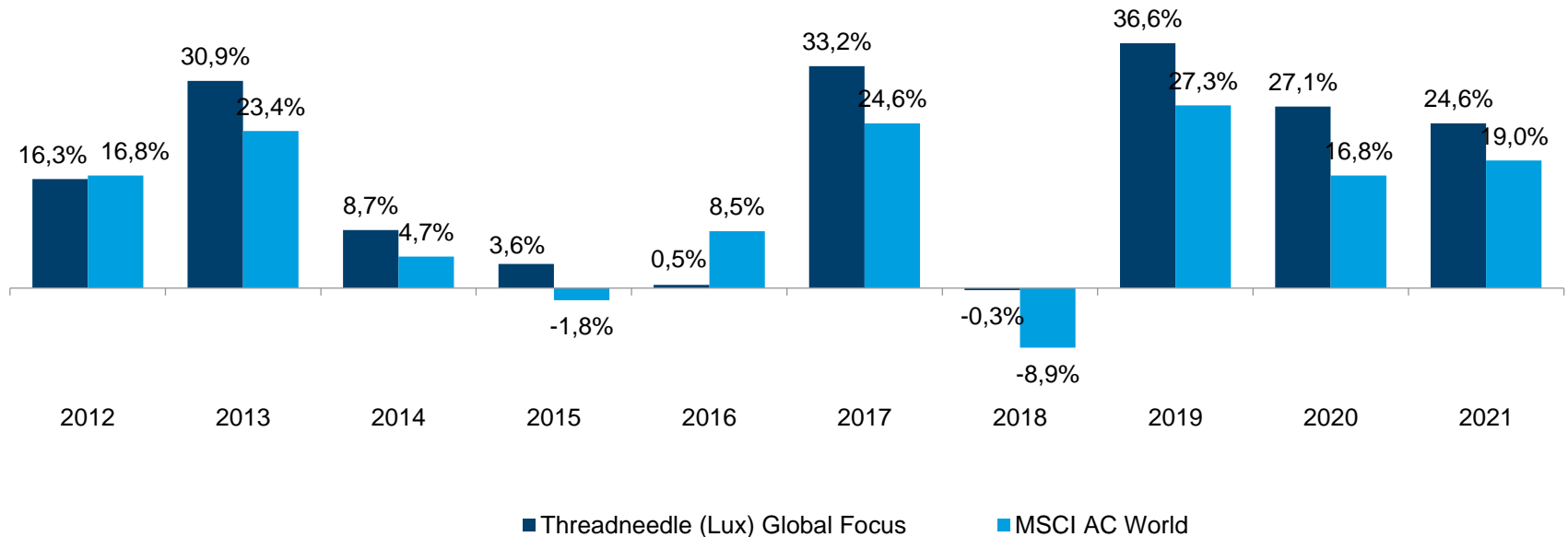
## Identifying a company's edge



# Threadneedle (Lux) Global Focus

## Calendar year performance versus benchmark (USD)

### Past performance does not predict future returns



| Outperformance | -0.5% | +6.1% | +3.8% | +5.5% | -7.4% | +6.9% | +9.5% | +7.3% | +8.8% | +4.7% |
|----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|

Source: Columbia Threadneedle Investments and FactSet as at 31 December 2021. Performance is shown gross of management fees in USD. Where periods are greater than one year, data is annualised. Outperformance shown is calculated on an geometric basis. Based on global close valuations with cash flows weighted at start of day and excluding entry/exit charges and ongoing charges, and net of transaction costs. The Index does not include fees or charges and you cannot invest in it. The return of your investment may change as a result of currency fluctuations if your investment is made in a currency other than that used in the past performance calculation. For detailed information on Fund Changes please see "Significant Events Threadneedle (Lux)" PDF available on [www.columbiathreadneedle.com/en/changes](http://www.columbiathreadneedle.com/en/changes). Fund Inception is 31 October 1995.

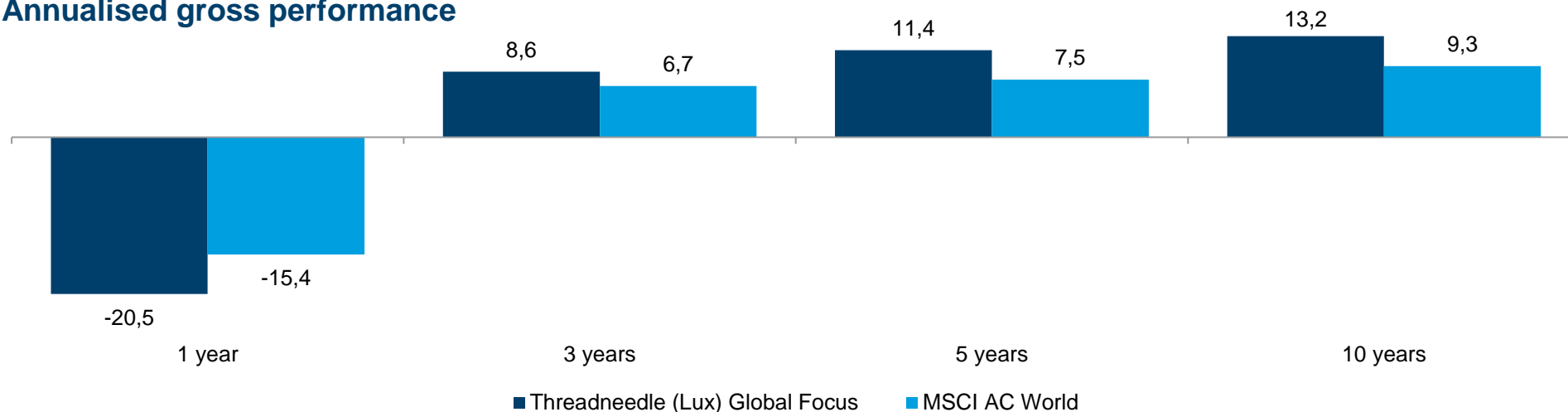


# Threadneedle (Lux) Global Focus

## Performance versus benchmark (USD)

### Past performance does not predict future returns

#### Annualised gross performance



|                | Tracking error | Information ratio | Beta | Upside capture | Downside capture |
|----------------|----------------|-------------------|------|----------------|------------------|
| <b>3 years</b> | 6.1%           | 0.3               | 1.0  | 106.2          | 98.0             |
| <b>5 years</b> | 5.6%           | 0.7               | 1.0  | 116.1          | 95.4             |

Source: Columbia Threadneedle Investments and FactSet as at 30 June 2022. Performance is shown gross of management fees in USD. Where periods are greater than one year, data is annualised. Based on global close valuations with cash flows weighted at start of day and excluding entry/exit charges and ongoing charges, and net of transaction costs. The Index does not include fees or charges and you cannot invest in it. The return of your investment may change as a result of currency fluctuations if your investment is made in a currency other than that used in the past performance calculation. For detailed information on Fund Changes please see "Significant Events Threadneedle (Lux)" PDF available on [www.columbiathreadneedle.com/en/changes](http://www.columbiathreadneedle.com/en/changes). Fund Inception is 31 October 1995.



# Appendix



# Biography



## **DAVID DUDDING**

### Senior Portfolio Manager

David Dudding is a senior portfolio manager at Columbia Threadneedle Investments where he is the lead portfolio manager of the Global Focus strategy and deputy of the European Select strategy. He joined the company as an equity research analyst in 1999, moving on to manage the European Smaller Companies strategy for 10 years until December 2012.

David previously worked for John Swire and Sons in Hong Kong and for Investors Chronicle as a financial journalist.

**David holds a Modern History degree and a European Politics Masters degree from Oxford University. He also holds the Chartered Financial Analyst designation and is a member of the CFA Society of the UK.**

# Important information

## Your capital is at risk.

The mention of any specific shares or bonds should not be taken as a recommendation to deal.

This presentation and its contents are confidential and proprietary. The information provided in this presentation is for the sole use of those attending the presentation. It may not be reproduced in any form or passed on to any third party without the express written permission of entities part of Columbia Threadneedle Investments. This presentation is the property of entities part of Columbia Threadneedle Investments and must be returned upon request.

Threadneedle (Lux) is a Luxembourg domiciled investment company with variable capital ("SICAV"), managed by Threadneedle Management Luxembourg S.A.. This material should not be considered as an offer, solicitation, advice or an investment recommendation. This communication is valid at the date of publication and may be subject to change without notice. Information from external sources is considered reliable but there is no guarantee as to its accuracy or completeness. The SICAV's current Prospectus, the Key Investor Information Document (KIID) 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](http://www.columbiathreadneedle.com). These documents are available in Switzerland from the Swiss Representative and Paying Agent RBC Investor Services Bank S.A., Esch-sur-Alzette, Zurich branch, Bleicherweg 7, CH 8027 Zurich.

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. Threadneedle (Lux) is authorised in Spain by the Comisión Nacional del Mercado de Valores (CNMV) and registered with the relevant CNMV's Register with number 177. Past performance is calculated according to the BVI method in Germany.

*In the EEA and Switzerland:* Issued by 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.

*In the UK:* Issued by Threadneedle Asset Management Limited. Registered in England and Wales, No. 573204. Registered Office: 78 Cannon Street, London EC4N 6AG, United Kingdom. Authorised and regulated in the UK by the Financial Conduct Authority.

*In the Middle East:* This document is distributed by Columbia Threadneedle Investments (ME) Limited, which is regulated by the Dubai Financial Services Authority (DFSA). For Distributors: This document is intended to provide distributors' with information about Group products and services and is not for further distribution. For Institutional Clients: The information in this document is not intended as financial advice and is only intended for persons with appropriate investment knowledge and who meet the regulatory criteria to be classified as a Professional Client or Market Counterparties and no other Person should act upon it.

**Columbia Threadneedle Investments is the global brand name of the Columbia and Threadneedle group of companies.**

© 2022 MSCI ESG Research LLC. Reproduced by permission. Although Columbia Threadneedle Investment's information providers, including without limitation, MSCI ESG Research Inc. and its affiliates (the "ESG Parties"), obtain information from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness of any data herein. None of the ESG Parties makes any express or implied warranties or any kind, and the ESG Parties hereby expressly disclaim all warranties of merchantability and fitness for a particular purpose, with respect to any data herein. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein. Further, without limiting any of the foregoing, in no event shall any of the ESG Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages