

THREADNEEDLE (LUX) ENHANCED COMMODITIES FUND

AT A GLANCE

A long and short commodities fund that uses an active, research-driven approach to exploit the many opportunities that regularly exist across commodity markets.

REASONS TO INVEST

1. Actively managed, long and short play on commodities: Our active approach is not constrained by the rigidity of passive strategies inherent in benchmark investing.

2. Specialist commodity expertise blended with firm-wide resources: Our commodity team has extensive experience of investing and trading in global commodity markets. The team's complementary strengths, coupled with the ability to draw on a range of insights from across the wider investment platform, enable us to bring a diverse range of ideas and know-how to managing our active commodity strategies.

3. Focus on achieving consistent and de-correlated alpha: Commodity returns have historically been less correlated with those of traditional asset classes, offering diversification and mitigating inflation risk.

“Commodity markets are individual and distinctive with unique characteristics that constantly change and evolve over time. Trading or investing in commodities requires specialist skills and expertise that can adapt to these changes. We seek sustained long-term outperformance through fundamentally-driven active management utilising all aspects of the market.”

– David Donora/Nicolas Robin



DAVID DONORA
Co-portfolio Manager
(since June 2010)



NICOLAS ROBIN
Co-portfolio Manager
(since June 2010)

KEY FACTS

Fund inception date

29 June 2010

Benchmark index

Bloomberg Commodity Index

Investment universe

Commodities within the Bloomberg Commodity Index and S&P GSCI Commodity Index, as well as off-benchmark commodities subject to sufficient trading liquidity and visibility

Commodity exposure

The Fund does not invest in physical commodities, using commodity swaps to gain exposure to commodity markets

Liquidity

Daily

Fund size (as at 28.02.2022)

US\$525 million

INVESTMENT APPROACH

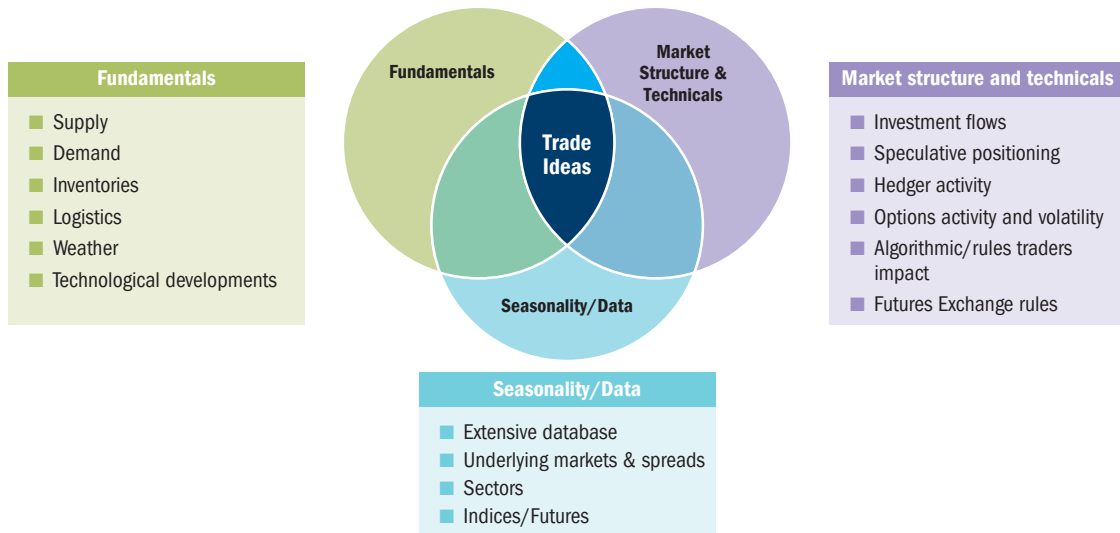
The Fund is actively managed with a bottom-up, fundamentally-driven style. However, an awareness of macro issues is also critical. Top-down analysis is conducted using broad macro reports as well as commodity-specific data. The team draws on both internal and external research and places a particular emphasis on emerging markets. Our top-down macro view helps shape our longer-term outlook for commodity markets, as well as our understanding of the drivers behind individual commodities.

As every commodity market is unique, we analyse supply and demand of individual markets and in groups where cross-over influences occur. This bottom-up, fundamental analysis enables us to form a view for each market which will influence

the weighting of that commodity within the portfolio. We also consider technical indicators for commodity markets, which guide our timing of weighting changes and influence positioning along the commodity term structure. This includes analysis of term structure, volatility and seasonality, whilst we also monitor closely investment and hedging flows that have significant influences on individual markets.

One of the benefits of an active approach is that the portfolio is not constrained by pre-set allocation and rolling rules. Rather, we have the ability to take advantage of market opportunities as they arise seeking to enhance performance. This means that off-benchmark opportunities are a source of alpha.

DRIVEN BY BOTTOM-UP ANALYSIS



RISK PROFILE

Past performance is not a guide to future returns and the fund may not achieve its investment objective. The fund invests in derivatives rather than physical securities. Therefore, changes in the prices of the instruments may reflect the price of the underlying security/commodity. Fluctuations in exchange rates may also cause the value of investments to rise or fall.

The fund may enter into financial transactions with selected counterparties. Any financial difficulties arising at these counterparties could significantly affect the availability and the value of fund assets. The fund invests in markets where economic and political risk can be significant and where governance and regulation may not be well developed. These factors can affect liquidity, settlement and asset values. The fund's assets may sometimes be difficult to value objectively and the actual value may not be recognised until assets are sold.

The investment policy of the fund allows it to invest materially in derivatives. The fund enters into short selling with the aim of profiting from falling prices. However, the potential losses are unlimited as the prices of the underlying investments can increase very significantly in a short space of time. Leverage amplifies the effect that a change in the price of an investment has on the fund's value, which can enhance returns to investors; however, its use can also increase losses, including losses in excess of the amount invested. As the fund gains exposure to commodities, it is exposed to factors affecting a particular industry or commodity, for example: weather, embargoes, tariffs and international economic, political and regulatory developments and trading activities in commodities and related contracts. The fund may exhibit significant price volatility.

Please read the Fund Prospectus if considering investing.



To find out more visit columbiathreadneedle.com



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Past performance of the fund and its manager and any forecasts or information on the economic trends are not necessarily indicative of the future or likely performance of the fund or its manager or a guarantee of future trends. 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. The fund may invest in financial derivative instruments to the extent permitted under relevant laws. As such, it may experience greater volatility in its net asset value. Further details are available in the Offering Documents. The research and analysis included in this document has been produced by Columbia Threadneedle Investments for its own investment management activities, may have been acted upon prior to publication and is made available here incidentally. 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