

Global equity investing

Consistency even in
extraordinary times



FOR PROFESSIONAL INVESTORS ONLY

Your success. Our priority.

About Columbia Threadneedle Investments

Investors around the world rely on
Columbia Threadneedle Investments to manage their money.

Our reach is expansive, with more than 450 investment professionals around the world, a robust Responsible Investment framework and an independent oversight team.

Your success is our priority.

The global equity marketplace

Within global equity markets there are many areas of opportunity for active managers prepared to take a longer-term view.

The global equity universe is vast. To cope with its scale, there's often a tendency to break it down into distinct regions or countries and then to think about those groupings in aggregate. Is the US expensive? Does Europe offer value? Should I have exposure to emerging markets?

As global equity investors, our goal is to look beyond regional boundaries and is simply to focus on the most compelling long-term investment opportunities. This freedom to invest across borders – in both developed and emerging markets – and without being limited by inherent sector biases, allows us to invest in some of the best companies from across the globe.

Whether that's technology companies in the US, innovative healthcare businesses in Europe or niche financials in Asia, there's plenty of opportunity for the vigilant investor both up and down the market cap spectrum. Our bottom-up approach ensures that we judge companies on their own merits, rather than a top-down view of a country.

Reasons to invest in global equities

1. More opportunity and choice
 2. Offers diversification and spreads risk
 3. Exposure to global trends
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Why Columbia Threadneedle Investments for global equities?

Since it was established in 2003, the Global Equities team has grown, deepening its expertise and broadening its capabilities, and is now responsible for \$14.1 billion* of client assets. Importantly, all the strategies managed by the team are founded on the same core philosophy and process that has delivered strong, consistent risk-adjusted returns for clients.

Based in London, the team sits at the heart of our equity franchise and benefits from the firm's strong collaborative culture. Our deep research network includes philosophically aligned regional portfolio management expertise and a dedicated central pool of equity analysts, all of which can contribute ideas.

This allows the team to take a truly global, 'go anywhere' approach, leveraging the best ideas from over 100 investment professionals split across the globe, from Singapore through to London and on to North America. The scale and depth of research resource gives us access to all levels of company management, whether that's the several thousand companies

passing through our offices over the course of a year or through onsite visits at company headquarters across the globe.

This global know-how backed by local resources not only enables us to form conviction in our holdings, but also to uncover a differentiated set of ideas.

At a glance*

1. \$14.1 billion AUM
2. 15-strong team
3. 17 years' average experience

*Source: Columbia Threadneedle Investments; AUM data and personnel information as at 31 December 2020.

Leveraging the wider investment platform



Focus on quality growth

As long-term investors, we want to understand how a company makes its money, what's its competitive edge, what's management's approach to capital allocation and so on. Ultimately, we're looking for great businesses that can sustainably generate a high return and that can compound growth over time.

A common assumption is that high returns mean-revert, forced lower by competition, but there is a select group of companies that can sustain or indeed grow them over time. As a result, these companies, which tend to have powerful competitive advantages, often trade below their intrinsic value. As we try to think beyond short-term market sentiment and focus on the sustainability of their competitive position, we can capitalise on this inefficiency.



“We believe a quality style bias works, but where you look for quality is crucial.”

– NEIL ROBSON
Head of Global Equities

Identifying sustainable competitive advantages

Competitive advantage is at the heart of our approach.

By understanding the source and sustainability of a company's competitive edge, it gives us the confidence that it can maintain its market position and continue to deliver high returns and stable growth over the long run.

We aren't simply looking for companies with the highest returns, but ones where they are either stable or improving, and are sustainable.



Research, research, research...

Our research framework incorporates three key elements.

Firstly, our goal is to understand the source of the competitive advantage. What is it that enables a company to grow and/or sustain its returns?

This could be a strong brand or a durable patent. It could be that a company has a structural cost advantage or dominant scale. It might be that there is a cost incurred through changing from one supplier to another. Or perhaps, most powerful of all, it could be that the company has a strong network effect; in other words, the value grows the more that its products and services are used (a virtuous circle).

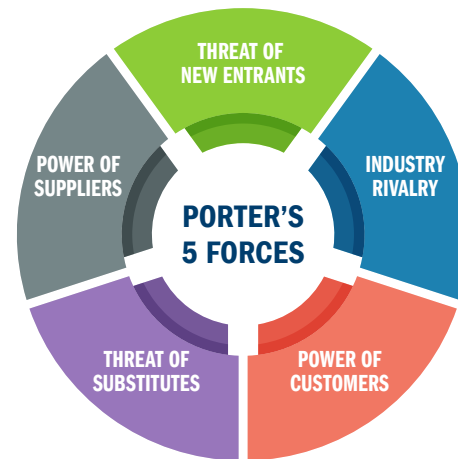
These are not mutually exclusive, and many of our preferred companies will display a combination of these qualities.



To assess the competitive intensity of the industry within which a company operates, and by extension the sustainability of that competitive advantage, we use the Porter's Five Forces framework. In doing so, we speak to peers, end users and suppliers, thus building a holistic picture of the opportunities and challenges faced by a company. This might see us working with analysts from a range of sectors, not simply the one that covers the company in question.

Environmental, Social and Governance (ESG) considerations are the final element of the framework, as these can represent both a risk to a company's competitive position or indeed an opportunity to further enhance it. To this end, we work closely with our Responsible Investment (RI) team and further benefit from a proprietary analytical RI framework. This is an important part of our investment process and is something bedded deep within our philosophy.

Identifying risks to sustainability



Global Equities strategy range – a focus on quality

<p>GLOBAL SELECT</p> <p>Diversified, benchmark aware</p> <p>Index: MSCI ACWI Tracking error: 3-6% Holdings: 60-90</p>	<p>GLOBAL FOCUS</p> <p>Concentrated, high conviction, unconstrained</p> <p>Index: MSCI ACWI Tracking error: 4-10% Holdings: 30-50</p>	<p>GLOBAL SMALLER COMPANIES</p> <p>Global strategy backed by deep regional resource</p> <p>Index: MSCI World Small Tracking error: 4-8% Holdings: 70-90</p>	<p>GLOBAL EXTENDED ALPHA</p> <p>Beta one, long-short stock picking</p> <p>Index: MSCI ACWI Tracking error: 4-8% Holdings: 60-100 (L); 0-40 (S)</p>
<p>GLOBAL SHARIAH</p> <p>Shariah-compliant growth opportunities</p> <p>Index: MSCI ACWI Islamic M Series Tracking error: 3-6% Holdings: 60-90</p>	<p>GLOBAL SUSTAINABLE OUTCOMES</p> <p>Long term, SDG-themed approach</p> <p>Index: MSCI ACWI Tracking error: 3-6% Holdings: 40-60</p>	<p>EAFE</p> <p>Developed markets outside the US</p> <p>Index: MSCI EAFE Tracking error: 3-8% Holdings: 60-90</p>	<p>GLOBAL EQUITY INCOME</p> <p>High, rising, sustainable dividends</p> <p>Index: MSCI ACWI Tracking error: 3-8% Holdings: 60-90</p>

With 17 years' experience of managing global equity portfolios, we now offer a full range of strategies to meet different needs. These are all founded on the same core

philosophy and process that has delivered strong, consistent risk-adjusted returns for our clients.





To find out more visit columbiathreadneedle.com

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