

Opportunities in...

Multi-asset income

Why multi-asset income?

People in retirement or coming up to retirement are faced with a number of risks: 1. Income – how do they finance their normal monthly outgoings while being able to enjoy their retirement? 2. Inflation – how do they make sure that their retirement ‘pot’ is not eroded by inflation? 3. Longevity – with people living longer how do they ensure that their pot of money does not run out?

In today’s environment where income is scarce, do investors searching for this invest solely in equities, which are subject to the gyrations of stock market volatility? Or do they focus on fixed income where yields are very low and are faced with the prospect of rising rates across a number of central banks over the next few years?

We believe there is another way to achieve a good level of income without foregoing capital over the medium-to-long term. Having a dynamic approach investing across equities, fixed income and property, to take advantage of income opportunities as they present themselves, or move away from when threats appear, is key to why these strategies appeal to many investors.

Ultimately, investors are seeking to have an attractive level of income with the potential for capital growth over the medium-to-long term.

Our approach to risk

The focus of multi-asset income strategies is to provide income with less volatility than an equity-only strategy. Active asset allocation managers can achieve this by holding a well-diversified portfolio across equities, fixed income and property. At Columbia Threadneedle Investments, the equity investments we hold are focused on income-generating stocks that symbolise the quality characteristics that we desire when investing in them. Within fixed income, we have the ability to alter the portfolio to the area that we believe offers the greatest prospective income and return per unit of risk. Finally, within property we focus on income in the belief that this is the main driver of property returns over the long term.

This combination results in an attractive volatility-controlled proposition.

Reasons to invest

1. Targets an attractive level of income without necessarily increasing the risk of capital depreciation over the longer term.

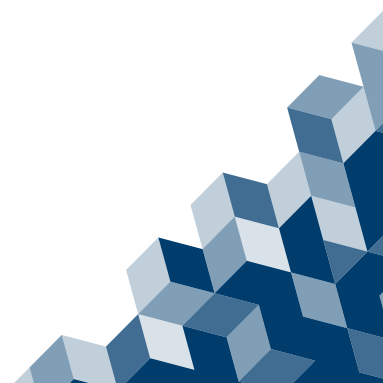
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2. Having access to uncorrelated sources of return can provide useful diversification benefits compared to single asset class portfolios.

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3. Provides investors with a ‘one stop shop’ investment solution, with professional investment managers making the asset allocation decisions within and across asset classes.

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Why consider the Threadneedle Global Multi Asset Income Fund?

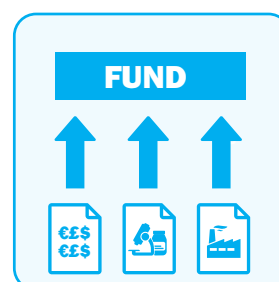
Straightforward, transparent strategy

- An unlevered, long-only active asset allocation fund that targets an attractive level of income, with the prospect of capital growth over the medium-to-longer term. The portfolio manager invests globally in our proven income capabilities across equities, fixed income and property, as well as direct holdings. There is a full look through to all portfolio positions which facilitates best-in-class risk management.



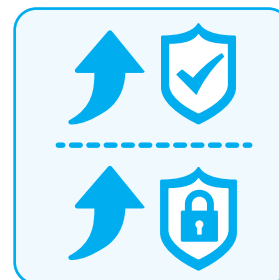
Active asset allocation

- The asset allocation will be actively managed within the portfolio. There is 'no neutral' and as active investors we can invest across a range of income-generating asset classes to source the very best ideas for the portfolio.



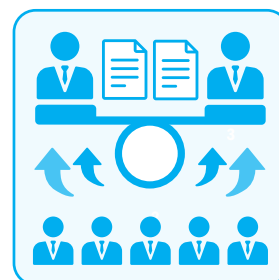
Controlled volatility

- Our well-diversified portfolio strives to generate a consistent level of income without necessarily increasing the risk of a capital drawdown compared to an equity-only investment. By investing across equities, fixed income and property, we are able to adapt our approach depending on prevailing economic conditions.



Stable investment team

- All of our asset allocation strategies benefit from our team-based approach, which comprises a dedicated Multi-Asset team of more than 20 investment experts, including an eight-strong Asset Allocation Strategy Group. This team is able to draw on the wider investment platform for macro insights, information and proprietary research, generating richer perspectives on global, regional and local investment landscapes.



Validated by performance

- We have a proven track record of adding value in this type of strategy as shown by the attractive long-term performance generated by our established range of multi-asset portfolios. A core part of our asset allocation franchise, the Threadneedle Global Multi Asset Income Fund, has delivered consistent, high levels of income and positive total returns since its launch in July 2014.



¹ Please note that the performance target may not be attained. The performance target is gross of fees.

About the portfolio manager



Toby Nangle has managed the fund since its launch in July 2014. As Co-Head of Global Asset Allocation and Head of Multi-Asset, EMEA, he is also responsible for managing and co-managing a range of multi-asset strategies, as well as providing strategic and tactical input to the company's asset allocation process.

“ In a market where yields across many asset classes are low, our Global Multi Asset Income Fund provides a cost-effective solution for investors seeking a good level of income whilst keeping volatility in check. ”

Risk Profile

Past performance is not a guide to future returns and the fund may not achieve its investment objective. Positive returns are not guaranteed and no form of capital guarantee applies. The value of the fund may fluctuate in response to the performance of individual securities and general market conditions and investors may not get back the sum originally invested. Fluctuations in exchange rates may also cause the value of investments to rise or fall. The investment policy of the fund allows it to invest materially in derivatives. 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. When investing in fixed income securities, the fund's value can be impacted by changes in interest rates. The fund invests in other funds, therefore the risks in these other funds should be considered. 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 exhibit significant price volatility. 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. The value of a property is a matter of a valuer's opinion and the true value may not be recognised until the property is sold. Please read the Key Investor Information Document and the Fund Prospectus if considering investing.

To find out more visit columbiathreadneedle.com



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