

For professional investors only

Using limitations to your advantage

February 2024

Information as at 31 December, 2024
(unless otherwise indicated)

Investment risk

The value of investments and any income derived from them can go down as well as up as a result of market or currency movements and investors may not get back the original amount invested.

The income and capital due from bonds is dependent upon the issuing company's ability to pay and any default will adversely affect the value of your investment.

Changes in interest rates can affect the value of fixed interest holdings and may adversely affect the value of your investment.

Investments in smaller companies carry a higher degree of risk as their shares may be less liquid and investment values can be volatile.

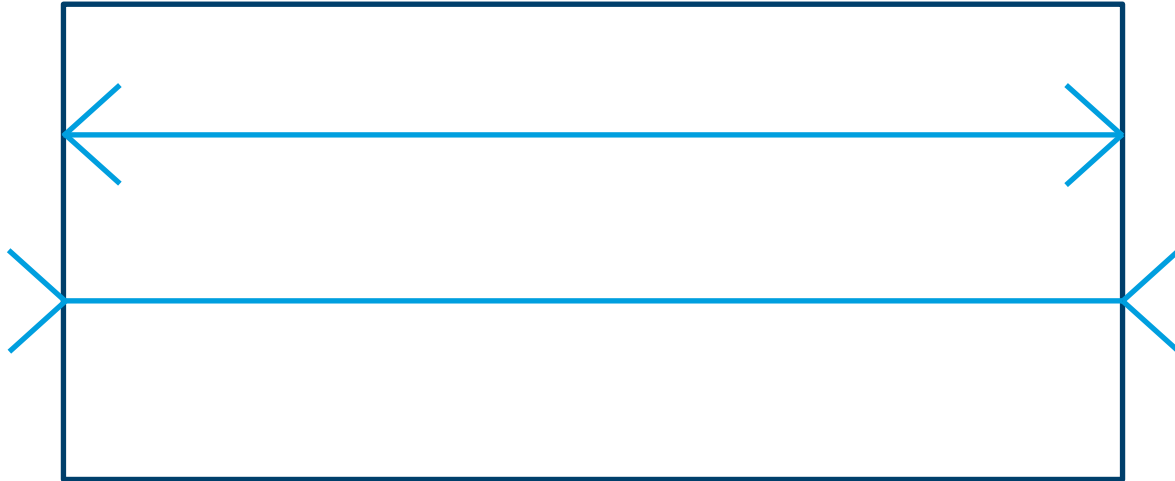
Investing in emerging markets is generally considered to involve more risk than developed markets due to the possibility of low liquidity, high currency fluctuation, the adverse effect of social, political and economic security, weak supervisory structures and weak accounting standards.



Learning objectives

By the end of the session delegates will be able to:

- Determine different limitations around the advice process and making investment decisions
- Understand and explain different cognitive biases and how they can affect the advice process
- Explain some of the limitations in terms of commercialising artificial intelligence



Limitations – Framing



“framing bias”

Framing bias



“settling for average”



“Tax”



“large numbers”

Limitations – Anchoring



“anchoring bias”

Image source: Deepai.com

Anchoring



“expensive hotdog”



“coffee capsule”



“locking in losses”

Limitations – confirmation bias



“discussion after sports”

Confirmation bias



“complex”

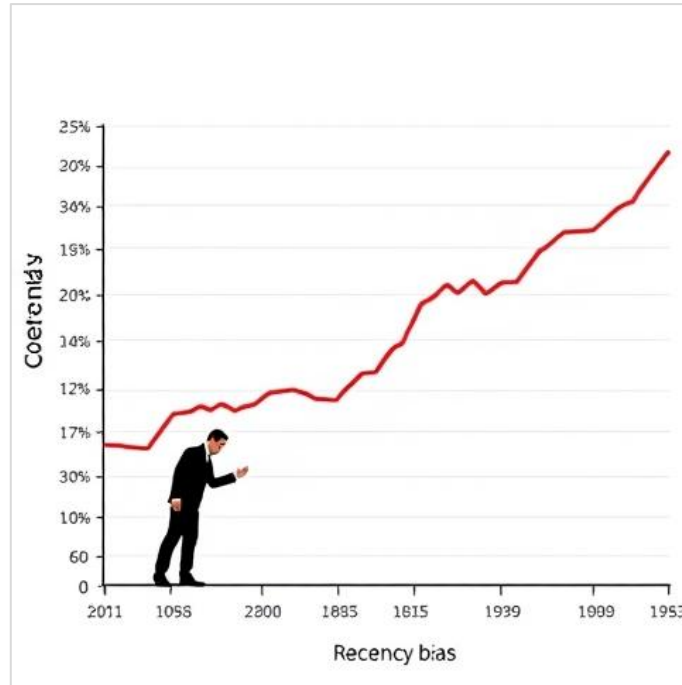


“smoothing”



“evidence”

Recency bias



“recency bias”

Investment performance

258% vs. 171% - Market cap growth 2024

258%



\$33 billion

VS.

171%

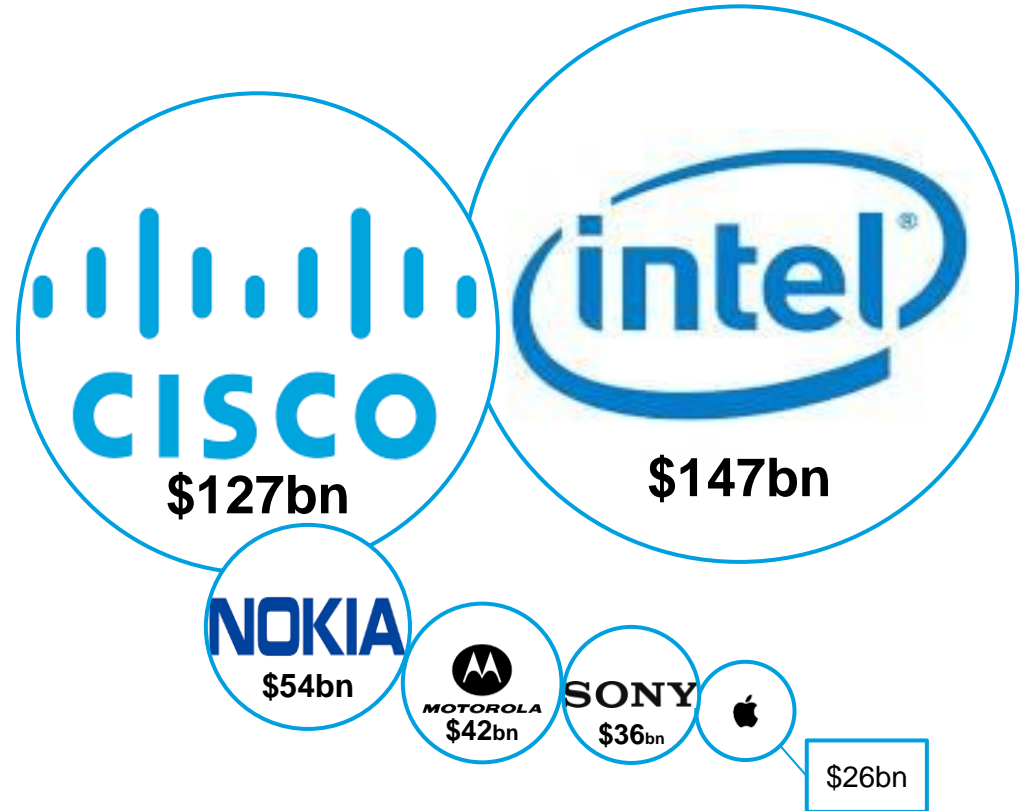


\$2.1 trillion

iPhone 1



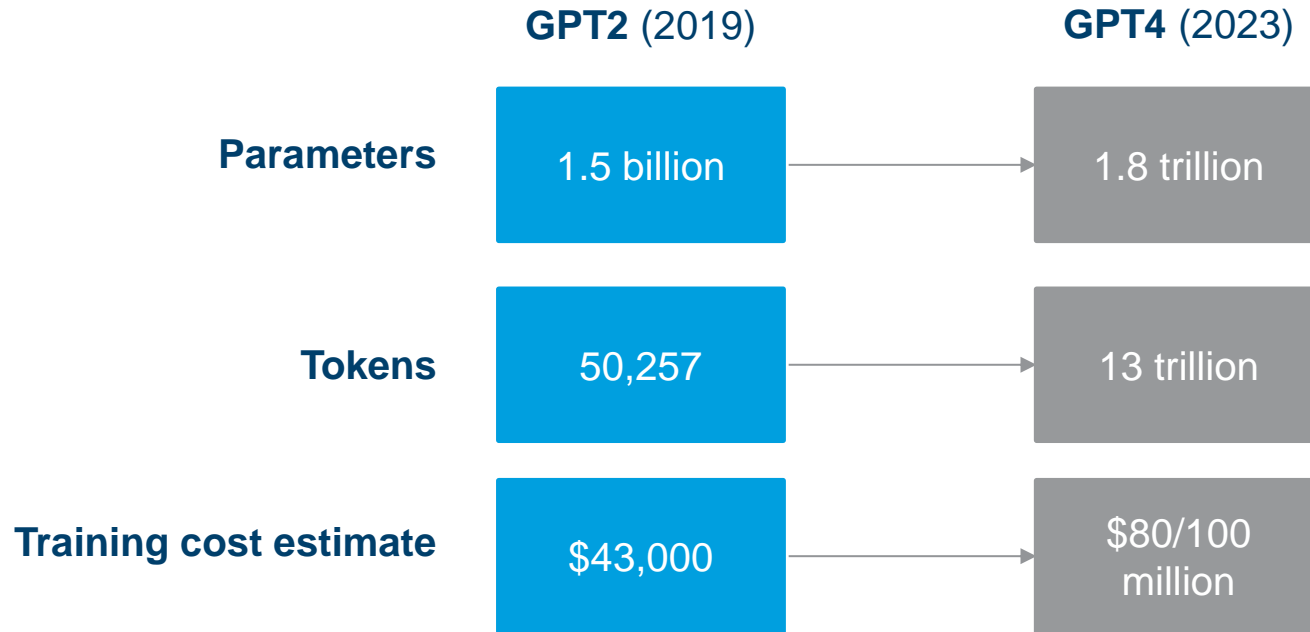
“face of iPhone 1”



Source: Deepai.com. Market capitalisation from Bloomberg as at 31/12/2004

Technological revolution

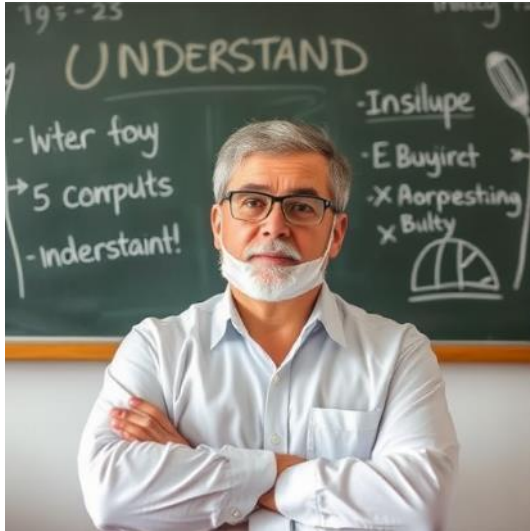
GPT – ‘Generative Pre-trained Transformer’



Power



Conclusion



“understand”



“artificial intelligence”



“be careful”



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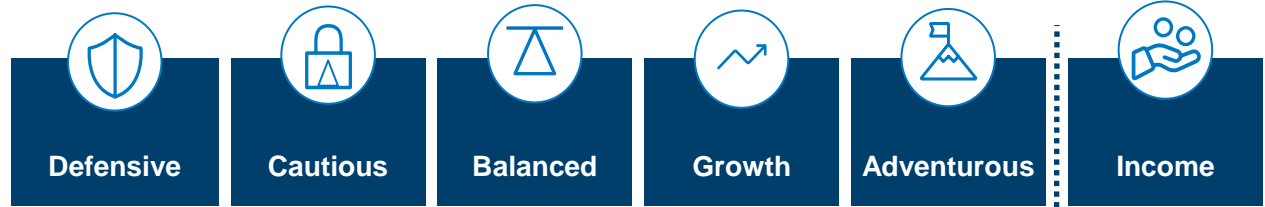
Award winning, low-cost, active multi-asset range

CT Universal MAP Fund

range: 0.29% capped OCF



Powered by
HYMANS ROBERTSON

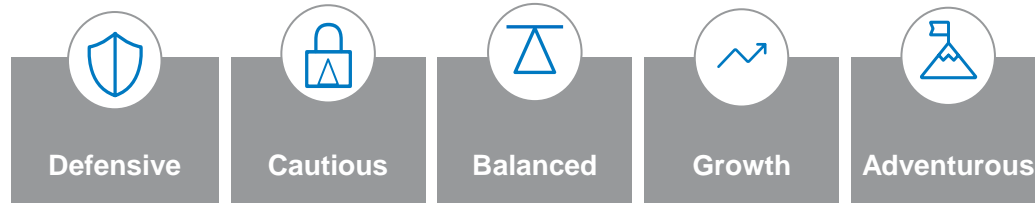


CT Sustainable Universal MAP

Fund range: 0.39% capped OCF



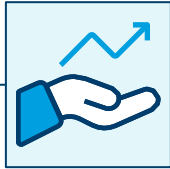
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Source: Columbia Threadneedle Investments. As at 30/9/2024. ¹ RSMR does not apply to the Income Fund

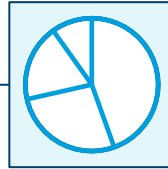
CT Universal MAP fund range

Investment philosophy



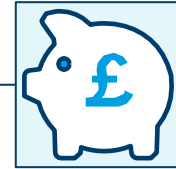
Active management matters

- Harnessing opportunities for returns and outperformance
- Working to protect capital in falling markets
- Taking advantage of volatility



We can work to actively add value by:

- Allocating between different asset types – bonds, equities and cash
- Adjusting geographic exposures
- Picking the right companies
- Managing risk



Cost effective

- Using our scale and resources we can bring our investors the potential of active management at a passive price point

Capped OCF

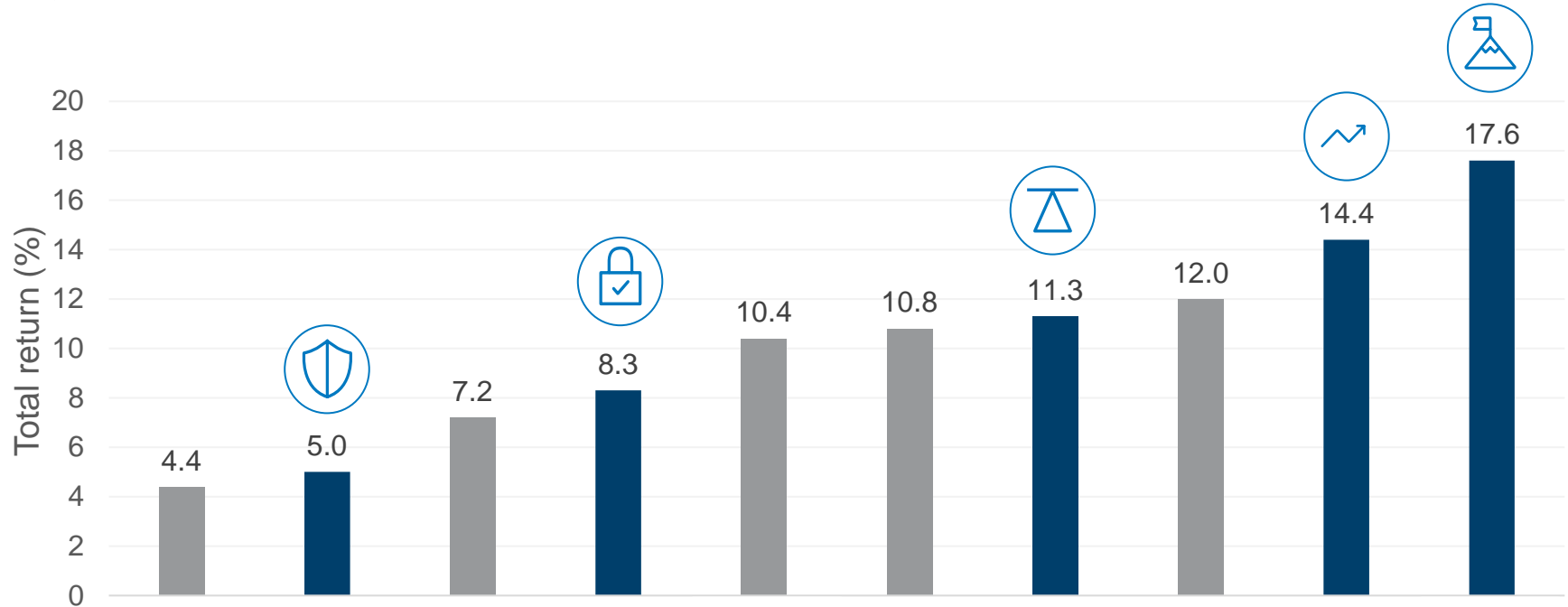
Active investing with institutional rigour

Our three-step investment process



Risk management built into each stage of the process

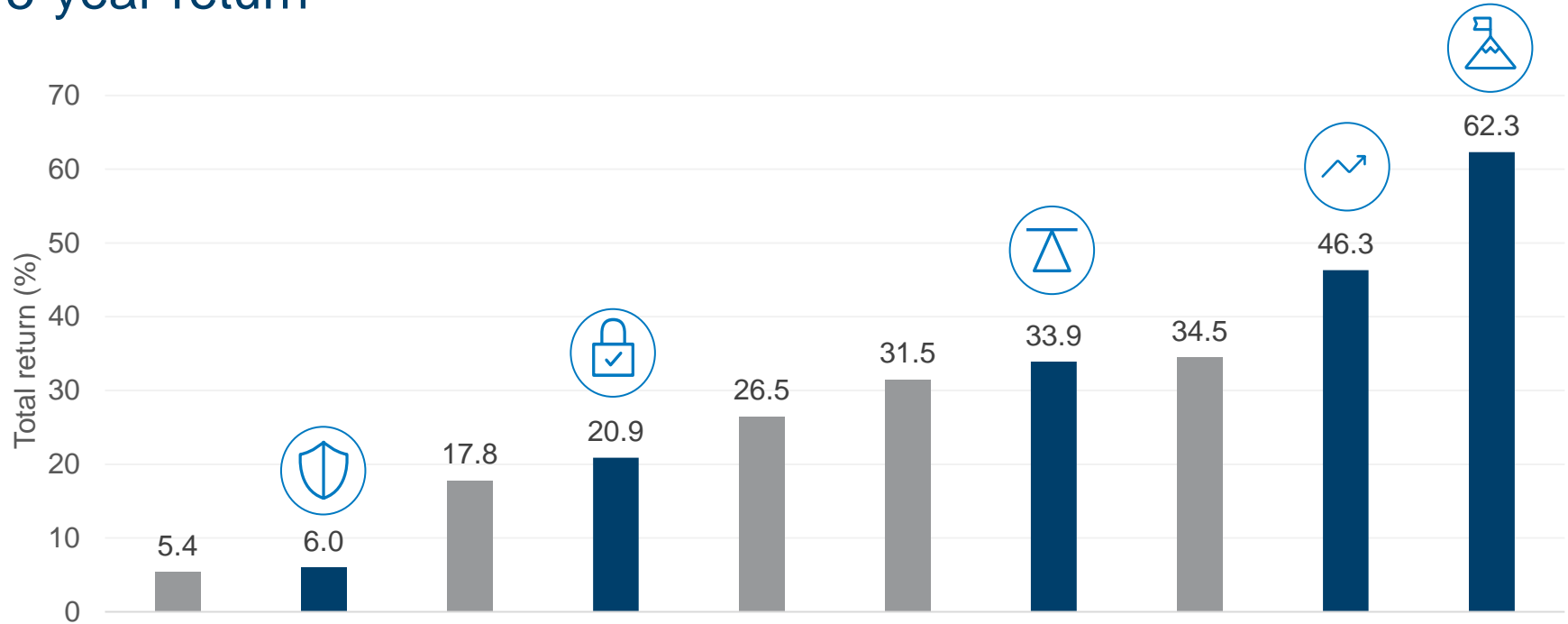
1-year return



Past performance should not be seen as an indication of future performance. The performance figures are shown net of fees.

Source: Lipper as at 31 December 2024

5-year return

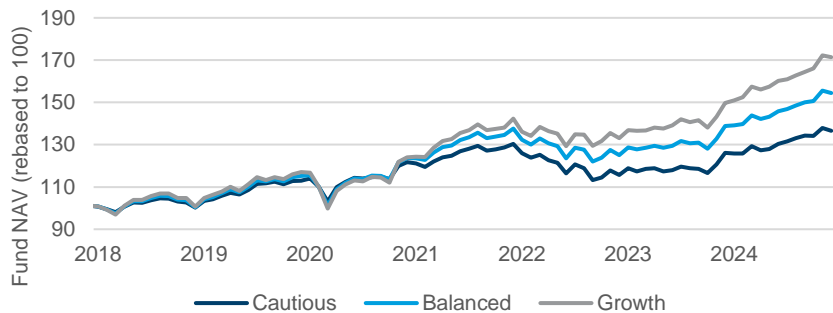


Past performance should not be seen as an indication of future performance. The performance figures are shown net of fees.

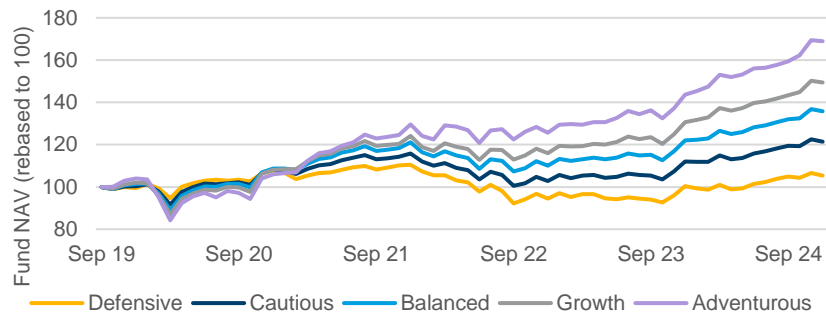
Source: Lipper as at 31 December 2024

Performance of CT Universal MAP fund range

Performance since November 2017



Performance since October 2019



Performance (%)	3 Month	Year to date	Since inception ann. ¹	1 Jan 24 – 31 Dec 24	1 Jan 23 – 31 Dec 23	1 Jan 22 – 31 Dec 22	1 Jan 21 – 31 Dec 21	1 Jan 20 – 31 Dec 20
Defensive	0.5	5.0	1.0	5.0	6.3	-14.4	2.6	8.3
Cautious	1.7	8.3	4.5	8.3	9.1	-11.3	7.1	7.7
Balanced	2.9	11.3	6.3	11.3	10.9	-9.1	11.4	7.3
Growth	4.3	14.4	7.8	14.4	12.6	-6.5	14.8	5.9
Adventurous	6.0	17.6	10.5	17.6	14.4	-3.0	22.2	1.9

Past performance should not be seen as an indication of future performance. The performance figures are shown net of fees.

Source: Bloomberg as at 31 Dec 2024. Performance has been shown net of all costs. ¹inception for Cautious, Balanced, Growth November 2017, inception for Defensive and Adventurous 7 October 2019

Key risks

- The value of investments and any income derived from them can go down as well as up as a result of market or currency movements and investors may not get back the original amount invested.
- Past performance is not an indicator of future performance. Your capital is at risk.
- Screening out sectors or companies may result in less diversification and hence more volatility in investment values
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- The information, opinions, estimates or forecasts contained in this presentation were obtained from sources reasonably believed to be reliable and subject to change at any time.

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