

# News Release

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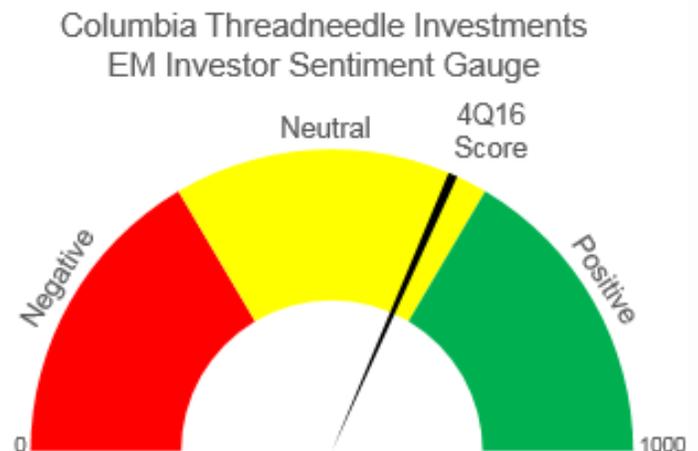
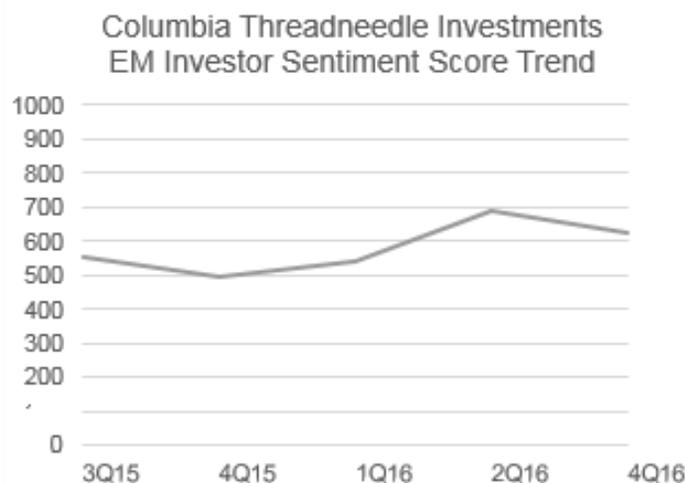
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## Investors Upgrade EM Outlook from One Year Ago, Columbia Threadneedle Survey Finds

**Boston** — February 7, 2017 — Investors have boosted their sentiment towards emerging markets (EM) since this time last year, according to the Columbia Threadneedle Investments Emerging Market Investor Sentiment Survey released today.

The survey, a biannual poll of financial advisors and investment professionals focusing on their sentiment and equity allocations to emerging markets, can be downloaded [here](#). Key themes from the survey include:

- At the end of 2016, the survey's Investor Sentiment Score dropped 9% from Q2 to 627, indicating investors generally have a "neutral" outlook towards EM for the next 12 months
- While sentiment is down from Q2, it is up 27% from the end of 2015



NOTE: Following 2Q16, this survey was administered biannually, rather than quarterly

The results are consistent with market performance that showed EM was up 10.8% in 2016, but underperformed the U.S. markets following the presidential election.<sup>1</sup> Other key findings include:

- “Positive” was the most common answer (45%) for respondents’ outlook for EM equities over the next 12 months, up from end of 2015 when “Positive” was the least common answer (26%)
- 64% of respondents expect to stay the course with their EM allocation over next 12 months, while only 28% expect to increase it, compared to mid-2016 when 46% expected to increase their allocation
- 85% of respondents say their current EM allocation is about the same or higher than 12 months ago, while only 15% said their allocation was lower, versus 37% of respondents at the end of 2015

“While EM sentiment may have slipped slightly last year, the election did not significantly impact allocations, indicated by our respondents who said they mostly expect to maintain their allocation over the next year,” said Marc Zeitoun, Head of Strategic Beta at Columbia Threadneedle Investments. “Representing 40% of global gross domestic product (GDP), EM is not only the largest portion of the global economy, but the fastest-growing one.”<sup>2</sup>

The survey also included results that found:

- 54% of respondents use strategic beta funds in their portfolios, with the primary reasons for doing so to lower overall fees (28%) and access a specific factor (26%)
- 58% of respondents use strategic beta funds as a complement or satellite to a benchmark exposure or to an active manager

“While strategic beta adoption has moved more quickly in other regions, we have found that EM investors who have embraced strategic beta have seen outperformance at a lower expense,” Mr. Zeitoun added. “We are encouraged to see that 58% of respondents use strategic beta as a complement to a benchmark exposure or to an active manager.”

#### **About the Columbia Threadneedle Investments EM Investor Sentiment Survey:**

The survey was conducted from Dec. 1, 2016 to Jan. 10, 2017. The respondents included 75 financial advisors and financial professionals, with over 66% managing more than \$100 million in assets. Launched in 2015 by Emerging Global Advisors, LLC, an emerging markets asset manager which was acquired by Columbia Management Investment Advisors, LLC on Sep. 1, 2016, this is the fifth time the survey has been conducted. The survey can be downloaded [here](#).

#### **About Columbia Threadneedle Investments:**

Columbia Threadneedle Investments is a leading global asset management group that provides a broad range of investment strategies and solutions for individual, institutional and corporate clients around the world.

With more than 2,000 people, including over 450 investment professionals based in North America, Europe and Asia, we manage \$454 billion<sup>3</sup> of assets across developed and emerging market equities, fixed income, asset allocation solutions and alternatives.

Columbia Threadneedle Investments is the global asset management group of Ameriprise Financial, Inc. (NYSE: AMP).

For more information, please visit <https://www.columbiathreadneedleus.com/> and <http://www.columbiathreadneedleetf.com/>.

<sup>1</sup>Bloomberg as of December 31, 2016. Emerging Market performance represented by the MSCI Emerging Markets Index and U.S. performance represented by the S&P 500 Index. From November 9, 2016 –December 31, 2016, the MSCI Emerging Markets Index returned -4.13% and the S&P 500 index returned 4.98%. Indexes are unmanaged and unavailable for investment.

<sup>2</sup>International Monetary Fund World Economic Outlook as of October 2016.

<sup>3</sup>As of December 31, 2016.

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**MSCI Emerging Markets (EM) Index** is designed to measure the equity market performance in global emerging markets. **S&P 500 Index** is a broad-based measure of U.S. stock market performance. **Strategic Beta** is a category of beta products designed to outperform a market benchmark or provide a specialized exposure. One cannot invest directly in an index.

Effective September 1, 2016, Emerging Global Advisors, LLC was acquired by Columbia Management Investment Advisers, LLC (CMIA). In connection with the acquisition, CMIA is the investment manager to EGShares Funds as of that date. On October 19, 2016, the EGShares Funds were renamed as Columbia Funds. The Funds are distributed by ALPS Distributors, Inc., which is not affiliated with CMIA. Columbia Threadneedle Investments is the global brand name of the Columbia and Threadneedle group of companies.

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