

# News Release

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## **Columbia Threadneedle Survey Shows Investors Still Bullish on Emerging Markets Even after 2017's Stellar Returns**

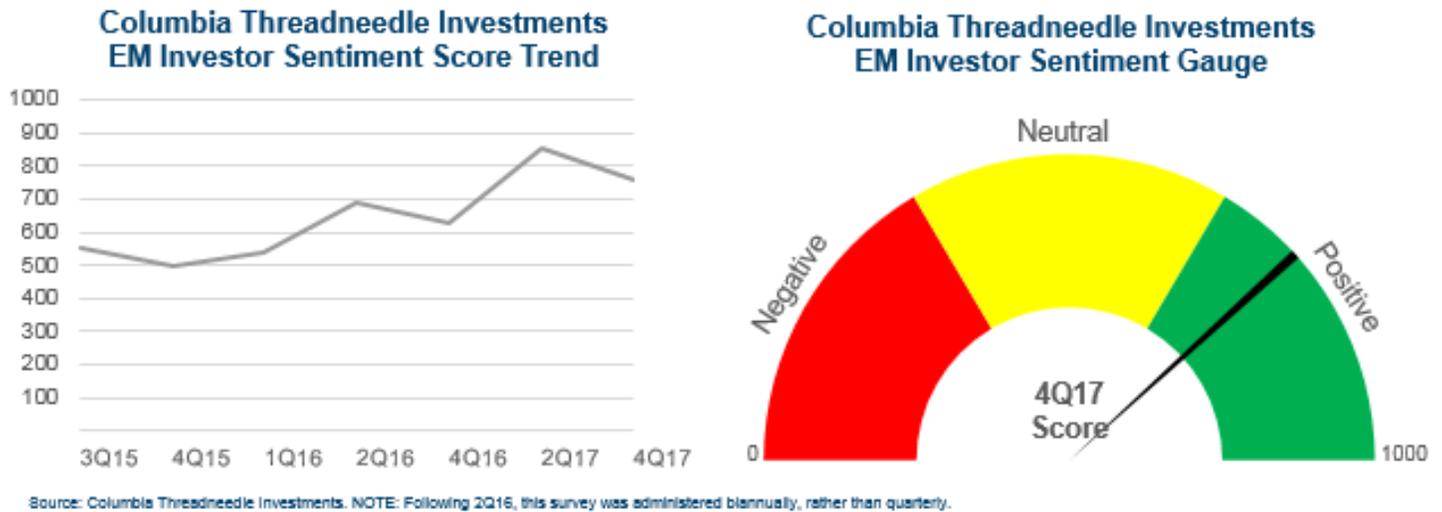
***Survey shows one-fourth of investors now bearish on products that track  
passive U.S. fixed income benchmark***

**BOSTON** — January 22, 2018 — A Columbia Threadneedle Investments poll of investment managers and financial advisors reveals a positive investor outlook for emerging markets (EM) even after the asset class was one of the best performing in 2017. This year, 57 percent of respondents were optimistic on EM, compared to 45 percent one year ago.

Findings from the latest Emerging Markets Investor Sentiment Survey, a semi-annual poll designed to gauge sentiment around and equity allocations to emerging markets, also show that 43 percent of respondents plan to increase their EM allocation over the next 12 months.

The Columbia Threadneedle Investments EM Investor Sentiment Gauge is at 760 out of 1000 for this latest poll, a 21 percent increase from Q4 2016 and a 54 percent increase from Q4 2015.

“We are once again seeing investors demonstrate a strong level of interest and a positive emerging markets outlook for the year ahead,” said Marc Zeitoun, Head of Strategic Beta at Columbia Threadneedle Investments. “Understanding the main drivers of growth in these markets continues to be a critical element for investors hoping to realize the full potential of the emerging markets in 2018 and beyond.”



The majority (62 percent) of survey respondents say their current allocation to EM is about the same or higher than 12 months ago, with only seven percent lowering their allocation versus 15 percent of respondents at the end of 2016. Most respondents currently have either one-to-five percent (40 percent) or five-to-10 percent (31 percent) allocation in emerging markets.

#### **Investors differentiating fixed income strategic beta ETFs from fixed income passive strategies**

The poll also gauged sentiment on the outlook for strategic beta fixed income ETFs among investment managers and financial advisors. According to the poll, 39 percent of investors currently own passive fixed income funds that track broad-based U.S. fixed income benchmarks. Nearly one-quarter of those respondents who own a passive fixed income benchmark do not think it is appropriate for the market environment in the next 12 months, while more than one-third are unsure.

With benchmark-based fixed income investing looking less attractive for some advisors, almost half of respondents (40 percent) would consider allocating to fixed income strategic beta ETFs. The majority of respondents were also closely aligned on the issue of diversification within tax-exempt strategies, with 78 percent of respondents citing that they are “very concerned” or “somewhat concerned” about this issue.

Zeitoun added, “Simply investing in a fixed income benchmark won’t provide the right mix of investments that clients and advisors need in the current market and interest rate regime. Advisors need to consider broader fixed income solutions for investors seeking diversification and total return, such as strategic beta ETFs.”

The survey was conducted in December 2017 among 100 financial advisors and investment professionals. The EM Investor Sentiment Score is an average based on the following: negative EM outlook scored as 0 points, neutral EM outlook scored as 500 points and positive EM outlook scored as 1000 points for each respondent.

**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 \$484 billion<sup>1</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/>. Follow us on [Twitter](#).

<sup>1</sup>As of September 30, 2017.

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