

# News Release

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## **Despite Increased Awareness, Financial Advisors Lack Confidence Implementing Strategic Beta in Portfolios**

**BOSTON** – May 9, 2019 – Financial advisors’ awareness of strategic beta investing is widespread, but their confidence in implementing it is limited, according to a recent survey by Columbia Threadneedle Investments. An online survey of 299 advisors conducted in April 2019 found that nearly all advisors (98 percent) have some level of familiarity with strategic beta investing, but just one-third (36 percent) feel confident implementing it in client portfolios.

“Practical advisor education remains essential,” said Marc Zeitoun, Head of Strategic Beta at Columbia Threadneedle Investments. “The best investment solutions won’t help anyone achieve financial success if they aren’t implemented effectively.”

The survey also found that fewer advisors can name the portfolio managers of the exchange-traded funds (ETFs) they use compared to the actively managed funds they use in client portfolios. Only 18% of advisors can name most or all of the portfolio managers of ETFs they use while 27% of advisors can do the same for the actively managed funds they use in client portfolios.

“We believe it’s important for advisors to scrutinize passive investments that they are considering for their clients. Advisors need to look under the hood and see who is creating the rules and on whose investment experience they are relying,” added Zeitoun. “We don’t think investors appreciate the unintended consequences of investing in certain benchmark passive strategies. Just because a fund tracks an index doesn’t mean we shouldn’t take the time to understand how securities in the index are selected. As we believe that there is no substitute for proven investment experience, we rely heavily on our active managers to develop our strategic beta ETFs.”

Advisors rank enhancing portfolio diversification, incorporating factor-based investments and leveraging active manager insights in a passive product as their top three reasons for planning to use strategic beta in their clients' portfolios.

Detailed results from the survey can be found [here](#). Additional details on Columbia Threadneedle's ETF offerings can be found on our [ETF website](#).

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

Columbia Threadneedle Investments is a leading global asset manager 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 \$459<sup>1</sup> billion 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 [columbiathreadneedle.com/us](http://columbiathreadneedle.com/us). Follow us on [Twitter](#).

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<sup>1</sup> As of March 31, 2019