

# News Release

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## **Equity Income Strategies Remain Attractive to Financial Advisors Despite Heightened Volatility in 2020**

*Columbia Threadneedle survey found blue-chip U.S. equities are  
top pick for increased equity income allocation*

**BOSTON** – December 17, 2020 – Financial advisors still find equity income strategies attractive, according to a recent survey conducted by Columbia Threadneedle Investments. Conducted in early November, the survey of 112 financial advisors found that 80% are satisfied or highly satisfied with their current equity income allocations. The majority of advisors surveyed cite portfolio diversification (74%) and total return (70%) as the main drivers of their satisfaction.

A little more than one-third of financial advisors (35%) plan to increase allocations to equity income strategies over the next six months. Financial advisors expect to reallocate to equity income by reducing exposure to growth stocks and long-term fixed income. When choosing an equity income investment, financial advisors overwhelmingly opt for equity income strategies that provide total return (90%) and consistency of yield and income (71%).

“In today’s low yield environment, financial advisors and their clients are looking for sources of income beyond traditional bonds. Equity income strategies can provide a consistent stream of income, as well as offer capital appreciation,” said David L. King, Senior Portfolio Manager and Head of the Income and Growth Strategies Team at Columbia Threadneedle.

Most financial advisors (87%) prefer to use U.S. equities, specifically blue-chip stocks, when increasing their clients’ allocation to equity income strategies. However, nearly one out of four advisors (23%) plan to consider convertible securities to meet clients’ equity income needs.

“Blue-chip stocks are a good default option for equity income, but financial advisors can differentiate themselves by looking at other asset classes for income, including convertible securities,” continued King. “Convertible securities can be a powerful style diversifier for bond and equity investors alike. For conservative equity investors, convertibles provide a growth-oriented, total-return strategy with less volatility than a typical S&P 500 portfolio. For bond investors, convertibles have limited credit exposure, plus close to zero correlation with Treasuries. As an asset class, convertibles should be a key consideration when seeking equity income exposure,” concluded King.

While just three in ten financial advisors report decreased satisfaction with equity income in client portfolios since the beginning of the COVID-19 pandemic, most have not changed their clients’ equity income allocations despite this year’s market volatility.

### **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 \$498 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 [columbiathreedneedleus.com](https://columbiathreedneedleus.com). Follow us on [Twitter](#).

Columbia Threadneedle Investments (Columbia Threadneedle) is the global brand name of the Columbia and Threadneedle group of companies.

<sup>1</sup>As of September 30, 2020. Includes all assets managed by entities in the Columbia and Threadneedle group of companies.

**Past performance is not a guarantee of future results.**

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