

**COLUMBIA THREADNEEDLE GLOBAL
ASSET ALLOCATION TEAM**

- **Equity returns have been strong, and volatility continues to go lower.** A significant amount of uncertainty has been eliminated from markets because of the successful coronavirus vaccine results and the U.S. presidential election being called for Biden. Only the fear of overexuberance and lofty valuation levels keeps us from having higher optimism in equity markets. We believe tilts toward risky assets will be rewarded for a while as global growth reaccelerates.
- Fixed income has been a key asset class throughout 2020. It's provided diversification in the form of underlying duration and an attractive way to play recovery on the back of spread compression. Looking ahead to 2021, **we believe that credit markets will continue to attract attention as investors hunt for higher yields. But we acknowledge reduced opportunities for upside.**
- While we see opportunities for alpha in some areas of the alternatives markets, **traditional markets are a more attractive opportunity to spend a risk budget** in this cooperative environment.

TACTICAL ASSET ALLOCATION UPDATE
CURRENT VIEWS ON EQUITY, FIXED INCOME AND ALTERNATIVE ASSET CLASSES

As of November 30, 2020

GLOBAL ASSET ALLOCATION

	Max. Underweight		Neutral		Max. Overweight
I. OVERALL	5	4	3	2	1
Equities			→		
Fixed income				←	
Alternatives					
Cash					



II. EQUITIES	5	4	3	2	1
U.S.					
Size					
Large					
Small					
Style					
Growth					
Value					

EAFE					
U.K.					
Eurozone					
Japan		→			
Asia ex-Japan					

EMERGING MARKETS			→		
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III. FIXED INCOME	5	4	3	2	1
Investment-grade bonds					
Securitized bonds					
Emerging market bonds					
Treasuries					
TIPS					
High-yield bonds					
Developed market bonds					
Municipal bonds					

IV. ALTERNATIVES	5	4	3	2	1
Absolute return strategies				←	
Commodities			→		
REITs					
Convertible bonds					

 Current
  Prior Month (if changed)

Past performance does not guarantee future results. Important note: This chart is for illustrative purposes only and is not intended to represent any investment product. All the above are forecasts based on Columbia Management Investment Advisers, LLC models and analysis. As such, there is high likelihood that actual returns and economic results will deviate from our expectations.

Diversification does not assure a profit or protect against a loss. **Alternative investments** involve substantial risks and are more volatile than traditional investments, making them more suitable for investors with an above-average tolerance for risk.

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