



ColumbiaManagement<sup>SM</sup>

# Columbia Management Capital Markets Outlook

Quarterly Investment Perspective from the Capital Markets Committee

## Recovery in slow motion

In this issue

- > Uncertainty clouds global economic picture
- > U.S. momentum slowing?
- > Valuations no longer excessive but reasonable

## Global economic outlook

### Uncertainty clouds global economic picture

- 1 The global economy continued to expand in the second quarter of 2010, but the pace of future growth is clouded by uncertainty. A sovereign debt crisis in Europe has raised the possibility of restructuring or default, and austerity measures aimed at reducing high budget deficits could hamper growth in 2011 and beyond. Nevertheless, our estimates for gross domestic product (GDP) growth for 2010 remain relatively unchanged. The eurozone and U.K. are on track to expand by approximately 1%, with slightly more robust growth of 2% in Japan. The United States is expected to grow by approximately 3%. China, even with its recent steps to rein in a booming economy, is expected to grow at just over 10% this year and perhaps just north of 9% in 2011.
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- 5

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## Global investment strategy: equities

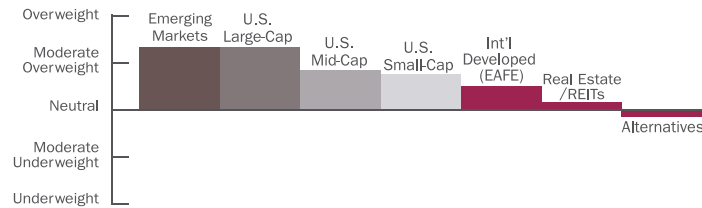
### Sentiment looks challenged though valuations remain reasonable

In the second quarter, stock markets around the world succumbed to weak economic data, political events, a debt crisis in Europe and rising tensions in Korea, the Middle East and elsewhere. Overseas developed market equities, as measured by the MSCI EAFE Index, fell approximately 14.9% during the quarter. The U.S. equity market, as measured by the performance of the S&P 500 Index, declined 11.4% during the quarter. The MSCI Emerging Market Index declined 9.1%. Only a few Asian and Latin American markets delivered positive results for the quarter.

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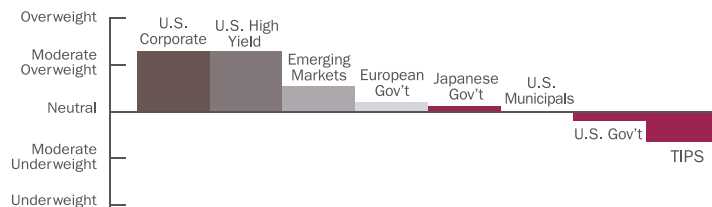
## Third Quarter 2010 Capital Markets Outlook

### Equities



- > Emerging market economies remain attractive; preferred geographies include Latin America and Asia, such as Japan.
- > In developed markets, we continue to favor U.S. equities.
- > Global earnings continue to impress; we are closely monitoring revenue gains for any signs of weakening.

### Fixed Income



- > U.S. Federal Reserve is expected to remain on the sidelines for the near-term.
- > Corporate bond spreads widened slightly during the quarter; opportunities remain.
- > Emerging market bonds also hold some appeal.

Source: Columbia, Capital Markets Committee. Equity and Fixed Income overweight/underweight preferences for the third quarter of 2010.

## Uncertainty clouds global economic picture

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In developed nations across the globe, monetary policy remains exceedingly accommodative and inflation pressures are low. In fact, deflation cannot be ruled out in some developed nations. Government stimulus programs are winding down, and consumers are cautious in countries where job growth is weak. If efforts to address Europe's debt problems fail to restore confidence, a double-dip recession in Europe is still possible.

### United States

#### Momentum slowing?

After an initial two downward revisions, first quarter GDP ended up expanding at a pace of 3.7%, on an annualized basis. Muted real final sales were a drag on economic growth, even though business spending on equipment and software posted robust gains and inventory investment also made a positive contribution to the expansion. Second quarter real GDP was estimated to have slowed to a near 2.4% annualized pace. Results were driven primarily by lower growth in consumer spending, less of a contribution from inventories and a widening trade deficit, however, strong capital spending continued. Confidence in the sustainability of this recovery is being tested. The litany

of concerns is well documented: a lack of traction in both housing and employment, signs of a peak in manufacturing, weakening in some leading economic indicators, increased regulation in financial services and health care, and worries that tax increases are on the horizon top the list. Talk of a double-dip recession intensified as the quarter came to a close, as did the debate over whether stimulus or austerity is the right policy at this stage of the recovery. The odds of a double-dip recession appear to be low. Nevertheless, growth is likely to be subdued by historical standards.

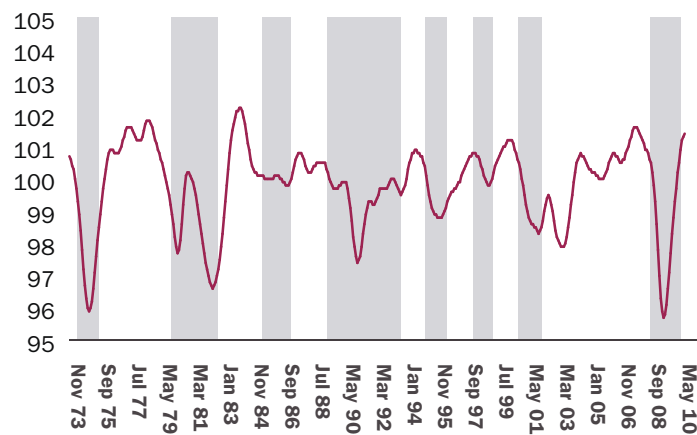
Of course, there are risks to our outlook going forward. State and local governments are cutting back on spending. Consumers are spending, but they remain burdened by debt. The labor markets are on the mend, but they are not turning as strongly as they should be given this point in the business cycle, even though a slightly extended workweek and near-peak productivity may portend more improvement in job growth during the second half of the year. The eurozone financial crisis is another downside risk: If it undermines U.S. business sentiment, it could restrain capital spending and hiring. Should the U.S. economic picture turn markedly worse, further quantitative easing by the Federal Reserve Board can be expected. Eliminating the interest paid on excess bank reserves and further asset purchases through an expansion of the Fed's balance sheet are two possible actions that could be implemented.

The housing market remains one of the more serious drags on the economy. Despite incentives, such as the tax credit for first-time homebuyers, which was expanded to include repeat buyers and extended twice, sales of both new and existing homes remain sluggish. Housing inventory exceeds eight months — the long-term average is six months — and a higher “shadow” inventory of foreclosed homes creates an even greater overhang.

Yet, even with all of the concerns over the economy there are positives that help to offset some of these risks. Compared to 2008, for example, the global economy is currently on an upswing rather than a downturn. Indeed, we entered the recent crisis with a fair amount of upward momentum in global growth. Second, monetary policy globally remains highly accommodative, which will tend to support growth, although we recognize that the flow of credit remains constrained. Third, when pushed to the edge, policymakers have shown a willingness to throw out the “rule book” and act aggressively to address systemic risk.

**Figure 1 Leading economic indicators suggest growth will continue**

OECD leading economic indicators for the United States



Source: Organisation for Economic Co-operation and Development (OECD), as of July 2010, data through May 2010.

**Shaded areas represent contractions based on peaks and troughs of OECD reference series.**

Employment, while widely noted for its lack of growth, has actually seen some improvement this year. Using December 2009 as a low in the employment sector, somewhere between 600,000 (establishment survey) and 1 million jobs (household survey) have been created in the United States. Corporate profits also show continued strength; they are expected to grow approximately 18% over the next 12 months.

With core inflation growing at an annualized rate of 0.9% — its lowest in 50 years — there are still concerns of deflation and its negative consequences. However, deflation is something that can occur in various parts of the economy without having a negative impact on the whole. This has been the case with electronics and consumer durable goods over the past two decades. There is cause for concern when deflationary forces restrain final demand and diminish pricing power for companies. In addition, persistent asset price deflation in the property markets could spur further secular woes that drive ongoing subpar economic results. Despite worries about deflation, we believe that it would take a collapse in aggregate demand for deflation to materialize in a broad-based manner, and that seems unlikely.

### Europe and the U.K.

#### Modest growth prospects

Europe responded to a mounting debt crisis in Greece and other peripheral eurozone markets with a complicated stabilization package that drew on the IMF as well as the resources of eurozone member states. Now, the challenge for indebted nations is to shrink deficits by cutting public spending and potentially raising taxes. This imposes hardships and raises concerns about social and political stability. A weaker euro could aid exporters. However, if global growth cools, any benefit from a weaker euro may be modest. Government austerity measures also raise concerns about European Union growth estimates, which range from just under to just over 1% for the year.

In the U.K., a coalition government that was formed with sizeable majority support took aim at cutting the deficit. The U.K. budget has been well-received by markets thus far, as tough action on deficit reduction has restored some confidence in the pound and the gilt market. A reduction in corporate tax rates will be helpful for the U.K.’s competitive

position and the expected combination of tight fiscal policy and loose monetary policy is good for most assets. As such, we expect official U.K. interest rates to remain on hold through much of 2011 despite disappointingly high inflation. For now, we continue to forecast economic growth at 1%, slightly lower than consensus.

**Japan**

**A boost from Asia**

Japan is well-placed to meet the demand of expanding Asian economies. Exports have benefited even in the face of a strong yen. This external demand is likely to support growth at a rate of 2% in 2010 and an estimated 1.5% in 2011. It may even help alleviate the structural deflationary forces that run through the economy — but only temporarily. Japan is mired in long-term structural problems that include an aging population, falling household savings and a mountain of public debt. An improvement in the overall economic prospects of Asia is only likely to buy Japan some time in its ongoing battle against these challenges. Headline inflation remains negative while core inflation hovers around zero. Unemployment is tracking near 5%. However, much of the incremental improvement in the labor market is due to a shrinking workforce.

**Emerging markets**

**Robust growth continues**

Emerging markets continue to experience robust growth, driven by strong industrial production and domestic spending. Unlike Western markets, credit flows freely in emerging markets where banks benefit from strong balance sheets. The stability of the financial sector, along with growing consumer demand from a rising middle class in many emerging market economies, should help underpin growth over the long term. Growth rates in the key emerging markets of Brazil, China, Mexico, Russia, South Africa and Turkey range from 3% to 10% in 2010, with another year of solid growth expected in 2011. Relatively muted recoveries in developed economies should ease the pressure on emerging market central banks to raise borrowing rates as appreciating currencies will have the same impact on monetary policy. Nevertheless, Brazil has already begun raising interest rates, as has India and Korea, in an effort to slow rising inflationary pressures.

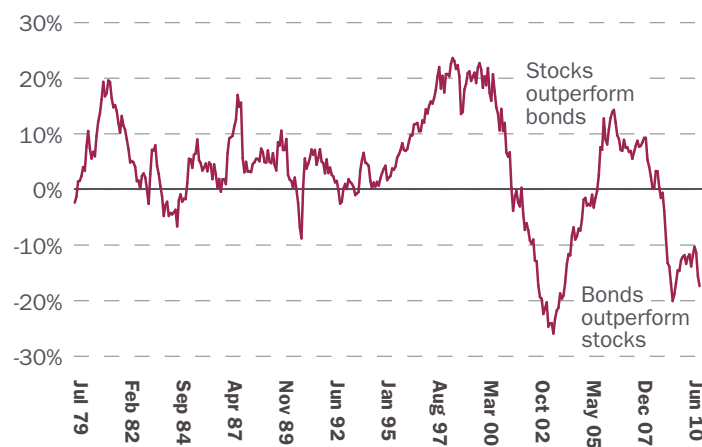
In China, a sharp pickup in exports and a surge in domestic loan growth led to concerns that its economy was overheating. With money supply growth running at 22%, China took a number of steps to rein in growth and lending. In particular, China's decision to increase the flexibility of its currency, the yuan, against the U.S. dollar was a positive step for its economy. It is expected to help lower Chinese inflation relative to U.S. inflation and also raise living standards for Chinese citizens. Meanwhile, growth is expected to range between 9% and 10% for 2010 and 2011.

**Sentiment looks challenged**

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Our outlook for global equity markets is positive. The recent correction in prices follows a strong run-up over the past year and brings valuations down to attractive levels. Equities are attractive relative to high grade fixed-income and also relative to their own historical levels when compared to earnings. In addition, corporate profit growth has been solid and is expected to remain so. As a result, we regard the recent setback in equity prices as an opportunity to add to holdings that we find most attractive in the current environment. In general, given the prevailing uncertainty and caution in the markets, we believe the best values reside in companies with a quality bias — companies that offer higher free cash flow yields, stronger balance sheets, more stable earnings forecasts and the ability to strengthen their competitive positions.

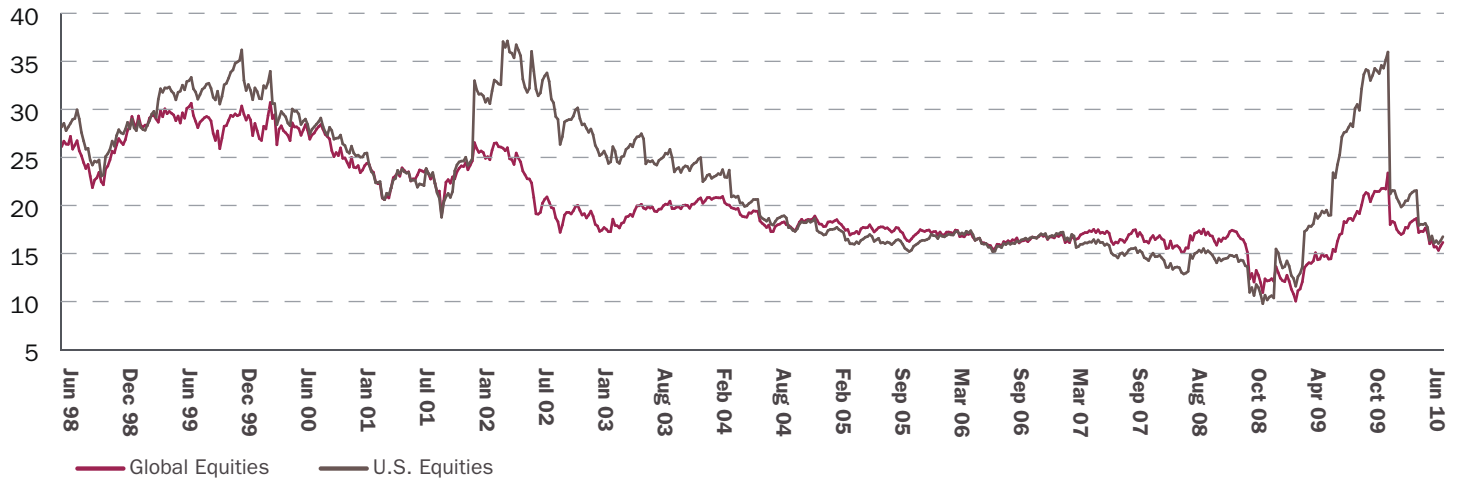
**Figure 2 S&P 500 Index vs. corporate bonds**  
3-year rolling return differential



Source: Morningstar Direct, as of June 2010.

**Figure 3** Valuations no longer excessive but reasonable

Equities valuations: global and U.S. equity trailing 12-month price-to-earnings ratios



Source: Bloomberg, as of June 2010.

**U.S. equities****Recommendation: overweight U.S. vs. foreign developed equities**

Evidence of a slowdown in the pace of economic growth cut short the advance of sectors that benefit from a thriving economy, including materials, industrials, energy, financials and technology, as well as health care, which labored earlier in the year under a cloud of regulatory uncertainty. All six sectors underperformed the broad S&P 500 Index during the quarter. Corporate profitability has been strong so far this year, and valuations in many sectors are now attractive as well. At the end of the second quarter, Thomson Reuters reported that the forward 12-month price-to-earnings ratio for the S&P 500 stood at 12.7 times earnings — a reasonably cheap level, assuming the accuracy of consensus earnings forecasts. Based on trailing earnings, the ratio stands closer to the historical median. Due to the significant cost cutting that has taken place over the past 12 to 24 months, corporate operating leverage is high. Should top line sales growth expand, then street earnings estimates may be realized or even prove to be somewhat conservative. In addition, according to Moody's Investor Services, U.S. corporate cash levels stood at a record \$1.84 trillion in

the first quarter of 2010. That was 27% higher than cash levels seen in early 2007 — before the financial crisis. Sooner or later, investors will demand a higher return on capital, forcing companies to put their excess cash to work through acquisitions, capital spending or distributions to shareholders via increased dividend payouts.

Higher quality equity shares have indeed begun to outperform in recent months as fears of slowing global growth mounted. The case for quality is fairly straightforward: The developed world is struggling with a massive load of debt. Austerity measures will soon begin to reverse the impact of stimulus spending. Economic growth is slow. In this environment, companies that can control their own destinies through innovation and competitive advantage have the potential to do well. However, in today's market, valuation spreads across the equity market are historically low — and relatively flat. In other words, higher quality and lower quality companies are being accorded nearly the same valuations. We don't think this trend will persist. As a result, in most areas of the equity market we tend to favor companies that have bet on sustainable vs. cyclical growth, companies that are reinvesting in their businesses to capture market share.

The Gulf oil spill dominated the national news for most of the second quarter. In addition to concerns about the effect of the spill on the environment and wildlife, it raises questions for investors: A massive cleanup effort will commence once the flow of oil stops. A multi-year wave of lawsuits will follow. The range of outcomes and the impact on the energy sector is still very wide and difficult to analyze. From an investment standpoint, there are potential winners and losers: capital investment dollars may shift away from the Gulf to onshore and international projects; any pause in offshore activity may affect oil and gas supplies; drilling regulations, timing and costs will affect utilization in some key service and equipment industries; and in the aftermath of this disaster, the U.S. government may move more quickly to support alternative energies. We expect continued intrasector volatility as companies react to the news, fears and pronouncements associated with the spill.

Some of our managers see opportunity in health care, which has been under a multi-year cloud that should lift now that health care reform policy is in place. No one knows with certainty exactly what the sector will look like going forward, but there are a lot of opportunities based on valuations and in dividend-paying companies, in particular. The sector enjoys a revenue tailwind and a lot of companies are adjusting their business models to take advantage of the new regulatory environment.

### International

#### **Recommendation: Maintain underweight vs. the United States. Emerging markets still attractive.**

International stock markets were generally down in the second quarter of 2010. Developed markets lost more ground than emerging markets. However, we are constructive in our outlook for international equities in the months ahead. Clearly, risks for markets have risen but the current correction was not completely unexpected. Valuations of foreign equities have come down, and corporate earnings forecasts continue to be upgraded. We regard the recent setback as an opportunity to add selectively to holdings. We particularly like the prospects for emerging markets that have limited exposure to fallout from the eurozone financial crisis.

### Europe and the U.K.

In both the eurozone and the U.K., equity dividend yields have risen above the 10-year government bond yield for the first time since March 2003, when it marked the end of a bear market. In fact, the dividend yield on the Euro Stoxx 50 Index, a basket of 50 large stocks from across the European Union, recently stood at 4.07%. Price-to-earnings ratios for this same benchmark are currently attractive at around 13 times trailing 12-month earnings and close to 10.5 times forward 12-month earnings. It is evident that while recent geopolitical and financial events have triggered a significant rise in risk aversion and volatility, valuations have also reflected the current situation and are priced accordingly. Our portfolios have been underweight in European banks while awaiting the results of stress testing — an assessment of debt-to-capital ratios and overall solvency to better determine if the largest European financial organizations have the durability to withstand a number of “what if” scenarios, including recession and financial market turmoil. There has been some concern among investors who are worried that the test results will only increase the level of anxiety toward banks. Their subsequent release on July 23 has showed the banking system to be somewhat healthier than feared.

In the U.K., a forthcoming materials, production and corporation tax cut should help the competitive position for local companies — a plus for UK’s stock market. Valuations are very attractive at 9.5 times forward earnings.

### Japan

Japanese equities lost approximately 14.9% during the second quarter, though a strengthening yen buffered U.S.-based investor returns as dollar-based Japanese market returns shed a lesser 10.2%. Earnings yields for Japanese equities are approaching their five-year average — near the 4% level, while dividend yields have moved toward the upper end of their recent historical trend at approximately 1.8%. The Nikkei 225 Index, a basket of top-rated Japan-based companies that trade on the Tokyo Stock Exchange, recently traded at near 32 times trailing 12-month earnings and 18 times earnings based on a forward 12-month estimate. The Japanese Tankan Survey of Business

Conditions continues to point toward slow improvement in both the manufacturing and non-manufacturing business sectors. Industrial production and machine orders, however, have slowed in recent weeks, creating some concern about export-oriented industries. Given the growth momentum in Asia, Japan is well placed to meet some of this demand irrespective of the fact that the yen looks uncomfortably strong from an export perspective.

**Emerging markets**

Emerging market equities, as measured by the MSCI Emerging Markets Index, posted total returns of -9.1% during the second quarter of 2010. A strong dollar magnified total return losses for the quarter for U.S. dollar-based investors. In local currency, emerging market equities posted total returns of approximately -6.4% for the second quarter. For the year to date, emerging market returns are lower by 7.2 percentage points (as measured in U.S. dollars) and approximately 5.4 percentage points when quoted in local currencies. Several emerging market countries performed well during the quarter, including India, Indonesia, Chile, Colombia and Peru. In local currency terms, each of these countries posted gains.

Emerging market equities, especially those in our preferred geographies of Latin America and Asia, are trading at a slight premium to developed markets. In Asia, the average trailing 12-month price-to-earnings ratio recently hovered near 18.5 times earnings. Based on a 12-month earnings forecast, the ratio resides near 14.2 times earnings. In any case, the earnings premium appears to be justified, given the stronger prospects for sustainable secular growth, a better fiscal situation relative to many developed markets and continued strong capital inflows.

**Fixed Income**

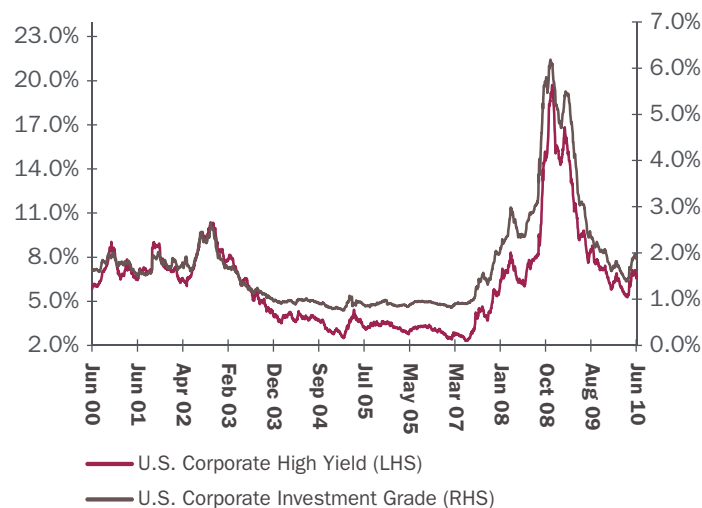
**United States**

**Recommendation: Modest underweight in traditional fixed income. Overweight corporate bonds, especially higher quality below-investment-grade issues and lower quality investment-grade bonds.**

High-quality bonds outperformed equities in the second

quarter as investors shunned risk. Even as the government flooded the Treasury market with new debt, the U.S. Treasury market was the best performing sector within fixed income. The Barclays Capital Treasury Index returned 4.68% for the second quarter. Interest rates moved lower across the yield curve, pushing bond prices up in most sectors. The yield on the 10-year U.S. Treasury dipped just below 3% for the first time since April 2009. The yield on the Merrill Lynch A-AAA 7-10-year Corporate Bond Index fell from 4.98% to 4.50%. By contrast, the yield on the below investment-grade High-Yield Master II Index rose from 8.60% to 9.18%.

**Figure 4 Corporate bond spreads widened during the second quarter as investors shunned risk**



Source: Barclays Live, as of June 2010.

The municipal bond market recorded modest gains in the quarter as the Barclays Municipal Bond Index rose approximately 2.0%. For the year the Index is up a little over 3.3%. However, the derivatives markets have been signaling caution for certain municipal bond issuers of late. Over the past eight months, credit default swaps tied to tax-exempt bonds widened by approximately 190 and 290 basis points in California and Illinois, respectively. To be fair, the rise in volatility is not much greater than what has occurred in segments of equity markets, especially during the second quarter. Overall, our municipal bond team generally believes that defaults in the tax-exempt bond market will remain low, although the creditworthiness of certain states and

cities has gained in importance when securities are being considered for a portfolio.

The Fed has not adjusted its interest rate policy since December 2008, and we expect it to remain on the sidelines for the remainder of 2010. With inflation low and unemployment near 10%, the Fed is in no hurry to raise short-term interest rates, which it confirmed in its June meeting.

In this environment, we are maintaining the duration — or interest-rate risk — in our portfolios below that of our benchmarks because we believe that yields will rise as the market digests a record supply of Treasuries and as the flight to quality abates. We believe that value exists in investment-grade corporate bonds where fundamentals have improved meaningfully in the past year. We also see opportunity in the high-yield sector, where our emphasis is on higher quality high-yield issuers with strong management teams. Recent market weakness has provided the opportunity to add selectively to our high-yield holdings.

### International Fixed Income

**Recommendation: Overweight global credit with an emphasis on emerging markets and fiscally sound developed nations.**

In global fixed-income markets, risk assets sold off sharply during the second quarter, led by an approximate 13.3% decline in global equities, as concerns over southern Europe's debt woes turned into broader concerns about the European banking system and the pace of global economic growth. Global government bonds, which posted strong returns in the second quarter, were a beneficiary of this risk aversion. The Barclays Global Treasury Index posted gains of approximately 2.4% in local currency terms as higher quality markets saw their benchmark 10-year yields drop significantly during the later half of the quarter. The May 10 announcement by the European Union of a massive €750 billion (\$930 billion U.S.) stabilization mechanism for the region temporarily buoyed sentiment, but the positive impact proved short lived as investors continued to pare back exposure to risk assets.

With risk aversion having taken yield levels in the major government bond markets to unattractive levels, we would expect to see yields in these markets rise as risk aversion fades. Still, the likelihood that monetary policy in the major markets remains accommodative for a longer period increases the odds that yields remain below their 2009–2010 highs until monetary tightening becomes a closer reality. From a strategy perspective, we believe government bonds will continue to trade in a range over the near term and have positioned our global portfolios accordingly. While corporate and emerging market bonds underperformed sharply during the last two months of the quarter, we believe the fundamentals for these sectors remain positive and that exposure to these sectors offers good value.

Currencies were also affected by the consensus shift away from risk assets during the second quarter. The U.S. dollar increased approximately 5.0% during the second quarter vs. other major currencies, bringing its year-to-date gain to 7.5%. Consistent with the typical pattern seen in times of market stress, the U.S. dollar rose against all major currencies with the exception of the Japanese yen. The dollar performed best against the European currencies and the Australian and New Zealand dollars. Upward momentum for the dollar could certainly remain strong in the short run, especially given the depth of negative sentiment around the euro, but the U.S. dollar appears to have moved ahead of levels justified by interest rate differentials. This divergence is similar to what we saw in late 2008 and early 2009 and leaves the dollar vulnerable to a correction once risk aversion fades and fundamentals reassert themselves.

## Index descriptions

**Dow Jones Industrial Average Index** serves as a measure of the entire U.S. market covering diverse industries.

**The Dow Jones Wilshire Real Estate Securities Index** is a broad measure of the performance of publicly traded real estate securities, such as Real Estate Investment Trusts (REITs) and Real Estate Operating Companies (REOCs).

**EMBI+**, an unmanaged index, tracks total returns for traded external debt instruments in emerging markets.

**Barclays Capital Aggregate Bond Index**, an unmanaged index, is made up of a representative list of U.S. government, corporate, asset-backed and mortgage-backed securities. The index is frequently used as a general measure of global bond market performance.

**Barclays Capital Global Aggregate Index** is an unmanaged index of investment-grade global fixed-income securities frequently used as a measure of global bond market performance.

**Barclays Capital Municipal Bond Index**, an unmanaged index, is made up of a representative list of general obligation, revenue, insured and pre-refunded bonds. The index is frequently used as a general measure of tax-exempt bond market performance.

**Barclays Capital High Yield Index**, an unmanaged index, is frequently used as a general measure of high-yield bond market performance.

**Morgan Stanley Capital International Emerging Markets (MSCI EM) Index**, an unmanaged market capitalization-weighted index, is compiled from a composite of securities markets of 26 emerging market countries. The index reflects reinvestment of all distributions and changes in market prices, but excludes brokerage commissions or other fees.

**Morgan Stanley Capital International EAFE Index (MSCI EAFE Index)**, an unmanaged index, is compiled from a composite of securities markets of Europe, Australia and the Far East. The index is widely recognized by investors in foreign markets as the measurement index for portfolios of non-North American securities. The index reflects reinvestment of all distributions and changes in market prices, but excludes brokerage commissions or other fees.

**The Morgan Stanley Capital International (MSCI) World Index**, an unmanaged index, is a market capitalization-weighted index that reflects the stock markets of 23 developed markets, including the United States, Europe, Canada, Australia, New Zealand and the Far East.

**NASDAQ Composite**, an unmanaged index, measures all NASDAQ domestic and international based common type stocks representing more than 4,000 companies listed on the NASDAQ Stock Market.

**Russell 2000® Index**, an unmanaged index, measures the performance of the 2,000 smallest companies in the Russell 3000® Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index.

**Russell 3000® Index**, an unmanaged index, measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market.

**Standard & Poor's 500 Index (S&P 500 Index)**, an unmanaged list of common stocks, is frequently used as a general measure of U.S. market performance.

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### Investment products are not federally or FDIC insured, are not deposits or obligations of or guaranteed by any financial institution, and involve investment risks, including possible loss of principal and fluctuation in value.

Investments in small- and mid-capitalization companies involve greater risks and volatility than investments in larger, more established companies.

There are risks associated with fixed-income investments, including credit risk, interest rate risk and prepayment and extension risk. In general, bond prices rise when interest rates fall and vice versa. This effect is more pronounced for longer-term securities.

International investing involves increased risk and volatility due to potential political and economic instability, currency fluctuations, and differences in financial reporting and accounting standards and oversight. Risks are particularly significant in emerging markets.

Non-investment-grade securities, commonly called "high-yield" or "junk" bonds, generally have more volatile prices and carry more risk to principal and income than investment-grade securities.

Sector weightings are as of the date given, are subject to change at any time and are not recommendations to buy or sell any security.

The Capital Markets Committee is composed of investment professionals from Columbia Management Investment Advisers, LLC and Ameriprise Financial, Inc.

## Capital Markets Committee members

The Columbia Management Capital Markets Committee meets regularly to review U.S. and global economic investment conditions and markets. Committee members discuss the relative attractiveness of equities, fixed-income and alternative investments within various sectors, investment styles, markets and countries. The consensus opinion of the Capital Markets Committee is published quarterly in the Capital Markets Outlook.

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### **The Columbia Management Story**

The Columbia Management story began over 100 years ago. Today, we have grown into one of the nation's largest dedicated asset managers, offering a comprehensive range of investment products managed by a dedicated group of investment professionals that share a passion for investing and a commitment to delivering a consistent investment experience.

Our approach is distinguished by a singular focus on our partnership with you, the financial advisor. We take the time to understand your business and provide the thought leadership, investment insight and dependable solutions you need to help build successful relationships with your clients. Because at Columbia Management, we don't consider ourselves successful unless you are.

# Columbia Management Capital Markets Outlook

Quarterly Investment Perspective from the Capital Markets Committee

## Capital Markets Outlook

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- > Uncertainty clouds global economic picture
- > U.S. momentum slowing?
- > Valuations no longer excessive but reasonable

### **Capital Markets Committee Chairman:**

David M. Joy – Vice President — Chief Market Strategist

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