

# Columbia Threadneedle Investments Launches Equity Income Smart Beta ETFs

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BOSTON--(BUSINESS WIRE)-- Columbia Threadneedle Investments today announced the launch of three equity income smart beta exchange-traded funds (ETFs), the first in a series from the new Columbia Beta Advantage<sup>SM</sup> family of rules-based, factor-driven, smart beta ETFs. Columbia Beta Advantage products are thoughtfully constructed by incorporating Columbia Threadneedle's active investing experience and insight into rules that, in the case of these three ETFs, provide exposure to companies that have certain attributes believed to offer sustainable levels of income, as well as total return opportunity. These funds will track underlying indices calculated by MSCI Inc.

The three new ETFs, which began trading on NYSE Arca today, are:

- Columbia Sustainable U.S. Equity Income ETF (ESGS)
- Columbia Sustainable International Equity Income ETF(ESGN)
- Columbia Sustainable Global Equity Income ETF (ESGW)

Each ETF's underlying index is designed to invest in companies based on dividend yield, dividend growth and cash flow factors. These factors are intended to lead to investing in companies that have the financial stability to support and grow future dividend payments. The ETFs will replicate custom-designed indices calculated by MSCI. A distinctive feature of the indices is their "sustainable" focus, which is implemented by screening companies based on their environmental, social and governance (ESG) practices. This sustainability feature further differentiates these ETFs in the smart beta marketplace.

Columbia Threadneedle has a long history of managing successful, actively managed, equity income strategies. That experience, as well as the firm's fundamental and quantitative investment skills, informed the design of the Beta Advantage<sup>SM</sup> strategies.

"We're excited about the launch of our first Beta Advantage funds. We believe that these types of strategies have the potential to help advisors and their clients meet important investment goals, such as generating income, growing assets and managing volatility," said Colin Moore, global chief investment officer at Columbia Threadneedle Investments.

Columbia Sustainable U.S. Equity Income ETF (**ESGS**) tracks the Beta Advantage Sustainable U.S. Equity Income 100 Index. The index consists of 100 stocks that provide investors with exposure to U.S. large- and mid-cap companies.

Columbia Sustainable International Equity Income ETF (**ESGN**) tracks the Beta Advantage Sustainable International Equity Income 100 Index. The index consists of 100 stocks that provide investors with exposure to foreign (developed market) large- and mid-cap companies.

Columbia Sustainable Global Equity Income ETF (**ESGW**) tracks the Beta Advantage Sustainable Global Equity Income 200 Index. The index consists of 200 stocks that provide investors with exposure to U.S. and foreign (developed market) large- and mid-cap companies.

Also of note, on May 11, 2016, Columbia Threadneedle announced an agreement to acquire Emerging Global Advisors, LLC (EGA), a New York-based registered investment adviser and a leading provider of smart beta portfolios focused on emerging markets. EGA has \$865 million in assets<sup>1</sup> and is the investment adviser to the EGShares suite of nine emerging markets ETFs that track custom-designed indices. Columbia Threadneedle intends, subject to the closing of the EGA acquisition and other necessary approvals, to combine EGA's fund line-up with its own under the Columbia Beta Advantage mark and further develop the product line.

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

Columbia Threadneedle Investments is a leading global asset management group that provides a broad range of actively managed 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 \$464 billion<sup>2</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 about Columbia Threadneedle Investments, please visit [columbiathreadneedle.com/us](http://columbiathreadneedle.com/us). For more information about the Columbia Beta Advantage ETFs please visit [columbiathreadneedleetf.com](http://columbiathreadneedleetf.com).

<sup>1</sup> As of May 31, 2016.

<sup>2</sup> As of March 31, 2016.

An investor should consider investment objectives, risks, charges and expenses carefully before investing. The Prospectus contains this and other information. For more complete information about the fund or to obtain a Prospectus, call 800-774-3768 or visit [www.columbiathreadneedleetf.com](http://www.columbiathreadneedleetf.com). Please read the Prospectus carefully before investing.

Shares are not individually redeemable. Investors buy and sell shares on a secondary market. Only “authorized participants” may trade directly with the fund(s), typically in blocks of 50,000 shares.

Smart beta is an approach to indexing that weights companies by criteria other than market capitalization. Smart beta strategies are rules-based, with product-specific rules that are transparent to the market. They track indices that deviate from standard indices in security selection and weighting.

ETFs trade like stocks, are subject to investment risk and will fluctuate in market value. Investment products, including shares of funds, are not federally or FDIC-insured, are not deposits or obligations of, or guaranteed by any financial institution.

Columbia Management Investment Advisers, LLC serves as the investment manager to the ETFs. The Columbia ETFs are distributed by ALPS Distributors, Inc., which is not affiliated with Columbia Management Investment Advisers, LLC, or its parent company Ameriprise Financial, Inc. Columbia Threadneedle Investments is the global brand name of the Columbia and Threadneedle group of companies. EGShares Funds are distributed by ALPS Distributors, Inc.

The Beta Advantage<sup>SM</sup> indexes are custom indexes owned and calculated by MSCI, based on MSCI Parent Indexes and aim to reflect the performance of a Columbia Management Investment Advisers, LLC investment approach.

The funds referred to herein are not sponsored, endorsed, or promoted by MSCI, and MSCI bears no liability with respect to any such funds or any index on which such funds are based. The Prospectus contains a more detailed description of the limited relationship MSCI has with Columbia Management Investment Advisers, LLC and any related funds.

Columbia Sustainable U.S. Equity Income ETF (the Fund) seeks investment results that, before fees and expenses, closely correspond to the performance of the Beta Advantage<sup>SM</sup> Sustainable U.S. Equity Income 100 Index (the Index).

Columbia Sustainable Global Equity Income ETF (the Fund) seeks investment results that, before fees and expenses, closely correspond to the performance of the Beta Advantage<sup>SM</sup> Sustainable Global Equity Income 200 Index (the Index).

Columbia Sustainable International Equity Income ETF (the Fund) seeks investment results that, before fees and expenses, closely correspond to the performance of the Beta Advantage<sup>SM</sup> Sustainable International Equity Income 100 Index (the Index).

ColumbiaBeta Advantage<sup>SM</sup> ETFs are new and have limited history.

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For Columbia Threadneedle Investments

Carlos Melville, 617-897-9384

**carlos.melville@ampf.com**

or

Ryan Lund, 612-671-3459

**ryan.s.lund@ampf.com**

Source: Columbia Threadneedle Investments