



## 2011 Financial Community Meeting

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## Columbia Management

- Organizational Overview
- A strong and innovative product lineup
- Robust intermediary distribution
- Expanding institutional capabilities and distribution



Past performance does not guarantee future results

## Columbia Management: A leading U.S. asset manager

- Organizational foundation in place
- Columbia integration essentially completed
  - Business model, organization and staffing decisions made and people in place for nearly two years
  - Office locations rationalized
  - Product lines combined and rationalized
  - Technology progressing, with systems conversion expected in 2012
- Very low voluntary turnover with increased employee engagement and satisfaction



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## Comprehensive and competitive mutual fund line-up

### A selection of our funds

#### Equity

##### Large Cap:

Columbia Select Lg. Cap Growth  
Columbia Contrarian Core  
Columbia Dividend Income  
Columbia Select Large Cap Value

##### Mid-Cap:

Columbia Mid Cap Growth  
Columbia Mid Cap Value  
Columbia Acorn Select  
Columbia Acorn

##### Small Cap:

Columbia Small Cap Growth  
Columbia Small Cap Core  
Columbia Small Cap Value

##### International/Sector:

Columbia International Value  
Columbia Seligman  
Communications and Information  
Columbia Acorn International

#### Asset Allocation

Columbia LifeGoal Growth Portfolio

Columbia LifeGoal Balanced Growth Portfolio

Columbia Portfolio Builder Aggressive

Columbia Portfolio Builder Moderate Aggressive

Columbia Portfolio Builder Conservative

#### Alternatives

Threadneedle Emerging Mkt Macro

Columbia Absolute Return Funds

#### Fixed Income

##### Taxable:

Columbia High Yield Bond  
Columbia Intermediate Bond  
Columbia Limited Duration Credit  
Columbia Floating Rate  
Columbia Emerging Market Bond  
Columbia Short Term Bond  
Columbia Strategic Income

##### Tax-Exempt:

Columbia AMT-Free Tax-Ex Bond  
Columbia High Yield Municipal  
Columbia Intermed. Muni Bond  
Columbia Short Term Muni Bond  
Columbia Tax-Exempt



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## Leveraging strengths and filling gaps

#### Retail

- Strong track records in place
- Others improving
  - Emerging market equity
  - Fixed income (e.g., intermediate bond)
- Developing or repositioning funds to fill gaps
  - Absolute return funds
  - Commodities fund
  - Flexible capital income
  - Easy terrain
- Acquired active ETF capabilities

#### Institutional

- “Emerging” focus products in 2012
  - Emerging market equity
  - Emerging market debt
  - Global bond alpha
- Additional funds under development for the longer term
  - LDI
  - Absolute return

Retirement Solutions



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## Product innovation – Absolute Return



An alternative path in investing could make a difference in the pursuit of lower volatility and more consistent returns

### **Columbia Absolute Return Multi-Strategy Funds launched on April 4, 2011**

Columbia Absolute Return Multi-Strategy Fund (CMSAX)  
Columbia Absolute Return Enhanced Multi-Strategy Fund (CEMAX)



The goals of Columbia Absolute Return Multi-Strategy Funds may not be achieved. Please have your clients read and consider the investment objectives, risks, charges and expenses of a mutual fund carefully before investing. Remind them to contact you for a prospectus which, contains this and other important information about the fund. Prospectuses can also be obtained at [columbiamanagement.com](http://columbiamanagement.com).

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## A strong tier-1 retail player

- Emphasizing performance excellence
- A sales force with scale — 230 associates
- Focused on 31 key firms including:
  - Ameriprise Financial
  - U.S. Trust Private Wealth Management
  - 8 Independent Advisor, Broker/Dealer, Bank
  - 21 defined contribution investment only (DCIO)
- Providing insightful thought leadership



## Retail flows challenges

### Long-Term Mutual Fund Net Flows

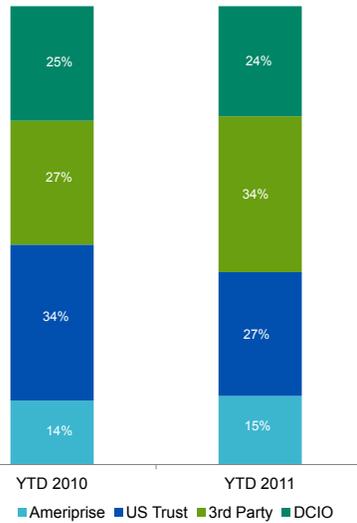
	3Q10	3Q11
Industry-wide	\$47 billion	(\$60 billion)
Columbia Management	(\$3.3 billion)	(\$2.5 billion)

### Columbia Management

- Strong year-to-date improvement in Ameriprise and third-party channels
- Outflows driven largely by market conditions and investor preference for bonds over equities
- Plans to stem redemptions in place targeting U.S. Trust, Ameriprise and top third party firms
- Will lose approximately \$1.7 billion from New York 529 plan in 1Q12



## Strong results with key retail partners



2010 sales include full year of Columbia  
1 Through September 20 2 Source:MarketMetrics

### Making Progress in 2011

Compared with a year ago:

- Gross sales up 6%
- External focus firm gross sales up 25%
- Net inflows of \$2.5 billion into Focus Funds year-to-date
- Focus Fund gross sales in the Ameriprise channel increased 52%
- Platform wins nearly doubled; win rate up to 71%
- Market share increasing<sup>2</sup>
- Strong improvement in wholesaler productivity



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## Key expansion opportunities

### Vehicle Expansion

- Collective Trusts
- Custom Portfolios (IMAs)
- R4/R5 shares
- Offshore
- ETFs

### Channel Expansion

- Third-party focus firms
- Private Wealth Management
- Defined contribution investment only (DCIO)
- Custom separate accounts

Take advantage as investor sentiment shifts to our strengths



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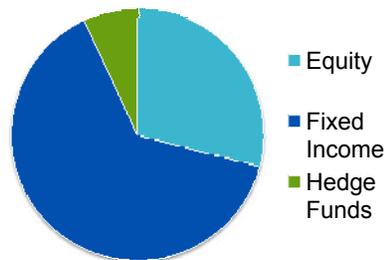


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## Institutional business overview

**\$91 billion in client assets<sup>1</sup>**



**More than 350 Client relationships**

### Strong Team in Place

- Overall team of 63 professionals
- 15 sales professionals covering DB, DCIO and fund-of-fund prospects and consultants, largely in the U.S.
- 15 relationship management professionals
- Targeting institutional plans with \$1 billion or more in AUM



<sup>1</sup> Excludes owned assets.

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## Institutional business progress

Areas of Progress	Key Metrics
Gross flows are strong	<ul style="list-style-type: none"> <li>53% win rate at finals</li> <li>28 new clients this year, with 9 more in the won but not funded category</li> </ul>
Strong and growing pipeline	<ul style="list-style-type: none"> <li>Pipeline is at an all time high and growing</li> <li>Up 25% from last year</li> </ul>
Gaining traction with consultants	<ul style="list-style-type: none"> <li>Have participated in searches this year with all 9 Tier 1 Consultants</li> <li>Over 150 consultant driven searches YTD</li> </ul>
Strong client satisfaction scores	<ul style="list-style-type: none"> <li>Average ratings improved 29% from a year ago</li> </ul>
Fully staffed team	<ul style="list-style-type: none"> <li>5 new sales professionals</li> <li>Launched DCIO effort</li> </ul>



## Institutional business challenges

- August and September market volatility
  - Suppressed search activity in transitional markets
  - Market stabilization should lead to a fast return to normal activity
- Institutional channel in outflows — mostly driven by low-margin legacy parent redemptions
  - More than half of redemptions from Bank of America and American Express
  - YTD net outflows of \$2.9 billion, with \$2.2 billion from legacy parent accounts
  - Revenue from legacy parent outflows will be nearly offset by expected new institutional client fundings

Expected Outflows	4Q 2011		1Q 2012	
	AUM (in billions)	Revenue (in bps)	AUM (\$ in billions)	Revenue (in bps)
Legacy parent Influenced				
- Institutional	\$6.6	6.5 bps		
- Retail sold in institutional channel			\$2.7	7.0 bps



## Institutional business moving forward

- Focus on driving net inflows, particularly outside legacy parent organizations
  - Expected legacy parent redemptions are a temporary issue
  - Strong and growing pipeline
  - Our 13 focus products have an Evestment alliance rating of 24th percentile for 3 years and 20th percentile for 5 years
- Continue to enhance product / capability line-up
  - Immediate focus on non-US fixed income and equity products, nearing highly competitive 3 year track records
  - Longer-term focus on solutions oriented products (e.g., LDI)
- Expanding non-US footprint
  - AUM from non-US clients is growing (currently 10%)
  - Efforts underway to expand non-US distribution, focusing on Asia, Australia and select markets in Europe and the Middle East



## Summary

- Integration largely complete, solid foundation in place
- Strong investment performance
- Emerging areas of investment performance strength and product development position us for growth
- Intermediary and institutional channels face short-term flows challenges, but strong leading indicators for future growth
- Business has significant momentum and a promising future



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## Appendix

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