

# News Release

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## **COLUMBIA THREADNEEDLE MULTI-MANAGER Q2 2024 FUND WATCH SURVEY:**

### **IA JAPAN SECTOR TOPS THE CHARTS FOR THE FOURTH REPORT IN A ROW BUT ONLY A LIMITED NUMBER OF FUNDS BEAT PEERS ON A CONSISTENT BASIS**

- *In Q2 2024, 28 funds delivered consistent top quartile performance (falling to 1.9% of the universe and lower than the historical average)*
- *IA Japan sector topped the table for the fourth report in a row – 9% of funds delivered top quartile performance in three consecutive rolling years to Q2 2024 (although down from 11.8% in Q1 2024)*
- *258 funds delivered above median returns consistently (17.9% of the universe)*
- *The IA India/Indian Subcontinent sector had a stellar Q2 (up 10.5%), supported by strong economic fundamentals*
- *16 of the 56 IA sectors had negative returns – the Latin America sector was again the worst performing*

**LONDON, 17 July 2024:** The percentage of funds delivering top quartile returns over three consecutive 12-month periods fell to **28 out of 1,440 funds in Q2 2024**, equating to **1.9%** of the selected universe, compared to **38 out of 1,425 funds (2.7%)** in Q1 2024, according to the latest Columbia Threadneedle Investments Multi-Manager Fund Watch survey.

Fund Watch, a quarterly survey launched in 2008 by the Multi-Manager team at Columbia Threadneedle, analyses the performance of the funds universe and the IA sectors, providing investors with insight into where value can be found within active management. The CT MM Consistency Ratio's historical average range is between 2-4%. A copy of the full Q2 2024 survey can be downloaded [here](#).

For the fourth quarterly report in a row, the IA Japan sector had the most consistently performing funds, with 9% delivering a top quartile performance. The next best was the IA UK Smaller Companies sector, with 4.8% of funds achieving this target. At the other end of the spectrum, the IA North America, £ Corporate Bond, and UK All Companies sectors had no funds deliver top quartile returns consistently.

Lowering the hurdle rate to above median in each of the last three 12-month periods saw a slight decrease in the number of funds delivering above median returns consistently. A total of 258 out of 1,440 funds (17.9%)

were above the median, compared to 18.1% in Q1 2024. Again, the IA Japan sector had the most consistently above average funds, with 31.3% delivering above median returns. The next best was the IA UK Smaller Companies sector, with 23.8% of its funds qualifying. The IA £ Strategic Bond sector yielded the lowest ratio of consistent performers, with only 13% of funds above the median.

**Adam Norris, Investment Manager in the Multi-Manager team at Columbia Threadneedle Investments, comments:** *"While disappointing to see the CT MM Consistency Ratio fall below the long-term average, it is encouraging to see certain sectors showing resilience and strong fund returns.*

*The growth in Indian equities is becoming a lasting trend, benefiting from geopolitical dynamics and a robust demographic profile. While Japan continues to score highly and Asia Pacific ex-Japan equities show signs of improvement, the rise in bond yields and lack of consistent fixed income funds performing well speak loudly to the gyrations of the market's reading of the monetary policy backdrop and central banks' actions. While the majority of active managers are struggling against global indices, especially the IA North America sector as mega cap technology stocks dominate overall returns, this reasoning does not hold up when comparing fund returns within their respective sectors outside of the US.*

*Looking ahead and despite challenges in fixed income, we remain optimistic about equity markets, especially in underappreciated areas such as UK equities, small caps and alternative investment trusts."*

**Other highlights from Q2 2024 survey included:**

- Indian equities surged despite political uncertainty. While the IA India/Indian Subcontinent was a best performing sector of the quarter, runner up was the IA Technology and Telecoms sector, and third was the IA UK Smaller Companies.
- The Stewart Investors Indian Subcontinent Sustainable Fund topped the Q2 2024 leaderboard with a return of 14.7%, while the Luxembourg Selection – Active Solar Fund was the worst performer, highlighting the challenges faced by funds with dual mandates of delivering investment performance while addressing social and environmental challenges.
- The 100th percentile was also swamped by Latin American funds, influenced by political events and currency weaknesses.
- Precious metals funds thrived amidst economic volatility, with Jupiter Gold & Silver and Baker Steel Gold & Precious Metals performing exceptionally well.
- Royal London Global Equity Select and MI Thornbridge Global Opportunities Fund have almost doubled the MSCI World TR return of 35% over the past year, showing meaningful fund outperformance is still achievable despite the narrowly-led equity market.

## ENDS

### Notes to editors:

#### About Fund Watch

The Fund Watch survey uses the Columbia Threadneedle Investments Multi-Manager team's process to highlight the past quarter's developments in the fund world. It is fact-based and uses performance analysis techniques which form part of the team's investment process. All data is from Lipper for Investment Management, using the Investment Association (IA) sectors and is calculated in total return terms in sterling for periods ending 30 June 2024.

The Columbia Threadneedle Investments Multi-Manager team has worked together since 1996 and runs two fund ranges - CT MM Lifestyle, a range of five risk targeted funds, and CT MM Navigator, a range of five risk profiled funds. Full details can be found online [here](#).

CT MM Lifestyle	CT MM Navigator Range
CT MM Lifestyle 3 Fund	CT MM Navigator Balanced Fund
CT MM Lifestyle 4 Fund	CT MM Navigator Boutiques Fund
CT MM Lifestyle 5 Fund	CT MM Navigator Cautious Fund
CT MM Lifestyle 6 Fund	CT MM Navigator Distribution Fund
CT MM Lifestyle 7 Fund	CT MM Navigator Growth Fund

#### About Columbia Threadneedle Investments

Columbia Threadneedle Investments is a leading global asset manager, entrusted with US\$652bn / €604bn / £516bn<sup>[1]</sup> on behalf of individual, institutional and corporate clients around the world.

We have more than 2500 people including over 650 investment professionals based in North America, Europe and Asia<sup>[2]</sup>. We offer our clients a wide range of strategies across equities, fixed income and alternatives, as well as specialist responsible investment capabilities and a comprehensive suite of solutions.

Columbia Threadneedle Investments is the global asset management group of Ameriprise Financial, Inc. (NYSE:AMP), a leading US-based financial services provider. As part of Ameriprise, we are supported by a large and well-capitalised diversified financial services firm.

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<sup>[1]</sup> Ameriprise Q1 2024 results

<sup>[2]</sup> As at 31 March 2024, Columbia Threadneedle Investments

