



Columbia Threadneedle Investments

Session 1: Global and Regional Economic and Markets Outlook
Session 6: Trends and Challenges in Reserve Management
Speaker: Mr. Gary Smith, Columbia Threadneedle Investments

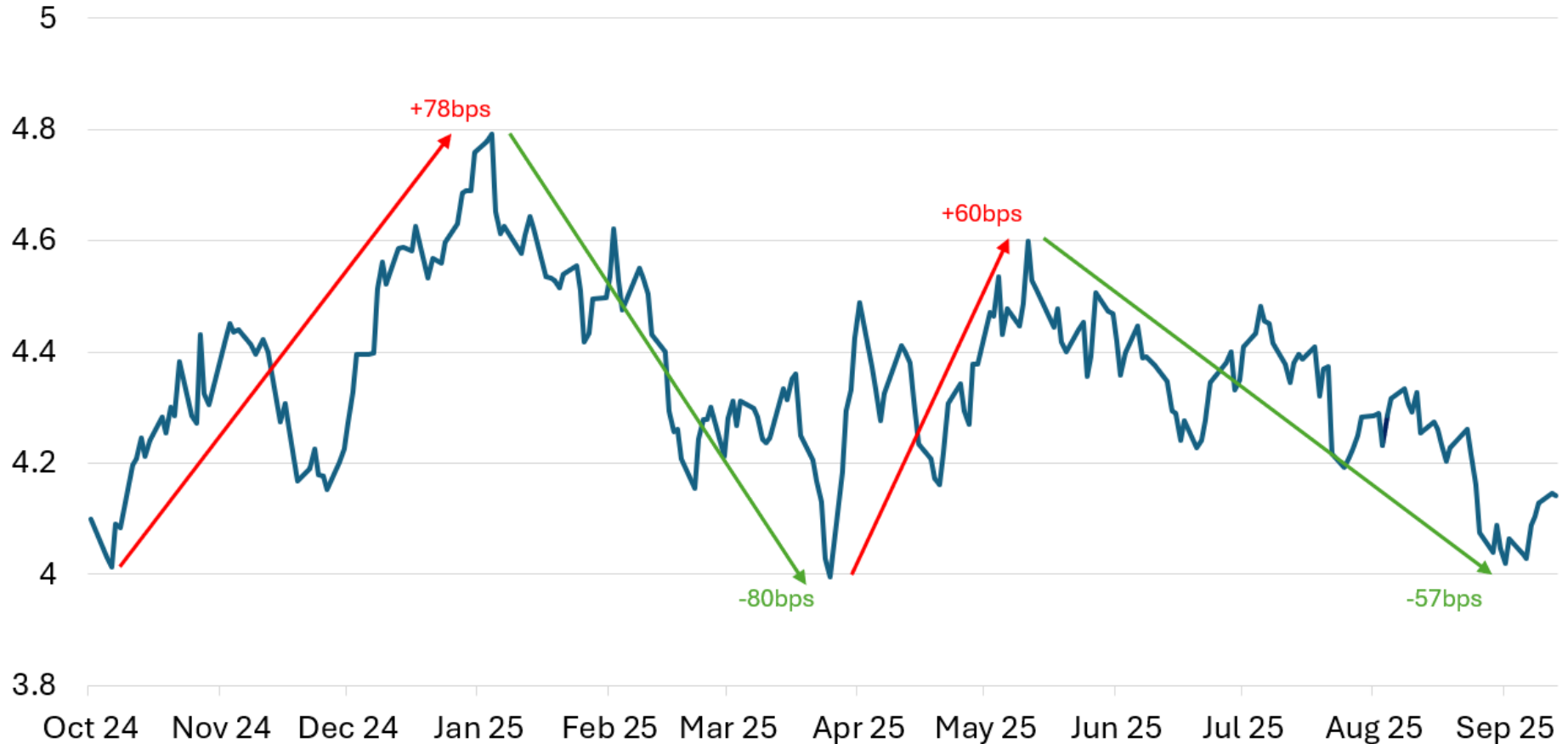
2025 ASIAN REGIONAL FORUM
ON INVESTMENT MANAGEMENT
OF FOREIGN EXCHANGE RESERVES

Columbia Threadneedle Investments

ADB FX Reserves Managers
conference

October 2025

The 10-year UST bond yield roller-coaster



Source: Bloomberg as at 31 August 2024.



Image source: AdobeStock_502939017

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WHY, SOMETIMES
I'VE BELIEVED AS MANY AS
SIX IMPOSSIBLE
THINGS BEFORE BREAKFAST

~ALICE IN WONDERLAND

An unexpected turn of events?



28 February 2025

Image source: from left to right: AdobeStock_1347630037

Operation Midnight Hammer

June 22, 2025



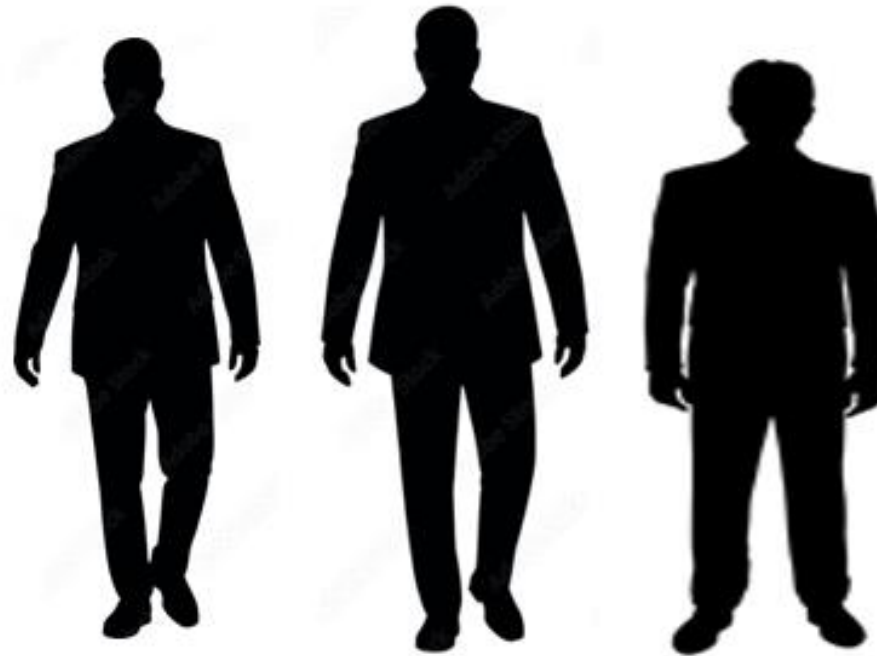
Image source: AdobeStock_996942929 for illustrative purposes only.

A surprise red carpet welcome



Image source: from left to right: AdobeStock_1266473387 (red carpet) , AdobeStock_224165548 (Putin), AdobeStock_1531986564 (Trump)

Look who's back...



3 Sept 2025

Putin

Xi

Kim Jong Un

The 3Ds: keeping inflation volatility structurally higher



Supply chains no longer
focus on cheapest costs



Spending will boost
fiscal deficits



The green transition costs

**Inflation uncertainty will keep bond markets nervous,
and the risk of a policy mistake is growing**

US Treasury yield curve steepening

US Treasury 5s30s



Source: Bloomberg as at 25 September 2025

What will the world look like in 2035?



- Succession Planning is easier in a democracy
- **Putin** will be 83
- **Xi** will be 82
- **Khomeini** will be 96
- **Kim Jong Un** will be 51

Playing Jenga with the international monetary system



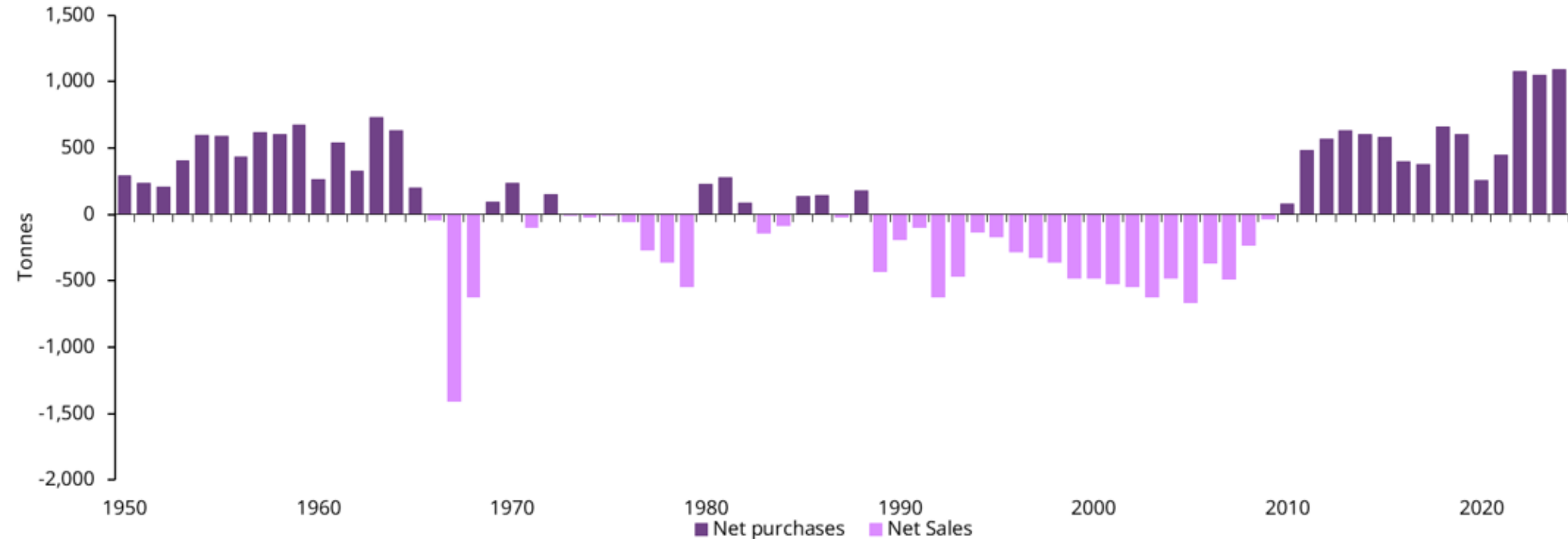
Image source: AdobeStock_109276462

Which currencies will benefit from dollar erosion?



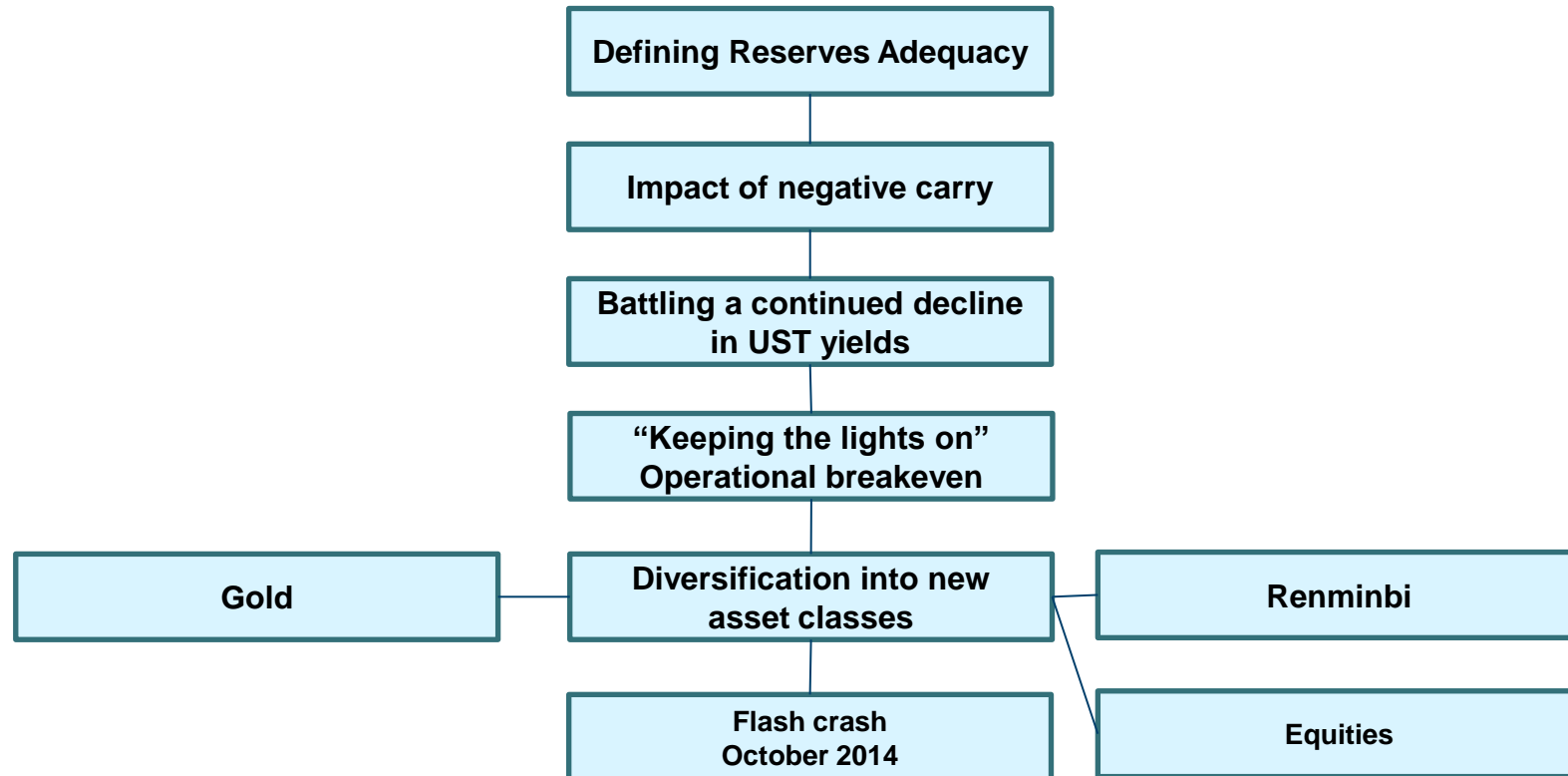
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Central banks on track to be net purchasers for fifteen consecutive years

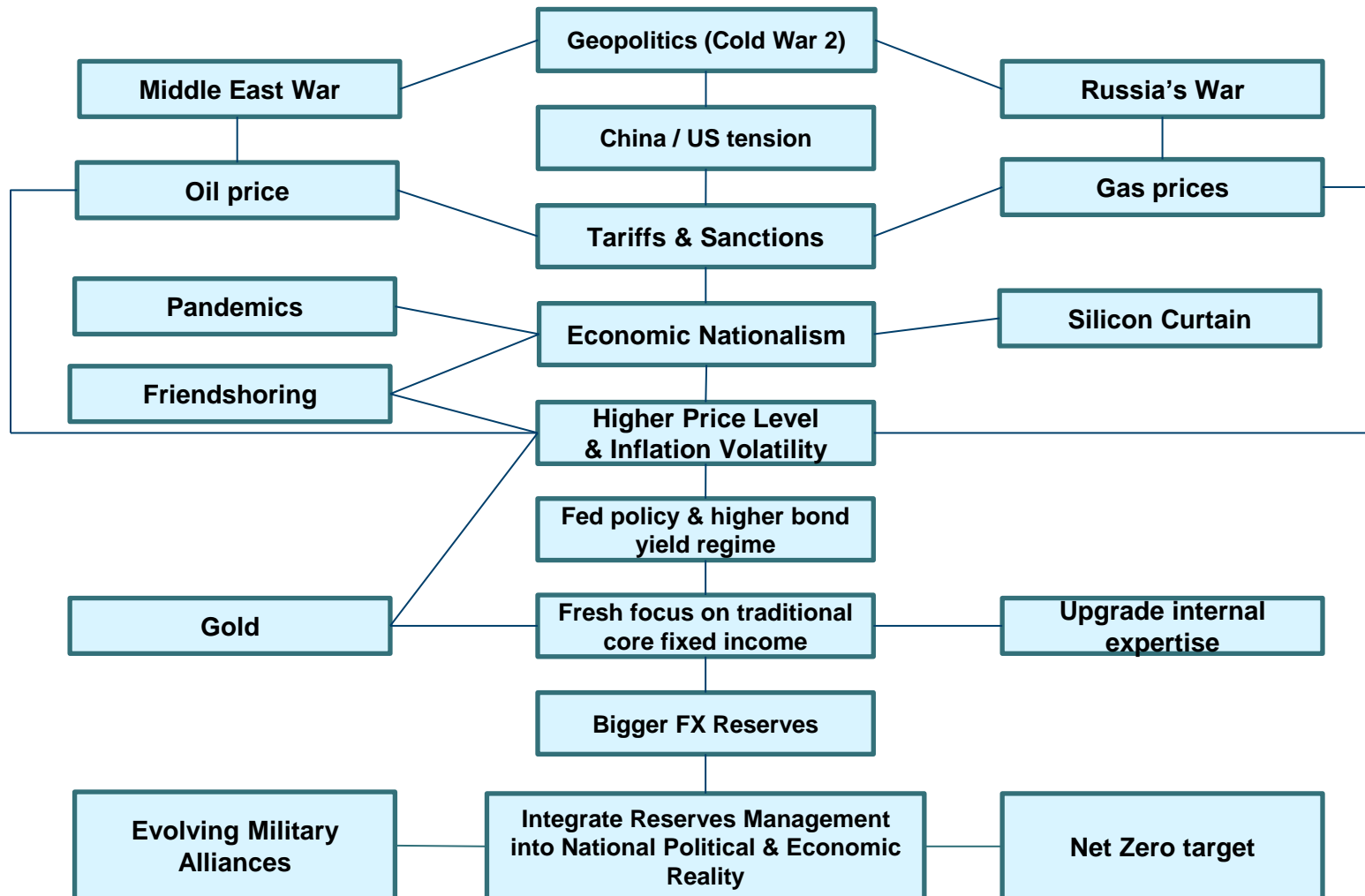


*Data to 31 December 2024. Net demand (i.e. gross purchases less gross sales) by central banks and other official sector institutions, including supra national entities such as the IMF. Swaps and the effects of delta hedging are excluded. Source: Metals Focus, Refinitiv GFMS, World Gold Council

History Lessons – FX Reserves Management in 2014



What has changed? FX Reserves management in 2025



Source: Columbia Threadneedle Investments as at 31 August 2025

Biography



GARY SMITH

Head of EMEA Client Portfolio Manager team, Fixed Income

Gary Smith is Head of the Client Portfolio Manager team in the EMEA fixed income department of Columbia Threadneedle Investments and joined the firm in 2024. He has a primary product focus on Investment Grade credit. Before joining Columbia Threadneedle, he was the Managing Director of Sovereign Focus and provided financial market training to central banks and asset management firms. He has written over 60 articles on asset allocation issues that have been published by a wide range of publications.

Prior to that, Gary ran distribution teams at Morgan Stanley and BNP Paribas. His previous experience includes serving as a trustee of a UK pension fund and working as a contributing editor for the Central Banking Journal. He began his career in fixed income research.

Gary has an economics degree from University College London. He also holds the CFA Sustainable Investing Certificate.

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