



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

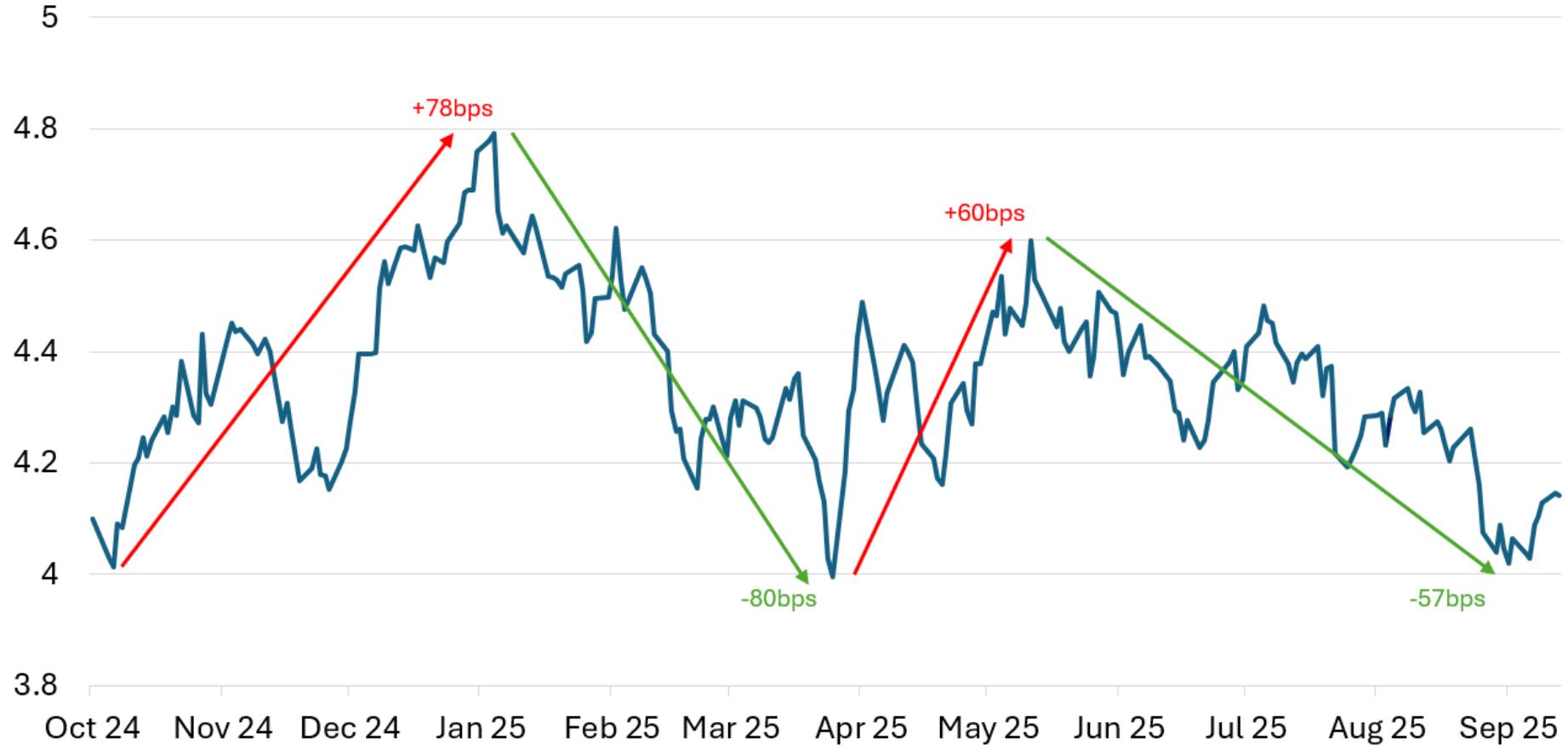
ADB FX Reserves Managers conference

October 2025



Image source: AdobeStock_619590612

The 10-year UST bond yield roller-coaster





99

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

-ALICE IN WONDERLAND

An unexpected turn of events?



Image source: from left to right: AdobeStock_1347630037

Operation Midnight Hammer

June 22, 2025

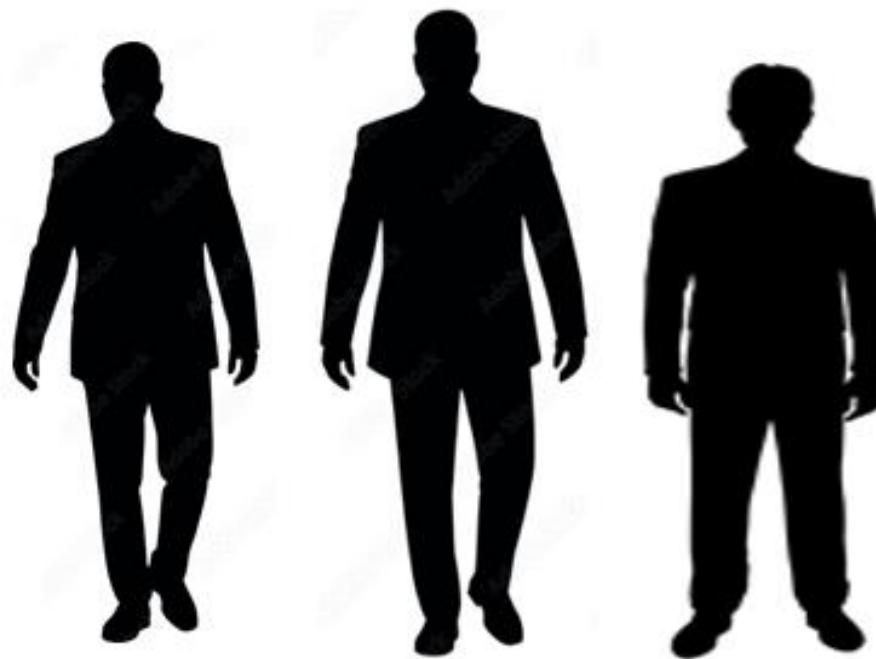


Image source: AdobeStock_996942929 for illustrative purposes only.

A surprise red carpet welcome



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

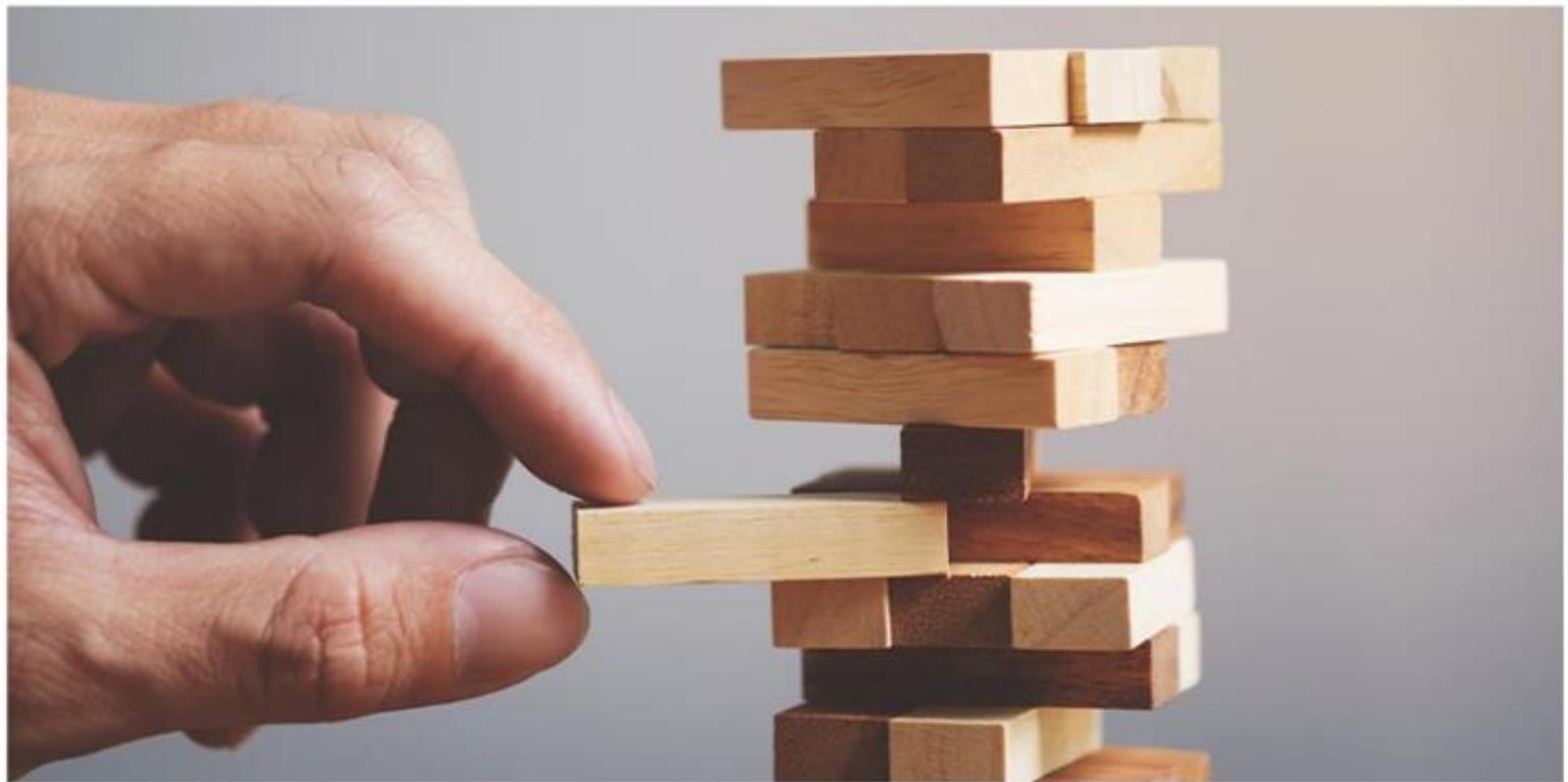
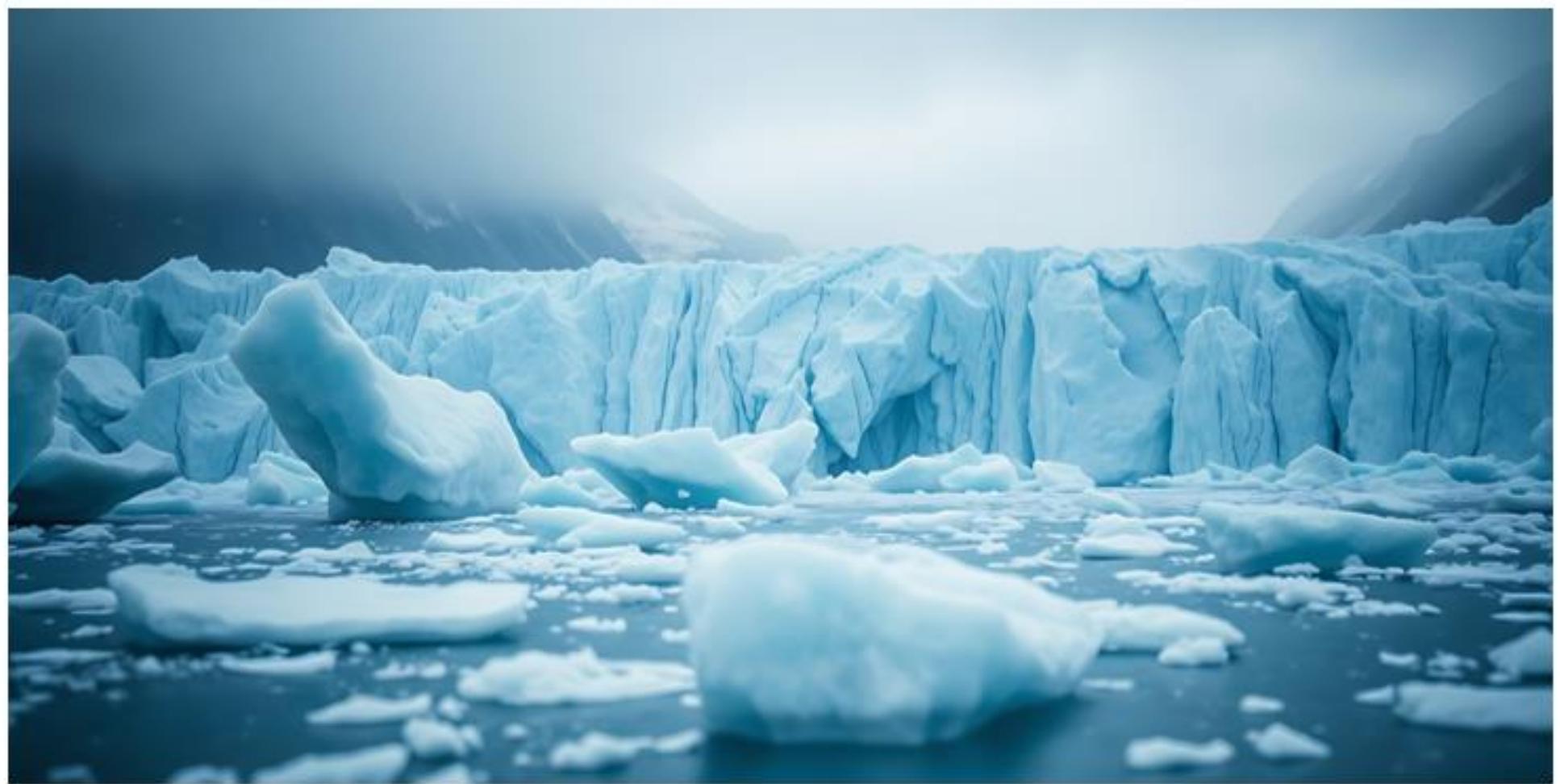


Image source: AdobeStock_109276462

Which currencies will benefit from dollar erosion?

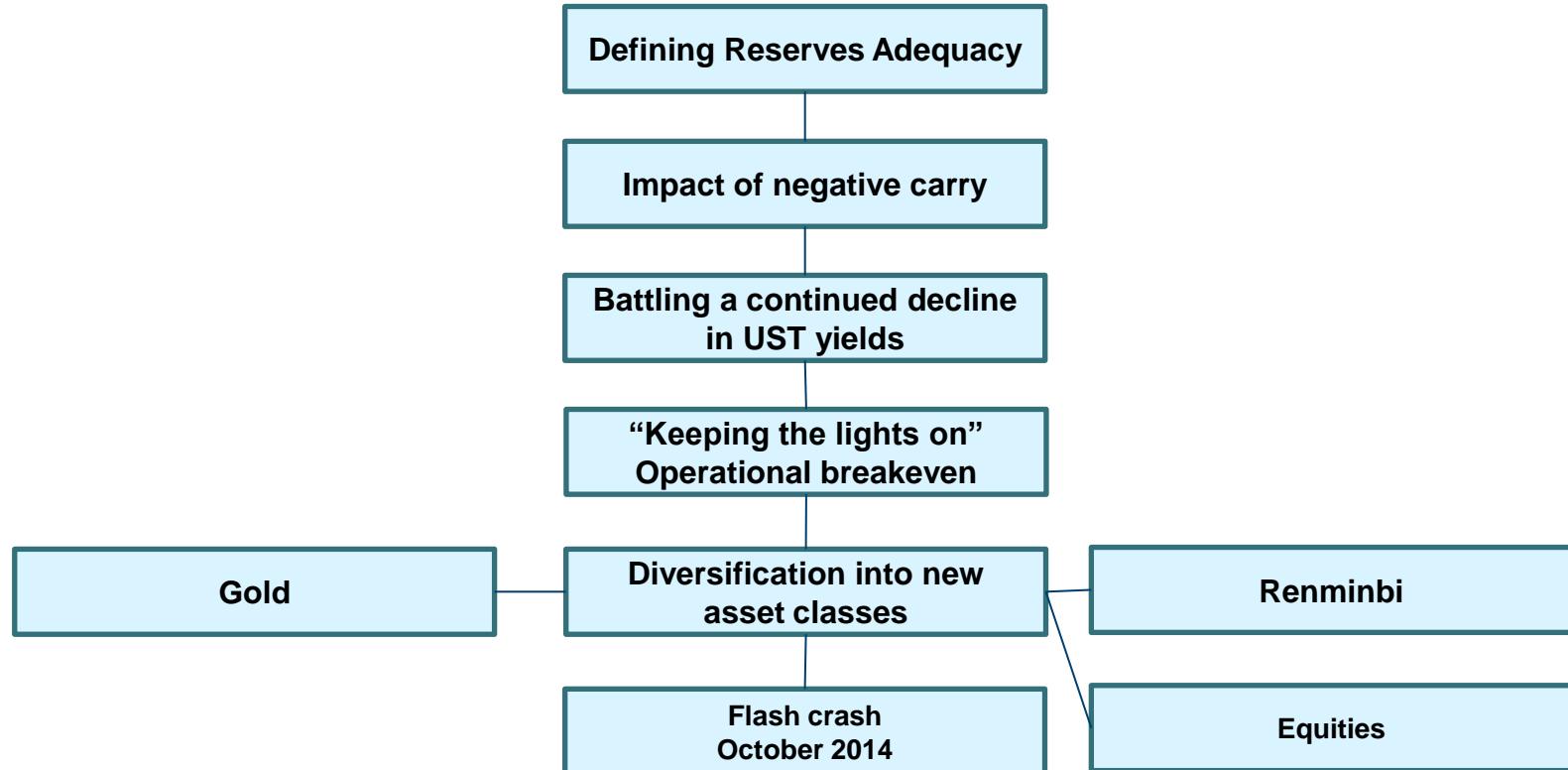


Central banks on track to be net purchasers for fifteen consecutive years

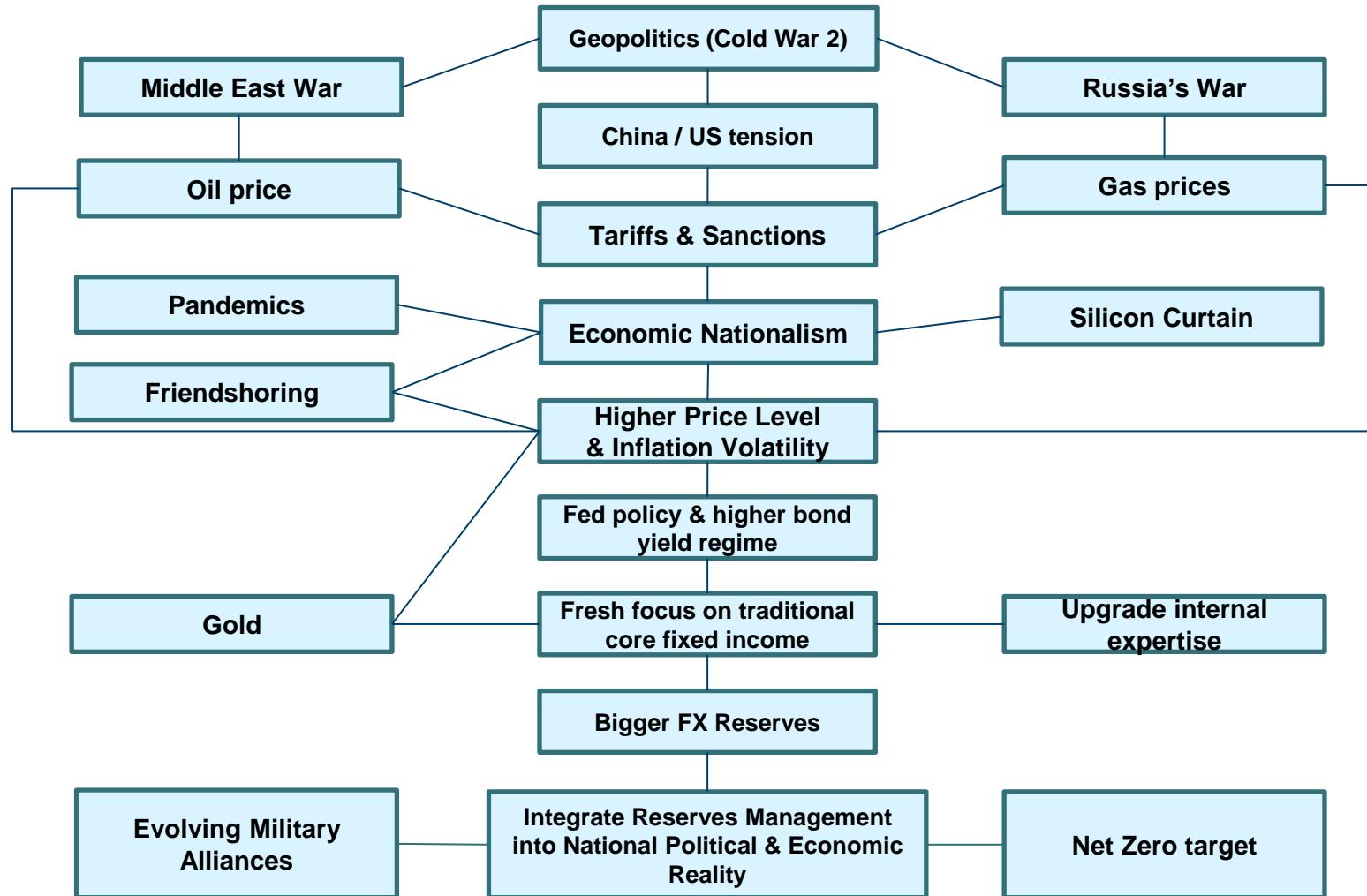


*Data to 31 December 2024. Net demand (i.e. gross purchases less gross sales) by central banks and other official sector institutions, including supra national entities such as the IMF. Swaps and the effects of delta hedging are excluded. Source: Metals Focus, Refinitiv GFMS, World Gold Council

History Lessons – FX Reserves Management in 2014



What has changed? FX Reserves management in 2025



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.

Important Information

Important Information: For use by professional clients and/or equivalent investor types in your jurisdiction (not to be used with or passed on to retail clients).

This document is intended for informational purposes only and should not be considered representative of any particular investment. This should not be considered an offer or solicitation to buy or sell any securities or other financial instruments, or to provide investment advice or services. Investing involves risk including the risk of loss of principal. Your capital is at risk. Market risk may affect a single issuer, sector of the economy, industry or the market as a whole. The value of investments is not guaranteed, and therefore an investor may not get back the amount invested. International investing involves certain risks and volatility due to potential political, economic or currency fluctuations and different financial and accounting standards. The securities included herein are for illustrative purposes only, subject to change and should not be construed as a recommendation to buy or sell. Securities discussed may or may not prove profitable. The views expressed are as of the date given, may change as market or other conditions change and may differ from views expressed by other Columbia Threadneedle Investments (Columbia Threadneedle) associates or affiliates. Actual investments or investment decisions made by Columbia Threadneedle and its affiliates, whether for its own account or on behalf of clients, may not necessarily reflect the views expressed. This information is not intended to provide investment advice and does not take into consideration individual investor circumstances. Investment decisions should always be made based on an investor's specific financial needs, objectives, goals, time horizon and risk tolerance. Asset classes described may not be suitable for all investors. Past performance does not guarantee future results, and no forecast should be considered a guarantee either. Information and opinions provided by third parties have been obtained from sources believed to be reliable, but accuracy and completeness cannot be guaranteed. This document and its contents have not been reviewed by any regulatory authority.

In the UK: Issued by Columbia Threadneedle Management Limited, which is authorised and regulated by the Financial Conduct Authority.

For Distributors: This document is intended to provide distributors' with information about Group products and services and is not for further distribution. For Institutional Clients: The information in this document is not intended as financial advice and is only intended for persons with appropriate investment knowledge and who meet the regulatory criteria to be classified as a Professional Client or Market Counterparties and no other Person should act upon it.

Contact Us

Columbia Threadneedle Investments

78 Cannon Street
London
EC4N 6AG
Tel: +44 (0) 20 7628 8000
Calls may be recorded
www.columbiathreadneedle.co.uk