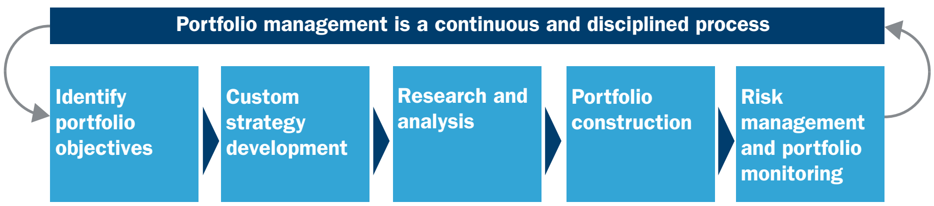
SEPARATELY MANAGED ACCOUNT
COLUMBIA 5 TO 10 YEAR MUNICIPAL LADDER STRATEGY

Investment Approach

The strategy seeks to generate income exempt from federal income tax by investing in a portfolio of laddered municipal securities. We develop the strategy through a top-down/bottom-up process and primarily focus on identifying relative value opportunities within the ladder structure and in credit quality. We emphasize investment grade bond (BBB- or higher) in the maturity space (4-11 years) allowed by the ladder strategy and pursue opportunities we feel offer the best balance of credit fundamentals and incremental yield. Central to our investment philosophy is identifying relative value opportunities and managing risk.

Investment Process



Municipal market provides opportunities

- We believe the municipal market is fragmented, inefficient and provides opportunities to actively manage credit and interest rate risks in order to drive superior long-term results through our focus on tax-exempt income, independent credit research and unique team approach.

Top-down / Bottom-up analyses

- Investment process is a combination of top-down macro and bottom-up fundamental analyses primarily focused on identifying relative value opportunities along the yield curve and in credit quality.
- Top-down macro review assists in setting portfolio target weightings and includes an analysis of the interest rate environment, growth expectations, inflation, unemployment, Federal Reserve policy, monetary and fiscal policy, the political environment and a variety of economic data.
- Fundamental bottom-up credit analysis, conducted by our credit research team, consists of a thorough review of the municipal credits. Our rigorous bottom-up security selection process focuses on providing attractive tax-exempt income and returns from a variety of issuers, sectors, credit qualities and geographic locations and avoiding potential pitfalls, all based on relative-value analysis.

Focus on yield curve positioning and credit quality

- The portfolio's maturity/duration, quality, sector, coupon, call structure and geography are analyzed and we set target weightings for their contribution to a five-to-ten year ladder structure, based on our market outlook and risk analysis. We primarily focus on identifying relative value opportunities within the ladder structure and in credit quality. The investment team pursues those opportunities offering the best balance of credit fundamentals and incremental yield for inclusion in the portfolio.

Portfolio Management

Deborah Vargo	41 years experience
Carri Dolin	33 years experience
Bill Callagy	17 years experience

Distinguishing Features

- Extensive investment experience from our team of tenured portfolio managers, research analysts and traders.
- Dedicated municipal-only trading desk.
- Focus on risk management and downside risk mitigation.
- Credit research team provides independent, in-depth, fundamental credit analysis and surveillance.
- Columbia Threadneedle is a large player in the municipal market and participates in the corresponding benefits.

Investing involves risk including the risk of loss of principal. There is no guarantee the objective will be achieved or that any return expectations will be met.

SEPARATELY MANAGED ACCOUNT
COLUMBIA 5 TO 10 YEAR MUNICIPAL LADDER STRATEGY

Sector Allocation (% of assets)

	Portfolio Weight
Local General Obligation	32.7
Turnpike/Bridge/Tollroad	18.9
State Appropriated	10.4
Charter School	10.1
Sales Tax	8.6
Hospital	8.4
Education	8.0
Cash & Cash Equivalents	2.9

Portfolio Characteristics

Average maturity (years)	6.68
Average duration (years)	4.20
Average credit quality†	AA
Average coupon (%)	4.26
Yield-to-worst (%)	3.33

Credit Rating (% net assets)†

AAA	10.1
AA	43.1
A	35.5
Not Rated	8.4
Cash & Cash Equivalents	2.9

Duration Distribution (% net assets)

1 - 3 years	18.4
3 - 5 years	34.6
5 - 7 years	35.3
7 - 10 years	8.8
Cash & Cash Equivalents	2.9

Investment risks- Investments in **municipal securities** will be affected by tax, legislative, regulatory, demographic or political changes, as well as changes impacting a state's financial, economic or other conditions. The relatively small size of the portfolio may necessitate investing more heavily in a single issuer or small number of issuers and, therefore, be more exposed to the risk of loss than a portfolio that invests more broadly. Federal and state tax rules apply to capital gains and any gains or losses on sales. Income may be subject to state, local or alternative minimum taxes. Fixed-income securities present issuer **default** risk. **Prepayment and extension** risk exists because a loan, bond or other investment may be called, prepaid or redeemed before maturity and similar yielding investments may not be available for purchase. **Market risk** may affect a single issuer, sector of the economy, industry or the market as a whole. A rise in **interest rates** may result in a price decline of fixed-income instruments held by the portfolio, negatively impacting its performance and market value. Falling rates may result in the portfolio investing in lower yielding debt instruments, lowering the portfolio's income and yield. These risks may be heightened for longer maturity and duration securities. Columbia Management Investment Advisers, LLC and its affiliates do not offer tax or legal advice. Consumers should consult with their tax advisor or attorney regarding their specific situation.

† Third-party rating agencies provide bond ratings ranging from AAA (highest) to D (lowest). When three ratings are available from Moody's Ratings, S&P and Fitch, the middle rating is used. When two are available, the lower rating is used. If only one is available, that rating is used. If a security is Not Rated but has a rating by Kroll and/or DBRS, the same methodology is applied to those bonds that would otherwise be Not Rated. Bonds with no third-party rating are designated as Not Rated. Investments are primarily based on internal proprietary research and ratings assigned by our fixed income investment analysts. Therefore, securities designated as Not Rated do not necessarily indicate low credit quality, and for such securities the investment adviser evaluates the credit quality. Holdings of the portfolio other than bonds are categorized under Other. Credit ratings are subjective opinions of the credit rating agency and not statements of fact and may become stale or subject to change.

Duration measures the sensitivity of bond prices to changes in interest rates. Bonds with a higher duration experience greater price volatility from interest rate movements. **Yield-to-worst** is the lowest return that can be received on a bond without default and assumes the bond is called or redeemed by the issuer at the earliest opportunity.

It is not possible to invest directly in an index.

Portfolio characteristics are based on the representative account and are subject to change. This information does not constitute investment advice and is issued without regard to specific investment objectives or the financial situation of any particular recipient. Individual portfolio performance and holdings may differ from information shown due to decisions made by the program sponsor, the size and timing of cash flows and client-specific investment guidelines and objectives.

This material is provided to program sponsors and third-party intermediaries for informational purposes only. To the extent any such recipient chooses to further disseminate this material to program participants, CMIA and its affiliates assume no responsibility for compliance with any laws and rules associated with such further dissemination. Furthermore, receipt of this material by a program participant does not establish a relationship between any such program participant and CMIA or any of its affiliates.

These managed account programs are only available through investment professionals. Not all strategies may be available on all platforms, and fees and terms may vary. Managed account programs may not be appropriate for all investors.

Advisory services provided by Columbia Management Investment Advisers, LLC.

Columbia Threadneedle Investments (Columbia Threadneedle) is the global brand name of the Columbia and Threadneedle group of companies.