

## AN OVERVIEW OF

# Columbia Diversified Income Portfolios

### AT A GLANCE

🎯 **Investor goal**  
**Generating income**

★ **Potential benefits**

- **Active and passive implementation.**

The portfolios allocate across global asset classes, investing in both mutual funds and ETFs.

- **Multi-asset income diversification.**

The strategy invests in a diversified set of income-generating asset classes to offer multiple drivers of income and return.

- **Adaptive approach to managing risk.**

Dynamic repositioning can help the strategy reduce downside risk during periods of market stress.

### What do they do?

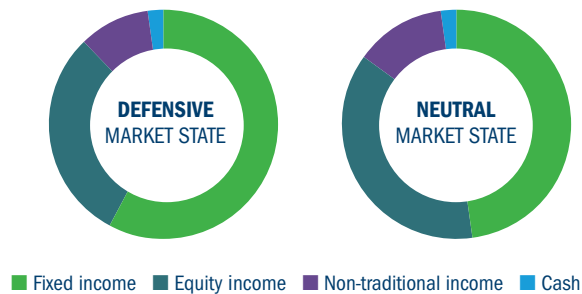
These model portfolios are built to diversify income sources, generate attractive yield and mitigate downside risk.

### What makes them unique?

The portfolios apply a proprietary adaptive risk methodology that seeks to maximize income potential while mitigating downside risk during periods of market stress.

They leverage both mutual funds and ETFs across fixed-income, equity income and nontraditional income asset classes.

#### SAMPLE POSITIONING BY MARKET STATE



Sample positioning based on the moderate portfolio. Actual allocations subject to change.

Source: Columbia Management Investment Advisers, LLC.

### How do they work?

The portfolios use Columbia Threadneedle's rules-based market-state classification system to identify periods in which large drawdowns are most likely to occur and meaningfully reallocate in anticipation of downside volatility.

#### SOURCES OF INCOME

##### FIXED INCOME

- Emerging market bonds
- Floating-rate securities
- High-yield bonds
- Investment-grade corporate bonds
- Securitized bonds
- Treasury bonds

##### EQUITY INCOME

- International dividend-paying stocks
- U.S. dividend-paying stocks

##### NON-TRADITIONAL INCOME

- Convertible securities
- Covered call writing strategies
- Real Estate Investment Trusts (REITs)

## Backed by experts

Our **Global Asset Allocation Team** harnesses deep expertise and firmwide resources to ensure we are creating and implementing strategies to help our clients reach their investment goals.

**\$91 billion**

in assets under management<sup>1</sup>

**15**

years of investment  
experience on average

**29**

asset allocation  
investment professionals

## Complement your expertise with ours

We offer model portfolios across a diverse suite of 24 strategies, helping investors reach their investment goals for more than 14 years.



### Proven expertise.

Broad asset allocation capabilities, multi-manager research and strong underlying investment strategies are all informed by our risk-aware philosophy.

### Strong partnership.

Simplify your practice and strengthen your client offerings with access to resources that can scale and grow your practice.

### A focus on clients.

Every strategy is built with your clients in mind, seeking to align their investment goals with financial outcomes.

To speak to one of our model portfolio specialists,  
call **800.870.8582**.



<sup>1</sup> Asset allocation team assets shown reflect Columbia Management Investment Advisers, LLC assets as of June 30, 2021. Contact us for more current information.

Investment experience and model information as of June 30, 2021.

**Investment risk – Income** is not guaranteed and will vary. The portfolios are subject to the investment performance (positive or negative), risks and expenses of **underlying funds** in which they invest. Securities in which these funds invest involve risks including but not limited to **market risk, price volatility, credit risk, interest rate risk, prepayment and extension risk, political/economic risk, currency risk, and liquidity risk. Foreign investments** subject the portfolio to risks, including political, economic, market, social and others within a particular country, as well as to currency instabilities and less stringent financial and accounting standards than those generally applicable to U.S. issuers. These risks are enhanced for **emerging markets. Real estate investment trusts (REITs)** are subject to illiquidity, valuation and financing complexities, taxes, default, bankruptcy and other economic, political or regulatory occurrences. **Floating rate loans** typically present greater risk than other fixed-income investments as they are generally subject to legal or contractual resale restrictions, may trade less frequently and experience value impairments during liquidation. **Non-investment grade** securities have greater credit risk and volatility. **Covered call writing** strategies limit upside potential, and do not protect against loss in a down market. **Asset allocation and diversification** does not assure a profit or protect against loss. **ETFs** trade like stocks, are subject to investment risk and will fluctuate in market value.

These managed account solutions are only available through investment professionals. Not all strategies may be available on all platforms. Managed account programs may require a minimum asset level and may not be suitable for all investors.

**Market-state classification:** The management team employs quantitative and fundamental methods to identify two distinct market states: neutral and defensive. A strategic allocation is created for each market state by analyzing multiple stock and bond market indicators such as interest rates, inflation measures, yield curve, momentum, volatility and valuation. Stock markets are classified as neutral or favorable while bond markets are classified as neutral or unfavorable. The market states are generally characterized by the following combination of stock and bond market classifications: neutral = neutral stock and bond market conditions, favorable stock market and neutral bond market conditions or favorable stock market conditions and unfavorable bond market; defensive = neutral stock market conditions and unfavorable bond market. The market state is determined monthly, and the portfolio is repositioned accordingly if necessary. The neutral market state represents the environment that the management team expects to be in the most frequently and under normal circumstances.

**Not Federally Insured** | **No Financial Institution Guarantee** | **May Lose Value**

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

Columbia Management Investment Advisers, LLC (CMIA) is an investment adviser registered with the U.S. Securities and Exchange Commission.

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