COLUMBIA THREADNEEDLE INVESTMENTS
Your success. Our priority.

Share Class Symbol	A COSIX	Advisor CMNRX	C CLSCX	Institutional LSIZX	Institutional 2 CTIVX	Institutional 3 CPHUX	R CSNRX

Columbia Strategic Income Fund

Overall Morningstar Rating™

Class A

Institutional Class

The Morningstar Rating is for the indicated share classes only as of 12/31/20; other classes may have different performance characteristics. **The Morningstar ratings for the overall, three-, five- and ten-year periods for Class A shares are 5 stars, 4 stars, 4 stars and 5 stars and for Institutional Class shares are 5 stars, 5 stars, 4 stars and 5 stars among 269, 269, 240 and 94 Nontraditional Bond funds respectively, and are based on a Morningstar Risk-Adjusted Return measure.**

Risk appetite was generally robust in the fourth quarter despite rapidly rising COVID -19 case counts and hospitalizations around the globe including the U.S. and Europe.

Income focus

The fund diversifies sources of return across sectors and global markets with a goal to provide attractive income in all market environments.

Flexible mandate

Our flexible approach focuses on capturing returns in all phases of the economic and financial cycle. Unhindered by sector restrictions, proactive allocation shifts are made in an effort to optimize performance and reduce downside risk exposure.

Global reach

Using bottom-up fundamental research, the fund reflects the best ideas of the dedicated team of more than 180 fixed-income professionals around the globe.

Expense ratio[1]

Share class	No waiver (gross)	With waiver (net)
Institutional	0.68%	0.68%
A	0.93%	0.93%

Fund performance

- Columbia Strategic Income Fund Institutional Class shares returned 4.92% for the three months ending December 31, 2020.
- The fund's benchmark, the Bloomberg Barclays U.S. Aggregate Bond Index, returned 0.67% for the same period.
- For monthly performance information, please check online at columbiathreadneedle.com.

Market overview

Risk appetite was generally robust in the fourth quarter despite rapidly rising COVID-19 case counts and hospitalizations around the globe including the U.S. and Europe. Early in the period, continued U.S. economic expansion was led by the housing sector and a shift in consumer spending away from services and toward goods. Contentious negotiations on a second U.S. stimulus package led to bouts of volatility in rates markets but did little to disturb the rally in credit. As November progressed, a clear resolution to the U.S. presidential election and headlines around the development of a pair of COVID-19 vaccines further buoyed markets. Both vaccines received emergency use authorization from the FDA in December, and countries around the world began vaccinating frontline workers, raising the prospect of a return to relative normalcy in the coming months. As 2020 drew to a close, the U.S. Congress passed additional stimulus including direct payments to households, extended unemployment benefits and small business support. Longer term U.S. Treasury yields finished the quarter higher, with the yield on the 10-year note rising from 0.69% to 0.93%.

Average annual total returns (%) for period ending December 31, 2020

Columbia Strategic Income Fund	3-mon.	1-year	3-year	5-year	10-year
Institutional Class	4.92	7.43	5.55	6.21	5.35
Class A without sales charge	4.90	7.12	5.34	5.93	5.09
Class A with 4.75% maximum sales charge	-0.07	2.07	3.64	4.91	4.58
Bloomberg Barclays U.S. Aggregate Bond Index	0.67	7.51	5.34	4.44	3.84
ICE Bank of America Merrill Lynch U.S. High Yield Cash-Pay Constrained Index	6.44	6.10	5.86	8.39	6.60
FTSE Non-USD World Government Bond Index	4.82	10.78	4.63	5.17	1.88
JP Morgan Emerging Market Bond Index - Global	5.49	5.88	4.94	6.84	5.97

Performance data shown represents past performance and is not a guarantee of future results. The investment return and principal value of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data shown. Please visit columbiathreadneedle.com for performance data current to the most recent month end. Institutional Class shares are sold at net asset value and have limited eligibility. Columbia Management Investment Distributors, Inc. offers multiple share classes, not all necessarily available through all firms, and the share class ratings may vary. Contact us for details.

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3400889 (01/21)

Credit Quality (%) as of December 31, 2020

Columbia Strategic Income Fund	
Agency	10.4
AAA	0.2
AA	4.3
A	4.0
BBB	21.8
BB	24.6
B	19.7
CCC	4.8
D	0.1
Cash and Equivalents	-1.3
Other	0.2
Non-rated	11.1

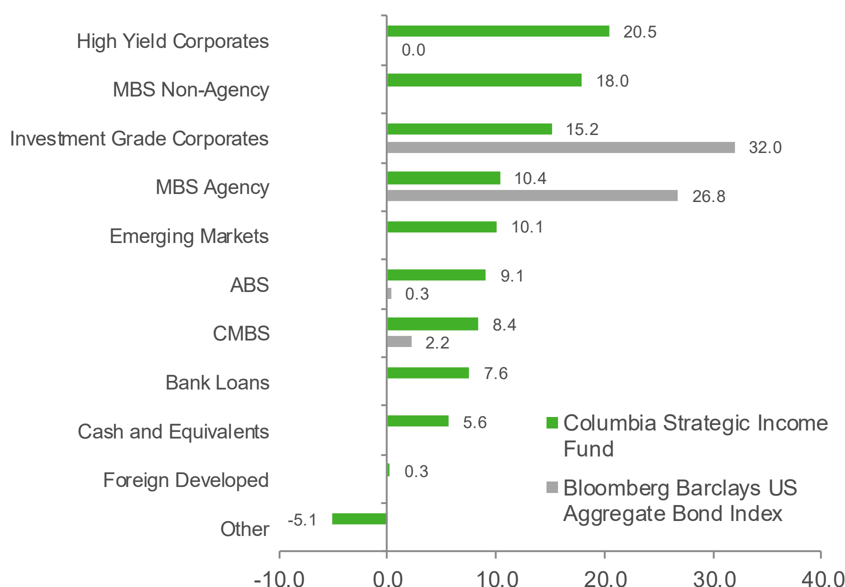
Third-party rating agencies provide bond ratings ranging from AAA (highest) to D (lowest). When three ratings are available from Moody's, S&P and Fitch, the middle rating is used. When two are available, the lower rating is used. If only one is available, that rating is used. If a security is Not Rated 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.

Due to rounding, percentages may not add up to 100.

As gauged by the Bloomberg Barclays U.S. Aggregate Bond Index, the broad U.S. investment-grade taxable bond market returned 0.67% for the quarter. Many of the prior quarter's trends carried over, with U.S. Treasury returns (-0.83%) again lagging given the generally risk-on tone and rising yields. Corporate bonds (3.05%) led performance within the investment-grade market, supported by the stable Federal Reserve policy outlook and continued investor demand for yield. Securitized assets (0.31%) outperformed Treasuries given their lower interest rate sensitivity, with more credit-sensitive commercial mortgage-backed securities leading performance within the sector. Performance for high-yield corporate bonds (6.45%) continued to notably exceed that of their investment-grade counterparts, as investors were willing to assume credit risk in exchange for yield, and a continued firming in oil prices supported issuers within the energy sector. Returns for similarly credit-sensitive floating rate bank loans (3.64%) were also firmly in positive territory. Emerging market bonds (5.49%) continued to benefit from low U.S. interest rates, a weaker dollar and higher oil prices, while foreign currency strength bolstered returns on developed overseas government bond markets (4.82%).

Portfolio attribution by risk factor

- Duration: Interest rate risk detracted from performance, though to a lesser extent than had the fund held a longer, benchmark-like duration posture. (Duration is a measure of a bond's price sensitivity with regard to changes in interest rates.)
- Credit: Credit risk continued to carry portfolio performance, with corporate credit across the quality spectrum driving the largest gains. Allocations to emerging markets, commercial mortgages and residential mortgages also contributed.
- Currency: Currency risk had no impact on performance during the quarter.
- Inflation: Inflation risk had no impact on performance during the quarter.



Source: BlackRock

Outlook and positioning

The economic shock experienced during 2020 resulting from the coronavirus pandemic was nothing short of unprecedented — both in terms of the speed of the downturn and subsequent recovery. Despite those gains, today's levels of employment and output remain on par with some of worst recessions since World War II. Both monetary and fiscal policy makers will likely spend 2021 wrestling with the question of how much additional support may be needed to propel further economic progress. With democratic control of the U.S. Senate now solidified, odds of yet another round of fiscal stimulus coming to fruition have increased materially. This, coupled with broader rollout of two new COVID-19 vaccines, should keep the recovery on track. However, it remains to be seen how either will translate into the Fed's two main areas of focus: unemployment and inflation.

As it stands today, both remain well short of goal. The Fed has committed to keeping front -end rates at zero until inflation recovers above 2%, which represents a high hurdle that could take years to achieve. This in turn should anchor short maturity Treasury yields and provide little opportunity for income or price appreciation. Additionally, the Fed has signaled a willingness to continue asset purchases until the economy has more fully healed. Simply put, monetary policy is likely to remain highly accommodative even as the economy continues to recover. This introduces the potential for conflicting forces to influence longer maturity Treasury yields.

On the one hand, the easy monetary policy environment should exert downward pressure on interest rates. On the other, the rebound in economic activity and inflation should force them higher. This tug-of-war is likely to introduce a lower ceiling that prevents yields from rising by a significant magnitude. However, the value proposition in duration risk appears asymmetric to the downside given that low yields fail to protect against even modestly higher rates. As a result, we have positioned the strategy with a shorter than average duration posture and continue to focus exposures on more credit-centric areas of the bond market.

The same factors that may limit return potential from duration risk continue to support opportunities in credit. More specifically, the Fed's efforts to depress high-quality government yields creates a powerful source of demand for credit assets by forcing investors further out the risk spectrum to source income. Additionally, many of the tail risks that existed earlier in the pandemic have been mitigated by the ability of corporations to access low-cost financing, the preservation of strong household balance sheets and the forthcoming rollout of several promising COVID-19 vaccines. These developments, coupled with the prospect of continued economic progress, support a broadly positive outlook for risk assets.

However, much of this good news is already reflected in prices, and risk compensation is currently below long-term average across most fixed-income sectors. This isn't a deterrent to owning credit risk but does necessitate a change in how we approach it. During the final three quarters of 2020, fixed-income investors could own any variety of risky asset and watch prices climb by 20% or more. Going forward, we expect gains to be far more muted with greater differentiation between the pandemic economy's winners and losers. Rather than passively owning market risk, we are relying heavily on security selection to avoid the potential downside scenarios that can significantly impair already constrained income and total return opportunities.

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COLUMBIA THREADNEEDLE INVESTMENTS

Investment Risks

Market risk may affect a single issuer, sector of the economy, industry or the market as a whole. **Mortgage- and asset-backed securities** are affected by interest rates, financial health of issuers/ originators, creditworthiness of entities providing credit enhancements and the value of underlying assets. Fixed-income securities present **issuer default** risk. **Non-investment-grade** (high-yield or junk) securities present greater price volatility and more risk to principal and income than higher rated securities. A rise in **interest rates** may result in a price decline of fixed-income instruments held by the fund, negatively impacting its performance and NAV. Falling rates may result in the fund investing in lower yielding debt instruments, lowering the fund's income and yield. These risks may be heightened for longer maturity and duration securities. **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. **Prepayment and extension** risk exists because the timing of payments on a loan, bond or other investment may accelerate when interest rates fall or decelerate when interest rates rise which may reduce investment opportunities and potential returns. **Foreign** investments subject the fund 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 generally applicable to U.S. issuers. Risks are enhanced for **emerging market** and **sovereign debt** issuers. Investing in **derivatives** is a specialized activity that involves special risks that subject the fund to significant loss potential, including when used as leverage, and may result in greater fluctuation in fund value. **Liquidity** risk is associated with the difficulty of selling underlying investments at a desirable time or price.

Investors should consider the investment objectives, risks, charges and expenses of a mutual fund carefully before investing. For a free prospectus or a summary prospectus, which contains this and other important information about the funds, visit columbiathreadneedle.com. Read the prospectus carefully before investing.

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Additional performance information: All results shown assume reinvestment of distributions and do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares.

[1]The fund's expense ratio is from the most recent prospectus.

Performance prior to 8/29/2014 reflects a different investment strategy. If the Fund's current strategies had been in place for the prior periods, results shown may have been different.

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For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating™ used to rank the fund against other funds in the same category. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance, without any adjustments for loads (front-end, deferred, or redemption fees), placing more emphasis on downward variations and rewarding consistent performance. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages). The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its three-, five- and ten-year (if applicable) Morningstar Rating metrics.

The **Bloomberg Barclays U.S. Aggregate Bond Index** is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS.

The **ICE BofA ML U.S. High Yield Cash-Pay Constrained Index** tracks the performance of U.S. dollar denominated below investment grade corporate debt, currently in a coupon paying period, that is publicly issued in the U.S. domestic market.

The **FTSE Non-USD World Government Bond Index** is a broad index providing exposure to the global sovereign fixed income market, the index measures the performance of fixed-rate, local currency, investment-grade sovereign bonds. It comprises sovereign debt from over 20 countries, denominated in a variety of currencies.

The **JPMorgan Emerging Market Bond Index - Global** tracks total returns for traded external debt instruments in the emerging markets and is an expanded version of the JPMorgan EMBI+. As with the EMBI+, the EMBI Global includes U.S. dollar-denominated Brady bonds, loans and Eurobonds with an outstanding face value of at least $500 million.

Indices shown are unmanaged and do not reflect the impact of fees. It is not possible to invest directly in an index.