**Institutional Class shares of Columbia Dividend Income Fund returned -0.18% for the quarter ending March 31, 2023. The benchmark, the Russell 1000 Index, returned 7.46% for the same period.**

- Positioning with respect to information technology weighed most heavily on the fund’s performance relative to the benchmark.
- For monthly fund performance, please check online at columbiathreadneedleus.com.

### Market overview

Despite a wide range of potential headwinds, U.S. equities posted gains in the first quarter. The bulk of the positive return occurred in January, reflecting hopes that the U.S. Federal Reserve was largely finished raising interest rates. In addition, a string of better-than-expected economic data points fueled optimism that the United States may be able to avoid a recession. The investment backdrop grew more challenging as the quarter progressed, with persistent inflation fueling concerns that the Fed would in fact need to continue hiking rates. March saw the failure of several U.S. banks along with the collapse of European financial giant Credit Suisse, spurring fears of a banking crisis similar to that seen in 2008-2009. The Fed responded by instituting a special lending facility to support bank liquidity, and at its March 23 meeting increased the target for its benchmark overnight lending rate by a quarter-point to a range of 4.75%-5.00%. The rate hike was generally interpreted by investors as signaling that the Fed viewed the financial system as remaining on sound footing, and equities rallied into the end of the quarter.

Large-cap stocks returned 7.46% for the quarter, as gauged by the Russell 1000 Index. In a reversal of the trend that was in place for most of last year, the growth style strongly outperformed value for the quarter. Performance leadership within the benchmark was

### Average annual total returns (%) for period ending March 31, 2023

<table>
<thead>
<tr>
<th>Fund</th>
<th>3-mon.</th>
<th>1-year</th>
<th>3-year</th>
<th>5-year</th>
<th>10-year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Columbia Dividend Income Fund</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Institutional Class</td>
<td>-0.18</td>
<td>-2.62</td>
<td>17.00</td>
<td>10.05</td>
<td>10.99</td>
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<tr>
<td>Class A without sales charge</td>
<td>-0.24</td>
<td>-2.84</td>
<td>16.72</td>
<td>9.78</td>
<td>10.71</td>
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<tr>
<td>Class A with 5.75% maximum sales charge</td>
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<td>-8.43</td>
<td>14.45</td>
<td>8.49</td>
<td>10.06</td>
</tr>
<tr>
<td>Russell 1000 Index</td>
<td>7.46</td>
<td>-8.39</td>
<td>18.55</td>
<td>10.87</td>
<td>12.01</td>
</tr>
</tbody>
</table>

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 columbiathreadneedleus.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.
concentrated among a handful of tech-centric, mega-cap stocks viewed as relative “safe havens” during a period of heightened uncertainty.

In general, dividend-paying stocks were out of favor during the quarter, which was reflected in the performance of the fund relative to the benchmark. Most of the best performing mega-cap stocks pay little or no dividend and thus are not candidates for the strategy. Despite the underperformance in the quarter, the strategy has continued to produce positive absolute performance longer term.

Quarterly portfolio recap

Positioning with respect to information technology weighed most heavily on performance relative to the benchmark, followed by positioning within consumer discretionary, communication services, industrials and health care.

Within information technology, a lack of exposure to Apple was the biggest detractor. We do not hold Apple, as its relatively low yield and declining rate of dividend growth mean that it does not meet our dividend criteria. We do not hold semiconductor company Nvidia for the same reason, and that was the next largest detractor. While we hold a sizeable position in software giant Microsoft, the fund was underweight the stock, which comprises more than 5% of the benchmark, and this acted as a constraint on performance.

While overall positioning in information technology detracted, a number of our semiconductor holdings proved beneficial, most notably Lam Research and Broadcom. The highly cyclical semiconductor segment continued to rebound in the quarter, benefiting from the soft landing narrative that prevailed for much of the period.

Within consumer discretionary, a lack of exposure to electric vehicle manufacturer Tesla and online retailer Amazon accounted for the bulk of the performance shortfall. Neither stock pays a dividend and so they do not meet our dividend criteria. An overweight to Home Depot detracted, as investors have become more concerned about the recent decline in housing values, which could negatively impact the home improvement market. Home Depot continues to execute well, positioning itself as a dominant provider for
professional builders in addition to serving the do-it-yourself market. While the housing market has sagged in recent quarters, homeowners retain significant equity and we expect Home Depot to continue to benefit over the long term as people invest in their homes.

Within communication services a lack of exposure to Facebook parent Meta accounted for the bulk of the underperformance. We do not hold Meta as the stock does not pay a dividend and thus does not meet the strategy’s dividend criteria.

Within industrials, an overweight to aerospace and defense company Northrop Grumman was the biggest detractor. After strong performance in 2022, we believe the stock was used as a source of funds by investors rotating into the more growth-oriented, non-dividend paying stocks that dominated performance leadership in the quarter. We believe Northrup Grumman remains well positioned to benefit from the long-term trajectory of defense spending.

Within health care, an overweight to pharmaceutical company Johnson & Johnson was the most significant constraint on return, as investors rotated into less defensive areas of the market. In a similar vein, managed care providers Cigna and UnitedHealth were out of favor in the quarter. Health care performed well in 2022 and was used by investors as a source of funds, especially early in the quarter.

**Outlook**

While the extraordinarily rapid style rotation and very high concentration of performance leadership witnessed in the last quarter was not supportive of our investment approach, the fund’s longer term relative performance story remains intact. The investment backdrop remains one of heightened macroeconomic and geopolitical uncertainty, reinforcing the critical role of portfolio diversification. Our approach to portfolio construction emphasizes a diversified approach, including representation across the eleven major economic sectors, which we believe can help mitigate volatility for our investors.

We will continue to implement an investment process that focuses on identifying companies with sustainable free cash flow, defensible profit margins, capital discipline and strong balance sheets through up and down markets. With the cost of capital significantly higher than just a year ago, the importance of balance sheet strength has become heightened in our view. We believe the fund’s consistent focus on these quality factors is well-suited for periods of market stress and should benefit relative performance over full market cycles.

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Effective November 1, 2021, existing fund shareholders may continue to purchase fund shares within their existing fund accounts, but new accounts will be prohibited, subject to certain exceptions approved by the distributor.

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.

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The Russell 1000 Value Index measures the performance of those Russell 1000 Index companies with lower price-to-book ratios and lower forecasted growth values.

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