THIRD QUARTER 2021
INVESTMENT COMMENTARY

COLUMBIA THREADNEEDLE INVESTMENTS
Your success. Our priority.

Share Class Symbol	A	Advisor	C	Institutional	Institutional 2	Institutional 3	R
	REBAX	CEBSX	REBCX	CMBZX	CEBRX	CEBYX	CMBRX

Columbia Emerging Markets Bond Fund

Overall Morningstar Rating™

★★★ Class A

★★★ Institutional Class

The Morningstar Rating is for the indicated share classes only as of 09/30/21; other classes may have different performance characteristics. **The Morningstar ratings for the overall, three-, five- and ten-year periods for Class A shares are 3 stars, 3 stars, 3 stars and 3 stars and for Institutional Class shares are 3 stars, 3 stars, 3 stars and 3 stars among 255, 255, 214 and 72 Emerging Markets Bond funds, respectively, and are based on a Morningstar Risk-Adjusted Return measure.**

The third quarter was a challenging period for emerging market (EM) bonds, following a positive second quarter.

Fund strategy

- Uses proprietary country risk and relative-value models to anticipate catalysts, aiming for risk-adjusted returns
- Uses a country-first approach to evaluate the broad emerging markets debt universe and uncover attractive relative-value opportunities, including emerging-market corporates, currencies and local rates
- Benefits from emerging-market sovereign and corporate debt analysts across the U.S., Asia and in London

This is a specialized fund. Please see risk disclosure for important information.

Expense ratio[2]

Share class	No waiver (gross)	With waiver (net)
Institutional	0.85%	0.85%
A	1.10%	1.10%

Performance

- Columbia Emerging Markets Bond Fund Institutional shares returned -0.49% for the third quarter.
- The fund's benchmark, the JP Morgan Emerging Markets Bond Index - Global, returned -0.53% for the same period.
- For monthly performance information, please check columbiathreadneedle.com.

Market overview

The third quarter was a challenging period for emerging market (EM) bonds, following a positive second quarter. EM bonds were initially supported by ongoing positive sentiment about the post-pandemic global recovery and expectations for further U.S. stimulus, as the U.S. Senate approved President Biden's bipartisan infrastructure bill and simultaneously passed a $3.5 trillion budget resolution. Higher energy prices and strength in soft commodities were also helpful for EM bonds.

Falling core government bond yields underpinned the asset class for much of the period, with key central banks continuing to insist that rapidly rising inflation was a transitory phenomenon, and that any policy tightening remained a distant prospect. However, as inflation continued to accelerate or remain at relatively high levels in developed markets, the outlook for monetary policy turned increasingly hawkish, prompting bouts of risk-off sentiment. Against this backdrop, yields on core government bonds drifted higher in August and rose more sharply into the end of the third quarter, as Fed Chairman Powell gave a clear indication that stimulus would soon be reduced, and updated forecasts showed a larger number of Fed officials now expected a rate rise in 2022. U.S. Treasuries rose 2 basis point (bps) over the quarter. The rise was somewhat constrained by indications that the government could start scaling back issuance. (A basis point is 1/100 of a percent.)

Average annual total returns (%) for period ending September 30, 2021

Columbia Emerging Markets Bond Fund	3-mon.	1-year	3-year	5-year	10-year
Institutional Class[1]	-0.49	5.43	4.80	3.50	5.08
Class A without sales charge	-0.55	5.18	4.55	3.24	4.80
Class A with 4.75% maximum sales charge	-5.25	0.21	2.85	2.24	4.30
JP Morgan Emerging Markets Bond Index – Global	-0.53	3.88	5.64	3.57	5.48

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.

COLUMBIA THREADNEEDLE INVESTMENTS

Columbia Emerging Markets Bond Fund

Top holdings (% of net assets): as of September 30, 2021

Brazil (Federative Republic Of) 3.875 06/12/2030	2.31
JGSH Philippines 4.125 07/09/2030	1.86
Ukraine (Government Of) 7.750 09/01/2026	1.78
Colombia (Republic Of) 3.000 01/30/2030	1.77
Petroleos Mexicanos 6.840 01/23/2030	1.67
Indonesia Asahan Aluminium 6.757 11/15/2048	1.60
Argentina (Republic Of) 1.125 07/09/2035	1.58
Mexico (United Mexican States) 3.250 04/16/2030	1.55
Colombia (Republic Of) 3.125 04/15/2031	1.53
Qatar (State Of) 4.000 03/14/2029	1.52

Top holdings exclude short-term holdings and cash, if applicable. Fund holdings are as of the date given, are subject to change at any time, and are not recommendations to buy or sell any security. Current and future bond holdings are subject to risk.

While the ongoing hunt for yield continued to drive demand for EM bonds, risk sentiment faltered in the face of growing risks on several fronts toward the end of the period. These included concerns about supply chain bottlenecks, China's regulatory crackdown on a variety of industries and a debt crisis at Chinese property developer Evergrande, which sparked fears of contagion to global property markets and beyond. Meanwhile, worries about the spread of COVID-19's Delta variant derailing the global recovery became more prevalent as economic data releases became increasingly mixed. The dollar strengthened over the third quarter, and notably into the end of the quarter, posing an additional headwind for EM bonds.

Within EMs, the trend toward tighter monetary policy continued, with countries including Russia, Chile, Peru, Brazil, Turkey and Mexico hiking interest rates.

Positioning

The portfolio's overall risk position was reduced over the third quarter, given the tight spread levels as well as the rise in U.S. Treasury yields on reflation concerns. The portfolio was overweight Africa and Asia, while underweight Latin America, Middle East and Europe. The fund had a 2.6% allocation to local currencies, net of hedges, with total local rates exposure at 4.0%. The fund's interest rate duration of 7.31 years was underweight versus the benchmark; some of this is composed of non U.S. dollar exposure. At the end of the quarter, the fund's largest overweight positions were in Egypt, Colombia, Russia, Ivory Coast, Ukraine, Ghana and Dominican Republic.

Contributors and detractors

During the period, the portfolio outperformed the benchmark by 21 bps.

Key contributors included:

- Overweight in Dominican Republic
- Security selection in Colombia
- Security selection in Indonesia
- Security selection in Mexico
- Underweight in El Salvador

Key detractors included:

- Security selection and the overweight in Ghana
- Security selection and the underweight in China
- Security selection in Lebanon
- Underweight in Argentina
- Security selection and the overweight in Egypt

Outlook

There is still a valuation opportunity in EM debt, especially when considered alongside developed market fixed-income assets, and particularly among lower quality EM credits. Relative to long-term average spreads, there is still scope for EM hard-currency assets to perform. Valuations are underpinned by improvements in the terms of trade (as a result of ongoing strength in commodity prices) and better external financing outlooks. Capital markets have continued to be accessible to the vast majority of issuers, which, combined with constructive engagement by multilateral lenders, has helped to safeguard the continuation of favorable liquidity conditions.

However, inflows to EM debt funds have slowed markedly since the second half of 2020. The combination of heightened global risks — not least the persistence of price pressure while the pace of growth is slowing — and EM-specific responses to inflation and impaired fiscal health warrant increased caution. Growth and financial stability risks emanating from China further cloud the outlook.

With several exceptions, the prospect of a broadly stronger U.S. dollar, together with growing inflationary pressure in a number of economies may force EM central banks to tighten their own monetary policy more aggressively than previously assumed. Caution is warranted when investing in local currency assets.

We continue to believe that a focus on the best risk-adjusted opportunities across EMs, coupled with appropriate portfolio risk management, is key to success when investing in EM bonds.

COLUMBIA THREADNEEDLE INVESTMENTS

Investment Risks

Market risk may affect a single issuer, sector of the economy, industry or the market as a whole. **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. Fixed-income securities present **issuer default** risk. 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. **Non-investment-grade** (high-yield or junk) securities present greater price volatility and more risk to principal and income than higher rated securities. **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. As a **non-diversified** fund, fewer investments could have a greater affect on performance. Market or other (e.g., interest rate) environments may adversely affect the **liquidity** of fund investments, negatively impacting their price. Generally, the less liquid the market at the time the fund sells a holding, the greater the risk of loss or decline of value to the fund.

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 returns shown for periods prior to the share class inception date (including returns since inception, which are since fund inception) include the returns of the fund's oldest share class. These returns are adjusted to reflect any higher class-related operating expenses of the newer share classes, as applicable. For more information please visit: columbiathreadneedleus.com/investor/investment-products/mutual-funds/appended-performance.

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

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 **JPMorgan Emerging Markets Bond Index** is comprised of sovereign debt issued in U.S. dollars from more than 50 emerging market countries around the world.

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