

COLUMBIA ADAPTIVE RISK ALLOCATION MARKET STATE UPDATE

MAY 2022

Columbia Threadneedle Investments employs quantitative and fundamental methods to identify four distinct market environments, described as neutral, capital preservation, bullish and highly bullish.

The market states are generally characterized by a combination of bond and stock market conditions as follows: capital preservation (unfavorable bond market and neutral stock market conditions), neutral (neutral bond and stock market conditions), bullish (neutral bond market and favorable stock market conditions), and highly bullish (unfavorable bond market and favorable stock market conditions).

We believe that adjusting portfolio risk exposure based on this rules-based market-state classification process can lessen the magnitude of market-related losses when markets are down and still capitalize on opportunities when conditions are favorable.

Market states over trailing 12-months	2021 June	2021 July	2021 Aug	2021 Sep	2021 Oct	2021 Nov	2021 Dec	2022 Jan	2022 Feb	2022 Mar	2022 Apr	2022 May
Highly bullish	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bullish	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Neutral	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Capital preservation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>

Historic market states June 2021–May 2022.

Source: Columbia Management Investment Advisers, LLC based on internal model. Historical occurrences may not reflect future market conditions.

Past performance does not guarantee future results.

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