COLUMBIA THREADNEEDLE INVESTMENTS

Your success. Our priority.

TAX EFFICIENT PORTFOLIOS (TEP)

AN EQUITY STRATEGY DESIGNED TO COMBINE CONSISTENT EQUITY MARKET EXPOSURE AND TAX EFFICIENCY

Benchmark: **S&P 500 Index** | Composite inception: **07/31/15** Model inception: **04/30/97** **Q2 2020** | Columbia Tax Efficient Portfolios U.S. Large Cap

Tax friction (the amount of return that you lose to taxes) is unavoidable and an often overlooked impact on wealth accumulation.

Investment strategy

The TEP strategy is a separately managed equity portfolio designed to combine consistent equity exposure with an emphasis on tax efficiency. The strategy seeks pretax returns that closely approximate the benchmark and after-tax results that consistently outperform the benchmark.

Investment process

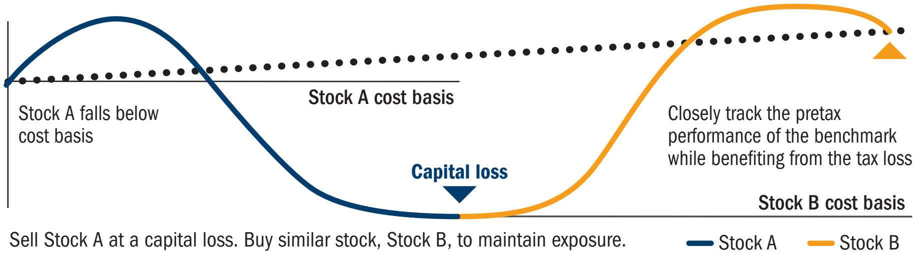
The portfolio is structured to closely track the pretax risk/return characteristics of the benchmark. The strategy aims to maximize after-tax returns through active tax-loss harvesting while rigorously managing risk and managing cash flows in a low cost fashion.

Distinguishing features

- Utilizes tax lot accounting to harvest losses, which can be used to offset taxable gains and generate tax savings.
- Individual portfolio holding losses can be realized directly by investors, unlike with other traditional investment vehicles.
- Flexible yet rigorous process.

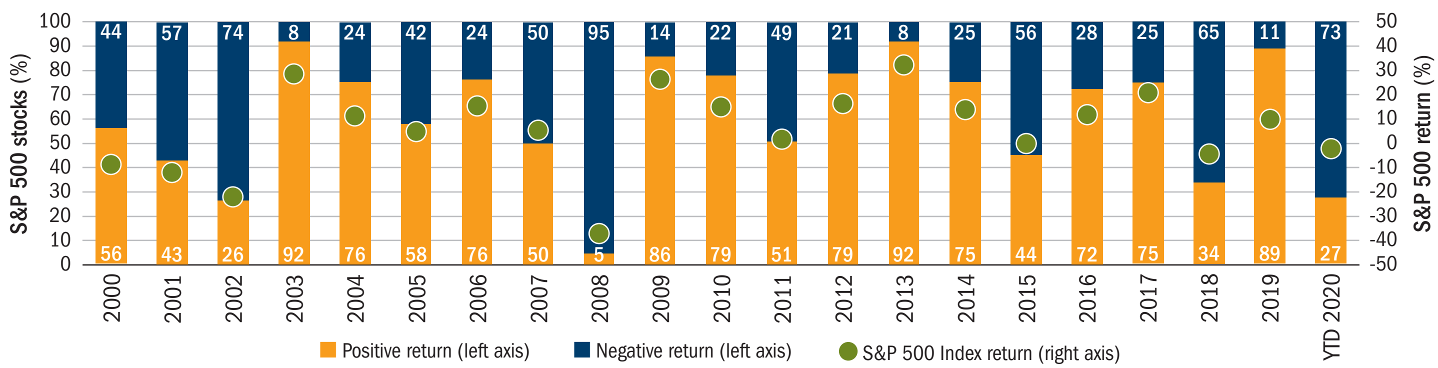
Tax-loss harvesting: The art of substitution

Loss harvesting is more than a single, one-for-one stock substitution. Using sophisticated risk models, the TEP team may substitute baskets of stocks at a time, ensuring portfolios maintain consistent market exposure.



Why loss harvesting can work

Whether or not the S&P 500 Index has produced an overall positive return, some portion of the index had a negative annual return, allowing for tax-loss harvesting opportunities.



Sources: Standard & Poor's, FactSet.

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

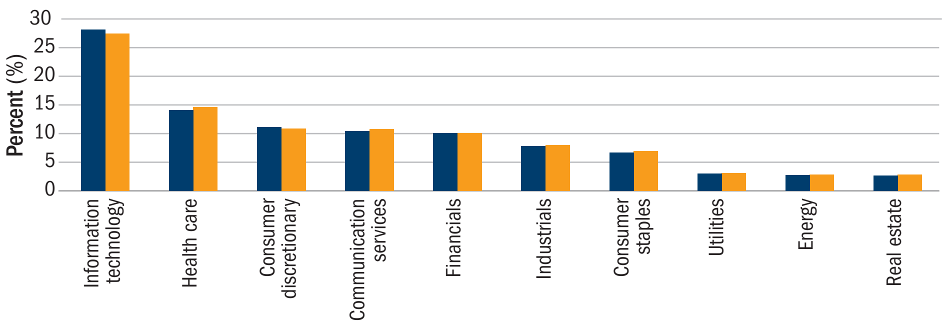
Columbia Management Investment Advisers, LLC and its affiliates do not offer tax or legal advice. Consumers should consult with their tax advisor or attorney regarding their specific situation.

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

Average Annual Total Returns (%)

Composite inception: 07/31/15 Model inception: 04/30/97	1-year	3-year	5-year	10-year	Composite inception	Model inception
Columbia TEP U.S. Large Cap SMA Composite - Pre-Tax Gross	7.87	10.55	-	-	10.50	-
Columbia TEP U.S. Large Cap SMA Composite - Pre-Tax Net	4.69	7.30	-	-	7.26	-
Columbia TEP U.S. Large Cap SMA Model - Pre-Tax Gross	7.56	10.80	10.78	13.90	-	7.94
Columbia TEP U.S. Large Cap SMA Model - Pre-Tax Net	4.39	7.54	7.52	10.56	-	4.76
S&P 500 Index	7.51	10.73	10.73	13.99	10.45	8.04
Columbia TEP U.S. Large Cap SMA Composite- After-Tax Gross[1]	7.69	9.92	-	-	9.73	-
S&P 500 Index After Tax (Composite Benchmark)[1]	6.29	9.44	-	-	9.11	-
Columbia TEP U.S. Large Cap SMA Model- After-Tax Gross[1]	8.84	11.26	11.34	14.17	-	8.74
S&P 500 Index After Tax (Model Benchmark)[1]	6.35	9.54	9.51	12.79	-	7.18

Sector breakdown for TEP U.S. Large Cap Composite and the S&P 500 Index



Risk: 5 years (pre-tax gross)

	TEP US Large Cap Model	S&P 500
Beta	1.00	-
Tax alpha[2] (%)	1.79	-
Sharpe ratio (after tax gross)	0.71	0.57
Std. dev (%)	14.60	14.63
R-squared (%)	1.00	-
Tracking error (%)	0.31	-

Characteristics

	TEP US Large Cap Comp.	S&P 500
Number of holdings	300	505
Weighted avg. mkt. cap ($b)	404.60	387.79

Portfolio management	Role	Year joined firm
Michael Fulginiti, CFA	Head of Indexed & Tax Efficient Portfolio Solutions	1982*
A. Ron Shemesh, CFA	Senior Portfolio Manager	2003*
Christopher Lo, CFA	Senior Portfolio Manager	2005*
Paul Unchalipongse, CFA	Portfolio Manager	2005*
Dhruv Toolsidas, CFA	Portfolio Manager	2003*

* For staff that joined the firm as part of an acquisition, tenure includes time at legacy firms.

All data is as of 06/30/20 unless otherwise noted.

Past performance does not guarantee future results, and investing involves risk including the risk of loss of principal.

The model track record consists of the returns of a composite of institutional accounts (the "Institutional Composite") managed using a similar strategy to the Wrap Composite. CMIA believes that the performance and statistical data of the Institutional Accounts is reasonably representative of the management style for the TEP strategy and sufficiently relevant for consideration by potential wrap account clients.

Model track record data supplements the TEP U.S. Large Cap Composite (the "Wrap Composite"), which contains the live track record for discretionary wrap SMA accounts.

Returns reflect the reinvestment of dividends, income, and capital gains and are calculated and stated in US dollars. Periods over one year are annualized.

Gross model performance reflects the deduction of actual transaction costs for the institutional accounts but does not reflect management fees or any other expenses. Gross composite performance (pure gross) does not reflect the deduction of transaction costs, management fees, or other expenses. Net of fees returns for both the model and the composite reflect the deduction of the maximum wrap fee of 3% from the gross returns. Investors should contact their financial advisor or program sponsor for fees applicable to their account.

[1] Monthly account performance is adjusted for tax implications based on assumed highest federal tax rates applicable for that period: Net long-term capital gains: 23.8% for 2013 to present; 15% before 2013; Net short-term capital gains and dividends: 40.8% for 2018 to present; 43.4% from 2013-2017; 35% from May 2003 to 2013. Other tax adjustments are not included. Note that investors will pay both fees and taxes although the information above shows the impact of each separately.

[2] Tax alpha = return after tax portfolio – return after tax benchmark – (return pretax portfolio – return pretax benchmark). Tax alpha is calculated monthly and annualized.

Portfolio characteristics are based on a representative account and are subject to change. Individual portfolio performance and holdings may differ materially from information shown due to decisions made by the program sponsor, the size and timing of cash flows and client-specific investment guidelines, objectives, and tax situation.

Beta measures a portfolio's risk relative to its benchmark. A beta of 1.00 indicates that the portfolio is as volatile as its benchmark. **R-squared** ranges from 0.00 to 1.00 and tells what percentage of an investment's movements is explained by movements in its benchmark index. **Sharpe ratio** divides an investment's return in excess of the 90-day Treasury bill by the investment's standard deviation to measure risk-adjusted performance. **Standard deviation** is a statistical measure of the degree to which an individual value in a probability distribution tends to vary from the mean of the distribution.

Columbia Management Capital Advisers claims compliance with the Global Investment Performance Standards (GIPS®). Columbia Management Investment Advisers, LLC, an SEC-registered investment adviser, offers investment products and services to institutional and retail markets. For the purposes of claiming compliance with GIPS, Columbia Management Investment Advisers, LLC has defined the Firm as Columbia Management Capital Advisers, an operating division of Columbia Management Investment Advisers, LLC that offers investment management and related services to clients participating in various types of wrap programs. Beginning March 30, 2015, the Columbia and Threadneedle group of companies, which includes multiple separate and distinct firms, began using the global offering brand Columbia Threadneedle Investments.

The firm's fees are available on request and may also be found in Part 2A of the Columbia Management Investment Advisers, LLC Form ADV. To receive a list of composite descriptions of Columbia Management Capital Advisers and/or a presentation that complies with the GIPS standards, contact Patrick Mullins at (617)-912-2234, or write to Columbia Management Capital Advisers, 225 Franklin Street, 29th floor, Boston, MA 02110, or Patrick.1.Mullins@columbiathreadneedle.com.

The strategy consists of all fee-paying, fully discretionary portfolios that seek to mimic the pretax performance of the Standard & Poor's (S&P) 500 Index. Portfolios managed in this composite are Separately Managed (WRAP) accounts. The benchmark is the Standard & Poor's 500 Index.

The primary benchmark is the **Standard & Poor's (S&P) 500 Index**, which tracks the performance of 500 widely held, large-capitalization U.S. stocks.

The TEP account strategy may underperform its benchmark. There can be no assurance that an account in the TEP program will outperform the relevant benchmark index, and an account's net performance (after the payment of program fees) may underperform the index even when the account's gross performance (before fees) outperforms the index. Furthermore, tax-loss harvesting and investment restrictions by a client can cause that client's account to diverge materially from the composite for this strategy and may cause the account's performance to be lower than that of the composite or the benchmark index. Tax loss harvesting may increase portfolio turnover and transaction costs. Market conditions may limit the ability to generate tax losses or to generate dividend income taxed at favorable tax rates. A tax-managed strategy may cause a client portfolio to hold a security in order to achieve more favorable tax treatment or to sell a security in order to create tax losses. The ability to utilize various tax-management techniques may be curtailed or eliminated in the future by tax legislation or regulation. The benefit of tax-managed investing to an individual investor is dependent upon the tax liability of an investor. Over time, the ability of an investor in a tax-managed strategy to harvest losses may decrease and gains may build up in a securities portfolio. The ability to fully realize the benefits of tax-loss harvesting through a Wrap Fee Program may also be diminished by an investor's failure to select the optimal cost basis methodology and/or failure by an investor or his or her financial advisor to communicate such selection to us in a timely manner.

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