

# MUST | COLUMBIA MULTI-SECTOR MUNICIPAL INCOME ETF

## Overview

Target higher tax-exempt income and risk-adjusted returns than traditional municipal bond benchmark funds with an ETF that strategically diversifies across five muni sectors.

### Delivers enhanced tax-exempt income potential

Aims for higher tax-exempt income than traditional benchmark products by taking a more thoughtful approach to muni investing

### Focuses on strong returns

Uses a rules-based investment approach to invest in municipal bonds with the potential for strong risk-adjusted returns

### Offers broad diversification

We optimize municipal bond exposure by strategically diversifying across five sectors

## Fund Objective

Columbia Multi-Sector Municipal Income ETF (the fund) seeks investment results that, before fees and expenses, closely correspond to the performance of the Beta Advantage® Multi-Sector Municipal Bond Index (the index).

## Index Description

The **Beta Advantage® Multi-Sector Municipal Bond Index** features five segments of the municipal debt market: 1) Municipal Core General Obligations, 2) Municipal High Quality Revenue, 3) Municipal Core Revenue, 4) Municipal Healthcare and 5) Municipal High Yield. The first four segments derive component bonds from a subset index or indices of the Bloomberg Municipal Bond Index. Each of the five segments is assigned a predefined weight in the index. California bonds, Guam bonds, Puerto Rico bonds, U.S. Virgin Island bonds, other U.S. territories, commonwealths and possessions, prefunded bonds, insured bonds, floaters, callable bonds with less than one year to call, tobacco bonds, and derivatives are excluded from the index. The fund uses a representative sampling approach, resulting in a smaller number of securities than are in the index. It is not possible to invest directly in an index.

## Fund Facts

ETF Ticker (NYSE Arca): **MUST**

Bloomberg Index Ticker: **I33895US**

Fund Inception Date: **10/10/2018**

Number of holdings: **604**

Expense ratio (% gross): **0.23**

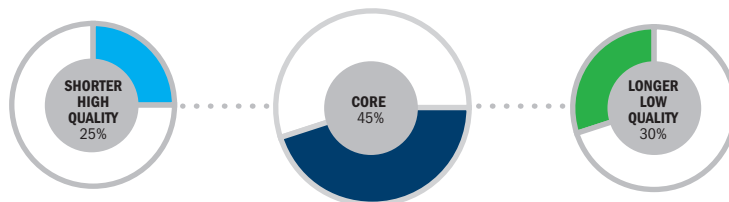
Expense ratio (% net): **0.23**

Distribution Frequency: **Monthly**

## Average Annual Total Returns (%)

	3-month (cum.)	YTD (cum.)	1-year	3-year	5-year	Since Inception
Total Returns (Net Asset Value)	0.00	0.00	3.17	-0.36	1.98	2.88
Total Returns (Market Price)	-0.53	-0.53	2.91	-0.58	1.94	2.84
Beta Advantage Multi-Sector Muni Bond Index	-0.05	-0.05	3.70	-0.11	2.02	2.90

## Beta Advantage® Multi-Sector Municipal Bond index is designed to exploit inefficiencies inherent in traditional passive approaches



Credit rating	Rated Aaa-A2	Rated Aa3 - Baa3	Rated Aa2 - B3
Maturity range	2-15 years to maturity	5-15 years to maturity	10-25 years to maturity
Sectors	Core General obligations (Local and State), High Quality Revenue (Housing, Water & Sewer)	Core Revenue (Education, Electric, Leasing, Transportation)	Healthcare, High-yield
Objective	<b>Dampen volatility</b> - designed to provide stability and buoy lower-rated, higher yielding bonds	<b>All-weather core</b> - designed to balance duration and credit risk by targeting lower-rated investment grade and intermediate-term revenue bonds	<b>Enhanced income</b> - designed to pursue a higher level of income via credit risk, which can mitigate interest rate sensitivity

**Performance data quoted represents past performance. Past performance does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost. Current performance data may be higher or lower than actual data quoted. For the most current month-end performance data, please call 888.800.4347.**

Total Returns (Net Asset Value) are calculated using the daily 4:00 pm ET net asset value (NAV). Through July 31, 2020, Market Price returns are based on the midpoint of the bid/ask spread for fund shares at market close (typically 4:00 pm ET). Beginning with August 31, 2020 month-end performance, Market Price returns are based on closing prices reported by the fund's primary listing exchange (typically 4:00 pm ET close). Performance results shown reflect expense reimbursements (if any), without which the results would have been lower. Shares may trade at a premium or discount to the NAV. Returns over one year are annualized. *ETF shares are bought and sold at market price (not NAV) and are not individually redeemed from the fund. Investors buy and sell shares on a secondary market. Only market or "authorized participants" may trade directly with the Fund(s), typically in blocks of 50,000 shares.*

**Carefully consider the fund's investment objectives, risk factors and charges and expenses before investing. This and other information can be found in the fund's prospectus, which may be obtained by calling 888.800.4347 or by visiting the fund's website [www.columbiathreadneedleus.com/etf](http://www.columbiathreadneedleus.com/etf) to view or download a prospectus. Read the prospectus carefully before investing. Investing involves risks, including possible loss of principal.**

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Key Statistics<sup>A</sup>

	MUST	Big Muni Bond Index
Average effective duration (years)	5.97	6.63
Average effective maturity (years)	11.35	13.35
Tax-equivalent yield 38.8%	5.09	—
Tax equivalent yield 40.8%	5.27	—
30-day SEC yield (%)	3.12	—
Index yield to worst (%)	3.49	3.48
Percent Alternative Minimum Tax	11.34	—

## Top Sectors (%)

	■ Columbia Multi-Sector Municipal Income ETF	◆ Big Muni Bond Index
Hospital	20.3	
Water & Sewer	10.3	
State Appropriated	9.3	
Local General Obligation	8.4	
Turnpike/Bridge/Tollroad	7.4	
Airport	6.6	
State General Obligation	5.3	
Transportation	5.1	
Education	4.3	
Single Family Housing	3.1	

## Portfolio Management

Catherine Stienstra	36 years of experience
Douglas Rangel, CFA	24 years of experience
Bill Callagy	16 years of experience

Credit Rating (%)<sup>†</sup>

	MUST	Big Muni Bond Index
AAA	8.8	16.1
AA	39.9	55.4
A	36.5	23.0
BBB	5.9	5.4
BB	8.4	0.0
B	0.4	0.0
Cash & Cash Equivalents	0.1	0.0

## Maturity Distribution (%)

	MUST	Big Muni Bond Index
1-3 Years	1.9	10.7
3-7 Years	19.9	19.1
7-10 Years	26.6	12.8
10-15 Years	29.6	17.9
Above 15 Years	21.9	39.4

Percentages may not add up to 100 due to rounding.

## Top States (%)

New York	17.7
Texas	10.5
New Jersey	9.8
Illinois	8.3
Pennsylvania	7.3

To find out more, call 888.800.4347  
or visit [www.columbiathreadneedleus.com/etf](http://www.columbiathreadneedleus.com/etf)



Investing involves risks, including the risk of loss of principal. Market risk may affect a single issuer, sector of the economy, industry or the market as a whole. Fixed-income securities present credit risk, which includes issuer default risk. The fund is subject to municipal securities risk, which includes the risk that the value of such securities may be affected by state tax, legislative, regulatory, demographic or political conditions/factors, as well as a state's financial, economic or other conditions/factors. The fund may invest materially in a single issuer and, therefore, be more exposed to the risk of loss than a fund that invests more broadly. 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. 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. The fund is passively managed and seeks to track the performance of an index. The fund's use of a "representative sampling" approach in seeking to track the performance of its index (investing in only some of the components of the index that collectively are believed to have an investment profile similar to that of the index) may not allow the fund to track its index with the same degree of accuracy as would an investment vehicle replicating the entire Index. The fund may not sell a poorly performing security unless it was removed from the index. There is no guarantee that the index and, correspondingly, the fund will achieve positive returns. Risk exists that the index provider may not follow its methodology for index construction. Errors may result in a negative fund performance. The fund's net asset value will generally decline when the market value of its targeted index declines. Although the fund's shares are listed on an exchange, there can be no assurance that an active, liquid or otherwise orderly trading market for shares will be established or maintained. The fund's portfolio turnover, as it seeks to track its index, may cause an adverse expense impact, decreasing the fund's returns relative to the index, which does not bear transactions expenses. There may be additional portfolio turnover risk as active market trading of the fund's shares may cause more frequent creation or redemption activities that could, in certain circumstances, including if creation and redemptions units are not affected on an in-kind basis, increase the number of portfolio transactions as well as tracking error to the index and as high levels of transactions increase brokerage and other transaction costs and may result in increased taxable capital gains. 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.

**Average Effective Duration:** Provides a measure of a fund's interest-rate sensitivity. The longer a fund's duration, the more sensitive the fund is to shifts in interest rates. **Average Effective Maturity:** is a weighted average of all the maturities of the bonds in a portfolio, computed by weighting each bond's effective maturity by market value of the security. **Yield to Worst:** is the lowest potential yield that can be received on a bond without the issuer defaulting.

Tax-equivalent yield indicates what the fund's 30-day SEC yield would need to be on a taxable basis in order to provide the same after-tax yield. It assumes the federal tax of 37% rate plus the net investment income tax (3.8%) for a combined rate of 40.8%.

The **30-day SEC Yield:** is an estimate of the fund's rate of investment income reflecting an estimated yield to maturity (assuming all current portfolio holdings are held to maturity), and it may not equal the fund's actual income distribution rate or the income paid to a shareholder's account. The yield shown reflects fee waivers in effect, if any. In the absence of such waivers, yields would be reduced. The yield will reflect an inflation adjustment that is attributable to any inflation-protected securities owned by the fund. This adjustment and the resulting yield can be positive (in the case of inflation) or negative (in the case of deflation).

**Percent Alternative Minimum Tax** is the percentage of bonds held in the portfolio that are subject to AMT. An alternative minimum tax (AMT) places a floor on the percentage of taxes that a filer must pay to the government, no matter how many deductions or credits the filer may claim.

The **Bloomberg Municipal Bond Index** is an unmanaged index considered representative of the broad market for investment-grade, tax-exempt bonds with a maturity of at least one year. It is not possible to invest directly in an index.

<sup>†</sup> Bond ratings are divided into categories ranging from AAA (highest) to D (lowest) and are subject to change. The ratings shown are determined by using the middle rating of Moody's, S&P and Fitch, each a third-party rating agency, after dropping the highest and lowest available ratings. When a rating from only two agencies is available, the lower rating is used. When a rating from only one agency is available, that rating is used. When a bond is not rated by one of these agencies, it is designated as Not Rated. 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. For information on the rating methodology of each agency, please go to: [www.moody.com](http://www.moody.com), [www.fitchratings.com](http://www.fitchratings.com) or [www.standardandpoors.com/home/en/us](http://www.standardandpoors.com/home/en/us).

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