

Columbia Dividend Income SMA Strategy

We continue to consistently implement an investment process that identifies companies that can be winners over the long term, rather than chasing the current market preference.

Performance

The Columbia Threadneedle US Dividend Income SMA Composite returned 2.79% pure gross of fees and 2.03% net of fees for the quarter ending March 31, 2025. The strategy's benchmark Russell 1000 Index returned -4.49% for the same period.

Market overview

The U.S. equity market lost ground and underperformed its global developed-market peers during the first quarter. The implementation of tariffs on trading partners led to concerns about the potential for lower economic growth and higher inflation. Separately, a decline in enthusiasm about the potential for artificial intelligence (AI) to drive technology spending was another source of negative sentiment during the first quarter. This was highlighted by the emergence of the low-cost DeepSeek AI model in January which raised the possibility that corporations could scale back their spending on AI-related infrastructure. This news proved to be a headwind for the mega-cap technology stocks that had led the market higher in 2024, as well as for the technology sector and growth style more broadly.

Value stocks held up reasonably well as investors rotated toward areas of the market with defensive characteristics and lower valuations. The Russell 1000 Value Index recorded a gain of 2.14% despite the challenging headlines, notably outperforming the -9.97% loss for the tech-heavy Russell 1000 Growth Index.

Average annual total returns (%) for period ending March 31, 2025

	Inception	3-mon.	1-year	3-year	5-year	10-year
Columbia Threadneedle US Dividend Income SMA Composite (pure gross)	12/31/2011	2.79	9.38	8.83	16.59	11.52
Columbia Threadneedle US Dividend Income SMA Composite (net)		2.03	6.17	5.63	13.18	8.24
Russell 1000 Index		-4.49	7.82	8.65	18.47	12.18

Source: Columbia Threadneedle Investments

Effective June 30, 2024, the composite name for this strategy changed from Columbia Dividend Income SMA Composite to Columbia Threadneedle US Dividend Income SMA Composite.

Past performance is not a guarantee of future results. Returns reflect the reinvestment of income and capital gains, and periods over one year are annualized. Pure gross of fees performance does not include trading costs, management fees, or other expenses that would be incurred by a participant portfolio, but does reflect the expenses of any underlying fund and ETF investments. Net of fees performance reflects deduction of the maximum annual wrap fee of 3%. Investors should contact their financial advisor or program sponsor for fees applicable to their account. Please see the GIPS report for more information.

Quarterly portfolio recap

Within information technology (IT), a lack of exposure to chipmaker NVIDIA and iPhone manufacturer Apple, neither of which pay a meaningful dividend, led positive contributions. Individual holdings that contributed included IBM and Cisco. IBM's software business continued to perform well, and the company is gaining market share in consulting despite concerns about the growth outlook for that business segment. Cisco emerged from a downturn in its core networking and switching businesses. In addition, its network security business continued to grow, and the company is getting a modest tailwind from AI-related spending.

Two holdings within IT were modest detractors during the quarter. Semiconductor company Broadcom, a leading provider of networking and silicon ASIC (application specific integrated circuit) chip technology, was subjected to some profit-taking after a very strong 2024. Enterprise technology consulting firm Accenture was also down on concerns related to cutbacks in government spending, which impacts less than 10% of its business.

Within consumer discretionary, a lack of exposure to electric vehicle manufacturer Tesla and ecommerce and cloud computing company Amazon led contributions. An overweight to McDonald's also proved beneficial, as the fast-food company saw improving trends and appeared to have moved past headlines about an E. coli outbreak. McDonald's also benefited during the quarter from its relatively defensive profile.

Within health care, biotechnology company AbbVie and pharmaceutical company Johnson & Johnson were among the strategy's leading contributors. AbbVie continued to execute well with Skyrizi and Rinvoq, two new products addressing a range of inflammatory conditions such as rheumatoid arthritis and plaque psoriasis. Johnson & Johnson, a longstanding strategy holding, is a defensive stock that held up well in the market's broader sell-off. Medical device manufacturer Abbott also outperformed, as it has benefited from new products addressing diabetes and cardiovascular disease.

An overweight to utilities proved helpful, as the sector is viewed as defensive and also benefited from strong growth in power demand. Leading holdings within utilities included Entergy, American Electric Power and Southern Company, each of which featured strong balance sheets and solid dividend growth.

Within communication services, a lack of exposure to Google parent Alphabet was the biggest contributor. An overweight to AT&T also contributed meaningfully to performance, as the company saw growth in both its wireless and broadband businesses, leading to improved free-cash flow growth.

Within energy, overweight positions in Chevron and Exxon Mobil performed well as oil and gas prices proved relatively resilient in a choppy market.

Finally, within financials, the strategy's high-quality focus was beneficial, with contributions from insurance company holdings Marsh McLennan and Chubb. In addition, the strategy's position in CME Group benefitted from volatility across most asset classes that drove strong sales volume for the quarter. A lack of exposure to non-dividend payer Berkshire Hathaway was the strategy's leading individual detractor.

Outlook

We continue to implement a consistent investment process that identifies stocks of companies that we believe can be winners over the long term, and compound returns rather than chasing the current market preference.

We invest in high-quality companies with sustainable free cash flow, defensible profit margins, capital discipline and strong balance sheets, in the belief that such companies have the potential to increase dividends throughout the economic cycle and through up and down markets. This focus is especially timely in the current environment, given the potential for increased market volatility. We believe our strategy's consistent focus on quality factors should benefit relative performance over full market cycles.

Investment products are not insured by the FDIC, NCUA or any federal agency, are not deposits or obligations of, or guaranteed by any financial institution, and involve investment risks including possible loss of principal and fluctuation in value.

Holdings and characteristics are based on a representative account and are subject to change at any time. Individual account performance, holdings, and characteristics may differ from information shown. References to specific securities are included as an illustration of the investment management strategy and are not recommendations. Holdings may represent only a small percentage of the portfolio. It should not be assumed that any particular security was or will prove to be profitable or that decisions in the future will be profitable or provide similar results to the securities discussed.

The views expressed are as of the date given, may change as market or other conditions change and may differ from views expressed by other Columbia Management Investment Advisers, LLC (CMIA) associates or affiliates. Actual investments or investment decisions made by CMIA and its affiliates, whether for its own account or on behalf of clients, may not necessarily reflect the views expressed. This information is not intended to provide investment advice and does not take into consideration individual investor circumstances. Investment decisions should always be made based on an investor's specific financial needs, objectives, goals, time horizon and risk tolerance. Asset classes described may not be appropriate for all investors. Past performance does not guarantee future results, and no forecast should be considered a guarantee either. Since economic and market conditions change frequently, there can be no assurance that the trends described here will continue or that any forecasts are accurate.

Advisory services provided by Columbia Management Investment Advisers, LLC ("CMIA"). For purposes of GIPS compliance, the Firm is defined as Columbia Threadneedle Investments Global Asset Management ("Columbia Threadneedle Investments GAM"), which includes accounts managed by the investment manager and certain of its affiliates.

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

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These managed account programs 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 not be appropriate for all investors.

Market risk may affect a single issuer, sector of the economy, industry or the market as a whole. **Dividend** payments are not guaranteed and the amount, if any, can vary over time. Generally, **large-cap** companies are more mature and have limited growth potential compared to smaller companies. In addition, large companies may not be able to adapt as easily to changing market conditions, potentially resulting in lower overall performance compared to the broader securities markets during different market cycle. **Growth** securities, at times, may not perform as well as value securities or the stock market in general and may be out of favor with investors. **Value** securities may be unprofitable if the market fails to recognize their intrinsic worth or the portfolio manager misgauged that worth.

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

The **Russell 1000 Index** tracks the performance of 1,000 of the largest U.S. companies, based on market capitalization.

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.

The **Russell 1000 Growth Index** is an unmanaged index that measures the performance of those Russell 1000 Index companies with higher price-to-book ratios and higher forecasted growth values.

Columbia Threadneedle US Dividend Income SMA Composite

GIPS Report

Columbia Threadneedle Investments Global Asset Management

Reporting Currency: USD

Statement of Performance Results

Calendar Year	Pure Gross-of-fees Return (%) (Supplemental)	Net-of-fees Return (%)	Primary Index Return (%)	Secondary Index Return (%)	Composite 3-Yr St Dev (%)	Primary Index 3-Yr St Dev (%)	Secondary Index 3-Yr St Dev (%)	Internal Dispersion (%)	Number of Portfolios	Total Composite Assets (mil.)	Total Firm Assets (bil.)
2024	15.42	12.04	24.51	14.37	14.13	17.40	16.66	0.65	419	177.16	554.24
2023	10.79	7.54	26.53	11.46	14.85	17.42	16.51	0.41	224	109.18	N.A.
2022	-4.48	-7.32	-19.13	-7.54	18.35	21.33	21.25	0.23	87	74.19	N.A.
2021	27.14	23.45	26.45	25.16	15.74	17.71	19.06	0.26	89	98.65	N.A.
2020	8.79	5.59	20.96	2.80	16.36	19.10	19.62	0.26	52	52.95	N.A.
2019	28.74	25.00	31.43	26.54	10.64	12.05	11.85	0.99	31	30.35	N.A.
2018	-4.24	-7.09	-4.78	-8.27	9.53	10.95	10.82	0.15	24	9.83	N.A.
2017	21.07	17.55	21.69	13.66	9.16	9.97	10.20	0.07	21	10.45	N.A.
2016	13.31	9.99	12.05	17.34	9.68	10.69	10.77	N.A.	7	2.91	N.A.
2015	0.93	-2.05	0.92	-3.83	10.14	10.48	10.68	N.A.	13	16.37	N.A.

Annualized Trailing Performance as of December 31, 2024

Period	Pure Gross-of-fees Return (%) (Supplemental)	Net-of-fees Return (%)	Primary Index Return (%)	Secondary Index Return (%)
1 Year	15.42	12.04	24.51	14.37
5 Years	11.06	7.80	14.28	8.68
10 Years	11.17	7.91	12.87	8.49
Inception	12.75	9.44	14.61	11.23

Inception Date: December 31, 2011

Columbia Threadneedle US Dividend Income SMA Composite

GIPS Report

Columbia Threadneedle Investments Global Asset Management

Columbia Threadneedle US Dividend Income SMA Composite

1. Columbia Threadneedle Investments Global Asset Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Columbia Threadneedle Investments Global Asset Management has been independently verified for the periods of January 1, 1993 to December 31, 2023. The verification report is available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

2. The Firm is defined as Columbia Threadneedle Investments Global Asset Management (formerly known as Columbia Threadneedle Investments North America prior to June 30, 2024). The Firm provides a broad range of investment management and related services to individual, institutional, and corporate clients around the world. Columbia Threadneedle Investments is the global brand name of the Columbia and Threadneedle group of companies. The Firm was redefined on June 30, 2024, to include the GIPS firms of Columbia Management Capital Advisers, Columbia Threadneedle Investments EMEA APAC, and Columbia Threadneedle (EM) Investments Limited. The Columbia Management Capital Advisers firm offered investment management and related services to clients participating in various types of wrap programs. The Columbia Threadneedle Investments EMEA APAC firm consisted of all portfolios managed by various Threadneedle group companies. The Columbia Threadneedle (EM) Investments Limited firm was a subsidiary of Columbia Threadneedle Investments International Limited, which defined a portion of its business specializing in Global Emerging Markets equities. As of November 1, 2020, the Firm was redefined to include Columbia Cent CLO Advisers, LLC. As of January 1, 2017, the Firm was redefined to include Columbia Wanger Asset Management, LLC, a wholly-owned subsidiary of Columbia Management Investment Advisers, LLC. Beginning March 30, 2015, the Columbia and Threadneedle group of companies, which includes multiple separate and distinct GIPS-compliant firms, began using the global offering brand Columbia Threadneedle Investments. The Firm includes accounts managed by various Columbia Threadneedle Investments entities, including Columbia Management Investment Advisers, LLC, Threadneedle Asset Management Limited, Threadneedle Investments Singapore (Pte.) Limited, Threadneedle Management Luxembourg S.A., and other affiliated entities.

3. The strategy seeks to achieve long-term capital appreciation and current income by investing in a concentrated portfolio of dividend-paying large capitalization equity securities. Since inception, Separately Managed (WRAP) accounts represent 100% of the composite assets. The primary benchmark is the Russell 1000® Index and the secondary benchmark is the Russell 1000 Value® Index. The composite was created January 1, 2012.

4. Pure gross returns presented in the table above are gross of the wrap fee and do not reflect the deduction of any trading costs, fees, or expenses and are supplemental to the net returns. The wrap fee will normally include all charges for trading costs, portfolio management fee, custody, and other administrative fees. Composite net returns are calculated by subtracting 1/12th of the highest applicable wrap fee (3.00%) from the monthly pure gross return. Actual fees may vary depending on the individual sponsor's wrap fee. Composite returns reflect the reinvestment of dividends and other earnings.

5. Internal dispersion is calculated using the equal-weighted standard deviation of the annual gross returns of those portfolios that were included in the Composite for the entire year. If the composite contains five or fewer accounts for the full year, a measure of dispersion is not statistically representative and is therefore not shown.

6. The three-year annualized standard deviation measures the variability of the gross-of-fees composite and benchmark returns over the preceding 36-month period. It is not required to be presented when a full three years of performance is not yet available.

7. Returns are calculated net of non-reclaimable withholding taxes on dividends, interest, and capital gains. Policies for valuing investments, calculating performance, and preparing GIPS Reports, as well as the list of composite descriptions, list of pooled fund descriptions for limited distribution pooled funds, and the list of broad distribution pooled funds are available upon request.

8. The following fee schedule represents the maximum wrap fee that a sponsor may charge clients seeking investment management services in the designated strategy: 3.00%. The following statement demonstrates, with a hypothetical example, the compound effect fees have on investment return: a 3% annual wrap fee deducted monthly from an account with a 5-year annualized growth rate of 6% will produce a cumulative pure gross return of 33.8% and the cumulative net of fee result of 15.2%.

9. The primary benchmark is the Russell 1000 Index that tracks the performance of 1000 of the largest U.S. companies, based on market capitalization. The secondary benchmark is 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. Index returns reflect the reinvestment of dividends and other earnings and are not covered by the report of the independent verifiers.

Columbia Threadneedle US Dividend Income SMA Composite

GIPS Report

Columbia Threadneedle Investments Global Asset Management

Columbia Threadneedle US Dividend Income SMA Composite

10. Past performance is no guarantee of future results and there is the possibility of loss of value. There can be no assurance that an investment objective will be met or that return expectations will be achieved. Care should be used when comparing these results to those published by other investment advisers, other investment vehicles and unmanaged indices due to possible differences in calculation methods.

11. As of 9/21/2023, the Russell 1000 Value Index was added as the secondary benchmark.

12. Prior to 6/30/2024, the composite was referred to as the Columbia Dividend Income SMA Composite.

13. This composite was included in the Columbia Management Capital Advisers GIPS firm prior to joining the Columbia Threadneedle Investments Global Asset Management GIPS firm on 6/30/2024. As the composite was not part of Columbia Threadneedle Investments Global Asset Management prior to 6/30/2024, firm assets are shown as "N/A" in the performance table.