

Share Class <b>Symbol</b>	<b>A</b> <b>INTAX</b>	Advisor <b>CATRX</b>	<b>C</b> <b>RTCEX</b>	Institutional <b>CATZX</b>	Institutional 2 <b>CADNX</b>	Institutional 3 <b>CATYX</b>
------------------------------	--------------------------	-------------------------	--------------------------	-------------------------------	---------------------------------	---------------------------------

Overall Morningstar Rating™



Class A



Institutional Class

The Morningstar Rating is for the indicated share classes only as of 03/31/22; other classes may have different performance characteristics. The Morningstar ratings for the overall, three-, five- and ten-year periods for Class A shares are 4 stars, 3 stars, 3 stars and 4 stars and for Institutional Class shares are 4 stars, 3 stars, 4 stars and 4 stars among 149, 149, 124 and 98 Muni National Long funds respectively, and are based on a Morningstar Risk-Adjusted Return measure.

No portion of the muni market was spared as interest rates moved quickly and materially higher in the quarter. The first quarter closed with the Bloomberg Municipal Bond Index down 6.23% in the worst drawdown since the COVID-19 selloff and the worst first-quarter returns in over 40 years.

Fund strategy

- Invests opportunistically along the yield curve and credit spectrum, with the goal of optimizing performance and mitigating downside risk
- Aims to deliver a high level of tax-exempt income in all market environments
- Uses rigorous fundamental credit research and bottom-up security selection to identify potential risks and uncover attractive, undervalued investment opportunities across issuers, sectors, credit qualities and geographic locations

Expense ratio<sup>2</sup>

Share class	No waiver (gross)	With waiver (net)
Institutional	0.54%	0.53%
A	0.79%	0.78%

The investment manager and certain of its affiliates have contractually (for at least one year from the prospectus date) agreed to waive certain fees and/or to reimburse certain fund expenses.

# Columbia Strategic Municipal Income Fund

## Fund performance

- Institutional Class shares of Columbia Strategic Municipal Income Fund returned -7.61% for the three months ending March 31, 2022. For monthly performance information, please check online at columbiathreadneedle.com.
- The fund's benchmark, the Bloomberg Municipal Bond Index, returned -6.23% for the same period.
- The fund's relative underperformance for the quarter was largely attributable to duration and curve positioning.

## Market overview

Municipal bonds closed 2021 as one of the few bright spots in fixed income, weathering rising rates and posting positive total returns thanks to record inflows. However, entering 2022 with relatively full valuations and low absolute yields left little margin for error, and, as messaging from the Federal Reserve grew increasingly hawkish, municipals could no longer remain immune from rising rates. The first quarter closed with the Bloomberg Municipal Bond Index down 6.23% in the worst drawdown since the COVID-19 selloff and the worst first-quarter return since 1980. As is often the case with municipals, negative returns precipitated outflows, which in turn led to more negative returns. After last year's record inflows, Lipper reported 12 consecutive weeks of investor redemptions totaling \$21.9 billion in outflows for the first quarter of 2022. Long and intermediate national funds, as well as high-yield funds, experienced the heaviest pressure. One silver lining to this selloff is credit fundamentals have not been a concern as evidenced by the modest differential between below-investment-grade and investment-grade returns, as the Bloomberg High Yield Municipal Bond Index lagged the broad Bloomberg Municipal Bond Index by only 30 basis points (bps), closing the quarter down 6.53% versus 6.23%. A lack of high-yield supply helped to keep those returns relatively tight, and lower new issue supply has avoided exacerbating an already poor return picture. (A basis point is 1/100 of one percent.)

### Average annual total returns (%) for period ending March 31, 2022

Columbia Strategic Municipal Income Fund	3-mon.	1-year	3-year	5-year	10-year
Institutional Class <sup>1</sup>	-7.61	-5.04	1.74	3.08	3.75
Class A without sales charge	-7.71	-5.32	1.55	2.81	3.48
Class A with 3.00% maximum sales charge	-10.45	-8.16	0.56	2.20	3.17
Bloomberg Municipal Bond Index	-6.23	-4.47	1.53	2.52	2.88
Bloomberg Municipal High Yield Index	-6.53	-1.35	4.04	5.25	5.44

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.

## Credit Quality (%) as of March 31, 2022

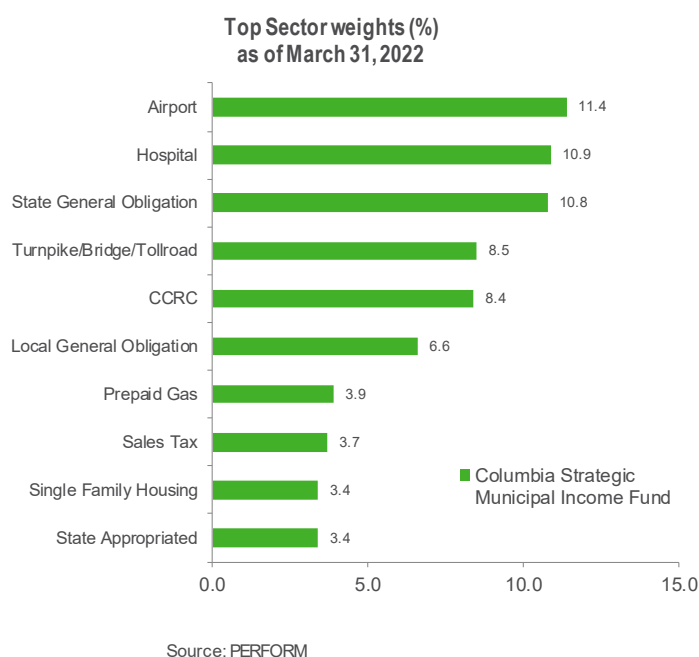
### Columbia Strategic Municipal Income Fund

AAA	5.4
AA	24.7
A	31.9
BBB	18.8
BB	3.9
D	1.1
Not rated	11.2
Cash and Equivalents	3.0

Third-party rating agencies provide bond ratings ranging from AAA (highest) to D (lowest). When three ratings are available from Moody's, S&P and Fitch, the middle rating is used. When two are available, the lower rating is used. If only one is available, that rating is used. If a security is Not Rated but has a rating by Kroll and/or DBRS, the same methodology is applied to those bonds that would otherwise be Not Rated. Bonds with no third-party rating are designated as Not Rated. Investments are primarily based on internal proprietary research and ratings assigned by our fixed income investment analysts. Therefore, 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.

Due to rounding, percentages may not add up to 100.

Rising rates coupled with outflows has had a positive side effect for the municipal market. Excluding the brief COVID-19 selloff, tax-exempt yields have not seen these levels since early 2019. Valuations relative to Treasuries ended the first quarter near their long-term averages, and, versus other fixed-income alternatives, taxable equivalent yields were attractive enough to begin enticing even bank and insurance buyers back into the municipal market. Buyers of municipal credit have also been drawn in by the solid fundamentals underpinning state and local governments. On the back of record tax collections, substantial federal aid and a growing economy, municipal credit remains rather healthy. Upgrades continue to outpace downgrades, and, even in the riskiest segments of our market, defaults have been exceptionally low. While rate volatility is likely to remain a factor through the balance of the year, the quarter ended with a positive credit outlook and more attractive entry points for investors.



### Quarterly portfolio recap

The fund's underperformance for the quarter was primarily driven by duration and curve positioning. With an effective duration over the period ranging between 7.5 years to 8.5 years, the longer relative bias detracted amid the sharp increase in yields. (Duration is a measure of a bond's price sensitivity with regard to changes in interest rates.) Hedging activity, via Treasury futures and municipal market data (MMD) rates locks, were offsetting and had limited impact on overall performance. Further holding back relative returns was curve positioning, as longer portions of the municipal market experienced the worst declines. In particular, overweights to maturities 10 years and longer detracted. Sector allocation was mixed for the quarter, with positive contributions from an overweight to continuing care retirement communities (CCRCs) and underweights in education and local general obligation bonds (GOs), while overweights to airports, charter schools and housing detracted from performance. Security selection saw some bright spots with portfolio

## Columbia Strategic Municipal Income Fund

### Top holdings (% of net assets): as of March 31, 2022

OH Buckeye Tob Settlement Fing 5.000 06/01/2055	0.98
PR Sales Tax Restructured Cofina 5.000 07/01/2058	0.93
VA Transform 5.000 12/31/2052	0.82
TX NTE Segment 3c Proj Toll Rd Amt 5.000 06/30/2058	0.73
PR Sales Tax Restructured Cofina 0.000 07/01/2046	0.73
SC St Pub Svc Auth 4.000 12/01/2052	0.73
DC State Gov 5.000 10/15/2033	0.69
IA Pefa Goldman Gas Proj Rev 5.000 09/01/2049	0.69
CO St HFA Commonsprit Health 4.000 08/01/2044	0.68
MI Strategic Fund 5.000 12/31/2043	0.65

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.

holdings in housing, water and sewer, and pre-refunded issues faring well, partially offsetting negative security selection within state GOs, special tax and airports.

### Portfolio activity

Rate volatility and industry-wide fund outflows drove trading volumes higher in the first quarter. While the fund had to contend with outflows, positioning remained intact, as flows were manageable and market liquidity saw healthy two-way markets, albeit at adjusted levels. Sector allocations were relatively stable quarter over quarter, with the largest reductions owing to sourcing liquidity to increase cash within the fund. The largest reductions came from local GOs, state GOs and state-appropriated debt, while maintaining recovery potential left the special tax sector, toll roads and CCRCs untouched, causing their relative percentages within the fund to modestly increase. Duration management over the course of the quarter was largely accomplished through active management of the portfolio. However, our use of Treasury futures and MMD rate locks had offsetting neutral effects. As forward rate expectations became more fully priced into the market, we allowed the portfolio to extend duration as we sold shorter exposure. Given our expectations that the muni curve will flatten in a Fed hiking cycle, we believe the fund is well positioned heading into the second quarter.

### Outlook

If history is any guide, municipal outflow cycles can turn around almost as quickly as they begin, and, while we are not ready to call a bottom, the attractive taxable-equivalent yields should begin to entice investors off the sidelines. Summer months in the municipal market typically see increased demand, as a large proportion of maturities and coupon payments are returned to investors. After substantial outflows and tax-loss harvesting from municipal funds, we anticipate this natural seasonal demand should provide some stabilization. Further bolstering the prospects for a rebound from this rout is the renewed discussion of higher tax rates in Washington. Though we do not assign a high probability to major legislation passing before the mid-term elections, the sheer prospect of higher taxation tends to spur demand for tax haven assets such as municipals.

Forward-looking municipal returns are highly dependent on the future path of Fed actions and, by extension, the level and shape of the curve. In previous Fed hiking cycles, the municipal curve has flattened. As rate expectations appear to be getting closer to being fully priced into the market, investors tend to gravitate further out the curve in search of tax-exempt income. As we anticipate this dynamic to replay itself in this cycle, it is important for long-term investors to maintain fund positioning with enough recovery potential to benefit from this possibility.

### Commentaries available via email

Stay informed about your investments by subscribing to receive commentaries and other fund updates by email. Simply register with our subscription center and choose the publications you'd like to receive. We'll take care of the rest.



**Subscribe**

## Investment Risks

Fixed-income securities present **issuer** default risk. The fund invests substantially in **municipal securities** and will be affected by tax, legislative, regulatory, demographic or political changes, as well as changes impacting a state's financial, economic or other conditions. A relatively small number of tax-exempt issuers may necessitate the fund investing more heavily 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. **Market** risk may affect a single issuer, sector of the economy, industry or the market as a whole. Federal and state **tax** rules apply to capital gain distributions and any gains or losses on sales. Income may be subject to state, local or alternative minimum taxes. **Liquidity** risk is associated with the difficulty of selling underlying investments at a desirable time or price.

**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](http://columbiathreadneedle.com). Read the prospectus carefully before investing.**

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

Columbia funds are distributed by Columbia Management Investment Distributors, Inc., member FINRA and managed by Columbia Management Investment Advisers, LLC.

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.

**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.

<sup>1</sup>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: [columbiathreadneedle.com/investor/investment-products/mutual-funds/appended-performance](http://columbiathreadneedle.com/investor/investment-products/mutual-funds/appended-performance)**

<sup>2</sup>The fund's expense ratio is from the most recent prospectus.

© 2021 Morningstar, Inc. The Morningstar information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

**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 **Bloomberg Municipal Bond Index** is an unmanaged index considered representative of the broad market for investment-grade municipal bonds. Bonds in the index have remaining maturities of at least one year.

The **Bloomberg Municipal High Yield Index** is an unmanaged index that tracks non-investment grade and non-rated municipal bonds.

Bloomberg Index Services Limited. BLOOMBERG® is a trademark and service mark of Bloomberg Finance L.P. and its affiliates (collectively "Bloomberg"). Bloomberg licensors own all proprietary rights in the Bloomberg Indices. Bloomberg does not approve or endorse this material, or guarantee the accuracy or completeness of any information herein, or makes any warranty, express or implied, as to the results to be obtained therefrom and, to the maximum extent allowed by law, and shall not have any liability or responsibility for injury or damages arising in connection therewith.

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

