THIRD QUARTER 2022
INVESTMENT COMMENTARY

COLUMBIA THREADNEEDLE INVESTMENTS

Share Class Symbol	A SLVAX	Advisor CSERX	C SVLCX	Institutional CSVZX	Institutional 2 SLVIX	Institutional 3 CSRYX	R SLVRX

Columbia Select Large Cap Value Fund

Overall Morningstar Rating™

Class A

Institutional Class

The Morningstar Rating is for the indicated share classes only as of 09/30/22; other classes may have different performance characteristics. **The Morningstar ratings for the overall, three-, five- and 10-year periods for Class A shares are 4 stars, 4 stars, 3 stars and 4 stars and for Institutional Class shares are 4 stars, 5 stars, 3 stars and 4 stars among 1153, 1153, 1094 and 800 Large Value funds respectively, and are based on a Morningstar Risk-Adjusted Return measure.**

Although the notion that central banks seem to have taken control of financial markets is somewhat troubling, we believe the next bull market for stocks will be driven by value, following a reset that is not artificially propagated by the Fed.

Focuses on long-term outperformance

Invests in underappreciated companies that show accelerating earnings growth

Takes advantage of low market expectations

Identifies potential catalysts to drive earnings forward, which may allow investors to exploit inefficiencies created by low market expectations

Follows a high-conviction process

Takes a consistent approach to build a concentrated, low turnover portfolio in pursuit of strong risk-adjusted returns

Expense ratio[2]

Share class	No waiver (gross)	With waiver (net)
Institutional	0.83%	0.55%
A	1.08%	0.80%

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.

Fund performance

- Institutional Class shares of Columbia Select Large Cap Value Fund returned -3.88% for the quarter ending September 30, 2022, outperforming its benchmark, the Russell 1000 Value Index, which returned -5.62% for the same period.
- Security selection, particularly high-conviction holdings within the utilities, energy and health care sectors, was the primary source of outperformance for the quarter. An overweight to energy and underweights to real estate and communication services also helped relative results.
- For monthly performance information, please visit columbiathreadneedle.com.

Market overview

U.S. equities declined during the third quarter, falling after a brief rally stalled midway through the period when investors abandoned hopes for a slowdown in rate hikes. Slowing global growth compounded rate worries, as did an increasing realization that earnings estimates have been implausibly optimistic.

Until that point, markets seemed to be reversing the steady selloff from last year's record highs. Better-than-feared results and guidance helped sentiment, particularly from bellwethers like Alphabet and Microsoft, as well as retailers like Walmart and Target. But most of the upside was sparked by investor interpretation of Federal Reserve Chair Powell's remarks after the Federal Open Market Committee announced an anticipated 75-basis point (bps) rate hike at the end of July. (A basis point is 1/100 of one percent.) What many seemingly heard were hints that rate hikes will slow in concert with softening economic growth. That takeaway evaporated a month later when Powell spoke at Jackson Hole and prioritized fighting inflation no matter how much pain the economy might suffer. His inflation-fighting resolve was confirmed by an additional 75-bps hike in September, along with a dot-plot showing no expectations for rate cuts until 2024.

Average annual total returns (%) for period ending September 30, 2022

Columbia Select Large Cap Value Fund	3-mon.	1-year	3-year	5-year	10-year
Institutional Class[1]	-3.88	-6.57	8.72	6.89	11.04
Class A without sales charge	-3.92	-6.79	8.45	6.63	10.76
Class A with 5.75% maximum sales charge	-9.46	-12.14	6.33	5.37	10.11
S&P 500 Index	-4.88	-15.47	8.16	9.24	11.70
Russell 1000 Value Index	-5.62	-11.36	4.36	5.29	9.17

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.

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Not FDIC or NCUA Insured | No Financial Institution Guarantee | May Lose Value

5064808 (10/22)

Columbia Select Large Cap Value Fund

Top holdings (% of net assets) as of June 30, 2022

Verizon Communications	4.82
FMC	3.83
CIGNA	3.76
Philip Morris International	3.60
FirstEnergy	3.47
Wells Fargo	3.35
Barrick Gold	3.28
Bristol-Myers Squibb	3.21
Williams Companies	3.02
Centene	3.01

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.

Top five contributors - Effect on return (%) as of June 30, 2022

CIGNA	0.33
Humana	0.23
Philip Morris International	0.18
Bristol-Myers Squibb	0.18
Centene	0.06

Top five detractors - Effect on return (%) as of June 30, 2022

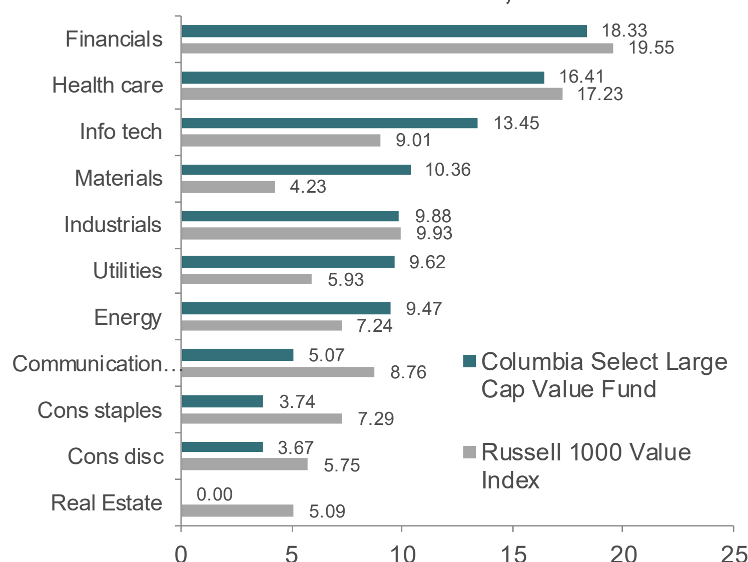
Freeport-McMoRan	-1.65
Barrick Gold	-1.11
Applied Materials	-0.77
FMC	-0.74
Cisco Systems	-0.72

Other central banks negatively influenced sentiment in U.S. capital markets as well during the quarter through interventions that sharply increased volatility across bond and currency markets and stoked investor concern about the fragility of global growth. Perhaps most significant, near quarter end, the Bank of England started temporary purchases of long-dated UK government bonds in an effort to restore order to markets roiled by the British government's attempt to fight inflation with widespread tax cuts.

Downward revisions in earnings cuts accelerated during the quarter, adding to pessimism about growth prospects throughout the U.S. economy. Negative returns were broad-based except for consumer discretionary and energy stocks, as measured by the S&P 500 Index. Notable laggards included the health care, utilities and consumer staples sectors within the index, areas that typically are regarded as defensive. Growth stocks modestly outperformed value stocks but continued to lag meaningfully year to date.

Although the market, as represented by the S&P 500 Index, bottomed with a year-to-date low on the last day of the third quarter, absolute losses and levels of volatility during the third quarter were not extreme, either historically or compared with recent results. For example, volatility in U.S. equity markets, as measured by the CBOE Market Volatility Index (VIX), increased by about 10% but stayed well within historical norms and far below all-time highs. And the 4.88% decline for the S&P 500 was in line with this year's first-quarter 4.6% loss, significantly better than the second quarter's 16% drop and nowhere close to the all-time worst drawdown of 25% in the third quarter of 1974. But strung together, the first three quarters of 2022 are the third worst on record for the index — the -23.87% return is surpassed only by the first nine months of 1974 (-32.7%) and 2001 (-28.2%).

Sector weights (%): fund vs. benchmark as of June 30, 2022



Source: FactSet

Quarterly portfolio recap

Security selection, particularly high-conviction holdings within the utilities, energy and health care sectors, was the primary source of outperformance for the quarter. An overweight to energy and underweights to real estate and communication services also

helped relative results. Please note that sector-level exposures are a byproduct of the portfolio's longstanding bottom-up investment process.

Top individual performers for the third quarter included California electric utility PG&E, which continued to execute and become a better company while delivering strong earnings growth. Another milestone came on the last day of the quarter, when the stock was added to the S&P 500. Independent power producer AES also performed well, boosted by expectations that the recently passed Inflation Reduction Act will turbocharge the economics of the company's renewable energy strategies.

Energy was another standout sector for our clients in the quarter, led by Marathon Petroleum, which is in the midst of buying back effectively 60% of outstanding shares, thanks in part to the sale of Speedway gas stations, but also due to widening refining spreads, refinery efficiencies and production issues in other countries. Subsea equipment and services provider TechnipFMC also had a strong quarter of performance amid big contract wins, as offshore production is entering its sweet spot in the cycle, and capital investments are starting to pay off.

Top performers for the quarter also included home-improvement retailer Lowe's, whose stock performed well in the quarter despite troubles in housing and consumer durables in general. A lot of that credit goes to a management story that continues to play out as they close the gap versus Home Depot by improving their attractiveness to professional contractors, strengthening capabilities and, perhaps most important, making supply chains more efficient.

Managed care providers Cigna and Humana round out noteworthy contributors for the quarter, thanks in part to continuing positive sentiment driven by solid results and expectations for sustained long-term demand.

What is interesting about several holdings that lagged is that they are among the most defensive names in the portfolio. Telecom provider Verizon, for example, fell significantly in the quarter, a result that is near-impossible to believe given the general stability of the business. Fears over consumer demand (and balance sheets) and wasteful spending by competitors will ultimately be run over by fundamentals in our opinion, as 5G gets turned on in such a way that consumers recognize the utility of it and superiority of the network. Another traditionally defensive name, Barrick Gold, also was down significantly, reflecting a decline in the price of gold and an increase in the cost of production due primarily to high energy prices. A stronger dollar and positive real yields also contributed to investor disdain for the stock. Finally, we'd highlight Baxter, a hospital supply company that typically should be viewed as a defensive position but wasn't primarily due to a significant reduction in earnings expectations. Much of the headwinds facing the company stem from supply chain issues, fewer people in hospitals and lower near-term accretion from a recent acquisition.

Market outlook and investment plan

The notion of whether we are in a recession or not misses the boat. What is most important to investors is that while we have experienced the second-worst year of the time-tested 60/40 (stocks/bonds) portfolio going back 100 years, we have yet to see the typical indications that the bottom is nearly in, namely a bottoming of the Purchasing Managers' Index and housing where we are still much closer to the highs of the last two years than the bottom.

Over time, equity market moves are well-correlated with earnings growth. Bloomberg still shows expected earnings growth for the S&P 500 to exceed 9% in 2022 and 8.5% in 2023, levels that to us look ridiculous, especially if you take into consideration that earnings growth over time has compounded in the 6% to 7% range. And those projections look especially ludicrous factoring in headwinds that include higher rates, fewer buybacks, bloated inventories, awful currency translation for companies with overseas operations and consumer spending that appears robust but still reflects weak demand due to inflation. Three consecutive quarters without real gross domestic product (GDP) growth, contractionary fiscal policy (despite a deficit of more than 3% of GDP, even with full employment), and seven months of M2 shrinkage have made the Fed's desire to "break something" to gain control over inflation a very narrow path to travel. (M2 is a measure of money supply that includes cash, checking deposits and non-cash assets that can easily be converted into cash.)

If you take a step back, raising rates into a no-growth economy during a bear market and the conditions described above is not something that you'd think any central banker would want to undertake. The best analysis we've seen goes something like: "We intervened so much we caused an inflation crisis. Then we tightened so much we're causing a global economic crisis. Now we must intervene to prevent a financial crisis."

Despite the carnage across asset markets this year, the Institute of Supply Management (ISM) leads margins and markets typically bottom when the ISM and employment bottom. It seems like we are not there yet. Plus, liquidity and the value of collateral for borrowing is shrinking, while the cost of capital is rising. And it may help to keep in mind the dirty secret of bear markets: the true end comes when retail customers leave the market and vow never to own stocks again. So far this time around, we've yet to read that headline.

As we look forward, we don't have a crystal ball to predict what the fourth quarter will look like. Although the notion that central banks seem to have taken control of financial markets is somewhat troubling, we believe the next bull market for stocks will be driven by value, following a reset that is not artificially propagated by the Fed.

As was the case in the first and second quarters, significant portfolio activity focused on adds and trims in keeping with our continual assessment of risk/reward potential for each holding. Key variances relative to the portfolio's Russell 1000 Value benchmark did not meaningfully change: overweights to materials, information technology and utilities and underweights to real estate, communication services and consumer staples.

For the near term, we feel confident about our portfolio positioning, particularly about our overweight in utilities, a position that has served our clients well so far this year and can be expected to do so in the future. Looking back, the stability of the dividend and low valuations have enabled the stocks to outperform against a narrative of rising rates. Looking forward, the stability of earnings growth should look especially attractive as earnings expectations continue to get marked down.

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. Read the prospectus carefully before investing.

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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.

[1]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. Please visit **columbiathreadneedleus.com/investor/investment-products/mutual-funds/appended-performance** for more information.

[2]The fund's expense ratio is from the most recent prospectus.

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The **Russell 1000 Value Index**, an unmanaged index, measures the performance of those stocks in the Russell 1000 Index with lower price-to-book ratios and lower forecasted growth values.

The **Standard and Poor's (S&P) 500 Index** is an unmanaged list of common stocks that includes 500 large companies.

The **CBOE Volatility Index** (VIX) is a real-time index that represents the market's expectations for the relative strength of near-term price changes of the S&P 500 Index.

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

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