

# News Release

**Contact:**

Liz Kennedy  
617.897.9343  
[liz.kennedy@ampf.com](mailto:liz.kennedy@ampf.com)

## Columbia Threadneedle Investments Expands Strategic Beta Fixed Income Suite with Launch of Columbia Short Duration Bond ETF (SBND)



**BOSTON – September 21, 2021** – Columbia Threadneedle Investments today announced the expansion of its strategic beta fixed income exchange-traded fund (ETF) offerings with the launch of Columbia Short Duration Bond ETF (NYSE Arca: SBND), a short-duration bond strategy focused on generating income in four segments of the debt markets. SBND tracks the firm's proprietary *Beta Advantage*<sup>®</sup> Short Term Bond Index, which provides a rules-based approach to investing that is diversified and weighted toward opportunity rather than indebtedness.

SBND seeks to broaden investors' income opportunity set by tracking an index resulting in a short-duration portfolio that does not sacrifice yield or take on excessive credit risk. The ETF aims to provide investors with a diversified portfolio of fixed income securities across four income-producing debt segments – U.S. investment grade corporates, U.S. investment grade securitized debt, U.S. high yield, and emerging market sovereign and quasi-sovereign debt – with a balance of yield, quality, and liquidity. SBND's rules-based indexed investment approach aims to address investor concerns that lowering duration equates to sacrificing yield, regardless of the interest rate environment. Two-thirds of financial advisors surveyed recently by Columbia Threadneedle agree that the inability to address client needs around yield and diversification is a barrier to investing in specific fixed income products.<sup>1</sup>

"In a challenging interest rate environment, investors may need to adjust their fixed income allocations and broaden their income opportunity set," said Ronald Stahl, Senior Portfolio Manager and Head of Short Duration & Stable Value at Columbia Threadneedle Investments. "Unlike passively managed short-duration bond funds

that track traditional benchmarks, a strategic beta portfolio that tracks a customized, rules-based index designed to mitigate duration risk while capturing higher income opportunities can further diversify and complement client portfolios."

"Against a backdrop of market uncertainty, we've seen investors increasingly use short-term bond funds to simply 'park' their assets until they decide what to do next," added Marc Zeitoun, Head of Strategic Beta at Columbia Threadneedle Investments. "For most, this will result in an unwanted give-up on yield. We believe a cost-efficient and thoughtfully diversified strategy offers a better way to shorten portfolio duration without sacrificing income potential."

The launch of SBND adds another compelling fixed income strategic beta solution to a lineup that includes Columbia Diversified Fixed Income Allocation ETF (DIAL), launched in 2017, and Columbia Multi-Sector Municipal Income ETF (MUST), launched in 2018. DIAL is a multi-sector bond strategy that targets more consistent income in any market with a rules-based approach that goes beyond the traditional bond market benchmark. SBND complements DIAL in providing investors with a short-duration version of a proven diversified bond strategy. MUST targets higher tax-exempt income and risk-adjusted returns than traditional municipal bond benchmark funds by strategically diversifying across five municipal bond sectors.

All three funds are managed by active fixed income investors whose expertise and insights informed the rules-based approach that underpins each ETF and reflect a commitment to delivering fixed income solutions to meet a variety of investor needs. SBND is managed by Ronald Stahl, Gregory Liechty, and David Janssen. The fund features monthly reconstitution, rebalancing and distributions, and is competitively priced at 25 basis points.

## **About Columbia Threadneedle Investments**

Columbia Threadneedle Investments is a leading global asset manager that provides a broad range of investment strategies and solutions for individual, institutional and corporate clients around the world. With more than 2,000 people, including over 450 investment professionals based in North America, Europe and Asia, we manage \$593 billion<sup>2</sup> of assets across developed and emerging market equities, fixed income, asset allocation solutions and alternatives.

Columbia Threadneedle Investments is the global asset management group of Ameriprise Financial, Inc. (NYSE: AMP). For more information, please visit [columbiathreadneedleus.com](http://columbiathreadneedleus.com).

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

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<sup>1</sup> Survey of 221 financial advisors conducted August 17-24, 2021.

<sup>2</sup> As of June 30, 2021. Includes all assets managed by entities in the Columbia and Threadneedle group of companies.

**Investors should carefully consider the investment objectives, risks, charges and expenses of the Fund before investing. To obtain a prospectus containing this and other important information, please call 888 800 4347 or visit [columbiathreadneedleus.com/etf](http://columbiathreadneedleus.com/etf) to view or download a prospectus. Read the prospectus carefully before investing.**

**Fixed income securities** involve interest rate, credit, inflation, illiquidity and reinvestment risks. **Interest rate** risk is the risk that fixed income securities will decline in value because of changes in interest rates. Generally, the value of debt securities falls as interest rates rise. Fixed income securities differ in their sensitivities to changes in interest rates. Fixed income securities with longer effective durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter effective durations. Effective duration is determined by a number of factors including coupon rate, whether the coupon is fixed or floating, time to maturity, call or put features, and various repayment features. **Below investment-grade securities, or “junk bonds,”** are more likely to pose a credit risk, as the issuers of these securities are more likely to have problems making interest and principal payments than issuers of higher-rated securities. Lower-rated securities may be more susceptible to real or perceived adverse economic and competitive industry conditions than higher-grade securities, and prices of these securities may be more sensitive to adverse economic downturns or individual corporate developments. If the issuer of the securities defaults, the ETF may incur additional expenses to seek recovery. **Mortgage- and asset-backed securities** are affected by interest rates, financial health of issuers/originators, creditworthiness of entities providing credit enhancements and the value of underlying assets. Generally, rising interest rates tend to extend the duration of **fixed rate mortgage-related securities**, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, if the ETF holds mortgage-related securities, it may exhibit additional volatility. In addition, adjustable and fixed rate mortgage-related securities are subject to prepayment risk. 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. **Foreign** investments subject the fund to risks, including political, economic, market, social and others within a particular country, as well as to currency instabilities and less stringent financial and accounting standards generally applicable to U.S. issuers. **Foreign currency** risks involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles, from economic or political instability in other nations or increased volatility and lower trading. Risks are enhanced for **sovereign debt** issuers. Risks are enhanced for **emerging market** issuers. Diversification does not assure a profit or protect against loss.

*ETF shares are bought and sold at market price (not NAV) and are not individually redeemable. Investors buy and sell shares on a secondary market. Shares may trade at a premium or discount to the NAV. Only market makers or "authorized participants" may trade directly with the Fund(s), typically in blocks of 50,000 shares.*

The Beta Advantage<sup>®</sup> Short Term Bond Index is a fixed weight composite index that blends six custom sub-indices based off the following Bloomberg flagship indices: US Corporate, US High Yield, US MBS, US CMBS, US ABS, and the EM USD Aggregate. It is not possible to invest directly in an index.

Columbia Management Investment Advisers, LLC serves as the investment manager to the ETFs. The ETFs are distributed by **ALPS Distributors, Inc.**, which is not affiliated with Columbia Management Investment Advisers, LLC or its parent company Ameriprise Financial, Inc.

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