

Equity markets finished mostly lower during the first quarter of 2025.

Columbia Select Mid Cap Value SMA Strategy

Performance

The Columbia Threadneedle US Select Mid Cap Value SMA Composite returned -2.36% pure gross of fees and -3.10% net of fees for the quarter ending March 31, 2025. The strategy's benchmark Russell Midcap Value Index returned -2.11% for the same period.

Market overview

Equity markets finished mostly lower during the first quarter of 2025. The S&P 500 Index ended the period down 4.27%, the index's worst quarter since mid-2022. Small caps and growth also declined meaningfully, with the Russell 2000 Index dropping 9.48%, while the Russell 1000 Growth Index fell 9.97%. Large-cap value, however, proved resilient, as the Russell 1000 Value Index gained 2.14%. The Russell Mid Cap Value Index dropped 2.11% during the quarter.

Markets began the year on a positive note, with optimism around the economy, the opportunity for artificial intelligence (AI) to drive increasing productivity, and the potential for deregulation under President Trump driving stock prices higher. However, volatility emerged in January on news around China's DeepSeek AI model, whose performance and alleged cheap cost to develop sparked a sell-off in AI-related growth stocks and raised lingering concerns around valuations and capital expenditures. Despite this, the S&P 500 Index reached new highs in January and mid-February, though the equal-weighted index outperformed as the "Magnificent 7" stocks pulled back.

Average annual total returns (%) for period ending 03/31/2025

	Inception	3-mon.	1-year	3-year	Since inception
Columbia Threadneedle US Select Mid Cap Value SMA Composite (pure gross)	12/31/2018	-2.36	1.30	4.75	12.95
Columbia Threadneedle US Select Mid Cap Value SMA Composite (net)		-3.10	-1.70	1.65	9.64
Russell Midcap Value Index		-2.11	2.27	3.78	10.61

Source: Columbia Threadneedle Investments

Effective June 30, 2024, the composite name for this strategy changed from Columbia Select Mid Cap Value SMA Composite to Columbia Threadneedle US Select Mid Cap Value SMA Composite.

Past performance does not guarantee 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.

As the quarter progressed, bearish sentiment won out. Higher-than-expected inflation indicators, softer economic data, and continued uncertainty around the Trump administration's trade policies and regulatory uncertainty had equity markets retreating. Tariffs dominated the headlines in March, with the possibilities of imposition of sweeping tariffs by the new administration on historically friendly trading partners such as Canada and Mexico, in addition to European- and Asian-focused tariffs yet to be addressed. Uncertainty around the potential impacts of these tariffs sent stock markets and consumer confidence lower, while inflation expectations increased and fears of a potential recession grew. Chatter around potential "stagflation" rose as well. The Russell Mid Cap Value Index ended the quarter down 2.11%. Information technology was the worst-performing sector, followed by consumer discretionary. In light of increasing probabilities of a recession, some of the more defensive sectors outperformed, with utilities standing out.

Quarterly portfolio recap

For the quarter ending March 31, 2025, the strategy returned -3.10% net of fees, underperforming the -2.11% return of the benchmark Russell Mid Cap Value Index. Stronger security selection within health care, real estate, communication services and consumer discretionary was more than offset by selection within information technology, financials and utilities. Sector allocation had a fairly muted impact on relative results.

Within health care, the strategy's positions in Quest Diagnostics and Zimmer Biomet both performed strongly on an absolute and relative basis. Quest Diagnostics, a clinical laboratory company that provides diagnostic testing, information and services, reported strong quarterly earnings with both top and bottom-line numbers beating consensus expectations. Organic growth was strong, the company continued to make prudent acquisitions and investments in AI and technology should be tailwinds for margins going forward. Zimmer Biomet, a company specializing in designing and manufacturing orthopedic products such as artificial hips and knees, continued to innovate and expand its product pipeline under a relatively new management team.

In real estate, the strategy's position in Welltower, a senior assisted-living real estate investment trust (REIT), was a standout. Welltower is benefitting from an aging U.S. population and subsequent growing demand for senior housing at a time when supply is limited. The company is well positioned to acquire more assets when opportunities arise and is also not exposed to government health care spending, given that they are not reimbursed by the government.

Other top contributors to absolute and relative performance included Entergy and Ameren within utilities and Hanover Insurance Group in financials. Both Entergy and Ameren benefitted from the rise in recession expectations, given the defensive nature of their businesses. Entergy is also favorably exposed to the increasing industrial development in the Gulf Coast. Increasing power demand owing to AI data center growth has also been a tailwind for Ameren. Property and casualty insurance company Hanover Insurance Group posted a substantial earnings beat and a raise of forward guidance, owing to lower catastrophe losses and better net interest income.

Detractors from performance included a handful of names within the information technology sector. Notably, semiconductor maker Marvell Technology underperformed. The stock was one of the top performers in the portfolio during 2024, as demand for its custom chips and optical connectivity products soared as a result of the growth in AI data centers. We had been trimming the name on strength,

but in the first quarter of 2025 the stock sold off alongside other previous AI winners, particularly in light of the DeepSeek news out of China. The company reported solid quarterly results, but high expectations among many of these AI-driven stocks resulted in the stock declining. Similarly, our position in semiconductor ON Semiconductor declined, exacerbated by concerns over electric vehicle demand in the U.S., given the new administration's policies, as well as pending tariffs on autos.

Within financials, the strategy's positions in alternative investment manager Carlyle Group and payment processor Global Payments detracted on an absolute and relative basis. While Carlyle started the year off strong, with expectations of a more favorable M&A environment under President Trump, renewed recessionary fears that emerged later in the period sent the stock lower. In that same vein, a potential recession and the impacts that may have on consumer spending dampened sentiment on Global Payments.

Outlook

So far, 2025 has been a whirlwind of headlines and volatility. As such, we have not made significant changes to our positioning. We are not top-down investors and so have not tried to reposition the portfolio due to short-term news around tariffs or regulatory uncertainties. Looking ahead, we continue to maintain conviction in our long-standing investment approach and are confident with the positioning of the portfolio. Yet there remains a tremendous amount of uncertainty in the markets. Regulatory uncertainties and sudden proclamations around tariffs have introduced significant uneasiness into equity markets, as businesses pause investment while they weigh the potential impacts of proposed policies that seemingly change by the day. This uncertainty in outlook could lead to company guidance that proves irrelevant. In addition, recessionary fears and higher inflationary risks that may result continue to warrant close attention.

No matter the environment, we will continue to do what we have always done: analyze our portfolio companies on a stock-by-stock basis and research opportunities from the bottom up, case by case. This uncertain environment can create meaningful opportunities for long-term investors. To that end, we have been working closely with our central research analysts, as well as directly with management of our portfolio companies. We look past the current noise and seek to identify companies that will improve their individual trajectory over the next three-to-five or more years.

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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.

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

Market risk may affect a single issuer, sector of the economy, industry or the market as a whole. Investments in midcap companies involve risks and volatility greater than investments in larger, more established companies. **Value** securities may be unprofitable if the market fails to recognize their intrinsic worth or the portfolio manager misgauged that worth. Investments in a **limited** number of companies subject the portfolio to greater risk of loss. The portfolio may invest significantly in issuers within a particular **sector**, which may be negatively affected by market, economic or other conditions, making the portfolio more vulnerable to unfavorable developments in the sector.

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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 Midcap Value Index** measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth values. The stocks are also members of the Russell 1000 Value index.

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

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.

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 2000 Index** measures the overall performance of the small-cap to mid-cap company shares.

Columbia Threadneedle US Select Mid Cap Value 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 (%)	Index Return (%)	Composite 3-Yr St Dev (%)	Index 3-Yr St Dev (%)	Internal Dispersion (%)	Number of Portfolios	Total Composite Assets (mil.)	Total Firm Assets (bil.)
2024	13.64	10.31	13.07	19.66	19.77	N.A.	≤ 5	0.10	554.24
2023	10.76	7.50	12.71	19.81	19.31	N.A.	≤ 5	0.12	N.A.
2022	-8.57	-11.30	-12.03	25.29	24.44	N.A.	≤ 5	0.16	N.A.
2021	33.38	29.52	28.34	23.05	21.95	N.A.	≤ 5	0.18	N.A.
2020	7.51	4.33	4.96	N.A.	N.A.	N.A.	≤ 5	0.13	N.A.
2019	32.89	29.04	27.06	N.A.	N.A.	N.A.	≤ 5	0.12	N.A.

Annualized Trailing Performance as of December 31, 2024

Period	Pure Gross-of-fees Return (%) (Supplemental)	Net-of-fees Return (%)	Index Return (%)
1 Year	13.64	10.31	13.07
5 Years	10.54	7.29	8.59
Inception	13.98	10.64	11.47

Inception Date: December 31, 2018

Columbia Threadneedle US Select Mid Cap Value SMA Composite

GIPS Report

Columbia Threadneedle Investments Global Asset Management

Columbia Threadneedle US Select Mid Cap Value 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 deliver capital appreciation and income by investing in mid cap equity securities that we believe are undervalued. Since inception, Separately Managed (WRAP) accounts represent 100% of the composite assets. The benchmark is the Russell Midcap® Value Index. The composite was created January 1, 2019.

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 benchmark is the Russell MidCap Value Index that measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth values. The stocks are also members of the Russell 1000 Value index. Index returns reflect the reinvestment of dividends and other earnings and are not covered by the report of the independent verifiers.

Columbia Threadneedle US Select Mid Cap Value SMA Composite

GIPS Report

Columbia Threadneedle Investments Global Asset Management

Columbia Threadneedle US Select Mid Cap Value 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. Prior to 6/30/2024, the composite was referred to as the Columbia Select Mid Cap Value SMA Composite.

12. 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.