

COLUMBIA SELECT SMALL CAP VALUE STRATEGY

Inflation, supply-chain issues, a hawkish Fed and the continuing war in Ukraine have all contributed to volatility and unease, exacerbated by concerns about the health of the U.S. consumer.

Strategy performance

- The Columbia Select Small Cap Value strategy returned -2.28% pure gross of fees and -3.02% net of fees, outperforming its benchmark, the Russell 2000 Value Index, which returned -4.61% for the quarter ending September 30, 2022.
- Strong, broad-based stock selection drove relative outperformance. Selection was especially noteworthy within information technology, industrials and materials. Selection within health care and energy offset some of these relative results.

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 may have been too high.

Until that point, markets had 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. Hopes that the pace of rate hikes might slow also helped push stocks higher. That hope evaporated, when Jerome 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-basis point hike in September.

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. ~~for the~~

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

	Inception	3-mon.	Year to date	1-year	Since inception
Columbia Select Small Cap Value SMA composite (pure gross)	12/31/2011	-2.28	-22.00	-16.92	—
Columbia Select Small Cap Value SMA composite (net)		-3.02	-23.79	-19.42	—
Russell 2000 Value Index		-4.61	-21.12	-17.69	—

Past performance does not guarantee future results. Periods over one year are annualized. Returns reflect the reinvestment of dividends, income, and capital gains and are calculated and stated in US dollars. Performance is based on the **Columbia Select Small Cap Value SMA composite**. 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 pooled vehicle 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 performance and fees applicable to their account.

Geopolitical tensions remained elevated as the war in Ukraine continued, with Russia annexing Ukrainian regions and issuing nuclear warnings.

Downward revisions in earnings cuts accelerated during the quarter, adding to pessimism about growth prospects throughout the U.S. economy. For the quarter, the S&P 500 Index fell 4.88%. Growth outperformed value, with the Russell 1000 Growth Index returning -3.60% versus the -5.62% of the Russell 1000 Value Index. The Russell 2000 Value Index returned -4.61%, with energy and health care the only two sectors finishing in positive territory. Communication services, real estate, consumer staples and utilities declined the most.

Quarterly portfolio recap

While a difficult quarter on an absolute basis, the Columbia Select Small Cap Value strategy outperformed the its benchmark, the Russell 2000 Value Index, returning -3.02% net of fees versus the -4.61% return of the index. Relative outperformance was driven by strong, broad-based stock selection, particularly within information technology, industrials and materials. Selection within real estate, consumer discretionary and financials also added to results, while selection within health care and energy partially offset some these returns.

Top contributors to performance included our position in Extreme Networks within information technology. Shares in the software-driven networking solutions company rebounded sharply during the quarter after declining during the first half of the year in light of higher interest rates and inflation. The company reported yet another quarter of strong results, beating earnings expectations with strong order growth and a healthy pipeline. The company has delivered these results despite exposures internationally and continued supply chain challenges.

Also within information technology, our position in software engineering and design firm EPAM Systems was a notable contributor to outperformance. Shares in the company, which has a portion of their employees based in Ukraine, declined after the war broke out. However, the stock has rallied, as investors realized the selloff was overdone and the company continued to scale their business away from these impacted regions. EPAM also reported strong quarterly results with continued robust demand and revenue growth.

Within industrials, our position in electrical motor and power transmission manufacturer Regal Rexnord was an outperformer. The company reported strong quarterly earnings with results coming in well above expectations, driven by higher revenues and better margins. The company also raised their forward guidance and continued to integrate past acquisitions ahead of schedule.

In materials, our position in Allegheny Technologies continued to deliver strong results. Shares in the company, which provides specialty metals primarily for the aerospace industry, rose after the company reported a stellar quarterly report with earnings well above consensus expectations and a meaningful raise of their forward guidance. The company has benefitted from recovery in aerospace as well as higher margins.

Detractors from performance included our position in Syneos Health. Shares in the company, which provides outsourced clinical and commercial services for biopharmaceutical companies, declined after a somewhat disappointing quarterly report that saw the company lower their forward revenue and earnings guidance. The company also announced lower than expected bookings. The challenging macro environment and higher interest rates have weighed on Syneos and their clients.

Within energy, our position in Patterson-UTI Energy was a notable detractor. The company reported strong quarterly earnings and raise of forward guidance based on strong demand for drilling. However, shares declined towards the end of the quarter, as energy prices fell on the back of global recession fears.

Our position in Nomad Foods, a frozen food producer, was a detractor within consumer staples. Shares declined in the face of rising geopolitical risks and supply-chain uncertainties resulting from the company's operations in Europe.

Outlook

The current market continues to be unpredictable, with high levels of uncertainty and heightened risk. Inflation, supply-chain issues, a hawkish Fed and the continuing war in Ukraine have all contributed to volatility and unease, exacerbated by concerns about the health of the U.S. consumer. Of course, the COVID-19 pandemic has not gone away and continues to be something to monitor.

In light of this environment, we are taking a balanced and cautious approach. Portfolio activity was minimal, with only one outright buy and sell within health care. What we will continue to do, as we have always done, is analyze our portfolio companies on a stock-by-stock basis and continue to research opportunities from the bottom up, case by case. To that end, we have been working closely with our central research analysts, as well as directly with management of our portfolio companies.

We continue to adhere to our process of looking for value companies with identifiable catalysts to change investor perception and accelerate earnings growth. Currently, we remain overweight industrials, materials and information technology while being underweight health care, utilities and financials.

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.

Advisory services provided by Columbia Management Capital Advisers, an operating division of Columbia Management Investment Advisers, LLC ("CMIA") that offers investment management and related services to clients participating in various types of wrap programs.

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

Holdings are based on the model portfolio and are subject to change at any time. Individual participant portfolio holdings may differ from those shown. The portfolio holdings information provided by CMIA and/or its agents or affiliates is proprietary and confidential. In receiving holdings data, program sponsors and program participants agree that the data is not being obtained in order to effect securities transactions based upon such information or to provide such information to another party other than as part of the managed account program. Complete holdings information is available in client statements.

This commentary was prepared by the investment team for the strategy. The team's views are based on market conditions as of the quarter end identified in this commentary and are subject to change without notice at any time based upon market and other factors. This information may contain certain statements that may be deemed forward-looking. Please note that any such statements are not guarantees of any future performance, and actual results or developments may differ materially from those discussed. There is no guarantee that investment objectives will be achieved or that any particular investment will be profitable.

Individual portfolio performance and holdings may differ from information shown due to decisions made by the program sponsor, the size and timing of cash flows and client-specific investment guidelines and objectives.

Source: London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). © LSE Group 2022. FTSE Russell is a trading name of certain of the LSE Group companies. FTSE Russell® is a trademark of the relevant LSE Group companies and is/are used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication.

The **Russell 2000 Value Index** measures the performance of small-cap value segment of the U.S. equity universe. It includes those Russell 2000 companies 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 which includes 500 large companies.

The **Russell 1000 Growth Index** measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

The **Russell 1000 Value Index** measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth values.

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

This material is provided to program sponsors and their third-party intermediaries. To the extent any such recipient chooses to further disseminate this material to program participants, CMIA and its affiliates assume no responsibility for compliance with any laws and rules associated with such further dissemination. Furthermore, receipt of this material by a program participant does not establish a relationship between any such program participant and CMIA or any of its affiliates.

Columbia Select Small Cap Value SMA Composite

GIPS Report

Columbia Management Capital Advisers

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 (mil.)
2021	31.38	27.58	28.27	N.A.	N.A.	N.A.	≤ 5	2.10	2,677.50
2020	9.06	5.83	4.63	N.A.	N.A.	N.A.	≤ 5	2.80	1,639.88
10/31/2019 - 12/31/2019	5.23	4.72	5.92	N.A.	N.A.	N.A.	8	4.22	1,390.52
12/31/2018 - 06/30/2019	13.85	12.19	13.47	N.A.	N.A.	N.A.	1	0.25	1,342.03
2018	-11.21	-13.87	-12.86	14.47	15.76	0.32	14	3.64	1,206.32
2017	13.11	9.80	7.84	14.14	13.97	0.50	12	4.83	1,320.06
2016	14.42	11.06	31.74	15.53	15.50	0.55	30	7.62	1,005.08
2015	-3.18	-6.05	-7.47	14.37	13.46	0.39	22	6.16	3,227.52
2014	4.42	1.34	4.22	13.16	12.79	0.42	9	3.11	3,521.72
2013	46.48	42.28	34.52	N.A.	N.A.	0.63	28	7.73	3,608.46
2012	16.14	12.75	18.05	N.A.	N.A.	0.33	29	13.64	2,718.41

Annualized Trailing Performance as of December 31, 2021

Period	Pure Gross-of-fees Return (%) (Supplemental)	Net-of-fees Return (%)	Index Return (%)
1 Year	31.38	27.58	28.27

Inception Date: December 31, 2011

Columbia Select Small Cap Value SMA Composite

GIPS Report

Columbia Management Capital Advisers

Columbia Select Small Cap Value SMA Composite

1. Columbia Management Capital Advisers claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Columbia Management Capital Advisers has been independently verified for the periods January 1, 2012 through December 31, 2020. 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. Columbia Management Investment Advisers, LLC, an SEC-registered investment adviser, offers investment products and services to institutional and retail markets. For the purposes of claiming compliance with GIPS, Columbia Management Investment Advisers, LLC has defined the Firm as Columbia Management Capital Advisers, an operating division of Columbia Management Investment Advisers, LLC that offers investment management and related services to clients participating in various types of wrap programs. Beginning March 30, 2015, the Columbia and Threadneedle group of companies, which includes multiple separate and distinct firms, began using the global offering brand Columbia Threadneedle Investments.
3. This strategy consists of securities with average market capitalization generally within the range of constituents of the Russell 2000® Index. Accounts in the strategy tend to have a concentration of around 45 holdings. Since inception, Separately Managed (WRAP) accounts represent 100% of the composite assets. The benchmark is the Russell 2000 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 pure 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 pure 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. Portfolios are valued and composite returns are calculated and stated in U.S. dollars. Returns are calculated gross 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 2000 Value Index that tracks the performance of those Russell 2000 Index companies with lower price-to-book ratios and lower forecasted growth values. Index returns reflect the reinvestment of dividends and other earnings.
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. Registration with the SEC as an investment advisor does not imply a certain level of skill or training.
11. On May 1, 2018, Portfolio Managers, Rich Rosen and Rick Taft, came off of this product. Kari Montanus, remains as the Portfolio Manager, and the investment process remains unchanged.