

Spring 2023



INVESTOR NEWSLETTER

columbiathreadneedleus.com/newsletter



Cover story:

The bottom line on the debt ceiling

Also in this issue:

2023 Outlook: Equities

A roadmap to investing in 2023

FEATURED STORIES

2 [The bottom line on the debt ceiling](#)



Knowledge is power.
Stay informed.

SUBSCRIBE 
today to
our newsletter



4 [2023 Outlook: Equities](#)

6 [A roadmap to investing in 2023](#)

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 columbiathreadneedleus.com/investor/. Read the prospectus carefully before investing.

ALSO INSIDE

About us	8
Key retirement savings milestones	10

Spring 2023
Volume 13 Issue 2

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.

Columbia Threadneedle Investor Newsletter is published quarterly online and features timely articles covering economic trends, investment strategies and solutions, and service changes.

© 2023 Columbia Management Investment Advisers, LLC. All rights reserved.

THE BOTTOM LINE ON THE DEBT CEILING



U.S. debt ceiling: What investors need to know



The debt ceiling is the total **amount** of money the United States government is authorized to borrow to pay for programs like Social Security and Medicare benefits, military salaries and tax credits.



Raising the debt ceiling does not increase spending; it provides the Treasury the authority to make payments on obligations that have already been incurred — paying for things on which the Federal government has already spent or decided to spend.



The debt ceiling has been raised many times before. Since 1940, Congress has agreed to raise the debt ceiling more than 100 times. Although investors generally understand the strategy involved in the process, they still don't like the uncertainty.



In 2011, Congress waited until the very last minute to increase the debt ceiling. The crisis led Standard & Poor's to issue its first-ever downgrade of U.S. government debt, sparking weeks of volatility, wreaking havoc on markets.



There are other financial consequences if the debt ceiling is not raised. The cost of collateral across the entire financial system could increase, including the borrowing costs for credit cards, cars and mortgages.

Bottom line

Although the debt ceiling is likely to be raised or suspended, if Congress fails to act and the U.S. government defaults on its debt, investors may see a financial sector shock and market volatility.

Source: Columbia Threadneedle Investments.



2023 OUTLOOK:

EQUITIES

Although we generally try to be style-neutral, we still think there are more opportunities in value than growth this year.

We're very excited about 2023. We're not saying the market is finding its trough, but we know that going down can't go on forever and we anticipate that 2023 will be an inflection point.

When we're in an environment in which the economy is weaker and growth is challenged, you need to pay more attention to balance sheet quality. Look at the quality of the company's operations and the consistency and sustainability of their cash flow. And since a lot of our clients are still relying on income from equity, the free cash flow for the companies to pay back to their shareholders becomes very important.

Opportunities in today's environment

Although we generally try to be style-neutral, we still think there are more opportunities in value than in growth. There are certain areas where value will likely benefit in 2023 such as industries or energy materials. But growth is appearing more interesting. There was a whole re-rating going on in 2022, and if you believe that's done, I think growth will be very interesting. For most of our clients, we try to make sure that their portfolios don't go too far in one direction or the other.

When we look at the valuations around the globe at the region or country level, most markets look really cheap. So in that way, there are so many opportunities globally that we can invest in. Internationally we're still focusing on Europe, which is very challenged. We expect economies to be slowing, but at the company level there are still a lot of European exporters who are taking advantage of dislocation.

Emerging markets, specifically China, will be very important in the allocation of equity portfolios. So instead of shying away from it, I think staying active and buying the right stocks in those markets will be very, very important this year.

Bottom line

We believe markets will stay volatile in 2023, but we see that as an opportunity rather than a challenge, as we look for ideas and good entry and exit points. Volatility can give you that opportunity.



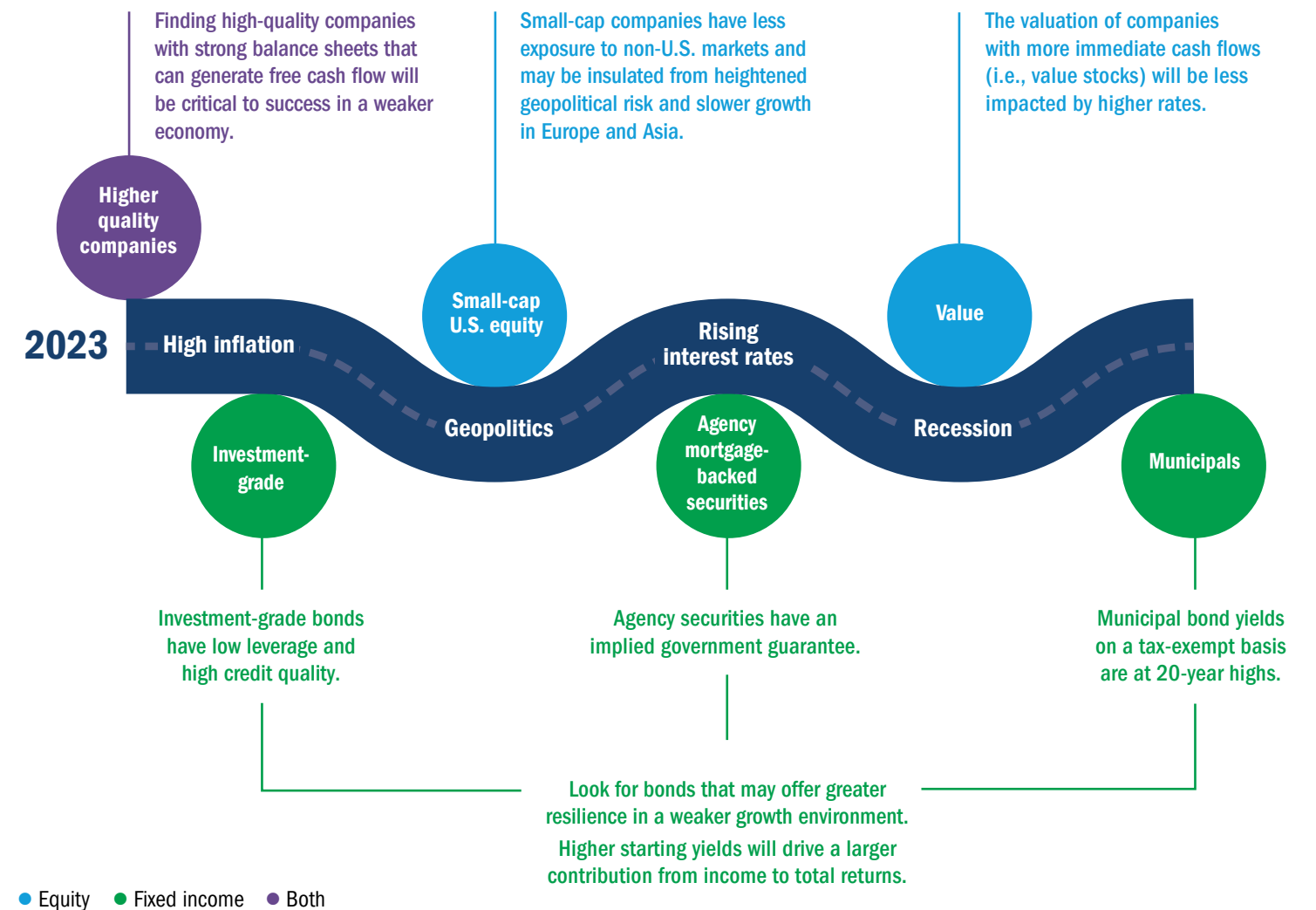
MELDA MERGEN, CFA, CAIA

Global Head of Equities



A ROADMAP TO INVESTING IN 2023

Here's some direction for positioning portfolios in an environment with high inflation, higher rates and slower growth.



Bottom line A focus on quality and active management will help investors navigate markets in 2023.

Source: Columbia Threadneedle Investments. There are risks associated with fixed-income investments, including credit risk, interest rate risk, and prepayment and extension risk. In general, bond prices rise when interest rates fall and vice versa. This effect is usually more pronounced for longer term securities. Municipal securities will be affected by tax, legislative, regulatory, demographic or political changes, as well as changes impacting a state's financial, economic or other conditions. 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. In general, equity securities tend to have greater price volatility than debt securities. The market value of securities may fall, fail to rise or fluctuate, sometimes rapidly and unpredictably. Value securities may be unprofitable if the market fails to recognize their intrinsic worth or the portfolio manager misgauged that worth. Investments in small-cap companies involve risks and volatility greater than investments in larger, more established companies.

Millions of people rely on us to manage their money and invest for their future.

About us

Investing smarter for the world you want

At Columbia Threadneedle Investments, we offer investments to make a difference to your world, and the wider world. Millions of people rely on us to manage their money and invest for their future; together they entrust us with \$584 billion.¹



GLOBALLY CONNECTED

Our reach is expansive, with 2,500 people — including more than 650 investment specialists — spanning the world. But for us, a global perspective is about more than numbers; it is about the smarter advantage we create when we bring our teams' insights together. We've built our diverse expertise and on-the-ground knowledge into our investment processes and solutions, covering almost every asset class and market.



INTENSE ABOUT RESEARCH

We share a belief that original, independent research makes investment decisions smarter. We have over 200 research associates around the globe, and proprietary tools harnessing big data and next generation analytics. This allows us to turn information into forward-looking insights that can add real value to our investment decisions, enhancing our ability to help deliver good outcomes for our clients.



RESPONSIBLE ETHOS

We think our Responsible Investment (RI) capabilities can help you contribute through your investments to shaping the future world you seek. This continually pushes us forward in how we seek to operate as a business in developing our in-depth RI research capability as support for portfolio construction.² As a responsible investor, partner and citizen we're building our RI capabilities needed to help you, our clients, achieve your financial goals while seeking to shape the world you want to live in.



CONTINUOUS IMPROVEMENT

Markets don't stand still and neither do we. Every day, we're looking for opportunities to improve how we invest and what our clients experience — be it the independent oversight teams that ensure the robustness of our investment processes, the emphasis we place on developing our talent or the innovative solutions that we offer. The world is continually changing, and with it our clients' needs, which is why we are always evolving.

¹ Source: Columbia Threadneedle Investments as of December 31, 2022.

² Although RI research is made available to all portfolio managers, each portfolio management team within our firm makes its own investment decisions and certain teams may place more, less or no emphasis on such research in any given investment decision.



Key retirement savings milestones

Being aware of key retirement ages can help you prepare for the future.

50
YEARS



Your retirement savings milestones begin when you reach catch-up contribution age. You can make catch-up contributions to many retirement plans beginning in the year you turn 50.

55
YEARS



403(b) and 401(k) withdrawal age. You can start taking penalty-free withdrawals from qualified retirement plans such as 401(k)s, 403(b)s and profit-sharing plans after you leave your employer in the year you turn 55 or later.

59½
YEARS



IRA withdrawal age. This is another key retirement age because you can begin taking withdrawals without penalty from IRAs and qualified retirement plans.

62
YEARS



Social Security benefits age. You can start taking reduced Social Security benefits.

64
YEARS
9 MONTHS



Medicare sign-up age. You should sign-up for Medicare hospital insurance (Part A) three months before your 65th birthday, whether or not you want to begin receiving retirement benefits.

66-67
YEARS



Social Security benefits age. You can start taking full Social Security benefits depending on your birth year. Any delay in applying for Social Security benefits, up to age 70, can qualify you for increased retirement benefits.

72
YEARS



RMD age. This is a key retirement age because you must begin taking Required Minimum Distributions (RMDs) from most retirement accounts.

Investing smarter for the world you want

At Columbia Threadneedle Investments, we invest to make a difference in your world, and the wider world. Millions of people rely on us to manage their money and invest for their future; together they entrust us with \$584 billion. We are globally connected with a team of over 650 investment professionals providing diverse expertise, spanning almost every asset class and market. We are intense about research as we believe that original independent research makes investment decisions smarter. We have a responsible ethos as investment decisions today help define the future we all seek. Every day, we're looking for opportunities to improve how we invest and what our clients experience; our focus on continuous improvement means that we never stand still. Whatever world you want, our purpose is to help you achieve it.

Source: Columbia Threadneedle Investments as of December 31, 2022.



To find out more, call **800.426.3750**
or visit **columbiathreadneedle.com**



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.

Securities products offered through Columbia Management Investment Distributors, Inc., member FINRA. Advisory services provided by Columbia Management Investment Advisers, LLC.

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.

Columbia Threadneedle Investments and its affiliates do not offer tax or legal advice. Consumers should consult with their tax advisor or attorney regarding their specific situation.

© 2023 Columbia Management Investment Advisers, LLC. All rights reserved.

CT-MK/247542 CA (04/23) VUS/5470763