

Columbia Threadneedle US Small Cap Value Discovery Strategy

Prior to September 1, 2025, the strategy was referred to as the Columbia Threadneedle US Small Cap Value I Strategy.

Performance

The Columbia Threadneedle US Small Cap Value Discovery composite returned 18.82% gross of fees and 18.57% net of fees for the period ending June 30, 2026, outperforming its benchmark, the Russell 2000 Value Index, which returned 17.19% for the same period.

Second-quarter update

As America celebrates its 250th birthday, our strategy marks its 24th. Through more than two decades of market turbulence and evolution, the foundational investment thesis has remained steadfast: exceptional small-cap businesses with quality fundamentals create superior long-term shareholder value, regardless of market sentiment. As this milestone is commemorated, the Columbia US Small Cap Value Discovery strategy outperformed the Russell 2000 Value Index this quarter — a validation of the disciplined approach during a period of heightened market volatility. This success reflects an unwavering commitment to portfolio construction focused on businesses demonstrating sustainable competitive advantages, prudent capital allocation and financial resilience, all while trading at meaningful discounts to assessments of intrinsic value. While market preferences may shift between growth and value, or large and small capitalizations, experience across numerous market cycles reinforces the conviction that companies combining strong operational metrics, balance sheet strength and valuation discipline ultimately reward patient investors. As this legacy of stewardship continues, the investment team remains dedicated to the principles that have driven long-term results: identifying overlooked, underappreciated small-cap companies with strong balance sheets and cash flows, and the capacity to compound capital across a variety of economic environments.

During the second quarter, the Russell 2000 Value Index underperformed the Russell 2000 Growth Index. Small-cap companies outperformed relative to larger-cap companies, as the Russell 2000 Value benchmark outperformed the Russell Midcap Value Index. The U.S. government 10-year bond interest rate increased during the period, beginning the quarter at 4.35% and ending at 4.46%. The University of Michigan Index of Consumer Sentiment fell but rebounded modestly during the quarter, with a June reading of 49.5 compared to the March reading of 53.3, after hitting a historic low in May of 44.8.

Average annual total returns (%) for period ending June 30, 2026

	Inception	3-mon.	1-year	3-year	5-year	10-year
Columbia Threadneedle US Small Cap Value Discovery composite (gross)	06/30/2002	18.82	41.28	20.18	12.17	14.02
Columbia Threadneedle US Small Cap Value Discovery composite (net)	06/30/2002	18.57	40.05	19.11	11.17	13.00
Russell 2000 Value Index		17.19	43.01	18.73	8.23	10.89

Source: Columbia Threadneedle Investments

Past performance is not a guarantee of future results. Composite returns assume reinvestment of income and capital gains, and periods over one year are annualized. Please see the GIPS report for more information on performance and calculation methodology, including expenses reflected in net performance.

Workers who deliberately embrace AI are achieving roughly 3.6 times higher productivity than those who resist it. It is not man or machine. It is man with machine — and that combination is uniquely powerful in American hands.

Our philosophy

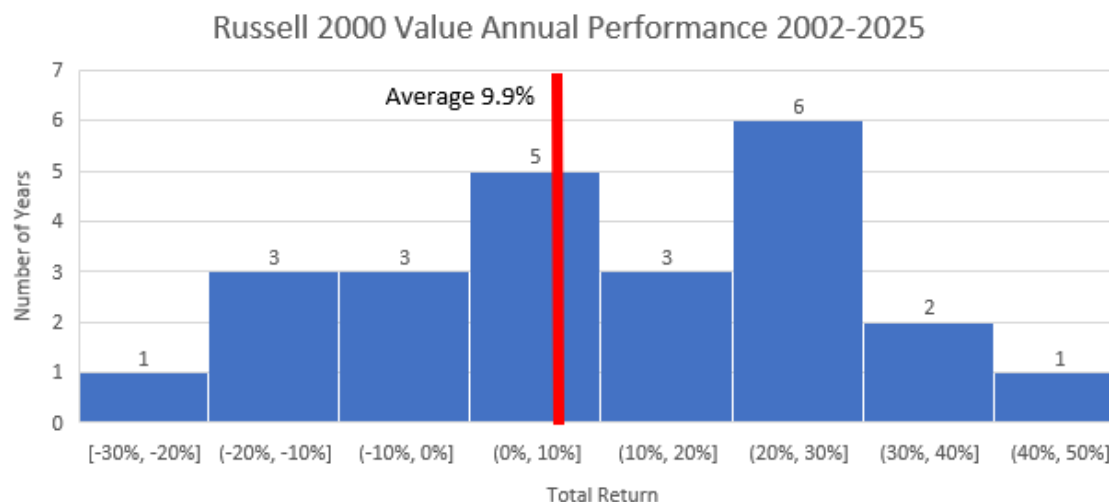
Our approach to investing in small-cap value securities is based on our view that fundamentals ultimately drive stock prices. Through thorough research, we can exploit market anomalies to identify stocks that could outperform the market. Our work relies on proprietary research and our experience investing over many different market cycles. We believe that it is the integrity and intensity of the research process that leads to success. Clients benefit from access to Columbia Threadneedle's internally generated research produced by fundamental analysts, the quantitative research department and the big-data team. Opportunities are sought where the current situation is untenable, and the reward for being patient is sizable.

Myopia is overwhelming the market today, as short-term traders outnumber long-term investors in the small-cap value space. At times, macroeconomic opportunities can also drive fundamentals at the company level, so in-depth work on these higher-level trends complements stock-specific research. The magnitude and direction of certain thematic trends can be significant drivers of returns if identified early and based on sound research. Passion for investing and deep belief in the philosophy are foundational to the strategy.

The strategy's asset class

Since the inception of the Russell style indices in the late 1970s, small-cap value has been among the strongest domestic equity asset classes in terms of absolute performance. We want to share that strength in our commentaries, showcasing the historical outstanding performance of the small-cap value universe across our tenure with the strategy.

The total return for the Russell 2000 Value Index was 23.2% for the first half of 2026, which if maintained would generate an above-historical-average performance for the year. The future is uncertain, yet there is confidence that the long-term compounding of the asset class will persist.



Between 2002 and 2025, the asset class has compounded at 9.9% total return per annum. Yet the distribution rarely falls at the average. There have been only 7 years in the last 24 where the asset class posted a negative total return. There have been 12 years in the last 24 where the asset class posted a total return greater than 10%. We continue to have high expectations for the long-term success of the small-cap value asset class, rooted in American exceptionalism of innovation, productivity and capitalism.

*The strategy inception was in June 2002, but we include full year 2002 for comparison purposes.

American exceptionalism and small-cap opportunity

Every generation of Americans has faced a moment when progress seemed to threaten the present. Two of the most enduring folk legends were born from exactly that fear. Paul Bunyan, the mythical giant lumberjack, was pitted against a steam-powered sawmill threatening to replace his entire crew. He raced it — and won. John Henry, a steel driver on the Chesapeake & Ohio Railway in the 1870s, raced a steam drill to prove a man could outwork a machine. He won too and died, hammer in hand, from the effort. These weren't just tall tales. They were the American working-class processing, through myth, one of the most disorienting economic transitions in human history — the industrial revolution.

But here is the question those stories never asked: What if Paul and John had made a different choice? What if, instead of racing the machine, they had picked it up? Imagine Paul's legendary instincts amplified by mechanical power — clearing in a day what once took a week. Imagine John Henry not driving steel against the drill but guiding it — his unmatched feel for rock and grade making the machine smarter than it could ever be alone. That story isn't a tragedy. It's a triumph. And it is, in fact, the story that unfolded — not in folklore, but in economic history.

The Industrial Revolution did not reward those who resisted the machine. It rewarded those who learned to work alongside it. Mechanized cotton spinning increased output per worker by a factor of roughly 500. The transition was painful and uneven, but the workers and industries that embraced the new tools ultimately drove one of the greatest expansions of prosperity in recorded history. Global production per person rose from roughly \$1,100 in 1820 to over \$15,000 by 2018. Factory workers who once labored 14 to 16 hours a day eventually won the eight-hour workday. Productivity didn't just create wealth; it created time. For the first time, ordinary Americans could work to live, rather than live to work.

The same story is unfolding again. Artificial intelligence (AI) is today's steam drill, and the anxiety it has generated is rational. But the data already tells which path leads where. Workers who deliberately embrace AI are achieving roughly 3.6 times higher productivity than those who resist it. It is not man or machine. It is man with machine — and that combination is uniquely powerful in American hands.

For small-cap companies, where the vast majority of revenue is tied to the domestic economy, the AI revolution represents a structural re-rating opportunity that previous technological cycles never delivered. Historically, the advantages of scale were simply unavailable to smaller businesses: Enterprise-grade software, sophisticated marketing infrastructure, deep analytical capabilities and specialized talent pools were the exclusive province of large corporations with the balance sheets to support them. AI is dismantling that barrier. For a fraction of what a Fortune 500 company spends on a single department, a small-cap business can now access capabilities that compress the competitive gap in meaningful and measurable ways — driving operating leverage without proportional headcount growth,

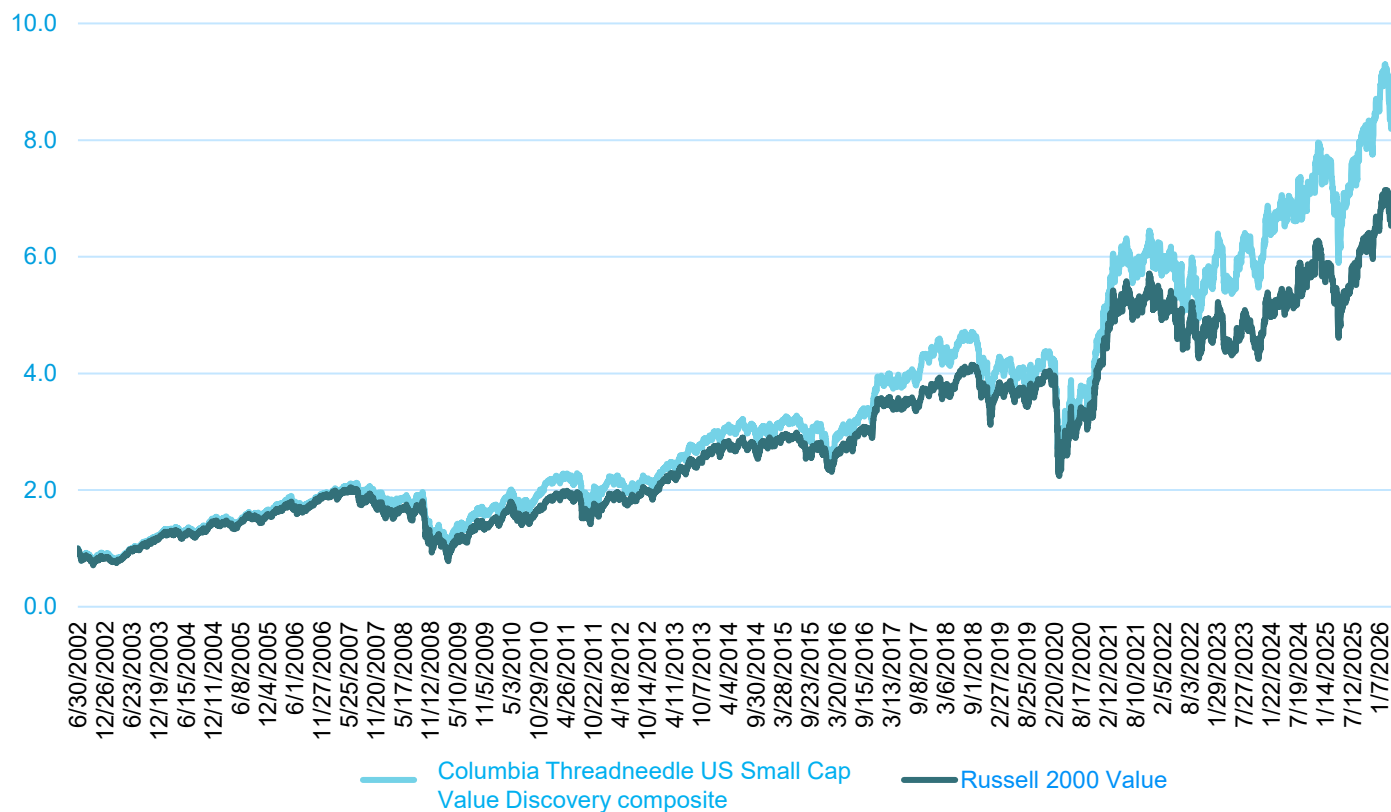
accelerating revenue generation without proportional cost expansion and enabling management teams to allocate human capital toward higher-value activities rather than administrative overhead. The result is a margin expansion story that is largely independent of the macroeconomic cycle and entirely anchored in domestic execution. As AI adoption scales across America's small business ecosystem — where 58% of small businesses were already using generative AI in 2025, up from 40% just one year prior — the compounding effect on earnings power could be substantial. For investors, this creates a compelling and underappreciated thesis: Small-cap companies with strong domestic revenue bases are not merely participants in the AI revolution, they may be its single greatest financial beneficiary, finally gaining access to the scale economics that have historically kept them one step behind their larger competitors. Margins expand; hiring follows; growth compounds.

John Henry's hammer fell, and the railroad was built, and America was connected, and a century of prosperity followed. The lesson was never that the machine loses. The lesson is that American business wins when its most talented and innovative companies stop racing against the machine and embrace the incredible productivity associated with it.

24 years of disciplined small-cap value investing: today's anomaly

The Columbia Threadneedle US Small Cap Value Discovery strategy has delivered a compelling record of outperformance against the Russell 2000 Value Index across 24 years, through some of the most disruptive market environments in modern history. As illustrated in the total return chart, the strategy has compounded client capital at a meaningfully superior rate to its benchmark since inception in 2002, navigating the post-9/11 recession, the global financial crisis, the COVID-19 pandemic and the subsequent rate-shock cycle — all while maintaining its foundational discipline of identifying high-quality small-cap businesses trading at discounts to intrinsic value. This long-term track record is not the product of market timing or style drift; it reflects the consistent application of a repeatable investment process grounded in balance sheet strength, sustainable competitive advantages and prudent capital allocation. The cumulative gap between the strategy and its benchmark, visible and widening over the full period, speaks to the power of compounding through a value-oriented lens across full market cycles.

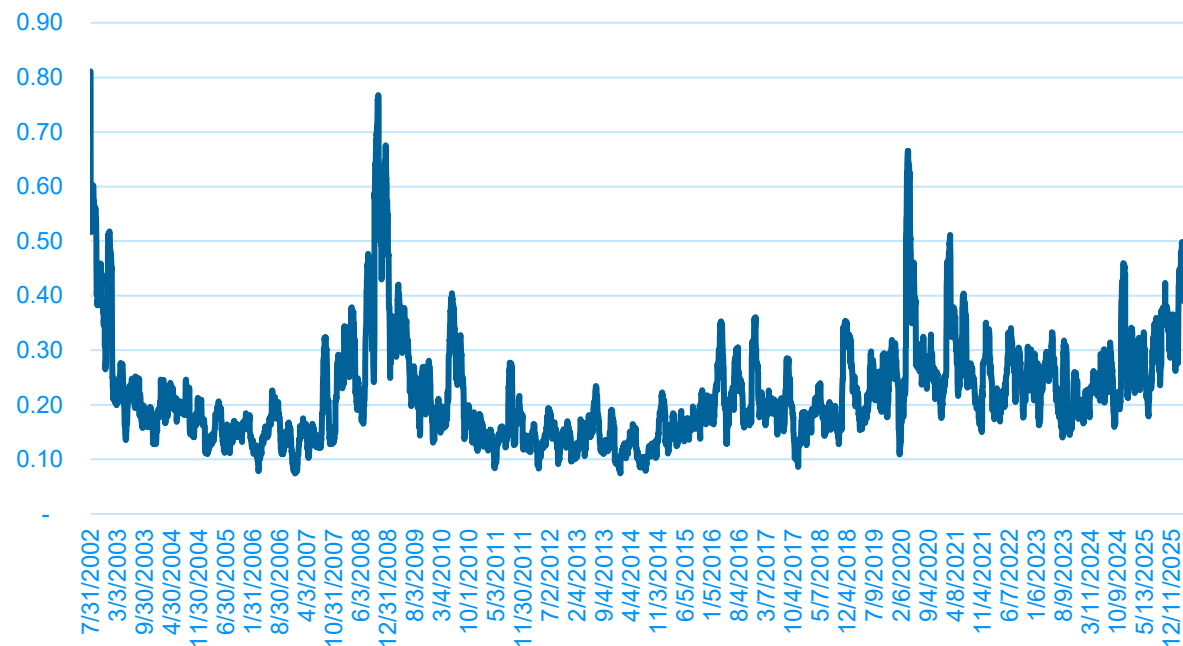
Total Return Strategy vs Benchmark over 24 years



Source: Columbia Threadneedle Investments, FTSE Russell

Yet even against this backdrop of long-term success, the rolling one-month standard deviation of daily active returns tells a more nuanced story about the current environment. The volatility chart reveals that today's active return dispersion has reached levels comparable to the most acute stress periods of the past two decades — the post-9/11 contraction, the peak of the global financial crisis in 2008–2009 and the initial COVID shock in early 2020. What distinguishes the current episode, however, is its underlying driver. Rather than a broad macroeconomic dislocation, today's volatility crescendo appears to be concentrated in the binary, sentiment-driven price swings of AI and AI-adjacent industries. These companies have attracted extraordinary investor enthusiasm, rapidly reaching valuations that, in this assessment, are difficult to reconcile with the underlying fundamentals from a value-investing perspective. The speed with which this space has been discovered and re-rated has created a pendulum effect — sharp rotations in and out of AI-exposed names that generate outsized daily active return dispersion for a disciplined value manager unwilling to chase momentum at any price.

1-month rolling standard deviation of daily active return



Source: Columbia Threadneedle Investments

This dynamic, while presenting a near-term headwind, does not alter conviction in the strategy's long-term framework — and in fact reinforces it. History has consistently demonstrated that periods of elevated active volatility, when driven by speculative excess rather than fundamental deterioration, ultimately resolve in favor of patient, valuation-disciplined investors. There is no indifference to the transformative potential of AI; rather, the market has moved too quickly, compressing what should be a multi-year fundamental discovery process into a narrow window of speculative repricing. As a result, client capital is being actively redeployed into sectors and industries where valuation discipline remains rewarded — areas offering what is considered compelling risk-adjusted upside that the broader market has overlooked in its pursuit of AI-driven narratives. The same process that has driven 24 years of outperformance — rigorous fundamental analysis, patience and a willingness to be contrarian — positions the strategy well to capitalize on the dislocations that today's volatility is creating across the small-cap landscape.

Second-quarter recap

Positive performers

The portfolio demonstrated strong positive performance during the second quarter, driven by astute stock selection and strategic positioning across several key sectors. Energy was the quarter's most significant positive contributor, a particularly notable result given the sector's challenging commodity backdrop. While the benchmark's energy constituents declined sharply on falling commodity prices, selective positioning in oilfield services, downstream refining and energy infrastructure names generated meaningful positive absolute returns, demonstrating the value of disciplined stock selection in a broadly negative sector environment. Real estate was the second largest contributor, as overweight positioning combined with superior stock selection in lodging, commercial office and diversified property names delivered returns well above the benchmark. Conviction in discounted net asset values across this sector — which the broader market had previously overlooked — proved well founded. Industrials also contributed, due to an overweight to the sector. Holdings in transportation, freight logistics and specialty manufacturing names performed well, with these businesses benefiting from improving demand signals and operational leverage in a recovering freight cycle. Utilities contributed positively to active returns due to underweight positioning. Consumer discretionary added to performance, as positioning in housing-related manufacturers, specialty consumer durables and home furnishing names capitalized on resilient consumer spending and operational improvements, delivering solid outperformance relative to the benchmark's broader discretionary exposure. Communication services was also a positive contributor, where concentrated positioning in digital media and advertising technology names generated positive active returns, more than offsetting the benchmark's broader exposure to underperforming diversified telecom and legacy media names.

Negative performers

The portfolio faced several notable headwinds during the quarter. Information technology was by far the most significant detractor, as the benchmark's constituents posted extraordinary returns driven by gains concentrated in semiconductor capital (semicap) equipment, electronic components and AI-infrastructure-linked hardware names. While positioning generated strong absolute returns, the valuation-disciplined approach led to maintaining a meaningful underweight to this space, as it is our view that the AI-driven re-rating of many of these names has moved well beyond levels supportable by near-term fundamentals. This dynamic is consistent with the broader active volatility thesis that has been observed across the portfolio this year, and it reflects a deliberate portfolio construction decision rather than an unintended outcome. Consumer staples detracted from active returns, as stock selection was hampered by positions in beverage and agricultural commodity processing names that underperformed the benchmark's staples constituents, despite longer-term conviction in the brand strength and distribution fundamentals of these holdings.

Sector positioning

The Russell rebalance process occurs annually at the end of June and results in significant changes in the benchmark. These changes are essential to maintain the intended spirit of the asset class. Small-cap value is a unique and fascinating style as the three "un's" get rebalanced into the asset class. Unwanted smaller names may fall from large or midcap to the small-cap indices. Unloved companies with lower valuations may shift from growth to value. Unknown companies, once under the radar and below the previous cut-off range for the index, graduate into the small-cap range as their business prospects improve and begin to get recognized. The result is that the small-cap value asset class often has large shifts in its constituents, particularly in periods of higher cross-sector volatility. This year, the benchmark exposure to the financials and consumer discretionary sectors increased, while the information technology, energy and materials sector weights were reduced.

Compared to the benchmark, the most significant overweight exposures reside in real estate, industrials and materials, while the most meaningful underweights are concentrated in financials, utilities and healthcare.

The largest overweight is in real estate, where conviction in discounted net asset values across lodging, commercial office and diversified property names proved well founded during the quarter. These holdings staged a meaningful recovery as investor rotation into rate-sensitive assets accelerated, validating the thesis that the market had previously failed to fully appreciate the intrinsic value embedded in these businesses. Proprietary analysis continues to identify compelling opportunities across hospitality, commercial office and diversified property names, where current valuations remain below the estimate of intrinsic value, particularly as the interest-rate environment begins to provide a more constructive backdrop for the sector.

The significant overweight to industrials reflects conviction that the market continues to underappreciate the long-term earnings power of businesses in this sector. A strategically diversified industrials allocation has been constructed across freight and logistics operators with meaningful pricing power, specialty manufacturing companies with technological advantages and building products manufacturers positioned to benefit from sustained infrastructure spending. While near-term concerns around economic deceleration have created valuation disconnects, the longer-term investment horizon identifies particularly compelling opportunities where structural tailwinds and company-specific competitive advantages are not yet fully reflected in current market prices. This patient approach aligns with the philosophy of looking past short-term noise to capture fundamental business value.

The constructive overweight positioning in materials reflects the strategy of investing in companies with strong secular demand trends that are trading below estimated intrinsic value. The sector exposure is well-diversified across housing and construction materials, industrial packaging and infrastructure-oriented materials, complemented by exposure to precious and base metals. A particularly constructive outlook is maintained on select commodity-linked names, where current market prices significantly undervalue the structural supply-demand dynamics revealed by research into energy transition and infrastructure investment requirements.

The portfolio carries a modest overweight to consumer discretionary, where positioning in housing-related manufacturers, specialty consumer durables and home furnishing names reflects the view that select businesses in this space offer compelling risk-adjusted upside relative to their current valuations. While the broader consumer environment remains subject to macroeconomic uncertainty, holdings are concentrated in names where sheet strength and operational efficiency provide meaningful downside protection alongside attractive upside participation.

Portfolio construction reflects deliberate underweight positions in three key sectors relative to benchmark weights: financials, utilities and healthcare. Financials represents the most significant underweight, stemming from detailed analysis of the challenging operating environment facing financial services companies. Within banking specifically, a confluence of headwinds is anticipated, including net-interest-margin pressure as deposit costs remain elevated, lethargic loan growth as borrowers exhibit heightened sensitivity to financing costs and the ongoing normalization of credit costs from historically benign levels. The combination of these factors suggests that earnings estimates for traditional lending institutions with less-diversified revenue streams may remain under pressure, and the risk-reward profile does not yet warrant a more constructive weighting.

The underweight to utilities reflects the view that the sector presents an asymmetric risk profile in the current environment. These businesses face substantial capital expenditure requirements for grid modernization and energy transition investment, precisely when their cost of capital has increased meaningfully. The sector's conventional valuation premium appears increasingly difficult to justify given these headwinds, coupled with regulatory lag in rate-case outcomes and the potential for demand-side pressure from energy-efficiency initiatives. While individual holdings within the sector outperformed their benchmark peers during the quarter — contributing positively to active returns — the structural underweight reflects a deliberate portfolio construction decision based on the assessment of the sector's longer-term risk-reward profile.

The underweight to healthcare reflects a selective and disciplined approach to a sector characterized by significant binary risk at the individual security level. While exposure is maintained to healthcare services, medical devices and select specialty pharmaceutical names where fundamental analysis supports compelling valuations, a choice has been made to remain underweight relative to the benchmark, given the elevated uncertainty surrounding clinical outcomes, regulatory approvals and reimbursement dynamics across a meaningful portion of the benchmark's biotechnology constituents. The focus remains on businesses with durable, recurring revenue streams and identifiable competitive advantages, rather than those whose value is primarily dependent on binary clinical or regulatory events.

Significant new adds/dispositions

Additions

Sound and vision, undervalued – Dolby Laboratories – May 2026

Dolby Laboratories possesses one of the most durable and defensible intellectual property franchises in the technology sector, with its audio and imaging technologies deeply embedded across cinema, streaming, consumer electronics and mobile platforms globally. The company's licensing-driven business model generates highly recurring, high-margin revenue streams with minimal capital intensity, providing exceptional free-cash-flow conversion across economic cycles. Despite near-term pressure from shifting consumer electronics demand patterns, Dolby's expanding presence in immersive audio and vision technologies — including its growing penetration in streaming content creation and delivery — positions it to benefit from the secular growth in premium content consumption. At current valuations, the market is underappreciating the durability of Dolby's licensing moat and the long-term earnings power embedded in its technology platform.

Modernizing the grid, one meter at a time – Itron – May 2026

Itron is a critical enabler of the global energy and water infrastructure modernization cycle, providing smart metering, network communications and data-analytics solutions to utilities navigating the transition to a more distributed and digitally managed grid. The company's end-to-end platform creates deep customer integration and high switching costs, as utilities rely on Itron's technology for regulatory compliance, operational efficiency and demand management across multi-decade infrastructure investment cycles. Itron's growing software and services revenue mix is driving a meaningful improvement in the quality and predictability of its earnings profile, while its strong backlog provides excellent forward revenue visibility. The combination of secular tailwinds from grid modernization, energy transition investment and water infrastructure spending creates a compelling long-term growth runway that current valuations do not fully reflect.

Engineering intelligence for national security – Parsons – May 2026

Parsons occupies a strategically differentiated position at the intersection of defense technology, intelligence and critical infrastructure, providing engineering and technology solutions to the U.S. federal government and select international clients with non-discretionary, mission-critical spending profiles. The company's deep integration into long-duration government programs — spanning cybersecurity, missile defense, space systems and transportation infrastructure — creates a highly visible and recurring revenue base that is largely insulated from broader economic cyclicality. Parsons' ongoing transformation toward higher-margin technology and software-enabled solutions is expanding its addressable market while improving the quality of its earnings mix relative to its legacy engineering services roots. The combination of sustained federal defense and infrastructure spending tailwinds, a growing technology revenue contribution and an underappreciated margin expansion trajectory makes Parsons an attractive long-term compounder at current valuations.

Building materials built to last – Louisiana-Pacific – May 2026

Louisiana-Pacific is a leading manufacturer of engineered wood building products, with its Oriented Strand Board and SmartSide siding products occupying structurally advantaged positions in the residential construction and repair-and-remodel markets. The company's ongoing mix shift toward its higher-margin, faster-growing SmartSide siding platform — which benefits from a secular substitution trend away from traditional fiber cement and wood siding — is driving a meaningful improvement in the quality and durability of its earnings profile through the cycle. Louisiana-Pacific's lean manufacturing footprint, disciplined capital allocation and strong free-cash-flow generation provide meaningful downside protection during periods of housing market softness, while its operational leverage to a recovery in new residential construction creates compelling upside participation. The market continues to undervalue the structural earnings power of the SmartSide franchise and the long-term demand tailwinds supporting both new construction and remodeling activity.

Net lease, net opportunity – Four Corners Property Trust – April 2026

Four Corners Property Trust is a highly focused net lease REIT with a portfolio concentrated in restaurant and retail properties leased to investment-grade and nationally recognized tenants on long-duration, triple-net lease structures that provide exceptional cash flow predictability and inflation protection. The company's disciplined acquisition strategy — targeting sale-leaseback transactions with established restaurant operators — has consistently generated attractive risk-adjusted returns while maintaining a conservative balance

sheet with manageable leverage relative to net-lease peers. Four Corners' embedded rent escalation provisions and long weighted-average lease terms provide a durable and growing income stream that is well-suited to the current environment, where investors are increasingly focused on cash flow quality and downside protection. At current valuations, the market is not fully appreciating the defensive characteristics of Four Corners' tenant base, the predictability of its cash-flow profile or the long-term compounding potential of its disciplined external growth strategy.

Capital markets expertise, compounding value – Walker & Dunlop – March 2026

Walker & Dunlop is the leading non-bank commercial real estate finance company in the United States, with a dominant position in agency multifamily lending through Fannie Mae, Freddie Mac and HUD that generates highly recurring servicing revenue from one of the largest and fastest-growing servicing portfolios in the industry. The company's integrated platform — spanning debt origination, equity placement, investment sales and appraisal services — creates multiple revenue streams across the commercial real estate transaction cycle, providing meaningful earnings diversification relative to pure-play mortgage originators. Walker & Dunlop's asset-light business model and capital-efficient servicing portfolio generate strong returns on equity with limited balance sheet risk, while its growing investment management and technology initiatives are expanding its addressable market and improving the long-term quality of its earnings mix. The current valuation presents a compelling entry point for a business with a durable competitive moat, a growing recurring revenue base and significant operating leverage to a recovery in commercial real estate transaction volumes.

Payments infrastructure hidden in plain sight – Crane NXT – May 2026

Crane NXT is a highly specialized provider of currency authentication, payment security and serialization technologies whose products are deeply embedded in the global financial infrastructure relied upon by central banks, financial institutions and gaming operators worldwide. The company's technology platforms — including its market-leading currency authentication systems and growing suite of digital payment security solutions — benefit from extraordinarily high switching costs, long-duration customer relationships and a recurring consumables and services revenue model that provides exceptional earnings visibility through economic cycles. Crane NXT's ongoing expansion into adjacent brand protection markets is broadening its addressable opportunity while leveraging its core competencies in precision sensing and authentication technology. The combination of a defensible market position, a high-quality recurring revenue profile and an underappreciated growth runway in supply-chain traceability makes Crane NXT a compelling long-term holding at current valuations.

Mortgage volume, margin and market share – UWM Holdings – May 2026

UWM Holdings is the largest wholesale mortgage lender in the United States, operating an asset-light, technology-driven platform that serves independent mortgage brokers with industry-leading speed, pricing and operational efficiency across purchase and refinance origination cycles. The company's singular focus on the wholesale channel — combined with its proprietary technology infrastructure and scale advantages — has enabled it to consistently gain market share through mortgage cycles, while maintaining a cost structure that supports profitability across a wide range of origination-volume environments. UWM's capital-light servicing portfolio provides a growing base of recurring income and a natural hedge against origination-volume cyclicality, while its dominant broker relationships and technology investments create meaningful barriers to entry for potential competitors. UWM's scale in the wholesale channel, its demonstrated ability to gain share in both rising- and falling-rate environments and its attractive valuation relative to the long-term earnings power of its platform make it a compelling opportunity for patient investors with a multi-year investment horizon.

Nine new microcap holdings

Positions were initiated in 11 other companies, including nine microcap companies, during the quarter. This represents one of our great strengths — deep fundamental research on small-cap and microcap securities. However, since none of the individual positions are greater than 0.5% of the portfolio, these companies are not identified in this commentary. Diversification in the microcap segment is key, and positions are sized based on risk-adjusted opportunity and liquidity.

Dispositions

Acquired at significant premium – Thermon Group Holdings, Two Harbors Investment, Apellis Pharmaceuticals

The strategic acquisition landscape continues to provide a compelling catalyst for portfolio holdings, as both industry consolidators and private equity firms actively seek complementary assets to enhance their platforms — often at substantial premiums to prevailing market valuations. Three holdings exemplified this dynamic during the quarter, each attracting acquirers who recognized the intrinsic value that public markets had not fully appreciated. Thermon Group Holdings, with its differentiated thermal process solutions technology and mission-critical positioning across energy and industrial end markets, attracted a strategic acquirer seeking to expand its industrial technology platform. Two Harbors Investment Corp, with its seasoned agency and non-agency portfolio and long-duration cash-flow profile, attracted a buyer recognizing the embedded value in its balance sheet. Finally, Apellis Pharmaceuticals, having successfully advanced its complement-pathway therapy through commercialization and established a promising development pipeline, attracted a global pharmaceutical consolidator seeking to expand its rare-disease franchise. The investment discipline of identifying companies with differentiated assets, clear competitive advantages and potential strategic value to larger players continues to drive meaningful shareholder returns, as evidenced by the significant premiums realized across these transactions.

Strong business models reaching full valuations — Rogers

Our disciplined approach to position management yielded strong results as Rogers reached its intrinsic-value target following substantial appreciation. Rogers, a manufacturer of advanced engineered materials serving communications, aerospace and industrial end markets, reached the estimate of fair value following a period of re-rating driven by improving demand visibility across its key end markets. This investment reflects our patient, fundamentals-driven process, having generated returns that outpaced the benchmark during the holding period. By harvesting these gains and redeploying capital toward new opportunities with more favorable risk-reward characteristics, portfolio discipline is maintained while preserving the value created for clients — a testament to the unwavering commitment to the investment process that has served partners well across market cycles.

Hitting reset and moving to the sidelines — Visteon, Greenbrier Companies, Kilroy Realty

Our portfolio management approach balances fundamental conviction with tactical optimization, as evidenced by recent decisions to step aside from Visteon, Greenbrier Companies and Kilroy Realty. While constructive views are maintained on the long-term business models of all three companies — Visteon's leading cockpit electronics and display systems platform serving global original equipment manufacturers, Greenbrier's leading position in freight car manufacturing and leasing with meaningful aftermarket services revenue, and Kilroy's high-quality West Coast office and life science portfolio with strong tenant relationships — current market conditions presented an opportunity to redeploy capital toward positions with more compelling near-term risk-reward profiles, in each case,

specific headwinds informed the decision: Near-term automotive production uncertainty and elongated content adoption timelines weighed on Visteon; cyclical freight volume softness and tariff-related cost pressures created headwinds for Greenbrier; and elevated refinancing risk and structural demand uncertainty in commercial office real estate tempered near-term conviction in Kilroy. All three companies continue to be monitored closely, recognizing their strong competitive positions and longer-term industry tailwinds, and readiness stands to reestablish positions when the opportunity becomes more compelling for clients.

Economic trend analysis

Our economic trend analysis is a tool designed to identify attractive long-duration trends that provide opportunities to create alpha. Once a trend is identified, we seek out companies with operational exposure to a trend and invest in only those companies that meet our rigorous strategic and valuation criteria. Weights in each stock are determined by the liquidity available per company, the conviction of the operational exposure and the valuation. Those that do not meet our strategic criteria will not be included in the portfolio. We believe that, over time, approximately 50% of the strategy is associated with an economic trend. This approach expands the liquidity in the strategy, reduces stock-specific risks and increases the strategy's exposure to the attractive trends we identify.

Economic trend analysis – as of June 30, 2026		
	Holdings	Weight (%)
AI	2	1.29
Internet of Things	3	0.28
Electric Vehicle	4	1.77
Infrastructure	1	0.07
Echo Boom	12	3.02
Efficient Health Care	21	7.58
Ag Inflation	9	3.62
Alternative Finance	7	3.00
Mutual Capital structure	2	0.46
Business Outsourcing	16	7.35
Aging Population	5	2.07
Energy Transition	11	4.87
Total trend	94	35.4

Source: Columbia Management Investment Advisers, LLC

Outlook

Our portfolio positioning continues to reflect our core investment philosophy, with a deliberate emphasis on companies exhibiting superior balance-sheet strength and financial quality compared with both our benchmark and peer group — yet trading at compelling discounts to our calculated intrinsic values. The strategy maintains significant exposure to microcap securities, a differentiating characteristic that provides access to some of the most inefficiently-priced opportunities in public markets. While this positioning inherently introduces greater portfolio volatility relative to the benchmark, we believe the substantial valuation disconnects present in these securities offer asymmetric return potential that justifies this temporary risk profile.

The portfolio carries a meaningful value tilt relative to the benchmark, consistent with our disciplined focus on identifying securities trading at significant discounts to intrinsic value. This reflects our conviction that price-to-value gaps in the current environment remain wide enough to reward patient, fundamentals-driven investors, particularly within the small-cap universe where sell-side coverage is sparse and price discovery is less efficient.

The portfolio's most notable active underweight is in momentum, a deliberate outcome of our high-quality, contrarian process rather than an explicit factor bet. Our approach prioritizes identifying companies where the market has yet to recognize improving fundamentals, which, by definition, means we are often early — and therefore underweight securities that have already experienced significant price appreciation and carry elevated momentum scores. We view this positioning as consistent with our long-term orientation and our willingness to identify new opportunities in unrecognized areas.

We continue to helm the Columbia Threadneedle US Small Cap Value Discovery strategy with the same high-quality focused philosophy we have had since we took over the strategy in June of 2002. Small-cap value as an asset class represents American exceptionalism with a high concentration of revenue generated domestically. We believe our philosophy can uncover high-quality value opportunities within this exceptional asset class, and we look forward to sharing our results with our clients for years to come.

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

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Columbia Threadneedle US Small Cap Value Discovery Composite

GIPS Report

Columbia Threadneedle Investments Global Asset Management

Reporting Currency: USD

Statement of Performance Results

Calendar Year	Gross-of-fees Return (%)	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.)
2025	15.98	14.95	12.59	20.02	19.91	N.A.	≤ 5	2,376.5	585.39
2024	9.96	8.98	8.05	22.85	23.44	N.A.	≤ 5	2,010.0	554.24
2023	22.90	21.81	14.65	21.61	21.75	N.A.	≤ 5	1,909.3	415.80
2022	-7.73	-8.56	-14.48	27.37	27.27	N.A.	≤ 5	1,790.9	373.59
2021	30.42	29.28	28.27	26.56	25.00	N.A.	≤ 5	1,779.4	461.40
2020	9.55	8.57	4.63	27.55	26.12	N.A.	≤ 5	1,528.0	396.25
2019	22.52	21.43	22.39	17.69	15.68	N.A.	≤ 5	1,204.7	353.16
2018	-17.19	-17.95	-12.86	17.36	15.76	N.A.	≤ 5	832.7	320.44
2017	15.40	14.38	7.84	15.87	13.97	N.A.	≤ 5	1,053.6	364.48
2016	34.14	32.97	31.74	16.85	15.50	N.A.	≤ 5	1,059.4	333.41

Annualized Trailing Performance as of December 31, 2025

Period	Gross-of-fees Return (%)	Net-of-fees Return (%)	Index Return (%)
1 Year	15.98	14.95	12.59
5 Years	13.53	12.52	8.88
10 Years	12.49	11.49	9.27
Inception	10.69	9.70	8.25

Inception Date: June 30, 2002

Columbia Threadneedle US Small Cap Value Discovery Composite

GIPS Report

Columbia Threadneedle Investments Global Asset Management

Columbia Threadneedle US Small Cap Value Discovery 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, 2024. 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 aims to provide long-term capital appreciation through an actively managed diversified portfolio of what we believe are undervalued small company stocks. The benchmark is the Russell 2000® Value Index. The strategy had a \$5 million account minimum for composite inclusion between January 1, 2005 and September 30, 2012. The composite was created January 1, 2003.

4. The gross-of-fees returns are time-weighted rates of return net of commissions and other transaction costs. Net-of-fees returns are calculated by deducting from the monthly gross-of-fees composite return one-twelfth of the highest client fee (model fee) in effect for the respective period. 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 current representative fee schedule used as the starting point for fee negotiations for institutional clients seeking investment management services in the designated strategy: 0.90% on the first \$25 million; 0.70% on the next \$50 million; 0.60% on the next \$75 million; Negotiable over \$150 million. Gross of fee performance information does not reflect the deduction of management fees. The following statement demonstrates, with a hypothetical example, the compound effect fees have on investment return: If a portfolio's annual rate of return is 10% for 5 years and the annual management fee is 90 basis points, the gross total 5-year return would be 61.1% and the 5-year return net of fees would be 54.0%.

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 and are not covered by the report of the independent verifiers.

Columbia Threadneedle US Small Cap Value Discovery Composite

GIPS Report

Columbia Threadneedle Investments Global Asset Management

Columbia Threadneedle US Small Cap Value Discovery 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. Data prior to 04/30/2010 represents results achieved while the investment management team was affiliated with a different firm. The investment management team and investment process utilized have remained substantially the same following the integration of the team within Columbia Threadneedle Investments Global Asset Management; therefore the results from the prior firm are linked to the results at Columbia Threadneedle Investments Global Asset Management.

12. Prior to 9/1/2025, the composite was referred to as the Columbia Threadneedle US Small Cap Value I Composite.