COLUMBIA THREADNEEDLE INVESTMENTS

Your success. Our priority.

DUE DILIGENCE CHECKLIST

Whether you're researching active or passive solutions — or solutions that fall somewhere in between like Strategic Beta ETFs — there are many variables to consider. Use this checklist to ensure you're providing the best options to your clients.

Areas of due diligence	Active management	Benchmark passive	Strategic Beta
People	☐ Portfolio managers ☐ Research team ☐ Compliance	☐ Traders	☐ Portfolio managers ☐ Rules developers ☐ Compliance
Process/Philosophy	☐ Idea generation ☐ Portfolio construction ☐ Risk management ☐ Consistency		*Understanding rules:* ☐ Idea generation ☐ Portolio construction ☐ Risk management ☐ Consistency
Parent	☐ Organization ☐ Risk controls ☐ Investment competencies	☐ Experience with ETFs	☐ Organization ☐ Risk controls ☐ Investment competencies
Performance	☐ Investment objective ☐ Absolute, risk-adjusted, capture ratios, style purity ☐ Relative to benchmarks ☐ Relative to peers	☐ Tracking error	☐ Absolute, risk-adjusted, capture ratios, style purity ☐ Relative to benchmarks ☐ Relative to peers ☐ Tracking error
Price	☐ Absolute, relative ☐ Alpha per cost (ACE)	☐ Cost	☐ Absolute, relative ☐ Alpha per cost (ACE)

Best practices for trading ETFs

Avoid trading around the market open and close

- ETF price volatility often increases near the opening and closing bell.

Consider order limits

- Focus on execution price, not speed. Limit orders emphasize execution price, while market orders emphasize speed of execution.

Understand your ETF trading resources

- Trade size can impact the spread, and the listed spread is not necessarily constant for all trade sizes.
- Financial advisors have access to traders who can help execute large trades, so find out if your custodian has an ETF execution desk.
- Reach out to your ETF issuer for trading insights and best practices.

About Columbia Threadneedle Investments

Columbia Threadneedle Investments is a leading global asset manager that provides a broad range of investment strategies and solutions for individual and institutional clients around the world. With over 450 investment professionals in 17 countries, we manage $494 billion* across asset classes. Our team-based, risk aware, performance-driven approach delivers the consistent investment experience you, and your clients, demand.

To learn more about our ETFs, call 888.800.4347
or visit columbiathreadneedleus.com/ETFs

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*In U.S. dollars as of December 31, 2019. Source: Ameriprise Q4 Earnings Release. Contact us for more current data.

Investors should carefully consider the investment objectives, risks, charges and expenses of a Fund before investing. To obtain a prospectus containing this and other important information, please call 888.800.4347 or visit columbiathreadneedleus.com/etf to view or download a prospectus. Read the prospectus carefully before investing.

ETF shares are bought and sold at market price (not NAV) and are not individually redeemable. Investors buy and sell shares on a secondary market. Shares may trade at a premium or discount to the NAV. Only market makers or "authorized participants" may trade directly with the Fund(s), typically in blocks of 50,000 shares. Although the Fund's shares are listed on the Exchange, there can be no assurance that an active, liquid or otherwise orderly trading market for shares will be established or maintained.

There are risks involved with investing in **ETFs** including the loss of money. An investment in the fund is subject to **investment risk** including the possible loss of the entire principal amount that you invest. Although the fund's shares are listed on the **exchange**, there can be no assurance that an active, liquid or otherwise orderly trading market for shares will be established or maintained. These Funds may have **portfolio turnover**, which may cause an adverse cost impact. Columbia Management Investment Advisers, LLC serves as the investment manager to the ETFs. The ETFs are distributed by **ALPS Distributors, Inc.**, member FINRA, which is not affiliated with Columbia Management Investment Advisers, LLC.

Not FDIC insured • No bank guarantee • May lose value

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