

SMOOTHING THE RIDE THROUGH VOLATILE MARKETS

COLUMBIA ADAPTIVE RISK ALLOCATION FUND

 Class A **CRAAX** | Class C **CRACX** | Class R **CRKRX** | Class R4 **CARRX** | Class R5 **CRDRX** | Class Z **CRAZX**
Q3 | SEPTEMBER 30, 2016

For investors with wealth accumulation goals, simply participating in the upside of markets isn't enough. The potential impact of the downside is a critical consideration. Columbia Adaptive Risk Allocation Fund strives to participate in the upside of markets and protect investor capital in unfavorable market conditions. Our experienced investment team starts with a risk-balanced portfolio and adjusts risk exposure as market environments change. Investors may benefit from a global multi-asset solution that navigates dynamic markets in pursuit of consistent total returns.

Risk allocation across global asset classes

Columbia Adaptive Risk Allocation Fund invests across global markets by allocating portfolio risk (i.e., expected volatility) to multiple asset classes including equity, inflation-hedging, rate and spread assets.

Distinct market-state classification

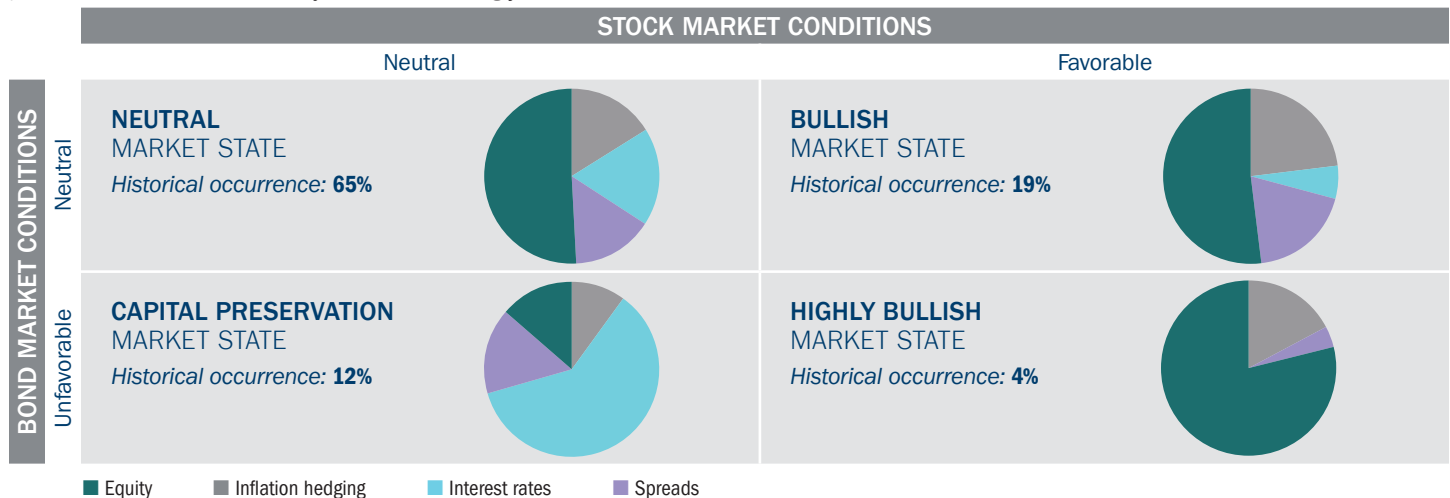
The fund employs a market-state classification process designed to identify four distinct market environments. A strategic risk allocation is created for each environment, intended to generate attractive risk-adjusted returns.

Adaptive investment approach

The management team believes incorporating an adaptive approach to risk allocation can provide more attractive risk-adjusted returns and lessen the magnitude of market-related losses.

Identifying distinct market environments

The market-state classification process assesses stock and bond market conditions to identify four distinctly different market states. Defining each market state takes into account multiple indicators, including interest rates, inflation measures, momentum, volatility and valuations. The market state may change on a monthly basis based on the interaction of these and other market-related variables. This process allows the fund to adjust risk accordingly.



Source: Columbia Management Investment Advisers, LLC as of 01/01/70-12/31/15.

The illustration above is a sample of our policy portfolios. Risk allocations are for illustrative purposes only and can differ from those of an actual portfolio in the strategy.

Investment risks – Market risk may affect a single issuer, sector of the economy, industry or the market as a whole. The Fund's **investment in other funds** subjects it to the investment performance (positive or negative), risks and expenses of these underlying funds. **Asset allocation** does not assure a profit or protect against loss. Investing in **derivatives** is a specialized activity that involves special risks that subject the fund to significant loss potential, including when used as leverage, and may result in greater fluctuation in fund value. **Commodity** investments may be affected by the overall market and industry- and commodity-specific factors, and may be more volatile and less liquid than other investments. **Short positions** (where the underlying asset is not owned) can create unlimited risk. **International** investing involves certain risks and volatility due to potential political, economic or currency instabilities and different financial and accounting standards. Risks are enhanced for **emerging market** issuers. Investment in or exposure to **foreign currencies** subjects the fund to currency fluctuation and risk of loss. Investments in **small- and mid-cap** companies involve risks and volatility greater than investments in larger, more established companies. Fixed-income securities present **issuer default risk**. A rise in **interest rates** may result in a price decline of fixed-income (debt) instruments held by the fund, negatively affecting its performance and NAV. Falling rates may result in the fund investing in lower yielding debt instruments, lowering the fund's income and yield. These risks may be heightened for longer maturity and duration securities. Interest payments on **inflation-protected securities** may be more volatile than interest paid on ordinary bonds. In periods of deflation, these securities provide no income. As a **non-diversified** fund, fewer investments could have a greater effect on performance. Investments selected using **quantitative methods** may perform differently from the market as a whole and may not enable the fund to achieve its objective. Market or other environments (e.g., interest rate or credit) may adversely affect the **liquidity** of fund investments, negatively impacting their price. Generally, the less liquid the market at the time the fund sells a holding, the greater the risk of loss or decline of value to the fund.

Trailing 12-Month Market State

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Highly Bullish												
Bullish		●						●				●
Neutral		●	●	●	●	●	●	●	●	●	●	
Capital Preservation												

Market state classification: The management team employs quantitative and fundamental methods to identify four distinct market environments, described as neutral, capital preservation, bullish and highly bullish. The market states are generally characterized by a combination of bond and stock market conditions as follows: capital preservation (unfavorable bond market and neutral stock market conditions), neutral (neutral bond and stock market conditions), bullish (neutral bond market and favorable stock market conditions), and highly bullish (unfavorable bond market and favorable stock market conditions). A strategic risk allocation is created for each environment by analyzing multiple market indicators such as interest rates, inflation measures, yield curve, momentum, volatility and valuations. The different allocations will include exposure to equity securities, inflation-hedging assets and fixed-income securities, consisting of rate assets (generally, fixed-income securities issued by governments) and spread assets (other fixed-income securities). The neutral market state represents the environment that the management team expects to be in the most frequently and under normal circumstances. In this state they intend to balance risk between equities and three other risk sources: interest rates, inflation-hedging and spread assets. Within the other market states, the management team may increase or decrease the risk exposure to certain asset classes with the goal of generating attractive risk-adjusted returns and minimizing drawdown in that environment. Allocations of risk to asset classes may differ significantly across market environments.

Average Annual Total Returns (%)	YTD (cum.)	1-year	3-year	Since inception
Without sales charge				
Class A	10.91	11.95	5.47	4.03
Class Z	11.17	12.20	5.74	4.30
With sales charge				
Class A (5.75% max. sales charge)	4.55	5.53	3.42	2.60

Overall Morningstar Rating™



Category: Tactical Allocation

	Class A	Class Z	Out of
Ratings			
3-year	★★★	★★★★★	289
5-year	—	—	—
10-year	—	—	—
Percentile Rankings			
1-year^	11	10	
3-year	10	7	
5-year	—	—	
10-year	—	—	

^ Out of 355 total funds.

Portfolio Management

- Jeffrey Knight, CFA**
29 years of industry experience
- Beth Vanney, CFA**
26 years of industry experience
- Toby Nangle**
19 years of industry experience
- Orhan Imer, Ph.D., CFA**
11 years of industry experience
- Joshua Kutin**
18 years of industry experience

Top Equity Positions

Security description	% notional
eMini S&P 500 (CME) Dec 16	21.2
MSCI EAFE Mini (IFUS) Dec 16	12.4
MSCI Emrg Markets Mini (IFUS) Dec 16	7.4

Top Inflation Hedging Positions

Columbia Commodity Strat-I	12.2
Columbia Real Estate Eqty-I	6.3
Ishares US Real Estate Etf	4.4

Top Rates Positions

5Y T-Note (CBT) Dec 16	2.8
10Y T-Note (CBT) Dec 16	2.3
Ultra US T-Bond (CBT) Dec 16	1.5

Top Spreads Positions

CME: (CDX.Na.Ig.27.V1) 12/20/2021	11.7
CME: (CDX.Na.Hy.26.V1) 06/20/2021	9.4
5Y T-Note (CBT) Dec 16	6.7

Expense Ratio

	Gross	Net
Class A	1.28	1.25
Class Z	1.03	1.00

Inception Date

	Date
Fund	06/19/12
Class A	06/19/12
Class Z	06/19/12

Fund holdings are as of the date given, are subject to change at any time, and are not recommendations to buy or sell any security. Top holdings include cash but exclude short-term holdings, if applicable. Top positions are shown as a percentage of total notional exposure. **Notional value** is the total current value of a derivative contract's underlying asset. Notional value captures the exposure (leverage) associated with the whole derivative transaction and may exceed the dollar amount invested in the contract.

The Fund expects to use leverage (market exposure in excess of the Fund's assets) in order to maintain attractive expected risk-adjusted returns while adhering to the Fund's risk allocation framework. Net notional exposure will be approximately 150% of the net assets of the Fund in the market environment that the Investment Manager expects to be in the most frequent, although leverage may be higher or lower in other market environments.

Performance data shown represents past performance and is not a guarantee of future results. The investment return and principal value of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data shown. Please visit columbiathreadneedle.com/us for performance data current to the most recent month end. Class R, R4, R5, and Z shares are sold at net asset value and have limited eligibility. Columbia Management Investment Distributors, Inc. offers multiple share classes, not all necessarily available through all firms, and the share class ratings may vary. Contact us for details.

The fund's expense ratio is from the most recent prospectus. The investment manager and certain of its affiliates have contractually (for at least one year from the prospectus date) agreed to waive certain fees and/or to reimburse certain fund expenses.

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*Morningstar Percentile Rankings are based on the average annual total returns of the funds in the category for the periods stated and do not include any sales charges or redemption fees, but do include 12b-1 fees and the reinvestment of dividends and capital gains distributions. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. Rankings for each share class will vary due to different expenses. Had sales charges or redemption fees been included, total returns would be lower.

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 www.columbiathreadneedle.com/us. Read the prospectus carefully before investing.

Not FDIC insured • No bank guarantee • May lose value

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

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