

MANAGED ACCOUNT SOLUTIONS

COLUMBIA SHORT TERM MUNICIPAL SMA STRATEGY

Focuses on preservation of capital

Strives for capital preservation and downside risk management while focusing on investment grade bonds and shorter maturity bonds which typically come with lower interest rate risk and volatility than longer maturity securities

Pursues an attractive level of tax-exempt income

Uses bottom-up security selection to identify higher yielding opportunities

Takes advantage of research intensity

Uses rigorous fundamental credit research and bottom-up security selection to identify potential risks and uncover attractive, undervalued investment opportunities across issuers, sectors and geographic locations

Portfolio Management

Deborah Vargo

40 years of experience

Carri Dolin

32 years of experience

Bill Callagy

16 years of experience

Investment Objective

The strategy seeks current income exempt from federal income tax, consistent with preservation of principal.

Strategy Details

Composite Inception

11/30/17

Investment Process

Portfolio management is a continuous and disciplined process

Identify portfolio objectives

Custom strategy development

Research and analysis

Portfolio construction

Risk management and portfolio monitoring

Average Annual Total Returns (%)

| | YTD (cum.) | 1-year | 3-year | 5-year | Composite Inception |
|---|------------|--------|--------|--------|---------------------|
| Short Term Municipal SMA composite (pure gross) | -0.17 | 1.84 | 0.12 | 1.17 | 1.45 |
| Short Term Municipal SMA composite (net) | -0.91 | -1.16 | -2.84 | -1.82 | -1.55 |
| Bloomberg Municipal Short 1-5Y Index | -0.19 | 1.99 | 0.13 | 1.11 | 1.40 |

Calendar Year Composite Track Record

| Calendar Year | Pure Gross-of-fees Return (%) | Net-of-fees Return (%) | Index Return (%) | Composite 3-Yr St Dev | Index 3-Yr St Dev |
|---------------|-------------------------------|------------------------|------------------|-----------------------|-------------------|
| 2023 | 3.22 | 0.17 | 3.58 | 3.23 | 3.24 |
| 2022 | -3.23 | -6.11 | -3.17 | 2.70 | 2.79 |
| 2021 | 0.39 | -2.58 | 0.36 | 1.68 | 1.63 |
| 2020 | 3.28 | 0.23 | 2.83 | 1.70 | 1.66 |
| 2019 | 4.03 | 0.96 | 3.66 | — | — |

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Sector Allocation (% of assets)

■ Portfolio Weight

| | |
|--------------------------|------|
| Education | 21.0 |
| Local General Obligation | 15.3 |
| Airport | 13.8 |
| Joint Power Authority | 12.0 |
| Special Non-property Tax | 11.6 |
| Transportation | 9.7 |
| Hospital | 7.7 |
| Single Family Housing | 7.1 |
| Cash & Equivs | 1.8 |

Portfolio Characteristics

| | |
|-------------------------------------|------|
| Annual turnover (%) | 19 |
| Average maturity (years) | 3.19 |
| Average duration (years) | 2.42 |
| Average credit quality [†] | A+ |
| Average coupon (%) | 4.58 |
| Yield-to-worst (%) | 3.24 |

Credit Rating (% net assets)[†]

| | |
|---------------|------|
| AAA | 7.1 |
| AA | 34.5 |
| A | 47.2 |
| BBB | 9.4 |
| Cash & Equivs | 1.8 |

Duration Distribution (% net assets)

| | |
|---------------|------|
| 1-3 Years | 72.4 |
| 3-5 Years | 25.8 |
| Cash & Equivs | 1.8 |

Investment risks- Investments in **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. The relatively small size of the portfolio may necessitate investing more heavily in a single issuer or small number of issuers and, therefore, be more exposed to the risk of loss than a portfolio that invests more broadly. Federal and state tax rules apply to capital gains and any gains or losses on sales. Income may be subject to state, local or alternative minimum taxes. Fixed-income securities present issuer **default risk**. **Prepayment and extension** risk exists because a loan, bond or other investment may be called, prepaid or redeemed before maturity and similar yielding investments may not be available for purchase. **Market risk** may affect a single issuer, sector of the economy, industry or the market as a whole. A rise in **interest rates** may result in a price decline of fixed-income instruments held by the portfolio, negatively impacting its performance and market value. Falling rates may result in the portfolio investing in lower yielding debt instruments, lowering the portfolio's income and yield. These risks may be heightened for longer maturity and duration securities. Columbia Management Investment Advisers, LLC and its affiliates do not offer tax or legal advice. Consumers should consult with their tax advisor or attorney regarding their specific situation.

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The strategy seeks to deliver risk-adjusted total return through active management utilizing investment grade tax exempt municipal bonds. Accounts are managed with a duration range of 1.5 to 4.5 years with a maturity emphasis on 1 to 6 years. The strategy generally has no accounts with a state weighting greater than 60%. The benchmark is the Bloomberg Municipal 1-5 Year Index. The composite was created December 1, 2017.

[†] Third-party rating agencies provide bond ratings ranging from AAA (highest) to D (lowest). When three ratings are available from Moody's, S&P and Fitch, the middle rating is used. When two are available, the lower rating is used. If only one is available, that rating is used. If a security is Not Rated but has a rating by Kroll and/or DBRS, the same methodology is applied to those bonds that would otherwise be Not Rated. Bonds with no third-party rating are designated as Not Rated. Investments are primarily based on internal proprietary research and ratings assigned by our fixed income investment analysts. Therefore, securities designated as Not Rated do not necessarily indicate low credit quality, and for such securities the investment adviser evaluates the credit quality. Holdings of the portfolio other than bonds are categorized under Other. Credit ratings are subjective opinions of the credit rating agency and not statements of fact and may become stale or subject to change.

Duration measures the sensitivity of bond prices to changes in interest rates. Bonds with a higher duration experience greater price volatility from interest rate movements. **Yield-to-worst** is the lowest return that can be received on a bond without default and assumes the bond is called or redeemed by the issuer at the earliest opportunity.

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The **Bloomberg 1-5 Year Municipal Bond Index** consists of a broad selection of investment grade general obligation and revenue municipal bonds of maturities ranging from one year to five years. It is not possible to invest directly in an index.

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