

# News Release

**Contact:**

Liz Kennedy  
617.897.9343  
[liz.kennedy@ampf.com](mailto:liz.kennedy@ampf.com)

## **Columbia Threadneedle Investments Launches Columbia Seligman Semiconductor and Technology ETF (SEMI)**

*SEMI is the first actively managed ETF that offers investors  
focused exposure to the rapidly evolving semiconductor industry*

# SEMI



**BOSTON – March 30, 2022** – Columbia Threadneedle Investments today announced the expansion of its exchange-traded fund (ETF) offerings with the launch of its first actively managed, semi-transparent ETF, the Columbia Seligman Semiconductor and Technology ETF (NYSE Arca: SEMI). SEMI is a thematic, growth-focused technology strategy that will invest primarily in the securities of semiconductor, semiconductor equipment and related technology companies.

SEMI is managed by Paul Wick, Sanjay Devgan, Shekhar Pramanick and Christopher Lo. Wick leads Columbia Threadneedle's Seligman Technology team, which is comprised of 11 investment professionals averaging 24 years of industry experience. Based in Silicon Valley, this team is one of the industry's largest and most experienced managing technology-focused strategies, with \$17.8 billion<sup>1</sup> in assets under management. With 32 years of investing experience, Wick is the longest-tenured mutual fund manager in the technology space, having managed the Columbia Seligman Technology and Information Fund (formerly named the Columbia Seligman Communications and Information Fund) since 1990.

"No longer viewed as a cyclical sector, semiconductors have established themselves as the bedrock underlying the disruption and innovation brought about by new technologies. We believe that semiconductors are a key

driver of growth across the economy, from mobile handsets, PCs and robotic manufacturing to gaming consoles, electric vehicles and the metaverse,” said Wick.

“Even though the semiconductor sector has seen significant returns over the past decade, we believe it remains reasonably valued and quite profitable when compared to other technology sectors and the broader market. Plus, we believe the increase in end markets, alongside industry consolidation and high barriers to entry, bode well for potential future returns,” Wick continued.

The portfolio management team seeks to find fundamentally attractive semiconductor companies and related businesses with reasonable valuations. SEMI is a concentrated, high-conviction portfolio consisting of companies with which the team has insight gained through deep fundamental research and industry knowledge. On average, the fund typically will invest in 30 to 50 companies, from small emerging businesses to more well-established mega-cap stocks, but may at times hold more or less securities than this range. The fund’s management fee is 75 basis points.

In addition to managing SEMI, the Seligman Technology team manages two mutual funds, Columbia Seligman Technology and Information Fund (CCIZX) and Columbia Seligman Global Technology Fund (CSGZX). The team also manages a closed-end fund, Columbia Seligman Premium Technology Growth Fund (NYSE: STK) and certain other vehicles.

Marc Zeitoun, Head of Strategic Beta and Private Client Advisory, stated, “Grounded in the belief that investment insights matter, we have built a range of ETFs based on our conviction that we can improve conventional passive exposures with proprietary research and active portfolio management expertise. SEMI provides investors and their advisors with an opportunity to invest in companies that build the core technology powering nearly every disruption. We believe the actively managed semi-transparent ETF structure is right for this kind of solution.”

SEMI is the latest addition to Columbia Threadneedle’s thematic ETF offerings, which focus on secular and regional trends, and include Columbia Emerging Markets Consumer ETF (NYSE Arca: ECON), Columbia EM Core Ex-China ETF (NYSE Arca: XCEM) and Columbia India Consumer ETF (NYSE Arca: INCO).

SEMI uses Fidelity’s active equity ETF methodology.

## 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, institutional and corporate clients around the world. With more than 2,500 people, including over 650 investment professionals based in North America, Europe and Asia, we manage \$754 billion of assets across developed and emerging market equities, fixed income, asset allocation solutions and alternatives.<sup>2</sup>

Columbia Threadneedle Investments is the global asset management group of Ameriprise Financial, Inc. (NYSE: AMP). For more information, please visit [columbiathreadneedleus.com](http://columbiathreadneedleus.com). Follow us on [Twitter](#).

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

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<sup>1</sup> As of December 31, 2021

<sup>2</sup> As of December 31, 2021. Includes all assets managed by entities in the Columbia and Threadneedle group of companies.

**Investors should carefully consider the investment objectives, risks, charges and expenses of the Fund before investing. To obtain a prospectus containing this and other important information, please call 888 800 4347 or visit [www.columbiathreadneedleus.com/etf](http://www.columbiathreadneedleus.com/etf) to view or download a prospectus. Read the prospectus carefully before investing.**

**Columbia Seligman Semiconductor and Technology ETF is different from traditional ETFs.**

Traditional ETFs tell the public what assets they hold each day. This ETF will not. This may **create additional risks** for your investment. For example:

- You may have to pay more money to trade this ETF's shares. This ETF will provide less information to traders, who tend to charge more for trades when they have less information.
- The price you pay to buy this ETF's shares on an exchange may not match the value of the ETF's portfolio. The same is true when you sell shares. These price differences may be greater for this ETF compared to other ETFs because it provides less information to traders.
- These additional risks may be even greater in bad or uncertain market conditions.
- This ETF will publish on its website each day a "Tracking Basket" designed to help trading in shares of the ETF. While the Tracking Basket includes some of the ETF's holdings, it is not the ETF's actual portfolio.

The differences between this ETF and other ETFs may also have advantages. By keeping certain information about this ETF secret, this ETF may face less risk that other traders can predict or copy its investment strategy. This may improve the ETF's performance. If other traders are able to copy or predict the ETF's investment strategy, however, this may hurt the ETF's performance.

For additional information regarding the unique attributes and risks of this ETF see disclosure below and the Principal Risks section of the ETF's prospectus.

*More Information about the Semi-Transparent ETF Structure*

The objective of the semi-transparent ETF Tracking Basket is to construct a portfolio of stocks and representative ETFs that closely tracks the daily performance of a semi-transparent ETF without exposing current Fund holdings, trading activities, or internal research. The Tracking Basket is designed to conceal nonpublic information about the underlying portfolio and only uses the Fund's most recent publicly disclosed holdings, representative ETFs, and the publicly known daily performance in its construction. The Fund also discloses the Tracking Basket Weight Overlap, which is the percentage weight overlap between the prior business day's Tracking Basket, compared to the holdings of the Fund that formed the basis for the Fund's calculation of NAV at the end of the prior business day. The Fund's Tracking Basket and Tracking Basket Weight Overlap are disclosed daily on the Fund's website, [www.columbiathreadneedleus.com/etf](http://www.columbiathreadneedleus.com/etf)

Although the Tracking Basket and the Tracking Basket Weight Overlap are intended to provide investors with enough information to allow for an effective arbitrage mechanism to keep the market price of the Fund at or close to the underlying NAV per share of the Fund, there is risk (which may increase during periods of market disruption or volatility) that market prices will vary significantly from the underlying Fund NAV; ETFs trading on the basis of a published Tracking Basket may experience wider bid/ask spreads than ETFs that publish their portfolios daily, especially during periods of market disruption or volatility, and therefore, may cost investors more to trade; and although the Fund seeks to benefit from keeping its portfolio information secret, market participants may attempt to use the Tracking Basket to identify a Fund's trading strategy, which if successful, could result in market participants engaging in certain predatory trading practices that may have the potential to harm the Fund and its shareholders.

### **General ETF Risks**

There are risks involved with investing in ETFs, including the loss of the principal amount that you invest. ETF shares are bought and sold throughout the trading day at their market price, not their NAV, on the exchange on which they are listed. ETF shares may trade in the market at a premium or discount to their NAV. A financial intermediary (such as a broker) may charge a commission to execute a transaction in ETF shares, and an investor also may incur the cost of the spread between the price at which a dealer will buy ETF shares and the somewhat higher price at which a dealer will sell ETF shares. ETF shares are not individually redeemable from an ETF. Only market makers or Authorized Participants may trade directly with an ETF, typically in large blocks of shares, as disclosed in each Fund's prospectus.

### **Columbia Seligman Semiconductor and Technology ETF Investment Risks**

**Investment risks — Market risk** may affect a single issuer, economic sector or industry, or the market as a whole. Unlike conventional ETFs, the fund is **not an index fund** (it does not seek to track the performance of an index), nor does it provide **daily transparency** into its portfolio holdings. **Active trading** may result in added expenses, lower return and increased tax liability. The Fund concentrates its investments in the **semiconductor and semiconductor equipment industry** and the Fund will be sensitive to, and its performance may depend to a greater extent on, the overall condition of this industry, which can be volatile at times. The products of **technology** companies may be subject to severe competition and rapid obsolescence, and their stocks may be subject to greater price fluctuations. **Foreign** investments subject the fund to risks, including political, economic, market, social and others within a particular country, as well as to currency instabilities and less stringent financial and accounting standards generally applicable to U.S. issuers. As a non-diversified fund, holding fewer investments could have a greater effect on Fund performance. Investment in **larger companies** may involve certain risks associated with their larger size and may be less able to respond quickly to new competitive challenges than smaller competitors. Investments in **small- and mid-cap companies** often involve greater risks that investments in larger companies and may have less predictable earnings and be less liquid than the securities of larger cap companies. **Growth** securities, at times, may not perform as well as value securities or the stock market in general and may be out of favor with investors. Although Fund shares are listed on an **exchange**, there can be no assurance that an active, liquid or otherwise orderly trading market for shares will be established or maintained. This **new fund** may not be successful in implementing its active investment strategy, which could result in the fund being **liquidated**.

The "Tracking Basket" is the property of Fidelity Product Services, LLC (FIDELITY) and is used under license by Columbia Management Investment Advisers, LLC. No products, materials or investment vehicles, opportunities or otherwise howsoever offered or provided by Columbia Management or its affiliates are sponsored, endorsed, sold, promoted or otherwise supported by FIDELITY or any of its affiliates. Neither FIDELITY nor any of its affiliates makes any representation, warranty or assurance, express or implied, to any third party (including investors in Columbia Seligman Semiconductor and Technology ETF regarding the Tracking Basket, the advisability of investing in securities generally or in this ETF particularly or the ability of the Tracking Basket to track general market performance or provide positive investment returns. FIDELITY and its affiliates (and their respective officers, directors and employees) are not and shall not be subject to any damages or liability, direct or indirect, consequential or punitive for any errors, omissions, or delays in or related to the Tracking Basket or any data related thereto.

This fund is newly organized and does not have an operating history.

Columbia Management Investment Advisers, LLC serves as the investment manager to the ETFs. The ETFs are distributed by **ALPS Distributors, Inc.**, which is not affiliated with Columbia Management Investment Advisers, LLC or its parent company Ameriprise Financial, Inc.

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