

# COLUMBIA ADAPTIVE RISK ALLOCATION FUND

## Overview

Target attractive risk-adjusted returns by investing in a global multi-asset strategy that diversifies risk instead of capital.

### Focuses on delivering more consistent returns

Allocates based on risk, not capital, to target enhanced diversification and seek more consistent returns

### Enhances diversification

Invests in a broad array of global asset classes to enhance diversification and potentially mitigate the effect of market volatility

### Adapts to market changes

Incorporates both tactical and dynamic flexibility to allow meaningful changes to risk exposures as market conditions change

Share Class Symbol	A CRAAX	Advisor CARRX	C CRACX	Institutional CRAZX	Institutional 2 CRDRX	Institutional 3 CARYX	R CRKRX
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### Overall Morningstar Rating



The Morningstar rating is for the indicated share classes only as of 03/31/24; other classes may have different performance characteristics. Among 231 Tactical Allocation funds. Morningstar Ratings are based on a Morningstar Risk-Adjusted Return measure.

### Morningstar Percentile Rankings

Category: Tactical Allocation

	Class Inst (%)	Class A (%)	Total Funds
1-year	66	70	235
3-year	60	62	231
5-year	58	65	211
10-year	38	43	141

Morningstar Rankings are based on annualized total returns (1 being most favorable and 100 being least).

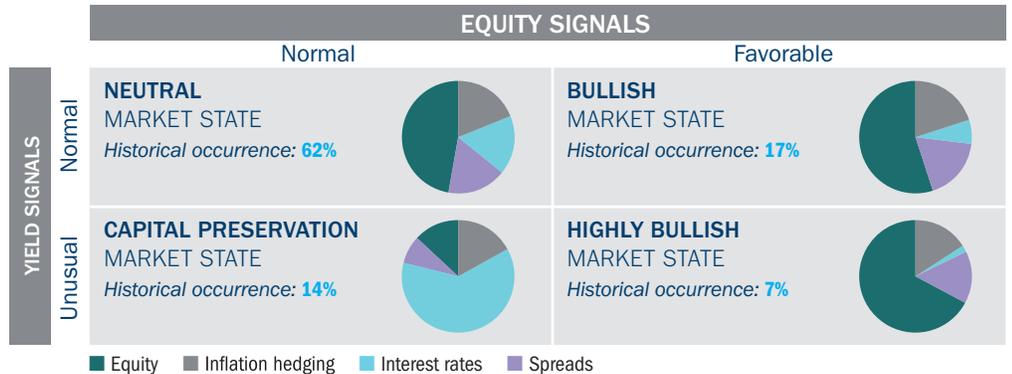
### Expense Ratio\*

	Net	Gross
Class A	1.06	1.06
Class Adv	0.81	0.81
Class C	1.81	1.81
Class Inst	0.81	0.81
Class Inst 2	0.82	0.82
Class Inst 3	0.78	0.78
Class R	1.31	1.31

### Average Annual Total Returns (%)

	Inception Date	YTD (cum.)	1-year	3-year	5-year	10-year	Since Inception
Without sales charges							
Class Inst	06/19/12	3.86	9.76	2.16	4.94	5.15	4.99
Class A	06/19/12	3.75	9.52	1.90	4.67	4.89	4.72
Class C	06/19/12	3.63	8.71	1.15	3.90	4.10	3.94
Class Inst 3 <sup>1</sup>	10/01/14	3.85	9.75	2.18	4.97	5.20	4.99
60% MSCI ACWI/ 40% Bloomberg Global Aggregate Index		4.01	13.71	2.28	6.18	5.29	-
60% MSCI ACWI DM Hedged/ 40% Bloomberg Global Agg Hedged Index		5.60	16.40	4.85	7.72	7.11	-
FTSE Three-Month U.S. Treasury Bill Index		1.37	5.52	2.70	2.07	1.39	-
Morningstar category: Tactical Allocation		6.03	14.19	2.74	6.06	4.57	-
With sales charge							
Class A		-2.19	3.16	-0.10	3.45	4.27	4.20
Class C		2.63	7.71	1.15	3.90	4.10	3.94

### Market States and Sample Risk Allocations<sup>1</sup>



Source: Columbia Management Investment Advisers, LLC. Historical occurrence percentages based on market data from 01/01/70-12/31/23. Actual portfolios may vary from the policy portfolio risk allocations shown.

**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. **Short positions** (where the underlying asset is not owned) can create unlimited risk. 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.

Effective on March 11, 2024, Class R shares of the fund will be closed to new and existing investors. Effective at close of business on April 19, 2024 (the liquidation date), Class R shares of the fund will be liquidated. 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. With sales charge performance is calculated with max sales charge of 5.75% for the A share and 1.00% CDSC for the C share. Please visit [www.columbiathreadneedle.com](http://www.columbiathreadneedle.com) for performance data current to the most recent month end. Class Adv and Inst, Inst 2, Inst 3 and R shares are sold at net asset value and have limited eligibility. Columbia Management Investment Distributors, Inc. offers multiple share classes, not all available through all firms, and the share class ratings may vary. Contact us for details.

<sup>1</sup>The returns shown for periods prior to each fund's share class inception date include the returns of the oldest share class of the fund, adjusted to reflect higher class-related operating expenses, as applicable. In addition, the returns shown include the returns of any predecessor to the fund. Please visit [www.columbiathreadneedleus.com/investor/investment-products/mutual-funds/appended-performance](http://www.columbiathreadneedleus.com/investor/investment-products/mutual-funds/appended-performance) for more information.

\*The fund's expense ratio is from the most recent prospectus.

Returns shown assume reinvestment of distributions and do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares.

Columbia Funds are distributed by Columbia Management Investment Distributors, Inc., member FINRA, and managed by Columbia Management Investment Advisers, LLC.

Not all products and share classes are available through all firms.

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](http://www.columbiathreadneedle.com). Read the prospectus carefully before investing.

## Investment Objective

The fund pursues consistent total returns by seeking to allocate risks across multiple asset classes.

Fund Information<sup>†</sup>

Fund inception	06/19/12
Fiscal year end	05/31/24
Total net assets (all classes, \$m)	2,851
Distribution frequency	Annual
Standard deviation (3 year)	10.00
Sharpe ratio (3 year)	0.04

Historical Market States (Last 12 Months)<sup>‡</sup>

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

## Portfolio Management

Joshua B. Kutin, CFA	26 years of experience
Alexander Wilkinson, CFA, CAIA	18 years of experience

## Geographic Breakdown (% distribution of assets)



The geographic breakdown figures are based on distribution of assets. Exposures above 100% may be achieved when effective leverage is applied to fund assets.

Top Equity Positions<sup>‡</sup>

Security description	% notional
eMini S&P 500 (CME) Jun 24	29.6
MSCI EAFE Mini (IFUS) Jun 24	8.3
MSCI Emrg Markets Mini (IFUS) Jun 24	7.8

Top Inflation Hedging Positions<sup>‡</sup>

Columbia Commodity Strategy Fund - Class I3	6.3
Government Of The USA 3.375% 15 Apr 2032	0.8
Government Of The USA 0.875% 15 Jan 2029	0.7

Top Rates Positions<sup>‡</sup>

10Y Ultra T-Note (CBT) Jun 24	7.8
Government Of The USA 3.75% 31 May 2030	6.3
Government Of The USA 3.375% 15 May 2033	5.8

Top Spreads Positions<sup>‡</sup>

CDX: High Yield	14.1
CDX: EM Debt	8.1
CDX: Investment Grade	7.8

Percentages may not add up to 100 due to rounding.

**Investment risks** – **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. **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 instruments held by the fund, negatively impacting 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 (e.g., interest rate) environments 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.

<sup>▲</sup> **Standard deviation** is a statistical measure of the degree to which an individual value in a probability distribution tends to vary from the mean of the distribution. **Sharpe ratio** divides a fund's gross return (excluding fees and expenses) in excess of the 90-day Treasury bill by the investment's standard deviation to measure risk-adjusted performance.

<sup>†</sup> **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 (yield and equity signals) as follows: **capital preservation** (unusual yield signals and normal equity signals), **neutral** (normal yield and equity signals), **bullish** (normal yield signals and favorable equity signals), and **highly bullish** (unusual yield signals and favorable equity signals). The neutral market state represents the environment that the management team expects to be in the most frequently and under normal circumstances. Within each market state, the management team may increase or decrease the exposure to certain asset classes with the goal of generating attractive risk-adjusted returns.

<sup>‡</sup> **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. Fund holdings are as of the date given, are subject to change and are not recommendations to buy or sell any security.

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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. They do not include sales charges or redemption fees but do include operating expenses and the reinvestment of dividends and capital gains distributions. Share class rankings vary due to different expenses. If sales charges or redemption fees were included, total returns would be lower. For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating<sup>™</sup> used to rank the fund against other funds in the same category. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance, without any adjustments for loads (front-end, deferred, or redemption fees), placing more emphasis on downward variations and rewarding consistent performance. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) **The Morningstar ratings for the overall-, three-, five- and ten-year periods for the A-share are 4 stars, 3 stars, 3 stars, and 4 stars and for the Inst-share are 4 stars, 3 stars, 3 stars, and 4 stars among 231, 231, 211 and 141 Tactical Allocation funds, respectively, and are based on a Morningstar Risk-Adjusted Return measure.** The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its three-, five- and ten-year (if applicable) Morningstar Rating metrics.

The **MSCI ACWI Index** covers securities across large and mid-cap size segments across style and sector segments in developed and emerging markets. The **Bloomberg Global Aggregate Bond Index**, an unmanaged market capitalization weighted index, tracks the performance of investment grade fixed income securities denominated in 13 currencies. The **MSCI ACWI Hedged DM Currencies Index** represents a close estimation of the performance by hedging the currency exposures of all developed market exposures to its parent index, the MSCI ACWI Index, to the USD, the "home" currency for the hedged index. The index is 100% hedged to the USD of developed market currencies by selling each foreign currency forward at the one-month forward weight. The parent index is composed of large and mid cap stocks across 23 Developed Markets (DM) countries and 24 Emerging Markets (EM) countries. The **Bloomberg Global Aggregate Bond Index Hedged** is an unmanaged index that is comprised of several other Bloomberg indexes that measure fixed income performance of regions around the world while hedging the currency back to the US dollar. The **FSE Three-Month U.S. Treasury Bill Index**, an unmanaged index, represents the performance of three-month Treasury bills. The index reflects reinvestment of all distributions. It is not possible to invest directly in an index.

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