FOURTH QUARTER 2023
INVESTMENT COMMENTARY

COLUMBIA THREADNEEDLE INVESTMENTS

Share Class	A	Advisor	C	Institutional	Institutional 2	Institutional 3	R
Symbol	**LIBAX**	**CBNRX**	**LIBCX**	**SRBFX**	**CTBRX**	**CTBYX**	**CIBRX**

Columbia Total Return Bond Fund

Fund performance

- Columbia Total Return Bond Fund Institutional Class shares returned 8.10% for the quarter ended December 31, 2023.
- The Bloomberg U.S. Aggregate Bond Index returned 6.82% for the same period.
- For monthly performance information, please check columbiathreadneedleus.com.

Market overview

After a weak October, the broad bond market rallied over the final two months of 2023. Gains were driven by a shift in expectations with respect to the U.S. Federal Reserve interest rate policy from a higher-for-longer scenario to more rate cuts in 2024 amid signs of cooling inflation. In addition, market participants celebrated the Fed's ability to bring down generationally high inflation with no apparent damage to growth or the labor market. Against this backdrop, U.S. Treasury yields saw steep declines and positive credit sentiment drove risk premiums tighter. During the quarter, the yields on two-year and ten-year U.S. Treasuries fell approximately 100 basis points (bps) from their respective peaks. (A basis point is 1/100 of a percent.)

As gauged by the Bloomberg U.S. Aggregate Bond Index, the broad U.S. investment-grade taxable bond market returned 6.82% for the quarter. Performance was led by corporate bonds, which returned 8.50% per the Bloomberg U.S. Corporate Bond Index, reflecting both the downward move in interest rates and favorable sentiment toward risk-taking. The Bloomberg Treasury Index returned 5.66%, with longer maturity bonds notably outperforming. Securitized assets overall posted a 7.28% return based on the Bloomberg U.S. Securitized Index, with returns for residential mortgage-backed securities supported by the outlook for easier monetary policy. High-yield corporate bonds slightly lagged their investment-grade counterparts given their relative lack of interest rate sensitivity.

Overall Morningstar Rating™

★★★ Class A

★★★ Institutional Class

The Morningstar Rating is for the indicated share classes only as of 12/31/23; other classes may have different performance characteristics. **The Morningstar ratings for the overall, three-, five- and ten-year periods for Class A shares are 3 stars, 2 stars, 3 stars and 3 stars and for Institutional Class shares are 3 stars, 2 stars, 3 stars and 4 stars among 568, 568, 536 and 375 Intermediate Core Bond funds respectively, and are based on a Morningstar Risk-Adjusted Return measure.**

The broad bond market rallied over the final two months of 2023. Performance was led by corporate bonds that reflected favorable sentiment toward risk-taking.

Fund strategy

Strives for returns in all phases of the economic cycle and mitigates downside risk by proactively managing duration, sector allocation and security selection

Diversifies across sectors, guided by an assessment of the market environment and valuations

Offers more insightful security selection, thanks to a highly collaborative culture and original, independent, forward-looking research

Average annual total returns (%) for period ending December 31, 2023

Columbia Total Return Bond Fund	3-mon.	1-year	3-year	5-year	10-year
Institutional Class	8.10	7.89	-3.72	1.86	2.40
Class A without sales charge	8.03	7.66	-3.95	1.60	2.14
Class A with 3.00% maximum sales charge	4.79	4.42	-4.92	0.99	1.82
Bloomberg U.S. Aggregate Bond Index	6.82	5.53	-3.31	1.10	1.81

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 columbiathreadneedleus.com for performance data current to the most recent month end. Institutional Class 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.

Expense ratio

Share class	No waiver (gross)	With waiver (net)
Institutional	0.65%	0.49%
A	0.90%	0.74%

From the fund's 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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Credit Quality (%) as of December 31, 2023

Columbia Total Return Bond Fund

Treasury	1.9
Agency	37.9
AAA	7.0
AA	4.8
A	15.4
BBB	15.7
BB	6.6
B	6.5
CCC	1.1
Cash and Equivalents	-5.8
Other	0.2
Non-rated	8.6

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.

Due to rounding, percentages may not add up to 100.

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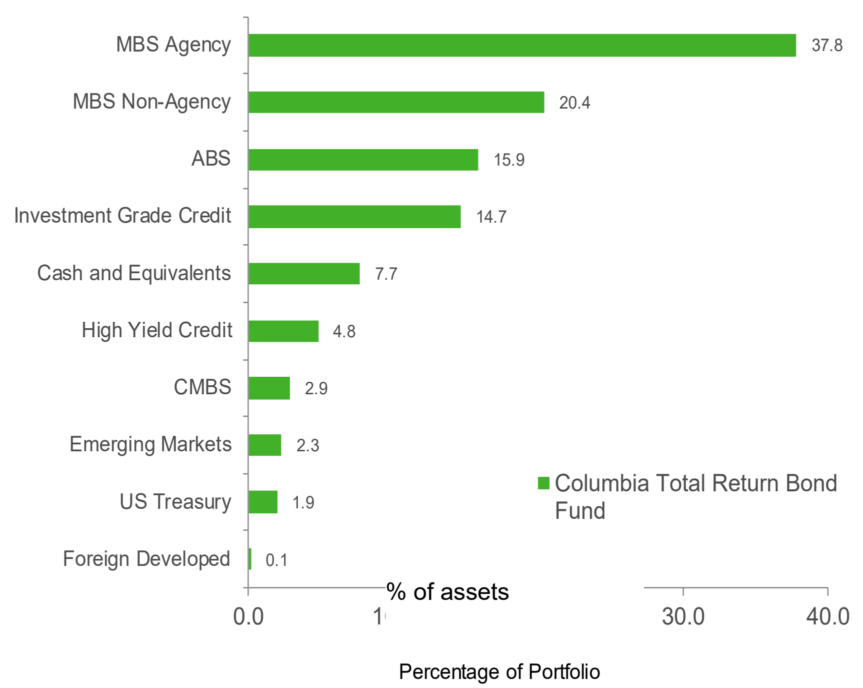
Performance summary

Columbia Total Return Bond Fund Institutional Class shares returned 8.10% during the quarter (after expenses), outperforming its benchmark, the Bloomberg Barclays U.S. Aggregate Index, by 128 basis points. Contributors and detractors from performance include:

- Duration: The fund's longer-than-benchmark duration positioning contributed to relative performance during the quarter, as Treasury yields fell across the yield curve. (Duration is a measure of a bond's sensitivity to changes in interest rates.)
- Sector allocation: Sector allocation decisions contributed to relative performance. An overweight to credit risk generally, and specifically to agency mortgage-backed securities, proved most beneficial. Conversely, an overweight to asset-backed securities detracted modestly, as floating rate structures underperformed during the interest rate rally.
- Security selection: Security selection contributed to relative results, with gains coming from investment-grade corporates, agency mortgage-backed securities and asset- backed securities. Security selection in commercial mortgage-backed securities detracted modestly.

Top ten sector weights (%) as of December 31, 2023



Source: BlackRock

Columbia Total Return Bond Fund

Top holdings (% of net assets): as of December 31, 2023

GMNA2 30yr TBA(Reg C) 4.000 01/22/2054	2.96
GNMA2 30yr 5.000 01/22/2054	2.40
UMBS 30yr Tba(Reg A) 6.000 01/16/2054	2.33
FNMA 30yr TBA(Reg A) 4.000 01/16/2054	1.89
UMBS 30yr Tba(Reg A) 5.500 01/16/2054	1.72
GMNA2 30yr TBA(Reg C) 4.500 01/22/2054	1.57
FNMA 30yr UMBS 3.500 05/01/2052	1.52
FHLMC 30yr UMBS Super 3.500 08/01/2052	1.28
FHLMC 30yr UMBS Super 4.500 05/01/2053	1.15
FHLMC 30yr UMBS Super 5.500 07/01/2053	1.11

Top holdings exclude short-term holdings and cash, if applicable. 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. Current and future bond holdings are subject to risk.

Outlook and positioning

The end of 2023 brought with it a wholesale reevaluation of the economic and market environment. The realization by markets and the Fed that inflation is quickly reverting toward a 2% target without sacrificing growth in any meaningful way understandably caused a melt up in asset prices across the risk spectrum.

While this evaluation of inflation and growth is quite reasonable, many credit sectors are fully pricing in this optimistic outcome. Treasury yield valuations are less unattractive, as market expectations imply that the Fed will need to keep interest rates nearly 2% higher than during the pre-pandemic era to contain inflation. As we enter 2024, we are shifting portfolios to align with this valuation paradigm by lowering credit risk and maintaining moderate long-duration risk.

Within credit, the fundamentals remain quite strong. Both corporate and household balance sheets are strong because of prudent management and long-term, fixed-rate debt taken out during the pandemic period. Income and earnings trends are also quite healthy, though moderating. For households, incomes are still growing faster than during the 2010s, but some measures of labor market health are showing some early signs of potential weakness.

Risk compensation in credit sectors is relatively unattractive. Investment-grade industrial spreads, for instance, are tighter than 97% of history. High-yield is only slightly less rich. These valuations give very little cushion to investors for fundamental deterioration while offering only marginal upside. We have, therefore, reduced spread risk following this rapid rally.

The Fed has telegraphed that it will be cutting interest rates in 2024 and is targeting a constant real Federal Funds rate. This translates to cuts in proportion to the fall in core inflation. While core personal expenditures inflation is currently at 3.2%, the annualized rate over the last 6 months is below the Fed's 2% target. Disinflationary trends are intact and should continue in early 2024. Four to six 25-basis point cuts are quite possible in 2024, which is more than the Fed currently forecasts. For longer maturity Treasury yields, valuations are quite attractive, even after the late-2023 rally and taking into account higher growth and fiscal deficits being experienced post-pandemic.

Investment Risks

Market risk may affect a single issuer, sector of the economy, industry or the market as a whole. 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. **Prepayment and extension** risk exists because the timing of payments on a loan, bond or other investment may accelerate when interest rates fall or decelerate when interest rates rise which may reduce investment opportunities and potential returns. **Non-investment-grade** (high-yield or junk) securities present greater price volatility and more risk to principal and income than higher rated securities. **Mortgage- and asset-backed securities** are affected by interest rates, financial health of issuers/originators, creditworthiness of entities providing credit enhancements and the value of underlying assets. 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. 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.

Additional performance information: All results 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.

Performance prior to 2/19/2016 reflects a different investment strategy.

The **Bloomberg U.S. Aggregate Bond Index** is a market-value-weighted index that tracks the daily price, coupon, pay-downs and total return performance of fixed-rate, publicly placed, dollar-denominated and nonconvertible investment-grade debt issues with at least $250 million par amount outstanding and with at least one year to final maturity.

The **Bloomberg U.S. Corporate Bond Index** consists of publicly issued, fixed rate, non-convertible, investment grade debt securities.

The **Bloomberg Treasury Index** measures U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury.

The **Bloomberg U.S. Securitized Index** is a composite of asset-backed securities, collateralized mortgage-backed securities (ERISA-eligible) and fixed-rate mortgage-backed securities.

Indices shown are unmanaged and do not reflect the impact of fees. It is not possible to invest directly in an index.

Information provided by third parties is deemed to be reliable but may be derived using methodologies or techniques that are proprietary or specific to the third party source.