FIRST QUARTER 2024
INVESTMENT COMMENTARY

COLUMBIA THREADNEEDLE INVESTMENTS

Share Class Symbol	A SLVAX	Advisor CSERX	C SVLCX	Institutional CSVZX	Institutional 2 SLVIX	Institutional 3 CSRYX	R SLVRX

Columbia Select Large Cap Value Fund

Overlooking concerns like weakness in commercial real estate, lower income discretionary spending and 16 months of manufacturing contraction, investors focused on opportunities tied to economic resilience.

Focuses on long-term outperformance

Invests in underappreciated companies that show accelerating earnings growth

Takes advantage of low market expectations

Identifies potential catalysts to drive earnings forward, which may allow investors to exploit inefficiencies created by low market expectations

Follows a high-conviction process

Takes a consistent approach to build a concentrated, low-turnover portfolio in pursuit of strong risk-adjusted returns

Fund performance

- Institutional Class shares of Columbia Select Large Cap Value Fund returned 8.55% for the quarter ending March 31, 2024. For monthly performance information, please visit columbiathreadneedleus.com.
- The fund's benchmark, the Russell 1000 Value Index, returned 8.99% for the same period.
- Security selection within the energy, financials and information technology sectors helped absolute and relative returns during the quarter, while less favorable results among several holdings within utilities, materials and health care detracted.

Market overview

U.S. equities advanced sharply during the first quarter, posting a second consecutive period of broad-based gains highlighted by multiple record closes.

As in prior quarters, sentiment was driven largely by interest rate expectations. Optimistic investors started the quarter assuming cuts would begin in March, but those hopes evaporated when the Federal Reserve made no commitment at its January meeting and left the benchmark overnight borrowing rate in the historically elevated range of 5.25% to 5.50%. By quarter end, the anticipated kickoff for cuts had shifted to June, but any disappointments with the delay were offset by consistent projections for a total of three cuts during the remainder of the year. Hotter-than-expected inflation reports for January and February did little to dissuade investors from bidding equities higher. Nor did commentary from a couple of officials that questioned the Fed's generally dovish stance.

Overlooking concerns like weakness in commercial real estate, lower income discretionary spending and 16 months of manufacturing contraction, investors focused on opportunities tied to economic resilience. This, in turn, broadened the range of upside participation to include cyclical stocks like financials. Broadening strength, which had started during the

Expense ratio

Share class	No waiver (gross)	With waiver (net)
Institutional	0.83%	0.55%
A	1.08%	0.80%

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.

Average annual total returns (%) for period ending March 31, 2024

Columbia Select Large Cap Value Fund	3-mon.	1-year	3-year	5-year	10-year
Institutional Class	8.55	16.43	7.88	11.83	9.73
Class A without sales charge	8.45	16.16	7.61	11.54	9.45
Class A with 5.75% maximum sales charge	2.21	9.48	5.51	10.23	8.81
S&P 500 Index	10.56	29.88	11.49	15.05	12.96
Russell 1000 Value Index	8.99	20.27	8.11	10.32	9.01

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.

© 2024 Columbia Management Investment Advisers, LLC. All rights reserved.
columbiathreadneedleus.com
800.426.3750

Not FDIC or NCUA Insured | No Financial Institution Guarantee | May Lose Value

COLUMBIA THREADNEEDLE INVESTMENTS

Columbia Select Large Cap Value Fund

Top holdings (% of net assets) as of March 31, 2024

Verizon Communications	4.44
Qualcomm	3.75
FirstEnergy	3.62
Bank of America	3.58
PG&E	3.46
Freeport-McMoRan	3.44
CIGNA	3.26
TechnipFMC	3.18
Low e's Companies	3.13
Corning	3.05

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.

Top five contributors - Effect on return (%) as of March 31, 2024

Marathon Petroleum	0.92
TechnipFMC	0.73
Wells Fargo	0.69
CIGNA	0.69
Qualcomm	0.68

Top five detractors - Effect on return (%) as of March 31, 2024

Humana	-0.76
Barrick Gold	-0.34
PG&E	-0.33
AES	-0.29
Teradata	-0.29

fourth quarter, helped mitigate fears that signs of an unhealthy, fragile market were being masked by the dominant performance of only a few high-growth, mega-cap tech stocks associated with artificial intelligence (AI).

Even with the broadening beyond big tech, enthusiasm for AI-related stocks remained a dominant influence. Although high-profile companies like Nvidia and Super Micro Computer stayed in the spotlight with extraordinary quarterly returns, investor focus expanded notably to the potential beneficiaries of demand for AI products and services beyond chips and servers.

Reflecting the expanding breadth of AI as well as expectations that the Fed could cool inflation without triggering a recession, 10 of 11 economic sector groupings within the S&P 500 Index finished the quarter with positive results. Stocks within communications services, energy, information technology and financials did best, with returns ranging from around 12% to more than 15%. Real estate was the sole laggard with a loss of slightly more than a half percentage point. Growth stocks outperformed value stocks across capitalization ranges, as represented by the Russell style indices. Small-cap stocks trailed large caps, as measured by Russell size indices. Volatility, as measured by the CBOE Volatility Index, ended the quarter slightly higher but still near pre-pandemic lows.

Quarterly portfo0lio recap

Security selection within the energy, financials and information technology sectors helped absolute and relative returns during the quarter, but these positives were offset by less favorable results among several holdings within utilities, materials and health care.

Our health care holdings, which detracted largely because of costs associated with a post-pandemic surge in the use of medical services, produced mixed results for the quarter. On the downside, managed care provider Humana, which fell last year on downbeat guidance complicated by doubts around a highly publicized but quickly abandoned deal with Cigna, remained under pressure due to constraints that are expected to delay price increases until at least 2025. In contrast, commercially focused Cigna was a top contributor because it did not face the same constraints and has completed its repricing.

Within materials, miner Barrick Gold was a notable detractor from absolute and relative results after disappointing investors with weak guidance reflecting higher energy and labor costs.

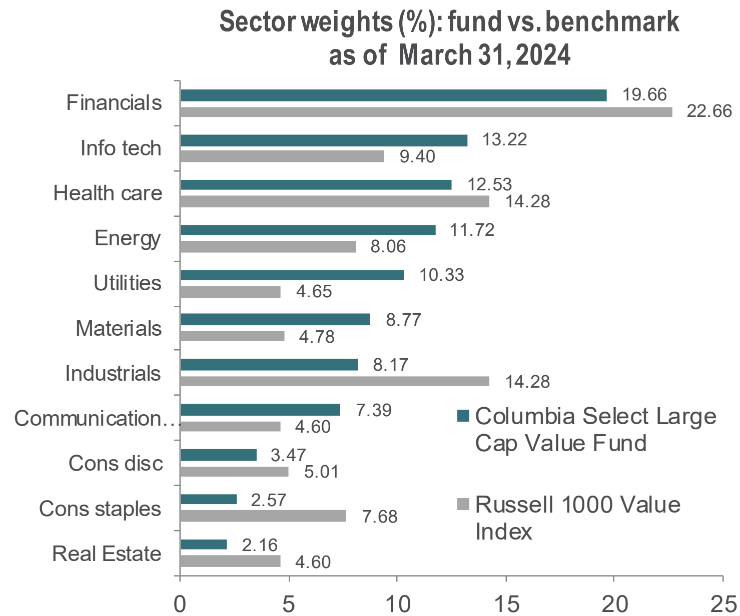
Within utilities, independent power producer AES, which was a top contributor for the fourth quarter of 2023, slid largely on worries about earnings per share guidance that overlooked the company’s lead in helping meet burgeoning power demand from data centers and generative AI.

On the upside, our energy holdings, which were key detractors in the fourth quarter, rebounded strongly, due in large part to rising oil prices driven by increasing awareness of shortages. West Texas Intermediate crude oil, for example, finished the quarter up 15%. Refiner Marathon Petroleum and subsea equipment and services provider TechnipFMC were standout contributors to absolute and relative results.

Within financials, we saw large contributions to absolute and relative results from our bank holdings, particularly Citigroup and Wells Fargo. Of particular note, Citigroup

appeared to be embarking on the first tangible restructuring and cost-cutting actions in over 15 years.

Top contributors to absolute and relative results within information technology included semiconductor equipment maker Applied Materials and chipmaker Qualcomm, both of which were repeat top performers from the prior quarter. Numerous tailwinds continued to help both stocks during the quarter, including exposure to AI. Potential growth in demand from China also helped positive sentiment.



Source: FactSet

Market outlook and investment plan

At quarter end, our outlook includes several risks but also reasons to expect improved portfolio results. Among our observations:

- COVID-related inventory problems and cost pressures that hurt many of our holdings are being corrected. Overall demand and consumption remain solid despite some signs of weakness in consumer spending. So we anticipate that the snapback we started seeing in the quarter will continue as inventory clears and genuine end-market demand drives accelerated growth for companies like agricultural chemicals maker FMC, medical supplies provider Baxter and specialty glass maker Corning.
- Interest rates will probably stay higher for longer, which is a contrarian view we've held for some time. Although our bottom-up, stock-by-stock investment process does not focus on Fed policy, we believe that inflationary pressures, including wage growth as onshoring drives a competitive labor market, may limit aggressive rate cuts this year. Even if the Fed cuts three times as widely anticipated, rates will remain at historically elevated levels that generally should make value stocks more attractive relative to expensive high-growth stocks.
- Pockets of persistent inflation remain, driven primarily by the supply side of the equation, including supply disruptions in commodities and transportation, elevated energy costs and labor constraints in areas like construction. Management teams of

several companies we own have spotlighted these pressures in recent conversations. Freeport-McMoRan, for example, is competing for labor in Arizona with semiconductor makers that are onshoring manufacturing operations to the state. The improving slack in the retail/services industry is offsetting some of the inflationary labor pressures. In addition, China appears ready to spur economic growth by exporting deflation.

- Steepening yield curves should benefit financials, particularly the big money-center banks levered to spread income. Problems with commercial real estate loans largely are confined to smaller regional banks, and, in addition, we see signs that some regulatory burdens may be reduced for the large banks in the portfolio. A change in administration could add further credence to a more benign regulatory environment, clearing the path for increased return of capital. We steadily increased our overweight to bank holdings over the last year and are well-positioned based on our expectation that large banks can outperform in the current environment.
- A bottoming of China's economy could trigger a rebound across a number of our holdings, especially supply-constrained cyclical companies that recently have underperformed. Following three years of decline, Chinese consumer spending is poised to show some modest recovery that would likely benefit names like Corning, Qualcomm and Freeport-McMoRan with exposure to areas like autos, handsets, TVs and PCs. We see additional green shoots with Chinese infrastructure spending, which should benefit names like Caterpillar as well as Freeport-McMoRan.
- China also poses several risks that we are watching, such as potential trade restrictions, which could become a significant challenge for several of our holdings. We are especially cautious of any connections to China's property sector, which remains structurally impaired by excess investment and demographic headwinds rooted in a lack of population growth and a drop in the pace of urbanization, which has driven Chinese consumer demand over the last 15 years.
- Energy and mining stocks should see pricing benefits from underinvestment, which has constrained supplies, particularly in copper. Utilities should benefit from increased demand for renewables from the Inflation Reduction Act. We see some risk that the legislation could be repealed, but we believe that any potential headwind is more than offset by the swelling demand for renewable power generation as companies like Google, Amazon and Microsoft continue with high-profile data center buildouts.
- Data center buildouts underscore how rapidly AI is being commercialized, and we believe that investment support for this still relatively new technology is based on solid, cash-flow-generating fundamentals, rather than aspirational sentiment. Of particular importance for the portfolio, we see AI proliferation spreading beyond chips and data centers to individual consumer and commercial devices where AI content will be consumed. Google, which we've owned since last year, should be a notable beneficiary. Despite overblown headlines about a glitch in its AI tool, the company is at the forefront of AI and is expected to enter a high-profile deal with Apple that could help secure its lead in AI search. In addition, consumer-facing companies with large customer bases, like Verizon, are well-positioned to use AI in applications like call centers, and we should begin to see the benefits over the next two to three years.
- Looking beyond 2024, we also see the potential for managed care to rebound as providers are able to reprice (lower benefits) for volumes that have surged and hurt returns since the pandemic. As a whole, managed care companies, particularly Medicare Advantage providers, failed to recognize and price for a surge in pent-up

demand for COVID-delayed procedures — as well as for a torrent of fresh injuries swelling in lockstep with the pickleball boom.

With this backdrop in mind, our conviction has grown. In the near term, we believe the portfolio is positioned appropriately for an investment environment that we expect will be dominated by normalization in supply chains, continuing strength in infrastructure spending, historically elevated interest rates and the evolving proliferation of AI. Transactions during the quarter were limited to our normal adds and trims based on a continual bottom-up assessment of relative risk and reward among our holdings. As such, positioning at quarter end did not vary significantly from the previous quarter. Meaningful overweights remain in utilities, materials, information technology, communication services and energy, while underweights remain in industrials, consumer staples and real estate. Financials are nominally underweight but include an overweight to large money-center banks as previously noted.

Commentaries available via email

Stay informed about your investments by subscribing to receive commentaries and other fund updates by email. Simply register with our subscription center and choose the publications you'd like to receive. We'll take care of the rest.

Subscribe

Investment Risks

Market risk may affect a single issuer, sector of the economy, industry or the market as a whole. **Value** securities may be unprofitable if the market fails to recognize their intrinsic worth or the portfolio manager misgauged that worth. Investments in a **limited** number of companies subject the fund to greater risk of loss. The fund may invest significantly in issuers within a particular **sector**, which may be negatively affected by market, economic or other conditions, making the fund more vulnerable to unfavorable developments in the sector.

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 columbiathreadneedleus.com. Read the prospectus carefully before investing.

Columbia Threadneedle Investments (Columbia Threadneedle) is the global brand name of the Columbia and Threadneedle group of companies. Columbia funds are distributed by Columbia Management Investment Distributors, Inc., member FINRA and managed by Columbia Management Investment Advisers, LLC.

The views expressed are as of the date given, may change as market or other conditions change and may differ from views expressed by other Columbia Management Investment Advisers, LLC (CMIA) associates or affiliates. Actual investments or investment decisions made by CMIA and its affiliates, whether for its own account or on behalf of clients, may not necessarily reflect the views expressed. This information is not intended to provide investment advice and does not take into consideration individual investor circumstances. Investment decisions should always be made based on an investor's specific financial needs, objectives, goals, time horizon and risk tolerance. Asset classes described may not be appropriate for all investors. Past performance does not guarantee future results, and no forecast should be considered a guarantee either. Since economic and market conditions change frequently, there can be no assurance that the trends described here will continue or that any forecasts are accurate.

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.

The S&P Dow Jones Index is a product of S&P Dow Jones Indices LLC ("S&P DJI") and/or its affiliates and has been licensed for use by CMIA, LLC or its Affiliates. Copyright © 2024 by S&P Dow Jones Indices LLC, a subsidiary of McGraw Hill Financial, Inc. All rights reserved. Redistribution or reproduction in whole or in part are prohibited without written permission of S&P Dow Jones Indices LLC. S&P Dow Jones Indices LLC, its affiliates, and their third party licensors shall have any liability for any errors, omissions, or interruptions of any index or the data included therein. Any blended benchmarks included in this report that include one or more S&P DJI indices [and other third party index or indices] have been calculated by CMIA, LLC or its affiliates.

Source: London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). © LSE Group 2024. FTSE Russell is a trading name of certain of the LSE Group companies. FTSE Russell® is a trademark of the relevant LSE Group companies and is/are used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication.

The **Russell 1000 Value Index**, an unmanaged index, measures the performance of those stocks in the Russell 1000 Index with lower price-to-book ratios and lower forecasted growth values.

The **Standard and Poor's (S&P) 500 Index** is an unmanaged list of common stocks that includes 500 large companies.

The **CBOE Volatility Index** (VIX) is a real-time index that represents the market's expectations for the relative strength of near-term price changes of the S&P 500 Index.

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.