

# News Release

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## **Columbia Threadneedle Investments Licenses ActiveShares<sup>SM</sup> Exchange-Traded Fund Structure**

BOSTON – October 15, 2018 – Columbia Threadneedle Investments today announced that it has entered into an agreement with Precidian Investments LLC (“Precidian”) to license Precidian’s ActiveShares<sup>SM</sup> methodology.

The Precidian model, subject to applicable regulatory approvals, would allow Columbia Threadneedle to deliver its actively-managed investment strategies in an ETF without disclosing the ETF’s portfolio holdings daily, as required of actively managed ETFs. Precidian is currently seeking approval from the Securities and Exchange Commission (SEC) for the use of ActiveShares by asset managers.

Dan Beckman, Head of U.S. Product at Columbia Threadneedle, said: “We are committed to product innovation and delivering our best investment management thinking in a range of vehicles to meet client needs. ActiveShares is an innovative structure that has significant potential as a tax-efficient vehicle for our active investment strategies. We value the optionality this license agreement affords us as we develop and enhance our ETF suite.”

Columbia Threadneedle’s ETF suite consists of 12 funds, including both strategic beta and thematic beta offerings, that span U.S. and global equity, emerging market equity and fixed-income strategies. This line-up includes the recently launched Columbia Multi-Sector Municipal Income ETF (NYSE Arca: MUST), the industry’s first strategic beta municipal income ETF.

Columbia Threadneedle joins other leading asset managers in licensing Precidian’s intellectual property. Precidian’s ActiveShares structure seeks to combine the most beneficial aspects of the traditional mutual fund with the efficiencies and flexibilities of an ETF. The patented ETF structure seeks to provide asset managers with the ability to generate alpha without daily disclosure of their proprietary strategies while simultaneously

creating significant improvements in tax efficiency, manager flexibility and lower operating costs. Investors also can enjoy significant benefits associated with intraday access to their money through transactions on regulated exchanges and simplified choice through a single share class.

### **About Precidian Investments**

Precidian Investments is an industry leader in the creation of innovative financial products, specializing in exchange-traded fund (ETF) and mutual fund development, and associated trading and pricing technologies. Precidian designs and develops next-generation tools for the mutual fund industry, ETF providers and leading financial services institutions to meet the needs of today's more sophisticated investors. Expertise in product development, trading, clearance, sales, technology, and securities law enables Precidian to more efficiently design and build cutting-edge financial instruments.

### **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 2,000 people, including over 450 investment professionals based in North America, Europe and Asia, we manage \$482 billion<sup>1</sup> of assets across developed and emerging market equities, fixed income, asset allocation solutions and alternatives.

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

<sup>1</sup>As of June 30, 2018

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The Columbia mutual funds are distributed by Columbia Management Investment Distributors, Inc., member FINRA. Advisory services provided to the Columbia Funds, including the Columbia ETFs, by Columbia Management Investment Advisers, LLC. Columbia Threadneedle Investments (Columbia Threadneedle) is the global brand name of the Columbia and Threadneedle group of companies. The Columbia ETFs are distributed through **ALPS Distributors, Inc.**, member FINRA, which is not affiliated with Columbia Threadneedle or Ameriprise Financial, Inc.

### Important considerations:

**Carefully consider the fund's investment objectives, risk factors and charges and expenses before investing. This and other information can be found in the fund's prospectus, which, for the Columbia ETFs, may be obtained by calling 888.800.4347 or by visiting the fund's website [www.columbiathreadneedleetf.com](http://www.columbiathreadneedleetf.com) to view or download a prospectus and for the Columbia mutual funds may be obtained by calling 800.345.6611 or by visiting the fund's website [www.columbiathreadneedleus.com](http://www.columbiathreadneedleus.com) to view or download a prospectus. Read the prospectus carefully before investing. Investing involves risk, including possible loss of principal.**

Columbia Multi-Sector Municipal Income ETF seeks investment results that, before fees and expenses, closely correspond to the performance of the Beta Advantage® Multi-Sector Municipal Bond Index.

**Investing** involves risks, including the risk of loss of principal. **Market** risk may affect a single issuer, sector of the economy, industry or the market as a whole. Fixed-income securities present **credit** risk, which includes **issuer** default risk. The fund is subject to **municipal securities** risk, which includes the risk that the value of such securities may be affected by state tax, legislative, regulatory, demographic or political conditions/factors, as well as a state's financial, economic or other conditions/factors. The fund may invest materially in a single issuer and, therefore, be more exposed to the risk of loss than a fund that invests more broadly. **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. 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. **Non-investment-grade** (high-yield or junk) securities present greater price volatility and more risk to principal and income than higher rated securities. The fund is **passively managed** and seeks to track the performance of an index. The fund's use of a "**representative sampling**" approach in seeking to track the performance of its index (investing in only some of the components of the index that collectively are believed to have an investment profile similar to that of the index) may not allow the fund to track its index with the same degree of accuracy as would an investment vehicle replicating the entire Index. The fund may not sell a poorly performing security unless it was removed from the **index**. There is no guarantee that the index and, correspondingly, the fund will achieve positive returns. Risk exists that the index provider may not follow its **methodology** for index construction. Errors may result in a negative fund performance. The fund's **net asset value** will generally decline when the market value of its targeted index declines. Although the fund's 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. The fund's **portfolio turnover**, as it seeks to track its index, may cause an adverse expense impact, decreasing the fund's returns relative to the index, which does not bear transactions expenses. There may be additional **portfolio turnover risk** as active market trading of the fund's shares may cause more frequent creation or redemption activities that could, in certain circumstances, including if creation and redemptions units are not affected on an in-kind basis, increase the number of portfolio transactions as well as tracking error to the index and as high levels of transactions increase brokerage and other transaction costs and may result in increased taxable capital gains. 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.

Columbia Multi-Sector Municipal Income ETF is newly organized and does not have an operating history. There is no guarantee that the investment objectives will be achieved or that return expectations will be met.

*ETF shares are not individually redeemable. Investors buy and sell shares on a secondary market. Only market makers or "authorized participants" may trade directly with the Fund(s), typically in blocks of 50,000 shares.*

Shares are not FDIC insured, may lose value and have no bank guarantee.

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