



ColumbiaManagement<sup>SM</sup>

## Columbia Absolute Return Multi-Strategy Funds

Hello, my name is Todd White and I am the Head of Alternative and Absolute Return Investments at Columbia Management. I'm very excited to talk to you about two new funds: the Columbia Absolute Return Multi-Strategy Fund and the Columbia Absolute Return Enhanced Multi-Strategy Fund.

### The case for absolute return

The recent financial crisis was a wake-up call for many investors. They followed a traditional asset allocation strategy. But despite this, they saw their investments suffer substantial declines.

Our absolute return strategies seek to isolate excess returns and limit typical market exposure at the same time. By taking this approach, we believe we can capture positive absolute returns and better mitigate overall risk for investors.

### The Columbia Absolute Return Multi-Strategy Funds

Balancing three key factors to deliver a true absolute return strategy



In these funds we seek to balance three key objectives:

- > Return,
- > Volatility, and
- > Correlation to major markets.

Understanding and managing correlation is critical. In our view, non-correlation is the only true means of diversification.

In developing these new funds, we worked to build products that do not behave like stocks and bonds to help enhance portfolio diversification. We believe investors are looking for a less volatile way to reach their financial goals. Therefore, we are targeting positive returns by using a variety of strategies.

## Two funds to help meet investor needs

The key difference between the two funds is the level of returns and volatility they target.

- > The Columbia Absolute Return Multi-Strategy Fund seeks long-term returns similar to historical averages on investment-grade bonds. The Fund also seeks lower volatility and a low correlation to the broader bond market.
- > The Columbia Absolute Return Enhanced Multi-Strategy Fund seeks long-term returns similar to historical averages on equities. The Fund also seeks lower volatility and a low correlation to the stock market.

We believe these funds represent a different approach to absolute return investing. Instead of focusing solely on generating positive returns, limiting volatility or managing correlation, our funds seek to carefully balance all three of these goals. While many absolute return funds focus attention on just one strategy, our funds employ multiple strategies. To ensure the right mix, we employ an active allocation process and risk management overlay. Lastly, we draw upon the extensive experience and skills of Columbia Management in these portfolios.

## The role of absolute return funds

We believe these funds offer investors a true absolute return solution. By adding the funds to a portfolio, investors have the opportunity to benefit from:

- > Positive absolute return potential,
- > Lower portfolio volatility, and
- > Enhanced diversification through low correlations.

Consider adding Columbia Absolute Return Funds to your portfolio.

Thanks for listening and for more information on the two funds, be sure to visit our web site: [columbiamanagement.com](http://columbiamanagement.com).

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Absolute return funds are not designed to outperform stocks and bonds in strong (upward) markets. There is no guarantee that any investment strategy will be successful or that the Fund's objectives will be achieved.

**Investors should consider the investment objectives, risks, charges and expenses of a mutual fund carefully before investing. For a free prospectus, which contains this and other important information about the funds, visit [columbiamanagement.com](http://columbiamanagement.com). The prospectus should be read carefully before investing.**

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, will not necessarily reflect the views expressed. This information is not intended to provide investment advice and does not account for 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 suitable 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.

Diversification does not assure a profit or protect against loss.

The Absolute Return Multi-Strategy Funds are designed for investors with above-average risk tolerance. Absolute return funds are not designed to outperform stocks and bonds in strong markets. They employ certain techniques designed to help implement asset and investment strategy allocations. The techniques used are also intended to reduce risk and volatility in the portfolio and provide protection against a decline in the Fund's assets. However, there is no guarantee that any investment strategy will be successful or that the Fund's objectives will be achieved. The market value of securities and currencies may fall or fail to rise, or fluctuate, sometimes rapidly or unpredictably. Market risk may affect a single issuer, sector of the economy, industry, or the market as a whole. Due to its active management, the Funds could underperform other mutual funds with

similar investment objectives. They may make short sales, which involves selling a security the Fund does not own in anticipation that the security's price will decline. Short positions introduce more risk than long positions. Leveraging exposes the Fund to greater risks due to unanticipated market movements, which may magnify losses and increase volatility of returns.

The use of derivatives introduces risks possibly greater than the risks associated with investing directly in the investments underlying the derivatives. A relatively small price movement in an underlying security may result in a substantial gain or loss. Investments in foreign securities involve certain risks not associated with investments in U.S. companies, including political, regulatory, economic, social, and other conditions or events occurring in the particular country, as well as fluctuations in its currency and the risks associated with less developed custody and settlement practices. Risks are particularly significant in emerging markets. There are risks associated with fixed income investments, including counterparty credit risk, interest rate risk, and prepayment and extension risk. Counterparty credit risk is the risk that a counterparty becomes bankrupt or otherwise fails to perform its obligations, and the Fund may obtain no or only limited recovery of its investments, and any recovery may be significantly delayed. In general, bond prices rise when interest rates fall and vice versa. This effect is more pronounced for longer-term securities. See the prospectus for more information on these and other risks associated with the Absolute Return Multi-Strategy Funds.

Investment products are not federally or FDIC-insured, are not deposits or obligations of, or guaranteed by any financial institution, and involve investment risks including possible loss of principal and fluctuation in value.

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