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columbiathreadneedle.com

February 14, 2023

Ms. Vanessa Countryman
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Re: Open-End Fund Liquidity Risk Management Programs and Swing Pricing: Form N-PORT Reporting (File No. S7-26-22)

Dear Ms. Countryman,

Columbia Management Investment Advisers, LLC ("Columbia Management") is pleased to have the opportunity to comment on the U.S. Securities and Exchange Commission (the "Commission") proposal (the "Proposal") to amend the requirements around open-end fund liquidity risk management programs, to mandate swing pricing for mutual funds (other than money market funds) and to impose a "hard close" on trade orders for funds required to implement swing pricing.

Columbia Management manages 163 proprietary mutual funds, 11 exchange-traded funds and two closed-end funds, with aggregate net assets of approximately $240B, and an affiliated adviser, Columbia Wanger Asset Management, LLC, manages nine mutual funds with aggregate net assets of approximately $6B. These funds, together the Columbia Funds Complex, follow various investment strategies in a variety of asset classes. They are offered to retail investors, institutional investors, other funds, insurance companies and other intermediaries.

Columbia Management supports the views on the Proposal expressed by the Investment Company Institute (the "ICI") and the Asset Management Group of the Securities Industry and Financial Markets Association ("SIFMA AMG") in their respective comment letters. The purpose of this letter is to highlight certain of these views and urge the Commission to carefully consider the concerns expressed in these letters.

Proposed Changes to Liquidity Risk Management Programs. The Commission seeks to impose a one-size-fits-all approach to liquidity risk management programs that belies the diversity of open-end funds in terms of size, asset classes, shareholder concentration and other unique features that contribute to liquidity risk. We also note that the proposed 10% size assumption is not consistent with our Funds' redemption history, including during times of market stress such as 2008 and March 2020. The 10% daily redemption trading size is many times greater than the daily redemption rate experienced by Columbia Funds even in the worst of the stressed periods during the past 20 years. The Proposal would also completely disregard the liquidity gained through credit facilities and interfund lending programs. The Columbia Funds have access to a credit facility and make use of an interfund lending program that provides a significant source of additional liquidity. The Proposal would not take into account these liquidity resources. The Proposal would unnecessarily cause certain Funds that invest significantly in bank loans, small cap securities and international securities to exceed or approach the 15% cap on illiquid securities despite the real-world liquidity of their portfolios. In particular, the Proposal would force our bank loan Fund to liquidate or engage in costly restructuring,

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despite not facing any issues with meeting redemptions, and would impose an artificial limit on other Columbia Funds' exposure to loans.

Mandated Swing Pricing and Hard Close. The Proposal includes a mandate for swing pricing on open-end funds, other than ETFs and money market funds, and would impose a "hard close" on trade orders for funds required to implement swing pricing. Columbia Management opposes these mandates. Our experience in managing the Columbia Funds Complex does not suggest that such a significant alteration to mutual fund trade processing is warranted. The Proposal would subject mutual fund investors to significant risk of disruption with little potential benefit.

Intermediaries, which represent over 95% of Columbia Fund assets that would be subject to swing pricing, may decide to remove mutual funds from their platforms as a result of the Proposal, leaving their clients to find alternative investments that may not be subject to the same regulatory rigor as mutual funds. Even if our intermediaries decide to incur the cost of supporting swing pricing and a hard close, we expect that many will need to impose an internal cutoff for trade orders. The Columbia Funds Complex would then have two different trade deadlines, one for shareholders investing through intermediaries and another one for direct Fund account owners.

Columbia Management is also concerned about the likelihood of investor confusion with respect to transaction price. Rather than transacting at net asset value, investors will buy and redeem shares at net asset value adjusted for a swing factor triggered by the behavior of other investors. Despite disclosure of the operation of swing pricing, we believe shareholder confusion is inevitable.

Further, Columbia Management underscores the differences between the Proposal and swing pricing in European jurisdictions, as described in the ICI and SIFMA AMG letters. We have discussed the proposed framework with our own affiliated advisers operating in Europe and find that the Proposal differs markedly from current practice overseas and that the European market differs significantly from the U.S. market in a way that makes swing pricing more challenging in the U.S.

The Commission's proposed changes would likely result in fewer choices for retail investors and major cost burdens for funds and the intermediaries that support the availability of these products to millions of households. We encourage the Commission to withdraw the Proposal and engage with stakeholders to fully evaluate the effectiveness of the liquidity risk management rule implemented as well as to further research dilution and whether the issue merits any additional regulatory changes.

Sincerely,

William F. Truscott

President