



**Advisory Brochure  
(Part 2A of Form ADV)**  
for  
**Columbia Cent CLO Advisers, LLC**  
290 Congress Street  
Boston, MA 02210

March 28, 2022

This brochure provides information about the qualifications and business practices of Columbia Cent CLO Advisers, LLC. If you have any questions about the contents of this brochure, please contact us at (800) 225-2365. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Columbia Cent CLO Advisers, LLC is an SEC-registered investment adviser. This registration does not imply a certain level of skill or training. Additional information about Columbia Cent CLO Advisers, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Columbia Threadneedle Investments is the global brand of the Columbia and Threadneedle group of companies, which includes Columbia Cent CLO Advisers, LLC.

### **Material Changes Summary**

This brochure, dated March 28, 2022, has been updated to reflect important information related to changes in our business practices from our last Brochure dated July 30, 2021.

While there have been no material changes to report from the previous amendment, certain routine updates have been made.

A copy of our current Brochure may be requested from your client relationship manager, your financial professional, or by calling (800) 225-2365. Upon request we will provide you with a new Brochure at any time, without charge.

Additional information about Columbia Cent CLO Advisers, LLC is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## **ADVISORY BUSINESS**

Columbia Cent CLO Advisers, LLC (“Columbia Cent CLO Advisers”) was incorporated in Delaware in August 2020 and is a subsidiary of RiverSource Life Insurance Company, which owns 100% of the voting interests of the firm. RiverSource Life Insurance Company is owned by Ameriprise Financial, Inc. (“Ameriprise Financial”). This Brochure describes the investment advisory services offered by Columbia Cent CLO Advisers and the words “we,” “our,” “us,” “the firm,” “our firm,” and similar words mean Columbia Cent CLO Advisers. We are providing this Brochure to persons who receive or who may receive investment advisory services from us in order to ensure compliance with the Investment Advisers Act of 1940, as amended (the “Advisers Act”).

### ***Our General Services***

We offer professional advisory services on a discretionary basis and related services including trading, cash management and reporting. Nearly all of the advisory services we provide involve continuous investment advice based on the stated investment objectives and policies of each client.

We provide discretionary investment advisory services to our clients, which are pooled investment vehicles (the “Funds” or the “Clients”) intended for institutional and other sophisticated investors. In certain cases, the Funds will be organized as issuers of collateralized loan obligations (“CLOs”).

Each CLO issuer issues rated notes (“Senior Notes”) and non-rated notes (“Equity”, and, together with the Senior Notes, the “Notes”) pursuant to the terms and conditions of an indenture (“Indenture”). The Senior Notes issued by each CLO are secured by a portfolio consisting primarily of leveraged loans selected and managed by us. We will provide investment advisory services to the Clients based on each Client’s specific investment objectives and strategies and will generally have broad and flexible investment authority with respect to each Client’s investment portfolio. Our advisory services are generally not tailored to the individual needs of any particular Note holder or investor in a Fund.

Entities managed by us may serve as warehouse or risk retention vehicles for CLOs to accumulate loans intended to be transferred to a CLO upon its launch. Such entities will be capitalized by third parties, us and/or our affiliates.

As of December 31, 2021, the amount of client assets managed (reported as Regulatory Assets Under Management) on a discretionary basis was \$2,706,555,872.

### ***Offering Brands***

In marketing our services to prospective clients, we use Columbia Threadneedle Investments, the global brand of the Columbia and Threadneedle group of companies.

We may also use various other offering brands. Columbia Management Investments is the operating division within our affiliate, Columbia Management Investment Advisers, LLC (“Columbia Management”) that we market to institutional clients. Columbia Management Investments claims compliance with the Global Investment Performance Standards (GIPS®). In accordance with GIPS®, all fee-paying discretionary (as defined by GIPS®) accounts within Columbia Management Investments are included in one or more composites that consist of accounts with similar objectives, strategies and risk tolerances. GIPS® also sets forth requirements for calculating and presenting investment manager performance in a fair and consistent manner.

### ***Services Provided to Non-U.S. Clients***

We may also act as an investment adviser or subadviser and may conduct marketing activity with respect to clients and prospective clients domiciled in foreign jurisdictions in some instances without maintaining regulatory licenses or registrations in those jurisdictions to the extent permitted by applicable law. Clients and prospective clients in these jurisdictions should consider whether the regulatory framework of their own jurisdiction as it applies to them imposes restrictions on hiring an investment adviser that does not hold local regulatory licenses or registrations. Clients and prospective clients should also consider whether the regulatory framework we are subject to provides sufficient protections given that we may not be subject to the regulatory framework they are familiar with in their own jurisdiction.

### ***Global Asset Management***

As we seek to enhance our investment capabilities and the support services provided to our clients, we utilize services from our U.S. affiliate, Columbia Management, which is owned by Ameriprise Financial. We may also utilize services from other U.S. affiliates (together with Columbia Management, “U.S. Advisory Affiliates”) and non-U.S. affiliates (“Non-U.S. Advisory Affiliates” and together with US Advisory Affiliates, “Advisory Affiliates”).

For example, we engage Columbia Management, which is an SEC-registered investment adviser, to provide (jointly or in coordination with us) services relating to client relations, marketing, investment monitoring, account administration, investment research, trading and discretionary investment management (including portfolio management and risk management) to certain of our clients and accounts we manage. In some circumstances, Columbia Management may delegate responsibility for providing those services to another Advisory Affiliate. Under personnel-sharing and other arrangements, our personnel may act on behalf of Columbia Management for purposes of providing some of those services for Columbia Management to its clients, and some of Columbia Management’s personnel may act on behalf of our clients. Certain of our employees and officers are also officers of certain U.S. Advisory Affiliates, and employees and officers of our U.S. Advisory Affiliates are also officers of ours.

In addition, Columbia Management provides certain investment-related support services to us, including, but not limited to, traditional “middle office” and utility functions, such as trade processing, valuation, proxy voting administration and client reporting. Columbia Management also provides technology, finance, compliance, legal, accounting, marketing and other resources and services to us.

### **Potential Conflicts of Interest**

As further detailed below under “Methods of Analysis, Investment Strategies and Risk of Loss”, Columbia Management maintains an internal centralized research function for both equity and fixed-income strategies. Investment research Columbia Management generates is shared with us and certain of our Advisory Affiliates at the same time that research is distributed internally at Columbia Management. In connection with the sharing of relevant investment research among our Advisory Affiliates and, in providing services described above under “Global Asset Management,” investment personnel may have access to nonpublic holdings information of our clients and certain of our Advisory Affiliates’ clients. Portfolio managers of those Advisory Affiliates may decide to act on such research before our own portfolio managers do. The sharing of this information may also lead us and certain of our Advisory Affiliates to place orders in the same securities at the same or different times, if we and those Advisory Affiliates do not have a collaborative arrangement in place for the relevant client accounts.

We have adopted policies and compliance controls that seek to ensure that our clients are treated fairly and equitably with respect to trading and sharing of information among Advisory Affiliates. More information about how we identify, mitigate and manage conflicts of interest can be found throughout this Brochure, and in particular, under “Our Approach to Conflicts of Interest” and “Other Conflicts of Interest”.

## **FEES AND COMPENSATION**

Our investment management fees are generally based on an annual percentage of the value of assets under management, as determined by us in good faith or by a client’s custodian or other administrator. While we seek to reconcile valuations with client custodians and administrators, in situations where fees are calculated based on valuations established by these third parties, it is possible for fees to be higher or lower than the level we would have assessed had we been responsible for calculating the fees based on our internal valuations. Policies relating to our fee practices and representative fee schedules are described below.

### ***General Fee Policies***

#### **Ability to Negotiate Fees**

We may negotiate and charge different fees for different accounts. For example, we may offer discounted fee schedules to certain clients based on the totality of their (and/or their affiliates’) relationship with us and/or our affiliates. The number of accounts managed, the size or asset level of the account(s), the nature of services rendered, the country of domicile, and any special requirements of the account(s) managed are factors typically taken into consideration in making this

determination. For clients with whom we have agreed to give the lowest fee rate charged to any other similarly situated client, all of these factors, including the totality of our relationship with a client and/or its affiliates, may be taken into consideration in determining whether a client is similarly situated to another. We may also consider the impact such arrangements could have on agreements that have previously been entered into with other clients. From time to time we may enter into fixed-fee arrangements with certain clients, such as a situation where we have decided to waive an account minimum.

### ***Policies and Representative Fee Schedules for CLOs***

As the collateral manager to several CLOs, we receive a collateral management fee as set forth in the offering document for each vehicle we manage on a discretionary or non-discretionary basis, which is generally assessed based on the size of the portfolio being managed and which may vary by vehicle. We may also receive a subordinated and/or deferred fee that is contingent upon the vehicle's performance. Fees are pro-rated upon termination; however, performance fees, to the extent accrued but not yet paid, are not pro-rated or refunded. Fee rates are typically negotiated on a case-by-case basis; however, depending on the vehicle, senior collateral management fees are typically paid at an annual rate that ranges currently between 0.10% - 0.20% of the aggregate principal amount of the collateral assets; subordinated fees at an annual rate that ranges currently between 0.15% - 0.30% of the aggregate principal amount of the collateral assets; and performance fees, generally payable based upon the achievement of specified internal rates of return, at a percentage of the available excess residual cash flow. We may also negotiate fee discounts for investors in the lowest tranche of a CLO (often referred to as equity investors because they typically assume any first losses that are incurred by a CLO). Other or alternative fees may apply as well, such as a fee that may be charged in connection with the structuring, warehousing and management of a new CLO.

## **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

### ***Performance-Based Fees***

Qualified CLO Investors may negotiate performance-based fees in compliance with Advisers Act requirements with respect to accounts managed by us. For example, performance fees for the CLOs we manage are generally payable based upon the achievement of specified internal rates of return, at a percentage of the available excess residual cash flow. The performance on which performance-based compensation is calculated will typically include unrealized appreciation and depreciation of investments that may not ultimately be realized.

We believe that performance-based fee arrangements align our interests with the interests of our clients who are subject to those fees. We recognize the structure of these arrangements can create an incentive to favor these accounts in allocating investment opportunities or to make investments that are more speculative than would be the case in the absence of performance-based compensation. We have adopted policies and related controls that seek to mitigate certain conflicts presented by our performance-based fee arrangements.

### ***Management of Multiple Accounts and Multiple Strategies***

Because we manage multiple accounts that have varied investment guidelines and restrictions, from time to time portfolio management teams make differing investment decisions related to the same security. We have adopted a number of policies designed to mitigate these potential conflicts between accounts. The principles governing these policies prohibit a portfolio management team from taking an inconsistent view of the same security for inappropriate purposes (e.g., to seek a profitable trade for one account at the detriment of another) and prohibit front-running and the use of information about one account's activities (e.g., an upcoming long sale) to benefit another account.

Certain of our accounts and the accounts of our Advisory Affiliates may be jointly managed by the same portfolio management team consisting of our employees and one or more employees of an Advisory Affiliate in accordance with client guidelines and applicable law. In these circumstances, lead portfolio managers on the same team but responsible for different client accounts from time to time take an inconsistent view of the same security with respect to our client accounts and the accounts of our Advisory Affiliate.

## **TYPES OF CLIENTS**

We provide investment advisory services to CLOs that issue securities collateralized by a pool of assets, including bank loans and high-yield bonds, to large institutional investors and/or high net worth individuals.

We also may provide investment advisory services to warehouse or risk retention vehicles for CLOs to accumulate loans intended to be transferred to a CLO upon its launch. Such entities will be capitalized by third parties, us and/or our affiliates.

The Clients we manage may be organized as limited partnerships, limited liability corporations, or foreign (non-U.S.) entities, among other legal forms.

We will provide investment advisory services directly to the CLOs and will generally have broad and flexible investment authority with respect to each CLO's investment portfolio. Our advisory services are generally not tailored to the individual needs of any particular Note holder or investor in a CLO.

Minimum investment amounts are set forth in the relevant offering document for each vehicle we manage.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### ***Methods of Analysis***

The primary methods of analysis we employ are (i) bottom-up, in-house fundamental credit research to guide credit selection, (ii) active portfolio management to exploit inefficiencies and varying market conditions, (iii) fundamental industry analysis, and (iv) focus on downside risk management. We may also use other methods of analysis such as quantitative analysis (i.e., the analysis and interpretation of numerical, measurable characteristics), technical analysis (charting) and cyclical analysis.

Columbia Management maintains an internal centralized research function for both equity and fixed income. Investment analysts who are responsible for centralized research provide their views on specific issuers and securities internally for general consumption by our analysts and portfolio managers, as well as to investment personnel of certain of our Advisory Affiliates (see "Global Asset Management", above). Equity analysts that are tied to specific portfolio management teams or strategies generally do not provide their research internally in this manner but from time to time share their investment views with our investment personnel (including personnel at certain of our Advisory Affiliates) via email or other form of communication. In addition, certain of our and Columbia Management's research analysts have portfolio management responsibilities that may create potential conflicts of interest with respect to the allocation of investment research. We have adopted policies and related controls to manage these conflicts.

The material risks involved for the investment strategies that we offer to our Clients are set forth below.

### ***Risk of Loss***

Investing in securities involves risk of loss that clients should be prepared to bear. Each investment strategy is subject to certain specific risks, some are which are material, and others less so. We utilize the investment strategies and methods of analysis to seek to achieve each portfolio's investment objective. The investment decisions we make may not produce the expected returns, may cause the portfolio to lose value or may cause the portfolio to underperform other portfolios with similar investment objectives. There is no assurance that a portfolio's objective will be achieved, and investors could lose money. In addition, there can be no assurance that a specific portfolio manager or other investment professional will continue to support a particular investment strategy.

Below, we have listed the material risks for our investment strategies and other challenges and risks associated with the investment management industry and regulatory uncertainty. Other risks that are not material also apply. A description of risks relevant to a Client can be found in the applicable offering documentation for each CLO that we manage.



**Issuer risk.** Issuer risk is the risk that an issuer of a security in which a portfolio invests or to which it has exposure may perform poorly or below expectations, and therefore, the value of its securities may therefore decline, which may negatively affect a portfolio's performance. Underperformance of an issuer may be caused by poor management decisions, competitive pressures, breakthroughs in technology, reliance on suppliers, labor problems or shortages, corporate restructurings, fraudulent disclosures, natural disasters, military confrontations, war, terrorism, disease/virus outbreaks, epidemics or other events, conditions and factors which may impair the value of a portfolio.

**Market risk.** Market risk is the risk that a client portfolio may incur losses due to declines in the value of one or more securities in which it invests. These declines may be due to factors affecting a particular issuer, or the result of, among other things, political, regulatory, market, economic or social developments affecting the relevant market(s) more generally. In addition, turbulence in financial markets and reduced liquidity in equity, credit and/or fixed income markets may negatively affect many issuers, which could adversely affect a client portfolio, including causing difficulty in assigning prices to hard-to-value assets in thinly traded and closed markets, significant redemptions and operational challenges. Global economies and financial markets are increasingly interconnected, and conditions and events in one country, region or financial market may adversely impact issuers in a different country, region or financial market. These risks may be magnified if certain events or developments adversely interrupt the global supply chain; in these and other circumstances, such risks might affect companies worldwide. As a result, local, regional or global events such as terrorism, war, natural disasters, disease/virus outbreaks and epidemics or other public health issues, recessions, depressions or other events – or the potential for such events – could have a significant negative impact on global economic and market conditions.

The large-scale invasion of Ukraine by Russia in February 2022 has resulted in sanctions and market disruptions, including declines in regional and global stock and commodities markets and significant devaluations of Russian currency. The extent and duration of the military action are impossible to predict but could be significant. Market disruption caused by the Russian military action, and any counter measures or responses thereto (including international sanctions, a downgrade in the country's credit rating, purchasing and financing restrictions, boycotts, tariffs, changes in consumer or purchaser preferences, cyberattacks and espionage) could have a severe adverse impact on regional and/or global securities and commodities markets, including markets for oil and natural gas. These and other related events could have a negative impact on Fund performance and the value of an investment in the Fund.

The coronavirus disease 2019 and its variants ("COVID-19") pandemic has resulted in, and may continue to result in, significant global economic and societal disruption and market volatility due to disruptions in market access, resource availability, facilities operations, imposition of tariffs, export controls and supply chain disruption, among others. Such disruptions may be caused, or exacerbated by, quarantines and travel restrictions, workforce displacement and loss in human and other resources. The uncertainty surrounding the magnitude, duration, reach, costs and effects of the global pandemic, as well as actions that have been or could be taken by governmental authorities or other third parties, present unknowns that are yet to unfold. The impacts, as well as the uncertainty over impacts to come, of COVID-19 – and any other infectious illness outbreaks, epidemics and pandemics that may arise in the future – could negatively affect global economies and markets in ways that cannot necessarily be foreseen. In addition, the impact of infectious illness outbreaks and epidemics in emerging market countries may be greater due to generally less established healthcare systems, governments and financial markets. Public health crises caused by the COVID-19 outbreak may exacerbate other pre-existing political, social and economic risks in certain countries or globally. The disruptions caused by COVID-19 could prevent a client portfolio from executing advantageous investment decisions in a timely manner and negatively impact the portfolio's ability to achieve its investment objective. Any such event(s) could have a significant adverse impact on the value and risk profile of a client portfolio.

**Active Management Risk.** Due to its active management, a portfolio could underperform other portfolios with similar investment objectives and/or strategies.

**Confidential Information Access Risk.** Portfolio managers may avoid the receipt of material, non-public information (Confidential Information) about the issuers of floating rate loans (including from the issuer itself) being considered for acquisition by a portfolio or held in a portfolio. A decision not to receive Confidential Information may disadvantage a portfolio and could adversely affect a portfolio's performance.

**Counterparty Risk.** Counterparty risk is the risk that a counterparty to a transaction in a financial instrument held by a portfolio or by a special purpose or structured vehicle invested in by a portfolio may become insolvent or otherwise fail to

perform its obligations. As a result, a portfolio may obtain no or limited recovery of its investment and any recovery may be significantly delayed.

**Credit Risk – Bank Loans.** Credit risk is the risk that the value of loans or other debt instruments may decline if the borrower or the issuer thereof defaults or otherwise becomes unable or unwilling, or is perceived to be unable or unwilling, to honor its financial obligations, such as making payments to a portfolio when due. Credit rating agencies assign credit ratings to certain loans and debt instruments to indicate their credit risk. Unless otherwise provided, investment grade debt instruments are those rated at or above BBB- by S&P Global Ratings, or equivalently rated by Moody's Investors Service, Inc. or Fitch Ratings, Inc. or, if unrated, determined by the management team to be of comparable quality. Conversely, below investment grade (commonly called "high yield" or "junk") debt instruments are those rated below BBB- by S&P Global Ratings, or equivalently rated by Moody's Investors Service, Inc. or Fitch Ratings, Inc. or, if unrated, determined by the management team to be of comparable quality. A rating downgrade by such agencies can negatively impact the value of such instruments. Lower quality or unrated loans or instruments held by a portfolio may present increased credit risk as compared to higher-rated loans or instruments. Non-investment grade loans or debt instruments may be subject to greater price fluctuations and are more likely to experience a default than investment grade loans or debt instruments and therefore may expose a portfolio to increased credit risk.

**Foreign Securities Risk.** Investments in or exposure to foreign companies involve certain risks not associated with investments in or exposure to securities of U.S. companies. Investing in foreign companies subjects a portfolio to the risks associated with issuers (and any of its related companies') country of organization and places of business operations and exposures, including political, regulatory, economic, social, diplomatic and other conditions or events (including, for example, military confrontations, war, terrorism and disease/virus outbreaks and epidemics), occurring in the country or region, as well as risks associated with less developed custody and settlement practices. Foreign securities may be more volatile and less liquid than securities of U.S. companies, and are subject to the risks associated with potential imposition of economic and other sanctions against a particular foreign country, its nationals or industries or businesses within the country. In addition, foreign governments may impose withholding or other taxes on a portfolio's income, capital gains or proceeds from the disposition of foreign securities, which could reduce a portfolio's return on such securities.

**Frequent Trading Risk.** The portfolio managers may actively and frequently trade investments in a portfolio to carry out its investment strategies. Frequent trading of investments increases the possibility that a portfolio, as relevant, will realize taxable capital gains (including short-term capital gains, which are generally taxable at higher rates than long-term capital gains for U.S. federal income tax purposes), which could reduce a portfolio's after-tax return. Frequent trading can also mean higher brokerage and other transaction costs, which could reduce a portfolio's return. The trading costs and tax effects associated with portfolio turnover may adversely affect its performance.

**Highly Leveraged Transactions Risk.** The loans or other debt instruments in which a portfolio invests may include highly leveraged transactions whereby the borrower assumes large amounts of debt in order to have the financial resources to attempt to achieve its business objectives. Loans or other debt instruments that are part of highly leveraged transactions involve a greater risk (including default and bankruptcy) than other investments.

**High-Yield Investments Risk.** Securities and other debt instruments held by a portfolio that are rated below investment grade (commonly called "high-yield" or "junk" bonds) and unrated debt instruments of comparable quality expose a portfolio to a greater risk of loss of principal and income than a strategy that invests solely or primarily in investment grade debt instruments. In addition, these investments have greater price fluctuations, are less liquid and are more likely to experience a default than higher-rated debt instruments. High-yield debt instruments are considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal.

**Impairment of Collateral Risk.** The value of collateral, if any, securing a loan can decline, and may be insufficient to meet the borrower's obligations or difficult or costly to liquidate. In addition, a portfolio's access to collateral may be limited by bankruptcy or other insolvency laws. Further, certain floating rate and other loans may not be fully collateralized and may decline in value.

**Interest Rate Risk.** Interest rate risk is the risk of losses attributable to changes in interest rates. In general, if prevailing interest rates rise, the values of debt instruments tend to fall, and if interest rates fall, the values of debt instruments tend to

rise. Changes in the value of a debt instrument usually will not affect the amount of income a portfolio receives from it but will generally affect the value of an investor's investment in a portfolio. Changes in interest rates may also affect the liquidity of a portfolio's investments in debt instruments. In general, the longer the maturity or duration of a debt instrument, the greater its sensitivity to changes in interest rates. Interest rate declines also may increase prepayments of debt obligations, which, in turn, would increase prepayment risk. Very low or negative interest rates may impact a portfolio's yield and may increase the risk that, if followed by rising interest rates, a portfolio's performance will be negatively impacted. A portfolio is subject to the risk that the income generated by its investments may not keep pace with inflation. Actions by governments and central banking authorities can result in increases or decreases in interest rates. Higher periods of inflation could lead such authorities to raise interest rates. Such actions may negatively affect the value of debt instruments held by a portfolio, resulting in a negative impact on a portfolio's performance. Any interest rate increases could cause the value of a portfolio's investments in debt instruments to decrease.

**Leverage Risk.** Leverage occurs when a portfolio increases its assets available for investment using borrowings, derivatives, or similar instruments or techniques. Use of leverage can produce volatility and may exaggerate changes in a portfolio's value and in the return of a portfolio, which may increase the risk that a portfolio will lose more than it has invested. If a portfolio uses leverage, through the purchase of particular instruments such as derivatives, a portfolio may experience capital losses that exceed the net assets of a portfolio. Leverage can create an interest expense that may lower a portfolio's overall returns. Leverage presents the opportunity for increased net income and capital gains, but may also exaggerate a portfolio's volatility and risk of loss. There can be no guarantee that a leverage strategy will be successful.

**LIBOR Replacement Risk.** The elimination of London Inter-Bank Offered Rate (LIBOR), among other "inter-bank offered" reference rates, may adversely affect the interest rates on, and value of, certain portfolio investments for which the value is tied to LIBOR. The U.K. Financial Conduct Authority and the ICE Benchmark Administration have since announced that a majority of U.S. dollar LIBOR settings will cease publication after June 30, 2023. It is possible that a subset of LIBOR settings will be published after this date on a "synthetic" basis, but any such publications would be considered non-representative of the underlying market. Markets are slowly developing in response to these new reference rates. Uncertainty related to the liquidity impact of the change in rates, and how to appropriately adjust these rates at the time of transition, poses risks for the portfolio. These risks are likely to persist until new reference rates and fallbacks for both legacy and new instruments and contracts are commercially accepted and market practices become more settled. Alternatives to LIBOR have been established or are in development in most major currencies including the Secured Overnight Financing Rate (SOFR) that is intended to replace U.S. dollar LIBOR.

**Liquidity Risk.** Liquidity risk is the risk associated with any event, circumstance, or characteristic of an investment or market that negatively impacts a portfolio's ability to sell, or realize the proceeds from the sale of, an investment at a desirable time or price. Liquidity risk may arise because of, for example, a lack of marketability of the investment, which means that when seeking to sell its investments, a portfolio could find that selling is more difficult than anticipated, especially during times of high market volatility. Market participants attempting to sell the same or a similar instrument at the same time as a portfolio could exacerbate a portfolio's exposure to liquidity risk. A portfolio may have to accept a lower selling price for the holding, sell other, liquid or more liquid, investments that it might otherwise prefer to hold (thereby increasing the proportion of its investments in less liquid or illiquid securities), or forego another more appealing investment opportunity. The liquidity of a portfolio's investment may change significantly over time and certain investments that were liquid when purchased by a portfolio may later become illiquid, particularly in times of overall economic distress. Changing regulatory, market or other conditions or environments (for example, the interest rate or credit environments) may also adversely affect the liquidity and the price of a portfolio's investments. Judgment plays a larger role in valuing illiquid or less liquid investments as compared to valuing liquid or more liquid investments. Price volatility may be higher for illiquid or less liquid investments as a result of, for example, the relatively less frequent pricing of such securities (as compared to liquid or more liquid investments). Generally, the less liquid the market at the time a portfolio sells a portfolio investment, the greater the risk of loss or decline of value to a portfolio.

**Loan Assignment/Loan Participation Risk.** If a bank loan is acquired through an assignment, a portfolio may not be able to unilaterally enforce all rights and remedies under the loan and with regard to any associated collateral. If a bank loan is acquired through a participation, a portfolio generally will have no right to enforce compliance by the borrower with the terms of the loan agreement, and a portfolio may not benefit from the collateral supporting the debt obligation in which it

has purchased the participation. As a result, a portfolio will be exposed to the credit risk of both the borrower and the institution selling the participation.

**Loan Interests Risk.** Loan interests may not be considered “securities,” and purchasers therefore may not be entitled to rely on the anti-fraud protections of the federal securities laws. Loan interests generally are subject to restrictions on transfer, and a portfolio may be unable to sell its loan interests at a time when it may otherwise be desirable to do so or may be able to sell them only at prices that are less than what it regards as their fair market value. Accordingly, loan interests may at times be illiquid. Loan interests may be difficult to value and typically have extended settlement periods (generally greater than 7 days). In seeking to meet liquidity demands, a portfolio could be forced to sell investments at unfavorable prices, or borrow money or effect short settlements when possible, in an effort to generate sufficient cash. Those actions in this regard may not be successful. Interests in loans made to finance highly leveraged companies or transactions, such as corporate acquisitions, may be especially vulnerable to adverse changes in economic or market conditions. Interests in loans created to finance highly leveraged companies or transactions, such as corporate acquisitions, may be especially vulnerable to adverse changes in economic or market conditions. Interests in secured loans have the benefit of collateral and, typically, of restrictive covenants limiting the ability of the borrower to further encumber its assets. There is a risk that the value of any collateral securing a loan in which a portfolio has an interest may decline and that the collateral may not be sufficient to cover the amount owed on the loan. In the event the borrower defaults, a portfolio’s access to the collateral may be limited or delayed by bankruptcy or other insolvency laws. Further, there is a risk that a court could take action with respect to a loan that is adverse to the holders of the loan, and a portfolio, to enforce its rights in the event of a default, bankruptcy or similar situation, may need to retain legal or similar counsel. This may increase a portfolio’s operating expenses and adversely affect its return. Loans that have a lower priority for repayment in an issuer’s capital structure may involve a higher degree of overall risk than more senior loans of the same borrower. In the event of a default, second lien secured loans will generally be paid only if the value of the collateral exceeds the amount of the borrower’s obligations to the first lien secured lenders, and the remaining collateral may not be sufficient to cover the full amount owed on the loan in which a portfolio has an interest. A portfolio may acquire a participation interest in a loan that is held by another party. When a portfolio’s loan interest is a participation, it may have less control over the exercise of remedies than the party selling the participation interest, and it normally would not have any direct rights against the borrower.

**Money Market Fund Investment Risk.** An investment in a money market fund is not a bank deposit and is not insured or guaranteed by any bank, the FDIC or any other government agency. Certain money market funds float their NAV while others seek to preserve the value of investments at a stable NAV (typically, \$1.00 per share). An investment in a money market fund, even an investment in a fund seeking to maintain a stable NAV per share, is not guaranteed and it is possible to lose money by investing in these and other types of money market funds. If the liquidity of a money market fund’s portfolio deteriorates below certain levels, the money market fund may suspend redemptions (i.e., impose a redemption gate) and thereby prevent a portfolio from selling its investment in the money market fund or impose a fee of up to 2% on amounts a portfolio redeems from the money market fund (i.e., impose a liquidity fee). These measures may result in an investment loss or prohibit a portfolio from redeeming shares when the portfolio manager would otherwise redeem shares. In addition to the fees and expenses that a portfolio directly bears, a portfolio indirectly bears the fees and expenses of any money market funds in which it invests, including affiliated money market funds. By investing in a money market fund, a portfolio will be exposed to the investment risks of the money market fund in direct proportion to the amount of its investment. To the extent a portfolio invests in instruments such as derivatives, the portfolio may hold investments, which may be significant, in money market fund shares to cover its obligations resulting from the portfolio’s investments in derivatives. Money market funds and the securities they invest in are subject to comprehensive regulations. The enactment of new legislation or regulations, as well as changes in interpretation and enforcement of current laws, may affect the manner of operation, performance and/or yield of money market funds.

**Prepayment and Extension Risk.** Prepayment and extension risk is the risk that a loan, bond or other security or investment might, in the case of prepayment risk, be called or otherwise converted, prepaid or redeemed before maturity and, in the case of extension risk, that the investment might not be called as expected. In the case of prepayment risk, if the investment is converted, prepaid or redeemed before maturity, a portfolio manager may not be able to invest the proceeds in other investments providing as high a level of income, resulting in a reduced yield to a portfolio. In the case of mortgage- or asset-backed securities, as interest rates decrease or spreads narrow, the likelihood of prepayment increases. Conversely, extension risk is the risk that an unexpected rise in interest rates will extend the life of a mortgage- or asset-backed security beyond

the prepayment time. If a portfolio's investments are locked in at a lower interest rate for a longer period of time, a portfolio manager may be unable to capitalize on securities with higher interest rates or wider spreads.

**Reinvestment Risk.** Reinvestment risk arises when a portfolio is unable to reinvest income or principal at the same or at least the same rate of return it is currently earning.

**Rule 144A and Other Exempted Securities Risk.** A portfolio may invest in privately placed and other securities or instruments exempt from SEC registration (collectively "private placements"). In the U.S. market, private placements are typically sold only to qualified institutional buyers, or qualified purchasers, as applicable. An insufficient number of buyers interested in purchasing private placements at a particular time could adversely affect the marketability of such investments and a portfolio might be unable to dispose of them promptly or at reasonable prices, subjecting a portfolio to liquidity risk. A portfolio may invest in private placements determined to be liquid as well as those determined to be illiquid. Even if determined to be liquid, a portfolio's holdings of private placements may increase the level of portfolio illiquidity if eligible buyers are unable or unwilling to purchase them at a particular time. Issuers of Rule 144A eligible securities are required to furnish information to potential investors upon request. However, the required disclosure is much less extensive than that required of public companies and is not publicly available since the offering is not filed with the SEC. Further, issuers of Rule 144A eligible securities can require recipients of the information (such as a portfolio) to agree contractually to keep the information confidential, which could also adversely affect a portfolio's ability to dispose of the security.

### **Additional Risks**

The following risk descriptions are designed to help clients anticipate some of the challenges and risks associated with the asset management industry today. Clients should speak with their consultants or other financial advisors for more information regarding these and other risks associated with making an investment. When we provide advisory services to a client, we are serving as an investment manager only with respect to those assets we manage and not with respect to the client's other assets or with an eye towards the client's overall financial situation.

#### **Counterparty Arrangements**

We enter into many counterparty arrangements in connection with our asset management business. These arrangements support our trading, custody and investment activities, and some of the counterparties we use have relationships with our affiliates as well. Reliable counterparty arrangements and the ability to assess counterparty risks have become a critical part of our day-to-day operations and we endeavor to manage these risks in accordance with our fiduciary duty to clients. While we seek to manage these risks, exposure to counterparty failures, including bankruptcies and defaults, is sometimes unavoidable and can result in sudden and unanticipated shocks to our operations or investments resulting from the inability to carry out transactions or satisfy liquidity demands.

#### **Cybersecurity Breaches, Systems Failure and Other Business Disruptions Risks**

A client portfolio and its service providers, including Columbia Cent CLO Advisers and its affiliates, the client portfolio's custodian and other service providers, as well as all their underlying service providers (collectively, the "Service Providers"), are heavily dependent on their respective employees, agents and other personnel ("Personnel") and proprietary and third-party technology and infrastructure and related business, operational and information systems, networks, computers, devices, programs, applications, data and functions (collectively, "Systems") to perform necessary business activities. The Systems and Personnel that a client portfolio and the Service Providers rely upon may be vulnerable to significant disruptions and failures, including those relating to or arising from cybersecurity breaches (including intentional acts, e.g., cyber-attacks, hacking, phishing scams, and unauthorized payment requests, and unintentional events or activity), Systems malfunctions, user error, conduct (or misconduct) of or arising from Personnel, Systems remote access (particularly important given the increased use of technologies such as the internet to conduct business), or other events or circumstances – whether foreseeable, unforeseeable, or beyond our control, such as acts of war, terrorism, natural disaster, widespread disease, pandemic or other public health crises. These types of events may result in, among other things, quarantines and travel restrictions, workforce displacement and loss or reduction in Personnel and other resources. In the above circumstances, a client portfolio and the Service Providers' operations may be significantly impacted, or even temporarily halted. **A client portfolio's securities market counterparties may face the same or similar systems failure, cybersecurity breaches and other business disruptions risks.**

Systems and Personnel disruptions and failures, particularly cybersecurity breaches, may result in (i) proprietary or confidential information or data being lost, withheld for ransom, misused, destroyed, stolen, released, corrupted or rendered unavailable, including personal client information (and that of beneficial owners), (ii) unauthorized access to Systems and loss of operational capacity, including from, for example, denial-of-service attacks (i.e., efforts to make network services unavailable to intended users), and (iii) the misappropriation of client assets or sensitive information. Any such events could negatively impact Service Provider Systems and may have significant adverse impacts on our clients.

Systems and Personnel disruptions and failures and cybersecurity breaches may cause delays or mistakes in materials provided to clients and may also interfere with, or negatively impact, the processing of securities transactions, pricing of investments, and trading within our clients' portfolios, while causing or subjecting us to potential financial losses as well as additional compliance, legal, and operational costs. Such events could negatively impact our clients and affect the business, financial condition and performance or results of operations of us and the Service Providers.

The trend toward broad consumer and general public notification of Systems failures and cybersecurity breaches could exacerbate the harm to our clients and our business, financial condition and performance or results of operations. Even if we successfully protect our Systems from failures or cybersecurity breaches, we may incur significant expenses in connection with our responses to any such events, as well as the need for adoption, implementation and maintenance of appropriate security measures. We could also suffer harm to our business and reputation if attempted or actual cybersecurity breaches are publicized. We cannot be certain that evolving threats from cyber-criminals and other cyber-threat actors, exploitation of new vulnerabilities in our Systems, or other developments, or data thefts, System break-ins or inappropriate access will not compromise or breach the technology or other security measures protecting our Systems.

We continue to encounter and seek to address threats of business disruption associated with Systems failure. The experiences of Ameriprise Financial and its affiliates with Systems failures, cybersecurity breaches and technology threats have included, as examples, phishing scams, introductions of malware, attempts at electronic break-ins, and unauthorized payment requests. Systems failures and cybersecurity breaches may be difficult to detect, may go undetected for long periods or may never be detected. The impact of such events may be compounded over time. Although we evaluate the materiality of Systems failures and cybersecurity breaches detected, we may conclude that some such events are not material and may choose not to address them. Such conclusions may not prove to be correct.

Although we have established business continuity/disaster recovery plans and systems ("Continuity and Recovery Plans") designed to prevent or mitigate the effects of Systems and Personnel disruptions and failures and cybersecurity breaches, there are inherent limitations in Continuity and Recovery Plans. These limitations include the possibility that certain risks have not been identified or that Continuity and Recovery Plans might not – despite testing and monitoring – operate as designed, be sufficient to stop or mitigate negative impacts, including financial losses, or otherwise be unable to achieve their objectives. We and our clients could be negatively impacted as a result. We and our affiliates have systematically implemented strategies to address the operating environment spurred by the COVID-19 pandemic. Our operations teams seek to operate without significant disruptions in service. Our pandemic strategy takes into consideration that a pandemic could be widespread and may occur in multiple waves, affecting different communities at different times with varying levels of severity. We cannot, however, predict the impact that natural or man-made disasters, including the COVID-19 pandemic, may have on the ability of it, our employees and third-party service providers to continue ordinary business operations and technology functions over near- or longer-term periods. In addition, we cannot control the Continuity and Recovery Plans of the Service Providers. As a result, there can be no assurance that we or our clients will not suffer financial losses relating to Systems or Personnel disruptions or failures or cybersecurity breaches affecting them or us in the future.

Systems and Personnel disruptions and failures and cybersecurity breaches may necessitate significant investment to repair or replace impacted Systems. In addition, we may incur substantial costs for risk management in connection with failures or interruptions of Systems, Personnel, Continuity and Recovery Plans and cybersecurity defense measures in order to attempt to prevent any such events or incidents in the future, which, if they should occur, may be prolonged, negatively impacting business operations.

Any insurance or other risk-shifting tools available to us in order to manage or mitigate the risks associated with Systems and Personnel disruptions and failures and cybersecurity breaches are generally subject to terms and conditions such as deductibles, coinsurance, limits and policy exclusions, as well as risk of counterparty denial of coverage, default or insolvency. While Ameriprise Financial and its affiliates maintain cyber liability insurance that provides both third-party liability and first-party liability coverages, this insurance may not be sufficient to protect us against all losses. In addition,

contractual remedies may not be available with respect to Service Providers or may prove inadequate if available (e.g., because of limits on the liability of the Service Providers) to protect against all losses.

Stock and other market exchanges, financial intermediaries, issuers of, and counterparties to, a portfolio's investments and, in the case of ETFs, market makers and authorized participants, also may be adversely impacted by Systems and Personnel disruptions and failures and cybersecurity breaches, in their own businesses, subjecting them to the risks described here, as well as other additional or enhanced risks particular to their businesses, which could result in losses to a client portfolio. Issuers of securities or other instruments in which we invest on behalf of clients may also experience Systems and Personnel disruptions and failures and cybersecurity breaches, which could result in material adverse consequences for such issuers, which may cause client portfolios' investment in such issuers to lose money.

### **Implementation Risk**

Disorderly market conditions or periods of market stress may make it difficult or impossible for us to pursue an investment strategy or objective. During these periods, it may be difficult or impossible to buy or sell investments at certain prices or at all. Moreover, volatility or events associated with markets, sectors or issuers may make it difficult to implement certain policies and procedures designed to ensure equal treatment among client accounts. For example, while our trading procedures are designed to ensure equal treatment among all clients, volatility on any given day may cause clients to receive materially different prices on the same securities. This may create performance dispersions among accounts with the same or similar investment mandate.

### **Investing Defensively**

When authorized by the client, we may from time to time seek to take temporary defensive investment positions that may be inconsistent with the principal investment strategy of a client account in attempting to respond to adverse market, economic, political, and social or other conditions. These temporary defensive investment positions may include, but are not limited to; (i) investing some or all of the client account assets in money market instruments or shares of affiliated or unaffiliated money market funds, (ii) holding some or all of the client account assets in cash or cash equivalents, or (iii) investing in derivatives, such as futures (e.g., index futures) or options on futures, for various purposes, including among others, investing in particular derivatives to achieve indirect investment exposures to a sector, country or region where we believe such defensive positioning is appropriate. While a client account is so positioned defensively, derivatives could comprise a substantial portion of the account's investments.

See above for more information on the risks of investing in derivatives. A client account may not achieve its investment objective while it is investing defensively. During these times, a portfolio manager may make frequent portfolio holding changes, which could result in increased trading expenses and taxes, and decreased investment performance.

Where a client does not authorize the temporary defensive strategies described above, the client account will not achieve any potential benefits that other clients may achieve who have granted us the flexibility to employ temporary defensive strategies for their account. Further, where a client is not able to or does not authorize the use of certain derivative instruments, the temporary defensive strategies may be implemented less effectively and at greater cost to the client than if derivative instruments were employed in the account.

### **No Guarantee of Performance**

All investments involve risk (the amount of which may vary significantly), and investment performance can never be predicted or guaranteed, even when employing very conservative strategies such as those employed by money market mutual funds or other accounts that seek preservation of capital. The market value of client assets will fluctuate due to market conditions and other factors, such as liquidity and volatility. The assumptions associated with certain investment strategies that are derived and tested over longer periods (e.g., quantitative strategies) may not be meaningful, and such strategies may demonstrate relative weakness, during periods of unprecedented market conditions, since, by definition, those conditions may not be reflected in any historical data or research conducted to create the strategies.

### **Regulatory Risk — Banking.**

Ameriprise Financial, the ultimate parent company of ours, is a savings and loan holding company and a financial holding company ("FHC") and therefore, along with its direct and indirect subsidiaries, subject to regulation and supervision by the Board of Governors of the Federal Reserve System (the "Federal Reserve") and to the provisions of, and regulations under, certain U.S. banking laws, such as the Homeowner's Loan Act, the Bank Holding Company Act (including the rules and

regulations created thereunder, the “BHCA”) and the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”). The BHCA and the Dodd-Frank Act (and other applicable banking laws, and their interpretation and administration by the appropriate regulatory agencies, including but not limited to the Federal Reserve, collectively “Banking Law”) may restrict the transactions and relationships among Ameriprise Financial, its affiliates (including us) and our clients, and may restrict our investments, transactions and operations.

For example, under the BHCA (including rules and regulations promulgated thereunder), positions held by Ameriprise Financial and its affiliates for client and proprietary accounts may need to be aggregated with positions held by clients of ours and our affiliates. The BHCA may also impose a cap on the amount of a position that may be held where such a cap otherwise would not exist or that is lower for us than it would be for an entity not subject to the BHCA. In this case, where the BHCA imposes a cap on the amount of a position that may be held, we may be required to limit or prevent the purchasing of additional shares that we otherwise would prefer to purchase. If there is an inadvertent breach and/or a change in the number of outstanding shares in an issuer, we also may be required to liquidate certain positions we otherwise would prefer to hold in order to comply with such limitation.

Under the BHCA, if we or an affiliate were deemed to “control” a CLO managed by us, investments by such CLO would be subject to limitations under the BHCA that are substantially similar to those applicable to Ameriprise Financial and its affiliates. Such limitations would place certain restrictions on the CLO’s equity investments in non-financial companies, and may restrict or affect the actions and decisions with respect to the investments, transactions and operations of the CLO.

The Dodd-Frank Act added Section 13 to the BHCA and its implementing regulations (together the “Volcker Rule”) under which a “banking entity” (including us and our affiliates) is restricted from engaging in proprietary trading activities or acquiring or retaining an equity, partnership or other ownership interest in, or sponsoring, a “covered fund” (which is defined to include certain pooled investment vehicles) unless the investment or activity is conducted in accordance with an exclusion or exemption. The Volcker Rule may impact the processes by which Columbia Cent CLO Advisers and its affiliates seed, invest in and operate certain of its funds, including the CLOs.

The CLOs managed by Columbia Cent CLO Advisers intend to qualify for the “loan securitization” exclusion, which applies to an asset backed security issuer the assets of which, in general, consist only of loans, assets or rights (including certain types of securities) designed to assure the servicing or timely distribution of proceeds to holders or that are related or incidental to purchasing or otherwise acquiring and holding the loans. The requirements imposed on the CLOs in order to qualify for the loan securitization exclusion may limit or reduce the returns available to investors of the CLOs. If a CLO were determined not to qualify for the “loan securitization” exclusion under the Volcker Rule or were otherwise determined to be a “covered fund” for purposes of that rule, there would be limitations on the ability of banking entities to purchase or retain any class deemed to be “ownership interests” under the rule. Further, if a CLO were determined to be a “banking entity” under the rule, there may be limitations on the CLO’s trading activities in certain security types.

The Volcker Rule’s asset management exemption permits a banking entity, such as us, to invest in or sponsor a covered fund, subject to satisfaction of certain requirements, which include, among other things, that a banking entity only hold a de minimis interest (no more than 3%) in the covered fund and that only directors and employees directly engaged in providing investment advisory or other qualifying services to the covered fund are permitted to invest.

There can be no assurance that the bank regulatory requirements applicable to Ameriprise Financial and/or its affiliates will not change, or that any change will not have a material adverse effect on the investments and/or investment performance of our clients.

### **Resource Constraints**

Unfavorable market conditions and budget constraints may impact our ability to retain or attract talented employees or allocate resources as we otherwise would during periods of economic stability. Moreover, the inherent conflict of interest associated with certain arrangements (e.g., the receipt of research in exchange for client commissions) is heightened when our business is under pressure to reduce overhead expenses in response to market conditions that impact our revenues. While we may make resource allocations designed to streamline or bring more efficiency to our operations during periods of economic stress, we will not compromise our fiduciary standards or compliance with our policies and procedures that are reasonably designed to prevent violations.



### **Segregated Account Advantages**

Investors in pooled vehicles may wish to consider the different levels of liquidity and transparency provided to segregated account owners pursuing the same investment strategy as a pooled vehicle. Greater visibility and access to underlying holdings could allow a segregated account holder to implement strategies (e.g., hedging techniques) that could prove disadvantageous to pooled fund vehicles or their investors. It is our current policy to seek representations from segregated account clients indicating that they are establishing and will be maintaining their accounts solely for the purpose of investing and not with a view to effecting securities transactions based upon such information or providing such information to another party.

### **Terrorism, War, Natural Disaster and Epidemic Risk.**

Terrorism, war, military confrontations and related geopolitical events (and their aftermath) have led, and in the future may lead, to increased short-term market volatility and may have adverse long-term effects on U.S. and world economies and markets generally. Likewise, natural and environmental disasters, such as, for example, earthquakes, fires, floods, hurricanes, tsunamis and weather-related phenomena generally, as well as widespread disease and virus outbreaks, epidemics and pandemics, have been and can be highly disruptive to economies and markets, adversely affecting individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of a portfolio's investments. Given the increasing interdependence among global economies and markets, conditions in one country, market, or region are increasingly likely to adversely affect markets, issuers, and/or foreign exchange rates in other countries, including the U.S. These disruptions could prevent a portfolio from executing advantageous investment decisions in a timely manner and negatively impact the portfolio's ability to achieve its investment objectives. Any such event(s) could have a significant adverse impact on the value and risk profile of a client portfolio.

### **Withdrawal Risk.**

A portfolio may need to sell securities to meet a client's cash withdrawal request. A portfolio could experience a loss when selling securities to meet such request if there is (i) significant selling activity in the market, (ii) a disruption in the normal operation of the markets in which a portfolio's securities are bought and sold, or (iii) the inability of a portfolio to sell securities because such securities are illiquid. In such events, the forced sale of securities at unfavorable prices in an effort to generate sufficient cash to pay a client seeking to withdraw funds from its account may create substantial losses.

### ***Investment Strategies***

We employ various investment strategies through our investment mandates and based on the objectives and strategies of the clients involved. Client portfolios with similar investment mandates, strategies and guidelines are generally managed similarly. Long term (securities held for at least one year), short term (securities sold within one year), and trading (securities sold within thirty days) strategies, may all be used, if permitted by the applicable Indenture and/or collateral management agreement. We may also borrow securities in connection with short sales, borrow money to invest in additional portfolio securities or engage in transactions in derivatives for some clients if permitted by the applicable Indenture and/or collateral management agreement.

In employing investment strategies, we may use certain strategies in an attempt to "hedge" or "neutralize" various risks associated with positions in a client's portfolio. The instruments used to engage in these hedging strategies include various derivative instruments, such as forward contracts, futures, options, structured investments, swaps, interest rate caps and other derivative instruments if permitted by the applicable Indenture and/or collateral management agreement. Our attempts to partially or fully hedge a portfolio may not be successful and may cause the portfolio to incur a loss.

### **DISCIPLINARY INFORMATION**

Columbia Cent CLO Advisers and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this brochure. Where required, we also provide disclosure regarding such matters in Part 1A of our ADV.

Ameriprise Financial and certain of its affiliates, have been involved in legal, arbitration and/or regulatory matters concerning their respective business activities. These matters include routine litigation, class actions, and regulatory or governmental agency examinations and investigations. As a matter of policy, we do not typically provide copies of letters

or responses stemming from regulatory or governmental examinations or investigations, or publish information relating to ongoing exams, investigations or litigation. However, upon request of a prospective or current client, we may communicate the results of completed exams, investigations or litigation or the status of ongoing matters.

To the best of our knowledge, neither we nor Ameriprise Financial, nor any of our affiliates, is currently the subject of any pending legal, arbitration, regulatory or other governmental matters that are likely to have a material adverse effect on Ameriprise Financial's financial condition or our ability to meet our contractual commitments to clients. Ameriprise Financial is required to make 10-Q, 10-K and, as necessary, 8-K filings with the Securities and Exchange Commission on legal and regulatory matters that relate to Ameriprise Financial and its affiliates. Copies of these filings may be obtained by accessing the SEC website at [www.sec.gov](http://www.sec.gov).

## **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

We are not a registered broker-dealer; however some of the Members of our Board of Governors, hereinafter referred to as “Directors” and our principal executive officers (together, “Directors and Executive Officers”) hold one or more securities licenses with the Financial Industry Regulatory Authority (“FINRA”) through our affiliated broker-dealer, Columbia Management Investment Distributors. Certain Directors and Executive Officers are registered with the National Futures Association as Principals and/or Associated Persons of Columbia Management, if necessary or appropriate to perform their responsibilities for Columbia Management.

### ***Multiple Roles Played by Certain Directors and Executive Officers***

Some of our Directors and Executive Officers and employees are also directors, officers or employees of Ameriprise Financial, our parent company or one or more affiliates, including certain Advisory Affiliates that directly or indirectly benefit from our client relationships or advisory activities. In these circumstances, a conflict of interest exists between the obligations to our clients and the incentive to make recommendations, or take actions, that benefit one or more of our other affiliates as well as conflicts among the affiliated entities with respect to the allocation of resources and the Director or Executive Officer’s time. We believe these potential conflicts are mitigated because our employees are subject to a Code of Ethics and various policies that require these employees to act in the best interests of our clients and to put the needs of our clients first at all times.

### ***Business Activities and Affiliations***

As part of the Ameriprise Financial organization, we receive general corporate services, including administrative and client account support, equipment and facilities from Ameriprise Financial and certain of its wholly owned subsidiaries, some of which are domiciled in foreign jurisdictions. For example, certain back-office and administrative and client account support services are provided by a wholly owned subsidiary of Ameriprise Financial based in India. Our eligible employees also receive certain employee benefits from Ameriprise Financial. To the extent employees of Ameriprise Financial are provided access to proprietary investment information conflicts exist. To mitigate such conflicts these employees are subject to a Code of Ethics and various policies that limit the use of such information. Please see “Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.”

Columbia Management engages in activities that are material to our advisory business or to our clients. We may be incentivized to utilize, suggest or recommend the services Columbia Management, which benefit Columbia Management or put Columbia Management’s interests ahead of our clients’ needs.

Our employees are subject to a Code of Ethics and various policies that require our employees to act in the best interests of our clients and to put the needs of our clients first at all times.

### **Broker-Dealers and Municipal Securities Dealer**

Columbia Management Investment Distributors, an SEC-registered broker-dealer, serves as the principal underwriter and distributor of the mutual funds managed by Columbia Management and serves as a placement agent or distributor of private funds managed by Columbia Management. Columbia Management Investment Distributors does not underwrite or distribute the CLOs we manage.

### Investment Companies and Other Pooled Investment Vehicles

We are affiliated with investment companies and other pooled vehicles managed by our Advisory Affiliates. Under personnel-sharing and other arrangements, our personnel may act on behalf of Columbia Management for purposes of providing investment management services for certain investment companies and other pooled vehicles managed by Columbia Management. Ameriprise Financial provides certain support services for such investment companies and other pooled vehicles. To the extent employees of Ameriprise Financial or our Advisory Affiliates are provided access to proprietary investment information conflicts exist. To mitigate such conflicts these employees are subject to a Code of Ethics and various policies that limit the use of such information. Please see “Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.”

### Investment Advisers

Our ultimate parent company, Ameriprise Financial, directly or indirectly owns certain of our Advisory Affiliates, including Columbia Management, an SEC-registered investment adviser and a U.S. Commodity Futures Trading Commission (“CFTC”) registered commodity trading advisor, commodity pool operator and swap firm; Columbia Wanger Asset Management, LLC, an SEC-registered investment adviser; Lionstone Partners, an SEC-registered investment adviser; Threadneedle International Limited, a Financial Conduct Authority (“FCA”) and an SEC-registered adviser and a CFTC-registered commodity trading advisor; Threadneedle Asset Management Limited, an FCA-registered adviser; and Threadneedle Investments Singapore (Pte) Ltd.; a capital markets services licensee regulated by the Monetary Authority of Singapore; BMO Asset Management Limited, an FCA and SEC registered adviser; LGM Investments Limited, an FCA and SEC adviser; Pyrford International Ltd, an FCA and SEC-registered adviser; and BMO Fund Management Limited, an FCA registered adviser. We are also affiliated with Columbia Threadneedle Investments (ME) Limited which is registered to advise on financial products and arrange deals in investments in the Dubai International Financial Centre.

We are also affiliated with Ameriprise Financial Services, an SEC-registered investment adviser and broker-dealer and a CFTC-registered commodity trading advisor that provides retail investment advisory services and engages in the broker-dealer activities described above.

### Banking or Thrift Institutions

We are affiliated with Ameriprise Bank, FSB (“AFSB”) a federal savings bank. AFSB is the successor to Ameriprise National Trust Bank following its conversion to a national bank. See “-Regulatory Risk-Banking” in the “Methods of Analysis, Investment Strategies and Risk of Loss” for additional information regarding the regulatory risk stemming from affiliation with a bank.

### Insurance Companies

Our direct parent company is RiverSource Life Insurance Company, a licensed insurance company in 49 states, as well as the District of Columbia and American Samoa. We are also affiliated with RiverSource Life Insurance Co. of NY, licensed to do business as an insurance company in New York. The products of our insurance company affiliates include fixed and variable life insurance, long-term care insurance, disability insurance and fixed and variable annuities. RiverSource Life Insurance Company is expected to hold Equity and/or other Senior Notes in the CLOs, for which we are expected to serve as collateral manager.

### CLOs

We are expected to serve as collateral manager to several CLOs organized as limited partnerships, limited liability corporations or non-U.S. entities.

## **CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### ***Our Approach to Conflicts of Interest***

Ameriprise Financial and its subsidiaries, which includes us, constitute a large diversified financial services organization. As a result of this and other aspects of our business, conflicts of interest arise from time to time among our different clients and among us, our affiliates and our clients. Conflicts of interest that may arise in the course of providing investment

advisory services are described throughout this brochure, as are some of our policies and procedures designed to address specific conflicts of interest, such as our Code of Ethics and trading procedures.

We have adopted the compliance program of our Advisory Affiliate, Columbia Management, which is intended to identify, mitigate and, in some instances, prevent actual and potential conflicts of interest, as well as to ensure compliance with legal and regulatory requirements and ensure compliance with client investment guidelines and restrictions. Our compliance program includes written policies and procedures that we believe are reasonably designed to prevent violations of applicable law and regulations. As stated above in “Global Asset Management,” Columbia Management provides compliance services to us, including primary responsibility for implementing our compliance program with supervision by our Chief Compliance Officer. We have appointed a senior member of the compliance group at Columbia Management as the Conflicts Officer to serve as both a resource to employees as well as to help ensure the compliance program appropriately addresses conflicts.

Columbia Management’s various business units typically take front-line responsibility for ongoing implementation and supervision of our policies and procedures, with monitoring provided by Columbia Management’s compliance department. Columbia Management also maintains various committees, which provide oversight and review of compliance across functional boundaries with respect to our business, including several operating committees, whose membership is comprised of personnel from the impacted business area(s). These committees receive input from Columbia Management’s compliance and legal departments and help ensure compliance with some of these policies and procedures. Some of the key committees (or subcommittees) supporting our compliance program efforts include those committees (or subcommittees) responsible for investment oversight, proxy voting, subadviser oversight, Code of Ethics oversight, valuation, trading, including complex securities and best execution, portfolio holdings disclosure and new products.

### ***Code of Ethics/Personal Trading Rules and Procedures***

We and certain of our affiliates have adopted the Global Asset Management Personal Account Dealing and Code of Ethics (“Code”) that sets forth standards of business conduct and principles to mitigate conflicts of interest for all our “Covered Persons” as they perform their respective roles and responsibilities and when they engage in personal securities transactions. Covered Persons are persons who have access to our non-public client information, such as information about purchases or sales of portfolio securities for clients’ accounts and may include employees of our affiliates and/or vendors. All Covered Persons are required to conduct most personal trades through designated broker-dealers unless an exception has been granted or in the case of Covered Persons at a non-U.S. affiliate, at a broker-dealer otherwise approved by such affiliate. Further, all Covered Persons must complete annual certifications regarding their personal securities accounts and holdings and attest that they have read and understand the Code. In addition, they must also comply with quarterly reporting requirements.

The specific provisions under the Code seek to ensure that clients’ interests are placed ahead of the interests of Covered Persons. Under the Code, Covered Persons must pre-clear investments in most types of securities, are restricted with respect to the timing of certain transactions and are prohibited from making certain transactions. The Code also contains short swing profit prohibitions applicable to all Covered Persons and trading black-out periods which apply to applicable portfolio managers and traders. These prohibitions are subject to limited exceptions.

The Code contains specific provisions relating to Covered Fund shares, including a prohibition on direct or indirect market timing and, for Covered Persons, a 30-day holding period for Covered Funds subject to limited exceptions. Covered Funds are those funds for which we or an affiliate serves as an investment adviser or subadviser or for which an affiliate serves as principal underwriter.

We will provide a copy of the Code to any client or prospective client upon request. Clients may obtain a copy by writing to us at the address set forth on the cover of this brochure or calling the phone number that appears on that page.

### ***Material Non-Public Information***

We and our employees may, from time to time, come into possession of material, non-public information which, if disclosed, might affect an investor’s decision to buy, sell or hold a security including, as appropriate, shares of pooled vehicles. The Code incorporates Columbia Management’s “Global Policy - Inside Information” which prohibits the misuse of material non-public information by us, our employees and those of our affiliates who may provide certain services to our accounts. Those who possess material non-public information must not (a) use that information to obtain profits, mitigate losses or

otherwise secure benefits for us, our clients, any of our affiliates or their clients, themselves or others, (b) engage in transactions or make recommendations while in possession of material non-public information, or (c) disclose that information to others (except to Legal and Compliance personnel who assist in administering the Inside Information Policy or persons authorized by Legal and Compliance). In addition, we have adopted procedures designed to restrict trading in an issuer's securities in situations where we or one of our employees, or an employee of one of our affiliates, possesses material non-public information regarding the issuer's securities. These prohibitions and restrictions on trading or sharing information may result in our not purchasing or selling securities for a client account or not fully communicating material investment ideas despite our view that a purchase, sale or communication would benefit client accounts. Losses could be incurred if we cannot close out a position. In certain situations where material non-public information is obtained, these procedures also allow for the creation of an "information wall" to contain information within a small group in lieu of implementing a firm-wide prohibition on trading.

Columbia Management's Code of Ethics Oversight Committee is responsible for enforcing compliance with the Code. Persons who violate the Code or the Global Policy – Inside Information are subject to sanctions, which vary depending on the nature of the violation and local law and regulations but may include termination of employment.

### ***Products Sold or Managed by Us in Which We Have an Interest***

We or an affiliate may invest in the Equity or Rated Notes of the CLOs, which we manage at the time securities of the CLOs are offered to investors or at any time thereafter. In some cases, these investments are substantial. We may sell such investments at any time unless we are contractually restricted or restricted by applicable law from doing so. The CLOs are treated as clients. As a result, the underlying securities transactions in CLOs are not subject to the personal trading restrictions described above, nor are they treated as "Proprietary Accounts" for purposes of the trading procedures described in the section below titled "Best Execution."

Any investments in Equity or Rated Notes of the CLOs we or an affiliate make as described above are not hedged by us or our affiliates to reduce the market risk of such investments. However, we or an affiliate may engage in hedging to reduce the market risk of such investments in the future, including by using swaps, indices, futures or other derivatives.

From time to time, we may engage in principal transactions involving a non-Registered Fund, non-ERISA client account and an account owned by us or an affiliate. In this type of transaction, we or an affiliate buy securities from, or sell securities to, an advisory client. Principal transactions are conducted only in accordance with SEC disclosure and consent requirements.

### **BROKERAGE PRACTICES**

Columbia Management provides trading and trading-related services to our Clients and provides such services as if our Clients were clients of Columbia Management. Therefore, trading for our Clients is aggregated with trading for other clients of Columbia Management. We have oversight over Columbia Management with respect to its performance of trading and trading-related services for our Clients.

Because Columbia Management is performing certain investment management, trading services, back or middle office services or legal or compliance support for our accounts, we do share trade information with Columbia Management. Similarly, we coordinate or allocate certain trading activities with the accounts of Columbia Management because it is providing trading services for our accounts. However, Columbia Management does not coordinate or allocate all of its trading activities with the trading services it provides for our accounts. As a result, it is possible that we and our Advisory Affiliates, including Columbia Management, may trade in the same instruments at the same time, in the same or opposite direction or in different sequence. Additionally, in circumstances where trading services are being provided on a coordinated basis for our accounts and the accounts of Columbia Management in accordance with applicable law, it is possible that the allocation opportunities available to our accounts may be decreased, especially for less actively traded securities, or orders may take longer to execute.

The following is a description of Columbia Management's relevant brokerage practices, including with respect to the brokerage practices related to our Clients. We have adopted Columbia Management's policies and procedures related to broker practices referred to herein.

### ***Trading***

Columbia Management operates several trading desks in different geographic locations in the United States. These US trading desks support different portfolio management teams managing a variety of accounts and products. Nevertheless, the US equity desks are functionally and operationally integrated so as to operate as one virtual desk. The US fixed income desks are also functionally and operationally integrated so as to operate as one virtual desk, with the exception of the loan trading desks, which continue to trade independently. Almost all the trading for Columbia Cent CLO Advisers' clients are conducted through these loan trading desks. The associated desks provide support to each other to assure the continuation of services if necessary. While these trading desks operate in several locations, the desks operate under the same oversight and reporting lines and are conducted under the same policies and procedures. In addition, certain portfolio managers currently have the authority to execute trades themselves in limited circumstances.

### **Best Execution**

As a fiduciary, we and Columbia Management have an obligation to seek to obtain the best execution of client transactions under the circumstances of the particular transaction. Columbia Management seeks to satisfy this best execution obligation by creating the conditions under which best execution is most likely to occur, i.e., by following procedures designed to achieve it. We and Columbia Management believe that the trading process itself can be used to maximize the value of a client's portfolio. This approach requires that Columbia Management adopt standardized procedures and practices that allow sufficient flexibility to allow different types of trades to be handled differently, while generally ensuring consistency among similar types of trades. Columbia Management's trading procedures are also designed to address the conflicts of interest that arise as a result of managing multiple types of accounts, including conflicts that may be personal to Columbia Management's and our traders and portfolio managers, client accounts, client accounts that pay higher fees (such as accounts that pay us performance fees), clients of our Advisory Affiliates to whom Columbia Management may provide services, and accounts owned more than 25% by us or one of our affiliates ("Proprietary Accounts"). The term "Proprietary Accounts" does not include (i) incubator accounts, (ii) pooled investment vehicles available for outside investment, or (iii) accounts of an affiliate when such accounts are for the primary purpose of managing liabilities or other obligations to underlying clients or investors (e.g. face-amount certificate holders or insurance policy holders). Thus, these accounts and investment vehicles are not subject to certain restrictions imposed on Proprietary Accounts by Columbia Management's trading policies and procedures, some of which are described below.

Columbia Management monitors compliance with its trading procedures on both a transactional and forensic basis and has formalized committee oversight of trading-related matters such as compliance and brokerage services and overall best execution.

### **Trade Aggregation, Allocation and Partial Fills on a Trading Desk**

Generally, trading orders are processed and executed in the order received. Certain portfolio management decisions may affect more than one account, including both client accounts and accounts owned or controlled by us, Columbia Management or one of our other Advisory Affiliates. Situations arise in which a portfolio management team decides to take an investment action with respect to all of the accounts the team manages. Different portfolio management teams or portfolio managers within the same investment team may own similar securities and independently decide to take similar investment actions. Either of these may result in multiple trading orders relating to the same security but for different accounts occurring at or about the same time.

In these cases, Columbia Management may combine or aggregate purchase or sale orders for more than one account when it believes such aggregation is consistent with its duty to seek best execution. This includes aggregating orders involving our and Columbia Management's client accounts, accounts of Columbia Management's Advisory Affiliates for whom it may provide services and Proprietary Accounts. The decision to aggregate is made in situations where it does not, over time, intentionally favor any account over another and it does not systematically advantage or disadvantage any account over another. Each participating account will receive the average unit price and will share pro-rata in the transaction costs. If there is an open order and a subsequent similar order for the same security for a different account is received by the same

equity or fixed income trading desks, such subsequent order may be aggregated with any remainder of the original order consistent with the considerations set forth above. Aggregation of orders may result in longer time periods to fill an order with respect to a particular client account. This is more pronounced when smaller orders for accounts are combined with larger orders of other accounts.

As described in “Global Asset Management” above, in certain circumstances an Advisory Affiliate may perform advisory and related services for Columbia Management accounts (including placing of orders) or Columbia Management may provide similar services for an Advisory Affiliate’s accounts. In these circumstances, orders for our and Columbia Management’s client accounts and those of one or more of our Advisory Affiliates may be aggregated and allocated in accordance with our best execution obligations and as consistent with applicable law and client guidelines. In circumstances where orders are placed for our and Columbia Management’s accounts and those of our Advisory Affiliates on a coordinated basis, it is possible that such aggregation will result in larger orders and decreased allocation opportunities available to our accounts, especially for less actively traded securities. It is also possible that orders may take longer to execute. We, Columbia Management and our Advisory Affiliates have implemented policies and compliance controls to ensure that the aggregation and allocation of orders for the respective accounts with coordinated trading are executed in a fair and equitable manner over time consistent with applicable law.

Except as described above or in order to assure the continuation of services if necessary, orders on Columbia Management’s trading desk are not shared with the trading desks of our Advisory Affiliates. As a result, it is possible that we and our Advisory Affiliates may trade in the same instrument at the same time, in the same or opposite direction or in different sequence.

Aggregating client orders may enable us and Columbia Management to reduce transaction costs or market impact on a per-unit and per-dollar basis, though aggregation may have the opposite effect in certain circumstances. When orders are not aggregated clients may pay prices for transactions that are more or less than the client would have paid had the order been aggregated. A determination may be made not to aggregate orders for a number of reasons. These reasons may include: the account’s governing documents do not permit aggregation; a client has directed that trades be executed through a specific broker-dealer or applicable law or regulation prohibits a client’s account from executing trades through a specific broker-dealer; aggregation is not possible because similar trades are being executed on a separate trading desk (including certain Advisory Affiliate’s trading desk); aggregation is impractical because of specific trade directions received from the portfolio manager, e.g., a limit order; the order involves a different trading strategy, e.g., it is part of large basket, program or index trade; or if Columbia Management otherwise determines that aggregation is not consistent with seeking best execution.

When it has been determined that multiple orders will not be aggregated, Columbia Management has adopted procedures that seek to ensure fair treatment of client accounts. These procedures contemplate treatment of client account orders (including the orders of accounts of our Advisory Affiliates for which Columbia Management is providing trading services) with trading limitations and Proprietary Accounts.

From time to time an aggregated order involving multiple accounts does not receive sufficient securities to fill all of the accounts. If an aggregated order cannot be filled in one day (a “partial fill”), the executed portion of the order is automatically allocated to the participating accounts pro-rata on the basis of order size, subject to certain exceptions. Partial fills that include our and Columbia Management’s client accounts, the accounts of our Advisory Affiliates for which Columbia Management is providing trading services and Proprietary Accounts will be allocated in accordance with our and Columbia Management’s policies and procedures, taking into account the order size, amount of the fill and the types of client accounts.

Certain of our and Columbia Management’s portfolio management teams, which operate in various geographic locations, may share research information. While the teams and portfolio managers on those teams may make separate investment decisions regarding similar securities, they generally execute transactions from the same trading desk. As a result, accounts being managed by different teams or portfolio managers on the same team may purchase and sell the same instrument in the secondary market on the same day. Columbia Management may from time to time perform trading services for our Advisory Affiliates, and they may perform such services for Columbia Management.

As described in “Global Asset Management,” above, our and Columbia Management’s investment personnel and that of our Advisory Affiliates may share research and other information relating to economic perspectives, market analysis and equity and fixed income securities analysis. It is possible that the portfolio managers of our Advisory Affiliates act on such research before our own portfolio managers which could result in decreased investment opportunities for our accounts, particularly with respect to thinly traded securities. The sharing of this information may also lead us and our Advisory Affiliates to place orders for our respective accounts in the same securities at the same or different times.

We and Columbia Management have adopted policies and compliance controls that seek to ensure that our clients are treated fairly with respect to the sharing of information among us and our Advisory Affiliates.

#### Allocation of Fixed Income Trades

For allocation of fixed income securities, a fixed income portfolio manager will generally allocate to all participating accounts with similar strategies and guidelines on a pro-rata basis, or to “true up” the holdings of accounts with similar investment mandates. To the extent that similarly managed accounts with target weightings have different holdings of a security, trades will be allocated to minimize the difference from the target weighting in the security over time. The portfolio manager may also consider other factors, including the investment objectives and policies and size of the account, the liquidity and size of the issue, the amount of securities actually purchased or sold, the duration of the account, and the existence of similar securities already in the account.

#### Error Correction

On occasion, a mistake may occur in the execution of a trade. As a fiduciary, we owe clients duties of loyalty and trust, and as such must treat errors caused by us in a fair and equitable manner. Errors may occur for a number of reasons, including human input error, systems error, communications error or incorrect application or understanding of a guideline or restriction. Examples of errors include, but are not limited to the following: buying securities not authorized for a client’s account; buying or selling incorrect types of securities or instruments; buying or selling incorrect amounts of securities; buying or selling in violation of one of our policies; failure to follow specific client directives or portfolio manager instructions to buy, sell or hold securities; and incorrect allocation of trades to or between various accounts. In correcting trade errors caused by us or Columbia Management, we do not: make the client account absorb the financial loss due to the trade error; use client commission arrangements or directed trades to fix the error; or attempt to fix the error using another client account, absent unique circumstances and/or client consent. However, if there is another order on the trading desk for the same security (that was purchased in error for another client) or for one that meets similar criteria as that security, we or Columbia Management may allocate the security to that client(s).

Errors are generally corrected in the client account; however, to facilitate the error correction, we may, in limited instances, process the correcting transactions in an error account owned by us or Columbia Management when it is not feasible to correct the error in the client’s account (e.g., if the error would result in a security settling in a client account and the holding of such security by the client would be unlawful). To the extent correction of an error processed in a client account results in a gain, we generally allow the client to keep the benefit. However, we may not do so in limited circumstances, such as if the gain offsets a loss in connection with a single transaction or occurrence or a series of related transactions or related accounts, in which case any such gains and losses may be netted. Such netting may result in lowering the amount, if any, the client account must be reimbursed.

#### ***Selection of Broker-Dealers***

Columbia Management selects broker-dealers to execute client transactions based on a number of factors. As a general matter, broker-dealers are subjected to an initial approval process. This approval process involves the review of financial and related quantitative and qualitative information concerning a broker-dealer. Such qualitative factors may include, but are not limited to: volume of securities traded of the type to be traded; instruments regularly offered by the firm; research capabilities of the firm; general reputation of the firm; trading desk opinion of the firm; and regulatory history of the firm. Under certain circumstances, it may be necessary for a trader to execute a transaction with a broker-dealer that has not been subject to an initial approval process. This could happen, for example, where a broker-dealer is the only one with inventory of a needed security and there is not sufficient time for the standard approval process. This exception process may only be used to grant a broker-dealer approval for the specific transaction being contemplated and only after following established procedures. In addition, for certain transactions, we may purchase securities directly from or sell securities



directly to the issuer. The issuers for these transactions are not subject to the trading counterparty review and approval process.

With respect to a specific order, Columbia Management or our Advisory Affiliate seek to choose the broker-dealer most capable of providing the brokerage services necessary in seeking to obtain the best execution reasonably available at the time of the execution of our client's orders. In order to determine the reasonableness of a broker-dealer's compensation, Columbia Management will consider the particular characteristics of a security to be traded including relevant market factors. Columbia Management or our Advisory Affiliate will assess the intent of the portfolio manager and the level of urgency attached to the transaction. Columbia Management or our Advisory Affiliate will also consider other factors such as: ability to minimize trading costs; level of trading expertise; infrastructure; ability to provide information or services; financial condition; confidentiality provided by broker-dealer; competitiveness of commission rates; evaluations of execution quality; promptness of execution; past history; ability to prospect for and find liquidity; difficulty of trade and security's trading characteristics; size of order; liquidity of market; block trading capabilities; quality of settlements; specialized expertise; overall responsiveness; and willingness to commit capital. All of these considerations (and others as relevant) guide a trader in selecting the appropriate venue (e.g., an Electronic Communications Network ("ECN") or Alternative Trading System ("ATS"), a traditional broker, a crossing network, etc.) in which to place an order and the proper tactics with which to trade.

As stated in "Global Asset Management" above, where an Advisory Affiliate is providing trading services for our accounts or Columbia Management is providing trading services for an Advisory Affiliate's Accounts, Columbia Management or our Advisory Affiliate executing the trade order will select a broker-dealer that has been approved by Columbia Management and each of the Advisory Affiliates for which accounts are being aggregated. This selection of broker-dealers may be a smaller subset than the selection of broker-dealers otherwise available were our accounts not being aggregated with the accounts of our Advisory Affiliates. Such broker-dealer selection will be consistent with our obligation to seek best execution.

On occasion, a broker-dealer we utilize for execution services may introduce us to potential clients or investors in the CLOs we manage. Particularly in the case of the CLOs we manage, these introductions may take place during capital market introduction events sponsored by the broker-dealer. While participation in these events would benefit us if we are able to attract new business, we do not give consideration to these introductions in selecting broker-dealers to execute transactions for our advisory clients.

We do not anticipate that our trading activity will generate soft dollars. However, some broker-dealers with which Columbia Management's Fixed Income Department executes trades provide us and Columbia Management with proprietary research products and services, though Columbia Management's Fixed Income Department does not put in place any client commission arrangements with such broker-dealers. It is our and Columbia Management's policy not to execute a fixed income trade with a broker-dealer at a lower bid/ higher offer than that provided by another broker-dealer in consideration of the value of research products and services received by Columbia Management's Fixed Income Department.

### ***Buy and Sell Transactions Involving Related Accounts***

We may from time to time effect a cross transaction of one or more securities from one advisory client account to another client account of ours or Columbia Management's (including accounts of affiliates) when we conclude that such transaction is consistent with such clients' investment objectives and policies, applicable law and the fiduciary duty we owe to our clients (including the obligation to seek best execution). We have implemented policies and procedures governing these transactions which require that the securities be crossed at the independent current market price (as defined in the procedures) and that no brokerage commission, fee or other remuneration, except for customary administrative or transfer fees, be received by us or any other party in connection with the transaction. We will comply with any disclosure and consent requirements that may be required for cross transactions under applicable law for the relevant accounts, such as ERISA.

We may also conduct cross transactions between certain alternative investment clients such as special purpose or other pooled vehicles in which we, Columbia Management or another affiliate may have an interest. In such case, we may provide disclosure and obtain consent from the relevant clients for these transactions.

From time to time, we purchase securities from a broker to which we have recently sold the same securities. We do so when we believe it is consistent with our fiduciary duties, particularly where the dealer is one of a limited number of brokers who hold or deal in those securities or the security.

### ***Other Conflicts of Interest***

We face many conflicts of interest in connection with our investment management business. Our policies and procedures are designed to address these conflicts, either through disclosure, mitigation or prevention.

### **Securities Issued by Ameriprise Financial or Our Clients**

Our parent company, Ameriprise Financial, issues various securities from time to time, including common stock. It is our policy that no securities issued by Ameriprise Financial will be purchased for client accounts where we exercise investment discretion unless an exception is approved by senior management in accordance with our policies and procedures.

We and our affiliates may invest the assets of the accounts we respectively manage in the publicly traded securities of other clients or prospective clients. We may also invest the assets of our client accounts in securities issued by companies that are customers of our affiliates. In such circumstances, we and our affiliates do not and will not receive any compensation from the issuer specifically for investing client assets in such issuer's securities and our policy places significant limitations on the ability of any such customer to learn of our buying and selling activity.

### **Other Affiliated Relationships**

We may also invest the assets of our client accounts in securities issued by companies that have material relationships with us or an affiliate. For example, an issuer may be a distribution partner or commercial banking customer of our affiliate. In such circumstances the potential for a conflict of interest exists between our obligation to seek the most suitable investments for our clients and the perception that we have an incentive to assist in developing the business relationship or the success of our affiliate. In addition, we or our affiliates may have business arrangements with a third party that may influence our decision to retain that third party to assist in providing services to our clients. In these situations, we consider our obligations to our clients, and we seek to take action that is in the best interest of our clients. We may also have a sponsorship role in the establishment of a special purpose or pooled vehicle client, which may be significant in some cases and may require us to engage third parties in connection with the product development phase.

### **Other Client-Related Potential Conflicts**

Investors in CLOs managed by us may include natural persons (or their personal trusts) that may be directors, executives or employees of (i) public companies in which our Clients may invest ("Company Executives"), (ii) broker-dealers that provide research or brokerage services to our Clients ("BD Executives"); or (iii) investment advisers of third-party investment funds ("Adviser Executives", and together with Company Executives and BD Executives, "Executives"). Permitting Executives to invest in these CLOs may create the potential for conflicts of interest. We have adopted policies and procedures designed to mitigate such conflicts.

Clients of ours may attend internal equity research meetings for the purposes of conducting due diligence on us. Controls have been put into place for the attendance by external parties due to the proprietary and confidential information of the discussions.

### **Management of Multiple Accounts**

Actual or potential conflicts of interest may arise from the fact that we and our portfolio managers have day-to-day management responsibilities with respect to a specific client account in addition to other client accounts ("Other Accounts"). We and our affiliates may give advice and take action with respect to the funds or accounts we manage, or for our own accounts, and this advice or action may differ from that taken by us on behalf of the Other Accounts. We and our affiliates are not obligated to recommend, buy or sell, or to refrain from recommending, buying or selling any security that we or our respective Covered Persons may buy or sell for our own accounts or any Other Accounts. We have policies and procedures intended to mitigate or manage the conflicts of interest described below. Certain of these policies and procedures are described in prior sections of this advisory brochure. There is no guarantee that any such policies or procedures will detect each and every situation in which a conflict of interest arises.

We or Columbia Management may receive higher compensation with respect to Other Accounts (including accounts which are CLOs or have performance or higher fees paid to us, or in which one or more portfolio managers have direct or indirect personal interest in the receipt of such fees) than that received with respect to a specific client account. This may create a potential conflict of interest for us and Columbia Management or our and Columbia Management's portfolio managers by providing an incentive to favor these Other Accounts when, for example, placing securities transactions. In addition, we could be viewed as having a conflict of interest to the extent that we or an affiliate has a proprietary investment in one or more Other Accounts, the portfolio managers have personal investments, directly or indirectly, in one or more Other Accounts or the Other Accounts are investment options in our or an affiliate's employee benefit plans.

Potential conflicts of interest may arise with both the aggregation and allocation of securities transactions and allocation of limited investment opportunities. Allocations of aggregated trades, particularly trade orders that were only partially completed due to limited availability and allocation of investment opportunities generally, could raise a potential conflict of interest, as we may have an incentive to allocate securities that are expected to increase in value to favored accounts. We may be perceived as causing accounts we manage to participate in an offering to increase our overall allocation of securities in that offering. A potential conflict of interest also may be perceived to arise if transactions in one account closely follow related transactions in a different account, such as when a purchase increases the value of securities previously purchased by another account or when a sale in one account lowers the sale price received in a sale by a second account.

We and our affiliates may trade in the same securities. Certain securities may be subject to ownership limitations due to regulatory limits imposed by various jurisdictions for certain industries or by issuers through mechanisms such as poison pills. For example, many countries limit the amount of outstanding shares that an organization, including any of its affiliates also holding shares, may hold in an insurance holding company with a locally-domiciled insurance company. In addition, our client holdings may be limited in certain investments because Ameriprise Financial is a financial holding company and accordingly is subject to certain bank regulatory requirements which may in some cases apply to the investments for the Clients and accounts we and our Advisory Affiliates manage. Some of these limitations may require us to aggregate our clients' holdings with those of our affiliates' clients in the same security for purposes of determining compliance with those thresholds. In this circumstance, we may be limited or prevented from purchasing additional shares of an issuer for our client accounts that we would otherwise prefer to purchase if that purchase would put us over the regulatory limit when combined with our affiliates' client holdings even if our holdings alone would not be in excess of limit. We have policies and procedures in place to monitor and interpret these ownership limits. However, it is possible that we and our affiliates may inadvertently breach these limits, and we (and therefore our clients) may be required to sell securities of an issuer, including at a loss, that we may otherwise prefer to continue to hold in order to be in compliance with such limits. In addition, it is possible that aggregate ownership limitations could cause performance dispersion among accounts with similar investment objectives and strategies and portfolio management teams, including accounts that seek to track an index. For example, if further purchases in an issuer are restricted due to ownership limits, a portfolio manager would not be able to invest a new account in securities of that issuer that may be held by funds and accounts managed with similar investment objectives and strategies.

We may also choose to limit purchases in an issuer to a certain threshold (inclusive of any holdings for our affiliates) for risk management purposes. It is possible that we may be limited in our ability to purchase securities we would otherwise prefer to purchase in order to maintain such limits.

We have procedures in place designed to monitor the potential conflicts arising from such limitations.

Portfolio managers manage multiple client accounts and may not devote equal time and attention to the portfolio management of each client account.

### **REVIEW OF ACCOUNTS**

The complete account guidelines are reviewed by the client's portfolio manager and/or a representative from the Compliance Department at least once every thirty-six months.

Each of our portfolio managers and other investment personnel are responsible for managing assigned accounts in accordance with their investment objectives and guidelines. There is no specific limit on the number of accounts that may be assigned to each professional. In addition to the periodic review, factors that may cause the portfolio manager to initiate a portfolio review include, but are not limited to: changes in the investment strategy; changes in the client's objectives, guidelines or restrictions; significant price movements of portfolio securities or of the portfolio as a whole; changes in the prospects of a particular portfolio security; the need to invest incoming cash; and the need to raise cash from the portfolio.

In addition, we employ a series of pre- and post-trade controls and monitoring techniques through automated and manual procedures to ensure that portfolios are managed in accordance with client-specific guidelines or restrictions as well as applicable regulatory requirements and internal policies. To the extent that investment guidelines are not capable of being monitored in an automated manner, the Compliance Department will seek quarterly certification of compliance from the relevant portfolio manager/team.

### ***Client Communications and Reporting***

On a monthly or quarterly basis, we, a trustee or an administrator typically provide our clients including CLOs with a periodic client statement that shows their account balances for the month, or that summarizes the assets under management, certain cash flows and certain other items required by the underlying agreement or indenture. We may also provide a monthly or quarterly report that includes portfolio manager commentary on sources of return within the portfolio and recent market conditions.

## **CLIENT REFERRALS AND OTHER COMPENSATION**

### ***Referral Arrangements/Sales Compensation***

Certain employees of the Ameriprise Financial organization are paid bonuses, which, unless prohibited by local law, may be based, in part, upon retaining and increasing assets under management. While activities that result in higher compensation may influence behavior, it is our policy to treat all clients fairly and equitably in accordance with our fiduciary duty.

From time to time, our employees may give or receive gifts and entertainment to or from persons associated with a client, prospective client, supplier, third party or consultant. Our policy, which is designed to address the potential conflicts of interest relating to gifts, entertainment and other benefits, outlines limits that are applicable and the procedures that our employees must follow in order to give or receive gifts and benefits to or from clients, prospective clients or suppliers.

Unaffiliated third parties may also receive fees from us or from our affiliates in connection with the sale or servicing of securities products sponsored by us, including CLOs.

### ***Consultant Relationships***

From time to time, we or an Advisory Affiliate may pay a fee to a consultant for certain marketing support services, including newsletters or other reports on general industry developments, or for participation in a conference or educational seminar. Our clients or prospective clients, or their respective representatives (e.g., officials representing pension funds), may also be clients of these consultants and may choose to participate in these conferences or seminars. Additionally, we or an Advisory Affiliate may purchase analytical tools from divisions of a consultant that help us monitor services we provide to clients. Any relationship between us and our clients will be separate and distinct from any relationship these clients might have with their consultants. While we may be introduced to clients pursuant to these arrangements, these arrangements are not subject to the disclosure and consent requirements associated with the type of cash solicitation arrangements described above.

We or an Advisory Affiliate may from time to time provide financial support and guidance for third party research studies (including follow up publications and other communications) relating to the types of products we manage. Our role in

supporting these studies and publications may not be disclosed to research participants at the time they are asked to participate in the studies.

### **CUSTODY**

We do not maintain physical custody of client funds or securities. The assets of the CLOs are custodied with an unaffiliated third-party trustee and we do not have direct or indirect access to such assets.

Although we do not maintain custody of client assets, we may on occasion inadvertently receive client funds or securities. If we inadvertently receive funds or securities attributable to a client or former client from a third party, we will return the funds or securities as required under the Rule 206(4)-2 of the Advisers Act.

### **INVESTMENT DISCRETION**

In general, we have full discretion to buy and sell investments on behalf of Clients, including authority to make decisions with respect to amount, price and brokers (pursuant to, and subject to the terms and conditions set forth in, the Indenture, collateral management agreement and other governing documents of each CLO we manage). We provide investment advice to each Client and not individually to CLO Note holders, CLO Equity holders or other investors in the CLOs.

### **VOTING CLIENT SECURITIES**

Our proxy voting policies and procedures are reasonably designed to satisfy our fiduciary obligation with respect to proxy voting. In voting proxies on behalf of our advisory clients, we apply the following general principles in an effort to satisfy this fiduciary obligation:

- Seek to ensure that proxies are voted in the best long-term economic interest of clients (which is generally defined for this purpose as the interest of enhancing or protecting the economic value of client accounts);
- address material conflicts of interest that may arise; and
- comply with disclosure and other requirements in connection with our proxy voting responsibilities.

We have adopted proxy voting principles, which outline key corporate governance issues and describe the broad principles we consider and our general approach to voting client proxies. The proxy voting principles address matters relating to shareholder rights, boards of directors, corporate governance, compensation, capital management, environmental, social and governance practices, and certain other matters. We regularly review and may amend the proxy voting principles based on, among other things, industry trends and proposal frequency.

When vested with proxy voting authority and in the absence of specific client guidelines, we will generally vote in the same manner as proxies being voted by certain of our investment adviser affiliates that have adopted the same voting principles. However, recognizing that we and our affiliates each have an independent fiduciary obligation with respect to the voting of proxies, the proxy voting policies fully preserve our ability, and the ability of each affiliate, to vote in a manner contrary to other affiliates as well as voting differently on behalf of a specific client. In the event a client believes that its interests require a different vote, we will vote as the client clearly instructs, provided we receive such instructions in time to act accordingly.

In certain limited circumstances when we are not vested with discretionary authority to vote a client's proxies (i.e., when the client retains voting discretion), at the client's request we will administer proxy voting on behalf of the client in accordance with the client's voting guidelines. In such circumstances the client may contact us with questions about a particular proxy solicitation by writing to us at the address set forth on the first page of this brochure or calling the phone number that appears on that page. A client may also vote its own proxies, or the client's agent may vote proxies on behalf of the client.

In exercising our proxy voting responsibilities, we may consider the recommendations of third party research providers and may rely upon the recommendations of these research providers in certain situations. A complete copy of our proxy voting

principles is available upon request by writing to us at the address set forth on the first page of this brochure or calling the phone number that appears on that page.

Where we are vested with proxy voting authority, it is our policy to endeavor to vote all proxies on behalf of the client, unless we determine in accordance with our policies to refrain from voting. With respect to ERISA accounts, we generally vote proxies for all votes with a discernable economic benefit, unless the client expressly retains proxy voting authority or we determine that the cost of voting to the plan would outweigh any economic benefit. Because of the volume and complexity of the proxy voting process, including inherent inefficiencies in the process that are outside our control (e.g., delays or incomplete information from intermediaries such as custodians, or proxy agents), we may not be able to vote all proxies we would otherwise vote. While we will make reasonable efforts to vote foreign securities on behalf of clients, voting proxies of companies not domiciled in the United States may involve greater effort and cost due to the variety of regulatory schemes and corporate practices.

Certain non-U.S. countries require securities to be blocked prior to a vote, which means that the securities to be voted may not be traded within a specified number of days before the shareholder meeting. We typically will not vote securities in non-U.S. countries that require securities to be blocked as the need for liquidity of the securities in the funds will typically outweigh the benefit of voting. Some of our clients may participate in securities lending programs. In these situations, where we are responsible for voting a client's proxies, we will work with the client to determine whether there will be situations where securities loaned out under these lending arrangements will be recalled for the purpose of exercising voting rights. In certain circumstances securities on loan may not be recalled due to clients' preferences or due to circumstances beyond our reasonable control.

From time to time, we and our affiliates may face regulatory or compliance limits on the types or amounts of voting securities that it may purchase or hold for client accounts, including ownership limits which may restrict the total percentage of an issuer's voting securities that we can hold for clients. As a result, in limited circumstances in order to comply with such limits and/or internal policies designed to comply with such limits, we may delegate proxy voting in certain issuers to a qualified third party to vote in the shareholders' best interest.

The administration of our proxy voting process is handled by a central point of administration at Columbia Management (the "Proxy Team") servicing us and certain of our affiliates. Among other duties, the Proxy Team coordinates with our third party proxy voting and research providers. The Proxy Team also administers the proxy voting process for some of our affiliated investment advisers. Our investment personnel may also make recommendations about voting on a proposal, which may include a recommendation to vote in a manner contrary to our proxy voting principles, subject to established controls. Columbia Management's Proxy Voting Committee determines whether or not to follow these recommendations and also reviews policies and procedures and helps ensure quality and objectivity in connection with our proxy voting procedures. In providing proxy voting administration services to clients, we rely on the services of a designated third-party service provider.

In voting proxies on behalf of clients, we seek to carry out our responsibilities without undue influence from individuals or groups who may have an economic interest in the outcome of a proxy vote, and we have implemented practices reasonably designed to identify potential significant conflicts of interest. One way that we seek to address potential material conflicts of interest is through employing predetermined voting stances. Alternatively, if we determine that a material conflict of interest exists, we will invoke one or more of the following conflict management practices: (i) causing the proxies to be voted in accordance with the recommendations of an independent third party (which may be our proxy voting administrator or research provider); (ii) causing the proxies to be delegated to an independent third party (which may be our proxy voting administrator or research provider); and (iii) in unusual cases, with the client's consent and upon ample notice, forwarding the proxies to our clients so that they may vote the proxies directly. For example, with respect to Ameriprise Financial proxies, we vote in accordance with the recommendation of an independent third party when we are vested with proxy voting authority. Similarly, with respect to public companies with which we have a substantive relationship, we will vote such proxies following our predetermined voting stances or the recommendations of an independent third party. Further, members of Columbia Management's Proxy Voting Committee are prohibited from voting on any proposal for which he or she has disclosed a material conflict of interest by reason of a direct relationship with the issuer or other party affected by a given proposal. Persons making recommendations to Columbia Management's Proxy Voting Committee or its members are required to disclose to the committee any material relationship with a party making a proposal or other matter known to

the person that would create a potential conflict of interest. When proxies presenting a material conflict of interest are voted in accordance with the recommendations of an independent third party, the third party typically populates the associated ballots.

In providing proxy voting administration services to clients, we rely on the services of a designated third-party service provider. At least annually, we review the capacity and competency of the proxy voting research providers and voting agents to adequately analyze proxy voting issues. As part of this review, we will consider (i) the adequacy and quality of staffing and personnel to ensure that recommendations are based on current and accurate information and (ii) the policies and procedures designed to address conflicts of interest as well as the conflicts of interest identified by the third-party service providers.

We maintain proxy voting records and related records designed to meet our obligations under applicable law. Where permitted by and in accordance with applicable law, we may rely on third parties to make and retain, on our behalf, a copy of the relevant records. Clients may obtain a complete copy of our proxy voting policies and other information regarding how their proxies were voted upon request by writing to us at the address set forth on the first page of this brochure or calling the phone number that appears on that page.

We are often asked to consent to waivers or amendments to credit agreements or make elections with respect to corporate reorganizations. When evaluating such requests, we generally act in a manner designed to serve the best economic interests of our Clients or avoid a negative impact on such Clients, as determined by us in our reasonable discretion, taking into account, as relevant, the impact on the value of the Client's investments, anticipated costs and benefits, amendment fees, standard industry and business practices, and conflicts of interest. We do not consider the Clients' receipt of amendment fees from portfolio companies as a material conflict of interest when making decisions to consent or agree to amendments with respect to such investments. If we believe the exercise of a consent will not have a material impact on the Client(s) or the underlying credit or that the cost and time commitment required to process the amendments outweighs the benefits of consenting to or withholding consent to a loan amendment, we, in our discretion, abstain or do not respond.

### **FINANCIAL INFORMATION**

We do not require or solicit prepayments from clients nor do we have physical custody of client funds or securities. We do, however, have discretionary authority over client funds and securities. We currently do not know of any financial condition that is reasonably likely to impair our ability to meet our contractual commitments to our clients.

### **NOTICE OF PRIVACY POLICIES AND PRACTICES**

Maintaining our clients' trust and confidence is a high priority. That is why we want you to understand how we protect your privacy when we collect and use personal information, and the measures that we take to safeguard that information.

***Information We Collect.*** In order for us to provide services to you, you provide us with non-public personal information about you ("Client Information"). Client Information we collect about you comes primarily from the forms that are completed during the client intake process and from the transactions that you make with us and others. We also may receive Client Information about you from other unaffiliated companies who provide services to you.

***Disclosure of Client Information.*** Client Information about you or any former client is only disclosed as authorized by you or as permitted by law. For example, we may provide copies of your client statements to a third party if you request or authorize such release, or we may be required to provide Client Information pursuant to a subpoena or other legal mandate. Client Information about you or any former client is also disclosed to entities, whether or not affiliated with us, that help us to administer, maintain, and service your accounts. Also, unless we are contractually prohibited, Client Information about you may also be provided to our other financial services affiliates, including other asset management affiliates, in order to assist us, or them, in providing or offering products and services to you. However, we will not share Client Information for marketing purposes with affiliates or non-affiliates with respect to any natural person or wrap clients even if they may be considered institutional clients. Our institutional policy is, of course, subject to any contractual prohibitions on our ability to share Client Information for marketing purposes and any other client-imposed restrictions on this practice.

***Protecting Client Information.*** We provide access to Client Information only to those employees and agents (which can include affiliates and non-affiliates) who need the information to perform services for you or functions on your behalf, as

well as those affiliates who may be involved in providing or offering services to you, as described above. Be assured that we maintain physical, electronic, and procedural security measures that comply with federal regulations to safeguard Client Information.

If you have any questions about how we protect and safeguard non-public personal information, please call your Client Relationship Manager.

*Please direct any questions or requests for additional information regarding us to the address or telephone number listed on the cover of this brochure.*