

# DIAL | COLUMBIA DIVERSIFIED FIXED INCOME ALLOCATION ETF



## Overview

Target more consistent income in any market with an ETF that goes beyond the traditional bond market benchmark.

### Aims to deliver enhanced return and yield opportunities in one fund

Diversifies across six fixed-income sectors to pursue higher returns and yield than traditional benchmark products

### Balances yield, quality and liquidity

Strives for a better balance of yield, quality and liquidity, using a rules-based filter to screen the bond investment universe

### Offers income potential in all markets

Helps generate consistent income, even in an uncertain interest rate environment, using a disciplined investment approach

## Fund Objective

Columbia Diversified Fixed Income Allocation ETF (the Fund) seeks investment results that, before fees and expenses, closely corresponds to the performance of the Beta Advantage® Multi-Sector Bond Index.

## Index Description

The **Beta Advantage® Multi-Sector Bond Index** is rules-based multi-sector strategic beta approach to measuring the performance of the debt market through representation of six sectors, each focused on yield, quality, and liquidity of the particular eligible universe. The index will have exposure to the following six sectors of the debt market: U.S. Treasury securities; global ex-U.S. treasury securities; U.S. agency mortgage-backed securities; U.S. corporate investment-grade bonds; U.S. corporate high-yield bonds; and emerging markets sovereign debt. The Fund uses a representative approach which will result in the Fund holding a smaller number of securities than are in the underlying index. It is not possible to invest directly in an index.

## Fund Facts

ETF Ticker (NYSE Arca): **DIAL**

Bloomberg Index Ticker: **BAMSTRUU**

Fund Inception Date: **10/12/2017**

Number of holdings: **710**

Expense ratio (% gross): **0.28**

Expense ratio (% net): **0.28**

Distribution Frequency: **Monthly**

## Average Annual Total Returns (%)

	3-Month (cum.)	YTD (cum.)	1-Year	3-Year	Since Inception
Total Returns (Net Asset Value)	-4.34	-19.50	-19.26	-4.26	-0.60
Total Returns (Market Price)	-4.51	-19.95	-19.49	-4.47	-0.65
Beta Adv Multi Sector Bond Index	-4.39	-20.08	-19.72	-4.19	-0.54

## Fund Sector Breakdown (%)<sup>1</sup>



## Beta Advantage® Multi-Sector Bond Index Sector Selection Criteria<sup>2</sup>

Sector	Highlighted Approach
U.S. Treasury	<ul style="list-style-type: none"> <li>Intermediate or longer-term maturities greater than 7 years</li> </ul>
Global Treasury ex-U.S.	<ul style="list-style-type: none"> <li>Intermediate or longer-term maturities of 7 and 12 years</li> <li>Equal-weight country exposure at rebalance</li> <li>No negative yielding bonds</li> </ul>
U.S. Mortgage-Backed Securities	<ul style="list-style-type: none"> <li>Fannie and Freddie 30 year MBS issued within the last 1000 days</li> </ul>
U.S. Investment Grade Corporates	<ul style="list-style-type: none"> <li>Intermediate or longer-term maturities between 5 and 15 years</li> <li>Index rating between BAA1 and BAA3</li> </ul>
U.S. High Yield	<ul style="list-style-type: none"> <li>Only bonds with index rating above B3</li> <li>2% issuer cap by market value</li> </ul>
Emerging Market Sovereign Debt	<ul style="list-style-type: none"> <li>Only USD-denominated sovereign debt</li> <li>Only bonds with index rating between BAA1 and BA3</li> <li>Intermediate or longer-term maturities of between 5 and 15 years</li> </ul>

**Performance data quoted represents past performance. Past performance does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost. Current performance data may be higher or lower than actual data quoted. For the most current month-end performance data, please call 800.426.3750.**

Total Returns (Net Asset Value) are calculated using the daily 4:00 pm ET net asset value (NAV). Through July 31, 2020, Market Price returns are based on the midpoint of the bid/ask spread for fund shares at market close (typically 4:00 pm ET). Beginning with August 31, 2020 month-end performance, Market Price returns are based on closing prices reported by the fund's primary listing exchange (typically 4:00 pm ET close). Performance results shown reflect expense reimbursements (if any), without which the results would have been lower. Shares may trade at a premium or discount to the NAV. Returns over one year are annualized. *ETF shares are bought and sold at market price (not NAV) and are not individually redeemed from the fund. Investors buy and sell shares on a secondary market. Only market or "authorized participants" may trade directly with the Fund(s), typically in blocks of 50,000 shares.*

<sup>1</sup>Rebalanced and reconstituted monthly. Weightings fixed at rebalance.

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

Key Statistics<sup>▲</sup>

	DIAL	Blg US Agg
Average effective duration (years)	7.09	6.64
Weighted Average Life (years)	9.12	9.03
Index yield to worst (%)	6.22	4.65
30-day SEC yield (%)	5.49	—

## Top Holdings (%)

UMBS 30yr Tba(Reg A) 2.000 10/13/2052	6.0
Treasury Bill 0.000 12/29/2022	4.3
UMBS 30yr Tba(Reg A) 2.500 10/13/2052	4.0
Treasury Note 2.875 05/15/2032	2.3
Treasury Bill 0.000 03/23/2023	2.1
Treasury Bill 0.000 08/10/2023	2.1
Treasury Bond 2.375 02/15/2042	1.7
Treasury Bond 2.875 05/15/2052	1.3
Treasury Bond 3.250 05/15/2042	1.3
Brazil (Federative Republic Of) 3.875 06/12/2030	1.2

## Portfolio Management

Gene Tannuzzo, CFA	19 years of experience
David Janssen, CFA	11 years of experience

Credit Rating (%)<sup>†</sup>

	DIAL	Blg US Agg
Treasury	9.9	40.9
Agency	14.9	29.2
AAA	6.5	3.8
AA	1.9	2.8
A	1.0	10.8
BBB	26.9	12.5
BB	26.0	0.0
B	13.1	0.0
Not Rated	0.1	0.0
Cash and Cash Equivalents	-0.2	0.0

## Average Life Distribution (%)

	DIAL	Blg US Agg
0-1 Year	-0.2	0.1
1-3 Years	2.3	21.8
3-7 Years	28.4	29.1
7-10 Years	45.4	17.0
10-15 Years	18.2	16.9
Above 15 Years	5.9	15.3

Top holdings are as of the date given, are subject to change at any time and are not recommendations to buy or sell any security.

Percentages may not add up to 100 due to rounding.

Future purchases of securities are shown as negative when covered by short-term cash commitments.

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**Fixed income securities** involve interest rate, credit, inflation, illiquidity and reinvestment risks. **Interest rate risk** is the risk that fixed income securities will decline in value because of changes in interest rates. Generally, the value of debt securities falls as interest rates rise. Fixed income securities differ in their sensitivities to changes in interest rates. Fixed income securities with longer effective durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter effective durations. Effective duration is determined by a number of factors including coupon rate, whether the coupon is fixed or floating, time to maturity, call or put features, and various repayment features. **Below investment-grade securities, or "junk bonds,"** are more likely to pose a credit risk, as the issuers of these securities are more likely to have problems making interest and principal payments than issuers of higher-rated securities. Lower-rated securities may be more susceptible to real or perceived adverse economic and competitive industry conditions than higher-grade securities, and prices of these securities may be more sensitive to adverse economic downturns or individual corporate developments. If the issuer of the securities defaults, the ETF may incur additional expenses to seek recovery. Generally, rising interest rates tend to extend the duration of **fixed rate mortgage-related securities**, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, if the ETF holds mortgage-related securities, it may exhibit additional volatility. In addition, adjustable and fixed rate mortgage-related securities are subject to prepayment risk. The fund is **passively managed** and seeks to track the performance of an index. The fund's use of a **"representative sampling"** approach in seeking to track the performance of its index (investing in only some of the components of the index that collectively are believed to have an investment profile similar to that of the index) may not allow the fund to track its index with the same degree of accuracy as would an investment vehicle replicating the entire Index. In addition to the multi-sector bond strategies employed, the fund may invest in **other securities**, including **private placements**. The Fund may have **portfolio turnover**, which may cause an adverse cost impact. There may be additional **portfolio turnover risk** as active market trading of the fund's shares may cause more frequent creation or redemption activities that could, in certain circumstances, increase the number of portfolio transactions as well as tracking error to the Index and as high levels of transactions increase brokerage and other transaction costs and may result in increased taxable capital gains. **Foreign currency risks** involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles, from economic or political instability in other nations or increased volatility and lower trading volume.

**Average Effective Duration:** Provides a measure of a fund's interest-rate sensitivity. The longer a fund's duration, the more sensitive the fund is to shifts in interest rates. **Weighted Average Life:** is the average length of time that each dollar of unpaid principal on a loan, a mortgage, or an amortizing bond remains outstanding. **Yield to Worst:** is the lowest potential yield that can be received on a bond without the issuer defaulting.

**The 30-day SEC Yield:** is an estimate of the fund's rate of investment income reflecting an estimated yield to maturity (assuming all current portfolio holdings are held to maturity), and it may not equal the fund's actual income distribution rate or the income paid to a shareholder's account. The yield shown reflects fee waivers in effect, if any. In the absence of such waivers, yields would be reduced. The yield will reflect an inflation adjustment that is attributable to any inflation-protected securities owned by the fund. This adjustment and the resulting yield can be positive (in the case of inflation) or negative (in the case of deflation).

The **Bloomberg U.S. Aggregate Bond Index** is a market-value-weighted index that tracks the daily price, coupon, pay-downs and total return performance of fixed-rate, publicly-placed, dollar-denominated, and non-convertible investment-grade debt issues with at least \$250 million par amount outstanding and with at least one year to final maturity. It is not possible to invest directly in an index.

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<sup>†</sup>Third-party rating agencies provide bond ratings ranging from AAA (highest) to D (lowest). When three ratings are available from Moody's, S&P and Fitch, the middle rating is used. When two are available, the lower rating is used. If only one is available, that rating is used. If a security is Not Rated but has a rating by Kroll and/or DBRS, the same methodology is applied to those bonds that would otherwise be Not Rated. Bonds with no third-party rating are designated as Not Rated. Investments are primarily based on internal proprietary research and ratings assigned by our fixed income investment analysts. Therefore, securities designated as Not Rated do not necessarily indicate low credit quality, and for such securities the investment adviser evaluates the credit quality. Holdings of the portfolio other than bonds are categorized under Other. Credit ratings are subjective opinions of the credit rating agency and not statements of fact and may become stale or subject to change. The fund is distributed by **ALPS Distributors, Inc.**, and managed by Columbia Management Investment Advisers, LLC. ALPS is not affiliated with Columbia Management Investment Advisers, LLC.

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