



**ANNUAL REPORT**  
December 31, 2021



Your success. Our priority.

## **WANGER USA**

(to be renamed Wanger Acorn, effective May 1, 2022)  
Managed by Columbia Wanger Asset Management, LLC

Please remember that you may not buy (nor will you own) shares of the Fund directly. The Fund is available through variable annuity contracts and variable life insurance policies offered by the separate accounts of participating insurance companies as well as qualified pension and retirement plans. Please contact your financial advisor or insurance representative for more information.

**Not Federally Insured • No Financial Institution Guarantee • May Lose Value**

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## Proxy voting policies and procedures

The policy of the Board of Trustees is to vote the proxies of the companies in which Wanger USA (the Fund) holds investments consistent with the procedures as stated in the Statement of Additional Information (SAI). You may obtain a copy of the SAI without charge by calling 800.345.6611; contacting your financial intermediary or searching the website of the Securities and Exchange Commission (SEC) at [sec.gov](http://sec.gov). Information regarding how the Fund voted proxies relating to portfolio securities is filed with the SEC by August 31st for the most recent 12-month period ending June 30th of that year, and is available without charge by visiting [columbiathreadneedleus.com/investor/](http://columbiathreadneedleus.com/investor/), or searching the website of the SEC at [sec.gov](http://sec.gov).

## Quarterly schedule of investments

The Fund files a complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-PORT. The Fund’s Form N-PORT is available on the SEC’s website at [sec.gov](http://sec.gov). The Fund’s complete schedule of portfolio holdings, as filed on Form N-PORT, can also be obtained without charge, upon request, by calling 800.345.6611.

## Additional Fund information

### Fund investment manager

Columbia Wanger Asset Management, LLC (Investment Manager)  
71 S Wacker Drive, Suite 2500  
Chicago, IL 60606  
888.4.WANGER  
(888.492.6437)

### Fund distributor

Columbia Management Investment Distributors, Inc.  
290 Congress Street  
Boston, MA 02210

### Fund transfer agent

Columbia Management Investment Services Corp.  
P.O. Box 219104  
Kansas City, MO 64121-9104

# FUND AT A GLANCE

## Investment objective

The Fund seeks long-term capital appreciation.

### Portfolio management

**Erika K. Maschmeyer, CFA**  
Co-Portfolio Manager since April 2021  
Service with the Fund since 2016

**John L. Emerson, CFA**  
Co-Portfolio Manager since April 2021  
Service with the Fund since 2003

*Effective May 1, 2022, Daniel Cole will be added as a Co-Portfolio manager to the Fund.*

### Average annual total returns (%) (for the period ended December 31, 2021)

|                           | Inception | 1 Year | 5 Years | 10 Years | Life of Fund |
|---------------------------|-----------|--------|---------|----------|--------------|
| Wanger USA                | 05/03/95  | 8.90   | 15.88   | 14.79    | 12.32        |
| Russell 2000 Growth Index |           | 2.83   | 14.53   | 14.14    | -            |

**Performance data shown represents past performance and is not a guarantee of future results. The investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than the performance data shown. Performance results reflect any fee waivers or reimbursements of Fund expenses by the investment manager and/or any of its affiliates. Absent these fee waivers and/or expense reimbursement arrangements, performance results would have been lower. For most recent month-end performance updates, please visit [columbiathreadneedleus.com/investor/](http://columbiathreadneedleus.com/investor/).**

**Performance numbers reflect all Fund expenses but do not include any fees and expenses imposed under your variable annuity contract or life insurance policy or qualified pension or retirement plan. If performance numbers included the effect of these additional charges, they would be lower.**

**The Fund's annual operating expense ratio of 1.09% is stated as of the Fund's prospectus dated May 1, 2021, and differences in expense ratios disclosed elsewhere in this report may result from the reflection of fee waivers and/or expense reimbursements as well as different time periods used in calculating the ratios.**

**All results shown assume reinvestment of distributions.**

The Russell 2000 Growth Index, an unmanaged index, measures the performance of those Russell 2000 Index companies with higher price-to-book ratios and higher forecasted growth values.

Effective May 1, 2022, the Fund will compare its performance to that of the Russell 2500 Growth Index. The Fund's investment manager believes that the new index provides a more appropriate comparison than the Russell 2000 Growth Index for investors measuring the Fund's relative performance. The Russell 2500 Growth Index measures the performance of those Russell 2500 companies with higher price-to-book ratios and higher forecasted growth values. Information on both the Russell 2000 Growth Index and the Russell 2500 Growth Index will be shown for a one-year transition period.

Indexes are not managed and do not incur fees or expenses. It is not possible to invest directly in an index.

**The COVID-19 pandemic has adversely impacted economies and capital markets around the world in ways that will likely continue and may change in unforeseen ways for an indeterminate period. The COVID-19 pandemic may exacerbate pre-existing political, social and economic risks in certain countries and globally. Fund performance may be significantly negatively impacted by the economic impact of the COVID-19 pandemic.**

# FUND AT A GLANCE (continued)

## Performance of a hypothetical \$10,000 investment (December 31, 2011 — December 31, 2021)



This graph compares the results of \$10,000 invested in Wanger USA on December 31, 2011 through December 31, 2021 to the Russell 2000 Growth Index, with dividends and capital gains reinvested. Although the index is provided for use in assessing the Fund's performance, the Fund's holdings may differ significantly from those in an index. Performance numbers reflect all Fund expenses but do not include any fees and expenses imposed under your variable annuity contract or life insurance policy or qualified pension or retirement plan. If performance numbers included the effect of these additional charges, they would be lower.

### Portfolio breakdown (%) (at December 31, 2021)

|                               |                    |
|-------------------------------|--------------------|
| Common Stocks                 | 91.9               |
| Limited Partnerships          | 1.5                |
| Money Market Funds            | 4.0                |
| Securities Lending Collateral | 2.6                |
| Warrants                      | 0.0 <sup>(a)</sup> |
| <b>Total</b>                  | <b>100.0</b>       |

(a) Rounds to zero.

Percentages indicated are based upon total investments excluding investments in derivatives, if any. The Fund's portfolio composition is subject to change.

### Equity sector breakdown (%) (at December 31, 2021)

|                        |              |
|------------------------|--------------|
| Communication Services | 1.5          |
| Consumer Discretionary | 22.4         |
| Consumer Staples       | 3.3          |
| Energy                 | 1.1          |
| Financials             | 6.4          |
| Health Care            | 26.4         |
| Industrials            | 16.5         |
| Information Technology | 18.2         |
| Materials              | 1.6          |
| Real Estate            | 2.6          |
| <b>Total</b>           | <b>100.0</b> |

Percentages indicated are based upon total equity investments. The Fund's portfolio composition is subject to change.

# MANAGER DISCUSSION OF FUND PERFORMANCE

Wanger USA returned 8.90% for the 12-month period ended December 31, 2021, outperforming the 2.83% return of its primary benchmark, the Russell 2000 Growth Index.

## Market overview

U.S. equities performed very well in 2021, with most aspects of the macroeconomic environment providing a tailwind for risk assets. Although COVID-19 remained persistent due to the emergence of new variants throughout the year, the rollout of multiple vaccines enabled a gradual return toward pre-pandemic business conditions. Economic growth surged as a result, leading to favorable comparisons versus the depressed levels of 2020. Corporate earnings rose in kind, with results tracking ahead of expectations in each of the year's four quarters. Monetary and fiscal policy was also highly supportive, fueling a steady appetite for risk among investors.

Despite these positive developments, small-cap growth stocks trailed most other segments of the U.S. equity market in 2021. After performing reasonably well through mid-November, the asset class experienced considerable underperformance in the final six weeks of the year. The U.S. Federal Reserve's indication of its intent to begin raising short-term interest rates in 2022 factored into the downturn late in the year. The prospect of higher interest rates is typically a headwind for smaller growth stocks since it reduces the value of their expected future earnings when measured in current dollars.

The resulting sell-off represented one of the largest pullbacks in secular growth company investment that we have witnessed in many years. Believing this created some very attractive long-term opportunities, we remained on a sharp lookout for stocks that we believe have been unjustifiably beaten down by larger trends. As always, we stayed focused on seeking to invest in growing companies with outstanding business models and competitive advantages that we believe will strengthen over time.

The Fund's broader investment strategy was an important reason for its outperformance in 2021. Lower quality companies, particularly those without current profits, lagged considerably during the downturn late in the year. On the other hand, the types of higher quality, profitable growers we seek held up much better than the overall small- and mid-cap category. We believe this helps illustrate the merits of emphasizing bottom-up company research rather than trying to predict macroeconomic developments such as inflation or the direction of Fed policy.

This steady approach helped the Fund meet or exceed the returns of the corresponding benchmark components in seven of the nine sectors in which it held a position.

## The Fund's notable contributors during the period

- Our process generated strong relative performance in Fund holdings in the industrials sector.
  - Atkore, Inc., a specialized producer of electrical products used in commercial and industrial end markets, is one of only a handful of vendors that supply a very fragmented customer base. This affords Atkore with what we call "niche dominance," one of the key features we look for in our portfolio holdings. Broader trends were also at the company's back in 2021, highlighted by rising prices for PVC pipe and steel.
  - SiteOne Landscape Supply, Inc. further contributed to results. The company benefited from its position as a distributor situated between a fragmented group of suppliers (equipment makers) and an equally fragmented customer base (landscapers). The company has both scale power and an excellent management team, and these traits fed through to performance.
- The materials, health care, and consumer discretionary sectors were also areas in which our stock picks outperformed in 2021.
- Upstart Holdings, Inc., a financial stock, was the leading individual contributor for the year. The company operates an artificial intelligence (AI)-based lending platform primarily serving the personal and auto loan market. The shares jumped as the company grew more quickly than expected since its December 2020 initial public offering. We sold the stock on the basis of valuation prior to its downturn late in the year.
- Sprout Social, Inc., a provider of social media marketing management software that has benefited from the rapid shift in corporate marketing budgets toward to social media, was another top contributor in 2021.

# MANAGER DISCUSSION OF FUND PERFORMANCE (continued)

- Sector allocations, while a residual effect of our bottom-up stock selection process, nonetheless contributed to performance. An overweight position in the industrials sector aided results, as did a zero weighting in the poor-performing communication services sector.

## The Fund's notable detractors during the period

- Information technology, while home to a number of our top contributors, also includes Voyager Digital Ltd., an operator of a cryptocurrency trading app, and Olo Ltd., a software-as-a-service provider for restaurants. They were both significant detractors.
- Poshmark, Inc., an operator of an online marketplace for resellers of apparel and accessories, was among the Fund's largest detractors in 2021. The company's initial results and conservative guidance weighed on the shares, as did the overall weakness in recent initial public offerings during the second half of the year. Nevertheless, we believe Poshmark possesses a compelling platform that effectively blends valuable aspects of social media with e-commerce to create a collaborative, highly engaged and growing network of buyers and sellers.
- Vroom, Inc., an e-commerce platform for buying and selling new and used cars, was another notable detractor in consumer discretionary. Vroom has a leading market position in this small but fast-growing area, but its stock lagged due in part to its announcement that it was increasing its investment in infrastructure. While investors focused on the effect this move would have on near-term profits, we believe it can help the company build its brand and achieve longer term scale benefits.

*Market risk* may affect a single issuer, sector of the economy, industry or the market as a whole. Investments in small and mid-cap companies involve risks and volatility and possible illiquidity greater than investments in larger, more established companies. The Fund may invest significantly in issuers within a particular sector, which may be negatively affected by market, economic or other conditions, making the Fund more vulnerable to unfavorable developments in the sector.

*The views expressed in this report reflect the current views of the respective parties who contributed to the report. These views are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict, so actual outcomes and results may differ significantly from the views expressed. These views are subject to change at any time based upon economic, market or other conditions and the respective parties disclaim any responsibility to update such views. These views may not be relied on as investment advice and, because investment decisions for a Columbia Wanger Fund are based on numerous factors, may not be relied on as an indication of trading intent on behalf of any particular Columbia Wanger Fund. References to specific securities should not be construed as a recommendation or investment advice.*

# UNDERSTANDING YOUR FUND'S EXPENSES

(Unaudited)

As a shareholder, you incur three types of costs. There are shareholder transaction costs, which may include redemption fees. There are also ongoing fund costs, which generally include investment advisory fees and other expenses for Wanger USA (the Fund). Lastly, there may be additional fees or charges imposed by the insurance company that sponsors your variable annuity and/or variable life insurance product. The following information is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to help you compare these costs with the ongoing costs of investing in other mutual funds.

## Analyzing your Fund's expenses

To illustrate these ongoing costs, we have provided an example and calculated the expenses paid by investors in the Fund during the period. The actual and hypothetical information in the table below is based on an initial investment of \$1,000 at the beginning of the period indicated and held for the entire period. Expense information is calculated two ways and each method provides you with different information. The amount listed in the "Actual" column is calculated using the Fund's actual operating expenses and total return for the period. You may use the Actual information, together with the amount invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the results by the expenses paid during the period under the Actual column. The amount listed in the "Hypothetical" column assumes a 5% annual rate of return before expenses (which is not the Fund's actual return) and then applies the Fund's actual expense ratio for the period to the hypothetical return. You should not use the hypothetical account values and expenses to estimate either your actual account balance at the end of the period or the expenses you paid during the period. See "Compare with other funds" below for details on how to use the hypothetical data.

## Compare with other funds

Since all mutual funds are required to include the same hypothetical calculations about expenses in shareholder reports, you can use this information to compare the ongoing cost of investing in the Fund with other funds. To do so, compare the hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds. As you compare hypothetical examples of other funds, it is important to note that hypothetical examples are meant to highlight the ongoing cost of investing in a fund only and do not reflect any transaction costs, such as redemption or exchange fees. Therefore, the hypothetical calculations are useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. If transaction costs were included in these calculations, your costs would be higher.

|            | July 1, 2021 — December 31, 2021                  |              |   |              |                                      |              |                                     |  |
|------------|---|--------------|---|--------------|--------------------------------------|--------------|-------------------------------------|--|
|            | Account value at the beginning of the period (\$) |              | Account value at the end of the period (\$) |              | Expenses paid during the period (\$) |              | Fund's annualized expense ratio (%) |  |
|            | Actual  | Hypothetical | Actual                                      | Hypothetical | Actual                               | Hypothetical | Actual                              |  |
| Wanger USA | 1,000.00  | 1,000.00     | 991.50                                      | 1,019.71     | 5.47                                 | 5.55         | 1.09                                |  |

Expenses paid during the period are equal to the Fund's annualized expense ratio, multiplied by the average account value over the period, then multiplied by the number of days in the Fund's most recent fiscal half-year and divided by 365.

It is important to note that the expense amounts shown in the table are meant to highlight only ongoing costs of investing in the Fund. Expenses paid during the period do not include any insurance charges imposed by your insurance company's separate account. The hypothetical example provided is useful in comparing ongoing costs only and will not help you determine the relative total costs of owning different funds whose shareholders may incur transaction costs.

# PORTFOLIO OF INVESTMENTS

December 31, 2021

(Percentages represent value of investments compared to net assets)

## Investments in securities

| Common Stocks 94.3%                                   |         |                    |
|---|---------|--------------------|
| Issuer  | Shares  | Value (\$)         |
| <b>Communication Services 1.4%</b>                    |         |                    |
| <b>Interactive Media &amp; Services 1.4%</b>          |         |                    |
| Ziff Davis, Inc. <sup>(a)</sup>                       | 89,625  | 9,935,827          |
| <b>Total Communication Services</b>                   |         | <b>9,935,827</b>   |
| <b>Consumer Discretionary 20.0%</b>                   |         |                    |
| <b>Auto Components 3.6%</b>                           |         |                    |
| Dorman Products, Inc. <sup>(a)</sup>                  | 84,425  | 9,540,870          |
| LCI Industries  | 53,000  | 8,261,110          |
| Visteon Corp. <sup>(a)</sup>                          | 61,750  | 6,862,895          |
| <b>Total</b>  |         | <b>24,664,875</b>  |
| <b>Diversified Consumer Services 1.7%</b>             |         |                    |
| Bright Horizons Family Solutions, Inc. <sup>(a)</sup> | 50,400  | 6,344,352          |
| Chegg, Inc. <sup>(a)</sup>                            | 166,366 | 5,107,436          |
| <b>Total</b>  |         | <b>11,451,788</b>  |
| <b>Hotels, Restaurants &amp; Leisure 8.1%</b>         |         |                    |
| Churchill Downs, Inc.                                 | 46,477  | 11,196,309         |
| First Watch Restaurant Group, Inc. <sup>(a),(b)</sup> | 159,209 | 2,668,343          |
| Planet Fitness, Inc., Class A <sup>(a)</sup>          | 227,205 | 20,580,229         |
| Wendy's Co. (The)                                     | 283,500 | 6,761,475          |
| Wingstop, Inc.  | 82,300  | 14,221,440         |
| <b>Total</b>  |         | <b>55,427,796</b>  |
| <b>Household Durables 2.4%</b>                        |         |                    |
| Skyline Champion Corp. <sup>(a)</sup>                 | 205,895 | 16,261,587         |
| <b>Internet &amp; Direct Marketing Retail 0.6%</b>    |         |                    |
| Poshmark, Inc., Class A <sup>(a),(b)</sup>            | 244,703 | 4,167,292          |
| <b>Leisure Products 1.0%</b>                          |         |                    |
| Brunswick Corp.                                       | 69,423  | 6,992,979          |
| <b>Specialty Retail 2.6%</b>                          |         |                    |
| Five Below, Inc. <sup>(a)</sup>                       | 69,188  | 14,314,305         |
| Vroom, Inc. <sup>(a),(b)</sup>                        | 361,544 | 3,901,060          |
| <b>Total</b>  |         | <b>18,215,365</b>  |
| <b>Total Consumer Discretionary</b>                   |         | <b>137,181,682</b> |
| <b>Consumer Staples 3.2%</b>                          |         |                    |
| <b>Food &amp; Staples Retailing 2.2%</b>              |         |                    |
| BJ's Wholesale Club Holdings, Inc. <sup>(a)</sup>     | 222,083 | 14,872,898         |

| Common Stocks (continued)                        |         |                   |
|--|---------|-------------------|
| Issuer   | Shares  | Value (\$)        |
| <b>Household Products 1.0%</b>                   |         |                   |
| WD-40 Co.  | 27,914  | 6,828,881         |
| <b>Total Consumer Staples</b>                    |         | <b>21,701,779</b> |
| <b>Energy 1.1%</b>                               |         |                   |
| <b>Oil, Gas &amp; Consumable Fuels 1.1%</b>      |         |                   |
| Matador Resources Co.                            | 196,250 | 7,245,550         |
| <b>Total Energy</b>                              |         | <b>7,245,550</b>  |
| <b>Financials 6.1%</b>                           |         |                   |
| <b>Banks 1.6%</b>                                |         |                   |
| Lakeland Financial Corp.                         | 138,027 | 11,061,484        |
| <b>Capital Markets 4.5%</b>                      |         |                   |
| GCM Grosvenor, Inc., Class A <sup>(b)</sup>      | 893,975 | 9,386,737         |
| Hamilton Lane, Inc., Class A                     | 64,164  | 6,648,674         |
| Houlihan Lokey, Inc., Class A                    | 76,383  | 7,907,168         |
| Open Lending Corp., Class A <sup>(a)</sup>       | 296,886 | 6,673,997         |
| <b>Total</b>                                     |         | <b>30,616,576</b> |
| <b>Total Financials</b>                          |         | <b>41,678,060</b> |
| <b>Health Care 25.3%</b>                         |         |                   |
| <b>Biotechnology 5.5%</b>                        |         |                   |
| Anika Therapeutics, Inc. <sup>(a)</sup>          | 127,519 | 4,569,006         |
| Fate Therapeutics, Inc. <sup>(a)</sup>           | 158,462 | 9,271,612         |
| Insmmed, Inc. <sup>(a)</sup>                     | 313,998 | 8,553,305         |
| Intellia Therapeutics, Inc. <sup>(a)</sup>       | 31,575  | 3,733,428         |
| Iovance Biotherapeutics, Inc. <sup>(a)</sup>     | 95,700  | 1,826,913         |
| Mirati Therapeutics, Inc. <sup>(a)</sup>         | 35,869  | 5,261,624         |
| Natera, Inc. <sup>(a)</sup>                      | 45,951  | 4,291,364         |
| <b>Total</b>                                     |         | <b>37,507,252</b> |
| <b>Health Care Equipment &amp; Supplies 1.2%</b> |         |                   |
| Glaukos Corp. <sup>(a)</sup>                     | 69,775  | 3,100,801         |
| Globus Medical, Inc., Class A <sup>(a)</sup>     | 75,967  | 5,484,817         |
| <b>Total</b>                                     |         | <b>8,585,618</b>  |

The accompanying Notes to Financial Statements are an integral part of this statement.

# PORTFOLIO OF INVESTMENTS (continued)

December 31, 2021

| Common Stocks (continued)                               |         |                    |
|---|---------|--------------------|
| Issuer  | Shares  | Value (\$)         |
| <b>Health Care Providers &amp; Services 7.0%</b>        |         |                    |
| Amedisys, Inc. <sup>(a)</sup>                           | 86,200  | 13,954,056         |
| Chemed Corp.  | 30,113  | 15,930,981         |
| Encompass Health Corp.                                  | 39,950  | 2,607,137          |
| National Research Corp., Class A                        | 202,640 | 8,413,613          |
| P3 Health Partners, Inc. <sup>(a),(b)</sup>             | 999,623 | 7,037,346          |
| <b>Total</b>  |         | <b>47,943,133</b>  |
| <b>Health Care Technology 1.8%</b>                      |         |                    |
| Doximity, Inc., Class A <sup>(a),(b)</sup>              | 168,483 | 8,446,053          |
| Schrodinger, Inc. <sup>(a)</sup>                        | 104,035 | 3,623,539          |
| <b>Total</b>  |         | <b>12,069,592</b>  |
| <b>Life Sciences Tools &amp; Services 9.2%</b>          |         |                    |
| 10X Genomics, Inc., Class A <sup>(a)</sup>              | 57,749  | 8,602,291          |
| Bio-Techne Corp.  | 11,920  | 6,166,693          |
| Codexis, Inc. <sup>(a)</sup>                            | 311,925 | 9,753,895          |
| DNA Script <sup>(a),(c),(d),(e)</sup>                   | 2,550   | 1,771,488          |
| NanoString Technologies, Inc. <sup>(a)</sup>            | 120,759 | 5,099,653          |
| NeoGenomics, Inc. <sup>(a)</sup>                        | 156,500 | 5,339,780          |
| Pacific Biosciences of California, Inc. <sup>(a)</sup>  | 357,775 | 7,320,076          |
| Repligen Corp. <sup>(a)</sup>                           | 71,358  | 18,898,453         |
| <b>Total</b>  |         | <b>62,952,329</b>  |
| <b>Pharmaceuticals 0.6%</b>                             |         |                    |
| Nuvation Bio, Inc. <sup>(a),(b)</sup>                   | 502,000 | 4,267,000          |
| <b>Total Health Care</b>                                |         | <b>173,324,924</b> |
| <b>Industrials 15.8%</b>                                |         |                    |
| <b>Electrical Equipment 5.3%</b>                        |         |                    |
| Atkor, Inc. <sup>(a)</sup>                              | 109,747 | 12,202,769         |
| Plug Power, Inc. <sup>(a)</sup>                         | 346,675 | 9,786,635          |
| Shoals Technologies Group, Inc., Class A <sup>(a)</sup> | 432,815 | 10,517,405         |
| Sunrun, Inc. <sup>(a)</sup>                             | 106,880 | 3,665,984          |
| <b>Total</b>  |         | <b>36,172,793</b>  |
| <b>Machinery 5.2%</b>                                   |         |                    |
| ITT, Inc.   | 90,302  | 9,227,961          |
| Kornit Digital Ltd. <sup>(a)</sup>                      | 73,915  | 11,253,559         |
| SPX Corp. <sup>(a)</sup>                                | 154,982 | 9,249,326          |
| Watts Water Technologies, Inc., Class A                 | 30,861  | 5,992,280          |
| <b>Total</b>  |         | <b>35,723,126</b>  |

| Common Stocks (continued)                                      |         |                    |
|--|---------|--------------------|
| Issuer   | Shares  | Value (\$)         |
| <b>Professional Services 1.3%</b>                              |         |                    |
| ICF International, Inc.  | 82,960  | 8,507,548          |
| <b>Road &amp; Rail 0.8%</b>                                    |         |                    |
| Saia, Inc. <sup>(a)</sup>                                      | 16,601  | 5,595,035          |
| <b>Trading Companies &amp; Distributors 3.2%</b>               |         |                    |
| SiteOne Landscape Supply, Inc. <sup>(a)</sup>                  | 91,243  | 22,106,354         |
| <b>Total Industrials</b>                                       |         | <b>108,104,856</b> |
| <b>Information Technology 17.4%</b>                            |         |                    |
| <b>Communications Equipment 1.3%</b>                           |         |                    |
| Calix, Inc. <sup>(a)</sup>                                     | 111,665 | 8,929,850          |
| <b>Electronic Equipment, Instruments &amp; Components 1.9%</b> |         |                    |
| Advanced Energy Industries, Inc.                               | 56,822  | 5,174,212          |
| Badger Meter, Inc.   | 74,708  | 7,960,885          |
| <b>Total</b>   |         | <b>13,135,097</b>  |
| <b>IT Services 3.0%</b>  |         |                    |
| Endava PLC, ADR <sup>(a)</sup>                                 | 91,024  | 15,284,750         |
| Shift4 Payments, Inc., Class A <sup>(a)</sup>                  | 95,000  | 5,503,350          |
| <b>Total</b>   |         | <b>20,788,100</b>  |
| <b>Software 11.2%</b>  |         |                    |
| Avalara, Inc. <sup>(a)</sup>                                   | 68,610  | 8,858,237          |
| Blackline, Inc. <sup>(a)</sup>                                 | 183,589 | 19,008,805         |
| Elastic NV <sup>(a)</sup>                                      | 75,014  | 9,233,473          |
| Five9, Inc. <sup>(a)</sup>                                     | 89,667  | 12,313,072         |
| Manhattan Associates, Inc. <sup>(a)</sup>                      | 40,499  | 6,297,190          |
| Olo, Inc., Class A <sup>(a)</sup>                              | 331,594 | 6,900,471          |
| Sprout Social, Inc., Class A <sup>(a)</sup>                    | 76,713  | 6,957,102          |
| Voyager Digital Ltd. <sup>(a)</sup>                            | 577,464 | 7,208,314          |
| <b>Total</b>   |         | <b>76,776,664</b>  |
| <b>Total Information Technology</b>                            |         | <b>119,629,711</b> |
| <b>Materials 1.5%</b>  |         |                    |
| <b>Chemicals 1.5%</b>  |         |                    |
| Avient Corp.   | 190,147 | 10,638,725         |
| <b>Total Materials</b>   |         | <b>10,638,725</b>  |

The accompanying Notes to Financial Statements are an integral part of this statement.

# PORTFOLIO OF INVESTMENTS (continued)

December 31, 2021

| Common Stocks (continued)                   |        |                   |
|---|--------|-------------------|
| Issuer                                      | Shares | Value (\$)        |
| <b>Real Estate 2.5%</b>                     |        |                   |
| Real Estate Management & Development 2.5%   |        |                   |
| Colliers International Group, Inc.          | 75,000 | 11,148,750        |
| FirstService Corp.                          | 30,840 | 6,059,135         |
| Total                                       |        | 17,207,885        |
| <b>Total Real Estate</b>                    |        | <b>17,207,885</b> |
| Total Common Stocks<br>(Cost \$518,470,948) |        | 646,648,999       |

| Limited Partnerships 1.5%                        |         |                   |
|--|---------|-------------------|
| Consumer Discretionary 1.5%                      |         |                   |
| Hotels, Restaurants & Leisure 1.5%               |         |                   |
| Cedar Fair LP <sup>(a)</sup>                     | 205,960 | 10,310,358        |
| <b>Total Consumer Discretionary</b>              |         | <b>10,310,358</b> |
| Total Limited Partnerships<br>(Cost \$6,988,800) |         | 10,310,358        |

| Securities Lending Collateral 2.7%  |            |                   |
|---|------------|-------------------|
| Dreyfus Government Cash Management Fund,<br>Institutional Shares, 0.030% <sup>(f),(g)</sup> | 18,205,520 | 18,205,520        |
| <b>Total Securities Lending Collateral</b><br>(Cost \$18,205,520)                           |            | <b>18,205,520</b> |

| Warrants 0.1%                           |         |                |
|---|---------|----------------|
| Issuer                                  | Shares  | Value (\$)     |
| <b>Financials 0.1%</b>                  |         |                |
| Capital Markets 0.1%                    |         |                |
| P3 Health Partners, Inc. <sup>(a)</sup> | 333,207 | 349,867        |
| <b>Total Financials</b>                 |         | <b>349,867</b> |
| Total Warrants<br>(Cost \$481,030)      |         | 349,867        |

| Money Market Funds 4.1%   |            |                    |
|---|------------|--------------------|
|   | Shares     | Value (\$)         |
| Columbia Short-Term Cash Fund, 0.085% <sup>(f),(h)</sup>        | 28,259,194 | 28,253,542         |
| Total Money Market Funds<br>(Cost \$28,254,789)                 |            | 28,253,542         |
| <b>Total Investments in Securities</b><br>(Cost: \$572,401,087) |            | <b>703,768,286</b> |
| Obligation to Return Collateral for Securities Loaned           |            | (18,205,520)       |
| <b>Other Assets &amp; Liabilities, Net</b>                      |            | <b>(9,165)</b>     |
| <b>Net Assets</b>   |            | <b>685,553,601</b> |

## Notes to Portfolio of Investments

- (a) Non-income producing investment.
- (b) All or a portion of this security was on loan at December 31, 2021. The total market value of securities on loan at December 31, 2021 was \$17,247,971.
- (c) Represents fair value as determined in good faith under procedures approved by the Board of Trustees. At December 31, 2021, the total value of these securities amounted to \$1,771,488, which represents 0.26% of total net assets.
- (d) Denotes a restricted security, which is subject to legal or contractual restrictions on resale under federal securities laws. Disposal of a restricted investment may involve time-consuming negotiations and expenses, and prompt sale at an acceptable price may be difficult to achieve. Private placement securities are generally considered to be restricted, although certain of those securities may be traded between qualified institutional investors under the provisions of Section 4(a)(2) and Rule 144A. The Fund will not incur any registration costs upon such a trade. These securities are valued at fair value determined in good faith under consistently applied procedures established by the Fund's Board of Trustees. At December 31, 2021, the total market value of these securities amounted to \$1,771,488, which represents 0.26% of total net assets. Additional information on these securities is as follows:

| Security   | Acquisition Dates | Shares | Cost (\$) | Value (\$) |
|------------|-------------------|--------|-----------|------------|
| DNA Script | 10/01/2021        | 2,550  | 2,218,117 | 1,771,488  |

- (e) Valuation based on significant unobservable inputs.
- (f) The rate shown is the seven-day current annualized yield at December 31, 2021.
- (g) Investment made with cash collateral received from securities lending activity.

The accompanying Notes to Financial Statements are an integral part of this statement.

# PORTFOLIO OF INVESTMENTS (continued)

December 31, 2021

## Notes to Portfolio of Investments (continued)

(h) As defined in the Investment Company Act of 1940, as amended, an affiliated company is one in which the Fund owns 5% or more of the company's outstanding voting securities, or a company which is under common ownership or control with the Fund. The value of the holdings and transactions in these affiliated companies during the year ended December 31, 2021 are as follows:

| Affiliated issuers                    | Beginning of period(\$) | Purchases(\$) | Sales(\$)     | Net change in unrealized appreciation (depreciation)(\$) | End of period(\$) | Realized gain (loss)(\$) | Dividends(\$) | End of period shares |
|---------------------------------------|-------------------------|---------------|---------------|--|-------------------|--------------------------|---------------|----------------------|
| Columbia Short-Term Cash Fund, 0.085% | 3,273,726               | 284,419,633   | (259,437,694) | (2,123)  | 28,253,542        | (85)                     | 12,804        | 28,259,194           |

## Abbreviation Legend

ADR American Depositary Receipt

## Fair value measurements

Various inputs are used in determining the value of the Fund's investments, following the input prioritization hierarchy established by accounting principles generally accepted in the United States of America (GAAP). These inputs are summarized in the three broad levels listed below:

- Level 1 – quoted prices in active markets for identical securities
- Level 2 – prices determined using other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk and others)
- Level 3 – prices determined using significant unobservable inputs where quoted prices or observable inputs are unavailable or less reliable (including management's own assumptions about the factors market participants would use in pricing an investment)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

Examples of the types of securities in which the Fund would typically invest and how they are classified within this hierarchy are as follows. Typical Level 1 securities include exchange traded domestic equities, mutual funds whose net asset values are published each day and exchange traded foreign equities that are not typically statistically fair valued. Typical Level 2 securities include exchange traded foreign equities that are traded in the European region or Asia Pacific region time zones which are typically statistically fair valued, forward foreign currency exchange contracts and short-term investments valued at amortized cost. Additionally, securities fair valued by Columbia Wanger Asset Management's Valuation Committee (the Committee) that rely on significant observable inputs are also included in Level 2. Typical Level 3 securities include any security fair valued by the Committee that relies on significant unobservable inputs.

The Committee is responsible for applying the Wanger Advisors Trust Portfolio Pricing Policy and the Columbia Wanger Asset Management pricing procedures (the Policies), which are approved by and subject to the oversight of the Board of Trustees.

The Committee meets as necessary, and no less frequently than quarterly, to determine fair values for securities for which market quotations are not readily available or for which Columbia Wanger Asset Management believes that available market quotations are unreliable. The Committee also reviews the continuing appropriateness of the Policies. In circumstances where a security has been fair valued, the Committee will also review the continuing appropriateness of the current value of the security. The Policies address, among other things: circumstances under which market quotations will be deemed readily available; selection of third party pricing vendors; appropriate pricing methodologies; events that require fair valuation and fair value techniques; circumstances under which securities will be deemed to pose a potential for stale pricing, including when securities are illiquid, restricted, or in default; and certain delegations of authority to determine fair values to the Fund's investment manager. The Committee may also meet to discuss additional valuation matters, which may include review of back-testing results, review of time-sensitive information or approval of other valuation related actions, and to review the appropriateness of the Policies.

The following table is a summary of the inputs used to value the Fund's investments at December 31, 2021:

|                                  | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | Total (\$)  |
|----------------------------------|--------------|--------------|--------------|-------------|
| <b>Investments in Securities</b> |              |              |              |             |
| Common Stocks                    |              |              |              |             |
| Communication Services           | 9,935,827    | –            | –            | 9,935,827   |
| Consumer Discretionary           | 137,181,682  | –            | –            | 137,181,682 |
| Consumer Staples                 | 21,701,779   | –            | –            | 21,701,779  |
| Energy                           | 7,245,550    | –            | –            | 7,245,550   |
| Financials                       | 41,678,060   | –            | –            | 41,678,060  |
| Health Care                      | 171,553,436  | –            | 1,771,488    | 173,324,924 |
| Industrials                      | 108,104,856  | –            | –            | 108,104,856 |
| Information Technology           | 119,629,711  | –            | –            | 119,629,711 |

The accompanying Notes to Financial Statements are an integral part of this statement.

# PORTFOLIO OF INVESTMENTS (continued)

December 31, 2021

## Fair value measurements (continued)

|                                 | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | Total (\$)  |
|---------------------------------|--------------|--------------|--------------|-------------|
| Materials                       | 10,638,725   | –            | –            | 10,638,725  |
| Real Estate                     | 17,207,885   | –            | –            | 17,207,885  |
| Total Common Stocks             | 644,877,511  | –            | 1,771,488    | 646,648,999 |
| Limited Partnerships            |              |              |              |             |
| Consumer Discretionary          | 10,310,358   | –            | –            | 10,310,358  |
| Total Limited Partnerships      | 10,310,358   | –            | –            | 10,310,358  |
| Securities Lending Collateral   | 18,205,520   | –            | –            | 18,205,520  |
| Warrants                        |              |              |              |             |
| Financials                      | 349,867      | –            | –            | 349,867     |
| Total Warrants                  | 349,867      | –            | –            | 349,867     |
| Money Market Funds              | 28,253,542   | –            | –            | 28,253,542  |
| Total Investments in Securities | 701,996,798  | –            | 1,771,488    | 703,768,286 |

See the Portfolio of Investments for all investment classifications not indicated in the table.

Warrants which do not trade are valued as a percentage of the actively trading common stock using a model, based on Black Scholes.

The Fund does not hold any significant investments (greater than one percent of net assets) categorized as Level 3.

The accompanying Notes to Financial Statements are an integral part of this statement.

# STATEMENT OF ASSETS AND LIABILITIES

December 31, 2021

| <b>Assets</b>  |                      |
|--|----------------------|
| Investments in securities, at value*   |                      |
| Unaffiliated issuers (cost \$544,146,298)                                      | \$675,514,744        |
| Affiliated issuers (cost \$28,254,789)   | 28,253,542           |
| Receivable for:  |                      |
| Investments sold   | 128,237              |
| Capital shares sold  | 64,197               |
| Dividends  | 162,605              |
| Securities lending income  | 17,292               |
| Foreign tax reclaims   | 1,688                |
| Prepaid expenses   | 16,840               |
| Trustees' deferred compensation plan   | 377,190              |
| <b>Total assets</b>  | <b>704,536,335</b>   |
| <b>Liabilities</b>   |                      |
| Foreign currency (cost \$62)   | 61                   |
| Due upon return of securities on loan  | 18,205,520           |
| Payable for:   |                      |
| Capital shares purchased   | 185,140              |
| Investment advisory fee  | 16,315               |
| Service fees   | 112,747              |
| Administration fees  | 942                  |
| Trustees' fees   | 175                  |
| Compensation of chief compliance officer                                       | 1,224                |
| Other expenses   | 83,420               |
| Trustees' deferred compensation plan   | 377,190              |
| <b>Total liabilities</b>   | <b>18,982,734</b>    |
| <b>Net assets applicable to outstanding capital stock</b>                      | <b>\$685,553,601</b> |
| <b>Represented by</b>  |                      |
| Paid in capital  | 386,495,515          |
| Total distributable earnings (loss)  | 299,058,086          |
| <b>Total - representing net assets applicable to outstanding capital stock</b> | <b>\$685,553,601</b> |
| Shares outstanding   | 26,629,507           |
| Net asset value per share  | 25.74                |
| * Includes the value of securities on loan                                     | 17,247,971           |

The accompanying Notes to Financial Statements are an integral part of this statement.

# STATEMENT OF OPERATIONS

Year Ended December 31, 2021

|   |                      |
|---|----------------------|
| <b>Net investment income</b>                                |                      |
| Income:   |                      |
| Dividends – unaffiliated issuers                            | \$2,216,851          |
| Dividends – affiliated issuers                              | 12,804               |
| Income from securities lending – net                        | 482,542              |
| Foreign taxes withheld                                      | (5,649)              |
| <b>Total income</b>   | <b>2,706,548</b>     |
| Expenses:   |                      |
| Investment advisory fee                                     | 6,267,473            |
| Service fees  | 795,090              |
| Administration fees   | 362,647              |
| Trustees' fees  | 65,073               |
| Custodian fees  | 11,831               |
| Printing and postage fees                                   | 149,232              |
| Audit fees  | 28,382               |
| Legal fees  | 99,277               |
| Compensation of chief compliance officer                    | 2,553                |
| Other   | 43,885               |
| <b>Total expenses</b>                                       | <b>7,825,443</b>     |
| <b>Net investment loss</b>                                  | <b>(5,118,895)</b>   |
| <b>Realized and unrealized gain (loss) – net</b>            |                      |
| Net realized gain (loss) on:                                |                      |
| Investments – unaffiliated issuers                          | 184,285,604          |
| Investments – affiliated issuers                            | (85)                 |
| Foreign currency translations                               | (342)                |
| Futures contracts   | (314,332)            |
| <b>Net realized gain</b>                                    | <b>183,970,845</b>   |
| Net change in unrealized appreciation (depreciation) on:    |                      |
| Investments – unaffiliated issuers                          | (115,818,140)        |
| Investments – affiliated issuers                            | (2,123)              |
| Foreign currency translations                               | 1                    |
| <b>Net change in unrealized appreciation (depreciation)</b> | <b>(115,820,262)</b> |
| <b>Net realized and unrealized gain</b>                     | <b>68,150,583</b>    |
| <b>Net increase in net assets resulting from operations</b> | <b>\$63,031,688</b>  |

The accompanying Notes to Financial Statements are an integral part of this statement.

# STATEMENT OF CHANGES IN NET ASSETS

|  | Year Ended<br>December 31, 2021 | Year Ended<br>December 31, 2020 |
|--|---------------------------------|---------------------------------|
| <b>Operations</b>                                    |                                 |                                 |
| Net investment loss                                  | \$(5,118,895)                   | \$(3,618,051)                   |
| Net realized gain                                    | 183,970,845                     | 24,307,201                      |
| Net change in unrealized appreciation (depreciation) | (115,820,262)                   | 115,818,214                     |
| Net increase in net assets resulting from operations | 63,031,688                      | 136,507,364                     |
| <b>Distributions to shareholders</b>                 |                                 |                                 |
| Net investment income and net realized gains         | (28,687,811)                    | (64,805,114)                    |
| Total distributions to shareholders                  | (28,687,811)                    | (64,805,114)                    |
| Decrease in net assets from capital stock activity   | (57,132,932)                    | (30,313,016)                    |
| Total increase (decrease) in net assets              | (22,789,055)                    | 41,389,234                      |
| Net assets at beginning of year                      | 708,342,656                     | 666,953,422                     |
| Net assets at end of year                            | \$685,553,601                   | \$708,342,656                   |

|                               | Year Ended<br>December 31, 2021 |              | Year Ended<br>December 31, 2020 |               |
|-------------------------------|---------------------------------|--------------|---------------------------------|---------------|
|                               | Shares                          | Dollars (\$) | Shares                          | Dollars (\$)  |
| <b>Capital stock activity</b> |                                 |              |                                 |               |
| Subscriptions                 | 441,420                         | 11,645,845   | 473,106                         | 9,018,672     |
| Distributions reinvested      | 1,127,646                       | 28,687,811   | 3,474,805                       | 64,805,114    |
| Redemptions                   | (3,703,083)                     | (97,466,588) | (5,141,351)                     | (104,136,802) |
| Total net decrease            | (2,134,017)                     | (57,132,932) | (1,193,440)                     | (30,313,016)  |

The accompanying Notes to Financial Statements are an integral part of this statement.

# FINANCIAL HIGHLIGHTS

The following table is intended to help you understand the Fund's financial performance. Certain information reflects financial results for a single share held for the periods shown. Per share net investment income (loss) amounts are calculated based on average shares outstanding during the period. Total return assumes reinvestment of all dividends and distributions, if any. Total return does not reflect payment of the expenses that apply to the variable accounts or contract charges, if any. Total return and portfolio turnover are not annualized for periods of less than one year. The portfolio turnover rate is calculated without regard to purchase and sales transactions of short-term instruments and certain derivatives, if any. If such transactions were included, the Fund's portfolio turnover rate may be higher.

|   | Year Ended December 31, |           |                       |                        |                       |
|---|-------------------------|-----------|-----------------------|------------------------|-----------------------|
|   | 2021                    | 2020      | 2019                  | 2018                   | 2017                  |
| <b>Per share data</b>                           |                         |           |                       |                        |                       |
| Net asset value, beginning of period            | \$24.63                 | \$22.26   | \$20.70               | \$26.74                | \$26.53               |
| <b>Income from investment operations:</b>       |                         |           |                       |                        |                       |
| Net investment income (loss)                    | (0.19)                  | (0.12)    | (0.02)                | (0.02)                 | (0.02)                |
| Net realized and unrealized gain                | 2.36                    | 4.78      | 5.93                  | 0.75                   | 4.81                  |
| Total from investment operations                | 2.17                    | 4.66      | 5.91                  | 0.73                   | 4.79                  |
| <b>Less distributions to shareholders from:</b> |                         |           |                       |                        |                       |
| Net investment income                           | (0.20)                  | —         | (0.07)                | (0.03)                 | —                     |
| Net realized gains                              | (0.86)                  | (2.29)    | (4.28)                | (6.74)                 | (4.58)                |
| Total distributions to shareholders             | (1.06)                  | (2.29)    | (4.35)                | (6.77)                 | (4.58)                |
| Net asset value, end of period                  | \$25.74                 | \$24.63   | \$22.26               | \$20.70                | \$26.74               |
| Total return                                    | 8.90%                   | 24.23%    | 31.10% <sup>(a)</sup> | (1.46)% <sup>(a)</sup> | 19.58% <sup>(a)</sup> |
| <b>Ratios to average net assets</b>             |                         |           |                       |                        |                       |
| Total gross expenses <sup>(b)</sup>             | 1.08%                   | 1.10%     | 1.09%                 | 1.05%                  | 1.03%                 |
| Total net expenses <sup>(b)</sup>               | 1.08%                   | 1.10%     | 1.06%                 | 1.00%                  | 0.99%                 |
| Net investment loss                             | (0.71)%                 | (0.61)%   | (0.08)%               | (0.09)%                | (0.08)%               |
| <b>Supplemental data</b>                        |                         |           |                       |                        |                       |
| Portfolio turnover                              | 70%                     | 92%       | 90%                   | 81%                    | 96%                   |
| Net assets, end of period (in thousands)        | \$685,554               | \$708,343 | \$666,953             | \$581,991              | \$684,712             |

## Notes to Financial Highlights

- (a) Had the Investment Manager and/or its affiliates not waived a portion of expenses, total return would have been reduced.
- (b) In addition to the fees and expenses that the Fund bears directly, the Fund indirectly bears a pro rata share of the fees and expenses of any other funds in which it invests. Such indirect expenses are not included in the Fund's reported expense ratios.

The accompanying Notes to Financial Statements are an integral part of this statement.

# NOTES TO FINANCIAL STATEMENTS

December 31, 2021

## Note 1. Organization

Wanger USA (the Fund), a series of Wanger Advisors Trust (the Trust), is registered under the Investment Company Act of 1940, as amended (the 1940 Act), as an open-end management investment company organized as a Massachusetts business trust. The investment objective of the Fund is to seek long-term capital appreciation. The Fund is available only for allocation to certain life insurance company separate accounts established for the purpose of funding participating variable annuity contracts and variable life insurance policies and may also be offered directly to certain qualified pension and retirement plans.

## Note 2. Summary of significant accounting policies

### Basis of preparation

The Fund is an investment company that applies the accounting and reporting guidance in the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946, *Financial Services - Investment Companies* (ASC 946). The financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP), which requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements.

### Security valuation

Securities of the Fund are valued at market value or, if a market quotation for a security is not readily available or is deemed not to be reliable because of events or circumstances that have occurred between the market quotation and the time as of which the security is to be valued, the security is valued at its fair value determined in good faith under consistently applied procedures established by the Board of Trustees. Equity securities listed on an exchange are valued at the closing price or last trade on their primary exchange at the close of business of the New York Stock Exchange. Securities with a closing price not readily available or not listed on any exchange are valued at the mean between the closing bid and ask prices. Listed preferred stocks convertible into common stocks are valued using an evaluated price from a pricing service.

Foreign equity securities are valued based on the closing price or last trade on their primary exchange at the close of business of the New York Stock Exchange. Foreign currency exchange rates are determined at the scheduled closing time of the New York Stock Exchange. Many securities markets and exchanges outside the U.S. close prior to the close of the New York Stock Exchange; therefore, the closing prices for securities in such markets or on such exchanges may not fully reflect events that occur after such close but before the close of the New York Stock Exchange. In situations where foreign markets are closed, where a significant event has occurred after the foreign exchange closes but before the time at which the Fund's share price is calculated, and in the event of significant movement in the trigger index for the statistical fair valuation process established by the Board of Trustees, foreign securities will be fair valued pursuant to a policy adopted by the Board of Trustees. Under the policy, the Fund may use an independent statistical fair value pricing service that employs a systematic methodology to assist in the fair valuation process for securities principally traded in a foreign market in order to adjust for possible changes in value that may occur between the close of the foreign market and the time as of which the securities are to be valued. If a security is valued at a fair value, that value may be different from the last quoted market price for the security.

Investments in open-end investment companies (other than exchange-traded funds (ETFs)), are valued at the latest net asset value reported by those companies as of the valuation time.

GAAP requires disclosure regarding the inputs and valuation techniques used to measure fair value and any changes in valuation inputs or techniques. In addition, investments shall be disclosed by major category. This information is disclosed following the Fund's Portfolio of Investments.

# NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2021

## Fund share valuation

Fund shares are sold and redeemed on a continuing basis at net asset value. Net asset value per share is determined daily as of the close of trading on the New York Stock Exchange on each day the New York Stock Exchange is open for trading by dividing the total value of the Fund's investments and other assets, less liabilities, by the number of Fund shares outstanding.

## Foreign currency transactions and translations

Values of investments denominated in foreign currencies are converted into U.S. dollars using the New York spot market rate of exchange at the time of valuation. Purchases and sales of investments and dividend and interest income are translated into U.S. dollars using the spot market rate of exchange prevailing on the respective dates of such transactions. The gain or loss resulting from changes in foreign exchange rates is included with net realized and unrealized gain or loss from investments, as appropriate.

## Derivative instruments

The Fund invests in certain derivative instruments, as detailed below, in seeking to meet its investment objectives. Derivatives are instruments whose values depend on, or are derived from, in whole or in part, the value of one or more securities, currencies, commodities, indices, or other assets or instruments. Derivatives may be used to increase investment flexibility (including to maintain cash reserves while maintaining desired exposure to certain assets), for risk management (hedging) purposes, to facilitate trading, to reduce transaction costs and to pursue higher investment returns. The Fund may also use derivative instruments to mitigate certain investment risks, such as foreign currency exchange rate risk, interest rate risk and credit risk. Derivatives may involve various risks, including the potential inability of the counterparty to fulfill its obligations under the terms of the contract, the potential for an illiquid secondary market (making it difficult for the Fund to sell or terminate, including at favorable prices) and the potential for market movements which may expose the Fund to gains or losses in excess of the amount shown in the Statement of Assets and Liabilities. The notional amounts of derivative instruments, if applicable, are not recorded in the financial statements.

A derivative instrument may suffer a marked-to-market loss if the value of the contract decreases due to an unfavorable change in the market rates or values of the underlying instrument. Losses can also occur if the counterparty does not perform its obligations under the contract. The Fund's risk of loss from counterparty credit risk on over-the-counter derivatives is generally limited to the aggregate unrealized gain netted against any collateral held by the Fund and the amount of any variation margin held by the counterparty, plus any replacement costs or related amounts. With exchange-traded or centrally cleared derivatives, there is reduced counterparty credit risk to the Fund since the clearinghouse or central counterparty (CCP) provides some protection in the case of clearing member default. The clearinghouse or CCP stands between the buyer and the seller of the contract; therefore, additional counterparty credit risk is failure of the clearinghouse or CCP. However, credit risk still exists in exchange-traded or centrally cleared derivatives with respect to initial and variation margin that is held in a broker's customer account. While clearing brokers are required to segregate customer margin from their own assets, in the event that a clearing broker becomes insolvent or goes into bankruptcy and at that time there is a shortfall in the aggregate amount of margin held by the clearing broker for all its clients and such shortfall is remedied by the CCP or otherwise, U.S. bankruptcy laws will typically allocate that shortfall on a pro-rata basis across all the clearing broker's customers (including the Fund), potentially resulting in losses to the Fund.

In order to better define its contractual rights and to secure rights that will help the Fund mitigate its counterparty risk, the Fund may enter into an International Swaps and Derivatives Association, Inc. Master Agreement (ISDA Master Agreement) or similar agreement with its derivatives counterparties. An ISDA Master Agreement is an agreement between the Fund and a counterparty that governs over-the-counter derivatives and foreign exchange forward contracts and contains, among other things, collateral posting terms and netting provisions in the event of a default and/or termination event. Under an ISDA Master Agreement, the Fund may, under certain circumstances, offset with the counterparty certain derivative instruments' payables and/or receivables with collateral held and/or posted and create one single net payment. The provisions of the ISDA Master Agreement typically permit a single net payment in the event of default (close-out netting), including the bankruptcy or insolvency of the counterparty. Note, however, that bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against the right of offset or netting in bankruptcy, insolvency or other events.

# NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2021

Collateral (margin) requirements differ by type of derivative. Margin requirements are established by the clearinghouse or CCP for exchange-traded and centrally cleared derivatives. Brokers can ask for margin in excess of the minimum in certain circumstances. Collateral terms for most over-the-counter derivatives are subject to regulatory requirements to exchange variation margin with trading counterparties and may have contract specific margin terms as well. For over-the-counter derivatives traded under an ISDA Master Agreement, the collateral requirements are typically calculated by netting the marked-to-market amount for each transaction under such agreement and comparing that amount to the value of any variation margin currently pledged by the Fund and/or the counterparty. Generally, the amount of collateral due from or to a party has to exceed a minimum transfer amount threshold (e.g., \$250,000) before a transfer has to be made. To the extent amounts due to the Fund from its counterparties are not fully collateralized, contractually or otherwise, the Fund bears the risk of loss from counterparty nonperformance. The Fund may also pay interest expense on cash collateral received from the broker. Any interest expense paid by the Fund is shown on the Statement of Operations. The Fund attempts to mitigate counterparty risk by only entering into agreements with counterparties that it believes have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties.

Certain ISDA Master Agreements allow counterparties of over-the-counter derivatives transactions to terminate derivatives contracts prior to maturity in the event the Fund's net asset value declines by a stated percentage over a specified time period or if the Fund fails to meet certain terms of the ISDA Master Agreement, which would cause the Fund to accelerate payment of any net liability owed to the counterparty. The Fund also has termination rights if the counterparty fails to meet certain terms of the ISDA Master Agreement. In determining whether to exercise such termination rights, the Fund would consider, in addition to counterparty credit risk, whether termination would result in a net liability owed from the counterparty.

For financial reporting purposes, the Fund does not offset derivative assets and derivative liabilities that are subject to netting arrangements in the Statement of Assets and Liabilities.

## Futures contracts

Futures contracts are exchange-traded and represent commitments for the future purchase or sale of an asset at a specified price on a specified date. During the year ended December 31, 2021, the Fund bought and sold futures contracts to maintain appropriate equity market exposure while keeping sufficient cash to accommodate daily operations. These instruments may be used for other purposes in future periods. Upon entering into futures contracts, the Fund bears risks that it may not achieve the anticipated benefits of the futures contracts and may realize a loss. Additional risks include counterparty credit risk, the possibility of an illiquid market, and that a change in the value of the contract or option may not correlate with changes in the value of the underlying asset.

Upon entering into a futures contract, the Fund deposits cash or securities with the broker, known as a futures commission merchant (FCM), in an amount sufficient to meet the initial margin requirement. The initial margin deposit must be maintained at an established level over the life of the contract. Cash deposited as initial margin is recorded in the Statement of Assets and Liabilities as margin deposits. Securities deposited as initial margin are designated in the Portfolio of Investments. Subsequent payments (variation margin) are made or received by the Fund each day. The variation margin payments are equal to the daily change in the contract value and are recorded as variation margin receivable or payable and are offset in unrealized gains or losses. The Fund generally expects to earn interest income on its margin deposits. The Fund recognizes a realized gain or loss when the contract is closed or expires. Futures contracts involve, to varying degrees, risk of loss in excess of the variation margin disclosed in the Statement of Assets and Liabilities.

## Effects of derivative transactions in the financial statements

The following tables are intended to provide additional information about the effect of derivatives on the financial statements of the Fund, including: the fair value of derivatives by risk category and the location of those fair values in the Statement of Assets and Liabilities; and the impact of derivative transactions over the period in the Statement of Operations, including realized and unrealized gains (losses). The derivative instrument schedules following the Portfolio of Investments present additional information regarding derivative instruments outstanding at the end of the period, if any.

At December 31, 2021, the Fund had no outstanding derivatives.

# NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2021

The following table indicates the effect of derivative instruments (not considered to be hedging instruments for accounting disclosure purposes) in the Statement of Operations for the year ended December 31, 2021:

| Amount of realized gain (loss) on derivatives recognized in income |                        |
|--|------------------------|
| Risk exposure category   | Futures contracts (\$) |
| Equity risk  | (314,332)              |

The following table is a summary of the average outstanding volume by derivative instrument for the year ended December 31, 2021:

| Derivative instrument    | Average notional amounts (\$) * |
|--------------------------|---------------------------------|
| Futures contracts – long | 1,932,890                       |

\* Based on the ending daily outstanding amounts for the year ended December 31, 2021.

## Securities lending

The Fund may lend securities up to one-third of the value of its total assets to certain approved brokers, dealers, banks or other institutional borrowers of securities that the Fund's securities lending agent has determined are credit worthy under guidelines established by the Board of Trustees, to earn additional income. The Fund retains the benefits of owning the securities, including the economic equivalent of dividends or interest generated by the security. The Fund also receives a fee for the loan. The Fund has the ability to recall the loans at any time and could do so in order to vote proxies or to sell the loaned securities. Each loan is collateralized by cash that exceeded the value of the securities on loan. The market value of the loaned securities is determined daily at the close of business of the Fund and any additional required collateral is delivered to the Fund on the next business day. The Fund typically invests the cash collateral in the Dreyfus Government Cash Management Fund, a third-party institutional government money market fund in accordance with investment guidelines contained in the securities lending agreement and approved by the Board of Trustees. The income earned from the securities lending program is paid to the Fund, net of any fees remitted to Goldman Sachs Agency Lending, the Fund's lending agent, and borrower rebates. The Fund's investment manager, Columbia Wanger Asset Management, LLC (the Investment Manager or CWAM), does not retain any fees earned by the lending program. Generally, in the event of borrower default, the Fund has the right to use the collateral to offset any losses incurred. In the event the Fund is delayed or prevented from exercising its right to dispose of the collateral, there may be a potential loss to the Fund. Some of these losses may be indemnified by the lending agent. The Fund bears the risk of loss with respect to the investment of collateral. The net lending income earned by the Fund as of December 31, 2021, is included in the Statement of Operations.

The following table indicates the total amount of securities loaned by type, reconciled to gross liability payable upon return of the securities loaned by the Fund as of December 31, 2021:

|   | Overnight and continuous | Up to 30 days | 30-90 days | Greater than 90 days | Total        |
|---|--------------------------|---------------|------------|----------------------|--------------|
| <b>Wanger USA</b>   |                          |               |            |                      |              |
| Securities lending transactions   |                          |               |            |                      |              |
| Equity securities   | \$17,247,971             | \$–           | \$–        | \$–                  | \$17,247,971 |
| Gross amount of recognized liabilities for securities lending (collateral received) |                          |               |            |                      | 18,205,520   |
| Amounts due to counterparty in the event of default                                 |                          |               |            |                      | \$957,549    |

# NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2021

## Offsetting of assets and liabilities

The following table presents the Fund's gross and net amount of assets and liabilities available for offset under netting arrangements as well as any related collateral received or pledged by the Fund as of December 31, 2021:

|  | Goldman<br>Sachs (\$) |
|--|-----------------------|
| <b>Liabilities</b>                               |                       |
| Collateral on Securities Loaned                  | 18,205,520            |
| Total Liabilities                                | 18,205,520            |
| <b>Total Financial and Derivative Net Assets</b> | <b>(18,205,520)</b>   |
| Financial Instruments                            | 17,247,971            |
| <b>Net Amount <sup>(a)</sup></b>                 | <b>(957,549)</b>      |

(a) Represents the net amount due from/(to) counterparties in the event of default.

## Security transactions and investment income

Security transactions are accounted for on the trade date (date the order to buy or sell is executed) and dividend income is recorded on the ex-dividend date, except that certain dividends from foreign securities are recorded as soon as the information is available to the Fund. Interest income is recorded on the accrual basis and includes amortization of discounts on debt obligations when required for federal income tax purposes. Realized gains and losses from security transactions are recorded on an identified cost basis.

## Income recognition

Corporate actions and dividend income are generally recorded net of any non-reclaimable tax withholdings, on the ex-dividend date or upon receipt of an ex-dividend notification in the case of certain foreign securities.

The Fund may receive distributions from holdings in equity securities, exchange traded funds (ETFs), limited partnerships (LPs), other regulated investment companies (RICs), and real estate investment trusts (REITs), which report information as to the tax character of their distributions annually. These distributions are allocated to dividend income, capital gain and return of capital based on actual information reported. Return of capital is recorded as a reduction of the cost basis of securities held. If the Fund no longer owns the applicable securities, return of capital is recorded as a realized gain. With respect to REITs, to the extent actual information has not yet been reported, estimates for return of capital may be made by the Fund's management. Management's estimates are subsequently adjusted when the actual character of the distributions is disclosed by the REITs, which could result in a proportionate change in return of capital to shareholders.

Awards, if any, from class action litigation related to securities owned may be recorded as a reduction of cost of those securities. If the applicable securities are no longer owned, the proceeds are recorded as realized gains.

## Expenses

General expenses of the Trust are allocated to the Fund and the other series of the Trust based upon relative net assets or other expense allocation methodologies determined by the nature of the expense. Expenses directly attributable to the Fund are charged to the Fund.

## Federal income tax status

The Fund intends to comply with the provisions of the Internal Revenue Code available to regulated investment companies and, in the manner provided therein, intends to distribute substantially all its taxable income, as well as any net realized gain on sales of investments and foreign currency transactions reportable for federal income tax purposes. Accordingly, the Fund paid no federal income taxes and no federal income tax provision was required. The Fund meets the exception under Internal Revenue Code Section 4982(f) and the Fund expects not to be subject to federal excise tax.

# NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2021

## Foreign taxes

Gains in certain countries may be subject to foreign taxes at the fund level. The Fund accrues for such foreign taxes on realized and unrealized gains at the appropriate rate for each jurisdiction. The amount, if any, is disclosed as a liability on the Statement of Assets and Liabilities.

## Distributions to shareholders

Distributions to shareholders are recorded on the ex-dividend date.

## Guarantees and indemnification

In the normal course of business, the Trust on behalf of the Fund enters into contracts that contain a variety of representations and warranties and that provide general indemnities. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims against the Fund. Also under the Trust's organizational documents, the trustees and officers of the Trust are indemnified against certain liabilities that may arise out of their duties to the Trust. However, based on experience, the Fund expects the risk of loss due to these warranties and indemnities to be remote.

## Note 3. Fees and other transactions with affiliates

### Management services fees

CWAM is a wholly owned subsidiary of Columbia Management Investment Advisers, LLC (Columbia Management), which in turn is a wholly owned subsidiary of Ameriprise Financial, Inc. (Ameriprise Financial). CWAM furnishes continuing investment supervision to the Fund and is responsible for the overall management of the Fund's business affairs.

CWAM receives a monthly advisory fee based on the Fund's daily net assets at the following annual rates:

| Average daily net assets       | Annual fee rate |
|--------------------------------|-----------------|
| Up to \$100 million            | 0.94%           |
| \$100 million to \$250 million | 0.89%           |
| \$250 million to \$2 billion   | 0.84%           |
| \$2 billion and over           | 0.80%           |

For the year ended December 31, 2021, the effective investment advisory fee rate was 0.86% of the Fund's average daily net assets.

In February 2022, the Board approved a reduction in the advisory fee rates payable to the Investment Manager by the Fund. The new advisory fee, which is effective May 1, 2022, is equal to a percentage of the Fund's average daily net assets equal to 0.740% on the first \$700 million, 0.690% from \$700 million to \$2 billion, 0.640% from \$2 billion to \$6 billion, and 0.630% for \$6 billion and over.

### Administration fees

CWAM provides administrative services and receives an administration fee from the Fund at the following annual rates:

| Aggregate average daily net assets of the Trust | Annual fee rate |
|---|-----------------|
| Up to \$4 billion                               | 0.05%           |
| \$4 billion to \$6 billion                      | 0.04%           |
| \$6 billion to \$8 billion                      | 0.03%           |
| \$8 billion and over                            | 0.02%           |

For the year ended December 31, 2021, the effective administration fee rate was 0.05% of the Fund's average daily net assets. CWAM has delegated to Columbia Management responsibility to provide certain sub-administrative services to the Fund.

# NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2021

## Compensation of board members

Certain officers and trustees of the Trust are also officers of CWAM and/or Columbia Management. The Trust makes no direct payments to its officers and trustees who are affiliated with CWAM or Columbia Management. The Trust offers a Deferred Compensation Plan (the Deferred Plan) for its independent trustees. Under the Deferred Plan, a trustee may elect to defer all or a portion of his or her compensation. Amounts deferred are retained by the Trust and may represent an unfunded obligation of the Trust. The value of amounts deferred is determined by reference to the change in value of Institutional Class shares of one or more series of Columbia Acorn Trust and/or a money market fund as specified by the trustee. Benefits under the Deferred Plan are payable in accordance with the Deferred Plan. Effective January 1, 2022, the value of amounts deferred is determined by reference to the change in value of Institutional 3 Class shares of one or more series of Columbia Acorn Trust and/or a money market fund as specified by the trustee.

## Compensation of Chief Compliance Officer

The Board of Trustees has appointed a Chief Compliance Officer for the Fund in accordance with federal securities regulations. As disclosed in the Statement of Operations, a portion of the Chief Compliance Officer's total compensation is allocated to the Fund, along with other allocations to affiliated registered investment companies managed by the Investment Manager and its affiliates, based on relative net assets.

## Service fees

Pursuant to the Transfer, Dividend Disbursing and Shareholder Servicing Agreement between the Fund and Columbia Management Investment Services Corp. (the Transfer Agent), an affiliate of the Investment Manager and a wholly-owned subsidiary of Ameriprise Financial, the Fund bears a service fee paid to the Transfer Agent to compensate it for amounts paid to Participating Insurance Companies and other financial intermediaries (together, Participating Organizations) for various sub-transfer agency and other shareholder services each Participating Organization provides to its clients, customers and participants that are invested directly or indirectly in the Fund, up to a cap approved by the Board of Trustees from time to time.

The Transfer Agent may retain as compensation for its services revenues from fees for wire, telephone and redemption orders, account transcripts due to the Transfer Agent from Fund shareholders and interest (net of bank charges) earned with respect to balances in accounts the Transfer Agent maintains in connection with its services to the Fund.

## Distributor

Columbia Management Investment Distributors, Inc., a wholly owned subsidiary of Ameriprise Financial, serves as the Fund's distributor and principal underwriter.

## Other expenses waived/reimbursed by the Investment Manager and its affiliates

Effective May 1, 2021 through April 30, 2022, CWAM has contractually agreed to bear a portion of the Fund's expenses so that its ordinary operating expenses (excluding transaction costs and certain other investment-related expenses, interest and fees on borrowings and expenses associated with the Fund's investment in other investment companies, if any), do not exceed the annual rate of 1.09% of the Fund's average daily net assets. This agreement may not be modified or terminated, without approval from the Fund's Board of Trustees and CWAM. There is no guarantee that this agreement will continue after April 30, 2022.

## Note 4. Federal tax information

The timing and character of income and capital gain distributions are determined in accordance with income tax regulations, which may differ from GAAP because of temporary or permanent book to tax differences.

At December 31, 2021, these differences were primarily due to differing treatment for deferral/reversal of wash sale losses, trustees' deferred compensation, investments in partnerships, re-characterization of distributions for investments, distribution reclassifications, net operating loss reclassification, foreign currency transactions and passive foreign investment company (PFIC) holdings. To the extent these differences were permanent, reclassifications were made among the components of the Fund's net assets. Temporary differences do not require reclassifications.

# NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2021

The following reclassifications were made:

| Excess of distributions over net investment income (\$) | Accumulated net realized gain (\$) | Paid in capital (\$) |
|---|------------------------------------|----------------------|
| 14,835,303  | (14,830,777)                       | (4,526)              |

Net investment income (loss) and net realized gains (losses), as disclosed in the Statement of Operations, and net assets were not affected by this reclassification.

The tax character of distributions paid during the years indicated was as follows:

| Year Ended December 31, 2021 |                              |            | Year Ended December 31, 2020 |                              |            |
|------------------------------|------------------------------|------------|------------------------------|------------------------------|------------|
| Ordinary income (\$)         | Long-term capital gains (\$) | Total (\$) | Ordinary income (\$)         | Long-term capital gains (\$) | Total (\$) |
| 22,099,923                   | 6,587,888                    | 28,687,811 | 11,175,433                   | 53,629,681                   | 64,805,114 |

Short-term capital gain distributions, if any, are considered ordinary income distributions for tax purposes.

At December 31, 2021, the components of distributable earnings on a tax basis were as follows:

| Undistributed ordinary income (\$) | Undistributed long-term capital gains (\$) | Capital loss carryforwards (\$) | Net unrealized appreciation (\$) |
|------------------------------------|--|---------------------------------|----------------------------------|
| 22,781,824                         | 146,750,877                                | –                               | 129,895,597                      |

At December 31, 2021, the cost of all investments for federal income tax purposes along with the aggregate gross unrealized appreciation and depreciation based on that cost was:

| Federal tax cost (\$) | Gross unrealized appreciation (\$) | Gross unrealized (depreciation) (\$) | Net unrealized appreciation (\$) |
|-----------------------|------------------------------------|--------------------------------------|----------------------------------|
| 573,872,689           | 192,105,126                        | (62,209,529)                         | 129,895,597                      |

Tax cost of investments and unrealized appreciation/(depreciation) may also include timing differences that do not constitute adjustments to tax basis.

Management is required to determine whether a tax position of the Fund is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized by the Fund is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. Management is not aware of any tax positions in the Fund for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months. However, management's conclusions may be subject to review and adjustment at a later date based on factors including, but not limited to, new tax laws, regulations, and administrative interpretations (including relevant court decisions). The Fund's federal tax returns for the prior three fiscal years remain subject to examination by the Internal Revenue Service.

## Note 5. Portfolio information

The aggregate cost of purchases and proceeds from sales other than short-term obligations for the year ended December 31, 2021, were \$489,068,860 and \$605,367,185, respectively. The amount of purchase and sales activity impacts the portfolio turnover rate reported in the Financial Highlights.

## Note 6. Affiliated money market fund

The Fund invests in Columbia Short-Term Cash Fund, an affiliated money market fund established for the exclusive use by the Fund and other affiliated funds (the Affiliated MMF). The income earned by the Fund from such investments is included as Dividends - affiliated issuers in the Statement of Operations. As an investing fund, the Fund indirectly bears its proportionate share of the expenses of the Affiliated MMF. The Affiliated MMF prices its shares with a floating net asset value. In addition,

# NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2021

the Board of Trustees of the Affiliated MMF may impose a fee on redemptions (sometimes referred to as a liquidity fee) or temporarily suspend redemptions (sometimes referred to as imposing a redemption gate) in the event its liquidity falls below regulatory limits.

## Note 7. Line of credit

The Fund has access to a revolving credit facility with a syndicate of banks led by JPMorgan Chase Bank, N.A., Citibank, N.A. and Wells Fargo Bank, N.A. whereby the Fund may borrow for the temporary funding of shareholder redemptions or for other temporary or emergency purposes. Pursuant to an October 28, 2021 amendment and restatement, the credit facility, which is a collective agreement between the Fund and certain other funds managed by the Investment Manager or an affiliated investment manager, severally and not jointly, permits collective borrowings up to \$950 million. Interest is currently charged to each participating fund based on its borrowings at a rate equal to the higher of (i) the federal funds effective rate, (ii) the secured overnight financing rate plus 0.11448% and (iii) the overnight bank funding rate, plus in each case, 1.00%. Each borrowing under the credit facility matures no later than 60 days after the date of borrowing. The Fund also pays a commitment fee equal to its pro rata share of the unused amount of the credit facility at a rate of 0.15% per annum. The commitment fee is included in other expenses in the Statement of Operations. This agreement expires annually in October unless extended or renewed. Prior to the October 28, 2021 amendment and restatement, the Fund had access to a revolving credit facility with a syndicate of banks led by JPMorgan Chase Bank, N.A., Citibank, N.A. and Wells Fargo Bank, N.A. which permitted collective borrowings up to \$950 million. Interest was charged to each participating fund based on its borrowings at a rate equal to the higher of (i) the federal funds effective rate, (ii) the one-month London Interbank Offered Rate (LIBOR) rate and (iii) the overnight bank funding rate, plus in each case, 1.25%.

The Fund had no borrowings during the year ended December 31, 2021.

## Note 8. Significant risks

### Consumer discretionary sector risk

The Fund is more susceptible to the particular risks that may affect companies in the consumer discretionary sector than if it were invested in a wider variety of companies in unrelated sectors. Companies in the consumer discretionary sector are subject to certain risks, including fluctuations in the performance of the overall domestic and international economy, interest rate changes, increased competition and consumer confidence. Performance of such companies may be affected by factors including reduced disposable household income, reduced consumer spending, changing demographics and consumer tastes.

### Health care sector risk

The Fund is more susceptible to the particular risks that may affect companies in the health care sector than if it were invested in a wider variety of companies in unrelated sectors. Companies in the health care sector are subject to certain risks, including restrictions on government reimbursement for medical expenses, government approval of medical products and services, competitive pricing pressures, and the rising cost of medical products and services (especially for companies dependent upon a relatively limited number of products or services). Performance of such companies may be affected by factors including, government regulation, obtaining and protecting patents (or the failure to do so), product liability and other similar litigation as well as product obsolescence.

### Market risk

The Fund 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 market(s) generally. In addition, turbulence in the financial markets generally and reduced liquidity in the equity, credit and/or fixed income markets more specifically may negatively affect many issuers, which could adversely affect the Fund, including by causing difficulty in pricing 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, financial market or industry sector may adversely impact issuers in a different country, region, financial market or industry sector. 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.

# NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2021

As a result, local, regional or global events such as terrorism, war, natural disasters, disease/virus outbreaks and epidemics or other public health crises, recessions, depressions or other events – or the potential for such events – could have a significant negative impact on global economic and market conditions.

The COVID-19 pandemic has resulted in, and may continue to result in, significant global economic and market volatility arising from disruptions in market access, resource availability, facilities operations, imposition of tariffs, export controls and supply chains, among other factors. These and related societal disruptions have been caused or exacerbated by, and may continue to be caused or exacerbated by, quarantines and travel restrictions, workforce displacement and loss in human and other resources. There is significant uncertainty surrounding the magnitude, duration, reach, costs and other effects of the COVID-19 global pandemic, including actions that have been or could be taken by governmental authorities or other third parties. The impacts, as well as the uncertainty over impacts yet to unfold, of COVID-19 – and any other infectious illness outbreaks, epidemics, pandemics or other public health crises 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, pandemics and other public health crises 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 pandemic may exacerbate other pre-existing political, social and economic risks in certain countries or globally. The disruptions caused by COVID-19 could prevent the Investment Manager from executing advantageous investment decisions for the Fund in a timely manner and could negatively impact the Fund's ability to achieve its investment objective. Any such event(s) could have a significant adverse impact on the value and risk profile of the Fund.

## Shareholder concentration risk

At December 31, 2021, two unaffiliated shareholders of record owned 34.6% of the outstanding shares of the Fund in one or more accounts. The Fund has no knowledge about whether any portion of those shares was owned beneficially. Affiliated shareholders of record owned 58.6% of the outstanding shares of the Fund in one or more accounts. Subscription and redemption activity by concentrated accounts may have a significant effect on the operations of the Fund. In the case of a large redemption, the Fund may be forced to sell investments at inopportune times, including its liquid positions, which may result in Fund losses and the Fund holding a higher percentage of less liquid positions. Large redemptions could result in decreased economies of scale and increased operating expenses for non-redeeming Fund shareholders.

## Small- and mid-cap company risk

Investments in small- and mid-capitalization companies (small- and mid-cap companies) often involve greater risks than investments in larger, more established companies (larger companies) because small- and mid-cap companies tend to have less predictable earnings and may lack the management experience, financial resources, product diversification and competitive strengths of larger companies. Securities of small- and mid-cap companies may be less liquid and more volatile than the securities of larger companies.

## Note 9. Subsequent events

Management has evaluated the events and transactions that have occurred through the date the financial statements were issued. Other than as noted in Note 3 and below, there were no items requiring adjustment of the financial statements or additional disclosure.

The Fund's Board of Trustees approved changes to the Fund's name, principal investment strategy, and comparative benchmark. As a result, effective May 1, 2022, the Fund's name will be changed to Wanger Acorn, the Fund will have an increase in the limit on the Fund's foreign investment, an increase in the market capitalization range of the companies in which the Fund invests a majority of its assets, and its comparative benchmark will be changed to the Russell 2500 Growth Index. These changes are being made in advance of a likely future proposal to merge Wanger Select with and into the Fund.

## Note 10. Information regarding pending and settled legal proceedings

Ameriprise Financial and certain of its affiliates have historically been involved in a number of legal, arbitration and regulatory proceedings, including routine litigation, class actions, and governmental actions, concerning matters arising in connection with the conduct of their business activities. Ameriprise Financial believes that the Fund is not currently the subject of, and that neither Ameriprise Financial nor any of its affiliates are the subject of, any pending legal, arbitration or regulatory

# NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2021

proceedings that are likely to have a material adverse effect on the Fund or the ability of Ameriprise Financial or its affiliates to perform under their contracts with the Fund. Ameriprise Financial is required to make quarterly (10-Q), annual (10-K) and, as necessary, 8-K filings with the Securities and Exchange Commission (SEC) 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).

There can be no assurance that these matters, or the adverse publicity associated with them, will not result in increased Fund redemptions, reduced sale of Fund shares or other adverse consequences to the Fund. Further, although we believe proceedings are not likely to have a material adverse effect on the Fund or the ability of Ameriprise Financial or its affiliates to perform under their contracts with the Fund, these proceedings are subject to uncertainties and, as such, we are unable to estimate the possible loss or range of loss that may result. An adverse outcome in one or more of these proceedings could result in adverse judgments, settlements, fines, penalties or other relief that could have a material adverse effect on the consolidated financial condition or results of operations of Ameriprise Financial or one or more of its affiliates that provides services to the Fund.

# REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Trustees of Wanger Advisors Trust and Shareholders of Wanger USA

## *Opinion on the Financial Statements*

We have audited the accompanying statement of assets and liabilities, including the portfolio of investments, of Wanger USA (one of the funds constituting Wanger Advisors Trust, referred to hereafter as the "Fund") as of December 31, 2021, the related statement of operations for the year ended December 31, 2021, the statement of changes in net assets for each of the two years in the period ended December 31, 2021, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2021 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2021, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended December 31, 2021 and the financial highlights for each of the five years in the period ended December 31, 2021 in conformity with accounting principles generally accepted in the United States of America.

## *Basis for Opinion*

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2021 by correspondence with the custodian and transfer agent. We believe that our audits provide a reasonable basis for our opinion.

/s/PricewaterhouseCoopers LLP  
Minneapolis, Minnesota  
February 18, 2022

We have served as the auditor of one or more investment companies in the Wanger Advisors Trust since 2004.

# FEDERAL INCOME TAX INFORMATION

(Unaudited)

The Fund hereby designates the following tax attributes for the fiscal year ended December 31, 2021.

| Dividends received deduction | Capital gain dividend |
|------------------------------|-----------------------|
| 10.87%                       | \$154,111,411         |

Dividends received deduction. The percentage of ordinary income distributed during the fiscal year that qualifies for the corporate dividends received deduction.

Capital gain dividend. The Fund designates as a capital gain dividend the amount reflected above, or if subsequently determined to be different, the net capital gain of such fiscal period.

## BOARD OF TRUSTEES AND MANAGEMENT OF WANGER ADVISORS TRUST

Each trustee may serve a term of unlimited duration. The Trust's Bylaws generally require that a trustee retire at the end of the calendar year in which the trustee attains the age of 75 years. The trustees appoint their own successors, provided that at least two-thirds of the trustees, after such appointment, have been elected by shareholders. Shareholders may remove a trustee, with or without cause, upon the vote of two-thirds of the Trust's outstanding shares at any meeting called for that purpose. A trustee may be removed, with or without cause, upon the vote of a majority of the trustees. The names of the trustees and officers of the Trust, the date each was first elected or appointed to office and the principal business occupations of each during at least the last five years, and for the trustees, the number of portfolios in the fund complex they oversee and other directorships they hold, are shown below. Each trustee and officer serves in such capacity for each of the six series of Columbia Acorn Trust and for each of the three series of Wanger Advisors Trust.

The address for the trustees and officers of the Trust is Columbia Wanger Asset Management, LLC, 71 S Wacker Drive, Suite 2500, Chicago, Illinois 60606. The Funds' Statement of Additional Information includes additional information about the Funds' trustees and officers. You may obtain a free copy of the Statement of Additional Information by writing or calling toll-free:

Columbia Wanger Asset Management, LLC  
 Shareholder Services Group  
 71 S Wacker Drive, Suite 2500  
 Chicago, IL 60606  
 800.922.6769

### Independent trustees

| Name and age at December 31, 2021 | Year first appointed or elected to a Board in the Columbia Funds Complex | Principal occupation(s) during the past five years  | Number of Funds in the Columbia Funds Complex overseen (1) | Other directorships held by the Trustee during the past five years in addition to Columbia Acorn Trust and Wanger Advisors Trust |
|-----------------------------------|--|---|--|--|
| Laura M. Born, 56*                | 2007   | Adjunct Professor of Finance, University of Chicago Booth School of Business since 2007; Advisory Board Member, Driehaus Capital Management since 2018; Director and Audit Committee Chair, Carlson Inc. (private global travel company) since 2015; Managing Director - Investment Banking, JP Morgan Chase & Co. (broker-dealer) 2002-2007. | 9  | None.  |

# BOARD OF TRUSTEES AND MANAGEMENT OF WANGER ADVISORS TRUST (continued)

## Independent trustees (continued)

| Name and age at December 31, 2021 | Year first appointed or elected to a Board in the Columbia Funds Complex | Principal occupation(s) during the past five years  | Number of Funds in the Columbia Funds Complex overseen (1) | Other directorships held by the Trustee during the past five years in addition to Columbia Acorn Trust and Wanger Advisors Trust |
|-----------------------------------|--|---|--|--|
| Maureen M. Culhane, 73            | 2007   | Retired. Formerly, Vice President, Goldman Sachs Asset Management, L.P. (investment adviser), 2005-2007; Vice President (Consultant) – Strategic Relationship Management, Goldman, Sachs & Co., 1999-2005.  | 9  | None.  |
| Margaret M. Eisen, 68             | 2002   | Trustee, Smith College, 2012-2016; Chief Investment Officer, EAM International LLC (corporate finance and asset management), 2003-2013; Managing Director, CFA Institute, 2005-2008.  | 9  | Chair, RMB Investors Trust (9 series).   |
| John C. Heaton, 62                | 2010   | Joseph L. Gidwitz Professor of Finance, University of Chicago Booth School of Business since July 2000; Deputy Dean for Faculty, University of Chicago Booth School of Business, 2012-2019.   | 9  | None.  |
| Dianne Lob, 67                    | 2021   | Retired. Formerly, Senior Vice President and Senior Managing Director, Global Head of Business and Product Development, AllianceBernstein Holding L.P. (asset management), 2014-2020; Chairman, Private Client Investment Policy Group, Alliance Bernstein Holding L.P., 2005-2014. | 9  | None.  |
| Charles R. Phillips, 65           | 2015   | Retired. Formerly, Vice Chairman, J.P. Morgan Private Bank, 2011-2014; Managing Director, J.P. Morgan Private Bank, 2001-2011; Managing Director, J.P. Morgan Private Bank, 2001-2011.  | 9  | None.  |
| David J. Rudis, 66, Chair         | 2010   | Chief Executive Officer, Finger Rock, LLC (strategic consulting business). Formerly, National Checking and Debit Executive, and Illinois President, Bank of America, 2007-2009; President, Consumer Banking Group, LaSalle National Bank, 2004-2007.                                | 9  | None.  |

## Trustee Emeritus

| Name and age at December 31, 2021 | Year first appointed or elected to a Board in the Columbia Funds Complex | Principal occupation(s) during the past five years  | Number of Funds in the Columbia Funds Complex overseen (1) | Other directorships held by the Trustee during the past five years in addition to Columbia Acorn Trust and Wanger Advisors Trust |
|-----------------------------------|--|---|--|--|
| Ralph Wanger, 87 (2)              | 1970 (3)   | Founder, CWAM. Formerly, President, Chief Investment Officer and portfolio manager, CWAM or its predecessors, July 1992-September 2003; Director, Wanger Investment Company PLC; Consultant, CWAM or its predecessors, September 2003-September 2005. | 9  | None.  |

\* Ms. Born retired from the Board, effective December 31, 2021.

(1) The Trustees oversee the series of Wanger Advisors Trust and Columbia Acorn Trust.

# BOARD OF TRUSTEES AND MANAGEMENT OF WANGER ADVISORS TRUST (continued)

(2) As permitted under the Trust's Bylaws, Mr. Wanger serves as a non-voting Trustee Emeritus of Columbia Acorn Trust and Wanger Advisors Trust. Prior to September 2009, Mr. Wanger served as an "interested" trustee of the Columbia Acorn Trust and Wanger Advisors Trust. Mr. Wanger was considered an "interested person" of the Trusts and of CWAM within the meaning of the 1940 Act because of certain ownership interests.

(3) Dates prior to April 1992 correspond to the date first elected as a director of The Acorn Fund, Inc., the Trust's predecessor.

## Fund officers

| Name and age at December 31, 2021 | Position held with Columbia Acorn Trust and Wanger Advisors Trust | Year first appointed or elected to office | Principal occupation(s) during the past five years   |
|-----------------------------------|---|---|--|
| Daniel Beckman, 60                | Co-President*   | 2021                                      | Vice President, Head of North America Product, Columbia Management Investment Advisers, LLC (since April 2015); officer of Columbia Funds and affiliated funds since 2020.   |
| Michael G. Clarke, 51             | Treasurer and Principal Accounting and Financial Officer          | 2004                                      | Vice President, Head of North American Operations, and Tax Co-Head of Global Operations, Columbia Management since June 2019 (previously Vice President, Accounting and Tax, May 2010-May 2019); senior officer of Columbia Funds and affiliated funds since 2002. |
| John L. Emerson, 46               | Vice President  | 2020                                      | Portfolio manager and/or analyst, CWAM or its predecessors since 2003.   |
| Tae Han (Simon) Kim, 40           | Vice President  | 2018                                      | Portfolio manager and/or analyst, CWAM since 2011.   |
| Stephen Kusmierczak, 54           | Co-President  | 2011                                      | Portfolio manager and/or analyst, CWAM or its predecessors since 2001. Vice President, Columbia Acorn Trust and Wanger Advisors Trust, 2011 - 2020.  |
| Joseph C. LaPalm, 51              | Vice President  | 2006                                      | Chief Compliance Officer, CWAM since 2005.   |
| Ryan C. Larrenaga, 50             | Chief Legal Officer and Assistant Secretary                       | 2015                                      | Vice President and Chief Counsel, Ameriprise Financial, Inc. since August 2018 (previously, Vice President and Group Counsel, August 2011 - August 2018); officer of Columbia Funds and affiliated funds since 2005.   |
| Erika K. Maschmeyer, 40           | Vice President  | 2020                                      | Portfolio manager and/or analyst, CWAM or its predecessors since 2016.   |
| Thomas P. McGuire, 48             | Chief Compliance Officer  | 2015                                      | Senior Vice President and Chief Compliance Officer of the Columbia Funds since 2012; Vice President - Asset Management Compliance, Ameriprise Financial, Inc., since May 2010; Chief Compliance Officer, Ameriprise Certificate Company since September 2010.      |
| Sebastien Pigeon, 49              | Vice President  | 2021                                      | Portfolio manager and/or analyst, CWAM or its predecessors since 2017.   |
| Julian Quero, 54                  | Assistant Treasurer   | 2015                                      | Vice President - Tax, Columbia Management Investment Advisers, LLC since 2009.   |
| Martha A. Skinner, 46             | Assistant Treasurer   | 2016                                      | Vice President of Financial Reporting and Administration, Columbia Management since November 2015; Director of Financial Reporting, Columbia Management, April 2013-November 2015.   |
| Hans F. Stege, 37                 | Vice President  | 2020                                      | Portfolio manager and/or analyst, CWAM or its predecessors since 2017.   |
| Linda Roth-Wiszowaty, 51          | Secretary   | 2006                                      | Business support analyst, CWAM since April 2007.   |

\* Mr. Beckman also serves as the Principal Executive Officer of the Trust for purposes of the Sarbanes Oxley Act of 2002.

## BOARD CONSIDERATION AND APPROVAL OF ADVISORY AGREEMENT

Wanger Advisors Trust (the "Trust") has an investment advisory agreement (the "Advisory Agreement") with Columbia Wanger Asset Management, LLC ("CWAM") under which CWAM manages Wanger USA (the "Fund"). All of the voting trustees of the Trust are persons who have no direct or indirect interest in the Advisory Agreement and are not "interested persons" (as

# BOARD CONSIDERATION AND APPROVAL OF ADVISORY AGREEMENT (continued)

defined in the Investment Company Act of 1940, as amended (the “1940 Act”) of the Trust (the “Independent Trustees”). The Independent Trustees oversee the management of the Fund and, as required by law, determine at least annually whether to continue the Advisory Agreement for the Fund.

The Contract Committee (the “Contract Committee”) of the Board of Trustees of the Trust (the “Board”), which is comprised solely of Independent Trustees, makes recommendations to the Board regarding any proposed continuation of the Advisory Agreement. After the Contract Committee has made its recommendations, the full Board determines whether to approve continuation of the Advisory Agreement. The Board also considers matters bearing on the Advisory Agreement at its various meetings throughout the year, meets at least quarterly with CWAM investment personnel (as does the Board’s Investment Performance Analysis Committee (the “Performance Committee”), and receives monthly reports from CWAM on the performance of the Fund.

In connection with their most recent consideration of the Advisory Agreement for the Fund, the members of the Contract Committee and all Independent Trustees received and reviewed a substantial amount of information provided by CWAM, Columbia Management Investment Advisers, LLC (“Columbia Management”) and Ameriprise Financial, Inc. (“Ameriprise”), the parent of CWAM and Columbia Management, in response to written requests from the Independent Trustees and their independent legal counsel. Throughout the process, the Independent Trustees had numerous opportunities to ask questions of and request additional materials from CWAM, Columbia Management and Ameriprise.

During each meeting at which the Contract Committee or the Independent Trustees considered the Advisory Agreement, they met in at least one executive session with their independent legal counsel. The Contract Committee also met with representatives of CWAM, Columbia Management and Ameriprise on several occasions. In all, the Contract Committee convened formally on seven separate occasions to consider the continuation of the Advisory Agreement. The Board and/or some or all of the Independent Trustees met on other occasions to receive the Contract Committee’s status reports and/or to discuss outstanding issues. In addition, the Performance Committee, which is also comprised exclusively of Independent Trustees, reviewed the performance of the Fund, met in joint meetings with the Contract Committee, and reported to the Board and/or the Contract Committee throughout the year. The chair of the Compliance Committee of the Board (the “Compliance Committee”) made available relevant information with respect to matters within the realm of the Compliance Committee’s oversight responsibilities.

The materials reviewed by the Contract Committee and the Independent Trustees included, among other items: (i) information on the investment performance of the Fund relative to independently selected peer groups of funds, a peer group of funds selected by Columbia Management and the Fund’s performance benchmark over various time periods, as presented and analyzed by an independent consultant; (ii) information on the Fund’s advisory fees and other expenses, including information comparing the Fund’s fees and expenses to those of a peer group of funds and information about any applicable expense limitations and fee breakpoints; (iii) data on sales and redemptions of Fund shares; and (iv) information on the profitability to CWAM and its affiliates, as well as potential “fall-out” or ancillary benefits that CWAM and its affiliates may receive as a result of their relationships with the Fund. The Contract Committee and the Board also considered other information, such as: (i) CWAM’s financial condition; (ii) the Fund’s investment objective and strategy; (iii) the overall level of resources devoted to the Fund; (iv) the size, education, experience and resources of CWAM’s investment staff and its use of technology, including with respect to the liquidity risk management program and external research and trading cost measurement tools; (v) changes in investment and other personnel at CWAM; (vi) the portfolio manager compensation framework at CWAM; (vii) the allocation of the Fund’s brokerage, and the use of “soft” commission dollars to pay for research products and services; (viii) CWAM’s risk management program; (ix) the resources devoted to, and the record of compliance with, the Fund’s investment policies and restrictions, policies on personal securities transactions and other compliance policies and procedures; (x) CWAM’s and its affiliates’ conflicts of interest; and (xi) CWAM’s management of the Fund in light of market and operating conditions arising from the COVID-19 pandemic.

At meetings held on June 10, 2021 and July 21, 2021, the Board considered the continuation of the Advisory Agreement and unanimously approved the continuation of the Advisory Agreement on July 21, 2021. In considering the continuation of the Advisory Agreement, the Independent Trustees reviewed and analyzed various factors that they determined were relevant, none of which by itself was considered dispositive. The material factors and conclusions that formed the basis for the Independent Trustees’ determination to approve the continuation of the Advisory Agreement are discussed below.

# BOARD CONSIDERATION AND APPROVAL OF ADVISORY AGREEMENT (continued)

## Nature, quality and extent of services

The Independent Trustees reviewed the nature, quality and extent of the services provided by CWAM and its affiliates to the Fund under the Advisory Agreement, taking into account the investment objective and strategy of the Fund, its shareholder base and knowledge gained from meetings with management, which were held on at least a quarterly basis. They reviewed the available resources and key personnel of CWAM and its affiliates, especially those providing investment management services to the Fund. They also considered the resources dedicated specifically to CWAM by its parent company pursuant to the Advisory Agreement and the contribution of those resources to the portfolio management process. The Independent Trustees noted that these dedicated resources included the professionals responsible for Fund risk analysis and portfolio construction, the continuous development and maintenance of CWAM's research base and the servicing and support of existing Fund shareholders. The Independent Trustees also took into account other services provided to the Fund by CWAM and its affiliates, including: managing the execution of portfolio transactions and selecting broker-dealers for those transactions; monitoring adherence to the Fund's investment restrictions; monitoring and managing the Fund's liquidity pursuant to the liquidity risk management program; providing support services for, and regular updates on the operations of the Fund to, the Board and committees of the Board; managing the Fund's securities lending program; communicating with shareholders; serving as the Fund's administrator and fund accountant; and overseeing the activities of the Fund's other service providers, including monitoring for compliance with various policies and procedures as well as applicable securities laws and regulations. The Independent Trustees also considered CWAM's ability to operate from an almost complete remote working environment in connection with the COVID-19 pandemic without any adverse impact on the Fund or shareholders. The Independent Trustees also noted the quality of CWAM's compliance record. The Independent Trustees considered CWAM's extensive and focused efforts to continue to improve the performance of the Fund and believed they were reasonable and appropriate.

The Independent Trustees concluded that the nature, quality and extent of the services provided by CWAM and its affiliates to the Fund under the Advisory Agreement were appropriate for the Fund and that the Fund was likely to benefit from the continued provision of those services by CWAM. They also concluded that CWAM had sufficient personnel, with appropriate education and experience, to serve the Fund effectively. The Independent Trustees also considered that Ameriprise had committed to the Board that CWAM would have sufficient investment management resources to continue to improve performance, including but not limited to resources to hire investment personnel, as necessary.

## Performance of the Fund

The Independent Trustees evaluated information comparing the Fund's performance with that of comparable funds and peer groups as identified by independent consultant Broadridge Financial Solutions, Inc. ("Broadridge") and the performance of the Fund's primary benchmark. They also reviewed information comparing the performance of the Fund with the performance of (i) a peer group of funds selected by Columbia Management (the "5P Group"); and (ii) a peer group of funds selected by Broadridge that included both underlying variable insurance products and institutional funds (the "Hybrid Group"). The Independent Trustees evaluated the performance and risk characteristics of the Fund over various periods, including over the one-, three- and five-year periods ended December 31, 2020 and April 30, 2021. They considered that the Fund had underperformed its Broadridge peer group median and primary benchmark for the one-year period ended December 31, 2020, and outperformed its Broadridge peer group median and primary benchmark for the three- and five-year periods ended December 31, 2020. They also took into account that the Fund had underperformed its 5P Group median and Hybrid Group median for the one-, three- and five-year periods ended December 31, 2020. For the more recent one-, three- and five-year periods ended April 30, 2021, the Independent Trustees considered that the Fund had underperformed its Broadridge peer group median for the one- and three-year periods and outperformed for the five-year period. They also considered that the Fund had underperformed its primary benchmark for the one-year period ended April 30, 2021 but outperformed its primary benchmark for the three- and five-year periods ended April 30, 2021. In light of this information, the Independent Trustees concluded that the Fund's performance was satisfactory versus its peers and primary benchmark and that CWAM was addressing more recent underperformance.

In addition, the Independent Trustees considered that CWAM's Domestic Team Head and Director of Research (U.S.) had reported to them at numerous Contract Committee, Performance Committee and Board meetings on the corrective steps taken over the past several years to improve the Fund's performance.

# BOARD CONSIDERATION AND APPROVAL OF ADVISORY AGREEMENT (continued)

## Costs of services and profits realized by CWAM

The Independent Trustees examined detailed information on the fees and expenses of the Fund compared with information for similar funds provided by Broadridge. They also reviewed information on the fees and expenses of the Fund compared with information for funds included in the 5P Group.

They noted that while the Fund's net expenses and actual advisory fees paid were higher than the median of its Broadridge peer group, the Fund's advisory fees were generally comparable to the advisory fees of Columbia Acorn USA, which was managed by CWAM similarly to the Fund, at similar asset levels. They also considered that the Fund's actual advisory fees were lower than the median of its 5P Group and higher than the median of its Hybrid Group. In addition, the Independent Trustees considered (i) that CWAM had contractually agreed through April 30, 2022 to limit fees and expenses so that the Fund's total expenses did not increase versus the prior year, and (ii) the total expenses of the Fund relative to its three- and five-year performance, as prepared by Broadridge.

The Independent Trustees took into account that CWAM did not manage other investment companies as a sub-adviser or other institutional separate accounts that had investment strategies similar to the Fund.

The Independent Trustees reviewed the analysis of CWAM's profitability in serving as the Fund's investment manager and of CWAM and its affiliates in their relationships with the Fund. They considered that the Contract Committee and the Board met with representatives from Ameriprise to discuss its methodologies for calculating profitability and allocating costs. They considered that Ameriprise calculated profitability and allocated costs on a contract-by-contract and fund-by-fund basis. In addition, the Independent Trustees considered an analysis of CWAM's anticipated profitability in serving as investment manager to the funds in the Trust and Columbia Acorn Trust at various hypothetical levels of total assets. They also reviewed the methodology used by CWAM and Ameriprise to determine the level of compensation payable to portfolio managers and the competitive market for investment management talent and whether the methodology was aligned with shareholders' interests. The Independent Trustees were provided with profitability information from a third-party consultant, Strategic Insight, which compared CWAM's profitability to other similar investment managers in the mutual fund industry. The Independent Trustees discussed, however, that profitability comparisons among fund managers may not always be meaningful due to the lack of consistency in data, small number of publicly-owned managers, and the fact that the profitability of any investment manager is affected by numerous factors, including its particular organizational structure, the types of funds and other accounts managed, other lines of business, expense allocation methodology, capital structure and other factors. The Independent Trustees evaluated CWAM's profitability in light of the additional resources that had been, and would continue to be, provided to the Fund by Ameriprise to assist in improving Fund performance.

## Economies of scale

At various Committee and Board meetings and other informal meetings, the Independent Trustees also considered information about the extent to which CWAM realized economies of scale in connection with an increase in Fund assets. It was noted, however, that the Fund had lost assets over the past several years. The Independent Trustees noted that the advisory fee schedule for the Fund included breakpoints in the rate of fees at various asset levels. In evaluating whether CWAM was sharing economies of scale with Fund shareholders, the Independent Trustees also took into account the expense limitation that CWAM had agreed to implement for the Fund for 2021 and 2022. The Independent Trustees concluded that the fee structure of the Advisory Agreement for the Fund reflected a sharing of economies of scale between CWAM and the Fund.

## Other benefits to CWAM

The Independent Trustees also reviewed benefits that accrued to CWAM and its affiliates from their relationships with the Fund, based upon information provided to them by Ameriprise. They noted that the Fund's transfer agency services were performed by Columbia Management Investment Services Corp., an affiliate of Ameriprise, which received compensation from the Fund for its transfer agent services. They considered that another affiliate of Ameriprise, Columbia Management Investment Distributors, Inc., served as the Fund's distributor under an underwriting agreement but received no fees for its services to the Fund. In addition, they considered that Columbia Management provided sub-administration services to the

# BOARD CONSIDERATION AND APPROVAL OF ADVISORY AGREEMENT (continued)

Fund. The Contract Committee and the Board received information regarding the profitability of these Fund agreements to the CWAM affiliates and also reviewed information about and discussed the capabilities of each affiliated entity in performing its respective duties.

The Independent Trustees considered other ways that the Fund and CWAM might potentially benefit from their relationship with each other. For example, the Independent Trustees considered CWAM's use of commissions paid by the Fund on its portfolio brokerage transactions to obtain research products and services benefiting the Fund and/or other clients of CWAM. They noted that the Compliance Committee reviewed CWAM's annual "soft dollar" report during the year and met with representatives from CWAM to review CWAM's soft dollar spending. The Independent Trustees also considered that the Compliance Committee and/or Board regularly reviewed third-party prepared reports that evaluated the quality of CWAM's execution of the Fund's portfolio transactions. The Independent Trustees determined that CWAM's use of the Fund's "soft" commission dollars to obtain research products and services was consistent with current regulatory requirements and guidance. They also concluded that CWAM benefitted from the receipt of proprietary research products and services acquired through commissions paid on portfolio transactions of the Fund, and that the Fund benefitted from CWAM's receipt of those products and services as well as research products and services acquired through commissions paid by other clients of CWAM.

After full consideration of the above factors, as well as other factors that were instructive in evaluating the Advisory Agreement, the Independent Trustees concluded that the advisory fees were reasonable and that the continuation of the Advisory Agreement was in the best interest of the Fund. At the Board meeting held on July 21, 2021, the Independent Trustees approved continuation of the Advisory Agreement for the Fund through July 31, 2022.

**Wanger USA**

P.O. Box 219104  
Kansas City, MO 64121-9104



Your success. Our priority.

**Please read and consider the investment objectives, risks, charges and expenses for any fund carefully before investing. For variable fund and variable contract prospectuses, which contain this and other important information, including the fees and expenses imposed under your contract, investors should contact their financial advisor or insurance representative. Read the prospectus for the Fund and your variable contract carefully before investing.** Columbia Wanger Funds are distributed by Columbia Management Investment Distributors, Inc., member FINRA, and are managed by Columbia Wanger Asset Management, LLC.

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