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BEST ETFS & MUTUAL FUNDS

All-Star Fund Scores More Home Runs With Tech, AI

Q&A

BY ADAM SHELL
FOR INVESTOR'S BUSINESS DAILY

There have been a lot of tech stock booms over the years. Veteran fund manager Paul Wick has made a lot of money on all of them.

The veteran portfolio manager of Columbia Seligman Technology and Information Fund **(SLMCX)** has piloted this top-performing fund for 36 years. He's seen it all: the 1990s internet boom, the rise of the smartphone, social media and now next-gen AI technology.

Since taking over Columbia Seligman Technology and Information Fund on Jan. 1, 1990, Wick delivered annualized returns of 16.7%, topping 91% of his tech fund peers, according to fund-tracker Morningstar Direct. And tech stocks are his forte.

The fund, a 2026 IBD Best Mutual Funds Awards winner, has topped the S&P 500 by a wide margin in the past one-, three-, five-, and 10-year periods, according to Morningstar Direct.

And the fund is off to the races again this year with a gain of 58.7% through June 2, trouncing the broad market's 11.7% rise. In the past year, Columbia Seligman Technology and Information Fund is up 130.6%. And the top-performing sector fund's long-term record is just as impressive, posting an annualized return of 28.1% over the past 10 years.

IBD: Explain your stock-picking philosophy.

Paul Wick: I've noticed over the years that companies that aren't growing — and are shrinking — have a hard time being good stocks because the direction of technology is moving against them.

We prefer companies that are intellectual property (IP) rich with IP moats around them (that sell) sticky products with pricing power and customer lock-in. We also look for companies on the cusp of being very profitable and (producing positive) cash flow. And we have a strong bias towards capable people running companies, as opposed to people with a track record of failure. We like companies with higher margins and reasonable growth prospects.

IBD: What's driving the latest rally in AI stocks?

Wick: Spending on AI data centers has been incredible every quarter for the last three years. It really started after ChatGPT came out (in late 2022). The spend from hyperscalers and neoclouds has just been revised up continuously.

IBD: What's driving the massive spending on AI?

Wick: The most recent increases are largely driven by rising memory prices. Other component costs have gone up, too. (Data centers) have a lot of semiconductors in them. So that's driving the next increase in overall AI spending.

IBD: Chip demand seems insatiable.

Wick: It has coincided with a cyclical recovery in other parts of the semiconductor industry, most notably the analog chips and other parts that go into communications equipment and automotive. Demand in the PC and server market (also) remains strong. You've got strong fundamentals throughout the chip industry, led by data centers and compute.

Columbia Seligman Technology and Information Manager Paul Wick scours markets for both dominant winners and overlooked investments

IBD: How have money flows affected AI stock prices?

Wick: One thing that's worth keeping in mind is investor behavior and things like leveraged ETFs (designed to amplify returns). These leveraged ETFs have become very popular and semiconductor ETFs have sucked in a lot of money. We've had a huge amount of investor money shift away from companies that might be victims of AI, such as software, internet and IT services. That money has gone towards AI spend beneficiaries, in particular semiconductors.

IBD: Why such a big weighting (37%) in semiconductors?

Wick: One reason is scarcity value (due to) industry consolidation over the last 20 years. You have three semiconductor test companies left globally. And the top two have 90% or more of the share: Teradyne **(TER)** in the U.S. (which the fund owns) and Advantest of Japan. There are seven or eight meaningful analog semiconductor companies that are used for power and signal conversion. And there are needs for those chips in everything from data centers to automobiles.

IBD: So, is it a supply and demand story?

Wick: You have this insatiable demand for compute and wireless connectivity. You have all these demand drivers for what we would call physical or edge AI, things like robots and connected devices.

IBD: The chip equipment makers benefit, too, don't they?

Wick: (Demand for) semiconductor capital equipment has remained durable. This used to be considered a cyclical industry. We always thought that the leading companies were undervalued by the market, and we've owned Lam Research **(LRCX)** continuously since 2009.

IBD: What's the bull thesis on top 10 holding Lam Research?

Wick: The best analogy is that chips have gone from being one-story ranch houses to skyscrapers, because they have so many layers of material in them, both logic chips as well as memory chips. The semiconductor processing demands are extraordinarily high in terms of the number of process steps. And this has been extremely beneficial for LAM and Applied Materials **(AMAT)**, (another top 10 fund holdings as of April 30, per Morningstar.)

IBD: Any other chip-related stocks you like?

Wick: We own another company called Advanced Energy Industries **(AEIS)** that we've had for the last 12 years in our funds. It is a supplier to both Applied Materials and Lam Research. So, it's benefiting from those same trends.

IBD: Talk about top holding Bloom Energy **(BE)**, dubbed "the fuel cell king."

Wick: It's the only fuel cell company that's ever been successful. Bloom Energy came out of NASA. It was originally going to be the power source for a probe that was going to Mars about 25 years ago. We've owned Bloom since 2019. The company went public in 2018, and the stock sank like a rock. There were a lot of doubters.

IBD: What did you see in Bloom that others didn't?

Wick: One of my colleagues became convinced that their technology was going to be extremely successful over time, and the company would be able to continuously reduce costs and unlock a much bigger potential market. And that's exactly what has happened. We felt Bloom would become a big company, and the market disagreed with us. The stock went nowhere for a long time. We just kept buying more and more of it and we got up to an ownership position of 19.9% as of June of 2025.

Since then, the stock has just exploded. They've emerged as the best power source. (The industry is) able to put up data centers quickly because they can add capacity easily at a high return on capital, So, this is in a way the perfect Warren Buffett stock. Buffett always looked for companies that could make more investments and get high returns on capital from those investments. Bloom is at a point where there is so much demand for power for data centers that Bloom by itself, even if they're growing their capacity 150% a year, won't be able to satisfy it.

It's all pointing to an extremely bright future for Bloom. The stock has gone up tremendously. It is still our biggest position, but just from a risk-control standpoint, we have pared our position back, but it's over 10% of assets in the fund.

IBD: How does the fund manage risk?

The looming giant initial public offering of SpaceX will change indexes.

Wick: Historically, technology funds have gotten in trouble when they drove over the cliff and became indifferent to risk. My sense is a lot of our competitors really drink the Kool-Aid. Exceptionally high valuations in combination with a market downturn is a recipe for problems.

IBD: How does your strategy differ?

Wick: We are valuation aware. We take risk into consideration. Recently, we've been taking a certain amount of gains in some of our big winners and looking for alternative investments, such as companies that have good fundamentals, but whose stock prices have lagged. In many cases, those companies are lower beta than the broad market.

IBD: What laggards have you been buying?

Wick: Companies like (online dating app) Match Group **(MTCH)**, (ride-hailing service) Lyft **(LYFT)** and (web hosting company) GoDaddy **(GDDY)**. These are good businesses with very low valuations. They've been left behind in the AI stampede. But it's not at all clear to us that these companies are AI losers. We really don't think so. We've recycled some of our gains into these lower risk, low valuation, less volatile stories.

IBD: How will big coming IPOs like SpaceX, Anthropic and OpenAI impact the market?

Wick: To some degree, it depends on how quickly those companies are integrated into passive indices (like the S&P 500 and Nasdaq-100). Nasdaq has already relaxed the parameters for Nasdaq-100 inclusion. It looks like it could happen 15 days after the SpaceX IPO (if the newly public company ranks in the index's top 40 by market cap).

(However, S&P Dow Jones Indices on June 4 announced that no changes would be made to the eligibility requirements in the S&P 500. The index provider was considering a change that would allow megacap companies to enter the S&P 500 index after six months, down from 12 months, as well as waive profitability rules.)

IBD: Are these big IPOs sending a market signal, a top perhaps?

Wick: I don't buy the analogy to 2000, because it's very different. There was something like 500 IPOs in 1999 and the first half of 2000. We don't have anything close to that.

IBD: How might these massive IPOs impact other stocks?

Wick: To the extent that these large passive indexes are forced to own these companies, that's going to suck a certain amount of money out of other companies. So, there very well may be a negative impact on the rest of the market.

IBD: What lower-valuation

stocks do you like?

Wick: Lyft is a good example. There's been this narrative that rideshare is going to be either a winner-takes-all category or autonomous vehicles are going to render it an irrelevant category. Given all the problems that Tesla (**TSLA**) is having with its robotaxis, essentially no progress since they rolled it out a year ago in Austin, Texas, I think the threat from autonomous vehicles is overstated. It's going to be a slow, methodical transition. I don't think it's a winner-takes-all business.

IBD: Any turnaround plays you're adding to?

Wick: (Cloud security and data center traffic management company) F5 Networks (**FFIV**). F5 had gone through a slow growth (phase). They've seen a resurgence in their growth rate in the hardware part of their business from 1% or 2% to more like 10% now. The stock had become very cheap. So, we bet on a turnaround there four or five years ago. But we sold our entire position last fall between 300 and 320.

IBD: Did you get back in?

Wick: The stock sold off hard last fall after they were hacked. It went down below $250, and we bought it back. Our analysis suggested that it wasn't going to be significantly impacted by the hack. And their business has come back very strongly. After the hack, they were extremely conservative and lowered earnings guidance. They've since revised the forecast up. The stock has gone from 240 (a share) to 383 as of May 29.

IBD: What's your message to investors as tech stocks go parabolic?

Wick: It's important to ask yourself how much of the good news is baked into share prices. And ask yourself: Are there other companies that are doing particularly well, and no one is paying attention?

As of March 31, 2026, the following securities represent select holdings of the Seligman Technology and Information Fund outside of its top 10 positions, with the corresponding percentage exposures: Teradyne (2.15%), Advanced Energy Industries (1.16%), Match Group (1.21%), Lyft (1.44%), GoDaddy (1.77%), and F5 Networks (0.66%).

IBD's Best Mutual Funds are determined based on historical performance, specifically funds that outperformed the S&P 500 Index over the one-, three-, five-, and 10-year periods. "Top" or highlighted funds reflect relative performance within a universe of sector funds with at least a 10-year track record, with additional distinctions based on 10-year results. Performance data is as of December 31, 2025. Past performance does not guarantee future results.

COLUMBIA SELIGMAN TECHNOLOGY AND INFORMATION FUND

COLUMBIA THREADNEEDLE INVESTMENTS®

Overview

Target long-term capital appreciation by investing in an equity strategy focused on technology-related securities.

Delivers a conviction-weighted portfolio

Invests in 50-75 technology or technology related companies across all market capitalizations to diversify and attempt to mitigate portfolio risk

Follows a valuation-aware philosophy

Selects investments based on rigorous bottom-up fundamental analysis and aims to identify undervalued and misunderstood companies through a growth-at-a-reasonable-price (GARP) style

Offers a long-tenured investment team

Uses insights of an analyst team averaging over 25 years of experience to find companies that appear to offer enduring intellectual property, strong management teams, high-profit revenue growth and potential for growth over the long term

Share Class	A	C	Institutional	Institutional 2	Institutional 3	R
Symbol	SLMCX	SCICX	CCIZX	SCMIX	CCOYX	SCIRX

Overall Morningstar Rating

★★★★★ Class Inst ★★★★★ Class A

The Morningstar rating is for the indicated share classes only as of 03/31/26; other classes may have different performance characteristics. Among 221 Technology funds. Morningstar Ratings are based on a Morningstar Risk-Adjusted Return measure.

Morningstar Percentile Rankings

Category: Technology

	Class Inst (%)	Class A (%)	Total Funds
1-year	10	10	254
3-year	9	9	221
5-year	8	8	199
10-year	8	9	150

Morningstar Rankings are based on annualized total returns (1 being most favorable and 100 being least).

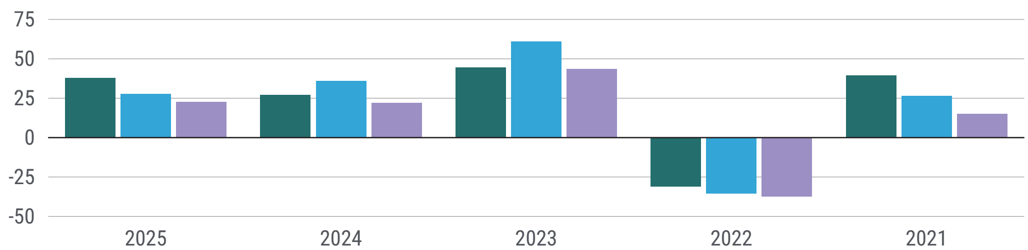
Expense Ratio*

	Net	Gross
Class A	1.16	1.16
Class C	1.91	1.91
Class Inst	0.91	0.91
Class Inst 2	0.87	0.87
Class Inst 3	0.82	0.82
Class R	1.41	1.41

Average Annual Total Returns (%)

	Inception Date	YTD (cum.)	1-year	3-year	5-year	10-year	Since Inception
Without sales charges							
Class Inst[1]	09/27/10	5.82	67.49	32.02	18.08	23.21	15.47
Class A	06/23/83	5.76	67.06	31.68	17.79	22.90	15.36
Class C[1]	05/27/99	5.55	65.82	30.71	16.91	21.98	14.51
Class Inst 3[1]	03/01/17	5.83	67.62	32.12	18.19	23.28	15.45
S&P North American Technology Sector Index		-8.34	32.27	28.36	15.21	21.42	–
Morningstar category: Technology		-5.12	30.97	19.40	7.67	17.10	–
With sales charge							
Class A		-0.32	57.47	29.11	16.40	22.18	15.20
Class C[1]		4.55	64.82	30.71	16.91	21.98	14.51

Calendar-Year Total Returns (%)



Calendar-Year Total Returns (%)	2025	2024	2023	2022	2021
Class Inst	37.75	27.11	44.60	-31.07	39.26
S&P North American Technology Sector Index	27.82	36.08	61.13	-35.36	26.40
Morningstar category: Technology	22.78	21.96	43.43	-37.39	15.09

Columbia Management Investment Distributors, Inc., is the distributor for the Future Scholar 529 College Savings Plan. Account Owners do not have any direct beneficial interests in the underlying mutual funds held by an Investment Portfolio of the Plan and, accordingly, have no rights as an owner or shareholder of such underlying fund. Separate fact sheets are available for the Future Scholar Investment Portfolios. Investors should consider the investment objectives, risks, charges and expenses associated with a municipal fund security before investing. Contact your financial advisor or visit www.columbiathreadneedle.com for a mutual fund prospectus or 529 plan's program brochure, which provides this and other important information. Read it carefully before investing. Before investing, also consider whether the investor's or beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in such state's qualified tuition program.

The fund is available through an investment portfolio in the Future Scholar 529 Plan.

Performance data shown represents past performance and is not a guarantee of future results. The investment return and principal value of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data shown. With sales charge performance is calculated with max sales charge of 5.75% for the A share and 1.00% CDSC for the C share. Please visit www.columbiathreadneedleus.com/investor for performance data current to the most recent month end. Class Inst, Inst 2, Inst 3 and R shares are sold at net asset value and have limited eligibility. Columbia Management Investment Distributors, Inc. offers multiple share classes, not all available through all firms, and the share class ratings may vary. Contact us for details.

[1] The returns shown for periods prior to the share class inception date (including returns since inception, which are since fund inception) include the returns of the fund's oldest share class. These returns are adjusted to reflect any higher class-related operating expenses of the newer share classes, as applicable. For more information please visit: **www.columbiathreadneedleus.com/investor/investment-products/mutual-funds/appended-performance.**

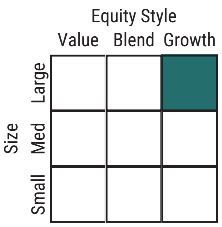
† Portfolio parameters are internal guidelines used by the investment team and are subject to change without notice. Please see the fund's offering documents for formal fund guidelines.

* The fund's expense ratio is from the most recent prospectus. Net expense ratio reflects a contractual fee waiver/expense reimbursement through 9/30/2026, unless sooner terminated at the sole discretion of the fund's board.

Investors should consider the investment objectives, risks, charges and expenses of a mutual fund carefully before investing. For a free prospectus or a summary prospectus, which contains this and other important information about the funds, visit www.columbiathreadneedleus.com/investor. Read the prospectus carefully before investing.

COLUMBIA SELIGMAN TECHNOLOGY AND INFORMATION FUND

Morningstar Style Box™



The Morningstar Style Box™ is based on the fund's portfolio holdings as of period end. The vertical axis shows the market capitalization of the stocks owned, and the horizontal axis shows investment style (value, blend or growth). Information shown is based on the most recent data provided by Morningstar, which is solely responsible for the fund's categorization within the Morningstar Style Box.

Fund Information▲

Fund inception	06/23/83
Fiscal year end	05/31/26
Total net assets (all classes, $m)	19,553
Number of holdings	83
Turnover rate (1-year, %)	33
Market cap (weighted average, $b)	729
Wtd avg P/E ratio, trailing	23.8
Price/book ratio (weighted average)	5.31
Active Share	61.9

Risk: 3 Years▲

Sharpe ratio	1.39
Beta	0.99
R-squared	0.77
Standard deviation	20.47
Standard deviation, S&P North American Technology Sector Index	18.28

Investment Objective

The fund seeks to provide shareholders with capital gain.

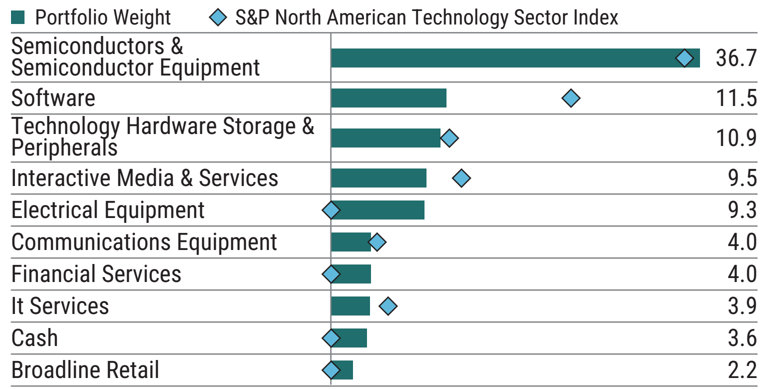
Portfolio Management

Paul H. Wick	39 years of experience
Vimal Patel	30 years of experience
Sanjay Devgan	31 years of experience
Shekhar Pramanick	33 years of experience
Jeetil Patel	31 years of experience
Israel Hernandez	30 years of experience

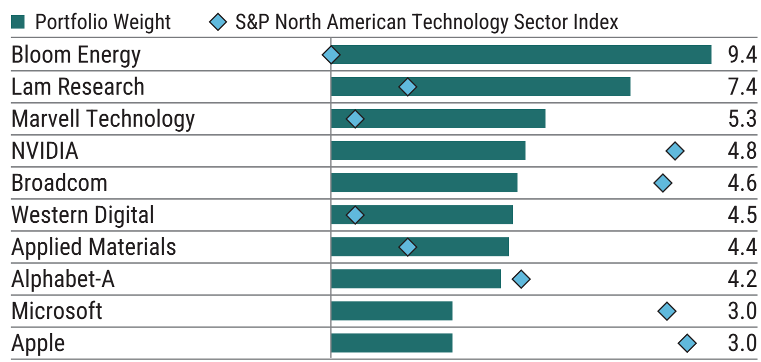
Morningstar Medalist Rating

Silver™

Top Industries (% net investments)



Top Holdings (% net assets)



Percentages may not add up to 100 due to rounding.

Investment risks — **Market** risk may affect a single issuer, sector of the economy, industry or the market as a whole. The products of **technology** companies may be subject to severe competition and rapid obsolescence, and their stocks may be subject to greater price fluctuations. Investments in **small- and mid-cap** companies involve risks and volatility greater than investments in larger, more established companies. **Foreign** investments subject the fund to risks, including political, economic, market, social and others within a particular country, as well as to currency instabilities and less stringent financial and accounting standards generally applicable to U.S. issuers. As a **non-diversified** fund, fewer investments could have a greater effect on performance.

▲ **Beta** measures a fund's risk relative to its benchmark. A beta of 1.00 indicates that the fund is as volatile as its benchmark. **R-squared** ranges from 0.00 to 1.00 and tells what percentage of an investment's movements is explained by movements in its benchmark index. **Sharpe ratio** divides a fund's gross return (excluding fees and expenses) in excess of the 90-day Treasury bill by the investment's standard deviation to measure risk-adjusted performance. **Standard deviation** is a statistical measure of the degree to which an individual value in a probability distribution tends to vary from the mean of the distribution. **Price-to-book ratio** is a stock's price divided by its book value, and may help determine if it is valued fairly. **Price-to-earnings ratio** is a stock's price divided by after-tax earnings over a trailing 12-month period, which serves as an indicator of value based on earnings. **Active Share** is a measure of the percentage of equity holdings in a portfolio that differ from the benchmark index as of month end. Active Share can be calculated as 100% minus the sum of the overlapping holdings of the portfolio and the index. A portfolio that is identical to the benchmark index will have an active share of 0%, while 100% indicates no overlap in holdings.

Fund holdings are as of the date given, subject to change at any time, and not recommendations to buy or sell any security. Top holdings include cash but exclude short-term holdings, if applicable.

Morningstar Percentile Rankings are based on the average annual total returns of the funds in the category for the periods stated. They do not include sales charges or redemption fees but do include operating expenses and the reinvestment of dividends and capital gains distributions. Share class rankings vary due to different expenses. If sales charges or redemption fees were included, total returns would be lower. For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating™ used to rank the fund against other funds in the same category. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance, without any adjustments for loads (front-end, deferred, or redemption fees), placing more emphasis on downward variations and rewarding consistent performance. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) **The Morningstar ratings for the overall-, three-, five- and ten-year periods for the A-share are 5 stars, 5 stars, 5 stars, and 5 stars and for the Inst-share are 5 stars, 5 stars, 5 stars, and 5 stars among 221, 221, 199 and 150 Technology funds, respectively, and are based on a Morningstar Risk-Adjusted Return measure.** The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its three-, five- and ten-year (if applicable) Morningstar Rating metrics.

Morningstar Medalist Rating™ for Institutional share class as of 8/1/2025. The Morningstar Medalist Rating is a forward-looking analysis of investment strategies. Products are evaluated based on three pillars (People, Parent, and Process), before issuing one of five ratings: Gold, Silver, Bronze, Neutral or Negative. The published rating indicates Morningstar's belief that the product is likely, or not likely, to outperform a relevant index or peer group. Morningstar's assessment is not considered a statement of fact, and does not represent a credit or risk rating. For more detailed information about these ratings, including their methodology, please go to global.morningstar.com/managerdisclosures/.

The **S&P North American Technology Sector Index** is a modified-capitalization-weighted index of technology-related stocks. It is not possible to invest directly in an index.

Returns shown assume reinvestment of distributions and do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares.

Not all products and share classes are available through all firms.

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