

Products Covered:

- Columbia Acorn Select

Until employment rebounds, our focus will be to find stocks that we believe can perform well in a slower growth environment.

Investment Risks

Risks include stock market fluctuations due to economic and business developments. The fund also has potentially greater price volatility due to the fund's concentration in a limited number of stocks of mid-size companies. The fund may invest in foreign securities, which may be subject to greater volatility than domestic investments.

Stock market rally showed signs of maturing

In the fourth quarter, a market rally that began at the end of the first quarter showed signs of maturing, as investors began to turn their attention from riskier names to show interest in more stable companies with long-term potential. In this environment, Columbia Acorn Select outperformed its primary benchmark, the S&P MidCap 400 Index, and also the S&P 500 Index, which gained 5.56% and 6.04%, respectively. For the calendar year, the S&P MidCap 400 Index was up 37.38% and the S&P 500 Index gained 26.64%. The fund outperformed both indices by a substantial margin. S&P MidCap 400 Index performance was driven by the utilities and materials sectors for the quarter while the consumer staples, consumer discretionary and financial sectors came up short.

Top performers, biggest disappointments¹

For the fourth quarter, the fund's top dollar winners were solar power equipment manufacturer Canadian Solar and electronic manufacturing services provider Sanmina-SCI. The two top dollar losers were American Commercial Lines, a transportation and manufacturing company, and ITT Educational Services, a provider of post-secondary degree programs.

Portfolio strategy

During the quarter, we added four new companies to the portfolio: GLG Life Tech, ChemSpec International and Houston American Energy. GLG Life Tech produces an all-natural, zero-calorie sweetener made from the stevia plant. ChemSpec is a fluorinated specialty chemicals manufacturer and Houston American Energy is an oil exploration and production company, with primary operations in Colombia. Recently, we also added a health care company to the portfolio, believing the sector has been oversold due to investor fears over potential new health care legislation. We suspected that there was a chance that the proposed health care legislation would not pass.

During the quarter, we sold the fund's positions in retailer The Gap Stores, industrial air filter maker Donaldson and oil and gas wellhead manufacturer FMC Technologies. We are continuing to sell down or out of larger oil service/production companies while investing the dollars back into smaller oil companies, primarily those in Colombia.

Looking ahead

The U.S. economy is continuing to recover as we enter 2010, but unemployment remains high. However, failure to pass a carbon tax and/or health care legislation could benefit both the economy and the market, as it would clear away uncertainty, which is restraining job growth within two of this country's largest employing industries: industrials/oil/utilities and health care. Employment could also get a boost if the government chooses not to let the sun-setting tax cuts, which are estimated to

Past performance is no guarantee of future results.

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NOT FDIC INSURED	May Lose Value
NOT BANK ISSUED	No Bank Guarantee

Top Holdings (% of net assets) as of December 31, 2009

ITT Educational Services	4.93
Pacific Rubiales Energy	4.87
SkillSoft Publishing	4.84
Sanmina-SCI	4.64
Hertz Global Holdings	4.58
Safeway	3.94
Conseco	3.47
Expedia	3.43
Crown Castle International	3.11
WNS Holdings	3.02

Portfolio holdings are subject to change periodically and may not be representative of current holdings. Current and future holdings are subject to risk, including, but not limited to, market and credit risk.

account for approximately 2% of GDP, expire at the end of 2010 — a significant figure in an economy with more than 10% unemployment. If these scenarios evolve, employment should rebound. Until then, our focus will be to find stocks that we believe can perform well in a slower growth environment.

Please read and consider the investment objectives, risks, charges and expenses for any fund carefully before investing. For a prospectus, which contains this and other important information about the fund, contact your Columbia Management representative or financial advisor or go to www.columbiamanagement.com.

The **Standard & Poor's (S&P) MidCap 400 Index** tracks the performance of 400 mid-cap U.S. companies.

The **Standard & Poor's (S&P) 500 Index** tracks the performance of 500 widely held, large-capitalization U.S. stocks

Unlike mutual funds, indices are not managed and do not incur fees or expenses. It is not possible to invest directly in an index.

¹ Determinations of contributors and detractors are based on performance relative to the fund's benchmark.

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