

Products Covered:

- Columbia Technology Fund

We continue to see signs of economic environment and are biased toward investing in technology-related companies that have the potential to benefit from a growing global economy.

Investment Risks

The share price of a fund that invests primarily in one sector will likely be subject to more volatility than a fund that invests across many sectors. Technology stocks may be more volatile than stocks in other sectors. The fund should be considered part of an overall investment program and not a complete investment program.

Technology added to its impressive returns

In the fourth quarter, technology stocks continued to add to the impressive returns posted in the first three quarters of 2009. The Amex Merrill Lynch Technology 100 Index gained 66.86% for the calendar year, significantly outperforming the broader market, which was up 26.46% over the same period, as measured by the S&P 500 Index. A recovering global economy provided corporations with the confidence to invest in technology to improve worker productivity and profit margins. Data indicating that the economy had stabilized also encouraged consumers, who increased their holiday spending, both online and in stores, during the fourth quarter of 2009. Within the index, Internet and catalog retail, electronic equipment, Internet software and services and information technology services were the best performers. Industries that lagged within the benchmark were communications equipment, software and computers and peripherals.

In this environment, the return of the Columbia Technology Fund fell just short of the return of the index, which gained 8.11% for the fourth quarter. Security selection in the Internet catalog and retail, software and wireless communication industries aided performance relative to the index. An underweight in the communications equipment industry also aided returns. Security selection in the electronic equipment, life sciences tools and services and Internet software and services industries detracted from relative performance for the quarter.

Contributors and detractors¹

Within the Internet retail industry, Priceline.com, an Internet travel service, was the best performing holding in the portfolio. During the quarter, Priceline handily beat earnings estimates, driven by strong international activity where year-over-year online hotel bookings accelerated from 14% to 38%. Unit growth figures also improved on sales of airline tickets and hotel rooms booked. Consumers continue to look for discounted travel offerings online in an effort to identify the best available value. A position in Netflix, a subscription-based online movie rental firm, also contributed to performance, as the stock responded positively to the company's growing subscription base. The positive trend was aided by an increasing preference among consumers for renting versus buying videos and increasing interest in Netflix's streaming video service. From a competitive perspective, Netflix also benefited as more video rental stores closed their doors. The portfolio also benefited from owning software giant Microsoft, which continued to perform well in the fourth quarter. Personal computer sales rose on the heels of favorable reviews of the company's new operating system, positive seasonal factors and investor expectations that the company could use a portion of its large cash position to buy back shares. Within the wireless communications industry, tower stocks continued to help fund performance. We believe that investors view the tower business as the most attractive segment of the telecommunications industry because of its dependable revenue streams, favorable demand trends and operating leverage. Wireless carriers are operating in a competitive market, and increasing data usage by their customers has increased the

Performance data quoted represents past performance, and current performance may be lower or higher. 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**

Apple	4.65
Priceline	3.38
Analog Devices	3.01
Qualcomm	2.93
Western Digital	2.60
Disco	2.59
Crown Castle International	2.44
Adobe Systems	1.98
EMC	1.98
Red Hat	1.85

Portfolio holdings are subject to change. Current and future holdings are subject to risk, including, but not limited to, market and credit risk.

need for carriers to invest in more tower locations. In this environment, portfolio positions in SBA Communications, American Tower and Crown Castle were positive contributors to fourth-quarter performance. In a related theme, the fund benefited from an underweight in the communications industry where the potential for commoditization of smartphones could cut into future profit margins.

Detracting from relative performance during the quarter were positions within the electronic equipment instrument industry. An underweight in liquid crystal display (LCD) glass manufacturers Corning and LG Display hurt performance, as holiday demand for consumer electronics, ranging from computers to flat panel TVs, was better than expected. There remains a significant amount of manufacturing capacity for specialty glass, and management is monitoring capacity utilization levels to determine whether LCD glass demand is sustainable or merely seasonal. Within the Internet software and services industries, a holding in Internet portal Yahoo! detracted from performance, as industry data suggested that the company continued to lose market share in direct search, toolbar and small affiliate search. A position in life sciences tools and service company Illumina also detracted from fourth quarter results. Illumina continued to struggle against unfavorable timing of the dispersal of economic stimulus funds as well as expectations for a slower recovery in genome-wide association studies (GWAS) and the stock was sold. Finally, within the semiconductor industry, an underweight in graphics chip manufacturer Nvidia hurt performance, as positive seasonal PC demand and video gaming trends boosted the company's stock price during the fourth quarter.

Looking ahead

We continue to see signs of economic environment and are biased toward investing in technology-related companies that have the potential to benefit from a growing global economy. We are mindful of the tremendous price appreciation many technology stocks have experienced during the year and remain true to our investment process: analyzing the related product cycles of technology trends in order to identify where the best risk/reward profiles exist. We believe that an improving global economic backdrop should continue to fuel IT spending in numerous industries as the result of pent-up demand in both developed and developing countries. Additionally, the rapid pace of technological development, coupled with strong corporate balance sheets, could spark merger and acquisition activity, as larger technology companies may find it more efficient to access new markets through acquisition rather than through internal development.

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 **AMEX Merrill Lynch Technology 100 Index** is an equally weighted, unmanaged index of 100 leading technology stocks. As of January 1, 2009, Merrill Lynch & Co., Inc. is a wholly-owned subsidiary of Bank of America Corporation and an affiliate of Columbia Management.

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

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

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

Since economic and market conditions change frequently, there can be no assurance that the trends described here will continue or that the forecasts will come to pass. The views and opinions expressed are those of the portfolio managers and analysts of the affiliated advisors of Columbia Management Group, are subject to change without notice at any time, may not come to pass and may differ from views expressed by other Columbia Management associates or other divisions of Bank of America. These materials are provided for informational purposes only and should not be used or construed as a recommendation of any security or sector.

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