

Products Covered:

- Columbia International Bond Fund

We expect to continue to shift the fund's positioning with caution, in an effort to benefit from economic stabilization and recovery as well as from an increase in investor appetite for higher-yielding assets, which we believe should continue.

Investment Risks

Risks include prepayments, foreign, political and economic developments and bond market fluctuations due to changes in interest rates. When interest rates go up, bond prices typically drop and vice versa. Lower-quality debt securities involve greater risk of default or price volatility from changes in credit quality of individual issuers. Funds that concentrate their investments in a geographic region may expose an investor to greater volatility: for example, currency fluctuations, differences in security regulation, accounting standards, foreign taxation regulations and political risks. Investing in emerging markets may involve greater risks than investing in more developed countries. In addition, concentration of investments in a single region may result in greater volatility.

World's credit markets continued to rally in fourth quarter

With continued signs of global economic stabilization and cash rates still close to zero, riskier fixed-income sectors, such as high-yield and emerging markets, continued to deliver solid performance in the fourth quarter of 2009. Throughout the quarter, most global central banks maintained accommodative monetary policy, while verbally signaling to the market that policy will be tightened when necessary. Investors began to price in expectations for higher official rates in early 2010, and yields on U.S. Treasury securities, as well as U.K. gilts and European government bonds, rose. The U.S. dollar was mixed for the quarter, gaining value against the euro and the yen but losing value against the British pound, the Australian and Canadian dollars and most emerging market currencies. Oil prices moved higher, reflecting the belief that the worst of the decline in global demand may have passed.

In this environment, Columbia International Bond Fund outperformed the Citigroup Non-U.S. Dollar World Government Bond Index – Unhedged (WGBI) for the fourth quarter and also for the year ended December 31, 2009.

Currency exposure hampered return; emerging debt helped

The fund had less exposure than the benchmark to foreign currencies, in general, and to the yen and euro, in particular. Currency exposure in the fourth quarter detracted from the fund's absolute total return. However, the fund's underweight in currency exposure aided its performance relative to the benchmark. The fund's exposure to emerging market debt contributed positively to total return and contributed to its outperformance relative to the benchmark, as spreads continued to narrow in the fourth quarter.

Looking ahead

We expect growth in major industrialized economies to remain sluggish through 2010. Fiscal deficits are expected to remain a drag on growth, as governments around the world struggle to rein in spending. Although the rise in commodity prices from the lows posted in 2008 continued to support emerging market bonds in the fourth quarter, solid evidence of a broad rebound in global demand is needed to sustain the rally in emerging market debt going forward. Economic growth and foreign exchange reserve accumulation are slowing, while fiscal balances and overall debt dynamics remain at risk of deteriorating. Reform momentum in emerging market countries is absent.

As the U.S. economy struggles amid weak consumer demand and high unemployment, market volatility is likely to remain high. However, we believe that the U.S. economy will likely lead the global economy to recovery and that countries with stronger fiscal positions and popular or strong governments should outperform in 2010.

Until then, we do not expect U.S. yields or the U.S. dollar to rise much from current levels. However, we believe that the trend toward broad U.S. dollar weakness may be nearing an end and that a stronger U.S. dollar will take hold when investors perceive that the U.S. economy has bottomed and the United States has ended its overly accommodative monetary policy.

We believe that Columbia International Bond Fund is positioned to take advantage of this environment. We expect to continue to shift the fund's positioning with caution, in an effort to benefit from economic stabilization and recovery as well as from an

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

increase in investor appetite for higher-yielding assets, which we believe should continue.

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 Citigroup Non-U.S. World Government Bond Index-Unhedged is calculated on a market-weighted basis and includes all fixed-rate bonds with a remaining maturity of one year or longer and with amounts outstanding of at least the equivalent of U.S. \$25 million. The index excludes floating or variable rate bonds, securities aimed principally at non-institutional investors and private placement-type securities. Indices are not available for investment and do not reflect sales charges, fees, brokerage commissions, taxes or other expenses of investing. Securities in the fund may not match those in an index.

Determinations 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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