

Products Covered:

- Columbia Contrarian Core Fund

We feel generally positive about the equity markets for 2010. Strong earnings growth and reasonable valuations should drive the medium term with a positive bias, and we are cautiously optimistic.

Investment Risks

Share prices of small-capitalization companies tend to be more volatile because small companies often have narrower markets, limited financial resources and stocks that are not as actively traded as large-company stocks.

Signs of economic stabilization extended equity market rally

Equity markets posted their third consecutive gain in the fourth quarter of 2009. Even though the markets took a pause in October, the trend toward higher prices resumed in November and December. For the year, the U.S. equity markets posted their biggest annual gain since 2003, and commodities rallied worldwide as the Federal Reserve and other central banks kept interest rates at extremely low levels and governments around the world enacted massive stimulus programs in an attempt to jump-start economic growth out of a deep recession. At quarter end, the S&P 500 Index had moved 65% off its March 9 low. Numerous data points, ranging from selected areas of housing, manufacturing and credit market spreads, pointed to a stabilizing global economy.

In this environment, large-cap stocks outperformed small-cap stocks. The Russell 1000 Index returned 5.52% versus 3.49% for the Russell 2000 Index. In terms of investment style, using the Russell 3000 Growth Index and the Russell 3000 Value Index as proxies, growth equities outperformed value equities for the quarter by almost 350 basis points — and an astounding 1,725 basis points for the year. Performance was driven by technology companies, which are more heavily represented in the growth index. Within the benchmark Russell 1000 Index, nine of 10 economic sectors posted positive absolute returns in the quarter, led by technology and health care. Financials was the only sector with negative performance. For the fourth quarter, the fund underperformed its benchmark. However, the fund outperformed the Russell 1000 Index for the calendar year.

Stock selection drove fund performance¹

On an individual stock basis, the five key contributors to positive performance in the fourth quarter were Google and Microsoft in the technology sector, Cardinal Health and Abbott Labs in health care and Walter Energy in materials.

Stock selection in energy, technology, materials and health care drove returns in these sectors higher than their returns in the benchmark. However, stock selection in utilities and consumer discretionary detracted from relative performance. State Street and Goldman Sachs in the financial sector, Melco Crown Entertainment and GameStop in the consumer discretionary sector and CVS Caremark in consumer staples hindered performance.

Outlook

What a difference a year can make — and how difficult it can be to predict the market. Anyone who predicted that the equity market would be up 20% for 2009 would have been in a very small minority — and this view would likely have been dismissed.

Looking ahead to 2010, we believe it is prudent to talk in terms of possible scenarios and attach probabilities to each. The benefit of doing this exercise is that it forces you to acknowledge that you don't have all the answers, it reminds you to think about 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	
Microsoft	3.28
Berkshire Hathaway	2.84
Hewlett Packard	2.72
Mastercard	2.64
Abbott Laboratories	2.61
Phillip Morris	2.55
Chevron	2.55
Pfizer	2.45
JPMorgan	2.43
Google	2.36

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

extremes, and it provides a context in which to review your overall portfolio positioning in light of the outcome of the exercise.

With those thoughts in mind, we feel generally positive about the equity markets for 2010. Strong earnings growth and reasonable valuations should drive the medium term with a positive bias, and we are cautiously optimistic. Longer term, the United States faces a number of challenges, and its ability to deal with those challenges will drive longer-term returns.

To navigate through this maze of ups and downs, we plan to look for opportunities, using our contrarian approach. Things become much clearer to us when we look at an individual company, its fundamentals and valuation than when we try to predict exactly which way the macroeconomic and market winds will blow.

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 **Russell 1000 Index** is an unmanaged index that tracks the performance of 1,000 of the largest U.S. companies based on market capitalization.

The **Russell 2000 Index** measures the performance of the 2,000 smallest of the 3,000 largest U.S. companies, based on market capitalization. Securities in the fund may not match those in an index.

The **Russell 3000 Growth Index** measures the performance of those Russell 3000 Index companies with higher price-to-book ratios and higher forecasted growth values.

The **Russell 3000 Value Index** measures the performance of those Russell 3000 Index companies with lower price-to-book ratios and lower forecasted growth values.

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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