

Select Opportunities

Commentary

Products Covered:

- Columbia Select Opportunities Fund

We believe that opportunities remain. We maintain our long-held belief in the growth potential for emerging markets.

Investment Risks

Risks include stock market fluctuations due to business and economic developments, as well as changes in the values of specific fund holdings. Investments in small- and mid-cap companies may be subject to greater volatility and price fluctuations because they may be thinly traded and less liquid. International investments involve greater potential risks, including less regulation, currency fluctuations, economic instability and political developments. Funds that concentrate their investments in a geographic region may expose an investor to greater volatility. For example, currency fluctuations, differences in security regulations, accounting standards, foreign taxation regulations and political risks. These risks may be enhanced in emerging markets. Investments in equity securities are subject to sudden and unpredictable drops in value and periods of lackluster performance.

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, growth stocks outperformed value stocks for the fourth quarter. The Russell 1000 Growth Index returned 7.94%, outpacing the 4.22% return posted by the Russell 1000 Value Index. Large-cap stocks outperformed small-cap stocks. The Russell 1000 Index returned 6.07% versus 3.87% for the Russell 2000 Index. Within the benchmark Russell 1000 Index, nine of 10 sectors posted positive returns for the quarter, led by information technology, health care and consumer discretionary. The lone exception was the financial services sector, which was slightly negative. The Columbia Select Opportunities Fund performed generally in line with its benchmarks, the S&P 500 Index and the Russell 1000 Index.

Stock selection drove fund performance¹

Overall, stock selection drove relative performance and the impact of sector allocation was generally neutral for the fourth quarter. The energy, materials and consumer discretionary sectors generated positive performance relative to their benchmarks. The energy sector benefited from solid stock selection, with names such as CARBO Ceramics, Cimarex Energy and Tenaris driving performance. Relative outperformance in materials resulted from positions in Freeport-McMoRan Copper & Gold, Vale (sold during the quarter) and ArcelorMittal. Small-cap holdings JoAnn Stores and Collective Brands added to performance in the consumer discretionary sector, as did Big Lots and H&R Block. Other stocks that contributed to relative performance during the quarter included American Express, Microsoft and Micron Technology.

Stock selection in health care and consumer staples detracted from relative performance. Among the disappointments during the period in the health care sector were NuVasive and Illumina (sold during the period). Within the consumer staples sector, relative performance was hurt by positions in BJ's Wholesale Club and Winn-Dixie Stores, among others. JC Penney Co. and CommScope (sold during the quarter) also hampered performance.

Outlook

We believe that the U.S. economy has stabilized and that a recovery will continue to unfold throughout the course of 2010. We are mindful, however, that headwinds in

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

Select Opportunities

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

Microsoft	2.50
JPMorgan	2.03
International Business Machines	1.94
Wells Fargo	1.91
Hewlett Packard	1.87
Exxon Mobil	1.63
Apple	1.61
Google	1.53
Wal-Mart	1.47
Pepsico	1.30

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.

the United States, such as a deleveraging consumer, joblessness and a still-fragile property market, may cause growth to be muted when compared to past recoveries. Nonetheless, we believe that opportunities remain. We maintain our long-held belief in the growth potential for emerging markets.

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 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 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 1000 Value Index** measures the performance of those Russell 1000 Index companies with lower price-to-book ratios and lower forecasted growth values.

The **Russell 1000 Growth Index** measures the performance of those Russell 1000 Index companies with higher price-to-book ratios and higher forecasted growth values.

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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