

**Products Covered:**

- Columbia Marsico Focused Equities Fund

*The pullback in stock prices took place against a backdrop of overall improvement in the economic data.*

**Investment Risks**

The fund is subject to stock market fluctuations. By maintaining a relatively concentrated portfolio of 20–30 stocks, the fund may be subject to greater risk than a fund that is more fully diversified. The fund can invest up to 25% of its assets in foreign securities. International investing involves special risks, including foreign taxation, currency risks, risks associated with possible differences in financial standards, and other monetary and political risks.

**Market Environment**

January was a “tale of two markets” for U.S. equities. Stock prices opened the new year in encouraging fashion and generated gains during the first half of January. Then, however, equities executed an about-face and sold off sharply during the month’s last two weeks, shrugging off a variety of positive economic data points and solid corporate profit reports. Large-cap equity benchmarks, such as the S&P 500 Index and The Russell 1000 Index both fell by a relatively mild 3.60% for the month as a whole. However, the S&P 500 Index dropped nearly 7% during the second half of January, apparently weighed down by the following:

- Some newly released economic data suggested the U.S. recovery could perhaps be more drawn out than previously thought. This included disappointing unemployment claims, tepid consumer discretionary spending, and lower orders for big-ticket consumer durables such as automobiles — some of which may have related to the Toyota recalls. Additionally, housing continued to be a significant overhang on the market. Several housing-market-related indicators were weak, including housing starts, home sales transactions and residential construction spending.
- Signs of monetary policy tightening in China (including higher required bank reserve ratios and reduced lending) and other developing markets, as well as an uptick in inflation in a number of countries, created some worries that global growth could be dampened.
- Budget issues in Greece and Spain, along with widening sovereign debt spreads, seemed to spook investors.
- Uncertainty over the re-appointment of Ben Bernanke as chairman of the Federal Reserve Bank.
- Concern that overly draconian financial industry regulatory measures could be enacted that might curb bank lending and stall the economic recovery.

However, the pullback in stock prices took place against a backdrop of overall improvement in the economic data. Positive data points included fourth quarter Gross Domestic Product expanding by an annualized rate of 5.7%, modest growth in consumer spending, higher personal incomes and energized manufacturing activity. (U.S. manufacturing expanded in January at its fastest pace in five years). Meanwhile, corporate profit reports tended to surprise to the upside. As of month-end, nearly one-half of the constituent companies in the S&P 500 Index had reported their quarterly financial results, with 78% of that group exceeding earnings-per-share consensus estimates and 68% outpacing consensus revenue estimates. Strong corporate profits, revived manufacturing, higher levels of business spending in general, and an administration intent on job creation could be a harbinger for better employment

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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Columbia Management Advisors, LLC (“CMA”) has retained Marsico Capital Management, LLC (“MCM”) to serve as investment subadviser to the Columbia Marsico Focused Equities Fund. As the investment subadviser, MCM makes the investment decisions and manages all or a portion of the strategy. MCM is an investment adviser registered with the Securities and Exchange Commission. MCM is not affiliated with Bank of America.

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

news. Consumer confidence inched higher. Mortgage rates dipped below 5% again. Inflation remained contained.

Commodity prices declined in January, saddled by concerns regarding the global growth outlook in the context of central bank tightening measures in emerging markets. The Reuters/Jefferies CRB Index, a basket of commodities comprised of 19 energy, metal, and agricultural prices, dropped 6.3%. Crude oil finished the month trading at about \$73 a barrel. Treasury prices declined modestly during the first part of the month, but then rallied as investors seemed to fret about the durability of the economic recovery and bank reform proposals and shifted to more of a “safety first” mode. The 10-year Treasury note finished the month trading at 3.84% (down 23 bp compared to year end 2009) while the 30-year Treasury bond closed the period at 4.60% (down 15 bp).

### Product Performance

For the month of January, Columbia Marsico Focused Equities Fund underperformed its primary benchmark, the S&P 500 Index, which posted a -3.60% return.

### Sector Performance

Using the Russell 1000 Index as a point of reference, equities were mixed. All ten GICS sectors in the Index were in negative territory, with a number of them reversing course sharply. Information technology, materials and Utilities were among the hardest-hit areas. Health Care essentially was “flat” during the month.

At an industry level, performance was variable, with a bias to the downside. There were some pockets of strength during the month, but weakness had the upper hand, particularly within the information technology sector.

In terms of equity market characteristics, correlations across size and style parameters were relatively high. Everything (small/medium/large; growth/value/core) was down during the month with relatively modest differentiation in terms of market cap and style orientation. All 26 U.S. equity indexes maintained by Russell had negative returns. Value-oriented indices tended to do somewhat better than their growth counterparts. Large- and small-cap stocks were essentially equal for the month, based on the Russell 1000 Index and the Russell 2000 Index, with returns of -3.60% and -3.68%, respectively. Within the large-cap realm, the Russell 1000 Growth Index and Russell 1000 Value Index posted total monthly returns of -4.36% and -2.81%, respectively. Weak-performing technology stocks weighed heavily on the growth index, while the value index was helped by relatively solid returns in the financials sector.

### Performance Contributors<sup>1</sup>

Portfolio Holding	GICS Industry Group	Average Portfolio Weight %
▪ U.S. Bancorp	▪ Banks	▪ 3.37
▪ Gilead Sciences	▪ Pharmaceuticals biotechnology and life sciences	▪ 2.33
▪ Wells Fargo	▪ Banks	▪ 4.09
▪ Intuitive Surgical.	▪ Health care equipment and services	▪ 2.31
▪ Merck	▪ Pharmaceuticals, biotechnology and life Sciences	▪ 2.71

Top Holdings (% of net assets) as of  
January 31, 2010

Dow Chemical	6.07
Apple	5.65
Wells Fargo	4.88
Union Pacific	4.55
Transocean	4.25
Google	4.02
General Dynamics	3.90
McDonald's	3.76
US Bancorp	3.69
Abbott Laboratories	3.57

Portfolio holdings and characteristics 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.

Performance Detractors<sup>1</sup>

Portfolio Holding	GICS Industry Group	Average Portfolio Weight %
▪ Apple	▪ Technology Hardware and equipment	▪ 4.91
▪ Google	▪ Software and services	▪ 4.73
▪ BHP Billiton	▪ Materials	▪ 3.56
▪ QUALCOMM	▪ Technology Hardware and equipment	▪ 3.22
▪ Goldman Sachs Group	▪ Diversified financials	▪ 3.11

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](http://www.columbiamanagement.com).

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

The **Russell 1000 Index** measures the performance of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000® Index and includes approximately 1,000 of the largest securities based on a combination of their market cap and current index membership.

The **Reuters/Jefferies-CRB Index** is designed to provide timely and accurate representation of a long-only, broadly diversified investment in commodities through a transparent and disciplined calculation methodology.

The **Russell 2000 Index** measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000® Index representing approximately 8% of the total market capitalization of that index.

The **Russell 1000 Growth Index** measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

The **Russell 1000 Value Index** measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth values.

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

<sup>1</sup>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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