INFORMATION ON SALES CHARGES

October 10, 2005

Columbia Funds offers a variety of ways to reduce the cost of investing in fund shares through reduced sales charges, often referred to as "breakpoint discounts." Generally, whether your purchase is eligible for a reduced sales charge depends on the size of your investment, the share class that you purchase, whether you purchase an equity or fixed income fund and how long you hold your investment. The following overview provides general information about sales charges and how you can reduce them. You should also refer to the appropriate fund prospectus and statement of additional information (SAI) for further information on charges and expenses, and important information on investment objectives and risks of investing in a fund.

CHOOSING A SHARE CLASS

Columbia offers a variety of fund share classes – Class A, B, C, D, E, F, G, T and Z. Each share class has its own sales charge and expense structure. Not all share classes are offered by each Columbia fund. Determining which share class is best for you depends on the dollar amount you are investing and the number of years you are willing to invest. Based on your personal situation, your financial advisor can help you decide which class of shares makes the most sense for you.

UNDERSTANDING SALES CHARGES

You may be subject to an initial sales charge when you purchase, or a contingent deferred sales charge (CDSC) when you sell shares of Columbia funds. Some of the sales charges are described below. In certain circumstances, the sales charges may be reduced or waived as described below and in the SAI.

Class B shares are generally subject to a CDSC at the time you sell shares, and certain investments in Class A and C shares are also subject to a CDSC, a sales charge applied at the time you sell your shares. You will pay the CDSC only on shares you sell within a certain amount of time after purchase. The CDSC generally declines each year until there is no charge for selling shares. The CDSC is applied to the net asset value at the time of the purchase or sale, whichever is lower. Please see the applicable prospectus for further information on calculating the CDSC.

REDUCED SALES CHARGES FOR LARGER INVESTMENTS

There are two principal ways for shareholders to qualify for a lower sales charge or obtain a breakpoint discount when purchasing Class A shares of the funds in the Columbia family of funds: through Rights of Accumulation and a Statement of Intent.

Rights of Accumulation

The value of eligible accounts (regardless of class) maintained by you and each member of your immediate family may be combined with the value of your current purchase to reach a sales charge discount level and to obtain the lower sales charge for your current purchase. To calculate the combined value of the accounts, the Fund will use the shares' current public offering price.

Statement of Intent

You may also pay a lower sales charge when purchasing Class A shares of a fund by signing a Statement of Intent. By doing so, you are entitled to pay the lower sales charge on all purchases made under the Statement of Intent within 13 months. As described in the charts below, the first breakpoint discount will be applied when total purchases reach $50,000.

If your statement of intent purchases are not completed within 13 months, you will be charged the applicable sales charge on the amount you had invested to that date. To calculate the total value of your Statement of Intent purchases, the fund will use the historic cost (i.e. dollars invested) of the shares held in each eligible account. You must retain all records necessary to substantiate historic costs because the Fund and your financial intermediary may not maintain this information.

The types of accounts that may be aggregated to obtain one or more of the breakpoint discounts described above include:

- Individual accounts
- Joint accounts
- Certain IRA accounts
- Certain trusts
- UTMA/UGMA accounts

For the purposes of obtaining a breakpoint discount, members of your “immediate family” include your spouse, parent, step parent, legal guardian, child, step child, father-in-law, and mother-in-law. Eligible accounts include those registered in the name of your dealer or other financial intermediary through which you own Columbia fund shares. The value of your investment in a Columbia or Galaxy* money market fund held in an eligible account in the following retail share classes (Columbia Classes A and T and Galaxy Retail A) may be aggregated with your investments in other funds in the Columbia family of funds to obtain a breakpoint through Rights of Accumulation. Investments in the retail share classes referenced above in Columbia money market funds may also be included in the aggregation for a Statement of Intent for shares that have been charged a sales charge.

The steps necessary to obtain a breakpoint discount depend on how your accounts are maintained with the Columbia family of funds. To obtain any of the above breakpoint discounts, you must notify your financial advisor at the time you purchase shares of the existence of each eligible account maintained by you and your immediate family. It is the sole responsibility of your financial advisor to ensure that you receive discounts for which you are eligible and the Fund is not responsible for a financial advisor’s failure to apply the eligible discount to your account. You may be asked by the Fund or your financial advisor for account statements or other records to verify your discount eligibility, including, where applicable, records for accounts opened with a different financial advisor and record of accounts established by members of your immediate family. If you own shares exclusively through an account maintained with the Fund’s transfer agent, Columbia Management Services, Inc. (CMSI), you will need to provide the foregoing information to a CMSI representative at the time you purchase shares.

Certain investors may purchase shares at a reduced sales charge or at net asset value (NAV), which is the value of a fund share excluding any sales charge. Restrictions may apply to certain accounts and certain transactions. Further information regarding these discounts may be found in a fund’s SAI.

EXPENSE STRUCTURE – CLASS A, B, & C SHARES

The following summarizes the expense structure for Class A, B, and C shares, which are offered by most Columbia funds, and any breakpoint discounts available for those shares. For further information, including whether a fund offers a particular share class, please see that fund’s prospectus and SAI.

* On or about November 23, 2005, all remaining Galaxy money market funds which have not merged into Columbia funds will be re-branded as Columbia Funds.

Class A Shares

Your purchase of Class A shares is made at the public offering price for these shares. This price includes a sales charge based on the amount of your initial investment when you open your account. The sales charge you pay on an additional investment is based on the total amount of your purchase and the current value of your account. Shares you purchased with reinvested dividends or other distributions are not subject to a sales charge. A portion of the sales charge is paid as a commission to your financial advisor on the sale of Class A shares. The amount of the sales charge differs depending on the amount you invest as shown in the tables below:

Equity Funds

Amount Purchased	Sales Charge	As a % of your investment	Commission paid to financial advisor
Less than $50,000	5.75%	6.10	5.00%
$50,000 to less than $100,000	4.50%	4.71	3.75%
$100,000 to less than $250,000	3.50%	3.63	2.75%
$250,000 to less than $500,000	2.50%	2.56	2.00%
$500,000 to less than $1,000,000	2.00%	2.04	1.75%

Fixed Income Funds
Including: Columbia CA Tax-Exempt Fund, Columbia Conservative High Yield Fund, Columbia Core Bond Fund, Columbia CT Tax-Exempt Fund, Columbia Federal Securities Fund, Columbia High Income Fund, Columbia High Yield Municipal Fund, Columbia High Yield Opportunities Fund, Columbia MA Tax-Exempt Fund, Columbia Municipal Income Fund, Columbia NY Tax-Exempt Fund, Columbia Strategic Income Fund, Columbia Tax-Exempt Fund, Columbia Tax-Exempt Insured Fund

Amount Purchased	Sales Charge	As a % of your investment	Commission paid to financial advisor
Less than $50,000	4.75%	4.99	4.25%
$50,000 to less than $100,000	4.50%	4.71	4.00%
$100,000 to less than $250,000	3.50%	3.63	3.00%
$250,000 to less than $500,000	2.50%	2.56	2.25%
$500,000 to less than $1,000,000	2.00%	2.04	1.75%

Short-Intermediate Fixed Income Funds
Including: Columbia Intermediate Bond Fund, Columbia Intermediate Core Bond Fund, Columbia Intermediate Municipal Bond Fund, Columbia LifeGoal™ Income Portfolio, Columbia Total Return Bond Fund and all Columbia state-specific intermediate municipal bond funds

Amount Purchased	Sales Charge	As a % of your investment	Commission paid to financial advisor
Less than $100,000	3.25%	3.36%	3.00%
$100,000 to less than $250,000	2.50%	2.56%	2.25%
$250,000 to less than $500,000	2.00%	2.04%	1.75%
$500,000 to less than $1,000,000	1.50%	1.52%	1.25%

Short-Term Fixed Income Funds
Including: Columbia Short Term Bond Fund and Columbia Short Term Municipal Bond Fund

Amount Purchased	Sales Charge	As a % of your investment	Commission paid to financial advisor
Less than $100,000	1.00%	1.01%	0.75%
$100,000 to less than $250,000	0.75%	0.76%	0.50%
$250,000 to less than $1,000,000	0.50%	0.50%	0.40%

Sales >$1 Million – For all Funds Excluding Index Funds

Amount Purchased	Sales Charge	Contingent Deferred Sales Chage	Commission paid to financial advisor
$1mm to less than $3mm	0.00%	1.00% 12 months	1.00%
$3mm to less than $50mm	0.00%	1.00% 12 months	0.50%
$50mm+	0.00%	1.00% 12 months	0.25%

Class A shares bought without an initial sales charge in accounts aggregating $1 million or more at the time of the purchase are subject to a 1.00% CDSC if the shares are sold within 12 months of the time of purchase. Subsequent Class A share purchases that bring your account above $1 million are subject to a CDSC if redeemed within 12 months of the date of the purchase. The 12-month period begins on the first day of the month in which the purchase was made. The CDSC does not apply to retirement plans purchasing through a fee-based program.

For Class A shares purchased by participants in certain group retirement plans offered through a fee-based program, financial advisors receive a 1.00% commission from the distributor on all purchases of less than $3 million.

Class B Shares

Your purchases of Class B shares are at Class B's net asset value. Class B shares have no front-end sales charge, but they do carry a CDSC that is imposed on those shares sold prior to elimination of the CDSC as shown in the applicable chart below. The CDSC generally declines each year and eventually disappears over time. The distributor pays your financial advisor an up-front commission on sales of Class B shares as described in the charts below.

As of August 22, 2005, a new maximum account value of $49,999 was imposed for all Class B shares. The value of an account is based on the aggregate value of all accounts linked by the Rights of Accumulation guidelines detailed in the fund's prospectus.

Purchases of less than $50,000

For all funds other than Short-Intermediate Fixed Income Funds

Contingent Deferred Sales Charge Schedule

Year 1	5.00%	Year 5	2.00%
Year 2	4.00%	Year 6	1.00%
Year 3	3.00%	Year 7	0.00%
Year 4	3.00%		

Up-front dealer commission: 4.00%

Short-Intermediate Fixed Income Funds

Including: Columbia Intermediate Bond Fund, Columbia Intermediate Core Bond Fund, Columbia Intermediate Municipal Bond Fund, Columbia LifeGoal™ Income Portfolio, Columbia Short Term Bond Fund, Columbia Total Return Bond Fund and all Columbia state-specific intermediate municipal bond funds

Contingent Deferred Sales Charge Schedule

Year 1	3.00%	Year 5	1.00%
Year 2	3.00%	Year 6	0.00%
Year 3	2.00%		

Up-front dealer commission: 2.75%

Pricing Points

- Conversion to Class A shares 8 years after purchase
- Minimum initial investment: $1,000
- Maximum account value: $49,999 (as of 8/22/05)
- Class B shares of Columbia Short Term Bond Fund, Columbia Short Term Municipal Bond Fund, and Columbia Large Cap Index Fund are closed to new investors.

Class C Shares

Your purchases of Class C shares are at Class C's net asset value. Although Class C shares have no front-end sales charge, they carry a CDSC of 1.00% that is applied to shares sold within the first year after they are purchased. After holding shares for one year, you may sell them at any time without paying a CDSC. The distributor pays your financial advisor an up-front commission of 1.00% on sales of Class C shares.

	Equity		**Fixed Income**	
Transaction Amount	CDSC	Commission	CDSC	Commission
< $1,000,000	1.00%	1.00%	1.00%	1.00%