

Products Covered:

- Columbia Acorn USA

As we move into a new year, we plan to focus on finding smaller niche companies that we believe have good growth prospects and whose shares trade at attractive prices.

Investment Risks

Risks include stock market fluctuations due to economic and business developments. 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.

Market rally showed signs of maturing

In the fourth quarter, a market rally that began at the end of the first quarter showed signs of maturing, as investors began to turn their attention from riskier names to more stable companies with long-term potential. In this environment, Columbia Acorn USA outperformed the small-cap Russell 2000 Index, which returned 3.87% for the fourth quarter. Russell 2000 performance was driven by the materials, consumer staples and energy sectors, while financials and health care stocks did not keep pace. The fund also outperformed the index's 27.17% gain for the calendar year.

Telecommunication and consumer finance led the list of strong performers¹

The fund's telecommunication stocks continued to perform well in the fourth quarter. Both Crown Castle International, an owner of communications towers, and TW Telecom, a provider of fiber optic telephone and data services, had solid revenue growth despite the "Great Recession" and their share prices rose sharply for the quarter and for the calendar year 2009.

The fund's consumer finance holdings benefited from the demise of many of their competitors and were strong performers in the fourth quarter. World Acceptance, a provider of smaller personal loans, increased earnings by 48% on a year-over-year basis through September, and announced a *decrease* in credit losses, a feat matched by few other financial companies. Its stock registered a sharp gain in the fourth quarter. Several large banks have completely withdrawn from the business of making used auto loans, and this reduction in supply contributed to boosted lending spreads for surviving lenders such as AmeriCredit. AmeriCredit rose strongly for both the quarter and the year.

Biotech company Human Genome Sciences continued its strong run in the fourth quarter after announcing additional positive results from its lupus drug trials. Switch & Data Facilities, a provider of data center and Internet exchange services, gained on news that it would be acquired by Equinix, a provider of data center operations and infrastructure services. Donaldson, a maker of industrial air filters, was up for the quarter as the company controlled costs and increased market share.

Stock-specific disappointments¹

Major disappointments for the fourth quarter were stock specific. In the health care sector, Psychiatric Solutions, a provider of behavioral health services, fell as its business was hurt by an increase in the percentage of uninsured patients. ITT Educational Services, a provider of secondary degree programs, fell as student debt defaults showed signs of increasing. Premium denim retailer True Religion Apparel and Illumina, a maker of medical devices, reported disappointing third-quarter sales, sending both stocks down for the fourth quarter.

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

Crown Castle International	3.49
TW Telecom	2.52
Informatica Corp	2.13
FMC Technologies	2.07
Atwood Oceanics	1.93
Global Payments	1.78
Ametek	1.71
Bally Technologies	1.68
Nordson	1.63
Americredit	1.55

Portfolio holdings 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.

Looking ahead

This past year began amidst tremendous uncertainty, but we were able to take advantage of volatility in the market to make some opportunistic purchases of beaten-down stocks. As we move into 2010, we plan to focus on finding smaller niche companies that we believe have good growth prospects and whose shares trade at attractive prices.

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 companies in the Russell 3000 Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index.

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.

¹ Determinations of contributors and detractors are based on performance relative to the fund's benchmark.

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