ColumbiaManagement℠

News Release

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Columbia Management Launches Flexible Capital Income Fund

Offers innovative approach to income investing

BOSTON – August 1, 2011 – Columbia Management today announced the launch of the Columbia Flexible Capital Income Fund (CFIAX), which seeks to provide income generation and capital appreciation. The fund's experienced management team takes an innovative approach to income investing by exploring asset classes not found in traditional balanced funds.

"We examine all investment opportunities within a company before putting shareholders' money to work," said David King, CFA, senior portfolio manager at Columbia Management. "Instead of simply picking a stock or a bond, we work closely with our equity and fixed income research teams to evaluate the entire capital structure of a company."

The fund's wide-ranging investment possibilities include common and preferred stocks, high and low grade bonds, bank loans and convertible securities.

"Many investors avoid or ignore these opportunities. They could be missing out on securities with the correct risk/reward profile for their portfolios," said Yan Jin, senior portfolio manager at Columbia Management.

The fund's managers seek higher yield using lower-quality fixed income investments, while investing in higher-quality equities for capital appreciation. Many traditional balanced funds do the opposite, investing in higher-quality fixed income products with lower yield and more aggressive equities.

“The Columbia Flexible Capital Income Fund isn’t constrained by the same boundaries found in conventional balanced funds,” said Christopher Thompson, head of product and marketing at Columbia Management. “We believe this experienced management team offers individual investors and financial advisors the potential to earn a reasonable level of income in a very challenging environment.”

About the portfolio managers:

David King, CFA, is senior portfolio manager with the Columbia Management asset allocation team. He joined the firm in 2010 and began his investment career in 1983. Mr. King earned a B.S. in administration from the University of New Hampshire and an M.B.A. from Harvard Business School.

Yan Jin is senior portfolio manager of income strategies at Columbia Management. He joined the firm in 2002 and began his investment career in 1998. Mr. Jin earned an M.A. in economics from North Carolina State University.

For more information, visit http://performance.columbiamanagement.com/mutualFunds/details/fund-424/class-A#overview

About Columbia Management:

Columbia Management is the seventh largest manager of long-term mutual fund assets with $362 billion under management as of June 30, 2011. Columbia Management is a subsidiary of Ameriprise Financial, Inc. (NYSE: AMP). For more information, please visit columbiamangement.com.

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Investors should consider the investment objectives, risks, charges and expenses of a mutual fund carefully before investing. For a free prospectus, which contains this and other important information about the funds, visit ColumbiaManagement.com. The prospectus should be read carefully before investing.

The Columbia Flexible Capital Income Fund may invest in debt, equity, and/or convertible securities. The market value of securities may fall or fail to rise. Market risk may affect a single issuer, sector of the economy, industry, or the market as a whole. The market value of securities may fluctuate, sometimes rapidly and unpredictably.

There are risks associated with fixed income investments, including credit risk, interest rate risk, and prepayment and extension risk. In general, bond prices rise when interest rates fall and vice versa. This effect is more pronounced for longer-term securities.

The Fund's investment in below-investment grade loans or other debt securities, commonly called "high-yield" or "junk," exposes the Fund to a greater risk of loss of principal and income than a fund that invests solely or primarily in investment grade loans or other debt securities. High-yield securities are considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. Convertible securities are subject to the usual risks associated with debt securities, such as interest rate risk and credit risk. Convertible securities also react to changes in the value of the common stock into which they convert, and are thus subject to market risk. The Fund may be forced to convert a convertible security at an inopportune time, which may decrease the Fund's return. Value securities involve the risk that they may never reach what the portfolio managers believe is their full market value either because the market fails to recognize the stock's intrinsic worth or the portfolio managers misgauged that worth. They also may decline in price, even though in theory they are already undervalued. Because different types of stocks tend to shift in and out of favor depending on market and economic conditions, the Fund's performance may sometimes be lower or higher than that of other types of funds (such as those emphasizing growth stocks).

The portfolio managers may actively and frequently trade securities in the Fund's portfolio to carry out its investment strategies. A high portfolio turnover rate increases transaction costs, which may increase the Fund's expenses. Frequent and active trading may also cause adverse tax consequences for investors in the Fund due to an increase in short-term capital gains.

Investments in foreign securities involve certain risks not associated with investments in U.S. companies, including political, regulatory, economic, social, and other conditions or events occurring in the particular country, as well as fluctuations in its currency and the risks associated with less developed custody and settlement practices. Risks are particularly significant in emerging markets. See the prospectus for more information on these and other risks associated with the Fund.

Investment products are not federally or FDIC-insured, are not deposits or obligations of, or guaranteed by any financial institution, and involve investment risks including possible loss of principal and fluctuation in value.

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