

# SECURITIES AND EXCHANGE COMMISSION

## FORM N-30D

Initial annual and semi-annual reports mailed to investment company shareholders pursuant to Rule 30e-1 (other than those required to be submitted as part of Form NCSR)

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### FILER

#### COLONIAL TRUST III

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[COVER]

-----  
THE  
COLONIAL FUND  
-----  
SEMIANNUAL REPORT  
APRIL 30, 1995

GROWTH  
AND INCOME FOR  
CONSERVATIVE INVESTORS

THE COLONIAL FUND HIGHLIGHTS

NOVEMBER 1, 1994 - APRIL 30, 1995

INVESTMENT OBJECTIVE: The Colonial Fund seeks primarily income and capital appreciation and, secondarily, preservation of capital.

STRATEGY: The Fund pursues its objective by investing in common stocks that meet certain quantitative value standards, indicating financial strength, high intrinsic value, and consistent income.

DESIGNED TO OFFER:

- Solid long-term returns
- Protection in down markets
- Quarterly dividend income
- A broad range of investor services

PORTFOLIO MANAGER COMMENTS: "Interest rates gradually moved lower during the first four months of 1995, stimulating stock market growth and spurring the Standard & Poor's 500 Index to all-time highs. The Fund's portfolio of value-oriented stocks fully participated in this rally."

THE COLONIAL FUND PERFORMANCE

<TABLE>

<CAPTION>

	CLASS A	CLASS B
<S>	<C>	<C>
Inception date	4/30/82*	5/5/92
Distributions declared per share	\$0.6075	\$0.5788
Total return, assuming reinvestment of all distributions and no sales charge or CDSC		
- - 6 months	8.83%	8.42%
- - 12 months	10.07%	9.14%
Net asset value per share at 4/30/95	\$ 8.09	\$ 8.08

</TABLE>

\* Date Fund adopted current investment policies.

TOP TEN PORTFOLIO HOLDINGS

1. Lockheed Martin Corporation
2. American Brands, Inc.
3. Deere & Company
4. NYNEX Corporation
5. Textron, Inc.
6. J.C. Penney Company, Inc.
7. CIGNA Corporation
8. Cummins Engine Company, Inc.
9. Baxter International Inc.
10. Louisiana-Pacific Corporation

PRESIDENT'S MESSAGE

TO FUND SHAREHOLDERS

[PHOTO JOHN A. MCNEICE, JR.]

Investors benefited from favorable conditions in the stock market during the six month period ended April 30, 1995. Despite concerns about inflation in the United States through much of 1994, it appears that the Federal Reserve Board's monetary policy has reduced growth and kept inflation under control. As a result, the performance of U.S. stocks has continued to improve, despite a decline in the value of the dollar. In fact, in recent months the United States had one of the world's strongest stock markets. In contrast, Japan's economy has been slowing, reflecting negative pressures from the unexpected strength of the yen and the impact of the Kobe earthquake. However, many other foreign markets, including those of Western Europe, have improved.

Colonial management believes that the current period of economic expansion in the United States may have peaked. The outlook for the economy and stock market remains positive, although the pace of growth may be more subdued. It is management's view that continued stock market improvement reflects a consistent level of confidence among U.S. equity investors.

Portfolio Manager Daniel Rie has been closely monitoring the markets and has taken steps to provide investors with good relative returns. In the following report, he reviews the performance of your Fund during the semiannual period and provides insights about some of the Fund's investment opportunities.

Respectfully,

/s/ John A. McNeice, Jr.

John A. McNeice, Jr.  
President  
June 10, 1995

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PORTFOLIO MANAGEMENT REPORT

DANIEL RIE is Senior Vice President, Director of Equity Investments, and Lead Portfolio Manager of The Colonial Fund. His credentials include a Ph.D. in Finance and an undergraduate degree from the Massachusetts Institute of Technology.

**MATURING RECOVERY BENEFITS FUND:** As the economic recovery matured, investor sentiment shifted away from cyclical stocks, which typically perform well in the early stages of a recovery, toward non-cyclical growth sectors, including tobacco and pharmaceuticals. Although the Fund's strict investment criteria only allow investments in value stocks, prices for portfolio holdings such as Micron Technology improved so much that these stocks began displaying growth stock characteristics.

**DIVERSIFIED PORTFOLIO REDUCES RISK:** The Fund invests in a diverse selection of securities spread over many sectors and countries. We believe this strategy will provide more consistent results over time than a strategy that makes large bets in individual countries or sectors. At the end of the six-month period, your Fund owned 188 securities in 9 economic sectors and 12 countries.

**FOREIGN INVESTMENTS BOOST FUND PERFORMANCE:** Many U.S. stocks suffered because of the decline in value of the dollar. However, this problem was not reflected in your Fund's performance. Approximately 12% of assets were invested in foreign stocks, which tended to increase in value as the currencies of their respective countries strengthened relative to the dollar.

**TELEPHONE & TECHNOLOGY STOCKS ENHANCE RETURNS:** Among U.S. investments, telephone stocks made a significant contribution to performance as prospects for that sector improved. Technology stocks also contributed to the Fund's total return. In large measure, the recovery in these stocks was driven by an increase in demand for semiconductors, which benefited the Fund's position in Intel, Micron Technology, and Texas Instruments. The weakness of computer stocks created a buying opportunity, and new investments were made in Apple Computer, Compaq Computer, and Sun Microsystems. Other investments that helped performance included aerospace stocks like Martin Marietta, which benefited from its merger with Lockheed, and health care companies such as American Home Products and Upjohn. The Fund also took advantage of relatively low prices in the retail

sector by investing in J.C. Penney and Allied Department Stores.

BARGAINS ABROAD OFFER GROWTH POTENTIAL: New positions were added in Australia, Canada, and Europe to increase the Fund's foreign diversification. In particular, we took advantage of some attractively priced water utility

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stocks in the United Kingdom that offered good dividend yields and low price/earnings ratios, in keeping with the Fund's investment strategy.

LOOKING AHEAD: We will continue to closely monitor the markets in which the Fund invests. As the current economic cycle matures, assets will be moved into sectors likely to benefit from prevailing conditions. We will continue to seek out securities that will provide shareholders with good relative value.

THE COLONIAL FUND INVESTMENT PERFORMANCE  
Change in Value of \$10,000 from 4/85 - 4/95  
Based on Maximum Offering Price for Class A Shares

[GRAPHIC OMITTED]

AVERAGE ANNUAL TOTAL RETURN

<TABLE>

<CAPTION>

	CLASS A SHARES		CLASS B SHARES	
	Objective Change 4/30/82 NAV	MOP	Inception 5/5/92 NAV	w/CDSC
<S>	<C>	<C>	<C>	<C>
1 YEAR	10.07%	3.74%	9.14%	4.14%
5 YEARS	11.48%	10.17%	--	--
10 YEARS	13.10%	12.43%	--	--
SINCE INCEPTION/ OBJECTIVE CHANGE	14.74%	14.22%	8.89%	8.03%

</TABLE>

Past performance cannot predict future results. Return and value of an investment will vary, resulting in a gain or loss on sale. All results shown assume reinvestment of distributions. Net asset value (NAV) return does not include sales charges or contingent deferred sales charges (CDSC). Maximum offering price (MOP) return includes the maximum sales charge of 5.75%. The CDSC return reflects the maximum charge of 5.00% for one year and 3.00% since inception. Performance for different share classes will vary based on differences in sales charges and fees associated with each class.

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INVESTMENT PORTFOLIO  
APRIL 30, 1995 (UNAUDITED, IN THOUSANDS)

<TABLE>

<CAPTION>

COMMON STOCKS - 83.5%	COUNTRY	SHARES	VALUE
<S>	<C>	<C>	<C>
CONSTRUCTION - 0.8%			
BUILDING CONSTRUCTION - 0.7%			
Enterprise Jean Lefebvre SA	Fr	7	\$ 521
Koninklijke Volker Stevin NV	Ne	74	4,495
Lennar Corp.		84	1,388
			-----
			6,404
			-----
HEAVY CONSTRUCTION-NON BUILDING CONSTRUCTION - 0.1%			
Cubiertas y Mzov SA	Sp	20	1,264
			-----

FINANCE, INSURANCE & REAL ESTATE - 15.5%

DEPOSITORY INSTITUTIONS - 4.7%

Banco de Santander SA	Sp	18	655
Bank of Boston Corp.		56	1,876
Bank of Montreal	Ca	398	8,148
Banque Nationale de Belgique	Be	1	1,534
Canadian Imperial Bank of Commerce	Ca	273	6,828
First Empire State Corp.		4	642
First Interstate BanCorp.		17	1,330
Great Western Financial Corp.		143	3,019
J.P. Morgan & Co., Inc.		93	6,090
National Australia Bank Ltd.	Au	1,000	8,646
Nations Bank Corp.		24	1,210
Regions Financial Corp.		66	2,294
Toronto Dominion Bank	Ca	50	733
			-----
			43,005
			-----
HOLDING & OTHER INVESTMENT COMPANIES - 1.3%			
Avalon Properties, Inc.		59	1,148
Amev NV	Ne	99	5,211
Manufactured Home Communities		63	984
Sofina SA	Be	8	4,084
			-----
			11,427
			-----
INSURANCE AGENTS & BROKERS - 0.1%			
Acordia, Inc.		30	934
INSURANCE CARRIERS - 8.3%			
Ambac, Inc.		106	4,311
Aetna Life And Casualty Co.		137	7,809
American Bankers Insurance Group, Inc.		165	5,228
American General Corp.		38	1,267
Aon Corp.		105	3,853
Capitol American Financial Corp.		88	1,923
Cigna Corp.		239	17,379
Conseco, Inc.		117	5,062

</TABLE>

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Investment Portfolio/April 30, 1995

<TABLE>  
<CAPTION>

COMMON STOCKS - CONT.	COUNTRY	SHARES	VALUE
<S>	<C>	<C>	<C>
Lincoln National Corp.		73	\$ 2,975
MBIA, Inc.		148	9,281
Orion Capital Corp.		20	719
Providian Corp.		41	1,413
Reliastar Financial Corp.		56	2,023
St. Paul Companies		134	6,425
Safeco Corp.		13	746
USLife Corp.		141	5,373
			-----
			75,787
			-----
NONDEPOSITORY CREDIT INSTITUTIONS - 0.6%			
Green Tree Financial Corp.		144	5,894
			-----
REAL ESTATE - 0.0%			
Societe Francaise d'Investissements Immobiliers et de Gestion	Fr	4	263
			-----
SECURITY BROKERS & DEALERS - 0.5%			
A.G. Edwards, Inc.		1	29
Alex Brown, Inc.		75	3,086
American Express Co.		50	1,738
			-----
			4,853
			-----

MANUFACTURING - 45.2%

APPAREL - 0.3%

V F Corp.		62	3,111
			-----
CHEMICALS - 5.2%			
Akzo Nobel NV		63	3,677
American Home Products Corp.		60	4,628
Borden Chemicals & Plastic		115	1,942
Bristol-Myers Squibb Co.		19	1,263
Glaxo Wellcome PLC ADR	UK	42	985
Marion Merrell Dow, Inc.		93	2,216
Rohm & Haas Co.		24	1,366
Sherwin-Williams Co.		34	1,226
Union Carbide Corp.		533	17,046
Upjohn Co.		343	12,418
Wellman, Inc.		30	821
			-----
			47,588
			-----

ELECTRONIC & ELECTRICAL EQUIPMENT - 2.4%

Alcatel Alsthom Compagnie Generale d'Electricite	Fr	65	1,205
CTS Corp.		31	1,027
General Electric Co.		22	1,243
Helen of Troy Ltd.		17	285
Texas Instruments, Inc.		132	13,992
United Industrial Corp.		140	858
Whirlpool Corp.		51	2,792
			-----
			21,402
			-----

</TABLE>

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Investment Portfolio/April 30, 1995

<TABLE>  
<CAPTION>

COMMON STOCKS - CONT.	COUNTRY	SHARES	VALUE
<S>	<C>	<C>	<C>
MANUFACTURING - CONT.			
FABRICATED METAL - 0.3%			
Amcast Industrial Corp.		20	\$ 408
Ball Corp.		50	1,713
Masco Corp.		34	867
			-----
			2,988
			-----
FOOD & KINDRED PRODUCTS - 3.1%			
Bongrain SA	Fr	(b)	225
CPC International		16	926
Golden Enterprises, Inc.		5	34
H J Heinz Co.		26	1,092
IBP, Inc.		271	10,020
International Multifoods Corp.		58	1,179
Korn-OG Foderstof Kompagniet AS	De	9	1,652
Lancaster Colony Corp.		19	659
Pepsico, Inc.		29	1,195
Seagrams Co. Ltd.		431	11,694
			-----
			28,676
			-----
FURNITURE & FIXTURES - 0.0%			
Kimball International, Series B		4	106
			-----
LEATHER - 0.4%			
Justin Industries, Inc.		308	3,404
			-----

MACHINERY & COMPUTER EQUIPMENT - 12.3%

Apple Computer, Inc.		353	13,502
Bucher Holdings AG	Sz	6	3,619
Caterpillar, Inc.		60	3,510
Cummins Engine Co., Inc.		373	16,701
Diebold, Inc.		29	1,204
Deere & Co.		265	21,705
Dresser Industries, Inc.		499	10,913
Hewlett-Packard Co.		117	7,750
Kaydon Corp.		22	613
Seagate Technology, Inc. (a)		495	15,762
Sun Microsystems, Inc. (a)		175	6,994
Tandem Computers, Inc. (a)		532	6,783
Wynn's International, Inc.		129	2,989

-----  
112,045  
-----

MEASURING & ANALYZING INSTRUMENTS - 2.5%

Baxter International, Inc.		447	15,537
Emerson Electric Co.		22	1,493
Raytheon Co.		78	5,638

-----  
22,668  
-----

PAPER & PAPER MILLS - 1.8%

Kimberly Clark Corp.		24	1,336
Louisiana-Pacific Corp.		511	13,028

</TABLE>

Investment Portfolio/April 30, 1995

<TABLE>

<CAPTION>

COMMON STOCKS - CONT.	COUNTRY	SHARES	VALUE
<S>	<C>	<C>	<C>
Minnesota Mining & Manufacturing Co.		19	\$ 1,109
Pope & Talbot, Inc.		32	525
Willamette Industries, Inc.		5	261
			-----
			16,259
			-----

PETROLEUM REFINING - 2.1%

Amoco Corp.		62	4,036
British Petroleum Co. PLC	UK	13	1,110
Elcor Corp. (a)		59	1,008
Exxon Corp.		36	2,507
Mobil Corp.		58	5,455
Texaco, Inc.		78	5,313

-----  
19,429  
-----

PRIMARY METAL - 0.1%

LTV Corp. (a)		25	357
Worthington Industries, Inc.		16	310

-----  
667  
-----

PRIMARY SMELTING - 0.7%

National Power PLC ADR	UK	34	987
Phelps Dodge Corp.		98	5,527

-----  
6,514  
-----

PRINTING & PUBLISHING - 0.6%

CSS Industries, Inc. (a)		25	419
E.W. Scripps Co.		22	635
John H. Harland Co.		78	1,738
New York Times Co., Class A		36	810

Standard Register Co.	84	1,558
		-----
		5,160
		-----
RUBBER & PLASTIC - 1.5%		
Goodyear Tire & Rubber Co.	354	13,463
Myers Industries, Inc.	34	493
		-----
		13,956
		-----
TEXTILE MILL PRODUCTS - 0.0%		
Interface, Inc.	25	350
		-----
TOBACCO PRODUCTS - 2.3%		
American Brands, Inc.	529	21,412
		-----
TRANSPORTATION EQUIPMENT - 9.6%		
A.O. Smith Corp.	32	754
Clarcor, Inc.	16	340
Eaton Corp.	70	3,993
Ford Motor Co.	200	5,400
Harsco Corp.	20	933
Lockheed Martin Corp.	396	22,846
McDonnell Douglas Corp.	188	11,644

</TABLE>

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Investment Portfolio/April 30, 1995

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<TABLE>			
<CAPTION>			
COMMON STOCKS - CONT.	COUNTRY	SHARES	VALUE
-----			
<S>	<C>	<C>	<C>
MANUFACTURING - CONT.			
TRANSPORTATION EQUIPMENT - CONT.			
Modine Manufacturing Co.		115	\$ 3,889
Paccar, Inc.		74	3,385
Peugeot SA	Fr	20	2,884
Rockwell International Corp.		25	1,091
Simpson Industries, Inc.		204	2,214
Societe Europeane de Propulsion SA	Fr	2	111
Textron, Inc.		337	19,186
Thiokol Corp.		273	7,599
Toyota Motor Corp.		35	1,418
			-----
			87,687
			-----
MINING & ENERGY - 0.7%			
METAL MINING - 0.3%			
Cleveland-Cliffs, Inc.		35	1,282
Cyprus Amax Minerals Co.		52	1,461
			-----
			2,743
			-----
NONMETALLIC, EXCEPT FUELS - 0.4%			
Potash Corp. of Saskatchewan, Inc.	Ca	74	3,938
			-----
RETAIL TRADE - 5.8%			
APPAREL & ACCESSORY STORES - 0.1%			
DEB Shops, Inc.		25	108
J. Baker, Inc.		74	921
			-----
			1,029
			-----
GENERAL MERCHANDISE STORES - 5.3%			
Dillard Department Stores Inc., Class A		340	8,785
J.C. Penney Co., Inc.		514	22,501



May Department Stores Co.	9	337
Sears, Roebuck & Co.	67	3,608
Venture Stores, Inc.	351	3,818
Waban, Inc. (a)	583	9,687
		-----
		48,736
		-----
HOME FURNISHINGS & EQUIPMENT - 0.2%		
Sun Television and Appliances	164	1,373
		-----
MISCELLANEOUS RETAIL - 0.2%		
Rite Aid Corp.	98	2,272
		-----
SERVICES - 0.8%		
ENGINEERING, ACCOUNTING, RESEARCH & MANAGEMENT - 0.3%		
International-Muller NV	36	2,323
		-----
HOTELS, CAMPS & LODGING - 0.4%		
Club Med, Inc.	56	1,595

</TABLE>

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Investment Portfolio/April 30, 1995

<TABLE>

<CAPTION>

COMMON STOCKS - CONT.	COUNTRY	SHARES	VALUE
<S>	<C>	<C>	<C>
Harbour Centre Development	HK	416	\$ 481
New World Development Co., Ltd.	HK	500	1,298
			-----
			3,374
			-----
PERSONAL SERVICES - 0.1%			
Service Corp. International		40	1,130
			-----
TRANSPORTATION, COMMUNICATION, ELECTRIC, GAS & SANITARY SERVICES - 13.0%			
AIR TRANSPORTATION - 0.1%			
British Airways PLC	UK	7	433
Federal Express Corp. (a)		10	694
			-----
			1,127
			-----
COMMUNICATIONS - 5.4%			
Ameritech Corp.		105	4,725
Bell Atlantic Corp.		80	4,390
GTE Corp.		36	1,225
NYNEX Corp.		457	18,676
Pacific Telesis Group, Inc.		60	1,856
Southern New England Telecommunications Corp.		148	4,892
Southwestern Bell Corp.		262	11,578
Telefonos de Mexico SA	Mx	79	2,375
			-----
			49,717
			-----
ELECTRIC, GAS & SANITARY SERVICES - 1.1%			
Gas y Electricidad SA	Sp	224	10,379
			-----
ELECTRIC SERVICES - 1.7%			
Detroit Edison Co.		101	2,850
Empresa Nacional Electrica ADR	Sp	23	1,066
NIPSCO Industries, Inc.		35	1,126
New England Electric System		57	1,720
Peco Energy Co.		105	2,691
Pinnacle West Capital Corp.		126	2,705

Unicom Corp.		80	2,100
Union Electrica Fenosa SA	Sp	177	740
			-----
			14,998
			-----
GAS SERVICES - 0.3%			
Energen Corp.		78	1,707
Laclede Gas Co.		47	878
			-----
			2,585
			-----
PIPELINES - 0.1%			
Enron Global Power and Pipelines		53	1,272
			-----
RAILROAD - 0.9%			
CSX Corp.		68	5,414
Norfolk Southern Corp.		47	3,167
			-----
			8,581
			-----

</TABLE>

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<TABLE>  
<CAPTION>

Investment Portfolio/April 30, 1995

COMMON STOCKS - CONT.	COUNTRY	SHARES	VALUE
<S>	<C>	<C>	<C>
TRANSPORTATION, COMMUNICATION, ELECTRIC, GAS & SANITARY SERVICES - CONT.			
SANITARY SERVICES - 2.4%			
North West Water PLC	UK	1,096	\$ 9,802
Northumbrian Water Group PLC	UK	352	5,034
Severn Trent Water PLC	UK	403	3,456
Yorkshire Water PLC	UK	412	3,629
			-----
			21,921
			-----
TRANSPORTATION SERVICES - 0.1%			
Cross Harbour Tunnel Co.	HK	307	583
			-----
WATER TRANSPORTATION - 0.9%			
American Presidents Cos.		292	6,787
Overseas Shipholding Group, Inc.		45	894
			-----
			7,681
			-----
WHOLESALE TRADE - 1.7%			
DURABLE GOODS - 1.6%			
Beers N.V. (a)	Ne	43	5,481
Handleman Co.		278	2,949
Pioneer Standard Electronics, Inc.		338	6,581
			-----
			15,011
			-----
NONDURABLE GOODS - 0.1%			
Nash-Finch Co.		60	948
			-----
TOTAL COMMON STOCKS (cost of \$653,920)			764,974
			-----

</TABLE>  
<TABLE>  
<CAPTION>

BONDS AND NOTES - 11.5%	RATE	MATURITIES FROM/TO	PAR
-----			
U.S. GOVERNMENT & AGENCY OBLIGATIONS - 11.2%			
-----			

<S>	<C>	<C>	<C>	<C>
GOVERNMENT AGENCIES - 7.2%				
Federal National Mortgage Association	6.500%	2007-2009	\$ 68,786	65,840
				-----
GOVERNMENT OBLIGATIONS - 4.0%				
U.S. Treasury Notes	7.875%	4/15/98	35,085	36,143
				-----
TOTAL U.S. GOVERNMENT & AGENCY OBLIGATIONS (cost of \$105,665)				101,983
				-----
CORPORATE FIXED-INCOME BONDS & NOTES - 0.2%				
-----				
MANUFACTURING - 0.2%				
CHEMICALS - 0.1%				
Freeport-McMoRan	(c)	08/05/06	2,700	999
				-----
PRINTING & PUBLISHING - 0.1%				
Time Warner, Inc.	8.750%	01/10/15	1,100	1,102
				-----

</TABLE>

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<TABLE>

Investment Portfolio/April 30, 1995

<S>	<C>	<C>	<C>
TOTAL CORPORATE FIXED-INCOME BONDS & NOTES (cost of \$2,133)			2,101
			-----
CORPORATE ADJUSTABLE RATE BONDS & NOTES - 0.1%			
-----			
TRANSPORTATION, COMMUNICATION, ELECTRIC, GAS & SANITARY SERVICES - 0.1%			
PIPELINES			
SFP Pipeline Holdings (d) (cost of \$720)	11.163%	08/15/10	\$ 762
			-----
TOTAL BONDS & NOTES (cost of \$108,518)			104,846
			-----
PREFERRED STOCKS - 0.1%		SHARES	
-----			
SERVICES - 0.1%			
BUSINESS SERVICES			
General Motors, \$3.25 (cost of \$1,148)		21	1,288
			-----
WARRANTS (a) - 0.0%		COUNTRY	
-----			
MANUFACTURING - 0.0%			
MACHINERY & COMPUTER EQUIPMENT			
Bucher Holdings AG (expires 10/01/95) (cost of \$104)		Sz	6
			2
			-----
TOTAL INVESTMENTS - 95.1% (cost of \$763,690) (e)			871,110
			-----
SHORT-TERM OBLIGATIONS - 4.2%		PAR	
-----			
Repurchase agreement with Bankers Trust Securities Corp., dated 04/28/95, due 05/01/95 at 5.920% collateralized by U.S. Treasury notes with various maturities to 1998, market value \$41,730 (repurchase proceeds \$38,003)		\$ 37,984	37,984
			-----
OTHER ASSETS & LIABILITIES, NET - 0.7%			6,559
			-----
NET ASSETS - 100.0%			\$ 915,653
			-----

NOTES TO INVESTMENT PORTFOLIO:

</TABLE>

- (a) Non-income producing.
- (b) Rounds to less than one.
- (c) Zero coupon bond.
- (d) Interest rates change quarterly. The rate listed is as of April 30, 1995.
- (e) Cost for federal income tax purposes is \$763,732.

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<TABLE>  
<CAPTION>

Investment Portfolio/April 30, 1995

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NOTES TO INVESTMENT PORTFOLIO - CONT.  
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Summary of Securities by Country	Country	Value	% of Total
<S>	<C>	<C>	<C>
United States		\$767,305	88.1
United Kingdom	UK	25,436	2.9
Netherlands	Ne	17,510	2
Spain	Sp	14,104	1.6
Canada	Ca	19,647	2.3
Australia	Au	8,646	1
France	Fr	5,209	0.6
Belgium	Be	5,618	0.6
Switzerland	Sz	3,621	0.4
Hong Kong	HK	2,362	0.3
Denmark	De	1,652	0.2
		-----	-----
		\$871,110	100.0
		-----	-----

</TABLE>

Certain securities are listed by country of underlying exposure but may trade predominantly on other exchanges.

See notes to financial statements.

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STATEMENT OF ASSETS & LIABILITIES  
APRIL 30, 1995 (UNAUDITED)

(In thousands except for per share amounts and footnote)

<TABLE>

<S>	<C>	<C>
ASSETS		
Investments at value (cost \$763,690)		\$ 871,110
Short-term obligations		37,984
		-----
		909,094
Cash held in foreign banks (cost \$63)	\$	63
Receivable for:		
Investments sold		13,064
Dividends		2,011
Fund shares sold		1,368

Interest	520	
Foreign tax reclaims	119	
Other	86	17,231
	-----	-----
Total Assets		926,325
LIABILITIES		
Payable for:		
Investments bought	8,797	
Fund shares repurchased	1,799	
Accrued:		
Deferred Trustees fees	7	
Other	69	
	-----	
Total Liabilities		10,672
		-----
NET ASSETS		\$ 915,653
		-----
Net asset value & redemption price per share - Class A (\$618,768/76,464)		\$8.09
		-----
Maximum offering price per share - Class A (\$8.09/0.9425)		\$8.58 *
		-----
Net asset value & offering price per share - Class B (\$296,885/36,747)		\$8.08
		-----
COMPOSITION OF NET ASSETS		
Capital paid in		\$ 770,119
Undistributed net investment income		930
Accumulated net realized gain		37,189
Net unrealized appreciation (depreciation) on:		
Investments		107,420
Foreign currency transactions		(5)
		-----
		\$ 915,653
		=====

\*On sales of \$50,000 or more the offering price is reduced.  
See notes to financial statements.

</TABLE>

15

STATEMENT OF OPERATIONS  
FOR THE SIX MONTHS ENDED APRIL 30, 1995 (UNAUDITED)

(in thousands)

<TABLE>		
<S>	<C>	<C>
INVESTMENT INCOME		
Dividends		\$ 10,802
Interest		4,940
		-----
Total investment income (net of nonrebatable foreign taxes withheld at source which amounted to \$235)		15,742
EXPENSES		
Management fee	\$	2,280
Service fee		957
Distribution fee - Class B		1,016
Transfer agent		1,224
Bookkeeping fee		150
Trustees fee		19
Custodian fee		32
Audit fee		22

Legal fee	6	
Registration fee	45	
Reports to shareholders	9	
Other	30	5,790
	-----	-----
Net Investment Income		9,952
		-----
NET REALIZED & UNREALIZED GAIN (LOSS) ON PORTFOLIO POSITIONS		
Net realized gain on:		
Investments	36,898	
Foreign currency transactions	28	
	-----	
Net Realized Gain		36,926
Net unrealized appreciation (depreciation) during the period on:		
Investments	24,877	
Foreign currency transactions	(5)	
	-----	
Net Unrealized Appreciation		24,872
		-----
Net Gain		61,798
		-----
Net Increase in Assets From Operations		\$ 71,750
		=====

See notes to financial statements.

</TABLE>

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STATEMENT OF CHANGES IN NET ASSETS  
(in thousands)

<TABLE>

<CAPTION>

	(Unaudited) Six months ended April 30	Year ended October 31
	----- 1995	----- 1994
<S>	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS		
Operations:		
Net investment income	\$ 9,952	\$ 13,905
Net realized gain	36,926	50,974
Net unrealized appreciation (depreciation)	24,872	(61,930)
	-----	-----
Net Increase from Operations	71,750	2,949
Distributions:		
From net investment income - Class A	(7,461)	(10,658)
From net realized gains - Class A	(34,321)	(15,320)
From net investment income - Class B	(2,691)	(2,687)
From net realized gains - Class B	(16,631)	(4,145)
	-----	-----
	10,646	(29,861)
	-----	-----
Fund Share Transactions:		
Receipts for shares sold - Class A	30,247	96,683
Receipts for shares issued in the acquisition of Liberty Financial Growth and Income Fund	36,806	
Value of distributions reinvested - Class A	37,486	22,779
Cost of shares repurchased - Class A	(48,095)	(62,378)
	-----	-----
	56,444	57,084
	-----	-----
Receipts for shares sold - Class B	33,263	169,110
Value of distributions reinvested - Class B	18,207	6,421
Cost of shares repurchased - Class B	(22,304)	(28,224)
	-----	-----
	29,166	147,307

Net Increase from Fund Share Transactions	85,610	204,391
Total Increase	96,256	174,530
NET ASSETS		
Beginning of period	819,397	644,867
End of period (including undistributed net investment income of \$930 and \$1,133, respectively)	\$ 915,653	\$ 819,397
NUMBER OF FUND SHARES		
Sold - Class A	3,927	11,383
Issued in acquisition of Liberty Financial Growth and Income Fund	4,735	
Issued for distributions reinvested - Class A	5,166	2,821
Repurchased - Class A	(6,259)	(7,202)
	7,569	7,002
Sold - Class B	4,316	20,623
Issued for distributions reinvested - Class B	2,512	794
Repurchased - Class B	(2,904)	(3,371)
	3,924	18,046
Net Increase in Shares Outstanding	11,493	25,048
See notes to financial statements.		

</TABLE>

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NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 1995 (UNAUDITED)

NOTE 1. INTERIM FINANCIAL STATEMENTS

In the opinion of management of The Colonial Fund (the Fund), a series of Colonial Trust III, the accompanying financial statements contain all normal and recurring adjustments necessary for the fair presentation of the financial position of the Fund at April 30, 1995, and the results of its operations, the changes in its net assets and the financial highlights for the six months then ended.

NOTE 2. ACCOUNTING POLICIES

ORGANIZATION: The Fund is a Massachusetts business trust, registered under the Investment Company Act of 1940, as amended, as a diversified, open-end, management investment company. The Fund may issue an unlimited number of shares. The Fund offers Class A shares sold with a front-end sales charge and Class B shares which are subject to an annual distribution fee and a contingent deferred sales charge. Class B shares will convert to Class A shares when they have been outstanding approximately eight years. The following significant accounting policies are consistently followed by the Fund in the preparation of its financial statements and conform to generally accepted accounting principles.

SECURITY VALUATION AND TRANSACTIONS: Equity securities are valued at the last sale price or, in the case of unlisted or listed securities, for which there were no sales during the day, at current quoted bid prices.

Debt securities are valued by a pricing service based upon market transactions for normal, institutional-size trading units of similar securities. When management deems it appropriate, an over-the-counter or exchange bid quotation is used.

Forward currency contracts are valued based on the weighted value of the exchange traded contracts with similar durations.

Short-term obligations with a maturity of 60 days or less are valued at amortized cost.

Portfolio positions which cannot be valued as set forth above are valued at fair value under procedures approved by the Trustees.

Security transactions are accounted for on the date the securities are purchased or sold.

Cost is determined and gains and losses are based upon the specific identification method for both financial statement and federal income tax purposes.

The Fund may trade securities on other than normal settlement terms. This may increase the risk if the other party to the transaction fails to deliver and causes the Fund to subsequently invest at less advantageous prices.

DETERMINATION OF CLASS NET ASSET VALUES AND FINANCIAL HIGHLIGHTS: All income, expenses (other than the Class B distribution fee), realized and unrealized gains (losses) are allocated to each class proportionately on a daily basis for purposes of determining the net asset value of each class.

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Notes to Financial Statements/April 30, 1995

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Per share data was calculated using the average shares outstanding during the period. In addition, Class B net investment income per share data reflects the distribution fee per share applicable to Class B shares only.

Class B ratios are calculated by adjusting the expense and net investment income ratios for the Fund for the entire period by the distribution fee applicable to Class B shares only.

FEDERAL INCOME TAXES: Consistent with the Fund's policy to qualify as a regulated investment company and to distribute all of its taxable income, no federal income tax has been accrued.

INTEREST INCOME, DEBT DISCOUNT AND PREMIUM: Interest income is recorded on the accrual basis. Original issue discount is accreted to interest income over the life of a security with a corresponding increase in the cost basis; premium and market discount are not amortized or accreted.

DISTRIBUTIONS TO SHAREHOLDERS: Distributions to shareholders are recorded on the ex-date.

The amount and character of income and gains to be distributed are determined in accordance with income tax regulations which may differ from generally accepted accounting principles.

FOREIGN CURRENCY TRANSACTIONS: The Fund has adopted Statement of Position 93-4, Foreign Currency Accounting and Financial Statement Presentation for Investment Companies. Accordingly, net realized and unrealized gains (losses) on foreign currency transactions includes the fluctuation in exchange rates on gains and losses between trade and settlement dates on securities transactions, gains and losses arising from the disposition of foreign currency, and currency gains and losses between the accrual and payment dates on dividends and interest income and foreign withholding taxes.

The Fund does not distinguish that portion of gains and losses on investments which is due to changes in foreign exchange rates from that which is due to changes in market prices of the investments. Such fluctuations are included with the net realized and unrealized gains and losses from investments.

FORWARD CURRENCY CONTRACTS: The Fund may enter into forward currency contracts to purchase or sell foreign currencies at predetermined exchange rates in connection with the settlement of purchases and sales of securities. The Fund may also enter into forward currency contracts to hedge certain other foreign currency denominated assets. The contracts are used to minimize the exposure to foreign exchange rate fluctuations during the period between trade and settlement date of the contracts. All contracts are marked-to-market daily, resulting in unrealized gains or losses which become realized at the time the forward currency contracts are closed or mature. Realized and unrealized gains (losses) arising from such transactions are included in net realized and unrealized gains (losses) on foreign currency transactions. Forward currency contracts do not eliminate fluctuations in the prices of the Fund's portfolio securities. While the maximum potential loss from such contracts

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## FOREIGN CURRENCY CONTRACTS - CONT.

is the aggregate face value in U.S. dollars at the time the contract was opened, the actual exposure is typically limited to the change in value of the contract (in U.S. dollars) over the period it remains open. Risks may also arise if counterparties fail to perform their obligations under the contracts.

OTHER: Corporate actions are recorded on the ex-date (except for certain foreign securities which are recorded as soon after ex-date as the Fund becomes aware of such), net of nonrebatable tax withholdings. Where a high level of uncertainty as to collection exists, income on securities is recorded net of all tax withholdings with any rebates recorded when received.

The Fund's custodian takes possession through the federal book-entry system of securities collateralizing repurchase agreements. Collateral is marked-to-market daily to ensure that the market value of the underlying assets remains sufficient to protect the Fund. The Fund may experience costs and delays in liquidating the collateral if the issuer defaults or enters bankruptcy.

## NOTE 3. FEES AND COMPENSATION PAID TO AFFILIATES

MANAGEMENT FEE: Colonial Management Associates, Inc. (the Adviser) is the investment adviser of the Fund and furnishes accounting and other services and office facilities for a monthly fee equal to 0.55% annually of the Fund's average net assets.

BOOKKEEPING FEE: The Adviser provides bookkeeping and pricing services for \$27,000 per year plus 0.035% of the Fund's average net assets over \$50 million.

TRANSFER AGENT: Colonial Investors Service Center, Inc., (the Transfer Agent), an affiliate of the Adviser, provides shareholder services and receives a monthly fee equal to 0.25% annually of the Fund's average net assets, and receives a reimbursement for certain out of pocket expenses.

UNDERWRITING DISCOUNTS, SERVICE AND DISTRIBUTION FEES: The Adviser, through Colonial Investment Services, Inc., (the Distributor), is the Fund's principal underwriter. For the six months ended April 30, 1995, the Distributor retained net underwriting discounts of \$85,919 on sales of the Fund's Class A shares and received contingent deferred sales charges (CDSC) of \$493,293 on Class B share redemptions.

The Fund has adopted a 12b-1 plan which requires the payment of a distribution fee equal to 0.75% annually of the average net assets attributable to Class B shares. The plan also requires the payment of a service fee to the Distributor as follows:

&lt;TABLE&gt;

&lt;CAPTION&gt;

Value of shares outstanding on the 20th of each month which were issued	Annual Fee Rate
-----	-----
<S>	<C>
Prior to April 1, 1989	0.15%
On or after April 1, 1989	0.25%

&lt;/TABLE&gt;

The CDSC and the fees received from the 12b-1 plan are used principally as repayment to the Distributor for amounts paid by the Distributor to dealers who sold such shares.

OTHER: The Fund pays no compensation to its officers, all of whom are employees of the Adviser.

The Fund's Trustees may participate in a deferred compensation plan which may be terminated at any time. Obligations of the plan will be paid solely out of the Fund's assets.

NOTE 4. PORTFOLIO INFORMATION

INVESTMENT ACTIVITY: During the six months ended April 30, 1995, purchases and sales of investments, other than short-term obligations, were \$293,228,922 and \$357,219,636, respectively, of which \$4,583,079 and \$4,753,009, respectively, were U.S. government securities.

Unrealized appreciation (depreciation) at April 30, 1995, based on cost of investments for federal income tax purposes was:

<TABLE>	
<S>	<C>
Gross unrealized appreciation	\$ 131,882,202
Gross unrealized depreciation	(24,503,863)
	-----
Net unrealized appreciation	\$ 107,378,339
	=====

</TABLE>

OTHER: There are certain additional risks involved when investing in foreign securities that are not inherent with investments in domestic securities. These risks may involve foreign currency exchange rate fluctuations, adverse political and economic developments and the possible prevention of currency exchange or other foreign governmental laws or restrictions.

The Fund may focus its investments in certain industries, subjecting it to greater risk than a fund that is more diversified.

NOTE 5. RESULTS OF SPECIAL SHAREHOLDERS MEETING

On February 15, 1995, a special meeting of shareholders was held and a new Management Agreement between the Trust and Colonial Management Associates, Inc. was approved that became effective upon the completion of the merger of the The Colonial Group, Inc. and Apple Merger Corporation, a subsidiary of Liberty Financial Companies, Inc. on March 24, 1995. Out of the shares of beneficial interest outstanding on December 9, 1994, 74,003,431 voted for the new Management Agreement, 1,075,852 voted against and 3,340,423 abstained. Of the shares of beneficial interest outstanding that abstained 347,522, represented broker non-votes.

Notes to Financial Statements/April 30, 1995

NOTE 6. MERGER INFORMATION

On March 24, 1995, Liberty Financial Growth and Income Fund (LFGIF) was merged into the Fund by a non-taxable exchange of 4,734,891 shares of the Fund (valued at \$36,806,337) for the 4,713,999 of LFGIF shares then outstanding. The assets of LFGIF acquired included unrealized appreciation of \$1,319,964. The aggregate net assets of the Fund and LFGIF immediately after the merger were \$879,529,274.

FINANCIAL HIGHLIGHTS (a)

(Selected date for a share of each class outstanding through each period are as follows:)

<TABLE>						
<CAPTION>						
	(unaudited)					
	Six months ended					
	April 30		Year ended October 31			
	-----		-----			
	1995		1994		1993 (b)	
	Class A	Class B	Class A	Class B	Class A	Class B
	-----		-----		-----	
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Net asset value-						
Beginning of period	\$8.060	\$8.050	\$8.410	\$8.400	\$7.390	\$7.390
	-----	-----	-----	-----	-----	-----

INCOME FROM INVESTMENT OPERATIONS:

Net investment income	0.209	0.152	0.171	0.109	0.156	0.104
Net realized and unrealized gain (loss)	0.429	0.457	(0.116)	(0.111)	1.293	1.282
Total from Investment Operations	0.638	0.609	0.055	(0.002)	1.449	1.386
LESS DISTRIBUTIONS DECLARED TO SHAREHOLDERS:						
From net investment income	(0.107)	(0.078)	(0.160)	(0.103)	(0.147)	(0.094)
From net realized gains	(0.501)	(0.501)	(0.245)	(0.245)	(0.282)	(0.282)
Total Distributions Declared to Shareholders	(0.608)	(0.579)	(0.405)	(0.348)	(0.429)	(0.376)
Net asset value- End of period	\$8.090	\$8.080	\$8.060	\$8.050	\$8.410	\$8.400
Total return (d)	8.83%(e)	8.42%(e)	0.74%	(0.04%)	20.21%	19.38%
RATIOS TO AVERAGE NET ASSETS						
Expenses	1.15%(f)	1.90%(f)	1.14%	1.89%	1.10%	1.85%
Net investment income	2.65%(f)	1.90%(f)	2.07%	1.32%	1.94%	1.19%
Portfolio turnover	64%(f)	64%(f)	54%	54%	14%	14%
Net assets at end of period (000)	\$618,768	\$296,885	\$555,275	264,122	520,706	124,161

(a) Per share data was calculated using average shares outstanding during the period.

(b) All per share amounts have been restated to reflect the 3-for-1 stock split effective December 10, 1993.

(c) Class B shares were initially offered on May 5, 1992. Per share amounts reflect activity from that date.

(d) Total return at net asset value assuming all distributions reinvested and no initial sales charge or CDSC.

(e) Not annualized.

(f) Annualized.

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FINANCIAL HIGHLIGHTS (A) -CONTINUED

(Selected date for a share of each class outstanding throughout each period are as follows:)

<TABLE>  
<CAPTION>

	Year ended October 31			
	1992 (B)		1991 (B)	1990 (B)
	Class A	Class B (c)	Class A	Class A
Net asset value- Beginning of period	\$ 7.050	\$ 7.440	\$5.700	\$6.850
INCOME FROM INVESTMENT OPERATIONS:				
Net investment income	0.173	0.052	0.218	0.256
Net realized and unrealized gain (loss)	0.489	(0.044)	1.509	(0.979)
Total from Investment Operations	0.662	0.008	1.727	(0.723)
LESS DISTRIBUTIONS DECLARED TO SHAREHOLDERS:				
From net investment income	(0.185)	(0.058)	(0.222)	(0.276)
From net realized gains	(0.137)	--	(0.155)	(0.151)
Total Distributions				

Declared to Shareholders	(0.322)	(0.058)	(0.377)	(0.427)
	-----	-----	-----	-----
Net asset value-				
End of period	\$ 7.390	\$ 7.390	\$7.050	\$5.700
	=====	=====	=====	=====
Total return(d)	9.65%	(0.31%) (e)	31.23%	(11.17%)
	=====	=====	=====	=====
RATIOS TO AVERAGE NET ASSETS				
Expenses	1.09%	1.84%(f)	1.06%	1.04%
Net investment income	2.52%	1.77%(f)	3.35%	4.05%
Portfolio turnover	37%	37%(f)	36%	41%
Net assets at end of period (000)	\$413,228	\$15,582	\$366,808	\$285,265

</TABLE>

- (a) Per share data was calculated using average shares outstanding during the period.
- (b) All per share amounts have been restated to reflect the 3 for 1 stock split effective December 10, 1993.
- (c) Class B shares were initially offered on May 5, 1992. Per share amounts reflect activity from that date.
- (d) Total return at net asset value assuming all distributions reinvested and no initial sales charge or CDSC.
- (e) Not annualized.
- (f) Annualized.

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SHAREHOLDER SERVICES  
TO MAKE INVESTING EASIER

Colonial has one of the most extensive selections of shareholder services available. Your financial advisor can help you activate any of these services, or call Colonial directly at 1-800-345-6611.

**AFFORDABLE ADDITIONAL INVESTMENTS:** Add to you account with as little as \$50; \$25 for an IRA account.

**FREE EXCHANGES\*:** Exchange all or part of your account into the same share class of another Colonial fund, by phone or mail, as your needs change over time.

**EAST ACCESS TO YOUR MONEY\*:** Make withdrawals from your account by phone, by mail or, for certain funds, by check. We will mail a check (up to \$50,000) if your address hasn't changed within 60 days.

**ONE-YEAR REINSTATEMENT PRIVILEGE:** If you need access to your money, but then choose to return it to Colonial within one year, you can reinvest in any Colonial fund of the same share class without any penalty or sales charges.

**FUNDAMATIC:** Make periodic investments as low as \$50 from your checking account to your Colonial account.

**SYSTEMATIC WITHDRAWAL PLAN (SWP):** Receive monthly, quarterly, or semiannual payments via check or bank transmission. There is a \$5,000 account value required, but no minimum for the payment amount. SWPs by check are processed on the 10th of each month, including the April 1995 payment.

**AUTOMATED DOLLAR COST AVERAGING:** Transfer money on a monthly basis from any Colonial fund with a balance of \$5,000 into the same share class of up to four other Colonial funds. Minimum for each transfer is \$100.

**LOW COST IRAS:** Choose from a broad range of retirement plans, including IRAs.

\* Redemptions and exchanges are made at the next determined net asset value after the request is received by Colonial. Proceeds may be more or less than your original cost. The exchange privilege may be terminated at any time. Investors who purchase Class B or Class D shares, or \$1 million or more of Class A shares, may be subject to a contingent deferred sales charge.

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SHAREHOLDER COMMUNICATIONS  
TO KEEP YOU INFORMED

To make recordkeeping easy and keep you up-to-date on the performance of your investments, you can expect to receive the following information about your Colonial account:

**TRANSACTION CONFIRMATIONS:** Each time you make a purchase, sale, or exchange, you receive a confirmation statement within just a few days.

**QUARTERLY STATEMENTS:** Every three months, if any transactions are made that affect your share balance, this statement reports on your account activity during the quarter (including any reinvestment of dividends). This statement also provides year-to-date information.

**COLONIAL SHAREHOLDER NEWS:** Mailed with your quarterly account statements, this newsletter highlights timely investment strategies, portfolio manager commentary, and shareholder service updates.

**TAX FORMS AND YEAR-END TAX GUIDE:** Easy-to-use forms and timely information are designed to make tax reporting simpler. (Usually mailed in January).

**AVERAGE COST BASIS STATEMENTS:** If you sold or exchanged shares during the year, this statement may help you calculate your gain/loss for tax purposes. (Usually mailed in February).

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HOW TO REACH COLONIAL  
BY PHONE OR BY MAIL

BY TELEPHONE

COLONIAL CUSTOMER CONNECTION - 1-800-345-6611

For 24-hour account information, call from your touch-tone phone. (Rotary callers will be automatically connected to a representative during business hours). A recorded message will guide you through the menu:

<TABLE>	
<S>	<C>
For fund prices, dividends, and capital gains information.....	press 1
For account information.....	press 2
To speak to a Colonial representative.....	press 3
For yield and total return information.....	press 4
For duplicate statements or new supply of checks.....	press 5
To order duplicate tax forms and year-end statements..... (February through May)	press 6
To review your options at any time during your call.....	press *
</TABLE>	

To speak with a shareholder services representative about your account, call Monday to Friday, 8am to 8pm ET, and Saturdays from February through mid-April, 10am to 2pm ET.

COLONIAL TELEPHONE TRANSACTION DEPARTMENT - 1-800-422-3737

To purchase, exchange, or sell shares by telephone, call Monday to Friday, 9am to 8pm ET. Transactions received after 4pm will receive the next business day's closing price.

COLONIAL LITERATURE DEPARTMENT - 1-800-248-2828

To request literature on any Colonial fund, call Monday to Friday, 8:30am to 6:30pm ET.

BY MAIL

COLONIAL INVESTORS SERVICE CENTER, INC.  
P.O. BOX 1722  
BOSTON, MA 02105-1722

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TOM BLEASDALE

Trustee (formerly Chairman of the Board and Chief Executive Officer, Shore Bank & Trust Company)

LORA S. COLLINS

Attorney, Kramer, Levin, Naftalis, Nessen, Kamin & Frankel

JAMES E. GRINNELL

Private Investor

WILLIAM D. IRELAND, JR.

Trustee (formerly Chairman of the Board, Bank of New England -- Worcester)

RICHARD W. LOWRY

Private Investor

WILLIAM E. MAYER

Dean, College of Business and Management, University of Maryland (formerly Dean, Simon Graduate School of Business, University of Rochester; Chairman and Chief Executive Officer, C.S. First Boston Merchant Bank; and President and Chief Executive Officer, The First Boston Corporation)

JOHN A. MCNEICE, JR.

Chairman of the Board and Director, The Colonial Group, Inc. and Colonial Management Associates, Inc. (formerly Chief Executive Officer, The Colonial Group, Inc. and Colonial Management Associates, Inc.)

JAMES L. MOODY, JR.

Chairman of the Board, Hannaford Bros. Co. (formerly Chief Executive Officer, Hannaford Bros. Co.)

JOHN J. NEUHAUSER

Dean, Boston College School of Management

GEORGE L. SHINN

Financial Consultant (formerly Chairman, Chief Executive Officer and Consultant, The First Boston Corporation)

ROBERT L. SULLIVAN

Management Consultant

SINCLAIR WEEKS, JR.

Chairman of the Board, Reed & Barton Corporation

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One Financial Center, Boston, Massachusetts 02111-2621, 617-426-3750

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