

SECURITIES AND EXCHANGE COMMISSION

FORM 497

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COLONIAL TRUST IV

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March 30, 1995,
Revised July 12, 1995

COLONIAL

UTILITIES

FUND

PROSPECTUS

BEFORE YOU INVEST

Colonial Management Associates, Inc. (Adviser) and your full-service financial adviser want you to understand both the risks and benefits of mutual fund investing.

While mutual funds offer significant opportunities and are professionally managed, they also carry risks including possible loss of principal. Unlike savings accounts and certificates of deposit, mutual funds are not insured or guaranteed by any financial institution or government agency.

Please consult your full-service financial adviser to determine how investing in this mutual fund may suit your unique needs, time horizon and risk tolerance.

Contents	Page
Summary of expenses	2
The Fund's financial history	3
The Fund's investment objective	5
How the Fund pursues its objective	5
How the Fund measures its performance	6
How the Fund is managed	6
How the Fund values its shares	7
Distributions and taxes	7
How to buy shares	7
How to sell shares	9
How to exchange shares	9
Telephone transactions	10
12b-1 plans	10
Organization and history	11

UF-01/050B-0695

Colonial Utilities Fund (Fund), a diversified portfolio of Colonial Trust IV (Trust), an open-end management investment company, seeks primarily current income and secondarily long-term growth. The Fund is managed by the Adviser, an investment adviser since 1931. This Prospectus explains concisely what you should know before investing in the Fund. Read it carefully and retain it for future reference. More detailed information about the Fund is in the March 30, 1995 Statement of Additional Information which has been filed with the Securities and Exchange Commission and is obtainable free of charge by calling the Adviser at 1-800-248-2828. The Statement of Additional Information is incorporated by reference in (which means it is considered to be a part of) this Prospectus. The Fund offers two classes of shares. Class A shares are offered at net asset value plus a sales charge imposed at the time of purchase; Class B shares are offered at net asset value plus an annual distribution fee and a declining contingent deferred sales charge on redemptions made within six years after purchase. Class B shares automatically convert to Class A shares after approximately eight years. See "How to buy shares."

FUND SHARES ARE NOT DEPOSITS OR OBLIGATIONS OF, OR GUARANTEED, ENDORSED OR INSURED BY, ANY BANK OR GOVERNMENT AGENCY. THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE

SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

SUMMARY OF EXPENSES

Expenses are one of several factors to consider when investing in the Fund. The following tables summarize your maximum transaction costs and annual expenses for an investment in each Class of the Fund's shares.

Shareholder Transaction Expenses (1) (2)

	Class A	Class B
Maximum Initial Sales Charge Imposed on a Purchase (as a % of offering price) (3)	4.75%	0.00%(5)
Maximum Contingent Deferred Sales Charge (as a % of offering price) (3)	1.00%(4)	5.00%

- (1) For accounts less than \$1,000 an annual fee of \$10 may be deducted. See "How to sell shares."
- (2) Redemption proceeds exceeding \$5,000 sent via federal funds wire will be subject to a \$7.50 charge per transaction.
- (3) Does not apply to reinvested distributions.
- (4) Only with respect to any portion of purchases of \$1 million to \$5 million redeemed within approximately 18 months after purchase. See "How to buy shares."
- (5) Because of the 0.75% distribution fee applicable to Class B shares, long-term Class B shareholders may pay more in aggregate sales charges than the maximum initial sales charge permitted by the National Association of Securities Dealers, Inc. However, because the Fund's Class B shares automatically convert to Class A shares after approximately 8 years, this is less likely for Class B shares than for a class without a conversion feature.

Annual Operating Expenses (as a % of net assets)

	Class A	Class B
Management fee	0.64%	0.64%
12b-1 fees	0.25	1.00
Other expenses	0.34	0.34
	----	----
Total expenses	1.23%	1.98%
	====	====

Example

The following Example shows the cumulative expenses attributable to a hypothetical \$1,000 investment in each Class of shares of the Fund for the periods specified, assuming a 5% annual return and, unless otherwise noted, redemption at period end. The 5% return and expenses used in this Example should not be considered indicative of actual or expected Fund performance or expenses, both of which will vary.

Period:	Class A	Class B	
		(6)	
1 year	\$ 59	\$ 70	\$ 20
3 years	85	93	63
5 years	112	128	108
10 years	189	213(7)	213(7)

- (6) Assumes no redemption.
- (7) Class B shares convert to Class A shares after approximately 8 years; therefore, years 9 and 10 reflect Class A expenses.

THE FUND'S FINANCIAL HISTORY

The following schedule of financial highlights for a share outstanding throughout each period has been audited by Price Waterhouse LLP, independent accountants. Their unqualified report is included in the Fund's 1994 Annual Report and is incorporated by reference into the Statement of Additional

Information. The schedule has been restated to reflect the 4:1 split which occurred on February 10, 1992. The Fund adopted the objectives of seeking current income and, to the extent consistent with the objective, growth of income and long-term capital appreciation on March 4, 1992. Effective February 28, 1995, the wording of the Fund's objective was modified so that the Fund seeks primarily current income and secondarily long-term growth. The data presented below does not necessarily reflect results that would have been achieved had the Fund's current objective and policies then been in effect.

<TABLE>
<CAPTION>

	CLASS A				
	Year Ended November 30				
	1994	1993	1992 (a)	1991 (a)	1990 (a)
<S>	<C>	<C>	<C>	<C>	<C>
Net asset value - Beginning of period	\$13.600	\$12.960	\$11.440	\$10.090	\$11.600
Income (loss) from investment operations:					
Net investment income	0.681	0.713	0.741	0.917	0.930
Net realized and unrealized gain (loss) on investments	(1.896)	0.616	1.517	1.377	(1.472)
Total from investment operations	(1.215)	1.329	2.258	2.294	(0.542)
Less distributions declared to shareholders:					
From net investment income	(0.665)	(0.689)	(0.727)	(0.941)	(0.968)
From net realized gains	---	---	---	---	---
From capital paid in	---	---	(0.011) (b)	(0.003) (b)	---
Total distributions declared to shareholders	(0.665)	(0.689)	(0.738)	(0.944)	(0.968)
Net asset value - End of period	\$11.720	\$13.600	\$12.960	\$11.440	\$10.090
Total return (c)	(9.04)%	10.20%	20.21%	23.56%	(4.74)%
Ratios to average net assets:					
Expenses	1.23%	1.19%	1.16%	1.11%	1.17%
Net investment income	5.49%	4.92%	5.52%	8.50%	8.69%
Portfolio turnover	16%	6%	35%	1%	2%
Net assets at end of period (in millions)	\$373	\$503	\$232	\$135	\$162

<TABLE>
<CAPTION>

	Class A				
	Year ended November 30				
	1989 (a)	1988 (a)	1987 (a)	1986 (a)	1985 (a)
<S>	<C>	<C>	<C>	<C>	<C>
Net asset value - Beginning of period	\$10.710	\$10.300	\$12.560	\$12.360	\$11.680
Income (loss) from investment operations:					
Net investment income	0.939	0.851	0.988	1.044	1.301
Net realized and unrealized gain (loss) on investments	0.927	0.529	(2.110)	0.402	0.762
Total from investment operations	1.866	1.380	(1.122)	1.446	2.063

Less distributions declared to shareholders:					
From net investment income	(0.932)	(0.850)	(0.973)	(1.096)	(1.248)
From net realized gains	(0.044)	(0.120)	(0.165)	(0.150)	(0.135)
From capital paid in	---	---	---	---	---
	-----	-----	-----	-----	-----
Total distributions declared to shareholders	(0.976)	(0.970)	(1.138)	(1.246)	(1.383)
	-----	-----	-----	-----	-----
Net asset value - End of period	\$11.600	\$10.710	\$10.300	\$12.560	\$12.360
	=====	=====	=====	=====	=====
Total return(c)	17.94%	13.75%	(9.84)%	12.24%	18.50%
	-----	-----	-----	-----	-----
Ratios to average net assets:					
Expenses	1.12%	1.15%	1.09%	1.04%	1.02%
Net investment income	8.10%	7.94%	8.18%	8.44%	10.58%
Portfolio turnover	24%	11%	206%	255%	288%
Net assets at end of period (in millions)	\$141	\$183	\$288	\$411	\$281

</TABLE>

- (a) All per share amounts have been restated to reflect the 4-for-1 stock split effective February 10, 1992.
- (b) The return of capital is for book purposes only and is a result of book-tax differences arising from the merger of Colonial Utilities Fund (formerly Colonial Corporate Cash Trust I) and Colonial Corporate Cash Trust II in a prior year. The 1992 amount represents a reclassification for book purposes only relating to that merger.
- (c) Total return at net asset value assuming all distributions reinvested and no initial sales charge or contingent deferred sales charge.

THE FUND'S FINANCIAL HISTORY (CONT'D)

<TABLE>

<CAPTION>

	Class B		
	Year ended November 30		
	1994	1993	1992 (a)
	-----	-----	-----
<S>	<C>	<C>	<C>
Net asset value - Beginning of period	\$13.600	\$12.960	\$12.310
	-----	-----	-----
Income (loss) from investment operations:			
Net investment income	0.587	0.612	0.296
Net realized and unrealized gain (loss) on investments	(1.896)	0.616	0.691
	-----	-----	-----
Total from investment operations	(1.309)	1.228	0.987
	-----	-----	-----
Less distributions declared to shareholders:			
From net investment income	(0.571)	(0.588)	(0.337)
	-----	-----	-----
Total distributions declared to shareholders	(0.571)	(0.588)	(0.337)
	-----	-----	-----
Net asset value - End of period	\$11.720	\$13.600	\$12.960
	=====	=====	=====
Total return(b)	(9.73)%	9.42%	6.06% (c)
	-----	-----	-----
Ratios to average net assets:			
Expenses	1.98%	1.94%	1.91% (d)
Net investment income	4.74%	4.17%	4.77% (d)
Portfolio turnover	16%	6%	35%
Net assets at end of period (in millions)	\$744	\$971	\$156

</TABLE>

- (a) Class B shares were initially offered on May 5, 1992. Per share amounts reflect activity from that date.
- (b) Total return at net asset value assuming all distributions reinvested and

no initial sales charge or contingent deferred sales charge.

(c) Not annualized.

(d) Annualized.

Further performance information is contained in the Fund's Annual Report to shareholders, which is obtainable free of charge by calling 1-800-248-2828.

THE FUND'S INVESTMENT OBJECTIVE

The Fund seeks primarily current income and secondarily long-term growth.

HOW THE FUND PURSUES ITS OBJECTIVE

The Fund normally invests at least 65% of its total assets in common and preferred equity securities of utility companies.

The Fund may write covered call options and purchase put options on stocks and stock indexes to hedge. A call option gives the purchaser the right to buy from the Fund and a put option gives the purchaser the right to sell to the Fund, a specified security at the exercise price at any time prior to the expiration of the contract. The Fund will receive a premium from writing an option which increases its return on the underlying security if the option expires or is closed out at a profit. Written puts may require the Fund to pay an above market price for the underlying security and written calls may obligate the Fund to sell the underlying security at a below market price. Both are exercisable at any time prior to expiration.

Utility Securities. The Fund will normally invest substantially all of its total assets in the equity securities (preferred and common stocks) of utility companies (including the manufacturing, production, generation, transmission and sale of electricity, natural gas, water or other sanitary services, telephone, telegraph, satellite, microwave or other communication services to the public) except temporarily for defensive purposes. The market price and dividends of securities in the utilities industry may be adversely affected by fluctuating economic conditions and interest rates, fuel availability and cost, energy conservation, competition (particularly as a result of deregulation), fluctuating prices of products and services sold by utility companies and, while relating to utilities in general, particularly to nuclear facilities: environmental regulations, shortened economic life, and untimely or inadequate rate adjustments by regulatory commissions.

The Fund may invest temporarily available cash in certificates of deposit, bankers' acceptances, high quality commercial paper, treasury bills and repurchase agreements. Under a repurchase agreement, the Fund buys a security from a bank or dealer, which is obligated to buy it back at a fixed price and time. The security is held in a separate account at the Fund's custodian and constitutes the Fund's collateral for the bank's or dealer's repurchase obligation. Additional collateral may be added so that the obligation will at all times be fully collateralized. However, if the bank or dealer defaults or enters bankruptcy, the Fund may experience costs and delays in liquidating the collateral and may experience a loss if it is unable to demonstrate its right to the collateral in a bankruptcy proceeding. Not more than 10% of the Fund's net assets will be invested in repurchase agreements maturing in more than 7 days and other illiquid assets.

In periods of unusual market conditions, when the Adviser considers it appropriate, the Fund may invest all or any part of the Fund's assets in cash, U.S. government securities, high quality commercial paper, bankers' acceptances, repurchase agreements and certificates of deposit.

Other. The Fund may not always achieve its investment objective. The Fund's investment objective and non-fundamental policies may be changed without shareholder approval. The Fund will notify investors at least 30 days prior to any material change in the Fund's investment objective. If there is a change in the investment objective,

shareholders should consider whether the Fund remains an appropriate investment in light of their current financial position and needs. Shareholders may incur a contingent deferred sales charge in response to a change in objective. The Fund's fundamental policies listed in the Statement of Additional Information cannot be changed without the approval of a majority of the Fund's outstanding voting securities. Additional information concerning certain of the securities and investment techniques described above is contained in the Statement of Additional Information.

HOW THE FUND MEASURES ITS PERFORMANCE

Performance may be quoted in sales literature and advertisements. Each Class's average annual total returns are calculated in accordance with the Securities and Exchange Commission's formula, and assume the reinvestment of all distributions, the maximum initial sales charge of 4.75% on Class A shares and the contingent deferred sales charge applicable to the time period quoted for Class B shares. Other total returns differ from average annual total return only in that they may relate to different time periods, may represent aggregate as opposed to average annual total return, and may not reflect the initial or contingent deferred sales charge.

Each Class's yield, which differs from total return because it does not consider change in net asset value, is calculated in accordance with the Securities and Exchange Commission's formula. Each Class's distribution rate is calculated by dividing the most recent month's distributions, annualized, by the maximum offering price of that Class at the end of the month. Each Class's performance may be compared to various indices. Quotations from various publications may be included in sales literature and advertisements. See "Performance Measures" in the Statement of Additional Information for more information.

All performance information is historical and does not predict future results.

HOW THE FUND IS MANAGED

The Trustees formulate the Fund's general policies and oversee the Fund's affairs as conducted by the Adviser.

The Adviser is a subsidiary of The Colonial Group, Inc. Colonial Investment Services Division, Inc. (Distributor), is a subsidiary of the Adviser and serves as the distributor for the Fund's shares. The Colonial Group, Inc. is the parent of Colonial Investors Service Center, Inc. (Transfer Agent), which serves as the shareholder services and transfer agent for the Fund. The Colonial Group, Inc. is a direct subsidiary of Liberty Financial Companies, Inc. which in turn is an indirect subsidiary of Liberty Mutual Insurance Company (Liberty Mutual). Liberty Mutual is considered to be the controlling entity of The Colonial Group, Inc. Liberty Mutual is an underwriter of worker's compensation insurance and a property and casualty insurer in the U.S.

The Adviser furnishes the Fund with investment management, accounting and administrative personnel and services, office space and other equipment and services at the Adviser's expense. For these services, the Fund paid the Adviser 0.64% of the Fund's average net assets for fiscal year 1994.

James P. Haynie, Vice President of the Adviser, has co-managed the Fund since June, 1995, and has managed various other Colonial equity funds since 1993. Prior to joining the Adviser in 1993, Mr. Haynie was a Vice President at Massachusetts Financial Services Company and a Portfolio Manager at Trinity Investment Management.

John E. Lennon serves as the other co-manager of the Fund. Mr. Lennon, Vice President of the Adviser, has managed the Fund since 1984 and various other Colonial equity funds since 1982.

The Adviser also provides pricing and bookkeeping services to the Fund for a monthly fee of \$2,250 plus a percentage of the Fund's average

net assets over \$50 million.

The Transfer Agent provides transfer agency and shareholder services to the Fund for a fee of 0.20% annually of average net assets plus out-of-pocket expenses.

Each of the foregoing fees is subject to any reimbursement or fee waiver to which the Adviser may agree.

The Adviser places all orders for the purchase and sale of portfolio securities. In selecting broker-dealers, the Adviser may consider research and brokerage services furnished to it and its affiliates. Subject to seeking best execution, the Adviser may consider sales of shares of the Fund (and of certain other Colonial funds) in selecting broker-dealers for security portfolio transactions.

HOW THE FUND VALUES ITS SHARES

Per share net asset value is calculated by dividing the total value of each Class's net assets by its number of outstanding shares. Shares are valued each day the New York Stock Exchange (Exchange) is open. Portfolio securities for which market quotations are readily available are valued at market. Short-term investments maturing in 60 days or less are valued at amortized cost when it is determined, pursuant to procedures adopted by the Trustees, that such cost approximates market value. All other securities and assets are valued at fair value following procedures adopted by the Trustees.

DISTRIBUTIONS AND TAXES

The Fund intends to qualify as a "regulated investment company" under the Internal Revenue Code and to distribute to shareholders virtually all net income and any net realized gain at least annually.

The Fund generally declares distributions daily and pays them monthly. Distributions are invested in additional shares of the same Class of the Fund at net asset value unless the shareholder elects to receive cash. Regardless of the shareholder's election, distributions of \$10 or less will not be paid in cash but will be invested in additional shares of the same Class of the Fund at the net asset value. To change your election, call the Transfer Agent for information. Whether you receive distributions in cash or in additional Fund shares, you must report them as taxable income unless you are a tax-exempt institution. If you buy shares shortly before a distribution is declared, the distribution will be taxable although it is in effect a partial return of the amount invested. Each January, information on the amount and nature of the Fund's distributions for the prior year is sent to shareholders.

Distributions will qualify for the federal corporate dividends-received deduction only to the extent of aggregate qualifying dividends received by the Fund. Corporate shareholders must hold shares of the Fund for 46 days to be eligible for the deduction. The amount of dividends qualifying for the deduction will be reduced if a shareholder has indebtedness "directly attributable" to the shares owned. A corporate shareholder's distributions from the Fund are includable in its adjusted current earnings for purposes of computing the corporate alternative minimum tax (AMT) and may result in AMT liability.

HOW TO BUY SHARES

Shares are offered continuously. Orders received in good form prior to the time at which the Fund values its shares (or placed with a financial service firm before such time and transmitted by the financial service firm before the Fund processes that day's share transactions) will be processed based on that day's closing net asset value, plus any applicable initial sales charge.

The minimum initial investment is \$1,000; subsequent investments may

be as small as \$50. The minimum initial investment for the Colonial Fundamatic program is \$50. Certificates will not be issued for Class B shares and there are some limitations on the issuance of Class A certificates. The Fund may refuse any purchase order for its shares. See the Statement of Additional Information for more information.

Class A Shares. Class A shares are offered at net asset value plus an initial or a contingent deferred sales charge as follows:

	Initial Sales Charge		
	Retained by Financial Service Firm as		
	as % of	% of	% of
Amount Purchased	Amount Invested	Offering Price	Offering Price
Less than \$50,000	4.99%	4.75%	4.25%
\$50,000 to less than \$100,000	4.71%	4.50%	4.00%
\$100,000 to less than \$250,000	3.63%	3.50%	3.00%
\$250,000 to less than \$500,000	2.56%	2.50%	2.00%
\$500,000 to less than \$1,000,000	2.04%	2.00%	1.75%
\$1,000,000 or more	0.00%	0.00%	0.00%

On purchases of \$1 million or more, the Distributor pays the financial service firm a cumulative commission as follows:

Amount Purchased	Commission
First \$3,000,000	1.00%
Next \$2,000,000	0.50%
Over \$5,000,000	0.25% (1)

(1) Paid over 12 months but only to the extent the shares remain outstanding.

Purchases of \$1 million to \$5 million are subject to a 1.00% contingent deferred sales charge payable to the Distributor on redemptions within 18 months from the first day of the month following the purchase. The contingent deferred sales charge does not apply to the excess of any purchases over \$5 million.

Class A shares bear a 0.25% annual service fee.

Class B Shares. Class B shares are offered at net asset value, without an initial sales charge, subject to a 0.75% annual distribution fee for approximately 8 years (at which time they convert to Class A shares not bearing a distribution fee), a 0.25% annual service fee and a contingent deferred sales charge if redeemed within 6 years after purchase. As shown below, the amount of the contingent deferred sales charge depends on the number of years after purchase that the redemption occurs:

Years After Purchase	Contingent Deferred Sales Charge
0-1	5.00%
1-2	4.00%
2-3	3.00%
3-4	3.00%
4-5	2.00%
5-6	1.00%
More than 6	0.00%

Year one ends one year after the end of the month in which the purchase was accepted and so on.

The Distributor pays financial service firms a commission of 4.00% on Class B share purchases.

General. All contingent deferred sales charges are deducted from the

redemption, not the amount remaining in the account, and are paid to the Distributor. Shares issued upon distribution reinvestment and amounts representing appreciation are not subject to a contingent deferred sales charge. The contingent deferred sales charge is imposed on redemptions which result in the account value falling below its Base Amount (the total dollar value of purchase payments in the account reduced by prior redemptions on which a contingent deferred sales charge was paid and any exempt redemptions). See the Statement of Additional Information for more information.

Which Class is more beneficial to an investor depends on the amount and intended length of the investment. Large investments, qualifying for a reduced Class A sales charge, avoid the distribution fee. Investments in Class B shares have 100% of the purchase invested immediately. Purchases of \$250,000 or more must be for Class A shares. Consult your financial service firm.

Financial service firms may receive different compensation rates for selling different classes of shares. The Distributor may pay additional compensation to financial service firms which have made or may make significant sales.

Initial or contingent deferred sales charges may be reduced or eliminated for certain persons or organizations purchasing Fund shares alone or in combination with certain other Colonial funds. See the Statement of Additional Information for more information.

Shareholder Services. A variety of shareholder services are available. For more information about these services or your account, call 1-800-345-6611. Some services are described in the attached account application. A shareholder's manual explaining all available services will be provided upon request.

HOW TO SELL SHARES

Shares may be sold on any day the Exchange is open, either directly to the Fund or through your financial service firm. Sale proceeds generally are sent within seven days (usually on the next business day after your request is received in good form). However, for shares recently purchased by check, the Fund will send proceeds as soon as the check has cleared (which may take up to 15 days).

Selling Shares Directly To The Fund. Send a signed letter of instruction or stock power form to the Transfer Agent, along with any certificates for shares to be sold. The sale price you will receive is the net asset value (less any applicable contingent deferred sales charge) next calculated after the Fund receives the request in proper form. Signatures must be guaranteed by a bank, a member firm of a national stock exchange or another eligible guarantor institution. Stock power forms are available from financial service firms, the Transfer Agent and many banks. Additional documentation is required for sales by corporations, agents, fiduciaries, surviving joint owners and individual retirement account holders. For details contact:

Colonial Investors Service Center, Inc.
P.O. Box 1722
Boston, MA 02105-1722
1-800-345-6611

Selling Shares Through Financial Service Firms. Financial service firms must receive requests before 4:00 p.m. Eastern time to receive that day's price, are responsible for furnishing all necessary documentation to the Transfer Agent and may charge for this service.

General. The sale of shares is a taxable transaction for federal tax purposes and may be subject to a contingent deferred sales charge. The contingent deferred sales charge may be waived under certain circumstances. See the Statement of Additional Information for more information. Under unusual circumstances, the Fund may suspend repurchases or postpone payment for up to seven days or longer, as permitted by federal securities law.

In June of any year, the Fund may deduct \$10 (payable to the Transfer Agent) from accounts valued at less than \$1,000 unless the account value has dropped below \$1,000 solely as a result of share value depreciation. Shareholders will receive 60 days' written notice to increase the account value before the fee is deducted.

HOW TO EXCHANGE SHARES

Exchanges at net asset value may be made among shares of the same class of most Colonial funds. Shares will continue to age without regard to the exchange for purposes of conversion and determining the contingent deferred sales charge, if any, upon redemption. Carefully read the prospectus of the fund into which the exchange will go before submitting the request. Call 1-800-248-2828 to receive a prospectus and an exchange authorization form. Call 1-800-422-3737 to exchange shares by telephone. An exchange is a taxable capital transaction for federal tax purposes. The exchange service may be changed, suspended or eliminated upon 60 days' written notice.

Class A Shares. An exchange from a money market fund into a non-money market fund will be at the applicable offering price next determined (including sales charge), except for amounts on which a sales charge previously had been paid. Non-money market fund shares must be held for five months before qualifying for exchange to a fund with a higher sales charge, after which they and all other exchanges are made at the net asset value next determined.

Class B Shares. Exchanges of Class B shares are not subject to the contingent deferred sales charge. However, if shares are redeemed within six years after the original purchase, a contingent deferred sales charge will be assessed using the schedule of the fund in which the original investment was made.

TELEPHONE TRANSACTIONS

All shareholders and/or their financial advisers may redeem up to \$50,000 of Fund shares by telephone, and may elect telephone redemption privileges for larger amounts on the account application. All exchanges may be accomplished by telephone. See the Statement of Additional Information for more information. The Adviser, the Transfer Agent and the Fund will not be liable when following telephone instructions reasonably believed to be genuine and a shareholder may suffer a loss from unauthorized transactions. The Transfer Agent will employ reasonable procedures to confirm that instructions communicated by telephone are genuine. Shareholders and/or their financial advisers will be required to provide their name, address and account number. Financial advisers will also be required to provide their broker number. Proceeds and confirmations of telephone transactions will be mailed or sent to the address of record. Telephone redemptions are not available on accounts with an address change in the preceding 60 days. All telephone transactions are recorded. Shareholders are not obligated to transact by telephone.

12B-1 PLANS

Under 12b-1 Plans, the Fund pays the Distributor an annual service fee of 0.25% of average net assets attributed to each Class of shares. The Fund also pays the Distributor an annual distribution fee of 0.75% of the average net assets attributed to its Class B shares. Because the Class B shares bear the additional distribution fee, their dividends will be lower than the dividends of Class A shares. Class B shares automatically convert to Class A shares, approximately eight years after the Class B shares were purchased. The multiple class structure could be terminated should certain Internal Revenue Service rulings be rescinded. See the Statement of Additional Information for more information. The Distributor uses the fees to defray the cost of commissions and service fees paid to financial service firms which have sold Fund shares, and to defray other expenses such as sales literature, prospectus printing and distribution, shareholder servicing costs and compensation to wholesalers. Should the fees

exceed the Distributor's expenses in any year, the Distributor would realize a profit. The Plans also authorize other payments to the Distributor and its affiliates (including the Adviser) which may be construed to be indirect financing of sales of Fund shares.

ORGANIZATION AND HISTORY

The Fund is the successor to Colonial Corporate Cash Trust I organized in 1981. The Fund represents an entire interest in a separate portfolio of the Trust which is a Massachusetts business trust organized in 1978.

The Trust is not required to hold annual shareholder meetings, but special meetings may be called for certain purposes. You receive one vote for each of your Fund shares. Shares of the Trust vote together except when required by law to vote separately by fund or by class. Shareholders owning in the aggregate ten percent of Trust shares may call meetings to consider removal of Trustees. Under certain circumstances, the Trust will provide information to assist shareholders in calling such a meeting. See the Statement of Additional Information for more information.

Investment Adviser
Colonial Management Associates, Inc.
One Financial Center
Boston, MA 02111-2621

Distributor
Colonial Investment Services, Inc.
One Financial Center
Boston, MA 02111-2621

Custodian
Boston Safe Deposit and Trust Company
One Boston Place
Boston, MA 02108-2624

Shareholder Services and Transfer Agent
Colonial Investors Service Center, Inc.
One Financial Center
Boston, MA 02111-2621
1-800-345-6611

Independent Accountants
Price Waterhouse LLP
160 Federal Street
Boston, MA 02110-2624

Legal Counsel
Ropes & Gray
One International Place
Boston, MA 02110-2624

Your financial service firm is:

Printed in U.S.A.

March 30, 1995,

COLONIAL

UTILITIES

FUND

PROSPECTUS

Colonial Utilities Fund seeks primarily current income and secondarily long-term growth.

For more detailed information about the Fund, call the Adviser at 1-800-248-2828 for the March 30, 1995 Statement of Additional Information.

FUND SHARES ARE NOT DEPOSITS OR OBLIGATIONS OF, OR GUARANTEED, ENDORSED OR INSURED BY, ANY BANK OR GOVERNMENT AGENCY.

Colonial Mutual Funds

Please send your completed application to:

Colonial Mutual Funds
P.O. Box 1722
Boston, Massachusetts 02105-1722

New Account Application/Revision to Existing Account

To open a new account, complete sections 1, 2, 3, & 8.
To apply for special services for a new or existing account, complete sections 4, 5, 6, 7, or 9 as appropriate.

Please check here if this is a revision.

1-----Account Ownership-----
Please choose one of the following.

Individual: Print your name, Social Security #, U.S. citizen status.

Joint Tenant: Print all names, the Social Security # for the first person, and his/her U.S. citizen status.

Uniform Gift to Minors: Name of custodian and minor, minor's Social Security #, minor's U.S. citizen status.

Corporation, Association, Partnership: Include full name, Taxpayer I.D. #.

Trust: Name of trustee, trust title & date, and trust's Taxpayer I.D. #.

Name of account owner

Name of joint account owner

Street address

Street address

City, State, and Zip

Daytime phone number

Social Security # or Taxpayer I.D. #

Are you a U.S. citizen? Yes ___ No ___

If no, country of permanent residence

Owner's date of birth

Account number (if existing account)

2 -----Colonial Fund(s) You Are Purchasing-----

Your investment will be made in Class A shares if no class is indicated. Certificates are not available for Class B shares. If no distribution option is selected, distributions will be reinvested in additional Fund shares. Please consult your financial adviser to determine which class of shares best suits your needs.

Fund Choice(s)

Fund ___ A Shares ___ B Shares (less than \$250,000)

\$ _____ Amount

Method of Payment

Choose one for each fund

___ Check payable to the Fund, enclosed

___ Bank wired on (Date) ___/___/___ Wire confirmation #

___ Dealer purchased on (Date) ___/___/___ Trade confirmation #

Ways to Receive Your Distributions

Choose one for each fund

___ Reinvest dividends and capital gains

___ Dividends in cash; reinvest capital gains

___ Dividends and capital gains in cash

___ Automatic Dividend Diversification See section 5A, inside

___ Direct Deposit via Colonial Cash Connection See section 4B, inside

Fund Choice(s)

Fund ___ A Shares ___ B Shares (less than \$250,000)

\$ _____
Amount

Method of Payment

Choose one for each fund

Check payable to the Fund, enclosed

Bank wired on (Date) ____/____/____
Wire confirmation #

Dealer purchased on (Date) ____/____/____
Trade confirmation #

Ways to Receive Your Distributions

Choose one for each fund

Reinvest dividends and capital gains

Dividends in cash; reinvest capital gains

Dividends and capital gains in cash

Automatic Dividend Diversification See section 5A, inside

Direct Deposit via Colonial Cash Connection See section
4B, inside

Fund Choice(s)

Fund
 A Shares B Shares (less than \$250,000)

\$ _____
Amount

Method of Payment

Choose one for each fund

Check payable to the Fund, enclosed

Bank wired on (Date) ____/____/____
Wire confirmation #

Dealer purchased on (Date) ____/____/____
Trade confirmation #

Ways to Receive Your Distributions

Choose one for each fund

Reinvest dividends and capital gains

Dividends in cash; reinvest capital gains

Dividends and capital gains in cash

Automatic Dividend Diversification See section 5A, inside

Direct Deposit via Colonial Cash Connection See section
4B, inside

3---Your Signature & Taxpayer I.D. Number Certification----

Each person signing on behalf of an entity represents that
his/her actions are authorized.

I have received and read each appropriate Fund prospectus and understand that its terms are incorporated by reference into this application. I understand that this application is subject to acceptance. I understand that certain redemptions may be subject to a contingent deferred sales charge. I certify, under penalties of perjury, that:

1. The Social Security # or Taxpayer I.D. # provided is correct.

Cross out 2(a) or 2(b) if either is not true in your case.

2. I am not subject to 31% backup withholding because (a) I have not been notified that I am subject to backup withholding or (b) the Internal Revenue Service has notified me that I am no longer subject to backup withholding.

It is agreed that the Fund, all Colonial companies and their officers, directors, agents, and employees will not be liable for any loss, liability, damage, or expense for relying upon this application or any instruction believed genuine.

X _____
Signature

Capacity, if applicable Date

X _____
Signature

Capacity, if applicable Date

4-----Ways to Withdraw from Your Fund-----

It may take up to 30 days to activate the following features. Complete only the section(s) that apply to the features you would like.

A. Systematic Withdrawal Plan (SWP)

You can receive monthly, quarterly, or semiannual checks from your account in any amount you select, with certain limitations. Your redemption checks can be sent to you at the address of record for your account, to your bank account, or to another person you choose. The value of the shares in your account must be at least \$5,000 and you must reinvest all of your distributions. Checks will be processed on the 10th calendar day of the month or the following business day. Withdrawals in excess of 12% annually of your current account value will not be accepted. Redemptions made in addition to Plan payments may be subject to a contingent deferred sales charge for Class B shares. Please consult your financial or tax adviser before electing this option.

Funds for Withdrawal:

Name of fund

Withdrawal Amount

Redeem shares from account as follows:

Dollar amount of payment \$ _____

or

Total annual % _____

Frequency (choose one)

__ Monthly __ Quarterly __ Semiannually

I would like payments to begin _____ (month).

Name of fund _____

Withdrawal Amount

Redeem shares from account as follows:

Dollar amount of payment \$ _____

or

Total annual % _____

Frequency (choose one)

Monthly Quarterly Semiannually

I would like payments to begin _____ (month).

Name of fund

Withdrawal Amount

Redeem shares from account as follows:

Dollar amount of payment \$ _____

or

Total annual % _____

Frequency (choose one)

Monthly Quarterly Semiannually

I would like payments to begin _____ (month).

Payment Instructions

Send the payment to (choose one):

My address of record.

My bank account via Colonial Cash Connection. Please complete Section 4B and the Bank Information section below.

The payee listed at right.

Name of payee

Address of payee

City

State

Zip

Payee's bank account number, if applicable

X _____

Signature of account owner(s)

X _____

Signature of account owner(s)

Signatures of all owners must be guaranteed. Provide the name, address, payment amount, and frequency for other payees (maximum of 5) on a separate sheet.

B. Direct Deposit via Colonial Cash Connection

You can arrange to have distributions from your Colonial fund account(s) or Systematic Withdrawal Plan checks automatically deposited directly into your bank checking account. Distribution deposits will be made 2 days after the Fund's payable date. Please complete Bank Information below and attach a blank check marked "VOID."

Please deposit my:

Dividend distributions only

Dividend and capital gain distributions

Systematic Withdrawal Plan payments

I understand that my bank must be a member of the Automated Clearing House system.

C. Telephone Withdrawal Options

All telephone transaction calls are recorded. These options are not available for retirement accounts.

1. Fast Cash

You are automatically eligible for this service. You or your financial adviser can withdraw up to \$50,000 from your account and have it sent to your address on our records. For your protection, this service is only available on accounts that have not had an address change within 60 days of the redemption request.

2. Telephone Redemption

I would like the Telephone Redemption privilege. You may withdraw shares from your fund account by telephone and send your money to your bank account. If you are adding this service to an existing account, complete the Bank Information section below and have all shareholder signatures guaranteed.

Colonial's and the Fund's liability is limited when following telephone instructions; a shareholder may suffer a loss from an unauthorized transaction reasonably believed by Colonial to have been authorized. Telephone redemptions exceeding \$5,000 will be sent via Federal Fund Wire, usually on the next business day (\$7.50 will be deducted). Redemptions of \$5,000 or less will be sent by check to your designated bank.

Bank Information (For A, B, or C Above)

I authorize deposits to the following bank account:

Bank name	City	Bank account number
-----------	------	---------------------

Bank street address	State	Zip	Bank routing # (your bank can provide this)
---------------------	-------	-----	---

5-----Ways to Make Additional Investments-----
These services involve continuous investments regardless of varying share prices. Please consider your ability to continue purchases through periods of price fluctuations. Dollar cost averaging does not assure a profit or protect against loss in declining markets.

A. Automatic Dividend Diversification
Please diversify my portfolio by investing fund distributions in another Colonial fund. These investments will be made in the same share class and without sales charges. I have carefully read the prospectus for the fund(s) listed below.

From fund

Account number (if existing)

To fund

Account number (if existing)

From fund

Account number (if existing)

To fund

Account number (if existing)

From fund

Account number (if existing)

To fund

Account number (if existing)

B. Automated Dollar Cost Averaging

This program allows you to automatically have money from any Colonial fund in which you have a balance of at least \$5,000 transferred into the same share class of up to four other Colonial funds, on a monthly basis. The minimum amount for each transfer is \$100. Please complete the section below.

Fund from which shares will be sold

\$ _____
Amount to redeem monthly

Fund name

\$ _____
Amount to invest monthly

Fund name

\$ _____
Amount to invest monthly

Fund name

\$ _____
Amount to invest monthly

C. Fundamatic

Fundamatic automatically transfers the specified amount from your bank checking account to your Colonial fund account. Your bank needs to be a member of the Automated Clearing House system. Please attach a blank check marked "VOID." Also, complete the section below and Fundamatic Authorization (Section 6).

Fund name

\$ _____
Amount to transfer Month to start

Frequency
__ Monthly or __ Quarterly

Date
__ 5th or __ 20th of the month

Fund name

\$ _____
Amount to transfer Month to start

Frequency
__ Monthly or __ Quarterly

Date
__ 5th or __ 20th of the month

Fund name

\$ _____
Amount to transfer Month to start

Frequency
__ Monthly or __ Quarterly

Date
__ 5th or __ 20th of the month

6 -----Fundamatic Authorization-----
Authorization to honor checks drawn by Colonial Investors
Service Center, Inc. Do Not Detach. Make sure all depositors on
the bank account sign to the far right. Please attach a
blank check marked "VOID" here. See reverse for bank
instructions.

I authorize Colonial to draw on my bank account, by check or
electronic funds transfer, for an investment in a Colonial
fund. Colonial and my bank are not liable for any loss
arising from delays or dishonored draws. If a draw is not
honored, I understand that notice may not be given and
Colonial may reverse the purchase and charge my account \$15.

Bank name

Bank street address

Bank street address

City State Zip

Bank account number

Bank routing #

X _____
Depositor's Signature(s)
Exactly as appears on bank records

X _____
Depositor's Signature(s)
Exactly as appears on bank records

7--Ways to Reduce Your Sales Charges for Class A Shares--
These services can help you reduce your sales charge while
increasing your share balance over the long term.

A. Right of Accumulation
If you, your spouse or your children own Class A, B or D
shares in other Colonial funds, you may be eligible for a
reduced sales charge. The combined value of your accounts

must be \$50,000 or more. Class A shares of money market funds are not eligible unless purchased by exchange from another Colonial fund.

The sales charge for your purchase will be based on the sum of the purchase added to the value of all shares in other Colonial funds at the previous day's public offering price.

__ Please link the accounts listed below for Right of Accumulation privileges, so that this and future purchases will receive any discount for which they are eligible.

Name on account

Account number

Name on account

Account number

B. Statement of Intent

If you agree in advance to invest at least \$50,000 within 13 months, you'll pay a lower sales charge on every dollar you invest. If you sign a Statement of Intent within 90 days after you establish your account, you can receive a retroactive discount on prior investments. The amount required to receive a discount varies by fund; see the sales charge table in the "How to Buy Shares" section of your fund prospectus.

__ I want to reduce my sales charge.

I agree to invest \$ _____
over a 13-month period starting ____/____/ 19____ (not more than 90 days prior to this application). I understand an additional sales charge must be paid if I do not complete this Statement of Intent.

8-----Financial Service Firm-----
To be completed by a Representative of your financial service firm.

This application is submitted in accordance with our selling agreement with Colonial Investment Services, Inc. (CISI), the Fund's prospectus, and this application. We will notify CISI of any purchase made under a Statement of Intent, Right of Accumulation, or Sponsored Arrangement. We guarantee the signatures on this application and the legal capacity of the signers.

Representative's name

Representative's number

Representative's phone number

Account # for client at financial service firm

Branch office address

City

State Zip

Branch office number

Name of financial service firm

Main office address

Main office address

City

State Zip

X Authorized signature

9--Request for a Combined Quarterly Statement Mailing-- Colonial can mail all of your quarterly statements in one envelope. This option simplifies your record keeping and helps reduce fund expenses.

I want to receive a combined quarterly mailing for all my accounts.

Fundamatic (See Reverse Side) Applications must be received before the start date for processing.

This program's deposit privilege can be revoked by Colonial without prior notice if any check is not paid upon presentation. Colonial has no obligation to notify the shareholder of non-payment of any draw. This program may be discontinued by Colonial by written notice at least 30 business days prior to the due date of any draw or by the shareholder at any time.

To the Bank Named on the Reverse Side:

Your depositor has authorized Colonial Investors Service Center, Inc. to collect amounts due under an investment program from his/her personal checking account. When you pay and charge the draws to the account of your depositor executing the authorization payable to the order of Colonial Investors Service Center, Inc. Colonial Management Associates, Inc., hereby indemnifies and holds you harmless from any loss (including reasonable expenses) you may suffer from honoring such draw, except any losses due to your payment of any draw against insufficient funds.

D-461L-594

Checkwriting Signature Card (Class A Shares Only)

Colonial Mutual Funds

Signature Card for the Bank of Boston ("Bank").

Name of Fund

Fund account number

To request additional signature cards, please call Colonial at 1-800-248-2828.

Account Name:

You must sign below exactly as your account is registered.

X
- -----
Signature

X
- -----
Signature

By signing this card, you are subject to the conditions printed on the reverse side. If adding this privilege to an existing account, your signatures must be guaranteed.

Checkwriting Privilege

By electing the checkwriting privilege and signing the signature card, I acknowledge that I am subject to the rules and regulations of the Bank of Boston ("Bank") as currently existing and as they may be amended from time to time. I designate the Bank as my representative to present checks drawn on my Fund account to the Fund or its Agent and deposit the proceeds in this checking account. I understand that the shares for which share certificates have been issued or requested cannot be redeemed in this manner.

I understand that if my Fund account is registered in joint tenancy, that all checks must include all signatures of all persons named on the account. If the account is registered in joint tenancy, each person guarantees the genuineness of all other parties' signatures.

Minimum and Maximum

I understand that checks may not be in amounts less than \$500 nor more than \$100,000, and that the Fund reserves the right to change these limits in its sole discretion. I agree that neither the Fund nor its Agent is responsible for any loss, expense, or cost arising from these redemptions. Also, if I have recently made additional investments, I understand that redemption proceeds will not be available until the check used to purchase the investment (including a certified or cashier's check) has been cleared by the bank on which it is drawn, which could take up to 15 days or more.

D-256A-1094