

LIBERTY ALL STAR GROWTH FUND INC.
Form N-CSRS
September 03, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number: 811-04537

Liberty All-Star Growth Fund, Inc.
(exact name of registrant as specified in charter)

1290 Broadway, Suite 1100, Denver, Colorado 80203
(Address of principal executive offices) (Zip code)

ALPS Fund Services, Inc.
1290 Broadway, Suite 1100
Denver, Colorado 80203
(Name and address of agent for service)

Registrant's telephone number, including area code: 303-623-2577

Date of fiscal year end: December 31

Date of reporting period: January 1, 2015 – June 30, 2015

Item 1. Reports to Stockholders.

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A SINGLE INVESTMENT...

A DIVERSIFIED GROWTH PORTFOLIO

A single fund that offers:

- ▲ diversified, multi-managed portfolio of small, mid- and large cap growth stocks
- ▲ Exposure to many of the industries that make the U.S. economy one of the world's most dynamic
- ▲ Access to institutional quality investment managers
- ▲ Objective and ongoing manager evaluation
- ▲ Active portfolio rebalancing
- ▲ A quarterly fixed distribution policy
- ▲ Actively managed, exchange-traded closed-end fund listed on the New York Stock Exchange (ticker symbol: ASG)

LIBERTY ALL-STAR® GROWTH FUND, INC.

Liberty All-Star® Growth Fund President's Letter
(Unaudited)

Fellow Shareholders: July 2015

Equity markets moved sideways during the second quarter and closed the period almost unchanged from where they ended the first quarter. The S&P 500® Index marked its 10th consecutive quarterly gain, but its advance, just 0.28 percent, was barely positive. For the first six months of the year, the index returned 1.23 percent. The widely-followed Dow Jones Industrial Average (DJIA) was flattish as well but on the negative side, as the DJIA returned -0.29 percent for the quarter; for the first half, it returned 0.03 percent. The exception and the strongest return for both periods was the technology-focused NASDAQ Composite Index, as it returned 2.03 percent for the quarter and 5.90 percent for the first half. Of historical note, in April the NASDAQ Composite eclipsed its old record high of 5048.62—fully 15 years after that mark was reached in March 2000. Both the S&P 500® and the DJIA also recorded new highs during the quarter before retrenching during June.

While the returns suggest a relatively quiet quarter, beneath the surface markets were very active. U.S. economic data was generally good—and better in the first quarter than originally thought, as GDP for the period was revised to +0.6 percent from the original estimate of -0.7 percent. Many of the factors that restrained stocks in the first quarter eased in the second. These included severe winter weather, slumping oil prices, the rising U.S. dollar and the West Coast port dispute. Among positive developments, employment continued to show solid gains, as more than 200,000 non-farm jobs were created in each of the quarter's three months. In May, new home sales reached their highest level since 2008 and retail sales, led by automobiles, were also strong during the quarter.

Offsetting steady economic progress, two sources of concern weighed on equity markets: uncertainty over the Greek debt situation and expectations that the Federal Reserve would start to raise short-term interest rates. Investors hoped that Greece would reach a deal with its international creditors, but that fell through when Athens missed a deadline for a loan repayment. Little was resolved by a referendum early in the third quarter, when Greeks voted overwhelmingly to reject continued austerity measures, however more recently the crisis has been temporarily averted. On the domestic front, Fed Chair Janet Yellen remarked during the quarter that it would be “appropriate at some point this year to ... raise the federal funds rate target and begin the process of normalizing monetary policy,” although most observers expect rate increases to be measured.

Liberty All-Star® Growth Fund

In a low return environment, Liberty All-Star® Growth Fund's performance was mixed but generally in-line with key indices. The Fund returned -0.65 percent with shares valued at net asset value (NAV) with dividends reinvested but gained 0.95 percent with shares valued at market price with dividends reinvested. The S&P 500® and the DJIA were in the same general range. Specific to growth style equities, for the quarter the Russell 3000® Growth Index returned 0.27 percent while the Lipper Multi-Cap Growth Mutual Fund Average returned 0.49 percent. Among market capitalization-based growth indices, the Russell 1000® Growth Index (large cap) returned 0.12 percent while the Russell Midcap® Growth Index declined -1.14 percent. Small cap stocks, as represented by the Russell 2000® Growth Index, returned 1.98 percent. The discount at which Fund shares sell relative to their NAV changed little during the quarter, as it ranged from -9.0 percent to -11.4 percent.

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President's Letter Liberty All-Star® Growth Fund
(Unaudited)

For the first half, the Fund returned 3.70 percent with shares valued at NAV with dividends reinvested and 3.68 percent with shares valued at market price with dividends reinvested. By comparison, for the same period the Russell 3000® Growth Index returned 4.33 percent and the Lipper Multi-Cap Growth Mutual Fund Average gained 4.70 percent.

The previously announced increase in the Fund's distribution policy—from an annual rate of approximately 6 percent (1.5 percent quarterly) of NAV to approximately 8 percent (2.0 percent quarterly)—took effect during the second quarter. The Fund's distribution for the quarter was \$0.12, up from \$0.08 in the first quarter. The Fund's distribution policy has been in place since 1997 and is a major component of the Fund's total return. Since 1997, the Fund has paid distributions totaling \$12.08 per share, and we continue to emphasize that shareholders should include these distributions when determining the return on their investment in the Fund.

As is our custom in semi-annual reports, we offer an interview with one of the Fund's three managers. This time we are pleased to feature Sustainable Growth Advisers, the Fund's large-cap growth manager since last September, through an informative interview with George Fraise, one of the firm's Founding Principals.

Offsetting factors kept the equity market in neutral during the second quarter. But the economy continues to show progress and corporate earnings have been better than expected this year. We will watch developments in the second half with great interest, but, as always, focus first and foremost on providing a high quality, well diversified Fund for long-term growth equity investors.

Sincerely,

William R. Parmentier, Jr.
President and Chief Executive Officer
Liberty All-Star® Growth Fund, Inc.

The views expressed in the President's letter and the Manager Interview reflect the views of the President and Manager as of July 2015 and may not reflect their views on the date this report is first published or anytime thereafter. These views are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict so actual outcomes and results may differ significantly from the views expressed. These views are subject to change at any time based upon economic, market or other conditions and the Fund disclaims any responsibility to update such views. These views may not be relied on as investment advice and, because investment decisions for the Fund are based on numerous factors, may not be relied on as an indication of trading intent.

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Liberty All-Star® Growth Fund President's Letter
(Unaudited)

Fund Statistics (Periods ended June 30, 2015)

Net Asset Value (NAV)	\$5.68
Market Price	\$5.15
Discount	-9.3%

	Quarter	Year-to-Date
Distributions*	\$0.12	\$0.20
Market Price Trading Range	\$5.02 to \$5.41	\$4.80 to \$5.41
Premium/(Discount) Range	-9.0% to -11.4%	-8.9% to -12.0%

Performance (Periods ended June 30, 2015)

Shares Valued at NAV with Dividends Reinvested	-0.65%	3.70%
Shares Valued at Market Price with Dividends Reinvested	0.95%	3.68%
Dow Jones Industrial Average	-0.29%	0.03%
Lipper Multi-Cap Growth Mutual Fund Average	0.49%	4.70%
NASDAQ Composite Index	2.03%	5.90%
Russell 3000® Growth Index	0.27%	4.33%
S&P 500® Index	0.28%	1.23%

Sources of distributions to shareholders may include ordinary dividends, long-term capital gains and return of capital. The actual amounts and sources of the amounts for tax reporting purposes will depend upon the Fund's

* investment experience during the remainder of its fiscal year and may be subject to changes based on tax regulations.

Pursuant to Section 852 of the Internal Revenue Code, the taxability of these distributions will be reported on Form 1099-DIV for 2015.

Returns for the Fund are total returns, which include dividends. Performance returns are net of management fees and other Fund expenses.

Figures shown for the Lipper Multi-Cap Growth Mutual Fund Average are based on open-end mutual funds' total returns, which include dividends, and are net of fund expenses. Figures for the unmanaged Dow Jones Industrial Average, NASDAQ Composite Index, the Russell 3000® Growth Index and the S&P 500® Index are total returns, including dividends. A description of the Lipper benchmark and the market indices can be found on page 33.

Past performance cannot predict future results. Performance will fluctuate with market conditions. Current performance may be lower or higher than the performance data shown. Performance information does not reflect the deduction of taxes that shareholders would pay on Fund distributions or the sale of Fund shares. An investment in the Fund involves risk, including loss of principal.

Closed-end funds raise money in an initial public offering and shares are listed and traded on an exchange. Open-end mutual funds continuously issue and redeem shares at net asset value. Shares of closed-end funds frequently trade at a discount to net asset value. The price of the Fund's shares is determined by a number of factors, several of which are beyond the control of the Fund. Therefore, the Fund cannot predict whether its shares will trade at, below or above net asset value.

Table of Distributions & Rights Offerings Liberty All-Star® Growth Fund
(Unaudited)

Year	Per Share Distributions	Month Completed	Rights Offerings	
			Shares Needed to Purchase One Additional Share	Subscription Price
1997	\$1.24			
1998	1.35	July	10	\$12.41
1999	1.23			
2000	1.34			
2001	0.92	September	8	6.64
2002	0.67			
2003	0.58	September	8 ¹	5.72
2004	0.63			
2005	0.58			
2006	0.59			
2007	0.61			
2008	0.47			
2009 ²	0.24			
2010	0.25			
2011	0.27			
2012	0.27			
2013	0.31			
2014	0.33			
2015				
1 st Quarter	0.08			
2 nd Quarter ³	0.12			
Total	\$12.08			

¹ The number of shares offered was increased by an additional 25 percent to cover a portion of the over-subscription requests.

² Effective with the second quarter distribution, the annual distribution rate was changed from 10 percent to 6 percent.

³ Effective March 30, 2015, the Fund's distribution policy increased from an annual rate of approximately 6 percent (1.5 percent quarterly) of net asset value to approximately 8 percent (2.0 percent quarterly) of net asset value.

DISTRIBUTION POLICY

The current policy is to pay distributions on its shares totaling approximately 8 percent of its net asset value per year, payable in four quarterly installments of 2 percent of the Fund's net asset value at the close of the New York Stock Exchange on the Friday prior to each quarterly declaration date. Sources of distributions to shareholders may include ordinary dividends, long-term capital gains and return of capital. The actual amounts and sources of the amounts for

tax reporting purposes will depend upon the Fund's investment experience during the remainder of its fiscal year and may be subject to changes based on tax regulations. If a distribution includes anything other than net investment income, the Fund provides a Section 19(a) notice of the best estimate of its distribution sources at that time. These estimates may not match the final tax characterization (for the full year's distributions) contained in shareholders' 1099-DIV forms after the end of the year. If the Fund's ordinary dividends and long-term capital gains for any year exceed the amount distributed under the distribution policy, the Fund may, in its discretion, retain and not distribute capital gains and pay income tax thereon to the extent of such excess.

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Liberty All-Star® Growth Fund Top 20 Holdings & Economic Sectors
June 30, 2015 (Unaudited)

Top 20 Holdings*	Percent of Net Assets
Cerner Corp.	2.09%
BofI Holding, Inc.	1.98
Middleby Corp.	1.86
Lowe's Cos., Inc.	1.71
Starbucks Corp.	1.65
Visa, Inc., Class A	1.59
Mondelez International, Inc., Class A	1.43
Amgen, Inc.	1.41
Ecolab, Inc.	1.41
The Walt Disney Co.	1.40
LinkedIn Corp., Class A	1.39
priceline.com, Inc.	1.38
Google, Inc., Class C	1.37
American Express Co.	1.35
The Advisory Board Co.	1.35
Amazon.com, Inc.	1.30
ExamWorks Group, Inc.	1.30
State Street Corp.	1.29
Schlumberger Ltd.	1.29
Wayfair, Inc., Class A	1.25
	29.80%

Economic Sectors*	Percent of Net Assets
Information Technology	20.08%
Consumer Discretionary	17.59
Financials	14.91
Industrials	14.16
Health Care	13.81
Consumer Staples	10.53
Energy	3.53
Materials	2.33
Telecommunication Services	0.71
Other Net Assets	2.35
	100.00%

* Because the Fund is actively managed, there can be no guarantee that the Fund will continue to hold securities of the indicated issuers and sectors in the future.

Major Stock Changes in the Quarter Liberty All-Star® Growth Fund
(Unaudited)

The following are the major (\$600,000) stock changes - both purchases and sales - that were made in the Fund's portfolio during the second quarter of 2015.

Security Name	SHARES	
	Purchases (Sales)	Held as of 6/30/15
Purchases		
Chuy's Holdings, Inc.	27,280	44,819
Diplomat Pharmacy	30,693	30,693
H&E Equipment Services, Inc.	30,115	34,333
The Habit Restaurants, Inc., Class A	19,455	19,455
Nord Anglia Education, Inc.	25,089	61,674
Stratasys Ltd.	24,800	24,800
Ultragenyx Pharmaceutical, Inc.	12,477	12,477
United Natural Foods, Inc.	18,300	18,300
Verisk Analytics, Inc.	10,045	10,045
Sales		
Auspex Pharmaceuticals, Inc.	(8,705)	0
Dorman Products, Inc.	(13,960)	1,144
Greenlight Capital Re Ltd., Class A	(22,374)	21,109
The Hain Celestial Group, Inc.	(11,150)	14,750
Hilton Worldwide Holdings, Inc.	(33,475)	0
Intuitive Surgical, Inc.	(1,700)	1,350
Perrigo Co. PLC	(4,490)	0
Salesforce.com, Inc.	(8,208)	14,292
Signature Bank	(8,754)	10,590
Solera Holdings, Inc.	(14,716)	13,573
The Ultimate Software Group, Inc.	(4,153)	6,427
VeriFone Systems, Inc.	(18,906)	3,546

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Liberty All-Star® Growth Fund Investment Managers/
Portfolio Characteristics
(Unaudited)

THE FUND'S THREE GROWTH INVESTMENT MANAGERS AND THE MARKET CAPITALIZATION ON WHICH EACH FOCUSES:

MANAGERS' DIFFERING INVESTMENT STRATEGIES ARE REFLECTED IN PORTFOLIO CHARACTERISTICS

The portfolio characteristics table below is a regular feature of the Fund's shareholder reports. It serves as a useful tool for understanding the value of the Fund's multi-managed portfolio. The characteristics are different for each of the Fund's three investment managers. These differences are a reflection of the fact that each has a different capitalization focus and investment strategy. The shaded column highlights the characteristics of the Fund as a whole, while the first three columns show portfolio characteristics for the Russell Smallcap, Midcap and Largecap Growth indices. See page 33 for a description of these indices.

PORTFOLIO CHARACTERISTICS As of June 30, 2015 (Unaudited)

	Market Capitalization Spectrum							TOTAL FUND
	RUSSELL GROWTH SMALLCAP INDEX	MIDCAP INDEX	LARGE CAP INDEX	Small WEATHERBI	Large ETCW	SUSTAINABLE		
Number of Holdings	1,163	507	644	56	50	30	129*	
Weighted Average Market Capitalization (billions)	\$2.1	\$13.3	\$128.1	\$2.7	\$10.7	\$80.6	\$32.7	
Average Five-Year Earnings Per Share Growth	16%	19%	19%	20%	25%	15%	19%	
Average Five-Year Sales Per Share Growth	12%	11%	13%	16%	16%	13%	14%	
Price/Earnings Ratio**	28x	25x	23x	31x	31x	25x	28x	
Price/Book Value Ratio	4.5x	5.4x	5.6x	4.5x	6.6x	4.8x	5.1x	

* Certain holdings are held by more than one manager.

** Excludes negative earnings.

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Manager Interview Liberty All-Star® Growth Fund
(Unaudited)

George Fraise
Founding Principal
Sustainable Growth Advisers, LP

SUSTAINABLE WEIGHS
MANY FACTORS IN ITS
RESEARCH BUT NONE IS AS
SHAREHOLDER-FRIENDLY
AS FREE CASH FLOW

Sustainable Growth Advisers, LP (SGA) focuses on companies that have unique characteristics that lead to a high degree of predictability, strong profitability and above-average earnings and cash flow growth over the long term. We recently had the opportunity to talk with Founding Principal George Fraise. The Fund's Investment Advisor, ALPS Advisers, Inc., conducted the interview.

As this is our first interview focused exclusively on Sustainable Growth Advisers, perhaps you can tell us about the firm: when it was founded, by whom, size and, above all, the firm's investment style and strategy. Also, what do you believe sets the firm apart, e.g., investment philosophy or process, culture, structure?

Sustainable Growth Advisers was founded in 2003 by me, Rob Rohn and Gordon Marchand. Today, the firm manages about \$6 billion in U.S. and global large-cap growth assets for a variety of clients, including pension and profit sharing plans, endowments and foundations, defined contribution retirement plans, and high net worth individuals and families.

“Our portfolios are built from the bottom up and are concentrated in the 30 most attractive long-term growth opportunities we can identify.”

We focus on identifying and investing in a select group of high quality, long-term secular growth businesses. What sets us apart from other peer managers is, first and foremost, the culture of our firm. We're an employee-owned investment boutique with one approach to growth investing, where our interests are totally aligned with those of our clients. Equity ownership is spread widely across our team, with more than three-quarters of employees being owners. If our clients succeed over time, we as shareholders of the firm will succeed as well. Secondly, our portfolios are built from the bottom up and are concentrated in the 30 most attractive long-term growth opportunities we can identify. There's no “filler” in our portfolios, i.e., stocks owned for risk-control purposes because they are large constituents of a benchmark. Third, we realize that great businesses don't always necessarily turn out to be great investments. Accordingly, we will only invest in a select group of high quality, long-term growth businesses that we find to be attractively valued using our proprietary cash flow based valuation metric we call Enterprise Yield. In order to ensure objectivity when researching such businesses, we also work in teams and assign two analysts to every company on our qualified list, or the roughly 80 companies that have been deemed to possess the quality and growth characteristics we seek and that have become eligible for purchase within SGA's portfolios.

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Liberty All-Star® Growth Fund Manager Interview
(Unaudited)

We mentioned investment process in our lead-off question. Perhaps you can go into a little detail about Sustainable's process.

SGA's investment philosophy is based on several tenets: We seek those few differentiated businesses that offer predictable, sustainable growth over the long term. We look for companies that possess certain specific characteristics that lead to higher levels of growth with a lower level of variability. We conduct deep company research implemented through multiple analyst coverage, which enhances our perspective and objectivity. We believe valuation is a critical element in the stock selection process, and further believe that cash flow-oriented metrics best reflect reality. We utilize a more restrictive proprietary measure of cash flow we call CFATS, or cash flow available to shareholders. CFATS is then used in our calculation of the Enterprise Yield for each of the companies that is on our qualified list and in our portfolios. We invest with a longer-than-typical time horizon—three to five years—which allows us to take advantage of short-term inefficiencies in the market. We invest with conviction, building large positions in a select group of high quality businesses. Given our very manageable asset base, we have significant flexibility to build meaningful positions in growth opportunities and trade around these positions as they become stretched or undervalued in the short term.

“Our belief is that cash flow is the lifeblood of healthy businesses and those businesses that generate more free cash flow have greater ability to compete more effectively in their respective markets.”

When evaluating businesses, we pay particular attention to their pricing power, which we believe reflects the strength of their franchise and the degree of competitive dominance they have within their markets. We seek businesses with recurring, predictable revenue streams, and those that sell their products or services to customers around the globe. This global opportunity speaks to the magnitude and likely duration of the growth opportunity a business has. We seek companies that have solid balance sheets and are generating significant free cash flow, which is available to shareholders. Our belief is that cash flow is the lifeblood of healthy businesses and those businesses that generate more free cash flow have greater ability to compete more effectively in their respective markets. Finally, we believe it is very important to understand the motivations and abilities of management, so we seek to evaluate top management as well as line management in the companies whose stocks we buy.

Turning to the stock market, Sustainable is the large-cap growth manager for Liberty All-Star® Growth Fund. Large-cap growth stocks led the stock market last year and have been good performers thus far in 2015. Some feel they may be approaching full or even overvaluation. What's Sustainable's view? Where are you finding the best opportunities and relative valuations? What in your process enables Sustainable to find attractively priced large-cap growth stocks?

While growth stocks have technically led the market over the last year, we believe it is important to dig a little deeper and consider the types of stocks that have been in the lead. Given the unprecedented monetary stimulus of the last few years—through the Federal Reserve's quantitative easing program—many more cyclical businesses and those that we would term lesser quality have received a tremendous boost through cheaper borrowing costs and the market's appetite for more economically cyclical businesses. Over this period, companies with no earnings and lower returns on equity have outperformed those with earnings and higher returns on equity. This isn't to say that all growth stocks are like this; there are many fine growth companies, such as Apple and Facebook, that have seen their earnings grow tremendously and their stocks appreciated significantly faster than the market overall during this period.

Manager Interview Liberty All-Star® Growth Fund
(Unaudited)

The types of stocks SGA is attracted to—given our focus on more predictable revenue streams, higher quality balance sheets and strong cash flow generation—have fared less well over the last 18-24 months, creating greater opportunity for our “flavor” of growth moving forward. Similarly, SGA’s desire for businesses with the ability to sell their goods and services globally has also served as a headwind to performance over the last 18-24 months, as economic conditions outside the U.S. have been weak. The strength of the U.S. dollar in recent months has also negatively impacted earnings for multinational companies. We continue to believe, however, that the ongoing development of strong middle class consumers in countries around the world should enhance the growth prospects for our U.S. portfolio companies. As of the end of the second quarter, the Enterprise Yield on our U.S. portfolio was about 3.8 percent, which is very attractive relative to its long-term average of about around 2.5 percent. Thus, we are very excited about the growth and valuation opportunities present in our portfolio today.

Please tell us about two current holdings in the portion of the Liberty All-Star® Growth Fund portfolio that you manage that exemplify the Sustainable style and strategy.

Core Labs and Mondelez are very different companies involved in radically different areas of the market, but both are good examples of SGA’s very fundamentally oriented, bottom-up investment approach. As previously mentioned, we invest in high quality businesses that possess unique attributes that afford them the opportunity to grow their cash flow and earnings in a more attractive manner over the long term.

Core Labs is a specialty oil services company that derives about 48 percent of its revenues from the U.S. and its business is divided into three main divisions: reservoir description, production enhancement, and reservoir management services to the oil and gas industries. These products and services focus on improving reservoir performance and increasing oil and gas recovery from the fields. While Core’s stock is subject to volatility associated with the price of oil, its business benefits from the increasing complexity of oil reserves and the company’s ability to help clients enhance and more efficiently extract oil from existing wells. In a period of weak commodity prices, the most efficient oil companies tend to rely even more on Core Lab’s services, as it becomes more critical to boost efficiency and maximize production.

Core fits the SGA company profile given its pricing power, which is supported by its best-in-class proprietary core analysis and fluid/rock properties testing capabilities. Its independent and objective advisory services are highly valued by oil producers and drillers that rely on Core’s analyses to influence decisions regarding very large and very expensive projects. The proprietary nature of Core’s analyses and the modest cost of the service it provides relative to the tremendous pay-off and risk inherent in drilling decisions supports the predictability of their revenue stream. Finally, the company has a presence in approximately 1,250 producing fields around the world, and believes its market is actually closer to 2,000 fields. Consistent with SGA’s focus on higher quality more predictable businesses, the company has a lean cost structure and a high value proposition, and the highest return on invested capital metrics in the oil sector, which should allow it to weather this downturn better than other oil service firms.

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Liberty All-Star® Growth Fund Manager Interview
(Unaudited)

Mondelez is a leading global packaged food company serving hundreds of millions of consumers around the world. The company's key product categories include biscuits, chocolate, gum, candy, coffee and powdered beverages, with billion-dollar brands such as Oreo, LU, Nabisco, Cadbury, Milka, Trident, Jacobs and Tang. Mondelez fits SGA's investment criteria very well, having strong recurring revenues driven by consumers' desire for energy and treats. Its snacks are packaged into a variety of configurations and sold in a broad range of retail channels at relatively low price points. Mondelez's pricing power is enabled by its strong brands and market share in every category in which it competes, including the number one position globally in biscuits, chocolate, candy and powdered beverages. The company has a substantial opportunity to improve operating margins as it consolidates and modernizes its outdated supply chain and manufacturing base—which have come together over the years as the firm has grown through multiple acquisitions—and its decision to move to a zero-based budgeting approach, which should result in greater discipline around expenses and capital investments. In terms of global runways of growth, Mondelez serves consumers in 165 countries around the world and benefits from the rise in the prevalence of dual-income households and rising income levels in emerging markets, which currently represent 40 percent of total company sales. While Mondelez fits well with SGA's approach in terms of its pricing power, recurring revenues and global opportunity, we also believe it offers attractive earnings growth potential over our 3-5 year time horizon.

Many thanks for informing Fund shareholders about SGA.

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Schedule of Investments Liberty All-Star® Growth Fund
June 30, 2015 (Unaudited)

	SHARES	MARKET VALUE
COMMON STOCKS (97.65%)		
CONSUMER DISCRETIONARY (17.59%)		
Auto Components (1.31%)		
BorgWarner, Inc.	15,700	\$892,388
Dorman Products, Inc. ^{(a)(b)}	1,144	54,523
Gentherm, Inc. ^(b)	16,128	885,589
		1,832,500
Diversified Consumer Services (1.17%)		
2U, Inc. ^(b)	3,887	125,123
Nord Anglia Education, Inc. ^(b)	61,674	1,512,246
		1,637,369
Hotels, Restaurants & Leisure (3.73%)		
Chuy's Holdings, Inc. ^(b)	44,819	1,200,701
The Habit Restaurants, Inc., Class A ^(b)	19,455	608,747
Starbucks Corp.	43,050	2,308,126
Wynn Resorts Ltd.	11,050	1,090,303
		5,207,877
Internet & Catalog Retail (4.87%)		
Amazon.com, Inc. ^(b)	4,182	1,815,364
Etsy, Inc. ^{(a)(b)}	21,851	307,007
priceline.com, Inc. ^(b)	1,674	1,927,393
TripAdvisor, Inc. ^(b)	11,500	1,002,110
Wayfair, Inc., Class A ^{(a)(b)}	46,372	1,745,442
		6,797,316
Leisure Equipment & Products (0.50%)		
Polaris Industries, Inc.	4,700	696,117
Media (1.39%)		
The Walt Disney Co.	17,065	1,947,799
Specialty Retail (3.19%)		
CarMax, Inc. ^(b)	7,900	523,059
Dick's Sporting Goods, Inc.	23,850	1,234,714
Francesca's Holdings Corp. ^(b)	23,161	311,979
Lowe's Cos., Inc.	35,580	2,382,793
		4,452,545
Textiles, Apparel & Luxury Goods (1.43%)		
Kate Spade & Co. ^(b)	35,150	757,131
Under Armour, Inc., Class A ^(b)	14,800	1,234,912
		1,992,043
CONSUMER STAPLES (10.53%)		
Beverages (2.54%)		
The Boston Beer Co., Inc., Class A ^(b)	3,950	916,361
Constellation Brands, Inc., Class A	9,900	1,148,598

See Notes to Schedule of Investments and Financial Statements.

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Liberty All-Star[®] Growth Fund Schedule of Investments
June 30, 2015 (Unaudited)

	SHARES	MARKET VALUE
COMMON STOCKS (continued)		
Beverages (continued)		
Monster Beverage Corp. ^(b)	11,100	\$1,487,622
		3,552,581
Food & Staples Retailing (2.97%)		
The Fresh Market, Inc. ^(b)	17,509	562,739
PriceSmart, Inc.	9,954	908,203
United Natural Foods, Inc. ^(b)	18,300	1,165,344
Whole Foods Market, Inc.	38,280	1,509,763
		4,146,049
Food Products (3.87%)		
The Hain Celestial Group, Inc. ^(b)	14,750	971,435
The Hershey Co.	17,104	1,519,348
Mondelez International, Inc., Class A	48,471	1,994,097
WhiteWave Foods Co. ^(b)	18,750	916,500
		5,401,380
Household Products (1.15%)		
Colgate-Palmolive Co.	24,480	1,601,237
ENERGY (3.53%)		
Energy Equipment & Services (3.53%)		
Core Laboratories N.V. ^(a)	14,625	1,667,835
Dril-Quip, Inc. ^(b)	9,513	715,853
Geospace Technologies Corp. ^(b)	6,115	140,951
Natural Gas Services Group, Inc. ^(b)	26,406	602,585
Schlumberger Ltd.	20,810	1,793,614
		4,920,838
FINANCIALS (14.91%)		
Banks (0.42%)		
Independent Bank Group, Inc.	13,638	585,070
Capital Markets (3.97%)		
Evercore Partners, Inc., Class A	12,680	684,213
Financial Engines, Inc. ^(a)	18,271	776,152
State Street Corp.	23,369	1,799,413
Virtus Investment Partners, Inc.	8,848	1,170,148
WisdomTree Investments, Inc. ^(a)	50,750	1,114,724
		5,544,650
Commercial Banks (1.11%)		
Signature Bank ^(b)	10,590	1,550,270
Consumer Finance (2.95%)		
American Express Co.	24,310	1,889,373
Visa, Inc., Class A	33,100	2,222,665
		4,112,038

See Notes to Schedule of Investments and Financial Statements.
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Schedule of Investments Liberty All-Star® Growth Fund
June 30, 2015 (Unaudited)

	SHARES	MARKET VALUE
COMMON STOCKS (continued)		
Diversified Financial Services (0.62%)		
MarketAxess Holdings, Inc.	9,400	\$872,038
Insurance (1.70%)		
Aon PLC	15,120	1,507,162
Greenlight Capital Re Ltd., Class A ^(b)	21,109	615,749
United Insurance Holdings Corp.	16,227	252,168
		2,375,079
Real Estate Investment Trusts (1.03%)		
Equinix, Inc.	5,668	1,439,672
Real Estate Management & Development (1.13%)		
Colliers International Group, Inc.	15,000	577,200
FirstService Corp.	35,918	997,443
		1,574,643
Thrifts & Mortgage Finance (1.98%)		
BofI Holding, Inc. ^(b)	26,205	2,770,130
HEALTH CARE (13.81%)		
Biotechnology (6.08%)		
ACADIA Pharmaceuticals, Inc. ^(b)	22,397	937,986
Alkermes PLC ^(b)	9,950	640,183
Amgen, Inc.	12,790	1,963,521
BioMarin Pharmaceutical, Inc. ^(b)	5,800	793,324
Incyte Corp. ^(b)	4,950	515,840
Isis Pharmaceuticals, Inc. ^(b)	7,300	420,115
Puma Biotechnology, Inc. ^(b)	6,392	746,266
Regeneron Pharmaceuticals, Inc. ^(b)	2,350	1,198,805
Ultragenyx Pharmaceutical, Inc. ^(b)	12,477	1,277,520
		8,493,560
Health Care Equipment & Supplies (1.25%)		
Insulet Corp. ^(b)	35,226	1,091,477
Intuitive Surgical, Inc. ^(b)	1,350	654,075
		1,745,552
Health Care Providers & Services (2.36%)		
AAC Holdings, Inc. ^{(a)(b)}	2,397	104,413
Diplomat Pharmacy ^(b)	30,693	1,373,512
ExamWorks Group, Inc. ^(b)	46,426	1,815,257
Teladoc, Inc. ^(b)	57	1,083
		3,294,265
Health Care Technology (2.75%)		
athenahealth, Inc. ^{(a)(b)}	7,633	874,589
Cerner Corp. ^(b)	42,300	2,921,238

See Notes to Schedule of Investments and Financial Statements.

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Liberty All-Star® Growth Fund Schedule of Investments
June 30, 2015 (Unaudited)

	SHARES	MARKET VALUE
COMMON STOCKS (continued)		
Health Care Technology (continued)		
Press Ganey Holdings, Inc. ^(b)	1,368	\$39,221
		3,835,048
Life Sciences Tools & Services (0.54%)		
Illumina, Inc. ^(b)	3,450	753,342
Pharmaceuticals (0.83%)		
Aerie Pharmaceuticals, Inc. ^(b)	7,856	138,658
Sanofi ^(c)	20,697	1,025,123
		1,163,781
INDUSTRIALS (14.16%)		
Aerospace & Defense (1.61%)		
B/E Aerospace, Inc.	18,450	1,012,905
HEICO Corp.	21,111	1,230,771
		2,243,676
Air Freight & Logistics (0.76%)		
XPO Logistics, Inc. ^(b)	23,597	1,066,112
Airlines (0.50%)		
Spirit Airlines, Inc. ^(b)	11,200	695,520
Commercial Services & Supplies (2.38%)		
The Advisory Board Co. ^(b)	34,516	1,886,990
Waste Connections, Inc.	30,459	1,435,228
		3,322,218
Electrical Equipment (0.64%)		
Rockwell Automation, Inc.	7,150	891,176
Machinery (3.83%)		
Cummins, Inc.	5,950	780,580
Graco, Inc.	11,550	820,397
Middleby Corp. ^(b)	23,169	2,600,257
Rexnord Corp. ^(b)	9,311	222,626
Wabtec Corp.	9,800	923,552
		5,347,412
Professional Services (2.98%)		
IHS, Inc., Class A ^(b)	10,054	1,293,246
Paylocity Holding Corp. ^(b)	31,519	1,129,956
Stantec, Inc.	3,217	94,033
TriNet Group, Inc. ^(b)	12,647	320,601
Verisk Analytics, Inc. ^(b)	10,045	730,874
WageWorks, Inc. ^(b)	14,468	585,231
		4,153,941

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Schedule of Investments Liberty All-Star® Growth Fund
June 30, 2015 (Unaudited)

	SHARES	MARKET VALUE
COMMON STOCKS (continued)		
Road & Rail (0.97%)		
Kansas City Southern	7,350	\$670,320
Landstar System, Inc.	10,286	687,825
		1,358,145
Trading Companies & Distribution (0.49%)		
H&E Equipment Services, Inc.	34,333	685,630
INFORMATION TECHNOLOGY (20.08%)		
Communications Equipment (0.64%)		
QUALCOMM, Inc.	14,410	902,498
Electronic Equipment & Instruments (0.52%)		
IPG Photonics Corp. ^(b)	8,513	725,095
Internet Software & Services (5.97%)		
Cornerstone OnDemand, Inc. ^(b)	34,450	1,198,860
Google, Inc., Class C ^(b)	3,678	1,914,436
LinkedIn Corp., Class A ^(b)	9,390	1,940,256
SPS Commerce, Inc. ^(b)	22,064	1,451,811
Textura Corp. ^{(a)(b)}	7,890	219,578
Twitter, Inc. ^(b)	44,400	1,608,168
		8,333,109
IT Services (2.27%)		
Automatic Data Processing, Inc.	20,305	1,629,070
EPAM Systems, Inc. ^(b)	20,015	1,425,669
VeriFone Systems, Inc. ^(b)	3,546	120,422
		3,175,161
Semiconductors & Semiconductor Equipment (0.77%)		
ARM Holdings PLC ^(c)	8,817	434,414
NVIDIA Corp.	31,700	637,487
		1,071,901
Software (9.29%)		
ANSYS, Inc. ^(b)	10,150	926,086
FireEye, Inc. ^(b)	22,150	1,083,356
Fleetmatics Group PLC ^(b)	26,945	1,261,834
Globant S.A. ^(b)	2,511	76,410
Mobileye N.V. ^(b)	13,306	707,480
RealPage, Inc. ^(b)	29,865	569,526
Red Hat, Inc. ^(b)	16,675	1,266,133
Salesforce.com, Inc. ^(b)	14,292	995,152
SAP SE ^{(a)(c)}	23,075	1,620,557
ServiceNow, Inc. ^(b)	11,550	858,280
Solera Holdings, Inc.	13,573	604,813
Splunk, Inc. ^(b)	12,717	885,358

See Notes to Schedule of Investments and Financial Statements.

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Liberty All-Star® Growth Fund Schedule of Investments
June 30, 2015 (Unaudited)

	SHARES	MARKET VALUE		PAR VALUE/ SHARES
COMMON STOCKS (continued)				
Software (continued)				
The Ultimate Software Group, Inc. ^(b)	6,427	\$1,056,213		
Varonis Systems, Inc. ^{(a)(b)}	5,918	130,729		
Workday, Inc., Class A ^(b)	12,100	924,319		
		12,966,246		
Technology Hardware Storage & Equipment (0.62%)				
Stratasys Ltd. ^{(a)(b)}	24,800	866,264		
MATERIALS (2.33%)				
Chemicals (2.33%)				
Ecolab, Inc.	17,348	1,961,538		
Monsanto Co.	12,090	1,288,673		
		3,250,211		
TELECOMMUNICATION SERVICES (0.71%)				
Diversified Telecommunication (0.71%)				
inContact, Inc. ^(b)	100,372	990,672		
TOTAL COMMON STOCKS				
(COST OF \$102,636,509)		136,339,776		
SHORT TERM INVESTMENTS (5.03%)				
REPURCHASE AGREEMENT (2.12%)				
Repurchase agreement with State Street Bank & Trust Co., dated 6/30/15, due 07/01/15 at 0.01%, collateralized by Federal Home Loan Mortgage Corp., 3.00%, 03/15/43, market value of \$3,022,682 and par value of \$4,075,000. (Repurchase proceeds of \$2,957,001). (COST OF \$2,957,000)			\$2,957,000	\$2,957,000
INVESTMENTS PURCHASED WITH COLLATERAL FROM SECURITIES LOANED (2.91%)				
State Street Navigator Securities Lending Prime Portfolio, 0.19% (COST OF \$4,067,786)			4,067,786	4,067,786
TOTAL SHORT TERM INVESTMENTS				
(COST OF \$7,024,786)				7,024,786

See Notes to Schedule of Investments and Financial Statements.
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Schedule of Investments Liberty All-Star® Growth Fund
June 30, 2015 (Unaudited)

	MARKET VALUE
TOTAL INVESTMENTS (102.68%) (COST OF \$109,661,295) ^(d)	143,364,562
LIABILITIES IN EXCESS OF OTHER ASSETS (-2.68%)	(3,742,982)
NET ASSETS (100.00%)	\$ 139,621,580
NET ASSET VALUE PER SHARE (24,566,068 SHARES OUTSTANDING)	\$5.68

Notes to Schedule of Investments:

- (a) Security, or a portion of the security position, is currently on loan.
- (b) Non-income producing security.
- (c) American Depositary Receipt.
- (d) Cost of investments for federal income tax purposes is \$110,541,815.

Gross unrealized appreciation and depreciation at 6/30/2015 based on cost of investments for federal income tax purposes is as follows:

Gross unrealized appreciation	\$ 36,458,836
Gross unrealized depreciation	(3,636,089)
Net unrealized appreciation	\$ 32,822,747

See Notes to Schedule of Investments and Financial Statements.

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Liberty All-Star® Growth Fund Statement of Assets and Liabilities
June 30, 2015 (Unaudited)

ASSETS:

Investments at market value (Cost \$109,661,295)	\$143,364,562
Cash	1,033
Receivable for investment securities sold	638,655
Dividends and interest receivable	69,750
Prepaid and other assets	16,650
TOTAL ASSETS	144,090,650

LIABILITIES:

Payable for investments purchased	205,984
Investment advisory fee payable	92,694
Payable for administration, pricing and bookkeeping fees	30,641
Payable for collateral upon return of securities loaned	4,067,786
Accrued expenses	71,965
TOTAL LIABILITIES	4,469,070
NET ASSETS	\$139,621,580

NET ASSETS REPRESENTED BY:

Paid-in capital	\$89,093,978
Distributions in excess of net investment income	(5,169,020)
Accumulated net realized gain on investments	21,993,355
Net unrealized appreciation on investments	33,703,267
NET ASSETS	\$139,621,580

Shares of common stock outstanding (authorized 60,000,000 shares at \$0.10 Par)	24,566,068
NET ASSET VALUE PER SHARE	\$5.68

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Statement of Operations
For the Six Months Ended June 30, 2015 (Unaudited)

Liberty All-Star® Growth Fund

INVESTMENT INCOME:

Dividends (Net of foreign taxes withheld at source which amounted to \$18,237)	\$ 540,622
Securities lending income	58,122
Interest	196
TOTAL INVESTMENT INCOME	598,940

EXPENSES:

Investment advisory fee	556,370
Administration fee	139,092
Pricing and bookkeeping fees	38,068
Audit fee	13,831
Custodian fee	20,359
Directors' fees and expenses	34,322
Insurance expense	3,427
Legal fees	22,507
NYSE fee	11,790
Shareholder communication expenses	21,072
Transfer agent fees	29,937
Miscellaneous expenses	12,918
TOTAL EXPENSES	903,693
NET INVESTMENT LOSS	(304,753)

REALIZED AND UNREALIZED GAIN/(LOSS) ON INVESTMENTS:

Net realized gain on investments	6,979,484
Net change in unrealized depreciation on investments	(1,713,232)
NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS	5,266,252
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$4,961,499

See Notes to Financial Statements.

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Liberty All-Star® Growth Fund Statements of Changes in Net Assets

	For the Six Months Ended June 30, 2015 (Unaudited)	For the Year Ended December 31, 2014
FROM OPERATIONS:		
Net investment loss	\$(304,753)	\$(1,037,959)
Net realized gain on investments	6,979,484	17,438,460
Net change in unrealized depreciation on investments	(1,713,232)	(13,533,130)
Net Increase in Net Assets From Operations	4,961,499	2,867,371
DISTRIBUTIONS TO SHAREHOLDERS:		
From net investment income	(4,864,267)	–
From net realized gains on investments	–	(7,883,436)
Total Distributions	(4,864,267)	(7,883,436)
CAPITAL SHARE TRANSACTIONS:		
Dividend reinvestments	1,798,567	2,830,581
Net Increase/(Decrease) in Net Assets	1,895,799	(2,185,484)
NET ASSETS:		
Beginning of period	137,725,781	139,911,265
End of period (Includes distributions in excess of net investment income of \$(5,169,020) and \$0, respectively)	\$ 139,621,580	\$ 137,725,781