

LIBERTY ALL STAR EQUITY FUND  
Form DEF 14A  
February 27, 2009

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

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

LIBERTY ALL-STAR EQUITY FUND  
(Name of Registrant as Specified In Its Charter)

ALPS FUND SERVICES, INC.

Attn: Tane Tyler

1290 Broadway, Suite 1100

Denver, Colorado 80203

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:
  - (2) Aggregate number of securities to which transaction applies:
  - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
  - (4) Proposed maximum aggregate value of transaction:
  - (5) Total fee paid:
- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
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  - (2) Form, Schedule or Registration Statement No.:

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(3) Filing Party:

(4) Date Filed:

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**LIBERTY ALL-STAR EQUITY FUND ( Equity Fund )**

**LIBERTY ALL-STAR GROWTH FUND, INC. ( Growth Fund )**

**(collectively, the Funds )**

**1290 Broadway, Suite 1100**

**Denver, Colorado 80203**

**(303) 623-2577**

**NOTICE OF ANNUAL MEETINGS OF SHAREHOLDERS**

**April 23, 2009**

To the Shareholders of the Funds:

NOTICE IS HEREBY GIVEN that the 2009 Annual Meetings of Shareholders of the Funds will be held at **99 High Street, Suite 303, Boston, Massachusetts**, on April 23, 2009 at 9:00 a.m. Boston time (Equity Fund) and 10:00 a.m. Boston time (Growth Fund). The purpose of the 2009 Annual Meetings is to consider and act upon the following matters:

1. To elect two Trustees of the Equity Fund;
2. To elect three Directors of the Growth Fund;
3. To transact such other business as may properly come before the 2009 Annual Meetings or any adjournments thereof.

The Boards of Trustees/Directors have fixed the close of business on February 13, 2009 as the record date for the determination of the shareholders of the Funds entitled to notice of, and to vote at, the 2009 Annual Meetings and any adjournments thereof.

**YOUR BOARD OF TRUSTEES/DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE PROPOSAL(S).**

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By order of the Board of Trustees of the Equity Fund and the Board of Directors of the Growth Fund

William R. Parmentier, Jr.

President of the Funds

**YOUR VOTE IS IMPORTANT - PLEASE SIGN, DATE AND RETURN YOUR PROXY PROMPTLY.**

**You are cordially invited to attend the 2009 Annual Meetings. We urge you, whether or not you expect to attend the 2009 Annual Meetings in person, please either vote over the internet or complete, sign and date the proxy card, and return it in the envelope provided, which needs no postage if mailed in the United States. We ask your cooperation in mailing your proxy promptly.**

**February 27, 2009**

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**LIBERTY ALL-STAR EQUITY FUND ( Equity Fund )**

**LIBERTY ALL-STAR GROWTH FUND, INC. ( Growth Fund )**

**(collectively, the Funds )**

**PROXY STATEMENT  
ANNUAL MEETINGS OF SHAREHOLDERS**

**APRIL 23, 2009**

This Proxy Statement is furnished in connection with the solicitation of proxies on behalf of the Boards of Trustees/Directors of the Funds (the Boards ) to be used at the Annual Meetings of Shareholders of the Funds to be held at **99 High Street, Suite 303, Boston, Massachusetts**, at 9:00 a.m. Boston time (Equity Fund) and 10:00 a.m. Boston time (Growth Fund) and at any adjournments thereof (such meetings and any adjournments being referred to as the Meeting ).

The solicitation of proxies for use at the Meeting is being made by the Funds by the mailing on or about February 27, 2009 of the Notice of Annual Meetings of Shareholders. The Proxy Statement and the accompanying proxy card are available on the internet or via paper by calling the number on your notice. Supplementary solicitations may be made by mail, telephone or personal interview by officers and Trustees/Directors of the Funds and officers, employees and agents of the Funds' investment advisor, ALPS Advisors, Inc. ( AAI or the Fund Manager ), and/or its affiliates. Authorization to execute proxies may be obtained from shareholders through instructions transmitted by telephone, facsimile or other electronic means. The expenses in connection with preparing this Proxy Statement and of the solicitation of proxies for the Meeting will be paid by the Funds. The Funds will reimburse brokerage firms and others for their expenses in forwarding solicitation material to the beneficial owners of shares.

The Meeting is being held to vote on the matters described below:

**PROPOSALS 1 and 2. ELECTION OF TRUSTEES AND DIRECTORS**

**Introduction**

The Boards that oversee each Fund provide broad supervision over the affairs of each Fund. AAI is responsible for the investment management of each Fund's assets and AAI's affiliate, ALPS Fund Services, Inc. ( AFS ), provides a variety of administrative services to each Fund. The officers of each Fund are responsible for its operations.

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Each Fund's Board of Trustees/Directors is divided into three classes, each of which serves for three years. The term of office of one of the classes expires at the final adjournment of the Annual Meeting of Shareholders (or special meeting in lieu thereof) each year or such later date as his successor shall have been elected and shall have qualified.

Shares of the Funds represented by duly executed proxies will be voted as instructed on the proxy. If no instructions are given when the enclosed proxy is executed and returned, the enclosed proxy will be voted for the election of the following persons to hold office until final adjournment of the Annual Meeting of Shareholders of the applicable Fund for the year set forth below (or special meeting in lieu thereof):

**Equity Fund**

Nominee	Title	Tenure
John A. Benning	Trustee since 2002	End of Tenure 2012
Edmund J. Burke	Trustee since 2006	End of Tenure 2012

**Growth Fund**

Nominee	Title	Tenure
Thomas W. Brock	Director since 2005	End of Tenure 2012
John J. Neuhauser	Director since 1998	End of Tenure 2012
Edmund J. Burke	Director since 2006	End of Tenure 2012

If elected, each of the above-named Trustees and Directors has consented to serve as Trustee or Director following the Meeting and each is expected to be able to do so. If any of them are unable or unwilling to do so at the time of the Meeting, proxies will be voted for such substitute as the applicable Board may recommend (unless authority to vote for the election of Trustees or Directors, as the case may be, has been withheld).

**Trustees/Directors and Officers**

The table below sets forth the names, addresses and ages of the Trustees/Directors and principal officers of the Funds, the year each was first elected or appointed to office, their term of office (which will end on the final adjournment of the annual meeting (or special meeting in lieu thereof) held in the year set forth in the table), their principal business occupations during at least the last five years, the number of portfolios overseen by each Trustee/Director in the Fund Complex and their other directorships of public companies.

NAME (AGE) AND ADDRESS*	POSITION WITH EQUITY FUND, TERM OF OFFICE AND LENGTH OF SERVICE	POSITION WITH GROWTH FUND, TERM OF OFFICE AND LENGTH OF SERVICE	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS	NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY TRUSTEE/ DIRECTOR**	OTHER DIRECTORSHIPS HELD
<b>Disinterested Directors/Trustees</b>					
John A. Benning (Age 74)	Trustee Since 2002, Term expires 2009	Director Since 2002; Term expires 2011	Retired since December, 1999; Senior Vice President, General Counsel and Secretary, Liberty	2	None

Financial  
Companies Inc.  
(July, 1985 to  
December, 1999);



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Thomas W. Brock (Age 61)	Trustee Since 2005, Term expires 2011	Director Since 2005; Term Expires 2009	Chief Executive Officer, Stone Harbor Investment Partners LP (since April 2006); Adjunct Professor, Columbia University Graduate School of Business (since 1998)	2	Director, Columbia Management Multi-Strategy Fund LLC; Previously, Manager, BACAP Alternative Multi-Strategy Fund LLC
George R. Gaspari (Age 68)	Trustee Since 2006, Term Expires 2011	Director Since 2006, Term Expires 2010	Financial Services Consultant (since 1996)	2	Trustee and Chairman, The Select Sector SPDR Trust (since 1999)
Richard W. Lowry (Age 72)	Trustee Since 1986 Term expires 2010 Chairman since 2004	Director Since 1994; Term Expires 2010 Chairman since 2004	Private Investor since August 1987	2	Trustee, Columbia Fund Complex through April 30, 2008
John J. Neuhauser (Age 65)	Trustee Since 1998, Term Expires 2010	Director Since 1998; Term Expires 2009	President, St. Michael's College (since August, 2007); University Professor December 2005-2007, Boston College (formerly Academic Vice President and Dean of Faculties, from August 1999 to December 2005, Boston College)	2	Trustee, Columbia Fund Complex (81 portfolios)
Richard C. Rantow (Age 70)	Trustee Since 2006, Term expires 2010	Director Since 2006, Term expires 2011	Chairman of the Board of First Funds (from 1992 to July 2006)	2	Trustee, Clough Global Allocation Fund (since 2004), Clough Global Equity Fund (since 2005) and Clough Global Opportunities Fund (since 2006)

**Interested  
Director/Trustee**

Edmund J. Burke (Age 46)***	Trustee Since 2006, Term expires 2009	Director Since 2006, Term expires 2009	CEO and a Director of: ALPS Holdings, Inc. (since 2005);	2	President, Financial Investors Trust (since 2001); President,
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Director of ALPS  
Advisers (since  
2001), and ALPS  
Distributors, Inc.  
(since 2000) and  
ALPS Fund  
Services, Inc.,  
(since 2000);  
President and a  
Director of ALPS  
Financial  
Services, Inc.  
(1991-2005)

Reaves Utility  
Income Fund  
(since 2004);  
President,  
Financial  
Investors  
Variable  
Insurance Trust;  
Trustee and  
President,  
Clough Global  
Allocation Fund  
(Trustee since  
2006, President

since 2004);  
Trustee and  
President,  
Clough Global  
Equity Fund  
(Trustee since  
2006, President  
since 2005);  
Trustee and  
President Clough  
Global  
Opportunities  
Fund (since  
2006)

\*The address for all Trustees/Directors is: c/o ALPS Advisors, Inc., 1290 Broadway, Suite 1100; Denver, CO 80203

\*\*As of December 31, 2008, the Fund Complex of ALPS Advisors, Inc., consisted of ten funds.

\*\*\*Mr. Burke is an interested person of the Fund, as defined in the Investment Company Act, because he is an officer of AFS and Director of AAI.

All the Trustees/Directors are members of each Fund's Audit Committee except for Mr. Burke.

Ages are shown as of February 15, 2009.

### Principal Officers

Each person listed below serves as an officer of the Funds. The Board elects the Funds' officers each year. Each Fund officer holds office until his or her successor is duly elected by the Board and qualified, or his or her removal, resignation or death. Each Fund officer serves at the pleasure of the Board. The following table provides basic information about the officers of the Funds as of the date of this Proxy Statement, including their principal occupations during the past five years, although their specific titles may have varied over that period.

Name (Age) and Address*	Position with Funds	Year First Elected or Appointed to Office	Principal Occupation(s) During Past Five Years
William R. Parmentier, Jr. (Age 56)	President	1999	Chief Investment Officer, ALPS Advisors, Inc. (since 2006); President of the Liberty All-Star Funds (since April 1999); Senior Vice President, Banc of America Investment Advisors, Inc. (2005-2006).
Edmund J. Burke (Age 47)	Vice President	2006	CEO and a Director of ALPS Holdings, Inc. (since 2005), Director of ALPS Advisors (since 2001), President and a Director of ALPS Financial Services, Inc. (1991-2005). See above for other Directorships held.

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<p>Mark T. Haley, CFA (Age 44)</p>	<p>Senior Vice President</p>	<p>1999</p>	<p>Senior Vice President of the Liberty All-Star Funds (since January 1999); Vice President, ALPS Advisors, Inc. (since 2006). Vice President, Banc of America Investment Advisors (1999-2006).</p>
<p>Jeremy O. May (Age 38)</p>	<p>Treasurer</p>	<p>2006</p>	<p>Mr. May is President of AFS. Mr. May joined AFS in 1995. Because of his position with AFS, Mr. May is deemed an affiliate of the Fund as defined under the 1940 Act. Mr. May is currently the Treasurer of Reaves Utility Income Fund, Clough Global Equity Fund, Clough Global Allocation Fund, Clough Global Opportunities Fund, Financial Investors Trust, and Financial Investors Variable Insurance Trust. Mr. May is also on the Board of Directors and is Chairman of the Audit Committee of the University of Colorado Foundation.</p>

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<p>Kimberly R. Storms (Age 36)</p>	<p>Assistant Treasurer</p>	<p>2006</p>	<p>Ms. Storms is Director of Fund Administration and Vice President of AFS. Ms. Storms joined AFS in 1998. Because of her position with AFS, Ms. Storms is deemed an affiliate of the Fund as defined under the 1940 Act. Ms. Storms is Assistant Treasurer for Financial Investors Trust and Assistant Secretary of Ameristock Mutual Fund, Inc.; she is Treasurer of ALPS ETF Trust and ALPS Variable Insurance Trust. Ms. Storms was previously Assistant Treasurer of the Clough Global Equity Fund, Clough Global Allocation Fund, Clough Global Opportunities Fund, and Reaves Utility Income Fund.</p>
<p>Phil Perrone (Age 50)</p>	<p>Chief Compliance Officer</p>	<p>2007</p>	<p>Mr. Perrone is Deputy Compliance Officer (CCO) with AFS since April 2007. Prior to joining AFS, Mr. Perrone was a Vice President and CCO for Dividend Capital Realty Income Fund and Dividend Capital Investments, LLC from January 2004 though March 2007. Prior to that, Mr. Perrone was a Compliance Manger with Oppenheimer Funds, Inc., from 1998-2004. Mr. Perrone serves as CCO for TDx Independence Funds, since 2007; Realty Funds, since 2007; and WisdomTree Trust, since 2008.</p>
<p>Stephanie A. Barres (Age 42)</p>	<p>Secretary</p>	<p>2008</p>	<p>Senior Paralegal, ALPS Fund Services, Inc. since 2005. Previously Director Broker-Dealer Compliance, INVESCO Funds Group, Inc., 1997-2004.</p>

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\*The address of each officer is: c/o ALPS Advisors, Inc., 1290 Broadway, Suite 1100; Denver, CO 80203

During 2008, the Board of Trustees/Directors of the Funds held four meetings, and the Audit Committee held four meetings. Each of these Board and Committee meetings was held jointly. All sitting Trustees/Directors were present at all meetings except for Mr. Benning who was unavoidably absent from the June 11, 2008 meeting. The Funds do not have a formal policy on Trustee/Director attendance at annual meetings of shareholders. None of the Trustees/Directors attended the Funds' 2008 annual shareholder meetings.

Shareholders may communicate with the Trustees/Directors as a group or individually. Any such communications should be sent to a Fund's Board or an individual Trustee/Director in writing, c/o the Secretary of the Liberty All-Star Funds, 1290 Broadway, Suite 1100, Denver, CO

80203. The Secretary may determine not to forward any letter to the Board or a Trustee/Director that does not relate to the business of a Fund.

**Audit Committee**

Messrs. Benning, Brock, Gaspari, Lowry, Neuhauser and Rantzow (Committee Chairman) are members of the Audit Committee of each Fund. Each Fund's Audit Committee is comprised only of members who are Independent Trustees/Directors (as defined in the New York Stock Exchange (NYSE) Listing Standards for trustees/directors of closed-end investment companies) of the Funds and who are also not interested persons (as defined in the Investment Company Act) of the Fund. Each Board of Trustees/Directors has determined, in accordance with NYSE Listing Standards, that each member of the Audit Committees is financially literate and that one of its members has prior accounting experience or related financial management expertise.

Each Audit Committee has adopted a written Audit Committee charter that sets forth the Audit Committee's

structure, duties and powers, and methods of operation. A copy of the Audit Committee Charter is available on the Funds' website at [www.all-starfunds.com](http://www.all-starfunds.com). The principal functions of each Audit Committee are to assist Board oversight of: (1) the integrity of the Fund's financial statements, (2) the Fund's compliance with legal and regulatory requirements, (3) the qualifications and independence of the independent registered public accounting firm (also referred to herein as the independent accountants), (4) the performance of AAI's internal audit function, and (5) the performance of the independent accountants. Each Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the work of the independent accountants (including the resolution of disagreements between management and the independent accountants regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other review or attest services for the Fund.

### **Audit Committee Report**

The Audit Committee of each Fund has submitted the following report:

At a meeting of the Audit Committees on February 19, 2009, the Audit Committees: (i) reviewed and discussed with management the Funds' audited financial statements for the most recently completed fiscal year; (ii) discussed with Deloitte & Touche ( "D&T" ) the Funds' independent registered public accountants, the matters required to be discussed by Statement on Auditing Standards No. 61; and (iii) obtained from D&T a formal written statement consistent with Independence Standards Board Standard No. 1, "Independence Discussions with Audit Committees," describing all relationships between D&T and the Funds that might bear on D&T's independence and discussed with D&T any relationships that may impact D&T's objectivity and independence and satisfied itself as to D&T's independence. Based on its review and discussion, the Audit Committees recommended to the Boards of Trustees/Directors that the audited financial statements for each Fund be included in that Fund's Annual Report to shareholders.

John A. Benning  
Thomas W. Brock  
George R. Gaspari

Richard W. Lowry  
John J. Neuhauser  
Richard C. Rantzow

### **Nomination Information**

Neither Fund has a nominating or compensation committee. The Fund Boards do not believe that a nominating committee is necessary because there has been minimal turnover in the Trustees/Directors serving on the Board of each Fund.

When necessary or appropriate, the Disinterested Trustees/Directors of each Fund serve as an *ad hoc* committee for the consideration of Trustee/Director nominations. No *ad hoc* nominating committee of either Fund has adopted a charter. Disinterested Trustees/Directors are nominated only by an *ad hoc* nominating committee. Each Fund's Disinterested Trustees/Directors are independent under NYSE Listing Standards, and are not interested persons of the Fund under the Investment Company Act.

The Disinterested Trustees/Directors consider prospective Trustee/Director candidates from any reasonable source, including current Disinterested Trustees/Directors, Fund management, Fund shareholders and other persons or entities. Although the Funds do not have a formal

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policy, shareholders of a Fund who wish to nominate a candidate to be considered by a Fund's Board or an *ad hoc* nominating committee of the Board may send information regarding prospective candidates to the Fund's Secretary at 1290 Broadway, Suite 1100, Denver, CO 80203. The information should include evidence of the shareholder's Fund ownership, a full listing of the proposed candidate's education, experience, current employment, date of birth, names and addresses of at least three professional references, information as to whether the candidate is not an interested person under the Investment Company Act and independent under NYSE Listing Standards in relation to the Fund, and such other information as may be helpful to the Disinterested Trustees/Directors in evaluating the candidate. All satisfactorily completed information packages regarding a candidate will be forwarded to a Disinterested Trustee/Director for consideration. Recommendations for candidates will be evaluated in light of whether the number of Trustees/Directors of a Fund is expected to be increased and in light of anticipated vacancies. All nominations from Fund shareholders will be acknowledged. During periods when the Disinterested Trustees/Directors are not recruiting new Board members, nominations will be maintained on file pending the active recruitment of Trustees/Directors.



The Disinterested Trustees/Directors have no formal list of qualifications for Trustee/Director nominees. When considering prospective nominees, the Disinterested Trustees/Directors may consider, among other things, whether prospective nominees have distinguished records in their primary careers, unimpeachable integrity, and substantive knowledge in areas important to the Board's operations, such as background or education in finance, auditing, securities law, the workings of the securities markets, or investment advice. For candidates to serve as Disinterested Trustees/Directors, independence from the Funds' investment advisor, its affiliates and other principal service providers is critical, as is an independent and questioning mind-set. In each case, the Disinterested Trustees/Directors will evaluate whether a candidate is an interested person under the Investment Company Act and independent under NYSE Listing Standards. The Disinterested Trustees/Directors also consider whether a prospective candidate's workload should allow him or her to attend the vast majority of Board meetings, be available for service on Board committees, and devote the additional time and effort necessary to stay apprised of Board matters and the rapidly changing regulatory environment in which the Funds operate. Different substantive areas may assume greater or lesser significance at particular times, in light of a Board's present composition and its perceptions about future issues and needs.

The Disinterested Trustees/Directors initially evaluate prospective candidates on the basis of their resumes, considered in light of the criteria discussed above. Those prospective candidates that appear likely to be able to fill a significant need of the Boards would be contacted by a Disinterested Trustee/Director by telephone to discuss the position; if there appeared to be sufficient interest, an in-person meeting with one or more Disinterested Trustees/Directors would be arranged. If the Disinterested Trustees/Directors, based on the results of these contacts, believed it had identified a viable candidate, it would air the matter with the full group of Disinterested Trustees/Directors for input. Any request by Fund management to meet with the prospective candidate would be given appropriate consideration. The Funds have not paid a fee to third parties to assist in finding nominees.

## Compensation

The following table shows, for the year ended December 31, 2008, the compensation received from each Fund by the Trustees/Directors, and the aggregate compensation paid to the Trustees/Directors for service on the Boards of funds within the Fund Complex. Neither Fund has a bonus, profit sharing or retirement plan.

	Aggregate Compensation from the Equity Fund	Aggregate Compensation from the Growth Fund	Total Compensation from the Fund Complex(1)
<i>Disinterested Trustees/Directors</i>			
John A. Benning	\$ 24,008.73	\$ 7,491.27	\$ 31,500.00
Thomas W. Brock	\$ 27,432.83	\$ 8,567.17	\$ 36,000.00
George R. Gaspari	\$ 27,389.80	\$ 8,610.20	\$ 36,000.00
Richard W. Lowry	\$ 38,863.41	\$ 12,136.59	\$ 51,000.00
John J. Neuhauser	\$ 27,432.83	\$ 8,567.17	\$ 36,000.00
Richard C. Rantow*	\$ 46,704.37	\$ 14,795.63	\$ 61,500.00
<i>Interested Trustee/Director</i>			
Edmund J. Burke	\$ 0	\$ 0	\$ 0

\*A portion of Mr. Rantow's fees from 2007 were deferred to 2008.

(1) As of December 18, 2006, the Funds became part of the ALPS Advisors, Inc., fund complex (ALPS Complex). The ALPS Complex consists of ten investment companies.



**Share Ownership**

The following table shows the dollar range of equity securities beneficially owned by each Trustee/Director as of December 31, 2008 (i) in each of the Funds, and (ii) in all funds overseen by the Trustee/Director in the Fund Complex.

Name of Trustee/Director	Dollar Range of Equity Securities Owned in the Equity Fund	Dollar Range of Equity Securities Owned in the Growth Fund	Aggregate Dollar Range of Equity Securities Owned in All Funds Overseen by Trustee/Director in Family of Investment Companies*
<i>Disinterested Trustees/Directors</i>			
John A. Benning	\$50,001 - \$100,000	\$10,001 - \$50,000	\$50,001 - \$100,000
Thomas W. Brock	\$50,001 - \$100,000	\$50,001 - \$100,000	Over \$100,000
George R. Gaspari	None	None	None
Richard W. Lowry	Over \$100,000	\$1 - \$10,000	Over \$100,000
John J. Neuhauser	\$1 - \$10,000	\$1 - \$10,000	\$10,001 - \$50,000
Richard C. Rantzow	\$1 - \$10,000	\$1 - \$10,000	\$10,001 - \$50,000
<i>Interested Trustee/Director</i>			
Edmund J. Burke	None	None	None

\*The Funds Family of Investment Companies is comprised of the Equity Fund and the Growth Fund.

During the past five calendar years, Mr. Lowry has had an interest in a trust (approximately \$3,006,000 as of December 31, 2008) which owns units of a limited partnership whose investments are managed by M.A. Weatherbie & Co., Inc., a portfolio manager of the Growth Fund, and whose general partner is Weatherbie Limited Partnership. Mr. Benning also has had an interest in that trust (approximately \$915,602 as of December 31, 2008). Messrs. Lowry and Benning also have an interest (\$1,270,000 and \$157,204, respectively) in Cheetah Investment Partnership, LP, managed by Arnold Schneider, President and Chief Investment Officer of Schneider Capital Management Corp, portfolio manager to the Equity Fund.

**THE BOARDS RECOMMEND THAT SHAREHOLDERS OF EACH FUND VOTE FOR PROPOSAL 1 and 2.**

**OTHER BUSINESS**

The Boards of Trustees/Directors know of no other business to be brought before the Meetings. However, if any other matters properly come before the Meetings, it is the intention of the Boards that proxies that do not contain specific instructions to the contrary will be voted on such matters in accordance with the judgment of the persons designated therein as proxies.

**MANAGEMENT**

ALPS Advisors, Inc. (AAI), 1290 Broadway, Suite 1100, Denver, CO 80203, is the Funds' investment advisor. Pursuant to its Fund Management Agreements with the Funds, AAI implements and operates the Funds' multi-manager methodology and has overall supervisory responsibility for the general management and investment of the Funds' assets, subject to the Funds' investment objectives and policies and any directions of the Trustees/Directors. AAI recommends to the Boards the investment management firms (currently five for the Equity Fund and currently three for the Growth Fund) for appointment as Portfolio Managers of the Funds. ALPS Fund Services, Inc. (AFS), 1290 Broadway, Suite 1100, Denver, Colorado, 80203, an affiliate of AAI, provides administrative services to the Funds under an Administration, Bookkeeping and Pricing Services Agreement with each Fund.

The names and addresses of the Funds' current Portfolio Managers are as follows:

***Equity Fund***

Chase Investment Counsel Corporation

300 Preston Avenue, Suite 403

Charlottesville, VA 22902-5091

Matrix Asset Advisors, Inc.

747 Third Avenue

New York, NY 10017

Pzena Investment Management, LLC

120 West 45th Street

New York, NY 10036

Schneider Capital Management Corporation

460 East Swedesford Road

Wayne, PA 19087

TCW Investment Management Company

865 South Figueroa Street

Los Angeles, CA 90017

***Growth Fund***

Chase Investment Counsel Corporation

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300 Preston Avenue, Suite 403

Charlottesville, VA 22902-5091

M.A. Weatherbie & Co., Inc.

265 Franklin Street

Boston, MA 02110

TCW Investment Management Company

865 South Figueroa Street

Los Angeles, CA 90017

### **Portfolio Transactions and Brokerage**

Each of the Funds' Portfolio Managers has discretion to select brokers and dealers to execute portfolio transactions initiated by that Portfolio Manager for the portion of a Fund's portfolio assets allocated to it, and to select the markets in which such transactions are to be executed. The portfolio management agreements with the Funds provide, in substance, that in executing portfolio transactions and selecting brokers or dealers, the primary responsibility of the Portfolio Manager is to seek to obtain best net price and execution for the Funds.

The Portfolio Managers are authorized to cause the Funds to pay a commission to a broker or dealer who provides research products and services to the Portfolio Manager for executing a portfolio transaction which is in excess of the amount of commission another broker or dealer would have charged for effecting the same transaction. The Portfolio Managers must determine in good faith, however, that such commission was reasonable in relation to the value of the research products and services provided to them, viewed in terms of that particular transaction or in terms of all the client accounts (including the Fund) over which the Portfolio Manager exercises investment discretion. It is possible that certain of the services received by a Portfolio Manager attributable to a particular transaction will primarily benefit one or more other accounts for which investment discretion is exercised by the Portfolio Manager.

In addition, under their portfolio management agreements with the Funds and AAI the Portfolio Managers, in

selecting brokers or dealers to execute portfolio transactions for the Funds, are authorized to consider (and AAI may request them to consider) brokers or dealers that provide to AAI, directly or through third parties, research products or services such as research reports; portfolio analyses; compilations of securities prices, earnings, dividends and other data; computer software, and services of one or more consultants. The commissions paid on such transactions may exceed the amount of commission another broker would have charged for effecting that transaction. Research products and services made available to AAI include performance and other qualitative and quantitative data relating to investment managers in general and the Portfolio Managers in particular; data relating to the historic performance of categories of securities associated with particular investment styles; mutual fund portfolio and performance data; data relating to portfolio manager changes by pension plan fiduciaries; and related computer software, all of which are used by AAI in connection with its selection and monitoring of Portfolio Managers, the assembly of an appropriate mix of investment styles, and the determination of overall portfolio strategies.

AAI from time to time reaches understandings with each of the Funds' Portfolio Managers as to the amounts of the Funds' portfolio transactions initiated by such Portfolio Manager that are to be directed to brokers and dealers which provide or make available research products and services to AAI and the commissions to be charged to the Funds in connection therewith. These amounts may differ among the Portfolio Managers based on the nature of the market for the types of securities managed by them and other factors.

Although the Funds do not permit a Portfolio Manager to act or to have a broker-dealer affiliate act as broker for Fund portfolio transactions initiated by it, the Portfolio Managers are permitted to place Fund portfolio transactions initiated by them with another Portfolio Manager or its broker-dealer affiliate for execution on an agency basis, provided that the commission does not exceed the usual and customary broker's commission being paid to other brokers for comparable transactions and is otherwise in accordance with the Funds' procedures adopted pursuant to Rule 17e-1 under the Investment Company Act.

For the fiscal year ended December 31, 2008, the Funds did not pay commissions to any affiliated broker.

On February 15, 2000, the Securities and Exchange Commission (the "SEC") issued the Funds exemptive relief from Sections 10(f), 17(a) and 17(e) and Rule 17e-1 under the Investment Company Act to permit (1) broker-dealers which are, or are affiliated with, Portfolio Managers of the Funds to engage in principal transactions with, and provide brokerage services to, portion(s) of the Funds advised by another Portfolio Manager, and (2) the Funds to purchase securities either directly from a principal underwriter which is an affiliate of a Portfolio Manager or from an underwriting syndicate of which a principal underwriter is affiliated with a Portfolio Manager of the Funds. The Funds now rely on Rule 17a-10 under the Investment Company Act rather than this exemptive relief.

#### **INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Boards of Trustees/Directors of the Funds have selected Deloitte & Touche LLP ("D&T") as independent registered public accountants for fiscal year ended December 31, 2008.

D&T serves as the independent registered public accounting firm ("independent accountants") for each Fund and provides audit services, audit-related services, tax services and/or other services to the Funds. Representatives of D&T are not expected to be present at the Meeting but have been given the opportunity to make a statement if they so desire and will be available should any matter arise requiring their presence.

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From September, 1999 to August 6, 2007, PricewaterhouseCoopers LLP ( PwC ) served as the Funds' independent registered public accounting firm. During the two most recent fiscal years, PwC's audit reports contained no adverse opinion or disclaimer of opinion; nor were its reports qualified or modified as to uncertainty, audit scope, or accounting principles. Further, in connection with its audits for period ended August 6, 2007, there were no disagreements between the Funds' and PwC on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which, if not resolved to the satisfaction of PwC, would have caused it to make reference to the subject matter of the disagreement in its report on the financial statements for such period.



### **Pre-Approval of Audit and Non-Audit Services**

Each Fund's Audit Committee is required to pre-approve the engagement of the Fund's independent accountants to provide audit and non-audit services to the Fund and non-audit services to AAI or any entity controlling, controlled by or under common control with AAI that provides ongoing services to the Fund (AAI Affiliates), if the engagement relates directly to the operations or financial reporting of the Fund, including the fees and other compensation to be paid to the independent accountants.

The Funds' Audit Committees have adopted a Policy for Engagement of Independent Accountants for Audit and Non-Audit Services (Policy). The Policy sets forth the understanding of the Audit Committees regarding the engagement of the Fund's independent accountants to provide: (i) audit and permissible audit-related, tax and other services to the Funds; (ii) non-audit services to AAI and AAI Affiliates, if the engagement relates directly to the operations or financial reporting of a Fund; and (iii) other audit and non-audit services to AAI and AAI Affiliates. Unless a type of service receives general pre-approval under the Policy, it requires specific pre-approval by the Audit Committees if it is to be provided by the independent accountants. Pre-approval of non-audit services to the Funds, AAI or AAI Affiliates may be waived provided that the de minimis requirements set forth in the SEC's rules relating to pre-approval of non-audit services are met.

Under the Policy, the Audit Committees may delegate pre-approval authority to any pre-designated member or members who are Independent Trustees/Directors. The member(s) to whom such authority is delegated must report, for informational purposes only, any pre-approval decisions to the Audit Committee at its next regular meeting. The Audit Committee's responsibilities with respect to the pre-approval of services performed by the independent accountants may not be delegated to management.

The Policy requires the Fund Treasurer and/or Director of Board Administration to submit to the Audit Committee, on an annual basis, a schedule of the types of services that are subject to general pre-approval. The schedule(s) provide a description of each type of service that is subject to general pre-approval and, where possible, will provide estimated fee caps for each instance of providing each service. The Audit Committees will review and approve the types of services and review the projected fees for the next fiscal year and may add to, or subtract from, the list of general pre-approved services from time to time based on subsequent determinations. That approval acknowledges that each Fund's Audit Committee is in agreement with the specific types of services that the independent accountants will be permitted to perform.

### **Fees Paid to Independent Registered Public Accounting Firm**

The following table sets forth for each Fund the aggregate fees billed by PwC for the Fund's fiscal period through August 6, 2007, and by D&T from August 7, 2007 through December 31, 2007 and fiscal year ended December 31, 2008, for professional services rendered for (a) all audit and non-audit services provided directly to the Fund and (b) those non-audit services provided to AAI and AAI Affiliates that relate directly to the Fund's operations and financial reporting under the following captions:

- (i) **Audit Fees** - fees related to the audit and review of the financial statements included in annual reports and registration statements, and other services that are normally provided in connection with statutory and regulatory filings or engagements.

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(ii) Audit-Related Fees - fees related to assurance and related services that are reasonably related to the performance of the audit or review of financial statements, but not reported under Audit Fees.

(iii) Tax Fees - fees associated with tax compliance, tax advice and tax planning, including services relating to the filing or amendment of federal, state or local income tax returns, regulated investment company qualification reviews, and reviews of calculations of required distributions to avoid excise tax.

(iv) All Other Fees - fees for products and services provided to the Fund by PwC and D&T other than those reported under Audit Fees, Audit-Related Fees and Tax Fees. For each Fund's last two fiscal years, no fees were billed by PwC for January 1, 2007 through August 6, 2007 respectively and no fees were billed by D&T from August 7, 2007 through December 31, 2008 that would be disclosed under the caption All Other Fees to either Fund or to AAI or any AAI Affiliates.

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During the Funds' fiscal years ended December 31, 2007 and 2008, no services described under Audit-Related Fees, Tax Fees or All Other Fees were approved pursuant to the de minimis exception set forth in paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X. All of the Audit Fees, Audit-Related Fees and Tax Fees billed by PwC for January 1, 2007 through August 6, 2007 and by D&T from August 7, 2007 through December 31, 2008 were pre-approved by each Fund's Audit Committee.

	Fiscal Year	Audit Fees	Audit- Related Fees	Tax Fees	All Other Fees	Aggregate Non-Audit Fees (Audit Related Fees + Tax Fees)
<b>Equity Fund</b>	01/01/2007	\$ 0	\$ 0	\$ 0	\$ 0	0
	08/06/2007					
	08/07/2007	\$ 38,000	\$ 0	\$ 3,250	\$ 0	3,250
	12/31/2007					
	2008	\$ 40,000	\$ 0	\$ 3,460	\$ 0	3,460
<b>Growth Fund</b>	01/01/2007	\$ 0	\$ 0	\$ 0	\$ 0	0
	08/06/2007					
	08/07/2007	\$ 23,000	\$ 0	\$ 3,250	\$ 0	3,250
	12/31/2007					
	2008	\$ 24,000	\$ 0	\$ 3,460	\$ 0	3,460
<b>AAI &amp; AAI Affiliates (relating directly to the operating and financial reporting of the Equity Fund)</b>	01/01/2007	\$ 0	\$ 0	\$ 0	\$ 0	0
	08/06/2007					
	08/07/2007	\$ 0	\$ 0	\$ 0	\$ 0	0
	12/31/2007					
	2008	\$ 0	\$ 0	\$ 0	\$ 0	0
<b>AAI &amp; AAI Affiliates (relating directly to the operating financial reporting of the Growth Fund)</b>	01/01/2007	\$ 0	\$ 0	\$ 0	\$ 0	0
	08/06/2007					
	08/07/2007	\$ 0	\$ 0	\$ 0	\$ 0	0
	12/31/2007					
	2008	\$ 0	\$ 0	\$ 0	\$ 0	0

Each Fund's Audit Committee has determined that the provision by PwC or D&T of non-audit services to AAI and/or AAI Affiliates that were not pre-approved by the Committee (because such services did not relate directly to the operations and financial reporting of the Fund) was compatible with maintaining the independence of PwC or D&T as the Fund's independent accountants. All services provided by PwC or by D&T to a Fund for 2007 and 2008 that were required to be pre-approved by the Audit Committee were pre-approved.

**INFORMATION ABOUT THE MEETING**

Each proxy solicited by the Boards of Trustees/Directors which is properly executed and returned in time to be voted at the Meeting will be voted at the Meeting in accordance with the instructions on the proxy. If no specification is made on a proxy, it will be voted FOR the election as Trustees/Directors of the Funds of the nominees named under Proposals 1 and 2. Any proxy may be revoked at any time prior to its use by written notification received by the Funds' Secretary, by the execution and delivery of a later-dated proxy, or by attending the Meeting and voting in person.



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For each Fund, a majority of the shares outstanding on the record date and entitled to vote, present and in person or represented by proxy, constitutes a quorum for the transaction of business by the shareholders of that Fund at the Meeting.

*Required Vote.* Only shareholders of record of a Fund on February 13, 2009 may vote. The election of the Trustees of the Equity Fund is by a plurality of the shares voting at the Meeting. Since two Trustees of the Equity Fund are to be elected, the two persons who receive the highest number of votes cast at the Meeting will be elected. The election of the Directors of the Growth Fund is by a majority vote of the shares represented in person or by proxy at the Meeting and entitled to vote. Since three Directors of the Growth Fund are to be elected, the three Directors who receive a majority of the votes entitled to be cast at the Meeting will be elected.

Abstentions and broker non-votes will be counted as present for purposes of determining whether a quorum is present for Proposals 1 and 2. If a proposal must be approved by a percentage of votes cast on the proposal, which is the case for the election of Trustees of the Equity Fund, abstentions and broker non-votes will not be counted as votes cast on the proposal and will have no effect on the result of the vote. However, if a proposal must be approved by a percentage of shares present at the Meeting and entitled to be cast, which is the case for the election of Directors of the Growth Fund (Proposal 2), the effect of an abstention or broker non-vote will be the same as a vote against the proposal because an absolute percentage of affirmative votes is required, regardless of the number of votes cast, and neither an abstention nor a broker non-vote is an affirmative vote. Broker non-votes occur where: (i) shares are held by brokers or nominees, typically in street name; (ii) instructions have not been received from the beneficial owners or persons entitled to vote the shares; and (iii) the broker or nominee does not have discretionary voting power on a particular matter.

In the event a quorum is present at the Meeting, but sufficient votes to approve a proposal have not been received or in the discretion of such persons, the persons named as proxies may propose one or more adjournments of the Meeting to permit further solicitation of proxies. A shareholder vote may be taken on one or more of the proposals referred to above prior to such adjournment if sufficient votes have been received and it is otherwise appropriate. Any such adjournment will require the affirmative vote of a majority of those shares present at the Meeting (including abstentions and broker non-votes) in person or by proxy. If a quorum is present, the persons named as proxies will vote those proxies that they are entitled to vote FOR any such proposal in favor of such adjournment and will vote those proxies required to be voted for rejection of such proposal against any such adjournment. In the event of an adjournment, no notice is required other than, in the case of the Growth Fund, an announcement at the meeting at which adjournment is taken.

All shareholders of record of a Fund on February 13, 2009 are entitled to one vote for each share held. As of the record date, there were 178,677,459 outstanding shares of beneficial interest of Equity Fund and 29,448,137 outstanding shares of common stock of Growth Fund. To the knowledge of the Funds, on the record date for the Meeting, as of February 13, 2009, the following persons were known to own more than 5% of the outstanding securities of the Funds:

Equity Fund	Name and Address of Owner	# of Shares Owned	% of Shares Owned	Type of Ownership
	Mellon Private Wealth Three Mellon Center, Suite 1215 Pittsburgh, PA 15259	54,762,303	30.65%	Record
	Merrill Lynch Hudson Street, 9th Floor Jersey City, NJ 07302	19,073,352	10.67%	Record
		14,151,631	7.92%	Record

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Citigroup Global Markets  
333 W. 34th Street, 3rd Floor  
New York, NY 10001

The Bank of New York Mellon			
One Wall Street, 6th Floor	12,532,926	7.01%	Record
New York, NY 10286			

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National Financial Services LLC 200 Liberty Street One World Financial Tower, 5th Floor New York, NY 10281	12,313,509	6.89%	Record
First Clearing LLC 10700 Wheat First Drive, MC WS 1024 Glen Allen, VA 23060	11,095,740	6.21%	Record
Charles Schwab & Co., Inc. 211 Main Street San Francisco, CA 94105	10,136,291	5.67%	Record

<b>Growth Fund</b>	<b>Name and Address of Owner</b>	<b># of Shares Owned</b>	<b>% of Shares Owned</b>	<b>Type Of Ownership</b>
	Charles Schwab & Co., Inc. 211 Main Street San Francisco, CA 94105	2,340,726	7.95%	Record
	Morgan Stanley Harborside Financial Center Plaza 2 Jersey City, NJ 07311	2,144,417	7.28%	Record
	National Financial Services LLC 200 Liberty Street One World Financial Tower, 5th Floor New York, NY 10281	2,079,715	7.06%	Record
	Renaissance Technologies LLC James H. Simon 800 Third Avenue New York, NY 10022	1,590,600	5.40%	Beneficial

In addition, the Trustees, Directors and officers of each Fund, in the aggregate, owned less than 1% of each Fund's outstanding shares as of the record date.

**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Securities Exchange Act of 1934 requires the Funds' Trustees/Directors and officers and persons who own more than ten percent of the Funds' outstanding shares and certain officers and directors of the Funds' investment advisors (collectively, Section 16 reporting persons) to file with the SEC initial reports of beneficial ownership and reports of changes in beneficial ownership of Fund shares. Section 16 reporting persons are required by SEC regulations to furnish the Funds with copies of all Section 16(a) forms they file. To the Funds' knowledge, based solely on a review of the copies of such reports furnished to the Funds and on representations made, all Section 16 reporting persons complied with all Section 16(a) filing requirements applicable to them for the year ended December 31, 2008.

**OTHER INFORMATION**

**The 2008 Annual Report for each Fund accompanied this proxy statement. You may obtain an additional copy of the report and the semi-annual report for each Fund dated June 30, 2008, free of charge, by writing to the Fund c/o ALPS Fund Services, Inc., 1290 Broadway, Suite 1100, Denver, CO 80203, or by calling 1-800-241-1850.**

**SUBMISSION OF CERTAIN SHAREHOLDER PROPOSALS**

Under the SEC's proxy rules, and subject to changes by the Boards, shareholder proposals meeting tests contained in those rules may, under certain conditions, be included in the Funds' proxy material for a particular annual shareholders meeting. Under the foregoing proxy rules, proposals submitted for inclusion in the proxy material for the 2010 Annual Meeting must be received by the Funds on or before October 31, 2009. The fact that the Funds receive a shareholder proposal in a timely manner does not ensure its inclusion in its proxy material, since there are other requirements in the proxy rules relating to such inclusion. You may submit shareholder proposals to the Secretary of the Funds, 1290 Broadway, Suite 1100, Denver, Colorado 80203.

Shareholders who wish to make a proposal that would not be included in a Fund's proxy materials or to nominate a person or persons as Trustee/Director at a Fund's 2010 Annual Meeting must ensure that the proposal or nomination is delivered to the Secretary of the Fund no earlier than October 1, 2010 and no later than October 31, 2010. If the date of the 2010 Annual Meeting is held before January 31, 2010 or after March 27, 2010, then the proposal or nomination must be received by the later of 120 days prior to the annual meeting or the tenth day following the date that a public announcement of the meeting is first made. The proposal or nomination must be in good order and in compliance with all applicable legal requirements and the requirements set forth in the applicable Fund's Restated By-laws. The chairperson of the Annual Meeting may refuse to acknowledge any proposal or nomination that does not meet the legal and By-law requirements. You must submit any shareholder proposals and nominations to the Secretary of the Funds, 1290 Broadway, Suite 1100, Denver, Colorado 80203.

The persons named as proxies for the 2009 Annual Meeting will have discretionary authority to vote on all matters presented at the meeting consistent with SEC's proxy rules.













