

LIBERTY ALL STAR GROWTH FUND INC.

Form N-30B-2

November 27, 2012

**LIBERTY ALL-STAR® GROWTH FUND, INC.**

Period Ending September 30, 2012 (Unaudited)

**Fund Statistics**

|                            |                  |                     |
|----------------------------|------------------|---------------------|
| Net Asset Value (NAV)      |                  | \$4.58              |
| Market Price               |                  | \$4.23              |
| Discount                   |                  | 7.6%                |
|                            | <b>Quarter</b>   | <b>Year-to-Date</b> |
| Distributions              | \$0.06           | \$0.20              |
| Market Price Trading Range | \$3.74 to \$4.30 | \$3.74 to \$4.43    |
| Discount Range             | 6.8% to 11.3%    | 6.2% to 11.7%       |

**Performance**

|   |       |        |
|---|-------|--------|
| Shares Valued at NAV                                    | 7.42% | 13.17% |
| Shares Valued at NAV with Dividends Reinvested          | 7.33% | 13.34% |
| Shares Valued at Market Price with Dividends Reinvested | 7.58% | 16.50% |
| NASDAQ Composite Index                                  | 6.50% | 20.65% |
| Russell 3000® Growth Index                              | 6.01% | 16.59% |
| S&P 500® Index  | 6.35% | 16.44% |
| Lipper Multi-Cap Growth Mutual Fund Average*            | 5.71% | 15.53% |
| NAV Reinvested Percentile Rank (1 = best; 100 = worst)  | 14th  | 73rd   |
| Number of Funds in Category                             | 570   | 555    |

\* Percentile rank calculated using the Fund's NAV Reinvested return within the Lipper Multi-Cap Growth Mutual Fund Universe.

Figures shown for the Fund and the Lipper Multi-Cap Growth Mutual Fund Average are total returns, which include dividends, after deducting fund expenses. Figures shown for the unmanaged 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 16.

**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.

The Fund is a closed-end fund and does not continuously offer shares. The Fund trades in the secondary market, investors wishing to buy or sell shares need to place orders through an intermediary or broker by using the Fund's ticker symbol: ASG. The share price of a closed-end fund is based on the market's 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.

Fellow Shareholders:

October 2012

After giving up ground in the second quarter, equities returned to positive territory in the third quarter—not rivaling the exceptional returns of the first quarter, but a gratifying three months nonetheless. The S&P 500® Index returned 6.35 percent for the quarter, bringing its year-to-date return through September 30 to 16.44 percent. The Russell 3000® Growth Index returned 6.01 percent for the quarter and 16.59 percent through the first nine months of the year, while the technology-oriented NASDAQ Composite Index returned 6.50 percent and 20.65 percent for the two respective periods.

The same fears that dealt a setback to equities in the second quarter simmered beneath the surface in the third quarter; these were largely macro concerns, including worries over defaults on sovereign debt in Europe, slower economic growth in China, and federal budget deficits and the looming fiscal cliff in the U.S. Nevertheless, investors were more willing to take on risk during the third quarter. Equities benefited from expectations that central banks around the world would take steps to stimulate their economies. In the euro zone, investors were heartened by the European Central Bank's plan to buy government debt and thus reduce some nations' borrowing costs. In the U.S., the economy continued to be burdened by the weakest economic recovery since the Great Depression. The housing sector showed some strength, however, and consumer confidence posted a surprising increase in August. Corporations' earnings reports generally topped expectations; select technology companies, in particular, performed well.

Liberty All-Star Growth Fund outperformed all relevant indices in a strong three-month period. For the quarter, the Fund returned 7.42 percent with shares valued at net asset value (NAV), 7.33 percent with shares valued at NAV with dividends reinvested and 7.58 percent with shares valued at market price (with dividends reinvested). In addition to topping the S&P 500® Index, the Russell 3000® Growth Index and the NASDAQ Composite Index, as cited in the first paragraph, the Fund's return ranked it in the 14<sup>th</sup> percentile of the Upper Multi-Cap Growth Mutual Fund Universe—which returned 5.71 percent—meaning the Fund outperformed 86 percent of the funds in that peer group.

Year-to-date through September 30, the Fund returned 13.17 percent with shares valued at NAV, 13.34 percent with shares valued at NAV with dividends reinvested and 16.50 percent with shares valued at market price (with dividends reinvested). Although these are good absolute returns, the Fund's relative year-to-date performance is weighed down by a sub-par performance in the second quarter, which left the Fund ranking in the 73<sup>rd</sup> percentile of the Upper peer group through September 30.

The Fund's distribution policy, which has been in place since 1997, is a major component of the Fund's total return. The Fund pays out 1.5 percent of its NAV each quarter, or 6 percent annually. Often, however, these distributions—either in cash or reinvested in additional Fund shares—are overlooked. As you will see in the table on the inside front cover, the Fund has paid distributions totaling \$0.20 through the first three quarters of the year and will pay \$0.27 for the year. Bear in mind, as well, that these distributions add up over time; the Fund has paid distributions totaling \$11.17 per share since the Fund commenced its distribution policy in 1997.

Third Quarter Report (Unaudited) | September 30, 2012

President's Letter

Liberty All-Star® Growth Fund

After lagging in the second quarter, the Fund outperformed in the third quarter. More importantly, we are pleased that the Fund's three-, five- and 10-year returns all rank in the top half of its Lipper peer group universe. With a wide range of factors likely to influence the equity market in the final quarter—including the presidential election—it should be an interesting close to the year. No matter what the investment environment holds, please be assured that your management team at ALPS Advisors and the Fund's three growth style investment managers remain committed to diligence, prudence and discipline.

Sincerely,

William R. Parmentier, Jr.

President and Chief Executive Officer

Liberty All-Star® Growth Fund, Inc.

The views expressed in the President's letter reflect the views of the President as of October 2012 and may not reflect his 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.

Liberty All-Star® Growth Fund

Table of Distributions &amp; Rights Offerings

| Year                    | Per Share     |                 | Rights Offerings                               | Subscription Price |
|-------------------------|---------------|-----------------|--|--------------------|
|                         | Distributions | Month Completed | Shares Needed to Purchase One Additional Share |                    |
| 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*   | 5.72               |
| 2004                    | 0.63          |                 |  |                    |
| 2005                    | 0.58          |                 |  |                    |
| 2006                    | 0.59          |                 |  |                    |
| 2007                    | 0.61          |                 |  |                    |
| 2008                    | 0.47          |                 |  |                    |
| 2009**                  | 0.24          |                 |  |                    |
| 2010                    | 0.25          |                 |  |                    |
| 2011                    | 0.27          |                 |  |                    |
| 2012                    |               |                 |  |                    |
| 1 <sup>st</sup> Quarter | 0.07          |                 |  |                    |
| 2 <sup>nd</sup> Quarter | 0.07          |                 |  |                    |
| 3 <sup>rd</sup> Quarter | 0.06          |                 |  |                    |
| Total                   | \$11.17       |                 |  |                    |

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

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

#### **DISTRIBUTION POLICY**

Liberty All-Star® Growth Fund, Inc.'s current policy is to pay distributions on its shares totaling approximately 6 percent of its net asset value per year, payable in four quarterly installments of 1.5 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. The fixed distributions are not related to the amount of the Fund's net investment income or net realized capital gains or losses and may be taxed as ordinary income up to the amount of the Fund's current and accumulated earnings and profits. If, for any calendar year, the total distributions made under the distribution policy exceed the Fund's net investment income and net realized capital gains, the excess will generally be treated as a non-taxable return of capital, reducing the shareholder's adjusted basis in his or her shares. If the Fund's net investment income and net realized capital gains for any year exceed the amount distributed under the distribution policy, the Fund may, in its discretion, retain and not distribute net realized capital gains and pay income tax thereon to the extent of such excess.

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Top 20 Holdings & Economic Sectors  
September 30, 2012 (Unaudited)

Liberty All-Star® Growth Fund

| Top 20 Holdings*                | Percent of Net Assets |
|---------------------------------|-----------------------|
| Apple, Inc.                     | 3.27%                 |
| Salesforce.com, Inc.            | 2.43                  |
| ACE Ltd.                        | 2.12                  |
| Oceaneering International, Inc. | 2.00                  |
| QUALCOMM, Inc.                  | 1.93                  |
| American Tower Corp., Class A   | 1.84                  |
| Core Laboratories N.V.          | 1.79                  |
| ARM Holdings PLC                | 1.74                  |
| Fastenal Co.                    | 1.68                  |
| Intuitive Surgical, Inc.        | 1.64                  |
| IHS, Inc., Class A              | 1.46                  |
| Google, Inc., Class A           | 1.46                  |
| Signature Bank                  | 1.43                  |
| Precision Castparts Corp.       | 1.36                  |
| Liquidity Services, Inc.        | 1.27                  |
| Allergan, Inc.                  | 1.21                  |
| Cerner Corp.                    | 1.17                  |
| Schlumberger Ltd.               | 1.16                  |
| LKQ Corp.                       | 1.15                  |
| Amazon.com, Inc.                | 1.14                  |
|                                 | 33.25%                |

| Economic Sectors*          | Percent of Net Assets |
|----------------------------|-----------------------|
| Information Technology     | 31.24%                |
| Industrials                | 14.32                 |
| Consumer Discretionary     | 13.40                 |
| Health Care                | 11.52                 |
| Financials                 | 9.69                  |
| Energy                     | 8.66                  |
| Consumer Staples           | 3.16                  |
| Materials                  | 2.69                  |
| Telecommunication Services | 1.84                  |
| Utilities                  | 0.54                  |
| Other Net Assets           | 2.94                  |
|                            | 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.

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Liberty All-Star® Growth Fund

Major Stock Changes in the Quarter

The following are the major (\$600,000 or more) stock changes - both purchases and sales - that were made in the Fund's portfolio during the third quarter of 2012.

| Security Name                                | Purchases (Sales) | Shares<br>Held as of 9/30/12 |
|--|-------------------|------------------------------|
| <b>Purchases</b>                             |                   |                              |
| Equinix, Inc.                                | 3,500             | 3,500                        |
| Starbucks Corp.                              | 18,150            | 18,150                       |
| Verisk Analytics, Inc., Class A              | 15,100            | 15,100                       |
| <b>Sales</b>                                 |                   |                              |
| ACE Ltd.                                     | (9,250)           | 29,250                       |
| Apple, Inc.                                  | (1,600)           | 5,100                        |
| BioMarin Pharmaceutical, Inc.                | (20,685)          | 29,147                       |
| C.H. Robinson Worldwide, Inc.                | (15,200)          | 6,000                        |
| Expeditors International of Washington, Inc. | (28,150)          | 14,900                       |
| F5 Networks, Inc.                            | (6,192)           | 1,008                        |
| Human Genome Sciences, Inc.                  | (96,108)          | 0                            |
| Occidental Petroleum Corp.                   | (7,850)           | 12,250                       |
| Salesforce.com, Inc.                         | (4,850)           | 16,600                       |
| TripAdvisor, Inc.                            | (20,200)          | 0                            |
| VMware, Inc., Class A                        | (11,250)          | 9,800                        |

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Investment Managers/

Portfolio Characteristics

Liberty All-Star® Growth Fund

**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 16 for a description of these indices.

**PORTFOLIO CHARACTERISTICS** *As of September 30, 2012 (Unaudited)*

|   | RUSSELL GROWTH:   |                 |                   | Market Capitalization Spectrum |                  |                             | TOTAL<br>FUND |
|---|-------------------|-----------------|-------------------|--------------------------------|------------------|-----------------------------|---------------|
|   | SMALLCAP<br>INDEX | MIDCAP<br>INDEX | LARGECAP<br>INDEX | Small<br>M.A.<br>WEATHERBIE    | TCW<br>(MID-CAP) | Large<br>TCW<br>(LARGE-CAP) |               |
| Number of Holdings                                | 1,112             | 454             | 567               | 59                             | 53               | 32                          | 131*          |
| Weighted Average Market Capitalization (billions) | \$1.5             | \$9.1           | \$121.1           | \$2.6                          | \$9.0            | \$103.3                     | \$40.1        |
| Average Five-Year Sales Per Share Growth          | 8%                | 9%              | 13%               | 13%                            | 15%              | 18%                         | 15%           |
| Average Five-Year Earnings Per Share Growth       | 15%               | 15%             | 19%               | 17%                            | 20%              | 25%                         | 21%           |
| Price/Earnings Ratio**                            | 21x               | 21x             | 19x               | 24x                            | 25x              | 24x                         | 24x           |
| Price/Book Value Ratio                            | 4.9x              | 5.1x            | 6.0x              | 5.2x                           | 6.8x             | 5.5x                        | 5.8x          |

\* Certain holdings are held by more than one manager.

\*\* Excludes negative earnings.



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Liberty All-Star® Growth Fund

Schedule of Investments

|   | SHARES | MARKET VALUE |
|---|--------|--------------|
| <b>COMMON STOCKS (97.06%)</b>                       |        |              |
| <b>CONSUMER DISCRETIONARY (13.40%)</b>              |        |              |
| <b>Auto Components (0.64%)</b>                      |        |              |
| BorgWarner, Inc. <sup>(a)</sup>                     | 9,700  | \$ 670,367   |
| <b>Automobiles (0.41%)</b>                          |        |              |
| Thor Industries, Inc.                               | 11,788 | 428,140      |
| <b>Distributors (1.15%)</b>                         |        |              |
| LKQ Corp. <sup>(a)</sup>                            | 64,908 | 1,200,798    |
| <b>Hotels, Restaurants &amp; Leisure (2.22%)</b>    |        |              |
| Arcos Dorados Holdings, Inc., Class A               | 50,300 | 776,129      |
| BJ's Restaurants, Inc. <sup>(a)</sup>               | 13,576 | 615,672      |
| Starbucks Corp.                                     | 18,150 | 921,112      |
|   |        | 2,312,913    |
| <b>Household Durables (0.69%)</b>                   |        |              |
| Harman International Industries, Inc.               | 15,467 | 713,957      |
| <b>Internet &amp; Catalog Retail (2.46%)</b>        |        |              |
| Amazon.com, Inc. <sup>(a)</sup>                     | 4,665  | 1,186,403    |
| priceline.com, Inc. <sup>(a)</sup>                  | 1,625  | 1,005,436    |
| Shutterfly, Inc. <sup>(a)</sup>                     | 11,902 | 370,390      |
|   |        | 2,562,229    |
| <b>Specialty Retail (3.60%)</b>                     |        |              |
| CarMax, Inc. <sup>(a)</sup>                         | 23,700 | 670,710      |
| Dick's Sporting Goods, Inc.                         | 15,100 | 782,935      |
| Francesca's Holdings Corp. <sup>(a)</sup>           | 17,865 | 548,991      |
| GNC Holdings, Inc., Class A                         | 3,534  | 137,720      |
| Monro Muffler Brake, Inc.                           | 6,155  | 216,594      |
| rue21, Inc. <sup>(a)</sup>                          | 24,984 | 778,252      |
| Teavana Holdings, Inc. <sup>(a)</sup>               | 46,897 | 611,537      |
|   |        | 3,746,739    |
| <b>Textiles, Apparel &amp; Luxury Goods (2.23%)</b> |        |              |
| Fossil, Inc. <sup>(a)</sup>                         | 2,300  | 194,810      |
| Gildan Activewear, Inc.                             | 17,500 | 554,400      |
| Michael Kors Holdings Ltd. <sup>(a)</sup>           | 15,600 | 829,608      |
| Under Armour, Inc., Class A <sup>(a)</sup>          | 13,385 | 747,285      |
|   |        | 2,326,103    |
| <b>CONSUMER STAPLES (3.16%)</b>                     |        |              |
| <b>Beverages (0.31%)</b>                            |        |              |
| Monster Beverage Corp. <sup>(a)</sup>               | 6,000  | 324,960      |
| <b>Food &amp; Staples Retailing (1.82%)</b>         |        |              |
| Costco Wholesale Corp.                              | 8,550  | 856,069      |

*See Notes to Schedule of Investments.*

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## Schedule of Investments

Liberty All-Star® Growth Fund

|  | SHARES | MARKET VALUE |
|--|--------|--------------|
| <b>COMMON STOCKS (continued)</b>                   |        |              |
| <b>Food &amp; Staples Retailing (continued)</b>    |        |              |
| The Fresh Market, Inc. <sup>(a)</sup>              | 9,025  | \$ 541,319   |
| PriceSmart, Inc.                                   | 6,504  | 492,483      |
|  |        | 1,889,871    |
| <b>Food Products (0.90%)</b>                       |        |              |
| Mead Johnson Nutrition Co.                         | 12,800 | 937,984      |
| <b>Personal Products (0.13%)</b>                   |        |              |
| Herbalife Ltd.                                     | 2,850  | 135,090      |
| <b>ENERGY (8.66%)</b>                              |        |              |
| <b>Energy Equipment &amp; Services (7.65%)</b>     |        |              |
| Core Laboratories N.V.                             | 15,355 | 1,865,326    |
| Dril-Quip, Inc. <sup>(a)</sup>                     | 8,157  | 586,325      |
| FMC Technologies, Inc. <sup>(a)</sup>              | 17,300 | 800,990      |
| Lufkin Industries, Inc.                            | 12,732 | 685,236      |
| National-Oilwell Varco, Inc.                       | 9,100  | 729,001      |
| Oceaneering International, Inc.                    | 37,800 | 2,088,450    |
| Schlumberger Ltd.                                  | 16,745 | 1,211,166    |
|  |        | 7,966,494    |
| <b>Oil, Gas &amp; Consumable Fuels (1.01%)</b>     |        |              |
| Occidental Petroleum Corp.                         | 12,250 | 1,054,235    |
| <b>FINANCIALS (9.69%)</b>                          |        |              |
| <b>Capital Markets (3.92%)</b>                     |        |              |
| Affiliated Managers Group, Inc. <sup>(a)</sup>     | 8,898  | 1,094,454    |
| The Charles Schwab Corp.                           | 45,650 | 583,863      |
| Financial Engines, Inc. <sup>(a)</sup>             | 19,148 | 456,297      |
| FXCM, Inc., Class A                                | 39,352 | 375,812      |
| T. Rowe Price Group, Inc.                          | 12,400 | 784,920      |
| Virtus Investment Partners, Inc. <sup>(a)</sup>    | 9,211  | 792,146      |
|  |        | 4,087,492    |
| <b>Commercial Banks (1.43%)</b>                    |        |              |
| Signature Bank <sup>(a)</sup>                      | 22,196 | 1,488,908    |
| <b>Diversified Financial Services (0.84%)</b>      |        |              |
| MSCI, Inc. <sup>(a)</sup>                          | 6,997  | 250,423      |
| Portfolio Recovery Associates, Inc. <sup>(a)</sup> | 5,956  | 621,985      |
|  |        | 872,408      |
| <b>Insurance (2.73%)</b>                           |        |              |
| ACE Ltd.   | 29,250 | 2,211,300    |
| Greenlight Capital Re Ltd., Class A <sup>(a)</sup> | 25,637 | 634,516      |
|  |        | 2,845,816    |

*See Notes to Schedule of Investments.*

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Liberty All-Star® Growth Fund

Schedule of Investments

|   | SHARES | MARKET VALUE |
|---|--------|--------------|
| <b>COMMON STOCKS (continued)</b>                        |        |              |
| <b>Real Estate Management &amp; Development (0.77%)</b> |        |              |
| FirstService Corp. <sup>(a)</sup>                       | 28,910 | \$ 808,034   |
| <b>HEALTH CARE (11.52%)</b>                             |        |              |
| <b>Biotechnology (1.95%)</b>                            |        |              |
| BioMarin Pharmaceutical, Inc. <sup>(a)</sup>            | 29,147 | 1,173,750    |
| Ironwood Pharmaceuticals, Inc. <sup>(a)</sup>           | 14,300 | 182,754      |
| Vertex Pharmaceuticals, Inc. <sup>(a)</sup>             | 12,000 | 671,400      |
|   |        | 2,027,904    |
| <b>Health Care Equipment &amp; Supplies (3.13%)</b>     |        |              |
| Accuray, Inc. <sup>(a)</sup>                            | 53,306 | 377,406      |
| Intuitive Surgical, Inc. <sup>(a)</sup>                 | 3,450  | 1,709,924    |
| Masimo Corp. <sup>(a)</sup>                             | 23,177 | 560,420      |
| Neogen Corp. <sup>(a)</sup>                             | 5,427  | 231,733      |
| Volcano Corp. <sup>(a)</sup>                            | 13,562 | 387,466      |
|   |        | 3,266,949    |
| <b>Health Care Providers &amp; Services (0.32%)</b>     |        |              |
| PSS World Medical, Inc. <sup>(a)</sup>                  | 14,622 | 333,089      |
| <b>Health Care Technology (2.19%)</b>                   |        |              |
| athenahealth, Inc. <sup>(a)</sup>                       | 11,583 | 1,062,972    |
| Cerner Corp. <sup>(a)</sup>                             | 15,750 | 1,219,207    |
|   |        | 2,282,179    |
| <b>Life Sciences Tools &amp; Services (1.65%)</b>       |        |              |
| Illumina, Inc. <sup>(a)</sup>                           | 14,600 | 703,720      |
| Life Technologies Corp. <sup>(a)</sup>                  | 20,800 | 1,016,704    |
|   |        | 1,720,424    |
| <b>Pharmaceuticals (2.28%)</b>                          |        |              |
| Allergan, Inc.  | 13,800 | 1,263,804    |
| Mylan, Inc. <sup>(a)</sup>                              | 33,400 | 814,960      |
| Salix Pharmaceuticals Ltd. <sup>(a)</sup>               | 7,000  | 296,380      |
|   |        | 2,375,144    |
| <b>INDUSTRIALS (14.32%)</b>                             |        |              |
| <b>Aerospace &amp; Defense (2.75%)</b>                  |        |              |
| HEICO Corp.   | 17,481 | 676,340      |
| Precision Castparts Corp.                               | 8,650  | 1,412,891    |
| TransDigm Group, Inc. <sup>(a)</sup>                    | 5,483  | 777,873      |
|   |        | 2,867,104    |
| <b>Air Freight &amp; Logistics (1.11%)</b>              |        |              |
| C.H. Robinson Worldwide, Inc.                           | 6,000  | 351,300      |
| Echo Global Logistics, Inc. <sup>(a)</sup>              | 15,232 | 261,229      |
| Expeditors International of Washington, Inc.            | 14,900 | 541,764      |

*See Notes to Schedule of Investments.*

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## Schedule of Investments

Liberty All-Star® Growth Fund

|   | SHARES | MARKET VALUE |
|---|--------|--------------|
| <b>COMMON STOCKS (continued)</b>                      |        |              |
| <b>Commercial Services &amp; Supplies (1.20%)</b>     |        |              |
| American Reprographics Co. <sup>(a)</sup>             | 62,600 | \$ 267,302   |
| InnerWorkings, Inc. <sup>(a)</sup>                    | 29,747 | 387,306      |
| Waste Connections, Inc.                               | 19,591 | 592,628      |
|   |        | 1,247,236    |
| <b>Electrical Equipment (1.43%)</b>                   |        |              |
| II-VI, Inc. <sup>(a)</sup>                            | 21,927 | 417,051      |
| Rockwell Automation, Inc.                             | 8,500  | 591,175      |
| Roper Industries, Inc.                                | 4,400  | 483,516      |
|   |        | 1,491,742    |
| <b>Machinery (1.14%)</b>                              |        |              |
| Graco, Inc.   | 11,718 | 589,181      |
| MiddlebyCorp. <sup>(a)</sup>                          | 5,189  | 600,056      |
|   |        | 1,189,237    |
| <b>Professional Services (3.88%)</b>                  |        |              |
| Huron Consulting Group, Inc. <sup>(a)</sup>           | 15,173 | 528,324      |
| IHS, Inc., Class A <sup>(a)</sup>                     | 15,589 | 1,517,589    |
| Robert Half International, Inc.                       | 27,800 | 740,314      |
| Stantec, Inc.   | 15,898 | 540,214      |
| Verisk Analytics, Inc., Class A <sup>(a)</sup>        | 15,100 | 718,911      |
|   |        | 4,045,352    |
| <b>Road &amp; Rail (0.54%)</b>                        |        |              |
| Landstar System, Inc.                                 | 11,981 | 566,462      |
| <b>Trading Companies &amp; Distributors (2.27%)</b>   |        |              |
| Fastenal Co.  | 40,600 | 1,745,394    |
| MSC Industrial Direct Co., Inc., Class A              | 9,100  | 613,886      |
|   |        | 2,359,280    |
| <b>INFORMATION TECHNOLOGY (31.24%)</b>                |        |              |
| <b>Communications Equipment (3.40%)</b>               |        |              |
| F5 Networks, Inc. <sup>(a)</sup>                      | 1,008  | 105,538      |
| InterDigital, Inc.                                    | 15,371 | 573,031      |
| Palo Alto Networks, Inc. <sup>(a)</sup>               | 2,700  | 166,239      |
| Polycom, Inc. <sup>(a)</sup>                          | 70,229 | 693,160      |
| QUALCOMM, Inc.  | 32,115 | 2,006,866    |
|   |        | 3,544,834    |
| <b>Computers &amp; Peripherals (4.04%)</b>            |        |              |
| Apple, Inc.   | 5,100  | 3,403,026    |
| Fusion-io, Inc. <sup>(a)</sup>                        | 26,496 | 802,034      |
|   |        | 4,205,060    |
| <b>Electronic Equipment &amp; Instruments (1.78%)</b> |        |              |
| FARO Technologies, Inc. <sup>(a)</sup>                | 16,033 | 662,484      |

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|                                    |        |         |
|------------------------------------|--------|---------|
| IPG Photonics Corp. <sup>(a)</sup> | 10,215 | 585,319 |
| National Instruments Corp.         | 18,222 | 458,648 |

*See Notes to Schedule of Investments.*

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Liberty All-Star® Growth Fund

Schedule of Investments

|  | SHARES | MARKET VALUE |
|--|--------|--------------|
| <b>COMMON STOCKS (continued)</b>                             |        |              |
| <b>Electronic Equipment &amp; Instruments (continued)</b>    |        |              |
| Universal Display Corp. <sup>(a)</sup>                       | 4,400  | \$ 151,272   |
|  |        | 1,857,723    |
| <b>Internet Software &amp; Services (7.64%)</b>              |        |              |
| Baidu, Inc. <sup>(a)(b)</sup>                                | 9,225  | 1,077,665    |
| Equinix, Inc. <sup>(a)</sup>                                 | 3,500  | 721,175      |
| Google, Inc., Class A <sup>(a)</sup>                         | 2,010  | 1,516,545    |
| LinkedIn Corp., Class A <sup>(a)</sup>                       | 3,100  | 373,240      |
| Liquidity Services, Inc. <sup>(a)</sup>                      | 26,292 | 1,320,121    |
| NIC, Inc.  | 19,559 | 289,473      |
| Backspace Hosting, Inc. <sup>(a)</sup>                       | 12,800 | 845,952      |
| SINA Corp. <sup>(a)</sup>                                    | 5,000  | 323,400      |
| SPS Commerce, Inc. <sup>(a)</sup>                            | 9,623  | 370,197      |
| Stamps.com, Inc. <sup>(a)</sup>                              | 10,623 | 245,816      |
| VistaPrint Ltd. <sup>(a)</sup>                               | 13,101 | 447,399      |
| Youku Tudou, Inc. <sup>(a)(b)</sup>                          | 23,664 | 435,181      |
|  |        | 7,966,164    |
| <b>IT Services (3.15%)</b>                                   |        |              |
| Cognizant Technology Solutions Corp., Class A <sup>(a)</sup> | 13,900 | 971,888      |
| ServiceSource International, Inc. <sup>(a)</sup>             | 39,722 | 407,548      |
| VeriFone Systems, Inc. <sup>(a)</sup>                        | 28,320 | 788,712      |
| Visa, Inc., Class A  | 8,265  | 1,109,824    |
|  |        | 3,277,972    |
| <b>Semiconductors &amp; Semiconductor Equipment (3.63%)</b>  |        |              |
| ARM Holdings PLC <sup>(b)</sup>                              | 64,667 | 1,809,383    |
| Avago Technologies Ltd.                                      | 15,500 | 540,407      |
| Cavium, Inc. <sup>(a)</sup>                                  | 24,388 | 812,852      |
| Hittite Microwave Corp. <sup>(a)</sup>                       | 11,213 | 621,985      |
|  |        | 3,784,627    |
| <b>Software (7.60%)</b>                                      |        |              |
| ANSYS, Inc. <sup>(a)</sup>                                   | 8,041  | 590,209      |
| Concur Technologies, Inc. <sup>(a)</sup>                     | 8,642  | 637,175      |
| QLIK Technologies, Inc. <sup>(a)</sup>                       | 27,077 | 606,795      |
| RealPage, Inc. <sup>(a)</sup>                                | 25,963 | 586,764      |
| Salesforce.com, Inc. <sup>(a)</sup>                          | 16,600 | 2,534,654    |
| ServiceNow, Inc. <sup>(a)</sup>                              | 1,600  | 61,888       |
| Solera Holdings, Inc.  | 20,172 | 884,946      |
| Splunk, Inc. <sup>(a)</sup>                                  | 10,500 | 385,560      |
| Ultimate Software Group, Inc. <sup>(a)</sup>                 | 6,710  | 685,091      |
| VMware, Inc., Class A <sup>(a)</sup>                         | 9,800  | 948,052      |
|  |        | 7,921,134    |
| <b>MATERIALS (2.69%)</b>                                     |        |              |
| <b>Chemicals (1.01%)</b>                                     |        |              |
| Praxair, Inc.  | 10,125 | 1,051,785    |

See Notes to Schedule of Investments.

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Third Quarter Report (Unaudited) | September 30, 2012

## Schedule of Investments

Liberty All-Star® Growth Fund

|  | SHARES           | MARKET VALUE   |
|--|------------------|----------------|
| <b>COMMON STOCKS (continued)</b>   |                  |                |
| <b>Metals &amp; Mining (1.68%)</b>   |                  |                |
| Allegheny Technologies, Inc.   | 21,200           | \$ 676,280     |
| Silver Wheaton Corp.   | 26,950           | 1,070,184      |
|  |                  | 1,746,464      |
| <b>TELECOMMUNICATION SERVICES (1.84%)</b>  |                  |                |
| <b>Wireless Telecommunication Services (1.84%)</b>   |                  |                |
| American Tower Corp., Class A  | 26,800           | 1,913,252      |
| <b>UTILITIES (0.54%)</b>   |                  |                |
| <b>Electric Utilities (0.54%)</b>  |                  |                |
| ITC Holdings Corp.   | 7,494            | 566,397        |
| <b>TOTAL COMMON STOCKS</b>   |                  |                |
| (COST OF \$75,545,795)   |                  | 101,134,345    |
|  | <b>PAR VALUE</b> |                |
| <b>SHORT TERM INVESTMENT (2.76%)</b>   |                  |                |
| <b>REPURCHASE AGREEMENT (2.76%)</b>  |                  |                |
| Repurchase agreement with State Street Bank & Trust Co., dated 09/28/12, due 10/01/12 at 0.01%, collateralized by Federal National Mortgage Association 3.05% 01/01/42, market value of \$2,935,020 (Repurchase proceeds of \$2,875,002) |                  |                |
| (COST OF \$2,875,000)  | \$2,875,000      | \$ 2,875,000   |
| <b>TOTAL INVESTMENTS (99.82%)</b>  |                  |                |
| (COST OF \$78,420,795) <sup>(c)</sup>  |                  | 104,009,345    |
| <b>OTHER ASSETS IN EXCESS OF LIABILITIES (0.18%)</b>   |                  | 192,148        |
| <b>NET ASSETS (100.00%)</b>  |                  | \$ 104,201,493 |
| <b>NET ASSET VALUE PER SHARE</b>   |                  |                |
| (22,734,574 SHARES OUTSTANDING)  |                  | \$ 4.58        |

(a) Non-income producing security.

(b) American Depositary Receipt.

(c) Cost of investments for federal income tax purposes is \$79,571,946.

Gross unrealized appreciation and depreciation at September 30, 2012 based on cost of Investments for federal income tax purposes is as follows:

|                               |               |
|-------------------------------|---------------|
| Gross unrealized appreciation | \$ 27,430,692 |
| Gross unrealized depreciation | (2,993,293)   |
| Net unrealized appreciation   | \$ 24,437,399 |

For Fund compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report, which may combine industry sub-classifications for reporting ease. Industries are shown as a percent of net assets. These industry classifications are unaudited.

See Notes to Schedule of Investments.



### Security Valuation

Equity securities including common stocks and exchange traded funds are valued at the last sale price at the close of the principal exchange on which they trade, except for securities listed on the National Association of Securities Dealers Automated Quotations ( NASDAQ ) exchange, which are valued at the NASDAQ official closing price. Unlisted securities or listed securities for which there were no sales during the day are valued at the closing bid price on such exchanges or over-the-counter markets.

Short-term debt obligations maturing in more than 60 days for which market quotations are readily available are valued at current market value. Short-term debt obligations maturing within 60 days are valued at amortized cost, which approximates market value.

Investments for which market quotations are not readily available are valued at fair value as determined in good faith under consistently applied procedures approved by and under the general supervision of the Fund's Board of Directors.

### Foreign Securities

The Fund may directly purchase securities of foreign issuers. Investing in securities of foreign issuers involves special risks not typically associated with investing in securities of U.S. issuers. The risks include possible reevaluation of currencies, the inability to repatriate foreign currency, less complete financial information about companies and possible future adverse political and economic developments. Moreover, securities of many foreign issuers and their markets may be less liquid and their prices more volatile than those of securities of comparable U.S. issuers. For the period ended September 30, 2012, the Fund only held American Depositary Receipts and did not hold any securities denominated in foreign currencies.

### Security Transactions

Security transactions are recorded on trade date. Cost is determined and gains/(losses) are based upon the specific identification method for both financial statement and federal income tax purposes.

### Repurchase Agreements

The Fund engages in repurchase agreement transactions with institutions that the Fund's investment advisor has determined are creditworthy. The Fund, through its custodian, receives delivery of underlying securities collateralizing a repurchase agreement. Collateral is at least equal, at all times, to the value of the repurchase obligation including interest. A repurchase agreement transaction involves certain risks in the event of default or insolvency of the counterparty. These risks include possible delays or restrictions upon a Fund's ability to dispose of the underlying securities and a possible decline in the value of the underlying securities during the period while the Fund seeks to assert its rights.

### Income Recognition

Interest income is recorded on the accrual basis. Corporate actions and dividend income are recorded on the ex-date.

### Fair Value Measurements

The Fund discloses the classification of its fair value measurements following a three-tier hierarchy based on the inputs used to measure fair value. Inputs refer broadly to the assumptions that

market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability that are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability that are developed based on the best information available.

Various inputs are used in determining the value of the Fund's investments as of the end of the reporting period. When inputs used fall into different levels of the fair value hierarchy, the level in the hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The designated input levels are not necessarily an indication of the risk or liquidity associated with these investments. These inputs are categorized in the following hierarchy under applicable financial accounting standards:

**Level 1** Unadjusted quoted prices in active markets for identical investments, unrestricted assets or liabilities that a Fund has the ability to access at the measurement date;

**Level 2** Quoted prices which are not active, quoted prices for similar assets or liabilities in active markets or inputs other than quoted prices that are observable (either directly or indirectly) for substantially the full term of the asset or liability; and

**Level 3** Significant unobservable prices or inputs (including the Fund's own assumptions in determining the fair value of investments) where there is little or no market activity for the asset or liability at the measurement date.

The following is a summary of the inputs used to value the Fund's investments as of September 30, 2012. The Fund recognizes transfers between the levels as of the beginning of the annual period in which the transfer occurred.

| Investments in Securities at | Valuation Inputs |              |         |                |
|------------------------------|------------------|--------------|---------|----------------|
|                              | Level 1          | Level 2      | Level 3 | Total          |
| Value*                       |                  |              |         |                |
| Common Stocks                | \$ 101,134,345   | \$           | \$      | \$ 101,134,345 |
| Short Term Investment        |                  | 2,875,000    |         | 2,875,000      |
| Total                        | \$ 101,134,345   | \$ 2,875,000 | \$      | \$ 104,009,345 |

\*See Schedule of Investments for industry classifications

For the period ended September 30, 2012, the Fund did not have any significant transfers between Level 1 and Level 2 securities. The Fund did not have any securities which used significant unobservable inputs (Level 3) in determining fair value.

#### Indemnification

In the normal course of business, the Fund enters into contracts that contain a variety of representations and warranties and which provide general indemnities. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims against the

Fund. Also, under the Fund's organizational documents and by contract, the Directors and Officers of the Fund are indemnified against certain liabilities that may arise out of their duties to the Fund. However, based on experience, the Fund expects the risk of loss due to these warranties and indemnities to be minimal.

### Maryland Statutes

By resolution of the Board of Directors, the Fund has opted into the Maryland Control Share Acquisition Act and the Maryland Business Combination Act. In general, the Maryland Control Share Acquisition Act provides that control shares of a Maryland corporation acquired in a control share acquisition may not be voted except to the extent approved by shareholders at a meeting by a vote of two-thirds of the votes entitled to be cast on the matter (excluding shares owned by the acquiror and by officers or directors who are employees of the corporation). Control shares are voting shares of stock which, if aggregated with all other shares of stock owned by the acquiror or in respect of which the acquiror is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquiror to exercise voting power in electing directors within certain statutorily defined ranges (one-tenth but less than one-third, one-third but less than a majority, and more than a majority of the voting power). In general, the Maryland Business Combination Act prohibits an interested shareholder (a shareholder that holds 10% or more of the voting power of the outstanding stock of the corporation) of a Maryland corporation from engaging in a business combination (generally defined to include a merger, consolidation, share exchange, sale of a substantial amount of assets, a transfer of the corporation's securities and similar transactions to or with the interested shareholder or an entity affiliated with the interested shareholder) with the corporation for a period of five years after the most recent date on which the interested shareholder became an interested shareholder. At the time of adoption, March 19, 2009, the Board and the Fund were not aware of any shareholder that held control shares or that was an interested shareholder under the statutes.

### Shareholder Meeting Results

On August 22, 2012, the Annual Meeting of Shareholders of the Fund was held to elect three Directors. On May 2, 2012, the record date for the meeting, the Fund had outstanding 30,080,350 shares of common stock. The votes cast at the meeting were as follows:

#### Proposal 1 Proposal to elect three Directors:

|                   | For           | Withheld     |
|-------------------|---------------|--------------|
| Thomas W. Brock   | 24,961,690.38 | 1,376,596.93 |
| Jhon J. Neuhauser | 24,948,702.38 | 1,389,584.93 |
| Edmund J. Burke   | 24,370,138.83 | 1,968,148.48 |

#### Proposal 2 Stockholder Proposal:

|                      | For          | Against       | Abstain    | Non-Votes    |
|----------------------|--------------|---------------|------------|--------------|
| Stockholder Proposal | 3,281,427.47 | 13,581,900.42 | 254,666.43 | 9,220,293.00 |

Description of Lipper Benchmark

and Market Indices

September 30, 2012 (Unaudited)

Liberty All-Star® Growth Fund

**Lipper Multi-Cap Growth Mutual Fund Average**

The average of funds that, by portfolio practice, invest in a variety of market capitalization ranges without concentrating 75% of their equity assets in any one market capitalization range over an extended period of time. Multi-Cap growth funds typically have an above-average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P SuperComposite 1500® Index.

**NASDAQ Composite Index**

Measures all NASDAQ domestic and international based common type stocks listed on the NASDAQ Stock Market.

**Russell 3000® Growth Index**

Measures the performance of those Russell 3000® companies with higher price-to-book-ratios and higher forecasted growth values. The Russell 3000® Index measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market.

**Russell 1000® Growth Index (Largecap)**

Measures the performance of those Russell 1000® companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000® Index measures the performance of the 1,000 largest companies in the Russell 3000® Index.

**Russell Midcap® Growth Index**

Measures the performance of those Russell Midcap® companies with higher price-to-book ratios and higher forecasted growth values. The Russell Midcap® Index measures the performance of the 800 smallest companies in the Russell 1000® Index.

**Russell 2000® Growth Index (Smallcap)**

Measures the performance of those Russell 2000® companies with higher price-to-book ratios and higher forecasted growth values. The Russell 2000® Index measures the performance of the 2,000 smallest companies in the Russell 3000® Index.

**S&P 500® Index**

A representative sample of 500 leading companies in leading industries of the U.S. economy. Focuses on the large-cap segment of the market with approximately 75% coverage of U.S. equities.

*You cannot invest directly in an index.*



**INVESTMENT ADVISOR**

ALPS Advisors, Inc.  
1290 Broadway, Suite 1100  
Denver, Colorado 80203  
303-623-2577  
www.all-starfunds.com

**INDEPENDENT REGISTERED**

**PUBLIC ACCOUNTING FIRM**

Deloitte & Touche LLP  
555 Seventeenth Street, Suite 3600  
Denver, Colorado 80202

**CUSTODIAN**

State Street Bank & Trust Company  
One Lincoln Street  
Boston, Massachusetts 02111

**INVESTOR ASSISTANCE,**

**TRANSFER & DIVIDEND**

**DISBURSING AGENT & REGISTRAR**

Computershare Trust Company, N.A.  
P.O. Box 43078  
Providence, Rhode Island 02940-3078  
1-800-LIB-FUND (1-800-542-3863)

www.computershare.com

A description of the Fund's proxy voting policies and procedures is available (i) on the Securities and Exchange Commission's (SEC) website at www.sec.gov, and (ii) without charge, upon request, by calling 1-800-542-3863. Information regarding how the Fund voted proxies relating to portfolio securities during the 12-month period ended June 30th is available from the SEC's website at www.sec.gov. Information regarding how the Fund voted proxies relating to portfolio

**LEGAL COUNSEL**

K&L Gates LLP  
1601 K Street, NW  
Washington, DC 20006

**DIRECTORS**

John A. Benning\*  
Thomas W. Brock\*  
Edmund J. Burke  
George R. Gaspari\*  
Richard W. Lowry\*, Chairman  
Dr. John J. Neuhauser\*  
Richard C. Rantzow\*

**OFFICERS**

William R. Parmentier, Jr., President  
Mark T. Haley, CFA, Senior Vice President  
Edmund J. Burke, Vice President  
Jeremy O. May, Treasurer  
Kimberly R. Storms, Assistant Treasurer  
Tane T. Tyler, Secretary  
Alex J. Marks, Assistant Secretary  
Melanie H. Zimdars, Chief Compliance Officer

\* Member of the Audit Committee

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securities is also available at [www.all-starfunds.com](http://www.all-starfunds.com).

The Fund files a complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Fund's Form N-Q's are available on the SEC's website at [www.sec.gov](http://www.sec.gov) and may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940 that the Fund may purchase at market prices from time to time shares of its own common stock in the open market.

This report is transmitted to shareholders of Liberty Ail-Star\* Growth Fund, Inc. for their information. It is not a prospectus or other document intended for use in the purchase of Fund shares.

LAS000488 5/31/13

