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Annual Report | December 31, 2021

Liberty All-Star® Equity Fund

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A SINGLE INVESTMENT...

A DIVERSIFIED CORE PORTFOLIO

A single fund that offers:

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

LIBERTY ALL-STAR® EQUITY FUND

Fellow Shareholders:

January 2022

Supported by an economy showing resilience in a challenging environment, U.S. equities posted another year of strong gains in 2021. The S&P 500® Index led the way with a return of 28.71 percent. The Dow Jones Industrial Average (DJIA) advanced 20.95 percent and the NASDAQ Composite Index gained 22.18 percent.

Consumer demand bolstered by job growth and robust economic expansion in the wake of 2020's Covid-19 pandemic drove stronger than expected corporate profits. The hospitality, entertainment and travel industries began to reopen. The employment picture brightened considerably, as the U.S. added 6.4 million jobs in 2021, more than any year on record, according to The Wall Street Journal. These positive factors were tempered by ongoing concerns with the delta and omicron variants, inflation that was the highest since 1982 and supply chain bottlenecks that confounded buyers and sellers alike. While the Federal Reserve maintained short-term interest rates at historically low levels, there were periodic upticks in Treasury yields, as bond investors weighed the potential for higher rates in 2022 and beyond.

In the final analysis, however, investor sentiment remained positive and powered the S&P 500® to 70 new record highs (only surpassed by 77 in 1954, according to The New York Times).

September was the poorest month of the year for the S&P 500® Index at -4.65 percent. October, however, was the best of the year with an increase of 7.01 percent. All 11 S&P sectors posted double-digit gains for the year, ranging from 17.66 percent for utilities to 54.87 percent for energy.

As 2021 drew to a close, interest rates resumed an upward move that emerged early in the year. The yield on 10-year Treasuries started 2021 at 0.91 percent, rose to the year's high of 1.78 percent in March and closed the year at 1.51 percent. The increase reflected expectations of action by the Federal Reserve to increase the fed funds rate in an effort to contain the outbreak of inflationary pressures; higher rates are viewed as a negative for equities, particularly high multiple technology stocks.

Growth and value style stocks' performance, as measured by the broad market Russell 3000® indices, finished within a half percentage point of each other in 2021. The Russell 3000® Growth Index returned 25.85 percent, while its value counterpart returned 25.37 percent. The year opened with value style stocks outperforming by a wide margin in the first quarter. The gap narrowed as the year went on, however, and in the final quarter growth outperformed value (as measured by the Russell 3000®) by 3.35 percentage points. A similar pattern held for the large-cap Russell 1000® indices, where the Growth index outperformed the Value index by 2.44 percentage points for the year.

Liberty All-Star® Equity Fund

Liberty All-Star Equity Fund generated strong returns in 2021. For the year, the Fund returned 23.95 percent when shares are valued at net asset value (NAV) with dividends reinvested and 35.30 percent when shares are valued at market price with dividends reinvested. (Fund returns are net of expenses.)

The Fund's full-year NAV return trailed the 26.49 percent return of its primary benchmark. Against other indices the return was mixed—ahead of the DJIA and the NASDAQ Composite but behind the S&P 500®. The Fund's market price return, however, was not only well ahead of the Lipper average, it topped all the aforementioned relevant benchmarks. The fourth quarter was the weakest quarter of the year on a relative basis, as the Fund returned 7.07 percent measured on an NAV basis and 0.64 percent when measured by market price, trailing the Fund's primary and secondary benchmarks of 9.85 and 11.03, respectively.

We note that while Fund performance was good on an absolute basis in 2021, widely followed indices, such as the S&P 500®, are becoming dominated by a handful of stocks. In other words, the investment performance of a capitalization-weighted index, like the S&P 500®, inordinately reflects the return of a relatively few mega-cap stocks. For example, the 10 stocks that contributed the most to the full-year return of the S&P 500® accounted for 10.10 percent of the index's 28.71 percent annual return; in other words, 2 percent of the stocks contributed almost 39 percent of the index's return. In the fourth quarter, this was even more concentrated, as 10 stocks contributed nearly half (49 percent) of the index's return. This concentration within the capitalization weighted indices is among the points emphasized by the Fund's five investment managers in the annual Roundtable discussion that begins on page 13. Their view is much the same as ours at ALPS Advisors: That rather than being a well-diversified large-cap slice of the equity market, the S&P 500® has become concentrated in a handful of mega-cap stocks. As a result, it is less diversified and therefore potentially exposes investors to more risk than many may realize. We commend the Roundtable to shareholders and believe you will find it informative.

Relative to their underlying NAV, Fund shares traded at both a discount and a premium in the fourth quarter. The range went from a discount of -0.8 percent to a premium of 15.3 percent; this compares with a premium in the third quarter that ranged from 1.1 percent to 12.1 percent. For the full year, the discount/premium range was -7.8 percent to 15.3 percent.

In accordance with the Fund's distribution policy, the Fund paid a distribution of \$0.21 per share in the fourth quarter. The Fund's distribution policy has been in place since 1988 and is a major component of the Fund's total return. The Fund has paid distributions of \$28.99 per share for a total of more than \$3.3 billion since 1987 (the Fund's first full calendar year of operations). We continue to emphasize that shareholders should include these distributions when determining the total return on their investment in the Fund.

Turning to Fund news, the rights offering, which expired on November 22, 2021, was fully subscribed. The Fund issued 22,383,932 shares in the primary subscription plus 5,595,983 shares made available by means of the secondary over-subscription privilege for a total of 27,979,915 shares. Since there were not sufficient shares to honor all over-subscription requests, available shares were allocated among shareholders who over-subscribed based on the number of shares held as of the record date. We would like to thank shareholders for this expression of support for the Fund.

We are pleased that the Fund generated solid absolute returns for shareholders in 2021 given its broadly diversified structure during a year where equity returns were extremely dependent on a handful of mega-capitalization stocks. The Fund's multi-manager, multi-style structure has always provided the diversification and peace of mind one would expect from a long-term, high quality core equity investment.

Sincerely,



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

The views expressed in the President's Letter, Unique Fund Attributes and Manager Roundtable reflect the current views of the respective parties. 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 respective parties disclaim 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. References to specific company securities should not be construed as a recommendation or investment advice.

FUND STATISTICS AND SHORT-TERM PERFORMANCE
PERIODS ENDED DECEMBER 31, 2021
FUND STATISTICS:

Net Asset Value (NAV)	\$8.20
Market Price	\$8.38
Premium	2.2%

	Quarter	2021
Distributions *	\$0.21	\$0.81
Market Price Trading Range	\$7.75 to \$9.46	\$6.70 to \$9.46
Premium/(Discount) Range	15.3% to -0.8%	15.3% to -7.8%

PERFORMANCE:

Shares Valued at NAV with Dividends Reinvested	7.07%	23.95%
Shares Valued at Market Price with Dividends Reinvested	0.64%	35.30%
Dow Jones Industrial Average	7.87%	20.95%
Lipper Large-Cap Core Mutual Fund Average	9.85%	26.49%
NASDAQ Composite Index	8.45%	22.18%
S&P 500® Index	11.03%	28.71%

* All 2021 distributions consist of ordinary dividends, long-term capital gains and return of capital. A breakdown of each 2021 distribution for federal income tax purposes can be found in the table on page 43.

LONG-TERM PERFORMANCE SUMMARY AND DISTRIBUTIONS PERIODS ENDED DECEMBER 31, 2021	ANNUALIZED RATES OF RETURN		
	3 YEARS	5 YEARS	10 YEARS

LIBERTY ALL-STAR® EQUITY FUND

Distributions	\$2.10	\$3.34	\$5.39
Shares Valued at NAV with Dividends Reinvested	23.92%	17.53%	15.01%
Shares Valued at Market Price with Dividends Reinvested	28.65%	22.18%	17.21%
Dow Jones Industrial Average	18.49%	15.51%	14.21%
Lipper Large-Cap Core Mutual Fund Average	24.88%	17.56%	15.37%
NASDAQ Composite Index	34.26%	24.97%	20.96%
S&P 500® Index	26.07%	18.47%	16.55%

Performance returns for the Fund are calculated assuming all distributions are reinvested at actual reinvestment prices and all primary rights in the Fund's rights offering were exercised. Returns are net of management fees and other Fund expenses.

The returns shown for the Lipper Large-Cap Core Mutual Fund Average are based on open-end mutual funds' total returns, which include dividends, and are net of fund expenses. Returns for the unmanaged Dow Jones Industrial Average, NASDAQ Composite 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 62.

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

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

UNIQUE ATTRIBUTES OF Liberty All-Star® Equity Fund

Several attributes help to make the Fund a core equity holding for investors seeking diversification, income and the potential for long-term appreciation.



MULTI-MANAGEMENT FOR INDIVIDUAL INVESTORS

Liberty All-Star® Equity Fund is multi-managed, an investment discipline that is followed by large institutional investors to diversify their portfolios. In 1986, Liberty All-Star® Equity Fund became the first closed-end fund to bring multi-management to individual investors.



REAL-TIME TRADING AND LIQUIDITY

The Fund has a fixed number of shares that trade on the New York Stock Exchange and other exchanges. Share pricing is continuous—not just end-of-day, as it is with open-end mutual funds. Fund shares offer immediate liquidity, there are no annual sales fees and can often be traded commission free.



ACCESS TO INSTITUTIONAL MANAGERS

The Fund's investment managers invest primarily for pension funds, endowments, foundations and other institutions. Because institutional managers are closely monitored by their clients, they tend to be more disciplined and consistent in their investment process.



MONITORING AND REBALANCING

ALPS Advisors continuously monitors these investment managers to ensure that they are performing as expected and adhering to their style and strategy, and will replace managers when warranted. Periodic rebalancing maintains the Fund's structural integrity and is a well-recognized investment discipline.



ALIGNMENT AND OBJECTIVITY

Alignment with shareholders' best interests and objective decision-making help to ensure that the Fund is managed openly and equitably. In addition, the Fund is governed by a Board of Trustees that is elected by and responsible to shareholders.



DISTRIBUTION POLICY

Since 1988, the Fund has followed a policy of paying annual distributions on its shares at a rate that approximates historical equity market returns. The current annual distribution rate is 10 percent of the Fund's net asset value (paid quarterly at 2.5 percent per quarter), providing a systematic mechanism for distributing funds to shareholders.

(Unaudited)

YEAR	PER SHARE DISTRIBUTIONS	RIGHTS OFFERINGS			
		MONTH COMPLETED	SHARES NEEDED TO PURCHASE ONE ADDITIONAL SHARE	SUBSCRIPTION PRICE	TAX CREDITS ¹
1987	\$1.18				
1988	0.64				
1989	0.95				
1990	0.90				
1991	1.02				
1992	1.07	April	10	\$10.05	
1993	1.07	October	15	10.41	\$0.18
1994	1.00	September	15	9.14	
1995	1.04				
1996	1.18				0.13
1997	1.33				0.36
1998	1.40	April	20	12.83	
1999	1.39				
2000	1.42				
2001	1.20				
2002	0.88	May	10	8.99	
2003	0.78				
2004	0.89	July	10 ²	8.34	
2005	0.87				
2006	0.88				
2007	0.90	December	10	6.51	
2008	0.65				
2009 ³	0.31				
2010	0.31				
2011	0.34				
2012	0.32				
2013	0.35				
2014	0.39				
2015 ⁴	0.51				
2016	0.48				
2017 ⁵	0.56				
2018	0.68				
2019	0.66				
2020	0.63				
2021	0.81	November	10 ²	7.78	
Total	\$28.99				

¹ The Fund's net investment income and net realized capital gains exceeded the amount to be distributed under the Fund's distribution policy. In each case, the Fund elected to pay taxes on the undistributed income and passed through a proportionate tax credit to shareholders.

² The number of shares offered was increased by an additional 25 percent to cover a portion of the over-subscription requests.

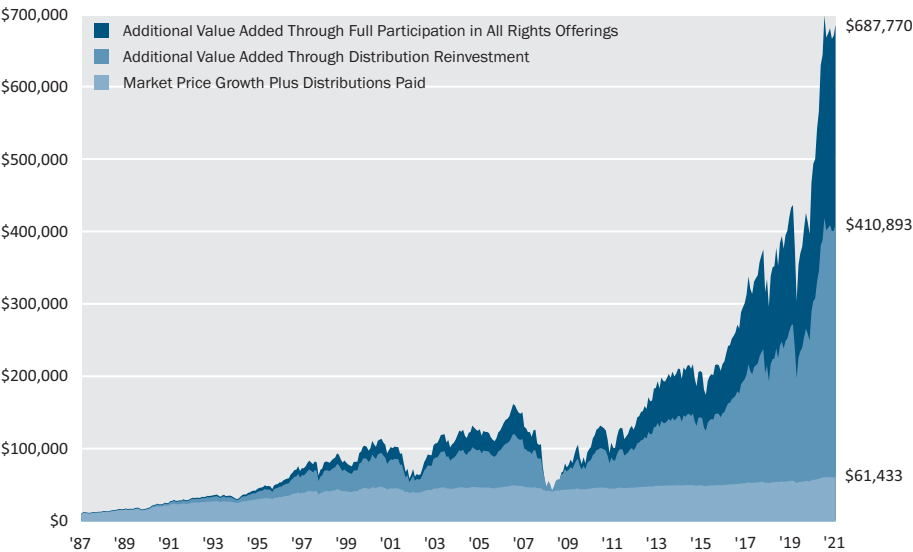
³ Effective with the second quarter distribution, the annual distribution rate was changed from 10 percent to 6 percent.

⁴ Effective with the second quarter distribution, the annual distribution rate was changed from 6 percent to 8 percent.

⁵ Effective with the fourth quarter distribution, the annual distribution rate was changed from 8 percent to 10 percent.

GROWTH OF A HYPOTHETICAL \$10,000 INVESTMENT

The graph below illustrates the growth of a hypothetical \$10,000 investment assuming the purchase of shares of beneficial interest at the closing market price (NYSE: USA) of \$6.00 on December 31, 1987, and tracking its progress through December 31, 2021. For certain information, it also assumes that a shareholder exercised all primary rights in the Fund’s rights offerings (see below). This graph covers the period since the Fund commenced its distribution policy in 1988.



- The growth of the investment assuming all distributions were received in cash and not reinvested back into the Fund. The value of the investment under this scenario grew to \$61,433 (including the December 31, 2021 value of the original investment of \$13,967 plus distributions during the period of \$46,349 and tax credits on retained capital gains of \$1,117).
- The additional value realized through reinvestment of all distributions and tax credits. The value of the investment under this scenario grew to \$410,893.
- The additional value realized through full participation in all the rights offerings under the terms of each offering. The value of the investment under this scenario grew to \$687,770 excluding the cost to fully participate in all the rights offerings under the terms of each offering which was \$116,228.

Past performance cannot predict future results. Performance will fluctuate with changes in 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.

December 31, 2021 (Unaudited)

The following are the major (\$5 million or more) stock changes - both purchases and sales - that were made in the Fund's portfolio during the fourth quarter of 2021.

SECURITY NAME	SHARES	
	PURCHASE (SALES)	HELD AS OF 12/31/21
PURCHASES		
Amazon.com, Inc	1,392	14,434
Constellation Brands, Inc.	30,300	30,300
Match Group, Inc.	77,574	77,574
Netflix, Inc.	8,980	36,418
Oshkosh Corp.	45,756	45,756
PayPal Holdings, Inc.	33,163	187,753
SALES		
Ford Motor Co.	(534,293)	0
NIKE, Inc.	(43,766)	41,650
Novartis AG	(68,000)	0

DISTRIBUTION POLICY

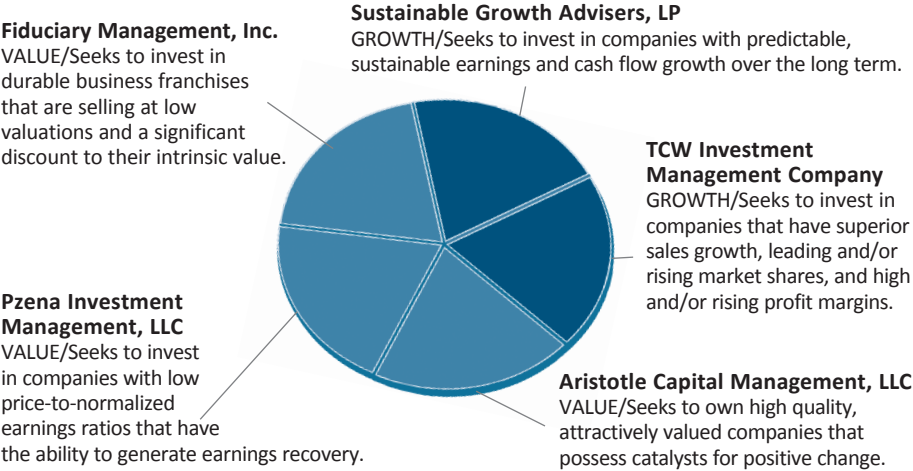
The current policy is to pay distributions on its shares totaling approximately 10 percent of its net asset value per year, payable in four quarterly installments of 2.5 percent of the Fund's net asset value at the close of the New York Stock Exchange on the Friday prior to each quarterly declaration date. Sources of distributions to shareholders may include ordinary dividends, long-term capital gains and return of capital. The actual amounts and sources of the amounts for tax reporting purposes will depend upon the Fund's investment experience during its fiscal year and may be subject to changes based on tax regulations. If a distribution includes anything other than net investment income, the Fund provides a Section 19(a) notice of the best estimate of its distribution sources at that time. These estimates may not match the final tax characterization (for the full year's distributions) contained in shareholder 1099-DIV forms after the end of the year. If the Fund's ordinary dividends and long-term capital gains for any year exceed the amount distributed under the distribution policy, the Fund may, in its discretion, retain and not distribute capital gains and pay income tax thereon to the extent of such excess.

TOP 20 HOLDINGS*	PERCENT OF NET ASSETS
Alphabet, Inc.	2.68%
Amazon.com, Inc.	2.31
Meta Platforms, Inc.	2.12
UnitedHealth Group, Inc.	1.94
Microsoft Corp.	1.92
Adobe, Inc.	1.81
Visa, Inc.	1.71
PayPal Holdings, Inc.	1.70
Sony Group Corp.	1.70
Danaher Corp.	1.57
salesforce.com, Inc.	1.46
Berkshire Hathaway, Inc.	1.41
Charles Schwab Corp.	1.24
NVIDIA Corp.	1.19
Masco Corp.	1.17
ServiceNow, Inc.	1.14
IHS Markit, Ltd.	1.13
JPMorgan Chase & Co.	1.12
Capital One Financial Corp.	1.08
Netflix, Inc.	1.05
	31.45%

ECONOMIC SECTORS*	PERCENT OF NET ASSETS
Information Technology	20.73%
Financials	16.32
Health Care	14.24
Consumer Discretionary	13.52
Industrials	9.47
Communication Services	8.58
Materials	4.36
Energy	3.39
Consumer Staples	3.09
Real Estate	2.76
Utilities	1.58
Other Net Assets	1.96
	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.

THE FUND’S ASSETS ARE APPROXIMATELY EQUALLY DISTRIBUTED AMONG
THREE VALUE MANAGERS AND TWO GROWTH MANAGERS:



ALPS Advisors, Inc., the investment advisor to the Fund, has the ultimate authority (subject to oversight by the Board of Trustees) to oversee the investment managers and recommend their hiring, termination and replacement.

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 a multi-managed portfolio. The characteristics are different for each of the Fund’s five investment managers. These differences are a reflection of the fact that each pursues a different investment style. The shaded column highlights the characteristics of the Fund as a whole, while the final column shows portfolio characteristics for the S&P 500[®] Index.

PORTFOLIO CHARACTERISTICS AS OF DECEMBER 31, 2021	INVESTMENT STYLE SPECTRUM					Total Fund	S&P 500® Index	
	VALUE							GROWTH
	Pzena	Fiduciary	Aristotle	Sustainable	TCW			
Number of Holdings	38	30	45	29	32	151*	505	
Percent of Holdings in Top 10	40%	48%	34%	44%	51%	19%	29%	
Weighted Average Market Capitalization (billions)	\$64	\$228	\$209	\$472	\$467	\$287	\$676	
Average Five-Year Earnings Per Share Growth	-3%	16%	17%	28%	33%	19%	18%	
Dividend Yield	2.1%	1.3%	1.4%	0.4%	0.3%	1.1%	1.3%	
Price/Earnings Ratio**	12x	20x	20x	40x	54x	22x	27x	
Price/Book Value Ratio	1.5x	3.2x	3.2x	9.5x	11.8x	3.4x	4.9x	

* Certain holdings are held by more than one manager.
** Excludes negative earnings.

MANAGER ROUNDTABLE

Going beyond the financial market news headlines to hear from investment managers who build portfolios from the bottom up, one stock at a time.

Liberty All-Star Equity Fund's five investment managers represent long experience, deep knowledge, proven track records and, given that they represent both growth and value styles of investing, a broad point of view on the stock market and equity investing generally. While macro-issues—like GDP, inflation and employment—dominate the business and financial news, these managers are at work on the micro level, building portfolios one stock at a time based on their style, strategy and intensive research. We asked the managers to take us inside their thinking, using the larger context of the current market environment as a backdrop. The Fund's Investment Advisor, ALPS Advisors, serves as moderator of the roundtable. Participating investment management firms, the portfolio manager for each and their respective styles and strategies are:

ARISTOTLE CAPITAL MANAGEMENT, LLC

Portfolio Manager/Howard Gleicher, CFA

CEO and Chief Investment Officer

Investment Style/Value – Aristotle seeks to invest in high quality companies that it believes are selling at a significant discount to their intrinsic value and where catalysts exist that will lead to a realization by the market of this true value. Aristotle practices a fundamental, bottom-up research-driven process and invests with a long-term perspective.

FIDUCIARY MANAGEMENT, INC.

Portfolio Manager/Patrick J. English, CFA

Chairman, CEO and CIO

Investment Style/Value – Fiduciary utilizes a business owner's approach to investing by thoroughly examining the economics of the business and the quality of the management team, seeking to invest in durable business franchises that are selling at a discount to their underlying value.

PZENA INVESTMENT MANAGEMENT, LLC

Portfolio Manager/Benjamin S. Silver, CFA, CPA

Principal and Portfolio Manager

Investment Style/Value – Pzena uses fundamental research and a disciplined process to identify good companies with a sustainable business advantage that the firm believes are undervalued on the basis of current price to an estimated normal level of earnings.

SUSTAINABLE GROWTH ADVISERS, LP

Portfolio Manager/Kishore D. Rao

Principal and Portfolio Manager

Investment Style/Growth – Sustainable focuses on companies that have unique characteristics that lead to a high degree of predictability, strong profitability and above-average earnings and cash flow growth over the long term.

TCW INVESTMENT MANAGEMENT COMPANY

Portfolio Manager/Craig C. Blum, CFA

Group Managing Director

Investment Style/Growth – TCW invests in companies that have superior sales growth, leading and/or rising market shares, and high and/or rising profit margins. TCW's concentrated growth equity strategy seeks companies with distinct advantages in their business model.

Make the case for active management and stock picking over passive, index-based investing in 2022. Nearly 40 percent of the S&P 500's capitalization is accounted for by just 20 megacap companies. That would appear to be opportune for astute stock pickers, as does the challenge key indices face in matching their outsized returns of 2019, 2020 and 2021. Let's ask the growth managers to start us off and hear first from Sustainable.

Rao (Sustainable – Growth): From the inception of our firm in 2003, we have never seen the Russell 1000® Growth Index more concentrated than it is today with 49 percent of its weight in the 10 largest-weight stocks. For a benchmark-indifferent manager such as ourselves that constructs its portfolio based purely on a three- to five-year investment horizon, this concentration creates an attractive long-term opportunity. This is particularly the case following periods like 2021 when a few stocks with large benchmark weights generated huge returns, in some cases due mainly to earnings multiple appreciation or cyclical tailwinds that are unlikely to be repeated. Remaining disciplined in our focus on attractively valued companies that, from a free cash flow standpoint, are generating sustainable, predictable above-average revenue and earnings growth, and taking meaningful positions in them has been a successful approach to growth investing historically. We are excited by the opportunity we see ahead following the cyclical rebound of 2021.

“We have never seen the Russell 1000® Growth Index more concentrated than it is today ... for a benchmark-indifferent manager such as ourselves that constructs its portfolio based purely on a three- to five-year investment horizon, this concentration creates an attractive long-term opportunity.”

—Kishore Rao
(Sustainable – Growth)

Blum (TCW – Growth): Passive investments give little consideration to the fundamentals of the companies in a given index, ignore valuation metrics and “lock in” relative valuations between securities. Buy programs are simply concentrated on companies with the largest market caps in the index, which then lifts those market caps higher, which then further intensifies the concentration on those same names when the next buying wave occurs. As the circular logic accelerates, equity prices become increasingly controlled by blind flows into and out of passive vehicles and further detached from any semblance of long-term value. And an investment in a passive investment guarantees an investor will suffer 100 percent of the next bear market's decline. As active stock pickers, we believe valuation and fundamentals matter and, as the Fed eventually “removes the punch bowl,” equity market volatility will ensue—an environment ripe for active management.”

—Craig Blum
(TCW – Growth)

any semblance of long-term value. And an investment in a passive investment guarantees an investor will suffer 100 percent of the next bear market's decline. As active stock pickers, we believe valuation and fundamentals matter and, as the Fed eventually “removes the punch bowl,” we believe equity market volatility will ensue—an environment ripe for active management.

Very relevant points in light of the first few trading days of 2022, as investors are riveted by potential Federal Reserve tightening. Let's turn to the value managers and ask Ben Silver to lead off for Pzena.

Silver (Pzena – Value): Investors indexing the top-heavy S&P 500[®] are effectively betting that the handful of mega-caps that have been driving the benchmark's performance will keep rising in perpetuity—an assumption that may prove painful should it not pan out. Active managers who leverage their deep fundamental research expertise to gain an information edge on the market possess the flexibility to reduce exposure to, or completely avoid, the potentially overvalued corners of the market in favor of more attractive prospects. We believe that active strategies adhering to a consistent style offer investors the probability of meaningful alpha over the totality of a cycle despite higher fees and inevitable periods of volatility.

“Active managers who leverage their deep fundamental research expertise to gain an information edge on the market possess the flexibility to reduce exposure to, or completely avoid, the potentially overvalued corners of the market in favor of more attractive prospects.”

—Benjamin Silver
(Pzena – Value)

Shorter-term price fluctuations that often arise from investors' overreactions to nearer-term information and uncertainties provide opportunities for active value managers to reposition portfolios, sowing the seeds for future outperformance—a benefit that passive investors miss out on. In fact, our research on value cycles spanning the past 50 years has shown that value stocks outperform the broad cap-weighted index in the U.S. by about four percentage points per year.

Another highly salient point. Let's hear from Fiduciary.

English (Fiduciary – Value): We believe this pillar about “indexing” being cheaper, easier and less risky will erode significantly in the back half of this market cycle. We can't say this strongly enough: If someone offered you a stock trading at 38.2 times the last 12 months' earnings, 7.5 times revenue,

“If someone offered you a stock trading at 38.2 times the last 12 months' earnings, 7.5 times revenue, 28.5 times EBITDA, and that has averaged less than 3 percent sales growth over the past decade, you'd run for the hills! Yet that is the asset that investors are buying today.”

—Patrick English
(Fiduciary – Value)

28.5 times EBITDA¹, and that has averaged less than 3 percent sales growth over the past decade, you'd run for the hills! Yet, based on the S&P 500[®] Index, that is the asset that investors are buying today. This has been driven mainly by mega-cap growth stocks that have reached extreme valuation levels. The Fiduciary large-cap portfolio

trades at a 46 percent discount to the S&P 500[®] and a 23 percent discount to the Russell 1000[®] Value Index. The companies have better fundamentals and higher quality balance sheets. We are optimistic that when the cycle turns, our companies will outperform the indices as valuations revert to the mean.

¹ Earnings before interest, taxes, depreciation and amortization.

Howard, round out the value perspective and share Aristotle's thoughts, please.

Gleicher (Aristotle – Value): The comfort of running with the herd is a behavioral bias that has a well-documented history of leading to poor outcomes. Yet again this past year the U.S. market was led by a relatively concentrated “herd” of companies. This “herd mentality” has been amplified with the continued rise of indexation and increasing concentration of many indices, including the S&P 500®. Apple, Microsoft and Amazon alone represent 17 percent of the index, or \$7 trillion in market capitalization. The market capitalization of the S&P 500® crossed \$3 trillion for the first time in 1993. Today, Apple alone is worth the same \$3 trillion. Shades of the late 1990s speculative era are beginning to emerge and the benefits of thinking independently are perhaps as fruitful today as in any time in recent history.

“The comfort of running with the herd is a behavioral bias that has a well-documented history of leading to poor outcomes. Yet again this past year the U.S. market was led by a relatively concentrated ‘herd’ of companies. This ‘herd mentality’ has been amplified with the continued rise of indexation and increasing concentration of many indices.”

—Howard Gleicher
(Aristotle – Value)

Based on your respective style, can you briefly present the case for growth or value stocks in light of all the variables in play for the foreseeable future? We refer to the coronavirus, higher inflation, the employment picture, supply chain disruption, housing demand and related topics. We'll start with value and go in reverse order with Howard Gleicher starting off.

Gleicher (Aristotle – Value): The growth versus value debate can typically be summed up as a comparison of consensus valuation multiples and growth forecasts for the next calendar year. We believe that, while some investors try to analyze stocks in those terms, it is current price and true net worth that drive share prices. As such, we look for high quality companies whose current stock prices do not reflect our estimate of the intrinsic value of their enterprises. In assessing intrinsic value, we focus on the normalized cash earnings power of a business over the next three to five years. The past few years have been anything but normal, yet many investors may be conditioned otherwise. We believe our normalization approach to intrinsic value remains as important today as ever.

Pat and Ben, please share the perspective as you see it at Fiduciary and Pzena.

English (Fiduciary – Value): The high inflation and interest rates of the late 1970s and early 1980s are not in investors' muscle memory. Natural resource dependency, labor mobility, supply chain efficiency and technology have fundamentally changed and these factors helped keep inflation low in recent decades. Today, that is no longer the case. Wages and input costs are rising and companies are raising prices. Central bank money printing, government spending and low productivity are also fueling higher prices. It appears a change in the interest rate environment is underway. The fed funds rate moved from 5 percent in 1976 to 20 percent in 1980. Going from today's low rate to something even remotely close to 5 percent would change the character of what works, and what does not, in the stock market. The Fiduciary portfolio is not built with the notion that interest rates will stay low forever. We remain optimistic that good quality, reasonably-valued businesses with solid balance sheets will prevail.

Silver (Pzena – Value): Although the recent rise in Covid-19 infections cannot be ignored, value stocks are still priced for a particularly painful outcome. Global output and consumption may be temporarily hindered, but our conviction is that the expansion is not over, but rather prolonged; and if the global economy keeps gaining steam, then cyclical stocks, which are synonymous with value these days, should stand to benefit disproportionately.

Inflationary pressures are also very real, but we remain invested in companies trading at compelling valuations that have the capability and wherewithal to adjust their operations and pass through higher input costs to consumers. Given the solid state of consumer balance sheets, we expect demand to remain robust, thereby leaving the aggregate long-term earnings stream in our value portfolio largely unimpaired. What's more, we have found that cheap stocks historically performed relatively well during periods of high inflation, generating about six percentage points in annualized excess return over expensive stocks going back 60 years.

Let's turn to the growth managers and ask Craig Blum to start for TCW.

Blum (TCW – Growth): Growth investors like us tend to own companies growing more rapidly and carrying higher forward multiples than those in the value index. Our long-held belief is that just because a company carries a lower multiple it does not mean it is underpriced. With the likely increase in interest rates, the consensus appears to be that deep cyclical, in other words value, will trounce growth stocks going forward, with an expected reversion to the mean. While a near-term call can be difficult, we do not agree that value stocks will meaningfully outperform growth stocks longer term. The pandemic accelerated secular trends that we are heavily exposed to such as digital transformation, artificial intelligence (AI) and the electrification of payments. Ironically, our companies' offerings are the very drivers cited for improved outlooks for many "value" stocks. Of course, the key for any investor, growth or value, is not overpaying for the cash flow produced by a company.

Rao (Sustainable – Growth): In 2021 we saw a surge in more cyclical stocks rebounding off pandemic lows with investors expecting a significant surge in earnings growth from the Russell 1000® Growth Index. With earnings growth expected to moderate in 2022 due to less fiscal stimulus, monetary policy tapering, higher rates, ongoing Covid-19 pressures, and higher regulatory and other costs for businesses, the more predictable and sustainable mid-teens growth generated by our portfolio should look more attractive to investors. Historically, cyclical periods such as 2021 have been among the most difficult for our approach, but this is mitigated by the fact that the periods are typically short-lived and have historically led to a renewed focus on business fundamentals and improved performance by quality growth businesses. Over the coming three years, the portfolio is expected to generate 20.7 percent earnings growth relative to 13.1 percent growth for the Russell 1000® Growth Index.

With so many factors at play—such as those in the previous question—it is useful to revisit for Fund investors the fundamental, bottom-up, well-researched stock selection and portfolio construction practiced by the Fund's managers—in other words, adhering to one's style, investment philosophy and process through changing market cycles and economic/business conditions. Please cite a stock in the portion of the Liberty All-Star Equity Fund portfolio that you manage that illustrates this point. Kishore Rao, we started with you so let's ask you to take this one first and then have Craig Blum wrap it up for the growth managers.

Rao (Sustainable – Growth): Danaher (DHR) manufactures and sells scientific instruments and consumables used for testing/manufacturing across multiple industries. Its products advance life-saving research, improve health and safety, and reduce energy waste. Its largest focus is in the life sciences area. Its products offer high margins and are difficult to replace in established and complex testing processes. With a large installed base, 75 percent of Danaher's revenues are derived from captive consumables with mission-critical applications. With increased testing of food, drugs, people and myriad other things, the company is in a strong position to continue to grow its sales in the U.S. and internationally. The company fits our quality growth criteria well with an attractive cash-flow-based valuation. We have increased our position in the stock amid the market's focus on more economically sensitive companies in the recent pandemic rebound.

Blum (TCW – Growth): DexCom (DXCM) is an example of one of our defensive/uncorrelated growth stocks, i.e., less cyclical, less correlated to GDP, that we believe may grow through various market cycles. DexCom is a medical device company primarily focused on the design, development and commercialization of continuous glucose monitoring (CGM) systems for use by health care providers and people with diabetes. Its competitive advantages include its strong products, which last longer and have better accuracy and convenience relative to its competition, technology, through investment in robotics, automation and scale. The company's total addressable market continues to grow as the company expands internationally and moves beyond Type 1 and Type 2 insulin-intensive patients and we believe the stock price understates DXCM's long-term earnings power.

Value managers, tell us about a stock that exemplifies your bottom-up investment process. Howard Gleicher, let's hear from Aristotle.

Gleicher (Aristotle – Value): "Quality – Value – Catalyst" is at the heart of our approach. We identify what we perceive to be quality businesses where others may not recognize their value and where catalysts exist to propel the companies forward. With that as background we are pleased to discuss Crown Castle International Corp. (CCI), a company we added to the portfolio in 2021.

CCI is one of the largest owners of cellular towers and other infrastructure, primarily in the U.S. This country is somewhat unique in that a majority of cell towers are owned by third parties, such as CCI, allowing AT&T, Verizon, T-Mobile and others to share as multiple "tenants" per site. This leads to far higher returns on capital for tower companies than in other countries. The ongoing rollout of 5G services will necessitate more towers and more equipment per tower. For higher-frequency penetration, "small cells" and fiber to connect them will also be required. This is an area of unique expertise for CCI and one which, we believe, will separate the company from its closest competitors. Legally organized as a real estate investment trust (REIT) due to its ownership of its tower assets—plus about one-third of the land they sit upon—CCI pays out a significant portion of its earnings in the form of dividends.

Ben Silver, what's a stock that reflects Pzena's approach?

Silver (Pzena – Value): At its core, deep value investing entails buying businesses at highly discounted prices relative to the present value of their future earnings streams. These opportunities present themselves when the market misinterprets temporary headwinds as long-term structural problems. Lear (LEA), a major supplier of seating modules and electrical wiring systems to multiple marques, is a prime example of a good business that went on sale due to the global semiconductor shortage. Auto suppliers like Lear were hit both on the volume side and from rising raw material costs. Volumes are expected to normalize as the semiconductor shortage abates and OEMs ramp up production. Regarding higher input costs, Lear is most exposed to rising prices of leather hides and steel in its seating business, which can only be passed through with a lag. In the face of these headwinds, however, the company continues to reduce its operating costs and will likely emerge with higher margins in the future as volumes recover and prices are adjusted. Lear trades at 10.4 times our normal earnings estimate.

Pat English, we'll ask you to conclude for Fiduciary.

English (Fiduciary – Value): PACCAR, Inc. (PCAR) makes commercial trucks and related parts. The business is very efficient and often generates negative working capital, that is, cash in before delivery, with solid margins. PCAR's return on invested capital averages 20 percent, which is better than most industrial businesses. The company's ongoing product updates should drive solid price

realization, market share gains and earnings. The company is also investing in alternative powertrain and autonomous driving technology. PCAR's truck parts business is growing at 6 percent-plus as the company increases proprietary content on trucks and enhances the distribution network. Supply chain issues have weighed on PCAR's stock and it trades at 13.8 times 2022 EPS, which is a discount to its history and a significant discount to the market. We believe the supply chain issues are temporary and are masking a solid mid-term financial outlook from new products and continued growth.

Many thanks to all for sharing your insights, and for illustrating the long-term value in a bottom-up approach to investing that begins, and ends, with in-depth analysis of companies that align with your style and strategy and exhibit sound fundamentals for the long term.

December 31, 2021

	SHARES	VALUE
COMMON STOCKS (98.04%)		
COMMUNICATION SERVICES (8.58%)		
Entertainment (1.67%)		
Netflix, Inc. ^(a)	36,418	\$ 21,939,660
Walt Disney Co. ^(a)	83,284	12,899,859
		<u>34,839,519</u>
Interactive Media & Services (5.61%)		
Alphabet, Inc., Class A ^(a)	4,501	13,039,577
Alphabet, Inc., Class C ^(a)	14,792	42,801,983
Match Group, Inc. ^(a)	77,574	10,259,161
Meta Platforms, Inc., Class A ^(a)	131,602	44,264,333
Twitter, Inc. ^(a)	149,600	6,465,712
		<u>116,830,766</u>
Media (1.30%)		
Comcast Corp., Class A	333,598	16,789,987
Omnicom Group, Inc.	142,255	10,423,024
		<u>27,213,011</u>
CONSUMER DISCRETIONARY (13.52%)		
Auto Components (1.31%)		
Cie Generale des Etablissements Michelin SCA ^(b)	310,000	10,164,900
Lear Corp.	93,795	17,159,795
		<u>27,324,695</u>
Hotels, Restaurants & Leisure (1.71%)		
Booking Holdings, Inc. ^(a)	8,225	19,733,667
Yum! Brands, Inc.	114,675	15,923,770
		<u>35,657,437</u>
Household Durables (3.43%)		
Lennar Corp., Class A	111,600	12,963,456
Lennar Corp., Class B	2,500	239,050
Mohawk Industries, Inc. ^(a)	59,064	10,760,280
Newell Brands, Inc.	554,189	12,103,488
Sony Group Corp. ^(b)	279,848	35,372,787
		<u>71,439,061</u>
Internet & Direct Marketing Retail (2.31%)		
Amazon.com, Inc. ^(a)	14,434	48,127,864
		<u></u>
Multiline Retail (1.66%)		
Dollar General Corp.	86,513	20,402,361
Dollar Tree, Inc. ^(a)	100,885	14,176,360
		<u>34,578,721</u>
Specialty Retail (1.34%)		
Home Depot, Inc.	26,980	11,196,970

See Notes to Financial Statements.

December 31, 2021

	SHARES	VALUE
COMMON STOCKS (continued)		
Specialty Retail (continued)		
TJX Cos., Inc.	127,906	\$ 9,710,623
Ulta Beauty, Inc. ^(a)	17,071	7,039,056
		<u>27,946,649</u>
Textiles, Apparel & Luxury Goods (1.76%)		
Gildan Activewear, Inc.	245,055	10,387,881
NIKE, Inc., Class B	41,650	6,941,806
PVH Corp.	107,324	11,446,105
Skechers U.S.A., Inc., Class A ^(a)	181,576	7,880,398
		<u>36,656,190</u>
CONSUMER STAPLES (3.09%)		
Beverages (0.81%)		
Coca-Cola Co.	158,000	9,355,180
Constellation Brands, Inc., Class A	30,300	7,604,391
		<u>16,959,571</u>
Food & Staples Retailing (0.76%)		
Costco Wholesale Corp.	19,716	11,192,773
Walgreens Boots Alliance, Inc.	89,000	4,642,240
		<u>15,835,013</u>
Food Products (0.34%)		
Tyson Foods, Inc., Class A	81,000	7,059,960
		<u></u>
Household Products (0.48%)		
Procter & Gamble Co.	61,000	9,978,380
		<u></u>
Personal Products (0.70%)		
Unilever PLC ^(b)	271,431	14,600,274
		<u></u>
ENERGY (3.39%)		
Energy Equipment & Services (2.00%)		
Baker Hughes Co.	539,961	12,991,462
Halliburton Co.	558,532	12,773,627
NOV, Inc.	664,188	8,999,747
Schlumberger NV	230,860	6,914,257
		<u>41,679,093</u>
Oil, Gas & Consumable Fuels (1.39%)		
Cenovus Energy, Inc.	370,268	4,546,891
Coterra Energy, Inc.	354,000	6,726,000
Exxon Mobil Corp.	128,092	7,837,949
Phillips 66	80,000	5,796,800

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December 31, 2021

	SHARES	VALUE
COMMON STOCKS (continued)		
Oil, Gas & Consumable Fuels (continued)		
Royal Dutch Shell PLC, Class A ^(b)	91,039	\$ 3,951,093
		<u>28,858,733</u>
FINANCIALS (16.32%)		
Banks (4.32%)		
Bank of America Corp.	136,340	6,065,767
Citigroup, Inc.	250,884	15,150,885
Commerce Bancshares, Inc.	77,700	5,341,098
Cullen/Frost Bankers, Inc.	57,100	7,198,597
East West Bancorp, Inc.	8,158	641,871
JPMorgan Chase & Co.	146,963	23,271,591
Mitsubishi UFJ Financial Group, Inc. ^{(b)(c)}	810,000	4,422,600
PNC Financial Services Group, Inc.	52,000	10,427,040
Wells Fargo & Co.	365,447	17,534,147
		<u>90,053,596</u>
Capital Markets (3.89%)		
Ameriprise Financial, Inc.	35,300	10,648,598
Charles Schwab Corp.	307,406	25,852,845
Goldman Sachs Group, Inc.	18,928	7,240,906
MSCI, Inc.	19,753	12,102,466
Northern Trust Corp.	105,310	12,596,129
S&P Global, Inc.	13,133	6,197,857
UBS Group AG	361,404	6,458,289
		<u>81,097,090</u>
Consumer Finance (1.58%)		
American Express Co.	64,699	10,584,756
Capital One Financial Corp.	154,497	22,415,970
		<u>33,000,726</u>
Diversified Financial Services (2.41%)		
Berkshire Hathaway, Inc., Class B ^(a)	98,315	29,396,185
Equitable Holdings, Inc.	371,413	12,178,632
Voya Financial, Inc.	129,803	8,607,237
		<u>50,182,054</u>
Insurance (4.12%)		
American International Group, Inc.	333,319	18,952,518
Arch Capital Group, Ltd. ^(a)	186,801	8,303,305
Axis Capital Holdings, Ltd.	171,252	9,328,096
Chubb, Ltd.	81,788	15,810,438
Cincinnati Financial Corp.	77,000	8,772,610
MetLife, Inc.	202,485	12,653,288
Progressive Corp.	116,473	11,955,954
		<u>85,776,209</u>

See Notes to Financial Statements.

December 31, 2021

	SHARES	VALUE
COMMON STOCKS (continued)		
HEALTH CARE (14.24%)		
Biotechnology (1.02%)		
Amgen, Inc.	40,800	\$ 9,178,776
Regeneron Pharmaceuticals, Inc. ^(a)	19,075	12,046,244
		<u>21,225,020</u>
Health Care Equipment & Supplies (5.98%)		
Abbott Laboratories	99,851	14,053,030
Alcon, Inc.	109,000	9,496,080
Align Technology, Inc. ^(a)	19,546	12,845,240
Boston Scientific Corp. ^(a)	151,897	6,452,584
Danaher Corp.	99,537	32,748,668
Dexcom, Inc. ^(a)	17,111	9,187,751
Intuitive Surgical, Inc. ^(a)	24,962	8,968,847
Koninklijke Philips NV	290,352	10,699,477
Medtronic PLC	81,000	8,379,450
Smith & Nephew PLC ^{(b)(c)}	340,922	11,802,720
		<u>124,633,847</u>
Health Care Providers & Services (4.31%)		
Cardinal Health, Inc.	88,179	4,540,337
Fresenius Medical Care AG & Co. KGaA ^(b)	569,775	18,494,896
McKesson Corp.	37,804	9,396,940
Quest Diagnostics, Inc.	98,117	16,975,222
UnitedHealth Group, Inc.	80,312	40,327,868
		<u>89,735,263</u>
Life Sciences Tools & Services (1.68%)		
Illumina, Inc. ^(a)	30,625	11,650,975
IQVIA Holdings, Inc. ^(a)	35,861	10,117,823
Thermo Fisher Scientific, Inc.	19,859	13,250,719
		<u>35,019,517</u>
Pharmaceuticals (1.25%)		
Elanco Animal Health, Inc. ^(a)	239,000	6,782,820
Pfizer, Inc.	95,506	5,639,629
Zoetis, Inc.	55,850	13,629,076
		<u>26,051,525</u>
INDUSTRIALS (9.47%)		
Aerospace & Defense (0.65%)		
General Dynamics Corp.	36,000	7,504,920
Textron, Inc.	78,387	6,051,476
		<u>13,556,396</u>
Building Products (1.74%)		
Johnson Controls International PLC	145,300	11,814,343

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December 31, 2021

	SHARES	VALUE
COMMON STOCKS (continued)		
Building Products (continued)		
Masco Corp.	347,574	\$ 24,406,646
		<u>36,220,989</u>
Commercial Services & Supplies (0.32%)		
Waste Connections, Inc.	48,650	<u>6,629,536</u>
Electrical Equipment (0.67%)		
Eaton Corp. PLC	49,074	8,480,969
Emerson Electric Co.	59,280	<u>5,511,261</u>
		<u>13,992,230</u>
Industrial Conglomerates (1.41%)		
General Electric Co.	201,838	19,067,636
Honeywell International, Inc.	49,000	<u>10,216,990</u>
		<u>29,284,626</u>
Machinery (3.09%)		
Dover Corp.	57,746	10,486,674
Oshkosh Corp.	45,756	5,157,159
PACCAR, Inc.	145,943	12,880,929
Parker-Hannifin Corp.	36,000	11,452,320
Wabtec Corp.	152,075	14,007,628
Xylem, Inc.	87,000	<u>10,433,040</u>
		<u>64,417,750</u>
Professional Services (1.59%)		
IHS Markit, Ltd.	177,142	23,545,715
TransUnion	81,400	<u>9,652,412</u>
		<u>33,198,127</u>
INFORMATION TECHNOLOGY (20.73%)		
IT Services (6.32%)		
Amdocs, Ltd.	147,701	11,053,943
Cognizant Technology Solutions Corp., Class A	185,160	16,427,395
FleetCor Technologies, Inc. ^(a)	45,999	10,296,416
Mastercard, Inc., Class A	30,196	10,850,027
PayPal Holdings, Inc. ^(a)	187,753	35,406,461
Snowflake, Inc., Class A ^(a)	16,103	5,454,891
Twilio, Inc., Class A ^(a)	24,502	6,452,356
Visa, Inc., Class A	164,769	<u>35,707,090</u>
		<u>131,648,579</u>
Semiconductors & Semiconductor Equipment (3.77%)		
ASML Holding N.V.	13,944	11,101,376
Microchip Technology, Inc.	136,000	11,840,160
Micron Technology, Inc.	193,344	18,009,994

See Notes to Financial Statements.

December 31, 2021

	SHARES	VALUE
COMMON STOCKS (continued)		
Semiconductors & Semiconductor Equipment (continued)		
NVIDIA Corp.	84,290	\$ 24,790,532
QUALCOMM, Inc.	70,000	12,800,900
		<u>78,542,962</u>
Software (10.09%)		
Adobe, Inc. ^(a)	66,380	37,641,443
ANSYS, Inc. ^(a)	34,300	13,758,416
Autodesk, Inc. ^(a)	49,364	13,880,663
Intuit, Inc.	21,550	13,861,391
Microsoft Corp.	118,661	39,908,067
RingCentral, Inc., Class A ^(a)	47,878	8,969,943
salesforce.com, Inc. ^(a)	119,501	30,368,789
ServiceNow, Inc. ^(a)	36,715	23,832,074
Trade Desk, Inc., Class A ^(a)	123,001	11,271,812
Workday, Inc., Class A ^(a)	61,343	16,757,681
		<u>210,250,279</u>
Technology Hardware, Storage & Peripherals (0.55%)		
Hewlett Packard Enterprise Co.	722,849	<u>11,399,329</u>
MATERIALS (4.36%)		
Chemicals (2.98%)		
Corteva, Inc.	240,000	11,347,200
Dow Chemical Co.	180,895	10,260,364
Ecolab, Inc.	43,700	10,251,583
Linde PLC	25,463	8,821,147
PPG Industries, Inc.	72,050	12,424,302
RPM International, Inc.	89,000	8,989,000
		<u>62,093,596</u>
Construction Materials (0.56%)		
Martin Marietta Materials, Inc.	26,700	<u>11,761,884</u>
Containers & Packaging (0.82%)		
Ball Corp.	176,463	<u>16,988,093</u>
REAL ESTATE (2.76%)		
Equity Real Estate Investment Trusts (REITs) (2.76%)		
American Tower Corp.	54,800	16,029,000
Crown Castle International Corp.	53,500	11,167,590
Equinix, Inc.	24,019	20,316,231
Equity LifeStyle Properties, Inc.	55,700	4,882,662
Sun Communities, Inc.	24,200	5,081,274
		<u>57,476,757</u>

See Notes to Financial Statements.

December 31, 2021

	SHARES	VALUE
COMMON STOCKS (continued)		
UTILITIES (1.58%)		
Electric Utilities (1.58%)		
Edison International	226,635	\$ 15,467,839
NRG Energy, Inc.	405,575	17,472,171
		<u>32,940,010</u>
TOTAL COMMON STOCKS		
(COST OF \$1,383,119,016)		<u>2,042,760,927</u>
SHORT TERM INVESTMENTS (3.29%)		
MONEY MARKET FUND (3.29%)		
State Street Institutional US Government Money Market Fund, 0.03% ^(d)		
(COST OF \$68,516,006)	68,516,006	<u>68,516,006</u>
TOTAL SHORT TERM INVESTMENTS		
(COST OF \$68,516,006)		<u>68,516,006</u>
TOTAL INVESTMENTS (101.33%)		
(COST OF \$1,451,635,022)		<u>2,111,276,933</u>
LIABILITIES IN EXCESS OF OTHER ASSETS (-1.33%)		<u>(27,648,159)</u>
NET ASSETS (100.00%)		<u>\$ 2,083,628,774</u>
NET ASSET VALUE PER SHARE		
(254,247,458 SHARES OUTSTANDING)		<u>\$ 8.20</u>

(a) Non-income producing security.

(b) American Depositary Receipt.

(c) Security, or a portion of the security position, is currently on loan. The total market value of securities on loan is \$1,311,354.

(d) Rate reflects seven-day effective yield on December 31, 2021.

December 31, 2021

ASSETS:

Investments at value (Cost \$1,451,635,022) ^(a)	\$2,111,276,933
Foreign Currency, at value (Cost \$8,708)	8,708
Receivable for investment securities sold	84,433
Dividends and interest receivable	1,272,705
Tax reclaim receivable	378,581
Prepaid and other assets	194,862

TOTAL ASSETS	2,113,216,222
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LIABILITIES:

Payable for investments purchased	156,693
Distributions payable to shareholders	27,701,867
Investment advisory fee payable	1,145,677
Payable for administration, pricing and bookkeeping fees	292,692
Accrued expenses	290,519

TOTAL LIABILITIES	29,587,448
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NET ASSETS	\$2,083,628,774
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NET ASSETS REPRESENTED BY:

Paid-in capital	\$1,471,386,275
Total distributable earnings	612,242,499

NET ASSETS	\$2,083,628,774
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Shares of common stock outstanding (unlimited number of shares of beneficial interest without par value authorized)	254,247,458
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NET ASSET VALUE PER SHARE	\$8.20
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^(a) Includes securities on loan of \$1,311,354.

*For the Year Ended December 31, 2021***INVESTMENT INCOME:**

Dividends (Net of foreign taxes withheld at source which amounted to \$281,066)	\$20,678,553
Securities lending income	24,652

TOTAL INVESTMENT INCOME	20,703,205
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EXPENSES:

Investment advisory fee	12,059,306
Administration fee	3,014,836
Pricing and bookkeeping fees	161,331
Audit fee	49,602
Custodian fee	89,806
Insurance expense	53,899
Legal fees	192,008
NYSE fee	238,431
Proxy fees	118,721
Shareholder communication expenses	97,202
Transfer agent fees	128,542
Trustees' fees and expenses	380,689
Miscellaneous expenses	21,422

TOTAL EXPENSES	16,605,795
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NET INVESTMENT INCOME	4,097,410
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REALIZED AND UNREALIZED GAIN/(LOSS) ON INVESTMENTS:

Net realized gain on investment transactions	123,711,445
Net realized gain on foreign currency transactions	353
Net change in unrealized appreciation on investments	245,933,263
Net change in unrealized depreciation on foreign currency transactions	(1,033)

NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS	369,644,028
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NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$373,741,438
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	For the Year Ended December 31, 2021	For the Year Ended December 31, 2020
FROM OPERATIONS:		
Net investment income	\$4,097,410	\$5,976,297
Net realized gain on investment transactions	123,711,798	156,395,686
Net change in unrealized appreciation on investments	245,932,230	78,548,113
Net Increase in Net Assets From Operations	373,741,438	240,920,096
DISTRIBUTIONS TO SHAREHOLDERS:		
From distributable earnings	(168,419,787)	(133,478,564)
Return of capital	(10,203,690)	—
Total Distributions	(178,623,477)	(133,478,564)
CAPITAL SHARE TRANSACTIONS:		
Proceeds from rights offering, net of offering cost	217,233,738	—
Dividend reinvestments	72,142,876	51,405,785
Net increase resulting from Capital Share Transactions	289,376,614	51,405,785
Total Increase in Net Assets	484,494,575	158,847,317
NET ASSETS:		
Beginning of period	1,599,134,199	1,440,286,882
End of period	\$2,083,628,774	\$1,599,134,199

Financial Highlights

PER SHARE OPERATING PERFORMANCE:

Net asset value at beginning of period

INCOME FROM INVESTMENT OPERATIONS:

Net investment income^(a)

Net realized and unrealized gain/(loss) on investments

Total from Investment Operations

LESS DISTRIBUTIONS TO SHAREHOLDERS:

Net investment income

Net realized gain on investments

Return of capital

Total Distributions

Change due to rights offering^(b)

Net asset value at end of period

Market price at end of period

TOTAL INVESTMENT RETURN FOR SHAREHOLDERS:^(c)

Based on net asset value

Based on market price

RATIOS AND SUPPLEMENTAL DATA:

Net assets at end of period (millions)

Ratio of expenses to average net assets

Ratio of net investment income to average net assets

Portfolio turnover rate

^(a) Calculated using average shares outstanding during the period.

^(b) Effect of Fund's rights offering for shares at a price below net asset value, net of costs.

^(c) Calculated assuming all distributions are reinvested at actual reinvestment prices and all primary rights in the Fund's rights offering were exercised. The net asset value and market price returns will differ depending upon the level of any discount from or premium to net asset value at which the Fund's shares traded during the period. Past performance is not a guarantee of future results.

For the Year Ended December 31,

2021	2020	2019	2018	2017
\$7.37	\$6.90	\$5.89	\$6.87	\$6.13
0.02	0.03	0.05	0.05	0.04
1.67	1.07	1.62	(0.35)	1.26
1.69	1.10	1.67	(0.30)	1.30
(0.02)	(0.03)	(0.05)	(0.05)	(0.04)
(0.74)	(0.60)	(0.59)	(0.51)	(0.45)
(0.05)	—	(0.02)	(0.12)	(0.07)
(0.81)	(0.63)	(0.66)	(0.68)	(0.56)
(0.05)	—	—	—	—
\$8.20	\$7.37	\$6.90	\$5.89	\$6.87
\$8.38	\$6.90	\$6.77	\$5.38	\$6.30
24.0%	18.0%	30.1%	(4.5%)	23.4%
35.3%	12.6%	39.7%	(4.9%)	34.4%
\$2,084	\$1,599	\$1,440	\$1,183	\$1,330
0.93%	1.02%	0.99%	1.00%	1.01%
0.23%	0.44%	0.73%	0.72%	0.64%
22%	45%	23%	22%	21%

NOTE 1. ORGANIZATION

Liberty All-Star® Equity Fund (the “Fund”) is a Massachusetts business trust registered under the Investment Company Act of 1940 (the “1940 Act”), as amended, as a diversified, closed-end management investment company.

Investment Goal

The Fund seeks total investment return comprised of long-term capital appreciation and current income through investing primarily in a diversified portfolio of equity securities.

Fund Shares

The Fund may issue an unlimited number of shares of beneficial interest.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements. The Fund is considered an investment company under U.S. generally accepted accounting principles (“GAAP”) and follows the accounting and reporting guidance applicable to investment companies in the Financial Accounting Standards Board *Accounting Standards Codification* Topic 946.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from these estimates.

Security Valuation

Equity securities are valued at the last sale price at the close of the principal exchange on which they trade, except for securities listed on the NASDAQ Stock Market LLC (“NASDAQ”), 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.

Cash collateral from securities lending activity is reinvested in the State Street Navigator Securities Lending Government Money Market Portfolio (“State Street Navigator”), a registered investment company under the 1940 Act, which operates as a money market fund in compliance with Rule 2a-7 under the 1940 Act. Shares of registered investment companies are valued daily at that investment company’s net asset value per share.

The Fund’s investments are valued at market value or, in the absence of market value with respect to any portfolio securities, at fair value according to procedures adopted by the Fund’s Board of Trustees (the “Board”). When market quotations are not readily available, or in management’s judgment they do not accurately reflect fair value of a security, or an event occurs after the market close but before the Fund is priced that materially affects the value of a security, the securities will be valued by the Fund’s Fair Valuation Committee using fair valuation procedures established by the Board. Examples of potentially significant events that could materially impact the value of a security include, but are not limited to: single issuer events such as corporate actions, reorganizations, mergers, spin-offs, liquidations, acquisitions and buyouts; corporate

announcements on earnings or product offerings; regulatory news; and litigation and multiple issuer events such as governmental actions; natural disasters or armed conflicts that affect a country or a region; or significant market fluctuations. Potential significant events are monitored by the Advisor ALPS Advisors Inc. (the “Advisor” and “AAI”), Sub-Advisers and/or the Valuation Committee through independent reviews of market indicators, general news sources and communications from the Fund’s custodian. As of December 31, 2021, the Fund held no securities that were fair valued.

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.

Income Recognition

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

The Fund estimates components of distributions from real estate investment trusts (“REITs”). Distributions received in excess of income are recorded as a reduction of the cost of the related investments. Once the REIT reports annually the tax character of its distributions, the Fund revises its estimates. If the Fund no longer owns the applicable securities, any distributions received in excess of income are recorded as realized gains.

Lending of Portfolio Securities

The Fund may lend its portfolio securities only to borrowers that are approved by the Fund’s securities lending agent, State Street Bank & Trust Co. (“SSB”). The Fund will limit such lending to not more than 30% of the value of its total assets. The borrower pledges and maintains with the Fund collateral consisting of cash (U.S. Dollar only), securities issued or guaranteed by the U.S. government or its agencies or instrumentalities, or by irrevocable bank letters of credit issued by a person other than the borrower or an affiliate of the borrower. The initial collateral received by the Fund is required to have a value of no less than 102% of the market value of the loaned securities for securities traded on U.S. exchanges and a value of no less than 105% of the market value for all other securities. The collateral is maintained thereafter, at a market value equal to no less than 100% of the current value of the securities on loan. The market value of the loaned securities is determined at the close of each business day and any additional required collateral is delivered to the Fund on the next business day. During the term of the loan, the Fund is entitled to all distributions made on or in respect of the loaned securities. Loans of securities are terminable at any time and the borrower, after notice, is required to return borrowed securities within the standard time period for settlement of securities transactions.

Any cash collateral received is reinvested in State Street Navigator. Non-cash collateral, in the form of securities issued or guaranteed by the U.S. government or its agencies or instrumentalities, is not disclosed in the Fund’s Statement of Assets and Liabilities as it is held by the lending agent on behalf of the Fund and the Fund does not have the ability to re-hypothecate these securities. Income earned by the Fund from securities lending activity is disclosed in the Statement of Operations.

The following is a summary of the Fund's securities lending positions and related cash and non-cash collateral received as of December 31, 2021:

Market Value of Securities on Loan	Cash Collateral Received	Non-Cash Collateral Received	Total Collateral Received
\$ 1,311,354	\$ —	\$ 1,379,950	\$ 1,379,950

The risks of securities lending include the risk that the borrower may not provide additional collateral when required or may not return the securities when due. To mitigate these risks, the Fund benefits from a borrower default indemnity provided by SSB. SSB's indemnity allows for full replacement of securities lent wherein SSB will purchase the unreturned loaned securities on the open market by applying the proceeds of the collateral, or to the extent such proceeds are insufficient or the collateral is unavailable, SSB will purchase the unreturned loan securities at SSB's expense. However, the Fund could suffer a loss if the value of the investments purchased with cash collateral falls below the value of the cash collateral received.

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.

Valuation techniques used to value the Fund's investments by major category are as follows:

Equity securities that are valued based on unadjusted quoted prices in active markets are categorized as Level 1 in the hierarchy. In the event there were no sales during the day or closing prices are not available, securities are valued at the mean of the most recent quoted bid and ask prices on such day and are generally categorized as Level 2 in the hierarchy. Investments in open-end mutual funds are valued at their closing NAV each business day and are categorized as Level 1 in the hierarchy.

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 December 31, 2021:

Investments in Securities at Value	Valuation Inputs			
	Level 1	Level 2	Level 3	Total
Common Stocks*	\$ 2,042,760,927	\$ –	\$ –	\$ 2,042,760,927
Short Term Investments	68,516,006	–	–	68,516,006
Total	\$ 2,111,276,933	\$ –	\$ –	\$ 2,111,276,933

* See Schedule of Investments for industry classifications.

The Fund did not have any securities that used significant unobservable inputs (Level 3) in determining fair value during the period. There were no transfers into or out of Level 3 during the year ended December 31, 2021.

Distributions to Shareholders

The Fund currently has a policy of paying distributions on its shares of beneficial interest totaling approximately 10% of its net asset value per year. The distributions are payable in four quarterly distributions of 2.5% 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. Distributions to shareholders are recorded on ex-date.

NOTE 3. RISKS

Investment and Market Risk

An investment in shares is subject to investment risk, including the possible loss of the entire amount invested. An investment in shares represents an indirect investment in the securities owned by the Fund, most of which are anticipated to be traded on a national securities exchange or in the over-the-counter markets. The value of these securities, like other market investments, may move up or down, sometimes rapidly and unpredictably. Shares at any point in time may be worth less than their original cost, even after taking into account the reinvestment of dividends and other distributions.

Common Stock Risk

The Fund is not limited in the percentage of its assets that may be invested in common stocks and other equity securities, and therefore a risk of investing in the Fund is common stock or equity risk. Equity risk is the risk that the market value of securities held by the Fund will fall due to general market or economic conditions, perceptions regarding the industries in which the issuers of securities held by the Fund participate, and the particular circumstances and performance of particular companies whose securities the Fund holds. In addition, common stock of an issuer in the Fund's portfolio may decline in price if the issuer fails to make anticipated dividend payments because, among other reasons, the issuer of the security experiences a decline in its financial condition. Common equity securities in which the Fund will invest are structurally subordinated to preferred stocks, bonds and other debt instruments in a company's capital structure, in terms of priority to corporate income, and therefore will be subject to greater payment risk than preferred stocks or debt instruments of such issuers. In addition, while broad market measures of common stocks have historically generated higher average returns than fixed income securities, common stocks have also experienced significantly more volatility in their returns.

Growth stocks are stocks of companies believed to have above-average potential for growth in revenue and earnings. In certain market conditions, prices of growth stocks may be more sensitive to changes in current or expected earnings than the prices of other stocks. Growth stocks may not perform as well as the stock market in general.

Market Disruption and Geopolitical Risk

Social, political, and economic events, such as natural disasters and health emergencies (e.g., epidemics and pandemics, such as the recent COVID-19 outbreak), ongoing U.S. military activities and political developments, as well as the threat of terrorist attacks, could have significant adverse effects on the U.S. economy, the stock market, world economies and markets generally, and may lead to volatility in the value of the Fund's investments. These types of events may develop quickly and unexpectedly and could significantly impact issuers, industries, governments and other systems, including financial markets. Global systems are increasingly interconnected, and an event in one area of the world may have adverse effects in other economies and financial markets. It is difficult to predict the timing or duration of an event, or its impact on the Fund and its shareholders.

NOTE 4. FEDERAL TAX INFORMATION AND TAX BASIS INFORMATION

The timing and character of income and capital gain distributions are determined in accordance with income tax regulations, which may differ from GAAP. Reclassifications are made to the Fund's capital accounts for permanent tax differences to reflect income and gains available for distribution (or available capital loss carryforwards) under income tax regulations. 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.

Classification of Distributions to Shareholders

Net investment income/(loss) and net realized gain/(loss) may differ for financial statement and tax purposes. The character of distributions made during the year from net investment income or net realized gains may differ from its ultimate characterization for federal income tax purposes. Due to the timing of dividend distributions, the fiscal year in which amounts are distributed may differ from the fiscal year in which the income or realized gain was recorded by the Fund. The amounts and characteristics of tax basis distributions and composition of distributable earnings/(accumulated losses) are determined at the time in which distributions are paid, which may occur after the fiscal year end. Accordingly, tax basis balances have not been determined as of December 31, 2021.

The tax character of distributions paid during the years ended December 31, 2021 and December 31, 2020 were as follows:

Distributions Paid From:	December 31, 2021	December 31, 2020
Ordinary Income	\$ 33,916,617	\$ 20,329,176
Long-term capital gains	93,874,301	113,149,388
Return of Capital	10,203,690	—
Total	\$ 137,994,608	\$ 133,478,564

The Fund declared a distribution of \$47,006,257 with an ex-date in 2021 that was paid in 2022. Such amount is not included above, and the tax character of such distributions will be determined at the end of 2022.

As of December 31, 2021, the components of distributable earnings on a tax basis were as follows:

Undistributed Ordinary Income	Accumulated Capital Gains	Net Unrealized Appreciation	Other Cumulative Effect of Timing Differences	Total
\$ —	\$ —	\$ 659,228,670	\$ (46,986,171)	\$ 612,242,499

As of December 31, 2021, the cost of investments for federal income tax purposes and accumulated net unrealized appreciation/(depreciation) on investments was as follows:

Cost of Investments	Gross unrealized Appreciation (excess of value over tax cost)	Gross unrealized Depreciation (excess of tax cost over value)	Unrealized Appreciation on Foreign Currencies	Net Unrealized Appreciation
\$ 1,452,049,131	\$ 701,183,257	\$ (41,955,455)	\$868	\$ 659,228,670

The differences between book-basis and tax-basis are primarily due to deferral of losses from wash sales and the differing treatment of certain other investments.

Federal Income Tax Status

For federal income tax purposes, the Fund currently qualifies, and intends to remain qualified, as a regulated investment company under the provisions of Subchapter M of the Internal Revenue Code of 1986, as amended, by distributing substantially all of its investment company taxable net income including realized gain, not offset by capital loss carryforwards, if any, to its shareholders. Accordingly, no provision for federal income or excise taxes has been made.

As of and during the year ended December 31, 2021, the Fund did not have a liability for any unrecognized tax benefits. The Fund files U.S. federal, state, and local tax returns as required. The Fund's tax returns are subject to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return. Tax returns for open years have incorporated no uncertain tax positions that require a provision for income taxes.

NOTE 5. FEES AND COMPENSATION PAID TO AFFILIATES**Investment Advisory Fee**

AAI serves as the investment advisor to the Fund. AAI receives a monthly investment advisory fee based on the Fund's average daily net assets at the following annual rates:

Average Daily Net Assets	Annual Fee Rate
First \$400 million	0.800%
Next \$400 million	0.720%
Next \$400 million	0.648%
Over \$1.2 billion	0.584%

Investment Advisory Fees for the year ended December 31, 2021 are reported on the Statement of Operations.

AAI retains multiple Portfolio Managers to manage the Fund's investments in various asset classes. AAI pays each Portfolio Manager a portfolio management fee based on the assets of the investment portfolio that they manage. The portfolio management fee is paid from the investment advisory fees collected by AAI and is based on the Fund's average daily net assets at the following annual rates:

Average Daily Net Assets	Annual Fee Rate
First \$400 million	0.400%
Next \$400 million	0.360%
Next \$400 million	0.324%
Over \$1.2 billion	0.292%

Administration, Bookkeeping and Pricing Services

ALPS Fund Services, Inc. ("ALPS") serves as the administrator to the Fund and the Fund has agreed to pay expenses incurred in connection with this service. Pursuant to an Administrative, Bookkeeping and Pricing Services Agreement, ALPS provides operational services to the Fund including, but not limited to, fund accounting and fund administration and generally assists in the Fund's operations. The Fund's administration fee is accrued on a daily basis and paid monthly. Administration, Pricing and Bookkeeping fees paid by the Fund for the year ended December 31, 2021 are disclosed in the Statement of Operations.

The Fund also reimburses ALPS for out-of-pocket expenses and charges, including fees payable to third parties for pricing the Fund's portfolio securities and direct internal costs incurred by ALPS in connection with providing fund accounting oversight and monitoring and certain other services.

Fees Paid to Officers

All officers of the Fund, including the Fund's Chief Compliance Officer, are employees of AAI or its affiliates, and receive no compensation from the Fund. The Board of Trustees has appointed a Chief Compliance Officer to the Fund in accordance with federal securities regulations.

NOTE 6. PORTFOLIO INFORMATION**Purchases and Sales of Securities**

For the year ended December 31, 2021, the cost of purchases and proceeds from sales of securities, excluding short-term obligations, were \$494,238,924 and \$384,749,606, respectively.

NOTE 7. CAPITAL TRANSACTIONS

On August 9, 2021, the Board of the Fund authorized and set the terms of an offering to the Fund's shareholders of rights to purchase additional shares of the Fund. Record date shareholders, at the close of business on October 15, 2021 were issued non-transferable rights entitling them to subscribe for one additional share for every ten shares held (the "Primary Subscription"), with the right to subscribe for additional shares not subscribed for by others in the Primary Subscription. The rights offering commenced on October 21, 2021 and expired on November 22, 2021 (the "Expiration Date"). Shareholders exercised rights to purchase 27,979,915 shares at a subscription price of \$7.78 per share for proceeds, net of expenses of \$450,000, of \$217,233,738. If the shares would have been issued at the NAV the proceeds would have been \$228,705,504, net of expenses. The subscription price represents 95 percent of the average of the last reported sales price of a share on the NYSE on the Expiration Date and the four preceding trading days.

During the years ended December 31, 2021 and December 31, 2020, distributions in the amounts of \$72,142,876 and \$51,405,785, respectively, were paid in newly issued shares valued at market value or net asset value, but not less than 95% of market value. Such distributions resulted in the issuance of 9,175,859 and of 8,254,107 shares, respectively.

NOTE 8. 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 Trustees 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.

NOTE 9. SUBSEQUENT EVENTS

Effective January 1, 2022, the Fund's Administrative fee schedule includes an additional breakpoint on average daily net assets over \$1.6 billion at 0.117% and the Fund Accounting fee, Financial Reporting fee and Multi-Manager fee included in the Fund's Administration Agreement have been removed.

To the shareholders and the Board of Trustees of Liberty All-Star® Equity Fund

Opinion on the Financial Statements and Financial Highlights

We have audited the accompanying statement of assets and liabilities of Liberty All-Star® Equity Fund (the "Fund"), including the schedule of investments, as of December 31, 2021, the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended, and the related notes. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Fund as of December 31, 2021, and the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements and financial highlights based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. Our procedures included confirmation of securities owned as of December 31, 2021, by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

DELOITTE & TOUCHE LLP

Denver, Colorado
February 25, 2022

We have served as the auditor of one or more investment companies advised by ALPS Advisors, Inc. since 2007.

Under the Fund's Automatic Dividend Reinvestment and Direct Purchase Plan (the "Plan"), shareholders automatically participate and have all their Fund dividends and distributions reinvested by Computershare Trust Company, N.A., as agent for participants in the Plan (the "Plan Agent"), in additional shares of the Fund. For further information, call Investor Assistance at 1-800-LIB-FUND (1-800-542-3863) weekdays between 9 a.m. and 5 p.m. Eastern Time.

Shareholders whose shares are held in the name of a brokerage firm, bank or other nominee can participate in the Plan only if their brokerage firm, bank or nominee is able to do so on their behalf. Shareholders participating in the Plan through a brokerage firm may not be able to transfer their shares to another brokerage firm and continue to participate in the Plan.

Under the Plan, all dividends and distributions will be reinvested in additional shares of the Fund. Distributions declared payable in cash will be reinvested for the accounts of participants in the Plan in additional shares purchased by the Plan Agent on the open market at prevailing market prices. If, prior to the Plan Agent's completion of such open market purchases, the market price of a share plus estimated brokerage commissions exceeds the net asset value, the remainder of the distribution will be paid in newly issued shares valued at net asset value (but not at a discount of more than 5% from market price). Distributions declared payable in shares (or cash at the option of shareholders) are paid to participants in the Plan entirely in newly issued full and fractional shares valued at the lower of market value or net asset value per share on the valuation date for the distribution (but not at a discount of more than 5 percent from market price). Dividends and distributions are subject to taxation, whether received in cash or in shares.

Plan participants have the option of making additional investments of \$100 or more on a monthly basis up to a maximum of \$120,000 in a calendar year. These direct purchases will be invested on or shortly after the 15th of each month and direct purchases should be sent so as to be received by the Plan Agent at least two business days prior to the next investment date. Barring suspension of trading, direct purchases will be invested within 35 days after such date. Alternatively, participants can authorize an automatic monthly deduction from a checking or savings account at a U.S. bank or other financial institution. A participant may withdraw a direct purchase by written notice received by the Plan Agent at least two business days before such payment is to be invested.

The Plan Agent maintains all shareholder accounts in the Plan and furnishes confirmations of all transactions in the account, including information needed by shareholders for tax records. Shares in the account of each Plan participant will be held by the Plan Agent in book-entry or noncertificated form in the name of the participant, and each shareholder's proxy will include those shares purchased or received pursuant to the Plan.

There is no charge to participants for reinvesting distributions pursuant to the Plan. The Plan Agent's fees are paid by the Fund, therefore indirectly by shareholders. There are no brokerage charges with respect to shares issued directly by the Fund as a result of dividends or distributions declared payable in shares. However, each participant bears a per share fee (which includes any brokerage commissions the Plan Agent is required to pay) incurred with respect to the Plan Agent's open market purchases in connection with the reinvestment of distributions declared payable in cash.

With respect to direct purchases, the Plan Agent will charge \$1.25 for purchase by check and \$2.00 for automatic investment transactions, plus a per share fee (which includes any brokerage commissions the Plan Agent is required to pay). Sales of shares held in the Plan will also be subject to a service fee of \$2.50 and a per share fee currently \$0.10. All fees described in this summary are subject to change. Please contact the Plan Agent for the current fees.

Shareholders may terminate their participation in the Plan by notifying the Plan Agent by telephone, through the Internet or in writing. Such termination will be effective immediately if notice is received by The Plan Agent prior to any dividend record date.

The Fund reserves the right to amend or terminate the Plan.

The full text of the Plan may be found on the Fund's website at www.all-starfunds.com.

TAX INFORMATION

All 2021 distributions whether received in cash or shares of the Fund consist of the following:

- (1) ordinary dividends
- (2) long-term capital gains
- (3) return of capital

The table below details the breakdown of each 2021 distribution for federal income tax purposes.

Record Date	Payable Date	Amount per Share	Total Ordinary Dividends		Long-Term Capital Gains	Return of Capital
			Qualified	Non- Qualified		
11/13/20*	01/04/21	\$0.029651	12.48%	12.10%	68.03%	7.39%
01/22/21	03/08/21	\$0.19	12.48%	12.10%	68.03%	7.39%
04/23/21	06/07/21	\$0.20	12.48%	12.10%	68.03%	7.39%
07/24/21	09/07/21	\$0.21	12.48%	12.10%	68.03%	7.39%
11/19/21**	01/03/22	\$0.21	—	—	—	—

* Pursuant to Section 852 of the Internal Revenue Code, the taxability of this distribution will be reported in the Form 1099-DIV for 2021.

** Pursuant to Section 852 of the Internal Revenue Code, the taxability of this distribution will be reported in the Form 1099-DIV for 2022.

Tax Designations

The Fund designates the following as a percentage of taxable ordinary income distributions for the calendar year ended December 31, 2021:

Qualified Dividend Income	50.77%
Dividend Received Deduction	42.35%

Pursuant to Section 852(b)(3) of the Internal Revenue Code, Liberty All-Star Equity Fund designated \$93,874,301 as long-term capital gain dividends.

SHAREHOLDER MEETING RESULTS

On August 26, 2021, the Annual Meeting of Shareholders of the Fund was held to elect two Trustees to the Board. On June 14, 2021, the record date for the meeting, the Fund had outstanding 221,494,111 shares of beneficial interest. The votes cast at the meeting were as follows:

Proposal – To elect two Trustees:

Nominee	For	Against/Withheld
Maureen K. Usifer	170,638,148.819	2,450,240.885
Edmund J. Burke	169,798,985.214	3,289,404.490

The names of the Trustees and Officers of the Fund, the date each was first elected or appointed to office, their term of office, their principal business occupations and other directorships they have held during at least the last five years, are shown below.

DISINTERESTED TRUSTEES

Name (Year of Birth) and Address*	Position with the Fund, Term of Office and Length of Service	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex Overseen by Trustee**	Other Directorships Held
Thomas W. Brock Year of Birth: 1947	Trustee since 2005; Chairman since 2015; Term expires 2023	Chief Executive Officer, Silver Bay Realty (2016 – 2017); Acting Chief Executive Officer, Silver Bay Realty (2016); Director, Silver Bay Realty (2012-2017)	2	Director, Liberty All-Star [®] Growth Fund, Inc. (since 2005); Trustee, Equitable AXA Annuity Trust (since January 2016), and 1290 Funds (since January 2016)
George R. Gaspari Year of Birth: 1940	Trustee since 2006; Term expires 2023	Financial Services Consultant (1996-2012)	2	Director, Liberty All-Star [®] Growth Fund, Inc. (since 2006); Trustee (1999 – January 2021) and Chairman — Audit Committee (January 2015 – January 2021), The Select Sector SPDR Trust
John J. Neuhauser Year of Birth: 1943	Trustee since 1998; Term expires 2022	Retired. Formerly, President, St. Michael's College (2007-2018); University Professor December 2005-2007, Boston College (formerly Academic Vice President and Dean of Faculties, from 1999 - 2005, Boston College)	2	Director, Liberty All-Star [®] Growth Fund, Inc. (since 1998)

DISINTERESTED TRUSTEES

Name (Year of Birth) and Address*	Position with the Fund, Term of Office and Length of Service	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex Overseen by Trustee**	Other Directorships Held
Maureen K. Usifer Year of Birth: 1960	Trustee since 2018; Term expires 2024	Board Member Green Mountain Care Board (2017-2021), Board Advisor, Healthy Living Market (2017-Present), Board of Trustees, Saint Michael's College (2015- Present), and Chief Financial Officer, Seventh Generation, Inc. (2012- 2016), Director PC Construction (2021-Present)	2	Director, Liberty All- Star® Growth Fund, Inc. (since 2018); Director BlackRock Capital Investment Corporation (2005-Present)
Milton M. Irvin Year of Birth: 1949	Trustee since 2018; Term expires 2022	Retired (2012); Chair, Advisory Board Member Castle Oak Securities (2012-present); Chair, Investment Committee Member Executive Leadership Council (2006- 2020); Chair, Board Member South Carolina State University (2015- 2020); Graduate Executive Board Member Wharton School (2009-2016)	2	Director, Liberty All- Star® Growth Fund, Inc. (since 2018)

DISINTERESTED TRUSTEES

Name (Year of Birth) and Address*	Position with the Fund, Term of Office and Length of Service	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex Overseen by Trustee**	Other Directorships Held
Edmund J. Burke*** Year of Birth: 1961	Trustee since 2006; Term expires 2024	Mr. Burke joined ALPS in 1991 and served as the President and Director of ALPS Holdings, Inc., and ALPS Advisors, Inc., and Director of ALPS Distributors, Inc., ALPS Fund Services, Inc. ("ALPS"), and ALPS Portfolio Solutions Distributor, Inc. (collectively, the "ALPS Companies"). Mr. Burke retired from the ALPS Companies in June 2019. Mr. Burke is currently a partner at ETF Action, a web-based system that provides data and analytics to registered investment advisers, (since 2020) and a Director of Alliance Bioenergy Plus, Inc., technology company focused on emerging technologies in the renewable energy, biofuels, and bioplastics technology sectors (since 2020).	27	Director, Liberty All-Star [®] Growth Fund, Inc. (since 2006); Trustee (since 2017) – ALPS ETF Trust, Trustee (since 2009) – Financial Investors Trust, Trustee (since 2004) – Clough Global Dividend and Income Fund, Trustee (since 2006) – Clough Global Equity Fund, Trustee – Clough Global Opportunities Fund, and Trustee – Clough Funds Trust (since 2015).

* The address for all Trustees is: c/o ALPS Fund Services, Inc., 1290 Broadway, Suite 1000; Denver, CO 80203.

** The "Fund Complex" for the Fund includes the Fund, Liberty All-Star[®] Growth Fund, Inc., and any registered investment company advised by AAI or any registered investment company sub-advised by Aristotle Capital Management, LLC, Fiduciary Management, Inc., Pzena Investment Management, LLC, Sustainable Growth Advisers, LP, and TCW Investment Management Company LLC.

*** Mr. Burke was considered to be an "Interested Trustee" until December 31, 2021 because of his previous positions with ALPS.

OFFICERS

Name (Year of Birth) and Address*	Position with the Fund	Year First Elected or Appointed to Office	Principal Occupation(s) During Past Five Years
William R. Parmentier, Jr. (1952)	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). Mr. Parmentier is deemed an affiliate of the Funds as defined under the 1940 Act.
Mark T. Haley CFA (1964)	Senior Vice President	1999	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). Mr. Haley is deemed an affiliate of the Funds as defined under the 1940 Act.
Erich Rettinger (1985)	Treasurer	2021	Vice President of ALPS Advisors, Inc. ("AAI") (since 2021) and serves as Treasurer of RiverNorth Opportunities Fund, Inc., Liberty All-Star Growth Fund, Inc. Principal Real Estate Income Fund, and ALPS Variable Investment Trust. From 2013-2021, he served as Vice President and Fund Controller of ALPS Fund Services. Because of his position with AAI, Mr. Rettinger is deemed an affiliate of the Fund as defined under the 1940 Act.
Matthew Sutula (1985)	Chief Compliance Officer	2019	Chief Compliance Officer of ALPS Advisors, Inc. ("AAI") (Since 2016). Prior to his current role, Mr. Sutula served as Compliance Manager and Senior Compliance Analyst for AAI, as well as Compliance Analyst for ALPS Fund Services, Inc. Prior to joining ALPS, he spent seven years at Morningstar, Inc. in various analyst roles supporting the registered investment company databases. Mr. Sutula is also Chief Compliance Officer of Principal Real Estate Income Fund, ALPS Variable Investment Trust, RiverNorth Opportunities Fund, Inc. and Liberty All-Star [®] Growth Fund, Inc. Because of his position with ALPS, Mr. Sutula is deemed an affiliate of the Funds as defined under the 1940 Act.

OFFICERS

Name (Year of Birth) and Address*	Position with the Fund	Year First Elected or Appointed to Office	Principal Occupation(s) During Past Five Years
Sareena Khwaja-Dixon (1980)	Secretary	2016	Principal Legal Counsel and Vice President of ALPS Fund Services, Inc. Secretary of RiverNorth Opportunities Fund, Inc., Clough Dividend and Income Fund, Clough Global Opportunities Fund, Clough Global Equity Fund, Liberty All-Star [®] Growth Fund, Inc., Reaves Utility Income Fund, and Clough Funds Trust and Assistant Secretary of RiverNorth Specialty Finance Corp, RiverNorth/DoubleLine Strategic Opportunity Fund, Inc., RiverNorth Flexible Municipal Income Fund, Inc., RiverNorth Managed Duration Municipal Income Fund, Inc., RiverNorth Funds, and RiverNorth Opportunistic Municipal Income Fund, Inc. Because of her position with ALPS, Ms. Khwaja-Dixon is deemed an affiliate of the Funds as defined under the 1940 Act.
Tanya Tancheff (1973)	Assistant Secretary	2021	Senior Paralegal with ALPS Fund Services, Inc, Assistant Secretary of Liberty All-Star [®] Growth Fund, Inc. Because of her position with ALPS, Ms. Tancheff is deemed an affiliate of the Funds as defined under the 1940 Act.

* The address of each officer, other than Messrs. Parmentier and Haley is: c/o ALPS Fund Services, Inc., 1290 Broadway, Suite 1000, Denver, CO 80203. The address of Messrs. Parmentier and Haley is c/o ALPS Advisors, Inc., One Financial Center, 4th Floor, Boston, MA 02111.

The Investment Company Act of 1940 requires that the Board of Trustees ("Board") of the Liberty All-Star Equity Fund ("Fund"), including all of the Trustees who are not "interested persons" of the Fund ("Independent Trustees"), annually review the Fund's investment advisory agreements and consider whether to renew them for an additional year. At its meeting on September 10, 2021, the Board, including a majority of the Independent Trustees, conducted such a review and approved the continuation of the Fund Management Agreement between the Fund and ALPS Advisors, Inc. ("AAI") and each separate Portfolio Management Agreement among the Fund and the following independent investment management firms: Aristotle Capital Management LLC ("Aristotle"), Pzena Investment Management, LLC ("Pzena"), Sustainable Growth Advisers, LP ("Sustainable"), TCW Investment Management Company ("TCW") and Fiduciary Management, Inc. ("Fiduciary"). Aristotle, Pzena, Sustainable, TCW, and Fiduciary are collectively referred to as "Portfolio Managers" and each as a "Portfolio Manager."

Prior to the Board's action, the Independent Trustees met to consider management's recommendations with respect to the renewal of the Fund Management Agreement and the Portfolio Management Agreements (each, an "Agreement" and, collectively, the "Agreements"). In reaching its decision to renew each Agreement, the Board considered the overall fairness of each Agreement and whether each Agreement was in the best interests of the Fund. The Board further considered factors it deemed relevant with respect to the Fund, including (1) the nature, extent and quality of services provided to the Fund by AAI, its affiliates, and each Portfolio Manager; (2) the performance of the Fund and the Portfolio Managers; (3) the level of the Fund's management and portfolio management fees and expense ratios; (4) the costs of the services provided and profits realized by AAI and its affiliates from their relationship with the Fund; (5) the extent to which economies of scale would be realized as the Fund grows and whether fee levels will reflect economies of scale for the benefit of shareholders; (6) the "fall-out" benefits to AAI, each Portfolio Manager and their respective affiliates (i.e., any direct or indirect benefits to be derived by AAI, each Portfolio Manager and their respective affiliates from their relationships with the Fund); and (7) other general information about AAI and each Portfolio Manager. In considering each Agreement, the Board did not identify any single factor or information as all-important or controlling and each Independent Trustee may have attributed different weight to each factor.

The Board considered these factors in the context of the Fund's multi-manager methodology, which seeks to achieve more consistent and less volatile performance over the long term than if a single Portfolio Manager was employed. The Fund allocates its portfolio assets among Portfolio Managers recommended by AAI and approved by the Board, currently five for the Fund. The Board considered that each Portfolio Manager employs a different investment style and/or strategy, and from time to time AAI rebalances the Fund's portfolio assets among the Portfolio Managers. The Board also took into account that AAI continuously analyzes and evaluates each Portfolio Manager's investment performance and portfolio composition and, from time to time, recommends changes in the Portfolio Managers.

In connection with its deliberations, the Board considered information furnished throughout the year at regular Board meetings, as well as information prepared specifically in connection with the annual renewal and approval process. Information furnished and discussed throughout the year included AAI's analyses of the Fund's investment performance and related financial information for the Fund, presentations given by the Fund's Portfolio Managers, as well as periodic reports on legal, compliance,

brokerage commissions and execution and other services provided by AAI, the Portfolio Managers and their affiliates. Information furnished specifically in connection with the renewal process included, among other things, a report of the Fund's investment performance over various time periods as compared to a peer universe and a market index and the Fund's fees and expenses as compared to comparable groups of closed-end funds and open-end multi-managed funds based, in part, on information prepared by AAI regarding review of the Lipper peer groups. The information provided by AAI generally included information reflecting the Fund's management fees, expense ratios, investment performance and profitability, including AAI's profitability with respect to the Fund.

As part of the process to consider the Agreements, legal counsel to the Independent Trustees requested information on behalf of the Independent Trustees from AAI and each Portfolio Manager. In response to these requests, the Independent Trustees received reports from AAI and each Portfolio Manager that addressed specific factors designed to inform the Independent Trustees' consideration of each Agreement. In addition, counsel also provided the Independent Trustees and the Board with a memorandum discussing the legal standards applicable to their consideration of the Agreements. In considering the proposed renewals, the Board considered all factors they believed to be relevant, including those discussed below. The Board did not identify any one factor as being dispositive.

Based on their evaluation of all material factors, the Board unanimously concluded that the terms of each Agreement were reasonable and fair and that the renewal of each of the Agreements was in the best interests of the Fund and its shareholders. The following is a summary of the Board's considerations and conclusions during the full Board meeting and Executive Session regarding these matters.

Nature, Extent and Quality of the Services Provided

The Board considered the nature, extent and quality of the portfolio manager selection, evaluation and monitoring services provided by AAI, and the portfolio management services provided by each Portfolio Manager, in light of the investment objective of the Fund. The Board also considered the nature, extent and quality of the administrative services provided to the Fund by ALPS Fund Services, Inc., an affiliate of AAI. The Board considered the steps that AAI has taken to encourage strong performance, including AAI's willingness to recommend Portfolio Manager changes when necessary to address performance issues.

The Board considered the background and experience of the personnel at AAI responsible for Portfolio Manager selection, evaluation and monitoring for the Fund and the personnel at each Portfolio Manager responsible for managing the Fund's portfolio. The Board also considered the overall financial strength of AAI and each Portfolio Manager, the effect on the Fund of any turnover in personnel at each Portfolio Manager, the insurance maintained by AAI and each Portfolio Manager and the compliance records of AAI and each Portfolio Manager. The Board concluded that the nature, extent and quality of the services provided by AAI and each Portfolio Manager up for renewal were appropriate and consistent with the terms of the Agreements and that the Fund was likely to continue to benefit from services provided under the Agreements.

Investment Performance

The Board considered the long-term and short-term investment performance of the Fund over multiple periods, which generally included annual total returns both on an absolute basis and relative

to an appropriate benchmark and/or Lipper peer universe based on materials showing the performance of the Lipper peer group. The Board considered the Fund's performance based on both net asset value ("NAV") and market price and, in general, considered long-term performance to be more important in its evaluation than short-term performance. In addition, the Board considered the performance of the allocated portions of the Fund in the context of the Portfolio Managers' different investment strategies and styles and the contribution of each Portfolio Manager to the Fund's overall strategy and performance.

The Board received information which indicated among other things that, based on NAV, the Fund outperformed the Lipper Large-Cap Core Mutual Fund Average ("Lipper Average") as of June 30, 2021 for the year-to-date and one-, three-, and five-year periods. It was approximately the same as the Lipper Average for the ten-year period.

In addition to the performance of the Fund and each Portfolio Manager's sleeve of the Fund, the Board considered management's and the Portfolio Managers' explanations for the Fund's performance and the relevant benchmarks and peer groups. The Board accepted the explanations and determined that the performance information and explanations supported the renewal of the Agreements.

Costs of the Services Provided to the Fund

The Board considered the fees paid by the Fund to AAI and the fees paid by AAI to the Portfolio Managers as well as information provided by AAI about the management fees, overall expense ratio and expense reimbursement by AAI for selected closed-end funds and multi-manager open-end equity funds.

The Board considered that the Fund's management and administration fees and its total expense ratio were lower than the median of a representative group of closed-end funds selected by AAI. The Board also considered that the Fund's management and expense fees were higher than the median for the multi-manager open-end equity funds, but that the Fund's total expense ratio was lower.

The Independent Trustees took into account that the Fund's higher contractual management fees and expense ratios were generally consistent with the higher costs and greater complexity associated with the management of a closed-end multi-manager fund.

The Board considered that AAI currently does not have any institutional clients with investment objectives and strategies comparable to those of the Fund. The Board considered the breakpoint schedule that lowers the management fee rate paid by the Fund as the Fund's assets increase. The Board also considered the management fees paid to the Portfolio Managers and the fee rates charged by the Portfolio Managers to their other accounts, including institutional accounts. The Board considered that the Portfolio Managers were paid by AAI, not the Fund. The Board also considered the differences in the level of services provided by and the differences in responsibility of AAI and the Portfolio Managers to the Fund and to other accounts. The Board concluded that the management fees payable by the Fund to AAI and the fees payable by AAI to the Portfolio Managers were reasonable in relation to the nature and quality of the services provided, taking into account the management fees paid by selected closed-end funds and open-end equity funds.

Profitability and Costs of Services to AAI

The Board considered the level of profits realized by AAI in connection with the operation of the Fund. The Board considered the profitability information setting forth recent overall profitability of the Fund to AAI, as well as overall profitability information relating to certain prior calendar years. In reviewing the information, attention was given to the methodology followed in allocating costs to the Fund, it being recognized that allocation methodologies are inherently subjective and various allocation methodologies may be reasonable while producing different results. The Board considered management's ongoing costs and expenditures in providing and improving services for the Fund as well as the ongoing need to meet regulatory and compliance requirements. In addition, the Board considered information prepared by management comparing the profitability of AAI on an overall basis to other investment company managers. The Board also considered the extent to which AAI and its affiliates might derive ancillary benefits from the Fund, noting that an affiliate of AAI serves as the Fund's administrator and receives compensation for acting in this capacity.

The Board considered that it does not regard Portfolio Manager profitability as meaningful to an evaluation of the Portfolio Manager Agreements because the willingness of the Portfolio Managers to serve in such capacity depends primarily upon arm's-length negotiations with AAI. The Board and AAI generally are aware of the fees charged by the Portfolio Managers to other clients, and the Board believes that the fees agreed upon with the Portfolio Managers are reasonable in light of the quality of investment advisory services rendered. The Board reached its conclusion based in part on the fees that the Portfolio Managers charge other clients, the reasonableness of the aggregate management fees paid by the Fund and the fact that each Portfolio Manager's fee is paid by AAI and not the Fund. The Board understood that, as a business matter, AAI was entitled to earn reasonable profits for its services to the Fund. The Board determined that AAI's profitability was reasonable in relation to the services provided and to the costs of providing management services to the Fund and supported the renewal of the Agreements.

Extent of Economies of Scale as the Fund Grows and Whether Fee Levels Reflect Economies of Scale

The Board considered whether economies of scale are realized by AAI as the Fund grows larger and the extent to which this is reflected in the level of management fees charged. The Board took into consideration the fee breakpoint schedules under the Agreements and concluded that the schedules reflect economies of scale with respect to the selection, evaluation and monitoring of Portfolio Managers and other services performed by AAI and the management of Fund assets by each Portfolio Manager. In this regard, the Board considered that the Fund has reached an asset size at which the Fund and its shareholders are benefiting from reduced management fee rates due to breakpoints in the management fees.

Based on the foregoing, the Board concluded that the Fund was realizing economies of scale under the Agreements and management fee schedule, which supports the renewal of the Agreements.

Benefits to be Derived from the Relationship with the Fund

The Board also considered the potential ancillary, or "fall-out," benefits that AAI or the Portfolio Managers might receive in connection with their association with the Fund. In its consideration of the Agreements, the Board considered, among other things, that AAI and the Portfolio Managers may derive ancillary benefits from the Fund's operations. For example, under the Agreements, although

it is not currently doing so, AAI may request that transactions giving rise to brokerage commissions be executed through brokers and dealers that provide brokerage or research services to the Fund or AAI. Each Portfolio Manager, through its position as a Portfolio Manager to the Fund, also may engage in soft dollar transactions.

In advance of the meeting, the Board received information regarding each Portfolio Manager's procedures for executing portfolio transactions for the allocated portion(s) of the Fund and each Portfolio Manager's soft dollar policies and procedures. In addition, the Board considered that a Portfolio Manager may be affiliated with registered broker-dealers who may, from time to time, receive brokerage commissions from the Fund in connection with the purchase and sale of portfolio securities; provided, however, that those transactions, among other things, must be consistent with seeking best execution. The Board determined that the foregoing ancillary benefits were consistent with the renewal of the Agreements.

Based on its evaluation of all material factors, the Board unanimously concluded that the terms of each Agreement were reasonable and fair and that the renewal of each Agreement was in the best interests of the Fund and its shareholders.

The following information in this annual report is a summary of certain information about the Fund and changes since the Fund's most recent prospectus dated October 13, 2021 (the "prior disclosure date"). This information may not reflect all of the changes that have occurred since you purchased the Fund.

Portfolio Manager Information

Since the prior disclosure date, there have been no changes in the Fund's portfolio managers or background.

Fund Organizational Structure

Since the prior disclosure date, there have been no changes in the Fund's charter or by-laws that would delay or prevent a change of control of the Fund that have not been approved by shareholders.

Investment Objective

There have been no changes in the Fund's investment objective since the prior disclosure date that have not been approved by shareholders.

The Fund's investment objective is to seek total investment return, comprised of long-term capital appreciation and current income. It seeks its investment objective through investment primarily in a diversified portfolio of equity securities.

Under normal market conditions, the Fund invests at least 80% of its net assets (plus any borrowings for investment purposes) in equity securities, defined as common stocks and securities convertible into common stocks such as bonds and preferred stocks, and securities having common stock characteristics such as warrants and rights to purchase equity securities (although, as a non-fundamental policy, not more than 20% of the value of the Fund's total assets may be invested in rights and warrants). The Fund may lend its portfolio securities, write covered call and put options and engage in options and futures strategies.

Although under normal market conditions the Fund will remain substantially fully invested in equity securities, up to 20% of the value of the Fund's net assets may generally be invested in short-term money market instruments, including certificates of deposit (negotiable certificates issued against bank deposits), other interest-bearing bank deposits such as savings and money market accounts, and bankers' acceptances (short-term bank-guaranteed credit instruments used to finance transactions in goods) of domestic branches of U.S. banks having assets of not less than \$1 billion, obligations issued or guaranteed by the U.S. Government and its agencies and instrumentalities ("U.S. Government Securities"), commercial paper (unsecured short-term promissory notes issued by corporations) rated not lower than A-1 by Standard & Poor's ("S&P"), or Prime-1 by Moody's Investors Service, Inc. ("Moody's"), short-term corporate debt securities rated not lower than AA by S&P or AA by Moody's, and repurchase agreements with respect to the foregoing (collectively, "Short-Term Money Market Instruments"). The Fund may temporarily invest without limit in Short-Term Money Market Instruments for defensive purposes when AAI or the Portfolio Managers deem that market conditions are such that a more conservative approach to investment is desirable. Taking a temporary defensive position may prevent the Fund from achieving its investment objective.

Up to 20% of the Fund's net assets may be invested in below-investment grade securities. The below investment grade securities in which the Fund may invest are rated below BBB. This rating is defined by Standard & Poor's as investment grade. The Fund does not currently intend to invest more than 5% of its net assets in below investment grade securities.

The Fund also may invest without limitation in foreign securities. The Fund does not currently intend to invest more than 5% of its net assets in foreign securities. Because American Depository Receipts ("ADRs") are denominated in U.S. dollars and there is a large liquid market in the U.S. for them, ADRs are not considered foreign securities for purposes of calculating the Fund's foreign securities exposure.

The Fund's investment objective of seeking total investment return and its policy of investing under normal market conditions at least 80% of the value of its net assets (plus borrowings for investment purposes) in equity securities, as well as certain of its investment restrictions, are fundamental and may not be changed without a majority vote of the Fund's outstanding shares. Under the 1940 Act, a "majority vote" means the vote of the lesser of (a) 67% of the shares of the Fund represented at a meeting at which the holders of more than 50% of the outstanding shares of the Fund are present or represented, or (b) more than 50% of the outstanding shares of the Fund. Non-fundamental policies may be changed by vote of the Board of Trustees.

Principal Investment Strategies

There have been no changes in the Fund's Principal Investment Strategies and Policies since the prior disclosure date.

Investment Practices

The following describes certain of the investment practices in which one or more of the Portfolio Managers may engage, each of which may involve certain special risks.

Lending of Portfolio Securities. The Fund, in order to generate additional income, may lend its portfolio securities (principally to broker-dealers) where such loans are callable at any time and are continuously secured by collateral (cash or U.S. Government Securities) equal to and not less than the market value, determined daily, of the securities loaned. The Fund would receive amounts equal to the interest on the securities loaned. It would also be paid for having made the loan. Any cash collateral pursuant to these loans would be invested in Short-Term Money Market Instruments. The Fund could be subjected to delays in recovering the loaned securities in the event of default or bankruptcy of the borrower. The Fund will limit such lending to not more than 30% of the value of the Fund's total assets. The Fund may pay fees to its custodian bank or others for administrative services in connection with securities loans.

Repurchase Agreements. The Fund may enter into repurchase agreements with banks or broker-dealer firms whereby such institutions sell U.S. Government Securities or other securities in which it may invest to the Fund and agree at the time of sale to repurchase them at a mutually agreed upon time and price. The resale price is greater than the purchase price, reflecting an agreed-upon interest rate that is effective during the time between the purchase and resale and is not related to the stated interest rate on the purchased securities. The Fund requires the seller of the securities to maintain on deposit with the Fund's custodian bank securities in an amount at all times equal to or in excess of the value of the repurchase agreement. In the event that the seller of the securities

defaults on its repurchase obligation or becomes bankrupt, the Fund could receive less than the repurchase price on the sale of the securities to another party or could be subjected to delays in selling the securities. Under normal market conditions, not more than 20% of the Fund's net assets will be invested in Short-Term Money Market Instruments, including repurchase agreements, and not more than 10% of the Fund's net assets will be invested in repurchase agreements maturing in more than seven days.

Securities of Other Investment Companies. The Fund may invest in the securities of other investment companies, including open-end mutual funds, closed-end funds, unit investment trusts, private investment companies and offshore investment companies. An investment in an investment company involves risks similar to those of investing directly in the investment company's portfolio securities, including the risk that the value of the portfolio securities may fluctuate in accordance with changes in the financial condition of their issuers, the value of stocks and other securities generally, and other market factors.

In addition, investing in other investment companies involves certain other risks, costs, and expenses for the Fund. If the Fund invests in another investment company, the Fund will be charged its proportionate share of the advisory fees and other operating expenses of such investment company, which are in addition to the advisory fees and other operational expenses charged to the Fund. In addition, the Fund could incur a sales charge in connection with purchasing an investment company security or a redemption fee upon the redemption of such security. An investment in the shares of a closed-end investment company may also involve the payment of a substantial premium over, while sales of such shares may be made at a substantial discount from, the NAV of the issuers' portfolio securities. Investments in securities of other investment companies will be made in compliance with applicable 1940 Act limitations. To the extent that the Fund invests in the securities of other investment companies, the Fund's shareholders will indirectly bear a pro rata share of the investment company's expenses in addition to the expenses associated with an investment in the Fund. The Fund may invest in investment companies managed by AAI or other affiliates of AAI.

RISKS

The Fund is a diversified, multi-managed closed-end management investment company designed primarily as a long-term investment and not as a trading vehicle. The Fund is not intended to be a complete investment program and there can be no assurance that the Fund will achieve its investment objective.

Investment and Market Risk

An investment in the Fund's shares is subject to investment risk, including the possible loss of the entire amount that you invest. Your investment in shares represents an indirect investment in the securities owned by the Fund, most of which are traded on a national securities exchange or in the over-the-counter markets. The value of these securities, like other market investments, may move up or down, sometimes rapidly and unpredictably. Your shares at any point in time may be worth less than your original investment, even after taking into account the reinvestment of dividends and other distributions.

Market Discount Risk

In addition, shares of closed-end management investment companies such as the Fund frequently trade at a discount from their NAV. The shares were designed primarily for long-term investors, and investors in shares should not view the Fund as a vehicle for trading purposes. This risk is separate and distinct from the risk that the Fund's NAV may decline.

Common Stock Risk

The Fund is not limited in the percentage of its assets that may be invested in common stocks and other equity securities, and therefore a risk of investing in the Fund is equity risk. Equity risk is the risk that the market value of securities held by the Fund will fall due to general market or economic conditions, perceptions regarding the industries in which the issuers of securities held by the Fund participate, and the particular circumstances and performance of particular companies whose securities the Fund holds. In addition, common stock of an issuer in the Fund's portfolio may decline in price if the issuer fails to make anticipated dividend payments because, among other reasons, the issuer of the security experiences a decline in its financial condition. Common equity securities in which the Fund will invest are structurally subordinated to preferred stocks, bonds and other debt instruments in a company's capital structure, in terms of priority to corporate income, and therefore will be subject to greater payment risk than preferred stocks or debt instruments of such issuers. In addition, while broad market measures of common stocks have historically generated higher average returns than fixed income securities, common stocks have also experienced significantly more volatility in those returns.

Management Risk

The Fund is subject to management risk because it is an actively managed investment portfolio. AAI and the Portfolio Managers will apply investment techniques and risk analyses in selecting Portfolio Managers and making investment decisions for the Fund, respectively, but there can be no guarantee that these will produce the desired results.

Growth Stock Risk

Currently, approximately 40% of the Fund's net assets are allocated to Portfolio Managers that utilize a "growth" approach to investing. Over time, depending on market conditions, this allocation may increase or decrease. Growth stocks are stocks of companies believed to have above-average potential for growth in revenue and earnings. Prices of growth stocks may be more sensitive to changes in current or expected earnings than the prices of other stocks. In certain market conditions, growth stocks may not perform as well as the stock market in general.

Value Stock Risk

Currently, approximately 60% of the Fund's net assets are allocated to Portfolio Managers that utilize a "value" approach to investing. Over time, depending on market conditions, this allocation may increase or decrease. Value stocks are stocks of companies that may have experienced adverse business or industry developments or may be subject to special risks that have caused the stocks to be out of favor and, in a Portfolio Manager's opinion, undervalued. If the Portfolio Manager's assessment of a company's prospects is wrong, the price of the company's stock may fall or may not approach the value the Portfolio Manager has placed on it.

Foreign Securities Risk

Investments in foreign securities involve risks in addition to those of investments in U.S. issuers. These risks include political and economic risks, currency fluctuations, higher transaction costs, less liquidity and greater volatility, delayed settlement, confiscatory taxation, withholding of taxes and less stringent investor protection and disclosure standards in some foreign markets. These risks can make investments in foreign issuers more volatile and potentially less liquid than investments in U.S. issuers.

Tax Risk

The Fund may invest in preferred securities, convertible securities or other securities the federal income tax treatment of the income from which may not be clear or may be subject to recharacterization by the IRS. The tax treatment of distributions the Fund reports as “qualified dividend income” may be affected by IRS interpretations of the Code and future changes in the Code and the Treasury regulations. There can be no assurance as to what portion, if any, of the Fund’s distributions will constitute qualified dividend income.

Inflation Risk

Inflation risk is the risk that the value of assets or income from investment will be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of the Fund’s shares and distributions can decline.

Deflation Risk

Deflation risk is the risk that prices throughout the economy decline over time, which may have an adverse effect on the market valuation of companies, their assets and revenues. In addition, deflation may have an adverse effect on the creditworthiness of issuers and may make issuer default more likely, which may result in a decline in the value of the Fund’s portfolio.

Market Disruption and Geopolitical Risk

Certain events have a disruptive effect on the securities markets, such as health emergencies, cyber-attacks, terrorist attacks, war and other geopolitical events. The Fund cannot predict the effects of these events on the U.S. economy, the stock market and world economies and markets generally.

Legislation and Regulatory Risk

At any time after the date of this Prospectus, legislation or additional regulations may be enacted that could negatively affect the assets of the Fund or the issuers of such assets. Changing approaches to regulation may have a negative impact on the entities and/or securities in which the Fund invests. Legislation or regulation may also change the way in which the Fund itself is regulated.

FACTS	WHAT DO THE LIBERTY ALL-STAR FUNDS DO WITH YOUR PERSONAL INFORMATION?										
WHY?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.										
WHAT?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <table><tr><td>Social Security number</td><td>Purchase History</td></tr><tr><td>Assets</td><td>Account Balances</td></tr><tr><td>Retirement Assets</td><td>Account Transactions</td></tr><tr><td>Transaction History</td><td>Wire Transfer Instructions</td></tr><tr><td>Checking Account Information</td><td></td></tr></table> <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>	Social Security number	Purchase History	Assets	Account Balances	Retirement Assets	Account Transactions	Transaction History	Wire Transfer Instructions	Checking Account Information	
Social Security number	Purchase History										
Assets	Account Balances										
Retirement Assets	Account Transactions										
Transaction History	Wire Transfer Instructions										
Checking Account Information											
HOW?	All financial companies need to share customers’ personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers’ personal information; the reasons the Liberty All-Star Funds choose to share; and whether you can limit this sharing.										

REASONS WE CAN SHARE YOUR PERSONAL INFORMATION	DO THE LIBERTY ALL-STAR FUNDS SHARE?	CAN YOU LIMIT THIS SHARING?
For our everyday business purposes – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes – to offer our products and services to you	No	We don’t share
For joint marketing with other financial companies	No	We don’t share
For our affiliates’ everyday business purposes – information about your transactions and experiences	No	We don’t share
For our affiliates’ everyday business purposes – information about your creditworthiness	No	We don’t share
For non-affiliates to market to you	No	We don’t share

QUESTIONS? Call 1-800-241-1850

WHO WE ARE	
Who is providing this notice?	Liberty All-Star Funds
WHAT WE DO	
How do the Liberty All-Star Funds protect my personal information?	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.</p> <p>Our service providers are held accountable for adhering to strict policies and procedures to prevent any misuse of your nonpublic personal information.</p>
How do the Liberty All-Star Funds collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none">• Open an account• Provide account information• Give us your contact information• Make deposits or withdrawals from your account• Make a wire transfer• Tell us where to send the money• Tells us who receives the money• Show your government-issued ID• Show your driver's license <p>We also collect your personal information from other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only:</p> <ul style="list-style-type: none">• Sharing for affiliates' everyday business purposes – information about your creditworthiness• Affiliates from using your information to market to you• Sharing for non-affiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing.</p>
DEFINITIONS	
Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none">• <i>The Liberty All-Star Funds do not share with our affiliates for marketing purposes.</i>
Non-affiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none">• <i>The Liberty All-Star Funds do not share with non-affiliates so they can market to you.</i>
Joint marketing	<p>A formal agreement between non-affiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none">• <i>The Liberty All-Star Funds do not jointly market.</i>

Dow Jones Industrial Average

A price-weighted measure of 30 U.S. blue-chip companies.

Lipper Large-Cap Core Mutual Fund Average

The average of funds that, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) above Lipper's U.S. domestic equity large-cap floor. These funds typically have average characteristics compared to the S&P 500® 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 lower book-to-price ratios and higher 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 3000® Value Index

Measures the performance of those Russell 3000® companies with higher book-to-price ratios and lower growth values.

Russell 1000® Growth Index

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

Russell 1000® Value Index

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

S&P 500® Index

A large-cap U.S. equities index that includes 500 leading companies and represents more than 83% of the total domestic U.S. equity market capitalization.

An investor cannot invest directly in an index.

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www.all-starfunds.com

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Denver, Colorado 80202

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Sareena Khwaja-Dixon, Secretary
Tanya Tancheff, Assistant Secretary
Matthew Sutula, Chief Compliance Officer

*Member of Audit Committee

USA
LISTED
NYSE

Annual Certifications — As required, on September 17, 2021, the Fund submitted to the New York Stock Exchange (“NYSE”) the annual certification of the Fund’s Chief Executive Officer certifying that, as of such date, he was not aware of any violation of the NYSE’s Corporate Governance listing standards. The Fund also has included the certifications of the Fund’s Chief Executive Officer and Chief Financial Officer required by Section 302 of the Sarbanes-Oxley Act of 2002 as exhibits to reports filed with the Securities and Exchange Commission (“SEC”) on a semi-annually basis on Form N-CSR.

A description of the Fund’s proxy voting policies and procedures is available (i) on the SEC’s 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.

The Fund files a complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year in Form N-PORT. The Fund’s Form N-PORTs are available on the SEC’s website at 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 All-Star® Equity Fund for their information. It is not a prospectus or other document intended for use in the purchase of Fund shares.



Liberty All-Star® Equity Fund

ALPS Advisors, Inc.
Investment Advisor

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*Secondary market support provided to
the Fund by ALPS Advisors Inc.'s
affiliate ALPS Portfolio Solutions
Distributor, Inc., a FINRA member.*