LIBERTY ALL STAR GROWTH FUND INC.
Form N-CSR
March 01, 2016

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

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number: 811-04537

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

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

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

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

Date of fiscal year end: December 31

Date of reporting period: January 1 - December 31, 2015

Item 1. Reports to Stockholders.

Contents

A SINGLE INVESTMENT...
A DIVERSIFIED GROWTH PORTFOLIO

A single fund that offers:

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

LIBERTY ALL-STAR® GROWTH FUND, INC.

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.

(Unaudited)

Fellow Shareholders: February 2016

Although equity returns were flattish for 2015, market action throughout the year was anything but calm. Periodic downdrafts roiled markets at various times in all four quarters, with the net result being the poorest year since 2008 for U.S. stocks overall.

The S&P 500® Index returned 1.38 percent, ending three years of double-digit gains, while the widely-followed Dow Jones Industrial Average returned 0.21 percent. The best performance was turned in by the technology-focused NASDAQ Composite Index, which gained 6.96 percent. Six of the 10 sectors in the S&P 500® posted losses for the year, with energy being the laggard at a decline of 21 percent. These key market metrics saved their best for last in 2015, posting their greatest advance in the fourth quarter, buoyed in particular by a strong month in October. That followed the weakest period, the third quarter, when all three indices declined in a range of 6 – 7 percent.

As they did in 2014, growth stocks again outperformed their value counterparts on a relative basis. Among market capitalization indices, the Russell Top 200® Growth Index (large cap) returned 8.18 percent while the Russell Midcap® Growth Index returned -0.20 percent. Small cap stocks, as represented by the Russell 2000® Growth Index, returned -1.38 percent.

Investors scanning the world for indicators of future equity market conditions found more cause for concern than comfort in 2015. A leading source of worry was the sharp decline in energy prices, continuing a trend that, for crude oil, started in mid-year 2014. The domestic benchmark, West Texas Intermediate (WTI) crude, closed 2015 at $37 per barrel versus $94 per barrel in July 2014. Increasing supply as a result of the U.S. "energy revolution," Saudi reluctance to limit production and the strong U.S. dollar all contributed to oil's precipitous decline in price. Softer demand affected iron ore, copper and other metals as well. This accounted for a good portion of the weakness in emerging markets. In some emerging markets—like Brazil and Russia—energy and natural resources represent a significant portion of the economy.

Another source of worry was China, where reported nominal GDP has fallen into the 6 percent range from 12 percent a few years ago. China surprised financial markets on August 11 by announcing a devaluation of its currency. Its subsequent attempts to intervene and settle its own highly volatile stock market only served to heighten fears that its leadership was losing control of the world's second-largest economy. Worries over China were reflected in a 6.03 percent decline in the S&P 500® during August, the index's worst monthly performance in more than three years.

Investors scanning the world for indicators of future equity market conditions found more cause for concern than comfort in 2015...the U.S. was the safest port in the storm, but that was not without its own choppiness.

The geopolitical situation also served to keep investors on edge. Ongoing conflict in the Middle East was a source of headlines on a daily basis. But there was also fighting in Ukraine in the wake of Russia's seizure of Crimea in late 2014; the massive influx of refugees across much of Western Europe; and Greece very nearly withdrawing from the Eurozone.

While the U.S. was the safest port in the storm, it was not without its own choppiness. There were three sources of concern: lackluster corporate earnings, modest economic growth and the increasing likelihood that the Federal Reserve Board would raise short-term interest rates. To the latter point, after months of speculation, the Fed finally ended the suspense in December with a 0.25 percent increase in the fed funds rate. As to economic expansion, sequential GDP growth through the first three quarters of the year was -0.2 percent, 3.9 percent and 2.0 percent. Preliminary data from the Commerce Department indicated that the domestic economy grew at a 0.7 percent annual rate in the fourth quarter of 2015. Like the first quarter of 2014, the negative 1Q15 GDP could be traced to an extremely harsh winter (exacerbated by a rising U.S. dollar and a West Coast port labor dispute). There were positive offsets to these factors, however. Perhaps the brightest spot was jobs, which showed solid growth throughout the year, including 307,000 new jobs in October, 252,000 in November and 262,000 in December as the unemployment rate dipped to 5.0 percent. Wages also rose, albeit modestly. Auto sales were another bright spot, as was consumer spending in general. In June, new home sales surged to a seven-year high, but this volatile metric weakened for the balance of the year. And inflation as measured by the consumer price index remained muted, rising just 0.7 over the trailing 12 months as of December. Low oil prices were a double-edge sword: good for consumers, but bad for industrial companies supplying capital equipment to the oil and gas industries.

(Unaudited)

Liberty All-Star® Growth Fund

Liberty All-Star® Growth Fund returns compared favorably for 2015. Returning 3.88 percent with shares valued at net asset value (NAV) with dividends reinvested and 5.14 percent with shares valued at market price with dividends reinvested, Fund results were ahead of all relevant benchmarks except the technology-focused NASDAQ Composite Index for the year. (Fund returns are net of expenses.)

For the fourth quarter, the Fund returned 9.30 percent with shares valued at net asset value (NAV) with dividends reinvested and 12.25 percent with shares valued at market price with dividends reinvested (net of expenses). Comparable fourth quarter gains were 7.04 percent for the S&P 500® Index; 7.70 percent for the Dow Jones Industrial Average; and 8.71 percent for the NASDAQ Composite Index. The Lipper Multi-Cap Growth Mutual Fund Average returned 5.68 percent, while the Russell Growth Benchmark advanced 5.69 percent.

The Fund's performance was very good for both periods, even though it was hindered somewhat by lower returns from mid- and small-cap growth stocks—which comprise two-thirds of the Fund's assets— compared with large-cap growth stocks. As noted earlier in this letter, only the large-cap Russell Top 200® Growth Index showed a positive result for the year, while the Russell Midcap® Growth Index and the small-cap Russell 2000® Growth Index both posted negative performance. Compared with 2014, the discount at which Fund shares traded relative to their underlying NAV widened during the year, ranging from a low of -7.3 percent to a high of -12.0 percent.

Fund distributions totaled $0.77 per share in 2015, including $0.45 in the fourth quarter. The exceptional fourth quarter amount included an additional distribution made in December for the purpose of allowing the Fund to meet its 2015 distribution requirement for federal excise tax purposes. The 2015 distributions bring the total distributed to shareholders since 1997, when the distribution policy commenced, to $12.65 per share. The Fund's distribution policy is a major component of the Fund's total return, and we continue to emphasize that shareholders should include these distributions when determining the return on their investment in the Fund.

(Unaudited)

One of the key principles on which the Fund was founded is multi-management, or the practice of allocating the Fund's assets to carefully selected growth style managers investing across the capitalization spectrum of large-, mid- and small-cap growth stocks. Thus, we are once again offering insights into the managers' thinking through our annual roundtable question-and-answer exchange, and invite shareholders to read the managers' comments.

On December 3, 2015 Richard Lowry retired as Chairman of the Board of Directors. Mr. Lowry was a board member since 1994 when the multi-management structure was first implemented. He deserves special mention not only because of his long association with the Fund - but also for his enthusiastic support and dedication to the Fund for all those years. His guidance and expertise will be missed and we wish him all the best. Thomas Brock who has been a member of the Board since 2005 will succeed Mr. Lowry as your new Chairman. We congratulate and welcome him as the Fund's new Chair and shareholders will be well served by his vast experience in the investment management industry.

As investors are well aware, the volatility that characterized 2015 continued and even greatly heightened as 2016 opened, the concerns being much the same as described in this letter. This is a painful situation for all investors. In a world in which the primary worry can be summed up as a lack of growth, there is promise in those companies with proprietary competitive advantages operating in sectors and industries where innovation drives opportunity. Finding those companies and unlocking their value is what the Fund's managers do every day. We at Liberty All-Star® Growth Fund will continue to do our job of complementing the managers' skills by remaining vigilant, disciplined and focused on providing a high-quality, multi-cap growth fund for long-term investors. We thank you for your confidence in the Fund, and pledge our continued best efforts on your behalf.

Sincerely,

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

(Unaudited)

FUND STATISTICS AND SHORT-TERM PERFORMANCE
PERIODS ENDED DECEMBER 31, 2015

FUND STATISTICS:	
Net Asset Value (NAV)	$4.99
Market Price	$4.58
Discount	-8.2%

	Quarter	2015
Distributions*	$0.45	$0.77
Market Price Trading Range	$4.47 to $5.00	$4.20 to $5.41
Premium/(Discount) Range	-7.3% to -11.2%	-7.3% to -12.0%

PERFORMANCE:		
Shares Valued at NAV with Dividends Reinvested	9.30%	3.88%
Shares Valued at Market Price with Dividends Reinvested	12.25%	5.14%
Dow Jones Industrial Average	7.70%	0.21%
Lipper Multi-Cap Growth Mutual Fund Average	5.68%	2.51%
NASDAQ Composite Index	8.71%	6.96%
Russell Growth Benchmark	5.69%	2.20%
S&P 500® Index	7.04%	1.38%

(Unaudited)

LONG-TERM PERFORMANCE SUMMARY AND DISTRIBUTIONS	ANNUALIZED RATES OF RETURN			
PERIODS ENDED DECEMBER 31, 2015	3 YEARS	5 YEARS	10 YEARS	15 YEARS
LIBERTY ALL-STAR® GROWTH FUND, INC.				
Distributions	$1.41	$1.95	$4.11	$7.49
Shares Valued at NAV with Dividends Reinvested	13.94%	10.85%	7.51%	4.50%
Shares Valued at Market Price with Dividends Reinvested	14.93%	10.56%	7.59%	4.88%
Dow Jones Industrial Average	12.66%	11.30%	7.75%	5.80%
Lipper Multi-Cap Growth Mutual Fund Average	14.78%	11.12%	7.34%	4.53%
NASDAQ Composite Index	19.81%	14.91%	9.68%	5.72%
Russell Growth Benchmark	15.62%	12.21%	8.29%	5.28%
S&P 500® Index	15.13%	12.57%	7.31%	5.00%

* All 2015 distributions consist of ordinary dividends and long-term capital gains. A breakdown of each 2015 distribution for federal income tax purposes can be found in the table on page 42.

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

The returns shown for the Lipper Multi-Cap Growth Mutual Fund Average are based on open-end mutual funds' total returns, which include dividends, and are net of fund expenses. Figures shown for the unmanaged Dow Jones Industrial Average, NASDAQ Composite Index, the Russell Growth Benchmark 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 55.

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.

(Unaudited)

UNIQUE ATTRIBUTES OF Liberty All-Star® Growth Fund

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

MULTI-MANAGEMENT FOR INDIVIDUAL INVESTORS

Large institutional investors have traditionally employed multiple investment managers. With three investment managers investing across the full capitalization range of growth stocks, the Fund brings 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. In addition, Fund shares offer immediate liquidity and there are no annual sales fees.

(Unaudited)

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 the 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 Directors that is elected by and responsible to shareholders.

DISTRIBUTION POLICY

Since 1997, 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 8 percent of the Fund's net asset value (paid quarterly at 2 percent per quarter), providing a systematic mechanism for distributing funds to shareholders.

(Unaudited)

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

MANAGERS' DIFFERING INVESTMENT STRATEGIES ARE
REFLECTED IN PORTFOLIO CHARACTERISTICS

The portfolio characteristics table below is a regular feature of the Fund's shareholder reports. It serves as a useful tool for understanding the value of the Fund's multi-managed portfolio. The characteristics are different for each of the Fund's three investment managers. These differences are a reflection of the fact that each has a different capitalization focus and investment strategy. The shaded column highlights the characteristics of the Fund as a whole, while the first three columns show portfolio characteristics for the Russell Smallcap, Midcap and Largecap Growth indices. See page 55 for a description of these indices.

PORTFOLIO CHARACTERISTICS AS OF DECEMBER 31, 2015	RUSSELL GROWTH: Smallcap Index	Midcap Index	Largecap Index	MARKET CAPITALIZATION SPECTRUM SMALL Weatherbie	TCW	LARGE Sustainable	Total Fund
Number of Holdings	1,194	505	644	57	45	30	126*
Weighted Average Market Capitalization (billions)	$2.1	$13.2	$133.9	$2.8	$9.2	$89.2	$39.0
Average Five-Year Earnings Per Share Growth	15%	16%	13%	29%	23%	17%	20%
Average Five-Year Sales Per Share Growth	11%	11%	12%	16%	16%	13%	15%
Price/Earnings Ratio**	24x	23x	22x	36x	28x	28x	30x
Price/Book Value Ratio	3.8x	4.8x	5.4x	4.5x	4.9x	4.9x	4.9x

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

(Unaudited)
MANAGER ROUNDTABLE

A theme that emerged in 2014 proved difficult to shake in 2015: investor concerns over slow- or no-growth economies in all quarters of the globe. Sharply falling prices for energy and a range of commodities highlighted the slack demand. Geopolitical issues clouded the picture, as well, with continuing conflict in the Middle East exacerbated by flair-ups in Ukraine, Greece and East Asia, in addition to the migrant crisis that engulfed most of Europe. Compared with most countries, the U.S. offered stable, albeit slow growth; there were worries, however, about whether rising interest rates, even if modest, would be another headwind for the economy. The Fund's three growth managers faced this very same investment environment. Their response: to focus on what they do best ... conduct in-depth research that assesses companies' prospects one at a time, call on their insights into the factors that will drive future growth in industries from technology to health care, and adhere to their investment style and strategy.

Liberty All-Star Growth Fund's investment managers have long experience, in-depth knowledge, a proven track record and a firm commitment to growth style investing. Once again, therefore, we are grateful to be able to call upon this resource to provide Fund shareholders with timely commentary and insight. 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 capitalization ranges are:

WEATHERBIE CAPITAL, LLC
Portfolio Manager/Matthew A. Weatherbie, CFA
President and Founder
Capitalization Focus/Small-Cap Growth – Weatherbie practices a small capitalization growth investment style focusing on high quality companies that demonstrate superior earnings growth prospects, yet are reasonably priced relative to their intrinsic value. The firm seeks to provide superior returns relative to small capitalization growth indices over a full market cycle.

TCW INVESTMENT MANAGEMENT COMPANY
Portfolio Manager/Chang Lee
Managing Director
Capitalization Focus/Mid-Cap Growth – TCW seeks capital appreciation through investment in the securities of rapidly growing companies whose business prospects, in TCW's view, are not properly perceived by consensus research.

SUSTAINABLE GROWTH ADVISERS, LP
Portfolio Manager/George Fraise
Founding Principal
Capitalization Focus/Large-Cap Growth—SGA focuses on companies that have unique characteristics that lead to a high degree of predictability, strong profitability and above-average earnings and cash flow growth over the long term.

If 2015 could be summed up in one word it may well be "growth" ... or the lack thereof. From China to Europe to the U.S., slow/no growth was the worry that hung over equity markets all year. Where are you focusing as you search for growth opportunities over the next 12 – 18 months?

(Unaudited)

Weatherbie (Weatherbie – Small-Cap Growth): The U.S. economy is in an interesting period—while we believe the next recession is at least 18-24 months away, we also wonder if the next downturn might be caused by a non-economic event and not by central bank policy. As the long cycle of quantitative easing comes to an end, we have identified specific subsectors and industries—like energy services—that may face headwinds and we are underweight. Through careful fundamental research, however, we remain confident in our ability to identify smaller companies with good performance and are bullish on new health care, technology and financial services names. With the recent interest rate hike and the end of planned quantitative easing in the U.S., we believe the environment is ideal for well-researched, quality growth portfolios to outperform the broader equity markets.

Thank you. Let's continue up the capitalization range by getting TCW's mid-cap perspective and Sustainable Growth Advisers' large-cap point of view.

Lee (TCW – Mid-Cap Growth): The world is in the early stages of consumer behavioral transformation driven by the latest technologies. This change in consumption patterns, whether it is in the form of an individual buying groceries online or a patient ordering genetic tests, is forcing every business in every sector to innovate. Existing infrastructures and business models themselves are being highly disrupted. In order for businesses to survive and thrive in this new world, they must fundamentally transform how they operate and utilize technologies. We are finding growth opportunities in companies that provide innovative solutions in today's rapidly changing world. Companies such as Splunk (SPLK) and Workday (WDAY) in information technology, Athenahealth (ATHN) and Illumina (ILMN) in health care, and MarketAxess (MKTX) and WisdomTree (WETF) in financials are outpacing their competitors because of their differentiation.

Fraise (Sustainable – Large-Cap Growth): We continue to believe that growth will likely remain scarce in 2016 and that selectivity will be very important for investment success. Sustainable Growth Advisers (SGA) seeks unique businesses with superior and sustainable revenue and earnings growth regardless of geographic location or business segment. A central part of our investment process is finding companies with long runways of growth both in and outside the U.S. While such unique businesses can be found in the U.S. within the e-commerce, health care and consumer discretionary areas, to name a few, we have also increased our exposure to select growth businesses that generate higher levels of revenue from overseas to take advantage of valuation opportunities. A number of these businesses are attractively valued based on our enterprise yield valuation metrics. We also believe that for longer-term investors, such as ourselves, there are select opportunities today within the energy service segment that offer sustainable growth propositions and attractive valuations.

Some U.S. growth stocks have very high P/E ratios and there are those who believe the U.S. market in general is fully valued, especially as earnings growth has slowed. Are you finding companies with good growth prospects that you also consider to be attractively priced? George Fraise, start us off, please.

Fraise (Sustainable – Large-Cap Growth): U.S. market index returns in 2015 were strongly influenced by a small number of stocks that performed very well. While we own a number of those stocks and remain confident that they have solid long-term growth prospects, we have trimmed some of those positions as the stocks appreciated. We also continue to find other long-term growth opportunities that are still attractively valued based on our proprietary cash flow-based enterprise yield metric. SGA's portfolio offers attractive forecasted earnings growth of 16.7 percent versus 9.6 percent for the Russell 1000 Growth Index over the next three years while the forecasted portfolio enterprise yield of the portfolio is about 3.6 percent compared to a long-term average for this metric of about 2.5 percent. In a slow growth global environment with low interest rates and little inflation, we believe there is also still opportunity for further multiple appreciation in select high quality, long-term, secular growth businesses.

(Unaudited)

Let’s get the mid-cap and small-cap perspectives.

Lee (TCW – Mid-Cap Growth): Even though the overall U.S. equity market performance was flattish for the year and some growth stocks are trading at the high end of their normal multiple range, approximately 45 percent of the stocks in the Russell Midcap Growth Index and 65 percent of the stocks in the Russell 2000 Growth Index are down 20 percent or more from their 52-week highs. As a result, we are finding many investment opportunities with attractive valuations. Companies like Hain Celestial (HAIN) and United Natural Foods (UNFI) in consumer staples and CarMax (KMX) and Polaris (PII) in consumer discretionary are trading at attractive price/earnings (P/E) multiples that we have not seen in many years.

“About 45 percent of the stocks in the Russell Midcap Growth Index and 65 percent of stocks in the Russell 2000 Growth Index are down 20 percent or more from their 52-week highs. As a result, we are finding many investment opportunities with attractive valuations.”

—Chang Lee
(TCW – Mid-Cap Growth)

Weatherbie (Weatherbie – Small-Cap Growth):
Weatherbie Capital builds a portfolio of smaller capitalization companies. As part of our overall portfolio risk management, we seek to have an average P/E ratio lower than our clients’ chosen benchmarks—like the Russell 2000 Growth Index. With that said, it is important to point out that we sometimes discover new, exciting companies with solid long-term growth prospects that, at the time of investment, may not have yet turned profitable—and as a result initially will have no P/E ratio to report. When we select firms like this for investment it is important to consider P/E and P/E growth alongside other metrics, for example, debt/capital or long-term growth forecasts, to make a complete assessment of the investment.

A follow-up question from last year, when we asked about periods of high volatility roiling equity markets: The same thing happened again in 2015, as early as the first quarter—when the S&P 500® Index was up or down by 1 percent or more 19 times—and more recently the 12 percent correction in August and the weak markets at year end. What, in your view, is behind these bouts of high volatility, and is higher volatility the “new normal”? Chang Lee, we’ll turn to you first.

Lee (TCW – Mid-Cap Growth): In a slow growth environment, the market is more susceptible to economic shocks, and there are many areas of uncertainty that are reducing investor risk appetites. First and foremost, the Federal Reserve’s attempt to normalize its monetary policy is causing stress in many financial markets, including currency, commodity and credit. Second, Japanese and European economies have not fully recovered and require additional help from their central banks. Third, China is trying to transition to a more consumer-oriented economy, but that requires time and arduous reforms. Lastly, the world is dealing with significant geopolitical risks. While we do not expect these concerns to dissipate quickly, we expect volatility to subside as the fundamentals improve.

(Unaudited)

Matt and George, share your thoughts, please.

Weatherbie (Weatherbie – Small-Cap Growth): In 1976 the first U.S. equity index mutual fund was launched, and in 1985 the first U.S. equity exchange-traded fund (ETF) was introduced. By 2004 there were over 150 of these funds launched and running. Today there are over 1,300. According to Morningstar, approximately 38 percent of all daily U.S. stock trading is driven by index-based funds where pre-programmed algorithms send trade orders. One contributor to the "new normal" referenced in this question may well be index funds holding hundreds or thousands of positions traded by robots.

Liberty All-Star Growth Fund's Weatherbie Specialized Growth portfolio is not composed of thousands of stock positions—we seek to research and own 50 to 60 of what we believe are the best smaller growth companies in America. Furthermore, our head trader, who is a 16-year veteran of our firm, carefully places trades for each position, evaluating price, liquidity and volume with a conservative, cautious approach.

"One contributor to (volatility) may well be index funds holding hundreds or thousands of positions traded by robots ... we seek to research and own 50 to 60 of what we believe are the best smaller growth companies in America."

—Matt Weatherbie
(Weatherbie – Small-Cap Growth)

Fraise (Sustainable – Large-Cap Growth):
Volatility increased in 2015 relative to 2014 as growth expectations were scaled back and investors moved from an overly optimistic stance to a more cautious mindset. As growth expectations declined due to economic weakening overseas, geopolitical and terrorism issues, as well as continued tepid and choppy growth in the U.S., the sense of risk in the market increased leading to greater variations in stock prices. SGA tends to perform better in more volatile environments as the quality, predictability and sustainability of our growth businesses are recognized and rewarded. Just as emotions go through variations, so do the markets. The factors driving increased volatility today are not unusual and should be looked upon as creating an opportunity for disciplined investment strategies.

"SGA tends to perform better in more volatile environments as the quality, predictability and sustainability of our growth businesses are recognized and rewarded."

—George Fraise
(Sustainable – Large-Cap Growth)

What is a stock in the portion of the Liberty All-Star Growth Fund portfolio that you manage that did especially well for you in 2015, and what is a stock whose prospects you like for 2016?

Fraise (Sustainable – Large-Cap Growth): In 2015, Amazon.com (AMZN) benefited from strong growth in its retail platform as well as a better understanding of the value of its Amazon Web Services (AWS) business. We purchased Amazon believing that the company will dominate the e-commerce space here in the U.S. given its success in building its Prime customer base, its unprecedented distribution and fulfillment networks, its long growth runways abroad and the opportunity present in its high-margin AWS business. We believe Amazon continues to have unrecognized potential over our three- to five-year year time horizon but have trimmed our position consistent with our valuation discipline.

(Unaudited)

Whole Foods Market (WFM) underperformed the Russell 1000 Growth Index by a wide margin in 2015 as it faced concern over rising competition in the lucrative natural/organic food segment. While in retrospect we purchased the shares too early, we believe the company's plan to address the competition issue by investing selectively in lower pricing, educating the consumer on the quality differential that exists, and capitalizing on its scale and supply advantages relative to peers should make 2016-2017 a much better period for the stock. We have added to the position opportunistically on weakness.

Weatherbie (Weatherbie – Small-Cap Growth): We owned EPAM Systems (EPAM) throughout 2015, during which it returned 65 percent, and we remain bullish for 2016. EPAM creates software with delivery centers primarily located in Central and Eastern Europe, and is focused on complex, high-value projects for Fortune 2000 companies. EPAM's projects mostly involve emerging technologies, often referred to as SMAC (social, mobile, analytics and cloud). We believe EPAM is well positioned given its deep expertise in these digital technologies, sticky client relationships and the robust secular demand for SMAC technologies. Another stock we favor for 2016 is Diplomat Pharmacy (DPLO), which we started buying in Q2 of 2015. DPLO is a specialty pharmacy that serves patients with complex, chronic diseases by facilitating the dispensing of clinically intensive, high-cost specialty drugs. DPLO is uniquely positioned as the largest independent specialty pharmacy, and offers investors diversified exposure to the strong biotech industry drug pipeline and robust pricing environment.

Lee (TCW – Mid-Cap Growth): In 2015, Keurig Green Mountain (GMCR) was a standout performer as it was acquired at a high premium in December. For 2016, we like stocks that underperformed in 2015 despite demonstrating strong underlying fundamentals, such as Splunk (SPLK). Over the past few years, SPLK has successfully expanded the use cases for its differentiated technology from core machine data analytics to new areas such as security, user behavior and IT health monitoring. These new use cases are scalable across the enterprise, and are thus driving a growing addressable market, larger deal sizes and organic revenue growth comfortably above 40 percent in 2015. In contrast to many of its high-growth software peers, SPLK has a strong balance sheet, generates healthy cash flows and has been profitable on a non-GAAP basis since 2014. We also anticipate a smooth transition with the newly appointed CEO and believe the company was grooming him for the role internally for some time.

Many thanks for your thoughtful comments. The year just past was challenging and 2016 appears to be shaping up that way as well. So, it's heartening to see sound fundamental research, proprietary investment models and a disciplined process followed on a consistent basis when so much of the market is driven by emotion and algorithms.

(Unaudited)

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 common stock at the closing market price (NYSE: ASG) of $9.25 on December 31, 1996, and tracking its progress through December 31, 2015. 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 1997.

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 $18,627 (including the December 31, 2015 value of the original investment of $4,951, plus distributions during the period of $13,676).

The additional value realized through reinvestment of all distributions. The value of the investment under this scenario grew to $31,850.

The additional value realized by exercising all primary rights in the Fund's rights offerings. The value of the investment under this scenario grew to $39,243 excluding the cost to exercise all primary rights in the rights offerings which was $5,299.

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.

Liberty All-Star® Growth Fund Table of Distributions and Rights Offerings

(Unaudited)

		RIGHTS OFFERINGS		
YEAR	PER SHARE DISTRIBUTIONS	MONTH COMPLETED	SHARES NEEDED TO PURCHASE ONE ADDITIONAL SHARE	SUBSCRIPTION PRICE
1997	$1.24			
1998	1.35	July	10	$12.41
1999	1.23			
2000	1.34			
2001	0.92	September	8	6.64
2002	0.67			
2003	0.58	September	8[1]	5.72
2004	0.63			
2005	0.58			
2006	0.59			
2007	0.61			
2008	0.47			
2009[2]	0.24			
2010	0.25			
2011	0.27			
2012	0.27			
2013	0.31			
2014	0.33			
2015[3]	0.77			
Total	$12.65			

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

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

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

DISTRIBUTION POLICY

The current policy is to pay distributions on its shares totaling approximately 8 percent of its net asset value per year, payable in four quarterly installments of 2 percent of the Fund's net asset value at the close of the New York Stock Exchange on the Friday prior to each quarterly declaration date. Sources of distributions to shareholders may include ordinary dividends, long-term capital gains and return of capital. The actual amounts and sources of the amounts for tax reporting purposes will depend upon the Fund's investment experience during its fiscal year and may be subject to changes based on tax regulations. If a distribution includes anything other than net investment income, the Fund provides a Section 19(a) notice of the best estimate of its distribution sources at that time. These estimates may not match the final tax characterization (for the full year's distributions) contained in shareholders' 1099-DIV forms after the end of the year. If the Fund's 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 capital gains and pay income tax thereon to the extent of such excess.

December 31, 2015 (Unaudited)

TOP 20 HOLDINGS*	PERCENT OF NET ASSETS
Cerner Corp.	2.05%
Wayfair, Inc., Class A	1.95
Diplomat Pharmacy, Inc.	1.94
Middleby Corp.	1.91
Lowe's Cos., Inc.	1.86
Visa, Inc., Class A	1.81
Amgen, Inc.	1.80
Signature Bank	1.68
Alphabet, Inc., Class C	1.66
The Priceline Group, Inc.	1.65
ARM Holdings PLC	1.64
Amazon.com, Inc.	1.61
Facebook, Inc., Class A	1.60
Ecolab, Inc.	1.59
Mondelez International, Inc., Class A	1.59
Schlumberger Ltd.	1.49
Paylocity Holding Corp.	1.49
Red Hat, Inc.	1.44
FleetCor Technologies, Inc.	1.41
Colgate-Palmolive Co.	1.40
	33.57%

ECONOMIC SECTORS*	PERCENT OF NET ASSETS
Information Technology	25.26%
Consumer Discretionary	19.34
Health Care	16.09
Financials	14.14
Industrials	13.38
Consumer Staples	10.62
Energy	3.48
Materials	2.62
Telecommunication Services	0.45
Other Net Assets	(5.38)
	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.

December 31, 2015 (Unaudited)

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

SECURITY NAME	SHARES PURCHASE (SALES)	HELD AS OF 12/31/15
PURCHASES		
Demandware, Inc.	18,050	18,050
FireEye, Inc.	32,100	65,350
The Hain Celestial Group, Inc.	23,550	38,300
NIKE, Inc., Class B	11,410	22,820*
SALES		
Aon PLC	(15,120)	0
Core Laboratories N.V.	(5,423)	14,146
The Hershey Co.	(17,104)	0
LinkedIn Corp., Class A	(3,020)	2,080
Stratasys Ltd.	(35,600)	1,088

* Adjusted for stock split

December 31, 2015

	SHARES	MARKET VALUE
COMMON STOCKS (105.38%)		
CONSUMER DISCRETIONARY (19.34%)		
Auto Components (0.37%)		
Gentherm, Inc.[(a)]	9,579	$454,045
Diversified Consumer Services (1.37%)		
2U, Inc.[(a)(b)]	21,070	589,539
Nord Anglia Education, Inc.[(a)]	54,959	1,114,568
		1,704,107
Hotels, Restaurants & Leisure (3.64%)		
Chuy's Holdings, Inc.[(a)(b)]	36,124	1,132,126
The Habit Restaurants, Inc., Class A[(a)(b)]	31,855	734,577
Planet Fitness, Inc., Class A[(a)(b)]	17,940	280,402
Starbucks Corp.	25,370	1,522,961
Wynn Resorts Ltd.[(b)]	12,400	857,956
		4,528,022
Internet & Catalog Retail (5.99%)		
Amazon.com, Inc.[(a)]	2,962	2,001,986
The Priceline Group, Inc.[(a)]	1,604	2,045,020
TripAdvisor, Inc.[(a)]	11,500	980,375
Wayfair, Inc., Class A[(a)(b)]	50,786	2,418,429
		7,445,810
Leisure Products (0.45%)		
Polaris Industries, Inc.[(b)]	6,550	562,973
Media (1.15%)		
The Walt Disney Co.	13,555	1,424,359
Multiline Retail (0.08%)		
Ollie's Bargain Outlet Holdings, Inc.[(a)(b)]	5,817	98,947
Specialty Retail (3.53%)		
CarMax, Inc.[(a)]	14,050	758,279
Dick's Sporting Goods, Inc.	21,550	761,792
Francesca's Holdings Corp.[(a)]	31,951	556,267
Lowe's Cos., Inc.	30,400	2,311,616
		4,387,954
Textiles, Apparel & Luxury Goods (2.76%)		
Kate Spade & Co.[(a)]	45,450	807,646
NIKE, Inc., Class B	22,820	1,426,250
Under Armour, Inc., Class A[(a)]	14,800	1,193,028
		3,426,924

See Notes to Schedule of Investments and Financial Statements.

Liberty All-Star® Growth Fund Schedule of Investments

December 31, 2015

	SHARES	MARKET VALUE
COMMON STOCKS (continued)		
CONSUMER STAPLES (10.62%)		
Beverages (1.95%)		
The Boston Beer Co., Inc., Class A[a][b]	3,950	$797,545
Constellation Brands, Inc., Class A	5,750	819,030
Monster Beverage Corp.[a]	5,450	811,832
		2,428,407
Food & Staples Retailing (2.85%)		
The Fresh Market, Inc.[a]	15,435	361,488
PriceSmart, Inc.	7,304	606,159
United Natural Foods, Inc.[a]	29,650	1,167,024
Whole Foods Market, Inc.	41,990	1,406,665
		3,541,336
Food Products (4.42%)		
Blue Buffalo Pet Products, Inc.[a][b]	34,200	639,882
The Hain Celestial Group, Inc.[a]	38,300	1,546,937
Keurig Green Mountain, Inc.	14,700	1,322,706
Mondelez International, Inc., Class A	44,066	1,975,919
		5,485,444
Household Products (1.40%)		
Colgate-Palmolive Co.	26,060	1,736,117
ENERGY (3.48%)		
Energy Equipment & Services (3.48%)		
Core Laboratories NV[b]	14,146	1,538,236
Dril-Quip, Inc.[a]	5,622	332,991
Geospace Technologies Corp.[a]	5,984	84,195
Natural Gas Services Group, Inc.[a]	23,352	520,750
Schlumberger Ltd.	26,560	1,852,560
		4,328,732
FINANCIALS (14.14%)		
Banks (0.21%)		
Independent Bank Group, Inc.	8,360	267,520
Capital Markets (4.02%)		
Evercore Partners, Inc., Class A	10,302	557,029
Financial Engines, Inc.[b]	13,462	453,266
State Street Corp.	25,809	1,712,685
Virtus Investment Partners, Inc.	10,841	1,273,384
WisdomTree Investments, Inc.	63,550	996,464
		4,992,828
Commercial Banks (2.52%)		
M&T Bank Corp.	8,550	1,036,089

See Notes to Schedule of Investments and Financial Statements.

Liberty All-Star® Growth Fund — Schedule of Investments

December 31, 2015

	SHARES	MARKET VALUE
COMMON STOCKS (continued)		
Commercial Banks (continued)		
Signature Bank[(a)]	13,629	$2,090,280
		3,126,369
Consumer Finance (1.81%)		
Visa, Inc., Class A	29,000	2,248,950
Diversified Financial Services (0.84%)		
MarketAxess Holdings, Inc.	9,400	1,048,946
Insurance (0.27%)		
Greenlight Capital Re Ltd., Class A[(a)]	11,342	212,209
United Insurance Holdings Corp.	7,172	122,641
		334,850
Real Estate Investment Trusts (1.22%)		
Equinix, Inc.	5,001	1,512,302
Real Estate Management & Development (1.86%)		
Colliers International Group, Inc.	15,471	689,233
FirstService Corp.	39,998	1,617,119
		2,306,352
Thrifts & Mortgage Finance (1.39%)		
BofI Holding, Inc.[(a)(b)]	82,250	1,731,363
HEALTH CARE (16.09%)		
Biotechnology (7.13%)		
ACADIA Pharmaceuticals, Inc.[(a)]	31,279	1,115,096
Alkermes PLC[(a)]	10,700	849,366
Amgen, Inc.	13,810	2,241,777
BioMarin Pharmaceutical, Inc.[(a)]	5,800	607,608
Incyte Corp.[(a)]	8,350	905,558
Puma Biotechnology, Inc.[(a)(b)]	8,286	649,622
Regeneron Pharmaceuticals, Inc.[(a)]	2,340	1,270,316
Ultragenyx Pharmaceutical, Inc.[(a)]	10,938	1,227,025
		8,866,368
Health Care Equipment & Supplies (2.07%)		
Insulet Corp.[(a)]	30,918	1,169,010
Intuitive Surgical, Inc.[(a)]	1,350	737,316
West Pharmaceutical Services, Inc.	11,000	662,420
		2,568,746
Health Care Providers & Services (2.79%)		
Diplomat Pharmacy, Inc.[(a)(b)]	70,432	2,410,183
ExamWorks Group, Inc.[(a)]	33,366	887,536
Teladoc, Inc.[(a)(b)]	7,277	130,695

See Notes to Schedule of Investments and Financial Statements.

Liberty All-Star® Growth Fund — Schedule of Investments

December 31, 2015

	SHARES	MARKET VALUE
COMMON STOCKS (continued)		
Health Care Providers & Services (continued)		
U.S. Physical Therapy, Inc.	702	$37,683
		3,466,097
Health Care Technology (3.07%)		
Athenahealth, Inc.[(a)]	7,633	1,228,684
Cerner Corp.[(a)]	42,300	2,545,191
Press Ganey Holdings, Inc.[(a)]	1,324	41,772
		3,815,647
Life Sciences Tools & Services (0.85%)		
Illumina, Inc.[(a)]	5,500	1,055,698
Pharmaceuticals (0.18%)		
Aerie Pharmaceuticals, Inc.[(a)(b)]	8,961	218,200
INDUSTRIALS (13.38%)		
Aerospace & Defense (1.21%)		
HEICO Corp.	27,587	1,499,629
Air Freight & Logistics (0.48%)		
XPO Logistics, Inc.[(a)(b)]	21,803	594,132
Commercial Services & Supplies (2.56%)		
The Advisory Board Co.[(a)]	33,160	1,645,068
Waste Connections, Inc.	27,206	1,532,242
		3,177,310
Electrical Equipment (0.59%)		
Rockwell Automation, Inc.	7,150	733,661
Machinery (3.28%)		
Graco, Inc.	12,700	915,289
Middleby Corp.[(a)]	22,019	2,375,190
Proto Labs, Inc.[(a)]	1,380	87,892
Wabtec Corp.	9,800	696,976
		4,075,347
Professional Services (4.23%)		
IHS, Inc., Class A[(a)]	7,388	874,961
Paylocity Holding Corp.[(a)]	45,661	1,851,554
Stantec, Inc.	1,529	37,904
TriNet Group, Inc.[(a)]	1,964	38,003
Verisk Analytics, Inc.[(a)]	14,315	1,100,537
WageWorks, Inc.[(a)]	29,957	1,359,149
		5,262,108

See Notes to Schedule of Investments and Financial Statements.

Liberty All-Star® Growth Fund | Schedule of Investments

December 31, 2015

	SHARES	MARKET VALUE
COMMON STOCKS (continued)		
Road & Rail (0.75%)		
Kansas City Southern	6,129	$457,652
Landstar System, Inc.	8,040	471,546
		929,198
Trading Companies & Distribution (0.28%)		
H&E Equipment Services, Inc.	20,350	355,718
INFORMATION TECHNOLOGY (25.26%)		
Electronic Equipment & Instruments (0.53%)		
IPG Photonics Corp.[a]	7,360	656,217
Internet Software & Services (7.14%)		
Alphabet, Inc., Class C[a]	2,718	2,062,636
Cornerstone OnDemand, Inc.[a]	33,700	1,163,661
Demandware, Inc.[a][b]	18,050	974,159
Facebook, Inc., Class A[a]	18,950	1,983,307
GTT Communications, Inc.[a]	31,961	545,255
LinkedIn Corp., Class A[a]	2,080	468,166
SPS Commerce, Inc.[a]	12,244	859,651
Textura Corp.[a][b]	1,564	33,751
Twitter, Inc.[a]	33,700	779,818
		8,870,404
IT Services (3.66%)		
Automatic Data Processing, Inc.	20,305	1,720,240
EPAM Systems, Inc.[a]	13,549	1,065,222
FleetCor Technologies, Inc.[a]	12,300	1,758,039
		4,543,501
Semiconductors & Semiconductor Equipment (1.64%)		
ARM Holdings PLC[c]	45,099	2,040,279
Software (12.27%)		
ANSYS, Inc.[a]	6,600	610,500
Atlassian Corp. PLC, Class A[a]	23,150	696,352
FireEye, Inc.[a][b]	65,350	1,355,359
Fleetmatics Group PLC[a]	29,034	1,474,637
Globant SA[a][b]	21,531	807,628
Mobileye NV[a][b]	14,406	609,086
RealPage, Inc.[a]	30,584	686,611
Red Hat, Inc.[a]	21,565	1,785,797
Salesforce.com, Inc.[a]	15,932	1,249,069
SAP SE[b][c]	14,950	1,182,545
ServiceNow, Inc.[a]	7,150	618,904
Splunk, Inc.[a]	22,667	1,333,046

The Ultimate Software Group, Inc.[a]	8,553	1,672,197

See Notes to Schedule of Investments and Financial Statements.

Liberty All-Star® Growth Fund | Schedule of Investments

December 31, 2015

	SHARES	MARKET VALUE
COMMON STOCKS (continued)		
Software (continued)		
Varonis Systems, Inc.[a][b]	2,169	$40,777
Workday, Inc., Class A[a]	14,200	1,131,456
		15,253,964
Technology Hardware Storage & Equipment (0.02%)		
Stratasys Ltd.[a][b]	1,088	25,546
MATERIALS (2.62%)		
Chemicals (2.62%)		
Ecolab, Inc.	17,278	1,976,258
Monsanto Co.	13,000	1,280,760
		3,257,018
TELECOMMUNICATION SERVICES (0.45%)		
Diversified Telecommunication (0.45%)		
inContact, Inc.[a]	59,032	563,165
TOTAL COMMON STOCKS (COST OF $102,645,263)		130,950,610

	PAR VALUE/ SHARES	MARKET VALUE
SHORT TERM INVESTMENTS (13.86%)		
REPURCHASE AGREEMENT (2.92%)		
Repurchase agreement with State Street Bank & Trust Co., dated 12/31/15, due 01/04/16 at 0.01%, collateralized by Federal Home Loan Mortgage Corp., 3.00%, 03/15/43, market value of $3,710,230 and par value of $5,505,000. (Repurchase proceeds of $3,634,004). (COST OF $3,634,000)	$3,634,000	$3,634,000
INVESTMENTS PURCHASED WITH COLLATERAL FROM SECURITIES LOANED (10.94%)		
State Street Navigator Securities Lending Prime Portfolio, 0.31% (COST OF $13,592,487)	13,592,487	13,592,487
TOTAL SHORT TERM INVESTMENTS (COST OF $17,226,487)		17,226,487
TOTAL INVESTMENTS (119.24%) (COST OF $119,871,750)[d]		148,177,097

See Notes to Schedule of Investments and Financial Statements.

December 31, 2015

LIABILITIES IN EXCESS OF OTHER ASSETS (-19.24%)	(23,909,963)
NET ASSETS (100.00%)	$124,267,134
NET ASSET VALUE PER SHARE (24,924,705 SHARES OUTSTANDING)	$4.99

Notes to Schedule of Investments:

(a) Non-income producing security.
(b) Security, or a portion of the security position, is currently on loan. The total market value of securities on loan is $13,242,673.
(c) American Depositary Receipt.
(d) Cost of investments for federal income tax purposes is $121,221,974.

Gross unrealized appreciation and depreciation at 12/31/2015 based on cost of investments for federal income tax purposes is as follows:

Gross unrealized appreciation	$33,527,056
Gross unrealized depreciation	(6,571,933)
Net unrealized appreciation	$26,955,123

See Notes to Schedule of Investments and Financial Statements.

Liberty All-Star® Growth Fund Statement of Assets and Liabilities

December 31, 2015

ASSETS:	
Investments at market value (Cost $119,871,750)	$148,177,097
Cash	2,206
Receivable for investment securities sold	790,478
Dividends and interest receivable	66,572
Prepaid and other assets	6,659
TOTAL ASSETS	149,043,012
LIABILITIES:	
Payable for investments purchased	656,402
Distributions payable to shareholders	10,320,664
Investment advisory fee payable	88,043
Payable for administration, pricing and bookkeeping fees	32,848
Payable for collateral upon return of securities loaned	13,592,487
Accrued expenses	85,434
TOTAL LIABILITIES	24,775,878
NET ASSETS	$124,267,134
NET ASSETS REPRESENTED BY:	
Paid-in capital	$90,562,748
Accumulated net realized gain on investments	5,399,039
Net unrealized appreciation on investments	28,305,347
NET ASSETS	$124,267,134
Shares of common stock outstanding (authorized 60,000,000 shares at $0.10 Par)	24,924,705
NET ASSET VALUE PER SHARE	$4.99

See Notes to Financial Statements.

For the Year Ended December 31, 2015

INVESTMENT INCOME:	
Dividends (Net of foreign taxes withheld at source which amounted to $22,010)	$1,010,401
Securities lending income	141,108
Interest	395
TOTAL INVESTMENT INCOME	1,151,904
EXPENSES:	
Investment advisory fee	1,095,505
Administration fee	273,876
Pricing and bookkeeping fees	79,064
Audit fee	27,327
Custodian fee	43,379
Directors' fees and expenses	78,094
Insurance expense	6,798
Legal fees	33,622
NYSE fee	23,750
Shareholder communication expenses	31,329
Transfer agent fees	63,654
Miscellaneous expenses	16,960
TOTAL EXPENSES	1,773,358
NET INVESTMENT LOSS	(621,454)
REALIZED AND UNREALIZED GAIN/(LOSS) ON INVESTMENTS:	
Net realized gain on investments	9,700,847
Net change in unrealized depreciation on investments	(7,111,152)
NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS	2,589,695
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	$1,968,241

See Notes to Financial Statements.

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

	For the Year Ended December 31, 2015	For the Year Ended December 31, 2014
FROM OPERATIONS:		
Net investment loss	$(621,454)	$(1,037,959)
Net realized gain on investments	9,700,847	17,438,460
Net change in unrealized depreciation on investments	(7,111,152)	(13,533,130)
Net Increase in Net Assets From Operations	1,968,241	2,867,371
DISTRIBUTIONS TO SHAREHOLDERS:		
From net realized gains on investments	(18,951,117)	(7,883,436)
Total Distributions	(18,951,117)	(7,883,436)
CAPITAL SHARE TRANSACTIONS:		
Dividend reinvestments	3,524,229	2,830,581
Net Decrease in Net Assets	(13,458,647)	(2,185,484)
NET ASSETS:		
Beginning of period	137,725,781	139,911,265
End of period (Includes undistributed net investment income of $0 and $0, respectively)	$124,267,134	$137,725,781

See Notes to Financial Statements.

Financial Highlights

PER SHARE OPERATING PERFORMANCE:
Net asset value at beginning of period
INCOME FROM INVESTMENT OPERATIONS:
Net investment loss[(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
Tax return of capital
Total Distributions
Change due to tender offer[(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 after waiver/reimbursement
Ratio of expenses to average net assets before waiver/reimbursement
Ratio of net investment loss to average net assets
Portfolio turnover rate

(a) Calculated using average shares outstanding during the period.
(b) Effect of Fund's tender offer for shares at a price below net asset value, net of costs.
(c) Calculated assuming all distributions are reinvested at actual reinvestment prices. 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.

See Notes to Financial Statements.

Financial Highlights

For the Year Ended December 31,				
2015	2014	2013	2012	2011
$5.69	$5.91	$4.54	$4.24	$4.57
(0.03)	(0.04)	(0.04)	(0.03)	(0.05)
0.10	0.15	1.72	0.54	(0.01)
0.07	0.11	1.68	0.51	(0.06)
–	–	–	–	(0.07)
(0.77)	(0.33)	(0.31)	(0.22)	(0.20)
–	–	–	(0.05)	–
(0.77)	(0.33)	(0.31)	(0.27)	(0.27)
–	–	–	0.06	–
$4.99	$5.69	$5.91	$4.54	$4.24
$4.58	$5.16	$5.62	$4.06	$3.81
3.9 %	2.4 %	39.0 %	14.3 %	(1.0 %)
5.1 %	(2.3 %)	47.8 %	13.8 %	(4.4 %)
$124	$138	$140	$104	$128
N/A	N/A	N/A	1.46 %	N/A
1.30 %	1.34 %	1.34 %	1.51 %	1.52 %
(0.45%)	(0.77%)	(0.73%)	(0.61%)	(1.04%)
58 %	63 %	45 %	35 %	32 %

December 31, 2015

NOTE 1. ORGANIZATION

Liberty All-Star® Growth Fund, Inc. (the "Fund") is a Maryland corporation registered under the Investment Company Act of 1940 (the "Act"), as amended, as a diversified, closed-end management investment company.

Investment Goal

The Fund seeks long-term capital appreciation.

Fund Shares

The Fund may issue 60,000,000 shares of common stock at $0.10 par.

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. 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 accounting principles generally accepted in the United States of America ("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 Prime Portfolio, 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. Repurchase agreements are valued at cost, which approximates fair value.

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 Directors (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 Advisor, ALPS Advisors, Inc. (the "Advisor"), 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, 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, 2015, the Fund held no securities that were fair valued.

December 31, 2015

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.

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

Repurchase agreements are entered into by the Fund under a Master Repurchase Agreement ("MRA") which permits the Fund, under certain circumstances, including an event of default (such as bankruptcy or insolvency), to offset payables and/or receivables under the MRA with collateral held and/or posted to the counterparty and create one single net payment due or from the Fund.

At December 31, 2015, the open repurchase agreement with the counterparty State Street Bank & Trust Co., and subject to a MRA on a net payment basis, was as follows:

				Gross Amounts Not Offset in the Statement of Financial Position		
Description	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Statement of Assets and Liabilities	Net Amounts Presented in the Statement of Assets and Liabilities	Financial Instruments Collateral Received	Cash Collateral Received	Net Amount
Repurchase Agreement	$3,634,000	$ –	$3,634,000	$(3,634,000)	$ –	$ –
Total	$3,634,000	$ –	$3,634,000	$(3,634,000)	$ –	$ –

December 31, 2015

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 20% 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 a money market fund managed by SSB as disclosed in the Fund's Schedule of Investments and is reflected in the Statement of Assets and Liabilities as a payable for collateral upon return of securities loaned. 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 Statements 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. As of December 31, 2015, the market value of securities on loan was $13,242,673 and the total cash collateral received was $13,592,487. Income earned by the Fund from securities lending activity is disclosed in the Statement of Operations.

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.

The following table indicates the total amount of securities loaned by type, reconciled to gross liability payable upon return of the securities loaned by the Fund as of December 31, 2015:

	Remaining contractual maturity of the lending agreement				
Securities Lending Transactions	Overnight & Continuous	Up to 30 days	30-90 days	Greater than 90 days	Total
Common Stocks	$13,242,673	$ –	$ –	$ –	$13,242,673
Total Loans					13,242,673
Gross amount of recognized liabilities for securities lending (collateral received)					$13,592,487
Amounts due to counterparty					$349,814

December 31, 2015

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. Repurchase agreements are valued at cost, which approximates fair value, and are categorized as Level 2 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.

December 31, 2015

The following is a summary of the inputs used to value the Fund's investments as of December 31, 2015:

	Valuation Inputs			
Investments in Securities at Value*	Level 1	Level 2	Level 3	Total
Common Stocks	$130,950,610	$–	$ –	$130,950,610
Short Term Investment	–	3,634,000	–	3,634,000
Investments Purchased with Collateral from Securities Loaned	13,592,487	–	–	13,592,487
Total	$144,543,097	$3,634,000	$ –	$148,177,097

* See Schedule of Investments for industry classifications.

The Fund recognizes transfers between the levels as of the end of the period. For the year ended December 31, 2015, the Fund did not have any transfers between Level 1 and Level 2 securities. The Fund did not have any securities which used significant unobservable inputs (Level 3) in determining fair value during the period.

Distributions to Shareholders
The Fund currently has a policy of paying distributions on its common shares totaling approximately 8% of its net asset value per year. The distributions are payable in four quarterly distributions of 2% 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. FEDERAL TAX 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.

For the year ended December 31, 2015, permanent book and tax basis differences resulting primarily from excess distributions were identified and reclassified among the components of the Fund's net assets as follows:

Accumulated Net Investment Income	Accumulated Net Realized Loss	Paid-In Capital
$621,454	$(364,562)	$(256,892)

December 31, 2015

Included in the amounts reclassified was a net operating loss offset to Paid-in Capital was $256,892.

Net investment loss and net realized gain, as disclosed on the Statement of Operations, and net assets were not affected by this

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. The amounts and characteristics of tax basis distributions and composition of distributable earnings/(accumulated losses) are finalized at fiscal year-end. Also, 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 tax character of distributions paid during the years ended December 31, 2015 and December 31, 2014 were as follows:

Distributions Paid From:	12/31/2015	12/31/2014
Long-term capital gains	$18,951,117	$7,883,436
Total	$18,951,117	$7,883,436

Future realized gains offset by the loss carryforwards are not required to be distributed to shareholders. However, under the Fund's distribution policy, such gains may be distributed to shareholders in the year the gains are realized. Any such gains distributed may be taxable to shareholders as ordinary income.

As of December 31, 2015, the components of distributable earnings on a tax basis were as follows:

Accumulated Capital Gains	Net Unrealized Appreciation	Other Cumulative Effect of Timing Differences	Total
$7,385,379	$26,955,123	$(636,116)	$33,704,386

As of December 31, 2015, the costs of investments for federal income tax purposes
and accumulated net unrealized appreciation/(depreciation) on investments were as follows :

Cost of Investments	Gross unrealized Appreciation (excess of value over tax cost)	Gross unrealized Depreciation (excess of tax cost over value)	Net Unrealized Appreciation
$121,221,974	$33,527,056	$(6,571,933)	$26,955,123

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.

December 31, 2015

The fund elects to defer to the fiscal year ending December 31, 2016, capital losses recognized during the period from November 1, 2015 to December 31, 2015 in the amount of $636,116.

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, 2015, 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 4. FEES AND COMPENSATION PAID TO AFFILIATES

Investment Advisory Fee

ALPS Advisors, Inc. ("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 $300 million	0.80%
Over $300 million	0.72%

Investment Advisory Fees for the year ending December 31, 2015 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 $300 million	0.40%
Over $300 million	0.36%

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. Officers of the Trust are employees of ALPS. 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, 2015 are disclosed in the Statement of Operations.

December 31, 2015

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.

Expense Limitation Agreement

Under the terms of the Expense Limitation Agreement between the Fund and AAI, AAI has agreed to waive certain fees they are entitled to receive from the Fund. Specifically, AAI has agreed to reimburse Fund expenses and/or waive a portion of the investment advisory and other fees that AAI is entitled to receive to the extent necessary that Total Annual Operating Expenses, after such expense reimbursement and/or fee waiver (excluding acquired fund fees and expenses, taxes, brokerage commissions and extraordinary expenses), do not exceed 1.45% of net assets. The Expense Limitation Agreement is effective through July 31, 2016. Pursuant to the Expense Limitation Agreement, the Fund may reimburse AAI for any fee waivers and expense reimbursements made by AAI, provided that any such reimbursements made by the Fund to AAI will not cause the Fund's annual expense ratio to exceed the expense limitation rate. AAI is entitled to collect on or make a claim for waived fees at a maximum of three years from the date of the Expense Limitation Agreement. For the year ended December 31, 2015 there was no fee waivers and/or reimbursements and AAI collected no previously waived fees.

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 Directors has appointed a Chief Compliance Officer to the Fund in accordance with federal securities regulations.

NOTE 5. PORTFOLIO INFORMATION

Purchases and Sales of Securities

For the year ended December 31, 2015, the cost of purchases and proceeds from sales of securities, excluding short-term obligations, were $77,346,777 and $84,123,295, respectively.

NOTE 6. CAPITAL TRANSACTIONS

During the years ended December 31, 2015 and December 31, 2014, distributions in the amounts of $3,524,229 and $2,830,581, 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 704,565 and 534,738 shares, respectively.

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. 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, subject to certain limitations as described more fully in the Plan. Distributions declared payable in shares 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.

NOTE 7. INDEMNIFICATION

In the normal course of business, the Fund enters into contracts that contain a variety of representations and warranties and which provide general indemnities. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims against the Fund. Also, under the Fund's organizational documents and by contract, the Directors and Officers of the Fund are indemnified against certain liabilities that may arise out of their duties to the Fund. However, based on experience, the Fund expects the risk of loss due to these warranties and indemnities to be minimal.

NOTE 8. DIRECTORS FEES

As of December 31, 2015, there were six Directors, five of whom are not "interested persons" of the Fund within the meaning of that term under the 1940 Act (each, an "Independent Director"). The Independent Chairman of the Board receives a quarterly retainer of $8,250; the Independent Audit Chairman receives a quarterly retainer of $5,750; all other Independent Directors receive a quarterly retainer of $4,500. Each Independent Director also receives a meeting fee of $4,500 for attendance in person at a regular scheduled meeting or a special meeting; $4,500 for attendance by telephone at a regular meeting; $1,000 for attendance by telephone for a special meeting; and reimbursement for all reasonable out-of-pocket expenses relating to attendance at meetings. Directors' fees are allocated between the Fund and the Liberty All-Star® Equity Fund. One-third of the Directors' fees are equally shared and the remaining two-thirds are allocated based on each Fund's proportionate share of total net assets. Directors' fees and expenses accrued by the Fund for the year ending December 31, 2015 are reported on the Statement of Operations.

NOTE 9. OTHER MATTERS

Maryland Statutes

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

To the Board of the Directors and Shareholders of Liberty All-Star® Growth Fund, Inc.:

We have audited the accompanying statement of assets and liabilities of Liberty All-Star® Growth Fund, Inc. (the "Fund"), including the schedule of investments, as of December 31, 2015, and 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, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). 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. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, 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. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2015, 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.

In our opinion, such financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Liberty All-Star® Growth Fund, Inc. as of December 31, 2015, 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.

DELOITTE & TOUCHE LLP

Denver, Colorado
February 18, 2016

(Unaudited)

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.

(Unaudited)

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 and all subsequent dividends and distributions will be paid in cash instead of shares.

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.

Liberty All-Star® Growth Fund Tax Information

(Unaudited)

All 2015 distributions, whether received in cash or shares of the Fund, consist of long-term capital gains.

The table below details the breakdown of each 2015 distribution for federal income tax purposes.

			Total Ordinary Dividends		
Record Date	Payable Date	Amount per Share	Qualified	Non-Qualified	Long-Term Capital Gains
01/23/15	03/09/15	$0.08	–	–	100%
05/01/15	06/15/15	$0.12	–	–	100%
07/31/15	09/14/15	$0.12	–	–	100%
10/30/15	01/04/16	$0.11	–	–	100%
12/23/15	01/29/16	$0.34	–	–	100%

Tax Designations
Pursuant to Section 852(b)(3) of the Internal Revenue Code, the Fund designated $18,951,117 as long-term capital gain divider

(Unaudited)

INDEPENDENT DIRECTORS

Name (Age) and Address*	Position with Growth Fund, Term of Office and Length of Service	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex Overseen By Trustee/Director**	Other Directorships Held
John A. Benning Year of Birth: 1934	Director Since 2002; Term expires 2017	Retired since December, 1999	2	Trustee, Liberty All-Star Equity Fund (since 2002)
Thomas W. Brock Year of Birth: 1947	Director Since 2005, Chairman Since 2015; Term Expires 2018	Interim Chief Executive Officer, Silver Bay Realty (since 2016); Director, Silver Bay Realty (December 2012 – present); Former Chief Executive Officer, Stone Harbor Investment Partners LP (April 2006-2012); Adjunct Professor, Columbia University Graduate School of Business (since 1998)	2	Trustee, Liberty All-Star Equity Fund (since 2005) ; Trustee, Equitable AXA Annuity Trust (since 2016)
George R. Gaspari Year of Birth: 1940	Director Since 2006, Term Expires 2016	Financial Services Consultant (1996-2012)	2	Trustee, Liberty All-Star Equity Fund (since 1999); Trustee (since 1999) and Chairman – Audit Committee (since 2015), The Select Sector SPDR Trust
John J. Neuhauser Year of Birth: 1943	Director Since 1998; Term Expires 2018	President, St. Michael's College (since August, 2007); University Professor December 2005-2007, Boston College (formerly Academic Vice President and Dean of Faculties, from August 1999 to December 2005, Boston College)	2	Trustee, Liberty All-Star Equity Fund (since 1998); Trustee, Columbia Funds Series Trust I (since 1985)

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

(Unaudited)

INDEPENDENT DIRECTORS (continued)

Name (Age) and Address*	Position with Growth Fund, Term of Office and Length of Service	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex Overseen By Trustee/Director**	Other Directorships Held
Richard C. Rantzow Year of Birth: 1938	Director Since 2006, Term expires 2017	Retired; Ernst & Young Partner (1993); Chief Financial Officer, Miller Sports (1993-1998)	2	Trustee, Liberty All-Star Equity Fund (since 2006); Trustee, Clough Global Allocation Fund (since 2004), Trustee, Clough Global Equity Fund (since 2005) and Trustee, Clough Global Opportunities Fund (since 2006)

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

(Unaudited)

INTERESTED DIRECTOR & OFFICER

Name (Age) and Address*	Position with Growth Fund, Term of Office and Length of Service	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex Overseen By Trustee/Director**	Other Directorships Held
Edmund J. Burke*** Year of Birth: 1961	Director Since 2006, Term expires 2018	Chief Executive Officer and President of ALPS Holdings, Inc., a DST Company (since November 2011); CEO and a Director of: ALPS Holdings, Inc. (since 2005); Director of ALPS Advisors, Inc. (since 2001), ALPS Distributors, Inc. (since 2000), ALPS Fund Services, Inc., (since 2000) and ALPS Portfolio Solutions Distributor, Inc. (since 2013). Mr. Burke is also a Director of Boston Financial Data Services (since 2013).	2	Trustee, Liberty All-Star Equity Fund (since 2006); President (since 2006), Trustee and Chairman (since 2009), Financial Investors Trust; Trustee (since 2004) and President (since 2006), Clough Global Allocation Fund, Trustee (since 2006), and President (since 2005), Clough Global Equity Fund, Trustee and President (since 2006), Clough Global Opportunities Fund. Mr. Burke is deemed an affiliate of the Funds as defined under the 1940 Act.

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

** The Fund Complex for the Funds includes any registered investment company advised by ALPS Advisors, Inc. or any registered investment company sub-advised by Cornerstone Capital Management LLC, Delaware Investments Fund Advisers, Pzena Investment Management LLC, Weatherbie Capital LLC, TCW Investment Management Company, Sustainable Growth Advisers, LP, and Aristotle Capital Management, LLC.

*** Mr. Burke is an "interested person" of the Funds, as defined in the 1940 Act, because he is an officer of ALPS Holdings, Inc. and a Director of ALPS Advisors, Inc. and ALPS Fund Services, Inc.

(Unaudited)

OFFICERS

Name (Age) and Address*	Position with Fund	Year First Elected or Appointed to Office	Principal Occupation(s) During Past Five Years
William R. Parmentier, Jr. Year of Birth: 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 Year of Birth: 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.
Edmund J. Burke Year of Birth: 1961	Vice President	2006	Chief Executive Officer and President of ALPS Holdings, Inc., a DST Company (since November 2011); CEO and a Director of: ALPS Holdings, Inc. (since 2005); Director of ALPS Advisors, Inc. (since 2001), ALPS Distributors, Inc. (since 2000), ALPS Fund Services, Inc., (since 2000) and ALPS Portfolio Solutions Distributor, Inc. (since 2013). Mr. Burke is also a Director of Boston Financial Data Services (since 2013).Mr. Burke is deemed an affiliate of the Funds as defined under the 1940 Act.
Kimberly R. Storms Year of Birth: 1972	Treasurer	2013	Senior Vice President and Director of Fund Administration of ALPS. Ms. Storms is also Treasurer of ALPS Series Trust, Financial Investors Trust, and the Liberty All-Star Growth Fund, Inc. Ms. Storms also serves as a Board member and Treasurer of The Center for Trauma & Resilience, a nonprofit agency. Ms. Storms is deemed an affiliate of the Funds as defined under the 1940 Act.
Andrew P. Meloni Year of Birth: 1969	Assistant Treasurer	2015	Fund Controller, ALPS Fund Services, Inc. Employee of ALPS Fund Services, Inc. since March 2007. Mr. Meloni is also an Assistant Treasurer to the Liberty All-Star Equity Fund. Mr. Meloni is deemed an affiliate of the Funds as defined under the 1940 Act.

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

(Unaudited)

OFFICERS (continued)

Name (Age) and Address*	Position with Fund	Year First Elected or Appointed to Office	Principal Occupation(s) During Past Five Years
Erin D. Nelson Year of Birth: 1977	Chief Compliance Officer	2015	Ms. Nelson is Senior Vice President and Chief Compliance Officer of ALPS Advisors, Inc. Prior to 2015, Ms. Nelson was Vice-President and Assistant General Counsel of ALPS. Ms. Nelson is also Chief Compliance Officer of the Principal Real Estate Income Fund, ALPS ETF Trust, ALPS Variable Investment Trust, the Liberty All-Star Equity Fund. and the RiverNorth Tactical Opportunities Fund, Inc. Ms. Nelson is deemed an affiliate of the Funds as defined under the 1940 Act.
Alex J. Marks Year of Birth: 1974	Secretary	2015	Senior Investment Company Act Paralegal, ALPS Fund Services, Inc. Employee of ALPS Fund Services, Inc. since June 2011. Mr. Marks also served as an employee of ALPS Fund Services, Inc. from July 2006 to September 2010. Mr. Marks is also Secretary of the Liberty All-Star Equity Fund. Mr. Marks is deemed an affiliate of the Funds as defined under the 1940 Act.

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

(Unaudited)

The Investment Company Act of 1940 requires that the Board of Directors ("Board") of the Liberty All-Star Growth Fund, Inc. ("Fund"), including all of the Directors who are not "interested persons" of the Fund ("Independent Directors"), annually review the Fund's investment advisory agreements and consider whether to renew them for an additional year. At its meeting on September 10, 2015, the Board, including a majority of the Independent Directors, conducted such a review and approved the continuation of the Fund Management Agreement between the Fund and ALPS Advisors, Inc. ("AAI") and the three separate Portfolio Management Agreements among the Fund, AAI and the following independent investment management firms: Weatherbie Capital, LLC ("Weatherbie"), Sustainable Growth Advisers, LP ("Sustainable") and TCW Investment Management Company ("TCW"). Weatherbie, Sustainable, and TCW collectively are referred to as "Portfolio Managers," and each as a "Portfolio Manager."

Prior to the Board's action, the Independent Directors 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 interest 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 Director 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 were employed. The Fund allocates its portfolio assets among Portfolio Managers recommended by AAI and approved by the Board, currently three 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 analysis 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 and Broadridge Financial Solutions 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.

(Unaudited)

As part of the process to consider the Agreements, legal counsel to the Independent Directors requested information from AAI and each Portfolio Manager. In response to these requests, the Board received reports from AAI and each Portfolio Manager that addressed specific factors designed to inform the Independent Directors' consideration of each Agreement. Counsel also provided the Independent Directors and the Board with a memorandum discussing the legal standards applicable to their consideration 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 is a summary of the Board's considerations.

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 also considered the demonstrated consistency in investment approach of each Portfolio Manager. The Board considered that Sustainable manages the large-cap growth, TCW manages the mid-cap growth, and Weatherbie manages the small-cap growth portion of the Fund's portfolio.

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 the Portfolio Managers 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 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 Fund's Portfolio Managers, including the performance of other investment accounts managed by the Portfolio Managers and 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.

(Unaudited)

Among other information, the Board received information regarding the Fund's return on an absolute and a relative basis, based on NAV and market price, for various periods. With respect to the Fund, the Board received information which indicated that, based on NAV, the Fund underperformed the Lipper Multi-Cap Growth Mutual Fund Average ("Lipper Average") for the one-, three-, and five-year periods, but was near the median of the Lipper Average and ahead of the Russell 3000 Growth Index for the fifteen-year period ended June 30, 2015.

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 for selected closed-end funds and multi-manager open-end equity funds. The Independent Directors considered that the Fund's total expenses were lower than the median of a representative group of closed-end funds consisting of the Lipper growth, core, and value universes, and the management and administrative fees were comparable to the median. In addition, the Independent Directors also considered that the Fund's total expense ratio and management and administrative fees were higher than the median for the multi-manager open-end equity funds selected by AAI due in part to a lower level of net assets.

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 comparable closed-end funds and open-end equity funds.

(Unaudited)

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 AAI has advised the Board 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, AAI generally is aware of the fees charged by the Portfolio Managers to other clients, and AAI believes that the fees agreed upon with the Portfolio Managers are reasonable in light of the quality of investment advisory services rendered. The Board accepted AAI's explanations in light of the Board's findings as to 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. The Board also considered that, although the Fund is not currently at an asset level at which it can take advantage of the breakpoints in its fee schedule, the schedule is structured so that when the Fund's assets increase, economies of scale may be shared for the benefit of shareholders.

Based on the foregoing, the Board concluded that the breakpoint schedules allow the Fund to realize economies of scale, which supports the renewal of the Agreements.

(Unaudited)

Benefits to be Derived from the Relationship with the Fund

The Board also considered the potential "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, 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 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.

Conclusions

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.

(Unaudited)

This Privacy Policy Notice discloses the privacy policies of the Liberty All-Star® Funds, which are advised by ALPS Advisors, Inc. and serviced by ALPS Fund Services, Inc. (the "Companies"). The Companies and the Funds are referred to herein collectively as "we" or "us."

Protecting Your Privacy Is a Top Priority

We realize that our ability to offer superior products and services depends on the personal and financial information we collect from you. We value your business and are committed to maintaining your trust. That is why we have made your privacy a top priority.

The Information We Have and Where We Get It

We collect information about you from a variety of sources, including:

- Information we receive from you on applications or other forms, such as your name, address and phone number; your social security number; and your assets, income and other household information;
- Information about your other transactions with us, our affiliates or others, such as your account balances and transactions history; and
- Information from visitors to our websites provided through online forms, site visitorship data and online information-collecting devices known as "cookies."

We do not solicit personal or financial information from minors without written parental consent, nor do we knowingly market products and services to minors.

How We Use This Information

We may share all of the information we collect with the Companies as part of the ordinary course of providing financial products and services to you, for the purpose of offering you new products and services to address your financial needs, for product development purposes and as otherwise required or permitted by law.

To assist in our business dealings with you, we may also share this information with companies (other than the Companies) that perform services, including marketing services, on our behalf (such as vendors that package and mail our investor statements and marketing research firms that enhance our ability to market our products and services). We do not share your information with mailing list or direct marketing companies. Thus, the information you provide to us will not result in unwanted solicitations from third-party marketers.

Finally, we may share this information with other entities outside of the Companies for the following purposes, including among others:

- To respond to a subpoena or court order, judicial process or regulatory inquiry;
- To report suspicious transactions to government agencies and law enforcement officials;
- To protect against fraud;
- To provide products and services with the consent or the direction of a customer; or
- In connection with the proposed or actual sale or merger of all or a portion of a business or operating unit.

(Unaudited)

Except as described above, and except for information we provide to nonaffiliated third parties as otherwise required or permitted by law, we do not share information about you with nonaffiliated third parties.

Security of Personal Financial Information
We restrict access to information about you to those employees we determine need to know that information to provide products and services to you. We maintain physical, electronic and procedural safeguards to protect this information.

If you provide information to us via our websites in order to view your account activity or conduct transactions, we use 128-bit SSL encryption security with passwords to ensure a safe transmission of data between you and us. Information you provide is stored and transmitted in a secure environment, accessible only by a select group of people who are given a secure passcode to access the information.

We continuously assess new technology for protecting information and upgrade our systems where appropriate.

If You Have Any Questions or Concerns About This Privacy Policy Notice,
Please Write to Us at:
ALPS Advisors, Inc.
Attn: Compliance Department
1290 Broadway, Suite 1100
Denver, CO 80203

Former Customers
If, for whatever reason, our customer relationship with you ends, we will preserve your information as necessary to comply with applicable laws. The measures we take to protect the privacy of customer information, as described in this Privacy Policy Notice, will continue to apply to you. We also will comply with more restrictive state laws to the extent they apply.

We reserve the right to change this Privacy Policy Notice, and any of the policies described herein, at any time. The examples contained in this Privacy Policy Notice are illustrations; they are not intended to be exclusive.

(Unaudited)

Dow Jones Industrial Average
A price-weighted measure of 30 U.S. blue-chip companies.

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

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

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

Russell Top 200® Growth Index
Measures the performance of those Russell Top 200® companies with higher price-to-book ratios and higher forecasted growth values. The Russell Top 200® Index measures the performance of the 200 largest companies in the Russell 3000® Index.

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

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

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

Russell Growth Benchmark
The average of the Russell Top 200®, Midcap® and 2000® Growth Indices.

S&P 500® Index
A large cap U.S. equities index that includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

An investor cannot invest directly in an index.

Item 2. Code of Ethics.

(a) The registrant has, as of the end of the period covered by this report, adopted a code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, regardless of whether these individuals are employed by the registrant or a third party.

(b) Not Applicable.

(c) During the period covered by this report, there were not any amendments to a provision of the code of ethics adopted in 2(a) above.

(d) During the period covered by this report, there were not any waivers or implicit waivers to a provision of the code of ethics adopted in 2(a) above.

(e) Not Applicable.

(f) The registrant's Board of Directors adopted, effective December 10, 2007, a revised code of ethics described in 2(a) above. The revised code of ethics is incorporated by reference to the registrant's Form N-CSR filing made on March 7, 2008. There have been no revisions to such code of ethics since that date.

Item 3. Audit Committee Financial Expert.

(a) (1)(i) The registrant's Board of Directors has determined that there is one audit committee financial expert serving on its audit committee.

(2) The registrant's Board of Directors has determined that Mr. Richard C. Rantzow is an "audit committee financial expert" and is "independent" as defined in paragraph (a)(2) of Item 3 of Form N-CSR.

Item 4. Principal Accountant Fees and Services.

(a) Audit Fees. The aggregate fees billed for each of the fiscal years ended December 31, 2014 and December 31, 2015 were approximately $24,700 and $24,700, respectively, for professional services rendered by the principal accountant for the audit of the registrant's annual financial statements or services that are normally provided by the accountant in connection with the statutory and regulatory filings or engagements for those fiscal years

(b) Audit-Related Fees. The aggregate fees billed in each of the fiscal years ended December 31, 2014 and December 31, 2015 were $0 and $0, respectively, for assurance and related services by the principal accountant that are reasonably related to the performance of the audit of the registrant's financial statements and are not reported under paragraph (a) of this Item.

(c) Tax Fees. The aggregate fees billed in each of the fiscal years ended December 31, 2014 and December 31, 2015 were approximately $3,940 and $3,940, respectively. Tax Fees in both fiscal years 2014 and 2015 consist primarily of the review of annual tax returns and include amounts for professional services by the principal accountant for tax compliance, tax advice and tax planning.

(d) All Other Fees. The aggregate fees billed in each of the fiscal years ended December 31, 2014 and December 31, 2015 were $0 and $0, respectively, for products and services provided by the principal accountant, other than the services reported in paragraphs (a) through (c) of this Item.

(e)(1) Audit Committee Pre-Approval Policies and Procedures

The registrant's Audit Committee is required to pre-approve the engagement of the registrant's independent accountants to provide audit and non-audit services to the registrant and non-audit services to its investment adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser) or any entity controlling, controlled by, or under common control with such investment adviser that provides ongoing services to the registrant ("Adviser Affiliates"), if the engagement relates directly to the operations or financial reporting of the registrant, including the fees and other compensation to be paid to the independent accountants.

The Audit Committee has adopted a Policy for Engagement of Independent Accountants for Audit and Non-Audit Services ("Policy"). The Policy sets forth the understanding of the Audit Committees regarding the engagement of the registrant's independent accountants to provide (i) audit and permissible audit-related, tax and other services to the registrant; (ii) non-audit services to the registrant's investment advisor (not including any sub-advisor whose role is primarily portfolio management and is subcontracted with or overseen by another investment advisor) and Adviser Affiliates, if the engagement relates directly to the operations or financial reporting of a Fund; and (iii) other audit and non-audit services to the registrant's investment adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser) and Adviser Affiliates. Unless a type of service receives general pre-approval under the Policy, it requires specific pre-approval by the Audit Committee if it is to be provided by the independent accountants. Pre-approval of non-audit services to the registrant, the registrant's investment adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser) and Adviser Affiliates may be waived provided that the "de minimis" requirements set forth in the SEC's rules relating to pre-approval of non-audit services are met.

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

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

(e)(2) The percentage of services described in each of paragraphs (b) through (d) of this Item that were approved pursuant to the "de minimis" exception under paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X during both fiscal years ended December 31, 2014 and December 31, 2015 was zero.

(f) Not applicable.

(g) The aggregate non-audit fees billed by the registrant's accountant in each of the last two fiscal years of the Registrant were $303,560 in 2014 and $311,340 in 2015. These fees consisted of non-audit fees billed to (i) the Registrant of $3,940 in 2014 and $3,940 in 2015, respectively as described in response to paragraph (c) above and (ii) to ALPS Fund Services, Inc., ("AFS"), an entity under common control with the ALPS Advisors, Inc., the Registrant's investment advisor, of $299,620 in 2014 and $307,400 in 2015, respectively. The non-audit fees billed to AFS related to SSAE 16 services and other compliance related matters.

(h) The registrant's Audit Committee has considered whether the provision of non-audit services that were rendered to the registrant's investment adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser), and any entity controlling, controlled by, or under common control with the investment adviser that provides ongoing services to the registrant that were not pre-approved pursuant to paragraph (c)(7)(ii) of Rule 2-01 of Regulation S-X, is compatible with maintaining the principal accountant's independence. The Audit Committee determined that the provision of such services is compatible with maintaining the principal accountant's independence.

Item 5. Audit Committee of Listed Registrants.

The registrant has a separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(58)(A)). As of December 31, 2015, John A. Benning, Thomas W. Brock, George R. Gaspari, John J. Neuhauser, and Richard C. Rantzow are each independent directors and collectively constitute the entire Audit Committee.

Item 6. Investments.

(a) The registrant's "Schedule I – Investments in securities of unaffiliated issuers" (as set forth in 17 CFR 210.12-12) is included as part of the report of shareholders filed under Item 1 of this Form N-CSR.

(b) Not Applicable.

Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies.

1. POLICY STATEMENT AND BACKGROUND

OVERVIEW

An investment adviser that exercises voting authority over clients' proxies must adopt written policies and procedures that are reasonably designed to ensure that those proxies are voted in the best economic interests of clients. An adviser's policies and procedures must address how the adviser resolves material conflicts of interest between its interests and those of its clients. An investment adviser must comply with certain record keeping and disclosure requirements with respect to its proxy voting responsibilities. In addition, an investment adviser to ERISA accounts has an affirmative obligation to vote proxies for an ERISA account, unless the client expressly retains proxy voting authority.

POLICY SUMMARY

With all advisory clients of AAI currently being investment companies registered under the 1940 Act, any assignment of voting authority over the Funds' voting securities is typically delegated to AAI as the Funds' investment adviser, or the Funds' sub-adviser by the respective Funds' Board of Trustees/Directors. If the Funds' day-to-day investment decisions are performed by the Funds' investment sub-adviser(s), Funds' Board of Trustees/Directors may elect to delegate the responsibility of voting proxies to such sub-adviser to be voted in accordance to the sub-adviser's proxy voting policies and procedures in conformance with Rule 206(4)-6 under the Investment Advisers Act of 1940, as amended. For securities in the portfolio of a Fund that is managed by more than one sub-adviser, each sub-adviser shall make voting decisions pursuant to their own proxy voting policies and procedures, as adopted in conformance with the Advisers Act for their respective portions of the Fund's portfolio, unless directed otherwise.

ALPS Advisors, Inc. ("AAI") has adopted and implemented the following policies and procedures, which it believes are reasonably designed to: (1) ensure that proxies are voted in the best economic interest of clients and (2) address material conflicts of interest that may arise. AAI will provide clients with a copy of its policies and procedures, as they may be updated from time to time, upon request. Information regarding AAI's proxy voting decisions is confidential. Therefore, the information may be shared on a need to know basis only, including within AAI. Advisory clients may obtain information on how their proxies were voted by AAI. However, AAI will not selectively disclose its investment company clients' proxy voting records to third parties; the investment company clients' proxy records will be disclosed to shareholders by publicly-available annual filings of each investment company's proxy voting record for 12-month periods ending June 30th.

POLICY

All proxies regarding client securities for which AAI has authority to vote will, unless AAI determines in accordance with policies stated below to refrain from voting, be voted in a manner considered by AAI to be in the best interest of AAI's clients.. The best interest of clients is defined for this purpose as the interest of enhancing or protecting the economic value of client accounts, considered as a group rather than individually, as AAI determines in its sole and absolute discretion. There may also be instances where a fund relies upon Section 12(d)(1)(F), and by law, the fund may be required to vote proxies in the same proportion as the vote of all other shareholders of the acquired fund (i.e., "echo vote"). In the event a client believes that its other interests require a different vote, AAI will vote as the client clearly instructs, provided AAI receives such instructions in time to act accordingly.

AAI endeavors to vote, in accordance with this Policy, all proxies of which it becomes aware, subject to the following general exceptions (unless otherwise agreed) when AAI expects to routinely refrain from voting:

i. Proxies will usually not be voted in cases where the security has been loaned from the Client's account and subsequently, AAI determines that the type of proxy issue is not material to shareholders. AAI will utilize the below considerations to determine if a security then on loan should be recalled for voting purposes. Decisions will generally be made on a case-by-case basis depending on whether, in AAI's judgment,:

· the matter to be voted on has critical significance to the potential value of the security in question;
· the security represents a significant holding and whether the security is considered a long-term holding; and
· AAI believes it can recall the security in time to cast the vote.

ii. Proxies will usually not be voted in cases where AAI deems the costs to the Client and/or the administrative inconvenience of voting the security outweigh the benefit of doing so (e.g., international issuers which impose share blocking restrictions).

AAI seeks to avoid the occurrence of actual or apparent material conflicts of interest in the proxy voting process by voting in accordance with predetermined voting guidelines and observing other procedures that are intended to guard against and manage conflicts of interest (refer to Section III, Conflicts of Interest below).

2. PROCEDURES AND CONTROLS

Where proxy voting is delegated to the sub-adviser, the sub-adviser will adopt proxy voting policies and procedures in accordance in conformance with Rule 206(4)-6 under the Investment Advisers Act of 1940, as amended. AAI has adopted the following proxy voting procedures and controls for any client securities which AAI has authority to vote on:

I. PROXY COMMITTEE

AAI has established a Proxy Committee whose standing members are determined by AAI's Chief Compliance Officer. These members participate as voting authorities on the Committee. Each standing member may designate a senior portfolio manager or a senior analyst officer to act as a substitute in a given matter on their behalf. Additionally, the Proxy Committee regularly involves other associates (e.g., Fund CCO or Legal representative) who participate as needed to enable effective execution of the Committee's responsibilities.

The Proxy Committee's functions include, in part,
(a) direction of the vote on proposals where there has been a recommendation to the Proxy Committee not to vote according to the predetermined Voting Guidelines (stated in Appendix A) or on proposals which require special, individual consideration in accordance with Section III.C;
(b) review periodically this Proxy Voting Policy and Procedure to ensure consistency with internal policies, client disclosures and regulatory requirements;
(c) development and modification of Voting Procedures, as stated in Section VI, as it deems appropriate or necessary.

II. CONFLICTS OF INTEREST

For purposes of this policy, a material conflict of interest is a relationship or activity engaged in by AAI, an AAI affiliate, or an AAI associate that creates an incentive (or appearance thereof) to favor the interests of AAI, the affiliate, or associate, rather than the clients' interests. For example, AAI may have a conflict of interest if either AAI has a significant business relationship with a company that is soliciting a proxy, or if an AAI associate involved in the proxy voting decision-making process has a significant personal or family relationship with the particular company. A conflict of interest is considered to be "material" to the extent that a reasonable person could expect the conflict to influence AAI's decision on the particular vote at issue. In all cases where there is deemed to be a material conflict of interest, AAI will seek to resolve it in the clients' best interests.

AAI follows the proxy guidelines and uses other research services provided by Institutional Shareholder Services, Inc. ("ISS") or another independent third party. In providing proxy voting services to AAI, ISS provides vote recommendations on a pre-determined policy. Generally, AAI will vote proxies based on ISS' pre-determined voting policy. In doing so, AAI demonstrates that its vote would not be a product of a conflict of interest as AAI would have little or no discretion on how the proxy was voted.

AAI has undertaken a review of ISS' conflicts of interest procedures, and will continue to monitor them on an ongoing basis. In the event that AAI determines that it would be appropriate to use another third party, it will undertake a similar conflicts of interest assessment review.

III. PROXY VOTING GUIDELINES

A. AAI's Proxy Voting Guidelines – General Practices.
The Proxy Committee has adopted the guidelines for voting proxies specified in Appendix A of this policy. AAI will use an independent, third-party vendor to implement its proxy voting process as AAI's proxy voting agent. In general, whenever a vote is solicited, ISS or another independent third party will execute the vote according to AAI's Voting Guidelines.

B. Ability to Vote Proxies Other than as Provided by Voting Guidelines.
A portfolio manager or other party involved with a client's account may conclude that the best interest of the firm's client, as defined above, requires that a proxy be voted in a manner that differs from the predetermined proxy Voting Guidelines. In this situation, he or she will request that the Proxy Committee consider voting the proxy other than according to such Guidelines. If any person, group, or entity requests the Proxy Committee (or any of its members) vote a proxy other than according to the predetermined Voting Guidelines, that person will furnish to the Proxy Committee a written explanation of the reasons for the request and a description of the person's, group's, or entity's relationship, if any, with the parties proposing and/or opposing the matter's adoption. The Proxy Committee may consider the matter including any potential conflicts of interest. A research analyst or portfolio manager must disclose in in writing any inappropriate attempt to influence their recommendation or any other personal interest that they have with the issuer (see Conflicts of Interest Disclosure and Certification Form - Appendix B to this policy).

C. Other Proxy Proposals
For the following categories of proposals either the Proxy Committee will determine how proxies related to all such proposals will be voted, or the proxies will be voted in accordance with ISS' or an individual client's guidelines.
1. New Proposals. For each new type of proposal that is expected to be proposed to shareholders of multiple companies, the Proxy Committee will develop a Voting Guideline which will be incorporated into this Policy.
2. Accounts Adhering to Taft Hartley Principles. All proposals for these accounts will be voted according to the Taft Hartley Guidelines developed by ISS.
3. Accounts Adhering to Socially Responsible Principles. All proposals for these accounts will be voted according to the Socially Responsible Guidelines developed by ISS or as specified by the client.
4. Proxies of International Issuers which Block Securities Sales between the Time a Shareholder submits a Proxy and the Vote. In general, AAI will refrain from voting such securities. However, in the exceptional circumstances that AAI determines that it would be appropriate to vote such proxies, all proposals for these securities will be voted only on the specific instruction of the Proxy Committee and to the extent practicable in accordance with the Voting Guidelines set forth in this Policy.
5. Proxies of Investment Company Shares. Proposals on issues other than those provided in Section III.B will be voted on the specific instruction of the Proxy Committee.
6. Executive/Director Compensation. Except as provided in Section III.B, proposals relating to compensation of any executive or director will be voted as recommended by ISS or as otherwise directed by the Proxy Committee.
7. Preemptive Rights. Proposals to create or eliminate shareholder preemptive rights. In evaluating these proposals the Proxy Committee will consider the size of the company and the nature of its shareholder base.

IV. VOTING PROCEDURES

The Proxy Committee has developed the following procedures to aid the voting of proxies according to the Voting Guidelines. The Proxy Committee may revise these procedures from time to time, as it deems necessary or appropriate to affect the purposes of this Policy.

1. AAI will use an independent, third-party vendor, to implement its proxy voting process as AAI's proxy voting agent. This retention is subject to AAI continuously assessing the vendor's independence from AAI and its affiliates, and the vendor's ability to perform its responsibilities (and, especially, its responsibility to vote client proxies in accordance with AAI's proxy voting guidelines) free of any actual, potential or apparent material conflicts of interests that may arise between the interests of the vendor, its affiliates, the vendor's other clients and the owners, officers or employees of any such firm, on the one hand, and AAI's clients, on the other hand. As means of performing this assessment, AAI will require various reports and notices from the vendor, as well as periodic audits of the vendor's voting record and other due diligence.

2. ISS will provide proxy analysis and record keeping services in addition to voting proxies on behalf of AAI in accordance with this Policy.

3. On a daily basis, AAI or designee will send to ISS a holdings file detailing each equity holding held in all accounts over which AAI has voting authority.

4. AAI will complete a Vote Authorization Registration with ISS for any new client which will describe how ballots will be executed on behalf of the client. In addition, AAI will complete and provide the client's custodian bank with a Letter of Authorization. The letter will serve as notice that AAI has retained ISS to act as the voting agent for the securities held in the client's account and will instruct the custodian bank to forward all ballots, meeting notices, and other proxy materials to ISS.

5. ISS will receive proxy material information from Proxy Edge or the custodian bank for the account. This will include issues to be voted upon, together with a breakdown of holdings for AAI accounts. ISS will then reconcile information it receives from Proxy Edge and custodian banks. Any discrepancies will be promptly noted and resolved by ISS, with notice to AAI.

6. Whenever a vote is solicited, ISS will execute the vote according to AAI's Voting Guidelines which will be delivered by AAI to ISS as set forth in Appendix A and anytime there is a material change to these guidelines.

- If ISS is unsure how to vote a particular proxy, ISS will issue a request for voting instructions to AAI over a secure website. AAI personnel will check this website regularly. The request will be accompanied by a recommended vote. The recommended vote will be based upon ISS' understanding of the Voting Guidelines previously delivered to ISS. AAI will promptly provide ISS with any amendments or modifications to the Voting Guidelines if necessary. AAI will return a final instruction to vote to ISS, which ISS will record with Proxy Edge or the custodian bank as our agent.

7. Each time that ISS sends AAI a request to vote, the request will be accompanied by the recommended vote determined in accordance with AAI's Voting Guidelines. ISS will vote as indicated in the request unless the client has reserved discretion, the Proxy Committee determines that the best interest of clients requires another vote, or the proposal is a matter as to which the Proxy Committee affords special, individual consideration under Section III.B. In such situations, ISS will vote based on the direction of the client or the Proxy Committee, as the case may be. The interests of AAI's Taft Hartley or Socially Responsible clients may impact a proposal that normally should be voted in a certain way. ISS will inform AAI of all proposals having impact on its Taft Hartley and or Socially Responsible clients. The Proxy Voting Committee will be consulted before a vote is placed in cases where Taft Hartley or Socially Responsible issues are presented.

8. ISS will have procedures in place to ensure that a vote is cast on every security holding maintained by AAI on which a vote is solicited unless otherwise directed by the Proxy Committee. On a yearly basis, or as required by our clients AAI will receive a report from ISS detailing AAI's voting for the previous period.

V. SECURITIES LENDING

Each Fund advised by AAI, where authorized by its respective Board, may engage in securities lending transactions, to the extent permitted by the Fund's investment policies and limitations. The Adviser will be required to monitor for scheduled or anticipated proxy votes relating to securities on loan and determine whether the securities should be recalled from loan on the relevant record date. AAI has retained ISS to provide notifications relating to portfolio securities on loan, and AAI will make the determination whether or not to recall a particular security in order to cast the vote. There may be situations where the Adviser may not be able to recall the security in time to cast the vote.

VI. SUPERVISION

Managers and supervisory personnel are responsible for ensuring that their associates understand and follow this policy and any applicable procedures adopted by the business group to implement the policy. The Proxy Committee has ultimate responsibility for the implementation of this Policy.

VII. ESCALATION

With the exception of conflicts of interest-related matters, issues arising under this policy should be escalated to AAI's CCO, or designee. Issues involving potential or actual conflicts of interest should be promptly communicated to Compliance or Legal. Compliance will notify the Fund Chief Compliance Officer(s), if a material conflict of interest has arisen that deems the attention of the respective Fund Board(s).

VIII. MONITORING

AAI's Compliance Department is primarily responsible for overseeing the day-to-day operations of the proxy voting process. The Compliance Department's monitoring will take into account the following elements: (1) periodic review of ISS votes to ensure that ISS is accurately voting consistent with AAI's Proxy Guidelines; and (2) review of fund's N-PX report to ensure that it's filed in a timely and accurate manner. Additionally, AAI will review ISS' conflicts of interest policies.

AAI's Compliance Committee monitors proxy matters for its clients including monitoring material conflicts of interest identified.

IX. AVAILABILITY OF PROXY VOTING POLICY AND VOTING RECORD

A summary disclosure regarding the provisions of this Policy will be available in AAI's Form ADV, to the extent AAI is required to prepare a Part 2 to Form ADV. Upon receipt of a Client's request for more information, AAI will provide to the Client a copy of this Policy and/or how AAI voted proxies for the Client pursuant to this Policy for up to a one-year period. It is AAI's policy not to disclose how it voted a client's proxy to third parties.

With respect to its investment company clients, AAI will not selectively disclose its investment company clients' proxy voting records; rather, AAI will disclose such information by publicly available annual filings. AAI will create and maintain records of each investment company's proxy record for 12-month periods ended June 30th. AAI will compile the following information for each matter relating to a portfolio security considered at any shareholder meeting during the period covered by the annual report and which the company was entitled to vote:

- The name of the issuer of the security;
- The exchange ticker symbol of the portfolio security (is symbol is available through reasonably practicable means);
- The Council on Uniform Securities Identification Procedures number for the portfolio security (if number is available through reasonably practicable means);
- The shareholder meeting date;
- A brief identification of the matter voted on;
- Whether the matter was proposed by the issuer or by a security holder;
- Whether the company cast its vote on the matter;
- How the company cast its vote (e.g., for or against proposal, or abstain; for or withhold regarding the election of directors); and
- Whether the company cast its vote for or against management.

X. OTHER RECORD KEEPING REQUIREMENTS

Business groups and support partners are responsible for maintaining all records necessary to evidence compliance with this policy. The records must be properly maintained and readily accessible in order to evidence compliance with this policy.

These records include:

- Proxy Committee Meeting Minutes and Other Materials (routine oversight matters are discussed within AAI's Compliance Committee meetings and will be documented within the Compliance Committee's materials);
-

Analysis and Supporting Materials of Investment Management Personnel Concerning Proxy Decisions and Recommendations;
- Conflicts of Interest Review Documentation, including Conflicts of Interest Forms; and
- Client Communications Regarding Proxy Matters.

Records should be retained for a period of not less than six years. Records must be retained in an appropriate office of AAI for the first three years.

Item 8. Portfolio Managers of Closed-End Management Investment Companies.

Weatherbie Capital LLC ("Weatherbie")

(a)(1) MANAGEMENT.

Matthew A. Weatherbie, CFA – President and Co-Chief Investment Officer
Matt is the lead co-manager responsible for managing the portion of the Fund allocated to Weatherbie. The firm was founded by Matt in December 1995. Mr. Weatherbie's prior experience as a portfolio manager was at Putnam Investments from 1983-1995 where he managed the Putnam Voyager Fund. Between 1973 and 1983, he was a securities analyst and then a portfolio manager of MFS (Massachusetts Financial Services) Emerging Growth Trust. Matt is a CFA charterholder.

George Dai, Ph.D.- Senior Managing Director and Co-Chief Investment Officer
George is a co-manager responsible for managing the portion of the Fund allocated to Weatherbie. George's prior experience as a portfolio manager began in 2006 as the co-lead manager of Weatherbie's Long/Short Fund. George received his MBA from the Wharton School, University of Pennsylvania, (Director's List), and his Ph.D. in chemistry from Johns Hopkins University. Previously, he earned a B.S. from the University of Science and Technology of China (Hefei, China) and then was a pharmaceutical research scientist at Procter & Gamble.

Joshua D. Bennett, CFA -Managing Director
Josh is a co-manager responsible for managing the portion of the Fund allocated to Weatherbie. Josh's prior experience as a portfolio manager began in 2007 as a co-manager of Weatherbie's Long/Short Fund. Josh received his MBA from the Tuck School of Business at Dartmouth (Edward Tuck Scholar with Distinction). Previously, he earned a B.A. in economics (Summa Cum Laude) from Wheaton College (IL). Josh is a CFA charterholder.

(a)(2) OTHER ACCOUNTS. As of December 31, 2015, this team was responsible for the portfolio management of the following types of accounts in addition to the Fund:

Type of Account	Number of Accounts Managed	Total Assets Managed (in millions)	Number of Accounts Managed For which Advisory Fee is Performance Based	Assets Managed for which Advisory Fee is Performance Based (in millions)
Weatherbie Capital, LLC	N/A			
Registered Investment Companies	1	$6	0	n/a
Other pooled investment vehicles	2	$132	2	$132
Other accounts	23	$687	0	n/a
Matthew A. Weatherbie				
Registered Investment Companies	0	0	0	n/a
Other pooled investment vehicles	1	$105	1	$105
Other accounts*	19	$687	0	n/a

George Dai				
Registered Investment Companies*	1	$6	0	n/a
Other pooled investment vehicles*	1	$27	1	$27
Other accounts*	19	$687	0	n/a
Joshua D. Bennett				
Registered Investment Companies*	1	$6	0	n/a
Other pooled investment vehicles*	1	$27	1	$27
Other accounts*	19	$687	0	n/a

MATERIAL CONFLICTS OF INTEREST. None.

(a)(3) COMPENSATION STRUCTURE. Weatherbie Capital, LLC is solely owned by Weatherbie Holding Inc., a Sub-Chapter S Corporation controlled by Matthew A. Weatherbie. Mr. Weatherbie's compensation is directly related to the overall profitability of Weatherbie. Mr. Weatherbie receives a fixed base salary, profit sharing (pre-tax/deferred compensation) and earnings from the company, if any, at year end. Mr. Dai and Mr. Bennett are stake holders in the firms' stock appreciation plan ("SAR") where employees have an equity stake in the company above the growth in value of their SAR plan award. In addition to an ownership opportunity, all employees receive a competitive salary and are eligible for a bonus, which is tied to a percentage of the profits of the company based on their contribution to the firm's success, leveraged to the growth in the business. A portion of the bonus is allocated to the Weatherbie Profit Sharing Plan establishing a retirement account for all employees. There is no difference between the method used to determine compensation with respect to the Fund and the other accounts managed by Messer's Weatherbie, Dai or Bennett except that a performance allocation may be payable by the other pooled investment vehicles managed by Weatherbie.

(a)(4) OWNERSHIP BY PORTFOLIO MANAGER:

Portfolio Managers	Dollar Range of the Registrant’s Securities Owned by the Portfolio Managers
Matthew A. Weatherbie	None
George Dai	None
Joshua D. Bennett	None

TCW Investment Management Company (“TCW”)

(a)(1) MANAGEMENT. The portion of the Fund allocated to TCW for mid-cap growth is managed by Chang Lee.

Mr. Lee is Portfolio Manager of TCW’s Small Cap Growth, SMID Cap Growth, Growth Equities, Global Technology, and Multi-Cap Growth strategies. Mr. Lee joined TCW in 2005 as an Analyst in the U.S. Equity Research Department where he covered the insurance sector. In 2006 Mr. Lee joined the TCW Small and Mid-Cap Growth Equities team as an Analyst, with an analytical focus on financials, health care and industrials. Prior to TCW, Mr. Lee was a Senior Investment Analyst at Samsung Life Investment from 2003 to 2005 and an Analyst at Lazard Asset Management from 1998 to 2003. At Lazard, Mr. Lee was a member of the Alternative Investment Product team where he focused primarily on small and mid cap health care and industrial companies. He also worked closely with Lazard's small and mid cap product groups in providing investment opportunities. Prior to Lazard, Mr. Lee was an Analyst at Bear Stearns. Mr. Lee holds a BS in Applied Mathematics and Economics from Johns Hopkins University (1996) as well as an MBA from Stern School of Business at New York University (2001).

(a)(2) OTHER ACCOUNTS. The table below provides information about the other accounts managed byMr. Lee as of December 31, 2015:

Type of Account	Number of Accounts Managed	Total Assets Managed (in millions)	Number of Accounts Managed for which Advisory Fee is Performance Based	Assets Managed for which Advisory Fee is Performance Based (in millions)
Chang Lee				
Registered Investment Companies	4	$183	0	0
Other Pooled Investment Vehicles	3	$10	0	0
Other Accounts	11	$157	0	0

MATERIAL CONFLICTS OF INTEREST. Like other investment professionals with multiple clients, a portfolio manager for a Fund may face certain potential conflicts of interest in connection with managing both the Fund and other accounts at the same time. The paragraphs below describe some of these potential conflicts, which may be faced by investment professionals at most major financial firms. ALPS Advisors, Inc. and the Fund have adopted compliance policies and procedures that attempt to address certain of these potential conflicts.

The management of accounts with different advisory fee rates and/or fee structures, including accounts that pay advisory fees based on account performance (“performance fee accounts”), may raise potential conflicts of interest by creating an incentive to favor higher-fee accounts. These potential conflicts may include, among others:

- The most attractive investments could be allocated to higher-fee accounts or performance fee accounts.
- The trading of higher-fee accounts could be favored as to timing and/or execution price. For example, higher-fee accounts could be permitted to sell securities earlier than other accounts when a prompt sale is desirable or to buy securities at an earlier and more opportune time.
- The trading of other accounts could be used to benefit higher-fee accounts (front-running).

- The investment management team could focus their time and efforts primarily on higher-fee accounts due to a personal stake in compensation.

Potential conflicts of interest may also arise when the portfolio managers have personal investments in other accounts that may create an incentive to favor those accounts.

A potential conflict of interest may arise when a Fund and other accounts purchase or sell the same securities. On occasions when a portfolio manager considers the purchase or sale of a security to be in the best interests of a Fund as well as other accounts, the adviser's trading desk may, to the extent permitted by applicable laws and regulations, aggregate the securities to be sold or purchased in order to obtain the best execution and lower brokerage commissions, if any. Aggregation of trades may create the potential for unfairness to a Fund or another account if one account is favored over another in allocating the securities purchased or sold – for example, by allocating a disproportionate amount of a security that is likely to increase in value to a favored account.

"Cross trades," in which one account sells a particular security to another account (potentially saving transaction costs for both accounts), may also pose a potential conflict of interest. Cross trades may be seen to involve a potential conflict of interest if, for example, one account is permitted to sell a security to another account at a higher price than an independent third party would pay. The Fund has adopted compliance procedures that provide that any transactions between a Fund and another advised account are to be made at an independent current market price, as required by law.

Another potential conflict of interest may arise based on the different investment objectives and strategies of a Fund and other accounts. For example, another account may have a shorter-term investment horizon or different investment objectives, policies or restrictions than a Fund. Depending on another account's objectives or other factors, a portfolio manager may give advice and make decisions that may differ from advice given, or the timing or nature of decisions made, with respect to a Fund. In addition, investment decisions are the product of many factors in addition to basic suitability for the particular account involved. Thus, a particular security may be bought or sold for certain accounts even though it could have been bought or sold for other accounts at the same time. More rarely, a particular security may be bought for one or more accounts managed by a portfolio manager when one or more other accounts are selling the security (including short sales). There may be circumstances when purchases or sales of portfolio securities for one or more accounts may have an adverse effect on other accounts.

A Fund's portfolio manager who is responsible for managing multiple funds and/or accounts may devote unequal time and attention to the management of those funds and/or accounts. As a result, the portfolio manager may not be able to formulate as complete a strategy or identify equally attractive investment opportunities for each of those accounts as might be the case if he or she were to devote substantially more attention to the management of a single fund. The effects of this potential conflict may be more pronounced where funds and/or accounts overseen by a particular portfolio manager have different investment strategies.

A Fund's portfolio managers may be able to select or influence the selection of the brokers and dealers that are used to execute securities transactions for the Fund. In addition to executing trades, some brokers and dealers provide portfolio managers with brokerage and research services (as those terms are defined in Section 28(e) of the Securities Exchange Act of 1934), which may result in the payment of higher brokerage fees than might have otherwise be available. These services may be more beneficial to certain funds or accounts than to others. Although the payment of brokerage commissions is subject to the requirement that the portfolio manager determine in good faith that the commissions are reasonable in relation to the value of the brokerage and research services provided to the fund, a portfolio manager's decision as to the selection of brokers and dealers could yield disproportionate costs and benefits among the funds and/or accounts that he or she manages.

The adviser or an affiliate may provide more services (such as distribution or recordkeeping) for some types of funds or accounts than for others. In such cases, a portfolio manager may benefit, either directly or indirectly, by devoting disproportionate attention to the management of fund and/or accounts that provide greater overall returns to the investment manager and its affiliates.

A Fund's portfolio manager(s) may also face other potential conflicts of interest in managing the Fund, and the description above is not a complete description of every conflict that could be deemed to exist in managing both a Fund and other accounts. In addition, a Fund's portfolio manager may also manage other accounts (including their personal assets or the assets of family members) in their personal capacity. The management of these accounts may also involve certain of the potential conflicts described above. Investment personnel at the advisers, including each Fund's portfolio manager, are subject to restrictions on engaging in personal securities transactions pursuant to Codes of Ethics adopted by the adviser.

The adviser has trade allocation and other policies and procedures that it believes are reasonably designed to address these and other potential conflicts of interest.

(a)(3) PORTFOLIO MANAGERS COMPENSATION. The overall objective of the Advisor's compensation program for portfolio managers is to attract experienced and expert investment professionals and to retain them over the long-term. Compensation is comprised of several components which, in the aggregate, are designed to achieve these objectives and to reward the portfolio managers for their contributions to the successful performance of the accounts they manage. Portfolio managers are compensated through a combination of base salary, profit sharing based compensation ("profit sharing"), bonus and equity incentive participation in the Advisor's parent company ("equity incentives"). Profit sharing and equity incentives generally represent most of the portfolio managers' compensation. In some cases, portfolio managers are eligible for discretionary bonuses.

Salary. Salary is agreed to with managers at time of employment and is reviewed from time to time. It does not change significantly and often does not constitute a significant part of the portfolio manager's compensation.

Profit Sharing. Profit sharing for investment professionals is based on net income relating to accounts in the investment strategy area for which the investment professionals are responsible. In most cases, revenues are allocated to a pool and profit sharing compensation is allocated among members of the investment team after the deduction of certain expenses (including base salaries) related to the strategy group. The allocations are based on the investment professionals' contributions to TCW and its clients, including qualitative and quantitative contributions. The profit sharing percentage used to compensate investment professionals for investment services related to the Funds is generally the same as that used to compensate investment professionals for the other client accounts in the same strategy managed by the Advisor or one of the other TCW Advisors (together, "the TCW Group"). In some cases, the pool includes revenues related to more than one product, in which case each participant in the pool is entitled to profit sharing derived from his or her contributions to all the included products.

Investment professionals are not directly compensated for generating performance fees. In some cases, the profit sharing percentage or pool may be increased bythe relative pre-tax performance of the investment strategy composite returns, net of fees and expenses, to that of the benchmark. The measurement of performance relative to the benchmark can be based on single year or multiple year metrics, or a combination thereof. The benchmark used is the one associated with the Fund managed by the portfolio manager as disclosed in the prospectus. Benchmarks vary from strategy to strategy but, within a given strategy, the same benchmark applies to all accounts, including the Fund.

Discretionary Bonus/Guaranteed Minimums. In general, portfolio managers do not receive discretionary bonuses. However, in some cases bonuses may be paid on a discretionary basis out of a department profit sharing pool, as determined by the supervisor(s) in the department. In other cases where portfolio managers do not receive profit sharing or where the company has determined the combination of salary and profit sharing does not adequately compensate the portfolio manager, discretionary bonuses may be paid by the TCW Group. Also, pursuant to contractual arrangements, some portfolio managers may be entitled to a mandatory bonus if the sum of their salary and profit sharing does not meet certain minimum thresholds.

Equity Incentives. Many portfolio managers participate in equity incentives based on overall firm performance of the TCW Group and its affiliates, through ownership or participation in restricted unit plans that vest over time or unit appreciation plans of the Advisor's parent company. The plans include the Fixed Income Retention Plan, Restricted Unit Plan and 2013 Equity Unit Incentive Plan.

Under the Fixed Income Retention Plan, certain portfolio managers in the fixed income area were awarded cash and/or partnership units in the Advisor's parent company, either on a contractually-determined basis or on a discretionary basis. Awards under this plan were made in or after 2010 vested over a period of time.

Under the Restricted Unit Plan, certain portfolio managers in the fixed income and equity areas were awarded partnership units in the Advisor's parent company. Awards under this plan vest over time. Vesting is in part dependent on satisfaction of performance criteria.

Under the 2013 Equity Unit Incentive Plan, certain portfolio managers in the fixed income and equity areas are awarded options to acquire partnership units in the Advisor's parent company with a strike price equal to the fair market value of the option at the date of grant. The options granted under the plan are subject to vesting and other conditions.

(a)(4) OWNERSHIP BY PORTFOLIO MANAGERS.

Portfolio Managers	Dollar Range of the Registrant's Securities Owned by the Portfolio Managers
Chang Lee	None

Sustainable Growth Advisers, LP ("SGA")

(a)(1) MANAGEMENT.

George P. Fraise - Principal, co-founder, portfolio manager and a member of the Investment Committee. He is also a member of the Firm's Advisory Board. Prior to founding Sustainable Growth Advisers, George was Executive Vice President, a member of the Board of Directors and a member of the Investment Policy Committee of Yeager, Wood & Marshall, Inc. George began his investment career in 1987 as an equity analyst at Drexel Burnham Lambert. In 1990 he joined Smith Barney as a senior analyst responsible for the coverage of electrical equipment companies. He also held a senior analyst position at Chancellor Capital Management, a private large cap growth money manager. In 1997 George joined Scudder Kemper Investments as a portfolio manager for two separate large cap growth funds.
Education:
Trinity College – BA in History - 1986
Stern School of Business at New York University – MBA in Finance and International Business – 1990

Gordon M. Marchand, CFA, CIC, CPA - Principal, co-founder, portfolio manager and a member of the Investment Committee. He is also a member of the Firm's Advisory Board and serves as the firm's Chief Financial Officer. Prior to founding Sustainable Growth Advisers, Gordon was an executive officer, a member of the Board of Directors and Investment Policy Committee of Yeager, Wood & Marshall, Inc. which he joined in 1984. He also served as the firm's Chief Financial and Operating Officer. Gordon began his career as a CPA for Grant Thornton Int'l and a management consultant for Price Waterhouse.
Education:
Georgetown University – BS; University of Massachusetts/Amherst – MBA
Oxford University Management Center – Graduate Study

Robert L. Rohn – Principal, co-founder, portfolio manager and chairs the firm's Investment Committee. He is also a member of the Firm's Advisory Board. Prior to joining Sustainable Growth Advisers in November 2003, Rob managed over $1 billion of large capitalization, high quality growth stock portfolios at W.P Stewart & Co. During Rob's twelve-year tenure with W.P. Stewart, he was an analyst and portfolio Manager, held the positions of Chairman of the Board and Chief Executive Officer of W.P. Stewart Inc., the company's core U.S. investment business, and served as Chairman of the firm's Management Committee. From 1988 through 1991, he was with Yeager, Wood & Marshall, a growth oriented investment counseling firm, where he served as Vice President and a member of the Investment Policy Committee with responsibilities in equity analysis and portfolio management. Rob began his career in 1983 at JP Morgan, where he was an officer of the bank in Corporate Finance.
Education:
Dartmouth College – BA (Cum Laude); Harvard Business School – MBA

(a)(2) OTHER ACCOUNTS. The table below provides information about the other accounts managed by Messrs. Fraise, Rohn and Marchand, as of December 31, 2015:

Type of Account	Number of Accounts Managed	Total Assets Managed (in millions)	Number of Accounts Managed for which Advisory Fee is Performance Based	Assets Managed for which Advisory Fee is Performance Based (in millions)
George P. Fraise				
Registered Investment Companies	24	$4,304	0	n/a
Other Pooled Investment Vehicles	20	$854	0	n/a
Other Accounts	37	$806	0	n/a
Robert L. Rohn				
Registered Investment Companies	24	$4,304	0	n/a
Other Pooled Investment Vehicles	20	$854	0	n/a
Other Accounts	37	$806	0	n/a
Gordon M. Marchand				
Registered Investment Companies	24	$4,304	0	n/a
Other Pooled Investment Vehicles	20	$854	0	n/a
Other Accounts	37	$806	0	n/a

MATERIAL CONFLICTS OF INTEREST. Like other investment professionals with multiple clients, a portfolio manager for a Fund may face certain potential conflicts of interest in connection with managing both the Fund and other accounts at the same time. The paragraphs below describe some of these potential conflicts, which may be faced by investment professionals at most major financial firms. ALPS Advisors, Inc. and the Fund have adopted compliance policies and procedures that attempt to address certain of these potential conflicts.

The management of accounts with different advisory fee rates and/or fee structures, including accounts that pay advisory fees based on account performance ("performance fee accounts"), may raise potential conflicts of interest by creating an incentive to favor higher-fee accounts. These potential conflicts may include, among others:

- The most attractive investments could be allocated to higher-fee accounts or performance fee accounts.
- The trading of higher-fee accounts could be favored as to timing and/or execution price. For example, higher-fee accounts could be permitted to sell securities earlier than other accounts when a prompt sale is desirable or to buy securities at an earlier and more opportune time.
- The trading of other accounts could be used to benefit higher-fee accounts (front-running).
- The investment management team could focus their time and efforts primarily on higher-fee accounts due to a personal stake in compensation.

Potential conflicts of interest may also arise when the portfolio managers have personal investments in other accounts that may create an incentive to favor those accounts.

A potential conflict of interest may arise when a Fund and other accounts purchase or sell the same securities. On occasions when a portfolio manager considers the purchase or sale of a security to be in the best interests of a Fund as well as other accounts, the adviser's trading desk may, to the extent permitted by applicable laws and regulations, aggregate the securities to be sold or purchased in order to obtain the best execution and lower brokerage commissions, if any. Aggregation of trades may create the potential for unfairness to a Fund or another account if one account is favored over another in allocating the securities purchased or sold – for example, by allocating a disproportionate amount of a security that is likely to increase in value to a favored account.

"Cross trades," in which one account sells a particular security to another account (potentially saving transaction costs for both accounts), may also pose a potential conflict of interest. Cross trades may be seen to involve a potential conflict of interest if, for example, one account is permitted to sell a security to another account at a higher price than an independent third party would pay. The Fund has adopted compliance procedures that provide that any transactions between a Fund and another advised account are to be made at an independent current market price, as required by law.

Another potential conflict of interest may arise based on the different investment objectives and strategies of a Fund and other accounts. For example, another account may have a shorter-term investment horizon or different investment objectives, policies or restrictions than a Fund. Depending on another account's objectives or other factors, a portfolio manager may give advice and make decisions that may differ from advice given, or the timing or nature of decisions made, with respect to a Fund. In addition, investment decisions are the product of many factors in addition to basic suitability for the particular account involved. Thus, a particular security may be bought or sold for certain accounts even though it could have been bought or sold for other accounts at the same time. More rarely, a particular security may be bought for one or more accounts managed by a portfolio manager when one or more other accounts are selling the security (including short sales). There may be circumstances when purchases or sales of portfolio securities for one or more accounts may have an adverse effect on other accounts.

A Fund's portfolio manager who is responsible for managing multiple funds and/or accounts may devote unequal time and attention to the management of those funds and/or accounts. As a result, the portfolio manager may not be able to formulate as complete a strategy or identify equally attractive investment opportunities for each of those accounts as might be the case if he or she were to devote substantially more attention to the management of a single fund. The effects of this potential conflict may be more pronounced where funds and/or accounts overseen by a particular portfolio manager have different investment strategies.

A Fund's portfolio managers may be able to select or influence the selection of the brokers and dealers that are used to execute securities transactions for the Fund. In addition to executing trades, some brokers and dealers provide portfolio managers with brokerage and research services (as those terms are defined in Section 28(e) of the Securities Exchange Act of 1934), which may result in the payment of higher brokerage fees than might have otherwise be available. These services may be more beneficial to certain funds or accounts than to others. Although the payment of brokerage commissions is subject to the requirement that the portfolio manager determine in good faith that the commissions are reasonable in relation to the value of the brokerage and research services provided to the fund, a portfolio manager's decision as to the selection of brokers and dealers could yield disproportionate costs and benefits among the funds and/or accounts that he or she manages.

The adviser or an affiliate may provide more services (such as distribution or recordkeeping) for some types of funds or accounts than for others. In such cases, a portfolio manager may benefit, either directly or indirectly, by devoting disproportionate attention to the management of fund and/or accounts that provide greater overall returns to the investment manager and its affiliates.

A Fund's portfolio manager(s) may also face other potential conflicts of interest in managing the Fund, and the description above is not a complete description of every conflict that could be deemed to exist in managing both a Fund and other accounts. In addition, a Fund's portfolio manager may also manage other accounts (including their personal assets or the assets of family members) in their personal capacity. The management of these accounts may also involve certain of the potential conflicts described above. Investment personnel at the advisers, including each Fund's portfolio manager, are subject to restrictions on engaging in personal securities transactions pursuant to Codes of Ethics adopted by the adviser.

The adviser has trade allocation and other policies and procedures that it believes are reasonably designed to address these and other potential conflicts of interest.

(a)(3) COMPENSATION STRUCTURE. SGA has adopted a system of compensation for portfolio managers that seeks to align the financial interests of the investment professionals with those of SGA. The compensation of SGA's three principals/portfolio managers is based solely upon SGA's financial performance. SGA's compensation arrangements with its investment professionals are not determined on the basis of specific funds or accounts managed by the investment professional. All investment professionals receive customary benefits that are offered generally to all salaried employees of SGA.

(a)(4) OWNERSHIP BY PORTFOLIO MANAGERS.

Portfolio Managers	Dollar Range of the Registrant's Securities Owned by the Portfolio Managers
George P. Fraise	None
Robert L. Rohn	None
Gordon M. Marchand	None

Item 9. Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers.

During the fiscal year ended December 31, 2014, there were no purchases made by or on behalf of the registrant or any "affiliated purchaser", as defined in Rule 10b-18(a)(3) under the Securities Exchange Act of 1934 ("Exchange Act"), of shares or other units of any class of the registrant's equity securities that are registered by the registrant pursuant to Section 12 of the Exchange Act.

Item 10. Submission of Matters to a Vote of Security Holders.

There have not been any material changes to the procedures by which shareholders may recommend nominees to the registrant's board of directors, since those procedures were last disclosed in response to the requirements of Item 407(c)(2)(iv) of Regulation S-K or this Item.

Item 11. Controls and Procedures.

(a) The registrant's principal executive officer and principal financial officers, based on their evaluation of the registrant's disclosure controls and procedures as of a date within 90 days of the filing of this report, have concluded that such controls and procedures are adequately designed to ensure that information required to be disclosed by the registrant in Form N-CSR is accumulated and communicated to the registrant's management, including the principal executive officer and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

(b) There were no changes in the registrant's internal control over financial reporting that occurred during the registrant's second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 12. Exhibits.

(a)(1) The registrant's Code of Ethics for Principal Executive and Senior Financial Officers that applies to the registrant's principal executive officer and principal financial officer and as described in Item 2 hereof is incorporated by reference to Exhibit-99-12(a)(1) to the registrant's Form N-CSR for its fiscal year ended December 31, 2007, filed electronically with the Securities and Exchange Commission on March 7, 2008.

(a)(2) Certifications pursuant to Rule 30a-2(a) under the Investment Company Act of 1940 (17 CFR 270.30a-2(a)) attached hereto as Exhibit 99.CERT.

(a)(3) Not Applicable.

(b) Certifications pursuant to Rule 30a-2(b) under the Investment Company Act of 1940 (17 CFR 270.30a-2(b)) attached hereto as Exhibit 99.906CERT.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

LIBERTY ALL-STAR GROWTH
FUND, INC.

By: /s/ William R. Parmentier, Jr.
William R. Parmentier, Jr.
(Principal Executive Officer)
President

Date: February 29, 2016

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

LIBERTY ALL-STAR GROWTH
FUND, INC.

By: /s/ William R. Parmentier, Jr.
William R. Parmentier, Jr.
(Principal Executive Officer)
President

Date: February 29, 2016

By: /s/ Kimberly R. Storms
Kimberly R. Storms
(Principal Financial
Officer)
Treasurer

Date: February 29, 2016