

LIBERTY ALL STAR GROWTH FUND INC.
Form N-CSR
February 28, 2014

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)

Erin D. Nelson

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, 2013

Item 1. Reports to Stockholders.

LIBERTY ALL-STAR® GROWTH FUND

1

PRESIDENT'S LETTER (UNAUDITED)

Fellow Shareholders:

February 2014

The U.S. equity market rewarded investors with exceptionally strong returns in 2013. The S&P 500® Index returned 32.39 percent – its highest since 1997 – as all 10 of the index's sectors finished the year in positive territory. The widely followed Dow Jones Industrial Average (DJIA) posted 51 record highs en route to a 29.65 percent return, while the technology-focused NASDAQ Composite Index delivered the highest return of all, 40.12 percent.

Among key growth benchmarks, the broad market Russell 3000® Growth Index returned 34.23 percent for the year. (Indicative that both investing styles participated in the market's advance, the Russell 3000® Value Index trailed its growth counterpart, but still returned a strong 32.69 percent.) Among market capitalization indices, the Russell 1000® Growth Index (large cap) returned 33.48 percent and the Russell Midcap® Growth Index rose 35.74 percent. Small cap stocks, as represented by the Russell 2000® Growth Index, generated the strongest return of all, an advance of 43.30 percent.

Stocks surged in 2013 as the economy continued to recover at a steady, albeit moderate pace; corporate earnings continued to grow; and, perhaps most importantly, the Federal Reserve kept short-term interest rates at record low levels while continuing to inject liquidity into the financial system through its \$85 billion-a-month bond buying program. Investor optimism could not be slowed by political gridlock in Washington, fears of a softer economy in China, and continuing fiscal and economic woes in the euro zone. A powerful theme running throughout the year was the industrial renaissance in the U.S., as auto, capital equipment and energy output gained strength. U.S. energy production stood out as a growth driver, as hydraulic fracturing methodologies unlocked previously inaccessible or economically impractical oil and gas deposits. While the old economy was strong, so was the new economy, as demonstrated by the market for initial public offerings (IPOs). According to *The Wall Street Journal*, 230 companies went public on domestic equity markets in 2013, a sharp increase over 144 in 2012.

Liberty All-Star® Growth Fund rewarded investors in 2013 with returns that were strong on both an absolute and relative basis. The Fund returned 39.01 percent with shares valued at net asset value (NAV) with dividends reinvested and 47.82 percent with shares valued at market price with dividends reinvested. (Fund returns are net of fees.) By comparison, the Russell 3000® Growth Index returned the previously mentioned 34.23 percent; the Fund also outperformed both the S&P 500 and DJIA. Performance versus the NASDAQ Composite was mixed; the Fund's NAV return with dividends reinvested trailed moderately, but the market price advance with dividends reinvested was well ahead of the index. The Fund also outperformed the Lipper Multi-Cap Growth Mutual Fund Average, which returned 35.03 percent for the year. The discount at which Fund shares traded relative to their underlying NAV narrowed considerably during the year; at one point in the fourth quarter Fund shares traded at a 1.8 percent premium to NAV.

The Fund's long-term returns were also strong. The Fund outperformed the Lipper average for the past three- and five-year periods, while lagging moderately over the trailing 10 years. Compared to the Russell 3000® Growth Index, the Fund was either slightly ahead or slightly behind for the three-, five- and 10-year periods, depending on whether return is measured by NAV with dividends reinvested or market price with dividends reinvested.

On the subject of longer-term returns, 2013 marked five years since the steep equity market sell-off in 2008 (when the Russell 3000® Growth Index declined 38.44 percent). In the shareholder letter for the Fund's 2008 annual report, we noted that even in the depths of recession and stock market retreat it is essential for investors to keep faith in the U.S. economy and our financial markets. Indeed, investors who were able to look beyond the immediate crisis were well-rewarded. By year-end 2009, the Russell 3000® Growth Index gained 67.46 percent off the March 9 low and, even accounting for the steep declines in January and February, the index gained

LIBERTY ALL-STAR® GROWTH FUND
PRESIDENT'S LETTER (UNAUDITED)

37.01 percent for the full year in 2009. In retrospect, the financial system did not come apart, and U.S. banks are now the most highly capitalized in the world.

Fund distributions totaled \$0.31 per share in 2013. The Fund's distribution policy has been in place since 1997 and is a major component of the Fund's total return. Since 1997, the Fund has paid distributions totaling \$11.55 per share, and we would emphasize that shareholders should include these distributions when determining the return on their investment in the Fund.

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, in this annual report we are once again offering insights into the managers' thinking through a roundtable discussion to which all three managers have contributed. In particular, we asked the managers to comment on why participation by individual investors in the equity market has declined in recent years. We believe you will find their responses to be of interest. As we have done in recent annual reports, we once again offer a brief summary of the Fund's attributes (on pages 4 and 5). I urge you to revisit these attributes, as they help to make the Fund a unique and attractive investment vehicle.

We are gratified that the Fund rewarded investors in 2013. Uniformly strong equity market returns set a high hurdle for an actively managed fund, like Liberty All-Star® Growth Fund, to outperform passive benchmarks. But, the Fund was able to do that and we believe the Fund is also well positioned for the future. While we are optimistic about the prospects for 2014 and beyond, no one knows what direction equity markets will take going forward. We can, and will, however, remain diligent and disciplined and put our experience and expertise to work in service to our shareholders.

Sincerely,

William R. Parmentier, Jr.

President and Chief Executive Officer

Liberty All-Star® Growth Fund, Inc.

LIBERTY ALL-STAR® GROWTH FUND

3

PRESIDENT'S LETTER (UNAUDITED)

FUND STATISTICS AND SHORT-TERM PERFORMANCE

PERIODS ENDING DECEMBER 31, 2013

FUND STATISTICS:

Net Asset Value (NAV)	\$ 5.91
Market Price	\$ 5.62
Discount	4.9%

	Quarter	2013
Distributions*	\$0.09	\$0.31
Market Price Trading Range	\$4.80 to \$5.89	\$4.11 to \$5.89
Premium/(Discount) Range	1.8% to (11.6)%	1.8% to (11.8)%

PERFORMANCE:

Shares Valued at NAV with Dividends Reinvested	8.33%	39.01%
Shares Valued at Market Price with Dividends Reinvested	16.20%	47.82%
Dow Jones Industrial Average	10.22%	29.65%
Lipper Multi-Cap Growth Mutual Fund Average	9.71%	35.03%
NASDAQ Composite Index	11.10%	40.12%
Russell 3000® Growth Index	10.25%	34.23%
S&P 500® Index	10.51%	32.39%

LONG-TERM PERFORMANCE SUMMARY AND DISTRIBUTIONS
PERIODS ENDING DECEMBER 31, 2013

ANNUALIZED RATES OF RETURN

3 YEARS 5 YEARS 10 YEARS INCEPTION**

LIBERTY ALL-STAR® GROWTH FUND, INC.

Distributions	\$0.85	\$1.34	\$4.22	\$7.41
Shares Valued at NAV with Dividends Reinvested	16.29%	20.85%	8.03%	3.18%
Shares Valued at Market Price with Dividends Reinvested	17.16%	25.02%	6.98%	4.76%
Dow Jones Industrial Average	15.71%	16.74%	7.44%	5.74%
Lipper Multi-Cap Growth Mutual Fund Average	15.02%	20.03%	8.25%	2.92%
NASDAQ Composite Index	17.74%	22.86%	8.63%	1.36%
Russell 3000® Growth Index	16.47%	20.56%	7.95%	1.59%
S&P 500® Index	16.18%	17.94%	7.40%	3.74%

* All 2013 distributions consist of ordinary dividends and long-term capital gains. A breakdown of each 2013 distribution for federal income tax purposes can be found in the table on page 31.

** Since restructuring to a multi-cap growth fund on May 1, 2000.

Figures shown for the Fund and the Lipper Multi-Cap Growth Mutual Fund Average are total returns, which include dividends, after deducting Fund expenses. The Fund's performance is calculated assuming that a shareholder exercised all primary rights in the Fund's rights offerings. Figures shown for the unmanaged Dow

Edgar Filing: LIBERTY ALL STAR GROWTH FUND INC. - Form N-CSR

Jones Industrial Average, NASDAQ Composite Index, the Russell 3000® Growth Index and the S&P 500® Index are total returns, including dividends. A description of the Lipper benchmark and the market indices can be found on page 40.

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.

www.all-starfunds.com

ASG

LIBERTY ALL-STAR® GROWTH FUND

4

UNIQUE FUND ATTRIBUTES (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.

UNIQUE FUND ATTRIBUTES (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 6 percent of the Fund's net asset value (paid quarterly at 1.5 percent per quarter), providing a systematic mechanism for distributing funds to shareholders.

**6 LIBERTY ALL-STAR® GROWTH FUND
INVESTMENT MANAGERS/PORTFOLIO CHARACTERISTICS (UNAUDITED)**

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

MANAGERS' DIFFERING INVESTMENT STRATEGIES ARE REFLECTED IN PORTFOLIO CHARACTERISTICS

The portfolio characteristics table below is a regular feature of the Fund's shareholder reports. It serves as a useful tool for understanding the value of the Fund's multi-managed portfolio. The characteristics are different for each of the Fund's three investment managers. These differences are a reflection of the fact that each has a different capitalization focus and investment strategy. The shaded column highlights the characteristics of the Fund as a whole, while the first three columns show portfolio characteristics for the Russell Smallcap, Midcap and Largecap Growth indices. See page 40 for a description of these indices.

**PORTFOLIO
CHARACTERISTICS**

AS OF DECEMBER 31, 2013

	RUSSELL GROWTH:			M.A. WEATHERBIE	TCW (MID-CAP)	TCW (LARGE-CAP)	TOTAL FUND
	SMALLCAP INDEX	MIDCAP INDEX	LARGECAP INDEX				
Number of Holdings	1174	502	625	60	56	33	134*
Weighted Average Market Capitalization (billions)	\$2.0	\$12.3	\$100.6	\$3.0	\$10.9	\$68.3	\$26.7
Average Five-Year Earnings Per Share Growth	18%	19%	18%	25%	25%	19%	23%
Average Five-Year Sales Per Share Growth	8%	9%	12%	13%	10%	15%	13%
Price/Earnings Ratio**	27x	25x	22x	33x	28x	31x	31x
Price/Book Value Ratio	6.6x	6.5x	6.7x	7.1x	6.9x	9.6x	7.8x

* Certain holdings are held by more than one manager.

** Excludes negative earnings.

Investment Manager Roundtable

Timely insights for individual investors: Why the Fund's investment managers remained focused on their disciplines in a strong market like 2013 (despite lingering worries about a reversal). And how investors—many of whom have missed the multi-year stock market rally—should be thinking about participation in the stock market.

Liberty All-Star® Growth Fund's investment managers bring long experience, deep 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 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

Co-Portfolio Managers/Chang Lee and Mike Olson,

CFA Managing Directors

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.

TCW INVESTMENT MANAGEMENT COMPANY

Portfolio Manager/Craig C. Blum, CFA

Group Managing Director

Capitalization Focus/Large-Cap Growth—TCW seeks large-cap companies that have superior sales growth, leading and/or rising market shares, and high and/or rising profit margins. TCW's concentrated growth equity strategy seeks companies with distinct advantages in their business model.

The year 2013 was, by just about any measure, a very good one for equity investors. Leading many prognosticators to forecast a pullback as the year progressed, Liberty All-Star® Growth Fund investment managers, however, are more driven by bottom-up company fundamentals than top-down market conditions. When and to what extent does overall market valuation enter your decision-making? Or do you judge valuation solely on a stock-by-stock basis. And what is your approach to valuing a security both at purchase and sale?

Weatherbie (Weatherbie Capital—Small-Cap Growth): At Weatherbie, we follow a fundamental, bottom-up, research-driven investment process. We evaluate each of our approximately 60 portfolio positions on a stock-by-stock basis. We do evaluate the macro environment and often have a view on sectors we believe will move or be held back by the markets.

We continue to believe the united States is the most attractive developed growth market for investing.

Matt Weatherbie
(Weatherbie Capital
Small-Cap Growth)

We continue to believe the United States is the most attractive developed growth market for investing. We are excited that the continued resurrection of the initial public offering (IPO) market is creating an increased opportunity set that our firm is poised to capitalize on.

Moreover, we see early signs that the positive direct and indirect longer-term implications for the U.S. economy of the development of unconventional energy resources from hydraulic fracturing have been underestimated. Despite continued partisan bickering in Washington, we think that it is rational and realistic to believe that America's best days lie ahead.

We remain confident that our research-driven investment approach will allow us to continue to outperform the small-cap growth indices over the long term.

Thank you. Let's continue up the capitalization range by hearing from TCW's mid-cap and large-cap managers.

Lee (TCW Mid-Cap Growth): We use bottom-up, fundamental analysis to create financial models with best-, base- and worst-case price targets for every stock in our portfolio. These price targets are based on future cash flow projections and they, along with our risk/reward analysis and conviction level, drive our decision-making. The goal is to find companies in which our estimates of free cash flow growth are above what is implied by current market prices, resulting in securities that are attractively valued today relative to those cash flows. That being said, we do pay attention to overall economic and market conditions, as

LIBERTY ALL-STAR® GROWTH FUND

8

MANAGER ROUNDTABLE (UNAUDITED)

these do influence our decisions because of their potential impact on cash flow estimates for our portfolio companies.

Blum (TCW Large-Cap Growth): We are stock pickers and judge valuation on a stock-by-stock basis. After our initial screen, we do thorough fundamental analysis on any potential new position. This includes talking to suppliers, conducting competitor analysis, sizing the end market and determining what makes the company special. We look three to five years out and look for a disconnect between the stock's current price and our valuation. We sell a security when the valuation reflects our most optimistic outlook in order to take advantage of a superior opportunity. Of course, we can get negatively surprised and when this happens we place a stock on our review list and ask two questions: One, is the business model impaired? And, two, is the revenue opportunity impaired? If the answer to either is yes, we sell the position.

That said, we do consider the economic cycle when constructing our portfolio. We like to say that we run a balanced portfolio: Approximately two-thirds of the

portfolio is in offensive growth stocks and one-third of the portfolio is Individual investors in defensive growth stocks. The former are very disruptive companies with above-market volatility (betas) and may be cyclical. Defensive growth stocks are less sensitive to GDP and are uncorrelated to the economic cycle. Besides a laser-like focus on only owning quality businesses

need to remember that volatility, although not easy to stomach, often provides long-term opportunities.

Craig Blum

(TCW Large-Cap Growth)

with sustainable competitive advantages, this portfolio construction process is another way we mitigate risk in the portfolio.

Thank you very much. Individual investors have not shown much of an inclination to invest in stocks. A national poll conducted last April by a respected survey research firm found that only 52 percent of people said they owned shares directly or indirectly (through a mutual fund) compared with 62 percent in April 2000. Why do you believe individuals are investing at a relatively low rate? How should individual investors be thinking about participation in the stock market?

Blum (TCW Large-Cap Growth): Fear and greed drive markets and due to the pain of 2008, many investors are still squarely in the fear camp. Individual investors need to remember that volatility, although not easy to stomach, often provides long-term opportunities. The stock market has advanced for five consecutive years and

many individual investors feel like they have missed their chance. Consistent stock market participation is critical, yet it is clear that the average individual investor may have been his/her own worst enemy. The evidence: 20-year annualized returns for the average investor (+2.3 percent) have not only failed to keep up with the S&P 500 Index (+8.2 percent) and bonds (+6.3 percent), they have failed to keep up with inflation (+2.5 percent)¹.

Olson (TCW Mid-Cap Growth): Even though stocks have more than recovered their losses since the financial crisis, individual investors are probably still a bit shell-shocked after the events of 2008. Accelerating growth in a low inflationary environment, such as we're seeing now, is favorable for equity investing. Although we have seen some expansion in earnings multiples, we believe that it is a rebound from trough levels. Our assessment of the data based on our bottom-up fundamental analysis indicates that we are currently somewhere in the middle of the cycle.

Weatherbie (Weatherbie Capital Small-Cap Growth): Individuals were hurt by the combined impact on net worth of the 2008 global financial meltdown and the decline in residential real estate values. This has resulted in cautious investment behavior, which may take some time

Edgar Filing: LIBERTY ALL STAR GROWTH FUND INC. - Form N-CSR

to change. Individual investors should think about participating in the stock market using a diversified approach that takes into account their risk tolerance. As an investor in smaller capitalization stocks, we can state with considerable experience that ownership of individual shares can generate substantial gains or losses. We believe a diversified portfolio across many of the major industry sectors can yield sustainable long-term performance with beneficial risk mitigation.

In the context of your previous comments, what is a longstanding holding in the portion of the Liberty All-Star® Growth Fund that you manage that serves as a good example of your style and strategy? And, second, what is a recent addition to your portfolio that also serves as a good example of your style and strategy?

Lee (TCW Mid-Cap Growth): Under Armour is a longstanding holding in the portfolio. Under Armour is an up-and-coming global brand in athletic apparel. Its revenue has grown tenfold over the past decade, and the company is expected to continue to grow rapidly as it expands into new categories, such as basketball shoes and cotton wear while aggressively expanding its international distribution footprint.

Leading social media company Twitter is a recent addition to the portfolio. Twitter operates a self-service publishing

¹ Twenty-year annualized returns ending December 31, 2013. Sources: Individual investor return, Dalbar, a leading provider of data for the investment industry; equity return, S&P 500 Index; bond return, Barclays Aggregate Bond Index; inflation, Consumer Price Index.

MANAGER ROUNDTABLE (UNAUDITED)

platform which provides value to both the publishers in the form of real-time feedback and value to consumers in the form of real-time consumption.

Good. Matt and Craig, share your thoughts, please.

Weatherbie (Weatherbie Capital Small-Cap Growth):

A good stock example of our style and strategy is LKQ Corporation, which provides replacement parts, components and systems needed to

repair vehicles, primarily cars and trucks in the U.S. There are several factors that define it as a Weatherbie holding. First, LKQ became a publicly-traded entity in a new market in which they had a substantial growth opportunity and, after the IPO, we were one of the

We use bottom-up, fundamental analysis to create financial models with best-, base- and worst-case price targets for every stock in the portfolio.

Chang Lee

(TCW Mid-Cap Growth)

company's earliest institutional shareholders. Second, from the outset LKQ had a seasoned management team whose vision and plan for growth seemed achievable. Third, the technology used by LKQ to identify, inventory and distribute parts leads the industry and has provided a long-term, sustainable advantage over all potential competitors. Finally, we recently sold LKQ from the Fund, as we now view it as an excellent, but maturing mid-cap company. But, it provided more than a tenfold return to Fund investors during our ownership.

A recent addition to our portfolio that also serves as a good example of a Weatherbie stock is Geospace Technologies Corporation (GEOS.) A leading manufacturer of seismic measuring equipment used to evaluate hydraulic fracturing of shale deposits (so-called fracking), GEOS shares many of the qualities we seek in our holdings. These begin with a sustainable, long-term technological advantage over competitors via the company's proprietary wireless measuring patents. Next, as an indirect play on the shale oil revolution, GEOS has tremendous market share potential. Finally, GEOS has a solid, well-prepared management team with deep energy industry knowledge, and it is positioned to take fracking activity offshore.

Craig Blum, wrap it up for us, will you please?

Blum (TCW Large-Cap Growth): We believe strong long-term performance may be achieved by participating in the growth and success of extraordinary businesses purchased at attractive valuations. We start by looking for companies competing in large and growing end markets, with defensible business models and wide moats (defensible positions). Often, these companies have either a product or cost advantage in an industry going through structural change. The company's current market share may be low but its rate of share capture is quite high. Amazon, first purchased over a decade ago, is an example of a company with immense scale and a clear cost advantage. More recently, we purchased athenahealth, a cloud-based healthcare IT provider. The company's business model is scalable, its platform is disruptive to the competition, and it is rapidly gaining market share.

Great insights from experienced investment managers and we thank you all. It should be an interesting year ahead. We'll check in again next year.

**10 LIBERTY ALL-STAR® GROWTH FUND
INVESTMENT GROWTH (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, 2013. 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 10 percent distribution policy in 1997. Effective with the 2009 second quarter distribution, the annual distribution rate was changed from 10 percent to 6 percent.

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 \$18,562 (including the December 31, 2013 value of the original investment of \$6,076, plus distributions during the period of \$12,486).

The additional value realized through reinvestment of all distributions. The value of the investment under this scenario grew to \$31,398.

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 \$38,610 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

11

TABLE OF DISTRIBUTIONS AND RIGHTS OFFERINGS (UNAUDITED)

YEAR	PER SHARE	MONTH	RIGHTS OFFERINGS SHARES NEEDED TO PURCHASE	SUBSCRIPTION
	DISTRIBUTIONS	COMPLETED	ONE ADDITIONAL SHARE	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*	5.72
2004	0.63			
2005	0.58			
2006	0.59			
2007	0.61			
2008	0.47			
2009**	0.24			
2010	0.25			
2011	0.27			
2012	0.27			
2013	0.31			
Total	\$11.55			

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

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

DISTRIBUTION POLICY

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

LIBERTY ALL-STAR® GROWTH FUND

12

TOP 20 HOLDINGS AND ECONOMIC SECTORS (UNAUDITED)*December 31, 2012*

TOP 20 HOLDINGS*	PERCENT OF NET ASSETS
Cerner Corp.	1.99%
Amazon.com, Inc.	1.79
ACE Ltd.	1.77
Splunk, Inc.	1.75
Google, Inc., Class A	1.70
Dril-Quip, Inc.	1.66
ARM Holdings PLC	1.63
Under Armour, Inc., Class A	1.55
Signature Bank	1.55
Salesforce.com, Inc.	1.55
athenahealth, Inc.	1.51
Visa, Inc., Class A	1.39
LinkedIn Corp., Class A	1.33
American Tower Corp.	1.31
Precision Castparts Corp.	1.29
QUALCOMM, Inc.	1.29
Core Laboratories N.V.	1.25
Starbucks Corp.	1.25
The Ultimate Software Group, Inc.	1.25
BioMarin Pharmaceutical, Inc.	1.22
	30.03%

ECONOMIC SECTORS*	PERCENT OF NET ASSETS
Information Technology	26.50%
Industrials	16.87
Consumer Discretionary	15.67
Financials	13.48
Health Care	11.70
Energy	6.86
Consumer Staples	5.13
Materials	2.04

Edgar Filing: LIBERTY ALL STAR GROWTH FUND INC. - Form N-CSR

Other Net Assets

1.75
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.

LIBERTY ALL-STAR® GROWTH FUND

13

MAJOR STOCK CHANGES IN THE QUARTER (UNAUDITED)

The following are the major (\$500,000 or more) stock changes both purchases and sales that were made in the Fund's portfolio during the fourth quarter of 2013.

SECURITY NAME	PURCHASES (SALES)	SHARES HELD AS OF 12/31/13
PURCHASES		
The Boston Beer Co., Inc., Class A	2,700	2,700
Graco, Inc.	7,688	18,626
Hilton Worldwide Holdings, Inc.	30,175	30,175
Insulet Corp.	26,461	26,461
Kansas City Southern	5,550	5,550
Twitter, Inc.	15,950	15,950
SALES		
Fastenal Co.	(15,950)	20,470
Fifth & Pacific Cos., Inc.	(16,250)	26,000
LKQ Corp.	(42,504)	0
Palo Alto Networks, Inc.	(16,798)	0

www.all-starfunds.com

ASG

LIBERTY ALL-STAR® GROWTH FUND

14

SCHEDULE OF INVESTMENTS*as of December 31, 2012*

COMMON STOCKS (98.25%)	SHARES	MARKET VALUE
u CONSUMER DISCRETIONARY (15.67%)		
Auto Components (0.55%)		
BorgWarner, Inc.	13,800	\$ 771,558
Automobiles (0.24%)		
Thor Industries, Inc.	6,071	335,301
Diversified Consumer Services (0.22%)		
Ascent Capital Group, Inc., Class A ^(a)	3,623	309,984
Hotels, Restaurants & Leisure (3.20%)		
Arcos Dorados Holdings, Inc., Class A	75,150	910,818
Chuy's Holdings, Inc. ^(a)	11,266	405,801
Hilton Worldwide Holdings, Inc. ^(a)	30,175	671,394
Starbucks Corp.	22,335	1,750,841
Wynn Resorts Ltd.	3,800	737,998
		4,476,852
Internet & Catalog Retail (3.55%)		
Amazon.com, Inc. ^(a)	6,270	2,500,413
priceline.com, Inc. ^(a)	1,275	1,482,060
RetailMeNot, Inc. ^(a)	19,017	547,500
Shutterfly, Inc. ^(a)	8,494	432,599
		4,962,572
Leisure Equipment & Products (0.90%)		
Black Diamond, Inc. ^(a)	19,554	260,655
Polaris Industries, Inc.	6,900	1,004,916
		1,265,571
Media (0.60%)		
Discovery Communications, Inc., Class A ^(a)	9,200	831,864
Specialty Retail (3.28%)		
CarMax, Inc. ^(a)	8,150	383,213
Dick's Sporting Goods, Inc.	15,950	926,695
DSW, Inc., Class A	20,700	884,511
Francesca's Holdings Corp. ^(a)	48,208	887,509
Tiffany & Co.	13,755	1,276,189
Ulta Salon, Cosmetics & Fragrance, Inc. ^(a)	2,350	226,822
		4,584,939
Textiles, Apparel & Luxury Goods (3.13%)		
Deckers Outdoor Corp. ^(a)	16,295	1,376,276
Fifth & Pacific Cos., Inc. ^(a)	26,000	833,820
Under Armour, Inc., Class A ^(a)	24,882	2,172,198
		4,382,294

u CONSUMER STAPLES (5.13%)

Beverages (1.51%)

The Boston Beer Co. Inc., Class A ^(a)	2,700	652,833
Constellation Brands, Inc., Class A ^(a)	6,200	436,356
Monster Beverage Corp. ^(a)	15,200	1,030,104
		2,119,293

See Notes to Schedule of Investments and Financial Statements.

LIBERTY ALL-STAR® GROWTH FUND

15

SCHEDULE OF INVESTMENTS

as of December 31, 2013

COMMON STOCKS (continued)	SHARES	MARKET VALUE
Food & Staples Retailing (2.07%)		
Costco Wholesale Corp.	8,450	\$ 1,005,635
The Fresh Market, Inc. ^(a)	14,915	604,057
PriceSmart, Inc.	7,154	826,573
Whole Foods Market, Inc.	7,850	453,966
		2,890,231
Food Products (1.55%)		
The Hain Celestial Group, Inc. ^(a)	13,450	1,220,991
Mead Johnson Nutrition Co.	11,350	950,676
		2,171,667
u ENERGY (6.86%)		
Energy Equipment & Services (6.86%)		
Core Laboratories N.V.	9,171	1,751,202
Dril-Quip, Inc. ^(a)	21,105	2,320,073
Forum Energy Technologies, Inc. ^(a)	13,063	369,160
Frank's International N.V.	15,530	419,310
Geospace Technologies Corp. ^(a)	9,384	889,885
National-Oilwell Varco, Inc.	7,850	624,311
Oceaneering International, Inc.	19,650	1,549,992
Schlumberger Ltd.	18,545	1,671,090
		9,595,023
u FINANCIALS (13.48%)		
Capital Markets (3.47%)		
The Charles Schwab Corp.	34,250	890,500
Financial Engines, Inc.	17,002	1,181,299
FXCM, Inc., Class A	32,244	575,233
T. Rowe Price Group, Inc.	12,400	1,038,748
Virtus Investment Partners, Inc. ^(a)	5,811	1,162,491
		4,848,271
Commercial Banks (1.55%)		
Signature Bank ^(a)	20,180	2,167,736
Consumer Finance (1.39%)		
Visa, Inc., Class A	8,715	1,940,656
Diversified Financial Services (1.01%)		
MarketAxess Holdings, Inc.	11,500	769,005
Portfolio Recovery Associates, Inc. ^(a)	12,223	645,863
		1,414,868
Insurance (2.77%)		
ACE Ltd.	23,950	2,479,543
Greenlight Capital Re Ltd., Class A ^(a)	35,436	1,194,548
Third Point Reinsurance Ltd. ^(a)	11,261	208,666

Edgar Filing: LIBERTY ALL STAR GROWTH FUND INC. - Form N-CSR

		3,882,757
Real Estate Investment Trusts (1.31%)		
American Tower Corp.	23,000	1,835,860
See Notes to Schedule of Investments and Financial Statements.		

www.all-starfunds.com

ASG

LIBERTY ALL-STAR® GROWTH FUND

16

SCHEDULE OF INVESTMENTS

as of December 31, 2012

COMMON STOCKS (continued)	SHARES	MARKET VALUE
Real Estate Management & Development (1.09%)		
FirstService Corp.	23,640	\$ 1,017,229
Zillow, Inc., Class A ^(a)	6,181	505,173
		1,522,402
Thriffs & Mortgage Finance (0.89%)		
BofI Holding, Inc. ^(a)	15,866	1,244,370
u HEALTH CARE (11.70%)		
Biotechnology (3.03%)		
BioMarin Pharmaceutical, Inc. ^(a)	24,205	1,700,886
Celgene Corp. ^(a)	7,850	1,326,336
Onconova Therapeutics, Inc. ^(a)	8,459	97,109
Puma Biotechnology, Inc. ^(a)	10,738	1,111,705
		4,236,036
Health Care Equipment & Supplies (2.28%)		
Insulet Corp. ^(a)	26,461	981,703
Intuitive Surgical, Inc. ^(a)	3,200	1,229,056
Masimo Corp. ^(a)	20,301	593,398
Neogen Corp. ^(a)	8,408	384,246
		3,188,403
Health Care Providers & Services (1.14%)		
ExamWorks Group, Inc. ^(a)	37,597	1,123,022
Premier, Inc., Class A ^(a)	12,710	467,220
		1,590,242
Health Care Technology (3.50%)		
athenahealth, Inc. ^(a)	15,688	2,110,036
Cerner Corp. ^(a)	50,030	2,788,672
		4,898,708
Life Sciences Tools & Services (0.43%)		
Illumina, Inc. ^(a)	5,450	602,879
Pharmaceuticals (1.32%)		
Allergan, Inc.	10,140	1,126,351
Zoetis, Inc.	22,265	727,843
		1,854,194
u INDUSTRIALS (16.87%)		
Aerospace & Defense (3.39%)		
B/E Aerospace, Inc. ^(a)	14,300	1,244,529
HEICO Corp.	10,853	628,931
Precision Castparts Corp.	6,700	1,804,310
TransDigm Group, Inc.	6,621	1,066,114
		4,743,884

Edgar Filing: LIBERTY ALL STAR GROWTH FUND INC. - Form N-CSR

Air Freight & Logistics (0.57%)

Echo Global Logistics, Inc.^(a)

36,941

793,493

Commercial Services & Supplies (1.89%)

The Advisory Board Co.^(a)

17,340

1,104,038

See Notes to Schedule of Investments and Financial Statements.

LIBERTY ALL-STAR® GROWTH FUND

17

SCHEDULE OF INVESTMENTS
as of December 31, 2012

COMMON STOCKS (continued)	SHARES	MARKET VALUE
Commercial Services & Supplies (continued)		
Waste Connections, Inc.	35,472	\$ 1,547,643 2,651,681
Electrical Equipment (0.84%)		
AMETEK, Inc.	9,500	500,365
Rockwell Automation, Inc.	5,700	673,512 1,173,877
Machinery (4.81%)		
AGCO Corp.	10,550	624,454
Cummins, Inc.	6,350	895,159
Graco, Inc.	18,626	1,455,063
Middleby Corp. ^(a)	3,859	926,044
Nordson Corp.	8,300	616,690
Rexnord Corp. ^(a)	18,732	505,951
WABCO Holdings, Inc. ^(a)	10,050	938,771
Wabtec Corp.	10,450	776,122 6,738,254
Professional Services (3.36%)		
Huron Consulting Group, Inc. ^(a)	11,507	721,719
IHS, Inc., Class A ^(a)	10,456	1,251,583
Stantec, Inc.	10,969	680,078
Verisk Analytics, Inc., Class A ^(a)	18,800	1,235,536
WageWorks, Inc. ^(a)	13,597	808,206 4,697,122
Road & Rail (0.79%)		
Kansas City Southern	5,550	687,256
Landstar System, Inc.	7,195	413,353 1,100,609
Trading Companies & Distributors (1.22%)		
Fastenal Co.	20,470	972,530
MSC Industrial Direct Co., Inc., Class A	9,100	735,917 1,708,447
u INFORMATION TECHNOLOGY (26.50%)		
Communications Equipment (1.86%)		
QUALCOMM, Inc.	24,265	1,801,676
ViaSat, Inc. ^(a)	12,700	795,655 2,597,331
Electronic Equipment & Instruments (1.69%)		
FARO Technologies, Inc. ^(a)	13,755	801,916
FEI Co.	7,800	697,008

Edgar Filing: LIBERTY ALL STAR GROWTH FUND INC. - Form N-CSR

IPG Photonics Corp. ^(a)	11,075	859,531 2,358,455
Internet Software & Services (7.79%)		
Envestnet, Inc. ^(a)	32,131	1,294,879
Equinix, Inc. ^(a)	7,235	1,283,851
Google, Inc., Class A ^(a)	2,128	2,384,871

See Notes to Schedule of Investments and Financial Statements.

www.all-starfunds.com

ASG

LIBERTY ALL-STAR® GROWTH FUND

18

SCHEDULE OF INVESTMENTS

as of December 31, 2012

COMMON STOCKS (continued)	SHARES	MARKET VALUE
Internet Software & Services (continued)		
LinkedIn Corp., Class A ^(a)	8,550	\$ 1,853,897
Liquidity Services, Inc. ^(a)	38,466	871,640
NIC, Inc.	11,178	277,997
SPS Commerce, Inc. ^(a)	9,804	640,201
Stamps.com, Inc.	24,694	1,039,617
Textura Corp. ^(a)	7,927	237,334
Twitter, Inc. ^(a)	15,950	1,015,218
		10,899,505
IT Services (1.12%)		
ServiceSource International, Inc. ^(a)	51,560	432,073
VeriFone Systems, Inc. ^(a)	42,665	1,144,275
		1,576,348
Semiconductors & Semiconductor Equipment (2.50%)		
ARM Holdings PLC ^(b)	41,767	2,286,326
Hittite Microwave Corp. ^(a)	5,938	366,553
NVIDIA Corp.	52,750	845,055
		3,497,934
Software (11.54%)		
ANSYS, Inc. ^(a)	16,648	1,451,706
Concur Technologies, Inc. ^(a)	6,324	652,510
FireEye, Inc. ^(a)	12,600	549,486
FleetMatics Group PLC ^(a)	22,987	994,188
NetSuite, Inc. ^(a)	6,200	638,724
RealPage, Inc. ^(a)	51,863	1,212,557
Salesforce.com, Inc. ^(a)	39,270	2,167,311
ServiceNow, Inc. ^(a)	13,700	767,337
Solera Holdings, Inc.	19,482	1,378,546
Splunk, Inc. ^(a)	35,717	2,452,686
The Ultimate Software Group, Inc. ^(a)	11,373	1,742,571
VMware, Inc., Class A ^(a)	11,350	1,018,209
Workday, Inc., Class A ^(a)	13,550	1,126,818
		16,152,649
u MATERIALS (2.04%)		
Chemicals (0.89%)		
Praxair, Inc.	9,625	1,251,539
Metals & Mining (1.15%)		
Allegheny Technologies, Inc.	28,750	1,024,362
Silver Wheaton Corp.	28,705	579,554
		1,603,916
TOTAL COMMON STOCKS		
(COST OF \$88,519,946)		137,469,575

See Notes to Schedule of Investments and Financial Statements.

LIBERTY ALL-STAR® GROWTH FUND

19

SCHEDULE OF INVESTMENTS

as of December 31, 2013

SHORT TERM INVESTMENT (2.85%)	PAR VALUE	MARKET VALUE
u REPURCHASE AGREEMENT (2.85%) Repurchase agreement with State Street Bank & Trust Co., dated 12/31/13, due 01/02/14 at 0.01%, collateralized by Federal Home Loan Mortgage Corp. 3.00%, 03/15/43, market value of \$4,074,099 (Repurchase proceeds of \$3,987,002) (COST OF \$3,987,000)	\$ 3,987,000	\$ 3,987,000