

SECURITIES AND EXCHANGE COMMISSION

FORM N-2/A

Initial filing of a registration statement on Form N-2 for closed-end investment companies [amend]

Filing Date: **2001-08-03**
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FILER

LIBERTY ALL STAR GROWTH FUND INC /MD/

CIK: **786035** | State of Incorporation: **MD** | Fiscal Year End: **1231**
Type: **N-2/A** | Act: **33** | File No.: **333-63956** | Film No.: **01696854**

Mailing Address
*LIBERTY INVESTMENT
SERVICES INC
600 ATLANTIC AVE
BOSTON MA 02210*

Business Address
*LIBERTY INVESTMENT
SERVICES, INC
600 ATLANTIC AVE
BOSTON MA 02210-2214
3019865866*

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CIK: **786035** | State of Incorporation: **MD** | Fiscal Year End: **1231**
Type: **N-2/A** | Act: **40** | File No.: **811-04537** | Film No.: **01696855**

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As filed with the Securities and Exchange Commission on August 2, 2001

1933 Act File No. 333-63956
1940 Act File No. 811-4537

U. S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form N-2

(Check appropriate box or boxes)

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Pre-Effective Amendment No. 1

Post-Effective Amendment No. _____

and

REGISTRATION STATEMENT UNDER THE INVESTMENT COMPANY ACT OF 1940

Amendment No. 14

Liberty All-Star Growth Fund, Inc.

Exact Name of Registrant as Specified in Articles of Incorporation

600 Atlantic Avenue, Federal Reserve Plaza

Boston, Massachusetts 02210

Address of Principal Executive Offices

(Number, Street, City, State, Zip Code)

617-722-6000

Registrant's Telephone Number, including Area Code

William J. Ballou

Secretary

Liberty All-Star Growth Fund, Inc.

One Financial Center

Boston, MA 02111

Jeremiah J. Bresnahan

Bingham Dana LLC

150 Federal Street

Boston, MA 02110

Approximate Date of Proposed Public Offering:

As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this form are offered on a delayed or continuous basis in reliance on Rule 415 under the Securities Act of 1933, other than securities offered in connection with a dividend reinvestment plan, check the following box.

It is proposed that this filing will become effective (check appropriate box)

when declared effective pursuant to section 8(c)

- immediately upon filing pursuant to paragraph (b) of Rule 486
- on (date) pursuant to paragraph (b) of Rule 486
- 60 days after filing pursuant to paragraph (a) of Rule 486
- on(date) pursuant to paragraph (a) of Rule 486

This post-effective amendment designates a new effective date for a previously filed registration statement.

The Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act and the Securities Act registration number of the earlier effective registration statement is -----.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICIALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THIS REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE SECURITIES AND EXCHANGE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

<TABLE>
<CAPTION>

PROPOSED TITLE MAXIMUM OF SECURITIES AGGREGATE BEING REGISTERED OFFERING PRICE (1)	AMOUNT OF AMOUNT REGISTRATION BEING REGISTERED (1) FEE (2)	PROPOSED MAXIMUM OFFERING PRICE PER UNIT	
<S>	<C>	<C>	<C>
Common Stock	2,137,620	\$9.44	
\$20,179,132	\$5,045		

- (1) Previously registered.
- (2) Previously paid.

</TABLE>

16,942,250 Rights for 2,117,781 Shares

LIBERTY ALL-STAR GROWTH FUND, INC.

Common Stock

Liberty All-Star Growth Fund, Inc. ("All-Star" or the "Fund") is offering rights (the "Rights") to its shareholders (the "Offer"). These Rights will allow you to subscribe for new shares of common stock of All-Star (the "Shares"). For every eight Rights that you receive, you may buy one new All-Star share. You will receive one Right for each outstanding All-Star share you own on August 6, 2001 (the "Record Date"). Fractional shares will not be issued upon the exercise of the Rights. Accordingly, shares may be purchased only pursuant to the exercise of Rights in integral multiples of eight. Also, shareholders on the Record Date may purchase shares not acquired by other shareholders in this Rights offering, subject to limitations discussed in this prospectus. The Rights are not transferable and will not be admitted for trading on the New York Stock Exchange. See "The Offer." THE SUBSCRIPTION PRICE PER SHARE WILL BE 95% OF THE LOWER OF (i) THE LAST REPORTED SALE PRICE ON THE NEW YORK STOCK EXCHANGE ON SEPTEMBER 11, 2001 (the "Pricing Date") OF A SHARE OF ALL-STAR, OR (ii) THE NET ASSET VALUE OF A SHARE OF ALL-STAR ON THAT DATE.

THE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK TIME, ON SEPTEMBER 10, 2001 (the "Expiration Date"). SINCE THE CLOSE OF THE OFFERING ON THE EXPIRATION DATE IS PRIOR TO THE PRICING DATE, SHAREHOLDERS WHO CHOOSE TO EXERCISE THEIR RIGHTS WILL NOT KNOW THE SUBSCRIPTION PRICE PER SHARE AT THE TIME THEY EXERCISE SUCH RIGHTS.

For additional information, please call Georgeson Shareholder Communications Inc. (the "Information Agent") toll free at (888) 420-8683.

All-Star is a multi-managed diversified, closed-end management investment company that allocates its portfolio assets on an approximately equal basis among several independent investment organizations (currently three in number) ("Portfolio Managers") having different investment styles recommended and monitored by Liberty Asset Management Company, All-Star's fund manager. All-Star's investment objective is to seek long term capital appreciation. It seeks its investment objective through investment primarily in a diversified portfolio of equity securities. An investment in All-Star is not appropriate for all investors. No assurances can be given that All-Star's investment objective will be achieved. For a discussion of certain risk factors and special considerations with respect to owning shares of All-Star, see "Special Considerations and Risk Factors" beginning on page 17 of this Prospectus.

The address of All-Star is Federal Reserve Plaza, 600 Atlantic Avenue, Boston, Massachusetts 02210-2214 and its telephone number is 1-800-542-3863. All-Star's shares are listed on the New York Stock Exchange under the symbol "ASG."

All-Star announced the terms of the Offer before the opening of trading on the New York Stock Exchange on June 21, 2001. The net asset value per share of common stock of All-Star at the close of business on June 20, 2001 and August 6, 2001 was \$9.09 and \$_____, respectively, and the last reported sale price of a share on such Exchange on those dates was \$9.45 and \$_____, respectively.

Neither the Securities and Exchange Commission nor any State securities commission has approved or disapproved these securities or determined if this Prospectus is truthful or complete. Any representation to the contrary is a crime.

<TABLE>

<S>	<C>
<C>	<C>
Sales Load	Proceeds to All-Star(2)
Per share..... NONE	\$ \$
Total..... NONE	\$ \$

</TABLE>

(1) Estimated based on an assumed Subscription Price of 95% of the net asset value on August 6, 2001.

(2) Before deduction of expenses payable by All-Star, estimated at \$150,000.

Shareholders who do not exercise their Rights should expect that they will, at the completion of the Offer, own a smaller proportional interest in the Fund than if they exercised their Rights. As a result of the Offer you may experience an immediate dilution of the aggregate net asset value of your shares, which

under certain circumstances, could be substantial. This is because the Subscription Price per share and/or the net proceeds to All-Star for each new share sold will be less than All-Star's net asset value per share on the Expiration Date. All-Star cannot state precisely the extent of this dilution at this time because it does not know what the net asset value or market price per share will be when the Offer expires or what proportion of the Rights will be exercised.

This Prospectus sets forth concisely the information that a shareholder ought to know before exercising his or her Rights. Investors are advised to read and retain it for future reference. A Statement of Additional Information dated August [], 2001 has been filed with the Securities and Exchange Commission and is incorporated by reference in its entirety into this Prospectus. The table of contents of the Statement of Additional Information appears on page 27 of this Prospectus, and a copy is available at no charge by calling the Information Agent at (888) 420-8683.

The date of this Prospectus is August [], 2001.

PROSPECTUS SUMMARY

This summary highlights some information that is described more fully elsewhere in this Prospectus. It may not contain all of the information that is important to you. To understand the Offer fully, you should read the entire document carefully, including the risk factors.

Purpose of the Offer

The Board of Directors of All-Star has determined that it would be in the best interest of All-Star and its shareholders to increase the assets of All-Star available for investment so that it may be in a better position to take advantage of investment opportunities that may arise. The Offer seeks to reward existing shareholders in All-Star by giving them the opportunity to purchase additional Shares at a price below market and/or net asset value and without incurring any brokerage commissions. See "The Offer-Purpose of the Offer."

The Board of Directors believes that a larger number of outstanding Shares could increase the level of market interest in and visibility of the Fund and improve the trading liquidity of the Fund's shares on the New York Stock Exchange ("NYSE").

Important Terms of the Offer

<TABLE>

<S>

<C>

Total number of shares available for primary subscription... shares	2,117,781
Number of Rights you will receive for each outstanding share you own on the Record every one share	One Right for
Date.....	
Number of shares you may purchase with your Rights at the Subscription Price per every eight Rights share.....	One share for
Subscription lower of (i) the last reported sale price on the Price.....	95% of the NYSE on
September 11, 2001 (the "Pricing Date") of a share stock of All-Star, or (ii) the net asset value of All-Star on the Pricing Date.	of common a share of

</TABLE>

Shareholders' inquiries should be directed to:
Georgeson Shareholder Communications Inc.
(888) 420-8683

Over-Subscription Privilege

The right to acquire during the Subscription Period at the Subscription Price one additional Share for each eight Rights held is hereinafter referred to as the "Primary Subscription." Shareholders on the Record Date who fully exercise all Rights issued to him or her (other than those Rights which cannot be exercised because they represent the right to acquire less than one Share) are entitled to subscribe for Shares which were not otherwise subscribed for by others on Primary Subscription (the "Over-Subscription Privilege"). For purposes of determining the maximum number of Shares a shareholder may acquire pursuant to the Offer, broker-dealers whose Shares are held of record by Cede & Co., Inc. ("Cede"), nominee for Depository Trust Company, or by any other depository or nominee will be deemed to be the holders of the Rights that are issued to Cede or such other depository or nominee. If enough Shares are available, all shareholder requests to buy Shares that were not bought by other Rights holders

will be honored in full. If the requests for Shares exceed the Shares available, the available Shares will be allocated pro rata among those shareholders on the Record Date who over-subscribe based on the number of Rights originally issued to them by the Fund. Shares acquired pursuant to the Over-Subscription Privilege are subject to allotment, which is more fully discussed under "The Offer--Over-Subscription Privilege."

Method for Exercising Rights

Except as described below, subscription certificates evidencing the Rights ("Subscription Certificates") will be sent to shareholders on the Record Date ("Record Date Shareholders") or their nominees. If you wish to exercise your Rights, you may do so in the following ways:

(1) Complete and sign the Subscription Certificate. Mail it in the envelope provided or deliver it, together with payment in full to EquiServe Trust Company, N.A. ("Subscription Agent") at the address indicated on the Subscription Certificate. Your completed and signed Subscription Certificate and payment must be received by the Expiration Date.

(2) Contact your broker, banker or trust company, which can arrange, on your behalf, to guarantee delivery of payment and delivery of a properly completed and executed Subscription Certificate pursuant to a notice of guaranteed delivery ("Notice of Guaranteed Delivery") by the close of business on the third business day after the Expiration Date. A fee may be charged for this service. The Notice of Guaranteed Delivery must be received by the Expiration Date.

Rights holders will have no right to rescind a purchase after the Subscription Agent has received payment. See "The Offer - Method of Exercise of Rights" and "The Offer - Payment for Shares."

Since the Expiration Date is prior to the Pricing Date, shareholders who choose to exercise their Rights will not know at the time they exercise such Rights what the purchase price for Shares acquired pursuant to such exercise will be. Shareholders will have no right to rescind their subscription after receipt of their payment for Shares by the Subscription Agent. Subscription payments will be held by the Subscription Agent pending completion of the processing of the subscription. No interest thereon will be paid to subscribers.

The Rights are not transferable. Therefore, only the underlying Shares, and not the Rights, will be admitted for trading on the NYSE. Since fractional shares will not be issued on exercise of Rights, shareholders who receive, or are left with, fewer than eight Rights will be unable to exercise such Rights and will not be entitled to receive any cash in lieu of unexercised rights.

Shareholders' inquiries about the Offer should be directed to their broker,

bank or trust company, or to:

Georgeson Shareholder Communications Inc.
1-888-420-8683

Important Dates to Remember

Please note that the dates in the table below may change if the offer is extended.

Event	Date
Record Date.....	August 6, 2001
Subscription Period.....	August 10, 2001 through September 10, 2001*
Expiration Date (Deadline for delivery of Subscription Certificate together with payment of estimated Subscription Price or for delivery of Notice of Guaranteed Delivery).....	September 10, 2001
Pricing Date.....	September 11, 2001
Deadline for payment of final Subscription Price pursuant to Notice of Guaranteed Delivery.....	September 13, 2001
Confirmation to Registered Shareholders.....	September 24, 2001
For Registered Shareholders' Subscriptions - deadline for payment of unpaid balance if final Subscription Price is higher than Estimated Subscription Price.....	October 4, 2001

* Unless the Offer is extended.

Offering Fees and Expenses

Offering expenses incurred by the Fund are estimated to be \$135,000.

Restrictions on Foreign Shareholders

Record date Shareholders whose record addresses are outside the United States will receive written notice of the Offer; however, Subscription Certificates will not be mailed to such shareholders. The Rights to which those Subscription Certificates relate will be held by the subscription agent for such foreign Record Date Shareholders' accounts until instructions are received in writing with payment to exercise the Rights. If no such instructions are received by the Expiration Date, such Rights will expire. See "Subscription Agent".

Information about All-Star

All-Star is a multi-managed diversified, closed-end management investment company registered under the Investment Company Act of 1940, as amended ("1940 Act") that allocates its assets on an approximately equal basis among a number of independent investment management organizations (currently three in number) each having a different investment style. See "The Multi-Manager Concept." All-Star's investment objective is to seek long-term capital appreciation. It seeks its objective through investment primarily (at least 65% of total assets under normal conditions) in a diversified portfolio of equity securities. The portion of All-Star's portfolio not invested in equity securities (not more than 35% of total assets under normal conditions) is generally invested in U.S. Government Securities, repurchase agreements with respect thereto, and certain money market mutual funds. See "Investment Objective and Policies."

All-Star commenced investment operations in March 1986 under the name "Growth Stock Outlook Trust, Inc." (see "History of the Fund" below). Its outstanding shares of Common Stock are listed and traded on the NYSE (Symbol "ASG"). The average weekly trading volume of the shares on the NYSE during the year ended December 31, 2000 was 198,202 shares. As of August 6, 2001, All-Star's net assets were \$ _____, and _____ shares of All-Star were issued and outstanding.

Information about Liberty Asset Management Company

Liberty Asset Management Company ("LAMCO" or "Fund Manager") provides selection, evaluation and monitoring services to All-Star and is responsible for the provision of administrative services to the Fund, some of which are delegated to LAMCO's affiliate, Colonial Management Associates, Inc. ("Colonial"). See "Management of All-Star" for the fees paid by the Fund to LAMCO and by LAMCO to the Portfolio Managers. Since the fees of LAMCO and the Portfolio Managers are based on the average weekly net assets of All-Star, LAMCO and the Portfolio Managers will benefit from the Offer. See "Management of All-Star." As of May 31, 2001, LAMCO managed over \$1.4 billion in assets.

LAMCO, organized in 1985, is an indirect wholly-owned subsidiary of Liberty Financial Companies, Inc. ("Liberty Financial"). Liberty Financial is a direct majority-owned subsidiary of LFC Management Corporation, which in turn is a direct wholly-owned subsidiary of Liberty Corporate Holdings, Inc., which in turn is a direct wholly-owned subsidiary of LFC Holdings, Inc., which in turn is a direct wholly-owned subsidiary of Liberty Mutual Equity Corporation, which in turn is a direct wholly-owned subsidiary of Liberty Mutual Insurance Company ("Liberty Mutual"). As of June 30, 2001, LFC Management Corporation owned 70.46% of the common stock of LFC and the balance is held by the public and listed on the New York Stock Exchange. LFC is a diversified and integrated asset management organization which provides insurance and investment products to individuals and institutions. Liberty Mutual is an underwriter of workers' compensation insurance and a property and casualty insurer in the United States, organized under the laws of Massachusetts in 1912. The principal business activities of Liberty Mutual's subsidiaries other than LFC are property-casualty insurance, insurance services and life insurance (including group life and health insurance products) marketed through its own sales force. The principal executive offices of LFC Management Corporation, Liberty Corporate Holdings, Inc., and LFC Holdings, Inc., Liberty Mutual and Liberty Mutual Equity Corporation are located at 175 Berkeley Street, Boston, Massachusetts 02117.

On June 4, 2001 Liberty Financial announced that Fleet National Bank has agreed to acquire Liberty Financial's asset management business, including LAMCO. Fleet National Bank is an indirect wholly-owned subsidiary of FleetBoston Financial Corporation, a U.S. financial holding company. The closing of the proposed transaction is expected to take place during the second half of 2001 and is subject to a number of conditions, including approval by the shareholders of Liberty Financial. Consummation of the acquisition by Fleet is subject to a number of contingencies, including regulatory approvals and approval of the shareholders of Liberty Financial. Under the rules for mutual funds the transaction may result in a change of control for LAMCO and, therefore, an assignment of the Funds' investment advisory and sub-advisory agreements with LAMCO and the Funds' respective Portfolio Managers, which requires, among other things, a shareholder vote under the 1940 Act. Consequently, it is anticipated that LAMCO will seek approval of new agreements from the Funds' shareholders prior to consummation of the acquisition, which is expected to close in the second half of 2001.

Special Considerations and Risk Factors

The following summarizes some of the matters that you should consider before investing in All-Star through the Offer.

Dilution..... Shareholders who do not fully exercise their Rights should expect that they will, at the completion of the Offer, own a smaller proportional interest in the Fund than if they exercised their Rights. As a result of the Offer you may experience an immediate dilution of the aggregate net asset value of your shares, which, under certain circumstances, may be substantial. This is because the Subscription Price per share and/or the net proceeds to the Fund for each new share sold will be less than the Fund's net asset value per share on the Expiration Date. Although it is not possible to state precisely the amount of such dilution because it is not known at this time how many shares will be subscribed for or what the net asset value or market price per share will be on the Pricing Date, All-Star estimates that such dilution should not be substantial. For example, if All-Star's Shares are trading at a premium from their net asset value of 0.25% (the average premium for the five-month period ended May 31, 2001), and assuming all Rights are exercised, the Subscription Price would be 5% below All-Star's net asset value per share, resulting in a reduction of such net asset value of approximately \$0.06 per share, or less than 0.7%. See "Risk Factors and Special Considerations - Dilution."

Distributions..... All-Star currently has a policy of paying distributions on its Shares totalling approximately 10% of its net asset value per year, payable in four quarterly distributions of 2.5% of its net asset value at the close of the NYSE on the Friday prior to each quarterly declaration date. These fixed distributions, which are not related to All-Star's net investment income or net realized capital gains or losses, will be treated as ordinary dividend income up to the amount of All-Star's current and accumulated earnings and profits. If, for any calendar year, the total distributions made under the 10% pay-out policy exceed All-Star's net investment income and net realized capital gains, the excess will be treated as a tax-free return of capital to each shareholder (up to the amount of the shareholder's basis in his or her shares) and thereafter as gain from the sale of shares. The amount treated as a tax-free return of capital will reduce the shareholder's

adjusted basis in his or her shares, thereby increasing his or her potential gain or reducing his or her potential loss on the subsequent sale of his or her shares.

All-Star may, in the discretion of the Board of Directors, retain for reinvestment, and not distribute, net long-term capital gains in excess of net short-term capital losses ("net capital gain") for any year to the extent that its net investment income and net realized gains exceed the minimum amount required to be distributed for such year under the 10% pay-out policy, although All-Star reserves the right to distribute such excess. Retained net capital gain will be taxed to both All-Star and the shareholders as long-term capital gains; however, each shareholder will be able to claim a proportionate share of the federal income tax paid by All-Star as a credit against his or her own federal income tax liability and will be entitled to increase the adjusted tax basis in his or her shares by the difference between the amount taxed and the credit. See "Distributions; Automatic Dividend Reinvestment and Cash Purchase Plan."

Closed-end fund

discounts..... Shares of closed-end funds frequently trade at a market price that is less than the value of the net assets attributable to those shares. The possibility that Shares of All-Star will trade at a discount from net asset value is a risk separate and distinct from the risk that All-Star's net asset value will decrease. The risk of purchasing shares of a closed-end fund that might trade at a discount is more pronounced for investors who wish to sell their shares in a relatively short period of time because, for those investors, realization of a gain or loss on their investments is likely to be more dependent upon the existence of a premium or discount than upon portfolio performance. See "Share Price Data."

Anti-takeover

Provisions..... All-Star's Articles of Incorporation and By-laws have provisions (commonly referred to as "anti-takeover provisions") which are intended to have the effect of limiting the ability of other entities or persons to acquire control of All-Star, to cause it to engage in certain transactions, or to modify its structure. For instance, the affirmative vote of 66 2/3 percent of the shares of the Fund is required to authorize All-Star's

conversion from a closed-end to an open-end investment company. A similar shareholder vote is required to authorize a merger, sale of a substantial part of the assets, issuance of securities for cash, or similar transaction with a person beneficially owning five percent or more of All-Star's Shares, unless approved by All-Star's Board of Directors under certain conditions. These provisions cannot be amended without a similar super-majority vote. In addition, All-Star's Board of Directors is divided into three classes, each of which has a term of three years and only one of which is elected at each annual meeting of shareholders. See "Description of Shares--Anti-takeover Provisions of the Articles of Incorporation and By-laws; Super-majority Vote Requirement for Conversion to Open-End Status."

Repurchase..... You will be free to dispose of your Shares on the NYSE or other markets on which the Shares may trade, but, because the Fund is a closed-end fund, you do not have the right to redeem your Shares.

You should carefully consider your ability to assume the foregoing risks before making an investment in the Fund. An investment in shares of the Fund is not appropriate for all investors.

EXPENSES

Shareholder Transaction Expenses

These are the expenses that an investor incurs when buying shares of All-Star, whether in this Offer, in the open-market or through All-Star's Automatic Dividend Reinvestment and Cash Purchase Plan, as amended ("Plan").

Sales Load	None(1)
Automatic Dividend Reinvestment and Cash Purchase Plan Fees	\$1.25 per voluntary cash investment

(1) No sales load or commission will be payable in connection with this Offer. Purchases of shares through brokers in secondary market transactions are subject to brokers' commissions and charges.

Annual Expenses (as a percentage of net assets attributable to Common Stock)

Management and administrative fees	1.00 %
Other Expenses.....	0.23 %

Total Annual Expenses	1.23 %

Example: You would pay the following expenses on an investment (at net asset value) of \$1,000, assuming a 5% annual return.

1 Year	3 Years	5 Years	10 Years
-----	-----	-----	-----
\$13	\$39	\$68	\$149

These figures are intended to illustrate the effect of All-Star's expenses, but are not meant to predict its future returns and expenses, which may be higher or lower than those shown.

The purpose of the above tables is to assist investors in understanding the various costs and expenses that an investor in All-Star will bear directly or indirectly. The numbers shown under the Annual Expenses table are projections based on All-Star's actual expenses for the year ended December 31, 2000, and on its projected net assets assuming the Offer is fully subscribed for at an assumed Subscription Price of \$_____ per share. See "Financial Highlights" for All-Star's actual ratio of expenses to average net assets for the year ended December 31, 2000.

FINANCIAL HIGHLIGHTS

The financial highlights table is intended to help you understand the Fund's financial performance. Information is shown for the Fund's last ten fiscal years, unless otherwise indicated. Certain information reflects financial results from a single Fund Share. The information for the fiscal years ended December 31, 1999 and December 31, 2000 has been audited by PricewaterhouseCoopers LLP, independent accountants. The information included in the Fund's financial statements for periods prior to 1999 had been audited by KPMG, LLP independent auditors, whose report expressed an unqualified opinion on those financial statements and financial highlights. The report of PricewaterhouseCoopers LLP, together with the financial statements of the Fund, are included in the Fund's December 31, 2000 Annual Report and are incorporated by reference into the Statement of Additional Information (see cover page).

<TABLE>
<CAPTION>

Year Ended December 31,			For the	
1998	1997	1996	2000	1999
PER SHARE OPERATING PERFORMANCE:				
<S>			<C>	<C>
<C>	<C>	<C>		
\$12.89	\$11.27	\$10.55	\$13.44	\$13.03
-----	-----	-----	-----	-----
Net asset value at beginning of year				
Income from Investment Operations:				
(0.03)	(0.02)	0.01	(0.09)	(0.05)
Net investment income (loss)				
Net realized and unrealized gains				
1.73	2.88	1.86	(1.15)	1.83
-----	-----	-----	-----	-----
(losses) on investments				
1.70	2.86	1.87	(1.24)	1.78
-----	-----	-----	-----	-----
Total from Investment Operations				
Less Distributions from:				
-----	-----	(0.01)	-----	-----
Net Investment income				
(0.83)	-----	-----	(0.05)	-----
Paid-in capital				
(0.52)	(1.24)	(1.01)	(1.22)	(1.23)
Realized capital gains				
-----	-----	-----	(0.07)	-----
-----	-----	-----	-----	-----

</TABLE>

- (a) Effect of Fund's rights offering for shares at a price below net asset value.
- (b) Effect of payment of a portion of distributions in newly issued shares valued at a discount from net asset value.
- (c) Calculated assuming all distributions reinvested at the actual reinvestment price and all primary rights exercised.

<TABLE>

<CAPTION>

Year Ended December 31,	For the	
<S>	<C>	<C>
<C>	<C>	<C>
1993	1992	1991
1995	1994	
PER SHARE OPERATING PERFORMANCE:		
\$10.28	\$10.40	\$9.90
-----	-----	-----
Net asset value at beginning of year		
Income from Investment Operations:		
0.18	0.29	0.44
Net investment income (loss)	0.31	0.23
Net realized and unrealized gains	1.05	(0.24)
0.56	0.03	0.71
-----	-----	-----
(losses) on investments	1.36	(0.01)
0.74	0.32	1.15
-----	-----	-----
Total from Investment Operations		
Less Distributions from:		
	(0.31)	(0.23)

(0.18)	(0.30)	(0.44)		
Net Investment income			----	----
----	----	----		
Paid-in capital			(0.45)	(0.35)
(0.30)	(0.14)	(0.21)	-----	-----
-----	-----	-----		
Realized capital gains			----	----
----	----	----		
In excess of realized capital gains			(0.76)	(0.58)
(0.48)	(0.44)	(0.65)	-----	-----
-----	-----	-----		
Total Distributions			----	----
----	----	----		
Change due to rights offering (a)				
Impact of shares issued in dividend			----	----
----	----	----		
----	----	----		
reinvestment (b)				
Total Distributions, Reinvestments and Rights			(0.76)	(0.58)
(0.48)	(0.44)	(0.65)	-----	-----
-----	-----	-----		
Offering			\$10.55	\$9.95
\$10.54	\$10.28	\$10.40	-----	-----
-----	-----	-----		
Net asset value at end of year			\$9.375	\$8.500
\$10.250	\$10.00	\$10.00	-----	-----
-----	-----	-----		
Market price at end of year				
TOTAL INVESTMENT RETURN FOR SHAREHOLDERS: (c)			14.6%	0.5%
7.2%	3.2%	11.9%		
Based on net asset value			19.3%	(11.7)%
7.2%	4.4%	3.9%		
Based on market price				

RATIOS AND SUPPLEMENTAL DATA:

	\$125	\$123	\$125	\$120	\$113
Net assets at end of year (millions)				1.42%	1.51%
	1.35%	1.33%	1.31%		
Ratio of expenses to average net assets					
Ratio of net investment income (loss) to average net assets	1.71%	2.80%	4.17%	2.87%	2.12%
Portfolio turnover rate	47%	19%	25%	82%	50%

</TABLE>

- (a) Effect of Fund's rights offering for shares at a price below net asset value.
- (b) Effect of payment of a portion of distributions in newly issued shares valued at a discount from net asset value.
- (c) Calculated assuming all distributions reinvested at the actual reinvestment price and all primary rights exercised.

SHARE PRICE DATA

Trading in All-Star's Shares on the NYSE commenced on March 14, 1986. For the two years ended December 31, 2000 and the quarters ended March 31, 2001 and June 30, 2001, the high and low sales prices for All-Star's shares, as reported in the consolidated transaction reporting system, and the highest discount from or premium to net asset value per share and the net asset value on the day or days when the shares traded at such high and low sales prices, were as follows:

<TABLE>

<CAPTION>

Low Sales	Net Asset	Net Asset	High Sales	Net Asset	Net Asset
1999		Price	Value	Value	Value
		(Discount		(Discount	
		from) or		from) or	
		Premium to		Premium to	

Price	Value	Value		
----	-----	-----	-----	-----
<S>		<C>	<C>	<C>
<C>	<C>	<C>		
1st		\$11.938	\$13.35	-10.6%
\$10.125	\$12.22	-17.1%		
Quarter.....				
2nd		\$11.500	\$13.06	-11.9%
\$10.375	\$12.47	-16.8%		
Quarter.....				
3rd		\$11.438	\$12.73	-10.1%
\$9.688	\$11.55	-16.1%		
Quarter.....				
4th		\$10.938	\$13.49	-18.9%
\$9.313	\$11.15	-16.5%		
Quarter.....				
2000				
1st		\$11.563	\$14.34	-19.4%
\$9.875	\$12.81	-22.9%		
Quarter.....				
2nd		\$12.125	\$14.41	-15.9%
\$9.875	\$12.77	-22.7%		
Quarter.....				
3rd		\$12.563	\$14.23	-11.7%
\$11.438	\$13.58	-15.8%		
Quarter.....				
4th		\$12.375	\$13.61	-9.1%
\$9.125	\$10.68	-14.6%		
Quarter.....				
2001				
1st		\$10.910	\$10.90	0.1%
\$8.00	\$8.34	-4.1%		
Quarter.....				
2nd		\$10.28	\$9.83	1.9%
\$7.95	\$7.62	5.1%		
Quarter.....				

</TABLE>

All-Star's Shares have frequently traded at a discount from their net asset value. Certain features of and steps taken by All-Star may have tended to reduce the discount from net asset value at which its Shares might otherwise have traded, although All-Star is not able to determine what effect, if any, these various features and steps may have had. All-Star's current 10% distribution policy (see "Distributions; Automatic Dividend Reinvestment and Cash Purchase Plan-10% Distribution Policy" below), begun in February, 1997, may have contributed to this effect. This trend may also have resulted in whole or in

part from other factors, such as the Fund's investment performance and increased attention directed to All-Star by securities analysts and market letters.

The net asset value of a Share of All-Star on August 6, 2001 was \$_____. The last reported sale price of an All-Star Share on that day was \$_____, representing a [discount from/premium to] net asset value of ____%.

INVESTMENT PERFORMANCE

The table below shows two measures of All-Star's return to investors for the one, three and five year periods ended June 30, 2001 and from April 1, 1996 to June 30, 2001, the calendar quarter beginning April 1, 1996 being the first full calendar quarter during all of which the Fund was fully invested in accordance with LAMCO's multi-management methodology (see "History of the Fund" below). No. 1 ("All-Star NAV") shows All-Star's investment performance based on a valuation of its Shares at net asset value ("NAV"). No. 2 ("All-Star Price") shows All-Star's investment performance based on the market price of All-Star's Shares. Both measures assume reinvestment of all of the Fund's dividends and distributions in additional shares pursuant to All-Star's Automatic Dividend Reinvestment and Cash Purchase Plan (see "Distributions; Automatic Dividend Reinvestment and Cash Purchase Plan" below).

The Lipper Multi-Cap Growth Fund Average has been included so that the Fund's results may be compared with an unweighted average of the total return of open-end mutual funds classified as multi-cap growth funds (i.e., mutual funds having investment objectives and policies comparable to All-Star) published by Lipper Inc. The record of the NASDAQ Composite Index has also been included so that All-Star's results may be compared with those of an unmanaged group of securities widely regarded by investors as representative of growth stocks in general. The NASDAQ Composite Index is a broad based capitalization-weighted index of all NASDAQ National Market and Small Cap stocks, and the Lipper Multi-Cap Growth Fund Average information reflects the total return of the mutual funds included in the average, in each case assuming reinvestment of dividends and distributions.

<TABLE>

<u><S></u>	<u><C></u>	<u><C></u>
		No. 1
		No. 2
Lipper Multi-Cap	NASDAQ Composite	
		All-Star NAV
Growth Fund Average	Index	All-Star Price

1 Year		-24.1%	- 9.3%
	-31.8%	-45.5%	
3 Years		-1.1%	2.8%
	7.5%	4.5%	
5 Years		9.3%	13.3%
	11.9%	12.8%	
Since April 1, 1996		9.3%	13.2%
	12.2%	13.7%	

</TABLE>

The return shown is the average annual return for the period indicated to June 30, 2001.

The above results represent All-Star's past performance and are not intended as a prediction of its future performance. The investment return, net asset value and market value of All-Star's Shares will fluctuate, so that such Shares when sold may be worth more or less than their original cost.

THE OFFER

Terms of the Offer

All-Star is issuing to Record Date Shareholders nontransferable Rights to subscribe for the Shares, \$.10 par value per Share, of the Fund's common stock. Each such shareholder is being issued one Right for each Share of Common Stock owned on the Record Date. The Rights entitle the holder to acquire on Primary Subscription at the Subscription Price one Share for each eight Rights held. No Rights will be issued for fractional shares. Accordingly, Shares may be purchased only pursuant to the exercise of Rights in integral multiples of eight. Rights may be exercised at any time during the Subscription Period, which commences on August 10, 2001 and ends at 5:00 p.m., New York time, on September 10, 2001, the Expiration Date.

In addition, any shareholder who fully exercises all Rights initially issued to him or her in the Primary Subscription (other than those Rights which cannot be exercised because they represent the right to acquire less than one Share) is entitled to subscribe for Shares which were not otherwise subscribed for by others on Primary Subscription. For purposes of determining the number of Shares a shareholder may acquire pursuant to the Offer, broker-dealers whose shares are held of record on the Record Date by Cede or by any other depository or nominee will be deemed to be the holders of the Rights that are issued to Cede or such other depository or nominee on their behalf. Shares acquired

pursuant to the Over-Subscription Privilege are subject to allotment, which is more fully discussed below under "Over-Subscription Privilege."

The Rights are not transferable. Therefore, only the underlying Shares, and not the Rights, will be admitted for trading on the NYSE. Since fractional Shares will not be issued, shareholders who receive, or who are left with, fewer than eight Rights will be unable to exercise such Rights and will not be entitled to receive any cash in lieu of such fractional Shares.

The Rights will be evidenced by Subscription Certificates which will be mailed to Record Date Shareholders. Rights may be exercised by completing a Subscription Certificate and delivering it, together with payment by means of (i) a check or money order, or (ii) a Notice of Guaranteed Delivery, to the Subscription Agent during the Subscription Period. The method by which Rights may be exercised and the Shares paid for is set forth below under "Method of Exercise of Rights" and "Payment for Shares."

Purpose of the Offer

The Board of Directors of All-Star has determined that it would be in the best interests of All-Star and its shareholders to increase the assets of All-Star available for investment thereby permitting the Fund to be in a better position to more fully take advantage of investment opportunities that may arise, and that the potential benefits of the Offer to All-Star and its shareholders will outweigh the dilution to shareholders who do not fully exercise their Rights. The proceeds of the Offer will enable All-Star's Portfolio Managers to take advantage of perceived investment opportunities without having to sell existing portfolio holdings which they otherwise would retain. The Offer seeks to reward investors by giving existing shareholders the opportunity to purchase additional Shares at a price below market and/or net asset value and without brokerage commissions. In addition, the Offer will enhance the likelihood that All-Star will continue to have sufficient assets remaining after the distributions called for by its current 10% distribution policy to permit the Fund to maintain the current ratio of its fixed expenses to its net assets.

All-Star's Fund Manager and Portfolio Managers will benefit from the Offer because their fees are based on the average weekly net assets of All-Star. See "Management of All-Star." It is not possible to state precisely the amount of additional compensation they will receive as a result of the Offer because it is not known how many Shares will be subscribed for and because the net proceeds of the Offer will be invested in additional portfolio securities that will fluctuate in value. Two of All-Star's Directors who voted to authorize the Offer are "interested persons," within the meaning of the 1940 Act, of LAMCO, and therefore could benefit indirectly from the Offer. The other four Directors are not "interested persons" of All-Star or LAMCO.

All-Star may, in the future and at its discretion, choose to make additional rights offerings from time to time for a number of shares and on terms which may or may not be similar to the Offer. Any such future rights offering will be made in accordance with the 1940 Act. In 1998, All-Star completed a rights offering to shareholders of 1,314,122 additional shares at a subscription price of \$12.41 per Share, for proceeds to the Fund of \$16,222,143 after expenses. This rights offering was oversubscribed. Under the laws of Maryland, the state in which the Fund is incorporated, the Board of Directors is authorized to approve rights offerings without obtaining shareholder approval. The staff of the Securities and Exchange Commission ("SEC") has interpreted the 1940 Act as not requiring shareholder approval of a rights offering at a price below the then current net asset value so long as certain conditions are met, including a good faith determination by the fund's board of directors that such offering would result in a net benefit to existing shareholders.

Over-Subscription Privilege

If all of the Rights initially issued in the Primary Subscription are not exercised, any Shares for which Subscriptions have not been received ("Excess Shares") will be offered, by means of the Over-Subscription Privilege, to Record Date Shareholders who have exercised all the Rights initially issued to them and who wish to acquire more than the number of Shares for which the Rights issued to them are exercisable. Record Date Shareholders who exercise all the Rights initially issued to them will have the opportunity to indicate on the Subscription Certificate how many Shares they are willing to acquire pursuant to the Over-Subscription Privilege. If sufficient Excess Shares remain, all over-subscriptions will be honored in full. If sufficient Excess Shares are not available to honor all over-subscriptions, the available Excess Shares will be allocated (subject to elimination of fractional shares) among those who over-subscribe based on the number of Rights originally issued to them by the Fund. The allocation process may involve a series of allocations in order to assure that the total number of Shares available for over-subscriptions is distributed on a pro rata basis.

The method by which Excess Shares will be distributed and allocated pursuant to the Over-Subscription Privilege is as follows. Excess Shares will be available for purchase pursuant to the Over-Subscription Privilege only to the extent that the maximum number of Shares is not subscribed for through the exercise of the Primary Subscription by the Expiration Date. If the Excess Shares are not sufficient to satisfy all subscriptions pursuant to the Over-Subscription Privilege, the Excess Shares will be allocated pro rata (subject to the elimination of fractional Shares) among those holders of Rights exercising the Over-Subscription Privilege, in proportion, not to the number of Shares requested pursuant to the Over-Subscription Privilege, but to the number of shares held on the Record Date; provided, however, that if this pro rata allocation results in any holder being allocated a greater number of Excess Shares than the holder subscribed for pursuant to the exercise of such holder's Over-Subscription Privilege, then such holder will be allocated only such number of Excess Shares as such holder subscribed for and the remaining Excess Shares

will be allocated among all other holders exercising Over-Subscription Privileges. The formula to be used in allocating the Excess Shares is as follows:

Holder's Record Date Position

Total Record Date Position Excess Shares
of all Oversubscribers x Remaining

The allocation process may involve a series of allocations in order to assure that the total number of Shares available for Over-Subscription is distributed on a pro rata basis. The Fund will not offer or sell any Shares which are not subscribed for under the Primary Subscription or the Over-Subscription Privilege.

The Subscription Price

The Subscription Price for the Shares to be issued pursuant to the Rights will be 95% of the lower of (i) the last reported sale price of a Share of All-Star on the NYSE on September 11, 2001 (the "Pricing Date"), or (ii) the net asset value of a Share of All-Star on the Pricing Date.

All-Star announced the terms of the Offer before the opening of trading on the NYSE on June 21, 2001. The net asset value per Share of All-Star at the close of business on June 20, 2001 and on August [], 2001 was \$9.09 and \$_____, respectively, and the last reported sale price of a Share on the NYSE on those dates was \$9.45 and \$_____, respectively, representing a 4.0% and a ___% premium, respectively, in relation to the net asset value per Share at the close of business on these dates.

Expiration of the Offer

The Offer will expire at 5:00 p.m., New York time, on September 10, 2001. Rights will expire on the Expiration Date and thereafter may not be exercised, unless the Offer is extended. Since the Expiration Date is prior to the Pricing Date, shareholders who decide to acquire Shares on Primary Subscription or pursuant to the Over-Subscription Privilege will not know, when they make such decision, what the purchase price for such Shares will be.

Any extension, termination, or amendment of the Offer will be followed as promptly as practicable by announcement thereof, such announcement in the case of an extension to be issued no later than 9:00 a.m., Eastern time, on the next business day following the previously scheduled Expiration Date. The Fund will not, unless otherwise required by law, have any obligation to publish,

advertise, or otherwise communicate any such announcement other than by making a release to the Dow Jones News Service or such other means of announcement as the Fund deems appropriate.

Subscription Agent

The Subscription Agent is EquiServe Trust Company, N.A., P.O. Box 43025, Providence, RI 02940-3025. EquiServe Trust Company N.A. is also the Fund's dividend paying agent, transfer agent and registrar. The Subscription Agent will receive from All-Star a fee estimated to be no more than \$50,000 and reimbursement for its out-of-pocket expenses related to the Offer. Inquiries by all holders of Rights should be directed to P.O. Box 43025, Providence, RI 02940-3025 (telephone (800) 542-3863); holders may also consult their brokers or nominees.

Information Agent

Any questions or requests for assistance regarding the Offer may be directed to the Information Agent at its telephone number and address listed below:

Georgeson Shareholder Communications Inc.
111 Commerce Road
Carlstadt, New Jersey 07072-2586

Call Toll Free (888) 420-8683

The Information Agent will receive a fee estimated at approximately \$5,500 plus reimbursement for its out-of-pocket expenses.

Method of Exercise of Rights

Rights may be exercised by filling in and signing the reverse side of the Subscription Certificate and mailing it in the envelope provided, or otherwise delivering the completed and signed Subscription Certificate to the Subscription Agent, together with payment for the Shares as described below under "Payment for Shares." Rights may also be exercised through a Rights holder's broker, who may charge such Rights holder a servicing fee in connection with such exercise. Fractional Shares will not be issued, and Rights holders who receive, or who are left with, fewer than eight Rights will not be able to exercise such Rights.

Completed Subscription Certificates and related payments must be received by the Subscription Agent prior to 5:00 p.m., New York time, on the Expiration Date (unless payment is effected by means of a notice of guaranteed delivery as described below under "Payment for Shares") at the offices of the Subscription Agent at one of the addresses set forth below.

The Subscription Certificate and payment should be sent to EQUISERVE TRUST COMPANY, N.A. by one of the following methods:

<TABLE>

<S>

<C>

Subscription Certificate

Delivery Method

If By Mail:

Address

EquiServe

Att: Corporate Actions

P.O. Box 43025

Providence, RI 02940-3025

If By Hand:
Inc.

Securities Transfer and Reporting Services,

c/o EquiServe

100 Williams St. Galleria

New York, NY 10038

If By Overnight Courier or
Express Mail:

EquiServe

Attn: Corporate Actions

40 Campanelli Drive

Braintree, MA 02184

By Broker-Dealer or
brokerage,
other Nominee:
or
(Notice of Guaranteed
Notice
Delivery)

Shareholders whose Shares are held in a
bank or trust account may contact their broker
or
other nominee and instruct them to submit a
of Guaranteed Delivery and payment on their
behalf.

</TABLE>

Delivery by any method or to any address not listed above will not constitute good delivery.

All questions as to the validity, form, eligibility (including times of receipt and matters pertaining to beneficial ownership) and the acceptance of subscription forms and the Subscription Price will be determined by All-Star, which determinations will be final and binding. No alternative, conditional or contingent subscriptions will be accepted. All-Star reserves the absolute right to reject any or all subscriptions not properly submitted or the acceptance of which would, in the opinion of the Fund's counsel, be unlawful. All-Star also

reserves the right to waive any irregularities or conditions, and the Fund's interpretations of the terms and conditions of the Offer shall be final and binding. Any irregularities in connection with subscriptions must be cured within such time, if any, as the Fund shall determine unless waived. Neither All-Star nor the Subscription Agent shall be under any duty to give notification of defects in such subscriptions or incur any liability for failure to give such notification. Subscriptions will not be deemed to have been made until such irregularities have been cured or waived.

Payment for Shares

Holders of Rights who subscribe for Shares on Primary Subscription or pursuant to the Over-Subscription Privilege may choose between the following methods of payment:

(1) A subscription will be accepted by the Subscription Agent if, prior to 5:00 p.m., New York time, on the Expiration Date, the Subscription Agent shall have received a notice of guaranteed delivery, by facsimile or otherwise, from a bank or trust company or a New York Stock Exchange or National Association of Securities Dealers member firm, guaranteeing delivery of (a) payment of the full Subscription Price for the Shares subscribed for on Primary Subscription and any additional Shares subscribed for pursuant to the Over-Subscription Privilege and (b) a properly completed and executed Subscription Certificate. The Subscription Agent will not honor a notice of guaranteed delivery if a properly completed and executed Subscription Certificate and full payment for the Shares is not received by the Subscription Agent by September 13, 2001. The notice of guaranteed delivery may be delivered to the Subscription Agent in the same manner as Subscription Certificates at the addresses set forth above, or may be transmitted to the Subscription Agent by facsimile transmission (telecopy number (781) 575-4826; telephone number to confirm receipt (781) 575-4816).

(2) Alternatively, a holder of Rights can, together with the Subscription Certificate, send payment for the Shares acquired on Primary Subscription and any additional Shares subscribed for pursuant to the Over-Subscription Privilege to the Subscription Agent based on an estimated purchase price of \$____ per Share. To be accepted, such payment, together with the Subscription Certificate, must be received by the Subscription Agent prior to 5:00 p.m., New York time, on the Expiration Date. The Subscription Agent will not accept cash as a means of payment for Shares. Except as otherwise set forth below, a payment pursuant to this method must be in United States dollars by money order or check drawn on a bank located in the continental United States, must be payable to the Liberty All-Star Growth Fund, Inc., and must accompany an executed Subscription Certificate to be accepted.

Within ten business days following the Expiration Date (the "Confirmation Date"), a confirmation will be sent by the Subscription Agent to each

shareholder exercising his or her Rights (or, if the All-Star Shares on the Record Date are held by Cede or any other depository or nominee, to Cede or such other depository or nominee), showing (i) the number of Shares acquired pursuant to the Primary Subscription; (ii) the number of Shares, if any, acquired pursuant to the Over-Subscription Privilege; (iii) the per Share and total purchase price for the Shares; and (iv) any additional amount payable by such shareholder to All-Star or any excess to be refunded by All-Star to such shareholder, in each case based on the Subscription Price as determined on the Pricing Date. Any additional payment required from a shareholder must be received by the Subscription Agent prior to 5:00 p.m., New York time, on September 13, 2001, and any excess payment to be refunded by All-Star to such shareholder will be mailed by the Subscription Agent with the confirmation. All payments by a shareholder must be in United States dollars by money order or check drawn on a bank located in the United States of America and be payable to Liberty All-Star Growth Fund, Inc. Such payments will be held by the Subscription Agent pending completion of the processing of the subscription, and will then be paid to All-Star. Any interest earned on such amounts will accrue to All-Star and none will be paid to the subscriber.

Whichever of the above two methods of payment is used, issuance and delivery of the Shares subscribed for are subject to collection of checks and actual payment pursuant to any notice of guaranteed delivery.

Rights holders will have no right to rescind their subscription after receipt of their payment for Shares by the Subscription Agent.

If a holder of Rights who acquires Shares pursuant to the Primary Subscription or the Over-Subscription Privilege does not make payment of any amounts due, All-Star reserves the right to take any or all of the following actions: (i) find other purchasers for such subscribed and unpaid for Shares; (ii) apply any payment actually received by it toward the purchase of the greatest number of whole Shares which could be acquired by such holder upon exercise of the Primary Subscription or the Over-Subscription Privilege; (iii) sell in the open market all or a portion of the Shares purchased by the holder, and apply the proceeds to the amounts owed; and (iv) exercise any and all other rights or remedies to which it may be entitled, including, without limitation, the right to set off against payments actually received by it with respect to such subscribed Shares to enforce the relevant guaranty of payment or monetary damages.

All-Star shareholders whose shares are held by a broker-dealer, bank, trust company or other nominee should contact the nominee to exercise their Rights and request the nominee to exercise their Rights in accordance with their instructions.

Brokers, banks, trust companies, depositories and other nominees who hold All-Star Shares for the account of others should notify the respective beneficial owners of such Shares as soon as possible to ascertain such beneficial owners' intentions and to obtain instructions with respect to

exercising the Rights. If the beneficial owner so instructs, the record holder of such Right should complete Subscription Certificates and submit them to the Subscription Agent with the proper payment.

The instructions contained on the Subscription Certificate should be read carefully and followed in detail. Do Not Send Subscription Certificates to All-Star. (They should be sent to EquiServe Trust Company, N.A. as indicated above).

The method of delivery of Subscription Certificates and payment of the Subscription Price to the Subscription Agent will be at the election and risk of the Rights holders, but if sent by mail it is recommended that the certificates and payments be sent by registered mail, properly insured, with return receipt requested, and that a sufficient number of days be allowed to ensure delivery to the Subscription Agent and clearance of payment prior to 5:00 p.m., Eastern time, on the Expiration Date. Because uncertified personal checks may take at least five business days to clear, you are strongly urged to pay, or arrange for payment, by means of a certified or cashier's check or money order. Shares will not be delivered until checks have cleared.

Delivery of Stock Certificates

Participants in All-Star's Automatic Dividend Reinvestment and Cash Purchase Plan who exercise the Rights issued on the shares held in their accounts in the Plan will have their Shares acquired on Primary Subscription and pursuant to the Over-Subscription Privilege credited to their shareholder distribution reinvestment accounts in the Plan. Shareholders whose shares are held of record by Cede or by any other depository or nominee on their behalf or their broker-dealers' behalf will have their Shares acquired on Primary Subscription and pursuant to the Over-Subscription Privilege credited to the account of Cede or such other depository or nominee. With respect to all other shareholders, stock certificates for all Shares acquired on Primary Subscription and pursuant to the Over-Subscription Privilege will be mailed, together with the confirmation and refund of the amount, if any, paid in excess of the final Subscription Price, on or about September 24, 2001 if the estimated Subscription Price is equal to or in excess of the final Subscription Price. If the shareholder's confirmation shows that an additional amount is payable due to the final Subscription Price exceeding the estimated Subscription Price, the stock certificates will be mailed on or about October 4, 2001, provided that such additional amount has been paid and payment for the Shares subscribed for has cleared, which clearance may take up to five days from the date of receipt of the payment. If such payment does not clear within five business days from the date of receipt, All-Star may exercise its rights in the event of nonpayment under "Payment for Shares" above.

Record Date Shareholders whose record addresses are outside the United States will receive written notice of the Offer; however, Subscription

Certificates will not be mailed to such shareholders. The Rights to which those Subscription Certificates relate will be held by the Subscription Agent for such foreign Record Date Shareholders' accounts until instructions are received in writing with payment to exercise the Rights. If no such instructions are received by the Expiration Date, such Rights will expire. See "Subscription Agent".

Federal Income Tax Consequences

The following is a general summary of the significant federal income tax consequences of the receipt of Rights by a Record Date Shareholder and a subsequent lapse or exercise of Rights. The discussion is based on applicable provisions of the Internal Revenue Code of 1986, as amended ("Code"), the Treasury Regulations promulgated thereunder and other authorities currently in effect, all of which are subject to change, possibly with a retroactive effect. This discussion does not purport to be complete or to deal with all aspects of federal income taxation that may be relevant to shareholders in light of their particular circumstances or to shareholders subject to special treatment under the Code (such as insurance companies, financial institutions, tax-exempt entities, employee benefit plans, dealers in securities, foreign corporations and persons who are not U.S. citizens or residents), and does not address any state, local or foreign tax consequences.

For federal income tax purposes, neither the receipt nor the exercise of the Rights by Record Date Shareholders will result in taxable income to them, and they will realize no loss with respect to any Rights that expire without being exercised. All-Star will realize no gain or loss on the issuance, exercise or expiration of the Rights.

A Record Date Shareholder's holding period for a Share acquired on exercise of Rights will begin with the date of exercise, and the shareholder's basis for determining gain or loss on the sale of that Share will equal the sum of the shareholder's basis in the exercised Rights, if any, plus the Subscription Price for the Share. A Record Date Shareholder's basis in Rights will be zero unless either (1) the Rights' fair market value on the date of distribution is 15% or more of the fair market value on that date of the Shares with respect to which the Rights were distributed or (2) the shareholder elects, on his, her or its federal income tax return for the taxable year in which the Rights are received, to allocate part of the basis of those Shares to the Rights. If either clause (1) or (2) applies, then if the Rights are exercised, the shareholder will allocate his, her or its basis in the Shares with respect to which the Rights were distributed between those Shares and the Rights in proportion to their respective fair market values on the distribution date. A Record Date Shareholder's gain or loss recognized on sale of a Share acquired on the exercise of Rights will be a capital gain or loss (assuming the Share was held as a capital asset at the time of sale) and will be long-term capital gain or

loss, taxable at a maximum rate of 20% in the case of a noncorporate shareholder, if the shareholder then held the Share for more than one year.

Employee Benefit Plan Considerations

Shareholders that are employee benefit plans subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA") (including separate profit sharing/retirement and savings plans, and plans for self-employed individuals and their employees) and individual retirement accounts ("IRAs") (collectively, "Retirement Plans") should be aware that additional contributions of cash to a Retirement Plan (other than rollover contributions or trustee-to-trustee transfers from other Retirement Plans) in order to exercise Rights may, when taken together with contributions previously made, be treated as excess or nondeductible contributions subject to excise taxes. In the case of Retirement Plans qualified under section 401(a) of the Code, additional cash contributions could cause violations of the maximum contribution limitations of section 415 of the Code or other qualification rules. Retirement Plans in which contributions are so limited should consider whether there is an additional source of funds available within the Retirement Plan, including the liquidation of assets, with which to exercise the Rights. Because the rules governing Retirement Plans are extensive and complex, Retirement Plans contemplating the exercise of Rights should consult with their counsel prior to such exercise.

Retirement Plans and other tax-exempt entities, including governmental plans, should also be aware that if they borrow to finance their exercise of Right, they become subject to tax on unrelated business taxable income under Section 511 of the Code. If any portion of an IRA is used as security for a loan, that portion will be treated as a distribution to the IRA owner.

ERISA contains fiduciary responsibility requirements, and ERISA and the Code contain prohibited transaction rules, that may impact the exercise of Rights. Due to the complexity of these requirements and rules and the penalties for non-compliance, Retirement Plans should consult with their counsel regarding the consequences of their exercise of Rights under ERISA and the Code.

SPECIAL CONSIDERATIONS AND RISK FACTORS

Dilution

If you do not exercise all of your Rights during the Subscription Period, when the Offering is over you will own a relatively smaller percentage of the Fund if you had exercised all of your Rights. The Fund cannot tell you precisely how much smaller the percentage of the Fund that you would own because the Fund does not know how many of the Fund's Record Date Shareholders will exercise their Rights and how many of their Rights they will exercise.

Shareholders will experience an immediate dilution of the aggregate NAV of Shares as a result of the completion of the Offer because (i) the Subscription Price per Share will be less than the Fund's NAV per Share on the Expiration Date, (ii) the Fund will incur expenses in connection with the Offer, and (iii) the number of Shares outstanding after the Offer will increase in a greater percentage than the increase in the size of the Fund's assets. This dilution also will affect Record Date Shareholders to a greater extent if they do not exercise their Rights in full. It is not possible to state precisely the amount of any decreases in either NAV or in ownership interests, because it is not known at this time what the NAV per Share will be at the Expiration Date or what proportion of the Shares will be subscribed. Finally, there may be a dilution of earnings per Share due to the increase in the number of Shares outstanding, but only to the extent that investments of the proceeds of the Offer do not achieve the same return as current investments held by the Fund. To the extent such investments achieve a better return than current investments, earnings per Share will experience appreciation.

The following example assumes that all of the Shares are sold at the estimated Subscription Price and after deducting all expenses related to the issuance of the Shares.

Percentage	<C> NAV per Share on _____, 2001	<C> Dilution per Share in Dollars	<C>
Primary Subscription or _____ Shares %	\$	\$	
Primary Subscription and Oversubscription or _____ Shares %	\$	\$	

Market Value and Net Asset Value

The shares of closed-end investment companies frequently trade at a discount from net asset value. This characteristic of shares of a closed-end fund is a risk separate and distinct from the risk that the Fund's net asset value may decrease. Since the commencement of the Fund's operations, the Fund's Shares have generally traded in the market at a discount to net asset value. See "Capital Stock." The risk of purchasing shares of a closed-end fund that might trade at a discount is more pronounced if you wish to sell your shares in a relatively short period of time. If you do so, realization of a gain or loss on your investment is likely to be more dependent upon the existence of a premium or discount than upon portfolio performance. The Fund's Shares are not subject

to redemption. Investors desiring liquidity may, subject to applicable securities laws, trade their Shares in the Fund on any exchange where such Shares are then trading at current market value, which may differ from the then current net asset value. Moreover, Shareholders expecting to sell their Shares during the course of the Offer should be aware that there is a greater risk that the potential discount referred to above, which may increase during the Offer, will adversely affect them. This increased risk is because, among other things, the market price per Share may reflect the anticipated dilution that will result from this Offer. The Fund cannot predict whether the Shares will trade at a discount or premium to NAV after completion of the Offer.

Possible Suspension of the Offer

All-Star has, as required by the Securities and Exchange Commission's registration form, undertaken to suspend the Offer until it amends this Prospectus if subsequent to August [], 2001, the effective date of the Fund's Registration Statement, All-Star's net asset value declines more than 10% from its net asset value as of August [], 2001. Accordingly, All-Star will notify shareholders of any such decline and thereby permit them to cancel their exercise of Rights.

USE OF PROCEEDS

The net proceeds of the Offer, assuming that all Shares offered hereby are sold at an assumed Subscription Price of \$_____ per share, are estimated to be approximately \$_____, after deducting expenses payable by All-Star estimated at \$150,000. Such net proceeds will be invested by All-Star's Portfolio Managers in portfolio securities in accordance with All-Star's investment objective and policies. It is anticipated that investment of such net proceeds under normal market conditions will take place during a period of approximately 30 days from their receipt by All-Star, and would in any event be completed within three months. Pending such investment the net proceeds will be invested in Short-Term Money Market Instruments (as defined under "Investment Objective and Policies" below).

HISTORY OF THE FUND

The Fund was incorporated as a Maryland corporation on December 16, 1985 and commenced investment operations on March 14, 1986 as a closed-end management investment company under the name "Growth Stock Outlook Trust, Inc." and under the management of Growth Stock Outlook, Inc. ("GSO"), a corporation owned by Mr. Charles Allmon and his wife. In May, 1990, the Fund's original investment objective of long-term capital appreciation (with income being a consideration in the selection of investments but not an investment objective) was changed to long-term capital appreciation as a primary objective and current income as a secondary objective, in each case with an emphasis on the preservation of

capital, and in May, 1991 the Fund's name was changed to "The Charles Allmon Trust, Inc." During GSO's management of the Fund, a substantial portion of the Fund's portfolio was invested in U.S. Government Securities and other short-term cash equivalents.

Pursuant to an Asset Acquisition and Fund Transition Agreement among LAMCO, GSO and Mr. Allmon, on May 27, 1994 the Fund entered into a Fund Management Agreement with LAMCO pursuant to which LAMCO provided its multi-manager services described under "The Multi-Manager Concept" below with respect to an initial amount equal to 20% of the Fund's total assets, with GSO continuing to manage the remaining 80%. LAMCO also assumed administrative responsibility for the Fund. On November 6, 1995 LAMCO assumed investment management responsibility for 100% of the Fund's assets, the Fund's name was changed to "Liberty All-Star Growth Fund, Inc.," the Fund's investment objective was returned to the original objective of long-term capital appreciation, eliminating the secondary objective of current income and the emphasis on preservation of capital, and the Fund's Board of Directors was reconstituted. The approximately 79% of the Fund's assets then being managed by GSO, over 80% of which had been invested in U.S. Treasury bills and other short-term cash equivalents, was assigned in substantially equal portions to the Fund's then three Portfolio Managers under LAMCO's supervision and within three months was substantially fully invested in equity securities in accordance with their respective investment styles.

THE MULTI-MANAGER CONCEPT

All-Star allocates its portfolio assets on an approximately equal basis among a number of independent investment management firms ("Portfolio Managers"), currently three in number, recommended by LAMCO, each of which employs a different investment style, and from time to time rebalances the portfolio among the Portfolio Managers so as to maintain an approximately equal allocation of the portfolio among them throughout all market cycles.

In the opinion of LAMCO, the multi-manager concept provides advantages over the use of a single manager because of the following primary factors:

(i) most equity investment management-firms consistently employ a distinct investment style which causes them to emphasize stocks with particular characteristics;

(ii) because of changing investor preferences, any given investment style will move into and out of market favor and will result in better investment performance under certain market conditions but less successful performance under other conditions;

(iii) consequently, by allocating All-Star's portfolio on an approximately equal basis among Portfolio Managers employing different styles, the impact of any one such style on investment performance will be diluted, and the investment performance of the total portfolio will be more consistent and less volatile over the long-term than if a single style were employed throughout the entire period;

(iv) consistent performance at a given annual rate of return over time produces a higher rate of return for the long-term than more volatile performance having the same average annual rate of return.

LAMCO, based on the foregoing principles and on its analysis and evaluation of information regarding the personnel and investment styles and performance of a universe of numerous professional investment management firms, has selected for appointment by All-Star a group of Portfolio Managers representing a blending of different investment styles which, in its opinion, is appropriate to All-Star's investment objective.

LAMCO continuously monitors the performance and investment styles of All-Star's Portfolio Managers and from time to time recommends changes of Portfolio Managers based on factors such as changes in a Portfolio Manager's investment style or a departure by a Portfolio Manager from the investment style for which it had been selected, a deterioration in a Portfolio Manager's performance relative to that of other investment management firms practicing a similar style, or adverse changes in its ownership or personnel. Portfolio Manager changes may also be made to change the mix of investment styles employed by All-Star's Portfolio Managers. Since LAMCO's assumption of management responsibilities for the Fund in May, 1994 (see "History of the Fund"), All-Star has had four Portfolio Manager changes.

All-Star Portfolio Manager changes, as well as the periodic rebalancings of its portfolio among the Portfolio Managers and the need to raise cash for All-Star's quarterly distributions, may result in some portfolio turnover in excess of what would otherwise be the case (see "Financial Highlights" above). Increased portfolio turnover would cause increased brokerage commission costs to All-Star, and may result in greater realization of capital gains, which are taxable to shareholders.

Under the terms of an exemptive order issued to All-Star and LAMCO by the Securities and Exchange Commission, a portfolio management agreement with a new or additional Portfolio Manager may be entered into in advance of shareholder approval, provided that the new agreement is at a fee no higher than that provided in, and is on other terms and conditions substantially similar to, All-Star's agreements with its other Portfolio Managers, and that its continuance is subject to approval by shareholders at All-Star's regularly scheduled annual shareholder meeting (normally held in April) next following the date of the new or additional portfolio management agreement. Information about Portfolio Manager changes or additions made in advance of shareholder approval will be announced to the press following Board of Directors action and will be included in the next report to shareholders.

All-Star's current Portfolio Managers are:

William Blair & Company, L.L.C.
TCW Investment Management Company
M.A. Weatherbie & Co., Inc.

See Appendix A for information about these Portfolio Managers, including

the employees primarily responsible for the day-to-day management of the portion of All-Star's portfolio allocated to each.

INVESTMENT OBJECTIVE, POLICIES AND RISKS

All-Star's investment objective is to seek long-term capital appreciation. It seeks its investment objective through investment primarily in a diversified portfolio of equity securities. See "History of the Fund" above for its prior investment objectives.

All-Star invests primarily (at least 65% under normal market conditions) in equity securities, including securities convertible into or exchangeable for equity securities.

Although under normal market conditions All-Star will remain substantially fully invested in equity securities, up to 35% of the value of All-Star's total assets may generally be invested in obligations of the U.S. Government and its agencies and instrumentalities ("U.S. Government Securities"), repurchase agreements with respect to U.S. Government Securities, and, to an extent not greater than 10% of the market value of the Fund's total assets, money market mutual funds that invest primarily in U.S. Government Securities. All-Star may temporarily invest without limit in U.S. Government Securities, repurchase agreements and money market mutual funds for defensive purposes when LAMCO or the Portfolio Managers deem that market conditions are such that a more conservative approach to investment is desirable.

All-Star's investment objective of long-term capital appreciation, as well as certain of its investment restrictions referred to under Reducing Risk below and in the Statement of Additional Information, are fundamental and may not be changed without a majority vote of All-Star's outstanding shares. Under the 1940 Act, a "majority vote" means the vote of the lesser of (a) 67% of the shares of All-Star represented at a meeting at which the holders of more than 50% of the outstanding shares of All-Star are present or represented, or (b) more than 50% of the outstanding shares of All-Star. Non-fundamental policies may be changed by vote of the Board of Directors.

Repurchase Agreements

All-Star may enter into repurchase agreements with banks or broker-dealer firms whereby such institutions sell U.S. Government Securities to All-Star and agree at the time of sale to repurchase them at a mutually agreed upon time and price. The resale price is greater than the purchase price, reflecting an agreed-upon interest rate which is effective during the time between the purchase and resale and is not related to the stated interest rate on the purchased securities. All-Star requires the seller of the securities to maintain on deposit with All-Star's custodian bank securities in an amount at all times equal to or in excess of the value of the repurchase agreement. In the event that the seller of the securities defaults on its repurchase obligation or becomes bankrupt, All-Star could receive less than the repurchase price on the sale of the securities to another party or could be subjected to delays in selling the securities. Under normal market conditions, not more than 35% of

All-Star's total assets will be invested in Short-Term Money Market Instruments, including repurchase agreements, and not more than 10% of All-Star's net assets will be invested in repurchase agreements maturing in more than seven days.

Foreign Securities

All-Star may invest up to 25% percent of its net assets in foreign securities, provided that it will not purchase the securities of a foreign issuer if as a result more than 50% of the Fund's investments in equity securities would consist of securities of foreign issuers. All-Star presently does not intend to invest 10% or more of its assets in foreign securities. Investment in foreign securities involves considerations and risks not typically associated with investing in securities of domestic companies. See "Investment Objectives and Policies--Foreign Securities" in the Statement of Additional Information.

Risks

As an investment company that holds common stocks, All-Star's portfolio is subject to the possibility that common stock prices will decline over short or even extended periods. All-Star may remain substantially fully invested during periods when stock prices generally rise and also during periods when they generally decline. Risks are inherent in investments in equities, and Fund shareholders should be able to tolerate significant fluctuations in the value of their investment in All-Star. All-Star is intended to be a long-term investment vehicle and is not designed to provide investors with a means of speculating on short-term stock market movements. Investors should not consider the Fund a complete investment program.

In addition to the foregoing investment risks, shares of closed-end investment companies such as All-Star are not redeemable and frequently trade at a discount from their net asset value. This risk is separate and distinct from the risk that All-Star's net asset value may decline. See "Share Price Data" for information about the market price and net asset value of All-Star's shares since January 1, 1999.

Reducing Investment Risk

As a matter of fundamental policy, All-Star will not (i), as to 75% of its total assets, purchase the securities (other than U.S. Government Securities) of any one issuer if after such purchase more than 5% of its assets would be invested in the securities of that issuer, (ii) purchase more than 10% of the outstanding voting securities of such issuer, (iii) invest 25% more of its total assets in the securities of issuers in the same industry, or (iv) invest more than 10% of its total assets in securities that at the time of purchase have legal or contractual restrictions on resale (including unregistered securities that are eligible for resale to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933). See "Investment Restrictions" in the Statement of Additional Information.

MANAGEMENT OF ALL-STAR

The management of All-Star's business and affairs is the responsibility of its Board of Directors.

All-Star has a Fund Management Agreement with Liberty Asset Management Company (the "Fund Manager" or "LAMCO") pursuant to which LAMCO provides the Portfolio Manager selection, evaluation, monitoring and rebalancing services ("investment management services") described above under "The Multi-Manager Concept." No single individual at LAMCO is responsible for LAMCO's decisions with respect to the retention or replacement of the Portfolio Managers.

LAMCO is also responsible for the provision of administrative services to All-Star, including the provision of office space, shareholder and broker-dealer communications, compensation of officers of All-Star who are officers or employees of LAMCO or its affiliates, and the supervision of transfer agency, dividend disbursing, custodial and other services provided to others. Certain of LAMCO's administrative responsibilities have been delegated to Colonial.

LAMCO has its offices at Federal Reserve Plaza, 600 Atlantic Avenue, Boston, Massachusetts 02210-2214. LAMCO was organized in 1985 and is an indirect wholly-owned subsidiary of Liberty Financial Companies, Inc., which in turn is an indirect majority-owned subsidiary of Liberty Mutual Insurance Company, an international multi-line insurance carrier.

On June 4, 2001 Liberty Financial announced that Fleet National Bank has agreed to acquire Liberty Financial's asset management business, including LAMCO. Fleet National Bank is an indirect wholly-owned subsidiary of FleetBoston Financial Corporation, a U.S. financial holding company. The closing of the proposed transaction is expected to take place during the second half of 2001 and is subject to a number of conditions, including approval by the shareholders of Liberty Financial.

Under All-Star's Portfolio Management Agreements with each of its Portfolio Managers and LAMCO, each Portfolio Manager has discretionary authority (including for the selection of brokers and dealers for the execution of All-Star's portfolio transactions) with respect to the portion of All-Star's assets allocated to it by LAMCO from time to time, subject to All-Star's investment objective and policies, to the supervision and control of the Directors, and to instructions from LAMCO. As described under the section entitled "The Multi-Manager Concept", LAMCO from time to time reallocates All-Star's portfolio assets in order to maintain an approximately equal allocation of them among the Portfolio Managers and to preserve an approximately equal weighting among the different investment styles practiced by the Portfolio Managers. Although the Portfolio Managers' activities are subject to general oversight by LAMCO and the Directors and officers of All-Star, neither LAMCO nor such Directors and officers evaluate the investment merits of the Portfolio Managers' selections of individual securities. See Appendix A for a description

of the Portfolio Managers.

Although All-Star does not permit a Portfolio Manager to act or have a broker-dealer affiliate act as broker for Fund portfolio transactions initiated by it, All-Star's Portfolio Managers are permitted to place portfolio transactions initiated by them with another Portfolio Manager or its broker-dealer affiliate for execution on an agency basis, provided the commission does not exceed the usual and customary broker's commission being paid to other brokers for comparable transactions and is otherwise in accordance with All-Star's procedures adopted under Rule 17e-1 under the 1940 Act.

Under All-Star's Fund Management Agreement with LAMCO and its Portfolio Management Agreements with the Portfolio Managers, All-Star pays LAMCO a fund management fee and an administrative fee, and LAMCO in turn pays the fees of the Portfolio Managers from the fund management fees paid to it. The annual fees that are paid under the current agreements are shown below (fees are payable quarterly based on the indicated percentage of the Fund's average weekly net assets during the prior quarter).

Average weekly Administrative Net Asset Value		Fund Management Fee Paid to LAMCO and Portfolio Management Fee Paid to Portfolio Managers	Fee Paid to
LAMCO	Total Fees		
-----	-----	-----	
First \$300 million	1.00%	0.80% (0.40% to Portfolio Managers)	0.20%
Over \$300 million	0.90%	0.72% (0.36% to Portfolio Managers)	0.18%

Colonial provides pricing and bookkeeping services to All-Star for an annual fee of \$10,000 per year plus a fee based on of the Fund's average net assets for any month that such assets are over \$50 million. The fee shall be calculated as follows: \$190,000 divided by the sum of the Fund's average monthly net assets plus the average monthly net assets of Liberty All-Star Equity Fund. The Fund also reimburses Colonial for its out-of-pocket expenses, including fees payable to third parties for pricing services.

Custodian and Transfer Agent

JP Morgan Chase and Company, 270 Park Avenue, New York, New York 10017, is All-Star's custodian. EquiServe Trust Company, N.A., 150 Royall Street, Canton, Massachusetts 02021, is the transfer and dividend disbursing agent and registrar for All-Star.

Expenses of the Fund

LAMCO provides the Portfolio Manager selection, evaluation, monitoring and rebalancing services and assumes responsibility for the administrative services described above, pays the compensation of and furnishes office space for the officers of All-Star who are affiliated with LAMCO, and pays the management fees of the Portfolio Managers. All-Star pays all its expenses, other than those expressly assumed by LAMCO. The expenses payable by All-Star include: management and administrative fees payable to LAMCO; pricing and bookkeeping fees payable to Colonial; fees and expenses of independent auditors; fees for transfer agent and registrar, dividend disbursing, custodian and portfolio recordkeeping services; expenses in connection with the Automatic Dividend Reinvestment and Cash Purchase Plan; expenses in connection with obtaining quotations for calculating the value of All-Star's net assets; taxes (if any) and the preparation of All-Star's tax returns; brokerage fees and commissions; interest; costs of director and shareholder meetings (including expenses of printing and mailing proxy material therefor); expenses of printing and mailing reports to shareholders; fees for filing reports with regulatory bodies and the maintenance of All-Star's existence; membership dues for investment company industry trade associations; legal fees; stock exchange listing fees and expenses; fees to federal and state authorities for the registration of shares; fees and expenses of Directors who are not directors, officers, employees or stockholders of LAMCO or its affiliates; insurance and fidelity bond premiums; and any extraordinary expenses of a non-recurring nature.

DESCRIPTION OF SHARES

General

All-Star's authorized capitalization consists of 60,000,000 Shares of common stock, par value \$.10 per Share, of which 16,942,250 Shares were issued and outstanding on the date of this Prospectus. The currently outstanding Shares are, and the Shares offered hereby when issued and paid for pursuant to the terms of the Offer will be, fully paid and non-assessable. Shareholders would be entitled to share pro rata in the net assets of All-Star available for distribution to shareholders upon liquidation of All-Star.

Shareholders are entitled to one vote for each Share held. All-Star's Shares do not have cumulative voting rights, which means that the holders of more than 50% of the Shares of All-Star voting for the election of Directors can elect all the Directors standing for election, and, in such event, the holders of the remaining Shares will not be able to elect any of such Directors.

Repurchase of Shares

All-Star is a closed-end investment company and as such its shareholders do not have the right to cause All-Star to redeem their All-Star Shares. All-Star, however, is authorized to repurchase its Shares on the open market when its Shares are trading at a discount from their net asset value. All-Star has no current plans to repurchase its Shares.

Anti-takeover Provisions of the Articles of Incorporation and By-Laws; Super-majority Vote Requirement for Conversion to Open-End Status

All-Star's Articles of Incorporation and By-laws contain provisions (commonly referred to as "antitakeover" provisions) which are intended to have the effect of limiting the ability of other entities or persons to acquire control of All-Star, to cause it to engage in certain transactions, or to modify its structure. The Board of Directors is divided into three classes, each having a term of three years. On the date of the annual meeting of shareholders in each year the term of one class expires. This provision could delay for up to two years the replacement of a majority of the Board of Directors. In addition, the affirmative vote of the holders of 66 2/3% of the Shares of the Fund will be required generally to authorize any of the following transactions:

- (i) All-Star's merger or consolidation with or into any other corporation;
- (ii) the issuance of any securities of All-Star to any person or entity for cash;
- (iii) the sale, lease or exchange of all or any substantial part of All-Star's assets to any entity or person (except assets having an aggregate fair market value of less than \$1,000,000); or
- (iv) the sale, lease or exchange to All-Star, in exchange for securities of All-Star, of any assets of any entity or person (except assets having an aggregate fair market value of less than \$1,000,000);

if such corporation, person or entity is directly, or indirectly through affiliates, the beneficial owner of five percent or more of the outstanding shares of All-Star. Such 66 2/3% vote will not be required with respect to the transactions listed in (i) through (iv) above where the Board of Directors under certain conditions approves the transaction. However, depending upon the transaction, a different shareholder vote may nevertheless be required under Maryland law.

The affirmative vote of the holders of 66 2/3% percent of the outstanding

Shares will be required to authorize All-Star's conversion from a closed-end to an open-end investment company.

The foregoing super-majority vote requirements may not be amended except with a similar supermajority vote of the shareholders.

These provisions will make more difficult a change in All-Star's structure or management or consummation of the foregoing transactions without the Directors' approval. The anti-takeover provisions could have the effect of depriving shareholders of an opportunity to sell their shares at a premium over prevailing market prices by discouraging a third party from seeking to obtain control of All-Star in a tender offer or similar transaction. However, the Board of Directors continues to believe that the anti-takeover provisions are in the best interests of All-Star and its shareholders because they provide the advantage of potentially requiring persons seeking control of All-Star to negotiate with its management regarding the price to be paid and facilitating the continuity of All-Star's management and its continuing application of the multi-manager concept.

The Board also believes that the super-majority vote requirement for conversion to an open-end investment company is in the best interest of All-Star and its shareholders because it will allow All-Star to continue to benefit from the advantages of its closed-end structure until such time that, based on relevant factors including the then current relationship of the market price of All-Star's shares to their net asset value, the Board determines to recommend to shareholders All-Star's conversion to an open-end investment company.

DISTRIBUTIONS; AUTOMATIC DIVIDEND
REINVESTMENT AND CASH PURCHASE PLAN

10% Distribution Policy

All-Star's current distribution policy, announced in February, 1997, is to pay distributions on its Shares totalling approximately 10% of its net asset value per year, payable in four quarterly distributions of 2.5% of its net asset value at the close of the NYSE on the Friday prior to each quarterly declaration date. These fixed distributions, which are not related to All-Star's net investment income or net realized capital gains or losses, will be treated as ordinary dividend income up to the amount of All-Star's current and accumulated earnings and profits. If, for any calendar year, the total distributions made under the 10% pay-out policy exceed All-Star's net investment income and net realized capital gains, the excess will be treated as a tax-free return of capital to each shareholder (up to the amount of the shareholder's basis in his or her shares) and thereafter as gain from the sale of Shares. The amount treated as a tax-free return of capital will reduce the shareholder's adjusted basis in his or her Shares, thereby increasing his or her potential gain or reducing his or her potential loss on the subsequent sale of his or her shares.

To the extent All-Star's 10% payout policy results in distributions in excess of its net investment income and net realized capital gains, such distributions will decrease its total assets and increase its expense ratio to a greater extent than would have been the case without the 10% payout policy. In addition, in order to make distributions under the 10% payout policy, All-Star may have to sell portfolio securities at times when the particular investment styles of its Portfolio Managers would dictate not doing so.

All-Star may, in the discretion of the Board of Directors, retain for reinvestment, and not distribute, net capital gain for any year to the extent that its net investment income and net realized gains exceed the minimum amount required to be distributed for such year under the 10% pay-out policy, although All-Star reserves the right to distribute such excess. Retained net capital gain will be taxed to both All-Star and the shareholders as long-term capital gains; however, each shareholder will be able to claim a proportionate share of the federal income tax paid by All-Star as a credit against his or her own federal income tax liability and will be entitled to increase the adjusted tax basis in his or her Shares by the difference between the amount taxed and the credit.

All-Star intends to pay all or a substantial portion of its distributions in each year in the form of newly issued Shares (plus cash in lieu of any fractional Shares that would otherwise be issuable) to all shareholders except those non-participants in the Plan who specifically elect to receive their distribution in cash by completing and signing an option card, a copy of which will be enclosed with the notice of each such distribution payable in Shares, and returning it on a timely basis to EquiServe Trust Company, N.A., All-Star's transfer agent and dividend paying agent.

The number of Shares to be issued to a shareholder in payment of a distribution declared payable in shares will be determined by dividing the total dollar amount of the distribution by the lower of the market value or the net asset value per Share on the valuation date for the distribution (but not at a discount of more than 5% from the market value). Market value per Share for this purpose will be the last sales price on the NYSE on the valuation date or, if there are no sales on that day, the mean between the closing bid and closing asked quotations for that date.

Automatic Dividend Reinvestment and Cash Purchase Plan

Each shareholder of the Fund will automatically be a participant in the Plan, unless the shareholder specifically elects otherwise by writing or calling the Plan Agent, EquiServe Trust Company, N.A., P.O. Box 8200, Boston,

Massachusetts 02266-8200 (1-800-542-3863). Shareholders whose Shares are held in the name of a brokerage firm, bank or other nominee must notify their brokerage firm, bank or nominee if they do not want to participate in the Plan. Shareholders who want to receive their distributions in cash should elect not to participate in the Plan and, as noted above, will be required to elect to receive in cash each distribution declared payable in Shares or cash.

Under the Plan, 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 the market value or the net asset value per share on the valuation date for the distribution (but not a discount of more than 5% from the market value). 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, on the NYSE or elsewhere at prevailing market prices (if the Fund's shares are trading at a discount to their net asset value) or in newly issued Shares (if the Fund's Shares are trading at or above their net asset value). Dividends and distributions are subject to taxation, whether received in cash or in Shares (see "Tax Status" below).

Participants in the Plan have the option of making additional cash payments in any amount from \$100 to \$3,000 on a monthly basis for investment in All-Star Shares purchased on the open market. These voluntary cash payments will be invested on or about the 15th day of each calendar month, and voluntary payments should be sent so as to be received by the Plan Agent no later than ten business days before the next investment date. Barring suspension of trading, voluntary cash payments will be invested within 45 days of receipt. A participant may withdraw a voluntary cash payment by written notice received by the Plan Agent at least 48 hours before such payment is to be invested.

The Plan Agent maintains all shareholder accounts in the Plan and furnishes written 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 non-certificated form in the name of the participant, and each shareholder's proxy will include those Shares purchased or received pursuant to the Plan.

In the case of shareholders such as banks, brokers or nominees that hold Shares for others who are the beneficial owners, the Plan Agent will administer the Plan on the basis of the number of Shares certified from time to time by the record shareholder as representing the total amount registered in the record shareholder's name and held for the account of beneficial owners who participant in the Plan.

There is no charge to participants for reinvesting distributions payable in either Shares or cash. The Plan Agent's fees for handling the reinvestment of such distributions are paid by All-Star. There are no brokerage charges with respect to Shares issued directly by All-Star as a result of distributions payable in shares or in cash. However, each participant bears a pro rata share of brokerage commissions incurred with respect to the Plan Agent's open market purchases in connection with the reinvestment of distributions declared payable in cash.

With respect to purchases from voluntary cash payments, the Plan Agent will charge \$1.25 for each such purchase for a participant, plus a pro rata share of the brokerage commissions. Brokerage charges for purchasing small amounts of shares for individual accounts through the Plan are expected to be less than the usual brokerage charges for such transactions, as the Plan Agent will be purchasing shares for all participants in blocks and prorating the lower commission thus attainable.

The automatic reinvestment of dividends and other distributions will not relieve plan participants of any income tax that may be payable thereon. See "Tax Status" below.

A participant may elect to withdraw from the Plan at any time by notifying the Plan Agent in writing. There will be no penalty for withdrawal from the Plan, and shareholders who have previously withdrawn from the Plan may rejoin it at any time. A withdrawal will only be effective for subsequent distributions with a record date at least ten days after the notice of withdrawal is received by the Plan Agent.

Experience under the Plan may indicate that changes are desirable. Accordingly, All-Star reserves the right to amend or terminate the Plan.

TAX STATUS

The following discussion briefly summarizes the general rules applicable to taxation of All-Star and its shareholders. Shareholders are urged to consult with their own tax advisers concerning the tax consequences of their continued investment in All-Star and of their receipt and exercise of the Rights.

All-Star has elected to be, and intends to continue to qualify each year for federal income tax treatment as a regulated investment company under the

Code, and intends to make distributions to the shareholders in accordance with the timing requirements set out in the Code. As a result, it is expected that All-Star will be relieved of federal income tax on its net investment income and net realized capital gains to the extent it distributes them to its shareholders. (See "Distributions; Automatic Dividend Reinvestment and Cash Purchase Plan--10% Distribution Policy" regarding All-Star's authority to retain and pay taxes on, and not distribute, net capital gain). All-Star also expects to make sufficient annual distributions to avoid being subject to a nondeductible 4% federal excise tax imposed on regulated investment companies. If All-Star fails to qualify as a regulated investment company in any year, it would incur federal corporate income tax on its taxable income and its distributions would be taxable as ordinary dividend income to the shareholders to the extent of its net investment income and net capital gain. In addition, All-Star could be required to recognize unrealized gains, pay substantial taxes and interest and make substantial distributions before requalifying for treatment as a regulated investment company.

Distributions by All-Star from net investment income and net realized capital gains are subject to taxation whether received by shareholders in cash or in Shares of All-Star. Shareholders receiving a dividend or other distribution in the form of newly issued Shares will be treated for federal income tax purposes as receiving a distribution in an amount equal to the fair market value, determined as of the distribution date, of the Shares received. Such shareholders will have a cost basis in each newly issued Share equal to the fair market value of a Share of All-Star on the distribution date. Distributions are generally taken into account for tax purposes when paid, except that distributions paid in January but declared in the last quarter of the preceding calendar year must be taken into account as if paid on December 31 of such preceding calendar year. A portion of All-Star's net investment income paid to corporate shareholders that is attributable to dividends from domestic corporations may be eligible for the 70% dividends-received deduction available to corporations. Availability of the deduction for particular corporate shareholders is subject to certain limitations, and deducted amounts may be subject to the alternative minimum tax or result in certain basis adjustments. Distributions from net capital gain are taxable as long-term capital gains, regardless of how long the shareholder has held the Shares, and are not eligible for the dividends-received deduction. Net capital gain is taxable, in the case of a noncorporate shareholder, at a maximum rate of 20% if attributable to the disposition of shares that the shareholder held for more than twelve months.

If a shareholder holds Shares of All-Star for six months or less, any loss on the sale of the Shares will be treated as a long-term capital loss to the extent of any amount reportable by the shareholder as long-term capital gain with respect to such Shares. Any loss realized on a disposition of Shares may also be disallowed under rules relating to wash sales.

At the time of an investor's purchase of All-Star Shares, All-Star's net asset value may reflect undistributed net investment income or capital gains or net unrealized appreciation of securities it holds. As of _____, 2001, All-Star's investments had net unrealized losses of \$____ million. Realization and a subsequent distribution to a shareholder of such amount, although it may in effect constitute a return of his or her investment, would be taxable to the shareholder as ordinary income or capital gain, as described above. For federal income tax purposes, All-Star is permitted to carry forward to another taxable year its net realized capital losses, if any, from earlier taxable years and thus may realize net capital gains in the later year up to the amount of such losses without being required to pay taxes on or to distribute such gains. As of December 31, 2000, the end of its last completed fiscal year, All-Star had no capital loss carryovers.

Individuals and certain other non-corporate All-Star shareholders may be subject to 30.5% withholding on reportable dividends and capital gain distributions ("back-up withholding"). Generally, shareholders subject to back-up withholding will be those for whom a taxpayer identification number and certain required certificates are not on file with All-Star or who, to All-Star's knowledge, have furnished an incorrect number. In addition, All-Star is required to withhold from distributions to any shareholder who does not certify to All-Star that the shareholder is not subject to back-up withholding due to notification by the Internal Revenue Service that the shareholder has under-reported interest or dividend income.

Distributions from net investment income paid to shareholders who are non-resident aliens or foreign entities may be subject to 30% federal withholding tax (but not, in such event, subject to back-up withholding) unless a reduced rate of withholding or a withholding exemption is provided under an applicable treaty. Non-U.S. shareholders are urged to consult their own tax advisers concerning the applicability of the withholding tax.

Information concerning the federal income tax status of All-Star dividends and other distributions is mailed to shareholders annually.

Distributions and the transactions referred to in the preceding paragraphs may be subject to state and local income taxes, and the treatment thereof may differ from the federal income tax consequences discussed herein. Shareholders are advised to consult with their tax advisers concerning the application of state and local taxes.

See "The Offer-Federal Income Tax Consequences" for a discussion of the federal income tax consequences regarding the Rights.

GENERAL

Under the Fund Management Agreement between All-Star and LAMCO, All-Star may use the name "Liberty All-Star" only so long as the Fund Management Agreement remains in effect. If the Fund Management Agreement is no longer in effect, All-Star is obligated (to the extent it lawfully can) to cease using such name or any other name indicating that it is advised by or otherwise connected with LAMCO. In addition, LAMCO may grant the non-exclusive right to use the name "Liberty All-Star" to any other entity, including any other investment company of which LAMCO or any of its affiliates is the investment adviser or distributor.

STATEMENT OF ADDITIONAL INFORMATION

Additional information about the Fund is contained in the Statement of Additional Information, a copy of which is available at no charge by calling the Information Agent at the telephone number indicated on the cover of the Prospectus. Set forth below is the Table of Contents of the Statement of Additional Information.

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APPENDIX A

INFORMATION ABOUT THE PORTFOLIO MANAGERS

WILLIAM BLAIR & COMPANY, L.L.C.
222 West Adams Street
Chicago, IL 60606

William Blair & Company, L.L.C. ("Blair") was appointed as an All-Star Portfolio Manager effective March 1, 1997. Blair is a registered investment advisor and an investment banker and broker-dealer firm registered under the Securities Exchange Act of 1934. Blair was founded over 50 years ago by William McCormick Blair and currently has more than 70 principals and approximately 900 employees at offices in Chicago, San Francisco, London, Liechtenstein and Zurich. The main office in Chicago houses all investment banking, research and investment management services. As of May 31, 2001, Blair had over \$13 billion in assets under management.

John F. Jostrand, Principal, has managed the portion of All-Star's portfolio allocated to Blair since its appointment as an All-Star Portfolio Manager. Mr. Jostrand has been associated with Blair since 1993.

TCW INVESTMENT MANAGEMENT COMPANY
865 South Figueroa Street
Los Angeles, CA 90017

TCW Investment Management Company ("TCW") was appointed as an All-Star Portfolio Manager effective May 1, 2000. TCW is a wholly-owned subsidiary of The TCW Group, Inc. ("TCW Group"). Established in 1971, TCW Group's direct and indirect subsidiaries, including TCW, provide a variety of trust, investment management and investment advisory services. Societe Generale Asset Management, S.A. ("SGAM") owns 51% of the TCW Group. SGAM is a wholly-owned subsidiary of Societe Generale, S.A. ("Societe Generale"). SGAM is located at 92708 place de la Corpole, 92078 Paris, France. Societe Generale is located at 29 boulevard Haussman, 75009, Paris, France. The employees, management, and other shareholders of the TCW Group own the remaining 49% of the company. Under the terms of an agreement between the TCW Group and SGAM, SGAM will acquire an additional 1% interest in the TCW Group over the course of the next five years. SGAM and TCW have stated their intention to maintain the personnel, processes, investment strategy and operations of TCW, which will continue to operate under the TCW brand name. As of May 31, 2001, TCW and its affiliates had over \$75 billion in assets under management or committed to management.

Douglas S. Foreman, Chief Investment Officer U.S. Equities, has managed the portion of All-Star's portfolio allocated to TCW since its appointment as an All-Star Portfolio Manager. Mr. Foreman has been with TCW since 1994.

M.A. WEATHERBIE & CO., INC.
265 Franklin Street
Boston, MA 02110

M.A. Weatherbie & Co., Inc. ("Weatherbie") was appointed as an All-Star Portfolio Manager effective May 1, 1998. Weatherbie, a registered investment advisor, was founded in 1995 by Matthew A. Weatherbie. Mr. Weatherbie is the principal executive officer and serves as President of Weatherbie and manages that portion of the Fund's portfolio assigned to Weatherbie. Prior to founding Weatherbie, Mr. Weatherbie was a Managing Director at Putnam Investments. In addition to Mr. Weatherbie being the senior principal, there are five other principals, three research analysts, a trader and a director of administration. Weatherbie is 100% employee-owned and operated with a partnership philosophy. As of May 31, 2001, Weatherbie managed over \$424 million in assets.

No person has been authorized to give any information or to make any representation not contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorized. This Prospectus does not constitute an offering of any securities other than the registered securities to which it relates or an offer to any person in any State or jurisdiction of the United States or any country where such offer would be unlawful. Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create an implication that there has been no change in the facts as set forth in the Prospectus or in the affairs of the Fund since the date hereof.

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LIBERTY
ALL-STAR
GROWTH FUND, INC.
A Multi-Managed Investment Company

2,117,781 Shares of Common Stock
Issuable upon Exercise of Rights to
Subscribe for Such Shares

PROSPECTUS

August [], 2001

LIBERTY ALL-STAR GROWTH FUND, INC.
STATEMENT OF ADDITIONAL INFORMATION

August [], 2001

This Statement of Additional Information is not a prospectus, and should be read in conjunction with the Prospectus of Liberty All-Star Growth Fund, Inc. ("All-Star") dated August 7, 2001. A copy of the Prospectus may be obtained, without charge, by calling or writing Liberty Asset Management Company at 600 Atlantic Avenue, Boston, Massachusetts 02110 (1-800-542-3863).

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INVESTMENT OBJECTIVES AND POLICIES

A description of the investment objective of Liberty All-Star Growth Fund, Inc. ("All-Star" or the "Fund") and the types of securities in which it may invest is contained in the Prospectus under "Investment Objectives and Policies."

Foreign Securities

All-Star may invest up to 25 percent of its net assets in securities of foreign issuers, provided that the Fund will not purchase the securities of a foreign issuer, if, as a result of the purchase, more than 50% of its equity investment would consist of securities of foreign issuers. All-Star's investment in foreign securities involves considerations not typically associated with investing in securities of domestic companies. Investing in securities of foreign issuers and the attendant holding of foreign currencies, for example, could cause the Fund to be affected favorably or unfavorably by changes in currency rates and exchange control regulations. In addition, less information may be available about foreign companies than about domestic companies and foreign companies may not be subject to reporting or accounting standards and

requirements comparable to those applicable to domestic companies. Foreign securities and their markets may not be as liquid as domestic securities and their markets. Securities of some foreign companies may involve greater market risk than securities of domestic companies and foreign brokerage commissions and custody fees are generally higher than those in the United States. Investment in foreign securities may also be subject to local economic or political risks, including instability of some foreign governments, the possibility of currency blockage or the imposition of withholding taxes on dividend or interest payments and the potential for expropriation of the assets of the companies issuing the securities.

Short sales against the box

All-Star may, to an extent not greater than 5% of its net assets, effect short sales of securities "against the box" (i.e., short sales of securities where the Fund holds or has the right to obtain at no additional cost securities identical to those sold short.)

INVESTMENT RESTRICTIONS

The following investment restrictions have been adopted for All-Star as fundamental policies and may be changed only by a majority vote (as defined under "Investment Objective and Policies" in the Prospectus) of All-Star's outstanding shares. Non-fundamental policies may be changed by the Board of Directors without shareholder approval.

All-Star may not:

(1) With respect to 75 percent of its total assets, invest in securities of any one issuer if immediately after and as a result of such investment more than five percent of the total assets of the Fund, taken at market value, would be invested in the securities of such issuer. This restriction does not apply to investments in U.S. Government Securities.

(2) Purchase more than 10 percent of the outstanding voting securities, or any class of securities, of any one issuer.

(3) Invest 25 percent or more of its total assets, taken at market value at the time of each investment, in the securities of issuers in any particular industry. This restriction does not apply to investments in U.S. Government Securities.

(4) Purchase securities of other investment companies; except in connection with a merger, consolidation, acquisition or reorganization, if more than 10 percent of the market value of the Fund's total assets would be invested in securities of other investment companies, more than five percent of the market value of the Fund's total assets would be invested in the securities of any one investment company or the Fund would own more than three percent of any other investment company's securities.

(5) Purchase or sell commodities or real estate; provided that All-Star may

invest in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.

(6) Purchase any securities on margin or make short sales of securities, except that All-Star may obtain such short-term credit as may be necessary for the clearance of purchases and sales of portfolio securities.

(7) Make loans of money, except by the purchase of debt obligations in which the Fund may invest consistent with its investment objective and policies. Although there is no present intention of doing so in the foreseeable future, All-Star reserves the authority to make loans of its portfolio securities in an aggregate amount not exceeding 20 percent of its total assets. Any such loans will only be made upon approval of, and subject to any conditions imposed by, All-Star's Board of Directors.

(8) Borrow money, except that All-Star may borrow from banks and other financial institutions on an unsecured basis to finance the repurchase of its shares. All-Star also may borrow money on a secured basis from banks as a temporary measure for extraordinary or emergency purposes. Such temporary borrowings may not exceed five percent of the value of the Fund's total assets at the time the loan is made. All-Star may pledge up to 10 percent of the lesser of the cost or value of its total assets to secure temporary borrowings. All-Star will not borrow for investment purposes. Immediately after any borrowing, All-Star will maintain asset coverage of not less than 300 percent with respect to all borrowings. While the Fund's borrowings exceed five percent of its total assets, All-Star will make no further purchases of securities, although this limitation will not apply to share repurchase transactions.

(9) Issue senior securities, as defined in the Investment Company Act of 1940 (the "Act"), or mortgage, pledge, hypothecate or in any manner transfer, as security for indebtedness, any securities owned or held by All-Star except as may be necessary in connection with borrowings mentioned in (8) above, and then such mortgaging, pledging or hypothecating may not exceed 10 percent of the Fund's total assets, taken at the lesser of cost or market value.

(10) Underwrite securities of other issuers except insofar as All-Star may be deemed an underwriter under the Securities Act of 1933, as amended, in selling portfolio securities.

(11) Invest more than 10 percent of All-Star's total assets in securities that at the time of purchase have legal or contractual restrictions on resale (including unregistered securities that are eligible for resale pursuant to Rule 144A under the Securities Act of 1933).

Except for the 300% limitation referred to in Investment Restriction No. 8 above, if a percentage restriction on investment or utilization of assets as set forth above is adhered to at the time an investment is made, a later change in percentage resulting from a change in the market values of All-Star's assets will not be considered a violation of the restriction.

INVESTMENT ADVISORY AND OTHER SERVICES

As stated under "Management of All-Star" in the Prospectus, Liberty Asset Management Company ("LAMCO") performs the investment management services and is responsible for the administrative services described therein. LAMCO, through Liberty Financial Companies, Inc. ("Liberty Financial"), is an indirect majority owned subsidiary of Liberty Mutual Insurance Company, Boston, Massachusetts. As indicated under "Directors and Officers of All-Star" below, one of All-Star's Directors and all of its officers are officers of LAMCO, Colonial Management Associates, Inc., Liberty Financial or other affiliates of Liberty Financial.

Reference is made to Appendix A of the Prospectus for the names of the controlling persons of All-Star's current Portfolio Managers and the names of the individuals at each Portfolio Manager primarily responsible for the management of the portion of All-Star's portfolio assigned to it. None of such Portfolio Managers has any affiliation with LAMCO or (except as Portfolio Manager) with All-Star.

As described under "Management of All-Star" in the Prospectus, All-Star pays LAMCO a fund management fee for its investment management services (from which LAMCO pays the Portfolio Managers' fee), and an administrative fee for its administrative services.

For the years ended December 31, 1999 and 2000 the total fund management and administrative fees paid to LAMCO were \$967,672 and \$2,165,252, respectively, of which an aggregate of \$309,655 and \$692,932, respectively, was paid to the Portfolio Managers. See "History of the Fund" in the Prospectus.

All-Star's current Fund Management Agreement and Portfolio Management Agreements will continue in effect until July 31, 2002 and will continue in effect thereafter so long as such continuance is specifically approved annually by (a) the Board of Directors or (b) the majority vote of All-Star's outstanding shares (as defined under "Investment Objective and Policies" in the Prospectus), provided that, in either event, the continuance is also approved by a majority of the Directors who are not "interested persons" (as defined in the 1940 Act) of All-Star, LAMCO or the Portfolio Managers by a vote cast in person at a meeting called for the purpose of voting on such approval. The Fund Management Agreement may be terminated on 60 days written notice by either party, and the Portfolio Management Agreements may be terminated on 30 days' notice by any party, and any such agreements will terminate automatically if assigned.

The Fund and LAMCO have adopted Codes of Ethics pursuant to the requirements of the Investment Company Act of 1940, as amended. These Codes of Ethics permit personnel subject to the Codes to invest in securities, including securities that may be purchased or held by the funds. Copies of the Codes of Ethics of the Fund and LAMCO can be reviewed and copied at the Commission's Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling the Commission at

1-202-942-8090. The Codes of Ethics are also available on the EDGAR database on the Commission's Internet site at www.sec.gov, or may be obtained, after paying a duplicating fee, by electronic request at publicinfo@sec.gov, or by writing the Commission's Public Reference Section, Washington, D.C. 20549-0102.

Custodian and Pricing and Bookkeeping Agent

JP Morgan Chase and Company (the "Bank"), 270 Park Avenue, New York, NY 10017-2070, is the custodian of the portfolio securities and cash of All-Star. As such, the Bank holds All-Star's portfolio securities and cash in separate accounts on All-Star's behalf and receives and delivers portfolio securities and cash in connection with portfolio transactions initiated by All-Star's Portfolio Managers, collects income due on its portfolio securities and disburses funds in connection with the payment of distributions and expenses.

Colonial Management Associates, Inc. ("Colonial"), an affiliate of LAMCO, performs pricing and bookkeeping services for All-Star (see "Management of All-Star" in the Prospectus). For the years ended December 31, 1999 and 2000, All-Star paid pricing and bookkeeping fees to Colonial Management Associates, Inc. of \$63,522 and \$68,804 respectively.

Independent Accountants

PricewaterhouseCoopers LLP, 160 Federal Street, Boston, Massachusetts 02110, are the independent accountants of All-Star. The independent accountants audit and report on the annual financial statements and provide tax return preparation services and assistance and consultation in connection with the review of various SEC filings.

DIRECTORS AND OFFICERS OF ALL-STAR

The following is a list of All-Star's Directors and officers, together with information about their present positions with All-Star and their principal occupations during the past five years. The Directors who are "interested persons" of All-Star, as defined by the 1940 Act, are indicated with an asterisk.

<TABLE>

<S> Name (Age) and Address Occupation During Past -----	<C> Position with Principal
--	--------------------------------

Robert J. Birnbaum (73)
Special Counsel,
313 Bedford Road
(September, 1988 to
Ridgewood, NJ 07450
Chief Operating

Exchange, Inc. (May,
Dresdner RCM
company) and Options

James E. Grinnell (71)
November, 1988; President
2850 South Ocean Blvd., #514
Distribution
Palm Beach, FL 33480
to May, 1986);

Operations, The Rockport
distributor of shoes)

Richard W. Lowry (65)
(formerly Chairman
10701 Charleston Drive
U.S. Plywood
Vero Beach, FL 32963
manufacturer)).

William E. Mayer* (61)
Equity Partners
Park Avenue Equity Partners
(formerly Founding
500 Park Avenue, 5th Floor
LLC from November,
New York, NY 10022
Professor, College of
University of Maryland
November, 1996); Director,

Five Years

Retired since January, 1994;
Dechert, Price & Rhoads
December, 1993); President and
Officer, New York Stock
1985 to June, 1988); Director,
Europe Fund (investment
Exchange Board.

Private investor since
and Chief Executive Officer,
Management Systems, Inc. (1983
Senior Vice President,
Company (importer and
(May, 1986 to November, 1988).

Private Investor since 1987
and Chief Executive Officer,
Corporation (building products

Managing Partner, Park Avenue
(venture capital) since 1998
Partner, Development Capital,
1996 to 1998; Dean and
Business and Management,
from October, 1992 to
Johns Manville (building

products manufacturer),
on-line media); WR
service provider);
industry

John J. Neuhauser (58)
Dean of Faculties
Boston College
College (formerly
Bourneof House
Management from
84 College Road
1999).
Chestnut Hill, MA 02467-3838

Joseph R. Palombo* (48)
Mutual Funds,
Liberty Financial Companies, Inc.
Inc. (Liberty
600 Atlantic Avenue
Executive Vice
Boston, MA 02210
Colonial Management

since April, 1999;

Chief

Liberty Funds Group

Director of Stein

Trustee and Chairman

Mutual Funds since

Stein Roe Floating

since October,

of the Liberty

August, 2000; Chief

Lee Enterprises (print and
Hambrecht & Co (financial
Systech Retail Systems (retail
technology provider)).

Academic Vice President and
since August, 1999, Boston
Dean, Boston College School of
September 1977 to September,

Chief Operations Officer of
Liberty Financial Companies,
Financial) since August, 2000;

President and Director of
Associates, Inc. (Colonial)

Executive Vice President and

Administrative Officer of

LLC (LFG) since April, 1999;

Roe since September, 2000;

of the Board of Stein Roe

October, 2000; Manager of

Rate Limited Liability Company

2000 (formerly Vice President

Funds from April 1999 to

Mutual Funds from 1994

Operating Officer, Putnam
to 1998).

</TABLE>

The following are the executive officers (except for Mr. Palombo described earlier) of All-Star.

<TABLE>

<S>	<C>
<C>	
Name (Age) and Address	Position with All-Star
Principal Occupation During Past Five	
-----	-----

Years	

William R. Parmentier, Jr. (48) President and Chief Executive Officer Liberty Asset Management Company (since June, 1998) and Chief Federal Reserve Plaza Investment Officer (since May, 1995), 600 Atlantic Avenue Senior Vice President (May, 1995 to Boston, MA 02210 June, 1998), Liberty Asset Management; Chief Investment Officer, Grumman Corporation (1979 to 1994).	President, Chief Executive Officer and Chief Investment Officer
Kevin M. Carome (45) Executive Vice President of Liberty Liberty Funds Group Funds and of the Liberty All-Star One Financial Center Funds since October, 2000; Executive Boston, MA 02111 Vice President of the Stein Roe Funds since May, 1999 (formerly Vice President from April, 1998 to May,	Executive Vice President

1999, Assistant Secretary from April, 1998 to February, 2000 and Secretary from February, 2000 to May, 2000); Chief Legal Officer of LFC since August, 2000; Senior Vice President, Legal since January, 1999 of LFG; Executive Vice President and Assistant Secretary of SR&F since January, 2001 (formerly General Counsel and Secretary of SR&F from January, 1998 to December, 1999; Vice President and Associate General Counsel of LFC from August, 1993 to December, 1998).

Christopher S. Carabell (38)
Senior Vice President - Product
Liberty Asset Management Co.
Development and Marketing (since
Federal Reserve Plaza
January, 1999), Vice
600 Atlantic Avenue
President-Investments, Liberty Asset
Boston, MA 02210
Management (March, 1996 to January,
1999); Associate Director, U.S.
Equity Research, BARRA Rogers Casey,
investment consultants (January, 1995
to February, 1996).

Vice President

</TABLE>

<TABLE>

<S>

<C>

<C>

Name (Age) and Address
Principal Occupation During Past Five

Position with All-Star

Years

Mark T. Haley (36)
Vice President-Investments (since
Liberty Asset Management Co.
January, 1999), Director of
Federal Reserve Plaza
Investment Analysis (December, 1996
600 Atlantic Avenue
to December, 1998), Investment
Boston, MA 02210
Analyst (January, 1994 to November,
1996), Liberty Asset Management.

Vice President

J. Kevin Connaughton (37)
Treasurer of the Liberty Funds and of
Liberty Funds Group
the Liberty All-Star Funds since
One Financial Center
December, 2000 (formerly Controller
Boston, MA 02111
of the Liberty Funds and of the
Liberty All-Star Funds from February,
1998 to October, 2000); Treasurer of
the Stein Roe Funds since February,
2001 (formerly Controller from May,
2000 to February, 2001); Vice

Treasurer

President of Colonial since February, 1998 (formerly Senior Tax Manager, Coopers & Lybrand, LLP from April, 1996 to January, 1998; Vice President, 440 Financial Group/First Data Investor Services Group from March, 1994 to April, 1996).

William J. Ballou (36)

Secretary

Secretary of the Liberty Funds and of Liberty Funds Group the Liberty All-Star Funds since One Financial Center October, 2000 (formerly Assistant Secretary from October, 1997 to October, 2000); Secretary of the Stein Roe Funds since February, 2001 (formerly Assistant Secretary from May, 2000 to February, 2001); Vice President, Assistant Secretary and Counsel of Colonial since October, 1997; Vice President and Counsel since April, 2000, and Assistant Secretary since December, 1998 of LFG (formerly Associate Counsel, Massachusetts Financial Services Company from May, 1995 to September, 1997).

</TABLE>

<TABLE>

<S>

<C>

<C>

Name (Age) and Address
Principal Occupation During Past Five

Position with All-Star

Years

Michelle G. Azrialy (32)
Controller of the Liberty Funds and
One Financial Center
of the Liberty All-Star Funds since
Boston, MA 02111
May, 2001; Vice President of LFG
since March, 2001 (formerly Assistant
Vice President of Fund Administration
from September, 2000 to February,
2001; Compliance Manager of Fund
Administration from September, 1999
to August, 2000) (formerly Assistant
Treasurer, Chase Global Fund Services
- Boston from August, 1996 to
September, 1999; Senior Accountant,
PricewaterhouseCoopers LLP from June,
1991 to July, 1994).

Controller

Vicki Benjamin (39)
Chief Accounting Officer of the
One Financial Center
Liberty Funds and of the Liberty

Chief Accounting Officer

Boston, MA 02111

All-Star Funds since June, 2001; Vice

President of LFG since April, 2001

(formerly Vice President, Corporate

Audit, State Street Bank and Trust

Company from May, 1998 to April,

2001; Senior Audit Manager, Coopers &

Lybrand from December, 1989 to May,

1998).

</TABLE>

Messrs. Birnbaum, Grinnell, Lowry and Neuhauser comprise the Audit Committee of the Board of Directors.

All-Star's Board of Directors is divided into three classes, each of which has a term of three years expiring with the annual meeting of shareholders in the third year of the term. All-Star holds annual meetings of shareholders to vote on, among other things, the election or re-election of the Directors whose terms are expiring with that meeting. The term or office of Messrs. Birnbaum and Mayer will expire upon the final adjournment of the 2002 annual meeting; the term of office of Messrs. Grinnell and Neuhauser will expire upon final adjournment of the annual meeting for the year 2003; and the term of office of Messrs. Lowry and Palombo will expire upon final adjournment of the annual meeting for the year 2004. Messrs. Lowry, Mayer, Neuhauser and Palombo are also Directors of Liberty Funds Trusts I through VII (the "Liberty Trusts"), the umbrella trusts for an aggregate of 49 open-end funds managed by affiliates of LAMCO, nine closed-end funds managed by Colonial (the "Colonial Closed-End Funds"), Liberty Variable Investment Trust, the umbrella trust for 17 open-end funds managed by Colonial or its affiliates that serve as investment vehicles for variable annuities and variable life insurance products; Liberty Floating Rate Fund; Stein Roe Floating Rate Limited Liability Company, Liberty-Stein Roe Institutional Floating Rate Income Fund and Liberty-Stein Roe Funds Income Trust, Liberty-Stein Roe Funds Municipal Trust, Liberty-Stein Roe Funds Investment Trust, Liberty-Stein Roe Advisor Trust, Stein Roe Trust, SR&F Base Trust and Stein Roe Variable Investment Trust, the umbrella trusts for 42 open-end funds managed by Stein Roe & Farnham Incorporated, a LAMCO affiliate. The All Star's Board of Directors are also trustees of Liberty All-Star Equity Fund, another closed-end multi-managed fund managed by LAMCO.

LAMCO or its affiliates pay the compensation of all the officers of All-Star, including the Director who is affiliated with LAMCO. Beginning January 1, 1999, the aggregate of the fees paid to the Directors by All-Star that have

the same Board of Trustees as the Liberty All-Star Equity Fund, and Liberty All-Star Growth and Income Fund and hold their meetings concurrently with those of the Fund, consists of Directors fees of \$125,000 per annum, assuming a minimum of four meetings are held and all meetings are attended. One-third of the retainer and the fees for concurrently held meetings was allocated among the Fund and the two other funds on a per fund basis, and the remaining two thirds was allocated among the three funds based on their net assets. Effective February 9, 2001, Liberty All-Star Growth and Income Fund was merged into another open-end fund in the Liberty Trusts and the retainer and meeting fees will be allocated between the Fund and Liberty All-Star Equity Fund. For 2000, All-Star paid the independent Directors an aggregate of \$25,130 in fees and expenses.

The following table shows, for the year ended December 31, 2000, the compensation received from the Fund by each current Director, and the aggregate compensation paid to each current Director for service on the Board of Directors of the Fund and the two All-Star Funds. The Fund has no bonus, profit sharing or retirement plans.

<TABLE>

<S>	<C>	<C>
Name	Aggregate	
----	Compensation from	
Total Compensation from the	the Fund	Liberty
All-Star Funds (including the Fund)	-----	

Robert J. Birnbaum \$25,000	\$5,002	
John V. Carberry(1) N/A	N/A	
James E. Grinnell \$25,000	\$5,002	
Richard W. Lowry \$25,000	\$5,002	
William E. Mayer \$25,000	\$5,002	
John J. Neuhauser \$25,000	\$5,002	
Joseph R. Palombo(2) N/A	N/A	

</TABLE>

- (1) Retired as Director of the Fund on August 4, 2000, and did not receive compensation because he was an affiliated Director and an employee of LFC.
- (2) Does not receive compensation because he is an affiliated Director and an employee of LFC.

The following table shows, for the calendar year ended December 31, 2000, the compensation received from the Liberty Funds by the Trustees. The Liberty Funds have no bonus, profit sharing or retirement plans.

Name	Total Compensation from Liberty Funds
-----	-----
James E. Grinnell(3)	\$102,000
Richard W. Lowry	99,000
William E. Mayer	100,000
John J. Neuhauser	101,210
Joseph R. Palombo(4)	N/A

(3) Resigned as Trustee of the Liberty Funds on December 27, 2000.

(4) Did not receive compensation because he is an affiliated Trustee and an employee of LFC.

PORTFOLIO SECURITY TRANSACTIONS

Each of All-Star's Portfolio Managers has discretion to select brokers and dealers to execute portfolio transactions initiated by the Portfolio Manager for the portion of All-Star's portfolio assets allocated to it, and to select the markets in which such transactions are to be executed. The Portfolio Management Agreements with All-Star provide, in substance, that, except as provided in the following paragraph, in executing portfolio transactions and selecting brokers or dealers, the primary responsibility of the Portfolio Manager is to seek to obtain best net price and execution for All-Star. It is expected that securities will ordinarily be purchased in the primary markets, and that, in assessing the best net price and execution available to All-Star, the Portfolio Manager will consider all factors it deems relevant, including the breadth of the market in the security, the price of the security, the financial condition and execution capability of the broker or dealer and the reasonableness of the commission, if any, for the specific transaction and on a continuing basis. Recognizing these factors, All-Star may pay a brokerage commission in excess of that which another broker or dealer may have charged for effecting the same transaction.

The Portfolio Management Agreements also provide that LAMCO has the right to request that transactions giving rise to brokerage commissions, in amounts to be agreed upon from time to time between LAMCO and the Portfolio Manager, be executed by brokers and dealers (to be agreed upon from time to time between LAMCO and the Portfolio Manager) which provide, directly or through third parties, research products and services to LAMCO or to All-Star. The commissions paid on such transactions may exceed the amount of commissions another broker would have charged for effecting that transaction. Research products and services made available to LAMCO through brokers and dealers executing transactions for All-Star involving brokerage commissions include performance, portfolio characteristics, investment style and other qualitative and quantitative data relating to investment managers in general and the Portfolio Managers in particular; data relating to the historic performance of categories

of securities associated with particular investment styles; mutual fund portfolio, performance and fee and expense data; data relating to portfolio manager changes by pension plan fiduciaries; quotation equipment; and related computer hardware and software, all of which are used by LAMCO in connection with its selection and monitoring of portfolio managers (including the Portfolio Managers) for All-Star and other multi-managed clients of LAMCO, the assembly of a mix of investment styles appropriate to the investment objectives of All-Star or such other clients, and the determination of overall portfolio strategies.

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

These research products and services are used by LAMCO in connection with its management of All-Star, Liberty All-Star Equity Fund, Liberty All-Star Equity Fund, Variable Series, and other multi-managed clients of LAMCO, regardless of the source of the brokerage commissions. In instances where LAMCO receives from broker-dealers products or services which are used both for research purposes and for administrative or other non-research purposes, LAMCO makes a good faith effort to determine the relative proportions of such products or services which may be considered as investment research, based primarily on anticipated usage, and pays for the costs attributable to the non-research usage in cash.

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

During 1998, 1999 and 2000, All-Star paid total brokerage commissions of \$159,554, \$251,387 and \$204,925, respectively. Approximately \$55,361 of the commissions paid in 1998, and \$103,707 and \$37,364, respectively, of the commissions paid in 1999 and 2000 on transactions aggregating approximately \$115,316,997 and \$50,127,330, respectively, were paid to brokerage firms which provided or made available to All-Star's Portfolio Managers or to

LAMCO research products and services as described above.

Although All-Star does not permit a Portfolio Manager to act or have an affiliate act as broker for Fund portfolio transactions initiated by it, the Portfolio Managers are permitted to place Fund portfolio transactions initiated by them with another Portfolio Manager or its broker-dealer affiliate for execution on an agency basis, provided the commission does not exceed the usual and customary broker's commission being paid to other brokers for comparable transactions and is otherwise in compliance with Rule 17e-1 under the Investment Company Act of 1940. During 1998, 1999 and 2000 no Fund portfolio transactions were placed with any Portfolio Manager or its broker-dealer affiliate.

PRINCIPAL SHAREHOLDERS

On July 16, 2001, Cede & Co. Fast, Depository Trust Company, 55 Water Street, New York, NY 10004 owned beneficially 14,437,309 shares, representing 85.21% of the All-Star's then outstanding shares.

As of July 16, 2001, all officers and Directors of All-Star as a group owned less than 1% of All-Star's outstanding shares.

FINANCIAL STATEMENTS

PricewaterhouseCoopers LLP, are the independent accountants for the Fund. PricewaterhouseCoopers LLP provides audit and tax return preparation services and assistance and consultation in connection with the review of various Securities and Exchange Commission filings. Prior to September, 1999, KPMG LLP were the independent auditors for the Fund. The financial statements incorporated by reference in this SAI have been so incorporated, and the financial statements in the Prospectus have been so included, in reliance upon the reports of PricewaterhouseCoopers LLP and KPMG LLP given on authority of said firms as experts in accounting and auditing. The Fund's Annual Report, which includes financial statements for the fiscal year ended December 31, 2000, is incorporated herein by reference with respect to all information other than the information set forth on pages 1 through 17 thereof. Any statement contained in the Fund's Annual Report that was incorporated herein shall be deemed modified or superseded for purposes of the Prospectus or this Statement of Additional Information to the extent a statement contained in the Prospectus or this Statement of Additional Information varies from such statement. Any such statement so modified or superseded shall not, except as so modified or superseded, be deemed to constitute a part of the Prospectus or this Statement of Additional Information. The Fund will furnish, without charge, a copy of its Annual Report, upon request to Liberty Asset Management Company, 600 Atlantic Avenue, Boston, Massachusetts 02110, telephone (800) 542-3863.

PART C.

Other Information.

Item 24. Financial Statements and Exhibits

(1) Financial Statements:

Included in Part A:

Financial statements included in Part A of this registration statement: Financial Highlights

Included in Part B:

Financial statements included in Part B of this registration statement: Incorporated by reference to the Annual Report dated December 31, 2000 (Accession Number: 912057-01-007678), filed electronically pursuant to Section 30(b)(2) of the Investment Company Act of 1940

(2) Exhibits

- (a) (1) Articles of Incorporation(1)
- (a) (2) Articles of Amendment dated April 27, 1989(1)
- (a) (3) Articles of Amendment dated May 31, 1991(1)
- (a) (4) Articles of Amendment dated November 6, 1995(1)
- (b) By-Laws
- (c) Not Applicable
- (d) (1) Form of Specimen Certificate for shares of Common Stock(1)
- (d) (2) Form of Subscription Certificate
- (d) (3) Form of Notice of Guaranteed Delivery
- (e) Automatic Dividend Reinvestment and Cash Purchase Plan Brochure(1)
- (f) Not Applicable
- (g) (1) Management Agreement between Liberty All-Star Growth Fund, Inc. and Liberty Asset Management Company

- (g) (2) Portfolio Management Agreement between Liberty All-Star Growth Fund, Inc., Liberty Asset Management Company and William Blair & Company, L.L.C.
- (g) (3) Portfolio Management Agreement between Liberty All-Star Growth Fund, Inc., Liberty Asset Management Company and M.A. Weatherbie & Co., Inc.
- (g) (4) Portfolio Management Agreement between Liberty All-Star Growth Fund, Inc., Liberty Asset Management Company and TCW Investment Management Company
- (h) Not Applicable
- (i) Not Applicable
- (j) (1) Form of Custody Agreement between Liberty All-Star Growth Fund, Inc. and The Chase Manhattan Bank(1)
- (j) (2) Supplement to Custody Agreement between Liberty All-Star Growth Fund, Inc. and The Chase Manhattan Bank(1)
- (k) (1) Registrar, Transfer Agency and Service Agreement between Liberty All-Star Growth Fund, Inc. and State Street Bank & Trust Company(1)
- (k) (2) Pricing and Bookkeeping Agreement between Liberty All-Star Growth Fund, Inc. and Colonial Management Associates, Inc.(1)
- (k) (3) Form of Amendment to Pricing and Bookkeeping Agreement between Liberty All-Star Growth Fund, Inc. and Colonial Management Associates, Inc.(3)
- (k) (4) Form of Subscription Agreement between Liberty All-Star Growth Fund, Inc. and EquiServe
- (k) (5) Form of Information Agent Agreement
- (l) Opinion and Consent of Counsel
- (m) Not Applicable
- (n) (1) Consent of Independent Accountants - PricewaterhouseCoopers LLP

- (n) (2) Consent of Independent Auditors - KPMG, LLP
- (o) Not Applicable
- (p) Not Applicable
- (q) Not Applicable
- (r) Code of Ethics of the Liberty Financial Companies - filed in Part C, Item 23 of Post-Effective Amendment No. 29 to the Registration Statement on Form N-1A of Liberty Funds Trust V (File Nos. 33-12109 and 811-5030), filed with the Commission on or about January 24, 2001, and is hereby incorporated and made a part of this Registration Statement

Power of Attorney for: Robert J. Birnbaum, James E. Grinnell, Richard W. Lowry, William E. Mayer, John J. Neuhauser and Joseph R. Palombo(3)

-
- (1) Incorporated by reference to the Registration Statement filed with the Commission via EDGAR on or about May 1, 1998.
 - (2) Incorporated by reference to Pre-Effective Amendment No. 1 filed with the Commission via EDGAR on or about May 26, 1998.
 - (3) Incorporated by reference to the Registration Statement filed with the Commission via EDGAR on or about June 27, 2001.

Item 25. Marketing Arrangements

Not Applicable.

Item 26. Other Expenses of Issuance and Distribution

The following table sets forth the expenses to be incurred in connection with the offering described in this Registration Statement:

Registration fee	\$ 5,045
New York Stock Exchange listing fee	5,000
Printing	15,000
Accounting fees and expenses	5,000
Legal fees and expenses	50,000
Information Agent fees and expenses	10,000
Subscription Agent fees and expenses	55,000
Miscellaneous	4,955

Item 27. Persons Controlled By or Under Common Control with Registrant

None.

Item 28. Number of Holders of Securities

Number of Record Holders
as of 8/2/01: 3,192

Item 29. Indemnification

The Articles of Incorporation filed as Exhibit (a)(1) to this Registration Statement provides for indemnification to each of the Registrant's Directors and officers against all liabilities and expenses incurred in acting as Director or officer, except in the case of willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of such Directors and officers.

Insofar as indemnification for liability arising under the Securities Act of 1933 may be permitted to trustees, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a trustee, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such trustee, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The Registrant, its advisor, Liberty Asset Management Company, and its Administrator, Colonial Management Associates, Inc. (Colonial), and their respective trustees, directors and officers are insured by a Directors and Officers/Errors and Omissions Liability insurance policy through ICI Mutual Insurance Company.

ITEM 30. Business and Other Connections of Investment Adviser.

Liberty Asset Management Company ("LAMCO"), Liberty All-Star Growth Fund, Inc.'s Fund Manager, was organized in August 1985 and is primarily engaged in the corporate administration of and the provision of its multi-management services for Liberty All-Star Growth Fund, Inc. and Liberty All-Star Equity Fund, another multi-managed closed-end investment company. It also provides its multi-management services to Liberty All-Star Equity Fund, Variable Series, a multi-managed open-end investment company which serves as an investment vehicle for variable annuity contracts issued by affiliated insurance companies.

For a two-year business history of officers and directors of LAMCO, please refer to Form ADV of LAMCO (SEC File Number: 801-26296) and to the section of the statement of additional information (Part B) entitled "Investment Advisory and Other Services."

	CURRENT POSITION -----	POSITION FORMERLY HELD WITHIN PAST TWO YEARS -----
Christopher S. Carabell	Senior Vice President (LAMCO)	Vice President
Lindsay Cook	Senior Vice President & Director (LAMCO) Executive Vice President (Liberty Financial Companies, Inc. (LFC))	
Fred J. Franklin	Chief Compliance Officer (LAMCO) Vice President & Chief Compliance Officer (LFC)	
Mark T. Haley	Vice President (LAMCO)	
J. Andrew Hilbert	Vice President, Treasurer & Director (LAMCO) Treasurer, Chief Financial Officer & Senior Vice President (LFC)	
William R. Parmentier	President, Chief Exec.	

Officer & Chief
Investment Officer (LAMCO)

Frederick J. Turcotte

Vice President & Secretary (LAMCO)
Vice President (LFC)

Item 31. Location of Accounts and Records:

Registrant maintains the records required to be maintained by it under Rules 31a-1(a), 31a-1(b), and 31a-2(a) under the Investment Company Act of 1940 at its principal executive offices at One Financial Center, Boston, MA 02111. Certain records, including records relating to Registrant's shareholders and the physical possession of its securities, may be maintained pursuant to Rule 31a-3 at the main office of Registrant's transfer agent or custodian.

Item 32. Management Services

None

Item 33. Undertakings

- (1) The Registrant undertakes to suspend the offering of shares until the prospectus is amended, if subsequent to the effective date of this Registration Statement, its net asset value declines more than ten percent from its net asset value, as of the effective date of the Registration Statement or its net asset value increases to an amount greater than its net proceeds as stated in the prospectus.
- (2) Not applicable.
- (3) Not applicable.
- (4) Not applicable.
- (5) Registrant undertakes that, for the purpose of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of the Registration Statement in reliance upon Rule 430A and contained in the form of prospectus filed by the Registrant pursuant to Rule 497(h) will be deemed to be a part of the Registration Statement as of the time it was declared effective.

Registrant undertakes that, for the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus will be deemed

to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time will be deemed to be the initial bona fide offering thereof.

- (6) Registrant undertakes to send by first class mail or other means designed to ensure equally prompt delivery, within two business days of receipt of a written or oral request, any Statement of Additional Information constituting Part B of this Registration Statement.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, and the Investment Company Act of 1940, as amended, the Registrant has duly caused this Amendment to its Registration Statement on Form N-2 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boston and the Commonwealth of Massachusetts on the 2nd day of August, 2001.

LIBERTY ALL-STAR GROWTH FUND, INC.

By: /s/ WILLIAM R. PARMENTIER, JR.

/s/ William R. Parmentier, Jr.
President

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in their capacities and on the date indicated.

SIGNATURES -----	TITLE -----	DATE ----
/s/WILLIAM R. PARMENTIER, JR. ----- /s/William R. Parmentier, Jr.	President (chief executive officer)	August 2, 2001
/s/J. KEVIN CONNAUGHTON ----- /s/J. Kevin Connaughton	Treasurer and Principal Financial Officer	August 2, 2001

ROBERT R. BIRNBAUM* Director

Robert R. Birnbaum

JAMES E. GRINNELL* Director

James E. Grinnell

RICHARD W. LOWRY* Director

Richard W. Lowry

* /s/ WILLIAM J. BALLOU

William J. Ballou
Attorney-in-fact
For each Director
August 2, 2001

WILLIAM E. MAYER* Director

William E. Mayer

JOHN J. NEUHAUSER* Director

John J. Neuhauser

JOSEPH R. PALOMBO* Director

Joseph R. Palombo

INDEX OF EXHIBITS FILED WITH THIS AMENDMENT

Exhibit

Number

Exhibit

- (b) By-Laws
- (d) (2) Form of Subscription Certificate
- (d) (3) Form of Notice of Guaranteed Delivery
- (g) (1) Management Agreement with Liberty Asset Management Company
- (g) (2) Portfolio Management Agreement with William Blair & Company, L.L.C.
- (g) (3) Portfolio Management Agreement with M.A. Weatherbie & Co., Inc.
- (g) (4) Portfolio Management Agreement with TCW Investment Management

Company

- (k) (4) Form of Subscription Agreement
- (k) (5) Form of Information Agent Agreement
- (l) Opinion and Consent of Counsel
- (n) (1) Consent of Independent Accountants - PricewaterhouseCoopers LLP
- (n) (2) Consent of Independent Auditors - KPMG, LLP

FORM OF NOTICE OF GUARANTEED DELIVERY
For Shares of Common Stock of

LIBERTY ALL-STAR GROWTH FUND, INC.
Subscribed for under Primary Subscription
and the Over-Subscription Privilege

Liberty All-Star Growth Fund, Inc. (the "Fund") issued to its shareholders of record, as of the close of business on August 6, 2001, non-transferable rights in the ratio of one right for every eight whole shares held on the record date, generally entitling the holders thereof to subscribe for one share of beneficial interest of the Fund for each right held. The terms and conditions of the Rights Offering are set forth in the Prospectus, which is incorporated herein by reference. Capitalized terms herein shall have the same meaning as defined in the Prospectus. As set forth in the Prospectus, this form or one substantially equivalent hereto may be used as a means of effecting subscription and payment for all shares of the Fund's Common Stock (the "Shares") subscribed for under the Primary Subscription and the Over-Subscription Privilege. This form may be delivered by hand or sent by facsimile transmission, overnight courier or first class mail to the Subscription Agent.

The Subscription Agent is:
EQUISERVE, INC.
Attention: Corporate Actions

By First-Class Mail:
P.O. Box 43025
Providence RI, 02940-3025

By Facsimile:
(781) 575-4826

Confirm by telephone to:
(781) 575-4816

By Express Mail or Overnight Courier:
40 Campanelli Drive
Braintree, MA 02184

By Hand:
Securities Transfer and
Reporting Services, Inc.
c/o EquiServe
100 Williams St. Galleria
New York, NY 10038

DELIVERY OF THIS INSTRUMENT TO AN ADDRESS, OR TRANSMISSION OF INSTRUCTIONS VIA A TELECOPY FACSIMILE NUMBER, OTHER THAN AS SET FORTH ABOVE, DOES NOT CONSTITUTE A VALID DELIVERY.

The New York Stock Exchange member firm, bank or trust company or other nominee that completes this form must communicate this guarantee and the number of Shares subscribed for in connection with this guarantee (separately disclosed as to the Primary Subscription and the Over-Subscription Privilege) to the Subscription Agent and must deliver this Notice of Guaranteed Delivery of Payment to the Subscription Agent prior to 5:00 p.m., Eastern time, on the Expiration Date, September 10, 2001, unless the Offer is extended. This Notice of Guaranteed Delivery guarantees delivery to the Subscription Agent of (a) payment in full for all subscribed Shares and (b) a properly completed and signed copy of the Subscription Certificate (which certificate and full payment must then be delivered no later than the close of business of the third business day after the Expiration Date, unless extended). Failure to deliver this Notice or to make the delivery Guaranteed herein will result in a forfeiture of the Rights.

GUARANTEE

The undersigned, a member firm of the New York Stock Exchange or a bank or trust company having an office or correspondent in the United States, hereby guarantees delivery to the Subscription Agent by no later than 5:00 p.m., New York time, on September 13, 2001 (unless extended as described in the Prospectus) of (a) a properly completed and executed Subscription Certificate and (b) payment of the full estimated Subscription Price for Shares subscribed for on Primary Subscription and for any additional Shares subscribed for pursuant to the Over-Subscription Privilege, as subscription for such Shares is indicated herein or in the Subscription Certificate.

Broker Assigned Control# _____

LIBERTY ALL-STAR GROWTH FUND, INC.

<TABLE>
<CAPTION>

<S> 1. Primary Subscription	<C> Number of Rights to be exercised	<C> Number of Shares pursuant to Primary Subscription requested for which you are guaranteeing delivery of Rights and Payment	<C> Payment to be made in connection with Shares from Primary Subscription
		Shares	\$ _____
	Rights =	(Rights / by 8)	
2. Over-Subscription		Number of Shares pursuant to Over-Subscription requested for which you are guaranteeing payment	Payment to be made in connection with Shares from Over-Subscription
		Shares	\$ _____
3. Totals	Total Number of Rights to be Delivered	Total Number of Shares Requested	
		_____ Shares	\$ _____
	Rights		Total Payment

</TABLE>

Method of delivery (circle one)

- A. Through Depository Trust Company ("DTC")
- B. Direct to EquiServe, as Subscription Agent. Please indicate below how the Rights to be delivered should be registered.

Please sign a unique control number for each guarantee submitted. This number needs to be referenced on any direct delivery of Rights or any delivery through DTC. In addition, please note that if you are guaranteeing for Shares subscribed pursuant to the Over-Subscription Privilege and are a DTC participant, you must also execute and forward to EquiServe a DTC Participant Over-Subscription Exercise form.

Name of Firm

Authorized Signature

DTC Participant Number

Title

Address

Name (Please Type or Print)

Zip Code

Phone Number

Contact Name

Date

August 2, 2001

Liberty All-Star Growth Fund, Inc.
One Financial Center
Boston, MA 02111

RE: INFORMATION AGENT

The following sets forth the agreement (the "Agreement") between Liberty All-Star Growth Fund, Inc. (the "Client"), and Georgeson Shareholder - New Jersey ("GS"), a Delaware corporation. In accordance with the terms and conditions of the Agreement, the Client hereby agrees to retain GS to perform certain services as set forth below ("Services"). The terms and conditions are as follows:

RETAINER AGREEMENT
TERMS AND CONDITIONS

THIS AGREEMENT is entered into as of this 2nd day of August, 2001, between GS, and the Client, (collectively, the "Parties").

NOW THEREFORE, the Parties hereto mutually agree and covenant as follows:

I. SERVICES AND FEES

A. INFORMATION AGENT

Service. In connection with the Client's upcoming Rights Offering to Common shareholders of Liberty All-Star Growth Fund, Inc., GS will perform the following:

- i. conduct a broker/nominee inquiry to ascertain the number of beneficial owners serviced by each bank and broker reorganization department;
- ii. distribute the applicable offering documents to each

- institution's reorganization
department and forward additional materials as
requested;
- iii. print documents as requested;

Georgeson Shareholder - New Jersey
Retainer Agreement
Liberty All-Star Growth Fund
August 2, 2001
Page 2

- iv. set-up a dedicated toll-free number to respond to inquiries, provide assistance to shareholders and monitor the response to the offer;
- v. enclose and mail the offering documents to interested shareholders; and
- vi. provide periodic reports to the Client as to the results of the telephone campaign as requested and the status of the offer.

For an additional fee, GS will, if requested by the Client, proactively contact registered shareholders and/or non-objecting beneficial holders ("NOBOs") to help promote a high level of participation in the offer.

Fee. In consideration of the Information Agent Services to be performed, the Client shall pay GS a base fee of Five Thousand Five Hundred Dollars (\$5,500). In addition to the base fee, a \$5.00 per telephone call fee will be charged for every inbound telephone call received with regards to the Client's offer. The base fee shall be paid simultaneously with the execution of this Agreement.

Should the Client decide, to extended its offering expiration date from its original expiration date, GS will charge an extension base fee of Two Thousand Seven Hundred Fifty Dollars (\$2,750) for every fifteen (15) day extension past the original expiration date. If the extension is less than fifteen (15) days there will be no additional charge.

The additional fee for contacting NOBOs and registered shareholders, if requested, will include a unit fee of \$5.00 per shareholder contacted, a \$300 set-up fee and out-of-pocket expenses related to telephone number lookups and line charges associated with unanswered calls.

The Client will reimburse GS for all reasonable out-of-pocket disbursements which may include postage, telephone and courier charges, data transmissions and other expenses approved by the Client.

A. TERM/TERMINATION

1. Unless otherwise provided elsewhere herein, this Agreement shall commence on the date as stated herein and shall continue until GS has completed the Services required of it hereunder. GS may terminate this Agreement in the event of default by the Client. Default shall include the Client's failure to pay any amount within thirty (30) days after invoice for said amount is delivered to the Client or if the Client defaults in the performance of any representation, warranty or obligation of the Client set forth herein and such default continues, uncured, for a period of twenty (20) days after delivery of written notice of such default by GS to the Client.
2. The undersigned Client may terminate this Agreement at any time by providing GS with a seven (7) day advance written notice. The Client shall be responsible for any fees to be paid to GS for any work already completed on behalf of the Client on a pro rata basis. Accordingly, GS will refund all advance monies paid to it by the Client on a pro rata basis. GS shall make the sole determination in its reasonable judgement as to the amount of work already completed on behalf of the Client.

Georgeson Shareholder - New Jersey

Retainer Agreement

Liberty All-Star Growth Fund

August 2, 2001

Page 3

B. REPRESENTATIONS AND WARRANTIES

1. The Client represents and warrants that (a) it is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, (b) the execution, delivery and performance of all transactions contemplated thereby have been duly authorized by all necessary action and will not result in a breach of or constitute a default under the articles of incorporation or the operating agreement of the Client or any indenture, agreement, or instrument to which it is a party or by which it is bound, and (c) this Agreement has been duly executed and received by the Client and constitutes a legal, valid and binding obligation of the Client.
2. GS represents and warrants that (a) it is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, (b) the execution, delivery and performance of all transactions contemplated thereby have been duly authorized by all necessary action and will not result in a breach of or constitute a default under the articles of organization or the operating agreement of GS or any indenture, agreement, or instrument to which it is a party

or by which it is bound, and (c) this Agreement has been duly executed and received by GS and constitutes a legal, valid and binding obligation of GS.

C. CONFIDENTIAL INFORMATION

GS agrees to preserve the confidentiality of (i) all non-public information provided by the Client or its agents for GS's use in fulfilling its obligations hereunder and (ii) any information developed by GS based upon such non-public information (collectively, "Confidential Information"). For purposes of this Agreement, Confidential Information shall not be deemed to include any information which (w) is or becomes generally available to the public in accordance with law other than as a result of a disclosure by GS or any of its officers, directors, employees, agents or affiliates; (x) was available to GS on a non-confidential basis and in accordance with law prior to its disclosure to GS by the Client; (y) becomes available to GS on a non-confidential basis and in accordance with law from a person other than the Client or any of its officers, directors, employees, agents or affiliates who is not otherwise bound by a confidentiality agreement with the Client or is not otherwise prohibited from transmitting such information to a third party; or (z) was independently and lawfully developed by GS based on information described in clauses (w), (x) or (y) of this paragraph. The Client agrees that all reports, documents and other work product provided to the Client by GS Pursuant to the terms of this Agreement are for the exclusive use of the Client and may not be disclosed to any other person or entity without the prior written consent of GS. The confidentiality obligations set forth in this paragraph shall survive the termination of this Agreement.

GS shall not disclose or use any nonpublic personal information (as that term is defined in SEC Regulation S-P promulgated under Title V of the Gramm-Leach-Bliley Act of 1999) relating to the customers of the Client and/or its affiliates ("Client Information") except as may be necessary to carry out the purposes of this Agreement, including use under ss.248.14 (the processing and servicing exception) or ss.248.15 (the miscellaneous exception) of Regulation S-P in the ordinary course of business to carry out those purposes. GS shall use best efforts to safeguard and maintain the confidentiality of such Client Information, and to limit access to and usage of such Client Information to those employees, officers, agents and representatives of GS who have a need to know the information or as necessary to provide products or services under this Agreement. The obligations contained in this paragraph shall survive the termination of this Agreement.

D. INDEMNIFICATION

The Client hereby covenants and agrees to indemnify and hold GS and its officers, directors and employees harmless from and against any and all losses, claims, causes of action, damages, liabilities, costs and expenses, including reasonable attorneys fees ("Indemnified Loss") incurred by any or all of the foregoing parties arising from or relating, directly or indirectly, to: (i) a breach by the Client of the terms of this Agreement, or (ii) the Services provided by GS or the duties of GS to the Client under this Agreement, except to the extent that any such Indemnified Loss is the result of the negligence, gross negligence or willful misconduct of any GS officer or employee. Client shall have the right, upon notice to GS, but not the obligation, to assume the defense of any action under the Agreement. GS hereby agrees to notify the Client promptly of any claim or cause of action against GS arising out, relating to, or in connection with the Services provided by GS under this Agreement. The obligations set forth in this paragraph shall survive termination of this Agreement.

E. LATE PAYMENT

Unless otherwise provided elsewhere herein, all invoices shall be due and paid by the Client within thirty(30) days after the date of invoice. Any payments which are not received by GS within that time will incur interest at the rate of one percent (1%) per month or at the legally permissible interest rate, whichever is lower.

F. ENTIRE AGREEMENT

This Agreement contains the entire agreement between the Parties with respect to the subject matter contained herein and may not be amended, modified and/or waived except in writing signed by both Parties. This Agreement shall be binding upon the Parties and their respective successors and permitted assigns.

G. SEVERABILITY

The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, all of which shall remain enforceable in accordance with their terms.

H. NOTICES

Any notice or other communication to be given by either party hereto to the other party hereto shall be in

writing and mailed by certified mail with return receipt requested to the party to be notified at its address set forth at the beginning of this Agreement (or at such different address as the party to receive the notice so designates by advance written notice to the other party).

Georgeson Shareholder - New Jersey
Retainer Agreement
Liberty All-Star Growth Fund
August 2, 2001
Page 5

I. GOVERNING LAW AND VENUE

This Agreement shall be governed and interpreted by the laws of the State of Delaware, without giving effect to conflict of laws, rules or principles, and shall inure to the benefit of and be binding upon the successors and assigns of the Parties; provided that this Agreement may not be assigned by either party without the express written consent of the other party. This paragraph shall survive termination of this Agreement.

Georgeson Shareholder

Liberty All-Star Growth Fund, Inc.

Client

Authorized Signature

Authorized Signature

Name

Name

Title

Title

Date

Date

FORM OF SUBSCRIPTION AGENT AGREEMENT (Company)

This Subscription Agent Agreement (the "Agreement") is made as of August 2, 2001 between Liberty All-Star Growth Fund, Inc. (the "Company") and EquiServe Trust Company, N.A. as subscription agent (the "Agent"). All terms not defined herein shall have the meaning given in the prospectus (the "Prospectus") with respect to the (Registration Statement on Form N-2 (File No.) filed by the Company with the Securities and Exchange Commission on June 27, 2001, as amended by any amendment filed with respect thereto (the "Registration Statement").

WHEREAS, the Company proposes to make a subscription offer by issuing certificates or other evidences of subscription rights, in the form designated by the Company (the "Subscription Certificates") to holders of record (the "Shareholders") of its Common Stock, par value \$0.10 per share ("Common Stock"), as of a record date specified by the Company (the "Record Date"), pursuant to which each Shareholder will have certain rights (the "Rights") to subscribe for shares of Common Stock, as described in and upon such terms as are set forth in the Prospectus, a final copy of which has been or, upon availability will promptly be, delivered to the Agent; and

WHEREAS, the Company wishes the Agent to perform certain acts on behalf of the Company, and the Agent is willing to so act, in connection with the distribution of the Subscription Certificates and the issuance and exercise of the Rights to subscribe therein set forth, all upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and of the mutual agreements set forth herein, the parties agree as follows:

1. Appointment. The Company hereby appoints the Agent to act as subscription agent in connection with the distribution of Subscription Certificates and the issuance and exercise of the Rights in accordance with the terms set forth in this Agreement and the Agent hereby accepts such appointment.

2. Form and Execution of Subscription Certificates.

(a) Each Subscription Certificate shall be irrevocable and non-transferable. The Agent shall, in its capacity as Transfer Agent of the Company, maintain a register of Subscription Certificates and the holders of record thereof (each of whom shall be deemed a "Shareholder" hereunder for purposes of determining the rights of holders of Subscription Certificates). Each Subscription Certificate shall, subject to the provisions thereof, entitle the Shareholder in whose name it is recorded to the following: (1) With respect to Record Date Shareholders only, the right to acquire during the Subscription Period, as defined in the Prospectus, at the Subscription Price, as defined in the Prospectus, a number of shares of Common Stock equal to one share of Common Stock for every eight Rights (the "Primary Subscription Right"); and

(2) With respect to Record Date Shareholders only, the right to subscribe for additional shares of Common Stock, subject to the availability of such shares and to the allotment of such shares as may be available among Record Date Shareholders who exercise Over-Subscription Rights on the basis specified in the Prospectus; provided, however, that such Record Date Shareholder has exercised all Primary Subscription Rights issued to him or her (the "Over-Subscription Privilege").

3. Rights and Issuance of Subscription Certificates.

(a) Each Subscription Certificate shall evidence the Rights of the Shareholder therein named to purchase Common Stock upon the terms and conditions therein and herein set forth.

(b) Upon the written advice of the Company, signed by any of its duly authorized officers (listed in paragraph 12a), as to the Record Date, the Agent shall, from a list of the Company Shareholders as of the Record Date to be prepared by the Agent in its capacity as Transfer Agent of the Company, prepare and record Subscription Certificates in the names of the Shareholders, setting forth the number of Rights to subscribe for the Company's Common Stock calculated on the basis of one Right for 1 share of Common Stock recorded on the books in the name of each such Shareholder as of the Record Date. The number of Rights that are issued to Record Date Shareholders will be rounded down, by the Agent, to the nearest number of Full Rights as Fractional Rights will not be issued. Each Subscription Certificate shall be dated as of the Record Date and shall be executed manually or by facsimile signature of a duly authorized officer of the Subscription Agent. Upon the written advice, signed as aforesaid, as to the effective date of the Registration Statement, the Agent shall promptly countersign and deliver the Subscription Certificates, together with a copy of the Prospectus, instruction letter and any other document as the Company deems necessary or appropriate, to all Shareholders with record addresses in the United States (including its territories and possessions and the District of Columbia). Delivery shall be by first class mail (without registration or insurance), except for those Shareholders having a registered address outside the United States (who will only receive copies of the Prospectus, instruction letter and other documents as the Company deems necessary or appropriate, if any), delivery shall be by air mail (without registration or insurance) and by first class mail (without registration or insurance) to those Shareholders having APO or FPO addresses. No Subscription Certificate shall be valid for any purpose unless so executed.

(c) The Agent will mail a copy of the Prospectus, instruction letter, a special notice and other documents as the Company deems necessary or appropriate, if any, but not Subscription Certificates to Record Date Shareholders whose record addresses are outside the United States (including its territories and possessions and the District of Columbia) ("Foreign Record Date Shareholders"). The Rights to which such Subscription Certificates relate will be held by the Agent for such Foreign Record Date Shareholders' accounts until instructions are received to exercise the Rights.

4. Exercise.

(a) Record Date Shareholders may acquire shares of Common Stock on Primary Subscription and pursuant to the Over-Subscription Privilege by delivery to the Agent as specified in the Prospectus of (i) the Subscription Certificate with respect thereto, duly executed by such Shareholder in accordance with and as provided by the terms and conditions of the Subscription Certificate, together with (ii) the estimated purchase price, as disclosed in the Prospectus, for each share of Common Stock subscribed for by exercise of such Rights, including shares of Common Stock subscribed for on exercise of the Over-Subscription Privilege, in U.S. dollars by money order or check drawn on a bank in the United States, in each case payable to the order of the Company or the Agent.

(b) Rights may be exercised at any time after the date of issuance of the Subscription Certificates with respect thereto but no later than 5:00 P.M. New York time on such date as the Company shall designate to the Agent in writing (the "Expiration Date"). For the purpose of determining the time of the exercise of any Rights, delivery of any material to the Agent shall be deemed to occur when such materials are received at the Shareholder Services Division of the Agent specified in the Prospectus.

(c) Notwithstanding the provisions of Section 4 (a) and 4 (b) regarding delivery of an executed Subscription Certificate to the Agent prior to 5:00 P.M. New York time on the Expiration Date, if prior to such time the Agent receives a Notice of Guaranteed Delivery by facsimile (telecopy) or otherwise from a bank, a trust company or a New York Stock Exchange member guaranteeing delivery of (i) payment of the full Subscription Price for the shares of Common Stock subscribed for on Primary Subscription and any additional shares of Common Stock subscribed for pursuant to the Over-Subscription Privilege, and (ii) a properly completed and executed Subscription Certificate, then such exercise of Primary Subscription Rights and Over-Subscription Rights shall be regarded as timely, subject, however, to receipt of the duly executed Subscription Certificate and full payment for the Common Stock by the Agent within three Business Days (as defined below) after the Expiration Date (the "Protect Period") and full payment for their Common Stock within ten Business Days after the Confirmation Date (as defined in Section 4(d)). For the purposes of the Prospectus and this Agreement, "Business Day" shall mean any day on which trading is conducted on the New York Stock Exchange.

(d) The Company will determine the Subscription Price by taking 95% of the lower of (I) the last reported sale prices of shares of Common Stock on the New York Stock Exchange on the First Business Day following the Expiration Date (the "Pricing Date") or (II) the net asset value of a share of Common Stock on the Pricing Date. As soon as practicable after the Pricing Date (the "Confirm Date") the Agent shall send to each exercising shareholder (or, if shares of Common Stock on the Record Date are held by Cede & Co. or any other depository or nominee, to Cede & Co. or such other depository or nominee) a confirmation showing the number of shares of Common Stock acquired pursuant to the Primary Subscription, and, if applicable, the Over-Subscription Privilege, the per share and total purchase price for such shares, and any additional amount payable to the Company by such shareholder or any excess to be refunded by the Company to such shareholder in the form of a check and stub, along with a letter explaining

the allocation of shares of Common Stock pursuant to the Over-Subscription Privilege.

(e) Any additional payment required from a shareholder must be received by the Agent within ten Business Days after the Confirmation Date and any excess payment to be refunded by the Company to a shareholder will be mailed by the Agent within ten Business Days after the Confirmation Date. If a shareholder does not make timely payment of any additional amounts due in accordance with Section 4(d), the Agent will consult with the Company in accordance with Section 5 as to the appropriate action to be taken. The Agent will not issue or deliver certificates for shares subscribed for until payment in full therefore has been received, including collection of checks and payment pursuant to notices of guaranteed delivery.

5. Validity of Subscriptions. Irregular subscriptions not otherwise covered by specific instructions herein shall be submitted to an appropriate officer of the Company and handled in accordance with his or her instructions. Such instructions will be documented by the Agent indicating the instructing officer and the date thereof.

6. Over-Subscription. If, after allocation of shares of Common Stock to Record Date Shareholders, there remain unexercised Rights, then the Agent shall allot the shares issuable upon exercise of such unexercised Rights (the "Remaining Shares") to shareholders who have exercised all the Rights initially issued to them and who wish to acquire more than the number of shares for which the Rights issued to them are exercisable. Shares subscribed for pursuant to the Over-Subscription Privilege will be allocated in the amounts of such over-subscriptions. If the number of shares for which the Over-Subscription Privilege has been exercised is greater than the Remaining Shares, the Agent shall allocate the Remaining Shares to Record Date Shareholders exercising Over-Subscription Privilege based on the number of Rights issued to them by the Company. The percentage of Remaining Shares each over-subscribing Record Date Shareholder may acquire will be rounded down to result in delivery of whole shares of Common Stock. The Agent shall advise the Company immediately upon the completion of the allocation set forth above as to the total number of shares subscribed and distributable.

7. Delivery of Certificates. The Agent will deliver (i) certificates representing those shares of Common Stock purchased pursuant to exercise of Primary Subscription Rights as soon as practicable after the corresponding Rights have been validly exercised and full payment for such shares has been received and cleared and (ii) certificates representing those shares purchased pursuant to the exercise of the Over-Subscription Privilege as soon as practicable after the Expiration Date and after all allocations have been effected.

8. Holding Proceeds of Rights Offering

(a) All proceeds received by the Agent from Shareholders in respect of the exercise of Rights shall be held by the Agent, on behalf of the Company, in a segregated interest-bearing account (the "Account"). Interest shall accrue at

85% of Fed Funds Rate to the Company on funds held in the Account pending disbursement in the manner described in Section 4(e) above.

(b) The Agent shall deliver all proceeds received in respect of the exercise of Rights to the Company as promptly as practicable, but in no event later than ten business days after the Confirmation Date.

9. Reports.

(a) Daily, during the period commencing on August 10, 2001, until termination of the Subscription Period, the Agent will report by telephone or telecopier, confirmed by letter, to an Officer (as defined in paragraph 12(a)) of the Company, data regarding Rights exercised, the total number of shares of Common Stock subscribed for, and payments received therefor, bringing forward the figures from the previous day's report in each case so as to show the cumulative totals and any such other information as may be reasonably requested by the Company.

10. Loss or Mutilation. If any Subscription Certificate is lost, stolen, mutilated or destroyed, the Agent may, on such terms which will indemnify and protect the Company and the Agent as the Agent may in its reasonable discretion impose (which shall, in the case of a mutilated Subscription Certificate include the surrender and cancellation thereof), issue a new Subscription Certificate of like denomination in substitution for the Subscription Certificate so lost, stolen, mutilated or destroyed.

11. Compensation for Services. The Company agrees to pay to the Agent compensation for its services as such in accordance with its Fee Schedule to act as Agent, dated August 2, 2001 and attached hereto as Exhibit A. The Company further agrees that it will reimburse the Agent for its reasonable out-of-pocket expenses incurred in the performance of its duties hereunder.

12. Instructions and Indemnification. The Agent undertakes the duties and obligations imposed by this Agreement upon the following terms and conditions:

(a) The Agent shall be entitled to rely upon any written instructions or directions furnished to it by an appropriate officer (President, Vice-President, Secretary, Assistant Secretary or Treasurer) of the Company, whether in conformity with the provisions of this Agreement or constituting a modification hereof or a supplement hereto. Without limiting the generality of the foregoing or any other provision of this Agreement, the Agent, in connection with its duties hereunder, shall not be under any duty or obligation to inquire into the validity or invalidity or authority or lack thereof of any instruction or direction from an officer of the Company which conforms to the applicable requirements of this Agreement and which the Agent reasonably believes to be genuine and shall not be liable for any delays, errors or loss of data occurring by reason of circumstances beyond the Agent's control.

(b) The Company will indemnify the Agent and hold it harmless from, all liability and expense which arise out of or are attributable to the services

described in this Agreement or the instructions or directions furnished to the Agent relating to this Agreement by an appropriate officer of the Company, except for any liability or expense which shall arise out of the negligence, bad faith or willful misconduct of the Agent or such nominees.

13. Changes in Subscription Certificate. The Agent may, without the consent or concurrence of the Shareholders in whose names Subscription Certificates are registered, by supplemental agreement or otherwise, concur with the Company in making any changes or corrections in a Subscription Certificate that it shall have been advised by counsel (who may be counsel for the Company) is appropriate to cure any ambiguity or to correct any defective or inconsistent provision or clerical omission or mistake or manifest error therein or herein contained, and which shall not be inconsistent with the provision of the Subscription Certificate or Prospectus except insofar as any such change may confer additional rights upon the Shareholders.

14. Assignment, Delegation.

(a) Except as provided in Section 14(c) below, neither this Agreement nor any rights or obligations hereunder may be assigned or delegated by either party without the prior written consent of the other party.

(b) All the covenants and provisions of this Agreement shall inure to the benefit of and be binding upon the parties and their respective permitted successors and assigns. Nothing in this Agreement is intended or shall be construed to confer upon any other person any right, remedy or claim or to impose upon any other person any duty, liability or obligation.

(c) The Agent may, without further consent on the part of the Company, (i) subcontract for the performance hereof with EquiServe Limited Partnership or (ii) subcontract with other subcontractors for systems, processing, and telephone and mailing services as may be required from time to time; provided, however, that the Agent shall be as fully responsible to the Company for the acts and omissions of any subcontractor as it is for its own acts and omissions.

15. Governing Law. The validity, interpretation and performance of this Agreement shall be governed by the law of the Commonwealth of Massachusetts.

16. Third Party Beneficiaries. This Agreement does not constitute an agreement for a partnership or joint venture between the Agent and the Company. Neither party shall make any commitments with third parties that are binding on the other party without the other party's prior written consent.

17. Force Majeure. In the event either party is unable to perform its obligations under the terms of this Agreement because of acts of God, strikes, equipment or transmission failure or damage reasonably beyond its control, or other cause reasonably beyond its control, such party shall not be liable for damages to the other for any damages resulting from such failure to perform or otherwise from such causes. Performance under this Agreement shall resume when

the affected party or parties are able to perform substantially that party's duties.

18. Consequential Damages. Neither party to this Agreement shall be liable to the other party for any consequential, indirect, special or incidental damages under any provisions of this Agreement or for any consequential, indirect, special or incidental damages arising out of any act or failure to act hereunder even if that party has been advised of or has foreseen the possibility of such damages.

19. Severability. If any provision of this Agreement shall be held invalid, unlawful, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired.

20. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall be considered one and the same agreement.

21. Captions. The captions and descriptive headings herein are for the convenience of the parties only. They do not in any way modify, amplify, alter or give full notice of the provisions hereof.

22. Confidentiality. The Agent and the Company agree that all books, records, information and data pertaining to the business of the other party which are exchanged or received pursuant to the negotiation or the carrying out of this Agreement including the fees for services set forth in the attached schedule shall remain confidential, and shall not be voluntarily disclosed to any other person, except as may be required by law. The Agent shall not disclose or use any nonpublic personal information (as that term is defined in SEC Regulation S-P promulgated under Title V of the Gramm-Leach-Bliley Act of 1999) relating to the customers of the Company and/or its affiliates ("Customer Information") except as may be necessary to carry out the purposes of this Agreement, including use under ss.248.14 (the processing and servicing exception) or ss.248.15 (the miscellaneous exception) of Regulation S-P in the ordinary course of business to carry out those purposes. The Agent shall use best efforts to safeguard and maintain the confidentiality of such Customer Information, and to limit access to and usage of such Customer Information to those employees, officers, agents and representatives of the Agent who have a need to know the information or as necessary to provide products or services under this Agreement. The obligations contained in this paragraph shall survive the termination of this Agreement.

23. Term. This Agreement shall remain in effect until terminated upon 30 days' written notice by either party to the other. Upon termination of the Agreement, the Agent shall retain all canceled Certificates and related documentation as required by applicable law.

24. Merger of Agreement. This Agreement constitutes the entire agreement between the parties hereto and supercedes any prior agreement with respect to the subject matter hereof whether oral or written.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers, hereunto duly authorized, as of the day and year first above written.

EQUISERVE TRUST COMPANY, N.A.

LIBERTY ALL-STAR GROWTH FUND, INC.

Signature

Signature

Title

Title

Date

Date

[LOGO] EQUISERVE

EQUISERVE TRUST COMPANY, N.A.
PROPOSAL
to serve as
SUBSCRIPTION AGENT FOR
LIBERTY ALL-STAR GROWTH FUND'S RIGHTS OFFERING

A. FEES FOR SERVICES *

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\$	12,500.00	Project Management Fee
\$	2.00	Per subscription form issued and mailed
\$	9.50	Per subscription form processed (registered and beneficial)
\$	15.00	Per defective subscription form received
\$	15.00	Per notice of guaranteed delivery received
\$	2.00	Per broker split certificate issued
\$	3.00	Per sale of right (if applicable)
\$	4.50	Per invoice mailed (if applicable)

\$	1.75	Per refund check issued and mailed (if applicable)
\$	5.00	Per solicitation check processed and mailed (if applicable)
\$	15.00	Per withdrawal of subscription certificate (if applicable)
\$	50.00	Per wire (if applicable)
\$	1,500.00	New York window fee for Midnight expiration(if applicable)
\$	3,000.00	Per offer extension
\$	5,000.00	Minimum charge should the project be canceled for any reason prior to the mailing of the subscription form

=====

*Excludes out-of-pocket expenses as described in Section C, "Items Not Covered"

B. SERVICES COVERED

- . Designating an operational team to carry out Subscription Agent duties, including document review and execution of legal agreement, review of subscription form and communication materials, project management, and on-going project updates and reporting
- . Calculating Rights to be distributed to each shareholder and printing shareholder information on the subscription form
- . Issuing and mailing subscription forms to registered shareholders
- . Tracking and reporting the number of exercises made, as required
- . Processing Rights received and exercised
- . Deposit participant checks daily and forward all participant funds to Liberty All-Star Growth Fund, Inc. at the end of the offering period
- . Providing receipt summation of checks received

- . Affixing legends to appropriate stock certificates, where applicable
- . Issuing and mailing stock certificates and/or checks
- . Interfacing with the Information Agent

- . Calculating, issuing and mailing of proration and/or over-subscription checks if applicable
- . Calculating, issuing, mailing and collection of invoices if applicable
- . Calculating, issuing and mailing of solicitation checks if applicable

C. ITEMS NOT COVERED

- . Items not specified in the "Services Covered" section set forth in this Agreement, including any services associated with new duties, legislation or regulatory fiat which become effective after the date of this Agreement (these will be provided on an appraisal basis)
- . All out-of-pocket expenses such as telephone line charges, overprinting, certificates, checks, postage, stationery, wire transfers, and excess material disposal (these will be billed as incurred)
- . Reasonable legal review fees if referred to outside counsel
- . Overtime charges assessed in the event of late delivery of material for mailings unless the target mail date is rescheduled

D. ASSUMPTIONS

- . Proposal based upon document review and information known at this time about the transaction.
- . Significant changes made in the terms or requirements of this transaction could require modifications to this proposal
- . Proposal must be executed prior to the initial mailing
- . Company responsible for printing of materials (Rights Card, Prospectus and ancillary documents)
- . Material to be mailed to shareholders must be received no less than five (5) business days prior to the start of the mailing project
- . Interest shall accrue to the company at 85% of the Federal Funds Rate

E. PAYMENT FOR SERVICES

The Project Management Fee will be rendered and payable on the

effective date of the transaction. An invoice for any out-of-pockets and per item fees realized will be rendered and payable on a monthly basis, except for postage expenses in excess of \$5,000. Funds for such mailing expenses must be received one (1) business day prior to the scheduled mailing date, provided, however, that the Agent shall provide five (5) business days notice of any just amount to be paid.

EquiServe Trust Company, N.A.

Liberty All-Star Growth Fund, Inc.

By: -----
Name

By:-----
Name

Title:-----

Title:-----

Date:-----

Date:-----

THIS OFFER EXPIRES AT 5:00 P.M. NEW YORK CITY TIME, ON SEPTEMBER 10, 2001*
LIBERTY ALL-STAR GROWTH FUND, INC.
TO SUBSCRIBE FOR SHARES OF COMMON STOCK
Form of Subscription Certificate

Liberty All-Star Growth Fund, Inc. (the "Fund") issued to its shareholders of record (the "Record Date Shareholders"), as of the close of business on August 6, 2001 (the "Record Date"), non-transferable rights ("Rights") on the basis of one Right for each whole share of Common Stock, \$.10 par value per share, of the Fund ("Share") held on the Record Date, generally entitling the holders thereof to subscribe for Shares at a rate of one Share for each eight Rights held. The terms and conditions of the rights offer (the "Offer") are set forth in the Fund's Prospectus, dated August 10, 2001 (the "Prospectus"), which is incorporated herein by reference. The owner of this Subscription Certificate is entitled to the number of Rights shown on this Subscription Certificate and is entitled to subscribe for the number of Shares shown on this Subscription Certificate. Record Date Shareholders who have fully exercised their Rights pursuant to the Primary Subscription are entitled to subscribe for additional Shares pursuant to the Over-Subscription Privilege, subject to certain limitations and allotment, as described in the Prospectus. Capitalized terms not defined herein have the meanings attributed to them in the Prospectus. The Fund will not offer or sell in connection with the Offer any Shares which are not subscribed for pursuant to the Primary Subscription or the Over-Subscription Privilege.

SAMPLE CALCULATION

FOR A RECORD DATE SHAREHOLDER WHO OWNS 800 SHARES

PRIMARY SUBSCRIPTION ENTITLEMENT (1-FOR-8) No. of Shares owned on the Record Date 800 x 1 = 800 Rights (one Right for every Share) No. of Rights issued on the Record Date 800 / 8 = 100 new Shares (if the Rights are fully exercised in the Primary Subscription)

THE RIGHTS ARE NON-TRANSFERABLE The Rights are non-transferable and, therefore, may not be transferred or sold. The Rights will not be admitted for trading on the New York Stock Exchange (the "NYSE") or any other stock exchange. The shares provided to Record Date Shareholders who exercise their Rights will be listed for trading on the NYSE under the symbol "ASG".

ESTIMATED SUBSCRIPTION PRICE The
Estimated Subscription Price is \$ ____ per Share.

FINAL SUBSCRIPTION PRICE

The Final Subscription Price per Share will be 95% of the lower of: (1) the last reported sale price of a Share on the NYSE on September 11, 2001 (the "Pricing Date"); or (2) the net asset value of a Share on the Pricing Date.

METHOD OF EXERCISE OF RIGHTS

IN ORDER TO EXERCISE YOUR RIGHTS, YOU MUST EITHER (i) COMPLETE AND SIGN THIS SUBSCRIPTION CERTIFICATE ON THE BACK AND RETURN IT IN THE ENVELOPE PROVIDED TOGETHER WITH PAYMENT OF AN AMOUNT EQUAL TO THE ESTIMATED SUBSCRIPTION PRICE MULTIPLIED BY THE TOTAL NUMBER OF SHARES FOR WHICH YOU HAVE SUBSCRIBED (INCLUDING PURSUANT TO THE OVER-SUBSCRIPTION PRIVILEGE), OR (ii) PRESENT A PROPERLY COMPLETED NOTICE OF GUARANTEED DELIVERY, IN EITHER CASE TO THE SUBSCRIPTION AGENT, EQUISERVE, INC., BEFORE 5:00 P.M. NEW YORK CITY TIME, ON SEPTEMBER 10, 2001, OR SUCH LATER DATE AS MAY BE DETERMINED BY THE FUND ("EXPIRATION DATE").

Full payment of the Estimated Subscription Price per Share for all Shares subscribed for pursuant to both the Primary Subscription and the Over-Subscription Privilege must accompany this Subscription Certificate and must be made payable in United States dollars by money order or check drawn on a bank or branch located in the United States payable to Liberty All-Star Growth Fund, Inc. No third-party checks will be accepted. Because uncertified personal checks may take at least five business days to clear, we recommend you pay, or arrange for payment, by means of certified or cashier's check or money order. Alternatively, if a Notice of Guaranteed Delivery is used, a properly completed and executed Subscription Certificate, and full payment, as described in such Notice, must be received by the Subscription Agent no later than 5:00 P.M., New York City Time, on the third business day after the Expiration Date, September 13, 2001, unless the offer is extended by the Fund. For additional information, see the Prospectus.

Certificates for the Shares acquired pursuant to both the Primary Subscription and the Over-Subscription Privilege will be mailed promptly after the expiration of the Offer and full payment for the Shares subscribed for has been received and cleared. Because shareholders must only pay the Estimated Subscription Price per Share to exercise their Rights pursuant to this Offer, and the Final Subscription Price may be higher or lower than the Estimated Subscription Price (and because a shareholder may not receive all the Shares for which it subscribes pursuant to the Over-Subscription Privilege), shareholders may receive a refund or be required to pay an additional amount equal to: the difference between the Estimated Subscription Price and the Final Subscription Price, multiplied by the total number of Shares for which they have subscribed and been issued (including pursuant to the Over-Subscription Privilege). Any excess payment to be refunded by the Fund to a shareholder will be mailed by the Subscription Agent to such shareholder as promptly as practicable. No interest will be paid to shareholders on such amounts. Any additional amounts due from shareholders (in the event the Final Subscription Price exceeds the Estimated Subscription Price) must be received within eight (8) business days after the Confirmation Date, unless the offer is extended by the Fund.

* Unless extended by the Fund

Account #:

Control#:

CUSIP #:

Number of Rights Issued:

Maximum Eligible Shares under Primary Subscription:

SECTION 1: OFFERING INSTRUCTIONS (check the appropriate boxes)

IF YOU WISH TO SUBSCRIBE FOR YOUR FULL ENTITLEMENT:

/ / I apply for ALL of my entitlement of new Shares pursuant to the Primary Subscription _____ X \$ _____ = \$ _____ (no. of new Shares) (per share)*

/ / In addition, I apply for new Shares pursuant to the Over-Subscription Privilege** _____ X \$ _____ = \$ _____ (no. of new Shares) (per share)*

IF YOU DO NOT WISH TO EXERCISE YOUR RIGHT TO SUBSCRIBE:

/ / I apply for _____ X \$ _____ = \$ _____ (no. of new Shares) (per share)*

Amount of check or money order enclosed \$ _____

IF YOU DO NOT WISH TO EXERCISE YOUR RIGHT TO SUBSCRIBE:

Please disregard this mailing.

SECTION 2: SUBSCRIPTION AUTHORIZATION: I acknowledge that I have received the Prospectus for this Offer and I hereby irrevocably subscribe for the number of Shares indicated above on the terms and conditions specified in the Prospectus relating to the Primary Subscription and the Over-Subscription Privilege. I understand and agree that I will be obligated to pay an additional amount to the Fund if the Subscription Price as determined on the Expiration Date is in excess of the \$ _____ Estimated Subscription Price per Share.

I hereby agree that if I fail to pay in full for the Shares for which I have subscribed, the Fund may exercise any of the remedies set forth in the Prospectus.

Signature of Subscriber(s)

(and address if different than that listed on this Subscription Certificate***)

Telephone number (including area code) _____

* \$ _____ per share is an estimated price only. The Final Subscription Price

will be determined on the Pricing Date and could be higher or lower depending on any changes in the net asset value and market price of the Shares.

** You can participate in the Over-Subscription Privilege only if you have subscribed for your full entitlement of new shares pursuant to the Primary Subscription.

*** If you wish to have your Shares and refund check (if any) delivered to an address other than that listed on this Subscription Certificate you must have your signature guaranteed. Appropriate signature guarantors include: banks and savings associations, credit unions, member firms of a national securities exchange, municipal securities dealers and government securities dealers. Please provide the delivery address above and note if it is a permanent change

Please complete all applicable information and return to:
EQUISERVE, INC.

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By First Class Mail	By Hand	By Express Mail or Overnight Courier
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EquiServe Attn: Corporate Actions P.O. Box 43025 Providence, RI 02940-3025 U.S.A.	Securities Transfer & Reporting Services, Inc. 100 Williams Street Galleria New York, NY 10038 U.S.A.	EquiServe Attn:Corporate Actions 40 Campanelli Drive Braintree, MA 02184 U.S.A.
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DELIVERY OF THIS SUBSCRIPTION CERTIFICATE TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE DOES NOT CONSTITUTE A VALID DELIVERY.

Any questions regarding this Subscription Certificate and the Offer may be directed to the Information Agent, Georgeson Shareholder Communications Inc., toll free at (888)420-8683.

Amended October 27, 1999: Article III, Section 1,
Appointment of Assistant Officers

Amended June 20, 2001: Article III, Section 12,
Controller and Chief Accounting Officer

Restated
BY-LAWS OF

LIBERTY ALL-STAR GROWTH FUND, INC.

A Maryland Corporation

As amended through April 23, 1998

ARTICLE I

STOCKHOLDERS

SECTION 1. Annual Meetings. The annual meeting of the stockholders of Liberty All-Star Growth Fund, Inc. (formerly "The Charles Allmon Trust, Inc.") (the "Corporation") shall be held on a date fixed from time to time by the Board of Directors within the thirty-one (31) day period ending four (4) months after the end of the Corporation's fiscal year. An annual meeting may be held at any place in or out of the State of Maryland as may be determined by the Board of Directors as shall be designated in the notice of the meeting and at the time specified by the Board of Directors. Any business of the Corporation may be transacted at an annual meeting without being specifically designated in the notice unless otherwise provided by statute, the Corporation's Charter or these By-Laws.

SECTION 2. Special Meetings. Special meetings of the stockholders of any purpose or purposes, unless otherwise prescribed by statute or by the Corporation's Charter, may be held at any place within the United States, and may be called at any time by the Board of Directors, by the Chairman of the Board or by the President, and shall be called by the Chairman of the Board or President or Secretary at the request in writing of a majority of the Board of Directors or at the request in writing of stockholders entitled to cast at least twenty-five (25) percent of the votes entitled to be cast at the meeting upon payment by such stockholders to the Corporation of the reasonably estimated cost of preparing and mailing a notice of a meeting (which estimated cost shall be provided to such stockholders by the Secretary of the Corporation). Notwithstanding the foregoing, unless requested by stockholders entitled to cast a majority of the votes entitled to be cast at the meeting, a special meeting of the stockholders need not be called at the request of stockholders to consider any matter that is substantially the same as a matter voted on at any special meeting of the stockholders held during the preceding twelve (12) months. A

written request shall state the purpose or purposes of the proposed meeting.

SECTION 3. Notice of Meetings. Written or printed notice of the purpose or purposes and of the time and place of every meeting of the stockholders shall be given by the Secretary of the Corporation to each stockholder of record entitled to vote at the meeting, by placing the notice in the mail at least ten (10) days, but not more than ninety (90) days, prior to the date designated for the meeting addressed to each stockholder at the address appearing on the books of the Corporation or supplied by the stockholder to the Corporation for the purpose of notice. The notice of any meeting of stockholders may be accompanied by a form of proxy approved by the Board of Directors in favor of the actions or persons as the Board of Directors may select. Notice of any meeting of stockholders shall be deemed waived by any stockholder who attends the meeting in person or by proxy, who before or after the meeting submits a signed waiver of notice that is filed with the records of the meeting.

SECTION 4. Quorum. Except as otherwise provided by statute or by the Corporation's Charter, the presence in person or by proxy of stockholders of the Corporation entitled to cast at least a majority of the votes entitled to be cast shall constitute a quorum at each meeting of the stockholders and all questions shall be decided by majority vote of the shares so represented in person or by proxy at the meeting and entitled to vote. In the absence of a quorum, the stockholders present in person or by proxy at the meeting, by majority vote and without notice other than by announcement at the meeting, may adjourn the meeting from time to time as provided in Section 5 of this Article I until a quorum shall attend. The stockholders present at any duly organized meeting may continue to do business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum. The absence from any meeting in person or by proxy of holders of the number of shares of stock of the Corporation in excess of a majority that may be required by the laws of the State of Maryland, the Investment Company Act of 1940, or other applicable statute, the Corporation's Articles of Incorporation or these By-Laws, for action upon any given matter shall not prevent action at the meeting on any other matter or matters that may properly come before the meeting, so long as there are present, in person or by proxy, holders of the number of shares of stock of the Corporation required for action upon the other matter or matters.

SECTION 5. Adjournment. Any meeting of the stockholders may be adjourned from time to time, without notice other than by announcement at the meeting at which the adjournment is taken. At any adjourned meeting at which a quorum shall be present any action may be taken that could have been taken at the meeting originally called. A meeting of the stockholders may not be adjourned to a date more than one-hundred-twenty (120) days after the original record date.

SECTION 6. Organization. At every meeting of the stockholders, the Chairman of the Board, or in his absence or inability to act, the President, or in his absence or inability to act, a Vice President, or in the absence or inability to act of the Chairman of the Board, the President and all the Vice Presidents, a chairman chosen by the stockholders, shall act as chairman of the meeting. The Secretary, or in the absence or inability to act, a person

appointed by the chairman of the meeting, shall act as secretary of the meeting and keep the minutes of the meeting.

SECTION 7. Order of Business. The order of business at all meetings of the stockholders shall be as determined by the chairman of the meeting.

SECTION 8. Voting. Except as otherwise provided by statute or the Corporation's Charter, each holder of record of shares of stock of the Corporation having voting power shall be entitled at each meeting of the stockholders to one (1) vote for every share of stock standing in his name on the records of the Corporation as of the record date determined pursuant to Section 9 of this Article I.

Each stockholder entitled to vote at any meeting of stockholders may authorize another person or persons to act from him by a proxy signed by the stockholder or his attorney-in-fact. The placing of a shareholder's name on a proxy pursuant to telephonic or electronically transmitted instructions obtained pursuant to procedures reasonably designed to verify that such instructions have been authorized by such shareholder shall constitute execution or signature of such proxy by or on behalf of such shareholder. No proxy shall be valid after the expiration of eleven (11) months from the date thereof, unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the stockholder executing it, except in those cases in which the proxy states that it is irrevocable and in which an irrevocable proxy is permitted by law.

SECTION 9. Fixing of Record Date for Determining Stockholders Entitled to Vote at Meeting. The Board of Directors may set a record date for the purpose of determining stockholders entitled to vote at any meeting of the stockholders. The record date for a particular meeting shall be not more than ninety (90) for fewer than ten (10) days before the date of the meeting. All persons who were holders of record of shares as of the record date of a meeting, and no others, shall be entitled to vote at such meeting and any adjournment thereof.

SECTION 10. Inspectors. The Board of Directors may, in advance of any meeting of stockholders, appoint one (1) or more inspectors to act at the meeting or at any adjournment of the meeting. If the inspectors shall not be so appointed or if any of them shall fail to appear or act, the chairman of the meeting may appoint inspectors. Each inspector, before entering upon the discharge of his duties, shall, if required by the chairman of the meeting, take and sign an oath to execute faithfully the duties of inspector at the meeting with strict impartiality and according to the best of his ability. The inspectors shall determine the number of shares outstanding and the voting power of each share, the number of shares represented at the meeting, the existence of a quorum and the validity and effect of proxies, and shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the result, and do those acts as are proper to conduct the election or vote with fairness to all stockholders. On request of the chairman of the meeting or any stockholder entitled to vote at the meeting, the inspectors shall make a report in writing of any challenge, request or matter determined by them and shall execute a certificate of any fact found by them. No

director or candidate for the office of director shall act as inspector of an election of directors. Inspectors need not be stockholders of the Corporation.

SECTION 11. Consent of Stockholders in Lieu of Meeting. Except as otherwise provided by statute or the Corporation's Charter, any action required to be taken at any annual or special meeting of stockholders, or any action that may be taken at any annual or special meeting of the stockholders, may be taken without a meeting, without prior notice and without a vote, if the following are filed with the records of stockholders' meetings: (a) an unanimous written consent that sets for the action and is signed by each stockholder entitled to vote on the matter and (b) a written waiver of any right to dissent signed by each stockholder entitled to notice of the meeting but not entitled to vote at the meeting.

ARTICLE II

BOARD OF DIRECTORS

SECTION 1. General Powers. Except as otherwise provided in the Corporation's Charter, the business and affairs of the Corporation shall be managed under the direction of the Board of Directors. All powers of the Corporation may be exercised by or under authority of the Board of Directors except as conferred on or reserved to the stockholders by law, by the Corporation's Charter or by these By-Laws.

SECTION 2. Number, Election and Term of Directors. The number of directors shall be fixed from time to time by resolution of the Board of Directors adopted by a majority of the directors then in office; provided, however, that the number of directors shall in no event be fewer than three (3) nor more than nine (9). The Board of Directors shall be divided into three classes. Within the limits above specified, the number of directors in each class shall be determined by resolution of the Board of Directors or by the stockholders at the annual meeting thereof. The term of office of the first class shall expire on the date of the first annual meeting of stockholders. The term of office of the second class shall expire one year thereafter. The term of office of the third class shall expire two years thereafter. Upon expiration of the term of office in each class as set forth above, the number of directors in such class, as determined by the Board of Directors, shall be elected for a term of three years to succeed the directors whose terms of office expire. The directors shall be elected at the annual meeting of the stockholders, except as provided in Section 5 of this Article, and each director elected shall hold office until his successor shall have been elected and shall have qualified, or until his death, or until he shall have resigned or have been removed as provided in these By-Laws, or as otherwise provided by statute or the Corporation's Charter. Any vacancy created by an increase in directors may be filled in accordance with Section 5 of this Article II. No reduction in the number of directors shall have the effect of removing any director from office prior to the expiration of his term unless the director is specifically removed pursuant to Section 4 of this Article II at the time of the decrease. A director need not be a stockholder of the Corporation, a citizen of the United States or a resident of the State of Maryland.

SECTION 3. Resignation. A director of the Corporation may resign at any time by giving written notice of his resignation to the Board of Directors or the Chairman of the Board or to the President or the Secretary of the Corporation. Any resignation shall take effect at the time specified in it or, should the time when it is to become effective not be specified in it, immediately upon its receipt. Acceptance of a resignation shall not be necessary to make it effective unless the resignation states otherwise.

SECTION 4. Removal of Directors. Any director of the Corporation may be removed by the stockholders with or without cause by a vote of a majority of the votes entitled to be cast for the election of directors.

SECTION 5. Vacancies. Subject to the provisions of the Investment Company Act of 1940, any vacancies in the Board of Directors, whether arising from death, resignation, removal or any other cause except an increase in the number of directors, shall be filled by a vote of the majority of the Board of Directors then in office even though that majority is less than a quorum, provided that no vacancy or vacancies shall be filled by action of the remaining directors if, after the filling of the vacancy or vacancies, fewer than two-thirds of the directors then holding office shall have been elected by the stockholders of the Corporation. A majority of the entire Board may fill a vacancy that results from an increase in the number of directors. In the event that at any time a vacancy exists in any office of a director that may not be filled by the remaining directors, a special meeting of the stockholders shall be held as promptly as possible and in any event within sixty (60) days, for the purpose of filling the vacancy or vacancies. Any director appointed by the Board of Directors to fill a vacancy shall hold office only until the next annual meeting of stockholders of the Corporation and until a successor has been elected and qualifies or until his earlier resignation or removal. Any director elected by the stockholders to fill a vacancy shall hold office for the balance of the term of the director whose death, resignation or removal occasioned the vacancy and until a successor has been elected and qualified or until his earlier resignation or removal.

SECTION 6. Place of Meetings. Meetings of the Board may be held at any place that the Board of Directors may from time to time determine or that is specified in the notice of the meeting.

SECTION 7. Regular Meetings. Regular meetings of the Board of Directors may be held without notice at the time and place determined by the Board of Directors.

SECTION 8. Special Meetings. Special meetings of the Board of Directors may be called by two (2) or more directors of the Corporation or by the Chairman of the Board or the President.

SECTION 9. Annual Meeting. The annual meeting of the newly elected and other directors shall be held as soon as practicable after the meeting of stockholders at which the newly elected directors were elected. No notice of such annual meeting shall be necessary if held immediately after the

adjournment, and at the site, of the meeting of stockholders. If not so held, notice shall be given as hereinafter provided for special meetings of the Board of Directors.

SECTION 10. Notice of Special Meetings. Notice of each special meeting of the Board of Directors shall be given by the Secretary as hereinafter provided. Each notice shall state the time and place of the meeting and shall be delivered to each director, either personally or by telephone or other standard form of telecommunication, at least twenty-four (24) hours before the time at which the meeting is to be held, or by first-class mail, postage prepaid, addressed to the director at his residence or usual place of business, and mailed at least three (3) days before the day on which the meeting is to be held.

SECTION 11. Waiver of Notice of Meetings. Notice of any special meeting need not be given to any director who shall, either before or after the meeting, sign a written waiver of notice that is filed with the records of the meeting or who shall attend the meeting.

SECTION 12. Quorum and Voting. One-third (1/3), but not fewer than two (2) of the members of the entire Board of Directors shall be present in person at any meeting of the Board so as to constitute a quorum for the transaction of business at the meeting, and except as otherwise expressly required by statute, the Corporation's Charter, these By-Laws, the Investment Company Act of 1940, or any other applicable statute, the act of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board. In the absence of a quorum at any meeting of the Board, a majority of the directors present may adjourn the meeting to another time and place until a quorum shall be present. Notice of the time and place of any adjourned meeting shall be given to the directors who were not present at the time of the adjournment and, unless the time and place were announced at the meeting at which the adjournment was taken, to the other directors. At any adjourned meeting at which a quorum is present, any business may be transacted that might have been transacted at the meeting as originally called.

SECTION 13. Organization. The Board of Directors may designate a Chairman of the Board, who shall preside at each meeting of the Board. In the absence or inability of the Chairman of the Board to act, the President, or, in his absence or inability to act, another director chosen by a majority of the directors present, shall act as chairman of the meeting and preside at the meeting. The Secretary (or, in his absence or inability to act, any person appointed by the chairman) shall act as secretary of the meeting and keep the minutes of the meeting.

SECTION 14. Committees. The Board of Directors may designate one (1) or more committees of the Board of Directors, each consisting of one (1) or more directors. To the extent provided in the resolution, and permitted by law, the committee or committees shall have and may exercise the powers of the Board of Directors in the management of the business affairs of the Corporation. Any committee or committees shall have the name or names determined from time to time by resolution adopted by the Board of Directors. Each committee shall keep

regular minutes of its meetings and provide those minutes to the Board of Directors when required. The members of a committee present at any meeting, whether or not they constitute a quorum, may appoint a director to act in the place of an absent member.

SECTION 15. Written Consent of Directors in Lieu of a Meeting. Subject to the provisions of the Investment Company Act of 1940, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee of the Board may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of the proceedings of the Board or committee.

SECTION 16. Telephone Conference. Members of the Board of Directors of any committee of the Board may participate in any Board or committee meeting by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time. Participation by such means shall constitute presence in person at the meeting.

SECTION 17. Compensation. Each director shall be entitled to receive compensation, if any, as may from time to time be fixed by the Board of Directors, including a fee for each meeting of the Board or any committee thereof, regular or special, he attends. Directors may also be reimbursed by the Corporation for all reasonable expenses incurred in traveling to and from the place of a Board or committee meeting.

ARTICLE III

OFFICERS, AGENTS AND EMPLOYEES

SECTION 1. Number and Qualifications. The officers of the Corporation shall be a Chairman of the Board, a President, a Treasurer, a Controller and a Secretary, each of whom shall be elected by the Board of Directors. The Board of Directors may also appoint any other officers, agents and employees it deems necessary or proper. Any two (2) or more officers may be held by the same person, except the office of President, but no officer shall execute, acknowledge or verify in more than one (1) capacity any instrument required by law to be executed, acknowledged or verified in more than one capacity. The Chairman of the Board, the President, the Treasurer, the Controller and the Secretary shall be elected by the Board of Directors each year at its first meeting held after the annual meeting of stockholders, each to hold office until the meeting of the Board following the next annual meeting of the stockholders and until his or her successor shall have been duly elected and shall have qualified, or until his or her death, or until he or she shall have resigned or have been removed, as provided in these By-Laws. Other elected officers are elected by the Directors. Assistant officers may be appointed by the elected officers. Such other officers and agents shall have such duties and shall hold their offices for such terms as may be prescribed by the Board or by the appointing authority. Any officer other than the Chairman of the Board may be but none need be, a Director, and any officer may be, but none need be a

stockholder of the Corporation.

SECTION 2. Resignations. Any officer of the Corporation may resign at any time by giving written notice of his or her resignation to the Board of Directors, the Chairman of the Board, the President or the Secretary. Any resignation shall take effect at the time specified therein or, if the time when it shall become effective is not specified therein, immediately upon its receipt. The acceptance of a resignation shall not be necessary to make it effective unless otherwise stated in the resignation.

SECTION 3. Removal of Officer, Agent or Employee. Any officer, agent or employee of the Corporation may be removed by the Board of Directors with or without cause at any time, and the Board may delegate the power of removal as to agents and employees not elected or appointed by the Board of Directors.

SECTION 4. Vacancies. A vacancy in any office, whether arising from death, resignation, removal or any other cause, may be filled for the unexpired portion of the term of the office that shall be vacant, in the manner prescribed in these By-Laws for the regular election or appointment to that office.

SECTION 5. Compensation. The compensation, if any, of the officers of the Corporation shall be fixed by the Board of Directors, but this power may be delegated to any officer with respect to other officers under his control.

SECTION 6. Bonds or Other Security. If required by the Board, any officer, agent or employee of the Corporation shall give a bond or other security for the faithful performance of his or her duties, in an amount and with any surety or sureties as the Board may require.

SECTION 7. Chairman of the Board. The Chairman of the Board shall be a Director of the Corporation and, unless the Board shall specify otherwise, shall preside at meetings of the Board and of the Stockholders of the Corporation.

SECTION 8. President. The President shall be the Chief Executive Officer of the Corporation and shall have, subject to the control of the Board of Directors, general charge of the business and affairs of the Corporation, and may employ and discharge employees and agents of the Corporation, except those elected or appointed by the Board, and he or she may delegate these powers.

SECTION 9. Vice President. Each Vice President shall have the powers and perform the duties that the President or the Board of Directors may from time to time prescribe. In the absence or disability of the President, the Vice President or, if there be more than one Vice President, any Vice President designated by the Directors, shall perform all the duties and may exercise any of the powers of the President, subject to the control of the Board of Directors.

SECTION 10. Treasurer. The Treasurer shall be the principal financial and accounting officer of the Corporation. He or she shall deliver all funds of the Corporation which may come into his or her hands to any custodian appointed by or pursuant to authority granted by the Board of Directors. He or she shall

render a statement of condition of the finances of the Corporation to the Directors as often as they shall require the same, and he or she shall in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the Board of Directors.

SECTION 11. Assistant Treasurers. In the absence or disability of the Treasurer, the Assistant Treasurer, or, if there be more than one, any Assistant Treasurer designated by the Board of Directors, shall perform all the duties, and may exercise all the powers, of the Treasurer. The Assistant Treasurers, if any, shall perform such other duties as from time to time may be assigned to them by the Treasurer or the Board of Directors.

SECTION 12. Controller and Chief Accounting Officer. The Controller shall be the officer of the Corporation primarily responsible for ensuring all expenditures of the Corporation are reasonable and appropriate. The Controller shall be responsible for oversight and maintenance of liquidity and leverage facilities available to the Corporation and shall have such other duties and powers as may be designated from time to time by the President or the Board.

The Chief Accounting Officer of the Corporation shall be in charge of its books and accounting records. The Chief Accounting Officer shall be responsible for preparation of financial statements of the Corporation and shall have such other duties and powers as may be designated from time to time by the President or the Board.

SECTION 13. Assistant Controllers. In the absence or disability of the Controller, the Assistant Controller, or, if there be more than one, any Assistant Controller designated by the Board of Directors, shall perform all of the duties, and may exercise all of the powers, of the Controller. The Assistant Controllers, if any, shall perform such other duties as from time to time may be assigned to them by the Controller or the Board of Directors.

SECTION 14. Secretary. The Secretary shall keep the minutes of all meetings of the Directors and of all meetings of the Stockholders of the Corporation in proper books provided for that purpose; he or she shall have custody of the seal of the Corporation; he or she shall have charge of the share transfer books, lists and records unless the same are in the charge of the Corporation's transfer agent. He or she shall attend to the giving and serving of all notices by the Corporation in accordance with the provisions of these By-Laws and as required by law; and subject to these By-Laws, he or she shall in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the Directors.

SECTION 15. Assistant Secretaries. In the absence or disability of the Secretary, the Assistant Secretary, or, if there be more than one, any Assistant Secretary designated by the Board of Directors, shall perform all of the duties, and may exercise all of the powers, of the Secretary. The Assistant Secretaries, if any, shall perform such other duties as from time to time may be assigned to them by the Secretary or the Board of Directors.

SECTION 16. Delegation of Duties. In case of the absence or disability of any officer of the Corporation, or for any other reason that the Board of Directors may deem sufficient, the Board may confer for the time being the powers or duties, or any of them, of such officer upon any other officer or upon any Director.

ARTICLE IV

STOCK

SECTION 1. Stock Certificates. Unless otherwise provided by the Board of Directors and permitted by law, each holder of stock of the Corporation shall be entitled upon specific written request to such person as may be designated by the Corporation to have a certificate or certificates, in a form approved by the Board, representing the number of shares of stock of the Corporation owned by him; provided, however, that certificates for fractional shares will not be delivered in any case. The certificates representing shares of stock shall be signed by or in the name of the Corporation by the Chairman of the Board, the President or a Vice President and by the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer and sealed with the seal of the Corporation. Any or all of the signatures or the seal on the certificate may be facsimiles. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before the certificate is issued, it may be issued by the Corporation with the same effect as if the officer, transfer agent or registrar was still in office at the date of issue.

SECTION 2. Stock Ledger. There shall be maintained a stock ledger containing the name and address of each stockholder and the number of shares of stock of each class the shareholder holds. The stock ledger may be in written form or any other form which can be converted within a reasonable time into written form for visual inspection. The original or a duplicate of the stock ledger shall be kept at the principal office of the Corporation or at any other office or agency specified by the Board of Directors.

SECTION 3. Transfers of Shares. Transfers of shares of stock of the Corporation shall be made on the stock records of the Corporation only by the registered holder of the shares, or by his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary or with a transfer agent or transfer clerk, and on surrender of the certificate or certificates, if issued, for the shares properly endorsed or accompanied by a duly executed stock transfer power and the payment of all taxes thereon. Except as otherwise provided by law, the Corporation shall be entitled to recognize the exclusive right of a person in whose name any share or shares stand on the record of stockholders as the owner of the share or shares for all purposes, including,

without limitation, the rights to receive dividends or other distributions and to vote as the owner, and the Corporation shall not be bound to recognize any equitable or legal claim to or interest in any such share or shares on the part of any other person.

SECTION 4. Regulations. The Board of Directors may authorize the issuance of uncertificated securities if permitted by law. If stock certificates are issued, the Board of Directors may make any additional rules and regulations, not inconsistent with these By-Laws, as it may deem expedient concerning the issue, transfer and registration of certificates for shares of stock of the Corporation. The Board may appoint, or authorize any officer or officers to appoint, one or more transfer agents or one or more transfer clerks and one or more registrars and may require all certificates for shares of stock to bear the signature or signatures of any of them.

SECTION 5. Lost, Destroyed or Mutilated Certificates. The holder of any certificate representing shares of stock of the Corporation shall immediately notify the Corporation of its loss, destruction or mutilation and the Corporation may issue a new certificate of stock in the place of any certificate issued by it that has been alleged to have been lost or destroyed or that shall have been mutilated. The Board may, in its discretion, require the owner (or his legal representative) of a lost, destroyed or mutilated certificate: to give the Corporation a bond in a sum, limited or unlimited, and in a form and with any surety or sureties, as the Board in its absolute discretion shall determine, to indemnify the Corporation against any claim that may be made against it on account of the alleged loss or destruction of any such certificate, or issuance of a new certificate. Anything herein to the contrary notwithstanding, the Board of Directors, in its absolute discretion, may refuse to issue any such new certificate, except pursuant to legal proceedings under the laws of the State of Maryland.

SECTION 6. Fixing of Record Date for Dividends, Distributions, etc. The Board may fix, in advance, a date not more than ninety (90) days preceding the date fixed for the payment of any dividend or the making of any distribution or the allotment of rights to subscribe for securities of the Corporation, or for the delivery of evidences of rights or evidences of interests arising out of any change, conversion or exchange of common stock or other securities, as the record date for the determination of the stockholders entitled to receive any such dividend, distribution, allotment, rights or interest, and in such case only the stockholders of record at the time so fixed shall be entitled to receive such dividend, distribution, allotment, rights or interests.

SECTION 7. Information to Stockholders and Others. Any stockholder of the Corporation or his agent may inspect and copy during the Corporation's usual business hours the Corporation's By-Laws, minutes of the proceedings of its stockholders, annual statements of its affairs and voting trust agreements on file at its principal office.

ARTICLE V

INDEMNIFICATION

SECTION 1. Indemnification of Directors and Officers. The Corporation shall indemnify its directors to the fullest extent that indemnification of directors is permitted by the Maryland General Corporation Law. The Corporation shall indemnify its officers to the same extent as its directors and to such further extent as is consistent with law. The Corporation shall indemnify its directors and officers who while serving as directors or officers also serve at the request of the Corporation as a director, officer, partner, trustee, employee, agent or fiduciary of another corporation, partnership, joint venture, trust, other enterprise or employee benefit plan to the fullest extent consistent with law. The indemnification and other rights provided by this Article shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person. This Article shall not protect any such a person against any liability to the Corporation or any stockholder thereof to which such person would otherwise be subject by reason of willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his office ("disabling conduct").

SECTION 2. Advances. Any current or former director or officer of the Corporation claiming indemnification within the scope of this Article V shall be entitled to advances from the Corporation for payment of the reasonable expenses incurred by him in connection with proceedings to which he is a party in the manner and to the fullest extent permissible under the Maryland General Corporation Law. The person seeking indemnification shall provide to the Corporation a written affirmation of his good faith belief that the standard of conduct necessary for indemnification by the Corporation has been met and a written undertaking to repay any such advance, if it should ultimately be determined that the standard of conduct has not been met. In addition, at least one of the following additional conditions shall be met: (a) the person seeking indemnification shall provide a security in form and amount acceptable to the Corporation for his undertaking; (b) the Corporation is insured against losses arising by reason of the advance; or (c) a majority of a quorum of directors of the Corporation who are neither "interested persons" as defined in Section 2(a)(19) of the Investment Company Act of 1940 nor parties to the proceeding ("disinterested non-party directors"), or independent legal counsel, in a written opinion, shall have determined, based in a review of facts readily available to the Corporation at the time the advance is proposed to be made, that there is reason to believe that the person seeking indemnification will ultimately be found to be entitled to indemnification.

SECTION 3. Procedure. At the request of any person claiming indemnification under this Article, the Board of Directors shall determine, or cause to be determined, in a manner consistent with the Maryland General Corporation Law, whether the standards required by this Article have been met. Indemnification shall be made only following: (a) a final decision on the merits by a court or other body before whom the proceeding was brought that the person to be indemnified was not liable by reason of disabling conduct or (b) in the absence of such a decision, a reasonable determination, based upon a review of the facts, that the person to be indemnified was not liable by reason of disabling conduct, by (i) the vote of a majority of a quorum of disinterested

non-party directors or (ii) an independent legal counsel in a written opinion.

SECTION 4. Indemnification of Employees and Agents. Employees and agents who are not officers or directors of the Corporation may be indemnified, and reasonable expenses may be advanced to such employees or agents, as may be provided by action of the Board of Directors or by contract subject to any limitations imposed by the Investment Company Act of 1940.

SECTION 5. Other Rights. The Board of Directors may make further provision consistent with law for indemnification and advance of expenses to directors, officers, employees and agents by resolution, agreement or otherwise. The indemnification provided by this Article shall not be deemed exclusive of any other right, with respect to indemnification or otherwise, to which those seeking indemnification may be entitled under any insurance or other agreement or resolution of stockholders or disinterested directors or otherwise.

SECTION 6. Amendments. References in this Article are to the Maryland General Corporation Law and to the Investment Company Act of 1940 as from time to time amended. No amendment of these By-Laws shall affect any right of any person under this Article based on any event, omission or proceeding prior to the amendment.

ARTICLE VI

SEAL

The seal of the Corporation shall be circular in form and shall bear the name of the Corporation, the year of its incorporation, the words "Corporate Seal" and "Maryland" and any emblem or device approved by the Board of Directors. The seal may be used by causing it or a facsimile to be impressed or affixed or in any other manner reproduced, or by placing the word ("seal") adjacent to the signature of the authorized officer of the Corporation.

ARTICLE VII

FISCAL YEAR

SECTION 1. Fiscal Year. The Corporation's fiscal year shall be fixed by the Board of Directors.

SECTION 2. Accountant.

(a) The Corporation shall employ an independent public accountant or a firm of independent public accountants of national reputation as its Accountant to examine the accounts of the Corporation and to sign and certify financial statements filed by the Corporation. The Accountant's certificates and reports shall be addressed both to the Board of Directors and to the stockholders. The employment of the Accountant shall be conditioned upon the right of the Corporation to terminate the employment forthwith without any penalty by vote of a majority of the outstanding voting securities at any stockholders' meeting called for that purpose.

(b) A majority of the members of the Board of Directors who are not "interested persons" (as such term is defined in the Investment Company Act of 1940) of the Corporation shall select the Accountant at any meeting held within thirty (30) days before or after the beginning of the fiscal year of the Corporation or before the annual stockholders' meeting in that year. Such selection shall be submitted for ratification or rejection at the next succeeding annual stockholders' meeting. If such meeting shall reject such selection, the Accountant shall be selected by majority vote of the Corporation's outstanding voting securities, either at the meeting at which the rejection occurred or at a subsequent meeting of stockholders called for that purpose.

(c) Any vacancy occurring between annual meetings, due to the resignation of the Accountant, may be filled by the vote of a majority of the members of the Board of Directors who are not "interested persons" of the Corporation, as that term is defined in the Investment Company Act of 1940, at a meeting called for the purpose of voting on such action.

ARTICLE VIII

CUSTODY OF SECURITIES

SECTION 1. Employment of a Custodian. The Corporation shall place and at all times maintain in the custody of a Custodian (including any sub-custodian for the Custodian) all funds, securities and similar investments owned by the Corporation. The Custodian (and any sub-custodian) shall be an institution conforming to the requirements of Section 17(f) of the Investment Company Act of 1940 and the rules of the Securities and Exchange Commission thereunder. The Custodian shall be appointed from time to time by the Board of Directors, which shall fix its remuneration.

SECTION 2. Termination of Custodian Agreement. Upon termination of the Custodian Agreement or inability of the Custodian to continue to serve, the Board of Directors shall promptly appoint a successor custodian, but in the event that no successor Custodian can be found who has the required qualifications and is willing to serve, the Board of Directors shall call as promptly as possible a special meeting of the stockholders to determine whether the Corporation shall function without a Custodian or shall be liquidated. If so directed by vote of the holders of a majority of the outstanding shares of stock entitled to vote of the Corporation, the Custodian shall deliver and pay over all property of the Corporation held by it as specified in such vote.

ARTICLE IX

AMENDMENTS

These By-Laws may be amended or repealed by the affirmative vote of a majority of the Board of Directors at any regular or special meeting of the Board of Directors, subject to the requirements of the Investment Company Act of

FUND MANAGEMENT AGREEMENT

FUND MANAGEMENT AGREEMENT dated August 1, 1998 between Liberty All-Star Growth Fund, Inc., a corporation organized under the laws of the State of Maryland (the "Company"), and Liberty Asset Management Company, a corporation organized under the laws of the State of Delaware (the "Manager").

WHEREAS, the Company desires to employ the Manager (i) to provide certain administrative services as described herein to the Company, and (ii) to provide investment management services as described herein in accordance with the Company's investment objective and policies as stated in the Company's Registration Statement, as from time to time in effect, under the Investment Company Act of 1940 (the "Investment Company Act") and in conformity with the Company's Articles of Incorporation and the Investment Company Act, as the same may from time to time be amended.

WHEREAS the Manager is registered as an investment adviser under the Investment Advisers Act of 1940, as amended, and desires to provide services to the Company in consideration of and on the terms and conditions hereinafter set forth;

NOW, THEREFORE, the Company and the Manager agree as follows:

1. Employment of the Manager. The Company hereby employs the Manager to administer its business and administrative operations as set forth in Section 2(A) of this Agreement, and to manage the investment and reinvestment of the Company's assets as set forth in Section 2(B) below, all subject to the direction of the Board of Directors of the Company, for the period, in the manner, and on the terms hereinafter set forth. The Manager hereby accepts such employment and agrees during such period to render the services and to assume the obligations herein set forth. The Manager shall for all purposes herein be deemed to be an independent contractor and shall, except as expressly provided or authorized (whether herein or otherwise), have no authority to act for or represent the Company in any way or otherwise be deemed an agent of the Company.

2. Obligation of and Services to be Provided by the Manager. The Manager undertakes to provide the services hereinafter set forth and to assume the following obligations:

A. Administrative Services

(1) The Manager shall provide, either directly or through an affiliate, general administrative services and oversee the operations of the Company ("Administrative Services"). The Administrative Services shall not include custodial, transfer agency, or pricing and bookkeeping services, but shall include, without limitation:

(i) the maintenance of the Company's offices within the Manager's offices in Boston, Massachusetts and the

maintenance of the corporate books and records of the Company, other than the books and records maintained by the transfer agent, the custodian or the fund accountant of the Company, and making arrangements for the meetings of the Directors of the Company, including the preparation of agendas and supporting materials therefor;

(ii) the preparation of such financial information as is reasonably necessary for reports to shareholders of the Company, reports to the Board of Directors and the officers of the Company, and reports of the Company to the Securities and Exchange Commission, the Internal Revenue Service and other Federal and state regulatory agencies;

(iii) the provision of such advice that may be reasonably necessary properly to account for the Company's financial transactions and to maintain the Company's accounting procedures and records so as to insure compliance with generally accepted accounting and tax practices and rules;

(iv) the monitoring of the preparation and maintenance by the Company's custodian or other agents of all records that may be reasonably required in connection with the audit performed by the Company's independent auditors, the Securities and Exchange Commission, the Internal Revenue Service or other Federal or state regulatory agencies;

(v) the preparation of communications and reports to shareholders of the Company and making arrangements for meetings of such shareholders;

(vi) the preparation and filing of all reports and all updating and other amendments to the Company's registration statements necessary to maintain the registration of the Company under the 1940 Act and the listing of its common stock on the New York Stock Exchange;

(vii) the preparation of the Company's tax returns;

(viii) the periodic computation, and reporting as necessary to the Directors of the Company, of the Company's compliance with its investment objective, policies and restrictions and the portfolio diversification and other portfolio requirements of the Investment Company Act and the Internal Revenue Code of 1986, as amended (the "Code"); and

(ix) the negotiation of agreements or other arrangements with, and general oversight and coordination of,

agents and others retained by the Company to provide custodial, transfer agency, net asset value computation, portfolio accounting, legal, tax and accounting services.

(2) The Manager will permit individuals who are officers or employees of the Manager to serve (if duly elected or appointed) as officers, Directors, members of any committee of the Board of Directors, members of any advisory board, or members of any other committee of the Company, without remuneration or other cost to the Company.

B. Investment Management Services.

(1) The Manager shall have overall supervisory responsibility for the general management and investment of the Company's assets, subject to and in accordance with the investment objectives and policies of the Company, and any directions which the Board of Directors of the Company may issue to the Manager from time to time.

(2) The Manager shall provide overall investment programs and strategies with respect to the Company's assets, shall revise such programs as necessary and shall monitor and report periodically to the Board of Directors of the Company concerning the implementation of the programs.

(3) The Company intends to appoint one or more persons or companies ("Portfolio Managers"), each such Portfolio Manager to have full investment discretion and to make all determinations with respect to the investment and reinvestment of the portion of the Company's assets assigned to that Portfolio Manager by the Manager and the purchase and sale of portfolio securities with those assets, all within the Company's investment objectives, policies and restrictions, and the Company will take such steps as may be necessary to implement such appointments. The Manager shall not be responsible or liable for the investment merits of any decision by a Portfolio Manager to purchase, hold or sell a security for the portfolio of the Company. The Manager shall advise the Board of Directors of the Company which Portfolio Managers the Manager believes are best suited to invest the Company's assets; shall monitor and evaluate the investment performance of each Portfolio Manager employed by the Company; shall allocate and reallocate from time to time, in its discretion, the portion of the Company's assets to be managed by each Portfolio Manager; shall recommend changes of or additional Portfolio Managers when appropriate; and shall coordinate the investment activities of the Portfolio Managers to ensure compliance with the Company's investment policies and restrictions and applicable laws, including the Investment Company Act and the Code.

(4) The Manager shall render regular reports to the Company, at regular meetings of the Board of Directors, of, among other things, the decisions which it has made with respect to the allocation of the Company's assets among Portfolio Managers.

3. Allocation of Expenses

(1) Expenses paid by the Manager. The Manager shall at its own expense furnish or provide and pay the cost of such office space, office equipment, personnel and office services as the Manager requires for the performance of its administrative and investment management services hereunder. The Manager shall not be obligated to bear any other expenses incidental to the operations or business of the Company, and the payment or assumption by the Manager of any expense of the Company that the Manager is not required by this Agreement to pay or assume shall not obligate the Manager to pay or assume the same or any similar expense on any subsequent occasion.

(2) Expenses paid by the Company. The Company shall pay all expenses incurred in the operation of the Company including, among other things, expenses for legal and auditing services, costs of printing proxies, stock certificates and shareholder reports, charges of the custodian, any sub-custodian and transfer agent, Securities and Exchange Commission fees, fees and expenses of Directors of the Company who are not "affiliated persons" (as defined in the Investment Company Act) of the Manager, any other investment adviser of the Company, or any of their affiliated persons, accounting and pricing costs, membership fees in trade associations, insurance, interest, brokerage costs, taxes, stock exchange listing fees and expenses, expenses of qualifying the Company's shares for sale in various states, litigation and other extraordinary or nonrecurring expenses, and other expenses properly payable by the Company.

4. Activities and Affiliates of the Manager.

A. The services of the Manager to the Company hereunder are not to be deemed exclusive, and the Manager and any of its affiliates shall be free to render similar services to others. The Manager shall use the same skill and care in the management of the Company's assets as it uses in the administration of other accounts to which it provides asset management, consulting and portfolio manager selection services, but shall not be obligated to give the Company more favorable or preferential treatment vis-a-vis its other clients.

B. Subject to and in accordance with the Articles of Incorporation and By-Laws of the Company and to Section 10(a) of the Investment Company Act, it is understood that Directors, officers, agents and shareholders of the Company may be interested in the Manager or its affiliates as directors, officers, agents or stockholders of the Manager or its affiliates; that directors, officers, agents and stockholders of the

Manager or its affiliates are or may be interested in the Company as Directors, officers, agents, shareholders or otherwise; that the Manager or its affiliates may be interested in the Company as shareholders or otherwise; and that the effect of any such interests shall be governed by the Investment Company Act.

5. Fees for Services: Compensation of Portfolio Managers. The compensation of the Manager for its services under this Agreement shall be calculated and paid by the Fund in accordance with the Exhibit I attached hereto. The Manager will compensate the Portfolio Managers as provided in Exhibit I.

6. Liabilities of the Manager.

A. In the absence of willful misfeasance, bad faith, gross negligence, or reckless disregard of obligations or duties hereunder on the part of the Manager, the Manager shall not be subject to liability to the Company or to any shareholder of the Company for any act or omission in the course of, or connected with, rendering services hereunder or for any losses that may be sustained in the purchase, holding or sale of any security.

B. No provision of this Agreement shall be construed to protect any Director or officer of the Company, or the Manager, from liability in violation of Sections 17(h) and (i) of the Investment Company Act.

7. Renewal and Termination.

A. This Agreement shall continue in effect until July 31, 1999, and shall continue in effect thereafter provided such continuance is specifically approved at least annually by (i) the Company's Board of Directors or (ii) a vote of a "majority" (as defined in the Investment Company Act) of the Company's outstanding voting securities, provided that in either event such continuance is also approved by a majority of the Board of Directors who are not "interested persons" (as defined in the Investment Company Act) of any party to this Agreement, by vote cast in person at a meeting called for the purpose of voting on such approval. The aforesaid requirement that continuance of this Agreement be "specifically approved at least annually" shall be construed in a manner consistent with the Investment Company Act and the Rules and Regulations thereunder.

B. This Agreement:

(a) may at any time be terminated without the payment of any penalty either by vote of the Board of Directors of the Company or by vote of a majority of the outstanding voting securities of the Company, on sixty (60) days' written notice to the Manager;

(b) shall immediately terminate in the event of its assignment (as that term is defined in the Investment Company Act); and

(c) may be terminated by the Manager on sixty (60) days' written notice

to the Company.

C. Any notice under this Agreement shall be given in writing addressed and delivered or mailed postpaid to the other party to this Agreement at its principal place of business.

8. Use of Name. The Company may use the name "Liberty All-Star" only so long as this Agreement remains in effect. If this Agreement is no longer in effect, the Company (to the extent it lawfully can) shall cease using such name or any other name indicating that it is advised by or otherwise connected with the Manager. The Manager may grant the non-exclusive right to use the name "Liberty All-Star" to any other entity, including any other investment company of which the Manager or any of its affiliates is the investment adviser or distributor.

9. Severability. If any provision of this Agreement shall be held or made invalid by a court decision, statute, rule or otherwise, the remainder of this Agreement shall not be affected thereby.

10. Governing Law. To the extent that state law has not been preempted by the provisions of any law of the United States heretofore or hereafter enacted, as the same may be amended from time to time, this Agreement shall be administered, construed and enforced according to the laws of the Commonwealth of Massachusetts.

11. Prior Agreement Superceded. This Agreement supercedes and replaces the Fund Management Agreement dated November 6, 1995 between the Company and the Manager.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed, as of the day and year first written above.

LIBERTY ALL-STAR GROWTH FUND, INC.

By:

Title:

LIBERTY ASSET MANAGEMENT COMPANY

By:

Title:

EXHIBIT I

MANAGER FEE

(A) For the Administrative Services provided to the Company pursuant to Section 2(A) of this Agreement, the Company will pay to the Manager, on the first business day of each calendar quarter, a fee for the previous calendar quarter at the rate of:

.05% (.20% annually) of the average weekly net assets of the Company up to and including \$300 million; and

.045% (.18% annually) of the average weekly net assets of the Company exceeding \$300 million;

(B) For the investment management services provided to the Company pursuant to Section 2(B) of this Agreement, the Company will pay to the Manager, on the first business day of each calendar quarter, a fee for the previous calendar quarter at the rate of:

.20% (.80% annually) of the average weekly net assets of the Company up to and including \$300 million; and

.18% (.72% annually) of the average weekly net assets of the Company exceeding \$300 million.

(C) Pursuant to Section 5 of this Agreement, the Manager will pay to each Portfolio Manager, on or before the fifth business day of each calendar quarter, a fee for the previous calendar quarter at the rate of:

.10% (.40% annually) of the Portfolio Manager's Percentage (as defined below) of the average weekly net assets of the Company up to and including \$300 million; and

.09% (.36% annually) of the Portfolio Manager's Percentage of the average weekly net assets of the Company exceeding \$300 million.

Each quarterly payment set forth above shall be based on the average weekly net assets of the Company during such previous calendar quarter. The fee for the period from the date this Agreement becomes effective to the end of the calendar quarter will be prorated according to the proportion that such period bears to the full quarterly period. Upon any termination of this Agreement before the end of a calendar quarter, the fee for the part of that calendar quarter during which this Agreement was in effect shall be prorated according to the proportion that such period bears to the full quarterly period and will be

payable upon the date of termination of this Agreement. For the purpose of determining fees payable to the Manager, the value of the Company's net assets will be computed at the times and in the manner specified in the Company's Registration Statement under the Investment Company Act as from time to time in effect.

"Portfolio Manager's Percentage" means the percentage obtained by dividing the average weekly net assets of that portion of the Company's assets assigned to that Portfolio Manager by the total of the Company's average weekly net assets.

CONSENT OF INDEPENDENT AUDITORS

Board of Directors and Shareholders
Liberty All-Star Growth Fund, Inc:

We consent to the references to our firm under the captions "FINANCIAL HIGHLIGHTS" in the prospectus and "FINANCIAL STATEMENTS" in the Statement of Additional Information.

/s/ KPMG LLP

Boston, Massachusetts
August 1, 2001

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in this registration statement on Form N-2 (the "Registration Statement") of our report dated February 12, 2001, relating to the financial statements and financial highlights appearing in the December 31, 2000 Annual Report to Shareholders of Liberty All-Star Growth Fund, which are also incorporated by reference into the Registration Statement. We also consent to the references to us under the headings "Financial Highlights", "Independent Accountants" and "Financial Statements" in such Registration Statement.

PricewaterhouseCoopers LLP
Boston, Massachusetts
August 1, 2001

PORTFOLIO MANAGEMENT AGREEMENT

August 1, 1998

William Blair & Company, L.L.C.
222 West Adams Street
Chicago, IL 60606

Re: Portfolio Management Agreement

Ladies and Gentlemen:

Liberty All-Star Growth Fund, Inc. (the "Fund") is a diversified closed-end investment company registered under the Investment Company Act of 1940 (the "Act"), and is subject to the rules and regulations promulgated thereunder.

Liberty Asset Management Company (the "Fund Manager") evaluates and recommends portfolio managers for the assets of the Fund, and is responsible for the day-to-day administration of the Fund.

1. Employment as a Portfolio Manager. The Fund being duly authorized hereby employs William Blair & Company, L.L.C. (the "Portfolio Manager") as a discretionary portfolio manager, on the terms and conditions set forth herein, of that portion of the Fund's assets which the Fund Manager determines to assign to the Portfolio Manager (those assets being referred to as the "Portfolio Manager Account"). The Fund Manager may, from time to time, allocate and reallocate the Fund's assets among the Portfolio Manager and the other portfolio managers of the Fund's assets.

2. Acceptance of Employment; Standard of Performance. The Portfolio Manager accepts its employment as a discretionary portfolio manager and agrees to use its best professional judgment to make timely investment decisions for the Portfolio Manager Account in accordance with the provisions of this Agreement.

3. Portfolio Management Services of Portfolio Manager. In providing portfolio management services to the Portfolio Manager Account, the Portfolio Manager shall be subject to the investment objectives, policies and restrictions of the Fund as set forth in its current Registration Statement under the Act, as the same may be modified from time to time (the "Registration Statement"), and the investment restrictions set forth in the Act and the Rules thereunder (as and to the extent set forth in the Registration Statement or in other

documentation furnished to the Portfolio Manager by the Fund or the Fund Manager), to the supervision and control of the Board of Directors of the Fund, and to instructions from the Fund Manager. The Portfolio Manager shall not, without the prior approval of the Fund or the Fund Manager, effect any transactions which would cause the Portfolio Manager Account, treated as a separate fund, to be out of compliance with any of such restrictions or policies.

4. Transaction Procedures. All portfolio transactions for the Portfolio Manager Account will be consummated by payment to or delivery by the custodian of the Fund (the "Custodian"), or such depositories or agents as may be designated by the Custodian in writing, as custodian for the Fund, of all cash and/or securities due to or from the Portfolio Manager Account, and the Portfolio Manager shall not have possession or custody thereof or any responsibility or liability with respect to such custody. The Portfolio Manager shall advise and confirm in writing to the Custodian all investment orders for the Portfolio Manager Account placed by it with brokers and dealers at the time and in the manner set forth in Schedule A hereto (as amended from time to time by the Fund Manager). The Fund shall issue to the Custodian such instructions as may be appropriate in connection with the settlement of any transaction initiated by the Portfolio manager. The Fund shall be responsible for all custodial arrangements and the payment of all custodial charges and fees, and, upon giving proper instructions to the Custodian, the Portfolio Manager shall have no responsibility or liability with respect to custodial arrangements or the acts, omissions or other conduct of the Custodian.

5. Allocation of Brokerage. The Portfolio Manager shall have authority and discretion to select brokers and dealers to execute portfolio transactions initiated by the Portfolio Manager for the Portfolio Manager Account, and to select the markets on or in which the transaction will be executed.

A. In doing so, the Portfolio Manager's primary responsibility shall be to seek to obtain best net price and execution for the Fund. However, this responsibility shall not obligate the Portfolio Manager to solicit competitive bids for each transaction or to seek the lowest available commission cost to the Fund, so long as the Portfolio Manager reasonably believes that the broker or dealer selected by it can be expected to obtain a "best execution" market price on the particular transaction and determines in good faith that the commission cost is reasonable in relation to the value of the brokerage and research services (as defined in Section 28(e)(3) of the Securities Exchange Act of 1934) provided by such broker or dealer to the Portfolio Manager viewed in terms of either that particular transaction or of the Portfolio Manager's overall responsibilities with respect to its clients, including the Fund, as to which the Portfolio Manager exercises investment discretion, notwithstanding that the Fund may not be the direct or exclusive beneficiary of any such services or that another broker may be willing to charge the Fund a lower commission on the particular transaction.

B. Subject to the requirements of paragraph A above, the Fund Manager shall have the right to request that transactions giving rise to brokerage commissions, in an amount to be agreed upon by the Fund Manager and the Portfolio Manager, shall be executed by brokers and dealers that provide brokerage or research services to the Fund Manager, or as to which an on-going relationship will be of value to the Fund in the management of its assets, which services and relationship may, but need not, be of direct benefit to the Portfolio Manager Account.

C. The Portfolio Manager shall not execute any portfolio transactions for the Portfolio Manager Account with a broker or dealer which is an "affiliated person" (as defined in the Act) of the Fund, the Portfolio Manager or any other Portfolio Manager of the Fund without the prior written approval of the Fund. The Fund Manager will provide the Portfolio Manager with a list of brokers and dealers which are "affiliated persons" of the Fund or its Portfolio Managers.

6. Proxies. The Fund will vote or direct the voting of all proxies solicited by or with respect to the issuers of securities in which assets of the Portfolio Manager Account may be invested from time to time. At the request of the Fund, the Portfolio Manager shall provide the Fund with its recommendations as to the voting of such proxies.

7. Fees for Services. The compensation of the Portfolio Manager for its services under this Agreement shall be calculated and paid by the Fund Manager in accordance with the attached Schedule C. Pursuant to the Fund Management Agreement between the Fund and the Fund Manager, the Fund Manager is solely responsible for the payment of fees to the Portfolio Manager from the fund management fees paid to it by the Fund, and the Portfolio Manager agrees to seek payment of its fees solely from the Fund Manager.

8. Other Investment Activities of Portfolio Manager. The Fund acknowledges that the Portfolio Manager or one or more of its affiliates has investment responsibilities, renders investment advice to and performs other investment advisory services for other individuals or entities ("Client Accounts"), and that the Portfolio Manager, its affiliates or any of its or their directors, members, officers, agents or employees may buy, sell or trade in any securities for its or their respective accounts ("Affiliated Accounts"). Subject to the provisions of paragraph 2 hereof, the Fund agrees that the Portfolio Manager or its affiliates may give advice or exercise investment responsibility and take such other action with respect to other Client Accounts and Affiliated Accounts which may differ from the advice given or the timing or nature of action taken with respect to the Portfolio Manager Account, provided that the Portfolio Manager acts in good faith, and provided further, that it is the Portfolio Manager's policy to allocate, within its reasonable discretion, investment opportunities to the Portfolio Manager Account over a period of time on a fair and equitable basis relative to the Client Accounts and the Affiliated Accounts, taking into account the cash position and the investment objectives and policies of the Fund and any specific investment restrictions applicable

thereto. The Fund acknowledges that one or more Client Accounts and Affiliated Accounts may at any time hold, acquire, increase, decrease, dispose of or otherwise deal with positions in investments in which the Portfolio Manager Account may have an interest from time to time, whether in transactions which involve the Portfolio Manager Account or otherwise. The Portfolio Manager shall have no obligation to acquire for the Portfolio Manager Account a position in any investment which any Client Account or Affiliated Account may acquire, and the Fund shall have no first refusal, coinvestment or other rights in respect of any such investment, either for the Portfolio Manager Account or otherwise.

9. Limitation of Liability. The Portfolio Manager shall not be liable for any action taken, omitted or suffered to be taken by it in its reasonable judgment, in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Agreement, or in accordance with (or in the absence of) specific directions or instructions from the Fund, provided, however, that such acts or omissions shall not have resulted from the Portfolio Manager's willful misfeasance, bad faith or gross negligence, a violation of the standard of care established by and applicable to the Portfolio Manager in its actions under this Agreement or breach of its duty or of its obligations hereunder (provided, however, that the foregoing shall not be construed to protect the Portfolio Manager from liability in violation of Section 17(i) of the Act).

10. Confidentiality. Subject to the duty of the Portfolio Manager and the Fund to comply with applicable law, including any demand of any regulatory or taxing authority having jurisdiction, the parties hereto shall treat as confidential all information pertaining to the Portfolio Manager Account and the actions of the Portfolio Manager and the Fund in respect thereof.

11. Assignment. This Agreement shall terminate automatically in the event of its assignment, as that term is defined in Section 2(a)(4) of the Act. The Portfolio Manager shall notify the Fund in writing sufficiently in advance of any proposed change of control, as defined in Section 2(a)(9) of the Act, as will enable the Fund to consider whether an assignment as defined in Section 2(a)(4) of the Act will occur, and whether to take the steps necessary to enter into a new contract with the Portfolio Manager.

12. Representations, Warranties and Agreements of the Fund. The Fund represents, warrants and agrees that:

A. The Portfolio Manager has been duly appointed to provide investment services to the Portfolio Manager Account as contemplated hereby.

B. The Fund has delivered to the Portfolio Manager such instructions governing the investment of the Portfolio Manager Account as are necessary for the Portfolio Manager to carry out its obligations under this Agreement.

13. Representations, Warranties and Agreements of the Portfolio Manager. The Portfolio Manager represents, warrants and agrees that:

A. It is registered as an "Investment Adviser" under the Investment Advisers Act of 1940 ("Advisers Act").

B. It will maintain, keep current and preserve on behalf of the Fund, in the manner required or permitted by the Act and the Rules thereunder, the records identified in Schedule B (as Schedule B may be amended from time to time by the Fund Manager). The Portfolio Manager agrees that such records are the property of the Fund, and will be surrendered to the Fund promptly upon request.

C. It will adopt a written code of ethics complying with the requirements of Rule 17j-1 under the Act and will provide the Fund with a copy of the code of ethics and evidence of its adoption. Within 45 days of the end of each year while this Agreement is in effect, an officer or general partner of the Portfolio Manager shall certify to the Fund that the Portfolio Manager has complied with the requirements of Rule 17j-1 during the previous year and that there has been no violation of its code of ethics or, if such a violation has occurred, that appropriate action was taken in response to such violation. Upon the written request of the Fund, the Portfolio Manager shall permit the Fund to examine the reports required to be made by the Portfolio Manager under Rule 17j-1(c)(1).

D. Upon request, the Portfolio Manager will promptly supply the Fund with any information concerning the Portfolio Manager and its stockholders, employees and affiliates which the Fund may reasonably require in connection with the preparation of its Registration Statement or amendments thereto, proxy material, reports and other documents required to be filed under the Act, the Securities Act of 1933, or other applicable securities laws.

14. Amendment. This Agreement may be amended at any time, but (except for Schedules A and B which may be amended by the Fund Manager acting alone) only by written agreement among the Portfolio Manager, the Fund Manager and the Fund, which amendment, other than amendments to Schedules A and B, is subject to the approval of the Board of Directors and the Shareholders of the Fund as and to the extent required by the Act.

15. Effective Date; Term. This Agreement shall continue in effect until July 31, 1999 and shall continue in effect thereafter provided such continuance is specifically approved at least annually by (i) the Fund's Board of Directors or (ii) a vote of a "majority" (as defined in the Act) of the Fund's outstanding voting securities, provided that in either event such continuance is also approved by a majority of the Board of Directors who are not "interested

persons" (as defined in the Act) of any party to this Agreement, by vote cast in person at a meeting called for the purpose of voting on such approval. The aforesaid requirement that continuance of this Agreement be "specifically approved at least annually" shall be construed in a manner consistent with the Act and the Rules and Regulations thereunder.

16. Termination. This Agreement may be terminated by any party, without penalty, immediately upon written notice to the other parties in the event of a breach of any provision thereof by a party so notified, or otherwise upon not less than thirty (30) days' written notice to the Portfolio Manager in the case of termination by the Fund or the Fund Manager, or ninety (90) days' written notice to the Fund and the Fund Manager in the case of termination by the Portfolio Manager, but any such termination shall not affect the status, obligations or liabilities of any party hereto to the other parties.

17. Applicable Law. To the extent that state law is not preempted by the provisions of any law of the United States heretofore or hereafter enacted, as the same may be amended from time to time, this Agreement shall be administered, construed and enforced according to the laws of the Commonwealth of Massachusetts.

18. Severability. If any term or condition of this Agreement shall be invalid or unenforceable to any extent or in any application, then the remainder of this Agreement, and such term or condition except to such extent or in such application, shall not be affected thereby, and each and every term and condition of this Agreement shall be valid and enforced to the fullest extent and in the broadest application permitted by law.

19. Prior Agreement Superceded. This Agreement supercedes and replaces the Portfolio Management Agreement dated March 1, 1997 among the Fund, the Fund Manager and the Portfolio Manager.

LIBERTY ALL-STAR GROWTH FUND, INC.

By:

Title:

LIBERTY ASSET MANAGEMENT COMPANY

By:

Title:

ACCEPTED:

WILLIAM BLAIR & COMPANY, L.L.C.

By:

Title:

- SCHEDULES: A. Operational Procedures For Portfolio Transactions
 B. Record Keeping Requirements
 C. Fee Schedule

SCHEDULE C

PORTFOLIO MANAGER FEE

For services provided to the Portfolio Manager Account, the Fund Manager will pay to the Portfolio Manager, on or before the fifth business day of each calendar quarter, a fee for the previous calendar quarter at the rate of:

.10% (.40% annually) of the Portfolio Manager's Percentage (as defined below) of the average weekly net assets of the Fund up to and including \$300 million; and

.09% (.36% annually) of the Portfolio Manager's Percentage of the average weekly net assets of the Fund exceeding \$300 million.

Each quarterly payment set forth above shall be based on the average weekly net assets during such previous calendar quarter. The fee for the period from the date this Agreement becomes effective to the end of the calendar quarter in which such effective date occurs will be prorated according to the proportion that such period bears to the full quarterly period. Upon any termination of this Agreement before the end of a calendar quarter, the fee for the part of that calendar quarter during which this Agreement was in effect shall be prorated according to the proportion that such period bears to the full quarterly period and will be payable upon the date of termination of this Agreement. For the purpose of determining fees payable to the Portfolio Manager, the value of the Fund's net assets will be computed at the times and in the manner specified in the Registration Statement as from time to time in effect.

"Portfolio Manager's Percentage" means the percentage obtained by dividing the average weekly net assets in the Portfolio Manager Account by the Fund's average weekly net assets.

PORTFOLIO MANAGEMENT AGREEMENT

May 1, 1999

M.A. Weatherbie & Co., Inc.
265 Franklin Street
Boston, MA 02110

Re: Portfolio Management Agreement

Ladies and Gentlemen:

Liberty All-Star Growth Fund, Inc. (the "Fund") is a diversified closed-end investment company registered under the Investment Company Act of 1940 (the "Act"), and is subject to the rules and regulations promulgated thereunder.

Liberty Asset Management Company (the "Fund Manager") evaluates and recommends portfolio managers for the assets of the Fund, and is responsible for the day-to-day administration of the Fund.

1. Employment as a Portfolio Manager. The Fund being duly authorized hereby employs M.A. Weatherbie & Co., Inc. (the "Portfolio Manager") as a discretionary portfolio manager, on the terms and conditions set forth herein, of that portion of the Fund's assets which the Fund Manager determines to assign to the Portfolio Manager (those assets being referred to as the "Portfolio Manager Account"). The Fund Manager may, from time to time, allocate and reallocate the Fund's assets among the Portfolio Manager and the other portfolio managers of the Fund's assets.

2. Acceptance of Employment; Standard of Performance. The Portfolio Manager accepts its employment as a discretionary portfolio manager and agrees to use its best professional judgment to make timely investment decisions for the Portfolio Manager Account in accordance with the provisions of this Agreement.

3. Portfolio Management Services of Portfolio Manager. In providing portfolio management services to the Portfolio Manager Account, the Portfolio Manager shall be subject to the investment objectives, policies and restrictions of the Fund as set forth in its current Registration Statement under the Act, as the same may be modified from time to time (the "Registration Statement"), and the investment restrictions set forth in the Act and the Rules thereunder (as and to the extent set forth in the Registration Statement or in other documentation furnished to the Portfolio Manager by the Fund or the Fund Manager), to the supervision and control of the Board of Directors of the Fund,

and to instructions from the Fund Manager. The Portfolio Manager shall not, without the prior approval of the Fund or the Fund Manager, effect any transactions which would cause the Portfolio Manager Account, treated as a separate fund, to be out of compliance with any of such restrictions or policies.

4. Transaction Procedures. All portfolio transactions for the Portfolio Manager Account will be consummated by payment to or delivery by the custodian of the Fund (the "Custodian"), or such depositories or agents as may be designated by the Custodian in writing, as custodian for the Fund, of all cash and/or securities due to or from the Portfolio Manager Account, and the Portfolio Manager shall not have possession or custody thereof or any responsibility or liability with respect to such custody. The Portfolio Manager shall advise and confirm in writing to the Custodian all investment orders for the Portfolio Manager Account placed by it with brokers and dealers at the time and in the manner set forth in Schedule A hereto (as amended from time to time by the Fund Manager). The Fund shall issue to the Custodian such instructions as may be appropriate in connection with the settlement of any transaction initiated by the Portfolio manager. The Fund shall be responsible for all custodial arrangements and the payment of all custodial charges and fees, and, upon giving proper instructions to the Custodian, the Portfolio Manager shall have no responsibility or liability with respect to custodial arrangements or the acts, omissions or other conduct of the Custodian.

5. Allocation of Brokerage. The Portfolio Manager shall have authority and discretion to select brokers and dealers to execute portfolio transactions initiated by the Portfolio Manager for the Portfolio Manager Account, and to select the markets on or in which the transaction will be executed.

A. In doing so, the Portfolio Manager's primary responsibility shall be to seek to obtain best net price and execution for the Fund. However, this responsibility shall not obligate the Portfolio Manager to solicit competitive bids for each transaction or to seek the lowest available commission cost to the Fund, so long as the Portfolio Manager reasonably believes that the broker or dealer selected by it can be expected to obtain a "best execution" market price on the particular transaction and determines in good faith that the commission cost is reasonable in relation to the value of the brokerage and research services (as defined in Section 28(e)(3) of the Securities Exchange Act of 1934) provided by such broker or dealer to the Portfolio Manager viewed in terms of either that particular transaction or of the Portfolio Manager's overall responsibilities with respect to its clients, including the Fund, as to which the Portfolio Manager exercises investment discretion, notwithstanding that the Fund may not be the direct or exclusive beneficiary of any such services or that another broker may be willing to charge the Fund a lower commission on the particular transaction.

B. Subject to the requirements of paragraph A above, the Fund Manager shall have the right to request that transactions giving rise to brokerage commissions, in an amount to be agreed upon by the Fund Manager and the Portfolio Manager, shall be executed by brokers and dealers that provide

brokerage or research services to the Fund Manager, or as to which an on-going relationship will be of value to the Fund in the management of its assets, which services and relationship may, but need not, be of direct benefit to the Portfolio Manager Account.

C. The Portfolio Manager shall not execute any portfolio transactions for the Portfolio Manager Account with a broker or dealer which is an "affiliated person" (as defined in the Act) of the Fund, the Portfolio Manager or any other Portfolio Manager of the Fund without the prior written approval of the Fund. The Fund Manager will provide the Portfolio Manager with a list of brokers and dealers which are "affiliated persons" of the Fund or its Portfolio Managers.

6. Proxies. The Fund will vote or direct the voting of all proxies solicited by or with respect to the issuers of securities in which assets of the Portfolio Manager Account may be invested from time to time. At the request of the Fund, the Portfolio Manager shall provide the Fund with its recommendations as to the voting of such proxies.

7. Fees for Services. The compensation of the Portfolio Manager for its services under this Agreement shall be calculated and paid by the Fund Manager in accordance with the attached Schedule C. Pursuant to the Fund Management Agreement between the Fund and the Fund Manager, the Fund Manager is solely responsible for the payment of fees to the Portfolio Manager from the fund management fees paid to it by the Fund, and the Portfolio Manager agrees to seek payment of its fees solely from the Fund Manager.

8. Other Investment Activities of Portfolio Manager. The Fund acknowledges that the Portfolio Manager or one or more of its affiliates has investment responsibilities, renders investment advice to and performs other investment advisory services for other individuals or entities ("Client Accounts"), and that the Portfolio Manager, its affiliates or any of its or their directors, members, officers, agents or employees may buy, sell or trade in any securities for its or their respective accounts ("Affiliated Accounts"). Subject to the provisions of paragraph 2 hereof, the Fund agrees that the Portfolio Manager or its affiliates may give advice or exercise investment responsibility and take such other action with respect to other Client Accounts and Affiliated Accounts which may differ from the advice given or the timing or nature of action taken with respect to the Portfolio Manager Account, provided that the Portfolio Manager acts in good faith, and provided further, that it is the Portfolio Manager's policy to allocate, within its reasonable discretion, investment opportunities to the Portfolio Manager Account over a period of time on a fair and equitable basis relative to the Client Accounts and the Affiliated Accounts, taking into account the cash position and the investment objectives and policies of the Fund and any specific investment restrictions applicable thereto. The Fund acknowledges that one or more Client Accounts and Affiliated Accounts may at any time hold, acquire, increase, decrease, dispose of or otherwise deal with positions in investments in which the Portfolio Manager Account may have an interest from time to time, whether in transactions which involve the Portfolio Manager Account or otherwise. The Portfolio Manager shall have no obligation to acquire for the Portfolio Manager Account a position in any investment which any

Client Account or Affiliated Account may acquire, and the Fund shall have no first refusal, coinvestment or other rights in respect of any such investment, either for the Portfolio Manager Account or otherwise.

9. Limitation of Liability. The Portfolio Manager shall not be liable for any action taken, omitted or suffered to be taken by it in its reasonable judgment, in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Agreement, or in accordance with (or in the absence of) specific directions or instructions from the Fund, provided, however, that such acts or omissions shall not have resulted from the Portfolio Manager's willful misfeasance, bad faith or gross negligence, a violation of the standard of care established by and applicable to the Portfolio Manager in its actions under this Agreement or breach of its duty or of its obligations hereunder (provided, however, that the foregoing shall not be construed to protect the Portfolio Manager from liability in violation of Section 17(i) of the Act).

10. Confidentiality. Subject to the duty of the Portfolio Manager and the Fund to comply with applicable law, including any demand of any regulatory or taxing authority having jurisdiction, the parties hereto shall treat as confidential all information pertaining to the Portfolio Manager Account and the actions of the Portfolio Manager and the Fund in respect thereof.

11. Assignment. This Agreement shall terminate automatically in the event of its assignment, as that term is defined in Section 2(a)(4) of the Act. The Portfolio Manager shall notify the Fund in writing sufficiently in advance of any proposed change of control, as defined in Section 2(a)(9) of the Act, as will enable the Fund to consider whether an assignment as defined in Section 2(a)(4) of the Act will occur, and whether to take the steps necessary to enter into a new contract with the Portfolio Manager.

12. Representations, Warranties and Agreements of the Fund. The Fund represents, warrants and agrees that:

A. The Portfolio Manager has been duly appointed to provide investment services to the Portfolio Manager Account as contemplated hereby.

B. The Fund has delivered to the Portfolio Manager such instructions governing the investment of the Portfolio Manager Account as are necessary for the Portfolio Manager to carry out its obligations under this Agreement.

13. Representations, Warranties and Agreements of the Portfolio Manager. The Portfolio Manager represents, warrants and agrees that:

A. It is registered as an "Investment Adviser" under the Investment Advisers Act of 1940 ("Advisers Act").

B. It will maintain, keep current and preserve on behalf of the Fund, in the manner required or permitted by the Act and the Rules thereunder, the records identified in Schedule B (as Schedule B may be amended from

time to time by the Fund Manager). The Portfolio Manager agrees that such records are the property of the Fund, and will be surrendered to the Fund promptly upon request.

C. It will adopt a written code of ethics complying with the requirements of Rule 17j-1 under the Act and will provide the Fund with a copy of the code of ethics and evidence of its adoption. Within 45 days of the end of each year while this Agreement is in effect, an officer or general partner of the Portfolio Manager shall certify to the Fund that the Portfolio Manager has complied with the requirements of Rule 17j-1 during the previous year and that there has been no violation of its code of ethics or, if such a violation has occurred, that appropriate action was taken in response to such violation. Upon the written request of the Fund, the Portfolio Manager shall permit the Fund to examine the reports required to be made by the Portfolio Manager under Rule 17j-1(c)(1).

D. Upon request, the Portfolio Manager will promptly supply the Fund with any information concerning the Portfolio Manager and its stockholders, employees and affiliates which the Fund may reasonably require in connection with the preparation of its Registration Statement or amendments thereto, proxy material, reports and other documents required to be filed under the Act, the Securities Act of 1933, or other applicable securities laws.

14. Amendment. This Agreement may be amended at any time, but (except for Schedules A and B which may be amended by the Fund Manager acting alone) only by written agreement among the Portfolio Manager, the Fund Manager and the Fund, which amendment, other than amendments to Schedules A and B, is subject to the approval of the Board of Directors and the Shareholders of the Fund as and to the extent required by the Act.

15. Effective Date; Term. This Agreement shall continue in effect until July 31, 1999 and shall continue in effect thereafter provided such continuance is specifically approved at least annually by (i) the Fund's Board of Directors or (ii) a vote of a "majority" (as defined in the Act) of the Fund's outstanding voting securities, provided that in either event such continuance is also approved by a majority of the Board of Directors who are not "interested persons" (as defined in the Act) of any party to this Agreement, by vote cast in person at a meeting called for the purpose of voting on such approval. The aforesaid requirement that continuance of this Agreement be "specifically approved at least annually" shall be construed in a manner consistent with the Act and the Rules and Regulations thereunder.

16. Termination. This Agreement may be terminated by any party, without penalty, immediately upon written notice to the other parties in the event of a breach of any provision thereof by a party so notified, or otherwise upon not less than thirty (30) days' written notice to the Portfolio Manager in the case of termination by the Fund or the Fund Manager, or ninety (90) days' written

notice to the Fund and the Fund Manager in the case of termination by the Portfolio Manager, but any such termination shall not affect the status, obligations or liabilities of any party hereto to the other parties.

17. Applicable Law. To the extent that state law is not preempted by the provisions of any law of the United States heretofore or hereafter enacted, as the same may be amended from time to time, this Agreement shall be administered, construed and enforced according to the laws of the Commonwealth of Massachusetts.

18. Severability. If any term or condition of this Agreement shall be invalid or unenforceable to any extent or in any application, then the remainder of this Agreement, and such term or condition except to such extent or in such application, shall not be affected thereby, and each and every term and condition of this Agreement shall be valid and enforced to the fullest extent and in the broadest application permitted by law.

LIBERTY ALL-STAR GROWTH FUND, INC.

By:

Title: Secretary

LIBERTY ASSET MANAGEMENT COMPANY

By:

Title: President and Chief Executive Officer

ACCEPTED:

M.A. WEATHERBIE & CO., INC.

By:

Title: President

- SCHEDULES: A. Operational Procedures For Portfolio Transactions
B. Record Keeping Requirements
C. Fee Schedule

SCHEDULE C

PORTFOLIO MANAGER FEE

For services provided to the Portfolio Manager Account, the Fund Manager will pay to the Portfolio Manager, on or before the fifth business day of each calendar quarter, a fee for the previous calendar quarter at the rate of:

.10% (.40% annually) of the Portfolio Manager's Percentage (as defined below) of the average weekly net assets of the Fund up to and including \$300 million; and

.09% (.36% annually) of the Portfolio Manager's Percentage of the average weekly net assets of the Fund exceeding \$300 million.

Each quarterly payment set forth above shall be based on the average weekly net assets during such previous calendar quarter. The fee for the period from the date this Agreement becomes effective to the end of the calendar quarter in which such effective date occurs will be prorated according to the proportion that such period bears to the full quarterly period. Upon any termination of this Agreement before the end of a calendar quarter, the fee for the part of that calendar quarter during which this Agreement was in effect shall be prorated according to the proportion that such period bears to the full quarterly period and will be payable upon the date of termination of this Agreement. For the purpose of determining fees payable to the Portfolio Manager, the value of the Fund's net assets will be computed at the times and in the manner specified in the Registration Statement as from time to time in effect.

"Portfolio Manager's Percentage" means the percentage obtained by dividing the average weekly net assets in the Portfolio Manager Account by the Fund's average weekly net assets.

PORTFOLIO MANAGEMENT AGREEMENT

May 1, 2000

TCW Investment Management Company
865 South Figueroa Street
Los Angeles, California 90017

Re: Portfolio Management Agreement

Ladies and Gentlemen:

Liberty All-Star Growth Fund, Inc. (the "Fund") is a diversified closed-end investment company registered under the Investment Company Act of 1940 (the "Act"), and is subject to the rules and regulations promulgated thereunder.

Liberty Asset Management Company (the "Fund Manager") evaluates and recommends portfolio managers for the assets of the Fund, and is responsible for the day-to-day administration of the Fund.

1. Employment as a Portfolio Manager. The Fund being duly authorized hereby employs TCW Investment Management Company (the "Portfolio Manager") as a discretionary portfolio manager, on the terms and conditions set forth herein, of that portion of the Fund's assets which the Fund Manager determines to assign to the Portfolio Manager (those assets being referred to as the "Portfolio Manager Account"). The Fund Manager may, from time to time, allocate and reallocate the Fund's assets among the Portfolio Manager and the other portfolio managers of the Fund's assets.

2. Acceptance of Employment; Standard of Performance. The Portfolio Manager accepts its employment as a discretionary portfolio manager and agrees to use its best professional judgment to make timely investment decisions for the Portfolio Manager Account in accordance with the provisions of this Agreement.

3. Portfolio Management Services of Portfolio Manager. In providing portfolio management services to the Portfolio Manager Account, the Portfolio Manager shall be subject to the investment objectives, policies and restrictions of the Fund as set forth in its current Registration Statement under the Act, as the same may be modified from time to time (the "Registration Statement"), and the investment restrictions set forth in the Act and the Rules thereunder (as and to the extent set forth in the Registration Statement or in other documentation furnished to the Portfolio Manager by the Fund or the Fund Manager), to the supervision and control of the Board of Directors of the Fund,

and to instructions from the Fund Manager. The Portfolio Manager shall not, without the prior approval of the Fund or the Fund Manager, effect any transactions which would cause the Portfolio Manager Account, treated as a separate fund, to be out of compliance with any of such restrictions or policies.

4. Transaction Procedures. All portfolio transactions for the Portfolio Manager Account will be consummated by payment to or delivery by the custodian of the Fund (the "Custodian"), or such depositories or agents as may be designated by the Custodian in writing, as custodian for the Fund, of all cash and/or securities due to or from the Portfolio Manager Account, and the Portfolio Manager shall not have possession or custody thereof or any responsibility or liability with respect to such custody. The Portfolio Manager shall advise and confirm in writing to the Custodian all investment orders for the Portfolio Manager Account placed by it with brokers and dealers at the time and in the manner set forth in Schedule A hereto (as amended from time to time by the Fund Manager). The Fund shall issue to the Custodian such instructions as may be appropriate in connection with the settlement of any transaction initiated by the Portfolio manager. The Fund shall be responsible for all custodial arrangements and the payment of all custodial charges and fees, and, upon giving proper instructions to the Custodian, the Portfolio Manager shall have no responsibility or liability with respect to custodial arrangements or the acts, omissions or other conduct of the Custodian.

5. Allocation of Brokerage. The Portfolio Manager shall have authority and discretion to select brokers and dealers to execute portfolio transactions initiated by the Portfolio Manager for the Portfolio Manager Account, and to select the markets on or in which the transaction will be executed.

A. In doing so, the Portfolio Manager's primary responsibility shall be to seek to obtain best net price and execution for the Fund. However, this responsibility shall not obligate the Portfolio Manager to solicit competitive bids for each transaction or to seek the lowest available commission cost to the Fund, so long as the Portfolio Manager reasonably believes that the broker or dealer selected by it can be expected to obtain a "best execution" market price on the particular transaction and determines in good faith that the commission cost is reasonable in relation to the value of the brokerage and research services (as defined in Section 28(e)(3) of the Securities Exchange Act of 1934) provided by such broker or dealer to the Portfolio Manager viewed in terms of either that particular transaction or of the Portfolio Manager's overall responsibilities with respect to its clients, including the Fund, as to which the Portfolio Manager exercises investment discretion, notwithstanding that the Fund may not be the direct or exclusive beneficiary of any such services or that another broker may be willing to charge the Fund a lower commission on the particular transaction.

B. Subject to the requirements of paragraph A above, the Fund Manager shall have the right to request that transactions giving rise to brokerage

commissions, in an amount to be agreed upon by the Fund Manager and the Portfolio Manager, shall be executed by brokers and dealers that provide brokerage or research services to the Fund Manager, or as to which an on-going relationship will be of value to the Fund in the management of its assets, which services and relationship may, but need not, be of direct benefit to the Portfolio Manager Account.

C. The Portfolio Manager shall not execute any portfolio transactions for the Portfolio Manager Account with itself or any broker or dealer which is an "affiliated person" (as defined in the Act) of the Fund, the Portfolio Manager or any other Portfolio Manager of the Fund without the prior written approval of the Fund except in accordance with SEC Exemptive Order No. 24288 dated February 15, 2000, a copy of which has been furnished to the Portfolio Manager, and Rule 17e-1 procedures as approved by the Fund's Trustees from time to time. The Fund Manager will provide the Portfolio Manager with a list of brokers and dealers which are "affiliated persons" of the Fund or its Portfolio Managers.

6. Proxies. The Fund will vote or direct the voting of all proxies solicited by or with respect to the issuers of securities in which assets of the Portfolio Manager Account may be invested in accordance with authorization provided by the Fund Manager from time to time.

7. Fees for Services. The compensation of the Portfolio Manager for its services under this Agreement shall be calculated and paid by the Fund Manager in accordance with the attached Schedule C. Pursuant to the Fund Management Agreement between the Fund and the Fund Manager, the Fund Manager is solely responsible for the payment of fees to the Portfolio Manager from the fund management fees paid to it by the Fund, and the Portfolio Manager agrees to seek payment of its fees solely from the Fund Manager.

8. Other Investment Activities of Portfolio Manager. The Fund acknowledges that the Portfolio Manager or one or more of its affiliates has investment responsibilities, renders investment advice to and performs other investment advisory services for other individuals or entities ("Client Accounts"), and that the Portfolio Manager, its affiliates or any of its or their directors, members, officers, agents or employees may buy, sell or trade in any securities for its or their respective accounts ("Affiliated Accounts"). Subject to the provisions of paragraph 2 hereof, the Fund agrees that the Portfolio Manager or its affiliates may give advice or exercise investment responsibility and take such other action with respect to other Client Accounts and Affiliated Accounts which may differ from the advice given or the timing or nature of action taken with respect to the Portfolio Manager Account, provided that the Portfolio Manager acts in good faith, and provided further, that it is the Portfolio Manager's policy to allocate, within its reasonable discretion, investment opportunities to the Portfolio Manager Account over a period of time on a fair and equitable basis relative to the Client Accounts and the Affiliated Accounts, taking into account the cash position and the investment objectives and policies of the Fund and any specific investment restrictions applicable thereto. The Fund acknowledges that one or more Client Accounts and Affiliated Accounts may at any time hold, acquire, increase, decrease, dispose of or otherwise deal with

positions in investments in which the Portfolio Manager Account may have an interest from time to time, whether in transactions which involve the Portfolio Manager Account or otherwise. The Portfolio Manager shall have no obligation to acquire for the Portfolio Manager Account a position in any investment which any Client Account or Affiliated Account may acquire, and the Fund shall have no first refusal, coinvestment or other rights in respect of any such investment, either for the Portfolio Manager Account or otherwise.

9. Limitation of Liability. The Portfolio Manager shall not be liable for any action taken, omitted or suffered to be taken by it in its reasonable judgment, in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Agreement, or in accordance with (or in the absence of) specific directions or instructions from the Fund, provided, however, that such acts or omissions shall not have resulted from the Portfolio Manager's willful misfeasance, bad faith or gross negligence, a violation of the standard of care established by and applicable to the Portfolio Manager in its actions under this Agreement or breach of its duty or of its obligations hereunder (provided, however, that the foregoing shall not be construed to protect the Portfolio Manager from liability in violation of Section 17 of the Act).

10. Confidentiality. Subject to the duty of the Portfolio Manager and the Fund to comply with applicable law, including any demand of any regulatory or taxing authority having jurisdiction, the parties hereto shall treat as confidential all information pertaining to the Portfolio Manager Account and the actions of the Portfolio Manager and the Fund in respect thereof.

11. Assignment. This Agreement shall terminate automatically in the event of its assignment, as that term is defined in Section 2(a)(4) of the Act. The Portfolio Manager shall notify the Fund in writing sufficiently in advance of any proposed change of control, as defined in Section 2(a)(9) of the Act, as will enable the Fund to consider whether an assignment as defined in Section 2(a)(4) of the Act will occur, and whether to take the steps necessary to enter into a new contract with the Portfolio Manager.

12. Representations, Warranties and Agreements of the Fund. The Fund represents, warrants and agrees that:

A. The Portfolio Manager has been duly appointed to provide investment services to the Portfolio Manager Account as contemplated hereby.

B. The Fund has delivered to the Portfolio Manager such instructions governing the investment of the Portfolio Manager Account as are necessary for the Portfolio Manager to carry out its obligations under this Agreement.

C. Upon certification by the Portfolio Manager that it has adopted a written code of ethics and procedures reasonably necessary to prevent access persons, as defined by said code of ethics, from violating the

anti-fraud provisions of Rule 17j-1 under the Act, the Fund will not unreasonably withhold its approval of the code of ethics adopted by the Portfolio Manager provided that the Portfolio Manager certifies to the Fund that in all other material respects the Portfolio Manager's code of ethics complies with Rule 17j-1.

13. Representations, Warranties and Agreements of the Portfolio Manager. The Portfolio Manager represents, warrants and agrees that:

A. It is registered as an "Investment Adviser" under the Investment Advisers Act of 1940 ("Advisers Act").

B. It will maintain, keep current and preserve on behalf of the Fund, in the manner required or permitted by the Act and the Rules thereunder, the records identified in Schedule B (as Schedule B may be amended from time to time by the Fund Manager). The Portfolio Manager agrees that such records are the property of the Fund, and will be surrendered to the Fund promptly upon request.

C. It will adopt and maintain a written code of ethics complying with the requirements of Rule 17j-1 and submit same and any amendments thereto promptly to the Fund, but not less often than annually. The Portfolio Manager agrees that it will notify the Fund within 15 days of adopting material changes to its code of ethics. While this Agreement is in effect, an officer or general partner of the Portfolio Manager shall certify annually to the Fund that the Portfolio Manager has complied with the requirements of Rule 17j-1 during the previous year and has procedures reasonably necessary to prevent access persons from violating the Portfolio Manager's code of ethics. On an annual basis, the Portfolio Manager shall provide a written report to the Fund describing any issues arising under its code of ethics or procedures since the last report was so submitted, including information about material violations of the code or procedures and any action taken in response to such violations. Upon the written request of the Fund, the Portfolio Manager shall permit the Fund to examine the reports required to be maintained by the Portfolio Manager under Rule 17j-1(c)(1).

D. Upon request, the Portfolio Manager will promptly supply the Fund with any information concerning the Portfolio Manager and its stockholders, employees and affiliates which the Fund may reasonably require in connection with the preparation of its Registration Statement or amendments thereto, proxy material, reports and other documents required to be filed under the Act, the Securities Act of 1933, or other applicable securities laws.

14. Amendment. This Agreement may be amended at any time, but (except for Schedules A and B which may be amended by the Fund Manager acting alone) only by written agreement among the Portfolio Manager, the Fund Manager and the Fund, which amendment, other than amendments to Schedules A and B, is subject to the approval of the Board of Directors and the Shareholders of the Fund as and to

the extent required by the Act.

15. Effective Date; Term. This Agreement shall continue in effect until July 31, 2001 and shall continue in effect thereafter provided such continuance is specifically approved at least annually by (i) the Fund's Board of Directors or (ii) a vote of a "majority" (as defined in the Act) of the Fund's outstanding voting securities, provided that in either event such continuance is also approved by a majority of the Board of Directors who are not "interested persons" (as defined in the Act) of any party to this Agreement, by vote cast in person at a meeting called for the purpose of voting on such approval. The aforesaid requirement that continuance of this Agreement be "specifically approved at least annually" shall be construed in a manner consistent with the Act and the Rules and Regulations thereunder.

16. Termination. This Agreement may be terminated by any party, without penalty, immediately upon written notice to the other parties in the event of a breach of any provision thereof by a party so notified, or otherwise upon not less than thirty (30) days' written notice to the Portfolio Manager in the case of termination by the Fund or the Fund Manager, or ninety (90) days' written notice to the Fund and the Fund Manager in the case of termination by the Portfolio Manager, but any such termination shall not affect the status, obligations or liabilities of any party hereto to the other parties.

17. Applicable Law. To the extent that state law is not preempted by the provisions of any law of the United States heretofore or hereafter enacted, as the same may be amended from time to time, this Agreement shall be administered, construed and enforced according to the laws of the Commonwealth of Massachusetts.

18. Severability. If any term or condition of this Agreement shall be invalid or unenforceable to any extent or in any application, then the remainder of this Agreement, and such term or condition except to such extent or in such application, shall not be affected thereby, and each and every term and condition of this Agreement shall be valid and enforced to the fullest extent and in the broadest application permitted by law.

LIBERTY ALL-STAR GROWTH FUND, INC.

By:

Nancy L. Conlin
Title: Secretary

LIBERTY ASSET MANAGEMENT COMPANY

By:

William R. Parmentier
Title: President and Chief Executive Officer

ACCEPTED:

By:
Title: President

- SCHEDULES: A. Operational Procedures For Portfolio Transactions
 B. Record Keeping Requirements
 C. Fee Schedule

Schedule A

Operational Procedures
Liberty All-Star Growth Fund, Inc.

In order to minimize operational problems, it will be necessary for a flow of information to be supplied to Chase Manhattan Bank (the Custodian), and Colonial Management Associates, Inc. ("Administrator").

The Portfolio Manager must furnish Administrator with daily information as to executed trades, no later than 12:00 p.m. (Eastern time) on trade date plus one to ensure the information is processed in time for pricing. If there are no trades, a report must also be sent stating there were no trades for that day. The necessary information can be transmitted via facsimile machine to Administrator, Attention Maribeth Whitmore (fax number 617-426-1219). Upon receipt of brokers' confirmation the Portfolio Manager or Administrator must notify the other party if any differences exist.

The reporting of trades by the Portfolio Manager to the Administrator shall include the following information:

1. Purchase or sale
2. Security name and description
3. Cusip and symbol
4. Number of shares or units
5. Sale/purchase price per share or unit
6. Commission rate per share and aggregate commission or indicate net if so
7. Executing broker and clearing bank, if any
8. Trade date
9. Settlement date
10. Interest purchased or sold, if applicable
11. Total net amount of the transaction
12. If other than HIGH COST is to be used on a sale, it must be identified
13. Name of Fund and Portfolio Manager must be identified on trade ticket
14. Sequential numbering of all trades is also recommended

For confirmation of trades, please advise the brokers to use the Custodian's DTC ID system number (No. 27028) to facilitate the receipt of information by the Custodian. In addition, the Portfolio Manager should arrange to have a duplicate

confirmation sent to the Administrator as an interested party. Please have confirms linked to the Administrator's existing sign on: N199.

1. All DTC Eligible Securities

Depository Trust Company (DTC)
Agent Bank Name: Chase Manhattan
Agent Bank Number: 27028
Agent Bank Clearing Number: 902

2. Delivery Instructions

All Physical Securities

Chase Manhattan Bank
4 New York Plaza
Ground Floor Window
New York, NY 10004
Ref: (Name of Fund)

All Government Issues delivered through book entry

The Chase Manhattan Bank
021000021
CMB/CUST/Account Number/Account Name

Wire Instructions

The Chase Manhattan Bank
ABA #021000021
For credit to account 900-9-000127
For Further Credit to:

Chase Account Number
Chase Account Name

The Custodian will supply the Portfolio Manager daily with a cash availability report. This will normally be done by fax so that the Portfolio Manager will know the amount available for investment purposes.

Chase Account Numbers

Liberty All-Star Growth Fund
Weatherbie P51886
Oppenheimer P51887
William Blair P51888

LIBERTY ALL-STAR GROWTH FUND, INC.
Portfolio Management Agreement
SCHEDULE B

RECORDS TO BE MAINTAINED BY THE PORTFOLIO MANAGER

1. (Rule 31a-1(b)(5) and (6)) A record of each brokerage order, and all other

portfolio purchases and sales, given by the Portfolio Manager on behalf of the Fund for, or in connection with, the purchase or sale of securities, whether executed or unexecuted. Such records shall include:

- A. The name of the broker;
 - B. The terms and conditions of the order and of any modifications or cancellation thereof;
 - C. The time of entry or cancellation;
 - D. The price at which executed;
 - E. The time of receipt of a report of execution; and
 - F. The name of the person who placed the order on behalf of the Fund.
2. (Rule 31a-1(b)(9)) A record for each fiscal quarter, completed within ten (10) days after the end of the quarter, showing specifically the basis or bases upon which the allocation of orders for the purchase and sale of portfolio securities to named brokers or dealers was effected, and the division of brokerage commissions or other compensation on such purchase and sale orders. Such record:
- A. Shall include the consideration given to:
 - (i) The sale of shares of the Fund by brokers or dealers.
 - (ii) The supplying of services or benefits by brokers or dealers to:
 - (a) The Fund;
 - (b) The Manager (Liberty Asset Management Company);
 - (c) The Portfolio Manager; and
 - (d) Any person other than the foregoing.
 - (iii) Any other consideration other than the technical qualifications of the brokers and dealers as such.
 - B. Shall show the nature of the services or benefits made available.
 - C. Shall describe in detail the application of any general or specific formula or other determinant used in arriving at such allocation of purchase and sale orders and such division of brokerage commissions or other compensation.
 - D. The name of the person responsible for making the determination of such allocation and such division of brokerage commissions or other compensation.

3. (Rule 31a-1(b)(10)) A record in the form of an appropriate memorandum identifying the person or persons, committees or groups authorizing the purchase or sale of portfolio securities. Where an authorization is made by a committee or group, a record shall be kept of the names of its members who participate in the authorization. There shall be retained as part of this record: any memorandum, recommendation or instruction supporting or authorizing the purchase or sale of portfolio securities and such other information as is appropriate to support the authorization.¹
4. (Rule 31a-1(f)) Such accounts, books and other documents as are required to be maintained by registered investment advisers by rule adopted under Section 204 of the Investment Advisers Act of 1940, to the extent such records are necessary or appropriate to record the Portfolio Manager's transactions with the Fund.
5. A record of approvals if any, and the rationale supporting such approval, supporting any direct or indirect acquisition by investment personnel of the Portfolio Manager of a beneficial interest in securities in an initial public offering or private placement.
6. A record of issues that arise under the Portfolio Manager's code of ethics or procedures relating thereto, including without limitation, information about material code or procedure violations and sanctions imposed in response thereto.
7. A record of personal securities reports made by access persons under the Portfolio Manager's code of ethics initially, annually and on a quarterly basis and the names of persons responsible for reviewing these reports.
8. Such other records as are required to be maintained by registered investment advisers of investment companies pursuant to Rule 17j-1 under the Investment Company Act.

¹ Such information might include: the current Form 10-K, annual and quarterly reports, press releases, reports by analysts and from brokerage firms (including their recommendation: i.e., buy, sell, hold) or any internal reports or portfolio manager reviews.

SCHEDULE C

PORTFOLIO MANAGER FEE

For services provided to the Portfolio Manager Account, the Fund Manager will pay to the Portfolio Manager, on or before the fifth business day of each calendar quarter, a fee for the previous calendar quarter at the rate of:

.10% (.40% annually) of the Portfolio Manager's Percentage (as defined below) of the average weekly net assets of the Fund up to and including \$300 million; and

.09% (.36% annually) of the Portfolio Manager's Percentage of the average weekly net assets of the Fund exceeding \$300 million.

Each quarterly payment set forth above shall be based on the average weekly net assets during such previous calendar quarter. The fee for the period from the date this Agreement becomes effective to the end of the calendar quarter in which such effective date occurs will be prorated according to the proportion that such period bears to the full quarterly period. Upon any termination of this Agreement before the end of a calendar quarter, the fee for the part of that calendar quarter during which this Agreement was in effect shall be prorated according to the proportion that such period bears to the full quarterly period and will be payable upon the date of termination of this Agreement. For the purpose of determining fees payable to the Portfolio Manager, the value of the Fund's net assets will be computed at the times and in the manner specified in the Registration Statement as from time to time in effect.

"Portfolio Manager's Percentage" means the percentage obtained by dividing the average weekly net assets in the Portfolio Manager Account by the Fund's average weekly net assets.