

<b>B #:</b>	0138-13
<b>Date:</b>	01/30/13
<b>To:</b>	All Participants
<b>Category:</b>	Dividends
<b>From:</b>	Supervisor, Stock Dividend Department
<b>Attention:</b>	Dividend Managers, Cashiers, and Reorganization Managers
<b>Subject:</b>	Optional Dividend Multiple Issues: <b>Liberty All-Star Growth Fund CUSIP: 529900102</b> Rate: \$0.07 per share <b>Liberty All-Star Equity Fund CUSIP: 530158104</b> Rate: \$0.08 per share R/D: 01/25/13 P/D: 03/11/13 DTC EDS Cut-Off: 02/20/13 no later than 8:00 P.M. New York time

\*\*\*\*\*WARNING TIME CRITICAL\*\*\*\*\*

Liberty-Star Growth Fund and Liberty-Star Equity Fund have declared a stock distribution of **\$0.07** per share in stock or cash of Liberty-Star Growth Fund and **\$0.08** per share in stock or cash of Liberty-Star Equity Fund. The distribution is payable to stockholders of record at the close of business on 01/25/13.

**Stock Option #1:** Shareholders may elect to receive newly issued shares of **Liberty-Star Growth Fund CUSIP: 529900102** for **\$0.07** per share; **\$0.08** per common share of **Liberty-Star Equity Fund CUSIP: 530158104**. Fractional shares will be paid in cash at DTC participant level (**default**).

**Cash Option # 2:** You may elect to receive cash of **\$0.07** per common share of **CUSIP 529900102**; cash at **\$0.08** per common share of **CUSIP 530158104**.

Unless you elect to receive your distribution in cash, the number of shares to be issued to you will be determined by dividing the total dollar amount of the distribution payable to you, based on the number of shares you held of record on 01/25/13 \_\_\_\_\_ shares of beneficial interest on 02/22/13, or by the net asset value per share on that date, whichever is lower (but not at a discount of more than 5% from the market price).

Non-Confidential

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**B#: 0138-13**

**PARTICIPANTS SHOULD SUBMIT ELECTION INSTRUCTIONS OVER THE PARTICIPANT TERMINAL SYSTEM (PTS) THROUGH THE ELECTIVE DIVIDEND SYSTEM (EDS) FUNCTION.**

To confirm record date history and payment information, participants should access the Dividend and Allocation History (DPAL) Menu Option, via the PTS Dividend Announcements Inquiry function (DIVA).

Participants not responding to the above options by **02/20/2013** no later than 8:00 P.M. New York time will receive the dividend in the form of stock and cash of fractional shares; this is in accordance with **Option #1 (default).**

If there are any questions regarding this Important Notice, or the processing of related instructions via EDS, -2721.

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