

LIBERTY ALL STAR EQUITY FUND

Form N-30B-2

November 21, 2018

**LIBERTY ALL-STAR® EQUITY FUND**  
**Periods Ended September 30, 2018 (Unaudited)**

**Fund Statistics**

|                       |        |
|-----------------------|--------|
| Net Asset Value (NAV) | \$7.00 |
| Market Price          | \$6.81 |
| Discount              | -2.7%  |

|                            | <b>Quarter</b>   | <b>Year-to-Date</b> |
|----------------------------|------------------|---------------------|
| Distributions*             | \$0.17           | \$0.52              |
| Market Price Trading Range | \$6.37 to \$6.87 | \$5.62 to \$6.87    |
| Discount Range             | -2.3% to -5.8%   | -2.3% to -9.3%      |

**Performance**

|   |       |        |
|---|-------|--------|
| Shares Valued at NAV with Dividends Reinvested          | 6.36% | 10.35% |
| Shares Valued at Market Price with Dividends Reinvested | 9.13% | 17.06% |
| Dow Jones Industrial Average                            | 9.63% | 8.83%  |
| Lipper Large-Cap Core Mutual Fund Average               | 6.95% | 8.83%  |
| NASDAQ Composite Index                                  | 7.41% | 17.48% |
| S&P 500® Index  | 7.71% | 10.56% |

Sources of distributions to shareholders may include ordinary dividends, long-term capital gains and return of capital. The final determination of the source of all distributions in 2018 for tax reporting purposes will be made \*after year end. The actual amounts and sources of the amounts for tax reporting purposes will depend upon the Fund's investment experience during its fiscal year and may be subject to changes based on tax regulations. Pursuant to Section 852 of the Internal Revenue Code, the taxability of these distributions will be reported on Form 1099-DIV for 2018.

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

The returns shown for the Lipper Large-Cap Core Mutual Fund Average are based on open-end mutual funds' total returns, which include dividends, and are net of fund expenses. Returns for the unmanaged Dow Jones Industrial Average, NASDAQ Composite Index and the S&P 500® Index are total returns, including dividends. A description of the Lipper benchmark and the market indices can be found on page 18.

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

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

Liberty All-Star® Equity Fund      President's  
Letter

*(Unaudited)*

Fellow Shareholders: October 2018

A strong domestic economy drove stock indices higher in the third quarter, as the S&P 500® Index returned 7.71 percent, the Dow Jones Industrial Average (DJIA) gained 9.63 percent and the NASDAQ Composite Index rose 7.41 percent. It was the strongest quarter of 2018 for all three indices. After nine months of the year, those market measures, respectively, have returned 10.56 percent, 8.83 percent and 17.48 percent.

A strong employment picture, solid GDP growth and good corporate earnings were the primary factors behind the market's quarterly performance. The U.S. Department of Commerce reported that second quarter GDP grew at a 4.1 percent annual rate, its best quarter since 2014, largely supported by consumers spending and exporters rushing to get their products delivered ahead of retaliatory tariffs. Stocks were also buoyed by a strong jobs report, with the U.S. adding 190,000 jobs per month on average during the quarter, according to the Department of Labor. The jobless rate dropped to 3.9 percent, the lowest since 1969.

There were enough bumps over the course of the quarter to keep investor enthusiasm in check. The longest-running story was trade conflicts and their potential for disrupting the otherwise healthy economy. China and the U.S. continued to bicker over tariffs, with China threatening to impose tariffs on an additional \$60 billion of U.S. goods if the U.S. went ahead with a 25 percent tariff on \$200 billion of Chinese imports. In fact, the U.S. later confirmed it would proceed with those tariffs on top of levies already imposed on \$50 billion of Chinese imports (with the Chinese reciprocating in like kind). On the positive side of the trade battles, markets were helped by news of a bilateral trade pact between the U.S. and Mexico—replacing the 1988 NAFTA—and hopes that the new accord would include Canada as well. That prospect came to fruition on September 30 with the announcement of the United States- Mexico-Canada Agreement (USMCA). On other fronts, tech stocks suffered from occasional bouts of nervousness, mainly due to government inquiries into tech companies' privacy and security practices; on July 27, Facebook lost more than \$120 billion in market value, the greatest single-day company stock loss in market history. Late in the quarter, the Federal Reserve raised the fed funds rate another 25 basis points, its third increase of the year, and indicated that it would likely be less accommodative in the future.

**Liberty All-Star® Equity Fund**

Third quarter returns for Liberty All-Star® Equity Fund were good but mixed relative to various market indices. For the period, the Fund returned 6.36 percent with shares valued at net asset value (NAV) with dividends reinvested and 9.13 percent with shares valued at market price with dividends reinvested. The Fund's primary benchmark, the Lipper Large-Cap Core Mutual Fund Average, returned 6.95 percent for the quarter. The Fund's market price performance was ahead of both the S&P 500® and its Lipper benchmark while its NAV-based results modestly underperformed.

Fund performance remained strong through three quarters of 2018, as it returned 10.35 percent with shares valued at NAV with dividends reinvested and 17.06 percent with shares valued at market price with dividends reinvested. The Lipper Large-Cap Core Mutual Fund Average returned 8.83 percent for the same nine months. The Fund's performance year to date through September ranked in the top 30 percent of peer funds in the Lipper Large-Cap Core universe.

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Liberty All-Star® Equity Fund      President's  
Letter

*(Unaudited)*

The discount at which Fund shares trade relative to their underlying NAV continued to narrow during the third quarter. For the period, Fund shares traded in a discount range of -2.3 percent to -5.8 percent versus -4.1 percent to -8.4 percent in the second quarter.

In accordance with the Fund's distribution policy, the Fund paid a distribution of \$0.17 per share in the third quarter. The Fund's distribution policy has been in place since 1988 and is a major component of the Fund's total return. These distributions add up to \$26.73 per share for a total of more than \$2.8 billion since 1987 (the Fund's first full calendar year of operations). We continue to emphasize that shareholders should include these distributions when determining the total return on their investment in the Fund.

The Fund has performed well through the first nine months of the year and longer-term performance has been rewarding as well, as the Fund is in the top 25 percent of peer funds in the Lipper peer universe for the past three years. Despite the strong economy—or perhaps because of it—markets sold-off as the fourth quarter began, with investors fearing that rising interest rates would crimp consumer spending and siphon money away from stocks and into bonds. If inflation remains within the Federal Reserve's target range, we are optimistic that the market can steady itself. We continue to believe that the Fund's long-term perspective and multi-manager structure position it well for ever-evolving market environments.

Sincerely,

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

The views expressed in the President's letter reflect the views of the President as of October 2018 and may not reflect his views on the date this report is first published or anytime thereafter. These views are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict so actual outcomes and results may differ significantly from the views expressed. These views are subject to change at any time based upon economic, market or other conditions and the Fund disclaims any responsibility to update such views. These views may not be relied on as investment advice and, because investment decisions for the Fund are based on numerous factors, may not be relied on as an indication of trading intent.

2 [www.all-starfunds.com](http://www.all-starfunds.com)

## Liberty All-Star® Equity Fund Table of Distributions &amp; Rights Offerings

*September 30, 2018 (Unaudited)*

| Year              | Per Share Distributions | Rights Offerings |  | Subscription Price | Tax Credits <sup>1</sup> |
|-------------------|-------------------------|------------------|--|--------------------|--------------------------|
|                   |                         | Month Completed  | Shares Needed to Purchase One Additional Share |                    |                          |
| 1988              | \$0.64                  |                  |  |                    |                          |
| 1989              | 0.95                    |                  |  |                    |                          |
| 1990              | 0.90                    |                  |  |                    |                          |
| 1991              | 1.02                    |                  |  |                    |                          |
| 1992              | 1.07                    | April            | 10   | \$10.05            |                          |
| 1993              | 1.07                    | October          | 15   | 10.41              | \$0.18                   |
| 1994              | 1.00                    | September        | 15   | 9.14               |                          |
| 1995              | 1.04                    |                  |  |                    |                          |
| 1996              | 1.18                    |                  |  |                    | 0.13                     |
| 1997              | 1.33                    |                  |  |                    | 0.36                     |
| 1998              | 1.40                    | April            | 20   | 12.83              |                          |
| 1999              | 1.39                    |                  |  |                    |                          |
| 2000              | 1.42                    |                  |  |                    |                          |
| 2001              | 1.20                    |                  |  |                    |                          |
| 2002              | 0.88                    | May              | 10   | 8.99               |                          |
| 2003              | 0.78                    |                  |  |                    |                          |
| 2004              | 0.89                    | July             | 10 <sup>2</sup>                                | 8.34               |                          |
| 2005              | 0.87                    |                  |  |                    |                          |
| 2006              | 0.88                    |                  |  |                    |                          |
| 2007              | 0.90                    | December         | 10   | 6.51               |                          |
| 2008              | 0.65                    |                  |  |                    |                          |
| 2009 <sup>3</sup> | 0.31                    |                  |  |                    |                          |
| 2010              | 0.31                    |                  |  |                    |                          |
| 2011              | 0.34                    |                  |  |                    |                          |
| 2012              | 0.32                    |                  |  |                    |                          |
| 2013              | 0.35                    |                  |  |                    |                          |
| 2014              | 0.39                    |                  |  |                    |                          |
| 2015 <sup>4</sup> | 0.51                    |                  |  |                    |                          |



|                            |         |
|----------------------------|---------|
| 2016                       | 0.48    |
| 2017 <sup>5</sup>          | 0.56    |
| 2018                       |         |
| 1 <sup>st</sup><br>Quarter | 0.18    |
| 2 <sup>nd</sup><br>Quarter | 0.17    |
| 3 <sup>rd</sup><br>Quarter | 0.17    |
| Total                      | \$25.55 |

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

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

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

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

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

## DISTRIBUTION POLICY

The current policy is to pay distributions on its shares totaling approximately 10 percent of its net asset value per year, payable in four quarterly installments of 2.5 percent of the Fund's net asset value at the close of the New York Stock Exchange on the Friday prior to each quarterly declaration date. Sources of distributions to shareholders may include ordinary dividends, long-term capital gains and return of capital. The final determination of the source of all distributions in 2018 for tax reporting purposes will be made after year end. The actual amounts and sources of the amounts for tax reporting purposes will depend upon the Fund's investment experience during the remainder of its fiscal year and may be subject to changes based on tax regulations. If a distribution includes anything other than net investment income, the Fund provides a Section 19(a) notice of the best estimate of its distribution sources at that time. These estimates may not match the final tax characterization (for the full year's distributions) contained in shareholder 1099-DIV forms after the end of the year. If the Fund's ordinary dividends and long-term capital gains for any year exceed the amount distributed under the distribution policy, the Fund may, in its discretion, retain and not distribute capital gains and pay income tax thereon to the extent of such excess.

Liberty All-Star® Equity Fund Investment Managers/  
Portfolio Characteristics

September 30, 2018 (Unaudited)

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

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

**MANAGERS' DIFFERING INVESTMENT STRATEGIES ARE REFLECTED IN PORTFOLIO CHARACTERISTICS**

The portfolio characteristics table below is a regular feature of the Fund's shareholder reports. It serves as a useful tool for understanding the value of a multi-managed portfolio. The characteristics are different for each of the Fund's five investment managers. These differences are a reflection of the fact that each pursues a different investment style. The shaded column highlights the characteristics of the Fund as a whole, while the final column shows portfolio characteristics for the S&P 500® Index.

**PORTFOLIO CHARACTERISTICS** *As of September 30, 2018 (Unaudited)*

**Investment Style Spectrum**

|                                  | PZENA | MACQUARIE | ARISTOTLE | SUSTAINABLE | TCW | TOTAL<br>FUND | S&P 500®<br>INDEX |
|----------------------------------|-------|-----------|-----------|-------------|-----|---------------|-------------------|
| Number of Holdings               | 40    | 33        | 43        | 29          | 33  | 150*          | 505               |
| Percent of Holdings in<br>Top 10 | 33%   | 34%       | 34%       | 41%         | 52% | 18%           | 22%               |

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|   |      |      |       |       |       |       |       |
|---|------|------|-------|-------|-------|-------|-------|
| Weighted Average<br>Market Capitalization<br>(billions) | \$97 | \$99 | \$115 | \$181 | \$230 | \$145 | \$247 |
| Average Five-Year<br>Earnings Per Share<br>Growth       | 1%   | 6%   | 11%   | 12%   | 23%   | 10%   | 8%    |
| Dividend Yield  | 2.6% | 2.4% | 1.8%  | 1.0%  | 0.4%  | 1.6%  | 1.9%  |
| Price/Earnings Ratio**                                  | 18x  | 21x  | 21x   | 31x   | 40x   | 24x   | 22x   |
| Price/Book Value Ratio                                  | 1.5x | 2.5x | 2.6x  | 7.8 x | 7.9x  | 3.0x  | 3.5x  |

\*Certain holdings are held by more than one manager.

\*\*Excludes negative earnings.

4 [www.all-starfunds.com](http://www.all-starfunds.com)

## Liberty All-Star® Equity Fund Top 20 Holdings &amp; Economic Sectors

*September 30, 2018 (Unaudited)*

| <b>Top 20 Holdings*</b>               | <b>Percent of Net Assets</b> |
|---------------------------------------|------------------------------|
| Amazon.com, Inc.                      | 2.22%                        |
| Adobe Systems, Inc.                   | 2.19                         |
| Visa, Inc., Class A                   | 2.15                         |
| Alphabet, Inc., Class C               | 2.06                         |
| Salesforce.com, Inc.                  | 1.79                         |
| Microsoft Corp.                       | 1.58                         |
| Mondelez International, Inc., Class A | 1.53                         |
| Equinix, Inc.                         | 1.34                         |
| PayPal Holdings, Inc.                 | 1.30                         |
| Lowe's Companies, Inc.                | 1.28                         |
| Oracle Corp.                          | 1.26                         |
| Halliburton Co.                       | 1.25                         |
| Bank of America Corp.                 | 1.21                         |
| Home Depot, Inc.                      | 1.20                         |
| Edison International                  | 1.20                         |
| Express Scripts Holding Co.           | 1.20                         |
| Abbott Laboratories                   | 1.19                         |
| Merck & Co., Inc.                     | 1.16                         |
| Booking Holdings, Inc.                | 1.02                         |
| Amgen, Inc.                           | 1.01                         |
|                                       | 29.14%                       |

| <b>Economic Sectors*</b> | <b>Percent of Net Assets</b> |
|--------------------------|------------------------------|
| Information Technology   | 20.64%                       |
| Health Care              | 16.60                        |
| Financials               | 15.05                        |
| Consumer Discretionary   | 11.27                        |
| Energy                   | 7.23                         |
| Communication Services   | 6.48                         |

|                  |         |
|------------------|---------|
| Industrials      | 6.38    |
| Consumer Staples | 5.87    |
| Real Estate      | 3.28    |
| Materials        | 2.85    |
| Utilities        | 1.59    |
| Other Net Assets | 2.76    |
|                  | 100.00% |

\* Because the Fund is actively managed, there can be no guarantee that the Fund will continue to hold securities of the indicated issuers and sectors in the future.

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Liberty All-Star® Equity Fund Major Stock Changes in the Quarter

*September 30, 2018 (Unaudited)*

The following are the major (\$5 million or more) stock changes—both purchases and sales—that were made in the Fund’s portfolio during the third quarter of 2018.

| <b>Security Name</b>  | <b>Shares</b>            |                           |
|-----------------------|--------------------------|---------------------------|
|                       | <b>Purchases (Sales)</b> | <b>Held as of 9/30/18</b> |
| <b>Purchases</b>      |                          |                           |
| Abbott Laboratories   | 86,065                   | 226,265                   |
| Parker-Hannifin Corp. | 36,828                   | 36,828                    |
| Twitter, Inc.         | 170,200                  | 170,200                   |
| <b>Sales</b>          |                          |                           |
| SAP SE                | (71,204)                 | 0                         |
| Starbucks Corp.       | (259,866)                | 0                         |

6 www.all-starfunds.com

## Liberty All-Star® Equity Fund Schedule of Investments

*September 30, 2018 (Unaudited)*

|  | SHARES  | MARKET<br>VALUE |
|--|---------|-----------------|
| COMMON STOCKS (97.24%)                         |         |                 |
| COMMUNICATION SERVICES (6.48%)                 |         |                 |
| Diversified Telecommunication Services (1.16%) |         |                 |
| AT&T, Inc.                                     | 238,600 | \$8,012,188     |
| Verizon Communications, Inc.                   | 153,000 | 8,168,670       |
|  |         | 16,180,858      |
| Entertainment (0.77%)                          |         |                 |
| Walt Disney Co.                                | 91,582  | 10,709,599      |
| Interactive Media & Services (3.37%)           |         |                 |
| Alphabet, Inc., Class C <sup>(a)</sup>         | 24,024  | 28,671,923      |
| Facebook, Inc., Class A <sup>(a)</sup>         | 81,050  | 13,329,483      |
| Twitter, Inc. <sup>(a)</sup>                   | 170,200 | 4,843,892       |
|  |         | 46,845,298      |
| Media (1.18%)                                  |         |                 |
| Interpublic Group of Cos., Inc.                | 329,201 | 7,528,827       |
| News Corp., Class A                            | 305,600 | 4,030,864       |
| Omnicom Group, Inc.                            | 71,400  | 4,856,628       |
|  |         | 16,416,319      |
| CONSUMER DISCRETIONARY (11.27%)                |         |                 |
| Automobiles (0.59%)                            |         |                 |
| Ford Motor Co.                                 | 885,981 | 8,195,324       |
| Hotels, Restaurants & Leisure (0.84%)          |         |                 |
| Yum! Brands, Inc.                              | 128,494 | 11,681,390      |
| Household Durables (1.23%)                     |         |                 |
| Lennar Corp., Class A                          | 117,000 | 5,462,730       |
| Lennar Corp., Class B                          | 2,500   | 96,250          |
| Newell Brands, Inc.                            | 191,990 | 3,897,397       |
| Sony Corp. <sup>(b)</sup>                      | 126,400 | 7,666,160       |
|  |         | 17,122,537      |
| Internet & Direct Marketing Retail (3.24%)     |         |                 |
| Amazon.com, Inc. <sup>(a)</sup>                | 15,419  | 30,884,257      |
| Booking Holdings, Inc. <sup>(a)</sup>          | 7,139   | 14,163,776      |
|  |         | 45,048,033      |
| Multiline Retail (0.53%)                       |         |                 |
| Dollar Tree, Inc. <sup>(a)</sup>               | 90,800  | 7,404,740       |
| Specialty Retail (4.10%)                       |         |                 |

|                   |         |            |
|-------------------|---------|------------|
| Home Depot, Inc.  | 80,743  | 16,725,912 |
| Lowe's Cos., Inc. | 155,726 | 17,880,459 |
| TJX Cos., Inc.    | 87,660  | 9,819,673  |

*See Notes to Schedule of Investments.*

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## Liberty All-Star® Equity Fund Schedule of Investments

*September 30, 2018 (Unaudited)*

|  | SHARES  | MARKET<br>VALUE |
|--|---------|-----------------|
| COMMON STOCKS (continued)                |         |                 |
| Specialty Retail (continued)             |         |                 |
| Ulta Beauty, Inc.                        | 44,863  | \$ 12,656,750   |
|  |         | 57,082,794      |
| Textiles, Apparel & Luxury Goods (0.74%) |         |                 |
| NIKE, Inc., Class B                      | 122,154 | 10,348,887      |
| CONSUMER STAPLES (5.87%)                 |         |                 |
| Beverages (0.99%)                        |         |                 |
| Coca-Cola Co.                            | 159,200 | 7,353,448       |
| Monster Beverage Corp. <sup>(a)</sup>    | 109,200 | 6,364,176       |
|  |         | 13,717,624      |
| Food & Staples Retailing (1.62%)         |         |                 |
| Costco Wholesale Corp.                   | 29,200  | 6,858,496       |
| Kroger Co.                               | 200,600 | 5,839,466       |
| Walgreens Boots Alliance, Inc.           | 83,100  | 6,057,990       |
| Walmart, Inc.                            | 40,303  | 3,784,855       |
|  |         | 22,540,807      |
| Food Products (2.17%)                    |         |                 |
| Archer-Daniels-Midland Co.               | 177,300 | 8,912,871       |
| Mondelez International, Inc., Class A    | 496,279 | 21,320,146      |
|  |         | 30,233,017      |
| Personal Products (1.09%)                |         |                 |
| Estee Lauder Cos., Inc., Class A         | 60,748  | 8,827,899       |
| Unilever NV                              | 114,000 | 6,332,700       |
|  |         | 15,160,599      |
| ENERGY (7.23%)                           |         |                 |
| Energy Equipment & Services (2.36%)      |         |                 |
| Halliburton Co.                          | 429,727 | 17,416,835      |
| National Oilwell Varco, Inc.             | 118,906 | 5,122,471       |
| Schlumberger, Ltd.                       | 169,673 | 10,336,479      |
|  |         | 32,875,785      |
| Oil, Gas & Consumable Fuels (4.87%)      |         |                 |
| BP PLC <sup>(b)</sup>                    | 126,501 | 5,831,696       |
| Cenovus Energy, Inc.                     | 528,447 | 5,300,324       |
| Concho Resources, Inc. <sup>(a)</sup>    | 23,500  | 3,589,625       |
| ConocoPhillips                           | 118,600 | 9,179,640       |
| Exxon Mobil Corp.                        | 66,865  | 5,684,862       |
| Marathon Oil Corp.                       | 405,810 | 9,447,257       |
| Occidental Petroleum Corp.               | 98,700  | 8,110,179       |

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|                               |        |           |
|-------------------------------|--------|-----------|
| Phillips 66                   | 70,000 | 7,890,400 |
| Pioneer Natural Resources Co. | 25,500 | 4,441,845 |

*See Notes to Schedule of Investments.*

8 [www.all-starfunds.com](http://www.all-starfunds.com)

## Liberty All-Star® Equity Fund Schedule of Investments

*September 30, 2018 (Unaudited)*

|  | SHARES  | MARKET<br>VALUE           |
|--|---------|---------------------------|
| COMMON STOCKS (continued)                              |         |                           |
| Oil, Gas & Consumable Fuels (continued)                |         |                           |
| Royal Dutch Shell PLC, Class A <sup>(b)</sup>          | 120,795 | \$8,230,971<br>67,706,799 |
| FINANCIALS (15.05%)                                    |         |                           |
| Banks (5.40%)  |         |                           |
| Banco Bilbao Vizcaya Argentaria SA <sup>(b)(c)</sup>   | 810,000 | 5,103,000                 |
| Bank of America Corp.                                  | 572,857 | 16,876,367                |
| BB&T Corp.   | 159,300 | 7,732,422                 |
| BOK Financial Corp.                                    | 42,000  | 4,085,760                 |
| Citigroup, Inc.  | 113,986 | 8,177,356                 |
| Cullen/Frost Bankers, Inc.                             | 38,000  | 3,968,720                 |
| East West Bancorp, Inc.                                | 94,300  | 5,692,891                 |
| JPMorgan Chase & Co.                                   | 108,487 | 12,241,673                |
| Mitsubishi UFJ Financial Group, Inc. <sup>(b)(c)</sup> | 650,000 | 4,023,500                 |
| Wells Fargo & Co.                                      | 137,987 | 7,252,597<br>75,154,286   |
| Capital Markets (3.77%)                                |         |                           |
| Ameriprise Financial, Inc.                             | 48,500  | 7,161,510                 |
| Bank of New York Mellon Corp.                          | 152,200 | 7,760,678                 |
| Charles Schwab Corp.                                   | 128,900 | 6,335,435                 |
| Franklin Resources, Inc.                               | 168,889 | 5,135,915                 |
| Goldman Sachs Group, Inc.                              | 27,035  | 6,062,328                 |
| KKR & Co., Inc.  | 140,872 | 3,841,579                 |
| Morgan Stanley   | 134,105 | 6,245,270                 |
| S&P Global, Inc.                                       | 24,804  | 4,846,454                 |
| UBS Group AG <sup>(a)</sup>                            | 325,600 | 5,121,688<br>52,510,857   |
| Consumer Finance (1.01%)                               |         |                           |
| Capital One Financial Corp.                            | 147,440 | 13,996,479                |
| Diversified Financial Services (0.92%)                 |         |                           |
| AXA Equitable Holdings, Inc.                           | 248,482 | 5,329,939                 |
| Voya Financial, Inc.                                   | 150,003 | 7,450,649<br>12,780,588   |
| Insurance (3.95%)                                      |         |                           |
| Allstate Corp.   | 83,300  | 8,221,710                 |
| American International Group, Inc.                     | 257,456 | 13,706,957                |
| Axis Capital Holdings, Ltd.                            | 89,225  | 5,149,175                 |
| Chubb, Ltd.  | 93,600  | 12,508,704                |

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|                             |         |            |
|-----------------------------|---------|------------|
| Marsh & McLennan Cos., Inc. | 93,200  | 7,709,504  |
| MetLife, Inc.               | 166,053 | 7,757,996  |
|                             |         | 55,054,046 |

*See Notes to Schedule of Investments.*

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Liberty All-Star<sup>®</sup> Equity Fund Schedule of Investments*September 30, 2018 (Unaudited)*

|  | SHARES  | MARKET<br>VALUE |
|--|---------|-----------------|
| COMMON STOCKS (continued)                      |         |                 |
| HEALTH CARE (16.60%)                           |         |                 |
| Biotechnology (3.03%)                          |         |                 |
| AbbVie, Inc.                                   | 50,469  | \$4,773,358     |
| Alexion Pharmaceuticals, Inc. <sup>(a)</sup>   | 34,200  | 4,754,142       |
| Amgen, Inc.                                    | 68,005  | 14,096,757      |
| BioMarin Pharmaceutical, Inc. <sup>(a)</sup>   | 52,100  | 5,052,137       |
| Celgene Corp. <sup>(a)</sup>                   | 40,200  | 3,597,498       |
| Regeneron Pharmaceuticals, Inc. <sup>(a)</sup> | 24,436  | 9,873,121       |
|  |         | 42,147,013      |
| Health Care Equipment & Supplies (3.74%)       |         |                 |
| Abbott Laboratories                            | 226,265 | 16,598,800      |
| Align Technology, Inc. <sup>(a)</sup>          | 13,493  | 5,278,732       |
| Becton Dickinson and Co.                       | 32,580  | 8,503,380       |
| Danaher Corp.                                  | 79,000  | 8,584,140       |
| Medtronic PLC                                  | 84,000  | 8,263,080       |
| West Pharmaceutical Services, Inc.             | 38,700  | 4,778,289       |
|  |         | 52,006,421      |
| Health Care Providers & Services (4.70%)       |         |                 |
| Acadia Healthcare Co., Inc. <sup>(a)</sup>     | 112,000 | 3,942,400       |
| Cardinal Health, Inc.                          | 192,857 | 10,414,278      |
| CVS Health Corp.                               | 116,900 | 9,202,368       |
| Express Scripts Holding Co. <sup>(a)</sup>     | 175,104 | 16,636,631      |
| McKesson Corp.                                 | 48,431  | 6,424,372       |
| Quest Diagnostics, Inc.                        | 71,900  | 7,758,729       |
| UnitedHealth Group, Inc.                       | 41,742  | 11,105,042      |
|  |         | 65,483,820      |
| Life Sciences Tools & Services (0.46%)         |         |                 |
| Illumina, Inc. <sup>(a)</sup>                  | 17,376  | 6,378,035       |
| Pharmaceuticals (4.67%)                        |         |                 |
| Johnson & Johnson                              | 62,300  | 8,607,991       |
| Merck & Co., Inc.                              | 227,690 | 16,152,328      |
| Mylan NV <sup>(a)</sup>                        | 271,736 | 9,945,538       |
| Novartis AG <sup>(b)</sup>                     | 68,000  | 5,858,880       |
| Novo Nordisk A/S <sup>(b)</sup>                | 180,259 | 8,497,409       |
| Pfizer, Inc.                                   | 207,400 | 9,140,118       |
| Zoetis, Inc.                                   | 74,400  | 6,812,064       |
|  |         | 65,014,328      |
| INDUSTRIALS (6.38%)                            |         |                 |

Aerospace & Defense (1.69%)

|                        |        |           |
|------------------------|--------|-----------|
| General Dynamics Corp. | 36,000 | 7,369,920 |
| Northrop Grumman Corp. | 24,900 | 7,902,513 |

*See Notes to Schedule of Investments.*

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## Liberty All-Star® Equity Fund Schedule of Investments

*September 30, 2018 (Unaudited)*

|   | SHARES  | MARKET<br>VALUE           |
|---|---------|---------------------------|
| COMMON STOCKS (continued)                     |         |                           |
| Aerospace & Defense (continued)               |         |                           |
| Raytheon Co.                                  | 39,800  | \$8,225,068<br>23,497,501 |
| Building Products (0.44%)                     |         |                           |
| Johnson Controls International PLC            | 174,000 | 6,090,000                 |
| Commercial Services & Supplies (1.01%)        |         |                           |
| Waste Connections, Inc.                       | 70,200  | 5,599,854                 |
| Waste Management, Inc.                        | 94,500  | 8,539,020<br>14,138,874   |
| Industrial Conglomerates (0.41%)              |         |                           |
| General Electric Co.                          | 511,809 | 5,778,323                 |
| Machinery (1.74%)                             |         |                           |
| Dover Corp.                                   | 88,705  | 7,853,054                 |
| Oshkosh Corp.                                 | 90,500  | 6,447,220                 |
| Parker-Hannifin Corp.                         | 36,828  | 6,773,774                 |
| Xylem, Inc.                                   | 38,900  | 3,106,943<br>24,180,991   |
| Professional Services (0.70%)                 |         |                           |
| IHS Markit, Ltd. <sup>(a)</sup>               | 55,200  | 2,978,592                 |
| TransUnion                                    | 92,200  | 6,784,076<br>9,762,668    |
| Road & Rail (0.39%)                           |         |                           |
| JB Hunt Transport Services, Inc.              | 45,700  | 5,435,558                 |
| INFORMATION TECHNOLOGY (20.64%)               |         |                           |
| Communications Equipment (0.69%)              |         |                           |
| Cisco Systems, Inc.                           | 197,000 | 9,584,050                 |
| IT Services (6.73%)                           |         |                           |
| Alliance Data Systems Corp.                   | 35,100  | 8,289,216                 |
| Automatic Data Processing, Inc.               | 57,500  | 8,662,950                 |
| Cognizant Technology Solutions Corp., Class A | 95,884  | 7,397,451                 |
| FleetCor Technologies, Inc. <sup>(a)</sup>    | 53,574  | 12,206,300                |
| Mastercard, Inc., Class A                     | 40,855  | 9,094,731                 |
| PayPal Holdings, Inc. <sup>(a)</sup>          | 206,400 | 18,130,176                |
| Visa, Inc., Class A                           | 199,356 | 29,921,342<br>93,702,166  |

Semiconductors & Semiconductor Equipment (1.61%)

|   |         |           |
|---|---------|-----------|
| Intel Corp.                               | 168,600 | 7,973,094 |
| Microchip Technology, Inc. <sup>(c)</sup> | 89,000  | 7,022,990 |

*See Notes to Schedule of Investments.*

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## Liberty All-Star® Equity Fund Schedule of Investments

*September 30, 2018 (Unaudited)*

|  | SHARES  | MARKET<br>VALUE           |
|--|---------|---------------------------|
| COMMON STOCKS (continued)                            |         |                           |
| Semiconductors & Semiconductor Equipment (continued) |         |                           |
| NVIDIA Corp.   | 26,458  | \$7,435,227<br>22,431,311 |
| Software (10.86%)                                    |         |                           |
| Adobe Systems, Inc. <sup>(a)</sup>                   | 112,845 | 30,462,508                |
| ANSYS, Inc. <sup>(a)</sup>                           | 45,000  | 8,400,600                 |
| Autodesk, Inc. <sup>(a)</sup>                        | 74,376  | 11,610,837                |
| CA, Inc.   | 182,300 | 8,048,545                 |
| Microsoft Corp.                                      | 192,780 | 22,048,249                |
| Oracle Corp.   | 339,700 | 17,514,932                |
| Red Hat, Inc. <sup>(a)</sup>                         | 76,632  | 10,443,409                |
| salesforce.com, Inc. <sup>(a)</sup>                  | 156,320 | 24,859,570                |
| ServiceNow, Inc. <sup>(a)</sup>                      | 57,897  | 11,326,390                |
| Splunk, Inc. <sup>(a)</sup>                          | 53,700  | 6,492,867<br>151,207,907  |
| Technology Hardware, Storage & Peripherals (0.75%)   |         |                           |
| Hewlett Packard Enterprise Co.                       | 446,563 | 7,283,443                 |
| HP, Inc.   | 119,208 | 3,071,990<br>10,355,433   |
| MATERIALS (2.85%)                                    |         |                           |
| Chemicals (2.41%)                                    |         |                           |
| DowDuPont, Inc.                                      | 115,331 | 7,416,937                 |
| Ecolab, Inc.   | 73,157  | 11,469,554                |
| PPG Industries, Inc.                                 | 66,000  | 7,202,580                 |
| Praxair, Inc.  | 46,195  | 7,424,922<br>33,513,993   |
| Construction Materials (0.44%)                       |         |                           |
| Martin Marietta Materials, Inc.                      | 34,100  | 6,204,495                 |
| REAL ESTATE (3.28%)                                  |         |                           |
| Equity Real Estate Investment Trusts (REITs) (3.28%) |         |                           |
| American Tower Corp.                                 | 76,600  | 11,129,980                |
| Equinix, Inc.  | 43,155  | 18,681,368                |
| Equity LifeStyle Properties, Inc.                    | 36,800  | 3,549,360                 |
| Equity Residential                                   | 131,000 | 8,680,060                 |
| Sun Communities, Inc.                                | 35,100  | 3,564,054<br>45,604,822   |
| UTILITIES (1.59%)                                    |         |                           |
| Electric Utilities (1.20%)                           |         |                           |

Edison International

246,704 16,696,927

*See Notes to Schedule of Investments.*

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## Liberty All-Star® Equity Fund Schedule of Investments

*September 30, 2018 (Unaudited)*

|  | SHARES     | MARKET<br>VALUE        |
|--|------------|------------------------|
| COMMON STOCKS (continued)  |            |                        |
| Gas Utilities (0.39%)  |            |                        |
| National Fuel Gas Co.  | 97,000     | \$5,437,820            |
| <b>TOTAL COMMON STOCKS</b><br>(COST OF \$1,022,015,353)  |            | <b>1,353,419,122</b>   |
| SHORT TERM INVESTMENTS (3.22%)   |            |                        |
| MONEY MARKET FUND (2.74%)  |            |                        |
| State Street Institutional US Government Money Market Fund, 1.936% <sup>(d)</sup><br>(COST OF \$38,206,046)    | 38,206,046 | 38,206,046             |
| INVESTMENTS PURCHASED WITH COLLATERAL FROM SECURITIES<br>LOANED (0.48%)  |            |                        |
| State Street Navigator Securities Lending Government Money Market Portfolio,<br>2.19%<br>(COST OF \$6,687,164) | 6,687,164  | 6,687,164              |
| <b>TOTAL SHORT TERM INVESTMENTS</b><br>(COST OF \$44,893,210)  |            | <b>44,893,210</b>      |
| <b>TOTAL INVESTMENTS (100.46%)</b><br>(COST OF \$1,066,908,563)  |            | <b>1,398,312,332</b>   |
| <b>LIABILITIES IN EXCESS OF OTHER ASSETS (-0.46%)</b>  |            | <b>(6,433,512 )</b>    |
| <b>NET ASSETS (100.00%)</b>  |            | <b>\$1,391,878,820</b> |
| <b>NET ASSET VALUE PER SHARE</b><br>(198,727,586 SHARES OUTSTANDING)   |            | <b>\$7.00</b>          |

(a) Non-income producing security.

(b) American Depositary Receipt.

(c) Security, or a portion of the security position, is currently on loan. The total market value of securities on loan is \$12,086,632.

(d) Rate reflects seven-day effective yield on September 30, 2018.

*See Notes to Schedule of Investments.*

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Liberty All-Star® Equity Fund Notes to Schedule of Investments

*September 30, 2018 (Unaudited)*

### **Security Valuation**

Equity securities are valued at the last sale price at the close of the principal exchange on which they trade, except for securities listed on the NASDAQ Stock Market LLC (“NASDAQ”), which are valued at the NASDAQ official closing price. Unlisted securities or listed securities for which there were no sales during the day are valued at the closing bid price on such exchanges or over-the-counter markets.

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

The Fund’s investments are valued at market value or, in the absence of market value with respect to any portfolio securities, at fair value according to procedures adopted by the Fund’s Board of Trustees (the “Board”). When market quotations are not readily available, or in management’s judgment they do not accurately reflect fair value of a security, or an event occurs after the market close but before the Fund is priced that materially affects the value of a security, the security will be valued by the Fund’s Valuation Committee using fair valuation procedures established by the Board. Examples of potentially significant events that could materially impact a Fund’s net asset value include, but are not limited to: single issuer events such as corporate actions, reorganizations, mergers, spin-offs, liquidations, acquisitions and buyouts; corporate announcements on earnings or product offerings; regulatory news; and litigation and multiple issuer events such as governmental actions; natural disasters or armed conflicts that affect a country or a region; or significant market fluctuations. Potential significant events are monitored by the Advisor, ALPS Advisors, Inc. (the “Advisor”), Sub-Advisers and/or the Valuation Committee through independent reviews of market indicators, general news sources and communications from the Fund’s custodian. As of September 30, 2018, the Fund held no securities that were fair valued.

### **Security Transactions**

Security transactions are recorded on trade date. Cost is determined and gains/(losses) are based upon the specific identification method for both financial statement and federal income tax purposes.

### **Income Recognition**

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

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

### **Lending of Portfolio Securities**

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

## Liberty All-Star® Equity Fund Notes to Schedule of Investments

*September 30, 2018 (Unaudited)*

Any cash collateral received is reinvested in a money market fund managed by SSB as disclosed in the Fund's Schedule of Investments. Non-cash collateral, in the form of securities issued or guaranteed by the U.S. government or its agencies or instrumentalities, is not disclosed in the Fund's Schedule of Investments as it is held by the lending agent on behalf of the Fund, and the Fund does not have the ability to re-hypothecate these securities.

The following is a summary of the Fund's securities lending positions and related cash and non-cash collateral received as of September 30, 2018:

| <b>Market Value of Securities on Loan</b> | <b>Cash Collateral Received</b> | <b>Non-Cash Collateral Received</b> | <b>Total Collateral Received</b> |
|---|---------------------------------|-------------------------------------|----------------------------------|
| \$ 12,086,632                             | \$ 6,687,164                    | \$ 5,832,056                        | \$ 12,519,220                    |

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

### **Fair Value Measurements**

The Fund discloses the classification of its fair value measurements following a three-tier hierarchy based on the inputs used to measure fair value. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability that are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability that are developed based on the best information available.





Liberty All-Star® Equity Fund Notes to Schedule of Investments

September 30, 2018 (Unaudited)

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

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

Various inputs are used in determining the value of the Fund's investments as of the end of the reporting period. When inputs used fall into different levels of the fair value hierarchy, the level in the hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The designated input levels are not necessarily an indication of the risk or liquidity associated with these investments.

These inputs are categorized in the following hierarchy under applicable financial accounting standards:

- Level 1** Unadjusted quoted prices in active markets for identical investments, unrestricted assets or liabilities that a Fund has the ability to access at the measurement date;
- Level 2** Quoted prices which are not active, quoted prices for similar assets or liabilities in active markets or inputs other than quoted prices that are observable (either directly or indirectly) for substantially the full term of the asset or liability; and
- Level 3** Significant unobservable prices or inputs (including the Fund's own assumptions in determining the fair value of investments) where there is little or no market activity for the asset or liability at the measurement date.

The following is a summary of the inputs used to value the Fund's investments as of September 30, 2018:

|                                     | Valuation Inputs |         |         |       |
|-------------------------------------|------------------|---------|---------|-------|
| Investments in Securities at Value* | Level 1          | Level 2 | Level 3 | Total |

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|                        |                 |    |   |    |   |                 |
|------------------------|-----------------|----|---|----|---|-----------------|
| Common Stocks          | \$1,353,419,122 | \$ | – | \$ | – | \$1,353,419,122 |
| Short Term Investments | \$44,893,210    | \$ | – | \$ | – | \$44,893,210    |
| Total                  | \$1,398,312,332 | \$ | – | \$ | – | \$1,398,312,332 |

*\* See Schedule of Investments for industry classifications.*

The Fund did not have any securities which used significant unobservable inputs (Level 3) in determining fair value during the period.

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Liberty All-Star® Equity Fund Notes to Schedule of Investments

*September 30, 2018 (Unaudited)*

**Indemnification**

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

**Recent Accounting Pronouncement**

In August 2018, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2018-13, which changes the fair value measurement disclosure requirements of FASB Accounting Standards Codification Topic 820, Fair Value Measurement. The update to Topic 820 includes new, eliminated, and modified disclosure requirements. ASU 2018-13 is effective for fiscal years beginning after December 15, 2019, including interim periods. Early adoption is permitted for any eliminated or modified disclosures. Management is currently evaluating the impact of the ASU.

**Shareholder Meeting Results**

On August 23, 2018, the Annual Meeting of Shareholders of the Fund was held to elect three Trustees to the Board. On June 11, 2018, the record date for the meeting, the Fund had outstanding 197,002,326 shares of beneficial interest. The votes cast at the meeting were as follows:

**Proposal 1 - To elect three Trustees:**

| <b>Nominee</b>  | <b>For</b>      | <b>Against/Withheld</b> |
|-----------------|-----------------|-------------------------|
| John A. Benning | 175,641,422.730 | 4,434,184.267           |
| Maureen Usifer  | 175,749,624.137 | 4,325,982.860           |
| Edmund J. Burke | 175,764,331.637 | 4,311,275.360           |

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Liberty All-Star® Equity Fund Description of Lipper Benchmark  
And Market Indices

*September 30, 2018 (Unaudited)*

**Dow Jones Industrial Average**

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

**Lipper Large-Cap Core Mutual Fund Average**

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

**NASDAQ Composite Index**

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

**Russell 1000® Growth Index**

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

**Russell 1000® Value Index**

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

**Russell 3000® Index**

Measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market.

**S&P 500® Index**

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

*An investor cannot invest directly in an index.*

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