

INVESTORS FIRST



LIBERTY ALL-STAR[®] FUNDS

ALL STAR[®]
FUNDS

“ I believe in mutual funds, but investing in them isn't quite as easy as it looks. I struggle to tell one fund from another. And, I have to weigh a great many factors in order to make an informed decision that's right for me. Recently, I discovered investment funds of a different type, the exchange-traded All-Star Funds. The name says it all...I get access to outstanding investment managers and I have independent professionals watching over the funds and making objective decisions with one consideration in mind – my best interests. ”



**Excellence based on skill and expertise.
It's what separates all-stars from all the rest.**

Stock mutual funds make a world of sense for individual investors: You invest in a fund managed by a professional who has the time, knowledge, expertise and resources to make informed investment decisions for you.

In reality, it's not that simple. Mutual funds are as difficult to select and monitor as individual stocks because there are so many of them – thousands, in fact.

Blending funds so that they work together within your portfolio requires specialized skills. And, most mutual funds – because they focus on a single investment style or strategy – produce results that can swing dramatically as market conditions change.

For investors seeking a diversified, long-term investment approach, there is a solution: closed-end, exchange-traded Liberty All-Star® Funds. The Funds' Adviser, ALPS Advisors (ALPS), has an experienced team dedicated to managing every aspect of the All-Star Funds' investment process and ongoing operations. These professionals research and evaluate a broad universe of investment management firms, selecting those few that not only meet a set of rigorous criteria but also complement each other to add value in a diversified portfolio. Equally important, ALPS continuously monitors the managers' investment decisions and results to ensure the managers perform as expected.

The concept behind the All-Star Funds is simple: Systematically focus professional skill and expertise on building and managing a team of investment all-stars with one objective – helping individual investors succeed.





“Multi-management is a very sound concept – the majority of institutional investors have practiced it for years. The All-Star Funds bring it to individuals. Allocating assets among several hand-picked investment managers gives us a diversified fund with access to top talent.”

Choosing All-Star is the one decision that makes all your other decisions easy

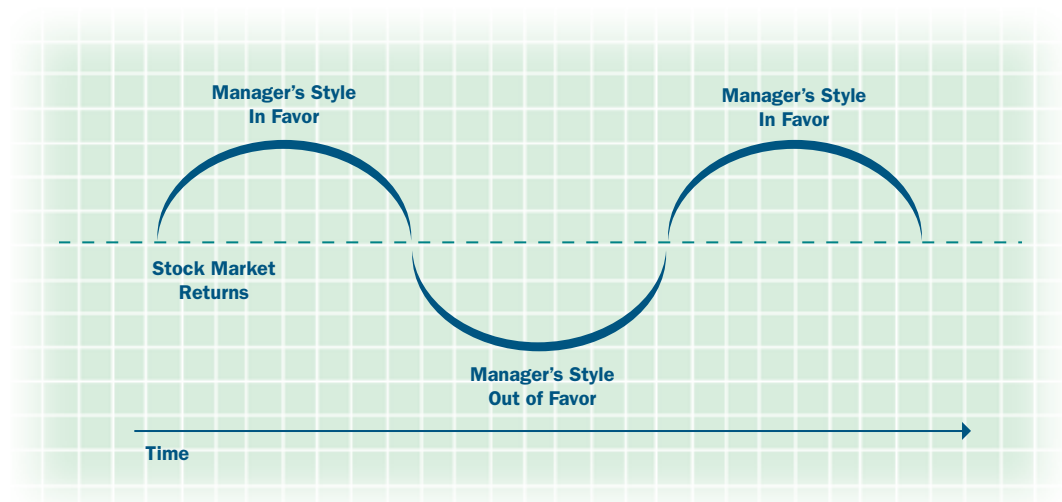
With the All-Star Funds, every step in the investment process is in the hands of professionals. You make one decision – to invest in an All-Star Fund – and we make all the others.

The investment approach we follow at the All-Star Funds is called multi-management, which is the practice of allocating assets among several carefully-selected investment managers with complementary investment styles. That’s a key difference – at the All-Star Funds, we don’t pick stocks, we pick managers. Multi-management is the same approach used by large institutional investors in order to diversify their portfolios and lower risk. In 1986, the Liberty All-Star Equity Fund was the first closed-end fund to bring multi-management to individual investors.

The All-Star Funds employ a rigorous process for identifying and then retaining those select investment managers that have demonstrated records of success over time, making them the all-stars of their profession. Frequently, these are institutional-quality investment management firms that are not accessible to individual investors.

Any manager selected for the All-Star Funds is independent of the Funds’ adviser, ALPS Advisors. That’s important because the All-Star team can be totally objective about the managers it hires for the All-Star Funds. There is no in-house group of funds nor are there alliances with any fund families. Our mandate for the investment managers we select is simple: their best thinking all the time, consistent implementation of their style and strategy, and investment performance that compares favorably with managers practicing a similar style.

Investment managers’ styles rotate in and out of favor as market sentiment shifts. Blending multiple managers practicing different but complementary styles and strategies may produce more consistent long-term results.



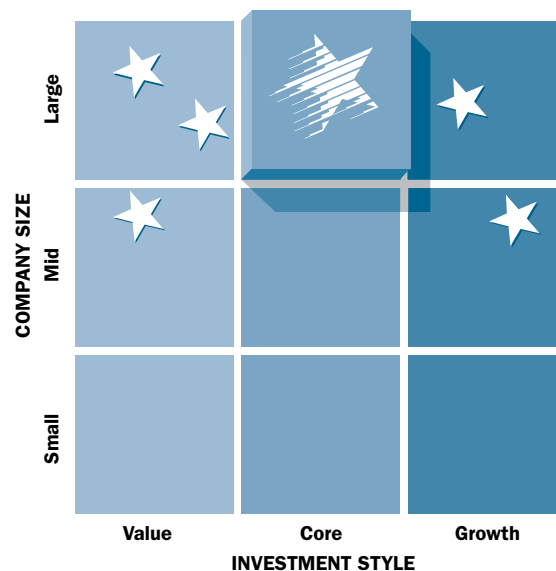
The All-Star Funds provide broad exposure and diversification in a single investment

ALPS Advisors offers investors a choice of two closed-end, exchange-traded equity funds: the Liberty All-Star Equity Fund and the Liberty All-Star Growth Fund. Both funds are listed on the New York Stock Exchange and trade like any exchange-listed stock. The price of a share is determined by supply and demand and pricing is continuous—not just end-of-day, as is the case with open-end mutual funds. And, while many exchange-traded funds are passive investments whose return is based on an index, the All-Star Funds are actively managed.

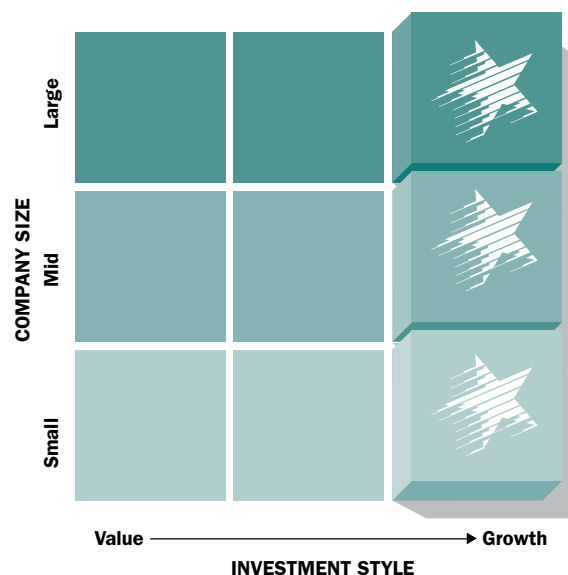
The two funds follow different investment strategies, but they pursue the same investment goals: to deliver consistent performance and above average returns relative to comparable funds. In addition to the potential for capital appreciation, both funds historically have provided a reliable distribution stream through quarterly dividend payments.

The All-Star Equity Fund (symbol: USA), established in 1986, is designed to be a core equity holding. The Fund provides investors with access to five investment managers practicing the two primary investment styles: value and growth. The Fund's assets are equally allocated to three value managers and two growth managers. Typically, value style managers focus on companies with attractive prospects that trade at comparatively low multiples of earnings, sales and book value. Growth style managers generally focus on companies with high expected sales and earnings growth that are leaders in expanding sectors of the economy. Because investor sentiment shifts between value and growth, the All-Star team's skill in blending the two styles in a single portfolio can reduce volatility and enhance consistency of returns over time.

The All-Star Growth Fund (symbol: ASG), established as a multi-managed fund in 1995, is a domestic growth equity fund that divides its assets equally among three investment managers. While all the managers practice the growth style of investing, each is selected for its particular investment strategy and capitalization focus: small-cap, mid-cap and large-cap.



The Liberty All-Star Equity Fund blends three value style investment managers and two growth style investment managers to form a core equity fund of mid- to large capitalization companies.



The Liberty All-Star Growth Fund blends three growth style investment managers diversified by capitalization range, providing growth investors with exposure to the entire capitalization spectrum of growth companies.



“ What I like best about the All-Star Funds is alignment of interests. The people making the decisions can be objective. They want what I want: proven investment managers and the best risk-adjusted returns over the long haul. ”

Even all-stars need a manager to help them work as a team

To be selected as a manager for an All-Star Fund means an investment organization has met a rigorous set of criteria. But, even individual standouts need to complement each other in order to become a seamless, cohesive team. The All-Star team at ALPS Advisors provides the leadership to accomplish that goal. Our team of experienced professionals created the All-Star concept and has managed the All-Star Funds through changing market environments. The Adviser employs both qualitative and quantitative analysis in the search for standout managers, and also performs ongoing manager evaluation and replaces managers if performance does not meet expectations.

In designing the All-Star Funds, the Adviser emphasizes diversification, consistent returns and a long-term outlook. Above all, we follow one guiding principle: make every decision with the individual investor’s best interests first and foremost.



With ALPS Advisors, Inc. acting as their independent and objective advocate, investors in the All-Star Funds gain a wide range of benefits.

Objective decision making (no biases favoring in-house investment managers)

Portfolio construction, management and oversight by a team of experienced professionals

Access to leading institutional-quality investment managers

With the **All-Star Equity Fund**, investors gain exposure to the two main styles of investing with the goal of more consistent long-term returns

With the **All-Star Growth Fund**, investors have a diversified all-cap growth stock portfolio

Ongoing evaluation of investment managers and, if necessary, manager replacement

Disciplined, periodic rebalancing



A Brighter Way to Invest

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