



Press Release

March 30, 2015

LIBERTY ALL-STAR® EQUITY FUND INCREASES ITS ANNUAL DISTRIBUTION RATE

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For Immediate Release

BOSTON, March 30, 2015 -- The Board of Trustees of Liberty All-Star Equity Fund (NYSE: USA) has approved an increase in the Fund's distribution policy from an annual rate of approximately 6 percent (1.5 percent quarterly) of net asset value to approximately 8 percent (2.0 percent quarterly). The increase was adopted primarily to better align the Fund's distribution rate with historical equity market returns.

The first distribution under the new rate is expected to be declared payable on or about April 20, 2015 to shareholders of record on or about May 1, 2015.

A portion of the Fund's distributions may be treated as paid from sources other than net income, including but not limited to short-term capital gain, long-term capital gain and return of capital. The final determination of the source of all distributions in 2015 for tax reporting purposes, including the percentage of qualified dividend income, will be made after year-end. If the Fund's net investment income and net realized capital gains for any year exceed the amount distributed under the distribution policy, the Fund may, in its discretion, retain and not distribute capital gains and pay income tax thereon to the extent of such excess.

ALPS Advisors, Inc. is the investment advisor of the Liberty All-Star Equity Fund, a multi-managed, closed-end investment company with more than \$1.2 billion in net assets. The Fund's shares are listed on the New York Stock Exchange under the symbol USA.

The Liberty All-Star Equity Fund is a closed-end fund and does not continuously offer shares. The Fund trades in the secondary market, investors wishing to buy or sell shares need to place orders through an intermediary or broker. The share price of a closed-end fund is based on the market's value.

*Past performance cannot predict future results.
An investment in the Fund involves risk, including loss of principal.*

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