



# Press Release

January 20, 2009

## LIBERTY ALL-STAR® EQUITY FUND DECLARES DISTRIBUTION

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**For Immediate Release**

**BOSTON, January 20, 2009** — The Board of Trustees of Liberty All-Star Equity Fund (NYSE: USA) has declared a distribution of \$0.10 per share payable on March 16, 2009 to shareholders of record on January 30, 2009 (ex-dividend date of January 28, 2009). The distribution is in accordance with the Fund's current distribution policy of paying distributions on its shares totaling approximately 10 percent of its net asset value per year, payable in four quarterly installments of 2.5 percent. A portion of the distribution 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 2009, including the percentage of qualified dividend income, will be made after year-end.

The distribution will be paid in newly issued shares to all shareholders except those who are not participating in Liberty All-Star Equity Fund's Dividend Reinvestment Plan and who elect to receive the distribution in cash. Shares will be issued at the lower of the February 27, 2009 net asset value per share or market value per share (but not less than 95% of market value). The market value of the Fund's shares for this purpose will be the last sales price on the New York Stock Exchange.

ALPS Advisors, Inc. is the fund manager of the Liberty All-Star Equity Fund, a multi-managed, closed-end investment company with more than \$713 million 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.

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