

LIBERTY ALL STAR GROWTH FUND INC.
Form N-Q
May 30, 2008

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM N-Q

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-04537

LIBERTY ALL-STAR GROWTH FUND, INC.
(Exact name of registrant as specified in charter)

1290 Broadway, Suite 1100, Denver, Colorado
(Address of principal executive offices)

80203
(Zip code)

Tané T. Tyler

Liberty All-Star Growth Fund, Inc.

1290 Broadway, Suite 1100

Denver, Colorado 80203
(Name and address of agent for service)

Registrant's telephone number, including area code: (303) 623-2577

Date of fiscal year end: December 31

Date of reporting period: March 31, 2008

Item 1 Schedule of Investments.

LIBERTY ALL-STAR GROWTH FUND

SCHEDULE OF INVESTMENTS

as of March 31, 2008 (unaudited)

| | SHARES | MARKET VALUE |
|-----------------------------------------------------|--------|--------------|
| COMMON STOCKS (97.99%) | | |
| CONSUMER DISCRETIONARY (10.45%) | | |
| Automobiles (0.84%) | | |
| Thor Industries, Inc. | 41,606 | \$ 1,238,611 |
| Distributors (1.02%) | | |
| LKQ Corp.(a) | 66,416 | 1,492,368 |
| Diversified Consumer Services (0.98%) | | |
| Bright Horizons Family Solutions, Inc.(a) | 3,596 | 154,772 |
| Strayer Education, Inc. | 8,400 | 1,281,000 |
| | | 1,435,772 |
| Hotels, Restaurants & Leisure (5.46%) | | |
| BJ's Restaurants, Inc.(a) | 27,016 | 389,301 |
| Chipotle Mexican Grill, Inc., Class B(a) | 7,000 | 679,630 |
| Ctrip.com International Ltd.(b) | 29,720 | 1,575,753 |
| Home Inns & Hotels Management, Inc.(a)(b) | 31,200 | 614,328 |
| Life Time Fitness, Inc.(a) | 27,861 | 869,542 |
| McDonald's Corp. | 40,400 | 2,253,107 |
| P.F. Chang's China Bistro, Inc.(a) | 35,000 | 995,400 |
| Texas Roadhouse, Inc., Class A(a) | 35,257 | 345,519 |
| Wynn Resorts, Ltd. | 2,900 | 291,856 |
| | | 8,014,436 |
| Multi-line Retail (0.59%) | | |
| Dollar Tree Stores, Inc.(a) | 31,550 | 870,465 |
| Specialty Retail (1.23%) | | |
| Dick's Sporting Goods, Inc.(a) | 20,300 | 543,634 |
| Hibbett Sports, Inc.(a) | 50,226 | 775,490 |
| PetSmart, Inc. | 22,900 | 468,076 |
| Zumiez, Inc.(a) | 1,034 | 16,223 |
| | | 1,803,423 |
| Textiles, Apparel & Luxury Goods (0.33%) | | |
| NIKE, Inc., Class B | 7,200 | 489,600 |
| CONSUMER STAPLES (6.27%) | | |
| Beverages (1.94%) | | |
| The Coca-Cola Co. | 34,900 | 2,124,363 |
| PepsiCo, Inc. | 10,045 | 725,249 |
| | | 2,849,612 |

| | | |
|------------------------------------------------|--------|------------|
| Food & Staples Retailing (1.77%) | | |
| CVS Caremark Corp. | 18,100 | 733,231 |
| Wal-Mart Stores, Inc. | 35,300 | 1,859,604 |
| | | 2,592,835 |
| Food Products (0.67%) | | |
| Archer-Daniels-Midland Co. | 23,800 | 979,608 |
| Household Products (1.29%) | | |
| Colgate-Palmolive Co. | 24,200 | 1,885,422 |
| Personal Products (0.60%) | | |
| Bare Escentuals, Inc.(a) | 37,700 | 882,934 |
| ENERGY (12.09%) | | |
| Energy Equipment & Services (7.82%) | | |
| CARBO Ceramics, Inc. | 11,539 | 462,714 |
| CGG Veritas(a)(b) | 24,383 | 1,207,202 |
| Core Laboratories N.V.(a) | 20,659 | 2,464,619 |
| FMC Technologies, Inc.(a) | 34,300 | 1,951,327 |
| Oceanering International, Inc.(a) | 20,500 | 1,291,500 |
| Patterson-UTI Energy, Inc. | 34,452 | 901,953 |
| Smith International, Inc. | 29,700 | 1,907,631 |
| Transocean, Inc.(a) | 9,600 | 1,297,920 |
| | | 11,484,866 |
| Oil & Gas (0.45%) | | |
| XTO Energy, Inc. | 10,700 | 661,902 |
| Oil & Gas Services (1.64%) | | |
| NATCO Group, Inc.(a) | 15,145 | 708,029 |
| National-Oilwell Varco, Inc.(a) | 13,500 | 788,130 |
| Weatherford International Ltd.(a) | 12,500 | 905,875 |
| | | 2,402,034 |
| Oil, Gas & Consumable Fuels (2.18%) | | |
| Apache Corp. | 11,500 | 1,389,430 |
| Devon Energy Corp. | 12,600 | 1,314,558 |
| Golar LNG Ltd. | 26,772 | 489,124 |
| | | 3,193,112 |

FINANCIALS (7.87%)**Banks (0.78%)**

| | | |
|--------------------|--------|-----------|
| State Street Corp. | 14,400 | 1,137,600 |
|--------------------|--------|-----------|

Capital Markets (3.27%)

| | | |
|------------------------------------|--------|-----------|
| Affiliated Managers Group, Inc.(a) | 23,120 | 2,097,909 |
| GFI Group, Inc. | 19,033 | 1,090,591 |
| optionsXpress Holdings, Inc. | 32,847 | 680,261 |
| SEI Investments Co. | 37,700 | 930,813 |
| | | 4,799,574 |

Diversified Financial Services (1.77%)

| | | |
|-----------------------------------|--------|-----------|
| Financial Federal Corp. | 39,406 | 859,445 |
| IntercontinentalExchange, Inc.(a) | 8,200 | 1,070,100 |
| MSCI, Inc.(a) | 22,344 | 664,734 |
| | | 2,594,279 |

Insurance (2.05%)

| | | |
|---------------------|--------|-----------|
| Aflac, Inc. | 27,800 | 1,805,610 |
| Brown & Brown, Inc. | 21,593 | 375,286 |
| eHealth, Inc.(a) | 37,700 | 832,039 |
| | | 3,012,935 |

HEALTH CARE (18.09%)**Biotechnology (4.27%)**

| | | |
|----------------------------------|--------|-----------|
| BioMarin Pharmaceutical, Inc.(a) | 20,444 | 723,104 |
| CV Therapeutics, Inc.(a) | 24,300 | 173,259 |
| Genentech, Inc.(a) | 20,800 | 1,688,544 |
| Genzyme Corp.(a) | 30,100 | 2,243,654 |
| Isis Pharmaceuticals, Inc.(a) | 32,100 | 452,931 |
| Martek Biosciences Corp.(a) | 18,108 | 553,562 |
| Vertex Pharmaceuticals, Inc.(a) | 18,100 | 432,409 |
| | | 6,267,463 |

Health Care Equipment & Supplies (5.51%)

| | | |
|--------------------------------|--------|-----------|
| Accuray, Inc.(a) | 40,140 | 313,493 |
| Baxter International, Inc. | 29,000 | 1,676,780 |
| Becton Dickinson & Co. | 14,700 | 1,261,995 |
| I-Flow Corp.(a) | 33,533 | 470,468 |
| Intuitive Surgical, Inc.(a) | 3,600 | 1,167,660 |
| Orthofix International N.V.(a) | 14,065 | 559,365 |
| ResMed, Inc.(a) | 21,187 | 893,668 |
| SurModics, Inc.(a) | 12,452 | 521,490 |
| Thoratec Corp.(a) | 36,000 | 514,440 |
| Wright Medical Group, Inc.(a) | 28,514 | 688,328 |
| | | 8,067,687 |

| | | |
|-----------------------------------------------------|--------|-----------|
| Health Care Providers & Services (2.61%) | | |
| athenahealth, Inc.(a) | 1,200 | 28,404 |
| Express Scripts, Inc.(a) | 12,200 | 784,704 |
| Lincare Holdings, Inc.(a) | 24,969 | 701,879 |
| Nighthawk Radiology Holdings, Inc.(a) | 42,721 | 399,869 |
| PSS World Medical, Inc.(a) | 45,726 | 761,795 |
| VCA Antech, Inc.(a) | 42,332 | 1,157,780 |
| | | 3,834,431 |
| Health Care Services (0.40%) | | |
| Psychiatric Solutions, Inc.(a) | 17,300 | 586,816 |
| Health Care Technology (0.32%) | | |
| Cerner Corp.(a) | 12,700 | 473,456 |
| Life Sciences Tools & Services (1.47%) | | |
| PharmaNet Development Group, Inc.(a) | 27,928 | 704,623 |
| WuXi PharmaTech Cayman, Inc.(a)(b) | 65,000 | 1,453,400 |
| | | 2,158,023 |
| Pharmaceuticals (3.51%) | | |
| Auxilium Pharmaceuticals, Inc.(a) | 27,354 | 731,446 |
| Johnson & Johnson | 26,900 | 1,745,003 |
| Mylan, Inc. | 67,200 | 779,520 |
| Teva Pharmaceutical Industries Ltd.(b) | 22,700 | 1,048,513 |
| United Therapeutics Corp.(a) | 9,816 | 851,047 |
| | | 5,155,529 |
| INDUSTRIALS (20.94%) | | |
| Aerospace & Defense (3.21%) | | |
| General Dynamics Corp. | 17,000 | 1,417,290 |
| Lockheed Martin Corp. | 17,900 | 1,777,470 |
| Spirit AeroSystems Holdings, Inc.(a) | 21,800 | 483,524 |
| United Technologies Corp. | 14,900 | 1,025,418 |
| | | 4,703,702 |
| Air Freight & Logistics (0.31%) | | |
| UTI Worldwide, Inc. | 22,663 | 455,073 |
| Commercial Services & Supplies (7.91%) | | |
| The Advisory Board Co.(a) | 15,900 | 873,546 |
| American Reprographics Co.(a) | 51,352 | 762,064 |
| Clean Harbors, Inc.(a) | 21,500 | 1,397,500 |
| The Corporate Executive Board Co. | 39,931 | 1,616,406 |
| IHS, Inc.(a) | 19,663 | 1,264,528 |

Edgar Filing: LIBERTY ALL STAR GROWTH FUND INC. - Form N-Q

| | | |
|-----------------------------------------------------|---------|------------|
| Quanta Services, Inc.(a) | 48,100 | 1,114,477 |
| Resources Connection, Inc. | 100,520 | 1,796,291 |
| Stericycle, Inc.(a) | 26,011 | 1,339,567 |
| Waste Connections, Inc.(a) | 46,658 | 1,434,267 |
| | | 11,598,646 |
| Construction & Engineering (0.88%) | | |
| Foster Wheeler Ltd.(a) | 17,016 | 963,446 |
| Stantec, Inc.(a) | 11,427 | 334,240 |
| | | 1,297,686 |
| Machinery (3.14%) | | |
| Cummins, Inc. | 9,800 | 458,836 |
| Deere & Co. | 27,200 | 2,187,968 |
| Flowserve Corp. | 13,500 | 1,409,130 |
| Kaydon Corp. | 12,592 | 552,915 |
| | | 4,608,849 |
| Miscellaneous Manufacturing (0.87%) | | |
| Honeywell International, Inc. | 22,600 | 1,275,092 |
| Road & Rail (1.05%) | | |
| CSX Corp. | 27,600 | 1,547,532 |
| Trading Companies & Distributors (2.71%) | | |
| Fastenal Co. | 33,820 | 1,553,353 |
| GATX Corp. | 14,774 | 577,220 |
| Interline Brands, Inc.(a) | 27,708 | 513,983 |
| TransDigm Group, Inc.(a) | 35,853 | 1,328,354 |
| | | 3,972,910 |
| Transportation (0.86%) | | |
| Burlington Northern Santa Fe Corp. | 13,700 | 1,263,414 |
| INFORMATION TECHNOLOGY (16.34%) | | |
| Communications Equipment (2.74%) | | |
| Infinera Corp.(a) | 63,394 | 760,728 |
| Polycom, Inc.(a) | 59,276 | 1,336,081 |
| Research In Motion Ltd.(a) | 17,200 | 1,930,356 |
| | | 4,027,165 |
| Computers & Peripherals (1.28%) | | |
| International Business Machines Corp. | 16,300 | 1,876,782 |

| | | |
|-------------------------------------------------------------|--------|-----------|
| Electronic Equipment & Instruments (2.18%) | | |
| Daktronics, Inc. | 22,252 | 398,533 |
| FLIR Systems, Inc.(a) | 45,654 | 1,373,729 |
| National Instruments Corp. | 54,480 | 1,424,107 |
| | | 3,196,369 |
| Internet Software & Services (3.62%) | | |
| Akamai Technologies, Inc.(a) | 37,800 | 1,064,448 |
| Baidu.com(a)(b) | 3,700 | 886,631 |
| Bankrate, Inc.(a) | 21,900 | 1,092,591 |
| Mercadolibre, Inc.(a) | 21,039 | 836,511 |
| TechTarget, Inc.(a) | 35,712 | 506,039 |
| VistaPrint Ltd.(a) | 26,293 | 918,940 |
| | | 5,305,160 |
| IT Services (1.72%) | | |
| Alliance Data Systems Corp.(a) | 11,000 | 522,610 |
| Cognizant Technology Solutions Corp., Class A(a) | 45,000 | 1,297,350 |
| SRA International, Inc.(a) | 28,661 | 696,749 |
| | | 2,516,709 |
| Semiconductors & Semiconductor Equipment (1.38%) | | |
| Cavium Networks, Inc.(a) | 11,888 | 194,963 |
| FormFactor, Inc.(a) | 19,270 | 368,057 |
| Hittite Microwave Corp.(a) | 39,127 | 1,464,133 |
| | | 2,027,153 |
| Software (3.42%) | | |
| ANSYS, Inc.(a) | 65,104 | 2,247,390 |
| Monotype Imaging Holdings, Inc.(a) | 29,896 | 451,729 |
| Phase Forward, Inc.(a) | 21,554 | 368,142 |
| Salesforce.com, Inc.(a) | 21,600 | 1,249,992 |
| VMware, Inc.(a) | 16,360 | 700,535 |
| | | 5,017,788 |
| MATERIALS (2.91%) | | |
| Chemicals (2.32%) | | |
| Potash Corp. of Saskatchewan, Inc. | 14,100 | 2,188,461 |
| Praxair, Inc. | 14,495 | 1,220,914 |
| | | 3,409,375 |
| Metals & Mining (0.59%) | | |
| Allegheny Technologies, Inc. | 12,100 | 863,456 |

TELECOMMUNICATION SERVICES (3.03%)**Diversified Telecommunication (1.48%)**

| | | |
|---------------------------|--------|-----------|
| Cbeyond, Inc.(a) | 45,607 | 856,956 |
| NeuStar, Inc., Class A(a) | 49,388 | 1,307,794 |
| | | 2,164,750 |

Wireless Telecommunication Services (1.55%)

| | | |
|------------------------------|--------|-----------|
| America Movil SAB de C.V.(b) | 4,600 | 292,974 |
| Clearwire Corp.(a) | 67,800 | 1,004,118 |
| Mobile TeleSystems OJSC(b) | 13,000 | 986,050 |
| | | 2,283,142 |

| | | |
|----------------------------------------------------|--|-------------|
| TOTAL COMMON STOCKS (Cost of \$138,885,949) | | 143,775,546 |
|----------------------------------------------------|--|-------------|

| | | |
|--------------------------------------|------------------|---------------------|
| | PAR VALUE | MARKET VALUE |
| SHORT TERM INVESTMENT (1.37%) | | |

REPURCHASE AGREEMENT (1.37%)

Repurchase agreement with State Street Bank & Trust Co., dated 03/31/08, due 04/01/08 at 1.40%, collateralized by several U.S. Treasury Bonds with various maturity dates, market value of \$2,057,803 (Repurchase proceeds of \$2,012,078)

| | | |
|-----------------------|--------------|-----------|
| (Cost of \$2,012,000) | \$ 2,012,000 | 2,012,000 |
|-----------------------|--------------|-----------|

| | | |
|------------------------------------------------------------|--|-------------|
| TOTAL INVESTMENTS (99.36%) (Cost of 140,897,949)(c) | | 145,787,546 |
|------------------------------------------------------------|--|-------------|

| | | |
|------------------------------------------------------|--|---------|
| OTHER ASSETS IN EXCESS OF LIABILITIES (0.64%) | | 933,283 |
|------------------------------------------------------|--|---------|

| | | |
|-----------------------------|----|-------------|
| NET ASSETS (100.00%) | \$ | 146,720,829 |
|-----------------------------|----|-------------|

| | | |
|------------------------------------------------------------------|----|------|
| NET ASSET VALUE PER SHARE (28,781,453 SHARES OUTSTANDING) | \$ | 5.10 |
|------------------------------------------------------------------|----|------|

(a) Non-Income producing security.

(b) ADR - American Depositary Receipt.

(c) Cost of investments for federal income tax purposes is \$140,960,968

Gross unrealized appreciation and depreciation at March 31, 2008 based on cost of investments for federal income tax purposes is as follows:

| | |
|-------------------------------|---------------|
| Gross unrealized appreciation | \$ 19,710,806 |
| Gross unrealized depreciation | (14,884,228) |
| Net unrealized appreciation | \$ 4,826,578 |

FAIR VALUE REPORTING

The Fund adopted the provisions of Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157 (FAS 157), Fair Value Measurements, on January 1, 2008. FAS 157 established a three-tier hierarchy to establish classification of fair value measurements for disclosure purposes. 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.

Various inputs are used in determining the value of the Fund's investments as of the end of the reporting period. These inputs are categorized in the following hierarchy under applicable financial accounting standards:

Level 1 Quoted prices in active markets for identical investments

Level 2 Other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)

Level 3 Significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The following is a summary of the inputs used to value the Fund's investments as of March 31, 2008.

| Valuation Inputs | Investments in Securities | Other Financial Instruments* |
|---------------------------------------------|---------------------------|------------------------------|
| Level 1-Quoted Prices | \$ 143,775,546 | |
| Level 2-Other Significant Observable Inputs | \$ 2,012,000 | |
| Level 3-Significant Unobservable Inputs | | |
| Total | \$ 145,787,546 | |

* Other financial instruments are derivative investments not reflected in the Schedule of Investments such as futures, forwards and swap contracts, which are valued at the unrealized appreciation/depreciation on the investment.

For the three months ended March 31, 2008, the Fund did not have significant unobservable inputs (Level 3) used in determining fair value. Therefore, a reconciliation of assets in which significant unobservable inputs (Level 3) were used in determining fair value is not applicable.

NOTES TO STATEMENT OF INVESTMENTS (UNAUDITED)

NOTE 1. ORGANIZATION

Liberty All-Star Growth Fund, Inc. (the Fund) is a Maryland corporation registered under the Investment Company Act of 1940 (the Act), as amended, as a diversified, closed-end management investment company.

Investment Goal

The Fund seeks long-term capital appreciation.

Fund Shares

The Fund may issue 60,000,000 shares of common stock at \$0.10 par.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements.

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 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.

Edgar Filing: LIBERTY ALL STAR GROWTH FUND INC. - Form N-Q

Short-term debt obligations maturing in more than 60 days for which market quotations are readily available are valued at current market value. Short-term debt obligations maturing within 60 days are valued at amortized cost, which approximates market value.

Investments for which market quotations are not readily available are valued at fair value as determined in good faith under consistently applied procedures approved by and under the general supervision of the Board of Directors.

Security Transactions

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

Repurchase Agreements

The Fund may engage in repurchase agreement transactions with institutions that the Fund's investment adviser has determined are creditworthy. The Fund, through its custodian, receives delivery of underlying securities collateralizing a repurchase agreement. Collateral is at least equal, at all times, to the value of the repurchase obligation including interest. A repurchase agreement transaction involves certain risks in the event of default or insolvency of the counterparty. These risks include possible delays or restrictions upon a Fund's ability to dispose of the underlying securities and a possible decline in the value of the underlying securities during the period while the Fund seeks to assert its rights.

Income Recognition

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

Federal Income Tax Status

Consistent with the Fund's policy to qualify as a regulated investment company and to distribute all of its taxable income to shareholders, no federal income tax has been accrued.

Distributions to Shareholders

The Fund currently has a policy of paying distributions on its common shares totaling approximately 10% of its net asset value per year. The distributions are payable in four quarterly distributions of 2.5% 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. Distributions to shareholders are recorded on ex-date.

Item 2 - Controls and Procedures.

(a) The registrant's Principal Executive Officer and Principal Financial Officer have evaluated the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) within 90 days of this filing and have concluded that the registrant's disclosure controls and procedures were effective, as of that date.

(b) There was no change in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) during registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3 Exhibits.

Separate certifications for the registrant's Principal Executive Officer and Principal Financial Officer, as required by Section 302 of the Sarbanes-Oxley Act of 2002 and Rule 30a-2(a) under the Investment Company Act of 1940, are attached as Ex99.CERT.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

LIBERTY ALL-STAR GROWTH FUND,
INC.

By: /s/ William Parmentier
William Parmentier
President (principal executive officer)

Date: May 30, 2008

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ William Parmentier
William Parmentier
President (principal executive officer)

Date: May 30, 2008

By: /s/ Jeremy O. May
Jeremy O. May
Treasurer (principal financial officer)

Date: May 30, 2008