LIBERTY ALL STAR EQUITY FUND Form N-Q November 29, 2007

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

811-04809

LIBERTY ALL-STAR EQUITY FUND (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 Equity Fund

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: September 30, 2007

Item 1 Schedule of Investments.

LIBERTY ALL-STAR EQUITY FUND

SCHEDULE OF INVESTMENTS

as of September 30, 2007 (Unaudited)

	SHARES	MARKET VALUE
COMMON STOCKS (96.53%)		
CONSUMER DISCRETIONARY (10.08%)		
Auto Components (0.63%)		
Magna International, Inc., Class A	76,775	\$ 7,394,200
Visteon Corp. (a)	298,075	1,535,086
	,	8,929,286
Diversified Consumer Services (0.20%)		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
H&R Block, Inc.	135,000	2,859,300
	,	
Hotels, Restaurants & Leisure (1.61%)		
Carnival Corp.	50,325	2,437,240
Las Vegas Sands Corp. (a)	63,490	8,470,836
McDonald s Corp.	217,300	11,836,331
•	,	22,744,407
Household Durables (1.31%)		,
Centex Corp.	222,150	5,902,525
Pulte Homes, Inc.	431,670	5,875,029
Whirlpool Corp.	76,825	6,845,108
	,	18,622,662
Internet & Catalog Retail (1.27%)		-,-,-
Amazon.com, Inc. (a)	192,780	17,957,457
	,	, ,
Media (2.36%)		
Comcast Corp., Class A (a)	418,000	10,015,280
Liberty Media Corp., Capital Series A (a)	45,804	5,717,713
Time Warner, Inc.	582,000	10,685,520
XM Satellite Radio Holdings, Inc., Class A (a)	496,550	7,036,114
	,	33,454,627
Specialty Retail (2.70%)		
Chico s FAS, Inc. (a)	16,150	226,908
The Gap, Inc.	502,000	9,256,880
Home Depot, Inc.	230,175	7,466,877
Office Depot, Inc. (a)	262,000	5,402,440
Staples, Inc.	344,150	7,395,783
TJX Companies, Inc.	294,200	8,552,394
1 /	,	38,301,282
CONSUMER STAPLES (3.78%)		
Beverages (0.87%)		
The Coca-Cola Co.	214,700	12,338,809
	,	
Food & Staples Retailing (2.18%)		
CVS Caremark Corp.	156,200	6,190,206
Walgreen Co.	51,900	2,451,756
Wal-Mart Stores, Inc.	510,475	22,282,234
	., .,	30,924,196
Food Products (0.73%)		, , , ,
Kraft Foods, Inc.	174,575	6,024,583
Sara Lee Corp.	120,296	2,007,740
I.	-,	, ,

Smithfield Foods, Inc. (a)	14,475	455,962
Tyson Foods, Inc., Class A	102,150	1,823,378
		10,311,663

ENERGY (9.07%)		
Energy Equipment & Services (2.67%)		
National Oilwell Varco, Inc. (a)	26,600	\$ 3,843,700
Schlumberger Ltd.	323,430	33,960,150
		37,803,850
Oil, Gas & Consumable Fuels (6.40%)		
Arch Coal, Inc.	352,750	11,901,785
BP PLC (b)	88,200	6,116,670
Cameco Corp.	67,150	3,105,016
Chevron Corp.	120,000	11,229,600
ConocoPhillips	140,000	12,287,800
Consol Energy, Inc.	332,200	15,480,520
Devon Energy Corp.	113,000	9,401,600
Exxon Mobil Corp.	119,500	11,060,920
Massey Energy Co.	181,825	3,967,421
Transocean, Inc. (a)	54,300	6,138,615
EINANCIALO (21 576)		90,689,947
FINANCIALS (21.57%) Conitol Monketa (21.6%)		
Capital Markets (2.16%)	96,600	5 062 110
Lehman Brothers Holdings, Inc. Merrill Lynch & Co., Inc.	138,000	5,963,118 9,836,640
Morgan Stanley	236,075	14,872,725
Worgan Stanicy	230,073	30,672,483
Commercial Banks (1.25%)		30,072,403
Comerica, Inc.	93,825	4,811,346
Commerce Bancorp, Inc.	332,210	12,883,104
Commerce Bulletip, inc.	332,210	17,694,450
Consumer Finance (0.76%)		17,051,150
Capital One Financial Corp.	103,200	6,855,576
Discover Financial Services LLC (a)	188,537	3,921,570
(4)	,	10,777,146
Diversified Financial Services (4.69%)		, ,
Bank of America Corp.	397,075	19,960,960
Citigroup, Inc.	705,975	32,947,853
IntercontinentalExchange, Inc. (a)	31,490	4,783,331
JPMorgan Chase & Co.	191,000	8,751,620
		66,443,764
Insurance (6.15%)		
The Allstate Corp.	182,500	10,437,175
American International Group, Inc.	196,750	13,310,137
Fidelity National Financial, Inc.	252,825	4,419,381
First American Corp.	110,375	4,041,932
Genworth Financial, Inc., Class A	211,000	6,484,030
MBIA, Inc.	42,475	2,593,099
MetLife, Inc.	89,475	6,239,092
The Progressive Corp.	641,370	12,448,992
RenaissanceRe Holdings Ltd.	52,525	3,435,660
Torchmark Corp.	166,300	10,363,816
Unum Group	61,050	1,493,894
XL Capital Ltd., Class A	149,025	11,802,780
Real Estate Investment Trusts (1.36%)		87,069,988
Annaly Capital Management, Inc.	1,073,525	17,101,253
iStar Financial, Inc.	31,400	1,067,286
Redwood Trust, Inc.	31,400	1,056,396
Nourrood 11404, IIIC.	51,000	19,224,935
		17,227,733

Thrifts & Mortgage Finance (5.20%)			
Countrywide Financial Corp.	723,230	\$	13,748,602
Fannie Mae	409,591	Ψ	24,907,229
Freddie Mac	378,200		22,317,582
Radian Group, Inc.	248,425		5,783,334
Washington Mutual, Inc.	196,650		6,943,712
	-, -,		73,700,459
HEALTH CARE (12.28%)			, ,
Biotechnology (2.08%)			
Amgen, Inc. (a)	82,350		4,658,540
Cephalon, Inc. (a)	82,600		6,034,756
Genentech, Inc. (a)	114,600		8,941,092
Genzyme Corp. (a)	159,170		9,862,173
			29,496,561
Health Care Equipment & Supplies (3.11%)			
Baxter International, Inc.	181,900		10,237,332
Becton Dickinson & Co.	37,400		3,068,670
Boston Scientific Corp. (a)	166,925		2,328,604
Covidien Ltd. (a)	286,400		11,885,600
St. Jude Medical, Inc. (a)	99,500		4,384,965
Stryker Corp.	87,700		6,030,252
Varian Medical Systems, Inc. (a)	145,700		6,103,373
Health Care Providers & Services (1.66%)			44,038,796
AmerisourceBergen Corp.	104,625		4,742,651
Express Scripts, Inc. (a)	110,400		6,162,528
Omnicare, Inc.	201,850		6,687,291
PharMerica Corp. (a)	8,723		130,147
WellPoint, Inc. (a)	74,300		5,863,756
well olik, me. (u)	7 1,500		23,586,373
Health Care Technology (0.36%)			.,,
Cerner Corp. (a)	84,732		5,067,821
Pharmaceuticals (5.07%)			
Bristol-Myers Squibb Co.	198,775		5,728,695
Johnson & Johnson	290,250		19,069,425
Pfizer, Inc.	768,200		18,767,126
Teva Pharmaceutical Industries Ltd. (b)	425,500		18,921,985
Wyeth	208,500		9,288,675
INDICEDIAL C (14 12 c)			71,775,906
INDUSTRIALS (12.33%) Aerospace & Defense (5.09%)			
The Boeing Co.	48,050		5,044,769
Bombardier, Inc., Class B (a)	922,225		5,479,666
General Dynamics Corp.	72,200		6,098,734
Goodrich Corp.	58,700		4,005,101
Honeywell International, Inc.	145,500		8,652,885
L-3 Communications Holdings, Inc.	25,300		2,584,142
Lockheed Martin Corp.	73,700		7,995,713
Northrop Grumman Corp.	64,675		5,044,650
Precision Castparts Corp.	40,300		5,963,594
Rockwell Collins, Inc.	113,900		8,319,256
United Technologies Corp.	159,900		12,868,752
			72,057,262
Air Freight & Logistics (1.05%)			
C.H. Robinson Worldwide, Inc.	149,845		8,135,085
Expeditors International of Washington, Inc.	141,245		6,680,889
			14,815,974

M.C.	Industrial Conglomerates (3.34%)		
General Electric Co. 501,000 2,04,400 Yeo International Lid. 222,00 9,844,800 Yeo International Lid. 222,00 9,844,800 AGCO Corp. (a) 37,000 3,706,210 Damaher Corp. 9,806 4,466,08 Decre & Co. 84,800 12,586,016 Navisar International Corp. (a) 66,023 3,708,010 Road & Rail (0.19%) 60,023 2,718,606 ENFORMATION TECHNOLOGY (21.90%) Enternational Corp. (a) 66,4600 22.004,906 Cisco Systems, Inc. (a) 66,4600 22.004,906 Cisco Systems, Inc. (a) 66,4600 22.004,906 Nokia Corp. (b) 203,700 17,263,41 Outa Corp. (b) 203,700 17,263,41 Outa Corp. (a) 47,500 19,883,50 EMC Corp. (a) 58,900 12,886,70		179,100	\$ 16,760,178
Tyce International Led. 222,000 9,843,480 Machinery (2,66%) 37,300 37,300,210 Danaher Corp. 59,800 4,946,058 Decre & Co. 84,800 12,386,016 Navistar International Corp. (a) 26,933 16,469,766 Avaitate International Corp. (a) 63,625 2,718,696 INFORMATION TECHNOLOGY (21,99%) Communications Equipment (4,50%) International Equipment (4,50%) International Equipment (4,50%) Alexade-Lucent (b) 1,159,223 11,800,800 Communications Equipment (4,50%) 1,159,223 11,800,800 Motare Lucent (b) 1,159,223 11,800,800 Communications Equipment (4,50%) 1,159,223 11,800,800 Motare Equipment (4,50%) 1,159,223 11,800,800 Motare Equipment (4,50%) 20,100,00 19,833,330 Open (b) 20,170,00 7,726,341 QUALCOMM, Inc. 67,425 19,248,930 Dell, Inc. (a) 6	General Electric Co.	· · · · · · · · · · · · · · · · · · ·	
Machinery (2.66%)	Tyco International Ltd.	222,000	
AGCO Cop., (a) 73,000 3,706,210 Danahar Corp. 59,800 4946,058 Deene & Co. 84,800 12,586,016 Navistar International Corp. (a) 266,933 16,469,766 SOR Comp. 63,625 2,718,696 INFORMATION TECHNOLOGY (21,90%) Experiment (4,50%) Located-Luce (b) 1,159,223 11,800,890 Cisco Systems, Inc., (a) 664,600 22,004,906 Motorolla, Inc. 293,700 7,726,341 QUALCOMM, Inc. 203,700 7,726,341 QUALCOMM, Inc. 697,425 19,248,930 Eul., Inc. (a) 101,400 11,94,920 Eul., Inc. (a) 294,225 1,976,121 International Business Machines Corp. 101,400 11,944,920 Network Appliance, Inc. (a) 294,225 1,977,715 International Business Machines Corp. 541,51			
Danaber Corp. \$9,800 4,946,058 Deere & Co. \$4,800 12,586,016 Navistar International Corp. (a) \$26,933 16,469,766 Road & Rail (0.19%) \$3,708,050 INFORMATION TECHNOLOGY (21,90%) Communications Equipment (4.50%) Alecate-Lucent (b) \$1,59,223 \$1,808,800 Communications Equipment (4.50%) \$1,59,223 \$1,808,800 Motorola, Inc. \$66,600 \$22,004,906 Motorola, Inc. \$29,125 \$2,392,686 Mokia Corp. (b) \$20,370 \$7,726,341 QUALCOMM, Inc. \$400,00 \$2,838,813 Computers & Peripherals (4.34%) Wolf (a) \$9,248,930 \$2,148,930 EMC Corp. (a) \$85,900 \$2,1248,730 \$2,248,930 \$2,1248,730 \$2,248,930 \$2,1248,930 \$2,1248,930 \$2,1248,930 \$2,1248,930 \$2,1248,930 \$2,1248,930 \$2,1248,930 \$2,1248,930 \$2,1248,930 \$2,1248,930 \$2,1248,930 \$2,1248,930 \$2,1248,930 \$2,1248,930	Machinery (2.66%)		
Deere & Co. 84,800 12,586,016 Road & Rail (0.19%) 266,933 16,469,766 Road & Rail (0.19%) 63,625 2,718,696 INFORMATION TECHNOLOGY (21,90%) Communications Equipment (4.50%) Learle-Lucell (b) 1,159,223 11,800,890 Cisco Systems, Inc. (a) 664,600 22,004,906 Motorola, Inc. 291,25 23,392,686 Noka Corp. (b) 203,700 7,726,341 QUALCOMM, Inc. 470,500 19,883,330 Computers & Peripherals (4.34%) 697,425 19,248,930 EMC Cop. (a) 697,425 19,248,930 EMILI, Inc. (a) 697,425 19,248,930 EMILI, Inc. (a) 19,449,20 11,800,20 Retwork Appliance, Inc. (a) 2		73,000	3,706,210
Navistar International Corp. (a) 266,933 16.469,766 Road & Rail (0.19%) 37,708,050 CSX Corp. 63,625 2,718,696 INFORMATION TECHNOLOGY (21.90%) Communications Equipment (4.50%) Alcate-Lucent (b) 1,159,223 11,800,890 Cisco Systems, Inc. (a) 664,600 22,049,066 Motorola, Inc. 129,125 2,392,686 Nokia Corp. (b) 200,700 7,726,341 QUALCOMM, Inc. 407,050 19,883,330 Computers & Peripherals (4.34%) 867,425 19,248,930 EMC Corp. (a) 687,425 19,248,930 EMC Corp. (a) 687,425 19,248,930 EMC Corp. (a) 585,900 12,186,720 EMC Corp. (a) 585,900 12,186,720 Hewlert-Packard Co. 253,500 12,621,765 International Business Machines Corp. 91,400 11,940 11,942 Network Appliance, Inc. (a) 244,225 1,797,715 70,000 24,2425 1,797,71	Danaher Corp.	59,800	4,946,058
Road & Rail (0.19%) CSX Corp.	Deere & Co.	84,800	12,586,016
Road & Rail (0.19%) 63,625 2,718,696 CSX Corp. 63,625 2,718,696 INFORMATION TECHNOLOGY (21.90%) Section of Communications Equipment (4.50%) 11,800,890 Alcade-Lucent (b) 1,159,223 11,800,890 Cisco Systems, Inc. (a) 664,600 22,049,06 Motorola, Inc. 129,125 2,392,686 Nokia Corp. (b) 203,700 7,726,341 QUALCOMM, Inc. 407,050 19,883,330 Computers & Peripherals (4.34%) 5 19,248,930 EMC Corp. (a) 697,425 19,248,930 EMWett-Packard Co. 253,500 12,627,750 International Business Machines Corp. 101,400 11,402,200 Network Appliance, Inc. (a) 541,519 9,162,496 Celectronic Equipment & Instruments (1.03%) <td>Navistar International Corp. (a)</td> <td>266,933</td> <td></td>	Navistar International Corp. (a)	266,933	
CSX Corp. 63,625 2,718,696 INFORMATION TECHNOLOGY (21.90%) Communications Equipment (4.50%) 1,159,223 11,800,890 Cisco Systems, Inc. (a) 664,600 22,004,968 Motorola, Inc. 203,700 7,726,341 QUALCOMM, Inc. 470,500 19,883,330 Computers & Peripherals (4.34%) 50,800,81,53 EMC Corp. (a) 858,900 12,186,720 Ell, Inc. (a) 697,425 19,248,930 EMC Corp. (a) 858,900 12,186,720 International Business Machines Corp. 353,500 12,621,760 International Business Machines Corp. 101,400 11,944,920 Network Appliance, Inc. (a) 206,615 5,500,010 Levelet-Packard Co. 253,550 12,621,765 International Business Machines Corp. 101,400 11,944,920 Network Appliance, Inc. (a) 294,225 1,797,715 International Equipment Entiruments (1.03%) 341,519 9,162,496 Celectionic Equipment Equipment (2.04%) 316,300 20,303 Celection, Inc.			37,708,050
NFORMATION TECHNOLOGY (2190%) Communications Equipment (4.50%) Alcatel-Lucent (b)			
Communications Equipment (4.50%) 1,159,223 11,800,80 Claced-Lucent (b) 1,159,223 11,800,80 Close Systems, Inc. (a) 664,600 22,004,06 Motorola, Inc. 203,700 7,726,341 QUAL COMM, Inc. 470,500 19,883,330 Computers & Peripherals (4.34%) 85,900 12,186,720 EMC Corp. (a) 585,900 12,186,720 EMC COrp. (a) 585,900 12,621,765 EMC Corp. (a) 585,900 12,621,765 International Business Machines Corp. 101,400 11,942,920 Network Appliance, Inc. (a) 206,615 5,500,010 International Business Machines Corp. 101,400 11,942,920 Network Appliance, Inc. (a) 206,615 5,500,010 Clestica, Inc. (a) 20,525,90 12,621,765 Electronic Equipment & Instruments (1.03%) 10,220 3,658,147 Type Electronic Equipment & Instruments (1.03%) 10,220 3,658,147 Type Electronic Equipment & Instruments (1.03%) 10,220 3,658,147 Type Electronic Equipment & Instruments (1.03%)	CSX Corp.	63,625	2,718,696
Communications Equipment (4.50%) 1,159,223 11,800,80 Claced-Lucent (b) 1,159,223 11,800,80 Close Systems, Inc. (a) 664,600 22,004,06 Motorola, Inc. 203,700 7,726,341 QUAL COMM, Inc. 470,500 19,883,330 Computers & Peripherals (4.34%) 85,900 12,186,720 EMC Corp. (a) 585,900 12,186,720 EMC COrp. (a) 585,900 12,621,765 EMC Corp. (a) 585,900 12,621,765 International Business Machines Corp. 101,400 11,942,920 Network Appliance, Inc. (a) 206,615 5,500,010 International Business Machines Corp. 101,400 11,942,920 Network Appliance, Inc. (a) 206,615 5,500,010 Clestica, Inc. (a) 20,525,90 12,621,765 Electronic Equipment & Instruments (1.03%) 10,220 3,658,147 Type Electronic Equipment & Instruments (1.03%) 10,220 3,658,147 Type Electronic Equipment & Instruments (1.03%) 10,220 3,658,147 Type Electronic Equipment & Instruments (1.03%)	INTEGRAL MICHAEL CONTROL OCAL (A4 00 d)		
Alcate-Lucent (b)	·		
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Motorola Inc. 129,125 2,302,686 Nokia Corp. (b) 203,700 7,726,341 QUALCOMM, Inc. 470,500 19,883,330 Computers & Peripherals (4.34%) EMC Corp. (a) 697,425 19,248,930 EMC Corp. (a) 585,900 12,867,200 Hewlett-Packard Co. 253,500 12,621,765 International Business Machines Corp. 101,400 11,944,920 Network Appliance, Inc. (a) 206,615 5,560,010 Electronic Equipment & Instruments (1.03%) AU Optronics Corp. (b) 541,519 9,162,496 Celestica, Inc. (a) 294,225 1,797,115 Tyoe Electronics Ltd. 294,225 1,797,115 Tyoe Electronics Ltd. 31,600 12,330,320 Google, Inc., Class A (a) 35,300 20,024,631 VeriSign, Inc. (a) 35,300 20,024,631 Ver			
Nokia Corp. (b) 203,700 7,26,341 QUALCOMM, Inc. 19,883,330 Computer & Peripherals (4.34%) 50,808,153 EMIL, Inc. (a) 697,425 19,248,930 EMC Corp. (a) 885,900 12,186,720 Hewlett-Packard Co. 253,500 12,261,765 International Business Machines Corp. 101,400 11,94,920 Network Appliance, Inc. (a) 206,615 5,600,010 Electronic Equipment & Instruments (1.03%) 41,519 9,162,496 Celestica, Inc. (a) 294,225 1,797,715 Tyco Electronics Ltd. 103,250 3,658,147 Tyco Electronics Ltd. 103,250 3,658,147 Tyco Electronics Ltd. 103,250 3,658,147 Tyco Electronics Ltd. 130,200 3,658,147 Tyco Electronics Ltd. 316,000 12,330,320 Celestica, Inc. (a) 316,000 12,330,320 Edy, Inc. (a) 316,000 12,330,320 Google, Inc., Class A (a) 35,300 20,024,631 VeriSign, Inc. (a) 31,375 6,673,603 <td></td> <td></td> <td></td>			
QUALCOMM, Inc. 470,500 1,883,330 Computers & Peripherals (4.34%) 697,425 19,248,930 EMI, Inc. (a) 697,425 19,248,930 EMC Corp. (a) 697,425 12,186,720 EWelter-Packard Co. 253,500 12,621,765 International Business Machines Corp. 101,400 11,944,920 Network Appliance, Inc. (a) 206,615 5,560,010 Electronic Equipment & Instruments (1.03%) 31,192 9,162,946 Electronic Supply (1.0c.) 541,519 9,162,946 Celestica, Inc. (a) 294,225 1,797,715 Tyco Electronics Ltd. 103,250 3,658,147 Tyco Electronics Ltd. 103,250 3,658,147 Tyco Electronics Ltd. 316,000 12,330,320 Google, Inc., (a) 319,000 20,024,611 Accenture Ltd., (ass A<			
Computers & Peripherals (4.34%) 63,808,153 Computers & Peripherals (4.34%) 697,425 19,248,930 EMC Corp. (a) 697,425 19,248,930 EMC Corp. (a) 585,900 12,186,720 Hewlett-Packard Co. 253,500 11,194,920 International Business Machines Corp. 101,449 206,615 5,560,010 International Business Machines Corp. 206,615 5,560,010 61,562,345 Electronic Equipment & Instruments (1.03%) ***********************************	• ''		
Computers & Peripherals (4.34%) 897,425 19,248,93 Dell, Inc. (a) 697,425 19,248,93 EMC Cop. (a) \$85,900 12,186,720 Hewlett-Packard Co. 253,500 12,621,765 International Business Machines Corp. 101,400 11,946,920 Network Appliance, Inc. (a) 206,615 5,560,010 Network Appliance, Inc. (a) 541,519 9,162,486 Electronic Equipment & Instruments (1.03%) 294,225 1,797,715 Questica, Inc. (a) 294,225 1,797,715 Type Electronics Ltd. 103,250 3,558,147 Type Electronics Ltd. 316,000 12,330,320 Pass, Inc. (a) 316,000 12,330,320 Pass, Inc. (a) 316,000 21,330,320 Pass, Inc. (a) 316,000 12,330,320 Pess, Inc. (a) 316,000 20,004,631 VeriSign, Inc. (a) 316,000 45,241,00 Agoil, Electronics Ltd., Class A 112,400 4,524,100 Affiliated Computer Services, Inc., Class A (a) 313,375 6,600,280	QUALCOMM, Inc.	470,300	
Dell, Inc. (a) 697,425 19,248,930 EMC Corp. (a) \$85,900 12,186,726 Intewlett-Packard Co. 253,500 12,621,765 International Business Machines Corp. 101,400 11,944,920 Network Appliance, Inc. (a) 206,615 5,560,010 Electronic Equipment & Instruments (1.03%) AU Optronics Corp. (b) 541,519 9,162,496 Celestica, Inc. (a) 294,225 1,797,715 Tyco Electronics Ltd. 103,250 3,658,147 Tyco Electronics Ltd. 316,000 12,330,320 Google, Inc., Clas A (a) 316,000 12,330,320 Google, Inc., Class A (a) 197,795 6,673,603 Tycorics (1.83%) 111,240 4,524,100 Accenture Ltd., Class A 113,375 6,600,280 Bearing Point, Inc. (a) 541,0	Computers & Parinharals (4 34%)		05,000,155
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Qimonda (a)(b) 128,550 1,452,615			
28,400,810	Qiiiioliua (a)(0)	120,330	
			20,400,810

Callenger (F AAG)			
Software (5.44%) Autodesk, Inc. (a)	241,660	\$	12,075,750
CA, Inc.	274,050	φ	7,048,566
Microsoft Corp.	632,875		18,644,498
Oracle Corp. (a)	781.225		16,913,521
Salesforce.com, Inc. (a)	331,700		17,022,844
Symantec Corp. (a)	275,000		5,329,500
, I. (v)	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		77,034,679
MATERIALS (1.73%)			
Chemicals (0.96%)			
Cytec Industries, Inc.	29,475		2,015,795
Potash Corp. of Saskatchewan, Inc.	43,500		4,597,950
Praxair, Inc.	84,700		7,094,472
			13,708,217
Metals & Mining (0.77%)			
Allegheny Technologies, Inc.	98,917		10,875,924
THE PROPERTY OF THE PROPERTY O			
TELECOMMUNICATION SERVICES (2.11%)			
Wireless Telecommunication Services (2.11%)	222 200		14.067.000
America Movil, S.A. de C.V. (b)	232,300		14,867,200
China Mobile Ltd. (b) Makila Tala Systems (k)	57,100		4,684,484
Mobile TeleSystems (b) Sprint Nextel Corp.	115,300 126,925		7,991,443 2,411,575
Sprint Nexter Corp.	120,923		29,954,702
UTILITIES (1.68%)			29,934,702
Electric Utilities (0.91%)			
Reliant Energy, Inc. (a)	504,525		12,915,840
Tomaic Energy, sile. (a)	301,323		12,713,010
Multi-Utilities (0.77%)			
Sempra Energy	101,925		5,923,881
Wisconsin Energy Corp., Series C	110,200		4,962,306
			10,886,187
TOTAL COMMON STOCKS			
(COST OF \$1,221,847,171)			1,367,850,734
(ΕΟΒΙ ΟΙ ΨΙ,ΣΣΙ,ΟΙΤ,1ΤΙ)			1,507,050,754
EXCHANGE TRADED FUNDS (0.27%)			
EXCHANGE TRADED FUNDS (0.27%)			
iShares Russell 1000 Value Index Fund			
(COST OF \$3,605,565)	43,800		3,765,486
	,		, ,
	PAR		
	VALUE		MARKET VALUE
SHORT TERM INVESTMENTS (2.83%)			
REPURCHASE AGREEMENT (2.83%)			
Repurchase agreement with State Street Bank & Trust Co., dated 09/28/07, due 10/01/07			
at 4.05%, collateralized by several U.S. Treasury Bonds with various maturity dates,			
market value of \$40,850,133 (repurchase proceeds of \$40,061,019) (COST OF	40.040.000	_	40.042.000
\$40,043,000)	\$ 40,043,000	\$	40,043,000
TOTAL INVESTMENTS (00 420)			
TOTAL INVESTMENTS (99.63%) (COST OF \$1.365, 405, 736)(c)			1 /11 (50 220
(COST OF \$1,265,495,736)(c)			1,411,659,220
OTHED ASSETS IN EVCESS OF LIABILITIES (A 27%)			E 191 (15
OTHER ASSETS IN EXCESS OF LIABILITIES (0.37%) NET ASSETS (100.00%)		Ф	5,282,625 1,416,941,845
NET ASSETS (100.00%) NET ASSET VALUE PER SHARE (160,681,907 SHARES OUTSTANDING)		\$ \$	1,410,941,645
THE ABOUT TABOUT ER SHARE (100,001,707 SHARES OUTSTANDING)		Ψ	0.02

- (a) Non-income producing security
- (b) American Depository Receipt
- (c) Cost of investments for federal income tax purposes is \$1,273,394,092

Gross unrealized appreciation and depreciation at September 30, 2007 based on cost of investments for federal income tax purposes is as follows:

Gross unrealized appreciation	\$ 214,296,869
Gross unrealized depreciation	(76,031,741)
Net unrealized appreciation	\$ 138,265,128

NOTES TO STATEMENTS OF INVESTMENTS (unaudited)

NOTE 1. ORGANIZATION

Liberty All-Star Equity Fund (the Fund) is a Massachusetts business trust 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 total investment return comprised of longterm capital appreciation and current income through investing primarily in a diversified portfolio of equity securities.

Fund Shares

The Fund may issue an unlimited number of shares of beneficial interest.

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.

Debt securities generally are valued by pricing services approved by the Fund s Board of Trustees (the Board), based upon market transactions for normal, institutional-size trading units of similar securities. The services may use various pricing techniques which take into account appropriate factors such as yield, quality, coupon rate, maturity, type of issue, trading characteristics and other data, as well as broker quotes. Debt securities for which quotations are readily available are valued at an over-the-counter or exchange bid quotation.

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.

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. Premium and discount are amortized and accreted, respectively, on all debt securities. Corporate actions and dividend income are recorded on the ex-date.

The Fund estimates components of distributions from real estate investment trusts (REIT s). Distributions received in excess of income are recorded as a reduction of the cost of the related investments. If the Fund no longer owns the applicable securities, any distributions received in excess of income are recorded as realized gains.

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 shares of beneficial interest 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 EQUITY FUND

By: /s/ William Parmentier

William Parmentier

President (principal executive

officer)

Date: November 29, 2007

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: November 29, 2007

By: /s/ Jeremy O. May

Jeremy O. May

Treasurer (principal financial

officer)

Date: November 29, 2007

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