

LIBERTY ALL STAR EQUITY FUND
Form N-Q
November 29, 2004

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

OMB APPROVAL
OMB Number: 3235-0578
Expires: February 28, 2006
Estimated average burden hours per
response.....20.00

FORM N-Q

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

Investment Company Act file number 811-4809
Liberty All Star Equity Fund
(Exact name of registrant as specified in charter)
One Financial Center, Boston, Massachusetts 02111
(Address of principal executive offices) (Zip code)
Vincent Pietropaolo, Esq.
Columbia Management Group, Inc.
One Financial Center
Boston, MA 02111
(Name and address of agent for service)
Registrant's telephone number, including area code: 1-617-772-3698
Date of fiscal year end: 12/31/04
Date of reporting period: 9/30/04

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Schedule of Investments as of September 30, 2004 (Unaudited)

| COMMON STOCKS (99.4%) | SHARES | MARKET VALUE |
|---|-----------|--------------|
| CONSUMER DISCRETIONARY (16.5%) | | |
| Auto Components (1.0%) | | |
| Johnson Controls, Inc. | 139,775 | \$ 7,940,618 |
| Visteon Corp. | 485,300 | 3,877,547 |
| | | 11,818,165 |
| Automobiles (0.9%) | | |
| Harley-Davidson, Inc. | 87,700 | 5,212,888 |
| Honda Motor Co. Ltd. (b) | 241,650 | 5,886,594 |
| | | 11,099,482 |
| Hotels, Restaurants & Leisure (2.9%) | | |
| Carnival Corp. | 156,150 | 7,384,333 |
| MGM Mirage (a) | 115,000 | 5,709,750 |
| Starbucks Corp. (a) | 196,860 | 8,949,256 |
| Starwood Hotels & Resorts Worldwide, Inc. | 221,200 | 10,268,104 |
| Wendy's International, Inc. | 100,000 | 3,360,000 |
| | | 35,671,443 |
| Household Durables (1.0%) | | |
| Newell Rubbermaid, Inc. | 167,850 | 3,363,714 |
| Whirlpool Corp. | 146,550 | 8,806,189 |
| | | 12,169,903 |
| Internet & Catalog Retail (2.3%) | | |
| Amazon.com, Inc. (a) | 316,500 | 12,932,190 |
| eBay, Inc. (a) | 163,800 | 15,059,772 |
| | | 27,991,962 |
| Leisure Equipment & Products (0.2%) | | |
| Brunswick Corp. | 66,225 | 3,030,456 |
| Media (4.5%) | | |
| Comcast Corp., Class A (a) | 194,000 | 5,416,480 |
| Interpublic Group of Companies, Inc. (a) | 383,000 | 4,055,970 |
| Liberty Media Corp., Class A (a) | 1,204,192 | 10,500,554 |
| Liberty Media International, Inc., Class A (a) | 177,662 | 5,927,160 |
| Pixar, Inc. (a) | 112,800 | 8,899,920 |
| Time Warner, Inc. (a) | 300,000 | 4,842,000 |
| The Walt Disney Co. | 234,000 | 5,276,700 |
| XM Satellite Radio Holdings, Inc., Class A (a) | 327,880 | 10,170,837 |
| | | 55,089,621 |

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| COMMON STOCKS (99.4%) | SHARES | MARKET VALUE |
|---|---------|--------------|
| Multi-Line Retail (1.1%) | | |
| J.C. Penney Co., Inc. | 168,700 | \$ 5,951,736 |
| Kohl's Corp. (a) | 60,100 | 2,896,219 |
| Wal-Mart Stores, Inc. | 104,400 | 5,554,080 |
| | | 14,402,035 |
| Specialty Retail (2.6%) | | |
| Circuit City Stores, Inc. | 81,225 | 1,245,992 |
| The Gap, Inc. | 598,000 | 11,182,600 |
| The Home Depot, Inc. | 143,000 | 5,605,600 |
| Office Depot, Inc. (a) | 238,400 | 3,583,152 |
| RadioShack Corp. | 240,525 | 6,888,636 |
| TJX Companies, Inc. | 130,000 | 2,865,200 |
| | | 31,371,180 |
| CONSUMER STAPLES (3.8%) | | |
| Food & Staples Retailing (1.0%) | | |
| CVS Corp. | 169,000 | 7,119,970 |
| Walgreen Co. | 146,000 | 5,231,180 |
| | | 12,351,150 |
| Food Products (2.5%) | | |
| Archer-Daniels-Midland Co. | 121,450 | 2,062,221 |
| General Mills, Inc. | 128,700 | 5,778,630 |
| Sara Lee Corp. | 478,900 | 10,947,654 |
| Smithfield Foods, Inc. (a) | 146,225 | 3,655,625 |
| Tate & Lyle PLC (b) | 280,300 | 7,831,470 |
| | | 30,275,600 |
| Tobacco (0.3%) | | |
| Altria Group, Inc. | 68,950 | 3,243,408 |
| ENERGY (3.3%) | | |
| Energy Equipment & Services (1.4%) | | |
| Halliburton Co. | 175,000 | 5,895,750 |
| Schlumberger Ltd. | 85,000 | 5,721,350 |
| Tidewater, Inc. | 176,000 | 5,728,800 |
| | | 17,345,900 |

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| COMMON STOCKS (99.4%) | SHARES | MARKET VALUE |
|--|---------|--------------|
| Oil & Gas (1.9%) | | |
| BP p.l.c. (b) | 158,775 | \$ 9,134,326 |
| ConocoPhillips | 104,600 | 8,666,110 |
| Premcor, Inc. (a) | 134,650 | 5,184,025 |
| | | 22,984,461 |
| FINANCIALS (21.9%) | | |
| Capital Markets (3.6%) | | |
| The Charles Schwab Corp. | 535,265 | 4,919,085 |
| The Goldman Sachs Group, Inc. | 60,000 | 5,594,400 |
| Merrill Lynch & Co., Inc. | 269,000 | 13,374,680 |
| Morgan Stanley | 417,775 | 20,596,308 |
| | | 44,484,473 |
| Commercial Banks (2.3%) | | |
| Bank of America Corp. (c) | 373,860 | 16,199,354 |
| Bank of New York Co., Inc. | 266,000 | 7,759,220 |
| Comerica, Inc. | 66,675 | 3,957,161 |
| | | 27,915,735 |
| Diversified Financial Services (3.4%) | | |
| CIT Group, Inc. | 314,400 | 11,755,416 |
| Citigroup, Inc. | 395,250 | 17,438,430 |
| J.P. Morgan Chase & Co. | 302,625 | 12,023,291 |
| | | 41,217,137 |
| Insurance (9.3%) | | |
| AFLAC, Inc. | 191,300 | 7,500,873 |
| Allstate Corp. | 141,525 | 6,791,785 |
| American International Group, Inc. | 191,450 | 13,016,685 |
| Aon Corp. | 413,175 | 11,874,649 |
| Genworth Financial, Inc., Class A (a) | 176,650 | 4,115,945 |
| Loews Corp. | 226,200 | 13,232,700 |
| Marsh & McLennan Companies, Inc. | 136,700 | 6,255,392 |
| MBIA, Inc. | 109,275 | 6,360,898 |
| MetLife, Inc. | 330,900 | 12,789,285 |
| The Progressive Corp. | 232,105 | 19,670,899 |
| Torchmark Corp. | 97,575 | 5,189,039 |
| XL Capital Ltd., Class A | 95,300 | 7,051,247 |
| | | 113,849,397 |

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| COMMON STOCKS (99.4%) | SHARES | MARKET VALUE |
|--|---------|--------------|
| Real Estate (1.0%) | | |
| CB Richard Ellis Group, Inc., Class A (a) | 164,275 | \$ 3,794,752 |
| Crescent Real Estate Equities Co. | 136,975 | 2,155,987 |
| The St. Joe Co. | 99,900 | 4,772,223 |
| Trizec Properties, Inc. | 70,800 | 1,130,676 |
| | | 11,853,638 |
| Thrifts & Mortgage Finance (2.3%) | | |
| Fannie Mae | 151,350 | 9,595,590 |
| Freddie Mac | 205,425 | 13,401,927 |
| The PMI Group, Inc. | 74,350 | 3,017,123 |
| Radian Group, Inc. | 51,525 | 2,382,001 |
| | | 28,396,641 |
| HEALTH CARE (15.3%) | | |
| Biotechnology (6.2%) | | |
| Affymetrix, Inc. (a) | 177,000 | 5,435,670 |
| Amgen, Inc. (a) | 268,100 | 15,195,908 |
| Biogen Idec, Inc. (a) | 112,000 | 6,851,040 |
| Cephalon Inc. (a) | 110,000 | 5,269,000 |
| Genentech, Inc. (a) | 410,400 | 21,513,168 |
| Genzyme Corp. (a) | 138,000 | 7,508,580 |
| Invitrogen Corp. (a) | 87,000 | 4,784,130 |
| MedImmune, Inc. (a) | 381,750 | 9,047,475 |
| | | 75,604,971 |
| Health Care Equipment & Supplies (2.8%) | | |
| Alcon, Inc. | 74,000 | 5,934,800 |
| Baxter International, Inc. | 355,575 | 11,435,292 |
| Fisher Scientific International, Inc. (a) | 120,000 | 6,999,600 |
| Guidant Corp. | 146,000 | 9,641,840 |
| | | 34,011,532 |
| Health Care Providers & Services (2.2%) | | |
| Aetna, Inc. | 24,750 | 2,473,267 |
| AmerisourceBergen Corp. | 68,775 | 3,693,905 |
| CIGNA Corp. | 105,175 | 7,323,335 |
| HCA, Inc. | 122,250 | 4,663,838 |
| McKesson Corp. | 178,525 | 4,579,166 |
| Tenet Healthcare Corp. (a) | 410,150 | 4,425,519 |
| | | 27,159,030 |

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| COMMON STOCKS (99.4%) | SHARES | MARKET VALUE |
|--|---------|---------------|
| Pharmaceuticals (4.1%) | | |
| Bristol-Myers Squibb Co. | 628,500 | \$ 14,876,595 |
| Eli Lilly & Co. | 90,740 | 5,448,937 |
| Johnson & Johnson | 90,000 | 5,069,700 |
| Merck & Co., Inc. | 169,000 | 5,577,000 |
| Pfizer, Inc. | 250,000 | 7,650,000 |
| Teva Pharmaceutical Industries Ltd. (b) | 165,000 | 4,281,750 |
| Wyeth | 216,000 | 8,078,400 |
| | | 50,982,382 |
| INDUSTRIALS (11.3%) | | |
| Aerospace & Defense (2.4%) | | |
| The Boeing Co. | 516,625 | 26,668,182 |
| Bombardier, Inc., Class B | 927,850 | 2,141,447 |
| | | 28,809,629 |
| Air Freight & Logistics (1.0%) | | |
| FedEx Corp. | 71,000 | 6,083,990 |
| Ryder System, Inc. | 136,000 | 6,397,440 |
| | | 12,481,430 |
| Airlines (0.3%) | | |
| Southwest Airlines Co. | 310,000 | 4,222,200 |
| Commercial Services & Supplies (0.9%) | | |
| Apollo Group, Inc., Class A (a) | 68,300 | 5,011,171 |
| Cendant Corp. | 275,825 | 5,957,820 |
| | | 10,968,991 |
| Electrical Equipment (1.1%) | | |
| American Power Conversion Corp. | 415,000 | 7,216,850 |
| Emerson Electric Co. | 92,000 | 5,693,880 |
| | | 12,910,730 |
| Industrial Conglomerates (2.2%) | | |
| General Electric Co. | 421,200 | 14,143,896 |
| Tyco International Ltd. | 412,100 | 12,634,986 |
| | | 26,778,882 |
| Machinery (1.5%) | | |
| Danaher Corp. | 110,000 | 5,640,800 |
| Illinois Tool Works, Inc. | 63,000 | 5,869,710 |
| Navistar International Corp. (a) | 194,625 | 7,238,104 |
| | | 18,748,614 |

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| COMMON STOCKS (99.4%) | SHARES | MARKET VALUE |
|--|-----------|--------------|
| Road & Rail (1.9%) | | |
| CSX Corp. | 191,375 | \$ 6,353,650 |
| Norfolk Southern Corp. | 175,000 | 5,204,500 |
| Swift Transportation Co., Inc. (a) | 103,575 | 1,742,131 |
| Union Pacific Corp. | 127,600 | 7,477,360 |
| Werner Enterprises, Inc. | 158,050 | 3,051,946 |
| | | 23,829,587 |
| INFORMATION TECHNOLOGY (21.7%) | | |
| Communications Equipment (2.5%) | | |
| Cisco Systems, Inc. (a) | 647,100 | 11,712,510 |
| Nokia Oyj (b) | 410,000 | 5,625,200 |
| QUALCOMM, Inc. | 354,400 | 13,835,776 |
| | | 31,173,486 |
| Computers & Peripherals (4.0%) | | |
| Adaptec, Inc. (a) | 475,000 | 3,610,000 |
| Dell, Inc. (a) | 268,900 | 9,572,840 |
| EMC Corp. (a) | 547,500 | 6,318,150 |
| Hewlett-Packard Co. | 606,775 | 11,377,031 |
| Network Appliance, Inc. (a) | 627,200 | 14,425,600 |
| Sun Microsystems, Inc. (a) | 931,200 | 3,762,048 |
| | | 49,065,669 |
| Electronic Equipment & Instruments (2.9%) | | |
| Agilent Technologies, Inc. (a) | 341,850 | 7,373,704 |
| Avnet, Inc. (a) | 264,975 | 4,536,372 |
| Ingram Micro, Inc. (a) | 87,475 | 1,408,347 |
| Sanmina-SCI Corp. (a) | 1,089,675 | 7,682,209 |
| Symbol Technologies, Inc. | 620,000 | 7,836,800 |
| Vishay Intertechnology, Inc. (a) | 540,825 | 6,976,643 |
| | | 35,814,075 |
| Internet Software & Services (1.4%) | | |
| Yahoo! Inc. (a) | 498,100 | 16,890,571 |
| IT Services (0.7%) | | |
| BearingPoint, Inc. (a) | 419,780 | 3,752,833 |
| Electronic Data Systems Corp. | 215,375 | 4,176,121 |
| | | 7,928,954 |

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| COMMON STOCKS (99.4%) | SHARES | MARKET VALUE |
|--|---------|--------------|
| Semiconductors & Semiconductor Equipment (5.4%) | | |
| Analog Devices, Inc. | 155,000 | \$ 6,010,900 |
| Applied Materials, Inc. (a) | 628,990 | 10,372,045 |
| Intel Corp. | 586,000 | 11,755,160 |
| Maxim Integrated Products, Inc. | 259,900 | 10,991,171 |
| Novellus Systems, Inc. (a) | 457,300 | 12,159,607 |
| ON Semiconductor Corp. (a) | 32,150 | 100,630 |
| Teradyne, Inc. (a) | 88,950 | 1,191,930 |
| Texas Instruments, Inc. | 240,000 | 5,107,200 |
| Xilinx, Inc. | 297,900 | 8,043,300 |
| | | 65,731,943 |
| Software (4.8%) | | |
| Adobe Systems, Inc. | 135,000 | 6,678,450 |
| Computer Associates International, Inc. | 515,725 | 13,563,568 |
| Electronic Arts, Inc. (a) | 99,800 | 4,589,802 |
| Microsoft Corp. | 296,800 | 8,206,520 |
| Oracle Corp. (a) | 550,000 | 6,204,000 |
| Symantec Corp. (a) | 279,800 | 15,355,424 |
| VERITAS Software Corp. (a) | 264,000 | 4,699,200 |
| | | 59,296,964 |
| MATERIALS (2.6%) | | |
| Chemicals (1.2%) | | |
| Bayer AG (b) | 102,985 | 2,824,879 |
| Dow Chemical Co. | 65,375 | 2,953,642 |
| IMC Global, Inc. (a) | 534,175 | 9,289,303 |
| | | 15,067,824 |
| Metals & Mining (0.7%) | | |
| Alcan, Inc. | 94,575 | 4,520,685 |
| Freeport-McMoRan Copper & Gold, Inc., Class B | 87,486 | 3,543,183 |
| | | 8,063,868 |
| Paper & Forest Products (0.7%) | | |
| Abitibi Consolidated, Inc. | 391,250 | 2,468,788 |
| Domtar, Inc. | 247,675 | 2,982,007 |
| International Paper Co. | 85,240 | 3,444,548 |
| | | 8,895,343 |

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| COMMON STOCKS (99.4%) | SHARES | MARKET VALUE |
|---|---------|---------------|
| TELECOMMUNICATION SERVICES (0.6%) | | |
| Wireless Telecommunication Services (0.6%) | | |
| AT&T Wireless Services, Inc. (a) | 248,275 | \$ 3,669,505 |
| Nextel Communications, Inc., Class A (a) | 42,775 | 1,019,756 |
| Telephone and Data Systems, Inc. | 36,600 | 3,080,622 |
| | | 7,769,883 |
| UTILITIES (2.4%) | | |
| Electric Utilities (1.2%) | | |
| FirstEnergy Corp. | 53,375 | 2,192,645 |
| PG&E Corp. (a) | 146,300 | 4,447,520 |
| Wisconsin Energy Corp. | 234,475 | 7,479,752 |
| | | 14,119,917 |
| Multi-Utilities & Unregulated Power (1.2%) | | |
| NRG Energy, Inc. (a) | 199,200 | 5,366,448 |
| Reliant Energy, Inc. (a) | 776,275 | 7,242,646 |
| SCANA Corp. | 67,725 | 2,528,852 |
| | | 15,137,946 |
| TOTAL COMMON STOCKS (COST OF \$1,169,628,168) | | 1,218,026,208 |

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| CONVERTIBLE BONDS (0.0%) | INTEREST RATE | MATURITY DATE | PAR VALUE |
|--|------------------|------------------|--------------|
| INDUSTRIALS (0.0%) | | | |
| Airlines (0.0%) | | | |
| Delta Air Lines, Inc. (Cost of \$1,335,173) | 8.00% | 06/03/23 | \$ 1,808,000 |

566,248

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| SHORT-TERM INVESTMENT (2.5%) | PAR VALUE | MARKET VALUE |
|---|---------------|-------------------------|
| REPURCHASE AGREEMENT (2.5%) | | |
| Repurchase agreement with State Street Bank & Trust Co., | | |
| dated 09/30/04, due 10/01/04 at 1.58%, collateralized by | | |
| a U.S. Treasury Bond maturing 02/15/31, market value | | |
| \$30,651,748 (repurchase proceeds \$30,036,318) | | |
| (cost of \$30,035,000) | \$ 30,035,000 | \$ 30,035,000 |
| TOTAL INVESTMENTS (101.9%) (COST OF \$1,200,998,341) | | 1,248,627,456 |
| OTHER ASSETS & LIABILITIES, NET (-1.9%) | | (23,826,078) |
| NET ASSETS (100.0%) | | \$ 1,224,801,378 |
| NET ASSET VALUE PER SHARE (144,148,727 SHARES OUTSTANDING) | | \$ 8.50 |

NOTES TO SCHEDULE OF INVESTMENTS:

- (a) Non-income producing security.
- (b) Represents an American Depositary Receipt.
- (c) Investments in affiliates during the nine months ended September 30, 2004:

Security Name: FleetBoston Financial Corp., the parent company of the Investment Advisor prior to April 1, 2004:

| | |
|---------------------------|-----------|
| Shares as of 12/31/03: | 200,000 |
| Shares purchased: | |
| Shares converted: | (200,000) |
| Shares as of 09/30/04: | |
| Net realized gain (loss): | |
| Dividend income earned: | \$ 50,111 |
| Value at end of period: | |

Security Name: Bank of America Corp. (As a result of the acquisition of FleetBoston Financial Corp. effective April 1, 2004, Bank of America Corp. became the parent company of the Fund Manager.)

| | |
|--|----------|
| Shares as of 12/31/03: | |
| Shares purchased: | 161,800* |
| Shares sold: | 70,750 |
| Shares acquired through acquisition: | 79,505 |
| Shares acquired through two for one stock split: | 203,305 |
| Shares as of 09/30/04: | 373,860 |

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| | | |
|---------------------------|----|------------|
| Net realized gain (loss): | | 355,986 |
| Dividend income earned: | \$ | 437,276** |
| Value at end of period: | \$ | 16,199,354 |

*Occurred prior to April 1, 2004.

**Represents activity for the period April 1, 2004 through September 30, 2004.

Gross unrealized appreciation and depreciation of investments at September 30, 2004 is as follows:

| | | |
|-------------------------------|----|---------------|
| Gross unrealized appreciation | \$ | 168,704,509 |
| Gross unrealized depreciation | | (121,075,394) |
| Net unrealized appreciation | \$ | 47,629,115 |

Item 2. Controls and Procedures.

(a) The registrant's principal executive officer and principal financial officer, based on their evaluation of the registrant's disclosure controls and procedures as of a date within 90 days of the filing of this report, have concluded that such controls and procedures are adequately designed to ensure that information required to be disclosed by the registrant in Form N-Q is accumulated and communicated to the registrant's management, including the principal executive officer and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

(b) There were no changes in the registrant's internal control over financial reporting that occurred during the 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.

Certifications pursuant to Rule 30a-2(a) under the Investment Company Act of 1940 (17 CFR 270.30a-2(a)) attached hereto as Exhibit 99.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.

| | |
|--------------------------|---|
| (registrant) | Liberty All-Star Equity Fund |
| By (Signature and Title) | /s/ William R. Parmentier, Jr. William R. Parmentier, Jr., President |
| Date | November 22, 2004 |

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 (Signature and Title) | /s/ William R. Parmentier, Jr. William R. Parmentier, Jr., President |
| Date | November 22, 2004 |
| By (Signature and Title) | /s/ J. Kevin Connaughton J. Kevin Connaughton, Treasurer |
| Date | November 22, 2004 |
