

LIBERTY ALL STAR EQUITY FUND
Form N-Q
November 21, 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 811-04809

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, 2008

Item 1 Schedule of Investments.

LIBERTY ALL-STAR USA EQUITY FUND

SCHEDULE OF INVESTMENTS

as of September 30, 2008 (Unaudited)

	SHARES	MARKET VALUE
COMMON STOCKS (98.26%)		
CONSUMER DISCRETIONARY (12.80%)		
Auto Components (0.78%)		
Magna International, Inc., Class A	143,500	\$ 7,345,765
Visteon Corp.(a)	249,550	578,956
		7,924,721
Hotels, Restaurants & Leisure (2.79%)		
Carnival Corp.	295,925	10,460,949
McDonald's Corp.	187,400	11,562,579
Yum! Brands, Inc.	189,700	6,186,117
		28,209,645
Household Durables (1.90%)		
Centex Corp.	340,425	5,514,885
DR Horton, Inc.	131,075	1,706,597
NVR, Inc.(a)	11,275	6,449,299
Whirlpool Corp.	69,450	5,506,691
		19,177,472
Internet & Catalog Retail (1.09%)		
Amazon.com, Inc.(a)	151,680	11,036,237
Leisure Equipment & Products (0.35%)		
Mattel, Inc.	196,675	3,548,017
Media (2.69%)		
Comcast Corp., Class A	393,000	7,749,960
Liberty Media Corp., Capital Group, Series A(a)	65,729	879,454
The McGraw-Hill Cos., Inc.	206,000	6,511,660
Omnicom Group, Inc.	70,000	2,699,200
Sirius XM Radio, Inc.(a)	2,071,380	1,180,687
Time Warner, Inc.	625,000	8,193,750
		27,214,711
Multi-Line Retail (1.34%)		
J.C. Penney Co., Inc.	324,475	10,817,997
Kohl's Corp.(a)	60,600	2,792,448
		13,610,445

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Specialty Retail (1.86%)		
Chico's FAS, Inc.(a)	353,950	1,936,107
Home Depot, Inc.	242,150	6,269,264
Staples, Inc.	472,200	10,624,499
		18,829,870
CONSUMER STAPLES (7.72%)		
Beverages (0.74%)		
PepsiCo, Inc.	105,700	7,533,239
Food & Staples Retailing (3.88%)		
Costco Wholesale Corp.	100,400	6,518,972
SYSCO Corp.	248,600	7,664,338
Walgreen Co.	182,000	5,634,720
Wal-Mart Stores, Inc.	325,000	19,464,250
		39,282,280
Food Products (1.02%)		
Kraft Foods, Inc.	120,450	3,944,737
Sara Lee Corp.	240,146	3,033,044
Tyson Foods, Inc., Class A	282,125	3,368,573
		10,346,354
Household Products (2.08%)		
Kimberly-Clark Corp.	36,100	2,340,724
The Procter & Gamble Co.	267,800	18,662,982
		21,003,706
ENERGY (7.85%)		
Energy Equipment & Services (2.65%)		
Oceaneering International, Inc.(a)	71,200	3,796,384
Schlumberger Ltd.	230,930	18,033,324
Transocean, Inc.(a)	45,499	4,997,610