

LIBERTY ALL STAR GROWTH FUND INC.

Form N-30B-2

May 30, 2012

Fellow Shareholders:

April 2012

Building on gains posted in the final quarter of 2011, the stock market got 2012 off to a highly positive start with an impressive first quarter performance. The S&P 500® Index registered its strongest first quarter return since 1998, while the technology-oriented NASDAQ Composite Index posted its best first quarter since 1991.

The exceptional performance came as somewhat of a surprise to many equity analysts and market watchers. The U.S. economy continued to grow, albeit slowly. There were no serious solutions forthcoming to address the U.S. budget deficit. The fundamental economic problems plaguing the Euro Zone remained, and there were fears of a hard landing in China. But the stock market rolled into the new year with momentum behind it, and there were some bright spots in an improving employment picture, higher consumer spending and fears of a potential Euro Zone collapse eased once the European Central Bank finally embarked on its version of quantitative easing.

By quarter's end, the net outcome was a 14.58 percent gain for the Russell 3000® Growth Index, an 18.96 percent return for the NASDAQ Composite Index, a 15.62 percent advance for the Lipper Multi-Cap Growth Mutual Fund Average and a 12.59 percent return for the S&P 500® Index. Liberty All-Star® Growth Fund participated in the market's advance, as its returns generally tracked key benchmarks. For the quarter, the Fund returned 14.66 percent with shares valued at net asset value (NAV), 14.79 percent with shares valued at NAV with dividends reinvested and 16.01 percent with shares valued at market price (with dividends reinvested).

While the Fund's quarterly performance ranked it in the 64th percentile of the Lipper Multi-Cap Growth Mutual Fund Average, the Fund ranked in the top one-third for 2011 and in the top half and top one-third for the trailing three- and five-year periods ending March 31, 2012, respectively. Over the quarter, the discount at which Fund shares are priced relative to their underlying NAV remained in the same general range as the previous quarter, from 8.3 to 11.7 percent.

President's Letter

Liberty All-Star® Growth Fund

We are hopeful that 2012 will be a good one for growth stock investors, especially after the extreme volatility experienced during 2011. We cannot expect the first quarter's double-digit returns to continue throughout the year. Indeed, the second quarter opened as weakly as the first quarter opened strongly. We believe the Fund is well positioned for the vast majority of market environments, and we remain positive on the outlook for the year. Thank you for your continued support of the Fund.

Sincerely,

William R. Parmentier, Jr.

President and Chief Executive Officer

Liberty All-Star® Growth Fund, Inc.

The views expressed in the President's letter reflect the views of the President as of April 2012 and may not reflect his views on the date this report is first published or anytime thereafter. These views are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict so actual outcomes and results may differ significantly from the views expressed. These views are subject to change at any time based upon economic, market or other conditions and the Fund disclaims any responsibility to update such views. These views may not be relied on as investment advice and, because investment decisions for the Fund are based on numerous factors, may not be relied on as an indication of trading intent.

Year	Per Share		Rights Offerings	Shares Needed to	
	Distributions	Month Completed	Purchase One	Additional Share	Subscription Price
1997	\$1.24				
1998	1.35	July		10	\$ 12.41
1999	1.23				
2000	1.34				
2001	0.92	September		8	6.64
2002	0.67				
2003	0.58	September		8*	5.72
2004	0.63				
2005	0.58				
2006	0.59				
2007	0.61				
2008	0.47				
2009**	0.24				
2010	0.25				
2011	0.27				
2012					
1 st Quarter	0.07				

* The number of shares offered was increased by an additional 25% to cover a portion of the over-subscription requests.

** Effective with the second quarter distribution, the annual distribution rate was changed from 10 percent to 6 percent.

DISTRIBUTION POLICY

Liberty All-Star® Growth Fund, Inc. s current policy is to pay distributions on its shares totaling approximately 6 percent of its net asset value per year, payable in four quarterly installments of 1.5 percent 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. The fixed distributions are not related to the amount of the Fund s net investment income or net realized capital gains or losses and may be taxed as ordinary income up to the amount of the Fund s current and accumulated earnings and profits. If, for any calendar year, the total distributions made under the distribution policy exceed the Fund s net investment income and net realized capital gains, the excess will generally be treated as a non-taxable return of capital, reducing the shareholder s adjusted basis in his or her shares. If the Fund s net investment income and net realized capital gains for any year exceed the amount distributed under the distribution policy, the Fund may, in its discretion, retain and not distribute net realized capital gains and pay income tax thereon to the extent of such excess.

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Top 20 Holdings & Economic Sectors
 March 31, 2012 (Unaudited)

Liberty All-Star® Growth Fund

Top 20 Holdings*	Percent of Net Assets
Apple, Inc.	2.98%
Salesforce.com, Inc.	2.36
QUALCOMM, Inc.	2.09
Oceaneering International, Inc.	1.90
ACE Ltd.	1.88
Core Laboratories N.V.	1.77
FMC Technologies, Inc.	1.73
Intuitive Surgical, Inc.	1.71
VMware, Inc., Class A	1.69
IHS, Inc., Class A	1.68
C.H. Robinson Worldwide, Inc.	1.63
American Tower Corp., Class A	1.61
ARM Holdings PLC	1.46
Baidu, Inc.	1.44
Expeditors International of Washington, Inc.	1.43
Google, Inc., Class A	1.36
Cerner Corp.	1.31
priceline.com, Inc.	1.28
Signature Bank	1.25
BioMarin Pharmaceutical, Inc.	1.24
	33.80%

Economic Sectors*	Percent of Net Assets
Information Technology	30.25%
Industrials	14.51
Consumer Discretionary	13.62
Health Care	11.93
Financials	9.61
Energy	9.05
Materials	3.51
Consumer Staples	2.68
Telecommunication Services	1.61
Utilities	0.54
Other Net Assets	2.69
	100.00%

* Because the Fund is actively managed, there can be no guarantee that the Fund will continue to hold securities of the indicated issuers and sectors in the future.

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Liberty All-Star® Growth Fund

Major Stock Changes in the Quarter

The following are the major (\$300,000 or more) stock changes - both purchases and sales - that were made in the Fund's portfolio during the first quarter of 2012.

Security Name	Purchases (Sales)	Shares as of 3/31/12
Purchases		
Avago Technologies Ltd.	13,400	13,400
Cliffs Natural Resources, Inc.	11,100	11,100
Fastenal Co.	21,614	21,614
Fusion-io, Inc.	12,418	38,120
Harman International Industries, Inc.	11,300	17,967
InnerWorkings, Inc.	28,567	28,567
Sales		
CARBO Ceramics, Inc.	(6,200)	0
Green Mountain Coffee Roasters, Inc.	(5,200)	15,400
IPC The Hospitalist Co., Inc.	(10,143)	0
Monster Worldwide, Inc.	(59,017)	0
Rockwell Automation, Inc.	(8,450)	18,200
SuccessFactors, Inc.	(21,500)	0
Ulta Salon, Cosmetics & Fragrance, Inc.	(7,563)	0
VCA Antech, Inc.	(15,391)	19,274

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Vertex Pharmaceuticals, Inc.

(8,400)

10,900

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THE FUND'S THREE GROWTH INVESTMENT MANAGERS AND THE MARKET CAPITALIZATION ON WHICH EACH FOCUSES:**MANAGERS' DIFFERING INVESTMENT STRATEGIES ARE REFLECTED IN PORTFOLIO CHARACTERISTICS**

The portfolio characteristics table below is a regular feature of the Fund's shareholder reports. It serves as a useful tool for understanding the value of the Fund's multi-managed portfolio. The characteristics are different for each of the Fund's three investment managers. These differences are a reflection of the fact that each has a different capitalization focus and investment strategy. The shaded column highlights the characteristics of the Fund as a whole, while the first three columns show portfolio characteristics for the Russell Smallcap, Midcap and Largecap Growth indices. See page 16 for a description of these indices.

PORTFOLIO CHARACTERISTICS *As of March 31, 2012 (Unaudited)*

	RUSSELL GROWTH:						TOTAL FUND
	SMALLCAP INDEX	MIDCAP INDEX	LARGECAP INDEX	M.A. WEATHERBIE	TCW (MID-CAP)	TCW (LARGE-CAP)	
Number of Holdings	1,145	463	585	60	54	32	130*
Weighted Average Market Capitalization (billions)	\$1.6	\$8.9	\$119.4	\$2.8	\$9.8	\$90.4	\$35.7
Average Five-Year Sales Per Share Growth	8%	9%	12%	13%	17%	18%	16%
Average Five-Year Earnings Per Share Growth	15%	14%	16%	15%	23%	24%	21%
Price/Earnings Ratio**	21x	21x	18x	26x	25x	25x	25x
Price/Book Value Ratio	4.4x	4.8x	5.5x	5.2x	6.7x	5.9x	5.9x

* Certain holdings are held by more than one manager.

** Excludes negative earnings.

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Liberty All-Star® Growth Fund

Schedule of Investments

	SHARES	MARKET VALUE
COMMON STOCKS (97.31%)		
CONSUMER DISCRETIONARY (13.62%)		
Auto Components (0.71%)		
BorgWarner, Inc. ^(a)	12,200	\$ 1,028,948
Automobiles (0.37%)		
Thor Industries, Inc.	16,748	528,567
Distributors (1.22%)		
LKQ Corp. ^(a)	56,577	1,763,505
Hotels, Restaurants & Leisure (1.66%)		
Arcos Dorados Holdings, Inc., Class A	45,300	819,477
BJ's Restaurants, Inc. ^(a)	15,429	776,850
Ctrip.com International Ltd. ^{(a)(b)}	36,466	789,125
		2,385,452
Household Durables (0.58%)		
Harman International Industries, Inc.	17,967	841,035
Internet & Catalog Retail (3.06%)		
Amazon.com, Inc. ^(a)	6,465	1,309,227
priceline.com, Inc. ^(a)	2,575	1,847,562
Shutterfly, Inc. ^(a)	17,023	533,331
TripAdvisor, Inc. ^(a)	20,200	720,534
		4,410,654
Specialty Retail (3.94%)		
CarMax, Inc. ^(a)	31,300	1,084,545
Dick's Sporting Goods, Inc.	19,900	956,792
Francesca's Holdings Corp. ^(a)	19,154	605,458
Monro Muffler Brake, Inc.	19,116	793,123
Rue21, Inc. ^(a)	55,375	1,624,702
Teavana Holdings, Inc. ^(a)	30,554	602,525
		5,667,145
Textiles, Apparel & Luxury Goods (2.08%)		
Fossil, Inc. ^(a)	8,200	1,082,236
Gildan Activewear, Inc.	30,400	837,520
Michael Kors Holdings Ltd. ^(a)	2,000	93,180
Under Armour, Inc., Class A ^(a)	10,416	979,104
		2,992,040
CONSUMER STAPLES (2.68%)		
Food & Staples Retailing (1.12%)		
Costco Wholesale Corp.	11,750	1,066,900
The Fresh Market, Inc. ^(a)	7,577	363,317
Pricesmart, Inc.	2,404	175,036

See Notes to Schedule of Investments.

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Liberty All-Star® Growth Fund

	SHARES	MARKET VALUE
COMMON STOCKS (continued)		
Food Products (1.56%)		
Green Mountain Coffee Roasters, Inc. ^(a)	15,400	\$ 721,336
Mead Johnson Nutrition Co.	18,500	1,525,880
		2,247,216
ENERGY (9.05%)		
Energy Equipment & Services (7.83%)		
Core Laboratories N.V.	19,371	2,548,642
Dril-Quip, Inc. ^(a)	9,805	637,521
FMC Technologies, Inc. ^(a)	49,300	2,485,706
Lufkin Industries, Inc.	15,932	1,284,916
Oceaneering International, Inc.	50,650	2,729,529
Schlumberger Ltd.	22,645	1,583,565
		11,269,879
Oil, Gas & Consumable Fuels (1.22%)		
Occidental Petroleum Corp.	18,500	1,761,755
FINANCIALS (9.61%)		
Capital Markets (3.63%)		
Affiliated Managers Group, Inc. ^(a)	13,697	1,531,462
The Charles Schwab Corp.	62,900	903,873
Financial Engines, Inc. ^(a)	13,624	304,633
EXCM, Inc., Class A	40,647	528,004
T. Rowe Price Group, Inc.	16,300	1,064,390
Virtus Investment Partners, Inc. ^(a)	10,412	893,141
		5,225,503
Commercial Banks (1.25%)		
Signature Bank ^(a)	28,484	1,795,631
Consumer Finance (0.57%)		
Green Dot Corp., Class A ^(a)	31,000	822,120
Diversified Financial Services (1.04%)		
MSCI, Inc., Class A ^(a)	20,886	768,814
Portfolio Recovery Associates, Inc. ^(a)	10,189	730,755
		1,499,569
Insurance (2.47%)		
ACE Ltd.	36,900	2,701,080
Greenlight Capital Re Ltd., Class A ^(a)	34,606	852,346
		3,553,426
Real Estate Management & Development (0.65%)		
FirstService Corp. ^(a)	30,824	944,447

See Notes to Schedule of Investments.

Liberty All-Star® Growth Fund

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	SHARES	MARKET VALUE
COMMON STOCKS (continued)		
HEALTH CARE (11.93%)		
Biotechnology (2.58%)		
BioMarin Pharmaceutical, Inc. ^(a)	52,075	\$ 1,783,569
Dendreon Corp. ^(a)	39,000	415,545
Human Genome Sciences, Inc. ^(a)	100,008	824,066
Ironwood Pharmaceuticals, Inc. ^(a)	18,800	250,228
Vertex Pharmaceuticals, Inc. ^(a)	10,900	447,009
		3,720,417
Health Care Equipment & Supplies (3.55%)		
Accuray, Inc. ^(a)	53,346	376,623
Intuitive Surgical, Inc. ^(a)	4,550	2,464,962
Masimo Corp. ^(a)	27,733	648,398
Neogen Corp. ^(a)	5,308	207,384
Varian Medical Systems, Inc. ^(a)	12,900	889,584
Volcano Corp. ^(a)	18,561	526,204
		5,113,155
Health Care Providers & Services (0.80%)		
PSS World Medical, Inc. ^(a)	28,031	710,306
VCA Antech, Inc. ^(a)	19,274	447,349
		1,157,655
Health Care Technology (2.10%)		
athenahealth, Inc. ^(a)	15,283	1,132,776
Cerner Corp. ^(a)	24,800	1,888,768
		3,021,544
Life Sciences Tools & Services (0.97%)		
Life Technologies Corp. ^(a)	28,650	1,398,693
Pharmaceuticals (1.93%)		
Allergan, Inc.	18,250	1,741,597
Mylan, Inc. ^(a)	44,100	1,034,145
		2,775,742
INDUSTRIALS (14.51%)		
Aerospace & Defense (2.59%)		
Aerovironment, Inc. ^(a)	14,317	383,839
HEICO Corp.	16,039	827,452
Precision Castparts Corp.	8,700	1,504,230
TransDigm Group, Inc. ^(a)	8,807	1,019,498
		3,735,019
Air Freight & Logistics (3.05%)		
C.H. Robinson Worldwide, Inc.	35,750	2,341,268
Expeditors International of Washington, Inc.	44,200	2,055,742
		4,397,010

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Liberty All-Star® Growth Fund

	SHARES	MARKET VALUE
COMMON STOCKS (continued)		
Commercial Services & Supplies (1.06%)		
American Reprographics Co. ^(a)	60,205	\$ 324,505
InnerWorkings, Inc. ^(a)	28,567	332,806
Waste Connections, Inc.	26,678	867,835
		1,525,146
Electrical Equipment (1.48%)		
II-VI, Inc. ^(a)	28,520	674,498
Rockwell Automation, Inc.	18,200	1,450,540
		2,125,038
Machinery (1.10%)		
Graco, Inc.	16,677	884,882
Middleby Corp. ^(a)	6,846	692,678
		1,577,560
Professional Services (3.69%)		
Huron Consulting Group, Inc. ^(a)	18,127	680,850
IHS, Inc., Class A ^(a)	25,886	2,424,224
Resources Connection, Inc.	30,679	431,040
Robert Half International, Inc.	36,700	1,112,010
Stantec, Inc.	20,904	665,583
		5,313,707
Road & Rail (0.73%)		
Landstar System, Inc.	18,149	1,047,560
Trading Companies & Distributors (0.81%)		
Fastenal Co.	21,614	1,169,317
INFORMATION TECHNOLOGY (30.25%)		
Communications Equipment (4.31%)		
Aruba Networks, Inc. ^(a)	34,500	768,660
F5 Networks, Inc. ^(a)	7,200	971,712
InterDigital, Inc.	13,640	475,491
Polycom, Inc. ^(a)	51,139	975,221
QUALCOMM, Inc.	44,265	3,010,905
		6,201,989
Computers & Peripherals (3.73%)		
Apple, Inc. ^(a)	7,160	4,292,205
Fusion-io, Inc. ^(a)	38,120	1,082,989
		5,375,194
Electronic Equipment & Instruments (1.92%)		
FARO Technologies, Inc. ^(a)	21,052	1,227,963
FLIR Systems, Inc.	8,956	226,676
IPG Photonics Corp. ^(a)	7,782	405,053

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M/A-COM Technology Solutions Holdings, Inc.^(a)

1,100

22,814

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Liberty All-Star® Growth Fund

Schedule of Investments

	SHARES	MARKET VALUE
COMMON STOCKS (continued)		
Electronic Equipment & Instruments (continued)		
National Instruments Corp.	23,640	\$ 674,213
Universal Display Corp. ^(a)	5,800	211,874
		2,768,593
Internet Software & Services (5.68%)		
Baidu, Inc. ^{(a)(b)}	14,225	2,073,578
ExactTarget, Inc. ^(a)	300	7,800
Google, Inc., Class A ^(a)	3,060	1,962,194
LinkedIn Corp., Class A ^(a)	6,100	622,139
Liquidity Services, Inc. ^(a)	32,397	1,451,386
NIC, Inc.	18,842	228,554
SINA Corp. ^(a)	6,800	442,000
VistaPrint Ltd. ^(a)	18,433	712,436
Youku, Inc. ^{(a)(b)}	31,264	687,495
		8,187,582
IT Services (3.60%)		
Cognizant Technology Solutions Corp., Class A ^(a)	19,150	1,473,593
FleetCor Technologies, Inc. ^(a)	9,990	387,312
ServiceSource International, Inc. ^(a)	35,475	549,153
VeriFone Systems, Inc. ^(a)	27,474	1,425,076
Visa, Inc., Class A	11,415	1,346,970
		5,182,104
Semiconductors & Semiconductor Equipment (2.83%)		
ARM Holdings PLC ^(b)	74,117	2,096,770
Avago Technologies Ltd.	13,400	522,198
Cavium, Inc. ^(a)	28,788	890,701
Hittite Microwave Corp. ^(a)	10,318	560,370
		4,070,039
Software (8.18%)		
ANSYS, Inc. ^(a)	17,081	1,110,607
Concur Technologies, Inc. ^(a)	16,500	946,770
QLIK Technologies, Inc. ^(a)	35,977	1,151,264
RealPage, Inc. ^(a)	29,823	571,707
Salesforce.com, Inc. ^(a)	22,000	3,399,220
Solera Holdings, Inc.	26,077	1,196,673
Ultimate Software Group, Inc. ^(a)	13,246	970,667
VMware, Inc., Class A ^(a)	21,700	2,438,429
		11,785,337
MATERIALS (3.51%)		
Chemicals (1.70%)		
CF Industries Holdings, Inc.	4,600	840,190
Praxair, Inc.	13,975	1,602,094
		2,442,284

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Schedule of Investments

Liberty All-Star® Growth Fund

	SHARES	MARKET VALUE
COMMON STOCKS (continued)		
Metals & Mining (1.81%)		
Allegheny Technologies, Inc.	22,200	\$ 913,974
Cliffs Natural Resources, Inc.	11,100	768,786
Silver Wheaton Corp.	27,950	927,940
		2,610,700
TELECOMMUNICATION SERVICES (1.61%)		
Wireless Telecommunication Services (1.61%)		
American Tower Corp., Class A	36,900	2,325,438
UTILITIES (0.54%)		
Electric Utilities (0.54%)		
ITC Holdings Corp.	10,016	770,631
TOTAL COMMON STOCKS		
(COST OF \$106,859,573)		140,139,599
PAR VALUE		
SHORT TERM INVESTMENT (2.75%)		
REPURCHASE AGREEMENT (2.75%)		
Repurchase agreement with State Street Bank & Trust Co., dated 03/31/12, due 04/02/12 at 0.01%, collateralized by Fannie Mae 3.07% 01/01/42, market value of \$4,038,933 (Repurchase proceeds of \$3,957,003) (COST OF \$3,957,000)	\$ 3,957,000	3,957,000
TOTAL INVESTMENTS (100.06%)		
(COST OF \$110,816,573) ^(c)		144,096,599
LIABILITIES IN EXCESS OF OTHER ASSETS (-0.06%)		
		(83,451)
NET ASSETS (100.00%)		
		\$ 144,013,148
NET ASSET VALUE PER SHARE		
(30,080,350 SHARES OUTSTANDING)		\$ 4.79

(a) Non-income producing security.

(b) American Depositary Receipt.

(c) Cost of investments for federal income tax purposes is \$111,038,585.

Gross unrealized appreciation and depreciation at March 31, 2012 based on cost of investments for federal income tax purposes is as follows:

Gross unrealized appreciation	\$ 39,497,565
Gross unrealized depreciation	(6,439,551)
Net unrealized appreciation	\$ 33,058,014

See Notes to Schedule of Investments.

Security Valuation

Equity securities including common stocks and exchange traded funds are valued at the last sale price at the close of the principal exchange on which they trade, except for securities listed on the National Association of Securities Dealers Automated Quotations (NASDAQ) exchange, 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.

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 Fund's Board of Directors.

Foreign Securities

The Fund may directly purchase securities of foreign issuers. Investing in securities of foreign issuers involves special risks not typically associated with investing in securities of U.S. issuers. The risks include possible reevaluation of currencies, the inability to repatriate foreign currency, less complete financial information about companies and possible future adverse political and economic developments. Moreover, securities of many foreign issuers and their markets may be less liquid and their prices more volatile than those of securities of comparable U.S. issuers. For the period ended March 31, 2012, the Fund only held American Depository Receipts and did not hold any securities denominated in foreign currencies.

Security Transactions

Security transactions are recorded on 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 engages in repurchase agreement transactions with institutions that the Fund's investment advisor 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.

Fair Value Measurements

The Fund discloses the classification of its fair value measurements following a three-tier hierarchy based on the inputs used to measure fair value. 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

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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. When inputs used fall into different levels of the fair value hierarchy, the level in the hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The designated input levels are not necessarily an indication of the risk or liquidity associated with these investments. These inputs are categorized in the following hierarchy under applicable financial accounting standards:

Level 1 Unadjusted quoted prices in active markets for identical investments, unrestricted assets or liabilities that a Fund has the ability to access at the measurement date;

Level 2 Quoted prices which are not active, quoted prices for similar assets or liabilities in active markets or inputs other than quoted prices that are observable (either directly or indirectly) for substantially the full term of the asset or liability; and

Level 3 Significant unobservable prices or inputs (including the Fund's own assumptions in determining the fair value of investments) where there is little or no market activity for the asset or liability at the measurement date.

The following is a summary of the inputs used to value the Fund's investments as of March 31, 2012. The Fund recognizes transfers between the levels as of the beginning of the annual period in which the transfer occurred.

Investments in Securities at Value*	Valuation Inputs			Total
	Level 1	Level 2	Level 3	
Common Stocks	\$ 140,139,599	\$	\$	\$ 140,139,599
Short Term Investment		3,957,000		3,957,000
Total	\$ 140,139,599	\$ 3,957,000	\$	\$ 144,096,599

*See Schedule of Investments for industry classifications

For the period ended March 31, 2012, the Fund did not have any significant transfers between Level 1 and Level 2 securities. The Fund did not have any securities which used significant unobservable inputs (Level 3) in determining fair value.

Indemnification

In the normal course of business, the Fund enters into contracts that contain a variety of representations and warranties and which provide general indemnities. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims against the Fund. Also, under the Fund's organizational documents and by contract, the Directors and Officers of the Fund are indemnified against certain liabilities that may arise out of their duties to the Fund. However, based on experience, the Fund expects the risk of loss due to these warranties and indemnities to be minimal.

Maryland Statutes

By resolution of the Board of Directors, the Fund has opted into the Maryland Control Share Acquisition Act and the Maryland Business Combination Act. In general, the Maryland Control Share Acquisition Act provides that control shares of a Maryland corporation acquired in a control share acquisition may not be voted except to the extent approved by shareholders at a meeting by a vote of two-thirds of the votes entitled to be cast on the matter (excluding shares owned by the acquiror and by officers or directors who are employees of the corporation). Control shares are voting shares of stock which, if aggregated with all other shares of stock owned by the acquiror or in respect of which the acquiror is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquiror to exercise voting power in electing directors within certain statutorily defined ranges (one-tenth but less than one-third, one-third but less than a majority, and more than a majority of the voting power). In general, the Maryland Business Combination Act prohibits an interested shareholder (a shareholder that holds 10% or more of the voting power of the outstanding stock of the corporation) of a Maryland corporation from engaging in a business combination (generally defined to include a merger, consolidation, share exchange, sale of a substantial amount of assets, a transfer of the corporation's securities and similar transactions to or with the interested shareholder or an entity affiliated with the interested shareholder) with the corporation for a period of five years after the most recent date on which the interested shareholder became an interested shareholder. At the time of adoption, March 19, 2009, the Board and the Fund were not aware of any shareholder that held control shares or that was an interested shareholder under the statutes.

Lipper Multi-Cap Growth Mutual Fund Average

The average of funds that, by portfolio practice, invest in a variety of market capitalization ranges without concentrating 75% of their equity assets in any one market capitalization range over an extended period of time. Multi-Cap growth funds typically have an above-average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P SuperComposite 1500® Index.

NASDAQ Composite Index

Measures all NASDAQ domestic and international based common type stocks listed on the NASDAQ Stock Market.

Russell 3000® Growth Index

Measures the performance of those Russell 3000® companies with higher price-to-book-ratios and higher forecasted growth values. The Russell 3000® Index measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market.

Russell 1000® Growth Index (Largecap)

Measures the performance of those Russell 1000® companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000® Index measures the performance of the 1,000 largest companies in the Russell 3000® Index.

Russell Midcap® Growth Index

Measures the performance of those Russell Midcap® companies with higher price-to-book ratios and higher forecasted growth values. The Russell Midcap® Index measures the performance of the 800 smallest companies in the Russell 1000® Index.

Russell 2000® Growth Index (Smallcap)

Measures the performance of those Russell 2000® companies with higher price-to-book ratios and higher forecasted growth values. The Russell 2000® Index measures the performance of the 2,000 smallest companies in the Russell 3000® Index.

S&P 500® Index

A representative sample of 500 leading companies in leading industries of the U.S. economy. Focuses on the large-cap segment of the market with approximately 75% coverage of U.S. equities.

You cannot invest directly in an index.

