

ADV Parts 2A&2B Equity Fund Research March 31, 2011 SEC File No. 801-64817

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This brochure provides information about the qualifications and business practices of Equity Fund Research. If you have any questions about the contents of this brochure, please contact us at 781-729-6844 or info@efr.bz. The information in this brochure has not been approved of or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Equity Fund Research is available on the SEC's website at www.adviserinfo.sec.gov.

2. MATERIAL CHANGES

There are none in this filing.

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4. Advisory Business

A. Equity Fund Research (EFR) provides an investment supervisory service. EFR commenced business in 1980; the proprietor (Adviser) is Thurman Leonard Smith.

B. EFR manages assets of clients through discretionary accounts at a brokerage firm through which equity funds are bought and traded according to fund ratings derived from in-house research. The universe of eligible funds are limited to those available without a load charge on the adviser platform at the selected custodian/brokerage.

C. Each account is individually managed maximum return subject to the client's risk ceiling, tax status, and any restrictions that the client may request on mutual funds used.

D. EFR does not participate in wrap fee programs.

E. Assets under management as of December 31, 2010 were \$43.0 million, all of which were discretionary.

5. Fees and Compensation

A. Fees are based on account size. The quarterly fee structure is \$1,025 plus 0.10% on assets between \$500,000 and \$1,000,000; plus .05% on assets over \$1,000,000. Periodic withdrawal programs and account invoicing entail a surcharge of \$75 per withdrawal or invoicing. Under limited circumstances fees are negotiable

B. At the client's choice fees may be paid directly or by invoicing the brokerage account. Except for the initial quarter of a new account, fees are billed or invoiced at the beginning of a calendar quarter for the current quarter based on the value of the account at the end of the previous quarter.

C. EFR prefers to use mutual funds available on a no-trading-fee basis, but clients might also pay the broker a trading fee for funds not offered on a no-trading-fee basis, or upon a sale of fund not held for the required minimum period to avoid a trading fee on a sale. Under rare circumstances, clients may also be charged a fund redemption fee when a fund is sold before the fund's minimum holding period to avoid such a fee. Details of brokerage arrangement can be found in item 12.

D. Fees paid in advance for future quarters are fully refundable when an account is closed. Fees paid in advance for the current quarter are refundable when an account is closed before a quarter is half over.

6. Performance-Based Fees.

The Adviser does not accept performance-based fees.

7. Types of Clients

EFR generally provides investment advice to individuals and personal trust accounts. For new clients EFR requires \$500,000 to establish an account.

8. Methods of Analysis, Investment Strategies and Risk of Loss

A. EFR maintains a database of mutual fund price histories and other information and evaluates funds for use in client portfolios based on fund ratings from in-house software that refers to this data. Periodicals and computer-based services related to mutual funds are also used. These services are reviewed regularly for ideas on new funds to add to the EFR database, provided the funds are available at the custodian/broker.

B. Strategies used to manage client portfolios emphasize selection of funds with above average return per unit of risk and that on average do not exceed the client's stated risk ceiling. In building a client portfolio, diversification of stock selection styles of fund managers, size of firms in fund portfolios, and geographical range of firms in the funds used are considered. EFR prefers to use funds that may invest in firms in any industry and have a flexible investment style. A fund will be sold from a client portfolio if its EFR rating falls below a set level. EFR does not employ market timing or sector rotation strategies.

C. As funds used are actively managed, past behavior with regard to risk relative to that of the market is not an exact predictor of future behavior. Thus there might be more of a loss in a particular fund compared to market loss than might have been expected.

9. Disciplinary Information.

Neither EFR or its proprietor has been subject to any disciplinary action.

10. Other Financial Industry Activities and Affiliations

The proprietor has no current or pending affiliation with any other financial services firm.

11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

A. Code of Ethics: The Adviser will not employ any device, scheme or artifice to defraud a client or prospective client; make any untrue statement of a material fact to a client, prospective client, or regulator or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading; engage in any act, practice, or course of business which operates or would operate as a fraud or deceit. The Adviser will comply with federal and state securities laws. A copy of this code of ethics will be sent to any client or prospective client upon request.

B. The Adviser does not utilize securities in which he has a material financial interest.

C. The Adviser may buy the same funds as are in client portfolios, but this represents no conflict with client interests as mutual funds are not auction-market securities.

D. The Adviser may buy the same funds as are in client portfolios at the same time, but this represents no conflict with client interests as mutual funds are not auction-market securities.

12. Brokerage Practices

A. Any brokerage service that offers mutual fund trading is eligible for consideration as a custodian for client accounts. To conveniently mesh brokerage reporting and trade accounting with EFR systems, and streamline online trading, only one brokerage firm is used. The current broker, Charles Schwab & Co., Inc., was selected based of support for advisers, scope of mutual funds offered and trading fees. At this time there no plans to change brokerage arrangements. Schwab does provide arrangements for subscriptions to investment information services at a discount, and seminars, and conferences to advisors clearing through Schwab, which offers EFR may take advantage of, but which offers do not influence choice of broker.

13. Review of Accounts

The Adviser reviews all accounts weekly with regard to rating of each fund held, allocation among investment styles and capitalization, portfolio growth potential and risk exposure. Accounts are reviewed quarterly with respect to performance against appropriate market benchmarks. A statement of holdings and account value plus characteristics of each fund held, and performance as indexed to a market benchmark since inception of the account is mailed to clients quarterly. Commentary is also provided on the market and portfolio performance.

14. Client Referrals and Other Compensation.

The Adviser does not receive any economic benefit from any party other than from a client for services rendered.

15. Custody

All client assets are held by the Institutional Service Group at Charles Schwab & Co. The Adviser does not allow itself to be able to withdraw assets from client accounts, save for fee invoicing. Permission for fee invoicing is granted by the client on the Schwab account application or trading authority form. Schwab sends clients quarterly statements, information from which clients should compare with those prepared by the Adviser. A notation to this effect is made on the EFR quarterly performance reports.

16. Investment Discretion

For all accounts, clients convey to the Adviser discretion to trade on their behalf, permission for which is granted by the client on the brokerage account application or brokerage trading authority form.

17. Voting Client Securities

Equity Fund Research encourages and accepts choice of clients to grant voting authority for proxies to the Adviser for a master account vote. For such voting, the default stance of the Adviser is to vote YES on management motions unless there is good reason not to. As there one is one vote per a master account, it is not possible for a client to direct the Adviser to vote on behalf of an individual client contrary to the Adviser's choice for the master account proxy once permission has been granted by the client for the Adviser to vote on proxies. However, the client may at any time remove previously granted voting authority for the Adviser to vote on his behalf for future votes. Clients are free to inquire of the Adviser as to his stance on a particular vote. Clients may contact the Adviser at anytime to obtain a copy of the EFR Proxy Policy.

18. Financial Information

The Adviser does not require or solicit payment in advance of more than \$1,200 in fees per client, six months or more in advance, so a balance sheet is not included in this document.

ADV PART 2B

Education and Business Background of Adviser.

The sole adviser to clients is Thurman Leonard Smith, born 1942. Education after high school: University of N. Carolina, Chapel Hill, N.C. B.A., History, 1965; Babson College, Wellesley, Mass. MBA, finance & investments, 1976. Business background: Investment adviser, Equity Fund Research, Boston, Malden and Winchester, Mass. 1980 to present. From 1987 to 2008 he edited and published *Equity Fund Outlook*, a monthly subscription newsletter covering no-load stock funds. From 1971 to 1980 he was a systems analyst/programmer with State Street Financial, ADP Network Services, Loomis Sayles and Fidelity Investments. From 1967 to 1970 he was a systems engineer with IBM.