

PART 2A OF FORM ADV: FIRM BROCHURE

E.S. BARR & COMPANY

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LEXINGTON, KENTUCKY 40502

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www.esbarr.com

MARCH 30, 2012

This Brochure provides information about the qualifications and business practices of E.S. Barr & Company. If you have any questions about the contents of this Brochure, please contact us at 859.266.1300 or shannon.bradbury@esbarr.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

E.S. Barr & Company is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about E.S. Barr & Company is also available on the SEC's website at www.adviserinfo.sec.gov.

MATERIAL CHANGES

There are no material changes as of March 30, 2012.

In the future, if there are material changes that are made to this Brochure, we will provide clients with a summary of such changes in this section.

TABLE OF CONTENTS

Item 1 – Cover Page.....	i
Item 2 – Material Changes.....	ii
Item 3 – Table of Contents.....	iii
Item 4 – Advisory Business.....	1
Item 5 – Fees and Compensation.....	1
Item 6 –Performance-Based Fees and Side-By-Side Management.....	2
Item 7 – Types of Clients.....	2
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	3
Item 9 – Disciplinary Information.....	3
Item 10 – Other Financial Industry Activities and Affiliations.....	3
Item 11 – Code of Ethics.....	4
Item 12 – Brokerage Practices.....	5
Item 13 – Review of Accounts.....	7
Item 14 – Client Referrals and Other Compensation.....	7
Item 15 – Custody.....	7
Item 16 – Investment Discretion.....	7
Item 17 – Voting Client Securities.....	8
Item 18 – Financial Information.....	8
Item 19 – Requirements for State-Registered Advisers.....	8
Brochure Supplement.....	9

ADVISORY BUSINESS

E. S. Barr & Company is a registered investment advisor established in 1992. E.S. Barr Holdings, LLC owns 100% of the company. Edward S. Barr is the principal owner of the holding company.

We offer investment management services to our clients. Our primary goal is to deliver superior risk adjusted investment returns. We strive to provide such returns with the primary emphasis on the preservation of capital.

When meeting with potential clients, we discuss our investment philosophy to confirm we are an appropriate fit with the client's investment philosophy. We will then tailor the needs of the client by the use of asset allocation. The client may impose restrictions on investing in certain securities or types of securities.

As of December 31, 2011, our assets under management were \$724,956,506.

FEES AND COMPENSATION

E.S. Barr & Company will provide investment management services to clients with fees to be charged at the following annual percentage of assets under management effective March 31, 2011:

Portfolio Value:

less than \$500,000	1.25%
\$500,000 to \$1,000,000	1.00%
\$1,000,000 to \$4,000,000	.75%
\$4,000,000 and above	.50%

Fees are billed on the first of January and July in advance. Although we prefer fees to be deducted from your account, you may request to be billed. Fees are generally not negotiable and are subject to the approval of management. Clients operating under a previous fee schedule may be grandfathered at management's discretion. The investment management agreement between us and our clients may be canceled by either party pursuant to the terms of the Advisory Agreement. A refund of pre-paid management fees will be available for the period between (i) 30 days following notification from a client of a desire to terminate, and (ii) the next billing period, on a pro-rata basis.

Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and

securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus.

Such charges, fees and commissions are exclusive of and in addition to E.S. Barr & Company's fee, and E.S. Barr & Company does not presently receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that E.S. Barr & Company considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

E.S. Barr & Company does not receive performance based fees from its Advisory clients. E.S. Barr & Company only charges Advisory client's asset based fees.

The President of E.S. Barr & Company also engages in a partnership and investment advisory role for the LP, Sandfly Partners, Ltd. There may be conflicts of interest over time devoted by our executive officer to managing any one account of E.S. Barr & Company and time devoted to managing the account of the LP. In addition, Sandfly Partners, Ltd. may pay performance based fees on top of management fees. Therefore, a conflict of interest may exist between our desires to increase the performance for the Sandfly Partners, Ltd. versus that of our clients. We attempt to resolve all such conflicts in a manner that is generally fair to our clients. However, it is the responsibility of each client to determine if we are devoting sufficient time to their account.

Pertaining to any specific holding at a specific point in time a determination is made regarding the appropriateness for inclusion in Sandfly Partners account, the separately managed accounts or both. Criteria for consideration include, but are not limited to: liquidity, market capitalization, level of comfort regarding fair value estimate and perceived risk/return profile. If a security is deemed to be appropriate for both Sandfly and the managed accounts, then the pro-rata allocation of shares as described more fully in the discussion of block trades will likely take place.

TYPES OF CLIENTS

E.S. Barr & Company provides portfolio management services to individuals, high net worth individuals, banking or thrift institutions, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, hedge funds and corporations.

Although the minimum requirement to maintain an account is \$500,000, we have discretion to accept a lesser amount. The minimum may be achieved by

aggregating multiple accounts from the same party at the sole discretion of management.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

At E.S. Barr & Company, we employ a patient, disciplined fundamental value investment approach. Our research driven investment process has been consistently applied since our founding in 1992. Our universe of available equity investment ideas is not artificially constrained by industry or benchmark. However, because of liquidity concerns within our managed accounts, we will generally only consider companies with market capitalizations in excess of \$400 million. We utilize a variety of sources to identify attractive investments. They come from our own screens, reading of various periodicals, attending conferences and from discussions with like-minded investors, industry participants and company managements. In order to protect against miscalculation or unknowable events, we attempt to purchase securities when the market price offers a wide margin of safety versus our estimate of the intrinsic value of the underlying business. We may sell when our investment thesis changes or when the market price fully reflects or exceeds the intrinsic value of the underlying business. Our process for identifying attractive fixed-income securities is generally the same as our process for identifying attractive equity securities. Investing in equity and fixed-income securities may involve the risk of loss of some or all of a client's original investment, which the client should be prepared to bear.

DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of E.S. Barr & Company or the integrity E.S. Barr & Company's management. No disciplinary action has ever been taken against E.S. Barr & Company.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Clients choosing AGC Advisory as their custodian should know that the son of a minority shareholder and director of our parent company is owner of AGC Advisory. The AGC Advisory owner may benefit from the commissions paid, if any, to AGC Advisory by our clients. As a result of this potential conflict of interest involving the use of AGC Advisory, our clients may wish to consider whether alternative custodial arrangements would result in lower transactional costs in their securities transactions.

CODE OF ETHICS

We have implemented a Code of Ethics, designed to comply with rule 204A-1 under the Investment Advisors Act of 1940. This code establishes rules of conduct for all employees of E.S. Barr & Company and, among other things, governs personal securities trading activities in the accounts of employees. The code is designed to ensure that the high ethical standards long maintained by the company continue to be applied and contains provisions reasonably designed to detect and prevent violations of the code and the Advisors Act.

In meeting fiduciary responsibilities to our clients, we expect every employee to demonstrate the highest standards of ethical conduct for continued employment with our company. Shannon Bradbury has been designated as our Chief Compliance Officer and is responsible for ensuring all employees know and follow this Code. Provisions in the code include: prohibition against insider trading; personal securities transactions; protecting the confidentiality of client information; and reporting violations. A copy of our Code of Ethics is available upon request.

E.S. Barr & Company may purchase or sell securities for our clients which our company and/or employees own, have owned, or may own. We have adopted procedures regarding personal trading by employees that are designed to detect and prevent abuses that could occur as a result of the potential conflict of interest involved in such personal trading. Employees are required to obtain written pre-clearance from Edward Barr for each personal transaction in securities other than money market funds, U.S. Government Securities and mutual funds. The pre-clearance process is designed to allow priority for client orders. In addition, employees provide a duplicate statement of all related accounts and report their personal transactions in securities on a quarterly basis. Employees are also instructed to place individual, non-aggregated orders, after 3:00 p.m. Any corporate or partnership accounts in which our personnel may have a pecuniary interest will be treated like any other client of E.S. Barr & Company and thus would not be subject to the 3:00 p.m. time constraint. We do allow employee and related accounts of employees to participate in aggregate orders and to participate in secondary public offerings allocated along with our client accounts.

When dealing with many individual accounts, it remains possible (for a myriad of reasons) that personal transactions on the part of our personnel could occur prior to a client transaction. We use our best effort to make sure that is not the case, and in E.S. Barr & Company's view, transactions by personnel are quite small in nature and in no way affect a market in an individual security/company.

BROKERAGE PRACTICES

E.S. Barr & Company has the discretion to determine, without obtaining specific client consent, the identity and the amount of securities to be bought or sold. Our authorization is not subject to any limitations.

We believe that firms acting in a custodial capacity will generally derive greater total commissions than those executing transactions only in a noncustodial/brokerage capacity. Since many custodial firms do not permit away trades in their accounts, and based upon its evaluation of available firms, we recommend DB Alex Brown to clients seeking a custodian. Such use of Alex Brown as custodian has resulted in the use of Alex Brown in executing a significant portion of securities transactions for our clients.

E.S. Barr & Company may bunch or aggregate orders for our clients and may allocate the aggregate in the manner in which we deem appropriate. We are not required to bunch or aggregate orders. If we choose to bunch an order, prior to entering the order, we prepare a list specifying the client accounts participating in the order and how we intend to aggregate the order among those clients. In the event that the order is only partially filled, we will allocate securities purchased or sold among clients in proportion to the total number of shares sought to be purchased or sold for such clients. Clients may or may not receive a pro rata allocation of an aggregated order in instances where their pro-rata share is less than a de minimis amount or if we have used another equitable method to allocate the aggregated order. Clients should recognize that transactions in a specific security may not be executed for all advisory accounts at the same time or at the same price on a specific day.

When requested by a client, we determine the broker to serve as custodian for our client accounts and through whom securities transactions for our clients are executed and negotiate the commission rates. We may suggest a broker/dealer to our clients, but in no way is it a requirement. We often negotiate lower commissions through volume or aggregate/bunch order entry. We do not utilize formal procedures in order to allocate commissions to certain firms that are not acting in a custodial capacity, but rather, periodically consider (on a subjective basis) various factors in ascertaining whether such relationship is productive for all parties. Consistent with obtaining best execution, transaction cost is but one component factor considered by us in the selection of brokers to execute brokerage transactions on behalf of our clients. We seek the best overall terms available in light of the following additional factors: the ability to execute promptly and reliably at favorable prices; operational efficiency with which transactions are executed (including operational back-up); the quality, availability (including via the Internet), comprehensiveness and frequency of research; commission rates

compared with other brokers satisfying our other selection criteria; willingness to act as a custodian when or if necessary; ability to execute block trades; and willingness, if any to execute “away trades” on behalf of clients (i.e. trades made by a broker who is not the custodian for the client in question).

Research and related services furnished by brokers may include written information and analyses concerning specific securities, companies or sectors, market, financial and economic studies or forecasts, statistics and pricing services, as well as discussions with research personnel. Hardware and software databases and other technological and telecommunications services and equipment may also be utilized by us in the investment management process.

E.S. Barr & Company does not attempt to place a specific dollar value on the services rendered by brokers, or to allocate the relative costs or benefits of those services among our clients, believing that the research and services received from any brokers are, in the aggregate, of assistance to us in fulfilling our overall duty to our clients. We may select broker/dealers and pay them commissions for executing transactions for our clients in excess of the amount other broker/dealers would have charged for executing such transactions. This is based upon our good faith determination that such commissions are reasonable in relation to the value of the brokerage and/or for research services provided by such brokers/dealers.

We may use research products or services furnished by broker/dealers to service any or all of our clients. In the event we receive products or services from broker/dealers which we use for purposes in addition to research activities, we make a good faith effort to determine the relative proportion of any such “mixed use” products or services attributable to our clients’ brokerage.

Our relationship with broker/dealers that provide research and other services to us may influence our selection of broker/dealers and thereby create a conflict of interest.

In conducting transactions in over-the-counter securities, we often utilize securities firms on an agency basis to execute such transactions with market-making brokers. Such practice may increase the transaction costs to our clients for such transactions. It is our clients’ responsibility to determine the reasonableness of fees charged for transactions in their accounts.

Some clients, when entering into an advisory relationship, instruct us to execute transactions for their account through a specific broker or dealer. In the event that a client directs us to use a particular broker, the client has the sole responsibility for negotiating commission rates and other transaction costs with the directed broker; thus a disparity may exist between the commissions borne by our client and other clients whom do not direct us to a specific broker/dealer. Further, some brokers assess minimum transaction charges which may be

disadvantageous to our client. The client may also forego benefits that we may be able to obtain for our other clients through, for example, negotiation of volume discounts or block trades. In addition, the execution of orders for clients who designate the use of a particular broker may or may not be delayed until the execution of non-broker directed client orders has been completed. Accordingly, broker directed transactions may be subject to price movements that may result in the client receiving a price that is less favorable than the price obtained for non-broker directed orders.

REVIEW OF ACCOUNTS

E.S. Barr & Company intends to review each account on a regular basis. Review of accounts will be performed by Edward S. Barr, President and/or Michael S. Potapov. Account review/management is a collaborative effort with discussions of the overall market, portfolio composition, industry concentration, and discussion and analysis of individual securities and their merit for inclusion into certain portfolios. Such discussion and analysis takes place on an ongoing basis.

In addition, E.S. Barr & Company sends quarterly letters to clients, and the semi-annual letter may also include investment performance. The purpose of these letters is to provide a general overview of economic and market conditions and may also include a description of the investment merit of a particular industry, company, or number of companies.

CLIENT REFERRALS AND OTHER COMPENSATION

E.S. Barr & Company does not have any arrangements to compensate anyone for client referrals at present but reserves the right to do so at our discretion.

CUSTODY

Clients should receive at least quarterly statements from the qualified custodian that holds and maintains the client's investment assets. E.S. Barr & Company urges clients to carefully review such statements and compare such official custodial records to the account statements that we can provide to clients upon request. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

INVESTMENT DISCRETION

E.S. Barr & Company is considered to have discretion of an account once a client signs the E.S. Barr & Company Investment Advisory Agreement. Based on the Advisory client's investment objectives, E.S. Barr & Company has the authority to make continuous investment decisions for its Advisory clients. When selecting securities and determining amounts, E.S. Barr & Company does observe the investment policies, limitations and restrictions of the clients for

which it advises. Investment guidelines and restrictions may be provided verbally or in writing.

VOTING CLIENT SECURITIES

As a matter of firm policy and practice, E.S. Barr & Company does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. E.S. Barr & Company may provide advice to clients regarding the clients' voting of proxies.

FINANCIAL INFORMATION

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about E.S. Barr & Company's financial condition. E.S. Barr & Company has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

REQUIREMENTS FOR STATE-REGISTERED ADVISERS

N/A

PRIVACY NOTICE

This Privacy Notice sets forth our policies with respect to nonpublic personal information of investors, prospective investors and former investors. We at E.S. Barr & Company have always worked hard to maintain the highest standards of confidentiality and to respect the privacy of our client relationships. We are providing this Privacy Notice to all of our clients in accordance with Title V of the Gramm-Leach-Bliley Act of 1999 and its implementing regulations. This notice supplements any privacy policies or statements that we, or our custodians, may provide in connection with products or services provided.

Information We Collect- The nonpublic personal information we collect about you comes primarily from the account applications or other forms you submit to us. We may also collect information about you from your transactions and experiences with us, or from your custodian.

Our Disclosure Policy- We do not disclose your personal nonpublic information to anyone, other than your custodian, except as per your request or as permitted by law.

Information on Security Policy- Due to the small number of employees, everyone at E.S. Barr & Company plays a key role in the management and administration of your account(s). Therefore, we all have access to nonpublic personal information. However, we are extremely selective in whom we choose to represent our company through employment, and our employees

adhere to strict confidentiality requirements. In addition, we maintain physical, electronic and procedural safeguards to guard your nonpublic personal information.

BROCHURE SUPPLEMENT

EDWARD S. BARR

E.S. BARR & COMPANY

1999 RICHMOND ROAD, SUITE 1B

LEXINGTON, KENTUCKY 40502

859.266.1300

This brochure supplement provides information about E.S. Barr & Company employees that supplements the E.S. Barr & Company brochure. You should have received a copy of that brochure. Please contact Shannon Bradbury if you did not receive our brochure or if you have any questions about the contents of this supplement.

MARCH 30, 2012

Educational Background and Business Experience

Edward S. Barr	
President, E.S. Barr & Company	9/92 – Present
Executive Vice President, First Security National Bank & Trust Company	8/91 – 9/92
University of Kentucky, B.B.A. Finance	
Shannon Bradbury	
Chief Compliance Officer, E.S. Barr & Company	6/06 - Present
Assistant Vice President, Fifth Third Bank	1/89 – 6/06
Eastern Kentucky University, B.A. Paralegal Science	
John Maddox	
Client Services, E.S. Barr & Company	06/94 – Present
Vice President, First Security National Bank & Trust Company	06/87 – 06/94
University of Kentucky, B.B.A. Finance	
Michael S. Potapov, CFA	
Analyst, E.S. Barr & Company	5/06 – Present
Financial Advisor, Dupree Financial Group	6/04 – 5/06
Georgetown College, B.A. Commerce (Language & Culture) and Music	

CFA Charter Financial Advisor Statement for SEC Form ADV

The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals.

There are currently more than 90,000 CFA charterholders working in 135 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

High Ethical Standards

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charterholders to:

- Place their clients' interests ahead of their own
- Maintain independence and objectivity
- Act with integrity
- Maintain and improve their professional competence
- Disclose conflicts of interest and legal matters

Global Recognition

Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA charterholders—often making the charter a prerequisite for employment.

Additionally, regulatory bodies in 19 countries recognize the CFA charter as a proxy for meeting certain licensing requirements, and more than 125 colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own finance courses.

Comprehensive and Current Knowledge

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.

Disciplinary Information

No disciplinary action has ever been taken against E.S. Barr & Company or an employee of E.S. Barr & Company.

Other Business Activities

The President of E.S. Barr & Company also engages in a partnership and investment advisory role for the LP, Sandfly Partners, Ltd. There may be conflicts of interest over time devoted by executive officer to managing any one account of E.S. Barr & Company and time devoted to managing the account of the LP. In addition, Sandfly Partners, Ltd. may pay performance based fees on top of management fees. Therefore, a conflict of interest may exist between our desires to increase the performance for the Sandfly Partners, Ltd. versus that of our clients. We attempt to resolve all such conflicts in a manner that is generally fair to our clients. However, it is the responsibility of each client to determine if we are devoting sufficient time to their account.

Additional Compensation

We currently do not have a program directly compensating employees for sales or client referrals.

Supervision

Edward S. Barr is the President of the company. Mr. Barr and Michael Potapov, CFA, coordinate investment advice provided to clients. Ultimately, Mr. Barr is responsible for supervision of the individual providing investment advice to clients. Shannon Bradbury, Chief Compliance Officer, monitors personal securities transactions, annual compliance reviews including the forensic testing, and adherence to the company's compliance program and code of ethics of E.S. Barr & Company. They can be reached at 859.266.1300.