

Equity Fund Research Disclosure Statement (Restated Part II of Form ADV)

November 23, 2009

SEC File number 801-64817

General Provisions

If you are a new or prospective client, this Statement has either been delivered to you

(a) at least forty-eight (48) hours in advance of your entering into an investment advisory contract, or

(b) simultaneously with you entering into such a contract, in which case you will have five (5) business days in which to terminate the contract without penalty.

If you are an existing client, this Statement has been offered for delivery to meet requirements for annual delivery of such Statement under said regulations. This disclosure statement contains information relating to Equity Fund Research and the nature of its business.

1. Advisory Services

Equity Fund Research (EFR) provides an investment supervisory service. Fees are charged as a percent of total assets under management. None of the services provided are described as financial planning.

EFR manages assets of clients through discretionary account at a brokerage firm through which equity funds are bought and traded according to fund ratings derived from in-house research. Fees are based on account size and are payable in advance, quarterly. 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. Fees may be paid directly or by invoicing the brokerage account. Periodic withdrawal programs and account invoicing entail surcharges. Clients may elect to prepay up to four quarters in advance at the rate for the current quarter. Fees paid in advance are refundable if an account is canceled before a quarter is half over. Client may cancel agreement within five days of its acceptance. Under limited circumstances fees are negotiable. Clients have access to fund research information on EFR's website.

2. Types of Clients

EFR generally provides investment advice to individuals.

3. Advice is limited to mutual fund shares.

4. Methods of Analysis, Sources of Information and Investment Strategies

Methods of analysis: Buy and sell signals are determined by, fundamental and technical analysis.

Source of Information: EFR maintains a data base of mutual funds prices and performs custom research utilizing in-house software. Periodicals on computer-bases services related to mutual funds are also used.

Investment strategies: Strategies used to manage client portfolios include long-term purchases (held more than one year) and short-term purchases (sold within a year) selected and traded according to the EFR fund rating system.

5. Business Standards and Education

There are no general standards of education or business experience that EFR requires of those involved in determining or giving investment advice to clients.

6. Education and Business Background of Advisors

The sole adviser to clients is Thurman Leonard Smith, born 1942.

a) Education after high school:

University of N. Carolina, Chapel Hill, N.C. B.A., History, 1965

Babson College, Wellesley, Mass. MBA, Finance & investments, 1976

b) Business background preceding five years: Investment adviser, Equity Fund Research, Malden, Mass. 1980 to present

7. Other Business Activities

None.

8. Other Financial Industry Affiliations

None.

9. Participation or Interest in Client Transactions

EFR personnel may purchase mutual funds that it uses in client accounts.

10. Conditions for Managing Accounts

For new clients EFR requires \$500,000 to establish a new account.

11. Review of Accounts

Accounts are reviewed by the principal 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 is sent mid-month. A more detailed analysis is sent quarterly that shows the above information plus characteristics of each fund held, and performance as indexed to a market benchmark since inception of the account. Commentary is also provided on market and portfolio performance.

12. Investment or Brokerage Discretion

By agreement with clients, only mutual funds may be purchased. The amount of funds to be purchased is limited only by requirements for diversification and moneys available in the client account. EFR chooses broker for custody and trading of client assets. EFR requires use of brokerage firm that clears no-load mutual funds. Choice of firm is mostly determined by scope of funds offered, fees charges and service provided. Current broker, Charles Schwab & Co., Inc., does provide arrangements for subscriptions to investment information services at a discount to advisors clearing through Schwab, which offers EFR may take advantage of, but which offers do not influence choice of broker.

13. Compensation

EFR does not pay third parties a share of fees from referrals

14. Balance Sheet

The fee structure at EFR falls outside SEC requirements for providing a balance sheet.

15. Privacy policy and Code of Ethics

No information about clients or their investments at EFR is disclosed to any party other than as necessary to perform the investment service engaged for, or as required in the course of regulatory supervision. Questions about this policy should be directed to Thurman Smith.

All Employees and agents of Equity Fund Research will at all times act in the interest of clients and comply with all pertinent state and federal regulations and rules.