

Edelman Managed Asset Program[®] (EMAP) Wrap Fee Brochure

This wrap fee brochure provides information about the qualifications and business practices of Edelman Financial Services, LLC. If you have any questions about the contents of this brochure, please contact us at 888-PLAN-RIC (888-752-6742), or you may email us at info@RicEdelman.com or write to us at the address below. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority, nor does registration with the SEC imply a certain level of skill or training.

Additional information about Edelman Financial Services, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

EDELMAN **FINANCIAL SERVICES** LLC

4000 Legato Road, 9th Floor
Fairfax, VA 22033
EdelmanFinancial.com
RicEdelman.com
888-PLAN-RIC (888-752-6742)
866-742-7222 (fax)
info@RicEdelman.com

March 30, 2018

Item 2: Material Changes

Significant changes to this updated wrap fee brochure are contained in this section. Future wrap fee brochures will contain similar summaries. The following are material changes to this brochure that were made since the last annual amendment to this brochure was filed on March 31, 2017:

We have revised Item 9 to describe our joint marketing arrangement with Morningstar (as defined below) and the potential conflict of interest resulting from this relationship. Jon Isaacson joined EFS on November 27th to assume the role of Chief Financial Officer, formerly held by Rene Chaze.

On January 16, 2018 we entered into a multi-year contract with Envestnet Asset Management, Inc. ("Envestnet"), under which Envestnet will provide advisory, administrative and technology services to us for use with our clients. We expect this strategic relationship to allow us to deliver new capabilities across our financial planning, investment management, and service offerings. The integration of Envestnet into our advisory program will take place over the course of 2018.

We review our brochure and revise existing disclosures when we believe our clients would benefit from an enhanced description of EMAP (as defined below) and our services. In addition to the material changes summarized above, we have made a number of immaterial changes to this brochure to enhance existing disclosure.

Under SEC rules, we'll give you a new wrap fee brochure within 120 days of the end of our fiscal year. You may also receive updates at other times if there are any material changes. You can also request a new wrap fee brochure at any time and at no charge.

You can request a free brochure by calling us at 888-PLAN-RIC (888-752-6742). You can also find out more about us and receive our current brochure from the SEC's website, www.adviserinfo.sec.gov. The site can also give you information about people who are registered or about to be registered as Investment Advisor Representatives of our firm.

Item 3: Table of Contents

Edelman Managed Asset Program® (EMAP) Wrap Fee Brochure	1
Item 2: Material Changes	2
Item 3: Table of Contents	3
Item 4: Services, Fees and Compensation	6
Services	6
Trading Authorization	6
Rebalancing	7
Reallocation	7
Edelman Retirement Program	8
Institutional Advisory Services	8
Fees and Compensation	8
Retail Clients	9
Turnkey Asset Management Program (TAMP)	9
Institutional Clients	10
ERP Clients	10
Disclosures Relevant to All Clients	11
Other Fees and Expenses	12
Step-Out Trades	13
Best Execution	13
Item 5: Account Requirements and Types of Clients	14
Account Requirements	14
Minimum Account Size	14
Types of Clients	15
Item 6: Portfolio Manager Selection and Evaluation	15
Performance Calculation	16
Investment Strategy	16
Rebalancing	17
Reallocations	17

Trade Aggregation Policy	17
Trade Allocation Policy	17
Trade Errors	18
Methods of Analysis and Investment Selection.....	19
Risk of Loss	19
Soft Dollars	22
Performance-Based Fees and Side-by-Side Management.....	23
Voting Client Securities	24
Item 7: Client Information Provided to Portfolio Manager.....	24
Item 8: Client Contact with Portfolio Managers	24
Item 9: Additional Information	25
Disciplinary Information.....	25
Other Financial Industry Activities and Affiliations.....	25
Related Persons	25
Affiliated Broker-Dealer	25
Other Affiliated Investment Advisers and Broker-Dealers	25
Insurance Agencies	25
Equity Investors	26
The Retirement InCome for Everyone Trust® (RIC-E Trust®).....	26
Code of Ethics.....	26
Related Person May Invest in the Same Securities.....	27
Agency Cross Procedures.....	28
Conflicts of Interest and Other Disclosures	28
Affiliated Broker-Dealer Related Conflicts (Item 9 / Part 2A Items 5 and 10)	28
Fees and Expenses (Item 4 / Part 2A Items 8 and 12)	28
Involvement with the NANR and XT ETFs (Item 9 / Part 2A Items 8 and 14)	29
Related Person May Invest in the Same Securities (Item 9 / Part 2A Item 11)	29
Economic Benefits from Third Parties (Item 6 / Part 2A Item 12)	29
Institutional Alliance Related Conflicts (Item 9 / Part 2A Items 12 and 14)	30
Dimensional Funds Related Conflicts (Item 9 / Part 2A Item 14)	31

Review of Accounts.....	31
Investment Committee	32
Nature and Frequency of Client Reports	32
Client Referrals and Other Compensation	32
Turnkey Asset Management Program (TAMP)	32
Client Referrals.....	32
Relationship with TD Ameritrade and Others.....	33
Financial Information	38

Item 4: Services, Fees and Compensation

Services

The Edelman Managed Asset Program® (“EMAP”) is a wrap fee asset allocation program sponsored by Edelman Financial Services, LLC (referred to throughout this brochure as “EFS”, “Firm” or “We”). Our wrap fee program is available to our clients and to unaffiliated registered investment advisers and their clients. The client retains EFS and an Investment Adviser Representative (“Advisor”) for the purpose of opening an investment advisory account and participating in EMAP. We will invest participating client assets in one or more diversified asset allocation models consisting of open-end registered investment companies (commonly referred to as mutual funds) and exchange-traded funds (or ETFs) and occasionally variable annuities and 529 College Savings Plans in exchange for an all-inclusive asset-based advisory fee.

We offer EMAP asset allocation models that consist of no-load mutual funds and ETFs in a broad range of asset classes and market sectors, including domestic stocks, international stocks, global bonds and alternative investments. EMAP portfolios range from conservative to aggressive.

EFS Investment Adviser Representatives (“Advisors”) meet with clients to discuss their needs. Investment objectives and risk tolerance are the main factors that help us recommend an asset allocation model. We also consider the client’s personal situation, including age, health, family circumstances, income, expenses, assets, debts, liquidity needs, goals, personal objectives, suitability, time horizon and other relevant factors. Alternatively, the client may choose to use the Edelman Guide to Portfolio Selection (“GPS”) to guide the client through the process and help him/her select an appropriate EMAP asset allocation model, based on the client’s investment experience, risk tolerance, age, primary investment objectives, time horizon and the amount of money they have to invest. Also referred to as “Edelman Online” or simply the “client portal”, GPS utilizes more of a risk-based approach, as opposed to the both goals-based and risk-based approach typically taken when the client meets directly with an Advisor. Working directly with an Advisor or using GPS has no bearing on the advisory fees that the client pays, since even if the client chooses GPS they still have access to an Advisor. If a client’s investment objectives or financial situation changes, they should contact an Advisor.

Clients are allowed to place reasonable restrictions on the management of their accounts. This includes deciding to sell or not to buy particular securities or types of securities. However, a client cannot require us to buy particular securities or types of securities. We reserve the right, at our sole discretion, to close an account if unreasonable or overly restrictive conditions are requested.

Either a client or EFS can end the relationship with written notice to the other. We receive a wrap fee for our services and we bill clients quarterly in arrears. If the advisory relationship ends before the end of the quarter, the client will be charged a prorated amount.

Trading Authorization

Once an asset allocation model has been selected, EFS has limited discretionary authority to invest the assets in the account in accordance with the asset allocation model selected by the client. Such

discretionary authority includes the ability to select (and modify) the investments underlying each asset allocation model available in EMAP. EMAP clients must establish brokerage accounts with one of the custodians associated with EMAP, which currently include TD Ameritrade, Fidelity and Pershing Advisor Solutions (“PAS”) (each, a “Custodian”). When EFS transacts purchases or sales for a particular client’s account through a Custodian, the transaction costs associated with such trading activity are covered by the EMAP fee. (Please refer to the discussion of “Step-Out Trades” in this same Item below for information about instances when clients will incur transaction costs in addition to the EMAP fee.) The Custodians perform all of the necessary brokerage services for accounts maintained with them and provide custody services of client assets. In choosing which Custodian to use for EMAP, we generally select TD Ameritrade, which in turn provides certain economic benefits to EFS. On occasion, EFS may direct a transaction to a broker-dealer other than one of the Custodians for execution, as discussed further in “Step-Out Trades” in this same Item below. In these cases, the broker-dealer is acting as an executing broker-dealer and delivers the transaction to the applicable Custodian for allocation to client accounts.

Rebalancing

Each EMAP account is invested in accordance with the client’s asset allocation model. At the inception of an account, EMAP assets are invested in specific asset types, including mutual funds (including funds that are used as funding vehicles for variable annuity contracts) or ETFs that invest in a variety of equity securities or fixed income or cash instruments. Amounts invested in each fund are determined in accordance with the set asset allocation targets associated with the client’s model. Afterwards, as markets fluctuate, and values change, amounts originally allocated to a fund will either exceed or fall below the target allocations. We periodically adjust account holdings to be in line with the asset allocation targets, or “rebalance” the account. We do not rebalance accounts constantly, and asset allocations may drift away from the target asset allocation associated with the client’s model before EFS, within our sole authority and judgment, brings those allocations back in line with the target percentages. The investment philosophy of an asset allocation strategy is to be positioned in various asset types so that if the asset type becomes profitable, the account is positioned to take advantage of the upturn.

Reallocation

EFS has the limited discretionary authority to reallocate assets in models and client accounts. In a reallocation, we change the target percentages of some or all of the asset classes or types of assets relative to the total model. Models and accounts are monitored on an ongoing basis and assets reallocated based on market or other conditions as warranted. Changes in the asset allocation model, which include adding, removing or replacing securities at the discretion of EFS, are made based on a variety of factors, including but not limited to changes in the economic, financial or political climate; changes in the tax code; new economy innovation and technological disruption; and the management of the underlying securities used by the asset allocation model. EFS may replace a particular security (or securities) if it significantly diverges from its relevant index in terms of risk or return with a security that is more in line with the risk/return profile of the relevant index, or if there is a different security that, in our opinion, would be better suited for the client’s account or a model

portfolio more generally. Reallocations occur with less frequency than rebalancing. Clients are sent confirmations by the relevant Custodian for any transactions effected in their accounts.

Edelman Retirement Program

EFS makes the Edelman Retirement Program (“ERP”) available to plan sponsors of 401(k), profit-sharing, non-qualified deferred compensation and retirement plans (“Plans”), subject to the Employee Retirement Income Security Act of 1974 (“ERISA”), as amended, and other employee retirement plans that are not subject to ERISA (“Plans”). These Plans include both participant-directed and trustee-directed Plans. Through ERP, EFS currently creates and maintains model asset allocation portfolios (“Models”) to be made available to Plans.

Generally, our Advisor holds an initial meeting with the Plan sponsor (or other Plan fiduciary or agent) to explain the services available through the ERP, and applicable fees, and to collect detailed financial data about the Plan. Emphasis is placed on identifying the Plan’s investment objectives and determining the financial situation of the Plan. If the Plan sponsor (or other Plan fiduciary or agent) determines that the ERP is appropriate for the Plan, then the Plan sponsor (or other Plan fiduciary or agent) will establish an ERP account on behalf of the Plan. See “Fees and Compensation” below for fees and expenses associated with the Edelman Retirement Program.

Institutional Advisory Services

Utilizing EMAP, EFS provides investment management services to a variety of small and mid-sized companies, organizations, endowments and associations. The services offered include the following:

- Investment Policy Statement — EFS assists in creating, rewriting and/or reviewing the Investment Policy Statement that reflects the investment needs of the entity.
- Asset Allocation Model — EFS assists in developing a diversified asset allocation strategy in accordance with the investment objectives, goals, need for liquidity and risk tolerance of the entity.
- Financial Profile — EFS performs a review of the entity’s investment objectives and financial situation in order to provide an accurate assessment of the appropriate level of acceptable risk in accordance with the stated time horizon and goals.
- Investment Management — EFS provides ongoing management of assets, including review for potential rebalancing opportunities and evaluation of EMAP performance for potential changes to or reallocation of asset classes, or changes to securities as market or other conditions warrant.

Fees and Compensation

Below are schedules of the investment advisory fees that EFS retail, institutional and ERP clients pay on an EMAP account. Since EMAP is a wrap fee program, the terms “advisory fee” and “wrap fee” may be used interchangeably when referring to an EMAP account.

EFS may change the fee schedule at any time by giving 30 days prior written notice to the client. Following the 30-day notice period, the new fee schedule will become effective unless the client

terminates the Client Services Agreement. The client's continued acceptance of the services will constitute consent to changes in the advisory fee, including an increase in the amount charged, if any.

Retail Clients

EMAP Retail Fee Schedule	Fee
First \$150,000	2.00%
Next \$250,000	1.65%
Next \$350,000	1.25%
Next \$250,000	1.00%
Next \$2 million	0.75%
Next \$7 million	0.60%
Next \$15 million	0.50%
Amounts above \$25 million	negotiable

Above is a schedule of the investment advisory fees that retail clients pay on an EMAP account. In addition to the above fee schedule, EFS employees and the Firm's TAMP Advisors (see below) pay a deeply discounted flat rate. The EMAP wrap fee includes ongoing financial planning advice by an EFS Advisor and limited discretionary investment management, including periodic review of all investments in the EMAP asset allocation model. The fee also includes account transaction costs associated with transactions placed through a Custodian (please refer to the discussion below regarding step-out trades which will result in additional costs to the client), custody of assets, a subscription to Ric Edelman's Inside Personal Finance newsletter, online access and free admission to seminars.

When calculating advisory fees, household accounts that are managed as one relationship are aggregated to determine the lowest percentage per the above fee schedule. Accounts with less than \$5,000 (the minimum household account size) may effectively pay a fee that is greater than 2.00%, due to our minimum annual fee discussed in Item 5.

Turnkey Asset Management Program (TAMP)

EFS has established a Turnkey Asset Management Program ("TAMP"), whereby the Firm makes the EMAP asset allocation models available to clients of select unaffiliated investment advisers ("TAMP Advisors"). The EMAP fee, per the above retail fee schedule, is shared between EFS and the TAMP Advisors on a negotiated basis. The client does not pay an increased fee for EMAP because of this arrangement. Clients will pay the same fee, regardless of whether the client selects an EMAP asset allocation model through an EFS Advisor or a TAMP Advisor. EFS pays a negotiated percentage, up to 60% of the annual account fee, to TAMP Advisors on EMAP accounts initiated and serviced by their Advisors. Also, at no additional cost to the client, EFS may occasionally pay additional basis points to the TAMP Advisor.

Institutional Clients

EMAP Institutional Fee Schedule	Fee
Up to \$999,999	1.40%
\$1 million to \$1,999,999	1.00%
\$2 million to \$4,999,999	0.75%
\$5 million to \$9,999,999	0.60%
\$10 million to \$24,999,999	0.50%
\$25 million +	negotiable

Above is a schedule of the investment advisory fees that EFS institutional clients pay on an EMAP account. The EMAP wrap fee includes periodic access to an EFS Advisor and the Institutional Advisory Services as described above.

Payment Method – Retail and Institutional

Clients authorize the Custodian, on behalf of EFS, to deduct the EMAP fee from their accounts. The fee is based on the average daily balance of the EMAP account. The first payment is calculated based on the number of days assets are placed in the account during a calendar quarter. Subsequent fees are determined based on the average daily balance for the quarter ending on the last day of each calendar quarter. Generally, fees are deducted from the client's account no later than the fifteenth (15th) day after the end of each quarter, in arrears. For margined accounts, the fee may be added to the margin balance unless the client elects to deposit cash or liquidate securities. If an account is terminated prior to the end of a calendar quarter, the terminating client will pay prorated fees due up to the termination date.

ERP Clients

EMAP ERP Fee Schedule	Fee
\$0 to \$2 million	1.00%
\$2 million to \$5 million	0.85%
\$5 million to \$10 million	0.70%
\$10 million to \$15 million	0.60%
\$15 million to \$20 million	0.50%
\$20 million +	negotiable

Above is a schedule of the investment advisory fees that EFS ERP clients pay on an EMAP account. The EMAP wrap fee includes periodic access to an EFS Advisor and the services provided to the Plan on behalf of the Plan sponsor (or other Plan fiduciary or agent) as described above in Item 4.

Except as otherwise agreed to by the Plan sponsor (or other Plan fiduciary or agent) and EFS, the Plan sponsor (or other Plan fiduciary or agent) agrees that the Plan's recordkeeper, custodian or

other service provider will deduct the wrap fee from Plan accounts and remit such amounts to EFS prior to the due date as provided under the ERP Investment Management Agreement, which is the standard ERP client contract. The fee is based on the balance of the total assets of the Plan accounts invested in the Models and Underlying Funds as of the end of each calendar quarter and does not include Plan assets that are invested in other options (such as those available through self-directed brokerage windows or funds or securities other than the Underlying Funds). The first payment is prorated for assets that are placed in Plan accounts during a calendar quarter. Subsequent fees will be determined based on the last day of each quarter. Fees are deducted from the client's account no later than the thirtieth (30th) day after the end of each quarter, in arrears. If an account is terminated prior to the end of a calendar quarter, the terminating client will pay prorated fees due up to the termination date. The fee schedule above shows the annual percentages.

Disclosures Relevant to All Clients

We anticipate that transactions placed in your account will be executed through one of the program Custodians (currently either TD Ameritrade, Fidelity, or PAS). However, in the limited circumstances described below, e.g. step-out trades, EFS may choose to execute trades for EMAP client accounts with a broker-dealer other than one of the Custodians, if we reasonably believe that another broker-dealer can obtain a more favorable execution under the circumstances. Specifically, occasionally (typically less than 5% of the time on a transactional basis), EFS will utilize broker-dealers other than TD Ameritrade, Fidelity, or PAS to execute large transactions if we determine that it is in our clients' best interest and that the other broker-dealer has the capability to handle such large transactions and to reduce or eliminate potential negative price fluctuation. This generally will occur when the size of the transaction in any one security is so large that it could cause the price of the security to fluctuate, up or down, resulting in an unfavorable execution price for our clients. Where EFS trades through a broker-dealer other than one of the Custodians, the EMAP wrap fee does not include the compensation that is paid to that broker-dealer. This compensation is embedded into the price of the security which is paid by the client. These additional costs are in addition to the wrap fee paid to EFS by the client.

Transactions executed on behalf of EMAP clients are executed for a single wrap fee (except with respect to step-out trades, as noted above and below), which reduces the potential conflict of interest associated with executing a large number of orders for client accounts and earning transaction-based compensation following each order. In addition, EMAP invests client assets in no-load shares of open-end registered investment companies (mutual funds), ETFs and no-commission variable annuities. EFS and its Advisors receive compensation based on the assets under management the client has invested in the program. Neither EFS nor its Advisors earn any additional revenue from EMAP accounts beyond the wrap fee. A portion of the advisory fee is paid to the Advisor; however such compensation does not vary based on which securities are bought, sold or held in a particular EMAP account. The advisory fee earned may be more or less than what EFS or its Advisors might earn from other programs available in the financial services industry or if the services were purchased separately. Therefore, EFS and its Advisors have a financial incentive to recommend EMAP to clients and prospective clients. However, compensation paid to Advisors from the EMAP fee does not vary depending upon the number of trades made in EMAP client accounts. We do not earn

more if fewer trades are placed. This arrangement gives us no economic incentive to place more or fewer trades for EMAP accounts.

Fees are not negotiable, other than as disclosed in the fee schedule above. Full fee details are discussed in the Client Services Agreement that is signed by each client. The above advisory fee schedules are based on the assets under management the client invests in the program and are not dependent on the amount of trading in the account or the advice given in any particular time period. The client should be aware that lower fees for comparable services may be available from other sources.

Other Fees and Expenses

Clients pay a wrap fee, which covers brokerage execution costs associated with trades placed through one of the program Custodians, without regard to the number of transactions executed during the billing period. EFS has negotiated fees with TD Ameritrade, Fidelity and PAS, each a Custodian, for clearing and execution services. Also, for ERP clients, the Plan's recordkeeper, custodian or other service provider may charge a separate fee to cover the administrative, trust, custody and other record-keeping costs associated with Plan accounts invested in the Investment Options. Transaction costs imposed by TD Ameritrade, Fidelity and PAS are covered as part of the wrap fee. The wrap fee does not include certain account and securities-related costs, including the fees embedded in the mutual funds, ETFs or annuities in which EMAP accounts invest. These underlying fees vary between investments and are deducted by the particular fund company directly from invested assets. Further information on these fees can be found in the prospectuses of the particular mutual fund, ETF, or annuity in which the account invests. In addition, the fee does not include debit balances, related margin interest, IRA and retirement plan fees, transfer fees, fees imposed by regulators, 12b-1 fees for certain money market funds (see below) and mutual funds, wire transfer fees, overnight check fees, account closing fees, paper statement delivery fees, non-standard asset fees, insufficient fund fees, returned check fees, transaction charges for fund level asset allocation model trades, expenses charged by the mutual funds (including management fees, transaction charges incurred for fund-level asset allocation model trades, custody of fund assets and other fund expenses), expenses charged by the variable annuities and exchange-traded funds, or other fees or taxes that are required by law. EFS may from time to time, at its sole discretion reimburse clients for certain fees or charges which are not due to the client's error.

The TD Ameritrade money market fund is currently TD Ameritrade's only sweep option available. As such, clients that have TD Ameritrade as their Custodian in connection with the advisory services we provide will generally have the cash portion of their account held in TD Ameritrade's money market fund. The expenses associated with the TD Ameritrade money market fund may be higher than other money market funds unaffiliated with TD Ameritrade. These expenses include 12b-1 fees. EFS receives certain products and services provided by TD Ameritrade that benefit EFS. Receiving such benefits creates a conflict of interest and could influence EFS to recommend TD Ameritrade to clients for custody and brokerage services and make it less likely for EFS to recommend a Custodian with potentially lower money market fund fees. Please refer to the Conflicts of Interest and Other Disclosures section within Item 9 for further information on this conflict.

Because any mutual fund, ETF, or annuity held in a client's EMAP account has its own internal expenses, changing one or more investment funds in an EMAP model and, as a result, the relevant client accounts, will likely result in a change to the expense ratio of the overall portfolio. The resulting expense ratio may be higher than the expense ratio of the original portfolio. If a change is made and the expense ratio of the new fund is in fact higher than that of the fund or investment that was replaced, clients will incur a greater expense than previously incurred. Clients should understand that, while EFS takes the cost of particular investments into account when making investment decisions for the models and accounts in EMAP, cost is but one of many factors that are considered. Other factors that are considered include: overall diversification, return, risk adjusted return, exposure to particular asset classes or market sectors in which the firm and Investment Committee have conviction, internal characteristics, trading impact, liquidity and manager reputation. Please refer to the Conflicts of Interest and Other Disclosures section within Item 9 for further information on this disclosure.

EFS may negotiate a reduction in fees or other costs on services provided by third-party service providers based on size, volume or other factors. Because the cost to the client of these services is included in the wrap fee, any negotiation of lower costs to EFS will not be reflected in the client's costs. Please refer to the Conflicts of Interest and Other Disclosures section within Item 9 for further information on this disclosure.

Step-Out Trades

As noted above, in certain limited circumstances, EFS may choose to execute trades for EMAP client accounts with a broker-dealer other than TD Ameritrade, Fidelity, or PAS if we reasonably believe that the other broker-dealer can obtain a more favorable execution under the circumstances. Occasionally, typically less than 5% of the time on a transactional basis, EFS will utilize a broker-dealer other than one of the Custodians to execute large transactions if we determine that it is in our clients' best interest and that other broker-dealer has the capability to handle such large transactions and to reduce or eliminate any potential negative price fluctuation. This generally will occur when the size of the transaction in any one security is so large that it could cause the price of the security to fluctuate, up or down, resulting in an unfavorable execution price for our clients. Where EFS trades through a broker-dealer other than one of the Custodians, the EMAP wrap fee does not include the compensation that is paid to that broker-dealer. This compensation is embedded into the price of the security which is paid by the client. These additional costs are in addition to the wrap fee paid by the client. Please refer to the Conflicts of Interest and Other Disclosures section within Item 9 for further information on this conflict.

Best Execution

EFS has an obligation to seek the best available execution for client transactions and monitors transactions (including rebalancing, reallocation, model changes and liquidations) retrospectively to evaluate whether best execution was obtained. EFS evaluates quality of service based on the following factors; execution capability, commission rate, financial responsibility, responsiveness to the adviser, and the value of any research provided. The Firm has established a Best Execution Committee, which monitors best execution with its Custodians, utilizing reports provided by these

Custodians and other 3rd party sources. Additionally, EFS reviews each broker-dealer's execution reports to evaluate the services provided, quality of executions, fee rate, and other services.

Item 5: Account Requirements and Types of Clients

Account Requirements

Minimum Account Size

Retail

- Client household minimum account size is \$5,000. We may waive the minimum account size at our sole discretion.
- Minimum annual fee is \$100. We may waive the minimum annual fee at our sole discretion.
- EFS Employee and Advisor minimum account size is \$3,000.

Institutional

The minimum account size is \$500,000, which may be waived at our sole discretion.

ERP

There is no minimum account size.

Brokerage Selection

Clients who establish an EMAP account with EFS must consent to a Custodian with whom we have a clearing arrangement. Currently, we have selected the following unaffiliated registered broker-dealers, which are members of FINRA and SIPC, as Custodians, to execute and clear transactions and to provide custody services for EMAP wrap fee clients:

- TD Ameritrade Institutional (as cleared through TD Ameritrade Clearing, Inc.), a division of TD Ameritrade, Inc. ("TD Ameritrade")
- Fidelity Institutional Wealth Services ("Fidelity") (as cleared through National Financial Services LLC)
- Pershing Advisor Solutions ("PAS") (as cleared through Pershing LLC)

As noted above in Item 4 on Step-Out Trades, we anticipate that transactions placed in your account will be executed through one of the Custodians associated with EMAP (currently either TD Ameritrade, Fidelity, or PAS), however, in limited circumstances EFS may choose to execute trades with another broker-dealer if we reasonably believe that another broker-dealer can obtain a more favorable execution under the circumstances. Each Custodian also makes available other trading

options that EFS is able to select, if deemed necessary, e.g. algorithmic trades, Time Weighted Average Pricing (TWAP) trades, etc. Each Custodian offers services that include custody of securities, trade execution and clearance and settlement of transactions. However, all client accounts are established with TD Ameritrade, unless the client directs otherwise. Each Custodian also provides services that are typically made available to institutional investment managers and generally are not offered to retail clients. These services include duplicate client statements and confirmations, access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts), the ability to have advisory fees deducted directly from client accounts and access to mutual funds with no transaction fees. Custodians receive compensation for their services either through a fixed percentage fee based on all EMAP account assets that are maintained in the custody of their firm or on a transactional basis. All clients in the Institutional Program and a limited number of EMAP clients are handled on a transactional basis. Because the cost of what each Custodian charges EFS is included in the wrap fee, whether the Custodian charges EFS a fixed percentage or on a transactional basis has no bearing on what the client pays.

EFS has an obligation to seek best execution of clients' securities transactions. Therefore, in selecting broker-dealers, including Custodians for the program, we evaluate the full range of services offered, the quality of those services and any costs indirectly borne by clients, to determine if the firm provides overall quality of service for the price. Quality of service includes, among other things, execution capability, commission rate, financial responsibility, responsiveness to the adviser, and the value of any research provided. While we attempt to negotiate favorable rates for transactions and believe that each Custodian we select offers competitive rates, we do not select a Custodian solely on the basis of cost. While another Custodian may offer the same services at a lower overall cost, EFS is not required to move accounts to that Custodian.

Types of Clients

EFS provides financial planning, investment management, financial advice, educational services and insurance services to individuals, individual retirement accounts, trusts, estates, charitable organizations, foundations, associations, pensions, high net worth individuals, retirement and profit-sharing plans, institutions, and small to mid-sized businesses including corporations.

Item 6: Portfolio Manager Selection and Evaluation

We do not select or utilize the services of any third-party portfolio manager in EMAP. The Investment Committee is responsible for investment management of EMAP assets and establishing the EMAP Investment Selection Policy. The EMAP Portfolio Manager is responsible for implementing and monitoring that policy.

Performance Calculation

EFS, as a matter of policy, prepares information relating to investment performance of the EMAP asset allocation models. The Firm's policies and procedures and methods used in calculating and presenting EMAP performance figures are designed to ensure the Firm is in compliance with the Global Investment Performance Standards ("GIPS"). Firm compliance with GIPS is verified by Ashland Partners & Company LLP, an independent third-party GIPS verification company. Ashland Partners also serves as an ongoing consultant to EFS to ensure the Firm stays in compliance with GIPS standards. Their verification includes but is not limited to reviewing methods of performance calculation, composite construction and the presentation of performance information.

Investment performance figures are determined by utilizing internal portfolio accounting software, which calculates investment performance according to globally accepted industry standards. Performance calculations are based on actual EMAP accounts under management, including those accounts that have been closed. Investment performance is presented net of actual management fees and expenses.

Investment Strategy

EMAP relies on an investment philosophy that is based on established academic research, such as Modern Portfolio Theory and the Fama-French Five-Factor Model, and established discoveries in behavioral finance. Modern Portfolio Theory advocates that it is not enough to look at the expected risk and return of one particular asset class. By investing in more than one asset class, an investor may be able to reap the benefits of diversification — chief among them, a reduction in the risk level of the portfolio. The Fama-French Five-Factor Model, through research, found that over long periods of time, value stocks outperform growth stocks, small cap stocks tend to outperform large cap stocks and stocks with high profitability outperform stocks with low profitability. In addition, capturing price momentum can add to returns.

The EFS investment philosophy is based on the following basic principles:

- Develop highly diversified portfolios that feature a broad range of asset classes and market sectors.
- Use market-based investments, not manager-based investments.
- Hold the investments for long periods of time.
- Strategically reallocate investments as conditions warrant.
- Periodically rebalance as needed.

EMAP is diversified, invests in no-load mutual funds and ETFs, and features as many as nineteen (19) asset classes and market sectors. This approach cannot ensure investment success or prevent loss in a declining market. Past performance is no guarantee of future results.

Rebalancing

Each EMAP account is invested in accordance with the client's asset allocation strategy. At the inception of an account, EMAP assets are invested in specific asset types, including mutual funds (including funds that are used as funding vehicles for variable annuity contracts) or ETFs that invest in a variety of equity securities or fixed income or cash instruments. Amounts invested in each fund are determined in accordance with the set asset allocation targets associated with the client's model. Afterwards, as markets fluctuate, and values change, amounts originally allocated to a fund will either exceed or fall below the original target allocations. We periodically adjust account holdings to be in line with the asset allocation targets, or "rebalance" the account. We do not rebalance accounts constantly, and asset allocations may drift away from the target asset allocation associated with the client's model before EFS, within our sole authority and judgment, brings those allocations back in line with the target percentages. The investment philosophy of an asset allocation strategy is to be positioned in various asset types so that if the asset type becomes profitable, the account is positioned to take advantage of the upturn.

Reallocations

EFS has the limited discretionary authority to reallocate assets in models and client accounts. In a reallocation, we change the target percentages of some or all of the asset classes or types of assets relative to the total model. Models and accounts are monitored on an ongoing basis and assets reallocated based on market or other conditions as warranted. Changes in the asset allocation model, which include adding, removing or replacing securities at the discretion of EFS, are made based on a variety of factors, including but not limited to changes in the economic, financial or political climate; changes in the tax code; new economy innovation and technological disruption; and the management of the underlying securities used by the asset allocation model. EFS may replace a particular security (or securities) if it significantly diverges from its relevant index in terms of risk or return, with a security that is more in line with the risk/return profile of the relevant index or if there is a different security that, in our opinion, would be better suited for the client's account or a model portfolio more generally. Reallocations occur with less frequency than rebalancing. Clients are sent confirmations by the relevant Custodian for any transactions effected in their accounts.

Trade Aggregation Policy

Whenever appropriate EFS may aggregate same side transactions for certain securities on behalf of all EMAP accounts, including accounts of Advisors and employees. It is the policy of EFS that such transactions will be allocated to all participating client accounts in a fair and equitable manner. There is no preferential treatment given to any account. Transactions may be aggregated together to achieve an average execution price. Mutual funds, variable annuities and 529 College Savings Plans are purchased directly from the issuer, and no aggregation of these transactions occurs.

Trade Allocation Policy

In an effort to seek best execution for clients and treat all clients fairly and equitably over time, EFS utilizes a rotation procedure for executing trades. All client, employee and EFS accounts are included in the rotation. Generally, EMAP equity trades are executed at their respective Custodian and when deemed appropriate will be done on a block basis. The order of the Custodians' trades will be

rotated on a daily basis and in sequential fashion. For example, if there are three Custodians and Custodian 1 goes first on a particular day, Custodian 2 will go first the following day and Custodian 3 will go first on the third day. On occasion, EFS may direct a transaction to a broker-dealer other than one of the Custodians if we believe we can obtain better execution, as discussed further in “Step-Out Trades” in Item 4.

EFS reserves the right to modify the rotation procedure for a variety of reasons. An example of this could be if any Custodian has a large block order in a particular security. To avoid having a large order unfavorably impact liquidity or the execution price, the order may be executed using various other trading strategies. If EFS elects to execute any orders in this manner, then the rotation schedule for that day will be altered. The normal rotational schedule will continue the following day.

In the limited circumstances when sufficient quantities of a particular security are not obtainable, a *pro rata* allocation may be used when a batch order in the security cannot be fully executed in a single day. The partial order fill is generally allocated among the participating client accounts based on the size of each account’s original order, subject to rounding in order to achieve “round lots.” Unexecuted orders will continue until the block order is completed or until all component orders have been cancelled. New orders for the same security will be aggregated with any remaining unexecuted orders and will continue in the same manner. As previously mentioned, equity orders for all EMAP wrap fee clients, including employees and Advisors, when appropriate may be aggregated to ensure equal pricing for all clients.

It is EFS policy to allocate investment opportunities amongst its clients on a basis that it determines in good faith is reasonable and appropriate, considering contractual obligations, portfolio diversification objectives, the specific nature of the investment, the risk-return profile of the investments, the specific investment objectives of each client, trade size, regulatory considerations, and any operational or logistical considerations or limitations, or other factors deemed relevant by EFS under the circumstances. While the goal of this policy is to achieve fair and equitable allocation of investment opportunities over time, it may not be possible to treat each client or group of clients exactly alike in every circumstance. Transactions for different accounts or for other clients’ accounts might not be made at the same time, may be made on different days, and may be made over multiple days. In handling purchases and liquidations, we will execute transactions without regard to pending dividend or capital gains distributions, stock splits, mergers, or other corporate or financial events. EFS will seek to resolve any conflicts of interest associated with the allocation of any investment opportunity in a manner that it determines in good faith to be reasonable and appropriate.

Trade Errors

As a fiduciary, EFS has the responsibility to effect trade orders correctly, promptly and in the best interests of its clients. In the event an error occurs in the handling of any client transaction due to EFS’ actions or inactions, EFS’ policy is to identify and correct the error as promptly as possible and make the client whole.

If the error is the responsibility of EFS, any client transaction will be corrected and EFS will be responsible for client losses resulting from an inaccurate or erroneous order. Resulting gains after the client is made whole will be netted against losses in the EFS error account. If the EFS error

account reflects a net gain when the Custodian reconciles the account, the gains will be donated to a charity designated by EFS.

Occasionally, an error is caused by the client. In those situations where EFS can correct it, the error will be corrected promptly in the client's best interest and reviewed on a case-by-case basis to determine the party responsible for potential losses. Clients are to be reminded that EFS cannot guarantee that data presented to them is free from error and that they are also responsible for informing the Firm of any noted inaccuracies in a timely manner.

Methods of Analysis and Investment Selection

Based on the EMAP client agreement that clients execute, EFS is granted limited discretionary authority to implement client-approved investment strategies. Investments are selected based on a number of qualitative and quantitative factors, including but not limited to past performance (as applicable), diversification characteristics, fees and a variety of academic statistics including beta, standard deviation, R-Squared and Sharpe Ratio, as well as qualitative considerations including, but not limited to, exposure to particular asset classes or market sectors in which the firm and Investment Committee have conviction, internal characteristics, trading impact, liquidity and manager reputation. The quantitative statistics identified above are provided by third-party vendors and the investment sponsors and are evaluated by the Portfolio Manager as well as the EFS Investment Committee, on both an absolute and a relative basis.

We obtain and utilize information and data from a wide variety of public and private sources. Neither EFS nor our Advisors independently verify or guarantee such information and data. In categorizing the asset classes of investments, we rely on prospectuses and information obtained from the issuer or its agents, or through publicly available sources. Neither EFS nor our Advisors are liable for any misstatement or omission contained in the information from these sources, or for any loss, liability, claim, damage or expense incurred, arising out of, or attributable to, such misstatement or omission.

A client may impose reasonable restrictions on the management of their account. When imposing restrictions, a client may request that particular securities or types of securities not be purchased, or that such securities be sold if held in the account. Generally speaking, clients cannot request that particular securities be purchased for the account, however exceptions may be granted. Moreover, the client should note that EFS has no influence or control over the mix of securities held by any mutual fund or ETF included in the client's account. We reserve the right, at our sole discretion, to reject any account should the client request unreasonable or overly restrictive conditions.

Risk of Loss

EMAP holdings consist of a combination of no-load mutual funds, exchange-traded funds (ETFs) and, occasionally, variable annuities and 529 College Savings Plans, all of which are subject to some or all of the risk factors noted below. Certain models available through EMAP include positions in the SPDR S&P North American Natural Resources ETF (NANR) and the iShares Exponential Technologies ETF (XT). Ric Edelman became interested in how new economy innovation and technology disruption would change investing and initially articulated the principles that BlackRock later used in creating XT. EFS played a similar role with respect to NANR. XT and NANR are sponsored and

managed by BlackRock and State Street Global Advisors, respectively. Neither Ric Edelman nor EFS receives any direct or indirect compensation from either of the funds or their respective affiliates based on the sale of, or investment in, either fund. For each of these funds, a very high percentage of each ETF's total assets is held by EMAP clients. There is a conflict of interest regarding the initial role that EFS and/or Ric Edelman played in the suggestion for or the creation of these two ETFs, as well as any promotion of NANR or XT by EFS and/or Ric Edelman, in that EFS may receive indirect economic and other benefits from the association of its name with that ETF. That conflict could influence our decision to use either State Street Global Advisors' SPDRs or BlackRock's iShares to provide ETFs in EMAP. There could also potentially be such a conflict in the future, if EFS and/or Ric Edelman were to play a role in the creation of a third party's index or other product. Please refer to the Conflicts of Interest and Other Disclosures section within Item 9 for further information on this conflict. Please also see the "Risks Associated with Positions in ETFs with Which EFS was Involved" and "Risks Associated with Changes to Underlying Investments" risk categories below for further information on the associated risks.

The Investment Committee provides ongoing monitoring of these risks and recommends action to mitigate them, as appropriate.

- **Market Risk** — Even a long-term investment approach cannot guarantee a profit. Economic, political and issuer-specific events will cause the value of securities to rise or fall. Because the value of investment portfolios will fluctuate, there is the risk that a client will lose money and their investment may be worth more or less upon liquidation.
- **Business Risk** — The risks associated with a particular industry or market sector, e.g. oil-drilling companies carry a higher risk of profitability than an electric company that generates steady income no matter what the economic environment is like.
- **Foreign Securities and Currency Risk** — Investments in international and emerging-market securities include exposure to risks such as currency fluctuations, foreign taxes and regulations, and the potential for illiquid markets and political instability.
- **Capitalization Risk** — Small-cap and mid-cap companies may be hindered as a result of limited resources or less diverse products or services, and their stocks have historically been more volatile than the stocks of larger, more established companies.
- **Interest Rate Risk** — In a rising rate environment, the value of fixed-income securities generally declines, and the value of equity securities may be adversely affected.
- **Reinvestment Risk** — The risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return. This risk is primarily related to fixed income securities.
- **Inflation Risk** — Also referred to as purchasing power risk, it is the chance that the cash flows from an investment won't be worth as much in the future because of changes in purchasing power due to inflation.

- **Credit Risk** — Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and, thus, impact the fund's performance.
- **Concentration Risk** — Holdings may be subject to any number of concentrations, e.g. in a mutual fund or ETF, industry sector or geographical region. Concentration risk may be further compounded by factors such as asset correlation or performance.
- **Risks Associated with Positions in ETFs with Which EFS was Involved** - Certain models available through EMAP include positions in the NANR and XT ETFs. Ric Edelman became interested in how new economy innovation and technology disruption would change investing and initially articulated the principles that BlackRock later used in creating XT. EFS played a similar role with respect to NANR. XT and NANR are sponsored and managed by BlackRock and State Street Global Advisors, respectively. Neither Ric Edelman nor EFS receives any direct or indirect compensation from either of the funds or their respective affiliates based on the sale of, or investment in, either fund. For each of these funds, a very high percentage of each ETF's total assets is held by EMAP clients. Such large concentrations present a variety of risks, should the Firm decide to transition out of one of these funds, including liquidity risk and reputational risk.
- **Risks Associated with Changes to Underlying Investments** - Because any mutual fund, ETF, or annuity held in a client's EMAP account has its own internal expenses, changing one or more investment funds in an EMAP model and, as a result, the relevant client accounts, will likely result in a change to the expense ratio of the overall portfolio. The resulting expense ratio may be higher than the expense ratio of the original portfolio. If a change is made and the expense ratio of the new fund is in fact higher than that of the fund or investment that was replaced, clients will incur a greater expense than previously incurred. Clients should understand that, while EFS takes the cost of particular investments into account when making investment decisions for the models and accounts in EMAP, cost is but one of many factors that are considered. Other factors that are considered include: overall diversification, return, risk adjusted return, exposure to particular asset classes or market sectors in which the firm and Investment Committee have conviction, internal characteristics, trading impact, liquidity and manager reputation. Please refer to the Conflicts of Interest and Other Disclosures section within Item 9 for further information on this conflict.
- **Securities Lending Risk** — Securities lending involves the risk that the fund loses money because the borrower fails to return the securities in a timely manner or at all. The fund could also lose money if the value of the collateral provided for loaned securities, or the value of the investments made with the cash collateral, falls. These events could also trigger adverse tax consequences for the fund.
- **Derivatives** — Derivatives are securities, such as futures contracts, whose value is derived from that of other securities or indices. Derivatives can be used for hedging (attempting to

reduce risk by offsetting one investment position with another) or non-hedging purposes. Hedging with derivatives may increase expenses, and there is no guarantee that a hedging strategy will achieve the desired results.

- **Hedging** — While hedging can reduce or eliminate losses, it can also reduce or eliminate gains. Derivative securities are subject to a number of risks, including the following:
 - Liquidity risk
 - Interest rate risk
 - Market risk
 - Credit and management risks
 - Risk of improper valuation

Changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index, and the fund could lose more than the principal amount.

- **Exchange-Traded Funds** — ETFs face market-trading risks, including the potential lack of an active market for shares, losses from trading in the secondary markets and disruption in the creation/redemption process of the ETF. Any of these factors may lead to liquidity risk and/or the fund's shares trading at either a premium or a discount to its "net asset value."

Performance of Underlying Managers — We select the mutual funds and ETFs in the asset allocation models. However, we depend on the manager of such funds to select individual investments in accordance with their stated investment strategy.

Soft Dollars

The Custodians that EFS uses (TD Ameritrade, Fidelity, and PAS), offer various services to EFS, including custody of client securities; trade execution; clearance and settlement of transactions; access to platform systems; duplicate client statements; research-related products and tools; access to a trading desk; access to block trading, which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts; the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and use of overnight courier services. Some of these services may benefit EFS but may not benefit our clients and receipt of these economic benefits creates a conflict of interest and could directly or indirectly influence EFS to recommend a certain Custodian to clients for custody and brokerage services. These custody services are paid for as part of the client's wrap fee.

Orion and Salentica, (two vendors EFS uses) along with other companies have formed an "Institutional Alliance" with TD Ameritrade. EFS uses Orion as its portfolio accounting system and Salentica as its Client Relationship Management (CRM) system and may from time to time use other vendors which are part of the Institutional Alliance. Generally speaking, new client accounts are established with TD Ameritrade as the Custodian, unless the client directs otherwise. EFS has a

tiered fee schedule in the contract with Orion, whereby the fee is calculated based on the number of accounts it maintains with Orion. Orion charges EFS a flat dollar amount up to a fixed number of accounts, and a fixed dollar amount per account over that threshold. The fee schedule does not vary depending on the Custodian selected by EFS, in part to address the potential conflict of interest. Orion may directly or indirectly receive an economic benefit due to its Institutional Alliance relationship. The tiered fee schedule in the contract with Orion will remain in force, regardless of which Custodian EFS directs business to, or whether Orion receives an economic benefit from third parties.

The Institutional Alliance makes it less likely for EFS to move away from TD Ameritrade, which creates a potential conflict of interest as a Custodian other than TD Ameritrade may be able to provide better quality service or provide services at a lower cost to the client. However, because the cost to the client of these custodial services is included in the wrap fee, lower costs to EFS will not be reflected in the client's costs. Salentica may also directly or indirectly receive an economic benefit due to its Institutional Alliance relationship and there could be other such arrangements in the future.

In addition, EFS has had discussions with Orion about receiving an economic benefit, based on payments Orion receives from TD Ameritrade for EFS client accounts where TD Ameritrade acts as Custodian. If EFS and Orion agree to any amendment that provides economic benefits to EFS, EFS will further amend this ADV to disclose the economic benefits EFS will receive and the related conflicts of interest.

See "Relationship with TD Ameritrade and Others" in Item 9 for a more detailed discussion of some of the specific conflicts of interest arising from the Firm's custodian relationship with TD Ameritrade. Please also see the Conflicts of Interest and Other Disclosures section within Item 9 for further information on this conflict with the Institutional Alliance.

From time to time, EFS and/or Ric Edelman may enter into discussions with any third party, including existing vendors regarding joint ventures, partnerships, marketing initiatives or other such forms of cooperation. EFS may also use third parties, including existing service providers in a consultative manner, sounding them out for advice or insight, at no or a reduced cost to EFS, which the Firm could use for its proprietary purposes and/or for the potential benefit of our clients. This activity could create a conflict of interest, to the extent that it benefits the Firm and is not passed on to the client, or EFS otherwise makes decisions with respect to that third party which may adversely affect the client. In addition, to the extent EFS has an arrangement or relationship with a third-party vendor separate and apart from that vendor's provision of services to EFS' clients, EFS' judgment with regard to those services could be affected by its arrangement or relationship. Please see the Conflicts of Interest and Other Disclosures section within Item 9 for information on this conflict.

Performance-Based Fees and Side-by-Side Management

EFS does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). We do not engage in side-by-side management.

Voting Client Securities

EFS does not accept proxy voting responsibility for client accounts. Therefore, we have no obligation or authority to take action or render any advice with respect to the voting of proxies solicited by or with respect to issuers of securities held in client accounts. We expect clients to expressly retain the authority and responsibility for proxy voting. With respect to ERISA accounts, we generally expect the Plan sponsor to expressly retain the authority and responsibility for proxy voting and to specify in writing who has voting authority. All other clients will receive proxies directly from the fund companies. Clients may direct any questions to their Advisor should the need arise.

Item 7: Client Information Provided to Portfolio Manager

EFS Advisors meet with clients to discuss their needs. Investment objectives and risk tolerance are the main factors that help us recommend an asset allocation model. We also consider the client's personal situation, including age, health, family circumstances, income, expenses, assets, debts, liquidity needs, goals, personal objectives, suitability, time horizon and other relevant factors. Clients are permitted to impose reasonable restrictions on the management of their accounts. When imposing restrictions, clients may request that particular securities or types of securities not be purchased, not be sold or that such securities (if held in the account) be sold. Clients, however, cannot request that particular securities be purchased for their accounts. Additionally, EFS has no influence or control over the mix of securities held by any mutual fund, variable annuity or ETF in which client accounts may be invested. We reserve the right, at our sole discretion, to reject any account for which unreasonable or overly restrictive conditions are requested. On at least an annual basis, EMAP clients are contacted to update their personal and financial information, including health, employment, marital and family status, time horizon, goals and objectives, and risk tolerance.

Item 8: Client Contact with Portfolio Managers

Clients are generally free to contact EFS and their Advisor or an assigned Advisor at any time during normal business hours via telephone, facsimile, mail or email. In-person meetings should be scheduled in advance to ensure that the Advisor is available. Generally, clearing/custodian broker-dealers and the issuers or sponsors of investments used by the program are not available to answer questions or discuss specific investment issues. However, if a client has a specific need, we will make a reasonable attempt to arrange the discussion.

Item 9: Additional Information

Disciplinary Information

Registered investment advisers are required to disclose all legal or disciplinary events that are material in a client's evaluation of the adviser or the integrity of the adviser's management. EFS has no material legal or disciplinary events to disclose.

Other Financial Industry Activities and Affiliations

Related Persons

Affiliated Broker-Dealer

EF Legacy Securities, LLC ("EFLS") is the registered broker-dealer which performs an accommodation role for EFS' advisory clients. The Edelman Financial Center, LLC is the sole member of EFLS and therefore EFLS shares the same ownership structure as EFS. The President of EFS also serves as a manager of EFLS. EFS Advisors, acting solely in their capacity as registered representatives of EFLS and not as Advisors of EFS, accept orders for EFLS accounts from EFLS clients who may or may not be clients of EFS. When acting as registered representatives for clients, EFS Advisors execute transactions for clients through EFLS and receive upfront and/or annual brokerage commissions from EFLS on certain products sold in this capacity or held in the EFLS account. Thus, a conflict of interest could exist between the interests of EFS Advisors, EFLS, and EFLS clients if the EFS Advisor receives commissions as part of an implemented financial plan for a client. EFS clients are advised that they are under no obligation to effect securities transactions with EFLS or through their Advisor and that similar services may be less expensive elsewhere. Please refer to the Conflicts of Interest and Other Disclosures section within Item 9 for further information on this conflict.

Other Affiliated Investment Advisers and Broker-Dealers

Although EFS is under common indirect ownership and control with other investment advisers and broker-dealers (this excludes EFLS), there is no material relationship between EFS and any one of these other investment advisor or broker-dealer entities.

Insurance Agencies

EFS is an insurance agency which is licensed in most states. EFS Advisors generally refer clients who have a need for insurance products to an unaffiliated insurance agency that specializes in insurance brokerage and provides insurance to clients. For life, long-term disability and long-term care insurance needs, clients would be referred to Crump Life Insurance Services. For Medicare Advantage, Medicare Supplement, Prescription Drug, Individual Health and Small Group Health insurance needs, clients would be referred to eHealthInsurance Services, Inc. EFS and its Advisors who are licensed insurance agents are compensated with a percentage of the revenues generated on the sale of such insurance products. As such, EFS and its Advisors who are licensed insurance agents have a conflict of interest because of the economic incentive to provide policies that result in commissions or other sales revenue. Clients are advised that they are under no obligation to

purchase any insurance products through EFS, Crump Life Insurance Services, or eHealthInsurance Services, Inc. and that other, similar products may be less expensive elsewhere. Please refer to the Conflicts of Interest section within Item 9 for further information on this conflict.

EFLS is also a licensed insurance agency and EFS Advisors may be licensed insurance agents of EFLS. They are therefore able to sell variable and fixed insurance products and receive insurance commissions from client transactions through EFLS. As such, EFS Advisors have a conflict of interest because of the economic incentive to recommend products that result in commissions or other sales revenue. Clients are advised that they are under no obligation to purchase any insurance products through EFS or EFLS and that those products may be less expensive elsewhere. Please refer to the Conflicts of Interest and Other Disclosures section within Item 9 for further information on this conflict.

Equity Investors

H&F Corporate Investors VII, Ltd. is the ultimate controlling party for a series of limited partnerships that indirectly own approximately 71.5% of The Edelman Financial Center, LLC, the direct parent of EFS. Other investors, including The Edelman Financial Center, Inc., whose sole shareholder is Ric Edelman, the Executive Chairman of EFS, also have indirect ownership interests in EFS.

The Retirement InCome for Everyone Trust® (RIC-E Trust®)

The Retirement InCome for Everyone Trust® (RIC-E Trust®) is an individual grantor trust enabling the grantor to set aside assets for another's retirement. It is a broker-dealer product offered by EFS Advisors, acting in their capacity as registered representatives of EFLS. Assets in the trust are invested in a variable annuity and grow tax-deferred. The trustee is named by the grantor. At present time, the issuer of the annuity is American General Life Insurance Company, a subsidiary of American International Group, Inc. ("AIG"). Commissions from the underlying variable annuity are received by EFLS, which may create a conflict of interest. Please see the Conflicts of Interest and Other Disclosures section within Item 9 for information on this conflict.

Code of Ethics

EFS has adopted a Code of Ethics (the "Code") that is designed to ensure that all employees adhere to high standards of ethical conduct. The Code states that all of our employees must act in the best interest of the client at all times. It also states that employees should avoid any practice that creates or appears to create a material conflict of interest that could potentially harm a client.

The Firm has established a Conflicts of Interest Committee ("Committee"). It is chaired by the CCO and members of senior management serve on the Committee. The Committee, or other such committees as the Firm might decide, has the responsibility to identify, assess and manage potential and actual conflicts of interest. Employees have the responsibility to escalate any potential or actual conflicts of interest immediately upon identifying them to their manager, who is responsible for notifying the CCO.

In addition, the Code requires, among other things, that employees do the following:

- Submit their personal and related trading accounts to the Compliance Department for review
- Refrain from purchasing Initial Public Offerings (IPOs)
- Refrain from trading on insider information
- Obtain approval prior to purchasing a private placement
- Comply with ethical restraints, including restrictions on giving and receiving gifts
- Report any conduct that could potentially harm a client

EFS has also adopted supervisory procedures that are designed to detect the following abusive behavior:

- Front-running, or trading ahead or opposite clients
- Trading in securities on the EFLS and EFS Restricted or Watch Lists
- Trading that appears to be based on insider information
- Short-term or day trading
- Trading during designated EFLS blackout periods

The above mitigants are designed to detect any potential abuse of insider information by members of the Investment Committee or other employees involved with any EMAP reallocations.

Any officer or employee of the Firm who fails to observe the Code risks serious sanctions, including personal liability and/or termination of employment.

A copy of the Code is available upon request by contacting us using the information on the cover page of this brochure.

Related Person May Invest in the Same Securities

EFS Advisors may invest their personal funds and establish an EMAP account for themselves. They may also participate in the EFS Employee 401(k) Plan that includes EMAP asset allocation models. In that regard, employees buy and sell for themselves the same underlying securities as clients and will have interests in securities owned by or recommended to our clients, including mutual funds, ETFs or insurance products. Although all employees get the benefit of a fee reduction on EMAP accounts, those accounts are not given preferential trading treatment. Employee accounts are monitored and rebalanced on the same basis as all other unrestricted client accounts invested in accordance with the same EMAP asset allocation model strategy. We have adopted procedures relating to personal securities transactions, insider trading and internal trading that are designed to prevent client harm resulting from this conflict of interest. Please refer to the Conflicts of Interest and Other Disclosures section below for further information on this conflict.

Agency Cross Procedures

In order to comply with the agency cross provisions of the Investment Advisers Act, EFS has policies and procedures in place to ensure that transactions introduced on behalf of EMAP clients are not crossed with transactions introduced to the clearing firm on behalf of EFLS customers. Cross transactions do not apply to mutual funds and to variable annuities since shares of mutual funds and variable annuities are purchased from their issuers and are not exchange-traded. Although ETFs are exchange-traded, EFS does not, acting as investment adviser, recommend that such shares be crossed from one advisory client account to another and does not act as a broker-dealer with respect to any such potential cross transaction.

Conflicts of Interest and Other Disclosures

This section highlights certain conflicts of interest that are noted elsewhere in this wrap fee brochure. The entire wrap fee brochure should be read in order to fully understand all conflicts. Please also refer to those sections of this wrap fee brochure and the EFS ADV Part 2A indicated for the proper context and further detail.

Affiliated Broker-Dealer Related Conflicts (Item 9 / Part 2A Items 5 and 10)

EFS Advisors, acting as registered representatives of EFLS, may receive upfront and/or annual commissions as part of a financial plan not implemented through EMAP. Advisors have a financial incentive to recommend non-EMAP broker-dealer products that result in commission revenue, creating a conflict of interest with their clients.

Ongoing commissions from the underlying variable annuity for the Retirement InCome for Everyone Trust® (RIC-E Trust®) product are received by EFLS for the life of the variable annuity and not by the registered representative. Nevertheless, because EFLS does receive commissions, this may create a conflict of interest.

Fees and Expenses (Item 4 / Part 2A Items 8 and 12)

Because any mutual fund, ETF, or annuity held in a client's EMAP account has its own internal expenses, changing one or more investment funds in an EMAP model and, as a result, the relevant client accounts, will likely result in a change to the expense ratio of the overall portfolio. The resulting expense ratio may be higher than the expense ratio of the original portfolio. If a change is made and the expense ratio of the new fund is in fact higher than that of the fund or investment that was replaced, clients will incur a greater expense than previously incurred. Clients should understand that, while EFS takes the cost of particular investments into account when making investment decisions for the models and accounts in EMAP, cost is but one of many factors that are considered. Other factors that are considered include: overall diversification, return, risk adjusted return, exposure to particular asset classes or market sectors in which the firm and Investment Committee have conviction, internal characteristics, trading impact, liquidity and manager reputation.

EFS may negotiate a reduction in fees or other costs on services provided by third-party service providers based on size, volume or other factors. Because the cost to the client of these services is

included in the wrap fee, any negotiation of lower costs to EFS will not be reflected in the client's costs.

In certain circumstances, e.g. for step-out trades, EFS may elect to execute trades with a broker-dealer other than TD Ameritrade, Fidelity or PAS. Generally speaking, the compensation paid to that broker-dealer is embedded in the price of the security being traded and may represent an additional cost that the client pays, which is not included in the wrap fee.

Involvement with the NANR and XT ETFs (Item 9 / Part 2A Items 8 and 14)

Certain models available through EMAP include positions in the SPDR S&P North American Natural Resources ETF (NANR) and the iShares Exponential Technologies ETF (XT). Ric Edelman became interested in how new economy innovation and technology disruption would change investing and initially articulated the principles that BlackRock later used in creating XT. EFS played a similar role with respect to NANR. XT and NANR are sponsored and managed by BlackRock and State Street Global Advisors, respectively. Neither Ric Edelman nor EFS receives any direct or indirect compensation from either of the funds or their respective affiliates based on the sale of, or investment in, either fund. For each of these funds, a very high percentage of each ETF's total assets is held by EMAP clients. There is a conflict of interest regarding the initial role that EFS and/or Ric Edelman played in the suggestion for or the creation of these two ETFs, as well as any promotion of NANR or XT by EFS and/or Ric Edelman, in that EFS may receive indirect economic and other benefits from the association of its name with that ETF. That conflict could influence our decision to use either State Street Global Advisors' SPDRs or BlackRock's iShares to provide ETFs in EMAP. There could also potentially be such a conflict in the future, if EFS and/or Ric Edelman were to play a role in the creation of a third party's index or other product.

In addition, EFS has a joint marketing arrangement with Morningstar, Inc. ("Morningstar"), an unaffiliated third party that created and maintains the Morningstar Exponential Technologies Index. Under the joint marketing arrangement, EFS receives an economic benefit from Morningstar. However, neither Ric Edelman nor EFS receive any direct or indirect economic benefit from Morningstar that is correlated with either XT or the index. Nevertheless, because XT tracks the index, we are disclosing this potential conflict of interest.

Related Person May Invest in the Same Securities (Item 9 / Part 2A Item 11)

EFS Advisors may open an EMAP account for themselves and participate in the EFS 401(k) Plan that includes EMAP. In that regard, Advisors buy and sell the same underlying securities as clients and will therefore have interest in the same securities owned by or recommended to our clients.

Economic Benefits from Third Parties (Item 6 / Part 2A Item 12)

From time to time, EFS and/or Ric Edelman may enter into discussions with any third party, including existing vendors or other service providers (including without limitation BlackRock, Dimensional Fund Advisors, Morningstar, Orion, State Street Global Advisors and TD Ameritrade) regarding joint ventures, partnerships, marketing initiatives or other such forms of cooperation. EFS may also use third parties, including existing vendors or service providers in a consultative manner, sounding them out for advice or insight, at no or a reduced cost to EFS, which the Firm could use for its proprietary

purposes and/or for the potential benefit of our clients. This activity could create a conflict of interest to the extent that it benefits the Firm and such benefits are not passed on to the client, or EFS otherwise makes decisions with respect to that third party which may adversely affect the client. In addition, to the extent EFS has an arrangement or relationship with a third-party separate and apart from that third party's provision of services to EFS' clients, EFS' judgment with regard to those services could be affected by its arrangement or relationship.

Institutional Alliance Related Conflicts (Item 9 / Part 2A Items 12 and 14)

Orion and Salentica, (two vendors EFS uses) along with other companies have formed an "Institutional Alliance" with TD Ameritrade. EFS uses Orion as its portfolio accounting system and Salentica as its Client Relationship Management (CRM) system and may from time to time use other vendors which are part of the Institutional Alliance. Generally speaking, new client accounts are established with TD Ameritrade as the Custodian, unless the client directs otherwise. EFS receives an Institutional Alliance discount on Salentica's license fees. EFS has a tiered fee schedule in the contract with Orion, whereby the fee is calculated based on the number of accounts it maintains with Orion. Orion charges EFS a flat dollar amount up to a fixed number of accounts, and a fixed dollar amount per account over that threshold. The fee schedule does not vary depending on the Custodian selected by EFS, in part to address the potential conflict of interest. Orion may directly or indirectly receive an economic benefit due to its Institutional Alliance relationship. The tiered fee schedule in the contract with Orion will remain in force, regardless of which Custodian EFS directs business to, or whether Orion receives an economic benefit from third parties.

The Institutional Alliance incentives outlined above which EFS receives make it less likely for EFS to move away from TD Ameritrade. This creates a potential conflict of interest, as a Custodian other than TD Ameritrade may be able to provide better quality service or provide services at a lower cost to the client. However, because the cost to the client of these custodial services is included in the wrap fee, lower costs to EFS will not be reflected in the client's costs. Salentica may also directly or indirectly receive an economic benefit due to its Institutional Alliance relationship and there could be other such arrangements in the future.

In addition, EFS has had discussions with Orion about receiving an economic benefit, based on payments Orion receives from TD Ameritrade for EFS client accounts where TD Ameritrade acts as Custodian. If EFS and Orion agree to any amendment that provides economic benefits to EFS, EFS will further amend this ADV to disclose the economic benefits EFS will receive and the related conflicts of interest.

Some of the products or services provided by TD Ameritrade may benefit EFS but may not benefit client accounts. Receiving these economic benefits creates a conflict of interest and could directly or indirectly influence EFS to recommend TD Ameritrade to clients for custody and brokerage services.

- From time to time, EFS employees serve on TD Ameritrade Advisory Panels and are reimbursed for travel and meal expenses, as well as on Orion or Salentica Advisory Panels and are reimbursed for meals.
- EFS participation in the AdvisorDirect® program could lead to increased client referrals.

- From time to time, TD Ameritrade may sponsor EFS corporate events.
- TD Ameritrade is the founding sponsor of the Certified Financial Planner Board of Standards, Inc. and is paying for EFS' participation in their Financial Planner Reentry Initiative.
- TD Ameritrade and Orion have bought or have agreed to buy a large number of copies of *The Truth About Your Future*. EFS may also ask vendors to buy copies of a current or future book or provide financial incentive for doing so. Such vendor purchases may also be a conflict of interest.

The TD Ameritrade money market fund is currently TD Ameritrade's only sweep option available. As such, clients that have TD Ameritrade as their Custodian in connection with the advisory services we provide will generally have the cash portion of their account held in TD Ameritrade's money market fund. The expenses associated with the TD Ameritrade money market fund may be higher than other money market funds unaffiliated with TD Ameritrade. These expenses include 12b-1 fees. EFS receives certain products and services provided by TD Ameritrade that benefit EFS. Receiving such benefits creates a conflict of interest and could influence EFS to recommend TD Ameritrade to clients for custody and brokerage services and make it less likely for EFS to recommend a Custodian with potentially lower money market fund fees.

Dimensional Funds Related Conflicts (Item 9 / Part 2A Item 14)

Dimensional Fund Advisors LP ("Dimensional") sponsors a "Find an Advisor" program, which may provide an economic benefit to EFS and creates a conflict of interest that could influence EFS to include or continue to include Dimensional products in EMAP.

EFS employees may serve on Dimensional Advisory Panels and Dimensional pays or reimburses EFS for meal expenses incurred. From time to time, Dimensional may sponsor EFS corporate events, which could include use of Dimensional's facilities.

Review of Accounts

The Investment Committee, as discussed below, oversees rebalancing and the evaluation of EMAP performance. Generally speaking, client accounts are reviewed daily by the trading system for potential rebalancing opportunities, unless certain restrictions have been placed on the account. Funds in the accounts that have exceeded or fallen below their drift parameters are adjusted to get them back to their original asset target(s). Ongoing monitoring includes an evaluation of EMAP performance for potential changes to add or remove asset classes, reallocate asset classes, as well as add, remove, or replace securities as market or other conditions warrant. Securities we buy or sell for accounts are subject to our limited discretionary authority.

EFS Advisors generally meet periodically with clients to review economic, tax, financial, political, social and other relevant issues and to determine whether any changes in strategy are warranted. Based on these meetings, client situations and circumstances are reviewed on a periodic basis and recommendations are made as needed. Changes may also be made based on the client's personal circumstances, including health, employment and family status, time horizon or restrictions that the client may place on the investments in the account. On at least an annual basis, EMAP clients are

contacted to update their personal and financial information, including health, employment, marital and family status, time horizon, goals and objectives, and risk tolerance. The information is used to determine if there are any changes that could impact the ongoing suitability of the account. Clients may request a review at any time as well.

Investment Committee

The Investment Committee (“Committee”) is an independent advisory body to senior management, which conducts ongoing reviews and makes recommendations with respect to the ongoing portfolio management and construction of new and existing EMAP asset allocation models. The Committee makes recommendations to senior management regarding adjustments to the models available through EMAP that it deems necessary and appropriate considering material changes since the model portfolios were originally constructed or previously modified.

Nature and Frequency of Client Reports

Clients participating in EMAP receive account statements at least quarterly and confirmations from the applicable Custodian and generally have unlimited and continuous access to their account information through websites offered and maintained by the account Custodian and EFS.

Client Referrals and Other Compensation

Turnkey Asset Management Program (TAMP)

EFS has established a Turnkey Asset Management Program (“TAMP”), whereby the Firm makes the EMAP asset allocation models available to clients of select unaffiliated investment advisers (“TAMP Advisors”). EFS conducts a due diligence review of each TAMP Advisor and each of their investment advisor representatives (IARs), prior to establishing the relationship and on an ongoing basis thereafter. We provide systems, services, and back-office support to the TAMP Advisors. EFS has appointed a Manager to administer the TAMP program, manage the TAMP Advisor relationships and help to ensure proper support of their clients. The TAMP Advisor is responsible for the supervision of its IARs. The TAMP Advisor initiates the relationship with the client and is the ongoing client relationship manager. The TAMP Advisor, through its IARs, compiles personal and financial information about the client, maintains the appropriate books and records, makes an asset allocation model recommendation that will meet the client’s goals and objectives, maintains the ongoing client relationship, and meets with the client on a periodic basis to discuss suitability and any reasonable restrictions the client would like to impose on his/her account. The EMAP fee is shared between the two entities on a negotiated basis. The client does not pay an increased fee for EMAP as a result of this arrangement.

Client Referrals

From time to time, EFS will enter into agreements to pay other investment advisers (“Solicitors”) for client referrals in accordance with the requirements of the Cash Solicitation Rule of the Investment Advisers Act, the respective federal and state laws governing the same, and ERISA, if applicable. In such cases, the Solicitors will be paid a percentage of the wrap fees EFS receives relating to the

client's account with EFS. EMAP wrap fees are based on a percentage of client assets invested in the wrap fee program. Any such referral fee will be paid solely from the investment advisory fee. The client does not pay an increased fee as a result of these arrangements.

Compensation paid to a Solicitor is negotiated between the Solicitor and EFS. The client is provided with a copy of the EFS ADV and a copy of the EFS written disclosure document, which describes the arrangement between EFS and the Solicitor, including the terms, conditions and compensation.

Relationship with TD Ameritrade and Others

Most EMAP accounts are established with TD Ameritrade, which provides custody of securities, trade execution, clearance and settlement of transactions. EFS has a number of other business relationships with TD Ameritrade and receives indirect benefits from TD Ameritrade.

TD Ameritrade Advisory Panels

From time to time, EFS employees serve on TD Ameritrade Institutional Advisory Panels. The panels are sponsored by TD Ameritrade and consist of independent advisers who advise TD Ameritrade on issues relevant to its service, technology and products provided. In-person meetings are held one to four times a year. Panel members are not compensated for their participation; however, TD Ameritrade either pays or reimburses EFS for the travel, lodging and meal expenses incurred when EFS employees attend panel meetings. The benefits received by EFS and its employees by serving on a panel do not depend on the amount of brokerage transactions directed to TD Ameritrade. Clients should be aware, however, that the receipt of an economic benefit by EFS and its employees in and of itself creates a conflict of interest and could indirectly influence EFS's recommendation of TD Ameritrade for custody of assets and brokerage services. Please refer to the Conflicts of Interest and Other Disclosures section above for further information on this conflict.

Panel members are selected by TD Ameritrade and appointed to serve for a three-year term. Longer service is permitted at the discretion of TD Ameritrade Institutional sales, service and senior management. At times, panel members are provided with confidential information about TD Ameritrade initiatives. Therefore, panel members are required to sign a confidentiality agreement.

Orion and Salentica Advisory Panels

From time to time, EFS employees serve on Orion or Salentica Advisory Panels. The panels are sponsored by these vendors and consist of independent advisors who advise the vendors on issues relevant to their products provided. Panel members are not compensated for their participation, however Orion or Salentica pay or reimburse EFS for the travel, lodging and meal expenses incurred when EFS employees attend panel meetings. Clients should be aware that the receipt of these economic benefits by EFS and its employees in and of itself creates a conflict of interest. In addition, as Orion and Salentica are part of the Institutional Alliance, this could indirectly influence EFS to recommend TD Ameritrade to clients for custody and brokerage services. Please refer to the Conflicts of Interest and Other Disclosures section above for further information on this conflict.

Dimensional Fund Advisory Panels

EFS employees may serve on Dimensional Fund Advisors LP (“Dimensional”) Advisory Panels from time to time. The panels are sponsored by Dimensional and consist of independent advisers who advise Dimensional on issues relevant to its products provided. Panel members are not compensated for their participation and EFS pays for the travel and lodging expenses incurred when EFS employees attend panel meetings, however Dimensional pays or reimburses EFS for meal expenses. Clients should be aware that the receipt of these economic benefits by EFS and its employees in and of itself creates a conflict of interest and could influence EFS to include or continue to include Dimensional managed mutual funds in the EMAP portfolios or recommend other Dimensional products or services. From time to time, Dimensional may sponsor EFS corporate events, which could include use of Dimensional’s facilities. Please refer to the Conflicts of Interest and Other Disclosures section above for further information on these conflicts.

TDA AdvisorDirect® Program

EFS participates in the TD Ameritrade Institutional program known as AdvisorDirect®. TD Ameritrade Institutional is a division of TD Ameritrade, member FINRA/SIPC. TD Ameritrade is an independent and unaffiliated SEC registered broker-dealer and FINRA member. There is no employee or agency relationship between TD Ameritrade and EFS.

The AdvisorDirect® program allows TD Ameritrade to refer its brokerage customers and other investors seeking fee-based personal investment management or financial planning services to other investment advisers such as EFS. TD Ameritrade has established the referral program as a means of retaining brokerage customers. TD Ameritrade will generally not allow its customers to participate in AdvisorDirect® unless they have a minimum of \$500,000 in investable assets. TD Ameritrade does not supervise EFS and has no responsibility for our management of client asset allocation models or other advice or services. To participate in AdvisorDirect®, an advisor must meet certain minimum eligibility criteria; fee-based compensation, education and investment experience, AUM and licensing and registration. However, AdvisorDirect® is not open to all advisers who meet these minimum criteria. TDA limits the number of advisers based on the services provided and investment style of the advisor.

We receive client referrals from TD Ameritrade through participation in the AdvisorDirect® program that result in an economic benefit to EFS. We pay TD Ameritrade an ongoing fee for each successful client referral. For referrals that occurred through AdvisorDirect® before April 10, 2017, this fee is a percentage (not to exceed 25%) of the advisory fee that the client pays to EFS. For referrals that occurred through AdvisorDirect® on or after June 9, 2017 the fee is annualized, based on the amount of referred client assets that does not exceed 25% of 1%, unless such client assets are subject to a “Special Services Addendum”. In the case of a Special Services Addendum, the fee is annualized, based on the amount of referred client assets that does not exceed 10% of 1%.

We will also pay TD Ameritrade the referral fee on any assets we receive from any of a referred client’s family members, including a spouse, child, or any other immediate family member who resides with the referred client and also becomes an EFS client on the recommendation of such referred client. Clients who are referred through this program do not pay higher fees or costs than

other EFS clients. For more information regarding additional or other fees paid directly or indirectly to TD Ameritrade, please refer to the TD Ameritrade AdvisorDirect® Disclosure and Acknowledgment Form.

EFS participation in the AdvisorDirect® program poses conflicts of interest. TD Ameritrade will most likely refer clients through AdvisorDirect® to EFS to encourage clients to custody their assets at TD Ameritrade and maintain client accounts that are profitable to TD Ameritrade. Consequently, in order to obtain client referrals from TD Ameritrade, we have an incentive both to recommend to clients that assets under management be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. We have agreed not to solicit clients referred through AdvisorDirect® to transfer their accounts from TD Ameritrade nor to establish brokerage or custody accounts at other Custodians, except when our fiduciary duties require doing so. EFS participation in AdvisorDirect® does not diminish our duty to seek best execution of trades for client accounts. Please refer to the Conflicts of Interest and Other Disclosures section above for further information on this conflict.

The Firm has a program for employees to refer clients to EFS and compensate them if the referral results in a funded account. Referrals could come from a current or prospective client, family member, friend or other acquaintance.

TD Ameritrade Institutional Program

EFS participates in the TD Ameritrade Institutional Program. We receive services that include custody of client securities, trade execution and clearance and settlement of transactions. The Institutional Program provides additional economic benefits to EFS that are not typically available to TD Ameritrade retail investors. There is no direct link between EFS's participation in the program and the investment advice it gives to its clients.

The economic benefits include the following products and services, which are provided at no cost or at a reduced cost to EFS:

- Receipt of duplicate client statements and confirmations
- Research-related products and tools
- Consulting services
- Access to a trading desk serving EFS
- Access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts)
- The ability to have advisory fees deducted directly from client accounts
- Access to an electronic communications network for client order entry and account information
- Access to mutual funds with no transaction fees and to certain institutional money managers
- Discounts on compliance, marketing, research, technology and/or other services

- Practice management products or services provided to EFS by third-party vendors
- Business consulting and professional services received by EFS-related persons (may be paid for by TD Ameritrade)

Some of the products and services made available by TD Ameritrade through the Institutional Program may benefit EFS but may not benefit client accounts. These products or services may assist us in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help EFS manage and further develop our business enterprise. The benefits received by EFS or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As disclosed above, EFS participates in TD Ameritrade's institutional program and EFS will recommend TD Ameritrade to clients for custody and brokerage services. Therefore, receiving these economic benefits creates a conflict of interest and could directly or indirectly influence EFS to recommend TD Ameritrade to clients for custody and brokerage services.

TDA Sponsorship of EFS Corporate Events

From time to time, TD Ameritrade may sponsor EFS corporate events. The decision to act as a sponsor of EFS corporate events is at their sole discretion and expense. The sponsorship of EFS corporate events by TD Ameritrade provides indirect economic benefits to EFS and creates a potential conflict of interest that could indirectly influence EFS to recommend TD Ameritrade to clients for custody of assets and brokerage services. Please refer to the Conflicts of Interest and Other Disclosures section above for further information on this conflict.

Sponsorship of “*The Truth About Money*” Television Program

Ric Edelman is the host of a syndicated television program, *The Truth About Money with Ric Edelman*, airing on public television stations. The program covers many aspects of financial education. A portion of the television show is filmed before a studio audience where participants can ask questions. An audience participant may discuss a specific mutual fund, ETF, or insurance product that may be held in the accounts of certain EMAP clients or under consideration at the time of the question. Mr. Edelman does not give specific legal, tax or investment advice, and he may give advice that is the same as or different from the advice EFS has given or may give to its clients. *The Truth About Money with Ric Edelman* is no longer producing new episodes, but previously produced episodes air on PBS affiliate stations such as WETA in the DC Metro area; episodes are also available on <http://www.edelmanfinancial.com/tv>.

In the past, TD Ameritrade sponsored the television show. The decision of TD Ameritrade to act as a sponsor of the television program was made at its sole discretion and expense. As part of our fiduciary duties to clients, we endeavor at all times to put the interests of our clients first. Participation by EFS employees in the TD Ameritrade Institutional Operations Panel, EFS participation in the AdvisorDirect® program, and TD Ameritrade's agreement to sponsor the television program in the past create conflicts of interest and could influence our choice of TD Ameritrade for client account custody and brokerage services. In selecting custodial and brokerage firms, we evaluate all the services offered, the quality of those services and the cost indirectly borne by clients to

determine if a clearing firm provides overall quality of services for the price. Please refer to the Conflicts of Interest and Other Disclosures section above for further information on this conflict.

In the past, iShares, the exchange-traded fund business of BlackRock, Inc., and one of the industry's leading exchange-traded funds platforms, also acted as a sponsor of the aforementioned television show. The decision of BlackRock to act as a sponsor of the television program was made at its sole discretion and its own expense. As part of our fiduciary duties to clients, we endeavor at all times to put the interests of our clients first. BlackRock's agreement to sponsor the television program in the past creates a conflict of interest and could influence our decision to use BlackRock or iShares to provide exchange-traded funds (ETFs) in the EMAP portfolios. Please refer to the Conflicts of Interest and Other Disclosures section above for further information on this conflict.

Evaluation of NANR, XT and Other ETFs

Certain models available through EMAP include positions in the SPDR S&P North American Natural Resources ETF (NANR) and the iShares Exponential Technologies ETF (XT). Ric Edelman became interested in how new economy innovation and technology disruption would change investing and initially articulated the principles that BlackRock later used in creating XT. EFS played a similar role with respect to NANR. XT and NANR are sponsored and managed by BlackRock and State Street Global Advisors, respectively. Neither Ric Edelman nor EFS receives any direct or indirect compensation from either of the funds or their respective affiliates based on the sale or investment in either fund. For each of these funds, a very high percentage of each ETF's total assets is held by EMAP clients. There is a conflict of interest regarding the initial role that EFS and/or Ric Edelman played in the suggestion for or the creation of these two ETFs, as well as any promotion of NANR or XT by EFS and/or Ric Edelman, in that EFS may receive indirect economic and other benefits from the association of its name with that ETF. That conflict could influence our decision to use either State Street Global Advisors' SPDRs or BlackRock's iShares to provide ETFs in EMAP. There could potentially also be such a conflict in the future, if EFS and/or Ric Edelman were to play a role in the creation of a third party's index or other product. Please refer to the Conflicts of Interest and Other Disclosures section above for further information on this conflict.

In addition, EFS has a joint marketing arrangement with Morningstar, an unaffiliated third party that created and maintains the Morningstar Exponential Technologies Index. Under the joint marketing arrangement, EFS receives an economic benefit from Morningstar. However, neither Ric Edelman nor EFS receive any direct or indirect economic benefit from Morningstar that is correlated with either XT or the index. Nevertheless, because XT tracks the index, we are disclosing this potential conflict of interest.

In selecting new ETFs for our portfolios or evaluating those currently used, the Portfolio Manager presents the results of any pertinent analysis to the Investment Committee and a decision is reached after consideration of the quantitative results as well as other, more qualitative factors. Please refer to Item 6 above for further discussion on the firm's investment selection methodology. The EFS Chief Compliance Officer periodically attends Investment Committee meetings and provides Conflicts of Interest training to the Investment Committee.

EFS Participation in the Financial Planner Reentry Initiative

The Certified Financial Planner Board of Standards, Inc. (CFP Board) is a non-profit organization that promotes the value of professional, competent and ethical financial planning services, as represented by those who have attained CFP® certification. The CFP Board sponsors an initiative called the Financial Planner Reentry Initiative, to support financial services firms in establishing re-entry programs for experienced professionals seeking to return to the workforce. Payment for EFS' participation in this program is not required, as a result of the lead founding sponsorship of the CFP Board's Center for Financial Planning by TD Ameritrade Institutional. This arrangement provides indirect economic benefits to EFS and creates a potential conflict of interest that could indirectly influence EFS to recommend TD Ameritrade to clients for custody of assets and brokerage services. Please refer to the Conflicts of Interest section above for further information on this conflict.

Evaluation of Dimensional Funds Products

Dimensional Fund Advisors LP ("Dimensional") is an SEC registered investment adviser that manages securities and other assets (which are used in EMAP accounts) for mutual funds, institutional investors and clients of independent financial advisers. Dimensional has developed an internet-based tool called "Find an Advisor" to assist investors trying to locate financial advisers through whom they may purchase Dimensional Funds.

This program provides direct or indirect economic benefits to EFS and creates a conflict of interest that could influence EFS to include or continue to include Dimensional managed mutual funds in the EMAP portfolios or recommend other Dimensional products or services. Please refer to the Conflicts of Interest and Other Disclosures section above for further information on this conflict.

As part of our fiduciary duty to clients, we endeavor at all times to put the interests of our clients first. In selecting new mutual funds or ETF's for our portfolios and evaluating those currently used, the Portfolio Manager presents the results of any pertinent analysis to the Investment Committee and a decision is reached after consideration of the quantitative results as well as other, more qualitative factors. Please refer to Item 6 above for further discussion on the firm's investment selection methodology. The EFS Chief Compliance Officer periodically attends Investment Committee meetings and provides Conflicts of Interest training to the Investment Committee.

Financial Information

Registered investment advisers are required to provide clients with financial information or disclosures about their financial condition under certain circumstances. We are not aware of any financial condition that would impair our ability to meet contractual or fiduciary commitments to clients. We have not been the subject of any bankruptcy proceeding.