

Uniform Application for Investment Adviser Registration

Part II - Page 1

OMB APPROVAL

OMB Number: 3235-0049

Expires: February 28, 2011

Estimated average burden hours per response . . . 4.07

Name of Investment Adviser:

EDELMAN FINANCIAL ADVISORS LLC

Address: (Number and Street)

(City)

(State)

(Zip Code)

Area Code

Telephone Number

4000 LEGATO ROAD 9TH FLOOR

FAIRFAX

VA

22033

888 752-6742

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.
The information has not been approved or verified by any governmental authority.**

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential Persons who are not to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Applicant: EDELMAN FINANCIAL ADVISORS LLC	SEC File Number: 801- 68266	Date: 06/15/2008
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1. A. Advisory Services and Fees. (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

Applicant:

- | | |
|---|---------|
| <input checked="" type="checkbox"/> (1) Provides investment supervisory services | 100 % |
| <input type="checkbox"/> (2) Manages investment advisory accounts not involving investment supervisory services | _____ % |
| <input type="checkbox"/> (3) Furnishes investment advice through consultations not included in either service described above | _____ % |
| <input type="checkbox"/> (4) Issues periodicals about securities by subscription | _____ % |
| <input type="checkbox"/> (5) Issues special reports about securities not included in any service described above | _____ % |
| <input type="checkbox"/> (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which client may use to evaluate securities | _____ % |
| <input type="checkbox"/> (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities | _____ % |
| <input type="checkbox"/> (8) Provides a timing service | _____ % |
| <input type="checkbox"/> (9) Furnishes advice about securities in any manner not described above | _____ % |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

Yes No

B. Does applicant call any of the services it checked above financial planning or some similar term?

☐ Yes ☒ No

C. Applicant offers investment advisory services for: (check all that apply)

- | | |
|---|--|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management | <input type="checkbox"/> (4) Subscription fees |
| <input type="checkbox"/> (2) Hourly charges | <input type="checkbox"/> (5) Commissions |
| <input type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input type="checkbox"/> (6) Other |

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. Types of Clients -- Applicant generally provides investment advice to: (check those that apply)

- | | |
|--|---|
| <input checked="" type="checkbox"/> A. Individuals | <input type="checkbox"/> E. Trusts, estates, or charitable organizations |
| <input type="checkbox"/> B. Banks or thrift institutions | <input type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies | <input type="checkbox"/> G. Other (describe on Schedule F) |
| <input type="checkbox"/> D. Pension and profit sharing plans | |

3. Types of Investments Applicant offers advice on the following: (check those that apply)

- | | |
|--|--|
| <input type="radio"/> A. Equity securities | <input type="radio"/> H. United States governmental securities |
| <input type="radio"/> (1) exchange-listed securities | |
| <input type="radio"/> (2) securities traded over-the-counter | <input type="radio"/> I. Options contracts on: |
| <input type="radio"/> (3) foreign issuers | <input type="radio"/> (1) securities |
| | <input type="radio"/> (2) commodities |
| <input type="radio"/> B. Warrants | |
| <input type="radio"/> C. Corporate debt securities | <input type="radio"/> J. Futures contracts on: |
| (other than commercial paper) | <input type="radio"/> (1) tangibles |
| <input type="radio"/> D. Commercial paper | <input type="radio"/> (2) intangibles |
| <input type="radio"/> E. Certificates of deposit | |
| <input type="radio"/> F. Municipal securities | <input type="radio"/> K. Interests in partnerships investing in: |
| | <input type="radio"/> (1) real estate |
| <input type="radio"/> G. Investment company securities: | <input type="radio"/> (2) oil and gas interests |
| <input type="radio"/> (1) variable life insurance | <input type="radio"/> (3) other (explain on Schedule F) |
| <input type="radio"/> (2) variable annuities | |
| <input type="radio"/> (3) mutual fund shares | <input type="radio"/> L. Other (explain on Schedule F) |

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

A. Applicant's security analysis methods include: (check those that apply)

- | | |
|---------------------------------------|---|
| <input type="radio"/> (1) Charting | <input type="radio"/> (4) Cyclical |
| <input type="radio"/> (2) Fundamental | <input type="radio"/> (5) Other (explain on Schedule F) |
| <input type="radio"/> (3) Technical | |

B. The main sources of information applicant uses include: (check those that apply)

- | | |
|---|---|
| <input type="radio"/> (1) Financial newspapers and magazines | <input type="radio"/> (5) Timing services |
| <input type="radio"/> (2) Inspections of corporate activities | <input type="radio"/> (6) Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| <input type="radio"/> (3) Research materials prepared by others | <input type="radio"/> (7) Company press releases |
| <input type="radio"/> (4) Corporate rating services | <input type="radio"/> (8) Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | |
|---|---|
| <input type="radio"/> (1) Long term purchases (securities held at least a year) | <input type="radio"/> (5) Margin transactions |
| <input type="radio"/> (2) Short term purchases (securities sold within a year) | <input type="radio"/> (6) Option writing, including covered options, uncovered options, or spreading strategies |
| <input type="radio"/> (3) Trading (securities sold within 30 days) | <input type="radio"/> (7) Other (explain on Schedule F) |
| <input type="radio"/> (4) Short sales | |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

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5. Education and Business Standards.	Yes No
Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients?.....	<input checked="" type="radio"/> <input type="radio"/>
(If yes, describe these standards on Schedule F.)	

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

• name	• formal education after high school
• year of birth	• business background for the preceding five years

7. Other Business Activities. (check those that apply)

☒ A. Applicant is actively engaged in a business other than giving investment advice.

☒ B. Applicant sells products or services other than investment advice to clients.

☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.

☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.

C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:

<input checked="" type="radio"/> (1) broker-dealer <input type="radio"/> (2) investment company <input checked="" type="radio"/> (3) other investment adviser <input type="radio"/> (4) financial planning firm <input type="radio"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant <input type="radio"/> (6) banking or thrift institution	<input type="radio"/> (7) accounting firm <input type="radio"/> (8) law firm <input checked="" type="radio"/> (9) insurance company or agency <input type="radio"/> (10) pension consultant <input type="radio"/> (11) real estate broker or dealer <input type="radio"/> (12) entity that creates or packages limited partnerships
--	--

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

Yes No

D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?...

☐ ☒

(If yes, describe on Schedule F the partnerships and what they invest in.)

9. Participation of Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☒ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

10. Conditions for Managing Accounts. Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account?

Yes No

☒ ☐

(If yes, describe on Schedule F.)

11. Review of Accounts. If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggers factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

Please see Schedule F Item 11

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

Please see Schedule F Item 11

12. Investment or Brokerage Discretion.

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- | | | |
|--|-----------------------|-----------------------|
| (1) securities to be bought or sold? | Yes | No |
| | <input type="radio"/> | <input type="radio"/> |
| (2) amount of the securities to be bought or sold? | Yes | No |
| | <input type="radio"/> | <input type="radio"/> |
| (3) broker or dealer to be used? | Yes | No |
| | <input type="radio"/> | <input type="radio"/> |
| (4) commission rates paid? | Yes | No |
| | <input type="radio"/> | <input type="radio"/> |

B. Does applicant or a related person suggest brokers to clients? ☐ Yes ☐ No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commission higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- | | | |
|---|-----------------------|-----------------------|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? | Yes | No |
| | <input type="radio"/> | <input type="radio"/> |
| B. directly or indirectly compensates any person for client referrals? | Yes | No |
| | <input type="radio"/> | <input type="radio"/> |

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
 - requires prepayment of more than \$500 in fees per client and 6 or more months in advance
- Has applicant provided a Schedule G balance sheet? ☐ Yes ☐ No

**Schedule F of
Form ADV
Continuation Sheet for Form ADV
Part II**

Applicant:	SEC File Number:	Date:
EDELMAN FINANCIAL ADVISORS LLC	801- 68266	06/15/2008

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: EDELMAN FINANCIAL ADVISORS LLC	IRS Empl. Ident. No.:
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Item of Form (identify)	Answer
	<p style="text-align: center;">INTRODUCTION</p> <p>Edelman Financial Advisors LLC (“EFA”) is an investment adviser firm registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended (“Advisers Act”). EFA provides a service to affiliated and unaffiliated registered investment advisers (collectively, “RIAs”) to make several wrap fee programs available to their clients. In addition, EFA offers those wrap fee programs to individuals, trusts, estates, and small businesses through its investment adviser representatives. Ric Edelman is the Chairman and majority owner (80%) of EFA. Sanders Morris Harris Group (SMHG), Houston, TX, which is a financial services organization, owns 10% of EFA. Edward Moore, President of EFA, also owns 10% of EFA. Ric Edelman is also the Chairman and minority owner (25%) of Edelman Financial Center LLC (“EFC”), which owns Edelman Financial Services LLC (“EFS”) a Registered Investment Adviser affiliate of EFA. SMHG is the majority owner (75%) of EFC and SMH Capital Inc. a wholly owned broker/dealer and registered investment adviser. Therefore, EFA, EFS and SMH Capital Inc. are investment advisory firms with common ownership.</p> <p style="text-align: center;">ITEM 1 - ADVISORY SERVICES</p> <p>Edelman Managed Asset Program® (“EMAP”) – The Edelman Managed Asset Program® is a wrap fee asset allocation program sponsored by EFA with widely diversified portfolios consisting of combinations of unaffiliated investment products which include: no-load mutual funds, exchange traded funds, and variable annuities. EMAP may be offered under the name of America’s Asset Management Program® (“AMAP”) for marketing purposes and sponsored and offered through EFS, an affiliated registered investment adviser. EFA makes EMAP available to clients of an affiliated registered investment adviser, SMH Capital Inc., as well as other unaffiliated registered investment advisers, through various channels discussed below.</p> <p>Edelman Direct Advisors (“EDA”) – EDA is a division of EFA designed to service and offer EMAP to nationwide prospective clients who live outside of the metropolitan Washington, DC area. Generally, prospective clients who have heard “The Ric Edelman Show”, a radio talk show, read Ric Edelman’s books or newsletter, and/or attended his seminars, and seek the services of an investment adviser professional contact the firm. A qualified investment adviser representative holds an initial telephone meeting to explain the firm’s products, services, fees and charges. The prospective client’s investment objectives, financial, personal and other relevant information are collected and analyzed. Services provided are determined based on the prospect's personal situation, including age, health, family circumstances, income, time horizon, risk tolerance, expenses, assets, debts, liquidity needs, goals, objectives, risk tolerance, preferences and other relevant factors. A portfolio recommendation is presented for the prospective client’s consideration and selection. Subsequent telephone conversations</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 1

**Schedule F of
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Part II**

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	<p>are held to establish an account and further explain the recommended portfolio(s) selection. Clients are serviced on an on-going and as needed basis.</p> <p>Guide to Portfolio Selection (“GPS”) – Alternatively, a potential client may utilize the emapadvisor.com website to seek asset allocation modeling direction. The process begins online with the individual entering their personal information by answering a series of questions. The questions are analyzed and a portfolio choice is given to the individual. The prospective client may chose to open an account or utilize the information independently. The client may contact the firm to initiate the new account process. A qualified investment adviser representative will gather the client information, assess the client’s financial situation, ensure that the client understands associated fees and charges and review the portfolio recommendation for the client’s consideration and selection.</p> <p>Once established, accounts are monitored on an on-going basis and assets are rebalanced or reallocated based on market or other conditions as warranted. Changes in the portfolio which include adding, removing or replacing securities at the discretion of EFA, are made based on significant changes in the economic, financial or political climate; the tax code; the management of the funds invested in the portfolio. EFA may replace a particular security 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 desired. Clients are notified quarterly to update their personal information and investment objectives and are contacted annually to determine if changes are needed.</p> <p>Edelman Financial Network™ (“EFN” or “Network”) – EFN is a network of investment adviser representatives created by EFA to refer prospective clients who are interested in working with a local advisor. With the exception of SMH Capital Inc., an affiliated advisory firm, referred advisors are unaffiliated with EFA.</p> <p>EFA offers investment adviser representatives throughout the country an opportunity to become a Network member for a nominal fee. The investment adviser representative’s philosophies must be aligned to a large extent with those of Ric Edelman and EFA. Each investment adviser representative is vetted by EFA through a due diligence process.</p> <p>In addition to offering the opportunity to obtain new clients, EFA may provide marketing support and practice management training. Membership in the Network is limited in each area, based on local demand. If there are too few investment adviser representatives in a given area, an investment adviser representative might receive more referrals than can be accommodated while maintaining quality. If there are too many investment adviser representatives in a given area, each might receive so few referrals that the Network offers little value. Investment adviser representatives may offer EMAP or any other financial planning product(s) which meet the prospective</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 2

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	<p>clients' needs and goals. Investment adviser representatives that are part of EFN as well as those who are not will be compensated by EFA for any client assets that are invested in EMAP. EFA receives no compensation or economic benefit from products or services offered by the Network investment adviser representative, other than EMAP.</p> <p>Registered Investment Adviser ("RIA") Firms – EFA sponsors EMAP as discussed in detail above, and makes the portfolios available to clients of other registered investment adviser firms, including SMH Capital Inc. an affiliated registered investment adviser, utilizing systems and services provided by EFA. The RIA is responsible for the supervision of its investment adviser representatives and the overall EMAP portfolio recommendations made to clients. The RIA initiates the relationship with the client and is the on-going client relationship manager. Specifically, the RIA, through their registered investment adviser representatives, compiles personal and financial information about the client, maintains the appropriate books and records, makes a portfolio recommendation that will meet the client's goals and objectives, approves the recommendation, maintains the on-going 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 their account. Based on the foregoing, the RIA is responsible for assisting the client with the appropriate EMAP portfolio(s) recommendation for the client's acceptance. Once accepted, the RIA assists the client with the completion of the new account documentation, including an Investment Management Tri-Party Agreement, which among other things grants limited discretionary authority to EFA. After the EMAP portfolio is selected, the RIA promptly communicates the information to EFA. The RIA remains responsible for assessing initial and ongoing suitability of EMAP and introducing the appropriate portfolio(s) to the client.</p> <p>Pursuant to the Investment Management Tri-Party Agreement between the client, the RIA, and EFA, transactions are effected in the client's account in accordance with the portfolio specifications provided to EFA by the RIA. EFA does not have direct contact with the RIA's clients. EFA provides back office services, including trading and operations functions, to the RIA. EFA facilitates the opening of new accounts, transfer of accounts, and handling of client funds and transactions utilizing unaffiliated clearing firms upon receipt of instructions from the RIA. EFA monitors client accounts on a daily basis to determine account rebalancing opportunities and acts on a discretionary basis by exercising limited trading authority to perform the necessary trading functions to keep account assets appropriately aligned in accordance with the selected portfolio. Clients are notified quarterly to update their personal information and investment objectives. EFA provides instructions for the RIA to contact their clients annually to determine on-going suitability and any needed changes.</p> <p>Edelman Strategic Asset Plan® – The Edelman Strategic Asset Plan® is a wrap fee program sponsored by EFA and made available exclusively to clients via referrals to EFA by Financial Leadership Advisors ("FLA"), an unaffiliated registered investment</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 3

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	<p>adviser. The Edelman Strategic Asset Plan consists of widely diversified portfolios in combinations of no-load mutual funds and exchange traded funds, none of which are sponsored by or affiliated with EFA.</p> <p>FLA is responsible for the supervision, licensing, registration, background investigations and training of all investment adviser representatives within its employment or acting on its behalf. FLA investment adviser representatives identify prospective investors and introduce them to EFA to entertain a proposal and potentially become a client. Investment adviser representatives may introduce the general concept of investing to prospective investors utilizing materials which have been preauthorized and preapproved by EFA. Presentations are generic in nature and do not involve discussions regarding products, the prospective investor's specific financial situation or personal circumstance. The FLA investment adviser representative may point the client to the website discussed below and assist the client with administrative questions. Each prospective investor is provided with information regarding the program and referral fee arrangements before a referral is made to EFA.</p> <p>EFA provides an electronic website to access the Guide to Portfolio Selection ("GPS"), a proprietary tool to assist prospective clients with asset allocation modeling direction. Prospective clients answer questions about their risk profile, financial situation and investment objectives. The answers are analyzed, enabling EFA to assist each client in selecting an appropriate and suitable Edelman Strategic Asset Plan Portfolio ("Portfolio") and in determining whether to impose any reasonable restriction on the investment of account assets. The prospective client may chose to open an account or utilize the information independently. Subsequent telephone conversations with a qualified EFA investment adviser representative are held to determine suitability and to further explain recommended portfolio(s) selection, fees and services.</p> <p>EFA is the on-going client relationship manager. When a prospective client is considering investing in the Edelman Strategic Asset Plan, the prospective client's investment objectives, as well as their financial, personal and other relevant information, are collected and analyzed. The investment portfolio selected is determined based on the prospect's personal situation, including age, income, time horizon, risk tolerance, assets, debts, liquidity needs, objectives, risk tolerance, and other relevant factors. EFA provides on-going services to each client whose account is accepted and is available to each client for on-going consultation regarding the management of their account. In that regard, EFA will contact each client at least annually to determine whether the client's financial circumstances or investment objectives have changed to an extent that might affect the manner in which the client's account is managed and whether the client wishes to change any existing, or impose any new, reasonable restrictions on the management of the account.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 4

**Schedule F of
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	<p>Fees:</p> <p>Fees and other related disclosures are discussed in detail in the Schedule H for both wrap fee products.</p> <p>EFA will pay a negotiated percentage, up to 70% of the annual account fee, to Advisers on accounts initiated and serviced by them. To the extent a client selects an EMAP portfolio through EFA versus EFS, the client would pay the same amount in fees. However, EFS retains 100% of the fee collected, while EFA could pay up to 70% of the account fee to an Unaffiliated Adviser.</p> <p style="text-align: center;">ITEM 4 - METHODS OF ANALYSIS, SOURCES OF INFORMATION AND INVESTMENT STRATEGIES</p> <p>EMAP and Edelman Strategic Asset Plan® – Investments are selected based on their past performance records, manager tenure, portfolio turnover, fees, and a variety of academic statistics, including beta, standard deviation, R-Squared, and Sharpe Ratio. These statistics are provided by third-party vendors and the investments' sponsors, and are evaluated by the portfolio manager as well as the investment committee on both an absolute and relative basis, relying on set standards. Portfolio modeling for EMAP and Edelman Strategic Asset Plan is provided by Edelman Business Services LLC ("EBS"), an affiliate of EFA. EBS, which is owned by EFC, designs and periodically modifies the portfolios for the use, customization and implementation into client accounts. The model portfolios and branding of EMAP and the Edelman Strategic Asset Plan® are maintained by EBS. EFS also offers EMAP portfolios to its clients and utilizes the services of EBS. In addition, the investment committee, back office personnel, including trading and operations, are situated together and/or shared between EFA and EFS.</p> <p>Clients are permitted to impose reasonable restrictions on the management of their accounts and are reminded to inform their investment adviser representative if changes occur in their investment objectives or financial situation, or if they wish to impose reasonable restrictions. When imposing reasonable restrictions for their accounts, clients may request that particular securities or types of securities not be purchased, or that such securities are to be sold if held in the account. However, clients cannot request that particular securities be purchased for their accounts. Moreover, clients should note that it is not possible for EFA to influence or change the mix of securities held by any mutual fund, variable annuity, or ETF in which client accounts may be invested. EFA reserves the right, in its sole discretion, to reject any account for which unreasonable or overly restrictive conditions are requested. No securities held in a portfolio will be placed or traded on margin.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 5

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	<p>Once EMAP or the Edelman Strategic Asset Plan has been selected, EFA has discretionary authority to invest all of the assets in the EMAP account. Pursuant to the EMAP or Edelman Strategic Asset Plan Client Services Agreement or the Investment Management Tri-Party Agreement which clients execute, EFA is granted authority to effect client-approved investment strategies. That authority allows EFA to place orders through a clearing firm.</p> <p>Trading Authorization – EMAP and Edelman Strategic Asset Plan® clients must establish brokerage accounts with a clearing broker-dealer so that EFA can place securities transactions for their accounts and so that client assets are maintained with a qualified custodian. Once a portfolio has been selected, EFA has discretionary authority to invest all of the assets in the account. Pursuant to the EMAP or Edelman Strategic Asset Plan® Client Services Agreement or Investment Management Tri-Party Agreement which clients execute, EFA is granted authority to effect client-approved investment strategies through a clearing firm.</p> <p>Rebalancing – Each client’s account is invested in accordance with the client’s asset allocation strategy. At the inception of an account, account assets are invested in specific asset types. Amounts invested in each asset type are determined in accordance with set target percentages of total assets in the account. Thereafter, as markets fluctuate and values change, amounts originally allocated to an asset type will either exceed or fall below the original target allocations. EFA periodically adjusts account holdings back to the original asset targeted range, or “rebalances” the account. However, EFA does not rebalance accounts constantly and asset allocations may drift away from their original target percentages before EFA, within its authority and judgment, brings those allocations back in line to the original percentages. In a sense, when EFA rebalances an account, it sells holdings that are appreciating in value to buy other holdings that may be declining in value. However, the investment philosophy of an asset allocation strategy is to be positioned in various asset types so that when the asset type becomes profitable, the account is positioned to take advantage of the upturn.</p> <p>Reallocations – EFA’s authority under the EMAP or Edelman Strategic Asset Plan Client Services Agreement and Investment Management Tri-Party Agreement also permits EFA to reallocate assets in client accounts. In a reallocation, EFA changes the target percentages of some or all of the asset classes or types relative to the total account. Accounts are monitored on an on-going basis and are rebalanced or assets reallocated based on market or other conditions, as warranted. Changes in the portfolio, which include adding, removing, or replacing securities at the discretion of EFA, are made infrequently based on significant changes in the economic, financial, or political climate; changes in the tax code; the management of the securities used by the portfolio; and/or the client’s personal circumstances, including health, employment, and family status. EFA may replace a particular security if it significantly diverges from its relevant index in terms of risk or return with a security that is more in line with the</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 6

**Schedule F of
Form ADV
Continuation Sheet for Form ADV
Part II**

Applicant:	SEC File Number:	Date:
EDELMAN FINANCIAL ADVISORS LLC	801- 68266	06/15/2008

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

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	<p>risk/return profile of the relevant index. Reallocations occur with less frequency than rebalancing and when EFA reallocates accounts, it generally does so in anticipation of the impact that expected long-term market volatility could have on specific asset classes or types.</p> <p>Cash Contributions – Contributed cash or money market fund shares into client accounts may remain uninvested in securities for a period of time. EFA invests liquid assets in an orderly manner and believes it is to each client’s benefit to invest holistically at one time rather than piecemeal. For this reason, a period of time may elapse between the deposit of cash or liquid assets to the account and the account reaching a fully invested position. Although clients may deposit freely-tradable securities in their accounts to meet the minimum account size, EFA will liquidate those securities positions and invest the proceeds in EMAP or Edelman Strategic Asset Plan securities matching the client’s selected investment strategy. Tax consequences associated with this liquidation and reinvestment process will likely occur; therefore, clients are advised to consult with their tax professionals before depositing securities in their accounts.</p> <p style="text-align: center;">ITEM 5 - EDUCATION AND BUSINESS STANDARDS</p> <p>Although EFA has no formal policy, emphasis is placed on professional education and practical experience in the field, along with FINRA and state licensing as required. Generally, EFA requires that Edelman Direct Advisors have at least a college education and a minimum of three years of industry related experience or other substantially equal qualifying experience. EFA senior management reserves total discretion when applying these standards.</p> <p style="text-align: center;">ITEM 6 - EDUCATION AND BUSINESS BACKGROUND</p> <p>Fredric (Ric) M. Edelman, born 1958. EFA Chairman, CEO and majority owner. Received a BA in Communications from Glassboro State College (now Rowan University), Glassboro, NJ, in 1980. Mr. Edelman is the founder and has been the Chairman of EFS since 1987. He is a Certified Fund Specialist, a Chartered Mutual Fund Counselor, a Registered Financial Consultant, a Qualified Financial Planner, and Certified Retirement Counselor®, is Board Certified in Mutual Funds. Mr. Edelman is a registered representative with SMH Capital Inc. and is licensed to sell securities, life and health insurance and variable annuities. He was inducted into the Financial Investment Advisor Hall of Fame, sponsored by Research magazine, in 2004, and received an honorary doctorate from Rowan University in 1999.</p> <p>Edward (Ed) P. Moore, born 1960. EFA President and minority owner. Received a BS in Industrial Engineering and Operations Research from Virginia Tech, Blacksburg, VA, in 1983. He has been the President of EFS since 1990, a Certified Financial Planner™</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 7

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	<p>practitioner and is licensed to sell securities, life and health insurance and variable annuities. Mr. Moore is a registered representative with SMH Capital Inc.</p> <p>Eraine J. Parker, born 1960. Chief Compliance Officer (CCO) for EFA and EFS. Received a BA in Business Administration from Georgia State University in 1988. Ms. Parker has worked in the areas of compliance and accounting within the financial services industry for over twenty years, including five years with NASD, the predecessor to FINRA. Prior to joining EFA, Ms. Parker was employed by a bank affiliated broker-dealer and registered investment adviser for twenty-three years where she served as CCO during her tenure. She has been affiliated with EFS since 2007. Ms. Parker is a registered representative and principal with SMH Capital Inc.</p> <p>Lesley V. Roberts, born 1966. Chief Operating Officer (COO) for EFA and EFS. Prior to joining EFS Ms. Roberts' career was Human Resources management in the airline industry. She has been affiliated with EFS since 1998, first as the Director of Human Resources. Her areas of responsibility now cover Human Resources, Information Technology, Facilities, Brokerage Operations and Project Management.</p> <p style="text-align: center;">ITEM 7 - OTHER BUSINESS ACTIVITIES</p> <p>Radio Broadcasts—Ric Edelman is the host of a syndicated radio program, “The Ric Edelman Show”, pertaining to investing and financial planning. He does not discuss specific securities and does not reveal to listeners any of the EMAP or Edelman Strategic Asset Plan portfolio holdings or recommendations. It is a live talk show and the public is invited to call into these broadcasts and discuss their personal situations. In any of these circumstances, a caller may discuss a specific mutual fund, ETF or insurance product that may be held in the accounts of certain EMAP or Edelman Strategic Asset Plan clients or under consideration at the time of the caller’s question. Mr. Edelman does not give specific investment advice to callers and he may give advice to the caller that is the same as or different from the advice EFA has taken or may take for EMAP or Edelman Strategic Asset Plan clients.</p> <p>Speaking Engagements—Ric Edelman is a public speaker and host of a radio program about investing, as described above. Fees for his speaking engagements range from free to \$30,000 plus first-class travel expenses, depending on sponsor, date, location, and program requested. For all speeches, 50% of the fee is required prior to the event, with the balance due at the conclusion of the event. Speaker fees are non-refundable.</p> <p>Seminars—Seminars are offered to the public to discuss a variety of financially related topics. Fees range from \$25 to \$495, with satisfaction guaranteed or 100% of the registration fee refunded. Fee is due prior to the event.</p>

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	<p>Internet—EFA maintains several internet web-sites: www.emapadvisor.com, www.edelmanfinancial.com, www.amapadvisor.com, and www.strategicassetplan.com. Generally, except as discussed above, information offered involving securities is generic and is intended to educate the public about finances and investing. No specific investment recommendations are offered. EMAP or Edelman Strategic Asset Plan clients may access their account information directly through this secure website.</p> <p style="text-align: center;">ITEM 8 - OTHER FINANCIAL INDUSTRY ACTIVITIES OR AFFILIATIONS</p> <p>Broker-Dealer – Sanders Morris Harris Group, minority owner of EFA, owns SMH Capital, Inc. (“SMH”), a registered broker-dealer and investment adviser. As such, as previously mentioned EFA is affiliated with a registered broker-dealer and investment adviser. Transactions for Edelman Strategic Asset Plan® and EMAP wrap fee clients are executed and cleared through various unaffiliated broker-dealers. No additional clearing and/or custody fees are charged to the client.</p> <p>Investment Advisers – EFA is affiliated with Edelman Financial Services LLC (“EFS”), which is owned by SMHG 75% and Ric Edelman 25%. EFA and EFS are located in the same home office space and share a Richmond, Virginia location. Although each entity maintains its own required separate books and records, they share the Investment Committee, employees, systems and culture. EFA is affiliated, but has no material business relationships, with the following subsidiaries of SMHG which are also registered investment advisers: Salient Advisors LP, Pool Capital Partners LLC, Endowment Advisers, LP, SMH Capitol Advisors, Inc., SOF Management, LLC, GHE Advisors, LP and Leonetti and Associates Inc.</p> <p>Insurance Company or Agency – EFS is a registered investment adviser affiliate of EFA and is licensed as an insurance agency in several states.</p> <p>Other – Edelman Business Services LLC (“EBS”) is a wholly owned subsidiary of EFC. In addition to designing portfolios for the EMAP and Edelman Strategic Asset Plan product and maintaining the brand, EBS markets The Retirement InCome — for Everyone Trust® (RIC-E Trust®), which is an individual grantor trust enabling the grantor to set aside assets for a child’s retirement. EBS receives an administrative fee of \$300 for each RIC-E Trust® established. This fee is not associated with investment advisory services offered by EFS or EFA.</p> <p style="text-align: center;">ITEM 9 - PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS</p> <p>Transactions executed on behalf of wrap fee clients are executed for a single fee, which diminishes the potential conflict of interest associated with executing a large number of orders for client accounts and earning transaction-based compensation following each</p>

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	<p>order. Thus, neither EFA nor RIAs earn any additional revenue from the trades effected in such accounts beyond the wrap fee. Trading charges incurred to buy or sell securities are included in the wrap fee and EFA and/or the Adviser do not receive commissions for executing such transactions. Therefore, EFA does not earn more of the fee if it places fewer trades. As a result of the wrap nature of the fee, EFA has no economic incentive to place more or fewer EMAP account trades.</p> <p>Recommendations Involving Financial Interest — EFA, Adviser professionals or other access persons as defined by the Investment Advisers Act may implement for their own account an EMAP or Edelman Strategic Asset Plan portfolio and may give advice and take action with respect to their own account(s) that may differ from action taken by EFA on behalf of client accounts. EFA is not obligated to recommend, buy or sell, or to refrain from recommending, buying or selling any security that EFA, its affiliates or their respective Access Persons, as defined by the Advisers Act, may buy or sell for its or their own account or for the accounts of any other client except to the extent that such investments violate the Code of Ethics (“Code”) adopted by EFA.</p> <p>Although all employees of EFA and the investment adviser representative of other RIAs offering EMAP get the benefit of a fee reduction on EMAP accounts, those accounts are not given preferential trading treatment, and are monitored and rebalanced on the same basis as all other unrestricted client accounts invested in accordance with the same EMAP portfolio strategy. There are no reduced fees for employees of EFA or investment adviser representatives of other RIAs accounts utilizing the Edelman Strategic Asset Plan. Since EFA employees may establish an EMAP or Edelman Strategic Asset Plan account for themselves, in that regard they will buy and sell for themselves the same underlying securities as clients would buy or sell for themselves. From time to time, employees and principals of EFA, or any related person(s), may have interests in securities owned by or recommended to EFA clients, including mutual funds and exchange traded funds. As these situations may represent a potential conflict of interest, EFA has adopted procedures relating to personal securities transactions and insider trading procedures that are designed to prevent actual conflicts of interest. In addition, it is possible that one of the unaffiliated underlying funds could purchase SMHG stock. Neither EFA, EFS, nor Ric Edelman have any control over the investment decisions made by the manager to the underlying funds.</p> <p>Code of Ethics – The EFA Code of Ethics (“Code”) was adopted in accordance with Advisers Act Rule 204A-1 to govern personal transactions by Access Persons of EFA and to address potential conflicts between the interests of Access Persons and the interests of EFA clients. Assess persons are also required to comply with reporting obligations. In addition, the EFA Code of Ethics also requires all Access Persons and all Supervised Persons of EFA to comply with ethical restraints relating to clients and their accounts, including restrictions on giving gifts to, and receiving gifts from, clients in violation of EFA gift policy. A copy of the EFA Code of Ethics is available to any client or prospective client upon request.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 10

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	<p>Insider Trading Policy – EFA and its related persons may, from time to time, come into possession of material nonpublic and other confidential information which, if disclosed, might affect an investor decision to buy, sell or hold a security. Under applicable law, EFA and its related persons is prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any other person, regardless of whether such other person is an EFA client. Accordingly, should such persons come into possession of material nonpublic or other confidential information with respect to any company, they are prohibited from communicating such information to, or using such information for the benefit of, their respective clients, and have no obligation or responsibility to disclose such information to, nor responsibility to use such information for the benefit of, their clients when following policies and procedures designed to comply with law.</p> <p style="text-align: center;">ITEM 10 - CONDITIONS FOR MANAGING ACCOUNTS</p> <p>The minimum EMAP household account size is \$50,000 and the minimum annual fee is \$1,000.</p> <p>The minimum Edelman Strategic Asset Plan account size is \$25,000.</p> <p style="text-align: center;">ITEM 11 - REVIEW OF ACCOUNTS</p> <p>Review – Accounts are monitored on an on-going basis and accounts are rebalanced based on market or other conditions as warranted. Securities for accounts are bought or sold by EFA subject to its limited discretionary authority.</p> <p>On at least an annual basis the assigned EDA or RIA must schedule a discussion with the client to update their financial and personal information and to determine what changes, if any, are warranted to meet the client’s on-going needs and assess the on-going suitability of the wrap fee account. To the extent there are any changes, it is the responsibility of the RIA to promptly report those changes to EFA. EDAs will implement such changes internally.</p> <p>Nature and Frequency of Client Reports – Clients receive monthly and quarterly account statements and confirmations from the clearing broker-dealer, and generally have unlimited and continuous access to their account information through web-sites offered and maintained by the executing and custodial broker-dealers for the wrap fee program.</p> <p style="text-align: center;">ITEM 12 - INVESTMENT OR BROKERAGE DISCRETION</p> <p>Limited Discretionary Authority – The EMAP Client Services Agreement, Investment</p>

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	<p>Management Tri-Party Agreement, and the Edelman Strategic Asset Plan Client Services Agreement each provide EFA with limited discretionary authority to carry out the following in accordance with the client's specified investment objectives, without client consultation or further consent before a transaction is effected:</p> <ul style="list-style-type: none"> • invest client assets into the specified portfolio consisting of a diversified mix of asset classes and investment securities, • modify or change the mix of asset classes and investment securities within the portfolio, and • rebalance the portfolio periodically. <p>Selection of Executing Brokers and Dealers – EFA may establish clearing relationships with various non-affiliated third party broker-dealers. Clients choosing to establish a wrap fee account must consent to execution and custody through a mutually agreed upon unaffiliated clearing broker-dealer with which EFA has a clearing arrangement. These clearing arrangements with other third party broker-dealers will not affect the wrap fee paid by the client. EFA has selected several unaffiliated registered broker-dealers, which are members of FINRA and SIPC, to custody and clear client funds and securities. As such, EFA places all transactions associated with wrap fee accounts for execution through these executing broker-dealers. Each clearing broker-dealer offers services which include custody of securities, trade execution, clearance, and settlement of transactions. Each also provides services which are typically made available to institutional investment managers (and generally are not offered to retail customers). 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. In selecting clearing firms, EFA evaluates all of the services offered, the quality of those services and the cost indirectly borne by clients, and determines if the clearing firm provides a high quality of overall services for the price. EFA will periodically compare clearing firm services and prices against other broker-dealers qualified to provide comparable services. While another broker-dealer may offer these services at a lower overall cost, EFA is not required to move all accounts to that broker-dealer.</p> <p>Transaction costs imposed by the brokerage firms are covered by the EMAP fee, except as noted and in the client agreement(s). EFS has negotiated fixed fees with clearing firms that are based on a percentage of the value of the assets maintained in client brokerage accounts.</p> <p>In general, the securities purchased for wrap fee accounts are no-load mutual fund</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 12

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	<p>shares, variable annuities or exchange traded funds. While EFA has attempted to negotiate favorable commission rates for transactions and believes that each clearing firm offers competitive commission rates, EFA does not otherwise seek to obtain the best combination of price and execution with respect to wrap fee account portfolio transactions. Clients pay a wrap fee, which includes all brokerage execution costs, without regard to the number of transactions executed during the billing period. The wrap fee does not include certain securities related costs, including the fees embedded in the mutual funds in which wrap fee accounts invest. In general, EFA believes that the wrap fee, which includes execution for fixed asset-based fees, custody and advice, provides clients with best execution with respect to securities transactions.</p> <p>Batch Transaction Policy – When the price or execution of a security can be impacted favorably by aggregating orders among accounts, EFA aggregates transactions on behalf of all EMAP and Edelman Strategic Asset Plan accounts respectively, including accounts of its investment adviser professionals, other access personnel and EFS. It is the EFA policy that such transactions will be allocated to all participating accounts in a fair and equitable manner. There is no preferential treatment given to any account. Transactions may be traded together to ensure best execution and to avoid price differential. There is no problem finding sufficient mutual fund shares to purchase for wrap fee accounts. These shares are purchased from the issuer and sold at the net asset value determined after an order is received. Shares of mutual funds are sold back to the issuer and since the portfolios consist mostly of open-end funds, each issuing mutual fund stands ready to buy the shares back at the share's net asset value, as determined at close of business on the day the redemption order is received. Similarly, EFA buys and sells highly liquid ETF interests or shares and there is seldom any difficulty finding a sufficient supply of ETFs on the market. When selling ETFs, there typically is no impact to the price at which ETFs trade when EFA sells out of a position across client accounts.</p> <p>In the limited circumstances where 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 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, orders for all EMAP and Edelman Strategic Asset Plan wrap fee clients respectively, including those of EFA and EFS, generally will be aggregated to ensure equal pricing for all clients.</p> <p style="text-align: center;">"Soft" Dollar or Research/Execution Policy</p> <p>EFA has no formal soft dollar arrangements and does not use soft dollars to acquire</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 13

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	<p>any research services, whether proprietary services created and provided by a broker-dealer or third party research provided through a broker-dealer.</p> <p style="text-align: center;">ITEM 13 - ADDITIONAL COMPENSATION</p> <p>Client Referrals—EFA may pay unaffiliated solicitors for client referrals in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act and the respective federal and state laws governing the same. Such fees will be based on a percentage of client assets invested in EMAP or the Edelman Strategic Asset Plan®. Any such referral fee shall be paid solely from the investment advisory fee. The fee to the client will not be increased by the amount to be paid to such solicitors. Compensation to the solicitor is on a negotiated basis. The unaffiliated solicitor shall provide the client with a copy of EFA’s ADV Part II, including Schedule H, and a copy of the disclosure between EFA and the solicitor containing the terms and conditions of the solicitation arrangement, including compensation.</p> <p>Edelman Financial Network (“EFN” or “Network”) - EFA may refer prospective clients to investment adviser representatives of other affiliated or unaffiliated registered investment advisory firms for advisory service in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act and the respective federal and state laws governing the same. In selecting advisors, EFA takes into consideration the investment adviser representative’s investment philosophy, regulatory status, and overall credibility. EFA completes due diligence on each investment advisory firm and investment adviser representative prior to referring a prospective client. EFA receives no compensation or economic benefit from products or services offered by the Network investment adviser representative, other than EMAP. Investment adviser representatives that are part of EFN will be compensated by EFA for any client assets that are invested in EMAP. Therefore, the investment adviser representative may have an economic incentive to offer EMAP to prospective clients that are referred.</p> <p>Non-Client Arrangements – TD Ameritrade, an unaffiliated clearing and custodial firm, may sponsor the radio show, “The Ric Edelman Show,” or other events hosted by Ric Edelman. In connection with its sponsorship, TD Ameritrade may buy advertising time during the show or related event and Ric Edelman may promote TD Ameritrade by referencing its sponsorship.</p> <p style="text-align: center;">DESCRIPTION OF PROXY VOTING POLICIES</p> <p>EFA generally has 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 by client accounts. With respect to ERISA accounts, EFA generally expects clients to expressly retain the authority and responsibility for proxy voting and to specify, in writing, which has voting authority.</p>

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	<p>EFA has written proxy voting policies and procedures as required by Advisers Act Rule 206(4)-6. Under these policies and procedures, EFA generally declines to accept proxy voting responsibility for client accounts. However, to the extent that EFA may accept a discretionary account through EMAP, which requires EFA to vote its proxies in writing, EFA will vote such proxies in the best interests of clients. EFA has written guidelines for certain issues on which votes may be cast, which may determine its vote. EFA would, if required to vote, generally cast proxy votes in favor of management proposals given that it invests, on a discretionary basis, only in mutual funds, variable annuities and exchange traded funds, which have, in large part, been chosen based on their historical track records and existing management. The proxy administrator is responsible for ensuring that votes are cast in accordance with the EFA policy and records are maintained. In the event of a material conflict of interest, EFA will follow its procedures for resolving material conflicts as identified below.</p> <p>EFA acknowledges its responsibility for identifying material conflicts of interest related to voting proxies. Senior management and advisory personnel of EFA must disclose to the proxy administrator any personal conflicts, such as officer or director positions held by them, their spouses or close relatives, with the portfolio company. Conflicts based on business relationships with EFA or any affiliates of EFA will only be considered to the extent that EFA has actual knowledge of such relationships. When a material conflict of interest between EFA's interests and its clients' interests appears to exist, EFA may eliminate the conflict by choosing one of several options, which include: (1) vote in accordance with the EFA policies and procedures if it involves little or no discretion; (2) vote as recommended by a third party service if EFA utilizes such a service; (3) "mirror vote" the proxies in the same proportion as the votes of other proxy holders that are not EFA clients; (4) if possible, erect information barriers around the person or persons making voting decisions sufficient to insulate the decision from the conflict; (5) if practical, notify affected clients of the conflict of interest and seek a waiver of the conflict; or (6) if agreed upon in writing with the client, forward the proxies to affected clients allowing them to vote their own proxies.</p> <p>Clients may obtain copies of the EFA written proxy voting policies and procedures as well as information on how proxies were voted for their account by requesting such information from EFA at the address and phone listed on page 1 of Part II of this Form ADV. EFA will not disclose proxy votes for a client to other clients or third parties unless specifically requested, in writing, by the client.</p>

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