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Edelman Strategic Asset Plan®
(Wrap Fee Program)
Schedule H

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This brochure provides clients with information about Edelman Financial Advisors LLC (EFA) and the Edelman Strategic Asset Plan® that should be considered before becoming a client of the Edelman Strategic Asset Plan. This information has not been approved or verified by any governmental authority.

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I. DESCRIPTION OF PROGRAM

The Edelman Strategic Asset Plan is a wrap fee program which features widely diversified investment portfolios consisting of combinations of unaffiliated investment products, including no-load mutual funds and exchange traded funds. The portfolios are offered to individuals, trusts, estates and small businesses. A single asset-based fee covers discretionary investment advice, execution of portfolio transactions and custody of portfolio assets. Edelman Financial Advisors LLC ("EFA"), an investment adviser registered under the Investment Advisers Act of 1940, sponsors the Edelman Strategic Asset Plan, which is a proprietary asset allocation program available to consumers exclusively via referral to EFA by Financial Leadership Advisors ("FLA"), an unaffiliated registered investment adviser, through its Investment Adviser Representatives ("IARs").

EFA, the sponsor of the Edelman Strategic Asset Plan, is owned primarily (80%) by Ric Edelman, Chairman. 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 (49%) of Edelman Financial Center LLC ("EFC"), which owns Edelman Financial Services LLC ("EFS") a registered investment adviser. SMHG is the majority owner (51%) of EFC. Therefore, EFA and EFS are affiliated registered investment advisers.

II. ROLE OF FINANCIAL LEADERSHIP ADVISORS AND ITS REPRESENTATIVES

FLA is responsible for the for the supervision, licensing, registration, background investigations and training of all Investment Adviser Representatives within its employment or acting on its behalf.

IARs identify prospective investors and introduce them to EFA to entertain a proposal and potentially become a client. IARs 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 the prospective investor's specific financial situation or personal circumstance.

IARs provide each prospective investor with information regarding the program and referral fee arrangements before a referral is made to EFA.

III. ROLE OF EFA

Account Opening

If EFA deems it to be appropriate, suitable, and consistent with its investment advisory obligations, EFA may recommend that a consumer become a client of EFA by opening an Edelman Strategic Asset Plan account ("Account"). As part of the Account-opening process, EFA will assist the client in completing and executing an Edelman Strategic Asset Plan Client Service Agreement and other necessary paperwork as appropriate.

Portfolio Selection

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 an electronic website to access the Guide to Portfolio Selection, 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. Account applications to initiate the new account process may be completed on-line. 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.

Ongoing Client Service

EFA provides ongoing services to each client whose account is accepted and is available to each client for ongoing 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.

Management of Client Assets

Once EFA accepts an account, it will manage such client's assets in accordance with client information provided, the portfolio(s) selected and any restrictions imposed pursuant to the Edelman Strategic Asset Plan Client Agreement, which grants EFA discretionary authority to manage such client's assets in the Edelman Strategic Asset Plan. EFA also provides back office services, including trading and operations functions. EFA facilitates the opening of new accounts, transfer of accounts, and handling of client funds and transactions, utilizing unaffiliated clearing firms.

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. In that regard,

EFA monitors each client's account on an ongoing 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 market, economic, financial or political climate, the tax code, the management of the funds invested in the portfolio, or other conditions as warranted. 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.

IV. INVESTMENT SELECTION

Clients are permitted to impose reasonable restrictions on the management of their accounts and are reminded to inform EFA 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 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 an Edelman Strategic Asset Plan portfolio will be placed or traded on margin.

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 investment committee on both an absolute and relative basis, relying on set standards. Portfolio modeling for the 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 Edelman Strategic Asset Plan portfolios for the use, customization and implementation into client accounts. The model portfolios and branding of the Edelman Strategic Asset Plan are maintained by EBS. In addition, back office personnel, which service the Edelman Strategic Asset Plan, including trading and operations, are situated together and/or shared between EFA and EFS.

Trading Authorization

Clients of the Edelman Strategic Asset Plan must establish brokerage accounts with a clearing broker-dealer so that EFA can place securities transactions for their accounts and so that assets are maintained with a qualified custodian. Once an Edelman Strategic Asset Plan portfolio has been selected, EFA has discretionary authority to invest all of the assets in the Edelman Strategic Asset Plan account. Pursuant to the Edelman Strategic Asset Plan Client Services Agreement, EFA is granted authority to effect client-approved investment

strategies through a clearing firm. 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, which, for Edelman Strategic Asset Plan accounts, are mutual funds or ETFs that invest in a variety of equity securities, fixed income instruments or cash items.

Rebalancing

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 could 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 have appreciated in value to buy other holdings that may have declined in value or which have not appreciated as rapidly. 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.

Reallocations

EFA's authority under the Edelman Strategic Asset Plan Client Services Agreement 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. Edelman Strategic Asset Plan accounts are monitored on an ongoing 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 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 market sectors.

Contributions to Account

Contributed cash or money market fund shares in 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 advantage to invest 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 Edelman Strategic Asset Plan minimum account size, EFA will liquidate those securities positions and invest the proceeds in 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 should consult with their tax professionals before depositing securities in their Edelman Strategic Asset Plan accounts.

V. INVESTMENT OR BROKERAGE DISCRETION

Limited Discretionary Authority

Under the Edelman Strategic Asset Plan Client Service Agreement, clients 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:

- 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.

Selection of Executing Brokers and Dealers

EFA has selected several unaffiliated registered clearing 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 the Edelman Strategic Asset Plan through these executing broker-dealers. Each clearing broker-dealer offer 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 Edelman Strategic Asset Plan 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.

In general, the securities purchased for Edelman Strategic Asset Plan accounts are no-load mutual fund shares, or exchange traded funds. EFA has attempted to negotiate favorable commission rates for Edelman Strategic Asset Plan

transactions and believes that selected clearing firms offer competitive commission rates. EFA does not otherwise seek to obtain the best combination of price and execution with respect to Edelman Strategic Asset Plan account portfolio transactions. Edelman Strategic Asset Plan 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 Edelman Strategic Asset Plan accounts invest. In general, EFA believes that the wrap fee, which includes execution for fixed asset-based fees, custody and advice, provides clients with the best execution with respect to securities transactions.

EFA may establish clearing relationships with various other non-affiliated third party broker-dealers. Clients choosing to participate in the Edelman Strategic Asset Plan must consent to execution 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.

Batch Transaction Policy

When the price or execution of an Edelman Strategic Asset Plan security can be impacted favorably by aggregating orders among Edelman Strategic Asset Plan accounts, EFA may, but is not required to, batch orders for more than one client. EFA aggregates transactions on behalf of all wrap accounts it manages, including accounts of its investment adviser professionals and other access personnel. 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. Such transactions will be allocated to all participating accounts in a fair and equitable manner. 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 stated, orders for all Edelman Strategic Asset Plan wrap fee clients, including those of EFA employees or access persons, generally will be aggregated to ensure equal pricing for all clients.

There generally is no problem finding sufficient mutual fund shares to purchase for Edelman Strategic Asset Plan 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 Edelman Strategic Asset Plan portfolios consist mostly of open-end funds, each issuing mutual fund stands ready to buy the shares back at the 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.

VI. FEES

Clients pay a fee, which includes all portfolio transaction costs and custody of assets. The minimum account size is \$25,000. Clients authorize EFA to deduct the Edelman Strategic Asset Plan fee from their accounts under the Edelman Strategic Asset Plan Client Services Agreement. The fee is based on the average daily balance of the portfolio. The first payment is prorated for assets that are placed in an account at some point during a calendar quarter. Fees are determined following the last day of each quarter. Fees are deducted from the client's account no later than the fifteenth (15th) day after the end of each quarter, in arrears. If termination occurs prior to the end of a calendar quarter, the terminating client will pay fees due up to the termination date. Fees paid by clients are not negotiable.

EFA has a referral fee arrangement with FLA which is described below. EFA introduces potential clients to EFA for purposes of entertaining a proposal to become a client of EFA. If the client accepts the proposal an initial fee pursuant to the fee schedule below is paid by EFA to FLA at the time client funds are received into their account in good order by EFA. The fee is based on the amount invested in the client account and is paid in advance of EFA collecting any fees from the client. A subsequent ongoing fee is paid quarterly in arrears by EFA to FLA based on the average daily balance of the client account pursuant to the fee schedule below.

Edelman Strategic Asset Plan Fee Schedule			
For The Portion Of Your Account That Is		The Fee For Assets	Total To FLA
At Least	But Less Than	At This Tier Is	
---	\$ 50,000	2.75%	2.15%
\$ 50,000	\$ 75,000	2.50%	1.90%
\$ 75,000	\$ 125,000	2.00%	1.45%
\$ 125,000	\$ 150,000	1.75%	1.25%
\$ 150,000	\$ 400,000	1.60%	1.08%
\$ 400,000	\$ 750,000	1.25%	0.83%
\$ 750,000	\$ 1,000,000	1.00%	0.67%
\$ 1,000,000	\$ 3,000,000	0.75%	0.50%
\$ 3,000,000	\$ 10,000,000	0.60%	--
\$ 10,000,000	\$ 500,000,000	0.50%	--

- When calculating advisory fees, family accounts are aggregated to determine the lowest fee.

- Solicitor Fees to FLA for account values greater than \$3,000,000 are negotiable.
- Referral fees paid by EFA are not passed on to clients and accordingly client will not pay higher fees as a result of that arrangement.

The fee does not include debit balances, related margin interest, IRA and retirement plan fees, SEC fees, 12b-1 fees for certain money market funds, wire transfer fees, overnight check fees, expenses charged by the mutual funds (including management fees, transaction charges incurred for fund-level portfolio trades, custody of fund assets and other fund expenses), exchange-traded funds, or other fees or taxes that are required by law.

Both EFA and FLA receive compensation based on the value of assets invested in the program. The amount of such compensation may be more or less than what EFA or FLA might earn from other programs available in the financial services industry. Therefore, EFA and FLA may have a financial incentive to recommend the Edelman Strategic Asset Plan over other programs or services.

The fees shown above are not based on the amount of trading in the account or the advice given in any particular time period. The program's features may cost more or less if the services were to be purchased separately. The savings enjoyed or additional expense incurred would depend on the fees charged by the advisor (based on the advisor's skills and experience), the securities purchased, and the extent and frequency of trading done in the account. Clients should be aware that lower fees for comparable services may be available from other sources.

VII. PERFORMANCE CALCULATION AND REPORTING

EFA, as a matter of policy will prepare information relating to investment performance of Edelman Strategic Asset Plan portfolios. Firm-wide methods, and policies and procedures used in calculating and presenting Edelman Strategic Asset Plan performance figures, will be prepared in compliance with the Global Investment Performance Standards (GIPS®) and independently verified by Ashland Partners & Company LLP, an independent third-party GIPS® verification company. Ashland Partners will serve as an ongoing consultant to EFA in order to maintain GIPS® compliance, which will include but not limited to reviewing our methods of performance calculation, composite construction, and the presentation of performance information.

Investment performance figures will be arrived at by utilizing internal portfolio accounting software, which calculates investment performance according to globally accepted industry standards. Performance calculations will be based on actual Edelman Strategic Asset Plan accounts under management, including those accounts that have been closed. Investment performance will be presented net of actual management fees.

VIII. EDUCATION AND BUSINESS BACKGROUND AND STANDARDS

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. All IARs who refer prospective clients to EFA on behalf of FLA are required to have requisite licensing, training and may not be statutorily disqualified in order to be eligible to receive compensation for a referral.

Following is information on the firm's principal executive officers:

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 was 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, Certified Retirement Counselor®, and 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, named the #2 Independent Investment Advisor in the nation by Barron's magazine in 2007, and received an honorary doctorate from Rowan University in 1999.

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. Mr. Moore became affiliated with EFS in 1990. He is the President of EFS, a Certified Financial Planner® practitioner and is licensed to sell securities, life and health insurance, and variable annuities. Mr. Moore is a registered representative with SMH Capital Inc.

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 SunTrust Banks, Inc. for twenty-three years where she served as CCO for the broker-dealer and registered investment adviser during her tenure. She has been affiliated with EFS since 2007. Ms. Parker is a registered representative and principal with SMH Capital Inc.

IX. PRIVACY

Information Provided to Third Parties

EFA will provide client information to unaffiliated clearing firms which custody client assets, so they may send to the client, as needed, appropriate account statements, prospectuses, annual reports, proxies, and other legal documents and notices pertaining to the client's account. The client's address will be updated as warranted. Due to the nature of the Edelman Strategic Asset Plan, EFA will also share Edelman Strategic Asset Plan client account, holdings, and

other relevant information with clearing firms in accordance with the Edelman Privacy Policy. EFA will not share information relating to Edelman Strategic Asset Plan client accounts with any other third parties except in accordance with the Edelman Privacy Policy or as authorized by each client.

X. POTENTIAL CONFLICTS

Other Business Activities

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 any of the Edelman Strategic Asset Plan portfolio holdings or recommendations to listeners. It is a live talk show and the public is invited to call into these broadcasts and discuss their personal situation. 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 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 Edelman Strategic Asset Plan clients.

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, but are negotiable.

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.

Educational Products— EFA sells CDs and DVDs (titles include “Mind Over Money”, an audio CD, and “10 Great Reasons to Carry a Big, Long Mortgage” a DVD) for prices ranging from \$19.95 to \$99.95. Ric Edelman's books are available from book sellers everywhere and include The Lies About Money, The Truth About Money (3rd ed.), The New Rules of Money, Ordinary People Extraordinary Wealth, Discover the Wealth Within You, and What You Need to Do Now, for prices ranging from \$9.95 to \$28. For all products, there is a fee for shipping and handling.

Internet —Edelman Financial[†] maintains several internet web-sites: www.edelmanfinancial.com , www.emapadvisor.com, www.ricedelman.com , www.amapadvisor.com , www.strategicassetplan.com and www.ricetrust.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. Edelman Strategic Asset Plan clients may access their account information directly through this secure website.

Other Financial Industry Activities or Affiliations

Broker-Dealer — Sanders Morris Harris Group, minority owner of EFA, owns SMH Capital, Inc. ("SMH"), a registered broker-dealer and investment adviser. As such, EFA is affiliated with a registered broker-dealer and investment adviser.

Transactions for Edelman Strategic Asset Plan wrap fee clients are executed and cleared through various unaffiliated broker-dealers. No additional clearing and/or custody fees are charged to the client. See Section V above.

Investment Advisers — EFA is affiliated with Edelman Financial Services LLC ("EFS"), which is owned by SMHG 51% and Ric Edelman 49%.

Insurance Company or Agency – EFS is a registered investment adviser affiliate of EFA and is licensed as an insurance agency in several states.

Mortgage Broker or Dealer — Edelman Mortgage Services LLC ("EMS") is a wholly owned subsidiary of EFC. EMS offers mortgage services to clients and charges separately. There is no contractual obligation between EMS, EFS and EFA to refer clients or maintain business relationships. However, as a minority owner of EFC, Ric Edelman has an interest in the profitability of EMS.

Other—Edelman Business Services LLC ("EBS") is a wholly owned subsidiary of EFC. In addition to designing portfolios for the 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.

Participation or Interest in Client Transactions

Transactions executed on behalf of Edelman Strategic Asset Plan clients are executed for a single wrap fee, which diminishes the potential conflict of interest associated with executing a large number of orders for client accounts and

[†] Edelman Financial is a marketing name for two affiliated registered investment advisers. Edelman Financial Services LLC primarily serves the Washington D.C. area; Edelman Financial Advisors LLC serves clients nationwide via its own advisors and unaffiliated registered investment advisers. Sanders Morris Harris Group (Ticker: SMHG) is majority owner of EFS. Ric Edelman is minority owner of EFS and majority owner of EFA.

earning transaction-based compensation following each order. Thus, neither EFA nor FLA earns any additional revenue from the trades effected in Edelman Strategic Asset Plan accounts. Trading charges incurred to buy or sell securities are included in the wrap fee and EFA does not receive commissions for executing such transactions. Clearing firm arrangement allow EFA to have fixed asset-based fees for transaction-related services provided to Edelman Strategic Asset Plan accounts. The compensation is paid from the Edelman Strategic Asset Plan fee, does not vary with and is not dependent upon the number of trades effected in Edelman Strategic Asset Plan client accounts. Therefore, EFA does not earn more if it places fewer trades. As a result of the wrap nature of the fee, EFA has no economic incentive to place more or less Edelman Strategic Asset Plan account trades.

Recommendations Involving Financial Interest

EFA, EFS and FLA employees or other access persons, as defined by the Investment Advisers Act, may implement for their own account an Edelman Strategic Asset Plan portfolio. EFA IARs 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.

Although all employees and access persons of EFA, EFS and FLA may purchase the Edelman Strategic Asset Plan there is not a fee reduction and 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 Edelman Strategic Asset Plan portfolio strategy. Since EFA, EFS and FLA employees may establish an Edelman Strategic Asset Plan account for themselves; they will buy and sell for themselves the same underlying securities as clients buy or sell. Therefore, from time to time, employees and access persons 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.

XI. COMPENSATION FROM NON-CLIENTS

Non-Client Arrangements — TD Ameritrade an unaffiliated clearing broker-dealer could be a sponsor of the radio show, “The Ric Edelman Show,” or other events hosted by Ric Edelman. In connection with its sponsorship, TD Ameritrade could buy advertising time during the show or event and Ric Edelman could promote TD Ameritrade by referencing its sponsorship.

Client Referrals — EFA pays 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. See Section V for details. Such fees will be based on a percentage of client assets invested in the Edelman Strategic Asset Plan. Any such referral fee shall be paid solely from the investment advisory fee; therefore the client will not incur any additional cost as a result of the payment by EFA of a referral fee. The unaffiliated solicitor shall provide the client with a copy of EFA's ADV Part II or substitute brochure, and a disclosure of the arrangement between EFA and EFA containing the terms and conditions of the solicitation arrangement, including compensation.

XII. REVIEW OF ACCOUNTS

Review

Edelman Strategic Asset Plan accounts are monitored on an on going basis and accounts are rebalanced based on market or other conditions as warranted. Securities for Edelman Strategic Asset Plan accounts are bought or sold by EFA subject to its limited discretionary authority. On at least an annual basis an EFA Investment Adviser Representative will schedule a meeting with the client to update their financial and personal information and to determine what changes, if any, are warranted to meet the client's ongoing needs, and also assess the ongoing suitability of Edelman Strategic Asset Plan. To the extent there are any changes they will be implemented accordingly.

Nature and Frequency of Client Reports

Edelman Strategic Asset Plan 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 websites offered and maintained by the executing and custodial broker-dealers for the Edelman Strategic Asset Plan wrap fee program.

XIII. RESTRICTIONS ON COMMUNICATION

Clients are generally free to contact an EFA Investment Adviser Representative at any time during normal business hours via telephone, fax, mail or email. In-person visits should be scheduled in advance to ensure that the client's advisor or other appropriate personnel are available. Generally, managers of the underlying funds used by the program are not available to answer questions or discuss specific investment issues. However, if a client has a specific need, EFA will reasonably attempt to arrange the discussion.

XIV. PROXY VOTING POLICY

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 accounts subject to the Employee Retirement Income Security Act of 1974, ("ERISA") as amended, EFA generally expects clients to expressly retain the authority and responsibility for voting of any such proxies and to specify, in writing, who has voting authority. 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 the Edelman Strategic Asset Plan, 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.

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 of interest, such as officer or director positions held by them, their spouses or close relatives, with the portfolio company. Conflicts of interest 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.

EFA sponsors other wrap fee products which are available to clients. Clients may contact EFA at 1-800-PLANRIC to obtain a copy of the EFA ADV Part II or substitute brochures for other products made available.

XV. Cross-References

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