

Edelman Privacy Policy
Important Privacy Choices for Consumers
Effective May, 2010

Whether you are an existing client or a prospective client, you entrust us with more than just your money. You also give us your personal information, and we want you to know that Edelman Financial Services LLC (EFS) and Edelman Business Services LLC (EBS), hereinafter collectively known as "Edelman," are committed to safeguarding that information. That is why we hold in the strictest confidence all the personal information you give us. We do not sell, rent or trade any client information to other companies.

This policy statement takes the place of any previous privacy policies issued by Edelman and is subject to change.

The kinds of information we collect

If you meet with us for a financial planning review, open an investment account or apply for insurance: We ask you to provide information about your financial status, such as employment, income, monthly expenses and assets, as well as identifying information such as your address, telephone number and Social Security number.

In most cases, you give us this information yourself, in person, on the phone or by mail, or through a Web site.

If you apply for insurance: We ask you to provide information relevant to underwriting the specific insurance product. This information, such as your health or driving record, is not used for any purpose other than to provide the service and insurance applied for.

Once you become a client: We maintain information about your investment transactions including account balances and securities holdings.

How we use this information

The information we collect is used to help us deliver the services you've requested. It may also permit us to design and offer specific products and services that we believe will be useful to you and other clients. We will not provide your private information to our affiliates for marketing or solicitation purposes.

Who has access to this information?

Within Edelman:

Edelman employees are permitted access to the information they need to perform their jobs on your behalf. We maintain strict internal policies against unauthorized disclosure or use of client or prospective client information by employees.

Edelman is owned in part by Sanders Morris Harris Group Inc. ("SMHG") and is therefore affiliated with them. In order to provide you with the products and services you request and to serve you more efficiently, we may disclose personal information about you to SMHG and its affiliated companies.

As permitted by law, information held by Edelman is available to any Edelman affiliate for authorized purposes, unless you specifically request otherwise (See "How to limit information sharing and marketing").

Companies or individuals that you ask us to share with:

At your written request, we will also share information with your attorney, accountant, tax preparer, trustee or anyone who represents you in a fiduciary capacity. Edelman will get your permission prior to sharing your information with an outside person or firm. Information shared will apply only to the specific purpose to which you consent.

Outside service providers:

We have arrangements with companies whose experience is essential for our own services to operate properly. For example, we work with firms that execute securities transactions and make account statements possible for Edelman clients. These companies work at Edelman's direction and only the information necessary for them to perform these functions is shared. They are required to safeguard your information and only use it for authorized purposes, and within the guidelines established by Edelman for the protection of client information. They are also required to provide you with their privacy policy.

Courts, regulatory and government bodies:

Certain federal and state laws may require us to share information about you with courts, regulatory bodies and other governmental agencies. For example, if you are involved in a legal matter with a third party, we may be ordered to provide information to a court or other party. In these circumstances, only the specific information required by law, subpoena, or court order will be shared. If permissible, we may notify you as a courtesy.

Privacy online

Edelman considers privacy, security and service to be just as critical in the online environment as in the rest of our operation. Edelman uses a variety of proven protections to maintain the security of your online session. For example, we make extensive use of firewall barriers, encryption techniques and authentication procedures. We also use cookies and similar files that may be placed on your hard drive for security purposes, to facilitate site navigation, and to personalize your experience on our site. When we conduct business online, we may collect technical and navigational information, such as computer browser type, Internet protocol address, pages visited, and average time spent on our Web sites. This information may be used, for example, to alert you to software compatibility issues; or it may be analyzed to improve our Web design and functionality.

Information Collected by Server Logs:

If you do nothing during your visit but browse through the Web site, read pages, or download information, we will gather and store certain information about your visit automatically. This information does not identify you personally.

We automatically collect and store only the following information about your visit:

- Your computer's Internet Protocol (IP) address. (An IP address is a number that is automatically assigned to your computer whenever you go on the Web.)

- The domain from which you access the Internet (for example, aol.com, if you are connecting from an America Online account).
- The Internet address of the Web site, if any, from which you came to our site.
- The date and time you arrived at our site and how long you spent visiting the site.
- The name and version of your computer's operating system and browser: for example, Windows 98/Netscape Navigator 5 (this information is supplied automatically by your computer).
- The pages you visit.

We use this information to help us make the site more useful to visitors, to learn about the number of visitors to our site and the types of technology our visitors use. Unless it is specifically stated otherwise, no additional information will be collected about you.

Notification of Changes:

If we change our privacy policy, we will post those changes on our Web site so our users are always aware of what information we collect, how we use it and under what circumstances, if any, we disclose it. We will use information in accordance with the privacy policy under which the information was collected.

How we protect your information

Edelman has always considered the protection of sensitive information to be a sound business practice and a foundation of trust for our clients and prospective clients. We employ extensive information protection controls in keeping with industry standards and practices, and we regularly adapt these physical, electronic, and procedural controls to respond to changing requirements and advances in technology. Papers or documents that contain your personal information are maintained in our secure offices. Our computer systems are designed to ensure that your information is not placed at risk. Before we discard any papers or documents that contain personal information about you, we first shred that material through a secure destruction operation. Our trash is kept in secure facilities prior to destruction and removal.

How Edelman uses email

Edelman generally will not send unsolicited emails asking for personal or account information, such as Social Security numbers or account numbers. In most instances, we will not send sensitive information through emails unless you have initiated an email dialogue with us; you have previously requested us to communicate with you in this manner; and/or the email is about your relationship with Edelman. Emails responding to your request, which contain your personal or account information, are sent through a secure server.

How Edelman uses facsimile

We will only send a fax to you if you have authorized this form of communication by giving us your fax number.

Access to Your Information

You may access, and if necessary, correct your personal information through our Stay in Touch Profile ("SiTP"), which is found through our Client Only Internet site. Just go to www.EdelmanFinancial.com and click on "Client Login."

Former clients

Our Privacy Policy will continue to apply to you as we maintain information about you for certain periods of time as required by federal and state securities laws and regulations. Former clients can also elect not to have their information shared, even after their relationship with us ends.

How to limit information sharing and marketing

If you prefer, you may direct us not to share personal information about you that is not publicly available. By "Opting-Out", you restrict the use of your personal information in any activities conducted by our affiliates or outside service providers. This exclusion does not apply, however, to any affiliates with which you currently do business or if you ask to receive information or offers from them. The following are ways you can "opt-out":

1. You can write to us at:

Edelman Financial
4000 Legato Road, 9th Floor
Fairfax, VA 22033

Please include your name, address (including ZIP code), telephone number and the last four digits of your Social Security number with the request. Incomplete information will delay, or possibly prevent, our ability to honor your request.

2. You can go to the privacy section of our Web site, www.edelmanfinancial.com, and opt-out via our secure online form.

3. You can call 1-888-Plan-Ric (1-888-752-6742). Choose Option 2, extension 586.

An opt-out request is processed within 30 days of receipt.

Clients who have previously opted out

If you have already submitted a request to opt-out of information sharing and marketing, **there is no need to opt-out again.** This designation is permanent and can only be removed with a written client request.

Government Information on Privacy

For other information on privacy and protecting yourself from identity theft, visit www.consumer.gov, a Web site sponsored by the U. S. Government.

Where to find out more

If you have questions, concerns or comments about our privacy practices or the way your information is maintained and used, we'd like to hear from you. Please write to us at:

Edelman Financial
4000 Legato Road, 9th Floor
Fairfax, VA 22033