



Efficient Advisors, LLC
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Disclosure Brochure

January 1, 2011

This brochure provides information about the qualifications and business practices of Efficient Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (267) 613-6250 or compliance@efficientadvisors.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

Efficient Advisors, LLC is a registered investment adviser. Registration of an investment adviser does not imply a certain level of skill or training.

Material Changes

On July 28, 2010, the United States Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This brochure dated January 1, 2011 is a new document and replaces our Form ADV Part II and Schedule F dated June 14, 2010. As such, this document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this page will summarize material changes made to our brochure. We will also reference the date of our last annual update of our brochure.

In the past, we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. In the future, we will send you a summary of material changes to our brochure by April 30th of each year. We will also offer to send you a free copy of our brochure. If there is any material information that could affect our relationship with you, even if it is not in our brochure, we will send it to you promptly.

There is no charge for a complete copy of the brochure. Contact Gerrit A. Fedele, President and Chief Compliance Officer, at (267) 613-6250 or compliance@efficientadvisors.com for a copy.

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Advisory Business

Efficient Advisors, LLC (“Efficient”) is an investment adviser registered with U.S. Securities and Exchange Commission, founded in 2009. We offer asset allocation service designed to build long-term wealth while maintaining risk tolerance and loss threshold levels based on your distinct financial needs and goals. Efficient is owned by The Advisor Lab, LLC, a technology and training firm dedicated to helping financial professionals improve their businesses and existing client relationships.

We call our asset allocation service “Efficient Portfolios” which has model portfolios designed to allocate your assets among exchange-traded funds (“ETFs”), no-load mutual funds, managed futures mutual funds, and variable annuity sub accounts. Efficient Portfolios are designed to maintain risk tolerance and loss threshold levels based on your distinct financial needs and goals. Our service includes monitoring your account continuously and rebalancing and/or reallocating your assets on a discretionary basis in order to maintain your model allocation selection. Independent financial planners, investment advisers, CPAs, and brokerage firms and their representatives refer their clients to Efficient. We refer to these professionals in this brochure as your Advisor. At the end of 2010, we managed \$224,250,000 in assets on a discretionary basis. We do not manage assets on a non-discretionary basis.

Initially, your Advisor will assist you in understanding our Investment Management Agreement, completing our Investor Profile, and most importantly, in selecting an appropriate allocation model. Our Investor Profile will help determine your allocation strategy. We may accept a recently completed alternative profile from you and your Advisor if it contains substantially the same information as our Investor Profile. Please remember that the Investor Profile is only a guide to selecting an appropriate portfolio. Your Advisor may suggest a portfolio with a higher or lower risk level than the Investor Profile indicates. If that happens, please make sure that you understand his/her rationale for doing so before signing the Investment Management Agreement.

We require your Advisor to maintain an ongoing relationship with you and meet with you on a periodic basis, at least annually, to discuss changes in your personal or financial situation, suitability requirements, and any new or revised reasonable restrictions you would like to impose on your account(s). While your Advisor will not have investment discretion or investment management authority, your Advisor is responsible for

determining the suitability of Efficient Portfolios for you. Because the information you and your Advisor disclose in the Investor Profile helps to determine your allocation strategy, you are responsible for communicating all changes in your financial circumstances and investment objectives to your Advisor. Your Advisor is responsible for notifying us of changes in your current circumstances. We review your account in the context of your stated investment objectives and your Investor Profile dictates any adjustments we make. For this reason, prompt notification by you results in maintaining your assets in alignment with your individual needs.

We can explore other investment options at your request, but when Efficient begins its management of your account, in all likelihood your existing assets will be sold to fund your Efficient Portfolios purchases. You may place reasonable restrictions on the individual investments held within your account. These restrictions must be in writing and accompany the Investment Management Agreement.

Allocations for Small Accounts

Efficient has developed alternatives for handling individual accounts with a current market value of less than \$50,000. We refer to these alternative allocations as “Small Account Allocations.” Small Account Allocations mirror the standard Efficient Portfolio that you have chosen as closely as possible given the constraints of account size and the specific portfolio selected. They may also include fewer underlying investments and may contain mutual funds instead of ETFs and, if applicable, managed futures mutual funds. The purpose of Small Account Allocations is to manage smaller balances more effectively and reduce your transaction costs. Be advised that this may also reduce your portfolio’s diversification.

Accounts valued between \$10,000 and \$50,000 may be invested in a model with approximately five (5) to seven (7) underlying investments and may contain mutual funds instead of ETFs and managed futures mutual funds. For accounts valued between \$1,000 and \$10,000, we invest your assets in a single asset allocation ETF or mutual fund without an allocation to managed futures, even if requested. An account with less than \$1,000 in market value will not be invested until it becomes at least \$1,000. Once your account’s market value exceeds a certain threshold (as determined by Efficient at our sole discretion), your account will be transitioned out of the Small Account Allocation and into the standard allocation for your selected Efficient Portfolio. Efficient will consider

transaction costs and tax impact before initiating such transition and if a transition is initiated it may result in transaction charges by your Custodian and you may experience a taxable gain or loss if applicable to such account. Efficient also reserves the right to transition your portfolio into a Small Account Allocation if the market value is reduced to an amount below the thresholds listed earlier in this section. As with a transition to a standard portfolio, this transition to a Small Account Allocation may result in transaction charges by your Custodian and you may experience a taxable gain or loss if applicable to such Account.

Efficient reserves the right to change, alter, or terminate the Small Account Allocations at any time at our sole discretion.

Retirement Plans

If your account is a retirement plan subject to Employee Retirement Income Security Act of 1974 (“ERISA”), you will appoint Efficient as “Investment Manager” under Section 3(38) and/or “investment adviser” under Section 3(21) of ERISA. You will furnish copies of all documents governing the plan that give you authority to retain Efficient and that govern Efficient’s services to the plan. In addition, you will send to Efficient any amendments to your ERISA plan that affect Efficient’s rights or obligations, the amendment will be binding on Efficient only when we have sent you written notice of our agreement to the amendment. Efficient will not have any responsibility for assets held outside of the custodial or trust account over which it has discretion. You will be required to name Efficient as a fiduciary in the plan's ERISA fidelity bond covering the account.

Fees and Compensation

Fees and Billing

Our management fee is a percentage of the market value of the assets held within your account(s) under management as shown below:

Household Assets	Efficient Advisors	Your Advisor	Total Annual Management Fee
First \$500,000	0.50%	1.25%	1.75%
Next \$500,000	0.45%	0.95%	1.40%
Next \$1,000,000	0.35%	0.50%	0.85%
Next \$1,000,000	0.30%	0.30%	0.60%
Over \$3,000,000	0.25%	0.25%	0.50%

Efficient aggregates accounts with the same address into Households (“Households”) and breakpoints are applied by Household. Efficient charges a minimum annual fee of \$60.00 per investment account. If the percentage fee attributable to an account within your Household is less than minimum fee, the minimum fee is charged and it is not shared with your Advisor. If the percentage fee attributable to each account within your Household is higher than the minimum, then the percentage fee is charged and shared with your Advisor according to the schedule above. The minimum fee is not prorated for new accounts and is not shared with your Advisor. Efficient reserves the right to waive these requirements at its sole discretion. If each account within the Household does not maintain sufficient cash or money market balances, Efficient will liquidate securities in the account(s) in amounts sufficient to cover the fees. You understand that such liquidation may cause you to incur taxable capital gains and trading costs.

The Management Fee may be negotiated based on a number of factors including, but not limited to, the amount of work involved, the assets placed under management and the attention needed to manage the account(s). Depending on individual arrangements made, fees paid by one client may be higher or lower than fees paid by another client under similar circumstances.

You will authorize your account’s custodian to pay the management fee by debiting your account monthly, in advance, based on the market value of your account’s assets on the last day of the previous month as valued by your account’s custodian. We calculate the initial month’s fee based on the contributions made into each account and then prorate the fee based on the date the initial trades are made in your Efficient Portfolio(s).

You may add cash to and withdraw funds from your account(s) at any time. If assets are deposited into or withdrawn from your account(s) after the beginning of a month, the fee payable will not be adjusted or prorated. In the event the total value of your account(s) fall below \$50,000 because of a withdrawal by you or any for some other reason, Efficient may terminate the Investment Management Agreement.

Efficient will pay your Advisor a portion of the management fee as his/her compensation for gathering the necessary financial data and assisting you in determining the suitability of your Efficient Portfolio(s), for maintaining an ongoing relationship with you, and

acting as your primary liaison with Efficient. The fee paid to your Advisor will not result in any additional charge to you. Efficient considers an advisor who has referred accounts in excess of \$10 million for our management to be an “Elite Advisor.” Because of the familiarity with the Efficient Portfolios and Efficient’s processes and procedures inherent in that level of combined business, Efficient shares an additional 0.15% of its management fee on all tiers with Elite Advisors. This additional amount will not change the total management fee paid by you. If Efficient manages your Advisor’s personal and/or family accounts, their employees’ and other associated persons’ personal and/or family accounts, we typically do not charge them a management fee.

Fees and Billing - Retirement Plans

For participant-directed retirement plans (such as 401(k) plans, 403(b) plans, 457 plans profit sharing plans and other defined contribution retirement plans, Efficient assesses its money management fee as outlined below. Please note that this schedule is different from the schedule outlined above because participant-directed retirement plans have a unique set of requirements including a more intricate set-up process, a more dynamic and complex regulatory scheme imposed by ERISA and a greater potential fiduciary burden because Efficient expressly assumes fiduciary status under ERISA Section 3(38) and/or Section 3(21) of ERISA. Additionally, the lower overall fees are due, in part, because retirement plan record keepers handle the majority of the day-to-day administration of the accounts, which alleviates Efficient from this responsibility.

Plan Assets	Efficient Advisors	Your Advisor	Total Annual Management Fee
Y First \$1,000,000	0.35%	0.90%	1.25%
Next \$2,000,000	0.25%	0.65%	0.90%
o Next \$2,000,000	0.20%	0.45%	0.65%
u Over \$5,000,000	0.15%	0.20%	0.35%

will authorize your retirement plan’s custodian to pay the management fee by debiting the plan account quarterly, in advance, based on the market value of your plan’s assets on the last day of the previous calendar quarter as valued by your account’s custodian. We calculate the initial quarter’s fee based on the market value of the plan on the date the plan goes “live” and then prorate from that date to the end of the current quarter.

We will aggregate your Advisor's assets in retirement plans with the assets in institutional accounts to determine if they meet the requirements of an Elite Advisor but due to the lower fee schedule and complexities outlined above Efficient does not share any additional amount of the fee from the retirement plans that they refer to us. We also maintain the right to negotiate the fees that we charge retirement plans.

Efficient Portfolios offered through Certain Brokerage Firms

Some clients are introduced to Efficient by brokerage firms who have made special arrangements for billing and payment. These arrangements may be different from arrangements most other clients have made with Efficient. The following are some of the specific differences to clients of these certain brokerage firms:

- Efficient may be responsible for the calculation and billing of your account(s) for its fee alone, but not your Advisor's fees. Your Advisor's fee may be governed by his/her relationship with his brokerage firm.
- Fees are billed in accordance with Efficient's agreement with the brokerage firm and your Advisor, which means that billing may be quarterly in advance or in arrears instead of monthly in advance.
- Accounts closed prior to the end of the calendar quarter may not receive a refund of management fees.
- The brokerage firm may collect all management fees from your account(s) and send Efficient its portion less an administrative and marketing fee, which is compensation to the brokerage firm or other advisor for, but not limited to, establishing and maintaining client accounts.
- Efficient's sole responsibility may be in managing your Efficient Portfolio in accordance with Efficient's established models.

Costs

Our management fees are separate and distinct from fees, commissions, transaction charges, or other costs charged by your brokerage firm or custodian. Fees and expenses charged by mutual funds will generally include a management fee and other fund expenses – see the mutual fund's prospectus for complete details. In addition, there may

be transaction charges involved with purchasing or selling securities. You should review all fees charged by mutual funds, Efficient, and others to understand the total amount of fees and expenses you will pay.

Some mutual funds and custodians charge a short-term redemption fee if a mutual fund is not held for a certain period. This holding period varies fund by fund and can be different at each custodian. Holding periods can be as short as 30 days or be longer than one year. Short-term redemption fees are most common on newer accounts because clients may commence management with Efficient only a few weeks or months prior to a change in the selected portfolio's asset allocation mix.

Termination of Our Services

Your Investment Management Agreement will continue in effect until terminated by you or Efficient by written notice to the other. If termination is on a day other than the last day of a billing period, Efficient will keep the unused portion of the prepaid management fee. Efficient will discontinue all services and responsibilities and you will release Efficient from all responsibilities as of the effective date of termination. You may request that your account(s) be liquidated upon termination of the Investment Management Agreement, but this request must be in writing. Liquidating your account(s) may result in a taxable capital gain (or loss) and may cause additional trading costs to be incurred. Please seek independent tax advice before deciding to liquidate your account(s). Efficient will have no responsibility for the tax consequences or trading costs resulting from the liquidation of your account(s).

You have the right to terminate your Investment Management Agreement without penalty within five (5) business days after entering into it. Termination will not affect the validity, liability and obligations taken by Efficient under your Investment Management Agreement of actions before the termination. At termination, Efficient will have no obligation to sell or take any action with regard to client's account(s). Your death will not terminate your Investment Management Agreement or authority granted to Efficient until we have received written notification of your death.

Performance-Based Fees and Side-By-Side Management

We do not accept performance-based fees – that is, fees based on a share of capital gains or appreciation of the assets of a client.

Types of Clients

We provide our advisory services to individual investors, pension and profit sharing plans, trusts, estates, charitable organizations, and businesses. While we do not require a minimum amount of assets to open an account or maintain an account, we charge a minimum annual fee of \$60.00 per investment account. See “*Advisory Business*” and “*Fees and Compensation*” above for more information.

Methods of Analysis, Investment Strategies, and Risk of Loss

Our methods of analysis are fundamental and technical. Our investment strategies include investing for the long term, which for us means longer than three (3) years. We make our asset allocation decisions based on economic research and the timing of these decisions follows no regular schedule. Ultimately, Efficient Portfolios’ assets are chosen through human direction rather than quantitative models.

Investing in securities involves risk of loss that you should be prepared to bear.

Investment values will fluctuate, are subject to market volatility, and may be worth more or less than original cost. All securities with the exception of U.S. Treasury bills involve the potential loss of principal. In addition, while we believe our methodology and investment strategy will be profitable, there is no assurance that this will be the case.

Efficient offers a variety of structured, long-term, globally diversified portfolios that are constructed primarily using exchange traded funds (ETFs). ETFs, when available, offer a low-cost, fee transparent, passively managed, indexed approach to investing. These portfolios have different risk and return characteristics as well as different time horizons. Investment returns in ETFs will fluctuate and ETFs are subject to market volatility. At any point, they may be worth more or less than their original cost. Some of our portfolios use alternative asset classes, such as managed futures mutual funds, within the portfolio to help mitigate the potential downside volatility of the stock and bond markets. There is no requirement that you use portfolios with alternative asset classes. There is always a risk that managed futures mutual funds used in Efficient Portfolios may not perform successfully. In these cases, there will be little diversification benefits with this alternative. You are encouraged to discuss the pros and cons of these alternatives with your Advisor.

Typically, we require you to sell securities in order to make funds available to purchase the assets that meet the standards of Efficient Portfolios. In these situations, there may be adverse tax consequences to you and we recommend that you consult your tax advisor to explore these consequences prior to executing our Investment Management Agreement.

Disciplinary Information

We are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Efficient Advisors, LLC or the integrity of our management. No legal or disciplinary events have been initiated against Efficient. Accordingly, we have no information that applies to this item.

Other Financial Industry Activities and Affiliations

We are required to disclose material relationships that we may have with related financial industry participants. In addition, we are required to disclose any conflicts of interest that these material relationships may create and provide you with information on how we address conflicts.

The Advisor Lab, LLC (“The Lab”), our parent company, markets its services to financial professionals, some of whom may also be advisors to Efficient’s clients. A. Lawain McNeil is the President of The Lab and an owner. Mr. McNeil is also the Chief Marketing Officer for Efficient and as such, he has direct contact with these advisors. Gerrit A. Fedele, Efficient’s President and Chief Compliance Officer, is The Lab’s Chief Operating Officer. Both Mr. McNeil and Mr. Fedele serve on Efficient’s investment committee.

Professional Capital Services, LLC (“PCS”) is a retirement plan record keeper and third party administrator. PCS is affiliated with The Lab and Efficient through common ownership. Mark B. Klein, Esq. is an owner and President of PCS, as well as, an owner and Chief Executive Officer of The Lab. Both The Lab and PCS market their services through financial advisors and may refer advisors to each other. The sales staff of PCS receives no incentive to refer business to Efficient. Mr. McNeil is also Chief Marketing Officer for PCS and Mr. Fedele is its Chief Operating Officer.

Fiduciary Advisors, LLC (“FA”), formerly named PCS Distributors, LLC, is a brokerage firm that is wholly owned by PCS, and therefore, affiliated to Efficient by common

ownership. Mr. Klein is FA's President. Peter Kisver, Efficient's Operations Supervisor, is FA's Chief Compliance Officer.

In addition, Mr. Klein is an attorney and partner of Dilworth Paxson, LLP, a Philadelphia-based law firm. Richard A. Shappell, CPA, is the Chief Financial Officer for Efficient, The Lab, PCS, FA and Dilworth Paxson, LLP.

The way that we address any conflicts created by these relationships is by disclosure of the relationships, proper supervision, and upholding Efficient's Code of Ethics. We review our supervised persons' personal trading activities quarterly and our Chief Compliance Officer maintains regular and frequent contact with each of our supervised persons. Annually, we engage an independent examiner to conduct an annual compliance review of our activities and to provide a report to our Chief Compliance Officer. Our Chief Compliance Officer addresses any concerns formally and provides his assessment to our owners.

We have arranged with William Z. Suplee IV, CFA, CFP[®], ChFC[®], to act as a member of our investment committee. Mr. Suplee is President of Structured Asset Management, a Pennsylvania registered investment adviser. His role on our investment committee is to provide his advice regarding our model allocations, specific security selection and operational issues that impact the portfolios such as rebalancing. We recognize that this arrangement may create a conflict of interest in that Mr. Suplee could provide advice that is contrary to advice he provides to clients of Structured Asset Management. We believe that this conflict is minimal since our investment committee has not given Mr. Suplee final authority to determine investments or their allocations, but merely relies on him to contribute his suggestions and experience to our decision-making process.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Efficient has adopted a formal Code of Ethics. This Code of Ethics includes requirements to make sure that we meet our fiduciary responsibilities:

1. We will put your interests before our interests.
2. You have the right to specify your investment objectives, guidelines, and/or conditions on the overall management of your account.

3. We will not make investment decisions for our personal portfolios if the decision is based on information that is not also available to the investing public.
4. We will not participate in private placements or initial public offerings (IPO's) that may effect your investments without disclosure to you.
5. We always make every effort to comply with all applicable federal and state regulations governing registered investment advisers.

The full text of our Code of Ethics is available to you on request.

On occasion, we may buy or sell securities that we recommend to clients. This practice would create a conflict of interest if the transactions were structured to trade on the market impact caused by recommendations made to our clients. Our clients' transactions and our own transactions usually trade in sufficiently broad markets where these transactions will not have an appreciable impact on the securities' market value. Our Chief Compliance Officer reviews our personal transactions quarterly to make sure that our personal transactions are consistent with advice given to clients.

Brokerage Practices

Selection of Brokerage and Custodial Services

You are free to select any brokerage firm or custodian you choose, as long as Efficient has established a relationship with them, can establish a relationship and/or is willing to establish one. Efficient is under no obligation or requirement to establish custodian relationships. We do so at our sole discretion.

Efficient may recommend that you establish brokerage accounts with TD Ameritrade Institutional, a division of TD Ameritrade, Inc. and TD Ameritrade Clearing, Inc., both registered broker-dealers and members of SIPC, to maintain custody of your assets and to effect transactions in your account. We believe that TD Ameritrade provides a high level of service at low transaction rates. TD Ameritrade seems to provide professional services, competitive transaction rates, volume discounts, negotiated execution prices, research and other services. Research services provided by TD Ameritrade are available to all of our clients, not just those who have accounts with TD Ameritrade. TD generally does not charge separately for custody but is compensated through commissions or other

transaction-related fees for securities trades that are executed through TD or that settle into TD accounts.

In addition, we find that often Advisors and their clients have established relationships with Charles Schwab & Co., Inc. Because of this, we have developed a relationship with Schwab Institutional (“Schwab”), a division of Charles Schwab & Co., Inc. Efficient may recommend that new clients establish brokerage accounts with Schwab to maintain custody of clients’ assets and to execute transactions in your accounts. Schwab provides Efficient with access to its trading and custody services, which may be generally available to independent investment advisors on an unsolicited basis, at no charge. We are not required to commit any specific amount of business (assets in custody or trading) to Schwab. Schwab’s services include brokerage, custody, research, and access to mutual funds and other investments that may usually require a significantly higher minimum initial investment. Schwab generally does not charge separately for custody but is compensated through commissions or other transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

There may be brokerage and execution services available elsewhere at lower cost.

Efficient’s Agreements with Certain Brokerage Firms

From time to time, we enter into agreements with brokerage firms where we pay a fee to the brokerage firm in exchange for access to its representatives. This access includes opportunities to speak to groups of representatives, participate in conferences sponsored by the brokerage firm, counsel with individual representatives, and provide Efficient’s marketing material to representatives who may decide to refer clients to us. This fee is normally calculated based on a percentage of revenue generated by client relationships resulting from these referrals or is based on a fixed fee agreement. Under certain of these arrangements, when a predetermined level of assets under management is reached, this fee may be increased.

Directed Brokerage

If you direct us to use a specific brokerage firm for brokerage or custodial services, you should be aware that there may be brokerage and execution services available elsewhere at lower cost. If your accounts are invested in mutual funds or variable annuities, these

directed brokerage arrangements might limit the investment options for Efficient to use in managing your account. Often the reasons for a brokerage firm to limit these options are many, such as the brokerage firm offers only its proprietary mutual funds or variable annuities or is paid a higher commission when the volume of a particular product attains a certain level. In addition, in directed brokerage arrangements, you are responsible for negotiating the brokerage firm's commission rates and other fees. Accordingly, you should consider whether directing brokerage to a particular firm may result in certain costs or disadvantages to you, either because you may pay higher commissions or obtain less favorable execution, or the designation limits the mutual fund and variable annuity options we use to manage your account (e.g., to "load" fund families or certain variable annuity products).

Clients subject to ERISA are required to confirm with Efficient that they have the authority to make the direction and that there are no provisions in their plan documents which are inconsistent with the direction to a particular brokerage firm. In addition, you must confirm that the brokerage and other services provided by the brokerage firm are provided solely to plan, plan participants and their beneficiaries. ERISA requires that the amounts paid for the brokerage and other services are reasonable, that expenses paid by the brokerage firm on the plan's behalf are expenses that the plan would otherwise be obligated to pay, and that the specific brokerage firm is not a party in interest of the client or the plan as defined under applicable ERISA regulations.

Aggregated Orders

When buying or selling the same securities for several clients at approximately the same time, Efficient may, but is not obligated to, combine or batch orders. Usually, we benefit when we batch orders because of several factors that may not occur if the orders are placed independently. These benefits may include:

- time savings,
- better execution prices,
- negotiation of more favorable transaction rates, or
- a more equitable allocation of prices or other costs among clients.

When aggregating, we usually average the transaction's price and costs, and then allocate among clients in an equitable way. Transactions made by different brokerage firms often carry different expenses and, as a result, it is possible to pay higher transaction costs, or greater spreads, or receive less favorable net prices on transactions than would otherwise be the case. We do not receive any additional compensation or remuneration of any kind because of the aggregation of client transactions.

Review of Accounts

Under the direction of the Chief Compliance Officer, qualified operations staff reviews each account after the entry of transactions and related reports received from the brokerage firm handling the account. Periodically (usually at least quarterly), a review of all accounts is conducted to determine if rebalancing and/or reallocating is necessary. Rebalancing involves reallocating assets to original asset targets. Reallocating involves setting new target asset category and/or new investment percentages.

We provide you with quarterly reports relating to the performance and holdings in your account. You will receive confirmations of each transaction from your brokerage firm and/or custodian. Your brokerage firm and/or custodian will send you account statements at least quarterly, and usually monthly. We urge you to compare these statements with reports that you receive from us. If there are any discrepancies, please contact us.

Client Referrals and Other Compensation

Compensation to Others

Efficient has several arrangements where we pay unaffiliated third parties. Generally, these arrangements are with independent financial planners, investment advisers, CPAs, and brokerage firms and their representatives who refer clients to Efficient.

These arrangements may serve as an inducement to them to refer clients to Efficient. The general circumstances for these arrangements are:

1. Efficient pays unaffiliated third parties for referring clients to Efficient Advisors. These arrangements are called "Solicitor's Agreements" and are permitted under federal regulations. Your Advisor is termed a "Solicitor" under Rule 206(4) (3) of the Investment Advisers Act of 1940. Among other things, your Advisor is

required to disclose to you, in writing, the amount he is paid by Efficient for referring you to Efficient. You will find this disclosure in Schedule B “Advisor Fee Disclosure Statement” in your Investment Management Agreement.

2. Efficient pays a fee to some brokerage firms for the privilege of speaking to their representatives. For more information about this, see *Efficient’s Agreements with Certain Brokerage Firms* under “Brokerage Practices” above.
3. Efficient may cover certain marketing and administrative costs, which would normally be borne by your Advisor. Our payment to your Advisor will naturally increase the net revenue to your Advisor, and therefore gives your Advisor an incentive to refer clients to Efficient instead of an alternative portfolio manager.
4. Efficient may offer your Advisor for his client referrals a reduced subscription rate to The Advisor Lab’s suite of products. This discount is generally scaled based on the total amount of assets referred by your Advisor and may result in your Advisor receiving the subscription at no cost.
5. Efficient may also pay other unaffiliated Financial Advisors for providing administrative and marketing support to your Advisor.

NonCash Compensation

As discussed in *Selection of Brokerage and Custodial Services* under “Brokerage and Custodian Services” above, we participate in TD Ameritrade’s and Schwab’s institutional programs. There is no direct link between our participation in the program and the investment advice we give to our clients. However, Efficient receives economic benefits through participation in the program. These benefits include:

- receipt of duplicate client confirmations;
- access to a trading desk
- ability to aggregate transactions for execution and then allocate to client accounts;
- ability to have advisory fees deducted directly from client accounts;

- access to an electronic communications network for client order entry and account information;
- access to mutual funds with no transaction fees and to certain institutional money managers; and
- discounts on, marketing, technology, compliance and practice management or services provided by third party vendors.

These benefits do not depend on the amount of brokerage transactions directed to TD Ameritrade or to Schwab and may benefit Efficient without additional benefits to our clients.

Many of these services generally may be used to service all or a substantial number of our client accounts, including accounts not maintained at TD or Schwab.

While our goal is always to act in your interests, our recommendation that you maintain your account at TD Ameritrade or Schwab could be based in part on the benefits we receive. We have developed a review procedure to address these conflicts: Quarterly, we review TD Ameritrade's and Schwab's quality of execution reports to make sure that execution quality is in line with other brokerage firms. Annually, we compare their costs and benefits to similar brokerage firms. It may be that the advantages of a consolidated account with centralized bookkeeping and reporting, direct access to funds with a single telephone call, and cheaper commission rates on individual stocks and bonds than are available through other brokerage firms far outweigh some of the costs of doing business with TD Ameritrade and/or Schwab.

Custody

All investments will be held in your name and you have the right to withdraw any individual investment in kind as well as to vote any investment shares held in your account.

We do not intend to have custody of any of your funds or securities. This is a reason you will use an independently qualified custodian or brokerage firm to maintain your funds and securities.

You will not authorize Efficient or your Advisor to withdraw or transfer any money, securities or property held in your account, except for the withdrawal of our advisory fees. We do not accept funds and securities on your behalf, nor do we issue instructions to your custodian for withdrawals of funds or securities without a written instruction from you for each withdrawal.

Periodically, you will receive account statements from your brokerage firm or custodian. You will also have access to reports from us on our website. We urge you to compare account statements you receive from your brokerage firm or custodian with these reports. Please let us know if there are any discrepancies.

Investment Discretion

You will give Efficient the authority to use discretion in the selection and amount of securities to be bought or sold, and commissions paid. Our investment authority may be subject to specified investment objectives, guidelines, and/or conditions imposed by you in writing prior to inception of the Efficient Portfolio. While you may specify the brokerage firm to be used for brokerage services and execution of transactions, you will also authorize Efficient Advisors to use its discretion to change to another brokerage firm, bank or financial institution unless you object in writing within twenty (20) days of learning of the appointment. Where Efficient has discretion to select brokerage, our general guiding principal is to obtain the best overall execution for each client in each trade, which is a combination of price and execution. Efficient considers a number of judgmental factors about execution. These factors include, without limitation, the actual handling of the order, the ability of the broker to settle the trade promptly and accurately, the financial standing of the broker, the ability of the broker to position stock to facilitate execution, our experience with similar trades, if any, and other factors that may be unique to a particular order. Recognizing the value of these judgmental factors, we may recommend or select brokerage firms who charge a brokerage commission that is higher than the lowest commission that might otherwise be available for any given trade.

Voting Client Securities

Efficient will not take any action or give any advice about voting of proxies solicited by the issuers of your securities. On rare occasions and only at your specific request will we offer advice about corporate actions and the exercise of proxy voting rights. Although

Efficient has discretion over client accounts, Efficient will not be responsible for handling client claims in class action lawsuits involving securities owned by you.

Financial Information

Efficient is required to provide you with certain financial information or disclosure about its financial condition. Efficient has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients nor has it been the subject of a bankruptcy proceeding.

Requirements for State-Registered Advisers

This item does not apply to Efficient.



Efficient Advisors, LLC
1500 Market Street, Suite 3310E
Philadelphia, PA 19102
(267) 613-6250

**Brochure Supplement:
Gerrit A. Fedele**

January 1, 2011

This brochure provides information about Gerrit A. Fedele that supplements Efficient's brochure. You should have received a copy of that brochure. Please contact Gerrit A. Fedele, Efficient's Chief Compliance Officer, if you did not receive Efficient's brochure or if you have any questions about the contents of this supplement.

Additional information about Gerrit A. Fedele also is available on the SEC's website at www.adviserinfo.sec.gov.

Educational Background and Business Experience

Gerrit A. Fedele (1971)

Formal Education:

- Kennesaw State University, MS Information Systems, 2003
- Bucknell University, BS Business Administration, 1993

Business Background:

Efficient Advisors, LLC

- President, 05/2010 to present
- Chief Compliance Officer, 05/2009 to present
- Investment Committee member, 05/2009 to present
- Chief Operating Officer, 06/2009 to 05/2010

The Advisor Lab, LLC

- Chief Operating Officer, 05/2010 to present
- Director of Operations, 03/2009 to 05/2010

Professional Capital Services, LLC

- Chief Operating Officer, 08/2010 to present

Bell Capital Management, Inc.

- Sr. Business Consultant, 01/2006 to 02/2009
- Director of Technology, 09/1998 to 02/2009

Disciplinary Information

No information is applicable to this item for Mr. Fedele.

Other Business Activities

In addition to his position with Efficient, Mr. Fedele serves as Chief Operating Officer of The Advisor Lab, Efficient's parent company, and Professional Capital Services, which is affiliated to The Advisor Lab through common ownership. Mr. Fedele divides his time evenly amongst the three entities.

Additional Compensation

Mr. Fedele does not receive any additional compensation from non-clients for providing advisory services.

Supervision

We have no supervisors senior to Mr. Fedele. Mr. Fedele is responsible for his own supervision. He adheres to high standards of ethical behavior and our Code of Ethics.

Requirements for State-Registered Advisers

This item does not apply to Mr. Fedele.



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**Brochure Supplement:
A. Lawain McNeil**

January 1, 2011

This brochure provides information about A. Lawain McNeil that supplements Efficient's brochure. You should have received a copy of that brochure. Please contact Gerrit A. Fedele, Efficient's Chief Compliance Officer, if you did not receive Efficient's brochure or if you have any questions about the contents of this supplement.

Additional information about A. Lawain McNeil also is available on the SEC's website at www.adviserinfo.sec.gov.

Educational Background and Business Experience

A. Lawain McNeil (1964)

Formal Education:

- Cincinnati Christian University, BS Theology, Biblical Studies, 1986

Business Background:

Efficient Advisors, LLC

- Chief Marketing Officer, 05/2010 to present
- Investment Committee member, 05/2009 to present
- Chief Executive Officer, 06/2009 to 05/2010

The Advisor Lab, LLC

- President, 03/2009 to present

Professional Capital Services, LLC

- Chief Marketing Officer, 08/2010 to present

Abundance Technologies, Inc.

- Executive Vice President, 09/2005 to 12/2008
- Chief Compliance Officer, 09/2005 to 11/2006
- Director of Sales, 09/2000 to 09/2005

Disciplinary Information

No information is applicable to this item for Mr. McNeil.

Other Business Activities

In addition to his role at Efficient, Mr. McNeil spends a significant amount of his time working as President of The Advisor Lab, Efficient's parent company. Mr. McNeil also assists Professional Capital Services ("PCS") as Chief Marketing Officer. PCS is affiliated to The Advisor Lab due to common ownership.

Additional Compensation

Mr. McNeil does not receive any additional compensation from non-clients for providing advisory services.

Supervision

Gerrit A. Fedele, President and Chief Compliance Officer, is responsible for monitoring Mr. McNeil's advisory activities. Mr. McNeil's advisory activities include marketing

Efficient's advisory services to financial advisors and participating as a member of Efficient's Investment Committee. Mr. Fedele supervises Mr. McNeil's marketing activities by reviewing and approving Mr. McNeil's correspondence and promotional materials. Mr. Fedele reviews Mr. McNeil's personal securities trading quarterly to determine if Mr. McNeil's investments are in agreement with Efficient's Code of Ethics. Mr. Fedele's telephone number is (267) 613-6250.

Requirements for State-Registered Advisers

This item does not apply to Mr. McNeil.



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**Brochure Supplement:
William Z. Suplee IV**

January 1, 2011

This brochure provides information about William Z. Suplee IV that supplements Efficient's brochure. You should have received a copy of that brochure. Please contact Gerrit A. Fedele, Efficient's Chief Compliance Officer, if you did not receive Efficient's brochure or if you have any questions about the contents of this supplement.

Additional information about William Z. Suplee IV also is available on the SEC's website at www.adviserinfo.sec.gov.

Educational Background and Business Experience

William Z. Suplee IV (1954)

Formal Education:

- St. Joseph University, MBA Finance
- Ursinus College, BS Finance

Professional designations:

- Chartered Financial Analyst - CFA[®]
- Certified Financial Planner - CFP[®]
- Chartered Financial Consultant - ChFC[®]
- Chartered Advisor for Senior Living - CASL[®]
- Accredited Investment Fiduciary - AIF[®]

Business Background:

Efficient Advisors, LLC

- Investment Committee, 11/2010 to present

Structured Asset Management Inc.

- President, 10/2003 to present
- Chief Compliance Officer, 10/2003 to present

Lewis Corporation

- Portfolio Manager, 02/1986 to 06/2000

The Charter Financial Analyst (CFA) charter is awarded by CFA Institute. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

CFP[®] certification, a professional certification granted by Certified Financial Planner Board of Standards, Inc. (“CFP Board”), is recognized in the United States and a number of other countries for its (1) standard of professional education; (2) code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. In order to receive this designation, Mr. Suplee was required to complete the CFP Board’s studies, pass a comprehensive CFP[®] Certified Examination, complete at least three years of full-time financial planning-related experience, and agree to abide by CFP Board’s Standards

of Professional Conduct. In order to maintain this designation, Mr. Suplee completes 30 hours of continuing education every two years and renews his agreement to abide by the Standards of Professional Conduct.¹

Chartered Financial Consultant® (ChFC®) and Chartered Advisor for Senior Living (CASL®) are designations awarded by The American College Certification Committee to individuals who have successfully completed an initial and ongoing certification requirements. The initial requirements include a three years industry experience, ethics standards and an agreement to comply with The American College Code of Ethics and Procedures. Ongoing requirements include annual continuing education.²

The Accredited Investment Fiduciary® (AIF®) is administered by the Center for Fiduciary Studies, LLC. The designation certifies that the recipient has specialized knowledge of fiduciary standards of care and their application to the investment management process. To receive the AIF® designation, individuals must complete a training program, successfully pass a comprehensive, closed-book final examination under the supervision of a proctor and agree to abide by the AIF® Code of Ethics. In order to maintain the AIF® designation, the individual must annually renew their affirmation of the AIF® Code of Ethics and complete six hours of continuing education credits.³

Disciplinary Information

No information is applicable to this item for Mr. Suplee.

Other Business Activities

In addition to his role at Efficient, Mr. Suplee's primary occupation is President of Structured Asset Management, a Pennsylvania registered investment adviser. Efficient has no affiliation or business interest in Structured Asset Management. Mr. Suplee's role on our investment committee is to provide his advice regarding our model allocations, specific security selection and operational issues impacting rebalancing decisions. We recognize that this arrangement may create a conflict of interest in that Mr. Suplee could provide advice that is contrary to advice he provides to clients of Structured Asset Management. We believe that this conflict is minimal since our investment committee

¹ Source: Certified Financial Planning Board of Standards website.

² Source: The American College website.

³ Source: The National Association of Personal Financial Advisors website.

has not given Mr. Suplee final authority to determine investments and their allocations, but merely relies on him to contribute his suggestions and experience to our decision-making process. He is not involved with Efficient's marketing or operations.

Additional Compensation

Mr. Suplee receives compensation from non-clients of Efficient for providing advisory services through his Pennsylvania registered investment advisory firm.

Supervision

Gerrit A. Fedele, President and Chief Compliance Officer, is responsible for monitoring Mr. Suplee's advisory activities. Mr. Suplee's advisory activities include participating as a member of Efficient's Investment Committee. Mr. Fedele's telephone number is (267) 613-6250.

Requirements for State-Registered Advisers

This item does not apply to Mr. Suplee.



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**Brochure Supplement:
Peter T. Kisver**

January 1, 2011

This brochure provides information about Peter T. Kisver that supplements Efficient's brochure. You should have received a copy of that brochure. Please contact Gerrit A. Fedele, Efficient's Chief Compliance Officer, if you did not receive Efficient's brochure or if you have any questions about the contents of this supplement.

Additional information about Peter T. Kisver also is available on the SEC's website at www.adviserinfo.sec.gov.

Educational Background and Business Experience

Peter T. Kisver (1974)

Formal Education:

- Pennsylvania State University, B.S. Finance, 1996

Business Background:

Efficient Advisors, LLC

- Compliance Director, 07/2010 to present
- Operations Supervisor, 07/2010 to present

Fiduciary Advisors, LLC (formerly PCS Distributors, LLC)

- Chief Compliance Officer, 03/2011 to present
- Registered Principal, 07/2010 to present

Lambert Advisors and Purshe Kaplan Sterling

- Operations and Compliance, 02/2010 to 07/2010
- Registered Principal, 02/2010 to 07/2010

First Senior Financial Group

- Investment Analyst, 08/2009 to 02/2010

Investors Capital Corporation

- Registered Principal, 08/2009 to 02/2010

Capital Analysts, Inc.

- Branch Operations Manager, 07/2006 to 05/2009
- Registered Principal, 07/2006 to 05/2009

BCG Securities, Inc.

- Operations Manager, 01/2001 to 07/2006
- Registered Principal, 01/2001 to 07/2006

Disciplinary Information

No information is applicable to this item for Mr. Kisver.

Other Business Activities

Mr. Kisver divides his time between Efficient Advisors and Fiduciary Advisors. He is responsible for overseeing the day-to-day operational activities for both entities.

Fiduciary Advisors is a broker/dealer that is affiliated to Efficient Advisors through common ownership of their parent companies.

Additional Compensation

Mr. Kisver does not receive any additional compensation from non-clients for providing advisory services.

Supervision

Gerrit A. Fedele, President and Chief Compliance Officer, is responsible for monitoring Mr. Kisver's advisory activities. Mr. Kisver's advisory activities include supervision of operations staff and handling client transactions. Mr. Fedele supervises Mr. Kisver's operations activities by meeting with Mr. Kisver, usually no less than weekly, to discuss and review operations staff and the handling of client accounts and transactions. Mr. Fedele reviews Mr. Kisver's personal securities trading quarterly to determine if Mr. Kisver's investments are in agreement with Efficient's Code of Ethics. Mr. Fedele's telephone number is (267) 613-6250.

Requirements for State-Registered Advisers

This item does not apply to Mr. Kisver.

FACTS
WHAT DOES EFFICIENT ADVISORS, LLC DO WITH YOUR PERSONAL INFORMATION?

Why?	<p>Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.</p>
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> ■ Social Security number and income ■ Employment information and wire transfer instructions ■ Investment experience and risk tolerance <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>
How?	<p>All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Efficient Advisors, LLC chooses to share; and whether you can limit this sharing.</p>

Reasons we can share your personal information	Does Efficient Advisors, LLC share?	Can you limit this sharing?
For our everyday business purposes— such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes— to offer our products and services to you	Yes	No
For joint marketing with other financial companies	No	We do not share
For our affiliates' everyday business purposes— information about your transactions and experiences	No	We do not share
For our affiliates' everyday business purposes— information about your creditworthiness	No	We do not share
For nonaffiliates to market to you	No	We do not share

Questions? Go to www.efficientadvisors.com

What we do	
How does Efficient Advisors, LLC protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does Efficient Advisors, LLC collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> ■ open an account or make deposits or withdrawals from your account ■ seek advice about your investments or tell us about your investment or retirement portfolio ■ enter into an investment advisory contract <p>We also collect your personal information from other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> ■ sharing for affiliates' everyday business purposes—information about your creditworthiness ■ affiliates from using your information to market to you ■ sharing for nonaffiliates to market to you

Definitions	
Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ■ <i>Our affiliates include financial companies such as Fiduciary Advisors, LLC; nonfinancial companies, such as The Advisor Lab, LLC; and others, such as Professional Capital Services, LLC.</i>
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ■ <i>Efficient Advisors, LLC does not share with nonaffiliates so they can market to you.</i>
Joint marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <p><i>Efficient Advisors, LLC doesn't jointly market.</i></p>



Business Continuity in the Event of Emergency

At Efficient Advisors, we recognize how heavily our clients rely on our systems and services. We also recognize that the unexpected can and does occur--from simple situations to major outages. We have developed a Business Continuity Plan which describes how we will respond to events that significantly disrupt our business. Since the timing and impact of disasters and disruptions is unpredictable, we will have to be flexible in responding to actual events as they occur. With that in mind, we are providing you with the following information:

Contacting Us – If after a significant business disruption you cannot contact us as you usually do through our website, www.efficientadvisors.com, you may also try our toll-free phone number (888) 320-6250. If you cannot access us through either of those means, you should contact the custodian of your assets, such as TD Ameritrade, Schwab Institutional, or National Financial, for instructions on how it may provide prompt access to funds and securities, process trade-related, cash and security transactions.

Our Business Continuity Plan – We plan to quickly recover and resume business operations after a significant business disruption and respond by safeguarding our employees and property, making a financial and operational assessment, protecting the firm's books and records, and allowing our customers to transact business. In short, our business continuity plan is designed to permit our firm to resume operations as quickly as possible, given the scope and severity of the significant business disruption.

Our business continuity plan addresses data back up and recovery; all mission critical systems; financial and operational assessments; alternative communications with customers, employees, and regulators; alternate physical location of employees; critical supplier, contractor, bank and counter-party impact; regulatory reporting; and assuring our customers prompt access to their funds and securities if we are unable to continue our business.

Your custodian (TD Ameritrade, Schwab Institutional, National Financial, etc.) backs up your important records in a geographically separate area. While every emergency situation poses unique problems based on external factors, such as time of day and the severity of the disruption, your custodian's objective is to restore its own operations and be able to complete existing transactions and accept new transactions and payments within a short time period. Your orders and requests for funds and securities could be delayed during this period.

Varying Disruptions – Significant business disruptions can vary in their scope, such as only our firm, a single building housing our firm, the business district where our firm is located, the city where we are located, or the whole region. Within each of these areas, the severity of the disruption can also vary from minimal to severe. In a disruption to only our firm or a building housing our firm, we will transfer our operations to a local site when needed and expect to recover and resume business within a few hours. In a disruption affecting our business district, city, or region, we will transfer our operations to a site outside of the affected area, and recover and resume business within a few days. In either situation, we plan to continue in business and notify you through our emergency number, (888) 320-6250, for the best way to contact us. If the significant business disruption is so severe that it prevents us from remaining in business, we will assure our customer's prompt access to their funds and securities.

For more information – If you have questions about our business continuity planning, please contact Gerrit Fedele, our President, at (888) 320-6250.