



FBR CAPITAL MARKETS CORPORATION
CORPORATE FAMILY'S

PRIVACY POLICY



1001 Nineteenth Street North
Arlington, VA 22209

www.fbrcapitalmarkets.com

Provided by

FBR Capital Markets & Co.

FBR Investment Management, Inc.

FBR Investment Services, Inc.

FBR Fund Advisers, Inc.

The FBR Funds

At FBR Capital Markets Corporation and its related companies listed on this privacy policy (together “FBR Companies”), preserving and protecting the privacy and confidentiality of our customer’s personally identifiable information is a top priority. You are receiving this privacy notice because you are either a customer of one or more of the FBR Companies, or you are considering becoming our customer. We are sending you this privacy notice to help you understand how we handle the personally identifiable information about you that we collect. For purposes of this privacy policy, the term “customer“ refers to individuals who obtain financial products or services primarily for personal, family, or household purposes.

The FBR Companies operate in several different lines of business, including investment banking, brokerage, and asset management. This privacy policy applies to the FBR Companies, and applies to current as well as former customers, unless otherwise noted. We reserve the right to modify this policy at any time and will notify you of changes as required by law.

To assure the continued privacy and confidentiality of your personally identifiable information, the FBR Companies observe the following policies and practices.

The Information We Collect About You

We collect personally identifiable information about our customers primarily in two ways.

First, we collect personally identifiable information that you provide to us when you open an account, fill out an application or register for one of our services. The information we collect may include name, address, phone number, email address, Social Security number, assets, income and information about your interests, investments, financial objectives and investment experience.

Second, once you have an account with the FBR Companies, we collect and maintain personally identifiable information about your transactions, including balances, positions, activity and history.

We may also obtain other personally identifiable information about you from sources such as consumer reporting agencies when you apply for credit or other products and when we monitor accounts for collection.

What We Do With Your Information

Unless permitted by law, we will not share or disclose personally identifiable information to third parties. For example, we may disclose information to third parties that we contract with to perform services for us. We may also disclose personally identifiable information to other financial institutions with whom we have joint marketing agreements or to whom we may transfer your account in connection with a proposed or actual sale, merger, transfer or exchange of all or a portion of a business or operating unit.

With respect to sharing or disclosing information among the FBR Companies or other companies affiliated with us, we may share or disclose personally identifiable information to the full extent permitted by law. As described below, you may elect to limit this sharing or disclosure concerning certain kinds of information.

Examples of information sharing we may do, as permitted by law, include:

- We may share your personally identifiable information among the FBR Companies. This would include, for example, sharing your personally identifiable information with FBR Investment Management, Inc. to make you aware of the asset management services available.
- In certain instances, we may contract with third parties to perform services for us related to processing or administering your account. In all such cases, we provide the third party with only the information necessary to carry out its contracted responsibilities and only for that purpose. We also require such third parties to follow appropriate standards of security and confidentiality with customer information.
- In order to complete certain transactions or account changes that you direct, it may be necessary for us to provide personally identifiable information to third parties. For example, if you ask to transfer assets

from another financial institution to one of the FBR Companies, we will need to provide certain information about you to that company to complete the transaction.

- We may release your personally identifiable information if you direct us to do so, or if we are required by law or regulation to do so; for example, in response to a subpoena, and to comply with rules of, or inquiries from, industry regulators.
- Vermont Residents: except as permitted by Vermont law, we will not share your personally identifiable information with third parties or within the FBR Companies.
- California Residents: except as permitted by California law, we will not share your personally identifiable information with third parties.

How We Safeguard Your Information

The FBR Companies restrict access to your personally identifiable information to those employees of the FBR Companies with a business need for the information, for example, those who need to know the information to provide products and services to you. They are required to respect the confidentiality of all customer information. Moreover, we maintain physical, electronic, and procedural safeguards that comply with federal standards to protect your personal information.

Your Opt-Out Choice Regarding Certain Information

If you complete and return the attached Opt-Out Reply Form, we will not share among the FBR Companies or other companies affiliated with us your personally identifiable information that we may use in determining your eligibility for products and services (“Eligibility Information”) unless permitted to do so under the federal Fair Credit Reporting Act. For example, the Act permits us to share your name, address and transaction and experience information among the FBR Companies.

Should you want to discuss this notice or the FBR Companies’ privacy policy at anytime please feel free to contact us at 800.846.8186. Our privacy policy may also be found on our web site at www.fbrcapitalmarkets.com.

OPT-OUT REPLY FORM

If you prefer that we limit disclosure of your Eligibility Information among the FBR Companies or other companies affiliated with us to that permitted by law, please complete and return this form either in person or by mail to the following address:

FBR Capital Markets Corporation
1001 Nineteenth Street North
Arlington, VA 22209
Attention: Privacy Opt-Out The FBR Funds

FBR Account Number(s)

Name

Address

City/State/Zip Code

Social Security or Tax I.D. Number

Date

Signature

Tear at perforation