



## Advisor Profile

**Risk Category:** Aggressive

**Hypothetical 3 YR Average Return:\*** 11.0%

**Hypothetical 5 YR Average Return:\*** 17.1%

**Assumed Initial Investment:** \$75,000

**Hypothetical Maximum Drawdown:\*** -17.8

**Hypothetical Performance as of:** March 31, 2012

The Halbert Wealth Management (HWM) Legacy Portfolios are combinations of the actively managed investments available in our **AdvisorLink®** Program. As the word "Legacy" implies, these illustrations are designed to both preserve and build wealth over time so that your assets are there for you and your family when needed.

The primary purpose of the Legacy Portfolios is to demonstrate the benefits of active management strategies as a diversification tool. Each of the participating money managers has a different investment strategy and approach to the market. Hypothetical performance illustrations allow you to see how each Portfolio would have performed based on a given weighting of the participating managers' actual historical track records.

The various Legacy Portfolio Illustrations have been developed to reflect two primary goals of diversifying with alternative investment strategies. First, the **Legacy 450, 650 and 850 Portfolios** offer combinations of actively managed investment strategies that seek to provide absolute returns and control risks.

The **Legacy Long/Short Multi-Index Portfolio Illustration**, on the other hand, seeks to maximize returns through the use of aggressive money management techniques such as leverage and long/short trading strategies. The Long/Short strategies carry a higher degree of risk, but also provide a greater potential for gain over time.

For illustration purposes, the Legacy Long/Short Multi-Index Portfolio assumes equally weighted allocations at inception and periodic rebalancing at your option. Keep in mind, however, that each Legacy Portfolio is simply an illustration that provides a starting point from which you can work with your HWM Investment Consultant to tailor an actively managed portfolio that meets your particular needs and objectives.

### The Legacy Long/Short Multi-Index Portfolio

Unlike most of the Legacy Portfolios that have names indicating the assumed level of investment, the Long/Short Multi-Index (LSMI) Portfolio is named to reflect the aggressive portfolio strategies included in this program. Two of the money managers in the LSMI Portfolio not only engage in long and short trading strategies, but also use leverage to amplify the investment results. The third manager moves in and out of high-yield bond mutual funds, providing a long-or-cash approach to this asset class.

Both leverage and short trading capabilities are provided through specialized index mutual funds rather than margin accounts in conventional brokerage accounts. Various mutual funds offered by the Rydex family of mutual funds provide positive and inverse exposure to various stock and bond indexes on a leveraged basis. As a result, tax-qualified accounts can participate in these strategies without restriction.

The LSMI Portfolio provides an aggressive exposure to the S&P 500 Index, high-yield corporate bonds and 30-year Treasury Bonds. The combinations of these featured money managers provide the potential to make money in both up and down markets on a leveraged basis. While some of the individual strategies are quite aggressive, the combination of these non-correlated strategies trading different asset classes can serve to actually reduce volatility at the portfolio level.

Investments are initially allocated equally among the portfolio managers, requiring an initial investment of \$75,000 or more. While aggressive investment strategies such as those employed in the LSMI Portfolio can provide additional diversification, it is usually best to limit such strategies to no more than 10% to 20% of investable assets.

\* Past performance does not guarantee future results. See important performance disclosures on Page 4 of this Profile.

The remainder of this Profile will discuss the background and investment strategies employed by each of the individual money managers used in the Legacy Long/Short Multi-Index Portfolio. Detailed hypothetical performance statistics are also provided based on the actual track records of the participating Advisors.

## The Money Managers and Investment Strategies

### **Scotia Partners Growth S&P Plus Program:**

The Scotia Partners trading model employs an aggressive approach to active management by seeking opportunities to invest in S&P 500 leveraged index funds, both long and short. The objective of the model is to provide positive returns regardless of market conditions over a period of several months, with significantly reduced market exposure.

Using technical analysis, the basic Scotia trading model calculates both long-term and intermediate-term market trends for the S&P 500 Index. If the long-term and intermediate-term indicators are in agreement with one another, the basic model then looks for short-term movement against those trends, to take advantage of the probabilities in favor of "reversion to the mean". Portfolio Manager, Cliff Montgomery, describes this part of his model as being trend-following in the long term, but contrarian in the short term.

In addition to the basic mean reversion trading model, the Growth S&P Plus also has an overbought/oversold signal that provides additional trading opportunities. The overbought/oversold signal can generate a trade without regard to the overall long- and intermediate-term trends governing the basic system described above.

The Scotia trading model is a 100% mechanical trading system that uses long and inverse Rydex funds that provide a 200% exposure to the daily movement of the S&P 500 Index.

### **Hg Capital Long/Short Government Bond:**

The Hg Capital Long/Short Government Bond (LSGB) trading model is an aggressive way to invest in 30-year Treasury bonds. Since the underlying price of a 30-year Treasury bond is largely determined by prevailing long-term interest rates (yield), trends in long-term interest rates and bond prices offer both long and short trading opportunities for Hg's model.

Hg Capital's bond trading model is based on a unique quantitative approach. Hg has identified a number of what they call "rules" that have been incorporated into their system. In essence, these rules are actual observations of historical market activity, as opposed to technical or fundamental analysis of the bond markets or underlying funds. The goal of this strategy is to produce capital gains by trading on the short-term price movements of the 30-year Treasury bond.

Each day, Hg Capital enters current market data into their computer model, where their software searches among the

stored observations to determine which single rule is the most likely, from a statistical standpoint, to be indicative of the market's action during the next trading day.

The Hg Capital trading model is 100% mechanical and does not take scaled or partial positions. As a result, accounts will be either 100% long, 100% short or 100% neutral on any given trading day. Hg's methodology also does not employ any formal stop-loss techniques. However, no signal lasts for more than one trading day, so the effect of a bad trade may be limited by its short duration.

### **Sojourn Financial Columbus High-Yield Bond Program:**

The Columbus High-Yield Bond Program (CHYB) moves in and out of the high-yield bond market based on signals generated by its proprietary methodology. It is important to note that model does not try to predict future bond price movements. Instead, it seeks to identify and confirm trends in the high-yield bond market and position accounts accordingly.

Signals are generated at the individual mutual fund level so client accounts may be fully or partially invested in a variety of high-yield related mutual funds, including traditional high-yield bond mutual funds, high-yield index mutual funds, multi-sector bond funds and funds investing in floating rate bank loans. This mix of high-yield debt exposure allows for additional portfolio diversification.

CHYB does not use leverage in its trading activities and does not, as a rule, use specialized mutual funds that "short" the high-yield bond market. To help control risk, Sojourn employs trailing stop orders that close out trades should losses exceed a certain percentage of market price.

## Administration and How to Invest

The structure of each Legacy Portfolio is an equally weighted investment in each of the applicable AdvisorLink programs. Periodic rebalancing is available at the client's option but is not required. Assets are held in individual accounts, one for each money manager.

To obtain more information, request paperwork necessary to invest or discuss whether the **Legacy Long/Short Multi-Index Portfolio** may be a suitable investment for you, please contact one of our Investment Consultants by calling **1-800-348-3601**. You may also send an e-mail requesting information to [info@halbertywealth.com](mailto:info@halbertywealth.com). Be sure to read all Important Information found on Page 4 of this Profile, including inherent limitations in using hypothetical numbers, as well as all of the enclosed offering materials for each individual **AdvisorLink®** program represented.

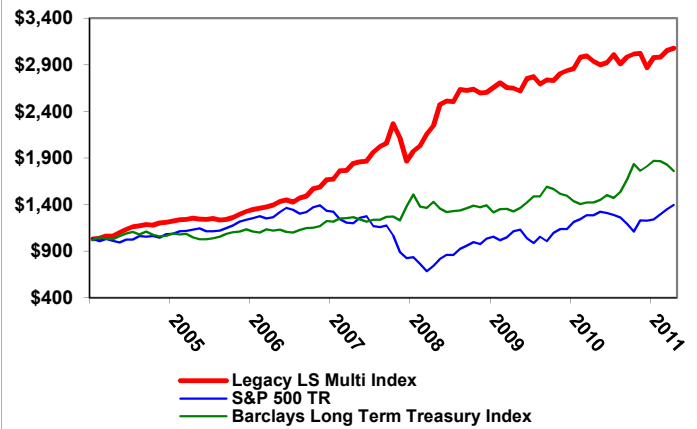
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## Hypothetical Performance Results

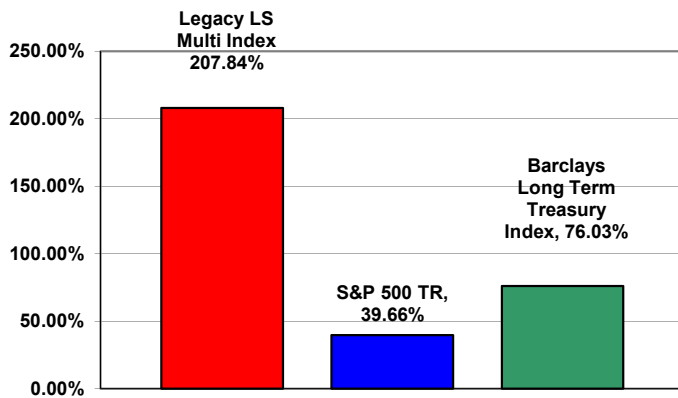
### Summary

	Legacy LS Multi Index	S&P 500 TR	Barclays Long Term Treasury Index
Beginning Month	Dec-04	Dec-04	Dec-04
Ending Month	Mar-12	Mar-12	Mar-12
Total Return	207.8%	39.7%	76.0%
Annualized Return	16.6%	4.7%	8.0%
Three Year Avg Return	11.0%	23.4%	7.1%
Five Year Avg Return	17.1%	2.0%	9.4%
Worst Drawdown	(17.8)%	(50.9)%	(12.9)%
Current Losing Streak	0.0%	0.0%	(5.8)%
Standard Deviation	10.3%	16.2%	11.5%
Alpha (Annualized)		16.9%	18.2%
Beta		0.04	(0.10)
R-Squared		0.00	0.01
Sharpe (2.00%)	1.35	0.24	0.55
Semi Deviation	10.2%	18.9%	10.6%

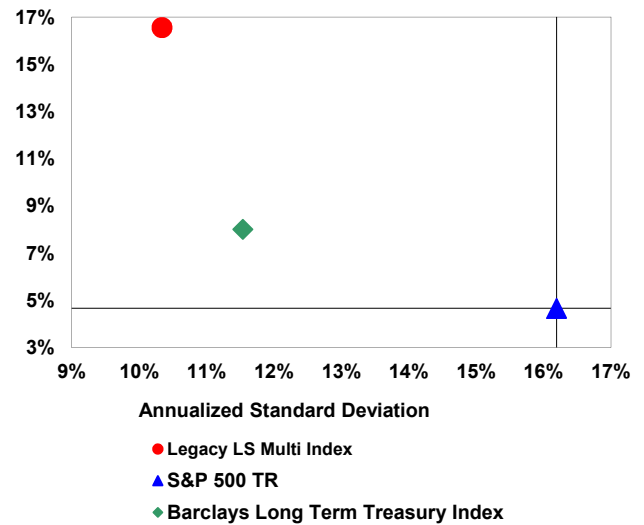
### Growth of \$1000 Investment



### Total Returns Since Inception



### Risk vs. Return Scatterplot Since Inception



### Hypothetical Annual Performance Net of Fees

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2012	0.07%	2.50%	0.74%										3.33%
2011	4.30%	0.50%	(1.98)%	(1.26)%	0.83%	2.92%	(3.31)%	2.60%	0.98%	0.26%	(5.05)%	3.79%	4.18%
2010	1.97%	(1.96)%	(0.17)%	(1.19)%	5.07%	0.81%	(2.94)%	1.75%	(0.33)%	2.78%	1.17%	0.71%	7.67%
2009	2.83%	6.28%	4.23%	9.99%	1.59%	(0.33)%	5.26%	(0.41)%	0.60%	(1.62)%	0.26%	1.98%	34.55%
2008	5.44%	0.23%	4.29%	0.91%	0.27%	5.23%	3.19%	1.57%	10.21%	(6.56)%	(11.97)%	5.84%	17.98%
2007	0.85%	1.04%	1.61%	2.77%	1.06%	(1.72)%	3.20%	1.38%	5.26%	1.27%	4.79%	0.46%	24.08%
2006	1.15%	0.32%	0.98%	(0.79)%	(0.28)%	0.91%	(1.47)%	0.68%	1.68%	2.64%	2.49%	1.54%	10.21%
2005	0.61%	2.33%	(0.05)%	3.71%	3.06%	2.56%	0.89%	1.10%	(0.66)%	2.10%	0.63%	1.04%	18.66%
2004												3.10%	3.10%

**PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.**

**Please see Important Notes on Page 4, including inherent limitations of using Hypothetical Numbers.**

## Important Notes

Halbert Wealth Management, Inc. (HWM), Scotia Partners, Ltd. (SPL), Hg Capital Advisors (HCA), Sojourn Financial Strategies, LLC (SFS), and Purcell Advisory Services (PAS) are Investment Advisors registered with the SEC and/or their respective states. PAS provides the back office administration for SPL and HCA, so these accounts are set up with PAS. Some Advisors may not be available in all states, and this report does not constitute a solicitation to residents of such states. Information in this report is taken from sources believed reliable but its accuracy cannot be guaranteed. Any opinions stated are intended as general observations, not specific or personal investment advice. Please consult a competent professional and the appropriate disclosure documents before making any investment decisions. Investments mentioned involve risk, and not all investments mentioned herein are appropriate for all investors. HWM receives compensation from these Advisors in exchange for introducing client accounts. For more information on HWM, SPL, HCA, SFS or PAS, please consult their respective Form ADV Part 2. Officers, employees, and affiliates of HWM may have investments managed by the Advisors discussed herein or others.

As benchmarks for comparison, the Standard & Poor's 500 Stock Index (which includes dividends) and the Barclays Long U.S. Treasury Index represent unmanaged, passive buy-and-hold approaches. The volatility and investment characteristics of the S&P 500 and the Barclays Long U.S. Treasury Index may differ materially (more or less) from that of these programs since they are unmanaged Indexes which cannot be invested in directly. The performance of the S & P 500 Stock Index and the Barclays Long U.S. Treasury Index is not meant to imply that investors should consider an investment in these programs as comparable to an investment in the "blue chip" stocks that comprise the S & P 500 Stock Index or US Treasury securities with a remaining maturity of 10 plus years that comprise the Barclays Long U.S. Treasury Index.

Performance illustrations presented are a hypothetical composite of the actual returns of the Scotia Partners Growth S&P Plus Program, the Hg Capital Long/Short Government Bond Program and the Sojourn Financial Columbus High-Yield Bond Program. The numbers presented are for illustration purposes only, are not meant to represent an actual track record and are assumed to be rebalanced annually. It is important to review the separate disclosures for each of the individual programs in order to get more detailed information on each of them, including how the performance numbers were calculated.

The performance numbers for these two programs have not been verified by HWM, and therefore HWM is not responsible for their accuracy. Statistics for "Worst Drawdown" are calculated as of month-end. Drawdowns within a month may have been greater. PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. Any investment in a mutual fund carries the risk of loss. Mutual funds carry their own expenses which are outlined in the fund's prospectus. An account with any Advisor is not a bank account and is not guaranteed by FDIC or any other governmental agency.

This combined performance illustration is hypothetical and not model results, and has many inherent limitations. The limitations include: 1) there are often large differences between hypothetical performance results and the actual trading results achieved by a particular program; 2) hypothetical performance results are prepared with the benefit of hindsight; 3) hypothetical results may not reflect the impact that market or economic factors might have had on the investment methods if actual money was invested; 4) hypothetical returns do not reflect the actual performance of an account and may not be indicative of the Advisors' ability to manage money; 5) other clients may have had materially different investment results; and 6) these numbers should not be used to predict future performance.

When reviewing past performance records, it is important to note that different accounts, even though they are traded pursuant to the same strategy, can have varying results. The reasons for this include: i) the period of time in which the accounts are active; ii) the timing of contributions and withdrawals; iii) the account size; iv) the minimum investment requirements and/or withdrawal restrictions; v) the rate of brokerage commissions and transaction fees charged to an account; and (vi) whether the programs included are rebalanced periodically. There can be no assurance that an account opened with the allocations shown to these two programs by any person will achieve performance returns similar to those provided by the illustration herein.

In addition, you should be aware that (i) these trading programs are speculative and involve risk; (ii) the trading programs' performance may be volatile; (iii) an investor could lose all or a substantial amount of his or her investment in the programs; and (iv) the trading programs' fees and expenses (if any) will reduce an investor's trading profits, or increase any trading losses.

Returns illustrated are net of the applicable management fees, custodial fees, underlying mutual fund management fees, and other fund expenses such as 12b-1 fees. They do not include the effect of annual IRA fees or mutual fund sales charges, if applicable. No adjustment has been made for income tax liability. Consult with your tax advisor for more detailed information. Money market funds are not bank accounts, do not carry deposit insurance, and do involve risk of loss. "Annualized" returns take into account compounding of earnings over the course of an investment's actual track record. The results shown are for a limited time period and may not be representative of the results that would be achieved over a full market cycle or in different economic and market environments.

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