



**HALBERT WEALTH  
MANAGEMENT**  
CHALLENGING WALL STREET'S CONVENTIONAL WISDOM

## Niemann Capital Management Risk-Managed Program

### Advisor Profile

**Minimum Initial Investment:** \$100,000  
**5 YR Average Return:\*** 3.3%  
**10 YR Average Return:\*** 7.5%  
**Maximum Drawdown:\*** -28.9%

**Risk Category:** Moderate to Aggressive  
**Custodian:** Fidelity Investments  
**Advisor Managed Assets:** over \$1 billion  
**Performance as of:** January 31, 2010

### Background

**Don Niemann** founded Niemann Capital Management in 1991. Don entered the investment business as a stockbroker and over time developed an active money management approach that worked well for his clients. After starting his own firm, Don assembled a strong team of professionals with the goal of delivering the highest quality money management service.

Niemann typically works with financial planners, attorneys, and accountants whose clients need asset management expertise. Since the firm is located near California's "Silicon Valley," a large part of their business comes from people in the technology industry. Niemann himself is also highly advanced in applying computers and the Internet to their money management business. The firm currently manages accounts for thousands of clients across the country.

### The Risk-Managed Program

Don Niemann's methodology is based on the concept of "money flow." As investors move their money between various asset classes, the relative value of each asset class fluctuates up and down. Niemann analyzes market data to try to anticipate where money will be moving next, and position clients accordingly. They tend to move in small increments, rather than jumping from one investment to another overnight. All of Niemann's investment programs are variations of the same basic strategy, but with different risk/reward characteristics. This report focuses on their Fidelity-based **Risk-Managed Program**. (For information on other Niemann programs, please contact Halbert Wealth Management.)

The proprietary methodology employed in the Niemann Risk Managed Program begins with collecting and evaluating daily market data and subjecting it to a proprietary quantitative "money flow" analysis. Through this process, Niemann is able to gauge the overall health of the market and identify market trends or "themes" that are performing well on a risk-adjusted basis.

The next step is to actively position assets to take advantage of the positive-trending themes that Niemann feels have the best risk/reward potential. Niemann may hold a dozen or more index funds and/or traditional mutual fund positions, and may hold these for weeks, months or even years. The Risk Managed Program uses only US domestic equity mutual funds and will not invest in international funds or bond funds.

If there are no upward trending themes, the Risk Managed Strategy will move partially or fully to a defensive cash position. Under certain conditions, the Risk Managed Program may utilize specialized inverse mutual funds, but only to hedge existing long positions.

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

Thus, Risk-Managed accounts can be fully invested, partially in cash, completely in cash, or even partially short as a hedge against existing long positions. Unlike most such programs, Niemann tends to move between positions gradually. You are unlikely, for example, to see Risk-Managed accounts move from fully invested to fully liquid (cash) all in one day.

## Performance Evaluation

Niemann began offering the **Risk-Managed Program** in October 1996. The results are quite impressive, as you can see in the table on page 3. The program has had average annualized returns in the 11% range.

Risk-Managed has been able to reduce - but not eliminate - some of the bear market risk through the use of a market-timing system. Don't forget, however, that there is another type of risk: the possibility of *not* being fully invested in the market when it is going up. Each investor needs to balance the risk and reward factors in deciding whether this program fits their needs.

## Administration and Reporting

Niemann can manage accounts for individuals, trusts, corporations, IRAs, pension plans, and most other entities. The **Risk-Managed Program** is offered through the Fidelity Investments brokerage group, where Niemann has access to hundreds of funds without loads or transaction fees. Each investor opens a brokerage account at Fidelity and grants Niemann the authority to make investment decisions for the account. (Niemann cannot withdraw assets from the account except for the quarterly management fee.)

Investors receive monthly statements and annual tax information from Fidelity. In addition, Niemann sends clients a detailed quarterly performance report. Niemann also offers clients a special, secure web site where clients can see their account information updated daily. Of all the Advisors we have ever looked at, Niemann offers the most comprehensive and timely account information.

There will likely be frequent trading in your account. Consult with your tax advisor for tax implications before making a decision to invest.

The minimum account size for Niemann is \$100,000. Fidelity charges no separate fee for its custodial services, though each mutual fund has its own expenses (see funds' prospectuses for more details). Niemann's management fees are billed quarterly in arrears, based on the following annual percentages for various assets under management:

First \$500,000	2.30%
Next \$500,000	1.65%
Next \$2 million	1.10%
Over \$3 million	1.00%

One of the most impressive things about Niemann is the strong team orientation. While Don Niemann has the last word on investment decisions, he has a group of very talented people helping him. The firm has a well-organized vision and is prepared to grow larger without compromising their standards.

## Conclusion

Few active managers have performed as well as Niemann since they started in 1996. Of course we can't predict the future, but Niemann shows great promise of continued success.

If you want to learn more about Niemann and/or receive application forms, call Halbert Wealth Management at 1-800-348-3601.

The following page has detailed performance statistics for the Niemann **Risk-Managed Program**.

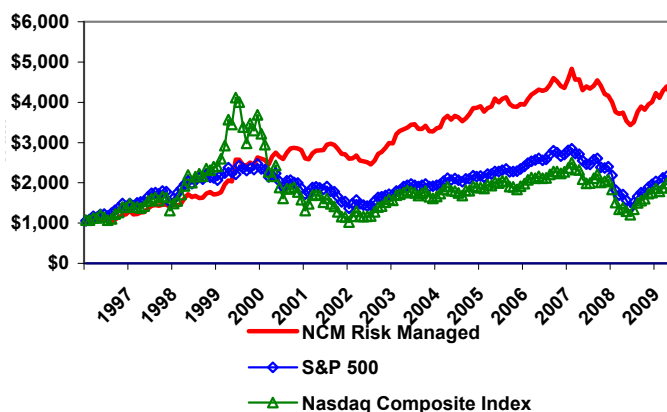
Questions? Call us toll-free at **1-800-348-3601**. One of our Investment Consultants will be glad to help you.

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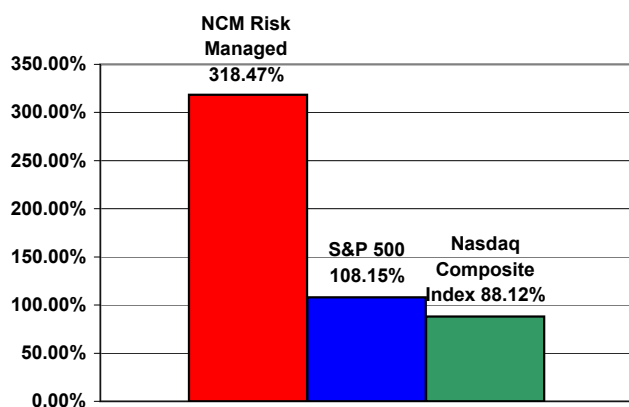
## Summary

	NCM Risk Managed	S&P 500	Nasdaq Composite Index
Beginning Month	Sep-96	Sep-96	Sep-96
Ending Month	Jan-10	Jan-10	Jan-10
Total Return	318.5%	108.1%	88.1%
Annualized Return	11.3%	5.6%	4.8%
Five Year Avg Return	3.3%	0.2%	0.8%
Ten Year Avg Return	7.5%	(0.8%)	(5.9%)
Worst Drawdown	(28.9%)	(50.9%)	(75.0%)
Current Losing Streak	(13.4%)	(26.9%)	(54.3%)
Standard Deviation	14.1%	16.5%	27.2%
Alpha (Annualized)		8.5%	8.9%
Beta		0.50	0.37
R-Squared		0.34	0.51
Sharpe (5.00%)	0.48	0.12	0.13
Semi Deviation	12.4%	19.2%	28.7%

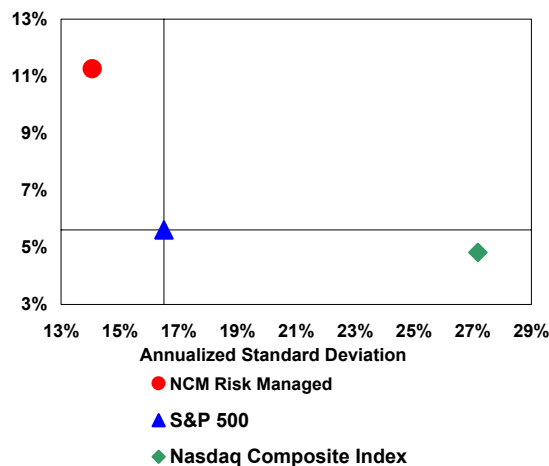
## Growth of \$1000 Investment



## Total Returns Since Inception



## Risk vs. Return Scatterplot Since Inception



## Annual Performance Net of Fees

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2010	(4.72)%												(4.72)%
2009	(5.39)%	(2.98)%	2.11%	7.36%	3.44%	(1.97)%	3.55%	1.41%	5.54%	(2.94)%	4.38%	2.50%	17.43%
2008	(5.93)%	2.24%	(1.35)%	1.72%	3.12%	(3.07)%	(4.74)%	(0.94)%	(3.78)%	(6.19)%	(1.27)%	0.87%	(18.17)%
2007	1.66%	(0.76)%	0.67%	2.70%	3.91%	(1.75)%	(2.70)%	(1.10)%	5.08%	5.61%	(5.51)%	0.13%	7.59%
2006	5.08%	(2.37)%	2.24%	1.06%	(4.13)%	(1.58)%	(0.19)%	1.85%	(0.32)%	3.33%	2.81%	1.36%	9.13%
2005	(2.65)%	2.63%	(1.04)%	(2.54)%	2.08%	2.86%	4.09%	0.09%	1.15%	(3.48)%	2.26%	0.98%	6.27%
2004	1.17%	2.08%	0.36%	(3.32)%	0.01%	2.24%	(3.98)%	(0.19)%	2.41%	0.68%	6.22%	2.21%	9.93%
2003	(0.70)%	(0.86)%	(2.23)%	3.90%	6.37%	1.93%	3.78%	4.05%	(0.37)%	7.88%	2.53%	1.18%	30.55%
2002	0.25%	0.41%	4.63%	0.78%	(0.93)%	(3.18)%	(4.46)%	(0.30)%	(4.27)%	0.34%	2.92%	(4.82)%	(8.75)%
2001	3.75%	(3.77)%	(2.35)%	6.28%	3.68%	0.59%	(0.60)%	(1.38)%	(7.22)%	(0.89)%	5.73%	2.35%	5.41%
2000	(0.94)%	26.59%	(0.09)%	(5.17)%	(0.55)%	2.90%	(2.25)%	7.80%	(1.47)%	(1.24)%	(4.16)%	8.01%	29.05%
1999	5.74%	(4.07)%	2.21%	(3.40)%	0.65%	6.28%	2.18%	(3.58)%	0.99%	2.29%	11.07%	4.81%	26.93%

**PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.**  
Please see Important Notes on Page 4

## Important Notes

Halbert Wealth Management, Inc. (HWM) and Niemann Capital Management (NCM) are Investment Advisors registered with the SEC and/or their respective states. Some Advisors are not 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 NCM in exchange for introducing client accounts. For more information on HWM or NCM please consult HWM Form ADV Part II, NCM Form ADV Part II and Niemann's Annual Disclosure Presentation, 2008, available at no charge upon request. 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 NASDAQ Composite Index represent unmanaged, passive buy-and-hold approaches. The volatility and investment characteristics of the S&P 500 and the NASDAQ Composite Index may differ materially (more or less) from that of the Nieman Risk Managed program since they are unmanaged Indexes which cannot be invested in directly. The performance of the S & P 500 Stock Index and the NASDAQ Composite is not meant to imply that investors should consider an investment in the Niemann Risk Managed program, which is actively managed, as comparable to an investment in the "blue chip" stocks that comprise the S & P 500 Stock Index or the stocks listed on The NASDAQ Stock Market that comprise the NASDAQ Composite. Historical performance data is provided by the Advisor in compliance with the Global Investment Performance Standards (GIPS). Performance figures presented include all actual, fee-paying fully discretionary accounts in a composite. See the Annual Disclosure Presentation, 2008 for more details. These performance numbers 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.

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; and v) the rate of brokerage commissions and transaction fees charged to an account. There can be no assurance that an account opened by any person will achieve performance returns similar to those provided herein for accounts traded pursuant to the Niemann Risk-Managed trading program.

In addition, you should be aware that (i) the Niemann Risk-Managed trading program is speculative and involves risk; (ii) the Niemann Risk-Managed trading program's performance may be volatile; (iii) an investor could lose all or a substantial amount of his or her investment in the program; (iv) Niemann will have trading authority over an investor's account and the use of a single advisor could mean lack of diversification and consequently higher risk; and (v) the Niemann Risk-Managed trading program's fees and expenses (if any) will reduce an investor's trading profits, or increase any trading losses.

Returns illustrated are net of actual 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. All dividends and capital gains have been reinvested. Some Funds also charge short-term redemption fees and excess transaction fees (Special Fees), which are billed to shareholders at the time of the event causing the fee. All of these fees are in addition to Niemann's advisory fees. In selecting Funds in which to invest using various analytical tools, Niemann considers the nature and size of the fees charged by the Funds. Niemann's objective is to select a Fund only if Niemann believes the Fund's performance, after all fees, will meet Niemann's performance standards. Consequently, Niemann may select Funds, which have higher or lower fees than other similar Funds, and which charge Special Fees. When deciding whether to liquidate a Fund position, Niemann will take into consideration any Special fees which may be charged. Niemann may decide to sell a Fund position even though it will result in the client being required to pay Special Fees. Consult your tax advisor for tax implications. 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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