

**Item 1 – Cover Page**

**Halbert Wealth Management, Inc.**

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**January 26, 2012**

This Brochure provides information about the qualifications and business practices of Halbert Wealth Management, Inc. If you have any questions about the contents of this Brochure, please contact us at 512-263-3800 or 800-348-3601. 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.

Halbert Wealth Management is a registered investment adviser. Registration as an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you can determine to hire or retain an Adviser.

Additional information about Halbert Wealth Management is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

Since the last version of the ADV Part 2 dated March 31, 2011, there have been a couple minor changes. They are summarized below:

- Item 5 – The maximum fee was changed from 2.75% to 2.5%.
- Item 10 – Language was changed to reflect that affiliated firm PFG is only registered in Texas.
- Item 10 – Language was modified to reflect that ProFutures Bridge Capital Fund was expected to close at the end of 2012.
- Item 10 – A new affiliated firm was added, Theta Research, LLC.

Currently, our Brochure may be requested, free of charge, by contacting Joanne Sullivan, our Office Manager, at 512-263-3800 or [joanne@profutures.com](mailto:joanne@profutures.com). Our Brochure is also available on our web site [www.halbertwealth.com](http://www.halbertwealth.com).

Additional information about Halbert Wealth is also available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about any persons affiliated with Halbert Wealth who are registered, or are required to be registered, as investment adviser representatives of Halbert Wealth.

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#### Item 4 – Advisory Business

Halbert Wealth is an SEC registered investment advisory firm founded in 1995 by Gary and Debi Halbert. Halbert Wealth provides advisory services to clients in nearly all 50 states. Halbert Wealth is 100% owned by Gary D. Halbert.

Our primary business includes two programs, **AdvisorLink®** and **Absolute Return Portfolio (“ARP”)**. Another area of our business is our **Venture Investment Program (“VIP”)**, which includes **VIP Managed Accounts**. This program is considered by Halbert Wealth to be very aggressive, and is only available to clients who have been qualified as very aggressive, or qualified to invest a small percentage of their portfolio (the very aggressive portion) in the program. Halbert Wealth also offers select individual mutual funds on a limited basis, and may refer clients to a program that helps clients manage their 401(k) investments. Halbert Wealth’s advice is primarily limited to advice concerning the products it offers.

For AdvisorLink and VIP Managed Accounts, Halbert Wealth researches and evaluates the performance of other Investment Advisers and refers clients to the recommended Investment Advisers. These Investment Advisers direct client assets into various mutual funds, including stock and bond funds, or they may invest directly in stocks, bonds, Exchange Traded Funds (“ETFs”) and other securities. Most use tactical management or sector rotation strategies.

Halbert Wealth also offers a program called **Absolute Return Portfolio (“ARP”)**. This program assists clients with investing in a portfolio comprised of allocations to various mutual funds and/or ETFs that might be suitable for the clients’ needs. A prospective client may be asked to complete a Confidential Investor Profile (the “Profile”) and other requested information that helps determine their suitability. In ARP, the goal is achieving absolute returns - having positive returns every year - though there is no guarantee this goal will be achieved.

The recommendation of programs is based on the individual needs of the clients depending on their financial goals and risk tolerance. The goal is to help the client select the program(s) that best meet their particular needs. Certain client restrictions may be placed on the programs or securities the client invests in, depending on the type of program, and any limitations the individual Investment Adviser managing the money may have. If a client invests in one of the mutual funds offered by Halbert Wealth, no restrictions are generally allowed since mutual funds generally do not allow investors to put restrictions on their investments with them.

Our assets under management are split between discretionary and non-discretionary assets. ARP accounts are considered discretionary accounts and AdvisorLink and VIP Managed

Accounts are considered non-discretionary accounts. As of January 26, 2012 the totals were:

Discretionary	\$1,500,000
Non-Discretionary	\$ 98,000,000

## **Item 5 – Fees and Compensation**

### AdvisorLink and VIP Managed Accounts

For all client referrals in our AdvisorLink and VIP Managed Accounts programs, we are paid as a solicitor by sharing in a negotiated portion of the management fee charged by the actual Investment Advisers. They generally charge annual management fees from 1.75% to 2.50% on the assets under management. We generally refer clients just to Investment Advisers that participate in the AdvisorLink and VIP Managed Accounts programs. The fees are generally non-negotiable, except in the case of large accounts or related accounts.

In most cases, the fees are deducted directly from the client accounts. In some cases, clients may be able to arrange to be billed for their fees. The fees are deducted (or billed) on a quarterly basis. More details on this can be found in the information for each Investment Adviser.

Clients who invest with Investment Advisers that invest assets directly in stocks, bonds, ETFs and other securities may also incur transaction costs and commissions related to the purchase and sale of those securities. Clients whose assets are invested directly in stocks, bonds, ETFs and other securities will establish an account at a brokerage firm designated by the Investment Adviser. The terms and transaction costs related to investments made by the Investment Adviser will be described by the brokerage agreement. With programs that invest in mutual funds, clients may also pay the Investment Advisory and other fees and commissions (including any “Rule 12b-1 fees”) paid by these funds to their managers and other service providers (such as brokers). The fund's prospectus will describe all of the various fees, commissions and other expenses paid by the fund. (See Item 12 and the specific information for each Investment Adviser for more details)

Some Investment Advisers charge fees in advance and some in arrears. To the extent that a client has paid any fees in advance to an Investment Adviser who is subsequently terminated, the client will generally be entitled to a *pro rata* refund of the amount paid. The exact details of how this works, and how to get a refund of fees pre-paid for each particular program will be detailed in the client agreement with the Investment Adviser for that program.

## Absolute Return Portfolio

Halbert Wealth also offers the **Absolute Return Portfolio**. This program assists clients with investing in a portfolio comprised of allocations to various mutual funds and/or ETFs that are suitable for the client's needs. The fee Halbert Wealth charges for ARP is a percentage of assets under management, currently 1.25% for the first \$100,000, and then 1.0% for \$100,001 to \$1,000,000, and then 0.75% for any amount over \$1,000,000. For accounts with a value generally over \$3,000,000, the fee may be individually negotiated.

In most cases, the fees are deducted directly from the client accounts. In some cases, clients may arrange to be billed for their fees. The fees are deducted (or billed) on a semi-annual basis, in arrears.

Clients who invest may also incur transaction costs and commissions related to the purchase and sale of those securities. The terms and transaction costs related to investments will be described by the brokerage agreement. By investing mainly in mutual funds, clients also pay the Investment Advisory and other fees and commissions (including any "Rule 12b-1 fees") paid by these funds to their managers and other service providers (such as brokers). The fund's prospectus will describe all of the various fees, commissions and other expenses paid by the fund.

For individual mutual funds that Halbert Wealth offers directly, it will share in the management fee of the mutual fund. For example, if the Fund has a management fee of 1%, Halbert Wealth may share in that fee and receive .50%. This will not result in the investor in the mutual fund paying any additional fees. Investors will pay the normal fees and expenses for the mutual fund as outlined in the prospectus. There is no refund of fees when the mutual fund position is closed. Fees are not paid in advance and are generally not negotiable.

Halbert Wealth may also refer clients to the Howard Capital Management, Inc. ("HCM") 401(k) Optimizer program which helps clients select and allocate assets in their 401(k) or similar defined contribution plan with participant directed accounts. HCM charges an annual, non-refundable fee of \$348, payable in advance. There is no refund of the fee if the client terminates the account. Halbert Wealth receives a portion of this fee for soliciting the account. Clients may terminate their account at any time upon written notice. Halbert Wealth is merely a solicitor for this program, and does not monitor the performance or provide any advice concerning the program.

Item 12 further describes the factors that Halbert Wealth considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

Halbert Wealth currently does not offer performance fee arrangements for its clients.

## **Item 7 – Types of Clients**

Halbert Wealth provides services primarily to individuals, high net worth individuals, IRAs and trusts. Halbert Wealth also may provide services to corporate pension and profit-sharing plans, charitable institutions, foundations and endowments. There are minimum account sizes starting at \$15,000 and going up to \$500,000, depending on the program in which the client wants to invest. The account minimums are often imposed by the Investment Adviser and in some cases are negotiable.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

Since we refer clients to other Investment Advisers in our AdvisorLink and VIP Managed Account programs, our investment strategy is more aptly called a research and evaluation strategy. Our ultimate goal is to find Investment Advisers with profitable, risk-adjusted long-term performance records. We refer our clients to these Investment Advisers. For ARP, we research and evaluate mutual funds to determine which ones to include in our program based on their past track record, trading strategy, ongoing management strategies, among other things. For the individual mutual funds we recommend, we analyze the fund's track record, trading strategy and ongoing management strategies. All of the programs and investments offered by Halbert Wealth involve risk of loss that clients should be prepared to bear before deciding to invest.

The material risks involved vary from investment to investment. The different programs in AdvisorLink and VIP Managed Accounts vary in risk depending on the strategy. Some are designed to try to manage risk by investing in money market funds for various periods of time, or by using hedging techniques. Other programs attempt to increase returns by using strategies such as leverage or short trading. Some programs invest in ETFs or bonds, which have their own risks. Potential investors should review the individual disclosures for each program to get a better description of the risks and strategies involved with each of them. These programs have different levels of trading frequency. Frequent trading can affect investment performance, especially through increased brokerage and other transaction costs. There may also be certain tax implications to consider, including wash sale issues and/or short-term gains in some cases.

ARP is a moderate risk program. The risks are those associated with the combination of mutual funds selected for the program. For ARP, a combination of mutual funds is selected based on their past track record, and the strategy they use to manage their funds. Mutual funds selected are generally those with active management strategies and a goal of providing absolute returns, though there is no guarantee they will succeed.

For mutual funds offered by Halbert Wealth, the investment strategy used by the manager would be one of the primary considerations reviewed in determining whether to recommend a fund. The risk level would vary from fund to fund, but risk management would be an important factor examined in determining whether or not to recommend a particular fund. The prospectus for the fund has more information concerning this.

## **Item 9 – Disciplinary Information**

Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Halbert Wealth or the integrity of Halbert Wealth's management. Halbert Wealth does not believe there is any material information to disclose that is applicable to this Item.

## **Item 10 – Other Financial Industry Activities and Affiliations**

Our affiliate, ProFutures Financial Group, Inc. ("PFG") is a broker-dealer registered with the Securities and Exchange Commission, and in Texas, as well as a member of the Financial Industry Regulatory Authority, or FINRA. All management persons of Halbert Wealth are also registered as Registered Representatives of PFG.

Our affiliate, ProFutures, Inc. ("PF") is registered as a commodity pool operator with the Commodity Futures Trading Commission. Gary Halbert and Debi Halbert are registered as associated persons with the National Futures Association.

PFG is under common ownership with Halbert Wealth. PFG may solicit clients of Halbert Wealth (and Halbert Wealth may solicit clients of PFG). PFG currently offers only a single private investment in Texas, and primarily only to accredited investors. While Halbert Wealth does not directly benefit from any sales made by PFG, its owners do since there is common ownership. Since sales by PFG are very limited and restricted to only certain types of investors, the potential for conflicts of interest is limited.

PF is the General Partner or Managing Owner of a commodity pool limited partnership and a business trust. Many of the investors in the partnership and business trust are also investors with Halbert Wealth. Many of them were investors in these programs before they were clients



of Halbert Wealth. PF is under common ownership with Halbert Wealth. The potential for conflicts of interest is limited, and Halbert Wealth puts the interests of its clients first.

Another affiliate, ProFutures Fund Management, Inc. ("PFM") operates a private investment partnership, ProFutures Bridge Capital Fund, LP ("PBCF"). Some of the investors in this partnership are also investors with Halbert Wealth. This fund is in the process of liquidating and expected to be closed completely by the end of 2012.

PF is the General Partner of ProFutures Diversified Fund, L.P. and Managing Owner of ProFutures Strategic Allocation Trust. Both are commodity pools, one is a private limited partnership and one is a private business trust. They invest in futures and other related securities. PFM is the General Partner of PBCF, a private hedge fund that is in the process of liquidating.

Another affiliate is Theta Research, LLC, which provides an Adviser performance tracking service and a performance database subscription service. Advisers who use these services may also be Advisers in AdvisorLink. It is also possible that clients of HWM could subscribe to the database subscription service. While this is unlikely to result in conflicts of interest, Halbert Wealth strives to make sure that any potential conflicts of interest are kept to a minimum.

Other conflicts of interest result since management persons of Halbert Wealth are also management persons of these related entities. As a result, they spend part of their time involved in the management of these affiliated firms. However, Halbert Wealth strives to make sure that any potential conflicts of interest are kept to a minimum.

Since Halbert Wealth recommends other Investment Advisers to our clients and we receive compensation from those Advisers for making the recommendation, there is a potential conflict of interest in that Halbert Wealth may only recommend those Investment Advisers for which it has an arrangement to receive a share of the compensation or management fee. There may be other Investment Advisers available. However, it is also important to note that those Investment Advisers offered by Halbert Wealth have all completed a detailed due diligence review before they are recommended. This thereby minimizes the conflict of interest in that only programs that meet Halbert Wealth's due diligence requirements are recommended to clients. Halbert Wealth puts the interests of its clients first.

## **Item 11 – Code of Ethics**

Halbert Wealth has adopted a Code of Ethics for all supervised persons describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumormongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities

trading procedures, among other things. All supervised persons at Halbert Wealth must acknowledge the terms of the Code of Ethics annually, or as amended. A copy of the Code of Ethics is available to any client or prospective client upon request.

An affiliate of Halbert Wealth, PFG, may solicit clients to invest in partnership or trust interests that it offers. These are generally only available to accredited investors. PF is the general partner/managing owner for these programs and is paid a management fee for its services. Therefore, there is a potential conflict of interest. The conflicts are minimized because sales are limited to Texas, and to only select investors on a private basis. All such investments are reviewed before they are accepted.

In addition, our officers, directors, employees or affiliates may, from time to time, invest their own assets with the same Investment Advisers or in the same mutual funds or other securities in which our clients' assets may have been invested. As part of our due diligence examination of prospective Investment Advisers, one or more of our officers usually invests their own assets under the management of our recommended Investment Advisers. This permits Halbert Wealth to closely monitor performance and trading techniques. These investments are generally made prior to offering an Investment Adviser or mutual fund. We do not believe that these investments create a serious conflict of interest with our clients, unless an Investment Adviser or a fund sets limits on the amount of additional assets it will accept for management. In the unlikely event such limits are set, our clients will be given priority to invest.

In addition, most of the Investment Advisers use mutual funds that are only traded once per day. Some may trade ETFs or individual bonds. However, the trades are selected and made by the Investment Adviser and not by Halbert Wealth.

We have instituted procedures for monitoring securities transactions of our associated persons, which include a quarterly review of reports of personal securities transactions effected by our associated persons and their immediate families during the preceding quarter. In addition, if an associated person maintains a securities trading account at another broker-dealer that is directly managed by the employee, the other broker-dealer will provide a copy of the employee's statement to a manager who reviews it for compliance purposes.

The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Halbert Wealth will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code, certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Halbert Wealth's clients. In addition, the Code requires pre-clearance of some transactions, and restricts trading in close proximity to client trading activity. It is possible, in some circumstances, employees may invest in the same securities as clients, therefore, there is a possibility that employees might

benefit from market activity by a client in a security held by an employee. Employee trading is monitored under the Code of Ethics to reasonably prevent conflicts of interest between Halbert Wealth and its clients.

Halbert Wealth's clients or prospective clients may request a copy of its Code of Ethics by contacting Joanne Sullivan at (512)263-3800.

## **Item 12 – Brokerage Practices**

For our AdvisorLink and VIP Managed Accounts programs, we do not generally select the broker/dealer used for custody and trading. The Investment Adviser selected by the client makes that decision. There may be certain conflicts of interests involved in their selection, and there may be benefits considered “soft dollars” that they receive. Clients should review the Investment Advisers' ADV Part 2 and other disclosure documents for more complete details.

For our ARP program and the individual mutual funds offered by Halbert Wealth, we select the broker/dealer used, currently TD Ameritrade. Halbert Wealth receives soft dollar benefits from TD Ameritrade, including duplicate client statements and confirmations, research materials, access to their trading desk, and the ability to deduct client fees from the client accounts. This benefits Halbert Wealth since it does not have to pay for these services, and thus we may have an incentive to recommend TD Ameritrade based on the benefits we receive. This may cause a conflict with the clients' interest of receiving the most favorable execution. While we endeavor to put the clients' interests first, there could be potential conflicts of interest as a result of these benefits. Also, there may be other broker/dealers available at lower costs.

## **Item 13 – Review of Accounts**

For our AdvisorLink and VIP Managed Accounts programs, we review accounts annually with the client by sending them a letter showing their allocation to the program, the risk level, and asking them to contact us if their financial condition has changed, or they feel the program may no longer be appropriate for them. If there have been any material changes, Mike Posey, Phil Denney or Spencer Wright, all Investment Consultants, may contact the client to conduct a more thorough review.

For our ARP program, the accounts are generally reviewed annually. If there is a need to re-balance the accounts, it may be done at this time. The review is conducted by Mike Posey, Phil Denney or Spencer Wright, all Investment Consultants of Halbert Wealth. The clients in these programs also are sent a letter showing their allocation to this program, the risk level and asking them to contact us if their financial condition has changed, or they feel the program is

no longer appropriate. If there are any changes or notifications received from the client, Mike Posey, Phil Denney or Spencer Wright will contact the client to conduct a more thorough review.

Clients of Halbert Wealth receive statements from the custodian for their investments. Halbert Wealth also sends out quarterly consolidated statements. These written reports should be compared to the custodian statements, and any inconsistencies should be reported to us. For the HCM 401(k) Optimizer program, we do not have access to client account information, and therefore do not review the accounts or send out any statements for the accounts.

#### **Item 14 – Client Referrals and Other Compensation**

In our AdvisorLink and VIP Managed Accounts programs, we receive compensation from outside Investment Advisers for referring clients to them. Generally, we share in the management fee they charge clients, with Halbert Wealth normally receiving 40-60% of the total fee. The exact nature of the arrangement is described in the Solicitor's Written Disclosure Statement that the client receives before investing in each program.

There is a conflict of interest in that Halbert Wealth only refers clients to programs that have completed a favorable due diligence review, and that it has an arrangement with to receive a portion of the management fees. There may be other programs available that the Firm has not reviewed and does not recommend. The compensation received by Halbert Wealth is different for different programs, and therefore there could be a conflict of interest for recommending one program over another. However, Halbert Wealth puts the best interest of the client first, without consideration of the compensation received by Halbert Wealth.

Halbert Wealth may also share in the management fee for mutual funds it recommends. Up to 50% of the management fee may be shared with Halbert Wealth. Since Halbert Wealth only recommends a select group of funds for which it is compensated, there is a conflict of interest in that there are other funds available that Halbert Wealth does not recommend.

Halbert Wealth also receives compensation for clients referred to the HCM 401(k) Optimizer program. We receive \$100 of the total fee paid by the client. This is strictly a solicitor's fee since we simply refer clients to this program, and do not monitor client accounts on an ongoing basis.

#### **Item 15 – Custody**

Clients should receive at least quarterly statements from the brokerage firm or other qualified custodian that holds and maintains investment assets. Halbert Wealth urges clients to

carefully review such statements and compare such official custodial records to the account statements that we may provide to them. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. If clients have any questions about any discrepancies, they should notify us as soon as possible.

#### **Item 16 – Investment Discretion**

In our AdvisorLink and VIP Managed Accounts programs, we do not have discretionary authority over client account(s). The Investment Adviser for the specific program selected by the client has discretionary authority. The client must authorize any change from one program to another. Halbert Wealth does not have discretion to make those changes.

For our ARP program, we do have discretionary authority to determine which mutual funds to invest in the clients' accounts. All clients in the programs are generally invested in the same group of mutual funds. Client restrictions may be allowed in some cases. Clients execute TD Ameritrade account paperwork in order to grant Halbert Wealth this authority. Halbert Wealth does not have discretionary authority over any of the mutual funds it recommends or the HCM 401(k) Optimizer Program.

#### **Item 17 – Voting Client Securities**

As a matter of policy and practice, Halbert Wealth does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for all securities maintained in client portfolios. Halbert Wealth may provide advice to clients regarding the clients' voting of proxies. Third party Investment Advisers in AdvisorLink and VIP Managed Accounts that Halbert Wealth recommends have their own Voting Client Securities policies that clients should read before they invest with the Investment Advisers to fully understand their specific policies.

Clients invested in mutual funds are responsible for any matters requiring a vote. Halbert Wealth does not vote any proxies. Clients will receive their proxies or other solicitations directly from their custodian or transfer agent. Clients may contact Halbert Wealth with questions about a particular solicitation.

#### **Item 18 – Financial Information**

Registered Investment Advisers are required in this Item to provide certain financial information or disclosures about Halbert Wealth's financial condition. Halbert Wealth has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.