

ITEM 1. COVER PAGE FOR PART 2A OF FORM ADV: FIRM BROCHURE

DATED: March 13, 2012

HARBINGER ASSET MANAGEMENT, LLC

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This brochure provides information about the qualifications and business practices of Harbinger Asset Management, LLC. If you have any questions about the contents of this brochure, please contact our firm by telephone at (714) 689-1172 or by email at ctolmacs@harbingerfinancialgroup.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 Harbinger Asset Management, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Please note that the use of the term "registered investment adviser" and description of Harbinger Asset Management, LLC and/or our associates as "registered" does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise you for more information on the qualifications of our firm and its employees.

Item 2. Material Changes to Our Part 2A of Form ADV: Firm Brochure

Harbinger Asset Management, LLC is required to advise you of any material changes to our Firm Brochure ("Brochure") from our last annual update, identify those changes on the cover page of our Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Brochure. We must state clearly that we are discussing only material changes since the last annual update of our Brochure, and we must provide the date of the last annual update of our Brochure.

Please note that we do not have to provide this information to a client or prospective client who has not received a previous version of our brochure.

Last Annual Amendment Filing Date: 03/28/2011

Since our last annual amendment, Harbinger Asset Management, LLC has made various changes to our Firm Brochure.

- Our firm has now owned 80% by Partners Advantage Insurance and 20% by Chris Tolmacs.
- We have made clarification that all Advisory Services are sponsored by Triad Advisors, Inc.
- We have made clarification that we do not manage accounts on a discretionary basis.
- We have further explained our methods of analysis and investment strategies.
- We have made clarification that Partners Advantage Insurance is a financial affiliation as we are partially owned by Partners Advantage Insurance.

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ITEM 4. ADVISORY BUSINESS

Harbinger Asset Management, LLC is dedicated to providing our clients with a wide array of investment advisory services. Our firm is a limited liability company formed in the State of Michigan. We have been in business as an investment adviser since 2008 and are principally owned by Partners Advantage Insurance Services LLC (80% Owner), Member, and Chris Tolmacs (20% Owner), Member and Chief Compliance Officer.

We specialize in the following types of services: Triad Sponsored Asset Management, Financial Planning and Consulting, Referrals to third party money managers, and Private Asset Management Solicitation Programs.

Advisory Services

TRIAD Advisors, Inc. Sponsored Advisory Service:

As part of our Triad Sponsored Asset Management service, we generally create a portfolio, consisting of individual stocks or bonds, exchange traded funds ("ETFs"), options, mutual funds and other public and private securities or investments. The client's individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. Each portfolio will be initially designed to meet a particular investment goal, which we determine to be suitable to the client's circumstances. Once the appropriate portfolio has been determined, we review the portfolio at least quarterly and if necessary, rebalance the portfolio based upon the client's individual needs, stated goals and objectives. Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

We offer our Clients a non-wrap fee-based asset management through the following Triad Advisors programs:

Summit Account:

The Summit Account is designed to permit Triad through its investment adviser to manage mutual funds, insurance products (including variable annuity sub-accounts), stocks, options and bonds pursuant to investment objectives chosen by the client. In addition, investors can buy or sell a variety of mutual funds without transaction charges. In order to offer clients flexibility and one consolidated brokerage statement, stock and bond trading is available for discounted transaction charges. No commissions may be earned by HAM or its IARs for purchases or sales in Summit Accounts. The Summit Account are suitable for accounts greater than \$50,000 that invest primarily in mutual funds.

In addition to the advisory fee, accounts may be assessed transaction charges. These transaction charges may be higher or lower than transaction charges or commissions the client may pay at other broker-dealers. The current Summit transaction schedule is detailed in the Summit Advisory Agreement. In addition, a minimum service fee may be charged and an early

termination fee may, as described previously, will be charged for accounts open less than one (1) year.

Crown Account:

The Crown Account is designed to allow Triad through its investment adviser the ability to manage mutual funds, stocks, bonds, options and insurance products (including variable annuity sub-accounts) and allow the client to pay individual transaction charges. No commissions may be earned by HAM or its IARs for purchases or sales in Crown Accounts. There is no minimum account size and fees are negotiable.

Apex Account:

The Apex Account is designed to permit Triad through its investment adviser to manage mutual funds, stocks, bonds, options and insurance products (including variable annuity sub-accounts) pursuant to investment objectives chosen by the client and allow the client to pay individual transaction charges on a simplified schedule. No commissions may be earned by HAM or its IARs for purchases or sales in Apex Accounts. There is no minimum account size and fees are negotiable.

In addition to the advisory fees for our Crown and Apex Accounts, clients are assessed transaction charges. These transaction charges may be higher or lower than transaction charges or commissions the client may pay at other broker-dealers. All transactions are subject to postage and handling fees. The current Crown and Apex transaction schedule is detailed in the Crown and Apex Advisory Agreement. In addition, a minimum service fee may be charged.

Financial Planning and Consulting:

We provide a variety of financial planning and consulting services to individuals, families and other clients regarding the management of their financial resources based upon an analysis of client's current situation, goals, and objectives. Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation for clients based on the client's financial goals and objectives. This planning or consulting may encompass one or more of the following areas: Investment Planning, Retirement Planning, Estate Planning, Charitable Planning, Education Planning, Corporate and Personal Tax Planning, Cost Segregation Study, Corporate Structure, Real Estate Analysis, Mortgage/Debt Analysis, Insurance Analysis, Lines of Credit Evaluation, Business and Personal Financial Planning.

Our written financial plans or financial consultations rendered to clients usually include general recommendations for a course of activity or specific actions to be taken by the clients. For example, recommendations may be made that the clients begin or revise investment programs, create or revise wills or trusts, obtain or revise insurance coverage, commence or alter retirement savings, or establish education or charitable giving programs. It should also be noted that we refer clients to an accountant, attorney or other specialist, as necessary for non-advisory related services. For written financial planning engagements, we provide our clients with a written summary of their financial situation,

observations, and recommendations. For financial consulting engagements, we usually do not provide our clients with a written summary of our observations and recommendations as the process is less formal than our planning service. Plans or consultations are typically completed within six (6) months of the client signing a contract with us, assuming that all the information and documents we request from the client are provided to us promptly. Implementation of the recommendations will be at the discretion of the client.

Referrals to Third Party Money Managers:

We provide clients with a list of investment advisory services of third party professional portfolio management firms for the individual management of client accounts. As part of this process, we assist clients in identifying an appropriate third party money manager. We provide initial due diligence on third party money managers and ongoing reviews of their management of your account.

In order to assist clients in the selection of a third party money manager, we typically gather information from the client about their financial situation, investment objectives, and reasonable restrictions they can impose on the management of the account, which are often very limited. It is important to note that we do not offer advice on any specific securities or other investments in connection with this service. Investment advice and trading of securities is only offered by or through the third party money managers to clients.

We periodically review third party money managers' reports provided to the client, but no less often than on an annual basis. Our associates contact the clients from time to time, as agreed to with the client, in order to review their financial situation and objectives; communicate information to third party money managers as warranted; and, assist the client in understanding and evaluating the services provided by the third party money manager. The client will be expected to notify us of any changes in his/her financial situation, investment objectives, or account restrictions that could affect their account. The client may also directly contact the third party money manager managing the account or sponsoring the program.

Private Asset Management Solicitation Programs

These privately managed accounts are offered through National Financial via Envestnet Asset Management, Inc. which offers three Programs:

Mutual Fund Advisory Program:

A mutual fund wrap program sub-managed by Strategic Advisers, Inc. (SAI), an SEC registered investment advisor, and a Fidelity Investments company or SIGMA. The program invests client's assets in mutual fund portfolios that include investor profiling, account monitoring, portfolio rebalancing, and performance reporting. The minimum account size is \$50,000.

Separate Account Program:

This program offers access one of over 100 separate account managers representing more than 400 investment disciplines in each account. With a separately managed account the client directly owns the securities in the portfolio and can participate in actively managing the account for tax efficiency. The minimum account size is \$100,000.

Multi-Manager Account Program:

This program allows for the combination of two or more institutional or separate account managers into a single portfolio. This option provides the same benefits of the Separate Account Program but offers diversified asset classes and investments styles in a single account and has a minimum account size of \$250,000.

Individual Tailoring of Advice to Clients & Ability of Clients to Impose Restrictions

We offer individualized investment advice to clients utilizing our Triad-Sponsored Asset Management service. Additionally, we offer general investment advice to clients utilizing our firm's Financial Planning and Consulting service, Referrals to Third Party Money Managers service, and Private Asset Management Solicitation Programs.

We usually do not allow clients to impose restrictions on investing in certain securities or types of securities due to the level of difficulty this would entail in managing their account. In the rare instance that we would allow restrictions, it would be limited to our Triad Sponsored Asset Management service. We do not manage assets through our other services.

Participation in wrap fee programs

We offer wrap fee programs as further described in Part 2A, Appendix 1 (the "Wrap Fee Program Brochure") of our Brochure. Our wrap fee and non-wrap fee accounts are managed on an individualized basis according to the client's investment objectives, financial goals, and risk tolerance. We do not manage wrap fee accounts in a different fashion than non-wrap fee accounts. As further described in our Wrap Fee Program Brochure, we receive a portion of the wrap fee for our services.

Assets Under Management

We manage¹ \$0 on a discretionary basis and \$19,176,619 on a non discretionary basis as of December 31, 2011.

¹ Please note that our method for computing the amount of "*client* assets we manage" can be different from the method for computing "assets under management" required for Item 5.F in Part 1A of Form ADV. However, we have chosen to follow the method outlined for Item 5.F in Part 1A of Form ADV. If we decide to use a different

Item 5. Fees and Compensation

We are required to describe our brokerage, custody, fees and fund expenses so you will know how much you are charged and by whom for our advisory services provided to you. Our fees are generally not negotiable.

TRIAD Advisors, Inc. Sponsored Advisory Service:

Clients utilizing Triad Advisors, Inc's Summit Account, Crown Account, and Apex Account advisory services are charged based on the following fee schedule.

Assets Under Management	<u>Annual Percentage of assets charge*</u>
\$0 to \$449,999	2.00%
\$500,000 to \$749,999	1.75%
\$750,000 to \$999,999	1.50%
\$1,000,000 to \$3,000,000	1.25%
Over \$3,000,000	Negotiable

*Our firm's fees are billed on a pro-rata annualized basis quarterly in advance based on the average daily balance of the previous quarter.

Financial Planning and Consulting:

We charge on an hourly or flat fee basis for financial planning and consulting services. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you. Our hourly fees are \$150. Flat fees generally range from \$500 to \$5,000.

Referrals to Third Party Money Managers:

We are paid by third party money managers when we refer you to them and you decide to open a managed account. Third party money managers pay us a portion of the investment advisory fee that they charge you for managing your account. Fees paid to us by third party money manager are

method at a later date to compute "*client assets we manage*," we must keep documentation describing the method we use and inform you of the change. The amount of assets we manage may be disclosed by rounding to the nearest \$100,000. Our "as of" date must not be more than three months before the date we last updated our *Brochure* in response to Item 4.E of Form ADV Part 2A.

generally ongoing. All fees we receive from third party money managers and the written separate disclosures made to you regarding these fees comply with Rule 206(4)-3 of the Investment Advisers Act of 1940. The separate written disclosures you need to be provided with include a copy of the third party money manager's Form ADV Part 2, all relevant Brochures, a Solicitation Disclosure Statement detailing the exact fees we are paid and a copy of the third party money manager's privacy policy. The third party money managers we recommend will not directly charge you a higher fee than they would have charged without us introducing you to them.

Private Asset Management Solicitation Programs:

Private Asset Management Solicitation Programs fees are as follows:

Assets Under Management	<u>Annual Percentage of assets charge*</u>
\$0 to \$449,999	2.00%
\$500,000 to \$749,999	1.75%
\$750,000 to \$999,999	1.50%
\$1,000,000 to \$3,000,000	1.25%
Over \$3,000,000	Negotiable

* Our firm's fees are billed on a pro-rata annualized basis quarterly in advance based on the average daily balance of the previous quarter.

Deduction of Fees

TRIAD Advisors, Inc. Sponsored Advisory Service, Referral to Third Party Money Managers, and Private Asset Management Solicitation Programs:

Our firm's fees are billed on a pro-rata annualized basis quarterly in advance based on the average daily balance of the previous quarter. Fees will be automatically deducted from Client's account by National Financial Services, LLC.

Financial Planning and Consulting:

We require a retainer of fifty-percent (50%) of the ultimate financial planning or consulting fee with the remainder of the fee directly billed to you and due to us within thirty (30) days of your financial plan being delivered or consultation rendered to you. In all cases, we will not require a retainer exceeding \$1,200 when services cannot be rendered within 6 (six) months.

Transaction Charges

Non-Wrap fee Clients will incur transaction charges for trades executed in their accounts. These transaction fees are separate from our fees and will be disclosed by the firm that the trades are executed through. Also, clients will pay the following separately incurred expenses, which we do not receive any part of: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses).

Wrap fee clients will receive our Form ADV, Part 2A, Appendix 1 (the "Wrap Fee Program Brochure"). Wrap fee clients will not incur transaction costs for trades. More information about this is disclosed in our separate Wrap Fee Program Brochure.

Termination

We charge our advisory fees quarterly in advance. In the event that you wish to terminate our services, we will refund the unearned portion of our advisory fee to you. You need to contact us in writing and state that you wish to terminate our services. Upon receipt of your letter of termination, we will proceed to close out your account and process a pro-rata refund of unearned advisory fees.

Commissionable securities sales

Our supervised/associated persons are registered representatives of Triad Advisors, Inc., member FINRA/SIPC. As such, they may accept compensation for the sale of securities or other investment products, including distribution or service ("trail") fees from the sale of mutual funds. Clients should be aware that the practice of accepting commissions for the sale of securities presents a conflict of interest and gives our firm an incentive to recommend investment products based on the compensation received, rather than on the Client's needs. Our firm, in no way, prohibits Clients from purchasing investment products recommended by us through other brokers or agents which are not affiliated with Harbinger Asset Management, LLC.

Item 6. Performance-Based Fees and Side-By-Side Management

We do not charge performance fees to our clients.

Item 7. Types of Clients

We have the following types of clients:

- Individuals and High Net-Worth Individuals;
- Trusts, Estates or Charitable Organizations;
- Pension and Profit Sharing Plans;
- Corporations, limited liability companies and/or other business types;
- State or Municipal Government entities.

Our requirements for opening and maintaining accounts or otherwise engaging us:

- All minimum account sizes for maintaining accounts are noted in Item 4 of this Brochure.
- We generally charge a minimum fee of \$500 for written financial plans.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

Charting. In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict when how long the trend may last and when that trend might reverse.

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical Analysis. We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This

presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Cyclical Analysis. In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations: account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

Long-term purchases. When utilizing this strategy, we may purchase securities with the idea of holding them for a relatively long time (typically held for at least a year). A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases. When utilizing this strategy, we may also purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

Trading. We purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings.

Margin transactions. We will purchase stocks for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash, and allows us to purchase stock without selling other holdings.

Option writing. We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset. The two types of options are calls and puts:

- A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.

- A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We will use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

We use "covered calls", in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

We use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

Risks. Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask us any questions you may have.

Cash Balances

We generally invest client's cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, we try to achieve the highest return on our client's cash balances through relatively low-risk conservative investments. In most cases, at least a partial cash balance will be maintained in a money market account so that our firm may debit advisory fees for our services related to comprehensive portfolio management, asset management service and portfolio monitoring, as applicable.

Item 9. Disciplinary Information

Our firm and its associated persons have no disciplinary events to disclose.

Item 10. Other Financial Industry Activities and Affiliations

Our firm's associated persons are registered representatives of Triad Advisors, Inc., ("TRIAD"), member FINRA/SIPC. They may offer securities and receive normal and customary commissions as a result of securities transactions. This presents a conflict of interest to the extent that the associated persons may recommend that a client invest in a security which results in a commission being paid to them.

As licensed insurance agents, our advisory representatives may recommend to advisory clients a variety of insurance products, and may offer commissionable insurance products to our firm's clients for which they may receive compensation. Advisory clients are never under any obligation to purchase insurance products.

Harbinger Asset Management LLC and its associated persons may act as a solicitor and refer clients to third-party money managers that offer asset management services to clients. As a result, Harbinger Asset Management and its associated persons may be paid a portion of the fee charged and collected by third-party money managers in the form of solicitor fees.

Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.

Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts². In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates.

² For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

Furthermore, our firm has established a Code of Ethics which applies to all of our associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

Item 12. Brokerage Practices

Research and Other Soft Dollar Benefits.

Our firm has an arrangement with National Financial Services, LLC, ("NFS") a Fidelity Investments Company, an unaffiliated service provider. Under the arrangement NFS, we receive services which include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support our firm in conducting business and in serving the best interests of our clients but that may benefit our firm.

NFS also makes certain research and brokerage services available at no additional cost to our firm. These services include research services obtained by NFS directly from independent research companies, as selected by our firm (within specific parameters). Research products and services provided by NFS to our firm may include research reports on recommendations or other information about, particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making; and other products or services that provide lawful and appropriate assistance by NFS to our firm in the performance of our investment decision-making responsibilities.

As a result of receiving the services, we may have an incentive to continue to use or expand the use of NFS's services. Our firm examined this potential conflict of interest when we chose to enter into the relationship with NFS and we have determined that the relationship is in the best interest of our firm's clients and satisfies our client obligations, including our duty to seek best execution.

Brokerage Commissions

NFS charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). NFS enables us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. NFS's commission rates are generally discounted from customary retail commission rates. However, the commission and transaction fees charged by NFS may be higher or lower than those charged by other custodians and broker-dealers.

Our non-wrap fee program clients may pay a commission to NFS that is higher than another qualified broker dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions.

Although the investment research products and services that may be obtained by our firm will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account.

NFS also makes available to our firm other products and services that benefit us, but may not benefit our clients' accounts. These benefits may include national, regional or investment adviser specific educational events organized and/or sponsored by NFS. Other potential benefits may include occasional business entertainment of personnel of our firm by NFS personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Some of these products and services assist our firm in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of our fees from clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of our accounts, including accounts not maintained at NFS. NFS also makes available to our firm other services intended to help our firm manage and further develop our business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance, and marketing. In

addition, NFS may make available, arrange and/or pay vendors for these types of services rendered to our firm by independent third parties. NFS may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our firm. While, as a fiduciary, our firm endeavors to act in our clients' best interests, Adviser's recommendation/requirement that clients maintain their assets in accounts at NFS may be based in part on the benefit to our firm of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost, or quality of custody and brokerage services provided by NFS, which may create a potential conflict of interest.

Direct Brokerage

We or any of our firm's related persons do not have discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are effected.

We perform investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are affected only when we believe that to do so will be in the best interest of the effected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, we attempt to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration and consistently non-arbitrary methods of allocation.

Item 13. Review of Accounts

We review accounts on at least a semi-annual basis for our clients subscribing to our Triad Sponsored Asset Management and Private Asset Management Solicitation Programs service. Third Party Money Management clients receive at least quarterly reviews. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies. Client accounts are reviewed by their respective advisory representatives and are overseen by Chris Tolmacs, Chief Compliance Officer.

Financial planning clients do not receive reviews of their written plans unless they take action to schedule a financial consultation with our firm. We do not provide ongoing services to financial planning clients, but are willing to meet with such clients upon their request to discuss updates to their plans.

We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

We do not provide written reports to clients, unless asked to do so. Verbal reports to clients take place on at least an annual basis when we meet with clients who subscribe our Triad Sponsored Asset Management service and clients whom we refer Third Party Money Management.

Item 14. Client Referrals and Other Compensation

National Financial Services, LLC

Investment Advisory Accounts will generally be established with National Financial Services, LLC, ("NFS") a Fidelity Investments Company, an unaffiliated service provider. Factors which Harbinger Asset Management LLC considers in utilizing NFS (or any other broker-dealer/custodian) to clients include its respective financial strength, reputation, execution, pricing, reporting, research, and service. Prior to Harbinger Asset Management LLC providing investment management services, Client will be required to enter into a formal Investment Advisory Agreement with our firm setting forth the terms and conditions under which Harbinger Asset Management LLC shall manage Client's assets, and a separate custodial/clearing agreement with NFS.

In return for effecting securities transactions through NFS or another designated broker-dealer or custodian, we may receive certain investment research products and/or services which assist us in its investment decision-making process for the client, all of which transactions shall be in compliance with Section 28(e) of the Securities Exchange Act of 1934.

Certain non-cash benefits may be received by our firm from NFS. These non-cash benefits received from NFS include:

- NFS directly reimbursing clients for termination and/or transfer fees levied by firms during the process of bringing their accounts to NFS;
- duplicate client account confirmations and statements;
- registrant's access to a trading desk for institutional clients;
- ability to have investment advisory fees automatically deducted from client accounts;
- possible access to an electronic communications network for client order entry and account information;
- compliance publications and continuing education seminars;

- lower minimum initial investments required for mutual fund investments than is generally required;
- access to certain institutional mutual funds by our retail investors.

Referrals Fees

Harbinger Asset Management and its associated persons may be paid a portion of the fee charged and collected by third-party money managers in the form of solicitor fees.

We do not pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940.

Item 15. Custody

All of our clients receive at least quarterly account statements directly from their custodians. Upon opening an account with a qualified custodian on a client's behalf, we promptly notify the client in writing of the qualified custodian's contact information. If we decide to also send account statements to clients, such notice and account statements include a legend that recommends that the client compare the account statements received from the qualified custodian with those received from our firm.

We encourage our clients to raise any questions with us about the custody, safety or security of their assets. The custodians we do business with will send you independent account statements listing your account balance(s), transaction history and any fee debits or other fees taken out of your account.

Item 16. Investment Discretion

Harbinger Asset Management LLC does not take discretion over Client accounts. It is our firm's policy to only engage Clients through non-discretionary Client Agreements.

Item 17. Voting Client Securities

We do not and will not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, we will forward them on to you and ask the party who sent them to mail them directly to you

in the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations.

Third party money managers selected or recommended by our firm may vote proxies for clients. Therefore, except in the event a third party money manager votes proxies, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Therefore (except for proxies that may be voted by a third party money manager), our firm and/or you shall instruct your qualified custodian to forward to you copies of all proxies and shareholder communications relating to your investment assets.

Item 18. Financial Information

We do not require nor do we solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore we have not included a balance sheet for our most recent fiscal year.