



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

Yacktman Capital Group, LLC Concentrated Composite Strategy

Minimum Initial Investment: \$100,000
3-Yr. Annualized Return: 28.1%
Maximum Month-End Drawdown: -15.8%

Risk Category: Moderate to Aggressive
Custodian: TD Ameritrade Institutional
Performance as of: February 29, 2012

Advisor Background

Yacktman Capital Group, LLC (Yacktman) was founded in November of 2007 and is an SEC Registered Investment Advisor located in Austin, Texas. Yacktman's principals are **Brian Yacktman**, who serves as President and Chief Investment Officer and **Will Kruger**, its CEO and Chief Compliance Officer. Brian's brother, **Michael**, also works in the firm as a securities analyst.

If the Yacktman name sounds familiar to you, it's because Brian's father, Don, founded the Yacktman family of mutual funds in 1992 and built it into a value-style investment powerhouse. **While there are lots of eager emerging money managers out there, few have the stock selection pedigree that Brian Yacktman does. While Brian's official track record is relatively short, he has over a decade of experience in honing his money management skills in personal and family accounts.**

Brian began his money management education in 1998 while still in college. After graduating, he worked for over three years in his father's firm. While he relied heavily on his father's guidance during the early years, he soon learned the fine art of researching stocks and finding those that were trading at a price well below their intrinsic values, defined as what a company is really worth. It is that fundamental analysis that guides the **Concentrated Composite Strategy**.

It is rare to be able to take advantage of an emerging money manager early in his career. It is even more rare to have an "emerging" manager with over a decade of hands-on money management experience. Rarer still is an emerging manager who learned his craft at the feet of an industry legend, his dad. We have all these things in Brian Yacktman and his staff.

The Concentrated Composite Strategy

Yacktman seeks to make money for its clients by **buying low and selling high**, a basic rule of investing that many money managers seem to have forgotten in their rush to post performance that is favorable in relation to major market indexes.

Instead of relative performance, Yacktman seeks to produce **absolute returns** through its selection of stocks that are priced below their intrinsic value. Yacktman defines risk as the permanent loss of capital, not short-term paper losses. Accordingly, the strategy does not move to cash in down markets. In fact, it may buy more of one or more stocks if the downtrend makes them more attractive.

While the details of Yacktman's methodology are proprietary, we can make some general observations about his management style. We noted above how Brian seeks out stocks that are trading at a discount to their intrinsic values, but that's not the entire story. Yacktman performs further analysis on the type of industry represented and even the company's management. Yacktman calls this their **"Price, Product and People"** approach:

Price: The Yacktman investment process strives to purchase stocks (the future cash flows of the business) at a reasonable or discounted price. Even a great business is a poor investment if purchased at a high price. A low purchase price can help create a margin of safety.

Product: Yacktman also avoids certain types of businesses in their selection process. They have found that the odds are stacked in their favor when they invest in businesses that are less cyclical, less capital intensive and are growing their intrinsic value. Types of businesses that might be avoided include airlines, capital goods, autos and metal benders, among others.

People: The final and most critical piece of the puzzle is the management team of the business. Yacktman looks for management teams that they feel allocate cash wisely and efficiently. Yacktman says they want companies that "GARDD" cash assets effectively by:

- **G**rowing the existing business;
- **A**cquiring synergistic businesses without overpaying;
- **R**epurchasing their own stock at value prices;
- **D**ividends;
- **D**ebt paydown or build up cash.

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

One of the factors that most impressed us about Brian's approach to the market is that it doesn't use the same old value-style formulas to determine price. Many market analysts like to put price targets on stocks using discounted cash flow (DCF) models and the Gordon Growth Formula.

The Yacktman strategy essentially turns this methodology on its head by asking the question, "What forward rate of return can the investor expect if the stock is purchased at today's prices?" Yacktman focuses on estimating normalized future cash flows, which are not the same as standard earnings per share (EPS) numbers.

Why Individual Stocks?

The use of individual stocks allows Yacktman to have greater transparency and flexibility in managing individual accounts. For example, an investor can elect to have money managed for greater tax efficiency, avoid certain industries or be more socially conscious.

The popularity of the Wellesley Convertible Bond Program has shown us that many of our clients like to include strategies that hold individual securities rather than mutual funds. Mutual funds simply do not allow the bottom-up fundamental analysis which is the basis of security selection for both Yacktman and Wellesley.

The final benefit of managing individual stocks is that it allows Yacktman to invest in any publicly traded company regardless of market capitalization. Brian is not "pigeon holed" into any particular size of business, freeing him to select only the best opportunities across a wide spectrum of market caps.

Performance Evaluation

From its inception through January, 2012, the Concentrated Strategy has produced an impressive annualized gain, especially when compared to the S&P 500 Index, with dividends. Yacktman's drawdown is also far lower than the S&P 500 Index's drop over the same period of time.

Of course, future drawdowns could potentially be 35% or more if we have another blowout like the 2007 – 2009 bear market when the S&P 500 Index lost over 50% of its value. However, since Yacktman's goal is to outperform the market over a peak-to-peak cycle, they expect that any short-term drop in value would be made up in a subsequent rally, much as was the case in 2009. There are no guarantees, of course.

Brian uses a beach ball analogy to describe his strategy's ability to snap back quickly after market downtrends. Imagine depressed stock prices as beach balls being pushed underwater. The water level is the intrinsic value of the business. If the water level is rising, then upward pressure is building on the stock price. Eventually, the hands will release and the stock will pop to the surface.

See the performance information on Page 3 of this Advisor Profile for more comparisons and detailed monthly returns.

All performance information is provided net of all fees and expenses.

Administration

Client accounts are held at TD Ameritrade, in its institutional brokerage division. There are no lock-up periods or restrictions on additions or withdrawals to the account. When fully invested, client accounts will typically hold anywhere from 15 to 30 stocks.

Upon establishment, Yacktman will immediately seek to put client money to work by purchasing undervalued stocks. In the right market environment, an account could theoretically be fully invested in as little as one day, but most take longer. If there are not enough stocks that meet Yacktman's selection criteria, portions of the account may remain in cash until suitable opportunities are available.

As noted above, the minimum investment for the Concentrated Composite Strategy is \$100,000 per account. Fees are billed quarterly in arrears based on the following fee schedule:

\$100,000 to \$999,999.	2.0% of Assets
\$1,000,000 to \$4,999,999	1.5% of Assets
Over \$5,000,000.....	1.0% of Assets

The above fee is in addition to trading costs charged by TD Ameritrade to cover trading costs. **All performance is shown net of both management and trading costs.**

Conclusion

One of the critical factors in our due diligence review is the extent to which principals of a money manager "eat their own cooking". We are pleased to report that Brian invests nearly all of his investable assets alongside his clients in the programs managed by Yacktman. Plus, Brian manages money for many family members, including his father.

We think that the Yacktman Concentrated Composite Strategy may be suitable for investors who want an emerging manager exposure with the flexibility to participate in a wide variety of individual stocks managed in a value style. Through the use of individual securities, Yacktman is able to diversify among stocks in a broad spectrum of market caps and industries.

We recommend that you consider Yacktman for a period of three to five years or more, since the value of stock selection usually comes over a complete market cycle. While cash positions may occasionally exceed 30% to 50% of assets, the goal of the strategy is to be fully invested at all times. As such, there will be losing periods from time to time when the stock markets decline.

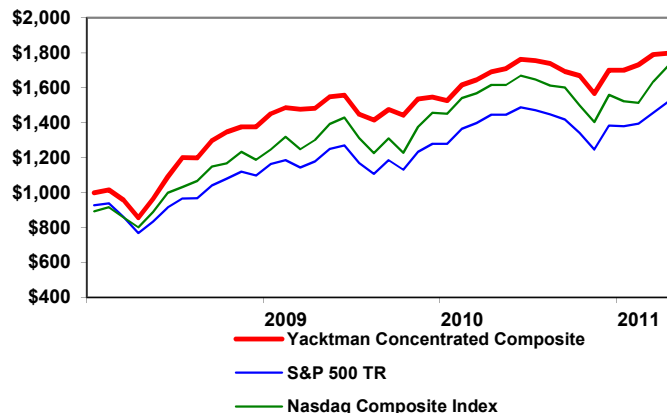
If you have any questions about the Yacktman Concentrated Composite Strategy, give one of our Investment Consultants a call at 1-800-348-3601 or send an e-mail to info@halbertywealth.com. They will be glad to answer your questions and help you determine if this investment program is suitable for you. Please see Important Notes on Page 4 of this Profile.

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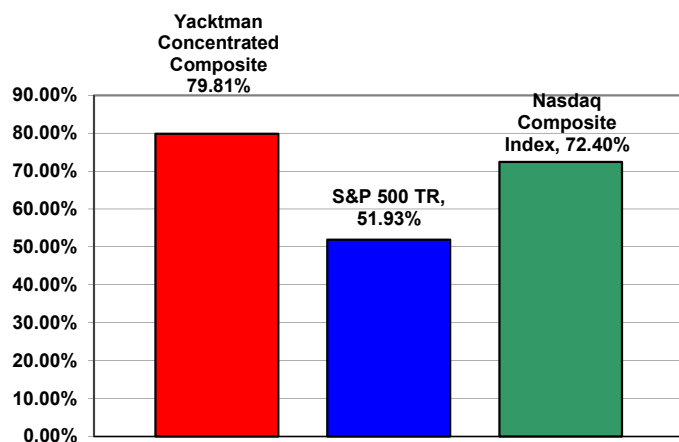
Summary

	Yackman Concentrated Composite	S&P 500 TR	Nasdaq Composite Index
Beginning Month	Nov-08	Nov-08	Nov-08
Ending Month	Feb-12	Feb-12	Feb-12
Total Return	79.8%	51.9%	72.4%
Annualized Return	19.2%	13.4%	17.7%
Three Year Avg Return	28.1%	25.6%	29.1%
Worst Drawdown	(15.8)%	(23.2)%	(19.9)%
Current Losing Streak	0.0%	0.0%	0.0%
Standard Deviation	17.0%	18.7%	21.0%
Alpha (Annualized)		7.6%	7.1%
Beta		0.82	0.66
R-Squared		0.82	0.66
Sharpe (5.00%)	0.84	0.50	0.65
Semi Deviation	16.1%	20.6%	23.2%

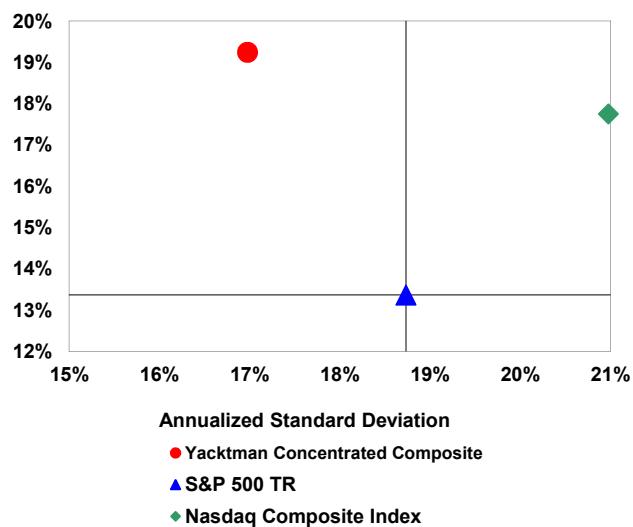
Growth of \$1000 Investment



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	
2012	3.39%	0.42%												3.83%
2011	1.80%	2.83%	1.09%	3.07%	(0.37)%	(0.96)%	(2.64)%	(1.42)%	(6.13)%	8.52%	0.04%	1.81%		7.17%
2010	(0.52)%	0.29%	4.49%	0.61%	(7.04)%	(2.37)%	4.32%	(2.25)%	6.46%	0.69%	(1.22)%	5.84%		8.78%
2009	(5.89)%	(10.55)%	12.76%	13.07%	10.01%	(0.03)%	8.18%	3.88%	2.14%	0.02%	5.38%	2.39%		46.22%
2008											(0.08)%	1.68%		1.60%

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

Important Notes

Halbert Wealth Management, Inc. (HWM) and Yacktman Capital Group, LLC. (YCG) are Investment Advisors registered with the SEC and/or their respective states. Information in this report is 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. HWM receives compensation from YCG in exchange for introducing client accounts. For more information on HWM or YCG, please consult the respective Form ADV Part 2, available at no charge upon request. Officers, employees, and affiliates of HWM may have investments managed by the Advisors discussed herein or others.

The returns shown are based on a composite of accounts, subject to the composite qualifiers set up by Yacktman, which are available upon request. Performance reflects all income, gains and losses and the reinvestment of interest, dividends and other income. Returns are net of fees. Returns provided by YCG have been adjusted since inception by HWM to reflect the new annual management fee of 2% (previous fee was 1%).

These performance numbers have not been verified by HWM, and therefore HWM is not responsible for their accuracy. Since all accounts in the program are managed similarly, the results shown are representative of the majority of participants in the Yacktman Concentrated Composite Strategy. 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.

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) accounts may hold different securities depending on when the client invested and any restrictions placed on the account; and vi) 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 Yacktman Concentrated Composite Strategy.

In addition, you should be aware that (i) in the Yacktman Concentrated Composite Strategy, your principal is not guaranteed and there are risks involved; (ii) the Yacktman Concentrated Composite Strategy's performance may be volatile; (iii) an investor could lose all or a substantial amount of his or her investment in the program; (iv) Yacktman Capital 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 Yacktman Concentrated Composite Strategy's fees and expenses (if any) will reduce an investor's trading profits, or increase any trading losses.

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 these benchmarks may differ materially (more or less) from that of the Yacktman Concentrated Composite Strategy, since they are unmanaged Indexes which cannot be invested in directly. The performance of the S & P 500 Stock Index and the NASDAQ Composite Index is not meant to imply that investors should consider an investment in the Yacktman Concentrated trading program 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 Index.

Management fees are deducted quarterly, and are not accrued on a month-by-month basis. Returns do not include the effect of annual IRA fees, if applicable. No adjustment has been made for income tax liability. Consult your tax advisor. "Annualized" returns take into account compounding of earnings over the course of an investment's actual track record. Money market funds and other low risk asset classes are not bank accounts, do not carry deposit insurance, and do involve risk of loss. 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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