



Halliday Financial Group

STAR Program

Strategic Allocation & Rebalancing (STAR) Program

**Helping you achieve your financial goals through
custom-tailored investment portfolios**

Offered exclusively through TSA Portfolio Management, Inc.

Follow Us Forward



Our Mission

“The oak tree, as our corporate symbol, is an important manifestation of our mission on behalf of our clients, because investing is much like planting an acorn and nurturing its growth.

You begin by creating an environment that provides the greatest opportunity for steady development. Attention is on a long-term commitment that will eventually produce optimum results.

As time passes, from a tiny acorn the sapling begins to flourish. There is no radical change in its care... you do not uproot the tree to protect it...

The reward comes when you can enjoy the shade of a strong oak and feel safe under its branches.

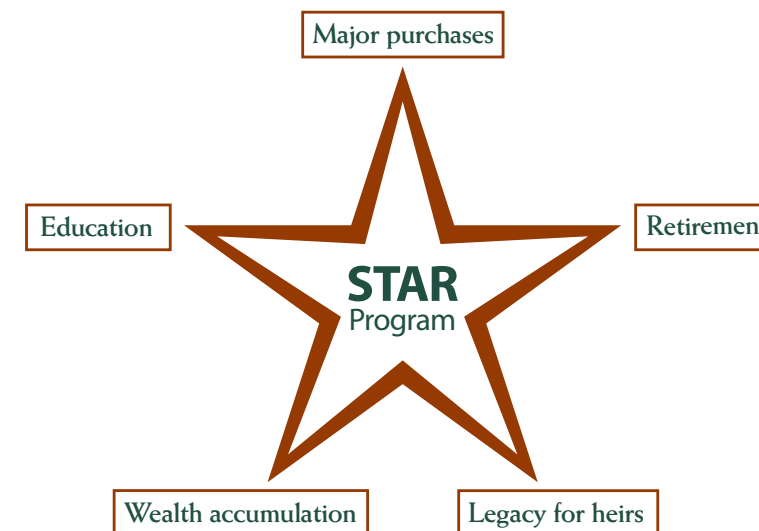
At Halliday Financial Group, we take pride in fostering your financial safety. We assist our clients in all aspects of financial planning, providing our expertise and consultation when it is appropriate to make adjustments. We take satisfaction in seeing clients realize their dreams.”

– Dr. Robert W. Halliday, founder

How a STAR Portfolio can Help You Reach Your Goals

For over a quarter of a century, Halliday Financial Group has been an expert resource for our clients’ financial needs. Our advisors utilize a full spectrum of financial options and alternatives to help you maximize the return on your wealth.

One of our most effective and efficient strategies is the Strategic Allocation and Rebalancing (STAR) Program. A STAR account is a portfolio of mutual funds or other managed investments that we tailor to your specific needs. The STAR Program is an ideal investment program for retirement accounts, generating retirement income, trusts, foundations, businesses and non-qualified investment accounts.



The STAR Program offers you the following:

- An investment strategy designed around your time horizon and risk tolerance
- Institutional-quality asset allocation regardless of account size
- A well-diversified portfolio representing different managers, multiple asset classes and various investment styles
- Professional management and ongoing appraisal of portfolio holdings
- Quarterly rebalancing to ensure your asset allocation is maintained
- Access to load funds without commission and institutional funds without a high minimum investment



Building Your STAR Portfolio: A Three-Step Process

Step 1: Investment Strategy Review

You and your financial advisor use a profiling questionnaire to identify your individual goals, needs, time horizons and risk tolerance

Step 2: Building Your Portfolio

Based on your responses, you and your financial advisor select the TSA portfolio with the appropriate allocations for your investment profile

Step 3: Ongoing Professional Management

Your investments are monitored by our experienced portfolio management team and rebalanced on a quarterly basis

Step 1: Investment strategy review

Your Halliday financial advisor works with you to determine the important factors that will shape your STAR portfolio. There are many important considerations to include when developing an investment strategy. Some of the questions that need to be answered are

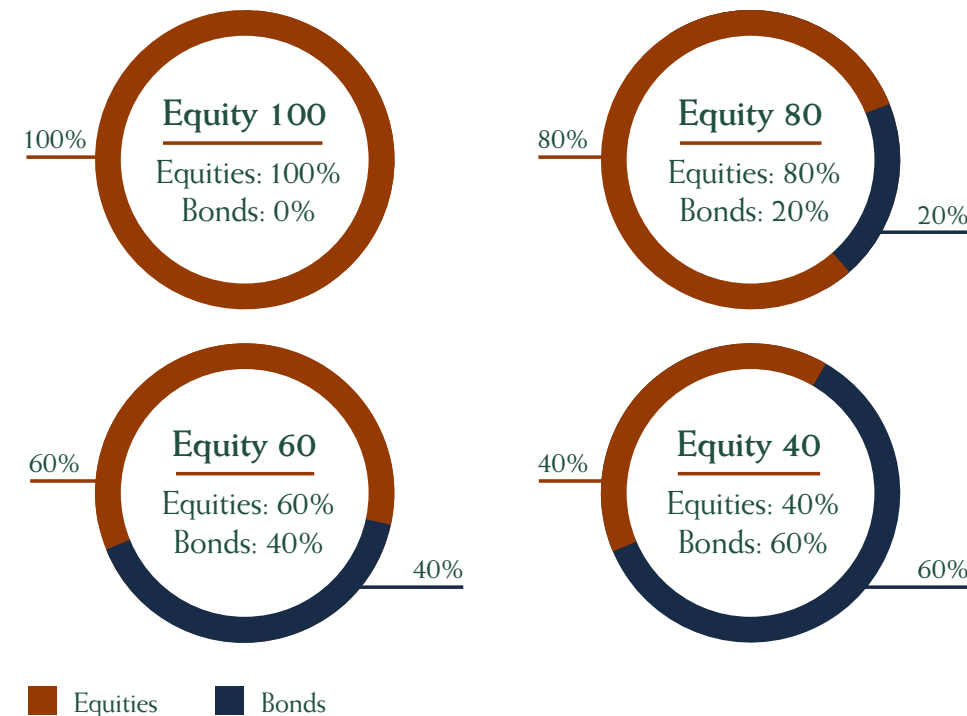
- Is the portfolio going to be funded with taxable or retirement assets?
- What time horizon applies to the portfolio?
- Will you need income from the account?
- What is your risk tolerance?
- How does this portfolio fit with your other accounts?

Determining your goals and objectives is an important first step toward building your customized investment portfolio.

Step 2: Building your portfolio

The STAR Program provides an investment portfolio for any situation. While income in retirement is a major concern for many, the STAR Program uses investments that generate income in some of its portfolios. So whether it's an aggressive growth portfolio, a conservative income-generating portfolio or anywhere in between, the STAR Program has an option for you. The portfolios you use will be based on the investment strategy that you and your financial advisor designed during Step 1.

We offer four different portfolios with different equity and bond allocations to fit your investment strategies:



You and your financial advisor may also have the opportunity to customize your portfolio to include or avoid certain types of investments. Age-based models and socially conscious models are also available to meet your investment guidelines.

With the guidance of your financial advisor, you can design an investment portfolio to help you reach your goals.



Step 3: Ongoing professional portfolio management

Once your portfolio has been designed, our portfolio management team begins its work.

1. We smoothly transition your assets from their current location to your STAR account.
2. The portfolio management team identifies investments fitting the portfolio's allocation targets based on our strict performance criteria.
3. The portfolio management team then executes transactions that convert your assets into the well-diversified model selected by you and your financial advisor.

Once established, the portfolio management team monitors your portfolio to be sure the investments are living up to expectations. If a particular investment fails to meet expectations over a period of time, they eliminate it from all of our portfolios and find a suitable replacement.

Once a quarter, your portfolio holdings will be rebalanced as necessary to maintain the asset allocations you and your financial advisor established. Other than quarterly rebalancing, your portfolio holdings may experience little to no change, sometimes for long periods of time. This is a positive result for us, because it means the investments originally selected for your portfolio are performing as projected.

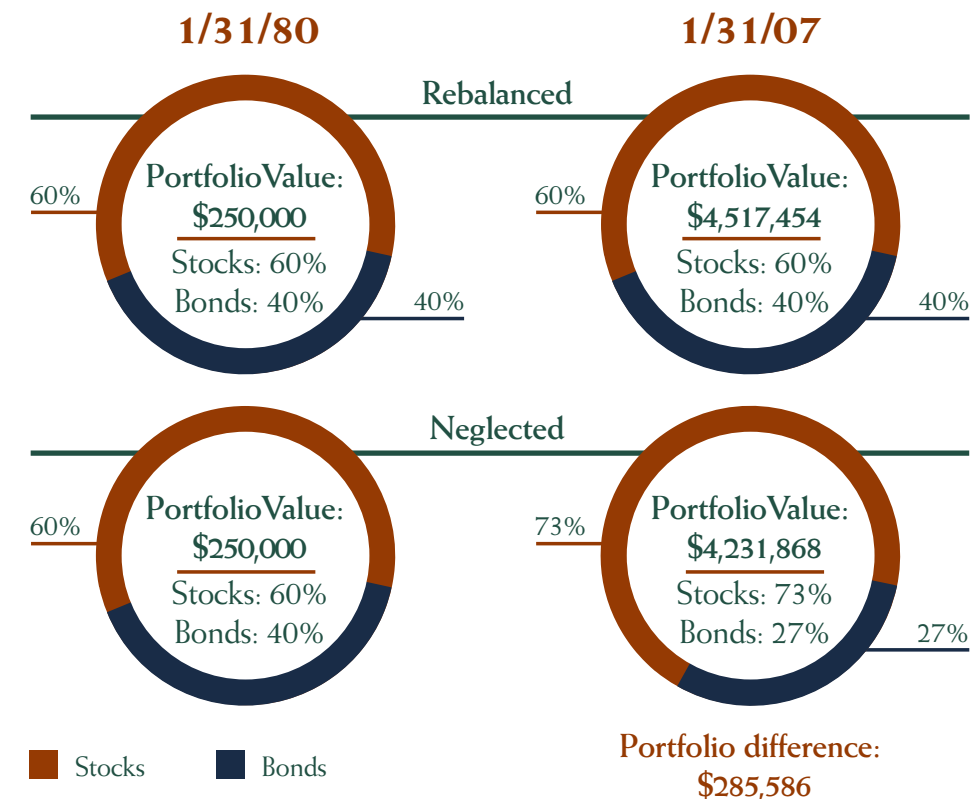
A STAR portfolio frees you from the burden of supervising your investments. Our experienced team continually reappraises your portfolio holdings and rebalances or replaces them as necessary.

The Importance of Rebalancing

Rebalancing

Over time, the allocations in your portfolio will inevitably shift. Some areas will perform better while others will lag. A year or even months later, those results may reverse themselves. With our rebalancing program, your account is periodically rebalanced to help ensure that you do not stray too far from your targeted asset allocations. If, over the course of time, an investment style within the portfolio rises above or falls below the established limits of the allocation range, your portfolio will be rebalanced so that it falls back within the targeted range.

Below is an example of how a rebalanced portfolio can outperform a portfolio that is neglected. The rebalanced portfolio outperforms the neglected portfolio by over \$285,000 while maintaining a less-volatile asset allocation.





The Importance of Asset Allocation and Diversification

Asset allocation

A landmark study on the performance of pension funds concluded that more than 90% of a portfolio's performance results from the way in which its assets are allocated among various investment classes like stocks, bonds and cash. Despite this fact, the majority of investors concentrate their energy on the selection of a particular investment and fail to devote enough attention to asset allocation.

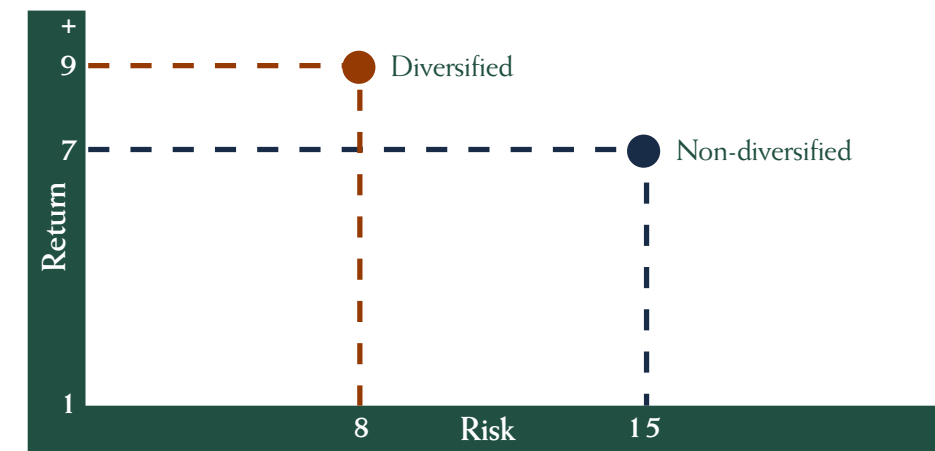


Only 6.4% of total investment performance is attributed to the selection of the investments. 93.6% is attributed to the asset allocation inside of the portfolio.

Historically, stocks and bonds have not always moved in the same direction. Strategic asset allocation considers the interplay of asset classes and can help you keep your portfolio on track in all market conditions. That is why the STAR Program provides modeled and rebalanced portfolios that provide you with the right amount of asset exposure.

Diversification

Diversification has been shown to reduce the overall volatility of an investment portfolio. As displayed in the graph below, a diversified portfolio will prove to be less risky than a non-diversified portfolio.



That is why we diversify the equity portion of our portfolios according to the following:

Capitalization size

Generally, the smaller a company's market capitalization, the greater the volatility in its stock price.

Style

Growth managers generally invest in securities of well-established companies with an above-average potential for growth. Value managers typically look for companies that have fallen out of favor and are considered to be selling at relatively inexpensive prices.

Geographic location (domestic or international)

Investing in international equities involves different risks than those associated with U.S. investments. However, international markets offer access to potential growth and are a crucial source of diversification.

Economic status

Developed nations tend to provide a more stable investment environment while emerging markets are much more volatile.



STAR Program Fees

Understanding the fees for your STAR portfolio

For performing the tasks associated with the management of your investment portfolio, our TSA Portfolio Management subsidiary charges a management fee. The fee is determined based on a two-tiered schedule.

Tier I	
Asset Charge	Account Size
1.5% annually	up to \$200,000
1% annually	\$200,000 - \$500,000
0.75% annually	over \$500,000

The management fee for accounts greater than \$1 million may be less than 0.75% under certain circumstances.

Tier II	
Asset Charge	Account Size
1% annually	Any

Your financial advisor will assist you in determining the tier appropriate for your account.

The management fee is collected quarterly. Beginning in the third month after your account is established, and every three months thereafter, we will deduct one-quarter of the applicable management fee based on your account value as calculated on the day the fee is collected.

STAR: Meeting Your Needs

The Strategic Allocation and Rebalancing Program: Meeting your financial needs – now and in the future

Every investor has a variety of financial goals: education for children, a comfortable retirement, wealth accumulation, inheritance and wealth protection. Yet most investors do not have the time, resources or expertise to ensure that their financial goals will be met. For these investors, we have designed a comprehensive investment program based on sound financial principles. We can help you achieve your specific goals by creating, implementing and monitoring a personalized investment program.

Just as you have various financial goals, you may have several STAR portfolios, each assigned to a different financial objective. As your life circumstances change, Halliday Financial Group and your financial advisor will be there to adapt with you.



What is your role?

- Make an appointment with a Halliday Financial Group advisor
- Begin to define your goals
- Be involved
- Be open to new ideas but ask questions about your choices
- Review your overall financial and investment plan with your advisors at least once a year

If you are seeking a dedicated partner and superior services, contact:

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