From Here to There

Getting to know your employer’s retirement plan

Halliday Financial
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It’s About You

If you’re the independent type, you can do your own thing.

If you want some help, tools are available to assist you.

Confused about investing? We’ve got information for you.

Whatever your style, we have the tools and the solutions that will help you get to the retirement you want.

Connecting With Your Future

Everyone dreams of a better future. When you envision your future, what do you see—furthering your education, earning more money, buying a new home? You may not spend much time thinking about your retirement, especially if it is far off in the future.

But before you tune out any talk of retirement, think about this: The actions you take now can have a big impact on the amount of money you'll have available to see you through what could be a long retirement.

Dreaming about your future is good. Doing something to make those dreams come true is better. Small steps taken over time can help you reach your goals and achieve many of your dreams.

63% of Americans say they expect to be better off a year from now.[1]

52% of Americans are "very" or "somewhat" confident they'll have enough money to live comfortably throughout their retirement years.[2]

[1] USA Today/Gallup poll, 2012

[2] Employee Benefit Research Institute and Mathew Greenwald & Associates, 2012 Retirement Confidence Survey

Envisioning the future

Questions to ask yourself now

Will I have to work during my retirement years?

Some people love to work. Others, not so much. If you want to kick back and relax during retirement, you'll need to have enough money set aside so you won't have to work.

Where do I want to live?

By the ocean or near the mountains? In a city or in a rural setting? Whatever your preference for retirement living, the sooner you start thinking about how much you'll need to turn your dreams into reality, the better.

What do I want to do for fun?

What makes you happy? Time with family or friends? Travel abroad? Pursuing an interest or hobby? Whatever it is, aim to save enough money to pay for the lifestyle you want.

What will my health be like?

People are living longer, healthier lives. That's great. But in case you have to deal with unexpected health issues, it helps to be financially prepared.

What unplanned events might derail my dreams?

The unexpected can happen. Think about what might make it hard to reach your retirement goals. A solid financial foundation can cushion you against problems that could derail your dreams.

How do I plan for retirement?

Getting From Here to There

Contributing to your employer's retirement plan can bring you one step closer to having the retirement you deserve. It's easy: Enroll, then decide how much you want to contribute and how you want your contributions invested. Since your contributions are automatically deducted from your pay, there's no chance you'll spend that money instead of investing it for your retirement.

How much should you contribute?

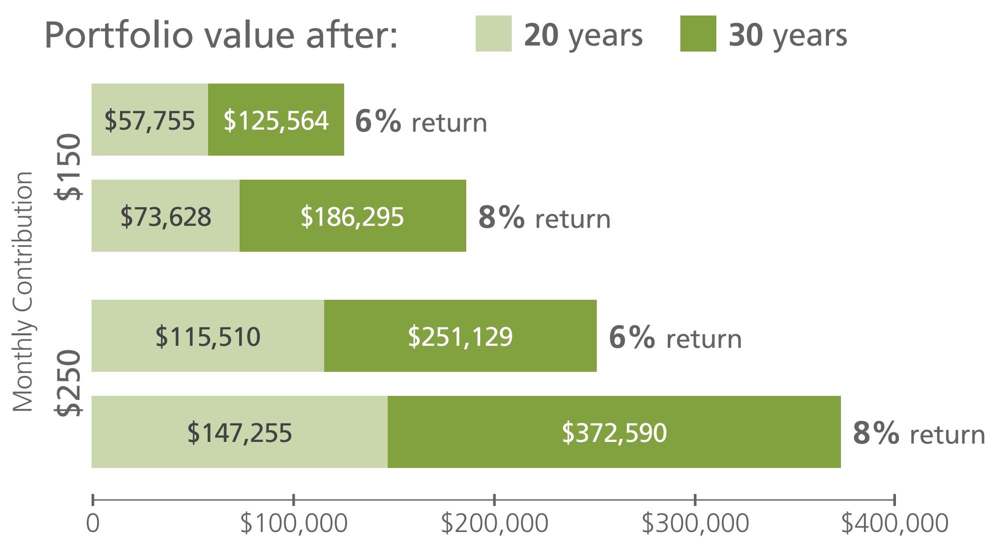
Think about starting with at least 6% of your pay or the amount that will maximize any employer matching contributions (if available). Then, to make the most of your plan:

- Keep contributing regularly
- Add to the amount you're contributing whenever you can—when you get a pay raise or bonus, for example.
- Choose investments that suit your needs
- Don't spend your savings until retirement

It all adds up

Take a look at these examples to see how contributions may grow over different time periods and earning different returns.

These are hypothetical examples used for illustrative purposes only. They assume consistent contributions over the time periods shown and monthly compounding of investment returns. The illustration does not represent any specific investment product offered by your plan and does not include any investment fees and expenses. Your results will be different.



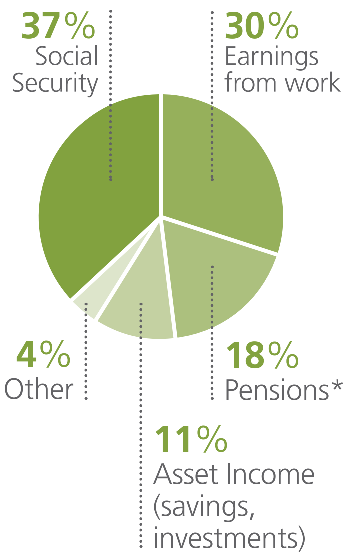
Why do I need to save?

Social Security Won’t Pay for Your Retirement

Relying exclusively on Social Security to fund your retirement won’t leave any room for fun “extras,” such as vacations, travel, or hobbies. To get an estimate of your future Social Security benefits, you can view your Social Security Statement online at www.ssa.gov.

Where does the money come from?

Today, people age 65 and older get income from several sources.



You may live to 80, 90 —or even 100

Life expectancies are increasing. Today, more people are living long past age 65 than at any other time in our nation’s history. That’s why it’s smart to factor in an extended lifespan when you’re deciding how much money you’ll need to support yourself in retirement.

Source: Health, United States, 2011, U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Health Statistics, 2011

Life expectancy at age 65

The cost of living keeps going up

Over time, even a low annual inflation rate can significantly reduce the buying power of your savings. Be sure to consider inflation when you’re deciding how much you need to set aside for retirement.

By the averages

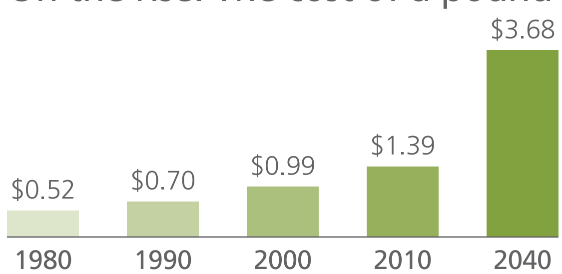
$1,261 a month

Amount the average retired worker receives from Social Security

*Includes government employee pensions and private pensions.

Sources: Fast Facts & Figures About Social Security, 2012; Fact Sheet, 2013 Social Security Changes; Social Security Administration, 2012

On the rise: The cost of a pound of bread



*This price projection is based on a 3.3% average annual increase, the same average rate of price inflation that occurred during the 1980-2010 period.

Sources: Consumer Price Index—Average price data, U.S. Business of Labor Statistics, and NPI.

Why do I need to save?

Five Big Reasons to Connect With Your Plan

Your employer's plan is designed with your needs in mind. It's your opportunity to save for your future—and it offers several key advantages.

1 PRE-TAX SAVINGS

Your paycheck contributions can be made before federal income taxes are withheld, lowering your current taxes.

2 TIME WORKS FOR YOU

The longer you save and invest, the more time your money has to potentially grow. Investment earnings are tax deferred for as long as they stay in the plan.

3 FLEXIBLE DECISIONS

You choose how much to contribute and the investment options you want to use for your plan account.

- You're not locked in—you can change your contribution amount and investment options.

4 DIVERSE AND WELL-KNOWN INVESTMENT OPTIONS

Your plan offers a variety of well-recognized, professionally managed investment options so you can create a diversified portfolio that fits your needs.

5 YOU'RE INVESTED

- Your plan contributions and any related investment earnings belong to you (i.e., they are fully vested).
- If you change jobs, you may be able to roll your vested account balance into another tax-deferred plan or an individual retirement account (IRA).

What exactly is a 401(k) plan?

It's a retirement plan for employees like you. A 401(k) plan offers special tax breaks to encourage employees to save for their own financial security.

Here's how saving in a 401(k) plan works:

- You tell your employer the amount you want to contribute to the plan.*
- Your employer deducts your contribution from your pay every payday and places the money into your account within the plan.
- The plan invests the money you contribute in the option(s) you have selected from the plan's investment menu.
- Your plan account balance reflects the contributions made to your account and any earnings (or losses) from investing those contributions.

*Tax law and plan contribution limits may apply.

Why do I need to save?

A Closer Look at Your Plan's Advantages

Pre-tax savings

This is one of the biggest advantages to saving for retirement in your retirement plan. Every dollar you contribute to the plan costs you less than a dollar in take-home pay because of the income taxes you save by contributing on a pre-tax basis.

The pre-tax advantage

A 15% federal income-tax bracket is assumed. Your tax bracket may be different. The higher your tax bracket, the lower your out-of-pocket cost of contributing to the plan.

You're InVESTED 100%

- The money you contribute is always yours (100% "vested")
- Employer contributions may become yours right away or over time according to the "vesting schedule" in your plan.

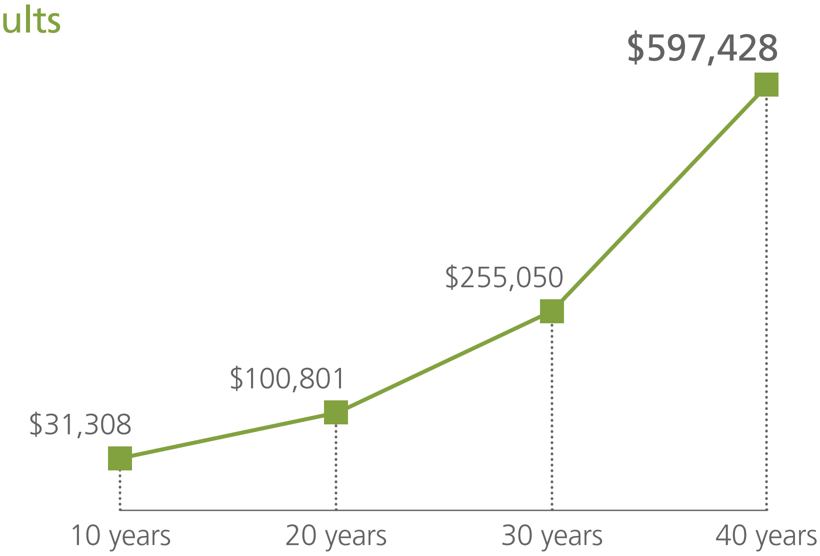
If you leave your job, you may:

- Roll your money over to an IRA
- Move it to a new employer's plan
- Cash out your account
- Keep it in the plan (if allowed)

Small investment, big results

Growth of a $200-a-month tax-deferred investment.
A $200-a-month plan contribution represents a 6% contribution rate for someone earning $40,000 a year.

Assumes an 8% average annual return, compounded monthly. Amounts shown are rounded to the nearest dollar value. Does not reflect the performance of a specific investment. This is a hypothetical example and is provided for illustrative purposes only. The amounts shown are net of taxes. A 15% tax rate is assumed. Your tax rate may be different.
Source: NPI



Where do I invest?

Connect With Your Plan's Investments

Your employer's plan lets you choose investments for your retirement account from a broad selection of options managed by some of the nation's most well-recognized investment managers. Plus, many helpful tools necessary to manage your portfolio, along with information about your investments, their performance history, and their objectives, are only a click or a phone call away.

Your plan gives you choices

The investment options your plan offers pool the money of many investors and use it to buy a collection known as a portfolio of stocks, bonds, and/or other securities. Different investment options have different objectives. The investment managers for these investment options research what securities to buy and decide when to sell them.

Low — Risk/Potential Return — High

Cash Alternatives

- Short-term investments
- Treasury bills

Bonds/Fixed Income

- Foreign bonds
- U.S. corporate bonds
- U.S. government bonds

Stocks

- International
- Small company
- Mid-sized company
- Large company

Cash alternative/stable value options generally invest in short-term money market instruments that seek to maintain their principal value and pay a modest amount of interest. Generally, these options are less risky than stocks or bonds but provide lower potential returns.

Issued by corporations or government agencies, bonds are debt instruments that typically pay a fixed rate of interest at a specified set date. They tend to be less risky than stocks and may rise when stocks decline.

Also known as equities, stocks are shares of ownership in a company. Stocks generally carry greater risks than bonds and cash/stable value options. However, historically, stocks have offered the greatest potential for long-term growth.

Understanding Investment Risk

Spreading your money among several different investments—diversifying—can help you manage investment risk. If one investment performs poorly, another may do well, helping to make up for the weak returns. Diversification does not ensure a profit or protect against loss in a declining market. However, it may help investors earn more consistent returns over time.

It's all about the mix

How you divide your portfolio among the different asset classes—known as asset allocation—will have an impact on your portfolio's risk and return.

Factors that may influence your asset allocation include:

- Your tolerance for risk
- Your time horizon (how long you expect your money to be invested)
- Your financial needs and goals

What's your investment style?

As you think about saving, you'll want to consider an investment strategy that makes sense for you and your needs. Your plan may offer two approaches to consider:

Do it for me

Your plan may offer target date funds, a balanced fund, or an actively managed account from a professional money manager.

Do it myself

Your plan may offer you a diverse set of investment options for you to build your own asset allocation strategy. Consider utilizing a Risk Tolerance Questionnaire to help you get started.

It's About You

Halliday Financial's advisors will take the time to know you and your financial needs. Only then will the implementation of thoughtful financial strategies have the greatest impact.

What's your role?

- Make an appointment with a Halliday Financial 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 advisor at least once a year

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