

**TSA PORTFOLIO MANGEMENT, INC.  
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**March 31, 2023**

This brochure provides information about the qualifications and business practices of TSA Portfolio Management Inc. ("TSA"). If you have any questions about the contents of this brochure, please contact Rachel Pino at 516-676-3332 or email us at [info@hallidayfinancial.com](mailto:info@hallidayfinancial.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.

TSA Portfolio Management Inc. is a federally registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser are designed to provide you with information necessary for you to decide as to whether to hire or retain a particular Investment Adviser.

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

## **Item 2 Material Changes**

There are no material changes to report from the previous versions of the TSA Brochure. In the future, this item will discuss only specific material changes that are made to the brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

We will further provide clients with a new brochure as necessary based on changes or new information, at any time, without charge. Currently, our brochure may be requested by contacting Rachel Pino, CCO at 516-676-3332 or [rpino@hallidayfinancial.com](mailto:rpino@hallidayfinancial.com). Our brochure is also available on our web site [www.HallidayFinancial.com](http://www.HallidayFinancial.com), also free of charge.

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## **Item 4 – Advisory Business**

TSA Portfolio Management Inc. (“TSA”), founded in 1991, provides investment supervisory services through investment management programs by giving continuous advice to you and by making investment decisions and recommendations based on individual client’s needs. Through personal discussions, TSA develops a personal investment policy, and creates and manages a portfolio based on your goals and objectives derived from information provided by each client. . Your portfolio may include investments in load or no-load mutual funds, stock, individual bonds (corporate, government and municipal), variable annuities and exchange traded funds (ETFs). TSA manages advisory accounts on a discretionary and non-discretionary basis. Account supervision is guided by your stated objectives and risk tolerance level (i.e., maximum capital appreciation, growth, income, or growth and income).

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### **Principal Owners**

TSA is a division of Halliday Financial Group, Inc. which (as of January 2016) is owned by the following individuals:

Rachel Holste Halliday Pino, CCO, Denis J. Moynihan, II, President and Portfolio Manager and Sean Mohammadi, Owner.

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### **Types of Agreements**

#### Individual Customized Portfolios

The following types of agreements define the typical relationship:

- **Discretionary:** A discretionary contract allows TSA to execute trades for your account at our discretion without requiring prior client approval for each specific investment. If you so choose, we will accept discretionary authority to manage securities accounts on your behalf. This will give TSA the authority to determine, without obtaining specific consent, the particular securities to be bought or sold; the amount of the securities to be bought or sold; and the timing as to when to make transactions for the account.
- **Non-Discretionary:** Non-discretionary accounts require TSA to obtain your authorization prior to executing each transaction. We will provide the client with our recommendations, which must be accepted by the client prior to implementation.

### **INDIVIDUAL PORTFOLIO MANAGEMENT**

TSA Portfolio Management through our various programs offer investment strategies for specific clients based upon the Client’s investment objectives, financial status, risk tolerance and specific instructions provided by the Client. Each Client has the ability to impose reasonable restrictions on the management of his/her funds. For example, the client can designate particular equities, bonds, exchange-traded funds (“ETF’s”) and mutual funds or types of equities, bonds, ETF’s and mutual funds that should not be selected for his/her account. Any restrictions imposed will be designated on each client’s Portfolio Selection Form. TSA Portfolio Management uses a variety of sources to

implement investment strategies. Special attention is given to the tax consequences of investments in taxable accounts to address the Client's tax situation.

Relatively aggressive investment strategies that may be adopted under certain and rare circumstances are transactions utilizing margin borrowing and option-writing (including uncovered options or spreading strategies). These strategies require special consideration and written approval from the Client before being utilized.

A Portfolio Selection Form is utilized to prepare a model portfolio that our clients select to determine the manner in which they want their account invested. Each model portfolio is designed to meet a particular investment goal. The model portfolio types are listed below with a description of each TSA Portfolio Managed Funds ("STAR"), North Shore Funds ("NSF"), American Funds ("AMF"), City University Options ("CUNY") :

**STAR-Equity 20** – 5% of the portfolio is invested in each the S&P 500, Large Value, Small Cap and International Equity Markets. Corporate and Government bonds are 78% of the portfolio with 2% in a money market.

**STAR-Equity 40** – 10% invested in each the S&P 500, Large Value, Small Cap and International Equity Markets. The 1-year Corporates are at 28%- and 5-year Government is 30% with 2% in the money market.

**STAR-Equity 60** – 15% invested in each the S&P 500, Large Value, Small Cap, 10% International Equity Markets. Bonds 45%.

**STAR-Equity 70** – 15% invested in each the S&P 500, Large Value, Small Cap and International Equity Markets. 1 Year Corporates are 18%- and 5-Year Government is 20% with 2% in the money market.

**STAR-Equity 80** – 20% invested in each the S&P 500, Large Value, Small Cap and International Equity Markets. 1 Year Corporates are at 8%- and 5-Year Government is 10% with 2% in the money market.

**STAR-Option 100** – 20% in each the S&P 500, Large Value and International Equity Markets. Small Cap Value and Small Cap Growth are 10% and Mid Cap Value and Mid Cap Growth are at 9% with 2% in the money market.

**STAR-Option 100 Retirement** – 12% invested in each the S&P 500, Small Cap, Mid Cap and International Equity Markets. Large Value is 50% with 2% in the money market.

**NSF-Equity Weighted 50** –50% of the portfolio is invested in large cap and middle cap dividend paying companies with a small tactical percentage in equity exchange traded funds (ETFs). 48% is invested in medium- and short-term bond ETFs with the balance in a firm approved money fund.

**NSF-Equity Weighted 70** – 70% of the portfolio is invested in large cap and middle cap dividend paying companies with a small tactical percentage in equity exchange traded funds (ETFs). 28% is invested in medium-and short-term bond ETFs with the balance in a firm approved money fund.

**NSF-Equity 100** – 98% of the portfolio is invested in large cap and middle cap dividend paying companies with a small tactical percentage in equity exchange traded funds (ETFs). There is a varying allocation to a firm approved money fund.

**NSF -Equity 50** – 50% of the portfolio is invested in combination of large cap and middle cap dividend paying companies and equity exchange traded funds (ETFs). Within this 50% equity allocation, 60% is comprised of the individual equities while 40% is allocated across large cap, midcap, small cap and international ETFs. The 50% bond allocation is invested in medium- and short-term ETFs (48%) with the balance in a firm approved money fund.

**NSF -Equity 60** –60% of the portfolio is invested in combination of large cap and middle cap dividend paying companies and equity exchange traded funds (ETFs). Within this 60% equity allocation, 60% is comprised of the individual equities while 40% is allocated across large cap, midcap, small cap and international ETFs. The 48% bond allocation is invested in medium- and short-term ETFs (40%) with the balance in a firm approved money fund.

**NSF -Equity 70** – 70% of the portfolio is invested in combination of large cap and middle cap dividend paying companies and equity exchange traded funds (ETFs). Within this 70% equity allocation, 60% is comprised of the individual equities while 40% is allocated across large cap, midcap, small cap and international ETFs. The 30% bond allocation is invested in medium- and short-term ETFs (28%) with the balance in a firm approved money fund.

**NSF -Equity 80**– 80% of the portfolio is invested in combination of large cap and middle cap dividend paying companies and equity exchange traded funds (ETFs). Within this 80% equity allocation, 60% is comprised of the individual equities while 40% is allocated across large cap, midcap, small cap and international ETFs. The 20% bond allocation is invested in medium- and short-term ETFs (18%) with the balance in a firm approved money fund.

**NSF -Equity 100**-100% of the portfolio is invested in combination of large cap and middle cap dividend paying companies and equity exchange traded funds (ETFs). Within this equity allocation, 59% is comprised of the individual equities while 39% is allocated across large cap, midcap, small cap and international ETFs. The balance is invested in a firm approved money fund.

**AMF-Equity Weighted 20** – 11.3% of the portfolio is invested in U.S. stocks. 7.9% is invested in non-U.S. stocks. A balance exist between growth and value for all stock positions. 66.5% is invested in U.S. bonds and 10.2% in non-U.S. bonds. And the cash position varies but averages around 4.3%.

**AMF-Equity Weighted 40** – 20.9% of the portfolio is invested in U.S. stocks. 17.3% is invested in non-U.S. stocks. A balance exist between growth and value for all stock positions. 49.9% is invested in U.S. bonds and 7.6% in non-U.S. bonds. And the cash position varies but averages around 4.3%.

**AMF-Equity 70** – 48.5% of the portfolio is invested in U.S. stocks. 16.5% is invested in non-U.S. stocks. A balance exist between growth and value for all stock positions. 27.6% is invested in U.S. bonds and 2.6% in non-U.S. bonds. And the cash position varies but averages around 4.8%.

**AMF-Equity 80** – 53.2% of the portfolio is invested in U.S. stocks. 21.4% is invested in non-U.S. stocks. A balance exist between growth and value for all stock positions. 18.6% is invested in U.S. bonds and 2.6% in non-U.S. bonds. And the cash position varies but averages around 4.3%.

**AMF-Equity 100** – 66.3% of the portfolio is invested in U.S. stocks. 28.5% is invested in non-U.S. stocks. A balance exist between growth and value for all stock positions. And the cash position varies but averages around 5.2%.

**AMF-Equity 100 Retirement** – 66.3% of the portfolio is invested in U.S. stocks. 28.5% is invested in non-U.S. stocks. There is a significantly weighting to “value” and dividend producing stocks. And the cash position varies but averages around 5.2%.

**AMF-Equity 70 Retirement**– 48.5% of the portfolio is invested in U.S. stocks. 16.5% is invested in non-U.S. stocks. There is a significantly weighting to “value” and dividend producing stocks. 27.6% is invested in U.S. bonds and 2.6% in non-U.S. bonds. And the cash position varies but averages around 4.8%.

**AMF-Equity 80 Retirement**– 53.2% of the portfolio is invested in U.S. stocks. 21.4% is invested in non-U.S. stocks. There is a significantly weighting to “value” and dividend producing stocks. 18.6% is invested in U.S. bonds and 2.6% in non-U.S. bonds. And the cash position varies but averages around 4.3%.

**CUNY Aggressive Portfolio:** an investment strategy emphasizes capital appreciation as a primary investment objective, rather than income with greater volatility.

**CUNY Growth Portfolio:** aims to increase the value of your savings. It generally favors stocks, which – though potentially volatile – have historically delivered higher returns than other asset classes such as bonds.

**CUNY Growth and Income Portfolio:** seeks to help investors build assets over time through exposure to a wide variety of stock investments as well as income from dividend-paying companies and fixed-income securities.

**CUNY Conservative Portfolio:** seeks to help investors that want current income and less volatility and therefore a lower allocation to stock investments. These investors are not concerned about increasing the value of your investments.

**CUNY Retirement Income Portfolio:** as you transition from the "accumulation" stage to the "distribution" stage, this portfolio strategy seeks to provide a stream of payments via a systematic withdrawal plan using several investment asset classes.

**CUNY Retirement Income & Growth Portfolio:** as you transition from the "accumulation" stage to the "distribution" stage, this portfolio strategy seeks to provide a stream of payments via a systematic withdrawal plan using several investment asset classes. The portfolio's focus is income however it does not overlook the potential for growth.

The TSA Separately Managed Account program (“SMAs” by NSF ) are discretionary managed investment accounts that provide you with a personalized approach to investing, including direct

ownership of individual securities, tax management, with an active investment management approach.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- ETFs
- Securities traded over-the-counter
- Mutual fund shares

When selecting stocks to include in portfolios, our managers look for larger, name-brand equities with strong dividend yields. A stock is even more attractive if it has had a history of increasing dividends and is trading at a discount to its market value. In addition, ideally the company would have free cash flow and reserves to support the dividend.

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

### **SUB ADVISORY PROGRAMS**

TSA also offers advisory management services to our clients through various commonly used sub advisory programs.

Our firm provides the client with an asset allocation strategy developed through personal discussions in which goals and objectives based on the client's particular circumstances are established.

Based on the client's individual circumstances and needs, TSA will then perform management searches of various unaffiliated registered investment advisers (sub advisors) to identify which registered investment adviser's portfolio management style is appropriate for that particular client. Factors considered in making this determination include account size, risk tolerance, the opinion of each client and the investment philosophy of the selected registered investment adviser. Clients should refer to the selected registered investment adviser's Brochure or other disclosure document for a full description of the services offered. We are available to meet with clients on a regular basis, or as determined by the client, to review the account.

Once we determine the most suitable investment adviser(s) for the client, we provide the selected sub advisors with the client's investment criteria. The sub advisor then creates and manages the client's portfolio based on the client's individual needs.

We monitor the performance of the selected registered investment adviser(s). If we determine that a particular selected registered investment adviser(s) is not providing sufficient management services to the client or is not managing the client's portfolio in a manner consistent with the client's PIPS, we may suggest that the client contract with a different registered investment adviser. Under this scenario, our firm assists the client in selecting a new registered investment adviser. However, any move to a new registered investment adviser is solely at the discretion of the client.



## **SUB ADVISOR RELATIONSHIPS**

Below are the descriptions of the various portfolio options currently available under the various platforms which we offer our clients from third party managers.

### **Managed 360 (Formerly Lockwood Managed Account Advisor (“MAA”)) Program**

MAA is a program sponsored by Lockwood, with clearing and custody services through its affiliate Pershing LLC (“Pershing”), member FINRA NYSE and SIPC. Lockwood Advisors, Inc. is an SEC-registered investment adviser and is owned by The Bank of New York Mellon Corporation.

TSA will utilize software and documentation provided by Lockwood to assist the client in selecting an investment style allocation and/or diversified portfolio of investments including investment vehicle(s) and/or managers (“Manager(s)”) appropriate for you initially and on an on-going basis. TSA will collect financial and personal information from you, assist you in establishing investment objectives and strategies, and evaluate the suitability of the products for you. TSA will then assist you in selecting a Manager(s) from the Lockwood research department’s list of Managers with whom Lockwood does business.

Lockwood has limited investment discretion to change the selected Manager(s) if your financial circumstances change or economic or market conditions change, to the extent that Lockwood feels that a Manager change is advisable, or, if in Lockwood’s opinion, the Manager(s) selection can no longer meet the client’s investment objectives. The Manager(s) selected are granted investment discretion by you and exercise this authority in the day-to-day portfolio management of your account(s).

### **Lockwood Advisor Flex Portfolios (“AFP”) Wrap Program**

Lockwood acts as a Portfolio Manager in offering the AdvisorFlex Portfolios™ (“AFP”) which is a flexible mutual fund and ETF wrap account product. Lockwood is both the sponsor of the Program and the Portfolio Manager of the AFP product.

As Portfolio Manager, Lockwood makes limited discretionary investment decisions regarding asset allocation and investment selections.

Lockwood will implement certain model updates throughout the life of your AFP account, and you will give Lockwood the limited discretion to implement such updates. Model updates may include replacing one investment vehicle with another or changing the asset allocation. All trades are individual to each AFP account and are not aggregated.

You will grant limited discretion to TSA to update the investment vehicles in your account throughout the life an account.

### **Lockwood Investment Strategies (“LIS”) Program**

Lockwood Investment Strategies (“LIS”) is a full discretionary, multi-discipline managed account product housed in a single portfolio. Five core models and four alternative models are available. Lockwood, serving as the Portfolio Manager, determines asset allocation and selects both third-party asset managers (“Sub Advisers”) and specific investment vehicles based on its proprietary approach to asset allocation, as well as its macroeconomic outlook and investment discipline.

The account is rebalanced periodically to reflect the market changes and to maintain compliance with Lockwood's strategy-specific guidelines and your investment objectives.

TSA will provide you with an asset allocation strategy developed by Lockwood through personal discussions in which goals and objectives based on your particular circumstances are established. This asset allocation strategy is drafted into your Personal Investment Policy Statement. You will grant limited discretion to Lockwood to rebalance the account by replacing one investment vehicle or model with another. You will also grant TSA limited discretion for the purpose of making investment vehicle, model, and asset allocation selections. Lockwood has the ability, subject to certain limitations, to override Lockwood's proposed asset allocation and/or investment proposal.

### **Lockwood Asset Allocation Portfolios ("LAAP") Program**

Lockwood Asset Allocation Portfolios ("LAAP") is a discretionary, mutual fund and ETF wrap account product. Lockwood, serving as the Portfolio Manager, determines asset allocation strategy and selects investment vehicles for the portfolios, based on its proprietary approach to asset allocation, macroeconomic outlook and investment discipline. These portfolios may consist of open and closed-end mutual funds, ETFs and other types of securities, as determined by Lockwood, in its sole discretion. The securities currently used in the LAAP portfolios are subject to change at Lockwood's sole discretion.

TSA will provide you with an asset allocation strategy developed by Lockwood through personal discussions in which goals and objectives based on your particular circumstances are established. This asset allocation strategy is drafted into your Personal Investment Policy Statement. You will grant limited discretion to Lockwood to rebalance the account by replacing one investment vehicle or model with another. You will also grant TSA limited discretion for the purpose of making investment vehicle, model, and asset allocation selections. TSA has the ability, subject to certain limitations, to override Lockwood's proposed asset allocation and/or investment proposal.

### **Marstone**

TSA provides a sub advisor relationship with Marstone who manages an Online Wrap Fee Program. Marstone provides online financial advisory services through a secured website: [ww.marstone.com](http://ww.marstone.com); which can create investment plans and portfolio management strategies to meet your financial objectives, including identifying:

- Investment objectives and risk tolerance;
- Indexed asset classes in which to invest;
- Efficient investment allocation to meet your objectives; and
- Appropriate times to re-balance your portfolio to optimize return for your stated objectives and risk tolerance.

Through the Marstone platform, detailed information provided from you will assist to evaluate your investment objectives, risk tolerance and suitability considerations. Marstone will help you invest in a well-diversified portfolio of ETFs that may include exposure to stock market holdings for long term returns, fixed income securities for steady income, real estate and commodities for diversification and inflation protection, and often cash-equivalent investments such as money

market funds. Based on your investment objectives and through the online tools, Marstone will recommend customized solutions to meet your particular needs.

### **Marstone Wrap Fee Program**

Marstone offers account management services to clients on a discretionary basis. The accounts will be set up and maintained at the TSA custodian, Pershing Advisor Solutions, LLC (“Pershing”). Marstone fees will be based on the market value of a client account’s assets under management determined on the last business day of the previous monthly period and will become due the first day of the new business month.

Marstone clients shall receive both investment advisory services and the execution of brokerage transactions for a specified amount ‘wrapped’ into a single fee (the “Program”). Participation in the Program may cost more or less than purchasing such services separately. In addition, the monthly fee for participation in the Program may be higher or lower than that charged by other sponsors of comparable wrap fee programs. The terms and conditions for client participation in the Program are set forth in this Brochure.

### **Additional Investment Portfolios:**

Illiquid Direct Participation Investments (DPIs):

The Adviser conducts due diligence on different illiquid direct participation investments (DPIs). DPI offering structures may be private equity (for example, Regulation D, Regulation A, etc.), public non-traded offerings (for example, S-1 offerings, Intrastate offerings, Business Development Companies (BDCs), non-traded mutual funds, etc.), non-traded Real Estate Investment Trusts (REITs), and/or non-traded oil and gas programs. DPIs will often have minimum investor suitability standards, which are disclosed within an investment's prospectus or offering circular. More restrictive State or firm-level suitability or concentration standards may be applied.

For purposes of determining suitability, the Adviser defines the following terms:

- Annual Income- Personal income from sources such as employment, alimony, social security, investment income, etc.
- Household Net Worth - The value of all assets minus all liabilities. Assets include stocks, bonds, mutual funds, other securities, bank accounts, real assets (e.g., real estate), and other personal property as well as primary residence. Liabilities include mortgage, margin loans, outstanding loans, credit card balances, taxes, etc.
- Investable Net Worth - The value of "investable" assets minus liabilities associated with those assets. Investable assets include stocks, bonds, mutual funds, other securities, bank accounts, hard assets (e.g., real estate), and other investments less any costs associated with liquidating such assets (e.g., redemption fees, contingent sales charges, sales commissions, taxes and tax penalties if the client is less than 59.5 years old and liquidating qualified accounts, etc.) Primary residence, personal-use automobiles, and personal belongings are not included. Liabilities include any margin loans and other associated outstanding loans. Any mortgage on the primary residence is not included unless the mortgage balance is greater than the fair market value of the primary residence. If this should happen, the amount of the mortgage that is greater than the value of the home is

included as a liability. Any amount of the mortgage balance that has increased over the prior 60 calendar days of calculating net worth is included.

- Liquid Net Worth - Investable Net Worth minus assets that cannot be converted quickly and easily into cash, such as real estate, business equity, personal property and automobiles, expected inheritances, assets earmarked for other purposes, and investments or accounts subject to substantial penalties (e.g., penalties or redemption fees greater than five percent of the face value of the investment) if they were sold or if assets were withdrawn from them.
- Accredited Investor - As defined under Rule 501 of Regulation D under the Securities Act, an Accredited Investor is an individual or joint with spouse with greater than \$1,000,000 in Investable Net Worth, or individual Annual Income in excess of \$200,000 in each of the two most recent years, \$300,000 if jointly, and has a reasonable expectation of reaching the same income level in the current year.)

While DPLs may offer interval-based (i.e., quarterly), periodic tender offers, or some other form of an early redemption feature, in general, any DPI should be considered illiquid. That is, an investor should consider any DPI as being illiquid and without a secondary market upon which to sell one's investment and thus no opportunity to convert one's investment into cash. Anticipated holding periods will vary depending on the nature and strategy of the DPI. The Adviser will communicate anticipated holding periods per language provided within each DPI's prospectus or offering circular. However, there is no guarantee that a liquidity event will occur within the prescribed timeframe if at all.

All DPLs should be considered speculative in nature, subject to a high degree of risk, including the risk of losing one's entire investment.

DPLs are not endorsed by FINRA, SEC, or any other regulatory agency.

### **TSA Assets Under Management**

As of 12/31/2022, TSA manages approximately \$ 976,688,617.00 in assets for approximately 2700 clients. Approximately \$864,525,434.00 is managed on a discretionary basis and \$112,163,183.00 is managed on a non-discretionary basis.

### **Item 5 – Fees and Compensation**

TSA fees will be payable in advance or in arrears on a quarterly basis dependent on the client relation. If in advance, the fee will be payable quarterly in advance upon deposit of any funds or securities in the account. The first payment is due upon acceptance of this agreement and will be based upon the opening value of the account. The first payment will be prorated to cover the period from the date the account is opened through the end of the next full calendar quarter. Thereafter, the fee will be based on the account value on the last trading day of the preceding calendar quarter. For those accounts whose billing is in arrears, the fee will be a percentage of the market value of all assets in the account on the last trading day of each calendar quarter.

TSA will generally bill its fees on a quarterly basis. TSA's primary payment method authorizes the custodian to deduct the investment management fee from client accounts and pay the fees to TSA.

For those not directly debited, an invoice will be sent directly to the client, and will be due in full within 10 days of receipt. Statements provided by the custodian will detail the total amount of the fees that are due for the current quarter. Fees are not verified for accuracy by the custodian; it is the client's responsibility to do so. Some assets (usually those with initial or deferred sales charges) may initially be excluded from management fee agreed to by clients and TSA.

Some third-party platforms and programs may charge fees in arrears or in advance. These are outlined in the applicable program's Disclosure Document. Each client's billing specifics and elections are listed in its client advisory agreement.

### **American Funds Fees**

In the American Funds (AMF) program fees are calculated and billed based upon each quarterly period ending on the last business day of February, May, August and November of each year. Each time that additional funds are invested in Client's American Funds Program during any one quarter, the applicable Advisory Fee shall be the product of (i) the average daily net asset value of Client assets invested in shares of the Funds through the Program during the quarter; (ii) the number of days in the quarter; and (iii) the rate agreed to by the parties divided by the number of days in the year. The fees shall be paid within thirty (30) days following the end of the quarter for which such fees are payable either by deduction or invoice.

There is no minimum initial amount of Program Assets for your account. A flat Advisory Fee of 1% annually will be collected on all accounts. For 529 Plans, there is a flat Advisory Fee of .5%.

### **Marstone Program Fees:**

In the Marstone Program the period for which the Quarterly Fee will be calculated will run from the day Marstone begins management of the client's account through the last business day of the current calendar quarter. The initial Quarterly Fee will be prorated for the portion of the initial calendar quarter during which the account was managed. If a client subsequently contributes capital to or withdraw assets from their account, the account will be charged a prorated portion of the Quarterly Fee to the date of the transaction.

TSA will charge a flat advisory Fee of .5% annually will be collected on all accounts on a quarterly basis. In addition to the advisory fee that TSA receives, the Program also has the following fees: Marstone platform fee is .25% and the Pershing administrative fee is .10%. The Pershing administrative fee includes trade, confirmations, performance and tax reporting fees.

If necessary, Marstone may direct the sale of securities sufficient to pay the monthly fee. Any fees or charges may be changed, waived or reduced at Marstone's sole discretion for any period of time and for any account.

Marstone is a fee-only investment advisor. Neither TSA nor its employees will receive any direct or indirect compensation related to investments that are purchased or sold for clients outside of the management fee disclosed above

### **Billing Methods**

Clients will authorize Marstone to deduct advisory fees from client accounts held at Pershing, the custodial broker-dealer. It is Marstone's policy to bill managed accounts in arrears.

## **Other Fees and Expenses**

In addition to the fees charged by Marstone, each exchange traded fund (“ETF”) company in which a client’s funds may be invested, charges fees paid by the investors that are deducted from the ETF’s assets. These fees, called Management Fees, pay for the management and investment advisory services of the ETFs. The fees are categorized as annual operating expenses. Management Fees are disclosed in each ETF prospectus and, typically, are less than 0.5%. Marstone clients are encouraged to consult each individual prospectus to become familiar with such Management Fees. Marstone does not currently charge clients for costs associated with the closing of their accounts, as with other fees, Marstone reserves the right to change its fee policies as it deems necessary.

## **Minimum Account Balance**

The minimum initial amount of Program Assets for your account is \$5,000. The minimum account size may be changed from time to time at the sole direction of TSA. However, if the minimum amount in your account drops below \$4,000, TSA reserves the right to terminate the relationship with the client and close the account.

## **CUNY Portfolio Program**

There is no minimum initial amount of Program Assets for your account. An Advisory Fee of .75% annually will be collected on accounts with up to \$500,000 under management. An Advisory Fee of .65% annually will be collected on accounts from \$500,000 to \$1,000,000. An Advisory Fee of .55% annually will be collected on accounts for account balances over \$1,000,000.

## **Pershing Tier Fee Billing**

The minimum initial amount of Program Assets for your account is \$50,000 (for the SMA Tier II the minimum ranges from \$25,000 to \$250,000 depending on the program chosen). The minimum account size may be changed from time to time at the sole direction of TSA. However, if the minimum amount in your account drops below \$40,000, TSA shall have the right to terminate the Account.

The annual fee is based on a percentage of invested assets according to the following schedule under the specific programs stated:

## **Discretionary Pershing Tier I and NSF (SMA) Tier II**

An Advisory Fee typically ranges from .75% to 1.5% annually will be collected on accounts with up to \$500,000 under management.

The Advisory Fee for accounts with more than \$500,000 under management is subject to negotiation and will be recorded in writing on the client agreement.

## **Non-Discretionary Pershing Tier I**

An Advisory Fee typically ranges from .75% to 1.5% annually will be collected on accounts with up to \$500,000 under management.

The Advisory Fee for accounts with more than \$500,000 under management is subject to negotiation and will be recorded in writing on the client agreement.

The transaction fees normally charged to client accounts will not be charged to accounts with \$500,000, or more, under management.

### **Discretionary Pershing Tier II**

An Advisory Fee typically ranges from .5% to 1% annually will be collected on accounts with up to \$1,000,000 under management.

The Advisory Fee for accounts with more than \$1,000,000 under management is subject to negotiation and will be recorded in writing on the client agreement.

### **Non-Discretionary Pershing Tier II**

An Advisory Fee typically ranges from .5% to 1% annually will be collected on accounts with up to \$1,000,000 under management.

The transaction fees normally charged to client accounts will not be charged to accounts with \$500,000, or more, under management. Where there is a transaction fee charged it is paid directly to Halliday Financial, LLC. (the affiliated broker dealer for TSA Portfolio Management).

The Advisory Fee for accounts with more than \$1,000,000 under management is subject to negotiation and will be recorded in writing in the client agreement. .

### **Discretionary Pershing Tier III**

An Advisory Fee of 1.4% annually will be collected on accounts.

### **Non-Discretionary Pershing Tier III**

A flat Advisory Fee of 1.4% annually will be collected on all accounts.

The transaction fees normally charged to client accounts will not be charged to accounts. Where there is a transaction fee charged it is paid directly to Halliday Financial, LLC. (the affiliated broker dealer for TSA Portfolio Management).

All fees are subject to negotiation.

## **Lockwood Fees--Under the Sub Advisor Programs:**

### **Managed 360 (Formerly Lockwood Managed Account Advisor ("MAA")) Program**

Managers will generally not accept accounts under \$100,000, with the minimum account sizes varying slightly in some instances.

*FEES:* MAA is available only on a fee basis. Generally the fee components are 1) Lockwood advisory or program fee; 2) Manager(s) fee; 3) Clearing and custody fee; 4) and TSA fee.

Each manager engaged by you will set and charge fees independently of one another and, as such, fees may vary from Manager to Manager. Managers' fees typically range between 0.20% and 0.75% of assets annually on an account basis. Lockwood's fees typically range between 0.25% to 0.65% of assets annually on an account basis for equity investments and between 0.15% to 0.35% of assets annually on an account basis for fixed income investments. Based on the agreement with you, these fees may include clearing and custody fees. Thus, an overall fee will depend on the Manager(s) selected, amount of assets under management, types of investment held, and the fee charged by TSA. Total fees typically range from 1.00% to 3.00%, based on the Investment Advisor outlined above. TSA will ensure that the aggregate fee charged will never exceed 3.00% of the assets under management. TSA's investment advisory fee, constituting a portion of the total fee charged is based on the following fee schedules:

<u>Equity--Assets Under Management (\$)</u>	<u>Fee (%)</u>
First \$500,000	1.00%
Next \$500,000	1.00%
Next \$4,000,000	0.75%
Next \$5,000,000	0.30%
Over \$10,000,000	0.20%

<u>Fixed Income--Assets Under Management (\$)</u>	<u>Fee (%)</u>
First \$500,000	0.65%
Next \$500,000	0.65%
Next \$4,000,000	0.50%
Next \$5,000,000	0.35%
Over \$10,000,000	0.30%

These fee schedules may be negotiable under certain circumstances.

Lockwood debits the account for the fees charged by Lockwood, the clearing agent, the selected Manager(s), and TSA and remits the fees to the respective parties accordingly. Fees are debited in advance for the next calendar quarter based on the value of the assets at the end of the prior calendar quarter.

Participating in the MAA program should carefully review Lockwood's Form ADV Part II and Schedule H for a detailed description of all fees in the program, including the wrap fee option.

### **Lockwood Advisor Flex Portfolios ("AFP")**

The minimum account size of AFP accounts is \$50,000, with minimum subsequent contributions of \$1,000.

*FEES:* AFP is available only on a fee basis. Generally the fee components are 1) Lockwood advisory or program fee (inclusive of SPIAS fee; 2) Clearing and custody fee, and execution fee paid to Pershing; 3) and TSA fee. The combined Lockwood and Pershing fees range from 0.25% to 0.40% of assets annually on an account basis. TSA will ensure that the aggregate fee charged will never exceed 3.00% of the assets under management. TSA's investment advisory fee, constituting a portion of the total fee charged is based on the following fee schedule:



<u>Assets Under Management (\$)</u>	<u>Fee (%)</u>
First \$500,000	1.00%
Next \$500,000	1.00%
Next \$4,000,000	0.75%
Next \$5,000,000	0.50%
Over \$10,000,000	0.20%

This fee schedule may be negotiable under certain circumstances.

Your participation in the MAA program should carefully review Lockwood's Form ADV Part II and Schedule H for a detailed description of all fees in the program, including the wrap fee option. Additional expenses associated with the specific underlying investment vehicles (such as, 12b-1 fees, redemption fees and internal expenses fees) may apply.

### **Lockwood Investment Strategies ("LIS") Program**

The minimum initial investment in this program is \$250,000, with minimum subsequent contributions of \$2,500.

**FEES:** The LIS program fee includes the LCM advisory fee and Overlay Manager fee, the Sub-Adviser fees, clearing and custodial fees. The program fee does not include fees or expenses which may be associated with the underlying investment vehicles such as redemption fees, 12b-1 fees, or internal expense ratios. The overall fee will depend on amount of assets under management, types of investments held, and the fee charged by TSA. The LIS fee typically ranges from 0.30% to 0.75% of assets under management, based on the Investment Advisor outlined above. TSA will ensure that the aggregate fee charged will never exceed 3.00% of the assets under management. TSA's investment advisory fee is in addition to the LIS program fee and is based on the following fee schedule:

<u>Assets Under Management (\$)</u>	<u>Fee (%)</u>
First \$500,000	1.00%
Next \$500,000	1.00%
Next \$4,000,000	0.75%
Next \$5,000,000	0.50%
Over \$10,000,000	0.20%

This fee schedule may be negotiable under certain circumstances.

Lockwood debits your account for the fees charged by LCM, its clearing agent, Sub-Advisers, and TSA and remits the fees to the respective parties accordingly. Fees are debited in advance for the next calendar quarter based on the value of the assets at the end of the prior calendar quarter.

Participating in the LIS program should carefully review Lockwood's and LCM's Form ADV Part II and Schedule H for a detailed description of all fees in the program, including the wrap fee option.

## **Lockwood Asset Allocation Portfolios ("LAAP") Program**

The minimum initial investment is \$50,000, with minimum subsequent contributions of \$1,000.

**FEES:** The LAAP program fee includes the LCM advisory fee, a sponsor fee, the administrative fee, and clearing and custodial fees. The program fee does not include fees or expenses which may be associated with the underlying investment vehicles such as redemption fees, 12b-1 fees, or internal expense ratios. The overall fee will depend on amount of assets under management, types of investments held, and the fee charged by TSA. The LAAP fee typically ranges from 0.10% to 0.40% of assets under management, based on the Investment Advisor outlined above. TSA will ensure that the aggregate fee charged will never exceed 3.00% of the assets under management. TSA's investment advisory fee is in addition to the LAAP program fee and is based on the following fee schedule:

<u>Assets Under Management (\$)</u>	<u>Fee (%)</u>
First \$500,000	1.00%
Next \$500,000	1.00%
Next \$4,000,000	0.75%
Next \$5,000,000	0.50%
Over \$10,000,000	0.20%

This fee schedule may be negotiable under certain circumstances.

Participating in the LAAP program should carefully review Lockwood's and LCM's Form ADV Part II and Schedule H for a detailed description of all fees in the program, including the wrap fee option.

## **Lockwood Wrap Fees**

As previously disclosed, participating in the Lockwood program(s) may pay an all-inclusive wrap fee which includes charges for advisory services, custody, clearing, transaction execution and account reporting. Participating in these programs also agrees to direct brokerage in their account(s) through Pershing. Therefore, in evaluating such an arrangement, you should recognize that brokerage commissions for the execution of transactions in the account are not negotiated by TSA or Lockwood, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to you and those charged to other TSA accounts. You should also consider that, depending upon the level of the wrap fee charged by the broker dealer, the amount of portfolio activity in your account, the value of custodial and other services which are provided under the arrangement, and other Investment Advisors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately and if TSA and/or Lockwood were free to negotiate commissions and seek best price and execution of transactions for the clients account.

Participants in Lockwood's programs will be provided brokerage, custody, and clearing services will be provided through its affiliate, Pershing. You should carefully review all the terms and conditions of the agreement(s) signed with Lockwood, LCM, Manager(s), Marstone and Pershing. Clients should also review all sub advisory agreements and Forms ADV Part 2A for specific descriptions of their brokerage practices and wrap fee programs.

## **Termination of Agreement**

Investment advisory contracts may be terminated by either you or TSA without payment of any penalty, upon written notice to the other party. Termination by either you or TSA does not have the effect of canceling orders to deposit or invest cash or to purchase or sell securities prior to receipt of notice of cancellation. In the event either you or TSA terminate the Agreement, you will receive a pro-rata bill representing your portfolio value at the time of termination, adjusted for the number of days from the last billing quarter for the portion of the quarter not yet billed if your account has been billed in arrears. If your account has been billed in advance for the next calendar quarter, you will be refunded the on a pro-rata basis for the period of time between the account termination and the end of the next calendar quarter.

## **Mutual Fund Fees**

All fees paid to TSA for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

## **Wrap Fee Programs and Separately Managed Account Fees**

Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by our firm. Such fees may include the investment advisory fees of the independent advisers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to clients.

## **ERISA Accounts**

TSA is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. For accounts subject to the prohibited transaction rules under the Internal Revenue Code or ERISA (and such others accounts that TSA, in its sole discretion deems appropriate), TSA provides its investment advisory services on a fee-offset basis. In this scenario, TSA will offset its fees by an

amount equal to the aggregate commissions and 12b-1 fees earned by TSA's Supervised Persons in their individual capacities as registered representatives of TSA.

### **Limited Prepayment of Fees**

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

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

TSA does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets).

### **Item 7— Types of Clients**

TSA may provide portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, Taft-Hartley plans, charitable institutions, foundations, endowments, municipalities, registered mutual funds, private investment funds, trust programs, sovereign funds, foreign funds such as UCITs and SICAVs, and other U.S. and international institutions.

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

#### **METHODS OF ANALYSIS**

TSA Portfolio Management uses multiple methods of analysis in formulating our investment advice and managing client assets. This section sets them out in order of importance and includes a description of the methods and their risks:

**Asset Allocation:** We begin our analysis by attempting to identify an appropriate ratio of equities, fixed income, and cash suitable to the client's investment goals and risk tolerance. We and the client reach agreement as to the appropriate allocation.

A risk of asset allocation is that the client may not fully participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals. To help alleviate the latter risk, we rebalance accounts regularly.

**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.

**Qualitative Analysis:** We subjectively evaluate non-quantifiable factors such as quality of management and strength of research and development factors not readily subject to measurement.

A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

**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 allocate appropriately.

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.

**Risks for all forms of analysis:** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. There is always a risk that our analysis may be compromised by inaccurate or misleading information of third parties over which TSA has no control.

## **Investment Strategies**

TSA's investment process is comprised of several components. Our asset allocation strives to maximize the level of returns for a given risk level. Our strategies diversify client's assets to cover a full range of investment styles. Our approach to portfolio construction is to make certain the portfolio is aligned with the client's risk profile. To ensure that client portfolios continue to meet expectations in a variety of market conditions, the investment team manages the portfolios through a quarterly rebalancing process. This process of rebalancing is instrumental in keeping the integrity of the risk/reward characteristics of our clients' portfolios intact.

We do not engage in high frequency trading, or market timing strategies because they do not offer the risk/reward characteristics we seek in managing investment portfolios for clients.

An investment is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

**Risk of Loss.** Securities investments are not guaranteed, and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk. Clients should understand that investing in any securities, including mutual funds, involves a risk of loss of both income and principal.

## **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 TSA or the integrity of TSA's management. TSA has no information to disclose which is applicable to this Item.

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

Certain employees and/or associated persons of TSA are also registered representatives and employees of Halliday Financial, LLC. Shareholders and control persons of TSA are also shareholders of Halliday Financial, LLC. TSA directs the execution of certain securities transactions for accounts managed by TSA through Halliday Financial, LLC. An affiliated broker/ dealer. This relationship may result in potential conflicts of interest between us and our clients where securities execution is directed to our affiliated broker/dealer. We believe we mitigate this conflict with the monitoring and disclosure requirements imposed in our Code of Ethics, discussed in Item 11, and in Brokerage Practices discussed in Item 12, below.

In addition, certain TSA employees and/or associated persons are also insurance agents of various insurance companies. Such individuals are also sub agents of Halliday Research Corp., (dba Halliday Life and Health) a licensed insurance agent and an affiliate of both TSA and Halliday Financial, LLC. Certain TSA employees and/or associated persons may spend as much as 60% of their time with these other activities, which involve business activities other than providing investment advice. However, TSA does not recommend insurance products to its TSA advisory clients, even when their investment advisor representative may also sell insurance products.

While TSA and our representatives endeavor at all times to put the interest of the clients first as part of our fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest and may affect the judgment of these individuals when making investment recommendations.

Conflict of Interest Mitigation We take the following steps to address potential issues of conflicts of interest:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are in the clients' best interests, client's needs and circumstances;
- we require that our employees seek prior approval of any outside business activities so that we may ensure that any conflicts of interests in such activities are properly addressed and disclosed;
- we periodically monitor these outside activities to verify that any conflicts of interest continue to be properly addressed and disclosed by our firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

Halliday Financial, LLC. an affiliated broker dealer of TSA, has a clearing agreement with Pershing LLC., a wholly owned subsidiary of The Bank of New York Mellon Corporation ("Pershing"). You are not obligated to use Halliday Financial, LLC. (including Pershing) as the broker dealer or

custodian for transactions and may request the use of another broker dealer or custodian. While this clearing agreement has no impact upon the investment advice provided by TSA to you, TSA does receive economic benefits as a result of this clearing agreement. These benefits include: receipt of duplicate confirmations; access to a special trading desk; ability to have investment advisory fees deducted directly from you accounts; access, for a fee, to an electronic communication network for order entry and account information; receipt of compliance publications; and access to mutual funds which generally require significantly higher initial investments or are generally available only to institutional investors. In addition, Halliday Financial, LLC. may receive from Pershing a portion of the transaction fees charged by Pershing to you. The benefits received by TSA and its clients from Pershing do not depend upon the volume of transactions directed through Pershing.

**Brokerage commissions and Transaction Fees:** These are costs associated with the execution of trades placed in the account. Pershing charges a transaction fee for executing transactions in customer accounts, a portion of which may be shared with Halliday Financial, LLC. The receipt of such compensation creates a conflict of interest for TSA in choosing to execute transactions through Pershing and Halliday Financial Services, LLC. These additional fees are considered by TSA when determining the fairness of the fees charged to our client.

### **Item 11 – Code of Ethics**

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. TSA and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code. As a fiduciary under applicable federal securities laws, we seek to ensure that our advice and recommendations are in each client's best interests.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions. TSA's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to CCO, or by calling us at 516-676-3332.

TSA and individuals associated with our firm are prohibited from engaging in principal securities transactions. TSA and individuals associated with our firm are prohibited from engaging in agency cross transactions.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees are monitored and supervised and 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.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain securities which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be excluded in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
4. Our firm requires prior approval for any new issues of securities ("IPO") or private placement investments by related persons of the firm.
5. We maintain a list of all reportable securities holdings for our firm, and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
6. We have established procedures for the maintenance of all required books and records.
7. All clients are fully informed that related persons may receive separate commission compensation from our related broker/dealer when effecting transactions during the implementation process.
8. Clients can decline to implement any advice rendered, except in situations where our firm is granted full discretionary authority.
9. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.



10. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
11. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
12. Any individual who violates any of the above restrictions may be subject to disciplinary action, including but not limited to termination.

As disclosed in the preceding section of this Brochure (Item 10), related persons of our firm are separately registered as securities representatives of a related broker-dealer or licensed as an insurance agent/broker of various insurance companies, including our related insurance agency. Please refer to Item 10 for a detailed explanation of these relationships and important conflict of interest disclosures.

## **Item 12 – Brokerage Practices**

It is TSA's policy that the firm will not affect any principal or agency cross securities transactions for your accounts. TSA will also not cross trades between your accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory account. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated fund and another in your account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisor and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Certain affiliated accounts may trade in the same securities with your accounts on an aggregated basis when consistent with TSA's obligation of best execution. In such circumstances, the affiliated and your accounts will share commission costs equally and receive securities at a total average price. TSA will retain records of the trade order (specifying each participating account) and its allocation which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

### **Selecting Brokerage:**

TSA requests that clients direct us to place trades through Halliday Financial LLC. TSA has evaluated Halliday Financial LLC and believes that it will provide our clients with a blend of execution services, commission costs and professionalism that will assist our firm to meet our fiduciary obligations to clients. However, because Halliday Financial LLC is a related broker/dealer to TSA, utilizing Halliday Financial LLC creates a conflict of interest for TSA, in that Pershing charges a transaction fee for executing transactions in customer accounts, a portion of which may be shared with Halliday Financial, LLC. The receipt of such compensation creates a conflict of interest for TSA in choosing to execute transactions through Pershing and Halliday Financial LLC. These additional fees are considered by TSA when determining the fairness of the fees charged to

our client. Clients should note, while TSA has a reasonable belief that Halliday Financial LLC is able to obtain best execution and competitive prices, our firm will not be independently seeking best execution price capability through other brokers.

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services
- Capability to execute, clear, and settle trades (buys and sells securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds (ETFs) etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior service to us and our other clients
- Availability of other products and services that benefit us, as discussed below

TSA does not have any soft-dollar arrangements and does not receive any soft-dollar benefits. As our firm does not have the discretionary authority to determine the broker-dealer to be used or the commission rates to be paid, clients must direct TSA as to the broker-dealer to be used.

We reserve the right to decline acceptance of any client account for which the client directs the use of a broker other than Halliday Financial LLC if we believe that this choice would hinder our fiduciary duty to the client and/or our ability to service the account. In directing the use of Halliday Financial LLC, it should be understood that TSA will not have authority to negotiate commissions or to necessarily obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to the client and those charged to other clients (who may direct the use of another broker).

As a matter of policy and practice, TSA does not generally block client trades and, therefore, we implement client transactions separately for each account. Consequently, certain client trades may be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisers who block client trades.

### **Item 13 – Review of Accounts**

At a minimum an annual review of each client's account will be conducted by the portfolio manager. In most cases, accounts are reviewed more frequently through various means, including telephone calls, in-person meetings, overall strategy reviews, and/or the review of monthly and quarterly statements. Reviews are based on objectives and parameters established by clients, which are generally memorialized through their individual advisory agreements, investment policy statements, or other suitability and investment objectives documentation.

Periodic reviews and face-to-face meetings or conference calls are encouraged. Events that may trigger a review include client requests, a change in financial goals or objectives, and significant personal, world, economic or market events.

REPORTS: You will receive periodic reports directly from your custodian on a monthly basis. These written reports include details of your trades, account balances, portfolio performance, dividends, contributions and withdrawals, and fees and charges. Clients are strongly urged to review trade confirmations and account statements on a timely basis and contact the Chief Compliance Officer of TSA immediately if you notice major inconsistencies in your reports or do not receive a report.

### **Selection and Monitoring of Sub Advisors**

These client accounts should refer to the independent registered investment adviser's Firm Brochure (or other disclosure document used in lieu of the brochure) for information regarding the nature and frequency of reviews provided by that independent registered investment adviser.

REPORTS: These clients should refer to the independent registered investment adviser's Firm Brochure (or other disclosure document used in lieu of the brochure) for information regarding the nature and frequency of reports provided by that independent registered investment adviser.

TSA does not typically provide reports in addition to those provided by the independent registered investment adviser selected to manage the client's assets.

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

#### **Other Compensation**

Our firm and/or our officers and representatives are eligible to receive incentive awards (including prizes such as trips or bonuses) for recommending certain types of insurance policies or other investment products that we recommend.

While we are required to and do at all times put the interest of our clients first as part of our fiduciary duty, the possibility of receiving incentive awards creates a conflict of interest and may affect the judgment of these individuals when making recommendations.

### **Item 15 – Custody**

Third party custodians such as a broker-dealer, mutual fund company or bank will custody the client's accounts.

TSA does not maintain custody of your assets that we manage; although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your to pay for your advisory fees. Your assets must be maintained in an account at a "qualified custodian," generally a broker dealer or bank. We recommend that you use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, or Pershing LLC, member FINRA, NYSE and SIPC, a subsidiary of The Bank of New York Mellon Corporation as the qualified custodian. We are independently owned and operated and are not affiliates with either company. Schwab or Pershing will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab or Pershing as custodian/broker, you will decide whether to do so and will open your account with Schwab or Pershing by entering into an account agreement directly with them.

Clients receive account statements, at least quarterly, from their custodian(s). TSA will provide performance reports to clients on an annual basis, as requested by the client. We urge clients to carefully review such statements and compare such official custodial records to the quarterly performance reports. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. For clients who authorize us to directly debit investment management fees from their accounts, we implement several safeguards to ensure their funds are protected. At the same time, we submit our request for payment to the custodian of our client's account, the custodian will be sent a notice from us, in writing, stating the exact amount of the withdrawal, the specific manner or basis on which we calculated our fee, the value of the assets under our management on which the fee is based, and the time period covered by the fee. The notice will also advise the custodian that they have an opportunity to object to the invoiced amount and how to do so. The custodian's periodic statements will show each fee deduction from their account. TSA is deemed to have limited custody solely because we have the ability to have the Custodian withdraw and pay our advisory fees from client accounts, if authorized in the client agreement to do so.

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

For clients choosing our investment management services, we generally receive discretionary authority for public market investments in writing from clients at the outset of an advisory relationship in the investment management agreement. If a client chooses to do so, discretionary authority grants us the ability to determine, without obtaining a client's specific consent, the securities to be bought or sold for their portfolio or the number of securities to be bought or sold. As described in more detail in "Item 4 – Advisory Business" beginning on page 1, such discretion is to be exercised in a manner consistent with their stated investment objectives for the account, by considering the size of the account, and their risk tolerance. When selecting securities and determining amounts, we observe any investment policies, limitations and restrictions clients provide to us in writing. Clients may place limitations on our discretion in our agreement that we establish with them, and such limitations may be changed by them at any time.

Also, clients may sign an agreement with their custodian, which generally includes a limited power of attorney granting us authority to direct and implement the investment and reinvestment of their assets within the account, but not direct the assets outside of the account.

Prior to entering into an agreement with a new client, we are required to disclose to the client in writing any material conflicts of interest that we, our representatives, or any of our employees may have that could result affect our ability to provide unbiased and objective advice. In this brochure we have reasonably disclosed all material conflicts of interest.

Investment guidelines and restrictions must be provided to TSA in writing.

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

As a matter of firm policy and practice, TSA does not have any authority to, and does not vote proxies on behalf of advisory accounts. You retain the responsibility for receiving and voting proxies for any and all securities maintained in your portfolios. TSA may provide advice to you regarding the voting of proxies, upon request from the client.

**Item 18 – Financial Information**

Registered investment advisers are required in this item to provide you with certain financial information or disclosures about TSA’s financial condition. TSA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to you and has not been the subject of a bankruptcy proceeding.