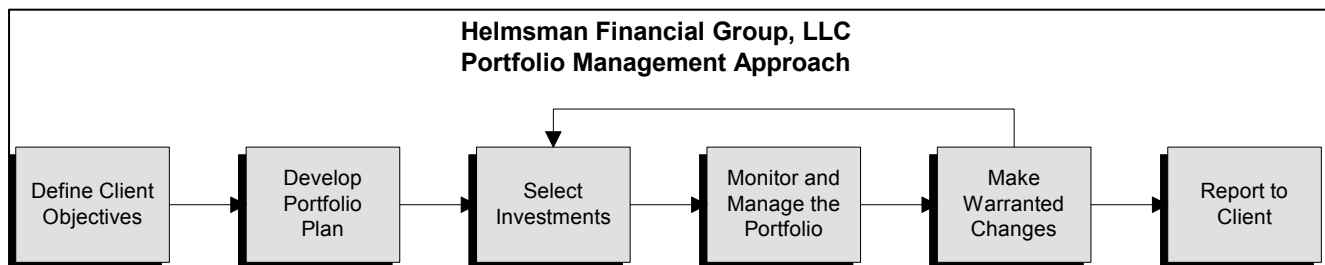




The Helmsman Financial Group LLC (HFG) *Portfolio Management Approach*

At Helmsman Financial Group, LLC having our clients understand how we do things is almost as important as what we do. HFG's investment management service is based on a customized portfolio plan and development design. Product selection is a component of the process, but never drives it. The chart below summarizes the actual steps:



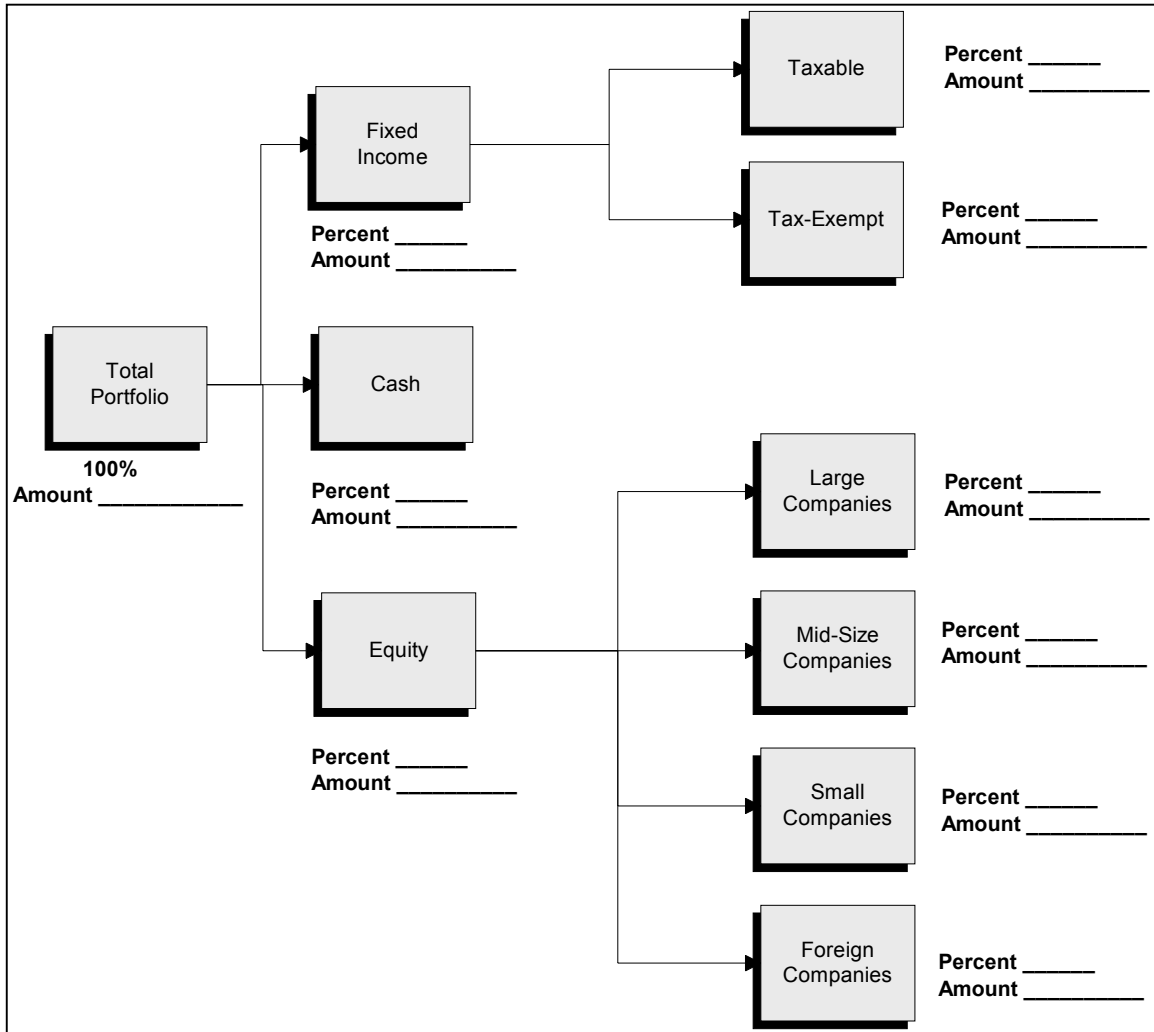
Defining Your Objectives:

The foundation for a successful design is a comprehensive understanding of financial situations and objectives. We begin our work by learning all of your pertinent investment related information. We do this in one or more face to face meetings where we examine issues such as:

- Primary objective for the investment assets
- Investment time horizon (when you will need to use the invested funds)
- Risk tolerance
- Investment experience
- Tax situation
- Your current investment position(s)
- Any investment preferences you may have or types of investments that you do not want to have
- The level of involvement you want to have in the process
- Current financial planning you have done (estate planning, etc)

Developing Your Portfolio Plan:

A good portfolio plan begins with developing a proper asset allocation. Asset allocation is the process of balancing investments among Cash, Equity and Income based on need and objectives. HFG's approach to asset allocation can be shown by the following investment graphic:



The steps in this asset allocation process are as follows:

Step 1 – Based on your objectives, we determine the percentage of the total portfolio that will be invested in *Cash*, *Income* and *Equity* investments.

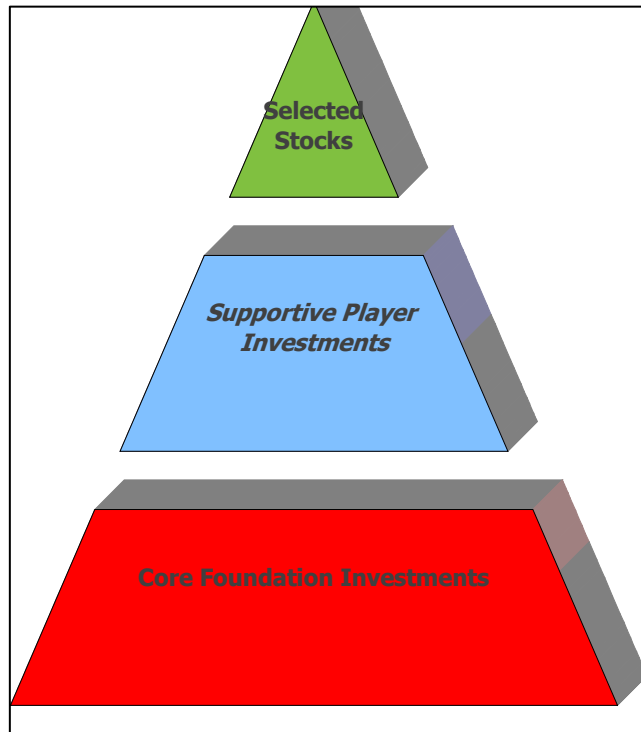
Step 2 – Once the percentage of Income is determined, it is necessary to establish how much to put into taxable income investments (corporate or government) and tax-exempt investments, based on your tax bracket.

Step 3 - Finally, the equity portion is divided into stock investment amounts for large companies, mid-size companies and small companies, as well as foreign or world companies.

This completes the overall asset allocation plan and next we turn our attention to selecting the specific investments to use in each category of the asset allocation plan.

Selecting the Investments:

In selecting the specific investments, HFG uses a combination of mutual funds and individual securities. This chart outlines the process.



Step 1 – a strong foundation providing a comprehensive exposure to the markets and built through the use of stock index or broad-based funds, fixed income investments (bonds) and cash.

Step 2 – a secondary level of supporting player investments consisting of more focused mutual funds, focused on small or mid-size companies or sector funds.

Step 3 – The pyramid is capped by a universe of carefully selected individual stocks. These selections “fill in the gaps” of the portfolio. Such a portfolio is developed in such a way that the pieces are a complimentary mosaic and not just a *hodge podge* of the current hottest products.

Monitoring and Managing Your Portfolio:

Designing and implementing the plan is of limited benefit if the portfolio is not consistently monitored and managed. This can be done by you if you have the expertise and most importantly, the desire to put in the time required to do it effectively. Most people, however, find that it is much more beneficial to get professional assistance.

Unlike many investment managers, HFG does not pool client assets into large co-mingled accounts. Instead, each client has separate accounts, each individually managed by HFG to make sure that the account is properly balanced to fit your own specific objectives. By doing this, investment decisions are not only made based on the investment products merits, but your specific tax situation, investment preference and other factors will be taken into consideration before any decision is made.

HFG's management programs are very flexible to coincide with the amount of involvement you desire. HFG can make all of the decisions for those clients who do not want to be involved in such decisions, or can give the client an action call when a decision is required prior to HFG processing the trade. It is totally up to you. These programs are described in more detail in our piece on *Portfolio Management*.

Making Warranted Changes:

Once an investment decision is made, HFG efficiently processes the trade through the custodian holding the client assets.

Reporting to Client:

At HFG, we feel that concise informative reporting is critical to the success of a client's portfolio. We look at the process as a team effort between the client and HFG. The more the client is informed, the higher the potential for success is our belief. Because of this, we strongly encourage our clients to meet with us to go over their reports in person. In addition to the normal statements you will receive from the custodian of the assets, HFG has their internal tracking and reporting system. We will routinely prepare periodic reports for you, but since it is our internal system, we can also customize reports for you that will help you in understanding your portfolio better. Our periodic reports consist of:

- Performance information
- Position information
- Transaction information

In summary, HFG feels that successful portfolio management is a team effort between HFG and you, the client. Our entire successful approach has been designed based on this belief. At HFG you pay only for the work done. Our services are exclusively fee based and never include up front, on-going or back end commissions. In some cases there may be a small transaction charge made by the asset custodian, but HFG has no financial interest in such charges.

HFG creates the opportunity for reasonable returns by crafting a diversified disciplined strategy enhanced by extraordinary client support. With HFG, you will understand where your money is, why its there and the measure of risk versus reward you are taking. The ultimate outcome of our efforts being to create a financial peace of mind that enables you to sleep well at night.