Financial Wellness & Education

Helping you plan for tomorrow

Foresters Financial

Foresters personalized service

Foresters Financial Services, Inc. provides everyday families and individuals with financial solutions, guidance and tools, to meet their needs across all life stages. Our financial representatives offer personalized service combined with a solid, long-term approach and fresh thinking, to help you:

- Save and invest for retirement, education and other life events
- Create retirement income strategies
- Protect the ones you love
- Plan your legacy

You can also take pride in knowing that you are part of Foresters™, an international financial services provider that gives back to the community and cares deeply about family well-being. Each year Foresters organizes thousands of community activities, providing financial contributions and hands-on volunteerism in support of charitable partners that make a meaningful and lasting impact in local communities.

Together, we can help you achieve financial and family well-being—now and tomorrow, this generation and the next.

Our three-step approach

We use a "three-step" approach to help our clients make effective long-term financial decisions:[1]

Step I: Savings

The foundation of every financial strategy begins with establishing a bank account that offers stability of principal. This is a ready reserve of cash that can be used for daily expenses, as well as unforeseen emergencies.

Step II: Life Insurance

Life insurance is one of the most effective ways to help safeguard a family's financial future. Life insurance benefits could be used by your family to cope with the financial burdens that often accompany the loss of a loved one.

Step III: Investments

The top tier of your financial strategy is allocated to investments that provide the potential for long-term growth. At Foresters Financial, we have long advocated two basic investment types: mutual funds and variable annuities.

Savings

Before considering life insurance and investments, you should first build a strong foundation by putting money into a conservative account. Savings may be kept in checking, savings or CD accounts with your bank. Savings may also be held in a money market mutual fund, such as the First Investors Cash Management Fund, which is a highly liquid, relatively conservative investment.[2] Many money market funds offer the convenience of free personalized checks.

[1] Foresters Financial Services, Inc. offers brokerage services.

[2] An investment in a money market mutual fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. Although money market mutual funds seek to preserve the value of your investment at $1 per share, it is possible to lose money by investing in these funds.

Life Insurance

You've got grand plans for the future and you are working hard to achieve those goals. However, life is unpredictable. To safeguard your dreams, it's prudent to build a solid base of life insurance. Regrettably, far too many individuals are either uninsured or underinsured.

While nothing can replace you, adequate life insurance coverage could help your family cope with a sudden loss of income. Insurance proceeds could be used to:

- Pay final expenses
- Replace lost income
- Help fund your children's education
- Make rent or mortgage payments
- Allow a family to maintain its standard of living

Survivor Needs Analysis

Using our Survivor Needs Analysis, your Representative can help you determine the amount of life insurance coverage you need to protect yourself, your family and your business.

Investments

Funding a child's education, enjoying a comfortable retirement, and saving money on taxes are universal financial goals. Sound investments can help turn these goals into realities.

College

Providing children with a college education is a high priority for most parents. Here are some surprising statistics regarding college benefits and costs:[3]

- During a 40-year career, the typical bachelor's degree recipient can expect to earn about 65 percent more than the typical high school graduate.
- Tuition and fees for in-state students at public four-year institutions averaged $9,139 for 2014-2015. And at $9,804, room and board charges account for more than half of the total expenses for these students.
- The average price tag of a four-year private school education for a 2014-2015 first-year student will cost nearly $170,000 (including tuition, fees, room and board).
- At that rate, 18 years from now that same education could cost more than $400,000. Time can be a powerful ally if you let it work to your advantage. The earlier you start, the easier it will be to have enough money to send your child to college. That is why it is so important to start saving today. For more information, please see the graph on the back cover.

The College Needs Analysis

Your Representative can provide you with a personalized College Needs Analysis to give you a realistic estimate of the costs that you may be facing, and can help you reach your goals.

Retirement

With the future of Social Security being called into question, traditional corporate pensions becoming less common, and inflation eroding the buying power of the dollar, Americans will increasingly have to supplement their retirement income with their own assets.

Here are some striking statistics concerning retirement:[4]

- Only 18 percent of Americans said they were "very confident" of having enough money to live comfortably in retirement.
- For the population of persons age 65 and older, the median income is $17,281.
- Just under a third (30 percent) of retirees receive income from either a traditional pension or take withdrawals from a retirement account such as an individual retirement account (IRA). The median amount of income retirees receive is $12,000 per year.

Experts say that you will need about 80 percent of your pre-retirement income during your retirement years. Will you have enough money to live comfortably in retirement? Your Representative can help you understand your retirement options.

The Retirement Needs Analysis

Your Representative will analyze your current financial situation and give you a realistic estimate of how much money you will need at retirement. With proper planning, a comfortable retirement can be within your reach.

[3] Sources: "Education Pays," and "Trends in College Pricing 2014," The College Board, New York, New York.

[4] Sources: Employee Benefit Research Institute, The Center for Retirement Research (CRR) and the AARP Public Policy Institute.

Helping you plan for tomorrow

Tax Savings

One of the best ways to invest for your future is to take advantage of government-established tax breaks whenever possible. Did you know that you may be able to realize substantial savings on your taxes, depending on your tax bracket? Your Representative will help you determine whether such tax-advantaged investments are right for you.

You may be able to benefit from one or more of the following:

- **Tax-exempt investments.** Municipal bond funds allow you to keep more of the income that you earn, without paying federal income taxes.[5] Income from state-specific municipal bond funds may be double- or even triple-tax-free for residents of that state.
- **Tax-deferred investments.** The tax-deferred compounding available through IRAs, life insurance and annuity products is a powerful tool. You can invest your money and have it grow tax-deferred until you withdraw it.[6]
- **Tax-qualified plans.** Investing in a tax-qualified program is one of the many options you can choose to help prepare for your retirement. With some plans, you can invest pretax dollars today and watch them grow tax-deferred for tomorrow. Alternately, you may be able to enjoy tax-free growth and tax-free distributions.[6]

5 Income from municipal bond funds is free from federal taxes but may be subject to state and local taxes or the Alternative Minimum Tax.

6 Distributions from qualified plans and annuities generally will be subject to taxes at the applicable rates at the time of distribution. Distributions from Roth IRAs are tax free if they are held more than five years and you are at least age 59 $^{1}/_{2}$. Generally, withdrawals before age 59 $^{1}/_{2}$ are subject to a 10 percent penalty tax.

Review your financial picture

At Foresters Financial, the investment process begins with the Confidential Suitability Questionnaire, which will help your Representative become familiar with your needs and goals. Based on your specific objectives, your Representative may also complete a Survivor Needs Worksheet, Retirement Needs Analysis and College Needs Analysis. Following a thorough review of these materials, your Representative can make investment and life insurance recommendations that are custom-tailored to fit your specific situation and to help you achieve your financial goals.

Time-tested strategies

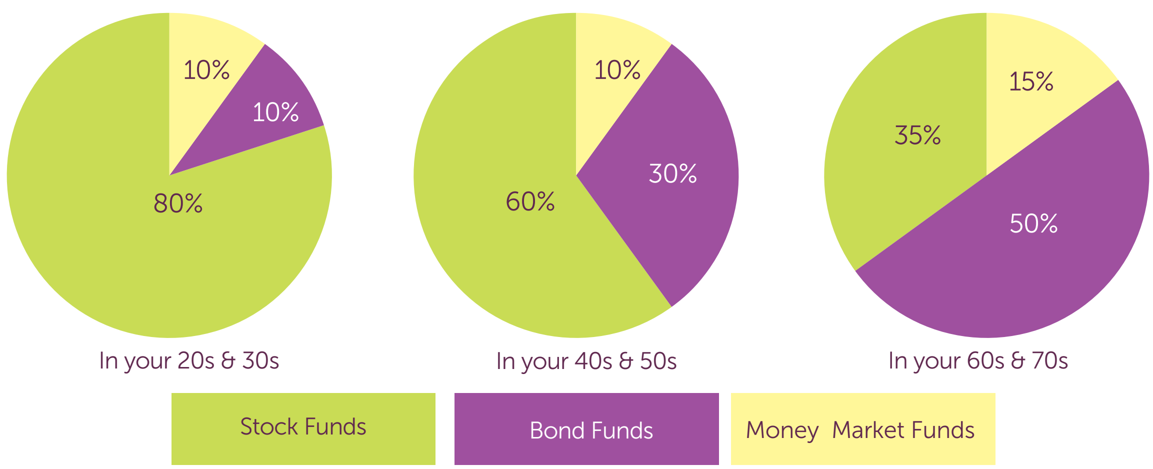
A study by Dalbar, a respected financial research firm, found that between 1994 and 2013, the average equity fund investor achieved an annual return of only 5.02 percent. This occurred during a period in which the average annual return of the S&P 500 Index was 9.22 percent. Why did many investors fare so poorly and miss out on so much of the gains? Perhaps they moved from fund to fund, chasing the hot performer. Or perhaps they ran for the sidelines in times of market turmoil. At Foresters Financial, we've always advocated several time-tested investment tenets that can help investors maintain a long-term focus:

Diversification

By investing in a broadly diversified basket of investments, you reduce the volatility in the overall portfolio while enhancing the potential for greater results. This concept of "not putting all your eggs in one basket" is built into mutual funds, variable annuities and variable life insurance.

Asset allocation

Asset allocation is diversification taken to its next logical step. It is the process of determining the appropriate mix of asset classes—stock, bond and money market mutual funds—for an investment portfolio. Because the stock, bond and money markets rarely move in the same direction at the same time, a portfolio that holds multiple asset classes can reduce the impact of a downturn in any one market and aid returns when one or more asset classes rally.



If you are in your twenties or thirties, you have more time to ride out the market's inevitable cycles. This allows you to consider taking more risk, in exchange for the promise of greater growth. Older investors, or those with shorter time horizons, generally need to place more emphasis on safety of principal and current income. At times, your situation may require a combination of strategies. As you mature and your needs change, your Representative will be there to help.[7]

Systematic investing

Investing a fixed amount of money at a regular interval is a disciplined way to build assets over the long term. This process allows investors to buy more shares when the price is low, and fewer shares when the price is high. Over time, the average cost per share is less than the average share price.[8]

7 Allocation charts are for illustrative purposes only and do not represent any specific investment strategy or recommendation, or any specific securities. The investment mix that is appropriate for you depends on your age, investment horizon, goals and attitude about risk. All investing involve risk, including the risk that you may lose money.

8 Systematic investment programs do not assure a profit or protect against loss in declining markets. These types of programs involve regular investments in securities, regardless of fluctuating price levels. Investors should consider their financial ability to continue purchases through periods of low price levels.

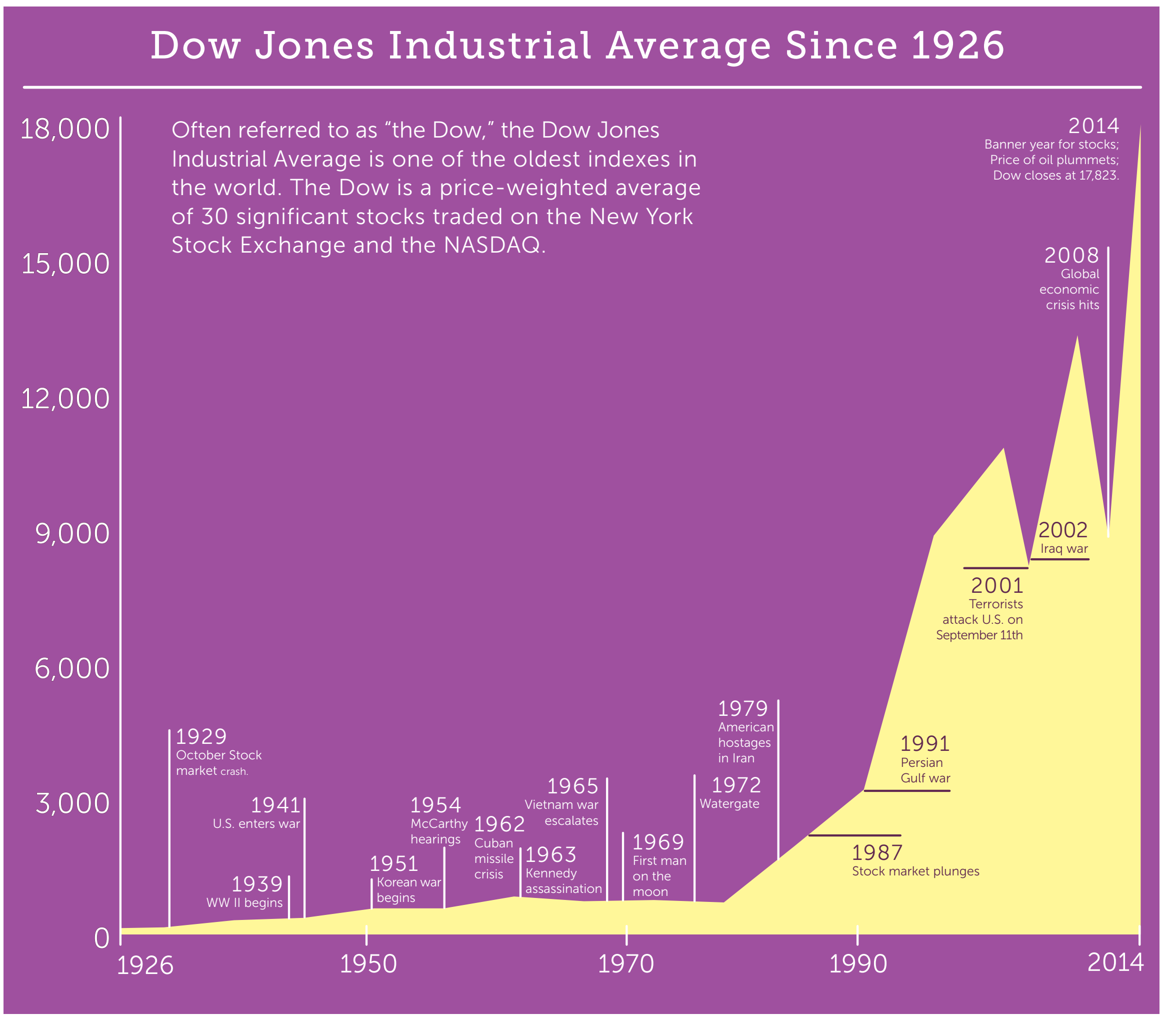
A long-term perspective

"The best time to plant a tree was 20 years ago. The second best time to plant a tree is today."

Regardless of your age, income or goals, the sooner you get started, the more likely you are to achieve your goals. Too often, individuals focus on short-term results. While it's true that investments will fluctuate in value in the short term, it's much more beneficial to look at things from a longer-term view. For example, stocks and bonds will go up and down on a daily basis, and post positive results some years and negative results other years. However, when looked at from a long-term perspective, their performance becomes more meaningful.

From 1926 through 2013, large company stocks averaged an annual total return of 10.1% and long-term corporate bonds averaged 6.0%.[9]

Based on history, the longer you hold on to stocks, the greater the chance that you will have a positive return. For example, over the past 88 years, there was a 73% chance that an investment in large company stocks would have produced a positive return if held for one year, as measured by the S&P 500 Index. Those chances for positive returns grew to 95% if held for 10 years, and to 100% if held for 20 years.[9]



[9] Figures are hypothetical and for illustrative purposes only, and do not represent the performance of any First Investors mutual fund or any other security. Actual returns will fluctuate and you may lose money. All investing involves risk, including the risk that you may lose money. This example does not take into consideration the impact of taxation. After applicable taxes, accumulated values will be less.

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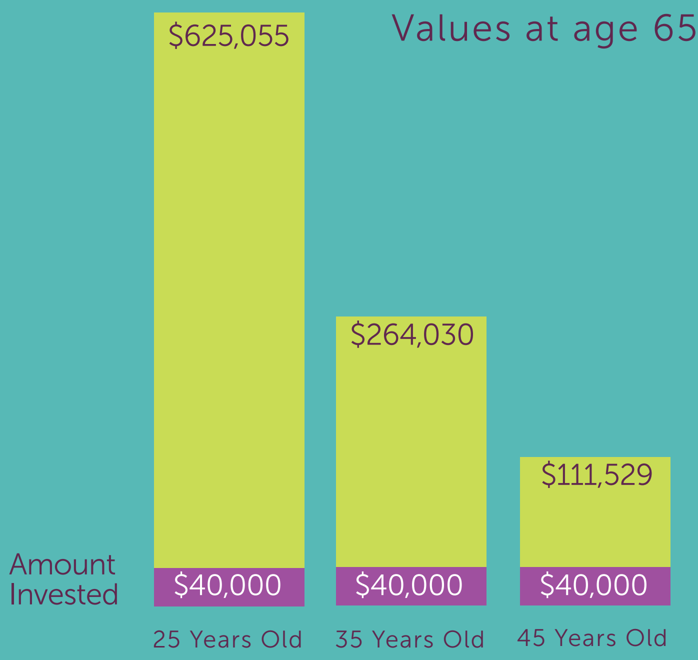


Put time on your side

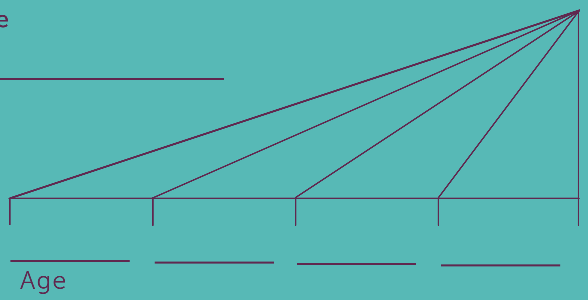
Make time work in your favor. The sooner you start to invest, the more assets you may accumulate over time.

Did you know that if you invested $2,000 at the beginning of each year for 20 years, starting at age 25, assuming a 9 percent investment return, your **$40,000** in contributions would grow to **$625,055** by the time you reach age 65?

However, had you invested the same $2,000 at the beginning of each year for 20 years, at that rate, but waited until age 35 to start, you would accumulate only $264,030. That's a difference of $361,025.[10]

The path of life

Goal: ____________________



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