An Hour About:

- **Investment Professionals,**
- **Fees, and**
- **A Few Products You May Encounter**

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The Really Big Picture

There are three parts of a full FERS Retirement:

- The **FERS Annuity** (monthly income and COLAs—see www.opm.gov/retirement-services)
- **Social Security** (monthly income and COLAs—see www.SSA.gov)
- **Thrift Savings Plan** (www.tsp.gov)

The Really Big Picture

Increasing Your Retirement Nest Egg While Working

Once you reach the required combination of age and years of service, the FERS Annuity is calculated based upon your:

high three years of salary x 1% x years of service

Once you reach the combination of at least 20 years and 62 years of age, the FERS Annuity is calculated based upon your:

high three years of salary x 1.1% x years of service

www.opm.gov/retirement-services/fers-information/computation/

The Really Big Picture

Do the math, and then confirm with your Agency Benefits Officer…..

At age 62 with 30 years of service, the gross FERS annuity is approximately 1/3 of the high three;

By continuing until 37 years of service, the gross FERS annuity is approximately 40% of the high three.

The Really Big Picture

So, by choosing to work longer you may:

- Increase you FERS annuity benefit;
- Continue to contribute to the TSP;
- Qualify for a larger Social Security monthly payment.

Overview

Who's Out There??? –

Investment Professionals

What Does It Cost, and
Why Does It Matter???—

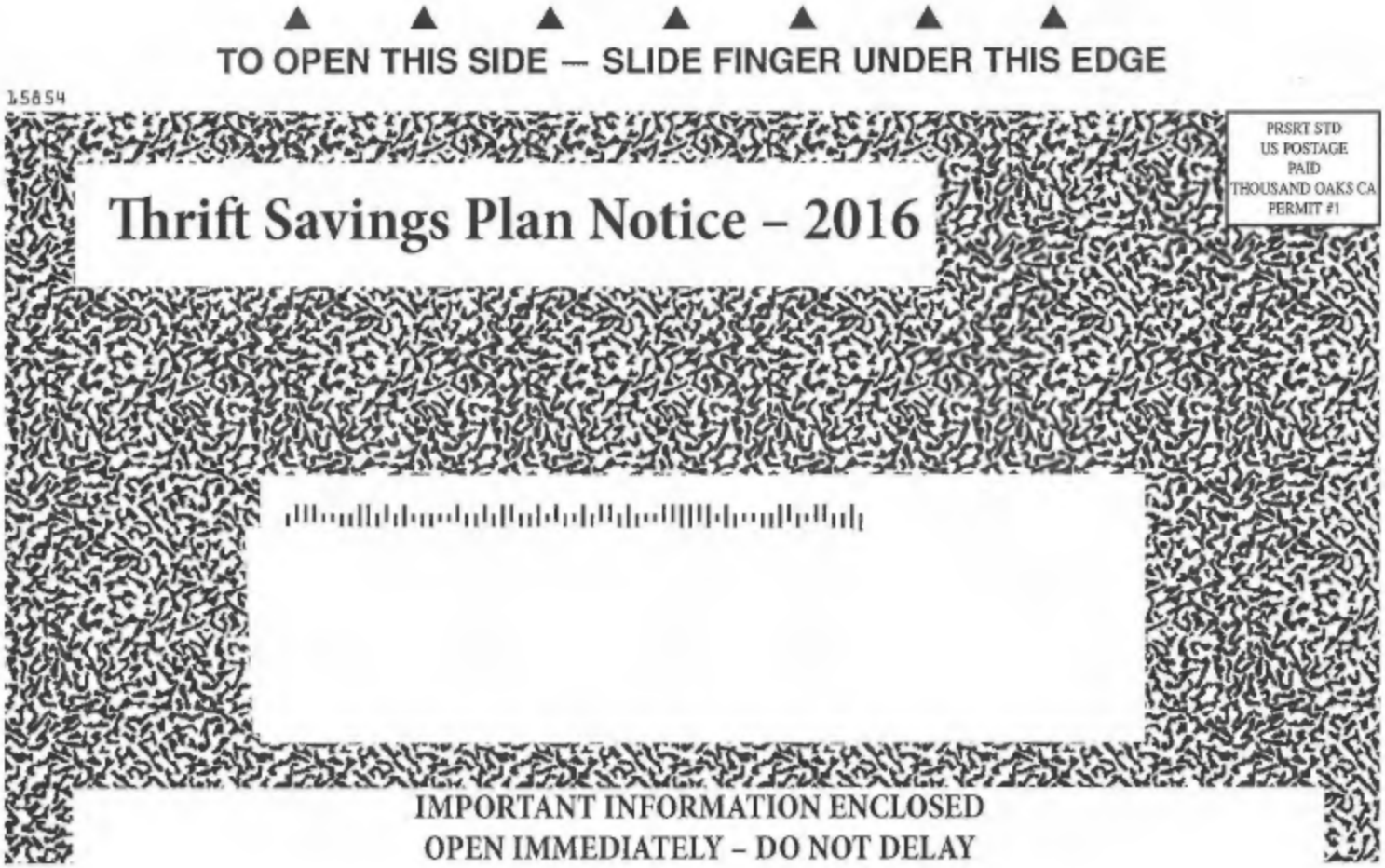
Fees

What's Out There??? —

Commonly Encountered Investment Products.

Who’s out there????

What's This?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Thrift Savings Plan Notice – 2016
IMPORTANT INFORMATION ENCLOSED
OPEN IMMEDIATELY – DO NOT DELAY

Fine Print: Not Affiliated with the TSP

TSP Account Value Guarantee*

Exclusive offer for federal employees over **59½ years old, retired or nearing retirement.**

Qualifying TSP participants may be able to guarantee' their TSP account value. Not all TSP participants are eligible.

You may also be able to guarantee a greater lifetime income'. Return the postage-paid reply card today for more information at no obligation.

TSP, Annuity Rollover-related information request. A licensed representative may call or contact you. Not affiliated with the Thrift Savings Plan or any other government entity.

*Guarantees are based on the claims paying ability and financial strength of the issuing insurance carrier. Products distributed by independent professionals. Products, bonuses, caps and fees vary.

' Assumes rollover to qualified indexed annuity, comparison based on `Level Payment' of TSP Life Annuity Payment option. No legal, tax, or investment advice is given.

Fine Print: Not Affiliated with the TSP

TSP, Annuity Rollover-related information request. A licensed representative may call or contact you.

Not affiliated with the Thrift Savings Plan or any other government entity.

*Guarantees are based on the claims paying ability and financial strength of the issuing insurance carrier. Products distributed by independent professionals. Products, bonuses, caps and fees vary.

[1]Assumes rollover to qualified indexed annuity, comparison based on 'Level Payment' of TSP Life Annuity Payment option. No legal, tax, or investment advice is given.

Fine Print: Not Affiliated with the TSP

Please see that I receive information on my TSP options.

Print Name: _____

Daytime Phone (**Required**) _____

E-mail (If desired) _____

Do You Qualify? Circle One

Retired **Under 59 1/2** **Age 59 1/2** or older

☒ Yes, I would like to learn more about how I may be able to guarantee my TSP account value and secure a higher lifetime income.

PLEASE VERIFY YOUR ADDRESS

TSP-0116

Why is Age 59½ Significant?

Age-Based In-Service Withdrawals

An age-based withdrawal is a one-time withdrawal you can make at or after age 59½ while you are still employed. You must pay income tax on the taxable portion of your withdrawal unless you transfer or roll it over to an IRA or other eligible employer plan.

Who's Out There?

Broker-Dealers
Investment Advisers
Insurance Sales Persons
Financial Planners

General Partners
Finders
Promoters

Broker-Dealers and Investment Advisers are regulated by the SEC, together with state regulators and self regulatory organizations.

What is a Broker-Dealer?

Broker-dealers execute trades for customers.

They are paid commissions when you buy or sell securities through them.

Broker-dealers may make recommendations about specific investments such as stocks, bonds, or mutual funds. When they do so, they generally must:

- make suitable recommendations; and,
- follow just and equitable principles of trade.

What is an Investment Adviser?

Generally, an investment adviser is a firm, or an individual, that:

- For compensation
- Engages in the business of
- Advising others (either directly or through publications or writings)
  - As to the value of securities (e.g., stocks, bonds, mutual funds, exchange-traded funds, etc.), or
  - As to the advisability of investing in, purchasing, or selling securities.

What is an Investment Adviser?

An Investment Adviser has a fiduciary duty to act in the client's best interest.

This is a ***higher legal standard*** than the requirement to make suitable recommendations and follow just and equitable principles of trade.

What is an Investment Adviser?

Think about what you might need, and ask about what would be available to you. For example, do you want:

- To do your own research, but use the financial professional to make your trades or to provide a second opinion occasionally?
- A recommendation each time you think about changing or making an investment?
- Ongoing investment management, with the financial professional getting your permission before any purchase or sale is made?
- Ongoing investment management, where the financial professional decides what purchases or sales are made, and you are told about it afterwards?

Make sure your broker-dealer or investment adviser is registered

- You can find background information on a broker-dealer and his/her firm at FINRA's BrokerCheck website at http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/.

- You can find background information on an investment adviser and his/her firm registered with the SEC at the SEC's Investment Adviser Public Disclosure database at http://www.adviserinfo.sec.gov/IAPD/Content/IapdMain/iapd_SiteMap.aspx.

- You can find your state regulator records at www.nasaa.org.

Professional Designations Database

Use this tool to decode the letters that sometimes follow a financial professional's name. You can also see whether the issuing organization requires continuing education, takes complaints or has a way for you to confirm who holds the credential.

http://www.finra.org/investors/professional-designations

Ask questions before you invest

Don’t be afraid to ask the financial professionals who are trying to sell you a product whether it is right for you.

Ask about:

- Fees, Expenses, Charges and Commissions
- Risk & Liquidity (don’t focus solely on returns).

Keep asking until you are satisfied with their answers.

Write down the answers.

Fees

What will it cost, and

Why does it matter?

Fees

All investments have fees. And they matter.

These may seem small, but they impact your investment.

So it's important that you understand them.

Understanding Fees

Fees and expenses vary from product to product.

Fees may be levied per transaction or assessed periodically as maintenance or account fees.

- Commissions charged per trade;
- Advisers charging an annual account fee;
- Mutual funds charging load fees and expense charges;
- Investments assessing surrender charges if the investment is liquidated early.

Why Fees Matter

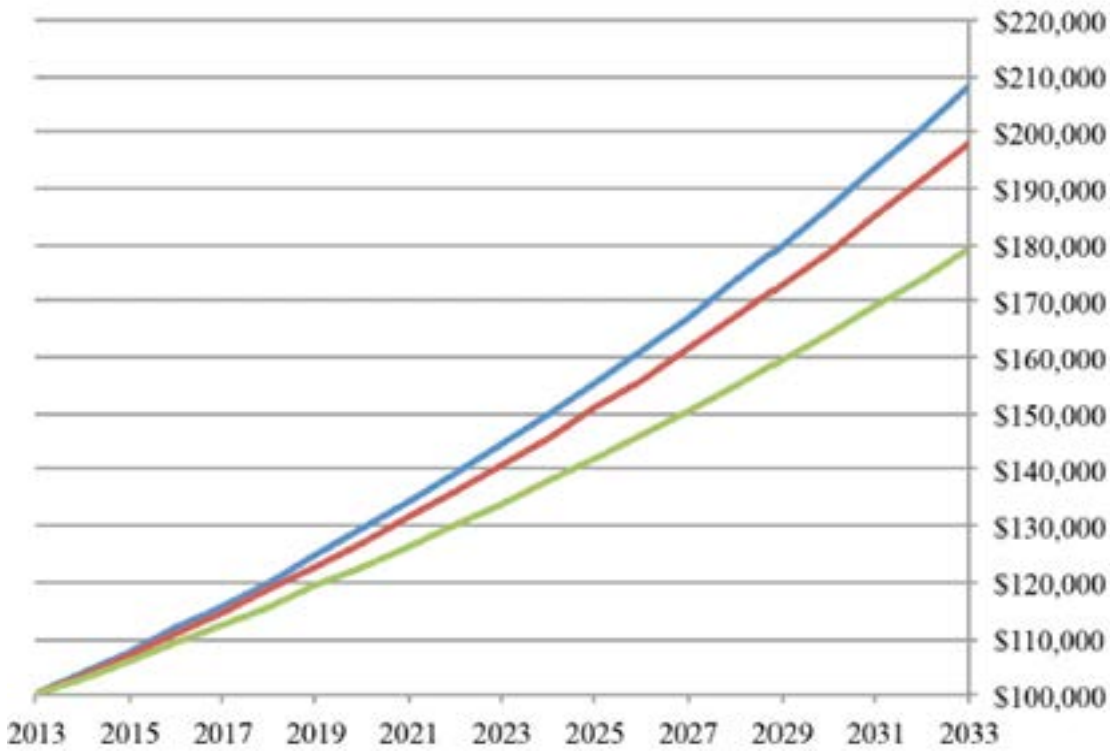
The following chart shows a $100,000 investment with:

- **4% annual return**
- **over 20 years**
- **ongoing fee assumptions of**
  - **0.25%,**
  - **0.50%**
  - **1%.**

Notice the impact of fees over 20 years.

Why Fees Matter

Portfolio Value From Investing $100,000 Over 20 Years



4% annual return less 0.25% annual fee

4% annual return less 0.50% annual fee

4% annual return less 1% annual fee

In 20 yrs, 0.50% annual fees reduce portfolio value (red line) by $10K compared to a portfolio with a 0.25% annual fee (blue line).

In 20 yrs, 1% annual fees reduce portfolio value (green line) by nearly $28K, compared to a portfolio with a 0.25% annual fee (blue line).

Why Fees Matter

Ongoing fees reduce the value of your investment because:

- your investment principal is reduced by the fee;

  and

- you also lose any return you would have earned on that fee.

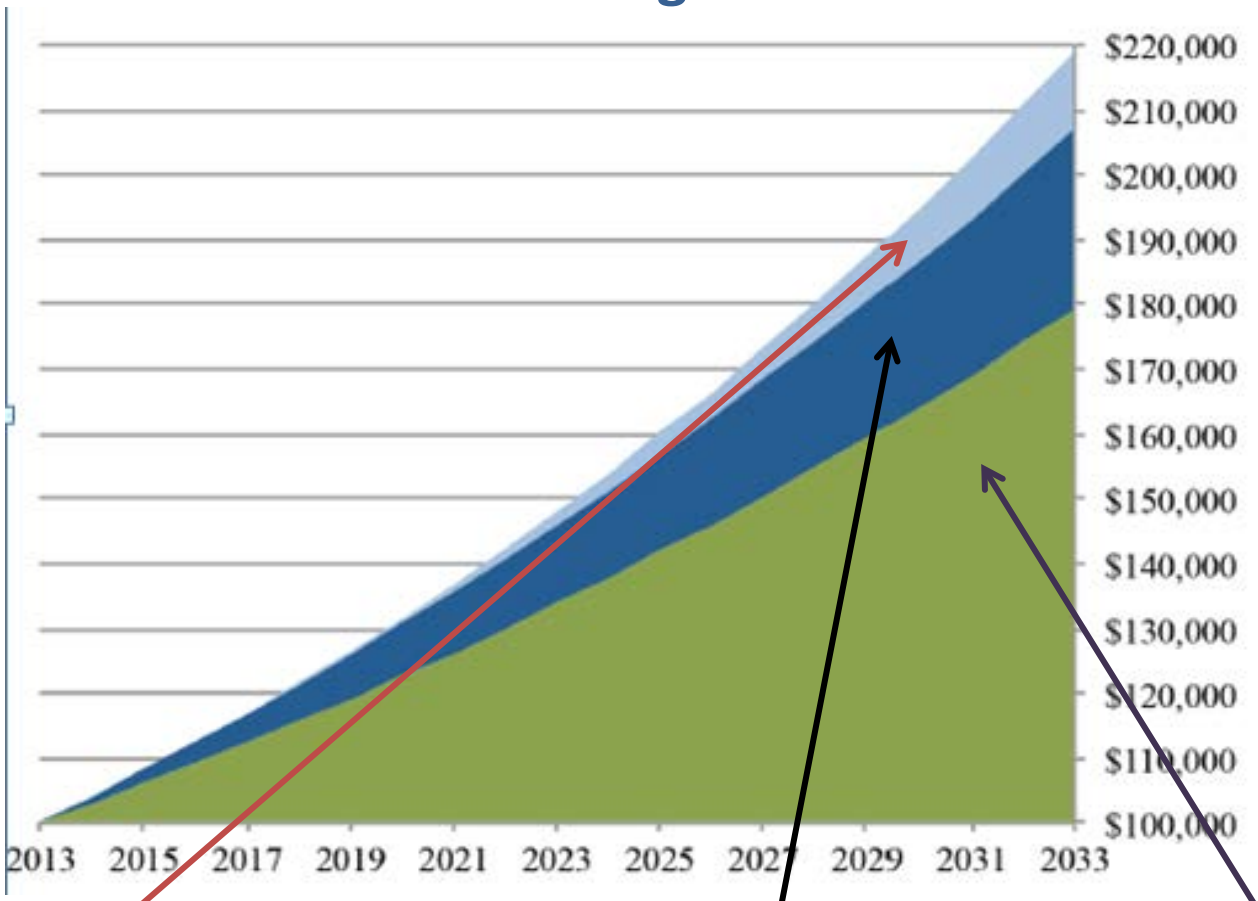
Why Fees Matter

For that $100,000 receiving a 4% return over 20 years, how much:

- Is the 4% annual return minus the 1% annual fee;
- Is the total amount paid in fees; and,
- Additional growth if those fees were instead invested?

Why Fees Matter

Illustration of On-Going Fees Over 20 Years



In 20 Yrs, the total amount paid for a 1% annual fee adds up to almost $28K for a $100K initial investment

In addition, if you were able to invest that $28K, you would have earned an additional $12K

Additional return if the fees paid were invested.

Total Amount Paid For the 1% annual fee

4% annual return less 1% annual fee.

Why Fees Matter

Over the twenty years in this hypothetical, the total amount paid for a 1% annual fee is nearly

$28,000

If, *instead of* paying fees, you invested that $28,000, you would have earned ***another***

$12,000

Five Questions to Ask About Fees

- What are the total fees to purchase, maintain and sell this investment?
- Are there ways to reduce or avoid some of these fees?
- Are there similar products that I can purchase that have lower fees?
- How much does this investment have to increase in value before I break even?
- What are the ongoing fees to maintain my account?

A Few Investments You May Encounter

What's Out There???

Investment Options

Asset Class	Cash	Bonds (Fixed Income)	Stocks (Equity)
Investment Types	Savings accounts, CDs and money market funds	Government, municipal and corporate bonds and bond funds	Stocks and stock funds
Return	Lower, but some are guaranteed	Predictable income stream	Historically, offered greatest growth
Chief Risks	Inflation, interest rate changes	Interest rate changes, default	Volatility, falling prices

Stocks

Stocks, also called "equities," give stockholders a share of ownership in a company.

Benefits include:

- Capital appreciation if share price rises – stocks have historically offered the greatest potential for growth
- Dividend payments if company distributes earnings to stockholders

Risks include:

- Share prices can decrease – you can lose money
- Companies can go bankrupt
- Money you invest is not federally insured

Different kinds of stocks can meet different investment objectives:

- Growth stocks, income stocks, value stocks, and blue-chip stocks.

Bonds

Bonds are debt securities, similar to IOUs.

Benefits include:

- Predictable, steady income stream (usually pay interest twice a year)
- Return of principal after bond matures

Risks include:

- You can lose money
- Credit Risk
- Interest Rate Risk
- Inflation Risk
- Call Risk

What is a Mutual Fund?

A Mutual Fund is a company that:

- pools money from many investors; and,
- invests the money in stocks, bonds, short-term money-market instruments, other securities or assets, or some combination of these investments.

The **combined holdings** the mutual fund owns are known as its **portfolio**.

What is a Mutual Fund?

When you purchase shares of a mutual fund, the fund must provide you with a **prospectus**, which contains valuable information, such as:

- the fund's investment objectives or goals;
- principal strategies for achieving those goals;
- principal risks of investing in the fund;
- fees and expenses;
- past performance;
- how to redeem shares; and,
- the investment adviser managing the portfolio.

What is a Mutual Fund?

When it comes to investing in mutual funds, investors have literally thousands of choices.

Before you invest in any given fund, decide whether the investment strategy and risks of the fund are a good fit for you.

What is a Mutual Fund?

Professional Management — In a *managed fund*, professional money managers research, select, and monitor the performance of the securities the fund purchases.

Diversification —Spreading your investments across a wide range of companies and industry sectors can help lower your risk if a company or sector fails.

What is a Mutual Fund?

Affordability — Some mutual funds accommodate investors who don't have a lot of money to invest by setting relatively low dollar amounts for initial purchases, subsequent monthly purchases, or both.

Liquidity — Mutual fund investors can readily redeem their shares.

What is a Mutual Fund?

You can lose money investing in mutual funds.

Mutual funds are **not guaranteed or insured** by the FDIC or any other government agency—

even if you buy through a bank and the fund carries the bank's name.

What is a Mutual Fund?

Past performance is *not* a reliable indicator of future performance.

- Don't be dazzled by last year's high returns.
- But past performance can help you assess a fund's volatility over time.

What is a Mutual Fund?

Costs Despite Negative Returns — Investors must pay sales charges, annual fees, and other expenses regardless of how the fund performs.

And, depending on the timing of their investment, investors may also have to pay taxes on any capital gains distribution they receive — even if the fund went on to perform poorly after they bought shares.

Share Classes of Funds

Class A Shares —

Typically

- impose a front-end sales load (sales commission);
- have a *lower 12b-1 fee and lower annual expenses* than other mutual fund share classes.

Breakpoints

Some mutual funds *reduce the front-end load* as the size of your investment increases. If you're considering Class A shares, be sure to inquire about breakpoints.

Share Classes of Funds

Class B Shares —

Typically:

- do not have a front-end sales load;
- may impose a contingent deferred sales load and a 12b-1 fee (along with other annual expenses).

Class B shares also **might convert automatically** to a class with a lower 12b-1 fee if the investor holds the shares long enough.

Share Classes of Funds

Class C Shares — might have:

- a 12b-1 fee;
- other annual expenses; and,
- either a front- or back-end sales load.

But the *front or back-end load* for Class C shares tends to be *lower* than for Class A or Class B shares, respectively.

Unlike Class B shares, Class C shares *generally do not convert to another class*.

Class C shares tend to have *higher annual expenses* than either Class A or Class B shares.

Mutual Fund Shareholder Fees

Purchase Fee — paid to the fund (not to a broker) and is typically imposed to defray some of the fund's costs associated with the purchase.

Redemption Fee — a fee some funds charge their shareholders when they sell or redeem shares.

Exchange Fee — a fee that some funds impose on an exchange (transfer) to another fund within the same fund group or "family of funds."

Account fee — a fee that some funds separately impose on investors in connection with the maintenance of their accounts.

Annual Fund Operating Expenses

Management Fees — paid out of fund assets to the fund's investment adviser for investment portfolio management.

Distribution [and/or Service] Fees ("12b-1" Fees) — paid by the fund out of fund assets to cover the costs of marketing and selling fund shares and sometimes shareholder services costs.

Other Expenses — expenses not included under "Management Fees" or "Distribution or Service (12b-1) Fees," such as any shareholder service expenses that are not already included in the 12b-1 fees, custodial expenses, legal and accounting expenses, transfer agent expenses, and other administrative expenses.

Mutual Fund Prospectus

When you purchase shares of a mutual fund, the fund must provide you with a **prospectus**, which contains valuable information, such as:

- the fund's investment objectives or goals;
- principal strategies for achieving those goals;
- principal risks of investing in the fund;
- fees, expenses and past performance;
- how to redeem shares; and,
- the investment adviser managing the portfolio.

Mutual Fund Cost Calculator

A mutual fund cost calculator can help you understand the impact that many types of fees and expenses can have over time. It takes only minutes to compare the costs of different mutual funds.

Index Funds

An "index fund" is a type of mutual fund or unit investment trust (UIT) whose investment objective typically is to achieve approximately the same return as a particular market index, such as

- the S&P 500 Composite Stock Price Index;
- the Russell 2000 Index; or,
- the Wilshire 5000 Total Market Index.

An index fund may invest in all, or in a representative sample, of the companies included in an index.

Index Funds

Passive Management

The management of index funds is more "passive" than the management of non-index funds, because an index fund manager only needs to track a relatively fixed index of securities.

This usually translates into *less trading* of the fund's portfolio, more favorable income tax consequences (lower realized capital gains), and *lower fees and expenses* than more actively managed funds.

Index Funds

The investment objectives, policies and strategies of an index fund require it to purchase primarily the securities contained in an index, so the risk of the fund is similar to the securities that are contained in the index.

Because an index fund tracks the securities on a particular index, it may have less flexibility than a non-index fund to react to price declines in the securities contained in the index.

What is an ETF?

Like mutual funds, ETFs offer investors a way to pool their money in a fund that makes investments in stocks, bonds, or other assets and, in return, to receive an interest in that investment pool.

Unlike mutual funds, ETF shares

- are traded on a national stock exchange and at market prices that may or may not be the same as the net asset value ("NAV") of the shares, that is, the value of the ETF's assets minus its liabilities divided by the number of shares outstanding.
- retail investors can only purchase and sell ETF shares in market transactions.

What is an ETF?

Certain ETFs can be relatively easy to understand.

Most ETFs seek to achieve the same return as a particular market index.

That type of ETF is similar to an index fund in that it will primarily invest in the securities of companies that are included in a selected market index. An ETF will invest in either all of the securities or a representative sample of the securities included in the index.

For example, one type of ETF, known as Spiders or SPDRs, invests in all of the stocks contained in the S&P 500 Composite Stock Price Index.

What is an ETF?

Other ETFs may use complex investment strategies that may be more difficult to understand. For example, leveraged or inverse ETFs that seek to achieve a daily return that is a multiple or an inverse multiple of the daily return of a securities index.

- Leveraged ETFs seek to deliver multiples of the performance of the index or benchmark they track.
- Inverse ETFs (also called "short" funds) seek to deliver the opposite of the performance of the index or benchmark they track.
- Leveraged inverse ETFs (also known as "ultra short" funds) seek to achieve a return that is a multiple of the inverse performance of the underlying index.

To accomplish their objectives, leveraged and inverse ETFs pursue a range of investment strategies through the use of swaps, futures contracts, and other derivative instruments.

What is a Variable Annuity?

A variable annuity is a contract between you and an insurance company. The insurance company agrees to make periodic payments to you, beginning either immediately or at some future date.

You purchase a variable annuity contract by making either a single purchase payment or a series of purchase payments.

What is a Variable Annuity?

A Variable Annuity allows you to select from a menu of investment choices, typically mutual funds, within the variable annuity and, at a later date—such as retirement—allows you to receive a stream of payments over time.

The value of your variable annuity will depend on how your investment choices perform.

How is my money in a Variable Annuity invested?

You allocate your payments (during what's called the "accumulation phase") to the investment choices available through the variable annuity.

For example, you might direct 40% of your payments to a bond fund, 40% to a U.S. stock fund, and 20% to an international stock fund.

The money you direct to each mutual fund investment choice will increase or decrease over time, depending on the mutual fund's performance.

Common Variable Annuity Expenses

Variable annuities offer a range of features, but be prepared to pay extra for them. Read the variable annuity prospectus and ask your financial professional to explain the charges that may apply.

These charges will reduce the value of your account and the return on your investment.

Often, they will include:

- **Surrender charges**. Withdrawals made within a certain period after your purchase payment (usually within six to eight years, but sometimes 10 years or longer) will usually have a "surrender" charge deducted from the amount you withdraw.

- **Mortality and expense risk charge**. This charge is based on the value of your account—usually around 1.25% of the value of your account *per year*. It pays for the death benefit, and is sometimes used to pay the insurance company's costs to sell the contract—like commissions.

Common Variable Annuity Expenses

- **Investment option expenses**. Expenses for the investment choices you select.
- **Charges for other features**. Special features, such as a living benefit, an enhancement to the basic death benefit, or long-term care insurance, often cost extra.
- A variable annuity may offer **different share "classes"** with different charges (including mortality and expense fees) and different surrender charge periods. Consider how long you expect to own the variable annuity and your need to access funds when you think of any tradeoff between the length of the surrender charge period and the level of ongoing fees. Also, because fees are paid from the amount you invest, they can reduce your potential investment return.

Product charges may go towards your financial professional's compensation, which means that they may receive higher compensation for some products (and for different share classes of the same product) than for others.

Tax Considerations

- Earnings are tax-deferred, but there are penalties for early withdrawal.

- When you take your money out, you will be taxed on the earnings at **ordinary income tax rates** rather than at lower capital gains tax rates associated with other investments, like mutual funds. In addition, you may face a 10% federal income **tax penalty** if you withdraw the money before you are 59½ years old.

- Finally, if you're putting a variable annuity into a tax-advantaged account, like an IRA or other retirement account (e.g., a 401(k) plan), you'll get no extra tax advantage.

Other Considerations

Caution!

- Bonus Credits may have a downside—like higher expenses, higher surrender charges, and longer surrender charge periods— that can outweigh the benefit.

- Consider the financial strength of the insurance company selling the variable annuity and its ability to meet its obligations to you.

- Living benefits are complex and often have limitations and conditions. For example:
  - You may be forced to select only certain investment choices, which may limit the return on your investment.
  - Withdrawals can reduce the amount that would otherwise be paid under the living benefit.

What is an Indexed Annuity?

An indexed annuity is a type of contract between you and an insurance company.

When you make either a lump sum payment or a series of payments – the insurance company credits you with a **return that is based on changes in a securities index**, such as the S&P 500 Composite Stock Price Index. Indexed annuity contracts also provide that the contract value will be no less than a specified minimum.

After the accumulation period, the insurance company will make periodic payments or pay a lump sum to you under the terms of your contract.

What is an Indexed Annuity?

Understand how an indexed annuity computes its index-linked interest rate before you buy.

Any gains in the value of the index are generally computed without including dividends paid on the securities that make up the index.

An insurance company may credit you with a lower return than the actual index's gain.

A common feature used to compute an indexed annuity's interest rate is the **Participation Rate**. The participation rate determines how much of the index's increase will be used to compute the index-linked interest rate. For example, if the participation rate is 80% and the index increases 9%, the return credited to your annuity would be 7.2% (9% x 80% = 7.2%).

What is an Indexed Annuity?

Interest Rate Caps. Some indexed annuities set a maximum rate of interest that the indexed annuity can earn. If a contract has an upper limit, or cap, of 7% and the index linked to the annuity gained 12%, only 7% would be credited to the annuity.

Margin/Spread/Asset or Administrative Fee. The index-linked interest for some annuities is determined by subtracting a percentage from any gain in the index. This fee is sometimes called the "margin," "spread," "asset fee," or "administrative fee." In the case of an annuity with a "spread" of 3%, if the index gained 9%, the return credited to the annuity would be 6% (9% - 3% = 6%).

Indexed annuity contracts commonly let the insurance company **change the participation rate, cap, and/or margin/spread/asset or administrative fee** on a periodic – such as annual – basis.

Real Estate Investment Trusts REITs

What are REITs?

A REIT is a company that owns – and typically operates – income-producing real estate or real estate-related assets.

Most REITs specialize in a single type of real estate – for example, apartment communities.

There are retail REITs, office REITs, residential REITs, healthcare REITs and industrial REITs, to name a few.

Real Estate Investment Trusts Public REITs

Publicly Traded REITs (whether equity or mortgage) are registered with the SEC and are publicly traded on a stock exchange.

Public Non-traded REITs are registered with the SEC, but are not publicly traded.

Real Estate Investment Trusts Private REITs

Private REITs.

Private REIT offerings are private placements and rely on an exemption from the obligation to register with the SEC.

Private REITS:

- Not registered with the SEC;
- Do not regularly file disclosure reports with the SEC—possibly making it difficult for you to keep informed; and,
- Not listed—harder to value and trade;
- Typically limited to accredited investors.

Non-Traded REITs

- **Lack of Liquidity**—must wait until Non-Traded REIT shares are listed on an exchange or it liquidates assets (can be 5-10 years or longer);
- **Lack of Share Value Transparency**—non-traded REITs are not publicly traded, so there is no market price readily available. Consequently, it can be difficult to determine the value of a share of a non-traded REIT or the performance of your investment;
- **High Commissions/Fees**—Can add up to 15%;

Non-Traded REITs

- **Distributions Can be From Offering Proceeds and Borrowings**;

- **Conflicts of Interest**—external management may be affiliated with competing companies and may not negotiate agreements/fees at arms-length.

Non-Traded REITs

Class A and T Shares

The difference is the timing and payment of commissions—

- Class T Shares have lower up front commissions but have trailing shareholder distribution fees;
- Class A has higher up front commission, but no on-going shareholder distribution fees.

Class A and Class T may pay the same commissions over time.

Real Estate Investment Trusts REITs

Tax Considerations

- Dividends paid by REITs generally are treated as ordinary income.
- Some investors prefer to own shares of a REIT or REIT fund inside a tax-deferred account to defer paying taxes on the dividends and any capital gains from that REIT.

Life Settlements

What is a life settlement?

In a “life settlement” transaction, a life insurance policy owner sells his or her policy to an investor in exchange for a lump sum payment.

The amount of the payment from the investor to the policy owner is generally less than the death benefit on the policy, but more than its cash surrender value. The dollar amount offered by the investor usually takes into account the insured’s life expectancy (age and health) and the terms and conditions of the insurance policy.

Life Settlements

Life expectancy underwriters (who are not the insured's personal physician) evaluate the risk of mortality of the insured based on his or her personal characteristics.

If the life settlement provider's bid is accepted, the provider may add that policy to a large group of policies, interests in which may be offered to investors.

The investor makes a cash payment to the policy owner or policy owners and continues to pay premiums necessary to keep the policy or policies in effect. Upon the insured's death, the investor receives the death benefit.

Life Settlements

The return on a life settlement depends on the insured's life expectancy and the date of the insured's death. As a result, the accuracy of a life expectancy estimate is essential.

- If the insured dies before his or her estimated life expectancy, the investor may receive a **higher return**.
- If the insured lives longer than expected, the investor's **return will be lower**.
- If the insured lives long enough or if life expectancy is miscalculated, additional premiums may need to be paid and the **cost** of the investment could be greater than anticipated.

Life Settlements

The **competence of a life expectancy underwriter** and the **accuracy of the life expectancy estimate** are critical to the return on a life settlement.

For the most part, life expectancy underwriters are not licensed or registered by state insurance regulators, and information about the methodologies and review procedures that life expectancy underwriters use is not generally disclosed.

Office of Investor Education and Advocacy Investor Alerts and Bulletins include:

- **Planning for Diminished Capacity and Illness** (June 2015)
- **Investor Alert for Seniors: Five Red Flags of Investment Fraud**
- **Protecting Your online Brokerage Account from Fraud** (February 2015)
- **How Fees and Expenses Affect Your Investment Portfolio** (February 2014)
- **Private Placements Under Regulation D** (September 2014)
- **Be on the Lookout for Advance Fee Fraud**
- **How to Check Out Your Financial Professional** (August 2014)
- **Social Media and Investing – Stock Rumors** (July 2014)
- **Variable Annuities—An Introduction** (February 2014)
- **What Are High-yield Corporate Bonds?** (June 2013)
- **What Are Corporate Bonds?** (June 2013)
- **Fixed Income Investments- When Interest Rates Go Up, Prices of Fixed-Rate Bonds Fall** (June 2013)
- **Municipal Bonds - Understanding Credit Risk** (December 2012)
- **Hedge Funds** (October 2012)
- **Exchange-Traded Funds (ETFs)** (August 2012)
- **Real Estate Investment Trusts (REITs)** (December 2011)
- **Non-Traded REITS** (August 2015)
- **Life Settlements** (January 2011)

Investing 101

Investing Basics

Guiding Principles
Get on the path to saving and investing with these simple guidelines
GO

Knowing how to secure your financial well-being is one of the most important things you'll ever need in life. You don't have to be a genius to do it. You just need to know a few basics, form a plan, and be ready to stick to it. There is no guarantee that you'll make money from investments you make. But if you get the facts about saving and investing and follow through with an intelligent plan, you should be able to gain financial security over the years and enjoy the benefits of managing your money. For more information, see the SEC's publication Saving and Investing: A Roadmap To Your Financial Security Through Saving and Investing.

See also: Risk Tolerance, Asset Allocation, Understanding Fees

More about investing

What kinds of investment products are there?

Lots! Learn more about the investment products listed below, including their benefits, risks, and fees.

- Stocks
- Bonds
- Municipal Bonds
- Mutual Funds
- Exchange-Traded Funds (ETFs)
- Annuities
- Certificates of Deposit (CDs)
- Money Market Funds
- Commodities
- Hedge Funds
- Real Estate Investment Trusts (REITs)
- International Investing

How can I avoid investment fraud?

Part of our job at the SEC is to protect ordinary investors like you from fraud. Here's what we want all investors to know to avoid getting scammed.

- Tips on Avoiding Fraud
- Types of Fraud
- Fraud Case Studies

Where can I go for help?

If you have a question or concern about an investment, or you think you have encountered fraud, contact the organizations below or your state securities regulator.

- U.S. Securities and Exchange Commission (SEC) Office of Investor Education and Advocacy
- Financial Industry Regulatory Authority (FINRA) FINRA Complaints and Tips
- North American Securities Administrators Associations (NASAA)

Online Publications for Investors at www.sec.gov/investor/pubs.shtml

American Depositary Receipts
Arbitration
Auditing
Bankruptcy
Banks and Banking
Bonds
Brokers and Brokerages
- Online, Electronic Accounts

Certificates of Deposit
Corporations — Directors and Officers
EDGAR (SEC's online database of company reports)
Financial Statements
Fraud
- identity theft

Futures
Hedge Funds
Insider Trading
Insurance -
- life
- variable annuities

Investment Advisers, Advisors
Investment Clubs
Investment Companies
Investments -
- calculators, planning
- foreign (non-U.S.)
- Internet
- prepaid tuition, college savings plan
- products, choices
- research, education
- retirement income

Investors -
- accredited investors
- complaints, investigations
- foreign (non-U.S.)
- privacy rights, protections
- seniors

Mutual Funds
Options
Promissory Notes
Securities Investor Protection Corp.
Small Business
Stock
- Certificates
- Dividends
- Exchanges
- Indexes
- Prices

Tender Offers
Trading Securities
- day trading
- online, electronic trading
- margin, purchase agreements
- laws, rules and regulations

US Securities and Exchange Commission -
- divisions and offices
- guides, handbooks, research-tools

Presentation Bibliography

- Investor Bulletin: Variable Annuities—An Introduction http://www.sec.gov/investor/alerts/ib_var_annuities.pdf
- Investor Bulletin: How Fees and Expenses Affect Your Investment Portfolio http://www.sec.gov/oiea/Article/ib_fees_expenses.pdf
- Invest Wisely: An Introduction to Mutual Funds http://www.sec.gov/investor/pubs/inwsmf.htm
- Investor Bulletin: Variable Annuities—An Introduction http://www.sec.gov/investor/alerts/ib_var_annuities.pdf
- Variable Annuities What You Should Know https://investor.gov/sites/default/files/Variable%20Annuities.pdf
- Investor Bulletin: Exchange-Traded Funds (ETFs) http://www.sec.gov/investor/alerts/etfs.pdf
- Fast Answers/Exchange-Traded funds http://www.sec.gov/answers/etf.htm
- Leveraged and Inverse ETFs: Specialized Products with Extra Risks for Buy-and-Hold Investors http://www.sec.gov/investor/pubs/leveragedetfs-alert.htm
- Investor Bulletin: Indexed Annuities http://www.sec.gov/investor/alerts/secindexedannuities.pdf
- Investor Alert: Private oil and Gas offerings http://www.sec.gov/investor/alerts/ia_oilgas.pdf
- Investor Bulletin: Life Settlements http://www.sec.gov/investor/alerts/lifesettlements-bulletin.htm
- Investor Bulletin on Non Traded REITS http://www.sec.gov/oiea/investor-alerts-bulletins/ib_nontradedreits.html;
- Investor Bulletin: Real Estate Investment Trusts http://www.sec.gov/investor/alerts/reits.pdf

All—and more—are available at www.investor.gov