Be In The Front Seat

ORGANIZE, PLAN, AND OWN YOUR FUTURE

Making financial health a priority for women
HERE’S WHAT WE’LL COVER:

- Why now?
- Getting organized
- Building your plan
- Owning your future
WHEN IT COMES TO YOUR FINANCES, WHAT ROLE DO YOU PLAY?

A  **Driver’s seat:** I take the lead.

B  **Passenger seat:** I may not always take the lead, but I know where I stand.

C  **Back seat:** I am not actively involved, but I want to be.

D  **Just along for the ride:** I don’t get too involved in finances; I focus on other things.

WOMEN ARE GAINING IN FINANCIAL POWER

- Of undergraduate and graduate degrees in the U.S.¹
  - 60%

- Are primary breadwinners in U.S. households.²
  - 50%

- Make household purchasing decisions.³
  - 80%

THE STAKES HAVE NEVER BEEN HIGHER

90% of women will be SOLELY RESPONSIBLE FOR THEIR FINANCES at some point in their life.¹

80% of people living to 100 OR OLDER are women.²

¹Fidelity Investments, Women and Money Survey, April 2016.
²U.S. Census Bureau, Dec 2010 finding.
SO MUCH TO DO, SO LITTLE TIME

In addition to your job, which of these take up your time? (select all that apply)

- Caring for my family
- Housework
- Volunteering
- Exercising
- Spending time with friends
WHAT WOMEN TELL US

1 IN 4 WOMEN
BOOMERS, GEN X

1 IN 5 WOMEN
GEN Y

Considers herself a PRIMARY DECISION MAKER when it comes to PERSONAL FINANCE.¹

“I don’t know where to go for help.”

“It’s a division of labor thing.”

“I don’t think I have enough money yet.”

“I’m just too busy.”

¹Fidelity Investments Money FIT Women Study, February 2015.
GETTING ORGANIZED
THE PRINCIPLES OF BUDGETING AND SAVING

- Essential Expenses: 50%
- Retirement Savings (Employer and Individual Contributions): 15%
- Short-Term Savings (Emergency Fund): 5%
- Other Goals: 30%
BUILDING YOUR PLAN
UNDERSTAND THE POWER OF COMPOUNDING

This hypothetical example assumes the following (1) $5,500 annual IRA contributions on January 1 of each year for the age ranges shown, (2) an annual rate of return of 7% and (3) no taxes on any earnings within the IRA. The ending values do not reflect taxes, fees or inflation. If they did, amounts would be lower. Earnings and pre-tax (deductible) contributions from Traditional IRAs are subject to taxes when withdrawn. Earnings distributed from Roth IRAs are income tax free provided certain requirements are met. IRA distributions before age 59½ may also be subject to a 10% penalty. Systematic investing does not ensure a profit and does not protect against loss in a declining market. This example is for illustrative purposes only and does not represent the performance of any security. Consider your current and anticipated investment horizon when making an investment decision, as the illustration may not reflect this. The assumed rate of return used in this example is not guaranteed. Investments that have potential for a 7% annual rate of return also come with risk of loss.

<table>
<thead>
<tr>
<th>START AND END AGE OF MAKING ANNUAL $5,500 RETIREMENT SAVINGS CONTRIBUTIONS</th>
<th>ENDING ACCOUNT VALUE BEFORE TAXES</th>
</tr>
</thead>
<tbody>
<tr>
<td>40-70</td>
<td>$600,000</td>
</tr>
<tr>
<td>35-70</td>
<td>$876,000</td>
</tr>
<tr>
<td>30-70</td>
<td>$1,262,000</td>
</tr>
<tr>
<td>25-70</td>
<td>$1,805,000</td>
</tr>
</tbody>
</table>

- **Earnings**
- **Contributions**
YOUR FINANCIAL GOALS

Which of these goals have you set for yourself? (select all that apply)

A: Retire (maybe early)
B: Buy a new house or vacation home
C: Pay for college
D: Take a big vacation
E: Buy a new vehicle
DESIGN A PLAN TO MEET YOUR GOALS

Short-term goals (0–5 years) e.g., cars, vacations

- Write down how much you’ll need and by when.
- Determine how much to put away each month/year.

Long-term goals (5+ years) e.g., retirement, college

- Identify your long-term goals.
- Determine allocation.
- Designate specific accounts for each goal.
LONG-TERM GOAL #1: RETIREMENT

Your workplace savings plan is a great place to start.

<table>
<thead>
<tr>
<th>BENEFITS</th>
<th>Account Types</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Can lower your taxable income</td>
<td>Employer-Sponsored Plans</td>
<td>401(k), 403(b), 457</td>
</tr>
<tr>
<td>Compounded growth potential</td>
<td>Individual Retirement Accounts</td>
<td>Traditional IRA, Roth IRA, Rollover IRA</td>
</tr>
<tr>
<td>Choice of investments</td>
<td>Self-Employed Plans</td>
<td>SEP, Keogh, SIMPLE</td>
</tr>
<tr>
<td>Easy and convenient</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax-deferred growth</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pre-tax Contributions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roth after-tax contributions</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
RETIREMENT SAVINGS RULE OF THUMB

How many times your annual salary should you have saved by age 67?

6x  8x  10x  12x
The 10x savings rule of thumb is developed assuming age-based allocations, a 15% savings rate beginning at age 25, a 1.5% constant real wage growth, a retirement age of 67 and a planning age of 92. The intended goal is to help build retirement savings sufficient to replace approximately 45% of pre-retirement income to augment Social Security throughout retirement. All calculations are purely hypothetical and a suggested salary multiplier is not a guarantee of future results; it does not reflect the return of any particular investment or take into consideration the composition of a participant’s particular account. The salary multiplier is intended only to be one source of information that may help you assess your retirement income needs. Remember, past performance is no guarantee of future results. Performance returns for actual investments will generally be reduced by fees or expenses not reflected in these hypothetical calculations. Returns also will generally be reduced by taxes. Please refer to the final slide for additional information.
## LONG-TERM GOAL #2: SAVING FOR COLLEGE

<table>
<thead>
<tr>
<th>Account Type</th>
<th>529 Plan</th>
<th>UGMA/UTMA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Key Features</strong></td>
<td>• Tax-advantaged</td>
<td>• Invested in child's name</td>
</tr>
<tr>
<td></td>
<td>• For higher education</td>
<td>• For any goal/expense</td>
</tr>
<tr>
<td></td>
<td>• No income or age restrictions</td>
<td></td>
</tr>
<tr>
<td><strong>Beneficiary</strong></td>
<td>• Beneficiary can be changed</td>
<td>• Irrevocable gift to the designated beneficiary</td>
</tr>
<tr>
<td><strong>Tax Advantages</strong></td>
<td>• Earnings grow tax-deferred</td>
<td>• May be taxed at child's rate</td>
</tr>
<tr>
<td><strong>Impact on Financial Aid</strong></td>
<td>• Asset of the owner</td>
<td>• Asset of the child</td>
</tr>
<tr>
<td><strong>How It Can Be Used</strong></td>
<td>• Eligible colleges, universities or trade schools</td>
<td>• Beneficiary can use for any purpose</td>
</tr>
</tbody>
</table>

**OPTIONAL**
PROTECT WHAT YOU HAVE BUILT

Name your beneficiaries, to ensure that your assets will be distributed as you wish.

Put an Estate Plan in place:
- Wills
- Trusts

Choose who will act on your behalf:
- Guardian
- Power of attorney
- Health care proxy

Keep your plan up to date.
OWNING YOUR FUTURE
THE FUNDAMENTALS OF INVESTING

Let’s explore:

- Goals, time frame and risk tolerance
- Asset allocation and diversification
- Right plan for you

Diversification and asset allocation do not ensure a profit or guarantee against loss.
EACH INVESTMENT TYPE OFFERS UNIQUE ADVANTAGES

Stocks
offer strong growth potential, but with greater risk.
• Share of company
• Long-term growth potential
• Value can go up and down
• Higher risk could mean higher potential return

Fixed Income/Bonds
pay a return on a fixed schedule, though amount may vary.
• I.O.U.
• Issued by governments and corporations
• Potential to pay interest
• Moderate risk, moderate potential return

Short-Term Investments
offer more limited growth potential, with increased stability.
• Money market, T-bills, CDs
• Relatively stable value
• Potential to pay interest
• Lower risk, lower potential return
LONG-TERM PERFORMANCE

30-year historical growth of $10,000¹

Stocks: $189,520
Bonds: $74,313
Short-Term: $27,203
Inflation: $20,976

¹Assumptions: S&P 500 is used for stock returns, 10-year Treasury bond is used for bond returns, three-month Treasury bill is used for short-term returns, and inflation is 2.5%.

S&P 500 is a registered service mark of Standard & Poor Financial Services LLC. S&P 500 Index is a market capitalization-weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance. Indexes are unmanaged. It is not possible to invest directly in an index.
UNDERSTANDING DIFFERENT TYPES OF MUTUAL FUNDS

Mutual Fund

- Pools together money from many investors
- Ability to purchase collection of securities in a portfolio
- Diversified exposure
- Carries varying amounts of risk

- Single fund solutions can include:
  - Target Date Funds
  - Asset Allocation Funds

Not all fund types are available in all workplace plans.
UNDERSTANDING ASSET ALLOCATION

Data source: Morningstar Inc., 2016 (1926–2015). Past performance is no guarantee of future results. Returns include the reinvestment of dividends and other earnings. This chart is for illustrative purposes only and does not represent actual or implied performance of any investment option.

The purpose of the sample investment mixes is to show how mixes may be created with different risk and return characteristics to help meet a participant’s goal. You should choose your own investments based on your particular objectives and situation. Remember, you may change how your account is invested. Be sure to review your decisions periodically to make sure they are still consistent with your goals. You should also consider any investments you have outside the Plan when making your investment choices.

The sample mixes illustrate some of the many combinations that could be created, and should not be considered investment advice.

<table>
<thead>
<tr>
<th>Annual % Return</th>
<th>Conservative</th>
<th>Balanced</th>
<th>Growth</th>
<th>Aggressive Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>U.S. Stock</td>
<td>Foreign Stock</td>
<td>Bond</td>
<td>Short-Term Investments</td>
</tr>
<tr>
<td>Average</td>
<td>5.97%</td>
<td>7.95%</td>
<td>8.94%</td>
<td>9.62%</td>
</tr>
<tr>
<td>Best 12 months</td>
<td>31.06%</td>
<td>76.57%</td>
<td>109.55%</td>
<td>136.07%</td>
</tr>
<tr>
<td>Worst 12 months</td>
<td>-17.67%</td>
<td>-40.64%</td>
<td>-52.92%</td>
<td>-60.78%</td>
</tr>
<tr>
<td>Best 5 years</td>
<td>17.24%</td>
<td>23.14%</td>
<td>27.27%</td>
<td>31.91%</td>
</tr>
<tr>
<td>Worst 5 years</td>
<td>-0.73%</td>
<td>-6.18%</td>
<td>-10.43%</td>
<td>-13.78%</td>
</tr>
</tbody>
</table>
OPTIONS FOR EVERY KIND OF INVESTOR

PLAN ON YOUR OWN

- Manage on My Own
- Access online resources to build and manage your portfolio.

PROFESSIONAL INVESTMENT HELP

- Manage with Assistance
- Discuss your plan with a financial representative.

- Single Fund Solutions
- Pick an automatic investment mix based on your retirement year, or your preferred allocation.

- Managed Accounts*
- Entrust a professional to manage your account.

Target Date Funds are designed for investors who anticipate retiring in or within a few years of the fund’s target retirement year at or around age 65 and plan to gradually withdraw the value of their account in the fund over time. The funds’ asset allocation strategy becomes increasingly conservative as the funds approach the target date and beyond. No target date fund is considered a complete retirement program and there is no guarantee any single fund will provide sufficient retirement income at or through retirement. Principal invested is not guaranteed at any time, including at or after the funds’ target dates.

*This option may or may not be available in all workplace savings plans.
Know what you **OWN**.

Know what you **OWE**.

Know what your **GOALS** are for your money.

Have a financial **CHECKUP** at least annually.
KEY STEPS TO OWNING YOUR FINANCIAL FUTURE

Getting Organized

✓ Take stock of where you are today.
✓ Understand what you own and what you owe.
✓ Incorporate the 50/15/5 guide.

Building Your Plan

✓ Prioritize short- and long-term goals.
✓ Educate yourself on your workplace retirement plan.
✓ Understand your investment options, and determine what's right for you.

Owning Your Future

✓ Identify appropriate asset allocation and diversification.
✓ Revisit and update your plan on a regular basis.
✓ Name your beneficiaries.
✓ Put an estate plan in place.
✓ Consider increasing your contribution percentage annually.
YOUR WEALTH PLANNING OVERVIEW

Investment Strategy
- Asset Allocation
- Tactical Allocation
- Asset Location
- Tax-Efficient Investing
- Taxable Savings Strategy

Retirement Planning
- Savings Strategy
- Income Strategy
- Personal Strategy (Taxable IRA, Annuity)
- Workplace Investments
- Benefits and Social Security
- Health Care/Long-Term Care

Income Protection
- Disability
- Premature Death Protection
- Outliving Income

Asset Protection
- Estate Planning
- Wills
- Trusts
- Wealth Transfer
- Charitable Giving

Family Conversations
- Education
- Living Expenses: Children and Parents
- Assisting Parents and Relatives

Questions are designed to help give you insights and items to consider when planning for your future. They are intended for educational purposes only. Fidelity does not provide legal, tax, or estate planning advice. Please consult an appropriately licensed professional for advice on your specific situation. Primarily sourced from *The New Advisor for Life*, John Wiley & Sons, © 2011, by Stephen D. Gresham, with permission to reprint.
IMPORTANT ADDITIONAL INFORMATION

This information is intended to be educational and is not tailored to the investment needs of any specific investor.

Investing involves risk, including risk of loss.

Continued Disclosure from A Good Rule of Thumb slide: The replacement annual income target assumes no pension income. This target is based on Consumer Expenditure Survey 2011 (BLS), Statistics of Income 2011 Tax Stat, IRS 2014 tax brackets, and Social Security Benefit Calculators. Fidelity developed the salary multipliers through multiple market simulations based on historical market data, assuming poor market conditions, to support a 90% confidence level of success.

These simulations take into account the volatility that a typical target date asset allocation might experience under different market conditions. Volatility of the stocks, bonds, and short-term asset classes is based on the historical annual data from 1926 through the most recent year-end data available from Ibbotson Associates, Inc. Stocks (domestic and foreign) are represented by Ibbotson Associates SBBI S&P 500 Total Return Index, bonds are represented by Ibbotson Associates SBBI U.S. Intermediate Term Government Bonds Total Return Index, and short term are represented by Ibbotson Associates SBBI 30-day U.S. Treasury Bills Total Return Index, respectively. It is not possible to invest directly in an index. All indices include reinvestment of dividends and interest income.

Fidelity Portfolio Advisory Services at Work is a service of Strategic Advisers, Inc., a registered investment adviser and a Fidelity Investments company. This service provides discretionary money management for a fee.

Target Date Funds are subject to the volatility of the financial markets, including that of equity and fixed income investments in the U.S. and abroad, and may be subject to risks associated with investing in high-yield, small-cap, commodity-linked, and foreign securities.

As with all your investments through Fidelity, you must make your own determination as to whether an investment in any particular security or securities is consistent with your investment objectives, risk tolerance, financial situation, and your evaluation of the security. Fidelity is not recommending or endorsing any investment by making it available to its customers.

Fidelity does not provide legal or tax advice. The information herein is general and educational in nature and should not be considered legal or tax advice. Consult an attorney or tax professional regarding your specific situation.

Fidelity Brokerage Services LLC, Member NYSE, SIPC, 900 Salem Street, Smithfield, RI 02917
© 2015–2017 FMR LLC. All rights reserved.
799248.21.0