

ADVANTAGE PLUS – PARTICIPATING WHOLE LIFE INSURANCE

Understanding participating whole life insurance



Foresters 
Financial

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Use this guide to learn more about Foresters Financial™ participating whole life insurance. It covers information about our participating account and key features of our Canadian participating whole life product, Advantage Plus¹.

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About Foresters

We've been helping families build financial security and make a difference in their communities since 1874.

Today, Foresters is still focused on enriching family and community well-being.

We provide benefits that empower members² to make a positive difference in the world.

It's what defines us. Because helping is who we are.



Staying financially strong for you

To protect the well-being of families, we need to ensure our financial health is secure. Foresters continues to maintain its strong financial position with total assets of \$16.5 billion CAD and a surplus of \$2.1 billion³ CAD as of December 31, 2022.

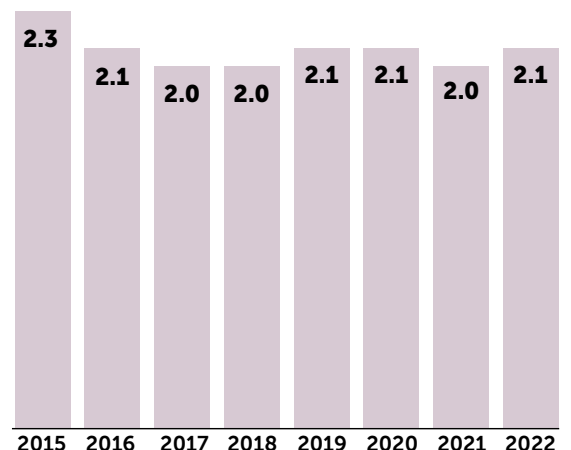
For the past 23 years, The Independent Order of Foresters has received an "A" (Excellent) rating from A.M. Best Company⁴. We've earned this rating through our ability to pay claims and our company's overall strength and stability.

A strategy for a bright future

We're here for you today, and tomorrow. You can count on us to deliver the security, unique member benefits and community support that helps Canadians live their best life. Our solvency ratios⁵ are beyond local regulatory requirements and above industry averages in all three countries in which we operate.

Surplus

(in billions of Canadian dollars)



Participating whole life insurance

Life insurance is financial security for the people who matter most to you. It's a way to secure their future, even if something happens to you.

Whole life insurance offers stability and long-term financial protection to help cover needs like:

- Estate planning
- Funeral or other final expenses
- Income for your surviving spouse
- Financial legacy for your children

Along with permanent coverage, whole life insurance also offers cash value. Cash value is the amount of money paid to the policy holder if the policy is cancelled. As long as you pay your premiums and your policy stays in force, the cash value grows year after year. It's a real asset with real value that can help protect you and your family.

Additionally, participating policies can earn dividends. A dividend is a portion of Foresters earnings available for distribution to certificate owners. You

can use dividends to buy more coverage, reduce your premiums or receive them in cash.

How dividends are calculated

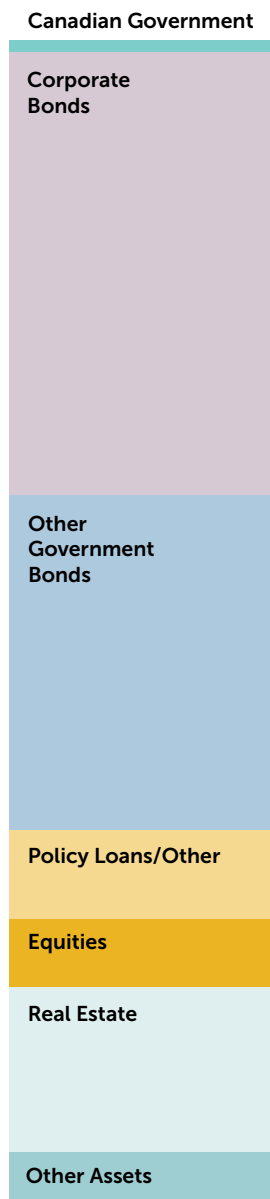
A portion of your premiums is deposited into our participating account. Next, we invest the majority of the participating account in bonds, cash and cash equivalents to build long-term returns. Each year, some of the earnings from the participating account are distributed to certificate owners. Dividends are not guaranteed and will vary depending on our future experience.

Foresters dividend interest rate is representative of the portfolio's earned rate but may reflect smoothing techniques to dampen short-term volatility in the interest rate. Dividends are reviewed annually but may not be updated every year.

Interest rates are only one factor that contributes to dividend changes. Mortality and expenses can also affect dividends and certificate performance.



Participating account asset mix



Over 75% of Foresters participating account is invested in stable fixed income investments. The remainder of the portfolio is invested in equities and core commercial real estate. Investments are carefully selected to help provide a high level of security with long-term growth. Foresters participating account is financially strong now, and more importantly, is well-positioned for financial strength well into the future.

The figures below are as of December 31, 2022 and may change depending on market performance and Foresters investment strategy.

Fixed Income & Short Term	Values	Percentage
Canadian Government	\$ 4,481,793.48	1.00%
Corporate Bonds	\$ 107,430,410.11	24.07%
Provincial and Municipal Bonds	\$ 42,499,575.21	9.52%
Policy Loans/Others	\$ 54,029,000.00	12.10%
Fixed Income Limited Partnerships	\$ 130,082,245.70	29.14%
Total Fixed Income	\$ 338,523,024.50	75.83%

Equities	Values	Percentage
Common Stock	\$ 32,129,389.69	7.20%
Equity Limited Partnerships	\$ 46,138,823.90	10.34%
Total Equities	\$ 78,268,213.59	17.53%

Derivatives	\$ 290,000.00	0.06%
Other Assets	\$ 29,322,000.00	6.57%
Total Assets	\$ 446,403,238.09	100.00%

Bonds

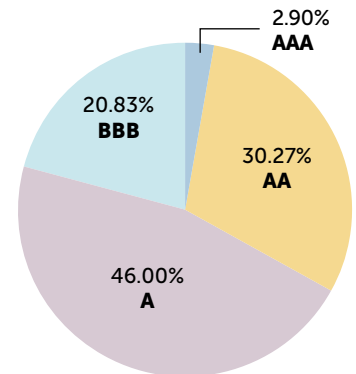
The majority of the fixed income portion of Foresters participating account is invested in high-quality bonds with over five years to maturity and a credit rating of A or higher.

Bonds by term as of Dec. 31, 2022

Years to maturity	Values	Percentage
Over 5 years	\$ 138,944,655.81	89.98%
0 to 5 years	\$ 15,467,122.99	10.02%
Total	\$ 154,411,778.80	100.00%

Bonds by credit rating as of Dec. 31, 2022

Credit rating	Values	Percentage
AAA	\$ 4,481,793.48	2.90%
AA	\$ 46,737,526.21	30.27%
A	\$ 71,025,377.84	46.00%
BBB	\$ 32,167,081.27	20.83%
Grand Total	\$ 154,411,778.80	100.00%



Bonds by country as of Dec. 31, 2022

Country	Values	Percentage
Canada	\$ 151,211,326.07	97.93%
United States	\$ 3,200,452.73	2.07%
Grand Total	\$ 154,411,778.80	100.00%

Bonds

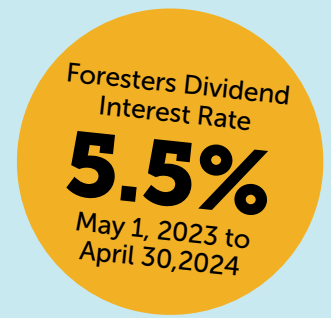
Bonds by sector as of Dec. 31, 2022

Sector	Values	Percentage
Canadian Federal Government	\$ 4,481,793.48	2.90%
Canadian Provincial and Municipal Government	\$ 42,499,575.21	27.52%
Communications	\$ 12,130,525.62	7.86%
Consumer Staples	\$ 9,743,246.72	6.31%
Energy	\$ 14,481,732.48	9.38%
Financial	\$ 18,596,147.69	12.04%
Industrial	\$ 18,687,327.77	12.10%
Utilities	\$ 32,833,265.38	21.26%
Healthcare	\$ 958,164.45	0.62%
Grand Total	\$ 154,411,778.80	100.00%

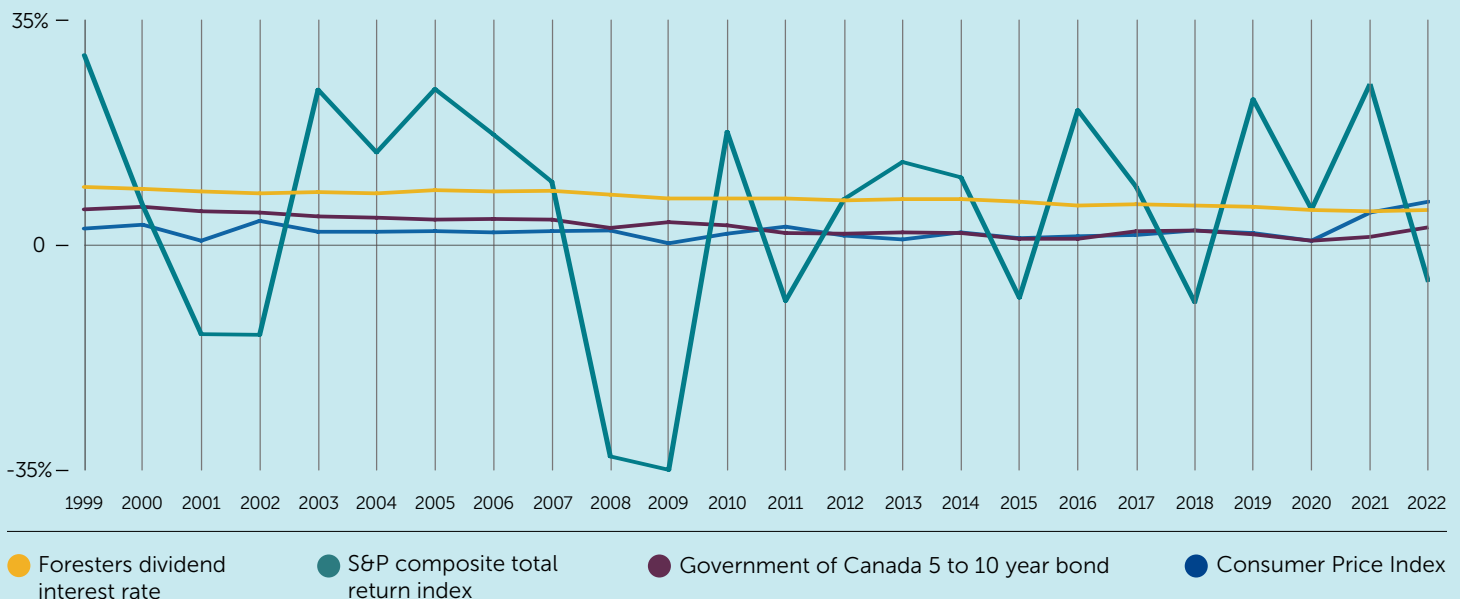
Historical performance

Over the past 23 years, Foresters dividend interest rate has remained on average above 6%. This ongoing performance shows that our approach to investing for long-term growth and stability has been consistently successful.

The table and graph below show Foresters dividend interest rate relative to other popular economic indicators. Past performance does not guarantee future results.



Year	Foresters dividend interest rate	S&P/TSX composite total return index ⁶	Government of Canada 5 to 10 year bond ⁷	Consumer Price Index ⁸
1999	9.1%	29.7%	5.6%	2.6%
2000	8.8%	6.2%	6.0%	3.2%
2001	8.4%	-13.9%	5.3%	0.7%
2002	8.1%	-14.0%	5.1%	3.8%
2003	8.3%	24.3%	4.5%	2.1%
2004	8.1%	14.5%	4.3%	2.1%
2005	8.6%	24.4%	4.0%	2.2%
2006	8.4%	17.3%	4.1%	2.0%
2007	8.5%	9.9%	4.0%	2.2%
2008	7.9%	-33.0%	2.7%	2.3%
2009	7.3%	35.1%	3.6%	0.3%
2010	7.3%	17.7%	3.1%	1.8%
2011	7.3%	-8.7%	1.9%	2.9%
2012	7.0%	7.2%	1.8%	1.5%
2013	7.2%	13.0%	2.0%	0.9%
2014	7.2%	10.6%	1.9%	2.0%
2015	6.8%	-8.2%	1.0%	1.1%
2016	6.2%	21.1%	1.0%	1.4%
2017	6.4%	9.1%	2.18%	1.6%
2018	6.2%	-8.9%	2.3%	2.3%
2019	6.0%	22.8%	1.7%	1.9%
2020	5.5%	5.6%	0.7%	0.7%
2021	5.25%	25.2%	1.3%	5.1%
2022	5.5%	-5.75%	2.8%	6.8%





Advantage Plus dividend options

Advantage Plus whole life insurance pairs reliable permanent coverage with the flexibility of five dividend options to choose from.

Dividends on Deposit: Dividends stay on deposit within your certificate and can potentially earn interest. They can be withdrawn at any time, subject to taxation.

Cash Payment: Dividends are paid directly to you and may add to your taxable income.

Premium Reduction: Use your dividends to cover your premiums. If your dividends are greater than the premiums due, they remain on deposit and may earn interest.

Paid-up Additional Insurance: Your dividends can be used to buy extra permanent life insurance coverage with no additional premiums required. This new

paid-up additional insurance can also earn dividends and accumulate cash value.

Enhanced Insurance: Your initial coverage starts with a combination of permanent insurance and one-year term insurance. You pay a lower premium than you would if the coverage was all permanent insurance. Each year, dividends are used to pay for the one-year term insurance and any excess is used to buy paid-up additional insurance, which also may earn dividends. Over time, the original one-year term insurance is entirely replaced by paid-up additions. The Enhanced Insurance Amount is guaranteed for the life of the certificate.

You can change your dividend option to the following at any time after issue:

- Paid-Up Additional Insurance
- Premium Reduction
- Dividends on Deposit
- Cash Payment
- Enhanced insurance

If the dividend option is changed from the Enhanced Insurance Option to another option the Enhanced Insurance Option Guarantee ends immediately.

Advantage Plus built-in insurance benefits

Advantage Plus offers solid protection and a range of flexible options to meet your changing needs. Your coverage is guaranteed for life as long as the certificate is in effect, and you're premiums won't increase due to changes in your health.

Advantage Plus also offers a number of built-in features at no additional premium.

Charity Benefit provision

Do you have a favourite registered charity? This benefit can help you donate to it. When a claim is paid to your beneficiaries, Foresters will pay⁹, up to a maximum of \$100,000, an additional 1% of the basic insurance amount to a registered charitable organization as designated by the owner. The payment is made as a donation in the name of the insured.

Children's Insurance Benefit

The Children's Insurance Benefit provides \$3,000 of term insurance for each insured child up until they turn 25. During certain periods of time, the \$3,000 of term

coverage may be converted to \$10,000 of permanent insurance on that child without evidence of insurability.

Juvenile Guaranteed Insurability Benefit

The Juvenile Guaranteed Insurability Benefit allows you to purchase additional insurance on specific dates without evidence of insurability if the primary life insured is under 18 when the Advantage Plus certificate is issued.

Quit Smoking Incentive Plan

Smokers will automatically benefit from a 2-year premium reduction with the Quit Smoking Incentive Plan. If the primary insured person is classified as a Smoker, and is at least 16 years old on the certificate issue date, we will charge lower premiums for the first two certificate years. If any time before the second certificate anniversary the owner submits evidence we consider satisfactory as to the cessation of the smoking habit of the insured person the lower premiums will continue.

Extra feature

Expert Medical Opinion Program

If you're the insured then you may be eligible to access the Expert Medical Opinion Program¹⁰ at no additional premium. Your spouse or domestic partner and your dependent children up to age 18 may also be eligible. This program provides personalized advice and recommendations on medical issues from leading experts.



Member benefits that help you live well

At Foresters, you're more than a customer. You're a member who gets more from their insurer.

Along with reliable life insurance, you get access to amazing complimentary member benefits² that help you and your family live well today.

With your benefits, you can:

- Access competitive scholarships that can help with education costs.
- Use well-being benefits like Lifelong Learning¹¹, an online library with over 200 courses from a range of topics.
- Get involved in amazing volunteer activities within your community.
- Take your family out for fun experiences like museum trips and sporting events to reconnect with each other.

And that's only the beginning.



The Foresters difference

For more than 140 years, Foresters has helped families plan for their financial future while making a difference in their communities. Each year, we invest millions to support causes that enrich the lives of families and, through our global member network, we provide volunteering efforts that directly benefit local communities in Canada, the U.S. and the U.K.

Interesting in learning more?

For more information about Foresters and Advantage Plus, please contact your advisor or **visit foresters.com**.

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¹ Underwritten by The Independent Order of Foresters.

² Descriptions of member benefits that you may receive assume that you are a Foresters Financial member. Foresters Financial member benefits are non-contractual, subject to benefit specific eligibility requirements, definitions and limitations and may be changed or canceled without notice or are no longer available.

³ This surplus represents excess funds above the amount required as legal reserves for insurance and annuity certificates in force and provides additional assurances to our members for our long term financial strength.

⁴ The A.M. Best rating assigned on August 17, 2023 reflects the overall strength and claims-paying ability of The Independent Order of Foresters (IOF) but does not apply to the performance of any non-IOF issued products. An "A" (Excellent) rating is assigned to companies that have a strong ability to meet their ongoing obligations to policyholders and have, on balance, excellent balance sheet strength, operating performance and business profile when compared to the standards established by A.M. Best Company. A.M. Best assigns ratings from A++ to F, A++ and A+ being superior ratings and A and A- being excellent ratings. See ambest.com for our latest rating.

⁵ Solvency ratios indicate that our ability to meet long-term obligations is above and beyond what is required.

⁶ S&P/TSX composite total return index includes the reinvestment of dividends. All figures are annual calendar year returns. TSX © Copyright 2021 TSX Inc. All rights reserved.

⁷ Government of Canada five to ten-year bond returns are taken from Statistics Canada, CANSIM table 176-0043 (Statistics Canada website), March 16, 2023. For each calendar year, the average of the monthly values was used.

⁸ Consumer price index inflation rates are based on the change from January to January, taken from Statistics Canada, CANSIM table 326-0021 (Statistics Canada website), March 16, 2023.

⁹ The designated charitable organization must be registered as a charity with the Canada Revenue Agency. The Charity Benefit will only be paid if an eligible beneficiary for the benefit has been designated, prior to, and is in effect on, the date of the death of the insured.

¹⁰ This program is provided exclusively by Teledoc Health, Inc., subject to eligibility requirements and limitations and may be changed or cancelled at any time without notice. This program is not part of the Advantage Plus certificate.

¹¹ Foresters Lifelong Learning Program is administered and delivered by The Training Company Inc.