THIS IS PRIMERICA

PRIMERICA®

- Largest independent financial services marketing organization in North America
- Public company listed on the New York Stock Exchange (PRI)
- In business since 1977, with a proven track record
- Approximately 5 million lives insured through our life companies and more than 2 million client investment accounts
- More than $693 billion of term life insurance in force
- An average of $3 million in benefit claims paid every day
- Investment clients have more than $47 billion in asset values in their Primerica investment accounts
- Life companies are rated A+ (Superior) by A.M. Best, the oldest and most prominent ratings agency in the industry[1]
- Named a Top 10 Innovator for the TermNow product by *Best's Review*
- Received a Gold Nova award for innovation in Customer Experience by *Money Management Executive* magazine
- Accredited by the Better Business Bureau

As of December 31, 2015. Each Primerica company is responsible for its own financial obligations. The above figures represent the combined totals for Primerica, Inc. and its affiliated companies: Primerica Life Insurance Company of Canada (Head Office: Mississauga, ON), National Benefit Life Insurance Company (Home Office: Long Island City, NY) in New York and Primerica Life Insurance Company (Executive Office: Duluth, Georgia), in all other U.S. jurisdictions.

Forbes | 2015
AMERICA'S MOST TRUSTWORTHY FINANCIAL COMPANIES

Named One of America's 50 Most Trustworthy Financial Companies[2]

(*Forbes*, August 3, 2015)

Ranked second in customer satisfaction among life insurance companies in the 2015 American Customer Satisfaction Index Finance and Insurance Report

ACSI American Customer Satisfaction Index™

Awarded the exclusive DALBAR Service Award for outstanding customer service 13 years running

DALBAR

What Primerica Does Is So Powerful

While other financial services companies typically focus on the wealthy, Primerica serves Main Street families in neighborhoods all across North America.

Primerica teaches people how to:

- Become debt free
- Own the proper insurance coverage
- Invest with professional management

Primerica representatives are not professional money managers, nor do they provide professional money management services. Any and all money management services performed in relation to products marketed by Primerica representatives are carried out by professional mutual fund managers employed by third-party fund companies.

Partnered with Names You Can Trust

LEGG MASON GLOBAL ASSET MANAGEMENT

FRANKLIN TEMPLETON INVESTMENTS

Lincoln Financial Group

PIONEER Investments

Invesco

AXA redefining / standards

LOCKWOOD AN AFFILIATE OF PERSHING

AGF

American Century Investments

B2B BANK

AIG

MetLife

Answer financial

John Hancock

EQUIFAX

to name just a few...

No One Else Does What Primerica Does

Primerica takes an educational approach and offers sophisticated financial tools to the middle market – for free! It starts with a Financial Needs Analysis, a very basic questionnaire that asks all the right questions to help families determine the next steps to get on the road to a better financial future.

There is a common misunderstanding that average and ordinary folks can't become millionaires.

That couldn't be further from the truth.

The fact is, you have the power to accumulate wealth beyond your dreams. Many people who have never earned a six-figure income become financially independent. How do they do it? Doesn't it take a high-level job with a big salary? Or a large inheritance? Or winning the lottery?

The answer is no. No matter what your income level, you can achieve financial security – if you take the time to learn a few simple principles about how money works.

YOU CAN get out of debt.
YOU CAN build savings.
YOU CAN get on the path to financial independence.

By applying the simple principles in this book, you can achieve financial security and ultimately reach your goals. But nobody else can make it happen.

It's up to you. You have the power to change your life forever.

READY TO GET STARTED?

TAKE CONTROL

Did you know one of the biggest financial mistakes most people make is dependence? Dependence on others allows "outside" factors in people's lives to control them. The secret to financial security is learning to control the things you CAN control.

Pay Yourself First

Paying yourself first means putting yourself and your family before any other demands on your money. Paying yourself first is a form of self-respect.

Deposit a set amount each and every month into an investment program, no matter what other financial obligations you have. It's amazing how fast your money can grow if you invest even a small amount regularly at a good rate of return.

Adjust Your Priorities

It's been said that:

If you make $10 and spend $9 = happiness
If you make $10 and spend $11 = misery

As you begin your journey to financial independence, remember this key point: It's not what you make, it's what you keep.

Change Your Thinking

The way you think about money is everything. Your mindset is a powerful thing – especially when it comes to money.

That explains why so many of the people who win the lottery ... end up losing it all. It helps you understand how so many millionaires are self made.

What is the difference between the two groups? It's how they think. **If you think you don't deserve to be financially secure, you'll never be financially secure.** However, if you "upgrade" your self-image and believe you deserve the freedom and peace of mind that financial security provides, you'll have a better chance of doing what needs to be done to obtain wealth beyond your dreams.

Adjust Your Lifestyle

Along with setting priorities comes one tough rule of life: You can't have everything. You have to make conscious decisions about every purchase.

An important concept to understand is want vs. need:

- A need is something you have to have, something you can't do without. You "need" food. You "need" shelter.
- A want is something you would like to have. You "want" ice cream. You "want" a bigger house.

If you want to achieve financial independence, you may have to make sacrifices for a period of time and go without some of your "wants." It's not that tough, but it is very, very important to your financial health.

Earn Additional Income

If your family income is very modest, things may be so tight that it's tough to invest more than $50 a month. If you want to make significant progress, **consider taking a part-time job to get the extra income needed to start your investment program.**

Realign Your Assets

This is another way to take control and free up income for savings. There are two major areas in which families are not getting their money's worth that are great areas to target for adjustment:

1. Low-interest savings accounts or accumulations with banks. You can take money from a 1% savings plan and invest it in an area that has the potential for higher returns.

2. High-cost life insurance. You can replace your outdated, expensive cash value insurance policies with term insurance and potentially save thousands of dollars in premium over time! Both of these areas are covered in more detail later in this booklet.

Avoid the Credit Trap

Credit cards are good for convenience but that's it. **Be careful to avoid the pitfalls of "plastic money."** Pay your balance in full each month and you'll not only avoid interest charges but you'll prevent your balance from escalating out of control. To keep your monthly charges under control, pay with cash. You'll probably find you spend less when you have to hand your money over.

See how many options you have? You DO have a choice about your financial future.

Set Goals and Have a Plan

You can't reach your destination if you don't know what it is. Setting goals gives you two things:

1. An incentive to make the necessary sacrifices
2. Benchmarks along the way to gauge your progress

After you've set your goals, you need a road map to get you there. You need a financial game plan. Together with your goals, a game plan is the cement that holds together your financial foundation.

You **Cannot** Control

- The Future of Social Security
- Your Employer
- Taxes
- Inflation
- Rising Costs
- The Risk of a Single Investment

But You **Can** Control

- Saving for Retirement
- Other Sources of Income
- Ways to Reduce Your Taxes
- Maximizing Your Savings
- Saving More
- Diversity of Your Investment Choices

Diversification does not assure a profit or protect against loss.

Bypass the Middleman

The bank takes their money, pays them the current rate, maybe around 1% at this time, and then loans that money out or invests that money directly in the economy. The bank receives high rates of interest on its investments and is happy to pay you a low interest rate for the use of your money. As a general rule, what you really have there is a "loaning" account, rather than a "savings" account. You are lending money to the bank and they are making a profit off your money. You have no choice but to reverse the situation if you want to make your money work for you. You must become an "owner," not a "loaner." You must learn to "bypass the middleman."

Are You Earning a Guaranteed Loss?

Even though you may feel comfortable with the fact that investments in banks and savings and loans are "guaranteed" against loss by the FDIC, what you are purchasing with that kind of "guarantee" is something you hadn't counted on – a guaranteed loss!

You invest $10,000 at a 1% rate of return at your local bank...

You earn interest for the year:	$100
But you pay **$25 in taxes on that interest at 25%:**	-$25
So, your net earnings are:	$75
Your resulting balance would be:	$10,075
...but if inflation is **3%,** your buying power would be reduced to:	$9,782

You would have actually LOST buying power!

This 25% tax rate is hypothetical. A different tax rate will change the result. Savings and CD accounts are generally FDIC insured up to $250,000.

What Is a Mutual Fund?

A mutual fund is an opportunity for you, together with many other investors, to pool your money. Professional money managers invest the "pool" for you, keeping the investments under constant supervision. The money managers use their knowledge of securities and changing market conditions to invest the pooled assets in many different companies within a variety of industries.

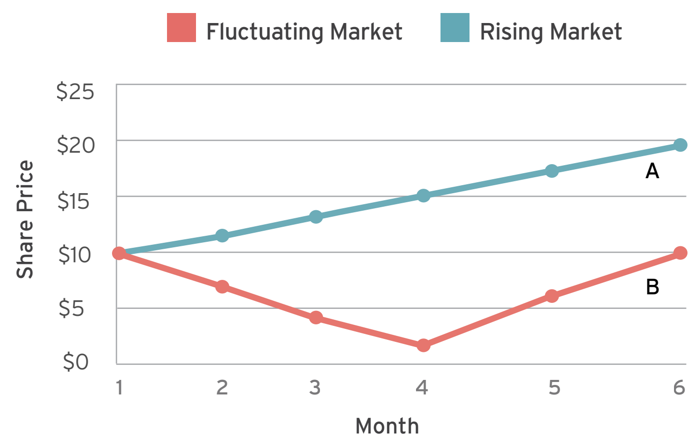
How a Mutual Fund Works

Who Do You Think Earned More Money?

Investor A began purchasing his shares as the market soared. Right after Investor B started purchasing his shares, the market fell and then recovered to where it was at the beginning of his investment period.

If you picked Investor A, you're wrong! Investor B was able to take advantage of the downturn in the market and use his $100 monthly investment to purchase shares at a lower price, which meant more shares purchased. With his $600 investment he purchased 125.95 shares at an average price of $4.76 per share.

Investor A's $600 investment purchased 42.28 shares at an average price of $14.19 per share. **In a fluctuating market, Investor B was able to accumulate more shares at a lower price than Investor A did in a rising market.** That's the power of dollar-cost averaging.



Dollar-cost averaging is a technique for lowering average cost per share over time. Dollar-cost averaging cannot assure a profit or protect against loss in declining markets. Investors should consider their ability to continue to invest in periods of low-price levels. These values are hypothetical and not intended to reflect any specific market period.

Investor A	$100/month	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Number of Shares Accumulated
	Per Share:	**$10.00**	**$12.00**	**$14.00**	**$16.00**	**$18.00**	**$20.00**	–
	# of Shares:	**10.00**	**8.33**	**7.14**	**6.25**	**5.56**	**5.00**	**42**

Investor B	$100/month	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Number of Shares Accumulated
	Per Share:	**$10.00**	**$7.00**	**$4.00**	**$2.00**	**$6.00**	**$10.00**	–
	# of Shares:	**10.00**	**14.29**	**25.00**	**50.00**	**16.67**	**10.00**	**126**

	Amount Invested in 6 Months	Number of Shares Accumulated	Average Cost Per Share
A	**$600**	**42.28**	**$14.19**
B	**$600**	**125.95**	**$4.76**

The Power of Compound Interest

Remember the parents who deposited $1,000 at a hypothetical rate of return of 9% when their child was born? The annual interest would be $90. And $90/year, when multiplied by 67 years, is $6,030. Then how did Paul withdraw more than $406,000 at age 67? Because of one of the most important keys to wealth you can ever learn: the power of compound interest. Here is how it works:

The first year's interest on the investment, 9% or $90, was credited to the $1,000 to make $1,090. The next year, $98 was earned on the $1,090. The total in the account was then $1,188. As the account grew each year, the interest payment was calculated on the total in the account, including all the past interest payments. The compounding of the interest is how $1,000 grew to more than $406,000. With the power of compound interest at work for you, you'll be amazed at how quickly a few hundred dollars can become a thousand.

Just a Little More Grows Even Faster

The chart below illustrates the difference between saving $20 a month versus $100 a month. While saving $80 more a month may be a challenge financially, the increased dollar amount definitely pays off. Just $100 a month compounding at a hypothetical 9% rate totals more than $470,000 after 40 years.

	Monthly Contribution	
Years	$20	$100
10	$3,900	$19,500
20	$13,460	$67,300
30	$36,890	$184,450
40	$94,330	$471,650

This is hypothetical and does not represent an actual investment. Actual investments will fluctuate in value. It does not include fees and taxes which would lower results. Rate of return is a constant nominal rate, compounded monthly. Investing entails risk, including loss of principal. Shares, when redeemed, may be worth more or less than their original value.

Do You Know the Rule of 72?

Another important concept in understanding the power of compound interest is the Rule of 72. Your money will double at a certain point determined by dividing 72 by the percent of interest.

Years	3%	6%	12%
0	$10,000	$10,000	$10,000
6	–	–	$20,000
12	–	$20,000	$40,000
18	–	–	$80,000
24	$20,000	$40,000	$160,000
30	–	–	$320,000
36	–	$80,000	$640,000
42	–	–	$1,280,000
48	$40,000	$160,000	$2,560,000

Based on the Rule of 72, a one-time contribution of $10,000 doubles **six more times at 12% than at 3%.**

"Compound interest is the most powerful force in the universe."

Albert Einstein

This table serves as a demonstration of how the Rule of 72 concept works from a mathematical standpoint. It is not intended to represent an investment. The chart uses constant rates of return, unlike actual investments which will fluctuate in value. It does not include fees or taxes, which would lower performance. It is unlikely that an investment would grow 10% or more on a consistent basis.

It's Not What You Earn, It's What You Keep

Put yourself at the head of the line. Treat your savings like any other recurring bill that you must pay each month. Dedicate the appropriate amount from your paycheck and set it aside. While most people think nothing of sending enormous amounts of money to credit card companies on a regular and systematic basis, they balk at the idea of paying themselves first! Change that mindset. Cut up your credit cards and put those payments into your own savings. Make a commitment to pay yourself first!

Calculate How Much You've Earned & How Much You've Saved

Average annual income (estimate):		**A**	
Times number of years worked:	X	**B**	
Equals total amount earned:	=	**C**	
Amount of personal savings:		**D**	
Divide D by C:	=	**E**	%

This equals your percentage of income saved.

The Three Accounts You Need

To have a complete savings program, most people need **three types of basic accounts:**

EMERGENCY FUND

This is your reserve fund in the event of an unforeseen emergency, job loss or an unexpected expense.

A good rule of thumb:
Set a goal of having three to six months' salary in your emergency fund.

SHORT-TERM SAVINGS

This account is for money that you set aside for expenses you want to purchase within a short-term time frame. For example, here is where you would save for a new computer or perhaps a vacation.

LONG-TERM SAVINGS & INVESTMENTS

This is where your retirement savings, college fund and other long-range savings will go. Because these savings have more of a long-term time horizon, you can use investment vehicles with potential for a higher rate of return, such as equity mutual funds.

Investing entails risk including loss of principal. Shares, when redeemed, may be worth more or less than their original value.

The "Time Value" of Money

It can't be stressed enough: **The sooner you start to save, the less you will have to put away.** Look at how opening an IRA today can help you secure a comfortable retirement.

Individual A: Contributes from Ages 22-29			**Individual B:** Contributes from Ages 30-67		
Age	Annual Payment	End-of-Year Accumulation	Age	Annual Payment	End-of-Year Accumulation
22	$5,500	$6,020	22	$0	$0
23	$5,500	$12,600	23	$0	$0
24	$5,500	$19,790	24	$0	$0
25	$5,500	$27,670	25	$0	$0
26	$5,500	$36,280	26	$0	$0
27	$5,500	$45,700	27	$0	$0
28	$5,500	$56,000	28	$0	$0
29	$5,500	$67,270	29	$0	$0
30	$0	$73,580	30	$5,500	$6,020
31	$0	$80,480	31	$5,500	$12,600
32	$0	$88,030	32	$5,500	$19,790
33	$0	$96,290	33	$5,500	$27,670
34	$0	$105,320	34	$5,500	$36,280
35	$0	$115,200	35	$5,500	$45,700
36	$0	$126,010	36	$5,500	$56,000
37	$0	$137,830	37	$5,500	$67,270
38	$0	$150,760	38	$5,500	$79,590
39	$0	$164,900	39	$5,500	$93,080
40	$0	$180,370	40	$5,500	$107,820
41	$0	$197,290	41	$5,500	$123,950
42	$0	$215,790	42	$5,500	$141,600
43	$0	$236,040	43	$5,500	$160,900
44	$0	$258,180	44	$5,500	$182,010
45	$0	$282,400	45	$5,500	$205,100
46	$0	$308,890	46	$5,500	$230,350
47	$0	$337,870	47	$5,500	$257,980
48	$0	$369,560	48	$5,500	$288,190
49	$0	$404,230	49	$5,500	$321,240
50	$0	$442,150	50	$5,500	$357,390
51	$0	$483,620	51	$5,500	$396,930
52	$0	$528,990	52	$5,500	$440,190
53	$0	$578,610	53	$5,500	$487,490
54	$0	$632,890	54	$5,500	$539,240
55	$0	$692,260	55	$5,500	$595,840
56	$0	$757,200	56	$5,500	$657,750
57	$0	$828,230	57	$5,500	$725,470
58	$0	$905,920	58	$5,500	$799,540
59	$0	$990,900	59	$5,500	$880,560
60	$0	$1,083,860	60	$5,500	$969,170
61	$0	$1,185,530	61	$5,500	$1,066,110
62	$0	$1,296,740	62	$5,500	$1,172,130
63	$0	$1,418,380	63	$5,500	$1,288,100
64	$0	$1,551,440	64	$5,500	$1,414,950
65	$0	$1,696,970	65	$5,500	$1,553,700
66	$0	$1,856,160	66	$5,500	$1,705,460
67	$0	$2,030,280	67	$5,500	$1,871,460
Total Contributions: $44,000			**Total Contributions:** $209,000		
Total Accumulation: $2,030,280			**Total Accumulation:** $1,871,460		

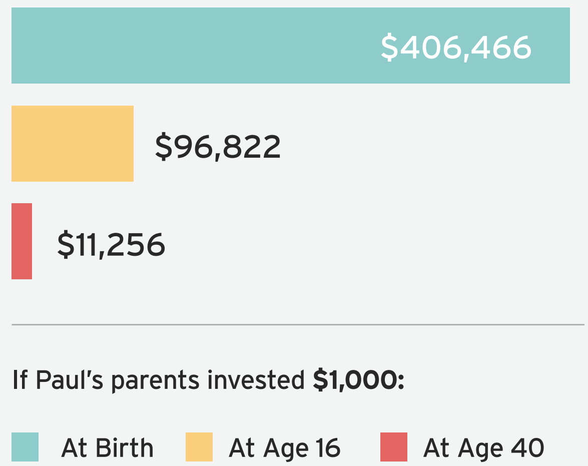
The hypothetical 9% nominal rate of return, compounded monthly, and tax-deferred accumulation shown for both IRA accounts are not guaranteed or intended to demonstrate the performance of any actual investment. Unlike actual investments, the accounts show a constant rate of return without any fees or charges. Any tax-deductible contributions are taxed and tax-deferred growth may be taxed upon withdrawal. Withdrawals prior to age 59 1/2 may be subject to a 10% penalty tax. Assumes payments are made at the beginning of each year. Investing entails risk, including loss of principal. Shares, when redeemed, may be worth more or less than their original value.

It Pays to Start Investing Early

Suppose your parents had deposited **$1,000** on the day you were born. If you left the account untouched until you turned 67, that $1,000 would have grown to $406,466 – without you ever having to add another penny!

The rate values to the right are at age 67 and for illustrative purposes only and do not represent an actual investment. This example uses a constant rate of return. Actual investments will fluctuate in value. The illustration does not include fees and taxes that would lower results. The 9% rate of return is a nominal interest rate compounded on a monthly basis. Investing entails risk, including loss of principal. Shares, when redeemed, may be worth more or less than their original value.

Amount Accumulated by Age 67



Don't Pay the High Cost of Waiting

If you're like most people, you don't have a lot of money. That's why time is so critical. When you're young, you can save small amounts and still end up with thousands of dollars. If you wait to begin saving, you must save much more. If you want to be financially independent, you have no choice – you must start now, or later you must save more. One thing is certain: You can't afford the high cost of waiting.

If your goal is to save $500,000 for retirement at age 67, look at the difference time makes:

Monthly Savings Required

Begin	Save	Cost to wait
Age 25	$89	–
Age 35	$224	more than 2 times more
Age 45	$602	nearly 7 times more
Age 55	$1,926	more than 21 times more

The sooner you begin to save, the greater the growth on your investment:

The High Cost of Waiting ($100/month at 9%)

Begin	Total at Age 67	Cost to wait
Age 25	$566,920	–
Age 26	$517,150	$49,770
Age 30	$357,240	$209,680
Age 40	$137,780	$429,140

These examples assume a hypothetical 9% constant rate of return. Rate of return is a nominal interest rate compounded on a monthly basis. Actual investments will fluctuate in value. The illustration does not include fees and taxes which would lower results. Investing entails risk, including loss of principal. Shares, when redeemed, may be worth more or less than their original value.

Add Consistency to Time

You've seen how time can be the best friend of growth. But most people don't have $1,000 to deposit all at once. They must depend on smaller amounts, invested on a schedule, to build wealth. If that's your situation, consistency can be the fuel that makes your investment grow exponentially.

The Three "Ds" of Investing

Dollar-Cost Averaging

Dollar-cost averaging means investing a certain fixed amount each month, regardless of what's happening in the stock market. This eliminates having to predict when to invest as you will be able to take advantage of the market highs and lows – by purchasing fewer units when the prices are high and more units when the prices are low. While dollar-cost averaging can't assure a profit or protect against loss, it does show how a systematic investing plan, sustained over a period of time has the potential to pay off, relieving your worries about whether the market is up or down.

Discipline

By staying focused and staying invested through all market activity, you can increase your long-term potential because missing even a handful of the best-performing days in the market over time can considerably diminish your returns. Experts say market "timing" is a bad way to invest. The key is to maintain a long-term view and stay focused on your goals.

Diversification

Because there is no single, perfect investment, take advantage of the next best thing which is to build your portfolio by balancing a variety of investments. Together these investments help you achieve your goals and reduce your portfolio's risk. This may also work to increase returns by offsetting losses in one asset class with an opportunity for gains in another. Diversification does not assure a profit or protect against loss.

Investing entails risk including loss of principal. Shares, when redeemed, may be worth more or less than their original value.

YOU CAN DO IT!

At first glance, achieving financial security may seem overwhelming.

But, as you've seen in these pages, the path to financial independence starts with understanding a few basic concepts – and implementing them in your life.

Winning the financial "war" is the result of winning tiny battles day to day. Something as seemingly insignificant as choosing a glass of water over a 75¢ soda, or saying "no, thanks" to an impulse purchase can add up faster than you could ever imagine.

The basic concepts of money management aren't obscure or difficult to understand. They're based on common sense and can put financial success within your reach.

While it may be tempting to hope for a financial miracle, it's much wiser instead to bet on a sure thing, and follow the proven principles that have already worked for so many families.

Most of all, whatever your present situation, it's important to get started today. If you put together a simple plan and follow it, you'll be amazed at the progress you can make.