

September 30, 2022

value-based hedged equity



# Forester Value Fund

The Forester Value Fund is a diversified, no-load mutual fund for investors seeking long-term investment returns, with added emphasis on capital protection in unfavorable market conditions. The fund invests in the stocks of large U.S. companies that it believes are undervalued and have great appreciation potential. When the manager believes that the overall stock market is highly valued or that market conditions warrant it, the fund may take a defensive position by purchasing stock index put options and holding cash. The fund's objective is maximum long-term capital growth.

## OBJECTIVE

Maximum long-term capital growth

## TICKER

FVALX - Class N Share

FVILX - Class I Share

## CUSIP

34623P209 Class N Share

34623P308 Class I Share

## INCEPTION DATE

9/9/1999

## EXPENSE RATIO

1.25% Class N Share

0.99% Class I Share

## MINIMUM INVESTMENT

\$1,000 Class N Share

\$1,500 Class I Share

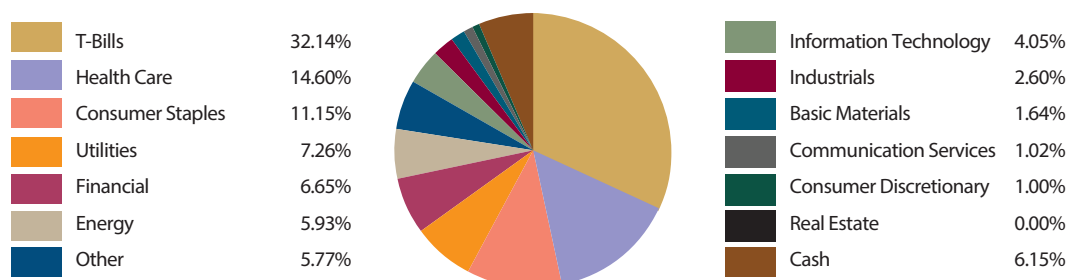
For more complete information on the Forester Funds, including charges and expenses, obtain a prospectus by calling 800-388-0365. The prospectus should be read carefully before investing.

**Forester Funds**

**800-388-0365**

**www.forestervalue.com**

## PORTFOLIO SECTOR DIVERSIFICATION<sup>1</sup> as of 9/30/2022



## FUND INFORMATION

Symbol (N share / I share)	FVALX / FVILX
NAV (N share / I share)	5.97 / 6.16
Number of Holdings	33
P/E	12.92
Yield (before fees)	3.35%
Weighted Average Market Cap (bil)	\$68
Expense Ratio (N share / I share)	1.25% / 0.99%
Total Assets (mil)	\$16
Min. Inv. (N share / I share)	\$2,500 / \$25,000
Sales Load	None
12b-1 Fee (N share / I share)	0.25% / 0%

## TOP TEN HOLDINGS<sup>1</sup> as of 9/30/2022

General Mills, Inc.	2.74%
Johnson & Johnson	2.67%
JM Smucker Co.	2.42%
CVS Health Corp.	2.32%
Chevron Corp.	2.24%
Cardinal Health, Inc.	2.23%
First Energy Corp.	2.20%
Allstate Corp.	2.16%
Bristol Myers Squibb Co.	2.08%
Pioneer Natural Resources Co.	2.04%

<sup>1</sup> Portfolio holdings and distributions are subject to change and are not recommendations to buy and sell any security.

## TOTAL RETURN AVERAGE ANNUALIZED (%) as of 9/30/2022

FUND INCEPTION DATE: 9/10/99

	YTD	1 year	3 years	5 years	10 years
<b>Forester Value Fund (N shares)</b>	<b>10.35</b>	<b>10.81</b>	<b>4.01</b>	<b>2.64</b>	<b>0.81</b>
Morningstar Long-Short Category	-12.51	-8.19	3.18	3.00	3.61
S&P 500 TR	-23.87	-15.47	8.16	9.24	11.70

Performance data quoted represents past performance and does not guarantee future results. Investment returns and principal value will fluctuate, and when sold, your investment may be worth more or less than its original cost. Performance current to the most recent month-end may be lower or higher than performance quoted and can be obtained by calling 800-388-0365. Performance for periods less than one year is not annualized.



**Tom Forester, CFA,**

Portfolio Manager,  
President and Chief  
Investment Officer  
of Forester Capital  
Management, Ltd.

The Forester Value Fund has been managed since its inception by Thomas H. Forester, CFA. He has extensive money management experience. From May 1997 through January, 1999, Mr. Forester was an officer and portfolio manager with Dreman Value Advisors, Inc. and its successor firm, Scudder Investments Inc. where he managed over \$1.4 billion in value assets. He previously was an officer and portfolio manager from 1995 to 1997 with Peregrine Capital Management Inc., a subsidiary of Wells Fargo and an officer and portfolio manager for Thomas White International from 1992 to 1995.

Mr. Forester, CFA, holds an MBA from the Kellogg School at Northwestern University and a BA degree in economics (with honors) from the University of Colorado (1981). He also studied at the London Business School.

Mr. Forester has appeared on CNBC and in articles in *The Wall Street Journal*, *New York Times*, *Forbes*, *Fortune*, *Barron's*, *Money*, *SmartMoney*, *Washington Post*, *USA Today*, *Investment News*, *Investor's Business Daily* and *Marketwatch*.

## ABOUT THE INVESTMENT ADVISOR

The Fund is managed by Forester Capital Management, Ltd., which selects the Fund's investments and handles its business affairs under the direction of the Fund's board of directors. Forester Capital was incorporated in 1999 and its address is: 100 Field Drive, Lake Forest, IL 60045.

### INVESTMENT PROCESS

The Fund invests in the stocks of large U.S. companies that it believes are undervalued and have great appreciation potential. It also employs an active hedging strategy to protect capital when the manager believes that the overall stock market is highly valued or that market conditions warrant it.

### STOCK SELECTION

#### Step 1 Investable Universe

- Market capitalization above \$5B
- Price/Earnings ratio below sector average

#### Step 2 Business Analysis

Fundamental research to identify companies with:

- Solid balance sheet
- Good competitive position
- Historical EPS growth
- Historical dividend growth

#### Step 3 Security Selection

- Determine future growth potential
- Research competitive advantages
- Identify potential catalysts for reaching fair value

#### Step 4 Portfolio Construction

- Individual positions of 1% to 3.5%
- Sector limit of 25%
- Valuation overlay of sector weights

### HEDGING STRATEGY

#### Valuation

- Compare current S&P 500 P/E to historical range
- Consider forward, trailing and 5-year P/E

#### Systemic Risk

- Evaluate health of balance sheets (banks, consumers, corporate, government)
- Monetary stability (inflation, currency)
- Weigh geopolitical risks

#### Technical Trend

- Identify overall market trend; less hedged when trend is positive
- Take hedge off when there is no longer a large discrepancy in our macro outlook

