First Investors Funds

Fixed Income

First Investors Floating Rate Fund

Foresters Financial

Bank loans: right product, right time

Bank loans, also called "Floating Rate Loans," are loans originated by banks to companies. Today, institutional investors and mutual funds can invest in these loans which are considered senior to other claims against the borrower, and are typically the first to be repaid should a company declare bankruptcy. Over the past decade, bank loans have become an asset class with a market value of more than $945 billion as of June 30,2015.** Given the record low interest rate environment, bank loans have captured the interest of investors as the potential for inflation and interest rate increases loom on the horizon.

Investment Objective and Strategy: The Fund seeks a high level of current income. Under normal circumstances, the Fund will invest at least 80% of its net assets (plus any borrowings for investment purposes) in floating rate loans and/or bonds. The Fund will normally invest the majority of its assets in U.S. dollar denominated senior secured floating rate loans and/or bonds. The Fund may invest in floating rate loans and/or bonds of any maturity or credit quality, but typically will invest in short duration below investment grade floating rate loans and/or bonds (commonly referred to as "high-yield" or "junk bonds"). The Fund generally will acquire floating rate loans as assignments from lenders.

Investment adviser: Foresters Investment Management Company, Inc.; Muzinich & Company, Inc. serves as subadviser of the First Investors Floating Rate Fund

Muzinich & Co., Inc. Firm Highlights:

- **Founded:** 1988
- **Expertise:** Institutional asset management firm specializing in corporate credit
- **Headquarters:** New York, with offices in London, Paris, Cologne, Milan, Madrid, Zurich and Manchester
- **Assets under management:** $103.8 billion**

Asset type: Floating rate loans

Ticker symbols: FRFDX (Class A Shares); FRFEX (Advisor Class); FRFNX (Institutional Class)

Benchmark: J.P. Morgan BB/B Leveraged Loan Index*

Portfolio manager: Bryan Petermann

Why a floating rate fund?

Over the next few years, there is the risk that interest rates will rise and cause a loss of net asset value for fixed income investors. Senior secured bank loans may help mitigate against falling bond prices, as their rates generally "float" and tend to hold their value in a rising rate environment. The "floating" rate coupon for loans typically resets at intervals, generally every three months. As a result, unlike a fixed income product, bank loans generally do not decline in price when interest rates rise.

Why Muzinich?

Currently the subadviser for the First Investors Fund For Income, Muzinich & Co., Inc., is also the subadviser for this Fund because they have a consistently attractive 25-year history of demonstrated expertise across the full spectrum of corporate credit, from senior secured bank loans to investment grade and high yield bonds ("junk" bonds). The firm's 100-member team has a strong research focus and disciplined investment process with a rigorous emphasis on risk control.

Why consider the First Investors Floating Rate Fund?

Key Advantages:

Current income. Focus on generating current income from senior secured bank loans and/or bonds.

Potential buffer against rising interest rates. This Fund can potentially be used to help mitigate the impact of rising interest rates.

Disciplined strategy. The Fund's investment strategy revolves around a disciplined credit review process.

Deep expertise. Muzinich's portfolio management team is recognized for its long track record of specialized credit and global finance experience.

How will the Fund be managed?

The Fund will normally invest the majority of its assets in U.S.-dollar-denominated senior floating rate loans and/or bonds. The subadviser generally attempts to reduce the impact of changing interest rates on the Fund by investing in securities with shorter durations. In general, the longer the duration of bank loans and/or bonds, the greater the likelihood that an increase in interest rates would cause a decline in the price of the Fund's shares. The subadviser believes that the Fund's short duration approach potentially reduces the risk to the portfolio if interest rates should rise.

* The previous benchmark for this Fund was the Credit Suisse Institutional Leveraged Loan Index. The Floating Rate Fund elected to use the new index effective June 1, 2014 because it more closely reflects the Fund's investment strategy.

** As of June 30, 2015

Bryan Petermann, Portfolio Manager, First Investors Floating Rate Fund, Muzinich & Co., Inc.

"The First Investors Floating Rate Fund seeks a high level of current income through the use of floating rate securities. Among other risks, it may have significant credit risk. The Fund is intended for investors who seek some protection in a rising interest rate environment."

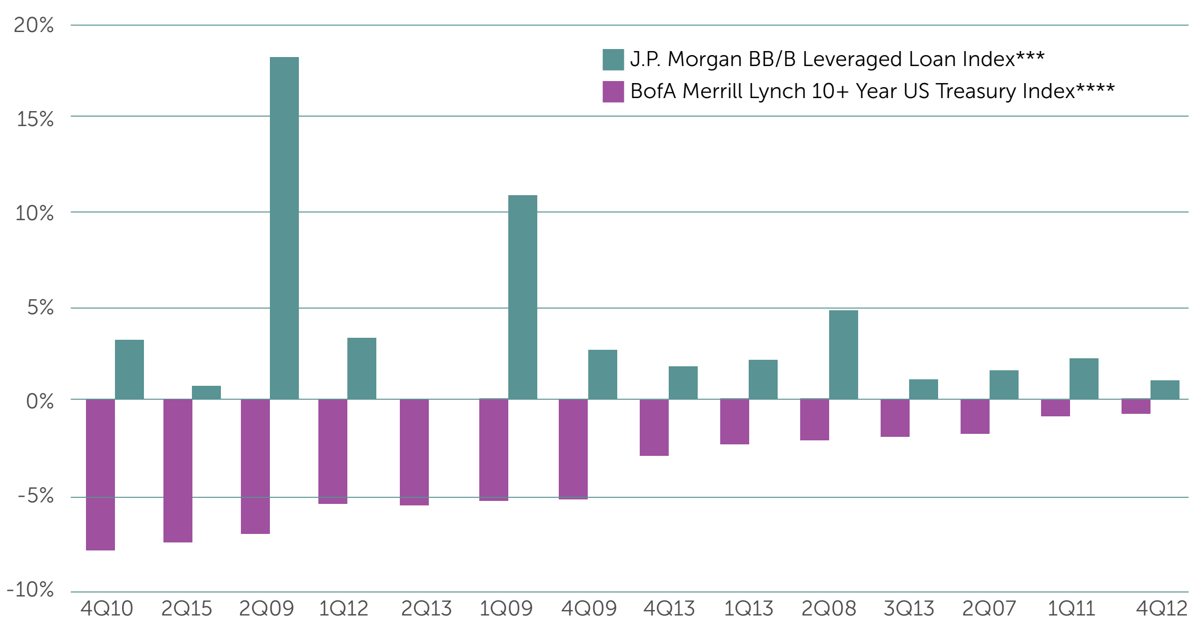
Who should consider buying the First Investors Floating Rate Fund?

The First Investors Floating Rate Fund is most appropriately used to add diversification to an investment portfolio. The Fund is intended for investors who:

- Are seeking an investment that offers a high level of current income
- Are willing to accept fluctuations in the value of their investment and the income it produces as a result of changes in interest rates and the economy
- Are willing to accept possible loss of principal and accept a high degree of credit risk and market volatility
- Have a long-term investment horizon and are able to ride out market cycles

Outperformance of Bank Loans in weak Treasury markets (1Q07-2Q15)

Bank Loans, or "Floating Rate Loans," have a low correlation to Treasury prices and may serve as an effective diversification tool.



Sources: The chart above shows every quarter since the first quarter of 2007 where 10-Year Treasury performance was negative, and the performance of the Loan Index in those same quarters. Nothing herein is intended as a recommendation of a specific security or investment strategy. This does not reflect the performance of any specific security. Indices are unmanaged and do not reflect fees and expenses. Investors cannot invest directly in an index. Data represents past performance. Past performance does not guarantee future results.

*** The J.P. Morgan BB/B Leveraged Loan Index is designed to mirror the investable universe of USD institutional leveraged loans, excluding the most aggressively rated loans and non-rated loans. (The BBLI is a subset of the broader Leveraged Loan Index (LILI), and as such follows all of the same inclusion rules, loan selection methodology and the rebalance process, with the sole exception being the tranche rating criteria).

**** The BofA Merrill Lynch U.S. 10-Year Treasury Index (measures the total return performance of U.S. Treasury bonds with a maturity greater than 10 years).

What are the principal risks of investing in this Fund?

Floating Rate Loan Risk. *The value of any collateral securing a floating rate loan may decline, be insufficient to meet the obligations of the borrower, or be difficult or costly to liquidate. In the event of a default, the Fund may have difficulty collecting on any collateral and a floating rate loan can decline significantly in value. The Fund's access to collateral may also be limited by bankruptcy or other insolvency laws. In addition, high yield floating rate loans usually are more credit sensitive than interest rate sensitive, although the value of these instruments may be affected by interest rate swings in the overall fixed income market.*

Senior Loan Risk. *Senior loan prices may be adversely affected by supply and demand imbalances caused by conditions in the senior loan market or related markets. Although senior floating rate loans may be senior to equity and debt securities in the borrower's capital structure, the loans may be subordinated to other obligations of the borrower or its subsidiaries.*

Credit Risk. *This is the risk that an issuer of bonds and other debt securities, including loans, will be unable to pay interest or principal when due.*

High Yield Bond Risk. *High yield bonds and other types of high yield debt securities, including floating rate loans, have greater credit risk than higher quality debt securities because the companies that issue them are not as financially strong as companies with investment grade ratings. High yield securities, commonly referred to as junk bonds, are considered primarily speculative with respect to the issuer's continuing ability to make principal and interest payments. During times of economic downturn, issuers of high yield debt securities may not have the ability to access the credit markets to refinance their bonds or meet other credit obligations.*

Interest Rate Risk. *In general, when interest rates rise, the market value of a debt security declines, and when interest rates decline, the market value of a debt security increases. Floating rate loans and bonds generally are less sensitive than fixed-rate instruments to interest rate changes, but they could remain sensitive to short-term interest rate changes. The interest rates on senior loans adjust periodically and may not correlate to prevailing interest rates during the periods between rate adjustments.*

Foreign Loan Risk. *The assets securing a loan and/or bond issued in the U.S. by a foreign corporation or its subsidiary and secured by the foreign corporation's assets may be subject to certain regulatory, economic and political conditions of the issuer's foreign country and, in event of default, it may be difficult for the Fund to pursue its rights against the issuer in that country's courts.*

Borrowing Risk. *The Fund may borrow from banks by obtaining a line of credit to meet certain redemptions. If the Fund is not able to extend its credit arrangement, it may be required to liquidate holdings at unfavorable prices. Borrowings involve additional expense to the Fund.*

Market Risk. *The entire high yield loan and bond market can experience sharp price swings due to a variety of factors, including changes in economic forecasts, stock market volatility, large sustained sales of high yield bonds by major investors, high-profile defaults or the market's psychology. This degree of volatility in the high yield market is usually associated more with stocks than bonds.*

Liquidity Risk. *Floating rate loans generally are subject to legal or contractual restrictions on resale and may trade infrequently. High yield debt securities tend to be less liquid than higher quality debt securities. It may be difficult to sell high yield debt securities and floating rate loans at a reasonable price or at a particular time. Assignments of bank loans and bonds also may be less liquid at times, because of potential delays in the settlement process or restrictions on resale.*

Security Selection Risk. *Securities selected by the portfolio manager may perform differently than the overall market or may not meet the portfolio manager's expectations.*

For more information about the First Investors Floating Rate Fund, or any First Investors mutual fund from Foresters Financial Services, Inc., you may obtain a free prospectus by contacting your Representative, writing to the address below, calling 800 423 4026 or visiting our website at forestersfinancial.com. You should consider the investment objectives, risks, charges and expenses of the funds carefully before investing. The prospectus contains this and other information about the funds, and should be read carefully before you invest or send money. An investment in these funds is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency.

Past performance is no guarantee of future results.

All investments involve risk, including the possible loss of principal. You can lose money by investing in the Fund.

All security products are offered through Foresters Financial Services, Inc. Foresters Investment Management Company, Inc. is the investment adviser to the First Investors family of funds and an affiliate of Foresters Financial Services, Inc.

Foresters Financial

Foresters Financial Services, Inc.
40 Wall Street
New York, New York 10005
800 423 4026

forestersfinancial.com

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