

First Investors Funds

Fixed
Income

First Investors Limited Duration High Quality Bond Fund

Limited Duration High Quality Bond Fund

Fund Facts

Investment objective and strategy: The Fund seeks current income consistent with low volatility of principal. Under normal circumstances, the Fund will invest at least 80% of its net assets (plus any borrowings for investment purposes) in investment grade bonds. For purposes of this 80% policy, investment grade bonds also include other investment grade fixed-income securities. The Fund may invest in a variety of different types of investment grade securities, including corporate bonds, securities issued or guaranteed by the U.S. Government or U.S. Government-sponsored enterprises, and mortgage-backed and other asset-backed securities. The Fund may invest in U.S. Treasury futures and options on U.S. Treasury futures to hedge against changes in interest rates. The Fund seeks to maintain an average weighted duration of between two to six years.

Investment adviser: Foresters Investment Management Company, Inc.¹

Asset type: Short duration bond fund

Ticker symbols: FLDKX (Class A Shares); FLDLX (Advisor Class); FLDMX (Institutional Class)

Benchmark: Bank of America Merrill Lynch 1-5 Year US Broad Market Index.²

Portfolio managers: Clark D. Wagner, Rajeev Sharma, Rodwell Chadehumbé

“This fund seeks to generate current income while mitigating risk. Bond funds with shorter durations can provide a portfolio with a measure of protection against rising interest rates.”

—Clark D. Wagner,
Limited Duration
High Quality Bond Fund
Portfolio Manager and
Director of Fixed Income,
Foresters Investment
Management Company, Inc.



¹ Foresters Investment Management Company, Inc. is the investment adviser to the First Investors family of funds and an affiliate of Foresters Financial Services, Inc.

² This Index tracks the performance of U.S. dollar denominated investment grade debt publicly issued in the U.S. domestic market, including U.S. Treasury, quasi-government, corporate, securitized and collateralized securities. Investors cannot invest directly in an index.

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Limited duration can add current income

Limited duration bond funds (those that invest in bonds with shorter durations) have become increasingly popular at a time of heightened concerns about the adverse impact of rising interest rates on bond portfolios

Duration is a measurement of a bond's sensitivity to changes in interest rates. When interest rates rise, long-term bond funds (which have longer durations) decline in value more than short-term bond funds (which have shorter durations). Since interest rates are expected to continue to rise in the future from their current low levels, what does this mean for the bond fund investor?

As a general rule, most bond prices fall when interest rates rise. So if you're worried about rising interest rates, a shorter duration (or limited duration) bond fund may be the way to go. This type of fund can help provide current income for your financial portfolio, while offering some protection against rising interest rates.

If you're looking for a bond fund that also seeks current income consistent with low volatility of principal, consider the First Investors Limited Duration High Quality Bond Fund.

Why consider the First Investors Limited Duration High Quality Bond Fund?

Key benefits and advantages include:

Prudent approach. The Fund seeks to reduce risk by focusing on the protection of principal and employing a disciplined credit review process.

Interest rate management. Active management of interest rate risk through investment in shorter duration bonds.

Current income. Seeks current income consistent with low volatility of principal.

Deep, experienced portfolio management team. Clark D. Wagner, Portfolio Manager and the Director of Fixed Income at Foresters Investment Management Company, Inc.¹ and Portfolio Managers Rajeev Sharma and Rodwell Chadehumbe have more than 54 years of combined experience managing fixed income portfolios.

Who should consider buying the First Investors Limited Duration High Quality Bond Fund?

The Limited Duration High Quality Bond Fund may be used as a core holding for an investment portfolio or as a base on which to build a portfolio. The Fund is intended for investors who:

- Are seeking an investment which offers current income and a moderate degree of credit risk
- Are willing to accept fluctuations in the value of their investment and the income it produces as a result of changes in interest rates, credit ratings and the economy
- Have a long-term investment horizon and are able to ride out market cycles

What are the principal risks of investing in this Fund?

The principal risks of investing in the Fund are:

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. The Fund may be subject to a greater risk of rising interest rates during periods of historically low interest rates. Securities with longer maturities are generally more sensitive to interest rate changes.

Credit Risk. This is the risk that an issuer of bonds and other debt securities will be unable to pay interest or principal when due. The prices of bonds and other debt securities are affected by the credit quality of the issuer and, in the case of mortgage-backed and asset-backed securities, the credit quality of the underlying loans. Credit risk also applies to securities issued by the U.S. Government and by U.S. Government-sponsored enterprises that are not backed by the full faith and credit of the U.S. Government. The securities issued by U.S. Government-sponsored enterprises are supported only by the credit of the issuing agency, instrumentality or corporation.

Prepayment and Extension Risk. The Fund is subject to prepayment and extension risk since it invests in mortgage-backed and other asset-backed securities. When interest rates decline, borrowers tend to refinance their loans. When this occurs, the loans that back these securities suffer a higher rate of prepayment. This could cause a decrease in the Fund's income and share price. Extension risk is the flip side of prepayment risk. When interest rates rise, the Fund's average maturity may lengthen due to a drop in prepayments. This will generally increase both the Fund's sensitivity to interest rates and its potential for price declines.

Derivatives Risk. Investments in U.S. Treasury futures and options on U.S. Treasury futures to hedge against changes in interest rates involve risks, such as potential losses if interest rates do not move as expected and the potential for greater losses than if these techniques had not been used. Investments in derivatives can increase the volatility of the Fund's share price and may expose the Fund to significant additional costs. Derivatives may be difficult to sell, unwind or value.

Market Risk. The prices of, and the income generated by, the debt securities held by the Fund may decline in response to certain events, such as general economic and market conditions, regional or global economic instability, interest rate fluctuations, and those events directly involving the issuers. Adverse market events may lead to increased redemptions, which could cause the Fund to experience a loss when selling securities to meet redemption requests by shareholders. The risk of loss increases if the redemption requests are unusually large or frequent.

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 Limited Duration High Quality Bond 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.

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