

First Investors Funds

Equity

First Investors Real Estate Fund

Unlock the power of REITs in your portfolio

Fund Facts

Investment Objective and Strategy: The Fund seeks total return. Under normal circumstances, the Fund will invest at least 80% of its net assets (plus any borrowings for investment purposes) in common stocks and other equity securities of companies principally engaged in the real estate industry and/or investments that provide exposure to such companies. The Fund will normally invest its assets primarily in securities issued by real estate investment trusts listed on a U.S. stock exchange.

Investment adviser: Foresters Investment Management Company, Inc.¹

Asset type: Real estate investment trust fund

Ticker symbols: FIRD_X (Class A Shares); FIRG_X (Advisor Class); FIRH_X (Institutional Class)

Benchmark: Dow Jones U.S. Select REIT Index.²

Portfolio manager: Vincent Kwong, CFA

Mutual funds composed of Real Estate Investment Trusts (REITs) have become increasingly popular as a way for individuals to invest in commercial real estate.

What are REITs?

A REIT is a company that owns, manages or finances income-producing real estate. REITs were created by Congress in 1960 to make investing in large scale commercial real estate accessible to average investors. Today, nearly 50 million Americans are invested in REITs as part of their diversified financial plans.

There are two primary types of publicly traded REITs: **Equity REITs** and **Mortgage REITs**. Equity REITs invest in physical properties like hotels, shopping malls, apartment buildings, office complexes, etc. and generate revenue from collecting rents. Mortgage REITs generate revenue from interest earned on mortgage loans. Both trade on U.S. exchanges, with Equity REITs accounting for the bulk (90 percent) of today's \$1.7 trillion U.S. REIT marketplace. There are also hybrid REITs, which participate in both mortgage and equity investing.

Why consider a REIT mutual fund?

Investors have long considered real estate to be the ultimate

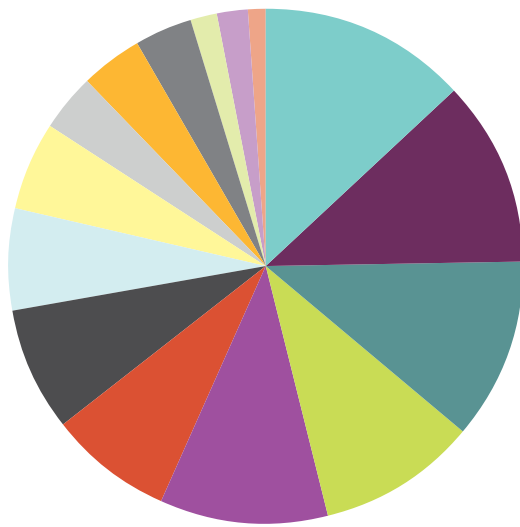
illiquid asset. While traditional real estate transactions can take months to close and require large initial investments and high transaction costs, REITs can provide investors with liquid exposure to real estate without having to buy or finance property.

As an investment, REITs can help add diversification to your investment portfolio and potentially reduce volatility due to their low correlation with other asset classes, including stocks and bonds. REITs also can be less subject to interest rate sensitivity, which could be a big plus in the current environment of expected rising interest rates. In addition, REITs can be a good source of potential dividend income. By law, U.S. REITs are required to pay out at least 90 percent of taxable income to their shareholders in the form of dividends. Consequently, REITs tend to generate a stable and consistent income stream for investors.

A well-diversified portfolio, including real estate exposure along with stocks and bonds, may help mitigate risk and improve long-term returns. If you're looking to add real estate as an asset class to your portfolio, consider the First Investors Real Estate Fund.

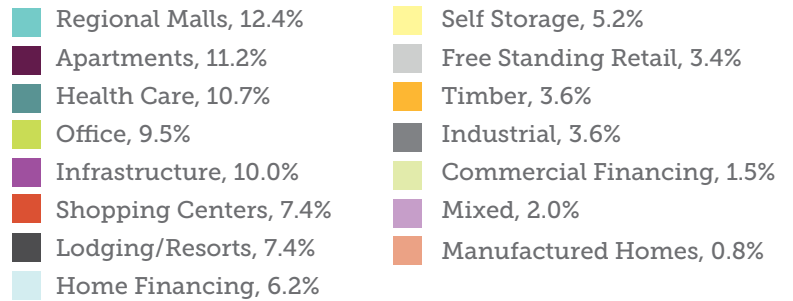
¹Foresters Investment Management Company, Inc. is the investment adviser to the First Investors family of funds and an affiliate of Foresters Financial Services, Inc. Portfolio management of this Fund is being managed by employees of Foresters, the parent organization of Foresters Financial Services, Inc. The members of the portfolio management team will be overseen by the compliance department of Foresters Investment Management Company, Inc.

²The Dow Jones U.S. Select Real Estate Securities Index (RESI) represents equity real estate investment trusts (REITs) and real estate operating companies (REOCs) traded in the U.S. The Dow Jones U.S. Select REIT Index is a subset of the Dow Jones Americas Select RESI and includes only REITs and REIT-like securities. Investors cannot invest directly in an index.



U.S. REIT Industry — Factsheet

REITs invest in all property types as of 12/31/14



Source: NAREIT®

Why consider the First Investors Real Estate Fund?

Key advantages and benefits include:

Total return. Seeks total return for income-seeking investors through long-term capital appreciation and dividend income.

Diversification. Adding REITs to an investment portfolio can increase return and help reduce risk since REITs generally have relatively low correlation with stocks and bonds.

High dividend yield. Has potentially higher yields than other income alternatives.

Inflation protection. Provides a potential hedge against inflation as rents and real estate values tend to climb with inflation and dividend growth rates for REITs have outpaced inflation over the past decade.

Deep, experienced portfolio management. The Fund is managed by Vincent Kwong, CFA, who has a strong track record managing U.S. REITs. He employs an investment process that includes rigorous fundamental analysis with a strict focus on companies with strong balance sheets.

“ Our strategy is to invest in great real estate companies with attractive valuation. We define greatness as companies that have a strong return on invested capital, consistent cash flows and strong capital structure.”

—Vincent Kwong, CFA,
Portfolio Manager, First Investors Real Estate Fund

How is the First Investors Real Estate Fund managed?

The Fund uses a “bottom-up” security selection approach that entails performing fundamental analyses to identify REIT securities with high, consistent return on invested capital, recurring operating income and strong capital structure.

The Fund will normally invest its assets primarily in publicly traded REITs listed on a U.S. stock exchange. The Fund may invest in equity REITs, mortgage REITs or hybrid REITs. The Fund may also invest in securities of other companies principally engaged in the real estate industry.

Who should consider buying the First Investors Real Estate Fund?

We recommend that the First Investors Real Estate Fund be used as a satellite (noncore) holding in a multiasset portfolio. The Fund may be appropriate for investors who:

- Want total return (dividend income and long-term capital appreciation)
- Want exposure to the real estate industry
- Are willing to accept a high degree of investment risk
- Have a long-term investment time 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:

Industry Concentration Risk. The Fund's strategy of concentrating its investments in issuers engaged in the real estate industry means that the Fund's performance will be closely tied to the performance of that particular market segment. The Fund will be more susceptible to adverse economic, market, political or regulatory occurrences affecting the real estate industry than a diversified fund.

Interest Rate Risk. The prices of securities issued by real estate companies, including REITs, are sensitive to interest rates. In general, when interest rates rise, the market values of real estate and real estate companies decline, and when interest rates decline, the market values of real estate and real estate companies increase. The Fund may be subject to a greater risk of rising interest rates during periods of historically low interest rates.

Liquidity Risk. The Fund is susceptible to the risk that certain securities may be difficult or impossible to sell at a time or price most favorable to the Fund. This risk is heightened for real estate companies and REITs with smaller market capitalizations, limited investments, larger amounts of debt, or higher levels of exposure to subprime mortgages.

Market Risk. The prices of equity securities, including securities issued by REITs, may decline over short or even extended periods not only because of issuer-specific developments, but also due to an economic downturn, adverse political or regulatory developments, a change in interest rates or a change in investor sentiment. 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.

Mid-Size and Small-Size Company Risk. The market risk associated with securities of mid and small-size companies is generally greater than that associated with securities of larger, more established companies because securities of mid and small-size companies tend to experience sharper price fluctuations. At times, it may be difficult for the Fund to sell securities of mid-to-small-size companies at reasonable prices.

Non Diversification Risk. The Fund is nondiversified and, as such, its assets may be invested in a limited number of issuers. This means that the Fund's performance may be substantially impacted by the change in value of even a single holding. The Fund's share price can therefore be expected to fluctuate more than the share price of a diversified fund.

Prepayment and Extension Risk. When interest rates decline, borrowers tend to refinance their mortgages. When this occurs, mortgages may suffer a higher rate of prepayment and a mortgage or hybrid REIT's income and share price may decline. Extension risk is the flip side of prepayment risk. When interest rates rise, borrowers tend to repay their mortgages less quickly, which generally increases a mortgage or hybrid REIT's sensitivity to interest rates and its potential for price declines.

Real Estate Investments Risk. The Fund is subject to the risks related to investment in real estate, including declines in the real estate market, decreases in property revenues, increases in interest rates, increases in property taxes and expenses, legal and regulatory changes, a lack of credit or capital, defaults by borrowers or tenants, environmental problems and natural disasters.

REIT Risk. In addition to the risks associated with the real estate industry, REITs are subject to additional risks, including those related to adverse governmental actions, declines in property value, and the potential failure to qualify for tax-free pass through of income and exemption from registration as an investment company. REITs are dependent upon specialized management skills and may invest in relatively few properties, a small geographic area or a small number of property types. As a result, investments in REITs may be volatile. REITs are pooled investment vehicles with their own expenses and the Fund will bear a proportionate share of these expenses.

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 Real Estate 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 investment 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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