Financial Wellness
& Education

Understanding mutual funds

Foresters Financial

Benefits of mutual funds

Foresters Financial Services, Inc. provides everyday families and individuals with the financial solutions, guidance and tools to meet their needs across all life stages.

Our Financial Representatives offer personalized service combined with a solid, long-term approach and fresh thinking to help you:

- Save and invest for retirement, education and other life events
- Create retirement income strategies
- Protect the ones you love
- Plan your legacy

Our Financial Representatives will meet with you in your home, our office or yours, or whatever location works best for you.

Together, we can help you achieve financial and family well-being—now and tomorrow, this generation and the next.

Professional management

Mutual funds offer individual investors the type of professional management that most people cannot afford on their own. Mutual funds employ full-time portfolio managers to make investment decisions based on thorough research, independent analysis and forecasts of general economic and market trends.

Diversification

Mutual funds generally seek to minimize the risk of investing in stocks or bonds by diversifying among numerous stocks or bonds. While diversification does not offer protection against overall market trends, it does protect against the poor performance of a single stock or bond. Diversification does not ensure a profit or protect against a loss in a declining market.

Liquidity

You can liquidate all or any portion of your shares at any time, in most cases with a simple phone call. Of course, since the investment return and principal value of a mutual fund investment will fluctuate, the value of your shares at the time of redemption may be more or less than their original cost.

Privileges

When you invest in mutual funds from Foresters Financial, you are entitled to privileges that make investing in mutual funds more convenient and less costly. For example, you may make investments directly from your paycheck or bank account. You can also transfer your investments from one First Investors Fund to another (with certain limitations) without paying a sales charge. However, an exchange may have tax consequences.

Diversify your investments

Balancing risk and reward

As a general rule, the greater the potential reward, the riskier the investment. It is important to determine your risk tolerance in deciding what blend of mutual funds is appropriate for you.

A conservative investor is one who is willing to assume some investment risk, but is more interested in the preservation of capital than in the potential for achieving large investment returns.

A moderate investor is one who is willing to accept an average level of risk in return for the potential for moderate returns.

An aggressive investor is one who is willing to accept significant price fluctuations to achieve the potential for greater long-term growth.

The risk of being too conservative

In determining what blend of investments is right for you, you should avoid being too conservative. As the chart shows, inflation is constantly eroding the buying power of your dollars. Goods and services that could have been purchased for $100 at the end of 1983 would have cost $726.91 at the end of 2017.[1]

Thus, even in your retirement years, you should attempt to keep some of your money invested in asset categories (such as equity funds) that are capable of producing returns greater than the rate of inflation.

[1] Source: Morningstar Direct 2018. All rights reserved. Used with permission.

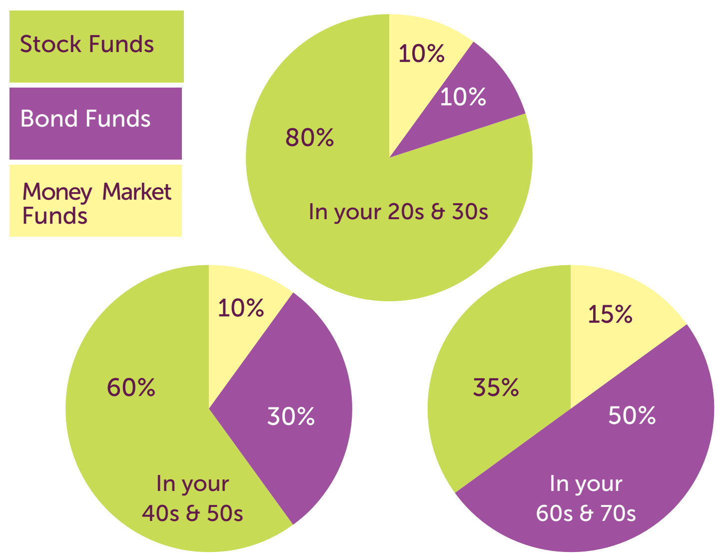
Generally, no single mutual fund can meet all of your investment goals all of the time. Your financial strategy should be diversified and should address both your current and future needs.

By blending equity, fixed income and money market funds in appropriate proportions, you can reduce short-term volatility while maintaining the potential of achieving total returns that are sufficient to meet your long-term financial goals. Of course, investment strategies such as diversification and asset allocation do not guarantee a profit, nor do they eliminate the risk of loss of principal.

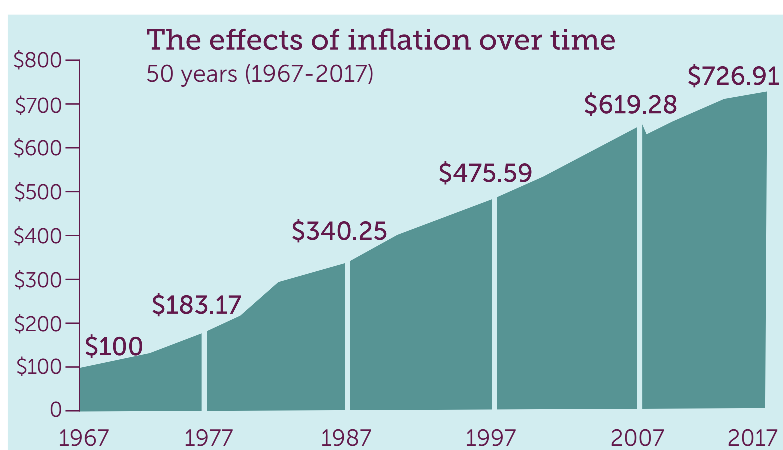
The percentages or dollar amounts that should be allocated to different types of funds will vary according to your age, investment horizon, goals and attitude toward risk.

Your age and investment horizon[2]

In general, the younger you are and the longer your investment horizon, the more risk you may be willing to take in order to achieve your financial goals.



[2] Allocation charts are for illustrative purposes only. The investment mix that is appropriate for you depends on your age, investment horizon, goals and attitude about risk.



Basic types of funds

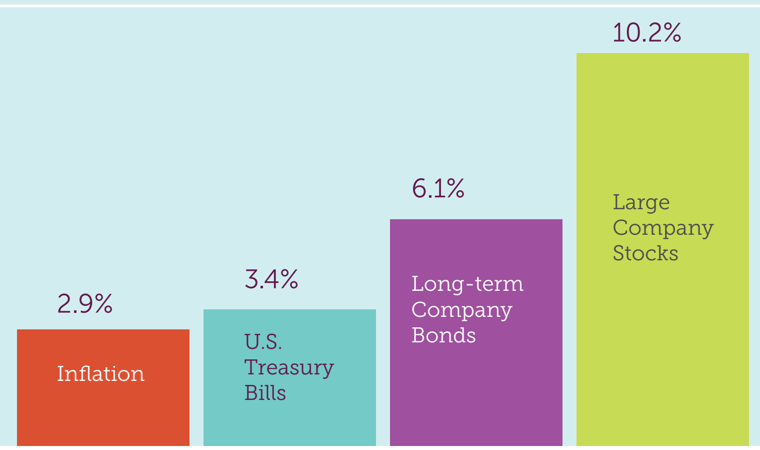
Equity funds

Equity funds, or "stock funds," generally attempt to achieve long-term capital growth by investing in equity securities of publicly traded companies. As an "owner," shareholders may benefit from the growth of these companies. Stock funds may also have a second objective of earning dividend income. Equity funds may focus on particular types of stocks, such as large-cap stocks, small-cap stocks or foreign stocks. They may also use different investment styles—growth, value, or growth at a reasonable price.

Over time, equities have provided greater returns, albeit with more volatility, for investors than fixed income or money market instruments.[3]

The chart below shows the compound annual returns of large company stocks compared to U.S. Treasury bills[4] and to inflation over a 90-year period.

Compound Annual Returns: 1926-2017*



You should be aware, however that equity funds are subject to significant fluctuations in value. They are therefore most suitable for long-term investors. Stock prices in general may decline not only because of company-specific developments, but also due to an economic downturn, a change in interest rates or a change in investor sentiment, regardless of the performance of an individual company's operations. This is known as market risk. Stock markets tend to run in cycles, with periods when stock prices generally go up ("bull markets"), and periods when stock prices generally go down ("bear markets"). Equity funds that focus on particular types of stocks or that use certain investment strategies may offer greater potential returns, but have greater risks.

Based on history, the longer you hold on to stocks, the greater the chance that you will have a positive return. For example, over the past 90 years, there was a 74 percent chance that an investment in large company stocks would have produced a positive return if held for one year as measured by the S&P 500. Those chances grew to 95 percent if held for 10 years, and to 100 percent if held for 15 or 20 years.[5]

Large Company Stocks: 1926-2017*

Rolling Period	Total Number of Periods	Number of Positive Periods	Percentage of Positive Periods
1-Year	92	68	**74%**
5-Year	88	76	**86%**
10-Year	83	79	**95%**
15-Year	78	78	**100%**
20-Year	73	73	**100%**

** Source: Morningstar Direct 2017.*

Asset classes and inflation are represented as follows:

- Large company stocks: S&P 500 index
- Long-term corporate bonds: Citigroup Long-Term High-Grade Corporate Bond Index
- U.S. Treasury bills: A one-bond portfolio
- Inflation: CPI-All Urban Consumers, not seasonally adjusted

[3,5] The information set forth is not representative of the performance of any First Investors Fund. Moreover, past performance is no guarantee of future results. Investors cannot invest directly in an index.

[4] U.S. Treasury bills are guaranteed by the U.S. government as to principal and interest. Mutual funds are not guaranteed by the U.S. government and carry the risk of loss of principal. When you sell your shares, they may be worth more or less than their original cost.

Fixed income funds

Fixed income funds, or "bond funds," are designed to provide current income by investing in diversified portfolios of debt instruments. Clients can choose to receive income in cash, or have it reinvested as dividends.

Bond funds generally fluctuate less in value than stock funds over the short term. However, they also tend to provide lower potential returns in the longer term than stock funds.

Fixed income funds may invest in higher quality corporate bonds, which generally offer higher yields than government bonds. They may also invest in lower-rated corporate issues, which potentially offer even higher yields but also higher risks. Some bond funds invest solely in government issues, which will enhance credit safety, but will offer comparatively lower returns. International bond funds invest in fixed income securities of foreign issuers.

Over time, long-term corporate bonds have outpaced U.S. Treasury bills and inflation.[6]

Tax-exempt municipal bond funds allow you to keep the income that you earn because it generally is not subject to federal income taxes.[7] The income may also be free from state and local taxes.

There are two basic types of risk associated with bond funds—credit risk and interest rate risk. Credit risk refers to the potential inability of the bond issuer to repay the loan at maturity, as well as the risk that the insurer will miss interest payments. In general, the higher the credit risk, the higher the yield that must be offered to a bond purchaser. Bond funds that specialize in U.S. government obligations or municipal securities have low credit risk. Other types of bond funds attempt to reduce credit risk through careful analysis of the bonds' issuers.

Interest rate risk refers to the fact that the market price of a bond will fluctuate with interest rates. As interest rates fall, bond prices generally rise. Conversely, when interest rates rise, bond prices generally fall. The longer the maturity of a bond, the more its price tends to be affected by interest rate changes. Bond funds may attempt to minimize interest rate risk by investing in bonds with differing maturities.

There are two primary measures of bond fund performance: yield and total return. A bond fund's yield is the amount of net income that the fund produces. A bond fund's total return is the net income produced plus the increase or decrease in the value of the shares owned, assuming the reinvestment of dividends. Total return is a complete measure of a bond fund's performance.

Money market funds

Money market funds seek current income by investing in high quality short-term instruments, such as Treasury bills and commercial paper. Money market funds are considered among the safest types of funds. Although they seek to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in these funds. Investments in money market funds are not bank deposits and are not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency.

Money market funds offer relatively high stability compared to other investment categories.

[6] U.S. Treasury bills are guaranteed by the U.S. government as to principal and interest. Mutual funds are not guaranteed by the U.S. government and carry the risk of loss of principal. When you sell your shares, they may be worth more or less than their original cost.

[7] The income from tax-exempt municipal bond funds may be subject to the Alternative Minimum Tax. This information is general in nature and should not be construed as tax advice. Please consult a tax adviser as to how this information affects your particular circumstances.

About us:

Foresters Investment Management Company Inc., the investment adviser to the First Investors Family of Funds, offers a range of actively managed mutual funds—First Investors Funds—across asset classes. Our approach seeks to consistently deliver solid, long-term performance and mitigate risk through a time-tested and disciplined investment process.

Our First Investors Funds are distributed by Foresters Financial Services, Inc. to intermediary, institutional and retail channels.

Our family of mutual funds is comprised of a wide variety of fund options to meet your short- and long-term investing needs. Individual funds or a diversified portfolio of funds are available to help you meet your goals and objectives.

Whether you're a novice or an experienced investor or your goal is to provide a comfortable retirement, fund a college education, increase current income, save for a new home or provide tax savings, Foresters Financial can help you decide on an appropriate mix of mutual funds for your investment portfolio.

For more information about First Investors Funds from Foresters Financial, you may obtain a free prospectus and summary prospectus by contacting your Representative, calling 800 423 4026 or visiting our website at foresters.com. You should consider the investment objectives, risks, charges and expenses carefully before investing. The prospectus and summary prospectus contain this and other information, and should be read carefully before you invest or send money. An investment in a fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency.

The views herein may change based on market and other conditions. Nothing herein is intended as a recommendation of a specific security or investment strategy. Investment decisions should be made based on an individual's goals, time horizon and risk tolerance. All investing involves risk, including risk of loss. **Past performance is no guarantee of future results.** Stock markets are volatile and can decline significantly in response to adverse issues, including political, regulatory, market or economic developments.

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