

First Investors Funds

Equity

First Investors Long Short Fund

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Fund Facts

Investment Objective: Capital appreciation.

Investment Strategy: The Fund utilizes a long/short equity investment strategy.

Portfolio Managers: Dmitri Batsev and Jerry Liu

Investment Adviser: Foresters Investment Management Company is the Fund's investment adviser and Lazard Asset Management LLC serves as subadviser to the Fund.¹

Lazard Asset Management LLC Highlights

Founded: 1848

Expertise: Lazard is one of the financial industry's preeminent asset management and financial advisory firms.

Clientele: Corporations, partnerships, institutions, governments and individuals.

Headquarters: Hamilton, Bermuda, with principal executive offices in New York, Paris and London, including offices in 42 cities across 27 countries in North America, Europe, Asia, Australia, Central and South America.

Assets Under Management (AUM): \$186.5 billion²

Ticker symbols: FRLBX (Class A Shares)
FRLDX (Advisor Class Shares)
FRLIX (Institutional Shares)

Benchmark: S&P 500 Index

Investment Philosophy: Foresters Financial believes in a long-term approach to investing. The exceptional combination of broad investment capabilities, asset allocation expertise, conservative risk management and a personal approach to clients, is what gives Foresters Financial its competitive edge.

A powerful investment solution: Long/Short equity strategies

Why consider the First Investors Long Short Fund?

One of the oldest and most well-known investment strategies is "long/short equity," which seeks to profit from both rising and declining securities prices. Employed correctly, the long/short manager's ability to short stocks may offer a competitive advantage versus long-only managers, who can only express a negative view of a stock by not owning it.

As a result, the strategy takes long positions in equities of companies with strong and/or improving financial productivity (e.g., return on equity, free cash flow, cash flow return on investment, etc.) and short positions in companies that have deteriorating fundamentals, negative catalysts, unattractive valuations, or other qualities that warrant shorting.

Long/short investment strategies have historically protected principal in market downturns, while offering exposure to rising markets. Over the long term, this has enabled long/short strategies to potentially play a number of key roles in portfolios, including: reducing volatility, limiting drawdowns and improving risk-adjusted returns.

The bottom line for investors

The ability of long/short managers to short stocks, sectors, or the market itself, may help investors who need to generate long-term returns, but who don't have the risk tolerance to remain invested when volatility spikes.

So if you're looking for an investment solution, why not consider the **First Investors Long Short Fund**? It has the potential to fulfill a number of important roles in portfolios: as a non-core equity allocation or portfolio diversifier, to being a potential buffer to equity market downturns, or to simply complement your other portfolio holdings.

¹Foresters Investment Management Company, Inc. (FIMCO) is the investment adviser to the First Investors family of funds and an affiliate of Foresters Financial Services, Inc., which is a registered-broker dealer and subsidiary of Foresters Financial Holding Company, Inc.

²AUM as of 9/30/16

Features and benefits

The First Investors Long Short Fund has several key features and benefits, including:

- **Capital appreciation:** The Fund seeks capital appreciation through long/short equity investing strategies.
- **Downside protection:** The Fund seeks protection in down markets by seeking to preserve capital and thus mitigate volatility—participating in up markets through long positions, and reducing market risk through short positions.
- **Diversification:** The Fund can enhance an investment portfolio as a potential diversifier to other asset classes; an important benefit of long/short equity strategies.
- **Active portfolio management:** The Fund is actively managed and seeks to achieve superior risk-adjusted returns through fundamental research, rigorous risk management, and bottom-up security selection and analysis.
- **Deep, stable and experienced portfolio team:** Dmitri Batsev and Jerry Liu are supported by more than 20 investment professionals who average 19 years industry experience and 13 years at Lazard.

Long/short strategies can benefit investors by providing greater portfolio diversification, stronger risk-adjusted returns, and protection from drawdowns.



– Portfolio Manager,
Dmitri Batsev, Managing Director
Lazard Asset Management LLC



– Portfolio Manager,
Jerry Liu, Managing Director
Lazard Asset Management LLC

How will the Fund be managed?

Lazard’s approach in managing the Fund is based on its bottom-up relative-value philosophy. The Fund utilizes a long/short investment strategy through investments in equity securities, primarily common stocks of U.S. issuers. Under normal circumstances, Lazard seeks to take long positions by investing in equity securities of companies with strong and/or improving financial productivity that have attractive valuations. It then seeks to complement these long positions with short positions in companies viewed by the subadviser to possess deteriorating fundamentals, unattractive valuations or other qualities warranting a short position, or those that represent a sector or market hedge. The Fund may use short positions to seek to increase returns or to reduce risk.

Who should consider buying the First Investors Long Short Fund?

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

- Are seeking capital appreciation;
- Are willing to accept a moderate degree of investment risk; and
- Have a long-term investment horizon and are able to ride out market cycles.

What are some of the principal risks of investing in this Fund?

The principal risks of investing in the Fund are:

American Depositary Receipts Risk. ADRs may involve many of the same risks as direct investments in foreign securities, including currency exchange fluctuations, less liquidity and more volatility, governmental regulations, and the potential for political and economic instability.

Counterparty Credit Risk. The Fund's investment strategy is dependent on counterparties to its securities borrowing transactions in connection with short sales of securities. Transactions with such counterparties are subject to the risk of default by a counterparty, which could result in a loss of Fund assets used as collateral or the loss of monies owed to the Fund by a counterparty.

Foreign Securities Risk. There are special risk factors associated with investing in foreign securities, including the risks of fluctuations in exchange rates, potential political and economic instability, differing accounting and financial reporting standards or inability to obtain reliable financial information regarding a company's financial condition, less stringent regulation and supervision of foreign securities markets, custodians and securities depositories, and potential capital restrictions. Some securities issued by foreign governments or their subdivisions, agencies and instrumentalities may not be backed by the full faith and credit of the foreign government and some foreign governments may default on principal and interest payments.

High Portfolio Turnover Risk. High portfolio turnover could increase the Fund's transaction costs and produce taxable distributions to shareholders and possibly have a negative impact on its performance.

IPO Shares Risk. The prices of securities purchased in IPOs can be very volatile. The effect of IPOs on the Fund's performance depends on a variety of factors, including the number of IPOs the Fund invests in relative to the size of the Fund and whether and to what extent a security purchased in an IPO appreciates or depreciates in value. As the Fund's asset base increases, IPOs may have a diminished effect on the Fund's performance.

Leverage Risk. The use of leverage, which the Fund's strategy entails, may magnify the Fund's gains or losses.

Market Risk. Stock prices may decline over short or even extended periods not only because of company-specific developments, but also due to general economic and market conditions, adverse political or regulatory developments or interest rate fluctuations. Adverse market events may lead to increased redemptions, which could cause the Fund to experience a loss or difficulty in selling securities to meet redemptions. Since the Fund will typically hold both long and short positions, the Fund will suffer both when there is a general market advance and the Fund holds significant "short" positions, or when there is a general market decline and the Fund holds significant "long" positions.

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

Non-Diversification Risk. The Fund is non-diversified 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.

Short Position Risk. Short positions may involve substantial risks. If a short position appreciates in value during the period of the Fund's investment, there will be a loss to the Fund that could be substantial. Short positions involve more risk than long positions because the maximum sustainable loss on a security purchased long is limited to the amount paid for the security plus the transaction costs. However, the Fund's potential loss on a short position is unlimited because, theoretically, there is no limit to the potential price increase of a security.

An investment in the Fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency.

Why Foresters Financial?

Who we are

Foresters Financial™ is an international financial services provider with more than three million clients and members in the United States, Canada and the United Kingdom, and total funds under management of \$34 billion¹. With a history of more than 140 years, we provide life insurance, savings, retirement and investment solutions that help families achieve their financial goals, protect their families and improve their communities.

At Foresters Financial, we believe in doing more – for you, your family and your community.

We believe in enriching lives and building strong communities – that's our purpose. It has defined us since 1874, and it helps us continually redefine what a financial services provider can do for you and your family.

We believe our investment, retirement and life insurance products are just a starting point. Our financial strength² helps you reach your financial goals, protect your family, and improve the place you live.

We believe in working with communities to make our purpose a reality. That's why we invest time and money in ways we can work together to make a difference, including neighborhood programs, charities, and scholarships.

We believe that you deserve more than a financial services provider—you deserve a partner that will help you prosper and improve your community.

Products offered vary by country. Not all products are available for distribution in all jurisdictions. In the United States, products are offered by The Independent Order of Foresters and its subsidiaries, including Foresters Financial Services, Inc. a registered broker-dealer. Securities, life insurance and annuity products are offered through Foresters Financial Services, Inc. or independent producers. Insurance products are issued by Foresters Life Insurance and Annuity Company, New York, or The Independent Order of Foresters. Investment advisory products and services are offered through Foresters Advisory Services, LLC, a registered investment adviser.

¹In Canadian dollars as of December 31, 2015.

²Financial strength refers to the overall financial health of The Independent Order of Foresters. It does not refer to or represent the performance of any particular investment or insurance product. All investing involves risk, including the risk that you can lose money.

For more information about the First Investors Long Short Fund or any other mutual fund from Foresters Financial, you may obtain a free prospectus and summary prospectus by contacting your Representative, calling 800 423 4026 or visiting 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 mutual fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency.

All investments involve risk, including possible loss of principal. You can lose money by investing in the Fund. There is no guarantee that the Fund will meet its investment objective. Past performance is no guarantee of future results.

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