

First Investors Funds

Fixed  
Income

# First Investors Strategic Income Fund

# Generating income: The power of a total return strategy

## Fund Facts

**Investment Objective and Strategy:** The Fund seeks a high level of current income. The Fund is a “fund-of-funds” and seeks to achieve its investment objective by investing primarily in a combination of underlying funds that currently exist or may become available for investment in the future for which Foresters Investment Management Company, Inc., acts as the investment adviser (“Underlying Funds”). The Fund may also invest in unaffiliated funds, which are also considered to be Underlying Funds. The Fund will have exposure to a variety of fixed income securities, floating rate securities, municipal securities, equity securities, and other instruments by investing through a combination of the underlying Funds. The Fund will primarily invest in underlying income Funds.

## Underlying funds

- First Investors Investment Grade Fund
- First Investors Fund For Income
- First Investors International Opportunities Bond Fund
- First Investors Government Fund

**Investment adviser:** Foresters Investment Management Company, Inc.

**Asset type:** Multisector income fund

**Ticker symbols:** FSIFX (Class A Shares); FSIHX (Advisor Class)

**Benchmark:** Bank of America Merrill Lynch US Broad Market Index.<sup>1</sup>

**Portfolio manager:** Clark D. Wagner

Over the next few decades, one-third of the U.S. population will turn 65 and enter the retirement phase of their lives, according to a report from the Bureau of Labor Statistics March 15, 2013. This trend toward increased longevity makes it essential to have an income stream that offers the potential for growth. While investment income is important for retirees, it’s also a powerful tool to build wealth over time for those still working. With low yields on cash, many investors—and Baby Boomers in particular—need to cast a wider net to generate income.

Adding a strategic income fund or “multisector income fund” to your portfolio can help provide diversification and may be a good source of potential income because these funds invest across multiple asset classes and geographies for the best income opportunities. Such funds consider investment opportunities in corporate bonds, high yield bonds (“junk bonds”), government debt, emerging markets, foreign currencies of developed countries, as well as dividend-paying stocks. One

way for you to take advantage of a diversified income or “total return strategy,” is with a strategic income fund which makes “current income” a priority.

That’s why Foresters Financial created the Strategic Income Fund—a multisector income fund with exposure to both U.S. and international markets, whose primary focus is to generate income and is comprised of six underlying First Investors funds.

**“This Fund seeks to generate income by unlocking value from different sources utilizing an opportunistic strategic approach that drives returns and mitigates risk.”**

–Clark D. Wagner,  
Strategic Income Fund  
Portfolio Manager and  
Director of Fixed Income,  
Foresters Investment  
Management Company, Inc.

<sup>1</sup>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.

## First Investors Strategic Income Fund

"Underlying" First Investors Funds—Sample asset allocation

**Cash Management Fund\***. The Fund seeks to earn a high rate of current income consistent with the preservation of capital and maintenance of liquidity. It invests primarily in high-quality money market instruments.

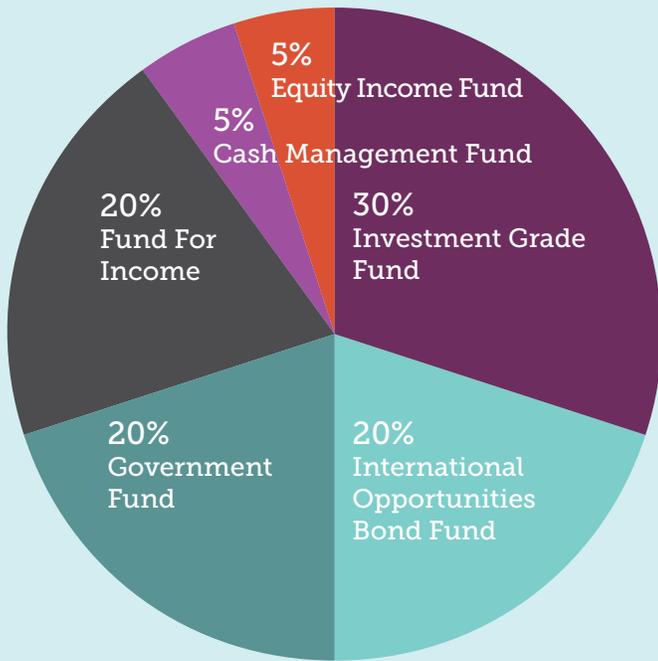
**Equity Income Fund**. The Fund seeks total return. It invests primarily in dividend-paying stocks of companies that the Fund believes are undervalued.

**Government Fund**. The Fund seeks to achieve a significant level of current income which is consistent with security and liquidity of principal. It invests primarily in U.S. government securities.

**Investment Grade Fund**. The Fund seeks to generate a maximum level of income. It invests primarily in investment grade debt securities.

**International Opportunities Bond Fund \*\***. The Fund seeks total return consisting of income and capital appreciation. It invests primarily in bonds.

**Fund For Income\*\*\***. The Fund seeks high current income. It invests primarily in high yield bonds.



\* An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund.

\*\* Brandywine Global Investment Management, LLC serves as the subadviser of the First Investors International Opportunities Bond Fund.

\*\*\* Muzinich & Co. serves as the subadviser of the First Investors Fund For Income.

## Why consider the First Investors Strategic Income Fund?

### Key advantages:

**Current income.** Focused on generating current income from diversified sources with potential capital appreciation.

**Instant, built-in diversification.** Provides one-stop shopping: six funds-in-one.

**Potential reduced volatility.** Fixed-income securities and, to a lesser extent, equity exposure from dividend-paying stocks, have the potential to enhance performance and serve as a hedge against volatility, especially when added to an all-stock portfolio.

**Deep, experienced portfolio management team.** Tactical and strategic asset allocation decisions are made by Clark D. Wagner, the Fund's portfolio manager and the Director of Fixed Income for Foresters Investment Management Company, Inc., with recommendations from an Investment Team comprised of the portfolio managers of the six underlying funds.

**Opportunistic portfolio.** Strategic asset allocation capability, combined with exposure to different sectors within the fixed income universe, allows flexibility to take advantage of opportunities in the global marketplace.

## Who should consider buying the First Investors Strategic Income Fund?

The Strategic Income 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
- Want an investment that provides diversification among different types of funds
- Are willing to accept a high degree of investment risk and credit risk, and a moderate degree of market volatility
- Want exposure to debt securities of both U.S. and foreign issuers
- 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 Fund's investment performance and risks are directly related to the investment performance of the six underlying funds that it holds. The principal risks of investing in the underlying funds include:*

**Credit Risk.** *The risk that an issuer of bonds and other debt securities will be unable to pay interest or principal when due.*

**Interest Rate Risk.** *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.*

**Market Risk.** *Market prices of an underlying fund's securities may decline over short or even extended periods due to general market conditions, company-specific developments, an economic downturn, adverse political or regulatory developments, a change in interest rates or a change in investor sentiment.*

**Liquidity Risk.** *The risk that certain securities may be difficult or impossible to sell at any given time.*

**Foreign Securities Risk.** *The risk of fluctuations in the exchange rates between the U.S. dollar and foreign currencies, potential political and economic instability.*

**Currency Risk.** *When the value of investments in securities denominated in foreign currencies increases or decreases as the rates of exchange between those currencies and the U.S. dollar change.*

**Emerging Markets Risk.** *The risk of investing in foreign securities is heightened when investing in emerging or developing markets.*

**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.*

**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 Strategic Income 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](http://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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