

**FIRST INVESTORS TAX EXEMPT INCOME FUND  
FIRST INVESTORS TAX EXEMPT OPPORTUNITIES FUND**

**Each a series of First Investors Tax Exempt Funds**

**40 Wall Street  
New York, New York**

**INFORMATION STATEMENT**

This document is an Information Statement for the shareholders of the First Investors Tax Exempt Income Fund and First Investors Tax Exempt Opportunities Fund (each, a “Fund” and together, the “Funds”), each a series of First Investors Tax Exempt Funds (the “Trust”). On November 16, 2017 the Board of Trustees of the Trust (the “Board” or “Trustees”) approved the appointment of Green Square Capital Advisors, LLC (“Green Square”) as a new subadviser to the Funds. Green Square began subadvising a portion of the assets of the Funds pursuant to Green Square’s high yield municipal bond strategy as of January 31, 2018. The Funds’ other assets continue to be directly managed by Foresters Investment Management Company, Inc. (“FIMCO” or the “Adviser”). The appointment of Green Square has not resulted in any changes to the Funds’ investment objective or the advisory fee rate paid by the Funds to the Adviser. The Adviser, and not the Funds, pays a subadvisory fee to Green Square.

The Information Statement is being furnished in lieu of a proxy statement, pursuant to the terms of an exemptive order that the Trust has received from the Securities and Exchange Commission (“SEC Order”). Pursuant to the SEC Order, the Adviser and the Trust, on behalf of the Funds, are permitted to enter into new or modified subadvisory agreements with existing or new unaffiliated subadvisers with the approval of the Board, but without approval of Fund shareholders.

The purpose of this Information Statement is to provide you with information about Green Square. This information statement also discusses certain material terms of the subadvisory agreement among Green Square, the Adviser and the Trust, on behalf of the Funds, dated January 31, 2018 (“Agreement”), which will be filed as an exhibit to the Trust’s registration statement. No action is required of you. **We Are Not Asking You For a Proxy and You Are Requested Not To Send Us a Proxy.**

**INTRODUCTION**

The Adviser is located at 40 Wall Street, New York, New York 10005. The Adviser serves as each Fund’s investment adviser pursuant to an investment advisory agreement dated as of January 19, 2011. In this capacity, the Adviser, among other matters, provides portfolio management for the Funds and monitors the performance of any subadviser of the Funds, including Green Square.

The issued and outstanding shares of the Funds as of January 31, 2018 (the “Record Date”) are set forth in Appendix A. Please see Appendix B for a listing of shareholders deemed to own beneficially more than 5% of each class of each Fund as of the Record Date. As of the Record Date, the Trustees or Officers of the Funds, as a group, owned less than 1% of any class of shares of the Funds.

*You may obtain a copy of the Funds' most recent Annual Report and Semi-Annual Report to Shareholders, free of charge, by contacting the Funds by phone at 800-423-4026, by writing to us at Foresters Investor Services, Inc., Raritan Plaza I, Edison, N.J. 08837-3620 or by visiting our website at [www.forestersfinancial.com](http://www.forestersfinancial.com).*

## **APPOINTMENT OF GREEN SQUARE**

At the November 16, 2017 meeting (the "November Meeting") of the Board, the Board, including a majority of Board members who are not interested persons of the Trust under the Investment Company Act of 1940, as amended (the "1940 Act") (the "Independent Trustees"), discussed and approved the Agreement for each Fund.

The Board was provided with preliminary materials relating to the proposed appointment of Green Square by FIMCO and by Green Square initially in connection with a Board meeting held on August 17, 2017 (the "August Meeting") and then more detailed materials by FIMCO and Green Square in advance of and at the November Meeting. The Trustees also met in person with senior officers of FIMCO, Trust counsel, independent legal counsel to the Independent Trustees ("Independent Legal Counsel") and others to receive information on, and discuss the approval of, the Agreement. In addition, the Trustees met in person with representatives of Green Square at the August Meeting. The material factors and conclusions that formed the basis for the approval of the Agreement are discussed below.

In making their determinations, the Trustees took into account management style, investment strategies, investment philosophy and process, Green Square's past performance and Green Square's personnel that would be providing services to the Funds. In evaluating the Agreement, the Board also reviewed information provided by FIMCO and Green Square, including the terms of the Agreement and information regarding fee arrangements, including the structure of the subadvisory fee, the method of computing fees, and the frequency of payment of fees. In addition, the Board reviewed, among other things, information regarding Green Square's investment program for implementing a high yield municipal bond strategy for a portion of each Fund's assets, compliance program, insurance coverage, brokerage practices and financial condition, including representations from FIMCO that it was comfortable with the financial condition of Green Square.

After discussion and consideration among themselves, and with FIMCO and Green Square, Trust counsel and Independent Legal Counsel, including during an executive session with Independent Legal Counsel held the day before the November Meeting, the Trustees concluded as follows with respect to the Agreement:

- The nature and extent of the investment sub-advisory services to be provided to the Funds by Green Square was consistent with the terms of the Agreement;
- The prospects for satisfactory investment performance of the Funds' high yield municipal bond strategy were reasonable;
- FIMCO and not the Funds would pay the subadvisory fees of Green Square and therefore, there would be no change to the overall advisory fees charged to the Funds by FIMCO;

- FIMCO had agreed to a flat fee schedule with Green Square rather than a fee schedule with breakpoints and that Green Square indicated that it does not anticipate that its subadvisory fees would be impacted by any economies of scale;
- The cost of services to be provided by Green Square to the Funds and the profits realized by Green Square from its relationship with the Funds would be assessed when the Board first considers the renewal of the Agreement; and
- Green Square does not utilize any soft dollar arrangements or receive other “fall out” or ancillary benefits from its services to the Funds.

Based on all relevant information and factors, none of which was individually determinative of the outcome, the Board, including a majority of the Independent Trustees, concluded that the approval of the Agreement was in the best interests of each Fund and its shareholders and unanimously approved such Agreement.

### **DESCRIPTION OF THE SUBADVISORY AGREEMENT**

The Agreement among Green Square, the Trust, on behalf of the Funds, and the Adviser, which is dated January 31, 2018, will continue in effect for an initial term of two years with respect to each Fund. After the initial two-year term, the Agreement will continue in effect with respect to a Fund only if it is approved annually by the Board or by the vote of the shareholders of a majority of the outstanding shares of the Fund, and also, in either event, by a majority of the Independent Trustees.

Under the Agreement, Green Square manages a portion of each Fund’s assets allocated to it from time to time by the Adviser. The Adviser may change the amount of assets allocated to Green Square at any time. Green Square has discretion pursuant to the Agreement to purchase and sell securities for its allocated segment of Fund assets in accordance with each Fund’s objectives, policies and restrictions, and the more specific guidelines provided by the Adviser. Green Square is subject to general supervision by the Board and officers of the Funds and the Adviser.

The Agreement states that Green Square and its officers, employees and partners will not be liable for loss sustained by the Trust or its officers, Trustees or shareholders or any other person on account of the services which Green Square renders or fails to render under the Agreement, except by reason of Green Square’s willful misfeasance, bad faith, or gross negligence in the performance of its duties or the reckless disregard of its obligations and duties under the Agreement. The Agreement will automatically and immediately terminate upon its assignment and may be terminated without penalty at any time by vote of a majority of the Board or by vote of a majority of the outstanding voting securities of a Fund (with respect to that Fund) on not less than thirty days’ nor more than sixty days’ written notice. Green Square may also terminate the Agreement without penalty on not less than thirty days’ nor more than sixty days’ written notice to the other parties.

FIMCO, and not the Funds, will pay Green Square an annual fee computed as follows: 0.40% on average daily net assets, computed daily and paid monthly.

## INFORMATION ABOUT GREEN SQUARE

Green Square, located at 61 Fletcher Street, Winchester, MA, 01890, was founded in 2016. As of January 31, 2018, Green Square managed approximately \$303 million in assets.

The following table provides the name and principal occupation of the directors and executive officers of Green Square. The address of each of the directors and executive officers as it relates to that person's position with Green Square is 61 Fletcher Street, Winchester, MA, 01890.

<b>Name</b>	<b>Principal Occupation*</b>
Timothy Pynchon	Portfolio Manager and Managing Director
Joseph Gulli	Portfolio Manager and Managing Director
Darrell Horn	Managing Director
Richard Finch	Chief Compliance Officer
James West	Chief Investment Officer

- \* None of the principal executive officers and directors of Green Square listed above have other principal employment other than their respective positions with Green Square or positions with Green Square affiliates.

Information with respect to the advisory or subadvisory fees charged by Green Square to comparable funds subject to the 1940 Act that it advises or subadvises is provided in Appendix C to this Information statement.

### ADDITIONAL INFORMATION ABOUT THE FUNDS

Certain of the Adviser's affiliates receive compensation for providing services to the Funds.

#### *Principal Underwriter*

Foresters Financial Services, Inc., 40 Wall Street, New York, NY 10005 is each Fund's principal underwriter and distributor.

#### *Transfer Agent*

Foresters Investor Services, Inc., located at Raritan Plaza 1, Edison, NJ 08837, is the transfer agent for the Funds.

For the fiscal year ended December 31, 2017, the Adviser received advisory fees, net of waiver, of \$3,955,460 for the Tax Exempt Income Fund and waived advisory fees in the amount of \$299,420. For the fiscal year ended December 31, 2017, the Adviser received advisory fees, net of waiver, of \$1,700,100 for the Tax Exempt Opportunities Fund and waived advisory fees in the amount of \$141,676.

## **HOUSEHOLDING**

If you request a mailed copy of this information statement, the Funds will mail only one copy of this information statement to a household (i.e. shareholders who share the same mailing address and share the same last name and have invested in a Fund covered by this information statement), even if more than one person in a household is a Fund shareholder of record, unless the Fund has received contrary instructions from one or more of the shareholders. You may request that separate copies of this information statement be mailed to you by writing to the Funds' transfer agent at: Foresters Investor Services, Inc., Raritan Plaza I, Edison, NJ 08837-3620 or calling us at: 1 (800) 423-4026.

**APPENDIX A**

**TAX EXEMPT INCOME FUND  
OUTSTANDING SHARES  
(As of January 31, 2018)**

Outstanding Shares	Class A	Class B	Advisor Class	Institutional Class
Tax Exempt Income Fund	65,458,253	83,682	6,026,420	887,949

**TAX EXEMPT OPPORTUNITIES FUND  
OUTSTANDING SHARES  
(As of January 31, 2018)**

Outstanding Shares	Class A	Class B	Advisor Class	Institutional Class
Tax Exempt Opportunities Fund	16,841,563	88,201	919,853	389

**APPENDIX B**

**TAX EXEMPT INCOME FUND  
BENEFICIAL OWNERS OF 5% OR MORE OF  
SHARES AS OF  
JANUARY 31, 2018**

Shareholder Name and Address	Class A	Class B	Advisor Class	Institutional Class
Pershing LLC* P.O. Box 2052 Jersey City			65.6%	
MSCS Financial Services, LLC* 717 17 <sup>th</sup> Street Ste 1300 Denver, CO 80202-3304				99.9%
National Financial Services LLC* 499 Washington Blvd. Jersey City, NJ 07310			5.7%	
Charles Schwab & Co., Inc.* 101 Montgomery Street San Francisco CA 94104			6.8%	
LPL Financial Corporation* P.O. Box 50926 San Diego, CA 92150-2926			13.7%	
Manuel Del Rio TOD/ Ana Nyarady, Laura Del Rio 29 Rombout Ridge Road Poughkeepsie, NY 12603-3227		8.7%		
David Fraser 94 Bridgewater Lane Sagamore Hills, OH 44067-4131		6.0%		

Dennis J. Klanecky Dera Lea Klanecky JTROS TOD/Richard D. Klanecky, Brenda K. Paro Terry L Klanecky, Jim D. Klanecky 1219 Sheridan Street Saint Paul NE 68873 -1144		6.6%		
Pershing LLC* PO Box 2052 Jersey City, NJ 07303-9998		15.0%		
First Clearing LLC 1 N. Jefferson Avenue St. Louis MO 63103-2205		10.8%		

\* Denotes record owner of Fund shares only



**TAX EXEMPT OPPORTUNITIES FUND  
BENEFICIAL OWNERS OF 5% OR MORE OF  
SHARES AS OF  
JANUARY 31, 2018**

Shareholder Name and Address	Class A	Class B	Advisor Class	Institutional Class
Pershing LLC* P.O. Box 2052 Jersey City			87.2%	
Foresters Financial Services* Raritan Plaza I Edison, NJ 08837-3620				100%
Manuel Del Rio TOD/ Ana Nyarady, Laura Del Rio 29 Rombout Ridge Rd. Poughkeepsie NY 12603-3227		5.0%		
Geraldine Highfield TOD/Lisa Hiner, David Highfield 10 Deerchase Ln. Lakewood, NJ 08701-5766		6.6%		
First Clearing LLC* 1 N. Jefferson Avenue St. Louis, MO 63103-2205		37.9%		

\* Denotes record owner of Fund shares only

**APPENDIX C**

<b>Comparable Fund</b>	<b>Size as of 1/31/18</b>	<b>Comparable Fund Advisory Fee Rate<sup>1</sup></b>
Green Square Tax Exempt High Income Fund	\$55 million	0.55% of average daily net assets

<sup>1</sup> There are no waivers/reductions.