First Investors
Tax Exempt
Opportunities Fund

Tax exempt income combined with opportunistic growth

The First Investors Tax Exempt Opportunities Fund invests in municipal bonds expected to produce high levels of interest income exempt from federal income taxes, combined with expectations for solid price appreciation. The Fund’s quality income focus combined with its total return approach differentiates it from most other municipal bond funds. Its 10-year return and 12-month yield profile offers investors an attractive tax-advantage option (see Exhibit 2).

The benefits of infusing tax exempt income with capital growth

Federal tax exempt status
Municipal bond funds can provide investors with several benefits to enhance their portfolios. One primary quality is the federal tax exempt status on income which can improve their after tax yields. Tax relief can be particularly helpful to investors in higher federal tax brackets who often see their income and returns erode owing to paying higher taxes on taxable investments.

Diverse exposure aids stability
Historically, municipal bonds have shown a low correlation to U.S. equities (see Exhibit 1), offering a portfolio diversifier that lowers exposure to riskier stocks. This divergence from equities also illustrates the added benefit of the lessened volatility associated with municipal bond funds compared to stock and some taxable bond funds\(^2\), which can further help minimize risk in an investor’s portfolio.

Possibilities of price appreciation
Lastly, the increase in security values that can be realized in certain municipal bonds can help stabilize principal while also alleviating some of the pressure associated with certain market environments.

Morningstar Rating\(^1\)
Class A shares rated 3 overall stars by Morningstar among 146 U.S. Muni National Long funds for the period ended 9/30/18 based on risk-adjusted performance.

A Class Shares: EIITX
Advisor Class Shares: EIIAX

Clark D. Wagner
Chief Investment Officer, Foresters Financial and Portfolio Manager

Patrick Tucci, CFA
Portfolio Manager
**Consistency with proven results**

The First Investors Tax Exempt Opportunities Fund’s investment approach is based on a time-tested investment process that pursues high-quality municipal securities delivering sustainable income streams and price appreciation. The Fund’s multi-state investment approach helps to diversify concentration risks associated with some single-state offerings by providing additional security choices from a larger inventory of national issuance. The Fund’s yield and return profile has demonstrated the ability to deliver its intended goal for long-term investors by offering competitive income and returns versus the ICE BofAML Municipal Securities Master Index and industry peers over the last 10 years (see Exhibit 2).

**A trusted firm with a rich history**

The First Investors Tax Exempt Opportunities Fund is led by long-time Portfolio Manager and Chief Investment Officer Clark D. Wagner and Portfolio Manager Patrick Tucci, CFA, who have a combined 30 years of investment management experience. The portfolio team is backed by the full resources of our firm. Foresters Investment Management Company, Inc., with a long history of managing active mutual funds across multiple asset classes, seeks to deliver consistent long-term performance within a robust risk management framework.

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**Exhibit 1: Municipal bonds improve diversification**

Five-year correlation to U.S. equities

![Chart showing correlation of various bond indices to U.S. equities.

For the three-, five- and 10-year periods, respectively, the Fund was rated 2, 2 and 3 stars among 146, 128 and 106 funds in the U.S. Muni National Long funds category for the time period 9/30/18. The Morningstar Rating™ for funds, or “star rating,” is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product’s monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The Morningstar Rating does not include any adjustment for sales loads. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating/ 60% five-year rating/ 40% three-year rating for 36-59 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Past performance is no guarantee of future results.

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2 Based on quarterly rolling 3-year standard deviations over the last 10 year ending 9/30/18 for the ICE BofAML US Muni Index vs the S&P 500 Index, Russell 2000 Index, MSCI EAFE Index, ICE BofAML US Corp Index, ICE BofAML BB-B US CP HY Const Index and the ICE BofAML US Broad Mkt Index.

The FTSE World Government Bond ex-U.S. Index encompasses an all-inclusive universe of institutionally traded bonds, including all fixed-rate bonds with remaining maturities of one year or longer with amounts outstanding of at least the equivalent of $25 million. Return data is available daily.

The ICE BofAML BB-B U.S. High Yield Cash Pay Constrained Index (“BofA Merrill Lynch Index”) contains all securities in the BofA Merrill Lynch US Cash Pay High Yield Index rated BB1 through B3, based on an average of Moody’s, S&P and Fitch Ratings, but caps issuer exposure at 2%. Return data is available daily.

The ICE BofAML Merrill Lynch Baa-Ba High Yield Cash Pay Constrained Index (“BofA Merrill Lynch Index”) contains all securities in the BofA Merrill Lynch US Cash Pay High Yield Index rated Baa1 through Ba3, based on an average of Moody’s, S&P and Fitch Ratings, but caps issuer exposure at 2%. Return data is available daily.

The ICE BofAML Merrill Lynch BB-B U.S. High Yield Cash Pay Constrained Index (“BofA Merrill Lynch Index”) contains all securities in the BofA Merrill Lynch US Cash Pay High Yield Index rated BB1 through B3, based on an average of Moody’s, S&P and Fitch Ratings, but caps issuer exposure at 2%. Return data is available daily.

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The ICE BofA Merrill Lynch U.S. Corporate Master Index includes publicly-issued, fixed-rate, non-convertible investment grade dollar-denominated, SEC-registered corporate debt having at least one year to maturity and an outstanding par value of at least $250 million. Return data is available daily. Return data is available daily.


The Standard & Poor’s 500 Index (S&P 500) is a capitalization-weighted index of 500 stocks. The Index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

The Morningstar Muni National Long Category invests in bonds issued by various state and local governments to fund public projects. The income from these bonds is generally free from federal taxes. To lower risk, these portfolios spread their assets across many states and sectors.

For more information about First Investors Funds from Foresters Financial Services, Inc., you may obtain a free prospectus by calling 800-423-4026 or visiting foresters.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.

All investments involve risk, including possible loss of principal. You can lose money by investing in a fund. There is no guarantee that a fund will meet its investment objective. The principal risks of investing in the Fund are: Call Risk, Credit Risk, Derivatives Risk, High Portfolio Turnover and Frequent Trading Risk, High Yield Securities Risk, Interest Rate Risk, Liquidity Risk, Market Risk, Municipal Securities Risk, Security Selection Risk and Tax Risk. Past performance is no guarantee of future results.

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