

First Investors Funds

First Investors Fund For Income

Ticker

FIFIX (Class A)
FIFKX (Advisor)
FIFLX (Institutional)

Fund Inception Date

1/1/1971 (Class A)
4/1/2013 (Advisor and Institutional)

Dividend Distribution

Monthly

Benchmark

BofA Merrill Lynch BB-B US Cash Pay High Yield Constrained Index

Morningstar Category

High Yield

Number of Holdings as of 6/30/17

413

Portfolio Managers

Clinton Comeaux
since 2009
Bryan Petermann
since 2010

Market Overview

- U.S. Treasury bonds (measured by the BofA ML Treasury Master Index) were marginally negative, -0.15% in June, but positive for the quarter and year-to-date as of 6/30/17. Longer-dated bonds outperformed shorter-dated bonds.
- The U.S. Treasury yield curve has been flattening since the beginning of the year with the 2-year Treasury yield rising 19 basis points, while the 10-year Treasury yield fell 14 basis points. However, the Treasury yield curve steepened during the last week of June as long-term Treasury yields surged in reaction to central bankers' comments.
- The Fed raised the federal funds rate by another 25 basis points during its mid-June meeting to a range of 1.00% to 1.25%, the fourth increase since the end of 2015. Investors, however, are starting to question the future path of Fed rate hikes due to softer-than-expected inflation data and rich equity valuations.
- Investment grade corporate bonds (measured by the BofA ML U.S. Corporate Master Index) outperformed Treasuries (measured by the BofA ML U.S. Treasury Master Index), returning 0.25% for the month, 2.42% for the quarter and 3.88% year-to-date as of 6/30/17. Healthcare was the top performing sector for the month, while energy was the only negative sector.
- The municipal market continues to recover significantly in the second half of 2017, with June being the first negative month for the BofA ML Municipal Master Index since the post-election selloff in November. New muni issuances are still below expectation for the year, while demand has remained steady. This imbalance has been a positive for the market. The municipal yield curve flattened for the quarter along with the U.S Treasury yield curve, causing the shorter end of the curve to underperform.
- Although high yield bonds (measured by the BofA ML US Cash Pay HY Constrained Index) slightly lagged investment grade corporate bonds in June and for the quarter, they continue to outperform year-to-date at 4.92% as of June 30, 2017.

Performance Review

The First Investors Fund For Income returned 2.08% (Advisor class) for the quarter, trailing the benchmark by a modest 0.13%. Although high yield bonds were positive for the period ending in June, the 2.15% return (measured by the BofA ML US Cash Pay HY Constrained Index) was surpassed by returns from investment grade bonds. High yield had a strong April and May. High yield spreads over Treasuries tightened, indicating investors were willing to take on greater risk in exchange for income. High yield bonds showed some signs of stress in June as oil prices slipped. For the Fund, consumer defensive was the strongest contributor to performance by sector, while its underweight to financials was a detractor. Investment grade quality outperformed for the quarter, but the manager's strong bond selection in B and CCC credits added to performance. The average duration for the Fund is similar to the benchmark at 3.82 years, and the slight overweight to 3-5 year maturity bonds positively contributed to its return.

First Investors Fund For Income

Average Annual Total Return Performance as of 6/30/17 (%)

Class							Since	Inception	Expense Ratio	
	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Inception*	Date	Gross (%)	Net (%)
A (without sales charge)	2.01	4.08	9.30	2.75	5.22	4.52	6.48	1/1/1971	1.24	1.24
A (with sales charge)	-2.07	-	4.94	1.39	4.33	4.08	6.39	1/1/1971	1.24	1.24
Advisor	2.08	4.21	9.56	3.04	-	-	4.07	4/1/2013	0.96	0.96
Institutional	2.13	4.32	9.79	3.25	-	-	4.35	4/1/2013	0.81	0.81
BofAML US HY C Pay BB-B Const Index	2.21	4.54	11.15	4.56	6.66	7.15	-	12/31/1996		
US Fund High Yield Bond	1.75	4.09	10.73	2.91	5.61	5.56	-	9/1/1935		

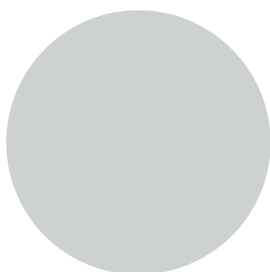
*Share Class Inception: Advisor-4/1/13; Institutional-4/1/13
Returns for periods less than one year are cumulative and not annualized.

Calendar Year Returns as of 6/30/17 (%)

	QTD	YTD	2016	2015	2014	2013	2012
A	2.01	4.08	10.91	-2.28	0.56	6.22	13.11
Advisor	-1.92	4.21	11.19	-2.29	1.06	6.24	13.11
Institutional	2.08	4.32	11.42	-2.08	1.24	6.73	13.11
BofAML US HY C Pay BB-B Const Index	2.13	4.54	14.76	-2.82	3.48	6.29	14.58
US Fund High Yield Bond	2.21	4.09	13.18	-4.07	1.11	6.92	14.69

Portfolio Allocation

■ Fixed Income (100%)



Top Ten Holdings as of 6/30/17 (%)

Holdings	% of Total
Sprint Communications, Inc. 7.000%, 08/15/2020	0.90
Rain CII Carbon, LLC., 7.250% 04/01/2025	0.80
Neptune FINCO Corp (CSC Holdings, LLC), 10.125%, 01/15/2023	0.80
Wind Acquisition Finance SA, 7.375%, 04/23/2021	0.70
VPI Escrow Corp (Valeant Pharma Intl, Inc), 6.375%, 10/15/2020	0.70
Sprint Communications, Inc. 6.000%, 11/15/2022	0.70
DISH DBS Corporation, 7.875%, 09/01/2019	0.70
Griffon Corporation, 5.250%, 03/01/2022	0.60
Sinclair Television Group, Inc., 5.375%, 04/01/2021	0.60
First Quantum Minerals, Ltd., 7.250%, 05/15/2022	0.60

Modern Portfolio Theory Statistics as of 6/30/17 (%)

	3 Year			5 Year			10 Year		
	First Investors Fund for Income A	BofAML US HY C Pay BB-B Const Index	US Fund High Yield Bond	First Investors Fund for Income A	BofAML US HY C Pay BB-B Const Index	US Fund Muni National Interm	First Investors Fund for Income A	BofAML US HY C Pay BB-B Const Index	US Fund Muni National Interm
Standard Deviation	4.86	5.49	5.26	4.40	4.86	4.68	8.78	9.28	9.50
Alpha	-1.15	0.00	-1.36	-0.61	0.00	-0.69	-2.02	0.00	-1.56
Beta	0.85	1.00	0.95	0.88	1.00	0.95	0.92	1.00	1.01
Sharpe Ratio	0.53	0.79	0.52	1.14	1.32	1.15	0.49	0.74	0.56
Information Ratio	-1.17	-	-1.81	-1.11	-	-1.27	-1.17	-	-0.97
Tracking Error	1.48	0.00	0.87	1.21	0.00	0.77	2.10	0.00	1.53
R2	93.38	100.00	97.58	94.22	100.00	97.53	95.02	100.00	97.46

The performance data quoted represents past performance. Past performance does not guarantee future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance and expense ratios may be higher or lower than the data quoted. Performance of share classes will differ because each class is sold pursuant to different sales arrangements and bears different expenses. The Class A returns shown with sales charges are based on the maximum sales charge of 5.75%. Returns may reflect waivers or reimbursements of certain expenses. Absent these waivers or reimbursements, returns would be lower. To obtain more current performance data as of the most recent month-end, please visit firstinvestorsfunds.com.

First Investors Fund For Income

Glossary

The **BofA Merrill Lynch U.S. Corporate Master Index** is an unmanaged index comprised of U.S. dollar denominated investment grade corporate debt securities publicly issued in the U.S. domestic market with at least one year remaining to final maturity.

The **Bank of America Merrill Lynch Treasury Master Index** measures the total return performance of U.S. Treasury bonds with an outstanding par that is greater than or equal to \$25 million.

The **Bank of America Merrill Lynch Municipal Master Index** measures total return on tax exempt investment grade debt publicly issued by U.S. states and territories, and their political subdivisions, including price and interest income, based on the mix of these bonds in the market.

The **BofA Merrill Lynch BB-B US Cash Pay High Yield Constrained Index** contains all securities in the BofA Merrill Lynch US High Yield Cash Pay High Yield Index rated BB1 through B3, based on an average of Moody's Services, Inc., Standard & Poor's Ratings Services and Fitch Ratings, but caps issuer exposure at 2%.

Alpha is a measure of performance on a risk adjusted basis.

The **Morningstar US Options Writing Category** consists of portfolios that use options as a significant and consistent part of their overall investment strategy.

Beta measures market volatility; a benchmark generally has a beta of 1.0; an investment with a beta under 1.0 is considered less volatile.

R-Squared measures the percentage of a fund or security's movements that can be explained by movements in a benchmark index.

Standard Deviation is a statistical measure of the historical volatility of a mutual fund or portfolio; the higher the number the greater the risk.

Sharpe Ratio measures reward vs. risk; a higher number is more favorable.

Information Ratio: In investing terminology, the ratio of expected return to risk. Usually, this statistical technique is used to measure a manager's performance against a benchmark. This measure explicitly relates the degree by which an investment has beaten the benchmark to the consistency by which the investment has beaten the benchmark.

Tracking Error: Measure of the deviation of the return of a fund compared to the return of a benchmark over a fixed period of time. Expressed as a percentage. The more passively the investment fund is managed, the smaller the tracking error.

All investments involve risk, including possible loss of principal. You can lose money by investing in a fund. There is no guarantee that the Fund's investment objective will be achieved. The principal risks of investing in the Fund are: Credit Risk, Floating Rate Loan Risk, High Yield Securities Risk, Interest Rate Risk, Liquidity Risk, Market Risk and Security Selection Risk. Past performance is no guarantee of future results.

Sector Overweight/Underweight as of 6/30/17 (%)

Moody's Rating	First Investors Fund for Income Fund	BofA Merrill Lynch BB-B US Cash Pay High Yield Constrained Index
A	0.00	0.02
Baa	1.62	1.07
Ba	35.21	45.76
B	52.11	48.33
Caa	9.48	2.64
Not Rated	1.59	2.19
Total	100.00	100.00

Source: Bloomberg, 6/30/17. Past performance does not guarantee future results.

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These views represent the opinions of the Portfolio Managers and are not intended as investment advice or to predict or depict the performance of any investment. These views are as of the close of business on June 30, 2017, and are subject to change based on subsequent developments. We disclaim any responsibility to update such views. The Fund's portfolios and strategies are subject to change.

Foresters Financial Holding Company, and its subsidiaries, are relying upon the exemption from fiduciary status for arm's-length transactions with independent and sophisticated financial institutions contained in Section (c)(1) of the Department of Labor's definition of fiduciary, 81 Fed. Reg. 68, at 20999 (April 8, 2016) ("Fiduciary Rule") in connection with clients subject to the Employee Retirement Income Security Act of 1974, as amended or Section 4975 of the Internal Revenue Code of 1986, as amended. Accordingly, these materials will not cause us to become a fiduciary within the meaning of the Fiduciary Rule.

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