

First Investors Funds

First Investors Investment Grade Fund

Ticker

FIIGX (Class A)
FIIJX (Advisor)
FIIKX (Institutional)

Fund Inception Date

2/19/1991 (Class A)
4/1/2013 (Advisor)
4/1/2013 (Institutional)

Dividend Distribution

Monthly

Benchmark

BofA ML U.S. Corporate Master Index

Morningstar Category

U.S. Fund Corporate Bond

Number of Holdings as of 6/30/17

147

Portfolio Manager

Rajeev Sharma since 2009

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 is 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 Investment Grade Fund returned 1.76% (Advisor class) for the quarter, lagging the benchmark, BofA ML U.S. Corporate Master Index, by 0.75%. Investment grade bonds had a strong quarter, outperforming other domestic fixed income markets, including high yield bonds. This market also benefited from strong foreign demand. Foreign investors seeking greater returns continue buying into the U.S. fixed income market. The investment grade market is currently experiencing a surge in new issuance bonds along with an even greater surge in demand, with most new debt being up to three times oversubscribed. Compared to its benchmark, the Investment Grade Fund has shorter duration (5.91 years vs 7.11 years as of June 30, 2017) which hurt its relative performance. Specifically, its underweight to the long end of the curve (10+ years) was the biggest detractor. Its heavier allocation in BBB credit quality enhanced portfolio performance relative to the benchmark; however, it was hindered by individual bond selection. The largest portion of the Fund's overall return came from the Financial sector. The Fund has taken a strong overweight within the Financial sector given the greater liquidity and positive potential effects on the sector in a rising interest rate environment.

First Investors Investment Grade Fund

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

Class	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	Expense Ratio Gross (%)	Expense Ratio Net (%)
A (without sales charge)	1.70	2.48	0.76	2.38	3.23	4.74	5.78	2/19/91	1.15	1.15
A (with sales charge)*	-2.36	-	-3.25	0.99	2.40	4.31	5.62	2/19/91	1.15	1.15
Advisor	1.76	2.70	1.11	2.72	-	-	2.64	4/1/13	0.85	0.85
Institutional	1.92	2.80	1.31	2.81	-	-	2.83	4/1/13	0.74	0.74
BofA ML Municipal Securities Master Index	2.42	3.88	2.33	3.54	4.05	5.72	-	12/29/72		
US Fund Muni National Interm	2.23	3.66	2.96	3.02	3.88	5.77	-	9/24/71		

* Effective June 12, 2017, the maximum sales charge on Class A Shares was changed from 5.75% to 4.00%. Returns for periods less than one year are cumulative and not annualized.

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

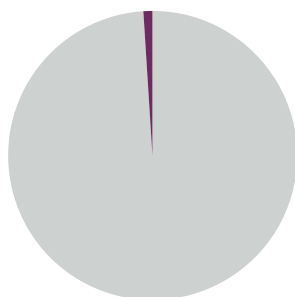
	QTD	YTD	2016	2015	2014	2013	2012
A	1.70	2.48	4.59	-0.85	5.72	-1.25	10.93
ADV	1.76	2.70	4.86	-0.55	6.04	-	-
Institutional	1.92	2.80	2.80	5.02	-0.49	-	-
BofA ML U.S. Corporate Master Index	2.42	3.88	5.96	-0.63	7.51	-1.46	10.37
US Fund Corporate Bond	2.23	3.66	6.62	-1.98	7.20	-1.19	11.01

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

Holdings	% of Total
Morgan Stanley, 5.500%, 07/28/2021	2.10
Diamond 1 Finance Corp., 4.420%, 06/15/2021	1.50
Wells Fargo & Co., 3.450%, 02/13/2023	1.40
BP Capital Markets, PLC., 3.216%, 11/28/2023	1.40
General Electric Capital Corp., 4.650%, 10/17/2021	1.10
Ford Motor Credit Company, LLC., 8.125%, 01/15/2020	1.10
Great River Energy, 4.478%, 07/01/2030	1.10
Home Depot, Inc., 5.875%, 12/16/2036	1.10
Verizon Communications, Inc., 4.272%, 01/15/2036	1.10
Welltower, Inc., 4.000%, 06/01/2025	1.10

Portfolio Allocation

Fixed Income (99.28%)
Cash (0.72%)



Modern Portfolio Theory Statistics as of 6/30/17

	3 Year			5 Year			10 Year		
	First Investors Investment Grade A	BofA ML U.S. Corporate Master Index	US Fund Corporate Bond	First Investors Investment Grade A	BofA ML U.S. Corporate Master Index	US Fund Corporate Bond	First Investors Investment Grade A	BofA ML U.S. Corporate Master Index	US Fund Corporate Bond
Standard Deviation	3.23	3.91	3.92	3.62	4.03	4.08	5.51	5.88	5.82
Alpha	-0.55	0.00	-0.46	-0.39	0.00	-0.16	-0.47	0.00	0.19
Beta	0.82	1.00	0.99	0.88	1.00	1.00	0.91	1.00	0.97
Sharpe Ratio	0.66	0.85	0.71	0.84	0.96	0.91	0.78	0.89	0.90
Information Ratio	-1.27	-	-0.71	-1.03	-	-0.25	-0.63	-	0.04
Tracking Error	0.88	0.00	0.71	0.79	0.00	0.63	1.49	0.00	1.12
R2	97.38	100.00	96.77	96.90	100.00	97.63	93.80	100.00	96.43

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 4.00%. 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 Investment Grade Fund

Glossary

The **Bank of America Merrill Lynch U.S. Cash Pay HY Constrained Index** tracks U.S. dollar, Canadian dollar, British Pound, and Euro denominated debt rated BB+, BB, or BB- issued in major domestic or Eurobond markets. Qualifying securities must have 12 month or more until maturity, a fixed coupon, and a minimum outstanding of \$100mm. Index constituents are capitalization-weighted based on current amount outstanding, the current market price, and accrued interest

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 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.

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

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 investing involves risk, including possible loss of principal. You can lose money by investing in a mutual fund. There is no guarantee that the fund's investment objective will be achieved. The principal risks of investing in the funds is: Credit Risk, Interest Rate Risk, Prepayment and Extension Risk, Liquidity Risk, Market Risk, Derivatives Risk, Sector 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 Investment Grade	BofA ML U.S. Corporate Master Index
Aaa	1.23	2.19
Aa	3.14	9.27
A	36.00	38.35
Baa	54.39	45.69
Ba	4.59	2.50
Not Rated	0.65	2.00
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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