

First Investors Funds

First Investors Special Situations Fund

Ticker

FISX (Class A)
FISTX (Advisor)
FISUX (Institutional)

Fund Inception Date

9/18/1990 (Class A)
4/1/2013 (Advisor and Institutional)

Dividend Distribution

Annually (December)

Benchmark

Russell 2000 Index

Morningstar Category

Small Blend

Number of Holdings as of 6/30/17

130

Portfolio Managers

Steven S. Hill since 2013

Overall Morningstar Rating



Institutional shares rated 4 overall stars by Morningstar among 659 U.S. Fund Small Blend funds for the period ended 6/30/17 based on risk-adjusted performance.¹

Market Overview

U.S. equities were positive again in June, posting new records and capping off a strong quarter and first half of the year. The S&P 500 Index returned 0.62% for the month of June, 3.09% for the quarter and 9.34% year-to-date. This was the seventh consecutive positive quarter for the Index.

Improving economic fundamentals across the board in the U.S. continued to be influenced by low inflation, solid employment numbers, low market volatility and strong corporate earnings which increased 14% from last year, their best growth since 2011. From a price-to-earnings perspective, the equity market is slightly rich, but dividend yields and price-to-book ratios are more reasonably priced.

A rotation to small-cap stocks and mid-cap stocks in June helped to continue the equity rally, reversing the lead of large-cap stocks which drove the market for most of the year and became fairly expensive. Mid-caps (measured by the S&P 400 MidCap Index) and small-caps (measured by the Russell 2000 Index) returned 1.62% and 3.46%, respectively, in June, while large-caps (measured by the S&P 500 Index) were up 0.62%. However, large-caps still outperformed for the quarter and year-to-date.

Since November's U.S. presidential election, the equity market volatility has been relatively benign with the S&P 500 Index having an intra-period decline of only 3% in 2017. Over the past 20 years, market intra-calendar year declines of more than 10% have not been an uncommon occurrence. While the market is expected to continue to be positive, and there are no signs of an imminent recession, market volatility will likely increase in the near term.

Performance Review

The First Investors Special Situations Fund returned 3.63% (Advisor class) for the quarter, outperforming its benchmark (measured by the Russell 2000 Index) by 1.16%. The majority of the Fund's gains for the quarter took place in June, when the market saw a number of rotations. Specifically, small-cap's outperformance of mid- and large-caps was positive for the Fund's positioning. The overall performance was supported mostly by the healthcare and consumer cyclical sectors. Healthcare was the strongest sector for the quarter as legislation to repeal and replace Obamacare moved through the House of Representatives to the Senate. Basic materials contributed to relative performance with strong stock selection. The weaker U.S. dollar made dollar denominated commodities (materials) cheaper for buyers in other currencies.

¹ For the 3-, 5- and 10-year periods, respectively, the Fund was rated 4, 2 and 4 stars among 659, 558 and 395 funds in the US Fund Small Blend funds category for the time period 6/30/17. 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 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 for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 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.

First Investors Special Situations Fund

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

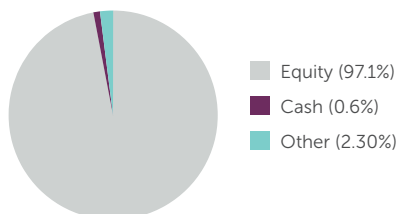
| Class | QTD | YTD | 1 Year | 3 Years | 5 Years | 10 Years | Since Inception* | Inception Date | Expense Ratio | |
|--------------------------|-------|------|--------|---------|---------|----------|------------------|----------------|---------------|---------|
| | | | | | | | | | Gross (%) | Net (%) |
| A (without sales charge) | 3.55 | 6.63 | 23.05 | 6.51 | 12.02 | 6.90 | – | 9/18/90 | 1.35 | 1.35 |
| A (with sales charge) | -2.39 | 0.50 | 15.97 | 4.43 | 10.69 | 6.27 | – | 9/18/90 | 1.35 | 1.35 |
| Advisor | 3.63 | 6.76 | 23.45 | 6.81 | – | – | 11.02 | 4/1/2013 | 1.05 | 1.05 |
| Institutional | 3.64 | 6.83 | 23.56 | 6.96 | – | – | 11.23 | 4/1/2013 | 0.91 | 0.91 |
| Russell 2000 TR USD | 2.46 | 4.99 | 24.60 | 7.36 | 13.70 | 6.92 | – | 12/31/1978 | | |
| US Fund Small Blend | 1.49 | 3.27 | 20.96 | 5.66 | 12.71 | 5.87 | – | 6/1/1956 | | |

*Share Class Inception: A–9/18/90; Advisor–4/3/13; Institutional–4/3/13
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 | 3.55 | 6.63 | 15.59 | -1.05 | 5.71 | 29.97 | 9.34 |
| Advisor | 3.63 | 6.76 | 15.96 | -0.75 | 6.05 | – | – |
| Institutional | 3.64 | 6.83 | 16.08 | -0.59 | 6.17 | – | – |
| Russell 2000 TR USD | 2.46 | 4.99 | 21.31 | -4.41 | 4.89 | 38.82 | 16.35 |
| US Fund Small Blend | 1.49 | 3.27 | 20.60 | -5.33 | 3.82 | 37.55 | 15.30 |

Portfolio Allocation



Leading Stock Contributors

| | Contribution |
|-----------------------------------|--------------|
| Fox Factory Holding Corp | 0.52 |
| Phibro Animal Health Corp Class A | 0.26 |
| ServiceMaster Global Holdings Inc | 0.19 |
| IAC/InterActiveCorp | 0.18 |
| Triton International Ltd | 0.18 |

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

| Holding | Industry | % of Total |
|-------------------------------------|--------------------|------------|
| American Financial Group, Inc. | Financial Services | 2.30 |
| Fox Factory Holding Corp. | Consumer Cyclical | 2.10 |
| Centene Corporation | Healthcare | 2.00 |
| Orbital ATK, Inc. | Industrials | 1.90 |
| Trinseo SA | Consumer Cyclical | 1.80 |
| Sterling Bancorp | Financial Services | 1.80 |
| A.O. Smith Corporation | Industrials | 1.70 |
| AptarGroup, Inc. | Consumer Cyclical | 1.60 |
| Integra LifeSciences Holdings Corp. | Healthcare | 1.50 |
| Hill-Rom Holdings, Inc. | Healthcare | 1.40 |

Leading Stock Detractors

| | Contribution |
|------------------------------------|--------------|
| Silicon Motion Technology Corp ADR | -0.15 |
| Tanger Factory Outlet Centers Inc | -0.15 |
| CommScope Holding Co Inc | -0.15 |
| Atkore International Group Inc | -0.13 |
| Snap-on Inc | -0.12 |

Modern Portfolio Theory Statistics as of 6/30/17

| | 3 Year | | | 5 Year | | | 10 Year | | |
|--------------------|--------------------------------------|--------------------|---------------------|--------------------------------------|--------------------|---------------------|--------------------------------------|--------------------|---------------------|
| | First Investors Special Situations A | Russell 2000 Index | US Fund Small Blend | First Investors Special Situations A | Russell 2000 Index | US Fund Small Blend | First Investors Special Situations A | Russell 2000 Index | US Fund Small Blend |
| Standard Deviation | 13.01 | 15.38 | 13.92 | 12.05 | 13.88 | 12.66 | 16.64 | 20.13 | 19.41 |
| Alpha | 0.33 | 0.00 | -1.01 | 0.71 | 0.00 | 0.26 | 1.00 | 0.00 | -0.80 |
| Beta | 0.82 | 1.00 | 0.90 | 0.82 | 1.00 | 0.90 | 0.80 | 1.00 | 0.96 |
| Sharpe Ratio | 0.53 | 0.52 | 0.44 | 0.99 | 0.98 | 1.00 | 0.45 | 0.41 | 0.37 |
| Information Ratio | -0.18 | - | -0.72 | -0.32 | - | -0.41 | 0.00 | - | -0.44 |
| Tracking Error | 4.38 | 0.00 | 2.19 | 4.67 | 0.00 | 2.11 | 6.03 | 0.00 | 2.24 |
| R2 | 93.36 | 100.00 | 98.76 | 89.27 | 100.00 | 98.31 | 92.95 | 100.00 | 98.85 |

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.

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First Investors Special Situations Fund

Glossary

The Russell 2000 Index is an unmanaged index that measures the performance of the small-cap segment of the U.S. equity universe. The Index consists of the smallest 2,000 companies in the Russell 3000 Index (which represents approximately 98% of the investable U.S. equity market). Indexes are unmanaged and do not reflect the performance of any particular security.

The S&P 400 MidCap Index is a capitalization weighted index of 400 publicly-traded companies with a medium amount of market capitalization.

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

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.

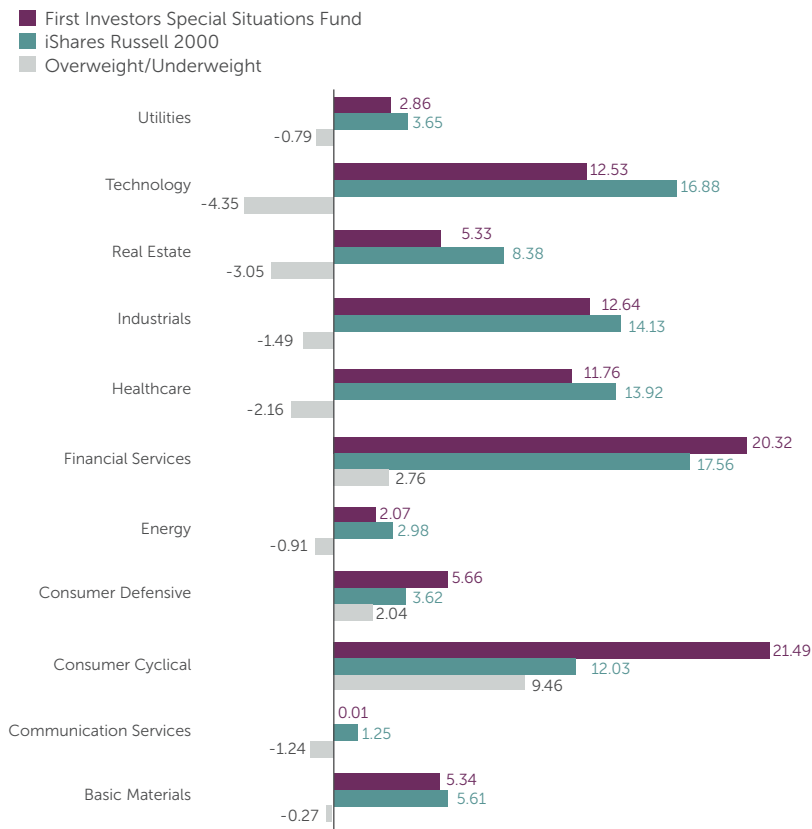
Sharpe Ratio measures reward vs. risk; a higher number is more favorable.

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 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: Exchange-Traded Fund Risk, Market Risk, REIT Risk, Security Selection Risk, Small-Size and Mid-Size Company Risk and Undervalued Securities Risk. Past performance is no guarantee of future results.

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



| Largest Sector Contributors V.S. Russell 2000 | | Largest Sector Detractors V.S. Russell 2000 | |
|---|------|---|-------|
| Consumer Cyclical | 1.04 | Real Estate | -0.61 |
| Energy | 0.60 | Technology | -0.37 |
| Healthcare | 0.52 | Industrials | -0.31 |

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

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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.

For more information about First Investors Funds and variable products from Foresters Financial Services, Inc., you may obtain a free prospectus and summary prospectus by contacting your Financial Services Representative, calling 800 524 2803 (Option 2) or visiting firstinvestorsfunds.com. You should consider the investment objectives, risks, charges and expenses carefully before investing. The prospectus and summary prospectus contain 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. Neither Foresters Financial Services, Inc. nor its affiliates offer legal or tax advice. Please consult your tax adviser before making any tax-related retirement decisions.

