First Investors Special Situations Fund Investment Process

Ticker symbols:

FISSX (Class A Shares)

FISTX (Advisor Class)

FISUX (Institutional Class)

Foresters Financial

About the First Investors Special Situations Fund

Investment Objective:

Long-term growth of capital.

Investment Strategy:

The Fund invests primarily in common stocks of small-size companies that the Fund's adviser Foresters Investment Management Company, Inc. believes are undervalued, and generally invests in companies that are experiencing a "special situation" that makes them undervalued relative to their long-term potential. Developments creating special situations may include mergers, spin-offs, litigation resolution, new products or management changes. The Fund may also invest in stocks of mid-size or large companies. The Fund also may invest in exchange-traded funds (ETFs) to gain exposure to stocks.

The Fund uses a "bottom-up" approach to selecting investments. The Fund uses fundamental research to search for companies that have one or more of the following: a strong balance sheet; experienced management; above average earnings growth potential; and stocks that are attractively priced.

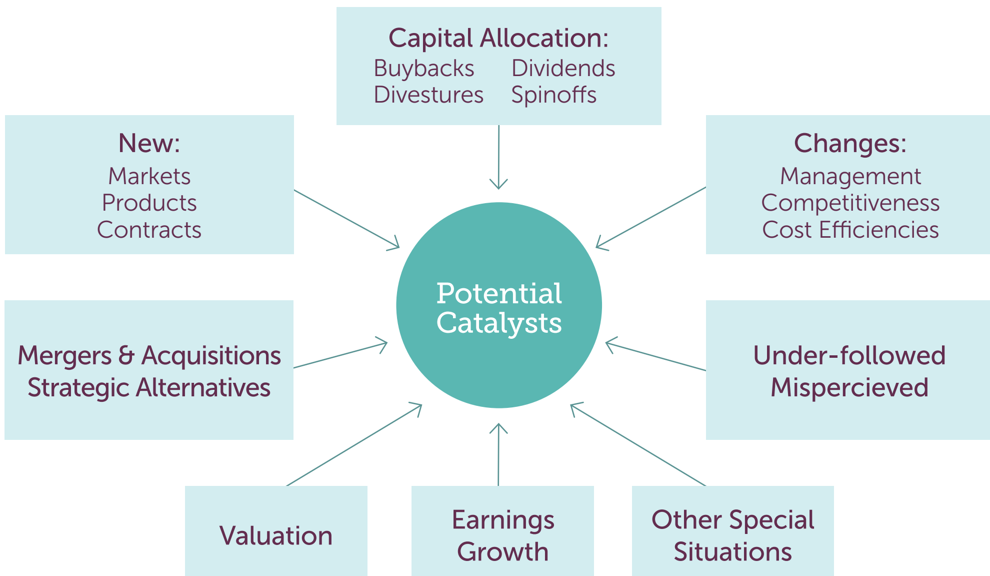
The Fund may sell a stock if it becomes fully valued, it appreciates in value to the point that it is no longer a small-size company stock, its fundamentals have deteriorated or alternative investments become more attractive.

Special Situations Fund
Investment Process

CATALYST DRIVEN
Bottom-up stock selection process

Special Situations Idea Generation

Seek small-cap stocks undervalued to their long-term potential due to a catalyst (discrete change or event in the near term that unlocks profits).



SELL DISCIPLINE
Is the buy thesis still viable?

Ongoing Due Diligence

Review companies daily for earnings news and corporate developments. Formal quarterly evaluation. Factors that could result in a sale:

- Our loss of confidence in management
- Announcement of a merger, acquisition, or any event that would negatively impact our view
- Adverse changes in earnings power
- Opportunity to allocate capital to more compelling investments
- Extraordinary adverse macro environmnent for a sector
- Full valuation

Fundamental Research

Analysts and portfolio managers focus on companies with one or more of the following:

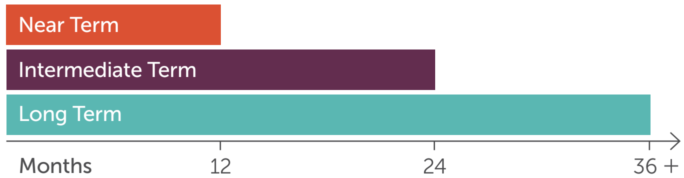
- Strong balance sheet
- Experienced management
- Attractive valuation
- Company earnings growth potential above peers

Due Diligence

- Management meetings, conferences, announcements
- Sell-side analysis
- Model potential outcomes; compare to consensus view. Prefer companies that our analysis demonstrates will perform better than consensus.

Stock Selection Process

Stock recommendation is reviewed for levels of impact in three time frames based on Catalysts, Earnings Growth and Stock Price Drivers:



FIRST INVESTORS SPECIAL SITUATIONS FUND

Position Decision

Based on ongoing due diligence, decisions are made to:

Sell | Trim | Hold | Add

Stocks are not necessarily sold because they no longer fit the "small-cap" definition. Fund takes advantage of flexibility where appropriate, allowing small caps to grow to mid caps.

Investment Team

Steven Hill

Portfolio Manager for the First Investors Special Situations Fund

Steven Hill has been the portfolio manager for the Special Situations Fund since September 2013. Steven joined First Investors in 2002 as an equity analyst and became a portfolio manager in 2004.

Before joining First Investors, now Foresters Financial, Steven was a Director in UBS Warburg's healthcare group where he worked primarily on mergers and acquisitions. Prior to that, he was an investment banker for CS First Boston and HSBC plc. He earned an MBA in Finance from the Wharton School of Business. He graduated magna cum laude from the University of California at San Diego with a BA in Mathematics.

Arun Sharma

Assistant Portfolio Manager for the First Investors Special Situations Fund

Arun Sharma has been the assistant portfolio manager on the Special Situations Fund since 2015. Arun joined First Investors in May 2011 as an equity analyst covering the Technology and Telecom sectors.

Prior to joining First Investors, now Foresters Financial, Arun spent 6 years at UBS as a research analyst in the technology group, focusing on large-cap enterprise hardware stocks. Before that he was an investment banker at Needham & Company where he focused on small- and mid-cap technology companies. He received his Bachelor's Degree from New York University's Stern School of Business, where he doubled majored in Finance and Information Systems.

About Foresters Financial

At Foresters Investment Management Company, Inc., registered investment adviser for the First Investors Funds, we have a dedicated team of experienced portfolio managers and investment analysts who employ a top-down, bottom-up approach to investing through rigorous analysis in the disciplined selection of securities for our portfolios.

While no investment is guaranteed, our goal is to produce solid, long-term performance for our clients, while effectively managing risk.

The exceptional combination of broad investment capabilities, asset allocation expertise, conservative risk management and a personal approach to clients, is what gives Foresters Financial its competitive edge.

Foresters Investment Management Company, Inc. also works with outside subadvisers who specialize in specific market sectors. Their expertise, knowledge and experience collectively broadens the scope of the products that are offered by the First Investors family of funds.

First Investors mutual funds are managed by Foresters Investment Management Company, Inc. and distributed by Foresters Financial Services, Inc.; each is a wholly owned subsidiary of Foresters Financial Holding Company, Inc.

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Important Disclosures

For more information about any First Investors mutual fund from Foresters Financial Services, Inc., you may obtain a free prospectus by contacting your Representative, calling 800 524 2803 (option 2) or visiting our website at 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 the Fund. There is no guarantee that the Fund will meet its investment objective. The principal risks of investing in the Fund are: Exchange-Traded Funds Risk. Market Risk. Mid-Size and Small Size Company Risk. Undervalued Security Risk. Security Selection Risk. Past performance is no guarantee of future results.

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