

First Investors Funds

First Investors Special Situations Fund

Ticker

FISSX (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 9/30/17

133

Portfolio Managers

Steven S. Hill since 2013

Overall Morningstar Rating



Class A shares rated 4 overall stars by Morningstar among 653 U.S. Fund Small Blend funds for the period ended 9/30/17 based on risk-adjusted performance.¹

Market Overview

U.S. equities had a strong performance during the past twelve months, posting several new records. The Dow Jones Industrial Average (DJIA) hit four major psychological milestones of 19,000 (on November 22nd), 20,000 (on January 25th), 21,000 (on March 1st) and 22,000 (on August 2nd). The S&P 500 Index and the DJIA returned 18.61% and 25.45% for the past twelve months, respectively. Market volatility remained at historically low levels for most of the period despite elevated political uncertainty.

Small-caps (measured by the Russell 2000 Index), growth stocks (measured by the S&P 500 Growth Index) and value stocks (measured by the S&P 500 Value Index) posted similar strong returns of 20.74%, 19.90% and 16.47%, respectively. However, they experienced significant intra-period differences as market leaders moved out of favor. In the fourth quarter of 2016, small-caps and value stocks rallied to their highest level following the Trump victory as investors focused on the expected benefits from possible tax cuts, increased infrastructure spending and reduced financial regulations. Small-caps and several value sectors, including Financials, would be the greatest beneficiaries of these business-friendly policies. In January, the "Trump Trade" faded and investors switched their focus to an improving economic outlook, which benefited most growth stocks and large-caps for most of 2017. In September, there was another rotation to small-caps and value stocks in the continuation of the "Trump Trade" fueled by investors' renewed hopes for pro-business policies from Washington.

Higher-yielding stocks lagged the general market, with the Dow Jones U.S. Select Dividend Index returning 13.21%. Real estate as a whole came under pressure due to the rising interest rate environment, and as well publicized retail bankruptcies and store closures resulted in a sell-off of retail REITs. The Dow Jones U.S. Select REIT Index lost 0.83%.

Ten out of eleven S&P 500 sectors ended the review period in positive territory. Financials, which would be one of the greatest beneficiaries from the combination of the higher interest rates and Trump's pro-growth policies, was the strongest sector at 36.21%. Information Technology was the second strongest sector, up 28.88% as investors focused on an improving economic outlook. A stronger economy could magnify this sector's growth potential. Conversely, Telecom Services was the weakest sector with a marginal loss of 0.14%, followed by Energy which was marginally positive at 0.16%.

International equities posted strong double-digit returns across all regions, supported by improving corporate earnings and economic data pointing to a healthy global economy. Developed markets (measured by the MSCI EAFE Index) and emerging markets (measured by the MSCI EM Index) returned 19.65% and 22.91%, respectively. Overall, the currency exchange effect was slightly positive.

Performance Review

The First Investors Special Situations Fund returned 4.93% (Advisor class) for the quarter, slightly lagging the benchmark. Firm economic growth and proposed tax reform legislation supported strong returns for small-caps, as that market capitalization took the lead both in September and for the quarter. The blended style of the Fund between growth and value slightly detracted as momentum growth stocks continued to lead for the quarter as they have virtually all year.

(continued)

¹ For the 3-, 5- and 10-year periods, respectively, the Fund was rated 3, 3 and 4 stars among 653, 554 and 393 funds in the US Fund Small Blend funds category for the time period 9/30/17. 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.

FOR INSTITUTIONAL USE ONLY. NOT FOR USE WITH THE INVESTING PUBLIC.

First Investors Special Situations Fund

(continued)

The Fund's absolute performance was mainly attributable to investments in Consumer Discretionary, Industrial and Financial stocks. In Consumer Discretionary, Fox Factory Holding Corporation—a maker of suspension products for mountain bikes and automotive vehicles—benefited from demand for its high-end shocks in off-road vehicles.

In the Industrial sector, Orbital ATK, Inc.—a defense contractor that supplies ammunitions and space systems—agreed to be acquired by Northrop Grumman Corporation for a significant premium. The acquisition of Orbital ATK lifted the Fund's relative performance, as well as its absolute performance.

Finally, in the Financial sector, American Financial Group—an underwriter of specialty commercial property and casualty insurance—has benefited from a stable pricing environment. Additionally, its annuity business is positioned to benefit from higher interest rates and a reduction in regulations.

On a relative basis, the Fund outperformed the Russell 2000 Index primarily due to stock selection in the Basic Material and Industrial sectors. In Basic Materials, Summit Materials Inc.—a maker of cement, concrete and asphalt—grew sales and volumes, notably in Austin and North Texas. Also in Basic Materials, Ferro Corporation—a maker of pigments and coatings—benefited from new customer wins and accretive acquisitions.

Average Annual Total Return Performance as of 9/30/17 (%)

Class	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception*	Inception Date	Expense Ratio	
									Gross (%)	Net (%)
A (without sales charge)	4.81	11.76	20.07	9.87	12.28	7.76	–	9/18/90	1.35	1.35
A (with sales charge)	-1.19	5.33	13.15	7.72	10.95	7.12	–	9/18/90	1.35	1.35
Advisor	4.93	12.03	20.45	10.22	–	–	11.56	4/1/2013	1.05	1.05
Institutional	4.97	12.15	20.60	10.38	–	–	11.77	4/1/2013	0.91	0.91
Russell 2000	5.67	10.94	20.74	12.18	13.79	7.85	–	12/31/1978		
US Fund Small Blend	5.14	8.58	18.92	9.97	12.66	6.80	–	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 9/30/17 (%)

	QTD	YTD	2016	2015	2014	2013	2012
A (without sales charge)	4.81	11.76	15.59	-1.05	5.71	29.97	9.34
Advisor	4.93	12.03	15.96	-0.75	6.05	–	–
Institutional	4.97	12.15	16.08	-0.59	6.17	–	–
Russell 2000	5.67	10.94	21.31	-4.41	4.89	38.82	16.35
US Fund Small Blend	5.14	8.58	20.60	-5.33	3.82	37.55	15.30

Top Ten Holdings as of 9/30/17 (%)

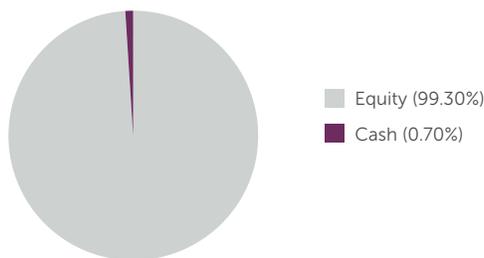
Holding	Industry	% of Total
Fox Factory Holding Corp.	Consumer Cyclical	2.4
Orbital ATK, Inc.	Industrials	2.4
Centene Corporation	Healthcare	2.3
American Financial Group, Inc.	Financial Services	2.3
Sterling Bancorp	Financial Services	1.8
A.O. Smith Corporation	Industrials	1.7
AptarGroup, Inc.	Consumer Cyclical	1.5
Trinseo SA	Consumer Cyclical	1.5
Ferro Corp.	Basic Materials	1.4
ServiceMaster Holdings, Inc.	Industrials	1.4

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.

FOR INSTITUTIONAL USE ONLY. NOT FOR USE WITH THE INVESTING PUBLIC.

First Investors Special Situations Fund

Portfolio Allocation



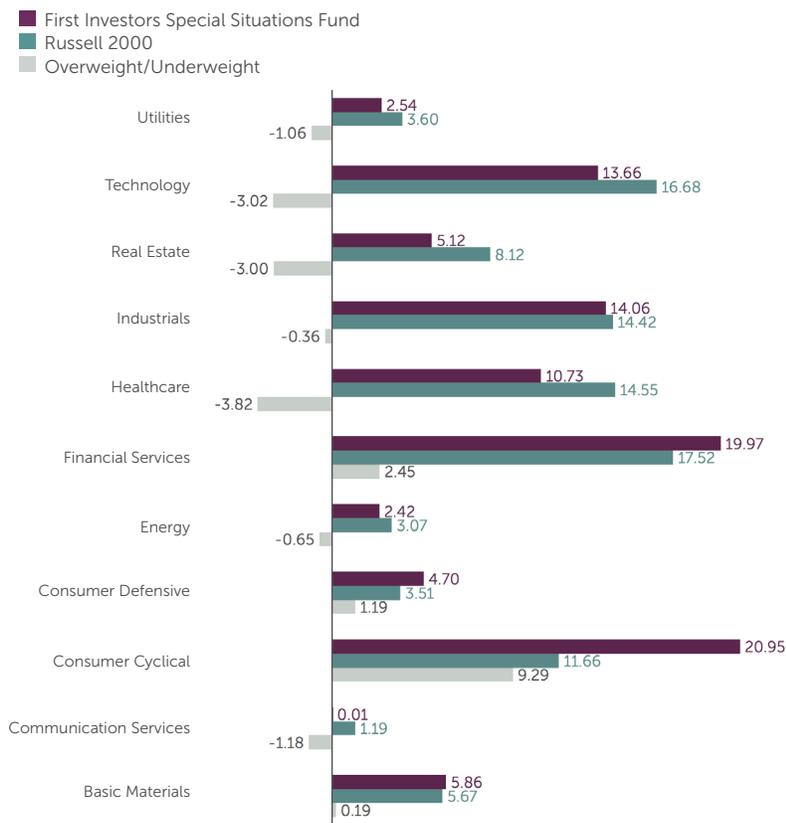
Leading Stock Contributors

	Contribution
Orbital ATK Inc	0.69
Fox Factory Holding Corp	0.46
Centene Corp	0.44
MKS Instruments Inc	0.40
Lam Research Corp	0.31

Leading Stock Detractors

	Contribution
Newell Brands Inc	-0.26
Autobytel Inc	-0.19
Aspen Insurance Holdings Ltd	-0.16
Regal Entertainment Group	-0.15
SCANA Corp	-0.14

Sector Overweight/Underweight (% of Total) as of 9/30/17



Largest Sector Contributors vs. Russell 2000	
Technology	0.70
Basic Materials	0.15
Real Estate	0.14

Largest Sector Detractors vs. Russell 2000	
Healthcare	-0.69
Consumer Defensive	-0.51
Utilities	-0.26

Source: Morningstar Direct, 9/30/17.

Modern Portfolio Theory Statistics as of 9/30/17

	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	12.23	14.48	13.22	12.19	14.00	12.85	16.65	20.06	19.38
Alpha	-0.12	0.00	-1.03	0.77	0.00	0.07	1.10	0.00	-0.76
Beta	0.81	1.00	0.91	0.83	1.00	0.91	0.80	1.00	0.96
Sharpe Ratio	0.80	0.84	0.76	1.00	0.98	0.98	0.51	0.46	0.42
Information Ratio	-0.49	-	-0.93	-0.30	-	-0.48	-0.01	-	-0.45
Tracking Error	4.20	0.00	2.11	4.48	0.00	2.08	5.90	0.00	2.18
R2	93.02	100.00	98.50	90.42	100.00	98.33	93.21	100.00	98.91

Glossary

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 Small Blend. Small-blend portfolios favor U.S. firms at the smaller end of the market-capitalization range. The blend style is assigned to portfolios where neither growth nor value characteristics predominate.

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.

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.

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

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.

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

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

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

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.

FOR INSTITUTIONAL USE ONLY. NOT FOR USE WITH THE INVESTING PUBLIC.

These views represent the opinions of the Portfolio Manager 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 September 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.

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.