

First Investors Funds

First Investors Tax Exempt Income Fund

Ticker

FITAX (Class A)
FITDX (Advisor)
FITEX (Institutional)

Fund Inception Date

8/3/1977 (Class A)
5/1/2013 (Advisor and Institutional)

Dividend Distribution

Monthly

Benchmark

BofA Merrill Lynch Municipal Securities Master Index

Morningstar Category

Muni National Intermediate

Number of Holdings as of 9/30/17

113

Portfolio Managers

Clark Wagner since 1991
Patrick Tucci, CFA, since 2016

Overall Morningstar Rating



Class A shares rated 5 overall stars by Morningstar among 257 U.S. Muni National Intermediate funds for the period ended 9/30/17 based on risk-adjusted performance.¹

Market Overview

The broad U.S. fixed income market (measured by the BofA ML U.S. Broad Market Index) lost 0.52% in September, but was up 0.83% for the quarter and 3.19% year-to-date. Safer assets, such as government bonds, declined in September on investors' renewed hopes for pro-business policies from Washington. Fixed income markets, especially Treasuries, were hurt in September by renewed expectations of higher interest rates as the Fed suggested another hike in December and several additional hikes for 2018. The Fed is planning to move ahead with the reduction of its \$4.5 trillion balance sheet starting in October. This move will reverse some of the effects of quantitative easing that have been supportive of bond prices in recent years.

U.S. Treasuries (measured by the BofA ML Treasury Master Index) were weak in September as investors sought riskier assets, but they remain positive for both the quarter and year. The investment grade corporate bond market (measured by the BofA ML Corporate Master Index) performed better than Treasuries, losing 0.24% in September, but remaining up 1.36% for the quarter and 5.29% for the year. Short-term rates are slowly rising as long-term rates continue to fall which has contributed to a flattening of the yield curve. Municipal bonds (measured by the BofA ML Municipal Securities Master Index) followed the same trend as Treasuries in September, down 0.39%. They are up 1.18% for the quarter and 4.62% year-to-date, as investor demand continues to rise. High yield (measured by the BofA ML US HY Cash Pay Constrained Index), which is less interest rate sensitive than some other fixed income sectors, had positive performance in September as investors have been seeking riskier assets. High yield continues to be one of the strongest domestic fixed income sectors, up 2.03% for the quarter and 7.05% year-to-date.

The international fixed income market has continued to see strong growth, returning 8.63% year-to-date. International interest rates are slowly increasing, but not as fast as in the U.S., where quantitative easing has been discontinued. The U.S. dollar depreciation trend is likely to continue for some time as this has been a multi-year trend. Interest rates are expected to continue rising. However, gains from a depreciating dollar should offset losses from rising interest rates.

Performance Review

The First Investors Tax Exempt Income Fund returned 0.61% (Advisor Class) for the quarter, underperforming its benchmark return by 59 basis points. The municipal bond market saw a decreased supply of newly issued bonds, down approximately 25 percent for the third quarter versus the same period last year, however, demand from investors is robust. As an asset class, flows into municipal bond funds for the quarter were \$9.1 billion². The Fund enjoyed a positive allocation effect from being overweighted with A-rated bonds, however, its shorter duration profile (underweight to longer maturities and overweight to shorter maturities) and lack of exposure to the high yield category and BBB rating category all detracted from performance. The municipal yield curve steepened during the quarter by 11 basis points with the short end rallying and the long end

(continued)

¹ For the 3-, 5- and 10-year periods, respectively, the Fund was rated 4, 4 and 5 stars among 257, 221 and 156 funds in the US Muni National Intermediate category for the time periods ended 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.

² Source: Investment Company Institute, 9/30/17.

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selling off slightly. The quarter witnessed three devastating hurricanes which impacted the United States. The hurricanes that hit the Houston area and Florida were devastating, but the damage was less severe than expected and the few bonds which were held in the portfolio were not negatively affected. Unfortunately, the hurricane which hit Puerto Rico was highly destructive and had an adverse impact on the bonds of this U.S. territory. The Fund does not hold any Puerto Rico bonds.

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)	0.57	2.52	0.29	2.05	2.20	3.96	–	8/3/1977	1.00	1.00
A (with sales charge)*	-3.50	-1.64	-3.73	0.67	1.37	3.54	–	8/3/1977	1.00	1.00
Advisor	0.61	2.68	0.62	2.37	–	–	2.19	5/1/2013	0.69	0.69
Institutional	0.64	2.83	0.45	2.17	–	–	2.12	5/1/2013	0.67	0.67
BofA ML Muncpal Securities Master Index	1.20	4.63	0.97	3.31	3.12	4.65	–	12/30/1988		
Morningstar Category: Muni National Intermediate	0.97	4.04	0.42	2.33	2.11	3.63	–	12/1/1976		

* Effective 1/31/17, 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 9/30/17 (%)

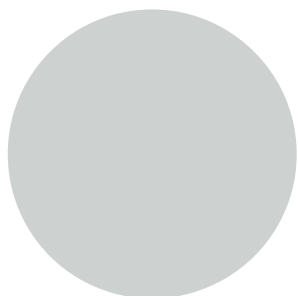
	QTD	YTD	2016	2015	2014	2013	2012
A (without sales charge)	0.57	2.52	0.14	2.53	8.88	-3.18	7.23
Advisor	0.61	2.68	0.50	2.80	9.17	-3.38	7.23
Institutional	0.64	2.83	-0.13	2.69	9.14	-3.08	7.23
BofA ML Muncpal Master Index	1.20	4.63	0.44	3.55	9.78	-2.89	7.26
Morningstar Category: Muni National Intermediate	0.97	4.04	-0.23	2.50	6.29	-2.34	5.55

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

Holdings	% of Total
NYC Municipal Water Authority, 6.000%, 06/15/2021	3.9
Chicago Illinois Brd Ed Lease, 6.000%, 01/01/2020	2.4
Superior WI Ltd Oblig Rev, 6.900%, 08/01/2021	2.1
New York St Dorm Auth Revs NYU, 5.750%, 07/01/2027	1.8
California State GO, 5.000%, 09/01/2035	1.8
Port Authority of NY & NJ, 5.000%, 10/15/2042	1.7
Pierce County School District TOB, 12.010%, 12/01/2039	1.7
Atlanta Ga Wtr & Wastewtr Rev, 5.500%, 11/01/2019	1.5
North Texas Twy Auth Rev, 5.125%, 01/01/2028	1.4
Indianapolis IN Gas Util Rev, 5.250%, 08/15/2025	1.3

Portfolio Allocation

- Fixed Income (100.13%)
- Cash (-0.13%)



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.

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Modern Portfolio Theory Statistics as of 9/30/17

	3 Year			5 Year			10 Year		
	First Investors Tax Exempt Income A	BofA ML Municipal Securities Master Index	US Fund Muni National Interm	First Investors Tax Exempt Income A	BofA ML Municipal Securities Master Index	US Fund Muni National Interm	First Investors Tax Exempt Income A	BofA ML Municipal Securities Master Index	US Fund Muni National Interm
Standard Deviation	2.09	3.21	2.94	3.33	3.81	3.19	4.38	4.90	3.97
Alpha	-0.20	0.00	-0.70	-0.47	0.00	-0.50	-0.13	0.00	-0.13
Beta	0.64	1.00	0.91	0.85	1.00	0.83	0.87	1.00	0.79
Sharpe Ratio	0.81	0.92	0.68	0.60	0.76	0.60	0.81	0.87	0.81
Information Ratio	-1.00	-	-2.39	-0.90	-	-1.21	-0.55	-	-0.76
Tracking Error	1.22	0.00	0.40	0.99	0.00	0.81	1.20	0.00	1.28
R2	96.26	100.00	99.13	94.24	100.00	97.81	94.71	100.00	96.15

Glossary

BofA ML U.S. Broad Market Index tracks the performance of U.S. dollar denominated investment grade debt publicly issued in the U.S. domestic market, including U.S. Treasury, quasi-government, corporate, securitized and collateralized securities.

The BofA ML 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 BofA 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 BofA ML 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 BofA ML Municipal Securities Master Index tracks the performance of the investment-grade U.S. tax-exempt bond market. Qualifying bonds must have at least one year remaining term to maturity, a fixed coupon schedule, and an investment grade rating (based on average of Moody's, S&P, and Fitch).

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

The Morningstar Muni National Intermediate Category invests in bonds issued by various state and local governments to fund public projects. The income from these bonds is generally free from federal taxes. To lower risk, these portfolios spread their assets across many states and sectors.

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.

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

Moody's Rating	First Investors Tax Exempt Income	BofA ML Municipal Securities Master
Aaa	1.01	6.90
Aa	40.15	42.06
A	30.72	20.51
Baa	0.00	4.17
Ba	0.00	0.53
B	0.00	0.03
Ca	0.00	0.01
Not Rated	28.12	25.79
Total	100.00	100.00

Source: Bloomberg, 9/30/17. Past performance does not guarantee future results.

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: Call Risk, Credit Risk, Derivatives Risk, Interest Rate Risk, Liquidity Risk, Market Risk, Municipal Securities Risk, Security Selection Risk and Tax Risk. Past performance is no guarantee of 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 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.

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