

# First Investors Funds

# First Investors Global Fund

## Ticker

FIISX (Class A)  
FIITX (Advisor)  
FIUX (Institutional)

## Fund Inception Date

11/16/81 (Class A)  
4/1/13 (Advisor and Institutional)

## Dividend Distribution

Annually

## Benchmark

MSCI All Country World Index (Gross)

## Morningstar Category

World Large Stock

## Number of Holdings as of 3/31/19

131

## Portfolio Managers

Pedro Marcal, since 2018

## Overall Morningstar Rating



Advisor shares rated 3 overall stars by Morningstar among 732 World Large Stock funds for the period ended 3/31/19 based on risk-adjusted performance.<sup>1</sup>

## Market Overview

To say the U.S. stock market rebounded during the first quarter from the volatility and turmoil experienced at the end of 2018 would be an understatement. The S&P 500 Index gained 13.65% during the first quarter—its best first quarter total return since 1998. The Index erased most of its losses incurred during the market sell-off from September 21 through December 24 of last year, fueled by a dovish Federal Reserve (Fed) and hopes for a resolution to U.S.-China trade negotiations.

International equities (as measured by the MSCI All Country World ex U.S. Index) also bounced back this quarter, gaining 10.31%, with both developed and emerging markets in positive territory with double digit returns. Developed market equities (as measured by the MSCI EAFE Index) gained 9.98% for the quarter. Japan lagged other developed markets, returning 6.66%, with the country forecasted to have GDP growth below 1% for the next several years. Emerging market (EM) equities performed in-line with developed markets, returning 9.91% for the quarter (as measured by the MSCI EM Index).

Although financial markets are off to a very strong start this year, Bloomberg growth estimates for world GDP growth in 2019 are lower this year at 3.4%, compared to the 3.7% growth reached in 2018. In addition, European economic growth remains a serious concern. Business conditions continue to weaken globally with the JP Morgan Global Manufacturing Index hitting a 33-month low. Based on Bloomberg estimates, there is a 20% probability for France and 25% probability for the UK and Germany to enter a recession within the next year. Furthermore, a “no-deal” Brexit would only exacerbate the already vulnerable economic growth in Europe.

## Performance Review

The First Investors Global Fund rose 11.65% (Advisor shares) for the first quarter, modestly underperforming its peer group, which on average rose 12.27%. The Fund also underperformed the MSCI All Country World Index by 68 basis points (bps). Stock selection was a positive contributor to relative returns, while sector allocation had a negative impact on relative returns. The Fund’s positioning was geared towards growth stocks, which benefited the portfolio as growth stocks significantly outperformed value stocks during the quarter. Performance was hurt by allocations in Information Technology and Real estate, but was helped by stock selection in Materials and Energy. On a regional basis, the Fund outperformed the MSCI All Country World Index in Western Europe, the Middle East, Asia Pacific, and Central Asia, while underperforming in North America. The Fund also underperformed its benchmark in the U.S., Sweden and Ireland, while performance was helped by exposures to the UK, South Korea, Israel, China and France.

## Outlook

We are cautious towards global equities. While encouraged by the Federal Reserve’s policy reversal and the resulting sharp recovery in financial asset prices globally, we temper our optimism due to the sense of complacency that has taken hold in markets since the December stock market correction. Many investors appear to have forgotten the sharp volatility seen during the last month of the year. We currently see no clear trends emerging in the financial markets, while there are two significant risks at this time. First, a US-China trade deal may not come to fruition and, second, China’s ability (or inability) to stimulate its domestic economy has yet to be confirmed.

While we continue to find attractive growth companies that are adapting and benefiting from change throughout the world, our overall outlook continues to be cautious.

<sup>1</sup> For the three-, five- and 10-year periods, respectively, the Fund was rated 3, 3 and 3 stars among 732, 617 and 370 funds in the World Large Stock funds category for the time periods ended 3/31/19. 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 Morningstar Rating does not include any adjustment for sales loads. 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.

<sup>2</sup> Morningstar World Large Stock Funds

## Average Annual Total Return Performance as of 3/31/19 (%)

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)	11.53	11.53	-1.94	8.71	6.25	11.15	–	11/16/81	1.43	1.43
A (with sales charge)	5.14	5.14	-7.63	6.56	5.01	10.49	–	11/16/81	1.43	1.43
Advisor	11.65	11.65	-1.54	9.15	6.68	–	8.40	4/1/13	1.10	1.10
Institutional	11.56	11.56	-1.54	9.15	6.71	–	8.49	4/1/13	1.05	1.05
MSCI ACWI Index	12.33	12.33	3.16	11.27	7.03	12.58	–	5/31/90	–	–
World Large Stock	12.27	12.27	1.85	9.96	5.89	11.79	–	11/1/54	–	–

Returns for periods less than one year are cumulative and not annualized.

## Calendar Year Returns (%)

	2018	2017	2016	2015	2014	2013	2012
A	-11.13	23.73	1.26	2.20	4.35	25.94	16.05
Advisor	-10.89	24.23	1.75	2.54	4.67	–	–
Institutional	-10.76	24.12	1.90	2.54	4.90	–	–
MSCI ACWI Index	-8.93	24.62	8.48	-1.84	4.71	23.44	16.80
World Large Stock	-9.63	23.61	5.93	-1.77	2.72	24.69	15.74

## Top Ten Holdings as of 3/31/19 (%)

Holding	Industry	% of Total
Alphabet, Inc. (Class A)	Technology	2.8%
Merck & Co., Inc.	Healthcare	2.5%
Verizon Communications, Inc.	Communication Services	2.3%
Facebook, Inc.	Technology	2.0%
Nestle SA	Consumer Defensive	1.7%
Alphabet, Inc. (Class C)	Technology	1.6%
Procter & Gamble Co.	Consumer Defensive	1.6%
Xtrackers Harvest CSI 300 China - Class "A" ETF	Financial Services	1.6%
Chevron Corp.	Energy	1.5%
Amazon.com, Inc.	Consumer Cyclical	1.4%

## Glossary

The **MSCI All Country World (ACWI) Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets.

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 **MSCI ACWI ex U.S. Index** is designed to provide a broad measure of stock performance throughout the world, with the exception of U.S.-based companies.

The **MSCI Emerging Markets Index** is a free float-adjusted market capitalization index that is designed to measure emerging markets equity performance. The index consists of 24 emerging market country indices.

The **Morningstar World Large Stock Category** consists of portfolios that have few geographical limitations. It is common for these portfolios to invest the majority of their assets in the U.S., Europe, and Japan, with the remainder divided among the globe's smaller markets. These portfolios typically have 20%-60% of assets in U.S. stocks.

The **MSCI EAFE Index** is a stock market index that is designed to measure the equity market performance of developed markets outside of the U.S. & Canada.

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 this Fund are: Derivative Risk, Emerging Markets Risk, Foreign Securities Risk, High Portfolio Turnover Risk, Liquidity Risk, Market Risk, Mid-Size and Small-Size Company Risk, and Security Selection Risk.

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](http://firstinvestorsfunds.com).

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