

First Investors Funds

First Investors Select Growth Fund

Ticker

FICGX (Class A)
FICHX (Advisor)
FICIX (Institutional)

Fund Inception Date

10/24/00 (Class A)
4/1/13 (Advisor and Institutional)

Dividend Distribution

Annually (December)

Benchmark

Russell 1000 Growth Index¹

Morningstar Category

Large Growth

Number of Holdings as of 3/31/19

41

Portfolio Managers

Foresters Investment Management Company, Inc. is the Fund's investment adviser and Smith Asset Management Group, LP serves as subadviser of the Fund.

John D. Brim, CFA, since 2000
Stephen S. Smith, CFA, since 2000
Eivind Olsen, CFA, since 2000

Overall Morningstar Rating



Class A shares rated 4 overall stars by Morningstar among 1,256 Large Growth funds for the period ended 3/31/19 based on risk-adjusted performance.²

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. At the same time, it is important to note that the S&P 500 is still below its 2018 peak reached last September, with the pace of economic growth expected to slow this year. Also, investor complacency, which vanished during the volatile end of last year, quickly returned in 2019 as calculated by the VIX Index.

As evidenced by the strong showing of the S&P 500, most stocks started the year off with a bang. Small-cap and mid-cap stocks experienced a very strong quarter as well, with the Russell 2000 Index and the S&P 400 Mid-Cap Index gaining 14.58% and 14.49%, respectively. Value stocks (as measured by the Russell 1000 Value Index) returned 11.93%, lagging growth stocks (as measured by the Russell 1000 Growth Index) which returned 16.10% from January through March. However, the forward price-to-earnings (P/E) ratio for the growth index is 21.3 compared to a forward P/E of 14.7 for the value index, which is indicative of a 44.8% premium. Value has continued to struggle compared to growth-style investing since late 2016.

All 11 S&P 500 sectors posted gains for the quarter, with Information Technology (19.86%) being the strongest sector, followed by Real Estate (17.53%) and Industrials (17.20%). Healthcare was the weakest performer at 6.59%, impacted by renewed efforts to repeal the Affordable Care Act (Obamacare). Financials were the second weakest sector, returning 8.56%, due to concerns about the potential impact on profitability from declining interest rates and a flattening yield curve.

Performance Review

The First Investors Select Growth Fund returned 14.38% (Advisor Class) for the first quarter of 2019, below the Fund's benchmark (Russell 1000 Growth) return of 16.10%. Sector weighting decisions were the primary drivers of underperformance in the quarter. Overweight positions in Healthcare and Financials, coupled with underweight positioning in Information Technology and Communication Services, contributed to the sector allocation effect accounting for 80% of the underperformance. In terms of stock selection, Information Technology was the best performing sector on both an absolute and relative basis. Communication Services was the largest detractor. Healthcare was the worst absolute performing sector in the benchmark and did not fare well in the Fund either as it was home to the three worst-performing holdings.

Information Technology was the top performing sector in the benchmark for the quarter, returning 21.4%, with the Fund's results outpacing it with a 23.2% return. Electronic product design solutions provider Cadence Design Systems (+46%) has been a long-time top performer. The rise of Artificial Intelligent (AI), cloud services, 4G, and technology in automobiles has provided steadily rising demand for their design tools. After a -29% slide in the previous quarter, cloud networking services provider Arista Networks (+50%) reported results exceeding expectations in February and guided its revenue outlook higher. On the negative side, Communication Services sector reversed a strong showing in the previous quarter with just a 4.2% return. Travel website TripAdvisor (-5%) reversed course after recently reporting

¹ Effective January 31, 2019, the portfolio's benchmark changed from the Russell 3000 Growth Index to the Russell 1000 Growth Index.

² For the three-, five- and 10-year periods, respectively, the Fund was rated 3, 3 and 2 stars among 1256, 1114 and 805 funds in the US Fund Large Growth funds category for the time period 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.

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mixed results. Facebook (+27%) reversed its previous quarter underperformance and not owning it in the portfolio made it the second largest detractor to relative performance in the sector. The Healthcare sector was the worst performing sector in the benchmark with a 7.4% return while the Fund lagged with a gain of only 5.3%. The Fund was also overweight the sector, resulting in a negative allocation effect on performance. Stock performance in the sector was influenced by three companies in particular: Centene (-8%), a service provider to government-sponsored programs, slipped despite delivering better-than-expected results under the weight of political uncertainty plus the announced acquisition of WellCare Health Plans; biopharmaceutical company Biogen (-21%) slumped after ending two Alzheimer's trials; and biopharmaceutical giant Bristol-Myers (-7%) offered to buy Celgene in January, which was met by a proxy fight to block the deal.

Outlook

Despite lingering trade wars, Brexit, a Japanese value added tax (VAT), and threats of border closings, there are constructive news including healthy levels of corporate cash, solid domestic earnings and strength in emerging markets. While there has been some talk regarding the possibility of an earnings recession in the first half of 2019, aggregate earnings for the full year are still expected to exceed 2018. In addition, the earnings growth is supported by sales growth. Some economic surprise indices (Citigroup Economic Surprise Indices) are finding a bottom and beginning to improve, while central bankers have backed off from further tightening to ward off non-existent inflation. Thus, we continue to believe that equities should be able to generate healthy returns going forward as continued economic growth should provide the foundation for ongoing earnings growth by the companies held by the Fund. We believe our focus on high-quality companies in which earnings will exceed market expectations is the key to generating excess returns over the long term.

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)	14.22	14.22	9.71	15.44	11.38	14.82	–	10/24/00	1.17	1.17
A (with sales charge)	7.66	7.66	3.38	13.17	10.07	14.14	–	10/24/00	1.17	1.17
Advisor	14.38	14.38	10.11	15.89	11.82	–	14.07	4/1/13	0.83	0.83
Institutional	14.38	14.38	10.19	15.92	11.87	–	14.18	4/1/13	0.80	0.80
Russell 1000 Growth Index	16.10	16.10	12.75	16.53	13.50	17.52	–	12/29/78	–	–
Large Growth	15.67	15.67	10.71	15.35	11.26	15.94	–	12/1/25	–	–

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

Calendar Year Returns (%)

	2018	2017	2016	2015	2014	2013	2012
A (without sales charge)	-3.95	32.16	3.69	2.81	13.15	33.09	12.81
Advisor	-3.65	32.67	4.14	3.24	13.47	33.29	12.81
Institutional	-3.58	32.72	4.14	3.33	13.60	33.67	12.81
Russell 1000 Growth Index	-1.51	30.21	7.08	5.67	13.05	33.48	15.26
Large Growth	-2.07	27.67	3.23	3.60	10.00	33.92	15.34

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

Holding	Industry	% of Total
Arista Networks, Inc.	Technology	4.3%
Cadence Design Systems, Inc.	Technology	4.1%
Adobe, Inc.	Technology	3.9%
Alphabet, Inc.	Technology	3.4%
Microsoft Corp.	Technology	3.4%
Automatic Data Processing, Inc.	Industrials	3.3%
AutoZone, Inc.	Consumer Cyclical	3.3%
PayPal Holdings, Inc.	Financial Services	3.1%
NetApp, Inc.	Technology	3.1%
Eli Lilly & Co.	Healthcare	3.0%

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Glossary

The **Russell 1000 Growth Index** measures the performance of the large- capitalization growth segment of the U.S. equity universe. It includes those Russell 1000 Index companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000 Index is a subset of the Russell 3000® Index, representing approximately 90% of the total market capitalization of that Index.

The **Russell 3000 Growth Index** measures the performance of those Russell 3000 Index companies with higher price-to-book ratios and higher forecasted growth values. The Russell 3000 Index is an unmanaged index that measures the performance of the 3000 largest U.S. companies based on total market capitalizations.

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

The **Russell 2000 Index** measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that Index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership.

The **Russell 1000 Value Index** measures the performance of the large- capitalization segment of the U.S. equity universe. It includes those Russell 1000 Index companies with lower price-to-book ratios and lower forecasted growth values. The Russell 1000 Index is a subset of the Russell 3000® Index representing approximately 90% of the total market capitalization of that Index.

The **Morningstar Large Growth**. Large-growth portfolios favor U.S. firms at the larger end of the market-capitalization range. The growth style is assigned to portfolios where growth characteristics predominate.

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: Focused Portfolio Risk, Growth Stock Risk, Market Risk, Mid-Size and Small-Size Company Risk, Sector 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.

These views represent the opinions of Foresters Financial 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 March 31, 2019, 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.

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