

SUPPLEMENT DATED NOVEMBER 15, 2018

**FIRST INVESTORS LIFE SERIES FUNDS SEMI-ANNUAL REPORT
DATED JUNE 30, 2018**

In Note 10 of the Notes to Financial Statements, the information under the bolded heading “Reorganization of Balanced Income Fund into Total Return Fund” beginning on page 144 is deleted and replaced with the following:

Pursuant to the Plan, shares of Balanced Income Fund held by each shareholder of Balanced Income Fund will be exchanged for shares of Total Return Fund with the same aggregate net asset value as the shareholder had in Balanced Income Fund as of the scheduled close of regular trading on the New York Stock Exchange on the closing date of the Reorganization. Upon the completion of the Reorganization, shareholders of Balanced Income Fund will become shareholders of Total Return Fund and Balanced Income Fund will then be terminated. The Reorganization is expected to occur during the third or fourth quarter of 2018. A shareholder vote is not required to reorganize Balanced Income Fund into Total Return Fund. Balanced Income Fund shareholders will receive, prior to the Reorganization, a combined Prospectus and Information Statement that will describe, among other things, the investment objectives, policies and risks of each Fund in the Reorganization and the terms of the Plan. Balanced Income Fund will continue sales, redemptions and exchanges of its shares as described in its prospectus until the closing date of the Reorganization.

* * * * *

This Supplement revises information contained in the Semi-Annual Report listed above and should be read in conjunction with the Semi-Annual Report.

Please retain this Supplement for future reference.

SAR1118



Life Series Funds

- Balanced Income
- Covered Call Strategy
- Equity Income
- Fund For Income
- Government
- Government Cash Management
- Growth & Income
- International
- Investment Grade
- Limited Duration Bond
- Opportunity
- Real Estate
- Select Growth
- Special Situations
- Total Return

FOREWORD

This report is for the information of the shareholders of the Funds. It is the policy of each Fund described in this report to mail only one copy of a Fund's prospectus, annual report, semi-annual report and proxy statements to all shareholders who share the same mailing address and share the same last name and have invested in a Fund covered by the same document. You are deemed to consent to this policy unless you specifically revoke this policy and request that separate copies of such documents be mailed to you. In such case, you will begin to receive your own copies within 30 days after our receipt of the revocation. You may request that separate copies of these disclosure documents be mailed to you by writing to us at: Foresters Investor Services, Inc., Raritan Plaza I, Edison, NJ 08837-3620 or calling us at 1-800-423-4026.

You may obtain a free prospectus for any of the Funds by contacting your representative, calling 1-800-423-4026, writing to us at the following address: Foresters Financial Services, Inc., 40 Wall Street, New York, NY 10005, or by visiting our website at www.foresters.com. You should consider the investment objectives, risks, charges and expenses of a Fund carefully before investing. The prospectus contains this and other information about the Fund, and should be read carefully before investing.

An investment in a Fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. Although the Government Cash Management Fund seeks to preserve a net asset value at \$1.00 per share, it is possible to lose money by investing in it, just as it is possible to lose money by investing in any of the other Funds. Past performance is no guarantee of future results. There is no guarantee that a Fund's investment objective will be achieved.

A Statement of Additional Information ("SAI") for any of the Funds may also be obtained, without charge, upon request by calling 1-800-423-4026, writing to us at our address or by visiting our website listed above. The SAI contains more detailed information about the Funds, including information about their Trustees.

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There are a variety of risks associated with investing in variable life and annuity subaccounts. For all subaccounts, there is the risk that securities selected by the portfolio manager may perform differently than the overall market or may not meet the portfolio managers' expectations. For stock subaccounts, the risks include market risk (the risk that the entire stock market will decline because of an event such as a deterioration in the economy or a rise in interest rates), as well as special risks associated with investing in certain types of stock subaccounts such as small-cap, global or international funds. For bond subaccounts, the risks include interest rate risk and credit risk. Interest rate risk is the risk that bonds will decrease in value as interest rates rise. As a general matter, bonds with longer maturities fluctuate more than bonds with shorter maturities in reaction to changes in interest rates. Credit risk is the risk that bonds will decline in value as the result of a decline in the credit rating of the bonds or the economy as a whole, or that the issuer will be unable to pay interest and/or principal when due. There are also special risks associated with investing in certain types of bond subaccounts, including liquidity risk and prepayment and extension risk. To the extent a subaccount uses derivatives, it will have risks associated with such use. You should consult the Funds' prospectus for a precise explanation of the risks associated with your subaccounts.

Understanding Your Fund's Expenses (unaudited)

FIRST INVESTORS LIFE SERIES FUNDS

As a mutual fund shareholder, you incur two types of costs: (1) transaction costs, and (2) ongoing costs, including advisory fees and other expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The examples are based on an investment of \$1,000 in each Fund at the beginning of the period, January 1, 2018, and held for the entire six-month period ended June 30, 2018. The calculations assume that no shares were bought or sold during the period. Your actual costs may have been higher or lower, depending on the amount of your investment and the timing of any purchases or redemptions.

Actual Expense Example:

These amounts help you to estimate the actual expenses that you paid over the period. The "Ending Account Value" shown is derived from the Fund's actual return, and the "Expenses Paid During Period" shows the dollar amount that would have been paid by an investor who started with \$1,000 in the Fund. You may use the information here, together with the amount you invested, to estimate the expenses that you paid during the period.

To estimate the expenses you paid on your account during this period simply divide your ending account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.60), then multiply the result by the number given for your Fund under the heading "Expenses Paid During Period".

Hypothetical Expense Example:

These amounts provide information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight and help you compare your ongoing costs only and do not reflect any transactional costs. Therefore, the hypothetical expense example is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

Fund Expenses (unaudited)

BALANCED INCOME FUND

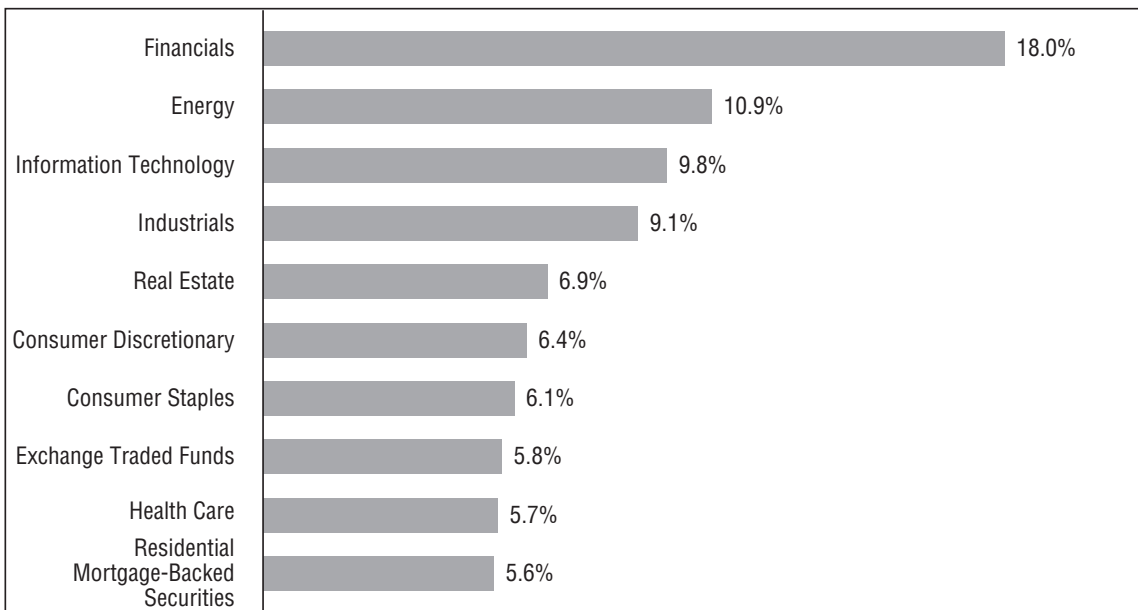
The examples below show the ongoing costs (in dollars) of investing in your Fund and will help you in comparing these costs with costs of other mutual funds. Please refer to page 1 for a detailed explanation of the information presented in these examples.

| | Beginning Account Value (1/1/18) | Ending Account Value (6/30/18) | Expenses Paid During Period (1/1/18–6/30/18)* |
|--|---|---|--|
| Expense Examples | | | |
| Actual | \$1,000.00 | \$964.67 | \$8.04 |
| Hypothetical (5% annual return before expenses) | \$1,000.00 | \$1,016.61 | \$8.25 |

* Expenses are equal to the annualized expense ratio of 1.65%, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period). Expenses paid during the period are net of expenses waived.

Portfolio Composition

TOP TEN SECTORS



Portfolio holdings and allocations are subject to change. Percentages are as of June 30, 2018, and are based on the total value of investments.

Portfolio of Investments

BALANCED INCOME FUND

June 30, 2018

| Principal Amount | Security | Value |
|---------------------------------------|--|-----------|
| CORPORATE BONDS—41.1% | | |
| Automotive—1.4% | | |
| \$ 100M | O'Reilly Automotive, Inc., 3.55%, 3/15/2026 | \$ 95,287 |
| Chemicals—1.4% | | |
| 100M | Dow Chemical Co., 3.5%, 10/1/2024 | 97,527 |
| Energy—7.4% | | |
| 50M | BP Capital Markets, PLC, 3.216%, 11/28/2023 | 49,077 |
| 100M | Enterprise Products Operating, 7.55%, 4/15/2038 | 131,221 |
| 100M | Kinder Morgan Energy Partners, LP, 3.45%, 2/15/2023 | 96,602 |
| 100M | Magellan Midstream Partners, LP, 5%, 3/1/2026 | 105,479 |
| 100M | Valero Energy Corp., 6.625%, 6/15/2037 | 119,918 |
| | | 502,297 |
| Financial Services—5.9% | | |
| 100M | American International Group, Inc., 3.75%, 7/10/2025 | 96,740 |
| 100M | Brookfield Finance, Inc., 4%, 4/1/2024 | 99,057 |
| 100M | General Motors Financial Co., Inc., 5.25%, 3/1/2026 | 103,782 |
| 100M | Travelers Cos., Inc., 4.05%, 3/7/2048 | 97,153 |
| | | 396,732 |
| Financials—7.7% | | |
| 100M | Citigroup, Inc., 4.3%, 11/20/2026 | 97,749 |
| 50M | Deutsche Bank AG of New York, 3.7%, 5/30/2024 | 46,475 |
| 50M | Goldman Sachs Group, Inc., 3.625%, 1/22/2023 | 49,723 |
| 100M | JPMorgan Chase & Co., 6.4%, 5/15/2038 | 122,857 |
| 100M | Morgan Stanley, 4%, 7/23/2025 | 99,787 |
| 100M | Wells Fargo & Co., 5.606%, 1/15/2044 | 107,810 |
| | | 524,401 |
| Food/Beverage/Tobacco—1.4% | | |
| 100M | Dr. Pepper Snapple Group, Inc., 3.43%, 6/15/2027 | 92,568 |
| Forest Products/Containers—.7% | | |
| 50M | Packaging Corp. of America, 3.4%, 12/15/2027 | 47,252 |

Portfolio of Investments (continued)
BALANCED INCOME FUND
June 30, 2018

| Principal Amount or Shares | Security | Value |
|--|---|------------|
| Information Technology—3.2% | | |
| \$ 100M | Corning, Inc., 7.25%, 8/15/2036 | \$ 118,836 |
| 100M | Microsoft Corp., 3.45%, 8/8/2036 | 95,928 |
| | | 214,764 |
| Real Estate—4.3% | | |
| 100M | Alexandria Real Estate Equities, Inc., 3.95%, 1/15/2028 | 96,250 |
| 50M | Essex Portfolio, LP, 3.875%, 5/1/2024 | 49,701 |
| 50M | Vornado Realty, LP, 3.5%, 1/15/2025 | 47,931 |
| 100M | Welltower, Inc., 4%, 6/1/2025 | 98,220 |
| | | 292,102 |
| Retail-General Merchandise—0.8% | | |
| 50M | Amazon.com, Inc., 4.8%, 12/5/2034 | 54,937 |
| Telecommunications—1.4% | | |
| 100M | Verizon Communications, Inc., 4.272%, 1/15/2036 | 92,527 |
| Transportation—3.0% | | |
| 100M | Cummins, Inc., 4.875%, 10/1/2043 | 108,510 |
| 100M | Southwest Airlines Co., 3%, 11/15/2026 | 92,902 |
| | | 201,412 |
| Utilities—2.5% | | |
| 100M | Commonwealth Edison Co., 5.9%, 3/15/2036 | 121,662 |
| 50M | Oklahoma Gas & Electric Co., 4%, 12/15/2044 | 50,483 |
| | | 172,145 |
| Total Value of Corporate Bonds (cost \$2,924,757) | | 2,783,951 |
| COMMON STOCKS—37.4% | | |
| Consumer Discretionary—2.3% | | |
| 600 | Acushnet Holdings Corp. | 14,676 |
| 50 | CBS Corp. – Class “B” | 2,811 |
| 1,100 | DSW, Inc. – Class “A” | 28,402 |
| 550 | Ford Motor Co. | 6,088 |
| 300 | Meredith Corp. | 15,300 |
| 500 | Nordstrom, Inc. | 25,890 |
| 700 | Tapestry, Inc. | 32,697 |
| 300 | Wyndham Destinations, Inc. | 13,281 |
| 300 | Wyndham Hotels & Resorts, Inc. | 17,649 |
| | | 156,794 |

| Shares | Security | Value |
|------------------------------|--|-----------|
| Consumer Staples—4.5% | | |
| 1,050 | Altria Group, Inc. | \$ 59,629 |
| 600 | Coca-Cola Co. | 26,316 |
| 1,226 | Koninklijke Ahold Delhaize NV (ADR) | 29,265 |
| 500 | PepsiCo, Inc. | 54,435 |
| 350 | Philip Morris International, Inc. | 28,259 |
| 350 | Procter & Gamble Co. | 27,321 |
| 500 | Sysco Corp. | 34,145 |
| 500 | Wal-Mart Stores, Inc. | 42,825 |
| | | 302,195 |
| Energy—3.0% | | |
| 100 | Chevron Corp. | 12,643 |
| 200 | ExxonMobil Corp. | 16,546 |
| 500 | Marathon Petroleum Corp. | 35,080 |
| 200 | Occidental Petroleum Corp. | 16,736 |
| 600 | PBF Energy, Inc. – Class “A” | 25,158 |
| 200 | Phillips 66 | 22,462 |
| 400 | Royal Dutch Shell, PLC – Class “A” (ADR) | 27,692 |
| 200 | Schlumberger, Ltd. | 13,406 |
| 800 | Suncor Energy, Inc. | 32,544 |
| | | 202,267 |
| Financials—5.0% | | |
| 300 | Ameriprise Financial, Inc. | 41,964 |
| 100 | Bank of America Corp. | 2,819 |
| 500 | Berkshire Hills Bancorp, Inc. | 20,300 |
| 200 | Chubb, Ltd. | 25,404 |
| 50 | Citigroup, Inc. | 3,346 |
| 600 | Discover Financial Services | 42,246 |
| 500 | Hamilton Lane, Inc. – Class “A” | 23,985 |
| 500 | JPMorgan Chase & Co. | 52,100 |
| 600 | MetLife, Inc. | 26,160 |
| 150 | PNC Financial Services Group, Inc. | 20,265 |
| 600 | U.S. Bancorp | 30,012 |
| 1,400 | Waddell & Reed Financial, Inc. – Class “A” | 25,158 |
| 450 | Wells Fargo & Co. | 24,948 |
| | | 338,707 |

Portfolio of Investments (continued)
BALANCED INCOME FUND
June 30, 2018

| Shares | Security | Value |
|------------------------------------|--|-----------|
| Health Care—5.5% | | |
| 850 | Abbott Laboratories | \$ 51,841 |
| 800 | AbbVie, Inc. | 74,120 |
| 1,000 | GlaxoSmithKline, PLC (ADR) | 40,310 |
| 500 | Johnson & Johnson | 60,670 |
| 900 | Koninklijke Philips NV (ADR) | 38,043 |
| 650 | Merck & Co., Inc. | 39,455 |
| 1,800 | Pfizer, Inc. | 65,304 |
| | | 369,743 |
| Industrials—4.3% | | |
| 300 | 3M Co. | 59,016 |
| 300 | Honeywell International, Inc. | 43,215 |
| 800 | Johnson Controls International, PLC | 26,760 |
| 200 | Lockheed Martin Corp. | 59,086 |
| 600 | Mobile Mini, Inc. | 28,140 |
| 1,800 | Triton International, Ltd. | 55,188 |
| 150 | United Technologies Corp. | 18,755 |
| | | 290,160 |
| Information Technology—6.2% | | |
| 500 | Apple, Inc. | 92,555 |
| 1,300 | Cisco Systems, Inc. | 55,939 |
| 700 | Intel Corp. | 34,797 |
| 900 | Maxim Integrated Products, Inc. | 52,794 |
| 1,050 | Microsoft Corp. | 103,540 |
| 700 | QUALCOMM, Inc. | 39,284 |
| 1,250 | Travelport Worldwide, Ltd. | 23,175 |
| 200 | Western Digital Corp. | 15,482 |
| | | 417,566 |
| Materials—1.1% | | |
| 700 | International Paper Co. | 36,456 |
| 150 | Praxair, Inc. | 23,722 |
| 300 | RPM International, Inc. | 17,496 |
| | | 77,674 |
| Real Estate—2.3% | | |
| 600 | Americold Realty Trust (REIT) | 13,212 |
| 650 | Chesapeake Lodging Trust (REIT) | 20,566 |
| 200 | Federal Realty Investment Trust (REIT) | 25,310 |

| Principal Amount or Shares | Security | Value |
|----------------------------------|---|-----------|
| | Real Estate (continued) | |
| 800 | GGP, Inc. (REIT) | \$ 16,344 |
| 1,042 | RLJ Lodging Trust (REIT) | 22,976 |
| 800 | Tanger Factory Outlet Centers, Inc. (REIT) | 18,792 |
| 850 | Urstadt Biddle Properties, Inc. (REIT) | 19,236 |
| 1,400 | Whitestone REIT (REIT) | 17,472 |
| | | 153,908 |
| | Telecommunication Services—1.2% | |
| 1,150 | AT&T, Inc. | 36,926 |
| 900 | Verizon Communications, Inc. | 45,279 |
| | | 82,205 |
| | Utilities—2.0% | |
| 400 | Black Hills Corp. | 24,484 |
| 500 | Duke Energy Corp. | 39,540 |
| 500 | Exelon Corp. | 21,300 |
| 900 | NiSource, Inc. | 23,652 |
| 400 | WEC Energy Group, Inc. | 25,860 |
| | | 134,836 |
| | Total Value of Common Stocks (cost \$2,177,771) | 2,526,055 |
| | EXCHANGE TRADED FUNDS—5.5% | |
| 3,665 | iShares iBoxx USD High Yield Corporate Bond ETF (ETF) | 311,818 |
| 1,675 | SPDR Bloomberg Barclays High Yield Bond ETF (ETF) | 59,429 |
| | Total Value of Exchange Traded Funds (cost \$313,222) | 371,247 |
| | RESIDENTIAL MORTGAGE-BACKED SECURITIES—5.3% | |
| | Fannie Mae | |
| \$ 56M | 3%, 5/1/2029 | 56,230 |
| 183M | 3.5%, 6/1/2046 | 182,665 |
| 86M | 4%, 3/1/2047 | 88,211 |
| 30M | 4.5%, 1/1/2047 | 31,578 |
| | Total Value of Residential Mortgage-Backed Securities (cost \$372,861) | 358,684 |
| | PASS-THROUGH CERTIFICATES—1.4% | |
| | Transportation | |
| 100M | American Airlines 2017-2 AA PTT, 3.35%, 10/15/2029 (cost \$100,780) | 96,655 |

Portfolio of Investments (continued)
BALANCED INCOME FUND
June 30, 2018

| Principal Amount | Security | Value |
|---|--|-----------------------|
| SHORT-TERM U.S. GOVERNMENT AGENCY OBLIGATIONS—4.4% | | |
| \$300M | U.S. Treasury Bills, 1.7775%, 7/26/2018 (cost \$299,629) | \$ 299,656 |
| Total Value of Investments (cost \$6,189,020) | | 95.1% 6,436,248 |
| Other Assets, Less Liabilities | | 4.9 330,282 |
| Net Assets | | 100.0% \$6,766,530 |

Summary of Abbreviations:

ADR American Depositary Receipts

ETF Exchange Traded Fund

REIT Real Estate Investment Trust

SPDR Standard & Poor's Depository Receipts

USD United States Dollar

PTT Pass-Through Trust

Futures contracts outstanding at June 30, 2018:

| Number of Contracts | Type | Expiration | Notional Amounts | Value at June 30, 2018 | Unrealized Appreciation |
|-------------------------|-------------------------------|------------|---------------------|---------------------------|----------------------------|
| (1) | 5 Year U.S. Treasury Note | Sep. 2018 | \$(114,336) | \$(113,630) | \$ 706 |
| (5) | 10 Year U.S. Treasury Note | Sep. 2018 | (604,531) | (601,001) | 3,530 |
| (1) | U.S. Treasury Long Bond | Sep. 2018 | (145,406) | (145,013) | 393 |
| (Premium received \$89) | | | | | \$4,629 |

The Fund's assets and liabilities are classified into the following three levels based on the inputs used to value the assets and liabilities:

Level 1 — Unadjusted quoted prices in active markets for identical securities that the Fund has the ability to access.

Level 2 — Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 — Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund's own assumption about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The inputs methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For example, U.S. Government securities are reflected as Level 2 because the inputs used to determine fair value may not always be quoted prices in an active market.

The following is a summary, by category of Level, of inputs used to value the Fund's investments as of June 30, 2018:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|--|---------------------|---------------------|----------------|---------------------|
| Assets | | | | |
| Corporate Bonds | \$ — | \$ 2,783,951 | \$ — | \$ 2,783,951 |
| Common Stocks | 2,526,055 | — | — | 2,526,055 |
| Exchange Traded Funds | 371,247 | — | — | 371,247 |
| Residential Mortgage-Backed | | | | |
| Securities | — | 358,684 | — | 358,684 |
| Pass-Through Certificates | — | 96,655 | — | 96,655 |
| Short-Term U.S. Government | | | | |
| Agency Obligations | — | 299,656 | — | 299,656 |
| Total Investments in Securities* | <u>\$ 2,897,302</u> | <u>\$ 3,538,946</u> | <u>\$ —</u> | <u>\$ 6,436,248</u> |
| Other Assets | | | | |
| Futures Contracts | <u>\$ 4,718</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ 4,718</u> |

* The Portfolio of Investments provides information on the industry categorization for corporate bonds, common stocks and pass-through certificates.

There were no transfers into or from Level 1 and Level 2 by the Fund for the period ended June 30, 2018. Transfers, if any, between Levels are recognized at the end of the reporting period.

Fund Expenses (unaudited)

COVERED CALL STRATEGY FUND

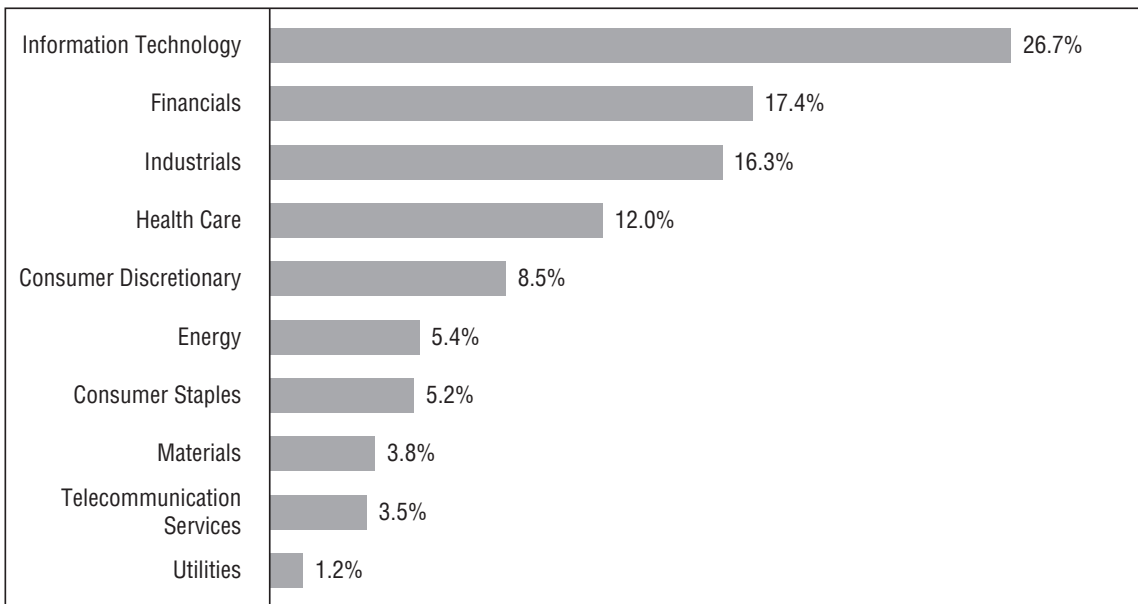
The examples below show the ongoing costs (in dollars) of investing in your Fund and will help you in comparing these costs with costs of other mutual funds. Please refer to page 1 for a detailed explanation of the information presented in these examples.

| | Beginning Account Value (1/1/18) | Ending Account Value (6/30/18) | Expenses Paid During Period (1/1/18–6/30/18)* |
|--|---|---|--|
| Expense Examples | | | |
| Actual | \$1,000.00 | \$974.78 | \$5.04 |
| Hypothetical (5% annual return before expenses) | \$1,000.00 | \$1,019.68 | \$5.16 |

* Expenses are equal to the annualized expense ratio of 1.03%, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period). Expenses paid during the period are net of expenses waived.

Portfolio Composition

BY SECTOR



Portfolio holdings and allocations are subject to change. Percentages are as of June 30, 2018, and are based on the total value of investments.

Portfolio of Investments
 COVERED CALL STRATEGY FUND
 June 30, 2018

| Shares | Security | Value |
|------------------------------------|------------------------|------------|
| COMMON STOCKS—99.3% | | |
| Consumer Discretionary—8.4% | | |
| 4,400 | Carnival Corp. | \$ 252,164 |
| 6,500 | Ford Motor Co. | 71,955 |
| 2,300 | Home Depot, Inc. | 448,730 |
| 3,000 | Whirlpool Corp. | 438,690 |
| | | 1,211,539 |
| Consumer Staples—5.2% | | |
| 1,900 | Costco Wholesale Corp. | 397,062 |
| 2,300 | PepsiCo, Inc. | 250,401 |
| 1,200 | Wal-Mart Stores, Inc. | 102,780 |
| | | 750,243 |
| Energy—5.4% | | |
| 3,700 | Chevron Corp. | 467,791 |
| 6,900 | Halliburton Co. | 310,914 |
| | | 778,705 |
| Financials—17.3% | | |
| 3,400 | American Express Co. | 333,200 |
| 12,300 | Bank of America Corp. | 346,737 |
| 5,700 | BB&T Corp. | 287,508 |
| 900 | BlackRock, Inc. | 449,136 |
| 2,300 | Chubb, Ltd. | 292,146 |
| 5,700 | JPMorgan Chase & Co. | 593,940 |
| 4,100 | Morgan Stanley | 194,340 |
| | | 2,497,007 |
| Health Care—11.9% | | |
| 1,800 | Allergan, PLC | 300,096 |
| 3,300 | * Celgene Corp. | 262,086 |
| 3,900 | CVS Health Corp. | 250,965 |
| 7,500 | Medtronic, PLC | 642,075 |
| 4,200 | Merck & Co., Inc. | 254,940 |
| | | 1,710,162 |

Portfolio of Investments (continued)
COVERED CALL STRATEGY FUND
June 30, 2018

| Shares | Security | Value |
|---|---------------------------------------|---------------------|
| Industrials—16.2% | | |
| 2,500 | Delta Air Lines, Inc. | \$ 123,850 |
| 3,800 | Honeywell International, Inc. | 547,390 |
| 1,100 | Lockheed Martin Corp. | 324,973 |
| 3,300 | Parker Hannifin Corp. | 514,305 |
| 1,600 | Raytheon Co. | 309,088 |
| 3,600 | Union Pacific Corp. | 510,048 |
| | | 2,329,654 |
| Information Technology—26.5% | | |
| 3,900 | Apple, Inc. | 721,929 |
| 1,600 | Broadcom, Ltd. | 388,224 |
| 11,900 | Cisco Systems, Inc. | 512,057 |
| 9,500 | Intel Corp. | 472,245 |
| 2,000 | International Business Machines Corp. | 279,400 |
| 3,300 | Mastercard, Inc. – Class “A” | 648,516 |
| 6,300 | Microsoft Corp. | 621,243 |
| 1,600 | Texas Instruments, Inc. | 176,400 |
| | | 3,820,014 |
| Materials—3.8% | | |
| 8,200 | DowDuPont, Inc. | 540,544 |
| Telecommunication Services—3.5% | | |
| 15,604 | AT&T, Inc. | 501,028 |
| Utilities—1.1% | | |
| 1,000 | NextEra Energy, Inc. | 167,030 |
| Total Value of Common Stocks (cost \$13,300,262) | | 99.3% 14,305,926 |
| Other Assets, Less Liabilities | | .7 96,909 |
| Net Assets | | 100.0% \$14,402,835 |

* Non-income producing

| CALL OPTIONS WRITTEN—(1.1)% | Expiration Date | Exercise Price | Contracts | Value |
|---|----------------------------|---------------------------|------------------|--------------|
| Allergan, PLC | 7/20/18 | \$180.00 | (18) | \$ (1,116) |
| American Express Co. | 7/20/18 | 105.00 | (25) | (750) |
| American Express Co. | 7/20/18 | 100.00 | (9) | (1,341) |
| Apple, Inc. | 7/20/18 | 195.00 | (39) | (1,872) |
| AT&T, Inc. | 9/21/18 | 34.00 | (156) | (7,800) |
| Bank of America Corp. | 7/20/18 | 31.00 | (123) | (861) |
| BB&T Corp. | 9/21/18 | 57.50 | (57) | (1,425) |
| BlackRock, Inc. | 10/19/18 | 590.00 | (1) | (237) |
| BlackRock, Inc. | 10/19/18 | 570.00 | (8) | (4,400) |
| Broadcom, Ltd. | 8/17/18 | 280.00 | (14) | (840) |
| Broadcom, Ltd. | 8/17/18 | 280.00 | (2) | (120) |
| Carnival Corp. | 7/20/18 | 67.50 | (38) | (114) |
| Carnival Corp. | 8/17/18 | 62.50 | (6) | (240) |
| Celgene Corp. | 8/17/18 | 85.00 | (33) | (5,214) |
| Chevron Corp. | 7/20/18 | 135.00 | (31) | (527) |
| Chevron Corp. | 8/17/18 | 135.00 | (6) | (576) |
| Chubb, Ltd. | 7/20/18 | 130.00 | (1) | (150) |
| Chubb, Ltd. | 8/17/18 | 140.00 | (22) | (770) |
| Cisco Systems, Inc. | 7/20/18 | 45.00 | (119) | (1,666) |
| Costco Wholesale Corp. | 9/21/18 | 210.00 | (16) | (11,600) |
| Costco Wholesale Corp. | 9/21/18 | 210.00 | (3) | (2,175) |
| CVS Health Corp. | 8/17/18 | 75.00 | (37) | (1,036) |
| CVS Health Corp. | 8/17/18 | 77.50 | (2) | (32) |
| Delta Air Lines, Inc. | 7/20/18 | 53.50 | (25) | (775) |
| DowDuPont, Inc. | 9/21/18 | 75.00 | (64) | (3,008) |
| DowDuPont, Inc. | 9/21/18 | 72.50 | (13) | (1,118) |
| DowDuPont, Inc. | 9/21/18 | 70.00 | (5) | (690) |
| Ford Motor Co. | 9/21/18 | 11.87 | (65) | (1,170) |
| Halliburton Co. | 7/20/18 | 57.50 | (25) | (25) |
| Halliburton Co. | 7/27/18 | 50.00 | (44) | (1,056) |
| Home Depot, Inc. | 8/17/18 | 210.00 | (17) | (2,057) |
| Home Depot, Inc. | 9/21/18 | 195.00 | (6) | (4,650) |
| Honeywell International, Inc. | 9/21/18 | 160.00 | (38) | (1,710) |
| Intel Corp. | 7/20/18 | 60.00 | (81) | (81) |
| Intel Corp. | 7/20/18 | 52.50 | (14) | (434) |
| International Business Machines Corp. | 9/21/18 | 150.00 | (20) | (3,020) |
| JPMorgan Chase & Co. | 9/21/18 | 120.00 | (57) | (2,622) |
| Lockheed Martin Corp. | 7/20/18 | 340.00 | (9) | (90) |
| Lockheed Martin Corp. | 8/17/18 | 320.00 | (2) | (560) |
| Mastercard, Inc. - Class "A" | 7/20/18 | 195.00 | (15) | (7,050) |
| Medtronic, PLC | 7/20/18 | 87.50 | (75) | (3,825) |
| Merck & Co., Inc. | 9/21/18 | 60.00 | (42) | (13,020) |
| Microsoft Corp. | 9/21/18 | 105.00 | (23) | (4,255) |
| Microsoft Corp. | 9/21/18 | 100.00 | (40) | (15,080) |
| Morgan Stanley | 7/27/18 | 54.00 | (30) | (240) |

Portfolio of Investments (continued)
COVERED CALL STRATEGY FUND
 June 30, 2018

| CALL OPTIONS WRITTEN (continued) | Expiration Date | Exercise Price | Contracts | Value |
|--|----------------------------|---------------------------|------------------|---------------------|
| Morgan Stanley | 8/17/18 | 52.50 | (11) | \$ (363) |
| NextEra Energy, Inc. | 7/20/18 | 165.00 | (8) | (3,232) |
| NextEra Energy, Inc. | 8/17/18 | 170.00 | (2) | (556) |
| Parker Hannifin Corp. | 7/20/18 | 175.00 | (12) | (120) |
| Parker Hannifin Corp. | 8/17/18 | 200.00 | (8) | (40) |
| Parker Hannifin Corp. | 8/17/18 | 175.00 | (13) | (1,339) |
| PepsiCo, Inc. | 7/20/18 | 105.00 | (11) | (5,500) |
| PepsiCo, Inc. | 9/21/18 | 110.00 | (12) | (3,948) |
| Raytheon Co. | 7/20/18 | 200.00 | (16) | (1,920) |
| Texas Instruments, Inc. | 7/20/18 | 110.00 | (13) | (3,562) |
| Texas Instruments, Inc. | 8/17/18 | 115.00 | (3) | (666) |
| Union Pacific Corp. | 8/17/18 | 140.00 | (36) | (21,420) |
| Wal-Mart Stores, Inc. | 9/21/18 | 95.00 | (12) | (564) |
| Whirlpool Corp. | 7/20/18 | 160.00 | (25) | (425) |
| Whirlpool Corp. | 8/17/18 | 160.00 | (5) | (818) |
| Total Call Options Written (premium received \$240,645) | | | | \$ (155,871) |

The Fund's assets and liabilities are classified into the following three levels based on the inputs used to value the assets and liabilities:

- Level 1 — Unadjusted quoted prices in active markets for identical securities that the Fund has the ability to access.
- Level 2 — Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.
- Level 3 — Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund's own assumption about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The inputs methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For example, U.S. Government securities are reflected as Level 2 because the inputs used to determine fair value may not always be quoted prices in an active market.

The following is a summary, by category of Level, of inputs used to value the Fund's investments as of June 30, 2018:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|--------------------------------|----------------------|----------------|----------------|----------------------|
| Assets | | | | |
| Common Stocks* | <u>\$ 14,305,926</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ 14,305,926</u> |
| Liabilities | | | | |
| Call Options Written | <u>\$ (155,871)</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ (155,871)</u> |

* The Portfolio of Investments provides information on the industry categorization for common stocks. There were no transfers into or from Level 1 and Level 2 by the Fund for the period ended June 30, 2018. Transfers, if any, between Levels are recognized at the end of the reporting period.

Fund Expenses (unaudited)

EQUITY INCOME FUND

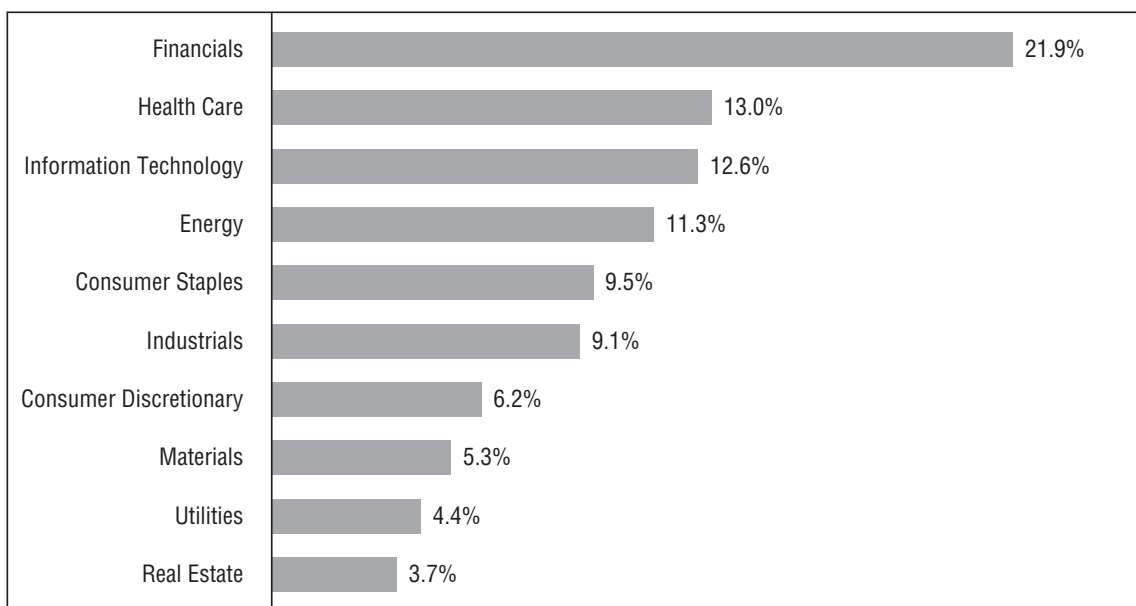
The examples below show the ongoing costs (in dollars) of investing in your Fund and will help you in comparing these costs with costs of other mutual funds. Please refer to page 1 for a detailed explanation of the information presented in these examples.

| | Beginning Account Value (1/1/18) | Ending Account Value (6/30/18) | Expenses Paid During Period (1/1/18–6/30/18)* |
|--|---|---|--|
| Expense Examples | | | |
| Actual | \$1,000.00 | \$986.48 | \$3.99 |
| Hypothetical (5% annual return before expenses) | \$1,000.00 | \$1,020.77 | \$4.06 |

* Expenses are equal to the annualized expense ratio of .81%, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

Portfolio Composition

TOP TEN SECTORS



Portfolio holdings and allocations are subject to change. Percentages are as of June 30, 2018, and are based on the total value of investments.

Portfolio of Investments

EQUITY INCOME FUND

June 30, 2018

| Shares | Security | Value |
|------------------------------------|-------------------------------------|------------|
| COMMON STOCKS—96.5% | | |
| Consumer Discretionary—6.1% | | |
| 14,400 | Acushnet Holdings Corp. | \$ 352,224 |
| 11,400 | American Eagle Outfitters, Inc. | 265,050 |
| 39,000 | Comcast Corp. – Special Shares “A” | 1,279,590 |
| 22,145 | Dana Holding Corp. | 447,108 |
| 28,050 | Ford Motor Co. | 310,513 |
| 12,800 | Lowe’s Cos., Inc. | 1,223,296 |
| 5,200 | McDonald’s Corp. | 814,788 |
| 3,000 | Oxford Industries, Inc. | 248,940 |
| 26,000 | Penske Automotive Group, Inc. | 1,218,100 |
| 17,000 | Tapestry, Inc. | 794,070 |
| 11,600 | Wyndham Hotels & Resorts, Inc. | 682,428 |
| | | 7,636,107 |
| Consumer Staples—9.2% | | |
| 17,100 | Altria Group, Inc. | 971,109 |
| 18,600 | Coca-Cola Co. | 815,796 |
| 12,700 | CVS Health Corp. | 817,245 |
| 4,700 | J.M. Smucker Co. | 505,156 |
| 7,950 | Keurig Dr Pepper, Inc. | 969,900 |
| 7,400 | Kimberly-Clark Corp. | 779,516 |
| 10,582 | Koninklijke Ahold Delhaize NV (ADR) | 252,592 |
| 6,966 | Kraft Heinz Co. | 437,604 |
| 12,800 | PepsiCo, Inc. | 1,393,536 |
| 15,200 | Philip Morris International, Inc. | 1,227,248 |
| 14,200 | Pinnacle Foods, Inc. | 923,852 |
| 14,600 | Procter & Gamble Co. | 1,139,676 |
| 16,100 | Wal-Mart Stores, Inc. | 1,378,965 |
| | | 11,612,195 |
| Energy—11.1% | | |
| 11,700 | Anadarko Petroleum Corp. | 857,025 |
| 6,600 | Andeavor Logistics, LP | 865,788 |
| 21,400 | Chevron Corp. | 2,705,602 |
| 14,950 | ConocoPhillips | 1,040,819 |
| 71,000 | EnCana Corp. | 926,550 |
| 7,100 | EOG Resources, Inc. | 883,453 |
| 12,300 | ExxonMobil Corp. | 1,017,579 |
| 18,600 | Occidental Petroleum Corp. | 1,556,448 |
| 9,800 | PBF Energy, Inc. – Class “A” | 410,914 |

Portfolio of Investments (continued)

EQUITY INCOME FUND

June 30, 2018

| Shares | Security | | Value |
|--------|---|----|------------|
| | Energy (continued) | | |
| 22,650 | Royal Dutch Shell, PLC – Class “A” (ADR) | \$ | 1,568,060 |
| 18,800 | Schlumberger, Ltd. | | 1,260,164 |
| 20,300 | Suncor Energy, Inc. | | 825,804 |
| | | | 13,918,206 |
| | Financials—20.8% | | |
| 30,700 | * AllianceBernstein Holding, LP (MLP) | | 876,485 |
| 15,950 | American Express Co. | | 1,563,100 |
| 21,900 | Bank of New York Mellon Corp. | | 1,181,067 |
| 17,650 | Berkshire Hills Bancorp, Inc. | | 716,590 |
| 14,067 | Chubb, Ltd. | | 1,786,790 |
| 12,200 | Comerica, Inc. | | 1,109,224 |
| 13,250 | Discover Financial Services | | 932,932 |
| 19,700 | FNF Group, Inc. | | 741,114 |
| 21,500 | Hamilton Lane, Inc. – Class “A” | | 1,031,355 |
| 17,300 | Invesco, Ltd. | | 459,488 |
| 22,400 | iShares S&P U.S. Preferred Stock Index Fund (ETF) | | 844,704 |
| 25,600 | JPMorgan Chase & Co. | | 2,667,520 |
| 15,800 | MetLife, Inc. | | 688,880 |
| 31,900 | Old National Bancorp of Indiana | | 593,340 |
| 9,700 | PNC Financial Services Group, Inc. | | 1,310,470 |
| 13,600 | Popular, Inc. | | 614,856 |
| 13,000 | Prosperity Bancshares, Inc. | | 888,680 |
| 69,700 | Regions Financial Corp. | | 1,239,266 |
| 41,000 | Sterling Bancorp | | 963,500 |
| 7,900 | Travelers Cos., Inc. | | 966,486 |
| 21,900 | U.S. Bancorp | | 1,095,438 |
| 30,400 | Waddell & Reed Financial, Inc. – Class “A” | | 546,288 |
| 58,650 | Wells Fargo & Co. | | 3,251,556 |
| | | | 26,069,129 |
| | Health Care—12.6% | | |
| 20,300 | Abbott Laboratories | | 1,238,097 |
| 12,000 | AbbVie, Inc. | | 1,111,800 |
| 4,400 | Aetna, Inc. | | 807,400 |
| 17,050 | GlaxoSmithKline, PLC (ADR) | | 687,285 |
| 19,550 | Johnson & Johnson | | 2,372,197 |
| 16,600 | Koninklijke Philips NV (ADR) | | 701,682 |
| 13,112 | Medtronic, PLC | | 1,122,518 |
| 40,820 | Merck & Co., Inc. | | 2,477,774 |
| 77,485 | Pfizer, Inc. | | 2,811,156 |

| Shares | Security | Value |
|-------------------------------------|--|------------|
| Health Care (continued) | | |
| 12,301 | Phibro Animal Health Corp. – Class “A” | \$ 566,461 |
| 20,600 | Smith & Nephew, PLC (ADR) | 773,118 |
| 5,000 | UnitedHealth Group, Inc. | 1,226,700 |
| | | 15,896,188 |
| Industrials—8.9% | | |
| 4,400 | 3M Co. | 865,568 |
| 5,600 | A.O. Smith Corp. | 331,240 |
| 14,300 | Eaton Corp., PLC | 1,068,782 |
| 3,400 | General Dynamics Corp. | 633,794 |
| 11,100 | Honeywell International, Inc. | 1,598,955 |
| 10,300 | Ingersoll-Rand, PLC | 924,219 |
| 6,250 | ITT, Inc. | 326,688 |
| 16,600 | Knight-Swift Transportation Holdings, Inc. | 634,286 |
| 3,680 | Lockheed Martin Corp. | 1,087,182 |
| 27,300 | Schneider National, Inc. – Class “B” | 751,023 |
| 22,900 | Triton International, Ltd. | 702,114 |
| 7,500 | United Parcel Service, Inc. – Class “B” | 796,725 |
| 11,500 | United Technologies Corp. | 1,437,845 |
| | | 11,158,421 |
| Information Technology—12.4% | | |
| 6,890 | Apple, Inc. | 1,275,408 |
| 3,500 | Broadcom, Ltd. | 849,240 |
| 51,500 | Cisco Systems, Inc. | 2,216,045 |
| 37,300 | Cypress Semiconductor Corp. | 581,134 |
| 42,000 | HP Enterprise Co. | 613,620 |
| 28,000 | HP, Inc. | 635,320 |
| 34,200 | Intel Corp. | 1,700,082 |
| 3,650 | Lam Research Corp. | 630,903 |
| 6,100 | LogMeIn, Inc. | 629,825 |
| 8,800 | Microchip Technology, Inc. | 800,360 |
| 28,250 | Microsoft Corp. | 2,785,733 |
| 9,600 | MKS Instruments, Inc. | 918,720 |
| 19,200 | QUALCOMM, Inc. | 1,077,504 |
| 14,900 | Silicon Motion Technology Corp. (ADR) | 788,061 |
| | | 15,501,955 |

Portfolio of Investments (continued)

EQUITY INCOME FUND

June 30, 2018

| Shares | Security | Value |
|---|--|--------------------|
| Materials—5.2% | | |
| 26,431 | DowDuPont, Inc. | \$ 1,742,332 |
| 7,400 | Eastman Chemical Co. | 739,704 |
| 14,300 | FMC Corp. | 1,275,703 |
| 6,800 | LyondellBasell Industries NV – Class “A” | 746,980 |
| 4,400 | Praxair, Inc. | 695,860 |
| 8,000 | Sealed Air Corp. | 339,600 |
| 16,690 | WestRock Co. | 951,664 |
| | | 6,491,843 |
| Real Estate—3.0% | | |
| 37,000 | Americold Realty Trust (REIT) | 814,740 |
| 14,200 | Douglas Emmett, Inc. (REIT) | 570,556 |
| 5,200 | Federal Realty Investment Trust (REIT) | 658,060 |
| 34,400 | GGP, Inc. (REIT) | 702,792 |
| 20,800 | Sunstone Hotel Investors, Inc. (REIT) | 345,696 |
| 30,200 | Urstadt Biddle Properties, Inc. (REIT) | 683,426 |
| | | 3,775,270 |
| Telecommunication Services—2.9% | | |
| 47,884 | AT&T, Inc. | 1,537,555 |
| 42,300 | Verizon Communications, Inc. | 2,128,113 |
| | | 3,665,668 |
| Utilities—4.3% | | |
| 7,450 | American Electric Power Co., Inc. | 515,912 |
| 20,500 | CenterPoint Energy, Inc. | 568,055 |
| 10,350 | Dominion Energy, Inc. | 705,663 |
| 7,100 | Duke Energy Corp. | 561,468 |
| 25,700 | Exelon Corp. | 1,094,820 |
| 4,100 | NextEra Energy, Inc. | 684,823 |
| 13,000 | PPL Corp. | 371,150 |
| 13,000 | Vectren Corp. | 928,850 |
| | | 5,430,741 |
| Total Value of Common Stocks (cost \$88,580,650) | | 121,155,723 |

| Shares | Security | | Value |
|---|--|--------|---------------|
| PREFERRED STOCKS—1.2% | | | |
| Financials—.6% | | | |
| 200 | Citizens Financial Group, Inc., Series A, 5.5%, 2049 | \$ | 204,000 |
| 21,200 | JPMorgan Chase & Co., Series Y, 6.125%, 2020 | | 555,016 |
| | | | 759,016 |
| Real Estate—.6% | | | |
| 11,400 | Digital Realty Trust, Inc. (REIT), Series G, 5.875%, 2049 | | 289,674 |
| 11,000 | Urstadt Biddle Properties, Inc. (REIT): Series G, 6.75%, 2049 | | 277,090 |
| 8,300 | Series H, 6.25%, 2022 | | 207,878 |
| | | | 774,642 |
| Total Value of Preferred Stocks (cost \$1,495,099) | | | 1,533,658 |
| Total Value of Investments (cost \$90,075,749) | | 97.7% | 122,689,381 |
| Other Assets, Less Liabilities | | 2.3 | 2,826,514 |
| Net Assets | | 100.0% | \$125,515,895 |

* Non-income producing

Summary of Abbreviations:

ADR American Depositary Receipts

ETF Exchange Traded Fund

MLP Master Limited Partnership

REIT Real Estate Investment Trust

| CALL OPTIONS WRITTEN—.0% | Date | Price | Contracts | Value |
|--|---------|----------|-----------|-----------|
| Bank of New York Mellon Corp..... | 7/20/18 | \$ 56.00 | (10) | \$ (610) |
| JP Morgan Chase & Co..... | 7/13/18 | 108.00 | (10) | (600) |
| McDonald's Corp..... | 7/20/18 | 162.50 | (20) | (1,400) |
| Microsoft Corp..... | 7/6/18 | 103.00 | (10) | (60) |
| Total Call Options Written (premium received \$8,340) | | | | \$(2,670) |

Portfolio of Investments (continued)

EQUITY INCOME FUND

June 30, 2018

The Fund's assets and liabilities are classified into the following three levels based on the inputs used to value the assets and liabilities:

- Level 1 — Unadjusted quoted prices in active markets for identical securities that the Fund has the ability to access.
- Level 2 — Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.
- Level 3 — Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund's own assumption about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The inputs methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For example, U.S. Government securities are reflected as Level 2 because the inputs used to determine fair value may not always be quoted prices in an active market.

The following is a summary, by category of Level, of inputs used to value the Fund's investments as of June 30, 2018:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|--------------------------------------|----------------------|----------------|----------------|----------------------|
| Assets | | | | |
| Common Stocks | \$121,155,723 | \$ — | \$ — | \$121,155,723 |
| Preferred Stocks | <u>1,533,658</u> | <u>—</u> | <u>—</u> | <u>1,533,658</u> |
| Total Investments in Securities* . . | <u>\$122,689,381</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$122,689,381</u> |
| Liabilities | | | | |
| Call Options Written | <u>\$ (2,670)</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ (2,670)</u> |

* The Portfolio of Investments provides information on the industry categorization for common stocks and preferred stocks.

There were no transfers into or from Level 1 and Level 2 by the Fund for the period ended June 30, 2018. Transfers, if any, between Levels are recognized at the end of the reporting period.

Fund Expenses (unaudited)

FUND FOR INCOME

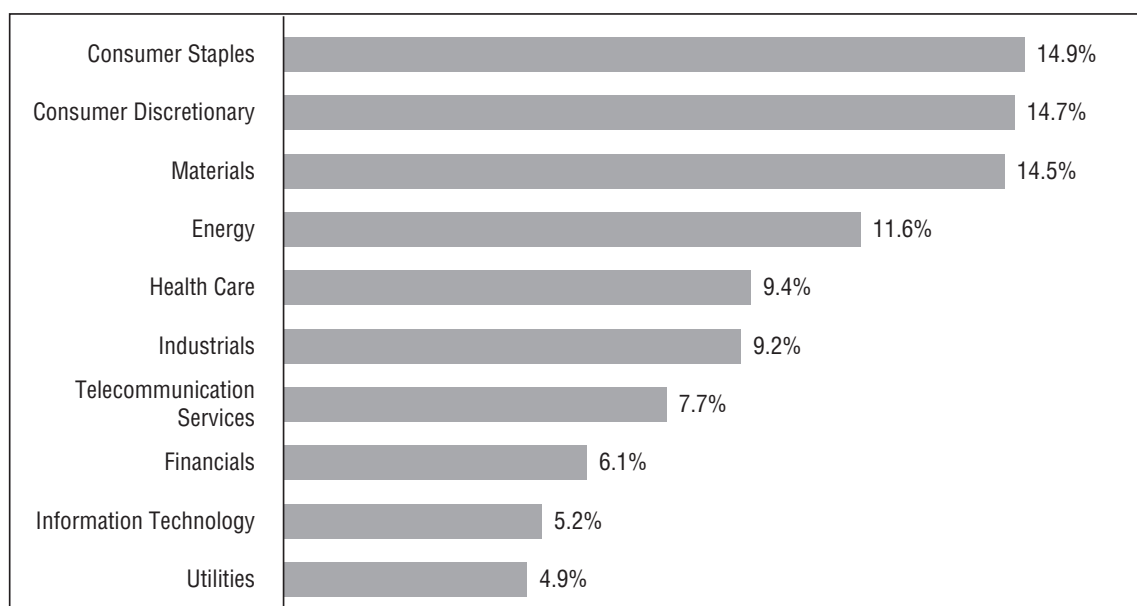
The examples below show the ongoing costs (in dollars) of investing in your Fund and will help you in comparing these costs with costs of other mutual funds. Please refer to page 1 for a detailed explanation of the information presented in these examples.

| | Beginning Account Value (1/1/18) | Ending Account Value (6/30/18) | Expenses Paid During Period (1/1/18–6/30/18)* |
|--|---|---|--|
| Expense Examples | | | |
| Actual | \$1,000.00 | \$993.79 | \$4.40 |
| Hypothetical (5% annual return before expenses) | \$1,000.00 | \$1,020.38 | \$4.46 |

* Expenses are equal to the annualized expense ratio of .89%, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

Portfolio Composition

TOP TEN SECTORS



Portfolio holdings and allocations are subject to change. Percentages are as of June 30, 2018, and are based on the total value of investments.

Portfolio of Investments

FUND FOR INCOME

June 30, 2018

| Principal Amount | Security | Value |
|--------------------------------|--|------------|
| CORPORATE BONDS—88.2% | | |
| Aerospace/Defense—2.5% | | |
| Bombardier, Inc.: | | |
| \$ 375M | 8.75%, 12/1/2021 (a) | \$ 414,375 |
| 275M | 7.5%, 12/1/2024 (a) | 290,125 |
| 150M | 7.5%, 3/15/2025 (a) | 156,938 |
| 500M | KLX, Inc., 5.875%, 12/1/2022 (a) | 521,250 |
| Meccanica Holdings USA, Inc.: | | |
| 275M | 7.375%, 7/15/2039 (a) | 325,875 |
| 100M | 6.25%, 1/15/2040 (a) | 108,500 |
| TransDigm, Inc.: | | |
| 250M | 5.5%, 10/15/2020 | 250,313 |
| 525M | 6.375%, 6/15/2026 | 522,375 |
| | | 2,589,751 |
| Automotive—2.8% | | |
| 425M | Adient Global Holdings, Ltd., 4.875%, 8/15/2026 (a) | 383,562 |
| 425M | American Axle & Manufacturing, Inc., 6.25%, 4/1/2025 | 423,406 |
| 225M | Asbury Automotive Group, Inc., 6%, 12/15/2024 | 224,086 |
| 225M | Avis Budget Group, Inc., 6.375%, 4/1/2024 (a) | 221,625 |
| 175M | Cooper Standard Automotive, Inc., 5.625%, 11/15/2026 (a) | 173,250 |
| 150M | Dana Financing Luxembourg Sarl, 6.5%, 6/1/2026 (a) | 152,625 |
| Dana Holding Corp.: | | |
| 200M | 6%, 9/15/2023 | 207,250 |
| 250M | 5.5%, 12/15/2024 | 248,125 |
| 100M | Group 1 Automotive, Inc., 5.25%, 12/15/2023 (a) | 96,500 |
| Hertz Corp.: | | |
| 250M | 5.875%, 10/15/2020 | 245,625 |
| 250M | 7.625%, 6/1/2022 (a) | 240,625 |
| 225M | J.B. Poindexter & Co., 7.125%, 4/15/2026 (a) | 231,750 |
| | | 2,848,429 |
| Building Materials—1.2% | | |
| 500M | Building Materials Corp., 5.375%, 11/15/2024 (a) | 496,250 |
| 500M | Griffon Corp., 5.25%, 3/1/2022 | 488,325 |
| 250M | New Enterprise Stone & Lime Co., 6.25%, 3/15/2026 (a) | 253,125 |
| | | 1,237,700 |
| Chemicals—3.3% | | |
| 175M | A. Schulman, Inc., 6.875%, 6/1/2023 | 184,931 |
| 275M | Blue Cube Spinco, Inc., 10%, 10/15/2025 | 321,062 |
| 275M | CF Industries, Inc., 4.95%, 6/1/2043 | 233,406 |

| Principal Amount | Security | Value |
|-----------------------------------|---|------------|
| Chemicals (continued) | | |
| \$ 225M | Chemours Co., 6.625%, 5/15/2023 | \$ 236,250 |
| 275M | CVR Partners, LP, 9.25%, 6/15/2023 (a) | 284,281 |
| 225M | PQ Corp., 6.75%, 11/15/2022 (a) | 237,094 |
| 650M | Rain CII Carbon, LLC, 7.25%, 4/1/2025 (a) | 663,000 |
| 350M | Rayonier AM Products, Inc., 5.5%, 6/1/2024 (a) | 330,750 |
| 500M | Tronox, Inc., 6.5%, 4/15/2026 (a) | 498,125 |
| 375M | Univar USA, Inc., 6.75%, 7/15/2023 (a) | 387,188 |
| | | 3,376,087 |
| Consumer Non-Durables—1.8% | | |
| 225M | Eagle Intermediate Global Holding, 7.5%, 5/1/2025 (a) | 225,281 |
| 125M | Energizer Gamma Acquisition, 6.375%, 7/15/2026 (a)(b) | 127,344 |
| 250M | Energizer Holdings, Inc., 5.5%, 6/15/2025 (a) | 246,250 |
| 350M | First Quality Finance Co., 4.625%, 5/15/2021 (a) | 343,000 |
| 550M | Kronos Acquisition, Inc., 9%, 8/15/2023 (a) | 496,375 |
| Reynolds Group Holdings, Inc.: | | |
| 267M | 5.75%, 10/15/2020 | 267,837 |
| 125M | 5.125%, 7/15/2023 (a) | 123,594 |
| | | 1,829,681 |
| Energy—11.5% | | |
| 250M | Andeavor Logistics, LP, 6.875%, 12/29/2049 | 247,969 |
| Antero Resources Corp.: | | |
| 125M | 5.375%, 11/1/2021 | 127,031 |
| 50M | 5.125%, 12/1/2022 | 50,375 |
| 250M | Apergy Corp., 6.375%, 5/1/2026 (a) | 254,375 |
| 250M | Baytex Energy Corp., 5.125%, 6/1/2021 (a) | 243,125 |
| 225M | Berry Petroleum Co., 7%, 2/15/2026 (a) | 230,625 |
| 200M | Blue Racer Midstream, LLC, 6.125%, 11/15/2022 (a) | 203,000 |
| Carrizo Oil & Gas, Inc.: | | |
| 50M | 6.25%, 4/15/2023 | 50,875 |
| 75M | 8.25%, 7/15/2025 | 79,875 |
| 150M | CONSOL Energy, Inc., 5.875%, 4/15/2022 | 151,154 |
| Consolidated Energy Finance SA: | | |
| 375M | 6.09063%, 6/15/2022 (a)† | 375,140 |
| 225M | 6.875%, 6/15/2025 (a) | 231,750 |
| 150M | 6.5%, 5/15/2026 (a) | 148,688 |
| 250M | Covey Park Energy, LLC, 7.5%, 5/15/2025 (a) | 256,250 |
| Crestwood Midstream Partners, LP: | | |
| 250M | 6.25%, 4/1/2023 | 255,625 |
| 450M | 5.75%, 4/1/2025 | 451,125 |

Portfolio of Investments (continued)

FUND FOR INCOME

June 30, 2018

| Principal Amount | Security | Value |
|------------------|---|------------|
| | Energy (continued) | |
| \$ 300M | CSI Compressco, LP, 7.5%, 4/1/2025 (a) | \$ 302,625 |
| | DCP Midstream Operating, LP: | |
| 325M | 5.35%, 3/15/2020 (a) | 331,906 |
| 225M | 7.375%, 12/29/2049 † | 215,859 |
| 275M | Delek Logistics Partners, LP, 6.75%, 5/15/2025 | 276,375 |
| | Diamondback Energy, Inc.: | |
| 75M | 4.75%, 11/1/2024 | 73,406 |
| 100M | 5.375%, 5/31/2025 (a) | 100,125 |
| 400M | Exterran Partners, LP, 6%, 10/1/2022 | 398,000 |
| 100M | Forum Energy Technologies, Inc., 6.25%, 10/1/2021 | 100,250 |
| | Genesis Energy, LP: | |
| 200M | 6.75%, 8/1/2022 | 203,000 |
| 100M | 5.625%, 6/15/2024 | 94,000 |
| 300M | Global Partners, LP, 6.25%, 7/15/2022 | 292,500 |
| 175M | Gulfport Energy Corp., 6.375%, 5/15/2025 | 170,844 |
| 125M | Hilcorp Energy I, LP, 5%, 12/1/2024 (a) | 121,875 |
| 275M | Matador Resources Co., 6.875%, 4/15/2023 | 288,750 |
| 125M | McDermott Escrow 1, Inc., 10.625%, 5/1/2024 (a) | 130,625 |
| 250M | MEG Energy Corp., 6.375%, 1/30/2023 (a) | 233,750 |
| | Murphy Oil Corp.: | |
| 200M | 4.45%, 12/1/2022 | 197,482 |
| 175M | 5.75%, 8/15/2025 | 174,947 |
| 100M | 5.875%, 12/1/2042 | 91,000 |
| 275M | Nabors Industries, Inc., 5.75%, 2/1/2025 (a) | 260,562 |
| 250M | Newfield Exploration Co., 5.375%, 1/1/2026 | 256,875 |
| 250M | NGPL Pipeco, LLC, 4.875%, 8/15/2027 (a) | 247,813 |
| | Oasis Petroleum, Inc.: | |
| 250M | 6.875%, 1/15/2023 | 254,688 |
| 175M | 6.25%, 5/1/2026 (a) | 176,969 |
| 250M | Parkland Fuel Corp., 6%, 4/1/2026 (a) | 246,875 |
| | Parsley Energy, LLC: | |
| 50M | 6.25%, 6/1/2024 (a) | 52,000 |
| 275M | 5.25%, 8/15/2025 (a) | 271,563 |
| 50M | 5.625%, 10/15/2027 (a) | 49,750 |
| | PDC Energy, Inc.: | |
| 175M | 6.125%, 9/15/2024 | 179,375 |
| 100M | 5.75%, 5/15/2026 (a) | 99,125 |
| | Precision Drilling Corp.: | |
| 121M | 6.5%, 12/15/2021 | 124,619 |
| 150M | 7.125%, 1/15/2026 (a) | 154,425 |
| 200M | QEP Resources, Inc., 6.875%, 3/1/2021 | 213,500 |
| 100M | RSP Permian, Inc., 5.25%, 1/15/2025 | 107,470 |

| Principal Amount | Security | Value |
|--|---|------------|
| Energy (continued) | | |
| SM Energy Co.: | | |
| \$ 350M | 5%, 1/15/2024 | \$ 332,937 |
| 150M | 5.625%, 6/1/2025 | 143,625 |
| Southwestern Energy Co.: | | |
| 150M | 7.5%, 4/1/2026 | 156,000 |
| 175M | 7.75%, 10/1/2027 | 182,437 |
| 100M | Suburban Propane Partners, LP, 5.875%, 3/1/2027 | 94,000 |
| 175M | Sunoco, LP, 5.875%, 3/15/2028 (a) | 165,433 |
| 225M | Transocean Guardian, Ltd., 5.875%, 1/15/2024 (a)(b) | 224,438 |
| 75M | Unit Corp., 6.625%, 5/15/2021 | 75,187 |
| 350M | Whiting Petroleum Corp., 6.25%, 4/1/2023 | 359,625 |
| WPX Energy, Inc.: | | |
| 94M | 6%, 1/15/2022 | 98,230 |
| 150M | 5.75%, 6/1/2026 | 150,141 |
| | | 11,831,963 |
| Financials—5.2% | | |
| 350M | Ally Financial, Inc., 8%, 11/1/2031 | 418,250 |
| 250M | Arch Merger Sub, Inc., 8.5%, 9/15/2025 (a) | 233,750 |
| 225M | Credit Suisse Group AG, 7.5%, 12/11/2023 (a) | 232,855 |
| 275M | CSTN Merger Sub, Inc., 6.75%, 8/15/2024 (a) | 269,844 |
| 550M | DAE Funding, LLC, 5%, 8/1/2024 (a) | 529,650 |
| Icahn Enterprises, LP: | | |
| 200M | 6.25%, 2/1/2022 | 204,500 |
| 275M | 6.75%, 2/1/2024 | 278,094 |
| Intesa Sanpaolo SpA: | | |
| 300M | 5.017%, 6/26/2024 (a) | 272,642 |
| 250M | 5.71%, 1/15/2026 (a) | 228,930 |
| Ladder Capital Finance Holdings, LLLP: | | |
| 200M | 5.25%, 3/15/2022 (a) | 200,500 |
| 400M | 5.25%, 10/1/2025 (a) | 376,420 |
| 375M | LPL Holdings, Inc., 5.75%, 9/15/2025 (a) | 365,625 |
| 400M | Navient Corp., 5.875%, 3/25/2021 | 407,500 |
| Springleaf Finance Corp.: | | |
| 175M | 7.75%, 10/1/2021 | 188,781 |
| 250M | 5.625%, 3/15/2023 | 249,300 |
| 250M | 6.875%, 3/15/2025 | 248,750 |
| 525M | UniCredit SpA, 5.861%, 6/19/2032 (a) | 468,750 |
| 175M | Wand Merger Corp., 8.125%, 7/15/2023 (a)(b) | 178,063 |
| | | 5,352,204 |

Portfolio of Investments (continued)

FUND FOR INCOME

June 30, 2018

| Principal Amount | Security | Value |
|--|---|------------|
| Food/Beverage/Tobacco—1.9% | | |
| \$ 325M | Barry Callebault Services SA, 5.5%, 6/15/2023 (a) | \$ 339,137 |
| 300M | JBS USA LUX SA, 6.75%, 2/15/2028 (a) | 283,785 |
| | Pilgrim's Pride Corp.: | |
| 25M | 5.75%, 3/15/2025 (a) | 24,063 |
| 275M | 5.875%, 9/30/2027 (a) | 255,750 |
| | Post Holdings, Inc.: | |
| 250M | 5.5%, 3/1/2025 (a) | 244,688 |
| 400M | 5.75%, 3/1/2027 (a) | 389,000 |
| 350M | Sigma Holdco BV, 7.875%, 5/15/2026 (a) | 329,875 |
| 125M | Simmons Foods, Inc., 5.75%, 11/1/2024 (a) | 109,062 |
| | | 1,975,360 |
| Forest Products/Containers—1.6% | | |
| 675M | Ardagh Holdings USA, Inc., 7.25%, 5/15/2024 (a) | 704,531 |
| | BWAY Holding Co.: | |
| 75M | 5.5%, 4/15/2024 (a) | 73,312 |
| 200M | 7.25%, 4/15/2025 (a) | 195,500 |
| | Mercer International, Inc.: | |
| 50M | 7.75%, 12/1/2022 | 52,562 |
| 175M | 6.5%, 2/1/2024 | 177,625 |
| 75M | 5.5%, 1/15/2026 (a) | 72,937 |
| 325M | Sealed Air Corp., 6.875%, 7/15/2033 (a) | 358,313 |
| | | 1,634,780 |
| Gaming/Leisure—3.2% | | |
| | Boyd Gaming Corp.: | |
| 375M | 6.875%, 5/15/2023 | 394,219 |
| 200M | 6%, 8/15/2026 (a) | 199,000 |
| 275M | CRC Escrow Issuer, LLC, 5.25%, 10/15/2025 (a) | 260,906 |
| 225M | Golden Nugget, Inc., 8.75%, 10/1/2025 (a) | 231,685 |
| 550M | IRB Holding Corp., 6.75%, 2/15/2026 (a) | 526,625 |
| 50M | Lions Gate Entertainment Corp., 5.875%, 11/1/2024 (a) | 50,859 |
| 250M | National CineMedia, LLC, 6%, 4/15/2022 | 254,688 |
| 275M | Pinnacle Entertainment, Inc., 5.625%, 5/1/2024 | 286,866 |
| 175M | Silversea Cruise Finance, Ltd., 7.25%, 2/1/2025 (a) | 189,893 |
| 175M | Stars Group Holdings BV, 7%, 7/15/2026 (a)(b) | 177,188 |
| | Viking Cruises, Ltd.: | |
| 600M | 6.25%, 5/15/2025 (a) | 591,000 |
| 175M | 5.875%, 9/15/2027 (a) | 165,812 |
| | | 3,328,741 |

| Principal Amount | Security | Value |
|---------------------|--|------------|
| | Health Care—8.3% | |
| \$ 375M | Centene Corp., 6.125%, 2/15/2024 | \$ 396,094 |
| | CHS/Community Health Systems, Inc.: | |
| 100M | 5.125%, 8/1/2021 | 93,000 |
| 375M | 6.25%, 3/31/2023 | 345,469 |
| 175M | 8.125%, 6/30/2024 | 145,141 |
| 250M | Cimpress NV, 7%, 6/15/2026 (a) | 256,563 |
| 825M | DaVita, Inc., 5.125%, 7/15/2024 | 801,797 |
| | Endo Finance, LLC: | |
| 175M | 7.25%, 1/15/2022 (a)(c) | 161,875 |
| 225M | 6%, 7/15/2023 (a) | 186,187 |
| | HCA, Inc.: | |
| 250M | 6.25%, 2/15/2021 | 260,000 |
| 475M | 5.875%, 5/1/2023 | 494,000 |
| 350M | 5.875%, 2/15/2026 | 353,937 |
| | HealthSouth Corp.: | |
| 175M | 5.125%, 3/15/2023 | 175,875 |
| 200M | 5.75%, 11/1/2024 | 200,866 |
| 450M | inVentiv Group Holdings, Inc., 7.5%, 10/1/2024 (a) | 475,875 |
| | LifePoint Health, Inc.: | |
| 400M | 5.875%, 12/1/2023 | 399,500 |
| 275M | 5.375%, 5/1/2024 | 265,719 |
| | Mallinckrodt Finance SB: | |
| 275M | 5.75%, 8/1/2022 (a) | 248,875 |
| 225M | 5.5%, 4/15/2025 (a) | 181,125 |
| | Molina Healthcare, Inc.: | |
| 400M | 5.375%, 11/15/2022 | 404,500 |
| 250M | 4.875%, 6/15/2025 (a) | 243,750 |
| 125M | MPH Operating Partnership, LP, 7.125%, 6/1/2024 (a) | 128,437 |
| 250M | Polaris Intermediate Corp., 8.5%, 12/1/2022 (a) | 258,750 |
| 141M | RegionalCare Hospital Partners Holdings, Inc., 8.25%, 5/1/2023 (a) | 149,019 |
| 264M | Universal Hospital Services, Inc., 7.625%, 8/15/2020 | 264,330 |
| | Valeant Pharmaceuticals International, Inc.: | |
| 200M | 7.5%, 7/15/2021 (a) | 203,500 |
| 50M | 6.5%, 3/15/2022 (a) | 51,938 |
| 300M | 7.25%, 7/15/2022 (a) | 307,248 |
| 450M | 7%, 3/15/2024 (a) | 473,490 |
| 325M | 6.125%, 4/15/2025 (a) | 300,625 |
| 325M | 9%, 12/15/2025 (a) | 337,984 |
| | | 8,565,469 |

Portfolio of Investments (continued)

FUND FOR INCOME

June 30, 2018

| Principal Amount | Security | Value |
|------------------|---|------------|
| | Home Building—2% | |
| \$ 250M | William Lyon Homes, Inc., 6%, 9/1/2023 (a) | \$ 248,053 |
| | Information Technology—3.9% | |
| 550M | Alliance Data Systems Corp., 5.375%, 8/1/2022 (a) | 555,431 |
| 250M | CDW, LLC, 5%, 9/1/2025 | 246,875 |
| 250M | CommScope Technologies, LLC, 6%, 6/15/2025 (a) | 256,563 |
| 375M | Diamond 1 Finance Corp., 5.875%, 6/15/2021 (a) | 381,046 |
| | NCR Corp.: | |
| 300M | 4.625%, 2/15/2021 | 298,500 |
| 300M | 5.875%, 12/15/2021 | 305,625 |
| 275M | Nuance Communications, Inc., 6%, 7/1/2024 | 278,781 |
| 275M | NXP BV, 3.875%, 9/1/2022 (a) | 270,875 |
| 550M | Rackspace Hosting, Inc., 8.625%, 11/15/2024 (a) | 554,125 |
| 575M | Solera, LLC, 10.5%, 3/1/2024 (a) | 641,487 |
| 250M | Symantec Corp., 5%, 4/15/2025 (a) | 242,819 |
| | | 4,032,127 |
| | Manufacturing—2.1% | |
| 125M | American Woodmark Corp., 4.875%, 3/15/2026 (a) | 118,750 |
| 375M | ATS Automation Tooling Systems, Inc., 6.5%, 6/15/2023 (a) | 383,437 |
| 100M | Boise Cascade Co., 5.625%, 9/1/2024 (a) | 100,750 |
| 175M | Cloud Crane, LLC, 10.125%, 8/1/2024 (a) | 188,562 |
| 425M | Grinding Media, Inc., 7.375%, 12/15/2023 (a) | 444,125 |
| 300M | H&E Equipment Services, Inc., 5.625%, 9/1/2025 | 295,500 |
| 200M | Park-Ohio Industries, Inc., 6.625%, 4/15/2027 | 203,500 |
| 475M | Wabash National Corp., 5.5%, 10/1/2025 (a) | 457,188 |
| | | 2,191,812 |
| | Media-Broadcasting—1.7% | |
| | Belo Corp.: | |
| 100M | 7.75%, 6/1/2027 | 106,000 |
| 25M | 7.25%, 9/15/2027 | 25,875 |
| 225M | LIN Television Corp., 5.875%, 11/15/2022 | 230,625 |
| | Nexstar Broadcasting, Inc.: | |
| 225M | 6.125%, 2/15/2022 (a) | 231,187 |
| 300M | 5.625%, 8/1/2024 (a) | 291,000 |

| Principal Amount | Security | Value |
|---|--|-----------|
| Media-Broadcasting (continued) | | |
| Sinclair Television Group, Inc.: | | |
| \$ 50M | 5.625%, 8/1/2024 (a) | \$ 49,750 |
| 100M | 5.875%, 3/15/2026 (a) | 97,625 |
| 75M | 5.125%, 2/15/2027 (a) | 69,375 |
| 650M | Sirius XM Radio, Inc., 6%, 7/15/2024 (a) | 663,813 |
| | | 1,765,250 |
| Media-Cable TV—9.4% | | |
| Altice Financing SA: | | |
| 525M | 6.625%, 2/15/2023 (a) | 518,700 |
| 200M | 7.5%, 5/15/2026 (a) | 193,940 |
| 200M | Altice Finco SA, 7.625%, 2/15/2025 (a) | 179,750 |
| 550M | Altice U.S. Finance I Corp., 5.375%, 7/15/2023 (a) | 548,625 |
| 100M | AMC Networks, Inc., 4.75%, 8/1/2025 | 96,376 |
| CCO Holdings, LLC: | | |
| 200M | 5.25%, 9/30/2022 | 201,000 |
| 275M | 5.125%, 2/15/2023 | 272,852 |
| 150M | 5.75%, 9/1/2023 | 151,500 |
| 500M | 5.875%, 4/1/2024 (a) | 502,500 |
| 200M | 5.125%, 5/1/2027 (a) | 187,625 |
| 275M | 5.875%, 5/1/2027 (a) | 269,156 |
| 150M | 5%, 2/1/2028 (a) | 138,000 |
| 225M | Sequel Communications Holdings I, LLC, 7.75%, 7/15/2025 (a) | 236,250 |
| Clear Channel Worldwide Holdings, Inc.: | | |
| 650M | Series "A", 6.5%, 11/15/2022 | 663,000 |
| 550M | Series "B", 6.5%, 11/15/2022 | 563,750 |
| CSC Holdings, LLC: | | |
| 1,250M | 10.125%, 1/15/2023 (a) | 1,381,250 |
| 200M | 6.625%, 10/15/2025 (a) | 205,250 |
| 200M | 10.875%, 10/15/2025 (a) | 231,060 |
| DISH DBS Corp.: | | |
| 400M | 7.875%, 9/1/2019 | 416,000 |
| 225M | 5%, 3/15/2023 | 196,031 |
| 250M | 5.875%, 11/15/2024 | 212,500 |
| Gray Television, Inc.: | | |
| 50M | 5.125%, 10/15/2024 (a) | 47,985 |
| 300M | 5.875%, 7/15/2026 (a) | 286,125 |
| 225M | Mediacom Broadband, LLC, 5.5%, 4/15/2021 | 228,094 |
| 575M | Midcontinent Communications & Finance Corp., 6.875%, 8/15/2023 (a) | 604,469 |

Portfolio of Investments (continued)

FUND FOR INCOME

June 30, 2018

| Principal Amount | Security | Value |
|-----------------------------------|--|-----------|
| Media-Cable TV (continued) | | |
| Netflix, Inc.: | | |
| \$ 100M | 4.375%, 11/15/2026 | \$ 93,980 |
| 100M | 4.875%, 4/15/2028 (a) | 95,442 |
| 600M | Numericable Group SA, 6.25%, 5/15/2024 (a) | 585,000 |
| 425M | Virgin Media Finance, PLC, 6.375%, 4/15/2023 (a) | 427,125 |
| | | 9,733,335 |
| Media-Diversified—1.0% | | |
| 100M | E.W. Scripps Co., 5.125%, 5/15/2025 (a) | 94,000 |
| 75M | LSC Communications, Inc., 8.75%, 10/15/2023 (a) | 73,781 |
| 225M | Outdoor Americas Capital, LLC, 5.875%, 3/15/2025 | 227,678 |
| 675M | Tribune Media Co., 5.875%, 7/15/2022 | 684,619 |
| | | 1,080,078 |
| Metals/Mining—7.2% | | |
| 250M | AK Steel Corp., 7%, 3/15/2027 | 238,750 |
| 150M | Allegheny Technologies, Inc., 7.875%, 8/15/2023 | 162,000 |
| 175M | Alliance Resource Operating Partners, LP, 7.5%, 5/1/2025 (a) | 187,031 |
| 175M | Big River Steel, LLC, 7.25%, 9/1/2025 (a) | 180,267 |
| 250M | Cleveland-Cliffs, Inc., 4.875%, 1/15/2024 (a) | 241,875 |
| 175M | Commercial Metals Co., 5.375%, 7/15/2027 | 166,688 |
| 300M | CONSOL Mining Corp., 11%, 11/15/2025 (a) | 330,750 |
| 250M | Constellium NV, 5.75%, 5/15/2024 (a) | 243,125 |
| First Quantum Minerals, Ltd.: | | |
| 400M | 7.25%, 5/15/2022 (a) | 406,000 |
| 350M | 6.5%, 3/1/2024 (a) | 338,625 |
| HudBay Minerals, Inc.: | | |
| 175M | 7.25%, 1/15/2023 (a) | 181,125 |
| 75M | 7.625%, 1/15/2025 (a) | 78,937 |
| 450M | Joseph T. Ryerson & Son, Inc., 11%, 5/15/2022 (a) | 496,125 |
| 250M | Mountain Province Diamonds, Inc., 8%, 12/15/2022 (a) | 250,000 |
| 250M | Natural Resource Partners, LP, 10.5%, 3/15/2022 | 271,250 |
| Novelis, Inc.: | | |
| 575M | 6.25%, 8/15/2024 (a) | 576,438 |
| 425M | 5.875%, 9/30/2026 (a) | 408,000 |
| 325M | Peabody Energy Corp., 6%, 3/31/2022 (a) | 330,964 |
| 950M | SunCoke Energy Partners, LP, 7.5%, 6/15/2025 (a)(b) | 971,375 |

| Principal Amount | Security | Value |
|--|---|------------|
| Metals/Mining (continued) | | |
| Teck Resources, Ltd.: | | |
| \$ 125M | 8.5%, 6/1/2024 (a) | \$ 137,344 |
| 300M | 6%, 8/15/2040 | 293,250 |
| 425M | TMS International Corp., 7.25%, 8/15/2025 (a) | 435,625 |
| 500M | United States Steel Corp., 6.25%, 3/15/2026 | 494,380 |
| | | 7,419,924 |
| Real Estate—1.8% | | |
| Geo Group, Inc.: | | |
| 100M | 5.125%, 4/1/2023 | 98,500 |
| 225M | 6%, 4/15/2026 | 219,375 |
| 150M | Greystar Real Estate Partners, 5.75%, 12/1/2025 (a) | 145,875 |
| Iron Mountain, Inc.: | | |
| 225M | 5.75%, 8/15/2024 | 221,063 |
| 250M | 5.25%, 3/15/2028 (a) | 232,600 |
| 175M | Lennar Corp., 4.875%, 12/15/2023 | 175,219 |
| 80M | MPT Operating Partnership, LP, 6.375%, 3/1/2024 | 84,200 |
| 225M | Sabra Health Care, LP, 5.125%, 8/15/2026 | 215,343 |
| 379M | VICI Properties 1, LLC, 8%, 10/15/2023 | 422,362 |
| | | 1,814,537 |
| Retail-General Merchandise—1.9% | | |
| 1011778 B.C., ULC: | | |
| 500M | 4.625%, 1/15/2022 (a) | 501,250 |
| 250M | 5%, 10/15/2025 (a) | 237,800 |
| AmeriGas Partners, LP: | | |
| 125M | 5.625%, 5/20/2024 | 123,594 |
| 250M | 5.5%, 5/20/2025 | 243,437 |
| 225M | J.C. Penney Co., Inc., 8.625%, 3/15/2025 | 191,250 |
| 150M | KFC Holding Co., LLC, 5%, 6/1/2024 (a) | 148,455 |
| 425M | L Brands, Inc., 6.75%, 7/1/2036 | 376,125 |
| 125M | SRS Distribution, Inc., 8.25%, 7/1/2026 (a) | 124,688 |
| | | 1,946,599 |
| Services—1.8% | | |
| 425M | ADT Corp., 3.5%, 7/15/2022 | 399,925 |
| 25M | AECOM, 5.125%, 3/15/2027 | 23,625 |
| 225M | BlueLine Rental Finance Corp., 9.25%, 3/15/2024 (a) | 239,940 |
| 500M | First Data Corp., 5.375%, 8/15/2023 (a) | 505,875 |
| 325M | GW Honos Security Corp., 8.75%, 5/15/2025 (a) | 333,125 |
| 50M | KAR Auction Services, Inc., 5.125%, 6/1/2025 (a) | 47,875 |

Portfolio of Investments (continued)
FUND FOR INCOME
June 30, 2018

| Principal Amount | Security | Value |
|--------------------------------|--|------------|
| Services (continued) | | |
| United Rentals, Inc.: | | |
| \$ 150M | 4.625%, 10/15/2025 | \$ 143,250 |
| 175M | 5.5%, 5/15/2027 | 170,187 |
| | | 1,863,802 |
| Telecommunications—3.5% | | |
| 375M | CenturyLink, Inc., 5.8%, 3/15/2022 | 373,125 |
| Frontier Communications Corp.: | | |
| 425M | 10.5%, 9/15/2022 | 387,813 |
| 350M | 11%, 9/15/2025 | 281,645 |
| 125M | 8.5%, 4/1/2026 (a) | 121,094 |
| GCI, Inc.: | | |
| 300M | 6.75%, 6/1/2021 | 303,375 |
| 500M | 6.875%, 4/15/2025 | 520,000 |
| 225M | Qwest Corp., 7.25%, 9/15/2025 | 240,755 |
| 125M | Telecom Italia Capital SA, 7.2%, 7/18/2036 | 130,112 |
| 400M | Telecom Italia SpA, 5.303%, 5/30/2024 | 396,000 |
| 200M | Telesat Canada, 8.875%, 11/15/2024 (a) | 214,500 |
| 400M | Wind Tre SpA, 5%, 1/20/2026 (a) | 319,084 |
| Zayo Group, LLC: | | |
| 50M | 6.375%, 5/15/2025 | 51,125 |
| 275M | 5.75%, 1/15/2027 (a) | 270,875 |
| | | 3,609,503 |
| Transportation—1.6% | | |
| 375M | BCD Acquisition, Inc., 9.625%, 9/15/2023 (a) | 401,250 |
| 275M | Fly Leasing, Ltd., 6.375%, 10/15/2021 | 284,281 |
| 225M | Mobile Mini, Inc., 5.875%, 7/1/2024 | 228,375 |
| 750M | XPO Logistics, Inc., 6.125%, 9/1/2023 (a) | 772,500 |
| | | 1,686,406 |
| Utilities—4.3% | | |
| AES Corp.: | | |
| 150M | 6%, 5/15/2026 | 156,000 |
| 100M | 5.125%, 9/1/2027 | 100,000 |
| 350M | Avantor, Inc., 9%, 10/1/2025 (a) | 353,570 |
| Calpine Corp.: | | |
| 425M | 5.75%, 1/15/2025 | 389,672 |
| 275M | 5.25%, 6/1/2026 (a) | 260,047 |

| Principal Amount | Security | Value |
|------------------|--|------------|
| | Utilities (continued) | |
| | Cheniere Corpus Christi Holdings: | |
| \$ 225M | 5.875%, 3/31/2025 | \$ 234,844 |
| 250M | 5.125%, 6/30/2027 | 248,750 |
| 425M | Cheniere Energy Partners, LP, 5.25%, 10/1/2025 (a) | 415,629 |
| 300M | Drax Finco, PLC, 6.625%, 11/1/2025 (a) | 299,250 |
| | Dynegy, Inc.: | |
| 275M | 7.375%, 11/1/2022 | 288,062 |
| 125M | 8%, 1/15/2025 (a) | 134,844 |
| 250M | Energy Transfer Partners, LP, 6.25%, 12/29/2049 | 232,031 |
| 38M | Indiantown Cogeneration Utilities, LP, 9.77%, 12/15/2020 | 41,303 |
| 150M | NRG Energy, Inc., 6.25%, 7/15/2022 | 154,733 |
| 150M | NRG Yield Operating, LLC, 5%, 9/15/2026 | 143,625 |
| 316M | NSG Holdings, LLC, 7.75%, 12/15/2025 (a) | 346,469 |
| 350M | Targa Resources Partners, LP, 5.875%, 4/15/2026 (a) | 353,063 |
| 250M | Terraform Power Operating, LLC, 5%, 1/31/2028 (a) | 237,812 |
| | | 4,389,704 |
| | Waste Management—5% | |
| 325M | Covanta Holding Corp., 5.875%, 7/1/2025 | 314,438 |
| 175M | GFL Environmental, Inc., 5.625%, 5/1/2022 (a) | 169,312 |
| | | 483,750 |
| | Wireless Communications—4.0% | |
| 125M | Hughes Satellite Systems Corp., 5.25%, 8/1/2026 | 117,656 |
| 150M | Inmarsat Finance, PLC, 4.875%, 5/15/2022 (a) | 148,125 |
| 800M | Intelsat Jackson Holdings SA, 8%, 2/15/2024 (a) | 842,000 |
| | Level 3 Financing, Inc.: | |
| 250M | 5.125%, 5/1/2023 | 245,937 |
| 300M | 5.375%, 1/15/2024 | 294,600 |
| 850M | Sprint Communications, Inc., 6%, 11/15/2022 | 844,688 |
| | Sprint Corp.: | |
| 625M | 7.875%, 9/15/2023 | 649,609 |
| 125M | 7.125%, 6/15/2024 | 126,511 |
| 150M | 7.625%, 2/15/2025 | 153,376 |
| 200M | 7.625%, 3/1/2026 | 204,500 |

Portfolio of Investments (continued)

FUND FOR INCOME

June 30, 2018

| Principal Amount | Security | Value |
|---|---|------------|
| Wireless Communications (continued) | | |
| | T-Mobile USA, Inc.: | |
| \$ 50M | 6.5%, 1/15/2024 | \$ 52,375 |
| 250M | 6%, 4/15/2024 | 259,375 |
| 200M | 5.125%, 4/15/2025 | 201,500 |
| | | 4,140,252 |
| Total Value of Corporate Bonds (cost \$91,971,948) | | 90,975,297 |
| LOAN PARTICIPATIONS†—9.3% | | |
| Automotive—.4% | | |
| 446M | Truck Hero, Inc., 5.8379%, 4/22/2024 | 446,057 |
| Chemicals—.9% | | |
| 498M | Avantor Performance Materials, 6.0935%, 11/21/2024 | 501,201 |
| 497M | ColourOz Investment, 5.3592%, 9/7/2021 | 467,571 |
| | | 968,772 |
| Energy—.6% | | |
| 125M | California Resources Corp., 6.8379%, 12/31/2022 | 127,396 |
| 500M | Foresight Energy, LLC, 5.75%, 3/28/2022 (b) | 497,915 |
| | | 625,311 |
| Financial Services—.5% | | |
| 499M | NFP Corp., 5.0935%, 1/8/2024 | 496,395 |
| Food/Beverage/Tobacco—.5% | | |
| 497M | Chobani, LLC, 5.5935%, 10/10/2023 | 498,624 |
| Gaming/Leisure—2.2% | | |
| 500M | Cyan Blue Holdco 2, Ltd., 2.75%, 8/23/2024 (b) | 499,688 |
| 500M | Dorna Sports SL, 5.5844%, 4/12/2024 | 493,645 |
| 499M | Scientific Games International, 4.8435%, 8/14/2024 | 496,568 |
| 214M | Seminole Hard Rock Entertainment, Inc., 5.058%, 5/14/2020 | 215,250 |
| 325M | Sigma Bidco BV, 3%, 3/6/2025 (b) | 323,091 |
| 200M | Stars Group Holdings BV, 3.5%, 7/28/2025 (b)(d) | 199,000 |
| | | 2,227,242 |

| Principal Amount | Security | Value |
|--|---|------------------|
| | Health Care—1.0% | |
| \$250M | Amneal Pharmaceuticals, LLC, 5.625%, 5/4/2025 | \$ 250,150 |
| | Heartland Dental, LLC: | |
| 51M | 3.75%, 4/30/2025 (b) | 50,979 |
| 342M | 5.8435%, 4/30/2025 | 341,856 |
| 350M | Inovalon Holdings, Inc., 5.5625%, 4/2/2025 | 343,437 |
| | | 986,422 |
| | Information Technology—.7% | |
| 250M | Microchip Technology, 4.1%, 5/29/2025 | 250,860 |
| 249M | Solarwinds, Inc., 5.0935%, 2/5/2024 | 249,147 |
| 250M | SS&C Technologies Holdings, Inc., 2.5%, 4/16/2025 (b) | 250,521 |
| | | 750,528 |
| | Manufacturing—1.0% | |
| 499M | Filtration Group Corp., 5.0935%, 3/29/2025 | 500,034 |
| 500M | GrafTech International, Ltd., 5.5047%, 2/12/2025 | 500,235 |
| | | 1,000,269 |
| | Metals/Mining—.4% | |
| 372M | Big River Steel, LLC, 7.3344%, 8/23/2023 | 376,840 |
| | Retail-General Merchandise—.2% | |
| 248M | Staples, Inc., 6.3581%, 9/12/2024 | 244,282 |
| | Telecommunications—.4% | |
| 425M | GTT Communications, Inc., 4.875%, 5/31/2025 | 419,877 |
| | Utilities—.3% | |
| | Charah, LLC: | |
| 321M | 8.5572% 10/25/2024 | 324,639 |
| 8M | 8.4211% 10/25/2024 | 8,103 |
| | | 332,742 |
| | Waste Management—.2% | |
| 249M | Gopher Resource, LLC, 5.3435%, 3/6/2025 | 250,310 |
| Total Value of Loan Participations (cost \$9,605,899) | | 9,623,671 |

Portfolio of Investments (continued)

FUND FOR INCOME

June 30, 2018

| Principal Amount | Security | Value |
|--|---|----------------------|
| PASS-THROUGH CERTIFICATES—<u>.6%</u> | | |
| Transportation | | |
| \$569M | American Airlines 2013-2 B PTT, 5.6%, 1/15/2022 (cost \$580,487) (a) | \$ 581,369 |
| <hr/> | | |
| Total Value of Investments (cost \$102,158,334) | | 101,180,337 |
| Other Assets, Less Liabilities | | 1,958,730 |
| <hr/> | | |
| Net Assets | | \$103,139,067 |

(a) Security exempt from registration under Rule 144A of the Securities Act of 1933 (see Note 5).

(b) A portion or all of the security purchased on a when-issued or delayed delivery basis (see Note 1G).

(c) Denotes a step bond (a zero coupon bond that converts to a fixed interest rate at a designated date)

(d) Securities valued at fair value (see Note 1A).

† Interest rates are determined and reset periodically. The interest rates above are the rates in effect at June 30, 2018.

Summary of Abbreviations:

LLLP Limited Liability Limited Partnership

PTT Pass Through Trust

ULC Unlimited Liability Corporation

The Fund's assets and liabilities are classified into the following three levels based on the inputs used to value the assets and liabilities:

- Level 1 — Unadjusted quoted prices in active markets for identical securities that the Fund has the ability to access.
- Level 2 — Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.
- Level 3 — Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund's own assumption about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The inputs methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For example, U.S. Government securities are reflected as Level 2 because the inputs used to determine fair value may not always be quoted prices in an active market.

The following is a summary, by category of Level, of inputs used to value the Fund's investments as of June 30, 2018:

| | Level 1 | Level 2 | Level 3 | Total |
|--------------------------------------|-------------|----------------------|-------------|----------------------|
| Corporate Bonds | \$ — | \$ 90,975,297 | \$ — | \$ 90,975,297 |
| Loan Participations | — | 9,623,671 | — | 9,623,671 |
| Pass-Through Certificates | — | 581,369 | — | 581,369 |
| Total Investments in Securities* . . | <u>\$ —</u> | <u>\$101,180,337</u> | <u>\$ —</u> | <u>\$101,180,337</u> |

* The Portfolio of Investments provides information on the industry categorization of corporate bonds, loan participations and pass-through certificates.

There were no transfers into or from Level 1 and Level 2 by the Fund for the period ended June 30, 2018. Transfers, if any, between Levels are recognized at the end of the reporting period.

Fund Expenses (unaudited)

GOVERNMENT FUND

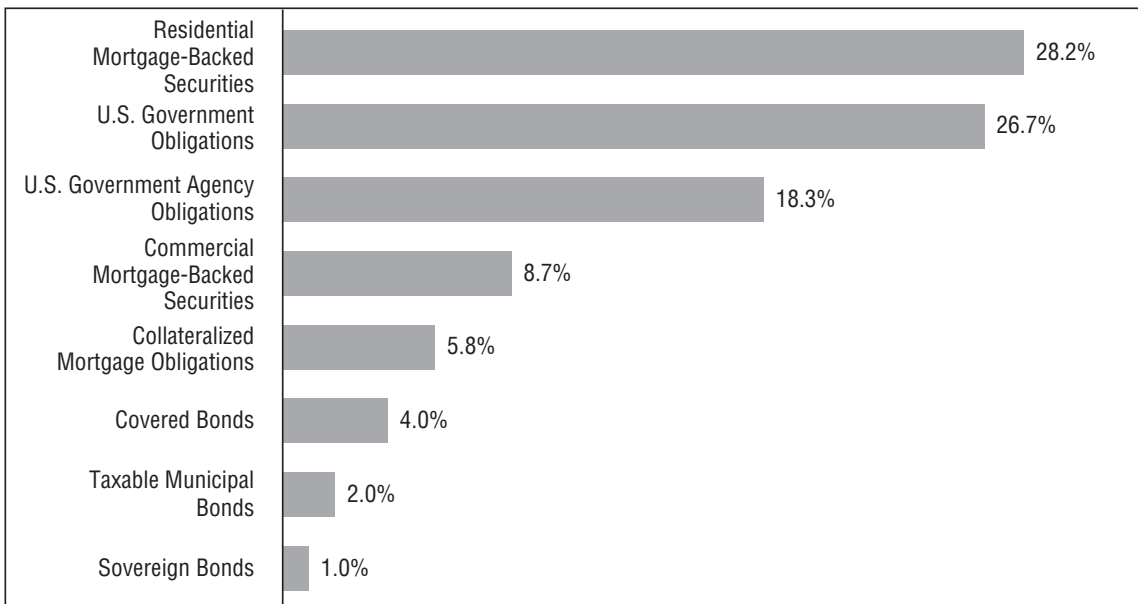
The examples below show the ongoing costs (in dollars) of investing in your Fund and will help you in comparing these costs with costs of other mutual funds. Please refer to page 1 for a detailed explanation of the information presented in these examples.

| | Beginning Account Value (1/1/18) | Ending Account Value (6/30/18) | Expenses Paid During Period (1/1/18–6/30/18)* |
|--|---|---|--|
| Expense Examples | | | |
| Actual | \$1,000.00 | \$985.74 | \$4.33 |
| Hypothetical (5% annual return before expenses) | \$1,000.00 | \$1,020.43 | \$4.41 |

* Expenses are equal to the annualized expense ratio of .88%, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period). Expenses paid during the period are net of expenses waived.

Portfolio Composition

BY SECTOR



Portfolio holdings and allocations are subject to change. Percentages are as of June 30, 2018, and are based on the total value of investments.

Portfolio of Investments

GOVERNMENT FUND

June 30, 2018

| Principal Amount | Security | Value |
|---|--------------------------------|------------------|
| RESIDENTIAL MORTGAGE-BACKED SECURITIES—28.5% | | |
| Fannie Mae—21.0% | | |
| \$2,160M | 3%, 7/1/2021 – 4/1/2046 | \$ 2,127,815 |
| 1,746M | 3.5%, 11/1/2028 – 6/1/2046 | 1,753,893 |
| 974M | 4%, 10/1/2035 – 4/1/2047 | 998,986 |
| 502M | 4.5%, 11/1/2040 – 7/1/2048 (b) | 525,837 |
| 232M | 5.5%, 7/1/2034 – 10/1/2039 | 253,080 |
| 97M | 9%, 11/1/2026 | 105,600 |
| | | 5,765,211 |
| Freddie Mac—3.5% | | |
| 123M | 3.5%, 2/1/2046 | 123,295 |
| 710M | 4%, 12/1/2040 – 6/1/2047 | 726,908 |
| 101M | 4.5%, 5/1/2044 | 105,193 |
| | | 955,396 |
| Government National Mortgage Association I Program—4.0% | | |
| 163M | 4%, 8/15/2041 | 167,427 |
| 625M | 5%, 6/15/2033 – 4/15/2040 | 665,770 |
| 160M | 5.5%, 2/15/2033 – 1/15/2036 | 173,557 |
| 75M | 6%, 11/15/2032 | 81,698 |
| | | 1,088,452 |
| Total Value of Residential Mortgage-Backed Securities (cost \$8,044,300) | | 7,809,059 |
| U.S. GOVERNMENT OBLIGATIONS—27.0% | | |
| U.S. Treasury Bonds: | | |
| 300M | 2.5%, 2/15/2046 | 272,830 |
| 120M | 2.5%, 5/15/2046 | 109,045 |
| 400M | 2.75%, 11/15/2047 | 381,774 |
| 200M | 4.5%, 2/15/2036 | 244,617 |
| U.S. Treasury Notes: | | |
| 200M | 1.125%, 8/31/2021 | 190,836 |
| 1,295M | 1.375%, 10/31/2020 | 1,259,995 |
| 500M | 1.5%, 3/31/2023 | 472,949 |
| 1,010M | 1.875%, 8/31/2022 | 977,235 |
| 630M | 2%, 2/15/2025 | 599,287 |
| 400M | 2.25%, 10/31/2024 | 387,258 |

Portfolio of Investments (continued)

GOVERNMENT FUND

June 30, 2018

| Principal Amount | Security | Value |
|--|---|------------------|
| U.S. GOVERNMENT OBLIGATIONS (continued) | | |
| U.S. Treasury Notes (continued): | | |
| \$1,950M | 2.625%, 6/15/2021 | \$ 1,950,419 |
| 250M | 2.75%, 4/30/2023 | 250,273 |
| 300M | 2.75%, 5/31/2023 | 300,410 |
| Total Value of U.S. Government Obligations (cost \$7,544,200) | | 7,396,928 |
| U.S. GOVERNMENT AGENCY OBLIGATIONS—18.5% | | |
| Fannie Mae: | | |
| 770M | 1.125%, 7/20/2018 | 769,704 |
| 125M | 1.375%, 2/26/2021 | 121,003 |
| 300M | 1.5%, 11/30/2020 | 292,083 |
| 850M | 1.625%, 11/27/2018 | 848,359 |
| 200M | Federal Farm Credit Bank, 3%, 9/13/2029 | 190,346 |
| Federal Home Loan Bank: | | |
| 750M | 1.03%, 9/28/2018 | 748,219 |
| 150M | 1.375%, 5/28/2019 | 148,686 |
| 1,000M | 1.625%, 10/7/2021 | 963,235 |
| 1,000M | Freddie Mac, 1.25%, 8/1/2019 | 987,578 |
| Total Value of U.S. Government Agency Obligations (cost \$5,141,365) | | 5,069,213 |
| COMMERCIAL MORTGAGE-BACKED SECURITIES—8.7% | | |
| Fannie Mae—3.5% | | |
| 462M | 2.995%, 11/1/2022 | 460,704 |
| 368M | 3.0462%, 12/25/2024 † | 366,458 |
| 150M | 2.94294%, 3/25/2028 † | 147,011 |
| | | 974,173 |
| Federal Home Loan Mortgage Corporation—5.2% | | |
| Multi-Family Structured Pass-Throughs: | | |
| 249M | 2.3707%, 5/25/2024 † | 249,383 |
| 170M | 2.454%, 8/25/2023 | 165,042 |
| 379M | 2.849%, 3/25/2026 | 365,851 |
| 500M | 3.35%, 1/28/2028 | 497,011 |
| 150M | 3.568%, 10/25/2027 † | 152,523 |
| | | 1,429,810 |
| Total Value of Commercial Mortgage-Backed Securities (cost \$2,461,692) | | 2,403,983 |

| Principal Amount | Security | Value |
|--|--|--------------|
| COLLATERALIZED MORTGAGE OBLIGATIONS—5.8% | | |
| Fannie Mae: | | |
| \$ 200M | 2.9863%, 12/25/2027 † | \$ 193,336 |
| 404M | 4%, 2/25/2025 | 412,710 |
| Freddie Mac: | | |
| 472M | 3.5%, 12/15/2028 | 480,257 |
| 492M | 4%, 1/15/2031 | 510,605 |
| Total Value of Collateralized Mortgage Obligations (cost \$1,647,606) | | 1,596,908 |
| COVERED BONDS—4.1% | | |
| Financial Services | | |
| 650M | Canadian Imperial Bank of Commerce, 2.35%, 7/27/2022 (a) | 629,843 |
| 500M | DNB Boligkreditt AS, 2.5%, 3/28/2022 (a) | 487,530 |
| Total Value of Covered Bonds (cost \$1,137,963) | | 1,117,373 |
| TAXABLE MUNICIPAL BONDS—2.0% | | |
| 200M | Texas State Wtr. Dev. Brd. Rev., 3.7%, 10/15/2047 | 194,080 |
| 375M | University of North Carolina at Chapel Hill Rev., 3.326%, 12/1/2038 | 361,485 |
| Total Value of Taxable Municipal Bonds (cost \$574,758) | | 555,565 |
| SOVEREIGN BONDS—1.1% | | |
| 300M | Ukraine Government Aid Bonds, 1.471%, 9/29/2021 (cost \$300,000) | 289,495 |
| SHORT-TERM U.S. GOVERNMENT OBLIGATIONS—2.9% | | |
| 800M | U.S. Treasury Bills, 1.65%, 7/5/2018 (cost \$799,853) | 799,890 |
| SHORT-TERM U.S. GOVERNMENT AGENCY OBLIGATIONS—2.5% | | |
| 700M | Federal Home Loan Bank, Zero Coupon%, 7/24/2018 (Effective yield 1.662%) (cost \$699,240) (c) | 699,204 |
| Total Value of Investments (cost \$28,350,977) | | 27,737,618 |
| Excess of Liabilities Over Other Assets | | (291,196) |
| Net Assets | | \$27,446,422 |

(a) Security exempt from registration under Rule 144A of Securities Act of 1933 (see Note 5).

(b) A portion or all of the security purchased on a when-issued or delayed delivery basis (see Note 1G).

(c) The effective yields shown for zero coupon obligations are the effective yields at June 30, 2018.

† Interest rates are determined and reset periodically. The interest rates above are the rates in effect at June 30, 2018.

Portfolio of Investments (continued)

GOVERNMENT FUND

June 30, 2018

The Fund's assets and liabilities are classified into the following three levels based on the inputs used to value the assets and liabilities:

- Level 1 — Unadjusted quoted prices in active markets for identical securities that the Fund has the ability to access.
- Level 2 — Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.
- Level 3 — Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund's own assumption about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The inputs methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For example, U.S. Government securities are reflected as Level 2 because the inputs used to determine fair value may not always be quoted prices in an active market.

The following is a summary, by category of Level, of inputs used to value the Fund's investments as of June 30, 2018:

| | Level 1 | Level 2 | Level 3 | Total |
|--------------------------------------|-------------|----------------------|-------------|----------------------|
| Residential Mortgage-Backed | | | | |
| Securities | \$ — | \$ 7,809,059 | \$ — | \$ 7,809,059 |
| U.S. Government Obligations . . . | — | 7,396,928 | — | 7,396,928 |
| U.S. Government Agency | | | | |
| Obligations. | — | 5,069,213 | — | 5,069,213 |
| Commercial Mortgage-Backed | | | | |
| Securities | — | 2,403,983 | — | 2,403,983 |
| Collateralized Mortgage | | | | |
| Obligations. | — | 1,596,908 | — | 1,596,908 |
| Covered Bonds. | — | 1,117,373 | — | 1,117,373 |
| Taxable Municipal Bonds | — | 555,565 | — | 555,565 |
| Sovereign Bonds | — | 289,495 | — | 289,495 |
| Short-Term U.S. Government | | | | |
| Obligations. | — | 799,890 | — | 799,890 |
| Short-Term U.S. Government | | | | |
| Agency Obligations. | — | 699,204 | — | 699,204 |
| Total Investments in Securities* . . | <u>\$ —</u> | <u>\$ 27,737,618</u> | <u>\$ —</u> | <u>\$ 27,737,618</u> |

*The Portfolio of Investments provides information on the industry categorization for covered bonds.

There were no transfers into or from Level 1 and Level 2 by the Fund for the period ended June 30, 2018. Transfers, if any, between Levels are recognized at the end of the reporting period.

Fund Expenses (unaudited)

GOVERNMENT CASH MANAGEMENT FUND

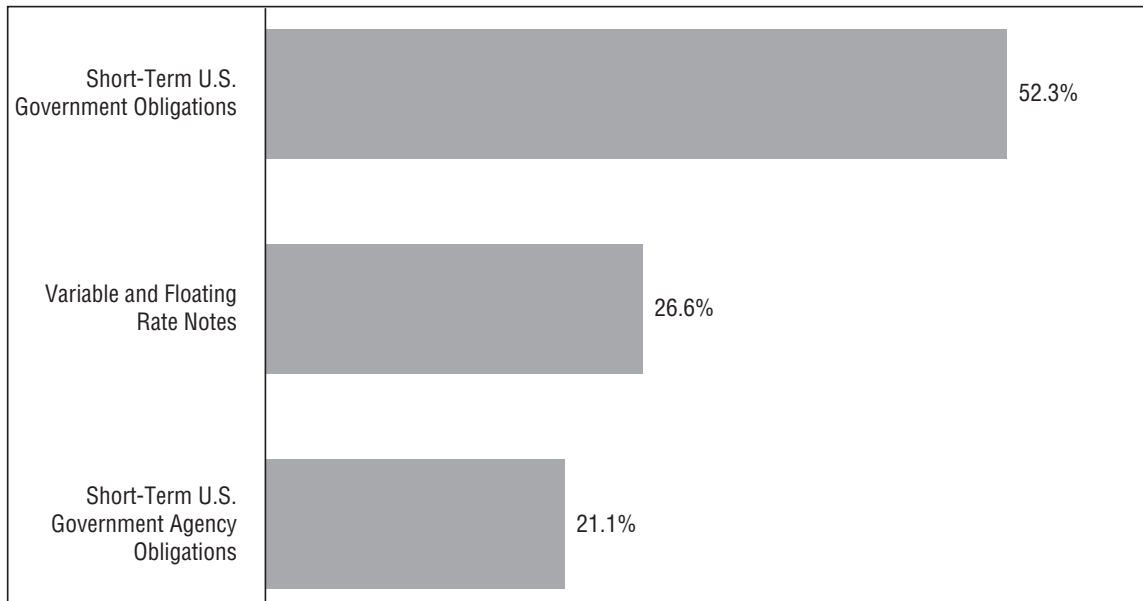
The examples below show the ongoing costs (in dollars) of investing in your Fund and will help you in comparing these costs with costs of other mutual funds. Please refer to page 1 for a detailed explanation of the information presented in these examples.

| | Beginning Account Value (1/1/18) | Ending Account Value (6/30/18) | Expenses Paid During Period (1/1/18–6/30/18)* |
|--|---|---|--|
| Expense Examples | | | |
| Actual | \$1,000.00 | \$1,004.81 | \$2.98 |
| Hypothetical (5% annual return before expenses) | \$1,000.00 | \$1,021.81 | \$3.01 |

* Expenses are equal to the annualized expense ratio of .60%, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period). Expenses paid during the period are net of expenses waived and/or assumed.

Portfolio Composition

BY SECTOR



Portfolio holdings and allocations are subject to change. Percentages are as of June 30, 2018, and are based on the total value of investments.

Portfolio of Investments

GOVERNMENT CASH MANAGEMENT FUND

June 30, 2018

| Principal Amount | Security | Interest Rate* | Value |
|--|--------------------------------------|----------------|-------------|
| SHORT-TERM U.S. GOVERNMENT OBLIGATIONS—49.9% | | | |
| U.S. Treasury Bills: | | | |
| \$500M | 7/12/2018 | 1.73% | \$ 499,735 |
| 350M | 7/12/2018 | 1.75 | 349,812 |
| 500M | 7/26/2018 | 1.76 | 499,387 |
| 500M | 8/9/2018 | 1.86 | 498,993 |
| 200M | 8/16/2018 | 1.51 | 199,612 |
| 500M | 8/16/2018 | 1.83 | 498,830 |
| 800M | 8/30/2018 | 1.88 | 797,496 |
| 300M | 9/13/2018 | 1.88 | 298,842 |
| 300M | 9/20/2018 | 1.89 | 298,725 |
| 300M | 9/20/2018 | 1.91 | 298,710 |
| 200M | 12/13/2018 | 2.02 | 198,148 |
| Total Value of Short-Term U.S. Government Obligations (cost \$4,438,290) | | | 4,438,290 |
| VARIABLE AND FLOATING RATE NOTES—25.4% | | | |
| 500M | Federal Farm Credit Bank, 10/19/2018 | 2.35 | 500,370 |
| Federal Home Loan Bank: | | | |
| 500M | 8/24/2018 | 1.97 | 500,001 |
| 755M | 9/14/2018 | 2.21 | 755,153 |
| 500M | 10/26/2018 | 2.15 | 500,274 |
| Total Value of Variable and Floating Rate Notes (cost \$2,255,798) | | | 2,255,798 |
| SHORT-TERM U.S. GOVERNMENT AGENCY OBLIGATIONS—20.2% | | | |
| Federal Farm Credit Bank: | | | |
| 400M | 7/30/2018 | 1.76 | 399,431 |
| 150M | 11/1/2018 | 0.97 | 149,484 |
| Federal Home Loan Bank: | | | |
| 500M | 8/14/2018 | 1.90 | 498,841 |
| 750M | 8/28/2018 | 1.88 | 747,728 |
| Total Value of Short-Term U.S. Government Agency Obligations (cost \$1,795,484) | | | 1,795,484 |
| Total Value of Investments (cost \$8,489,572)** | | 95.5% | 8,489,572 |
| Other Assets, Less Liabilities | | 4.5 | 400,146 |
| Net Assets | | 100.0% | \$8,889,718 |

* The interest rates shown are the effective rates at the time of purchase by the Fund. The interest rates shown on variable and floating rate notes are adjusted periodically; the rates shown are the rates in effect at June 30, 2018.

** Aggregate cost for federal income tax purposes is the same.

The Fund's assets and liabilities are classified into the following three levels based on the inputs used to value the assets and liabilities:

- Level 1 — Unadjusted quoted prices in active markets for identical securities that the Fund has the ability to access.
- Level 2 — Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.
- Level 3 — Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund's own assumption about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The inputs methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For example, U.S. Government securities are reflected as Level 2 because the inputs used to determine fair value may not always be quoted prices in an active market.

The following is a summary, by category of Level, of inputs used to value the Fund's investments as of June 30, 2018:

| | Level 1 | Level 2 | Level 3 | Total |
|---|-------------|---------------------|-------------|---------------------|
| Short-Term U.S. Government Obligations | \$ — | \$ 4,438,290 | \$ — | \$ 4,438,290 |
| Variable and Floating Rate Notes: | | | | |
| U.S. Government Agency Obligations | — | 2,255,798 | — | 2,255,798 |
| Short-Term U.S. Government Agency Obligations | — | 1,795,484 | — | 1,795,484 |
| Total Investments in Securities . . . | <u>\$ —</u> | <u>\$ 8,489,572</u> | <u>\$ —</u> | <u>\$ 8,489,572</u> |

There were no transfers into or from Level 1 and Level 2 by the Fund for the period ended June 30, 2018. Transfers, if any, between Levels are recognized at the end of the reporting period.

Fund Expenses (unaudited)

GROWTH & INCOME FUND

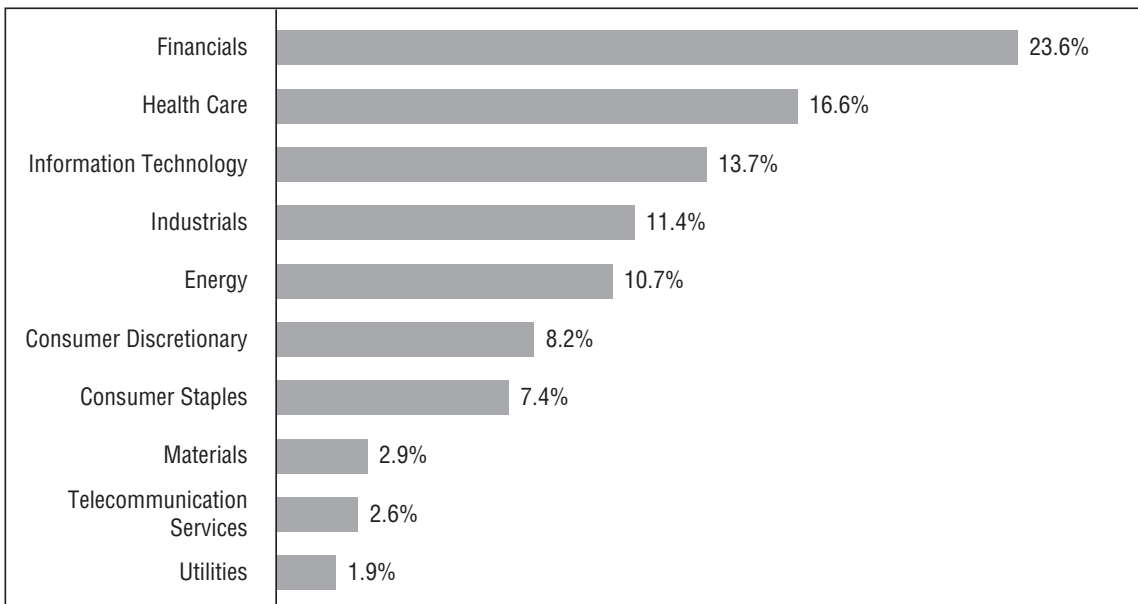
The examples below show the ongoing costs (in dollars) of investing in your Fund and will help you in comparing these costs with costs of other mutual funds. Please refer to page 1 for a detailed explanation of the information presented in these examples.

| | Beginning Account Value (1/1/18) | Ending Account Value (6/30/18) | Expenses Paid During Period (1/1/18–6/30/18)* |
|--|---|---|--|
| Expense Examples | | | |
| Actual | \$1,000.00 | \$977.53 | \$3.73 |
| Hypothetical (5% annual return before expenses) | \$1,000.00 | \$1,021.02 | \$3.81 |

* Expenses are equal to the annualized expense ratio of .76%, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

Portfolio Composition

TOP TEN SECTORS



Portfolio holdings and allocations are subject to change. Percentages are as of June 30, 2018, and are based on the total value of investments.

Portfolio of Investments

GROWTH & INCOME FUND

June 30, 2018

| Shares | Security | Value |
|------------------------------------|-------------------------------------|--------------|
| COMMON STOCKS—98.4% | | |
| Consumer Discretionary—8.1% | | |
| 30,600 | Aptiv, PLC | \$ 2,803,878 |
| 61,900 | Aramark Holdings Corp. | 2,296,490 |
| 35,800 | BorgWarner, Inc. | 1,545,128 |
| 97,500 | CBS Corp. – Class “B” | 5,481,450 |
| 38,200 | Home Depot, Inc. | 7,452,820 |
| 16,000 | Lear Corp. | 2,972,960 |
| 56,600 | Magna International, Inc. | 3,290,158 |
| 18,400 | Ross Stores, Inc. | 1,559,400 |
| 77,600 | Tapestry, Inc. | 3,624,696 |
| 46,500 | Walt Disney Co. | 4,873,665 |
| 30,100 | Wyndham Destinations, Inc. | 1,332,527 |
| 59,300 | Wyndham Hotels & Resorts, Inc. | 3,488,619 |
| | | 40,721,791 |
| Consumer Staples—7.3% | | |
| 96,700 | Altria Group, Inc. | 5,491,593 |
| 105,878 | Coca-Cola Co. | 4,643,809 |
| 77,500 | Conagra Brands, Inc. | 2,769,075 |
| 184,979 | Koninklijke Ahold Delhaize NV (ADR) | 4,415,449 |
| 48,400 | PepsiCo, Inc. | 5,269,308 |
| 70,600 | Philip Morris International, Inc. | 5,700,244 |
| 58,400 | Procter & Gamble Co. | 4,558,704 |
| 47,850 | Wal-Mart Stores, Inc. | 4,098,352 |
| | | 36,946,534 |
| Energy—10.6% | | |
| 66,500 | Anadarko Petroleum Corp. | 4,871,125 |
| 80,100 | ConocoPhillips | 5,576,562 |
| 109,700 | Devon Energy Corp. | 4,822,412 |
| 42,100 | EOG Resources, Inc. | 5,238,503 |
| 74,600 | ExxonMobil Corp. | 6,171,658 |
| 100,100 | Halliburton Co. | 4,510,506 |
| 57,700 | Hess Corp. | 3,859,553 |
| 160,622 | Marathon Oil Corp. | 3,350,575 |
| 80,422 | Marathon Petroleum Corp. | 5,642,408 |
| 30,650 | Phillips 66 | 3,442,301 |
| 142,007 | Suncor Energy, Inc. | 5,776,845 |
| | | 53,262,448 |

Portfolio of Investments (continued)

GROWTH & INCOME FUND

June 30, 2018

| Shares | Security | Value |
|--------------------------|---|--------------|
| Financials—23.2% | | |
| 96,206 | American Express Co. | \$ 9,428,188 |
| 29,200 | American International Group, Inc. | 1,548,184 |
| 36,200 | Ameriprise Financial, Inc. | 5,063,656 |
| 396,100 | Bank of America Corp. | 11,166,059 |
| 38,000 | Chubb, Ltd. | 4,826,760 |
| 169,800 | Citigroup, Inc. | 11,363,016 |
| 125,800 | Citizens Financial Group, Inc. | 4,893,620 |
| 44,700 | Comerica, Inc. | 4,064,124 |
| 95,543 | Discover Financial Services | 6,727,183 |
| 121,300 | Financial Select Sector SPDR Fund (ETF) | 3,225,367 |
| 25,800 | IBERIABANK Corp. | 1,955,640 |
| 126,488 | JPMorgan Chase & Co. | 13,180,050 |
| 81,000 | MetLife, Inc. | 3,531,600 |
| 42,400 | Morgan Stanley | 2,009,760 |
| 43,500 | PNC Financial Services Group, Inc. | 5,876,850 |
| 80,500 | SPDR S&P Regional Banking (ETF) | 4,910,500 |
| 138,200 | Sterling Bancorp | 3,247,700 |
| 120,200 | U.S. Bancorp | 6,012,404 |
| 248,667 | Wells Fargo & Co. | 13,786,098 |
| | | 116,816,759 |
| Health Care—16.3% | | |
| 116,200 | Abbott Laboratories | 7,087,038 |
| 42,600 | AbbVie, Inc. | 3,946,890 |
| 15,700 | Aetna, Inc. | 2,880,950 |
| 11,600 | Allergan, PLC | 1,933,952 |
| 48,539 | Baxter International, Inc. | 3,584,120 |
| 32,500 | * Centene Corp. | 4,004,325 |
| 84,800 | CVS Health Corp. | 5,456,880 |
| 49,500 | Gilead Sciences, Inc. | 3,506,580 |
| 34,200 | Hill-Rom Holdings, Inc. | 2,987,028 |
| 59,975 | Johnson & Johnson | 7,277,366 |
| 69,000 | Koninklijke Philips NV (ADR) | 2,916,630 |
| 41,312 | Medtronic, PLC | 3,536,720 |
| 128,343 | Merck & Co., Inc. | 7,790,420 |
| 205,293 | Pfizer, Inc. | 7,448,030 |
| 27,290 | Phibro Animal Health Corp. – Class “A” | 1,256,704 |
| 25,659 | Shire, PLC (ADR) | 4,331,239 |
| 47,043 | Thermo Fisher Scientific, Inc. | 9,744,487 |
| 29,772 | Zoetis, Inc. | 2,536,277 |
| | | 82,225,636 |

| Shares | Security | Value |
|-------------------------------------|---------------------------------------|--------------|
| Industrials—11.2% | | |
| 18,994 | 3M Co. | \$ 3,736,500 |
| 121,900 | * Gardner Denver Holdings, Inc. | 3,582,641 |
| 61,500 | Honeywell International, Inc. | 8,859,075 |
| 44,600 | Ingersoll-Rand, PLC | 4,001,958 |
| 82,976 | Johnson Controls International, PLC | 2,775,547 |
| 7,900 | Lockheed Martin Corp. | 2,333,897 |
| 28,600 | ManpowerGroup, Inc. | 2,461,316 |
| 98,500 | Masco Corp. | 3,685,870 |
| 66,200 | * MasTec, Inc. | 3,359,650 |
| 42,900 | Owens Corning | 2,718,573 |
| 126,800 | Schneider National, Inc. – Class “B” | 3,488,268 |
| 12,000 | Snap-On, Inc. | 1,928,640 |
| 24,300 | Stanley Black & Decker, Inc. | 3,227,283 |
| 107,100 | Triton International, Ltd. | 3,283,686 |
| 57,100 | United Technologies Corp. | 7,139,213 |
| | | 56,582,117 |
| Information Technology—13.4% | | |
| 38,400 | Apple, Inc. | 7,108,224 |
| 82,600 | Applied Materials, Inc. | 3,815,294 |
| 18,300 | Broadcom, Ltd. | 4,440,312 |
| 165,400 | Cisco Systems, Inc. | 7,117,162 |
| 29,043 | * Dell Technologies, Inc. – Class “V” | 2,456,457 |
| 19,684 | DXC Technology Co. | 1,586,727 |
| 75,600 | * eBay, Inc. | 2,741,256 |
| 12,500 | * FleetCor Technologies, Inc. | 2,633,125 |
| 127,100 | Intel Corp. | 6,318,141 |
| 99,000 | Microsoft Corp. | 9,762,390 |
| 27,800 | * NXP Semiconductors NV | 3,037,706 |
| 98,700 | Oracle Corp. | 4,348,722 |
| 97,788 | QUALCOMM, Inc. | 5,487,863 |
| 46,400 | TE Connectivity, Ltd. | 4,178,784 |
| 37,465 | Western Digital Corp. | 2,900,166 |
| | | 67,932,329 |

Portfolio of Investments (continued)

GROWTH & INCOME FUND

June 30, 2018

| Shares | Security | Value |
|--|--|----------------------|
| Materials—2.9% | | |
| 36,300 | FMC Corp. | \$ 3,238,323 |
| 81,400 | International Paper Co. | 4,239,312 |
| 18,300 | Praxair, Inc. | 2,894,145 |
| 30,550 | RPM International, Inc. | 1,781,676 |
| 32,000 | Trinseo SA | 2,270,400 |
| | | 14,423,856 |
| Real Estate—1.0% | | |
| 200,200 | Brixmor Property Group, Inc. (REIT) | 3,489,486 |
| 67,700 | Tanger Factory Outlet Centers, Inc. (REIT) | 1,590,273 |
| | | 5,079,759 |
| Telecommunication Services—2.5% | | |
| 150,600 | AT&T, Inc. | 4,835,766 |
| 155,300 | Verizon Communications, Inc. | 7,813,143 |
| | | 12,648,909 |
| Utilities—1.9% | | |
| 49,000 | CMS Energy Corp. | 2,316,720 |
| 28,500 | Pinnacle West Capital Corp. | 2,295,960 |
| 38,000 | WEC Energy Group, Inc. | 2,456,700 |
| 50,600 | Xcel Energy, Inc. | 2,311,408 |
| | | 9,380,788 |
| Total Value of Common Stocks (cost \$312,456,584) | | 98.4% 496,020,926 |
| Other Assets, Less Liabilities | | 1.6 8,113,422 |
| Net Assets | | 100.0% \$504,134,348 |

* Non-income producing

Summary of Abbreviations:

ADR American Depositary Receipts

ETF Exchange Traded Fund

REIT Real Estate Investment Trust

SPDR Standard & Poor's Depository Receipts

The Fund's assets and liabilities are classified into the following three levels based on the inputs used to value the assets and liabilities:

- Level 1 — Unadjusted quoted prices in active markets for identical securities that the Fund has the ability to access.
- Level 2 — Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.
- Level 3 — Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund's own assumption about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The inputs methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For example, U.S. Government securities are reflected as Level 2 because the inputs used to determine fair value may not always be quoted prices in an active market.

The following is a summary, by category of Level, of inputs used to value the Fund's investments as of June 30, 2018:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|-------------------------|----------------------|----------------|----------------|----------------------|
| Common Stocks | <u>\$496,020,926</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$496,020,926</u> |

* The Portfolio of Investments provides information on the industry categorization for common stocks.

There were no transfers into or from Level 1 and Level 2 by the Fund for the period ended June 30, 2018. Transfers, if any, between Levels are recognized at the end of the reporting period.

Fund Expenses (unaudited)

INTERNATIONAL FUND

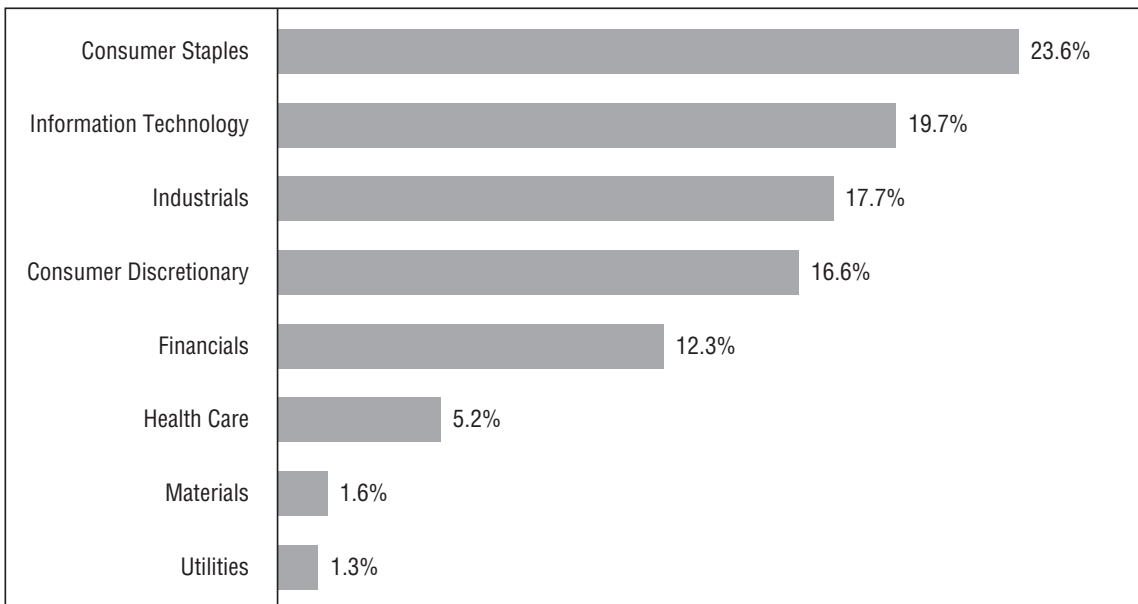
The examples below show the ongoing costs (in dollars) of investing in your Fund and will help you in comparing these costs with costs of other mutual funds. Please refer to page 1 for a detailed explanation of the information presented in these examples.

| | Beginning Account Value (1/1/18) | Ending Account Value (6/30/18) | Expenses Paid During Period (1/1/18–6/30/18)* |
|--|---|---|--|
| Expense Examples | | | |
| Actual | \$1,000.00 | \$985.82 | \$4.23 |
| Hypothetical (5% annual return before expenses) | \$1,000.00 | \$1,020.53 | \$4.31 |

* Expenses are equal to the annualized expense ratio of .86%, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

Portfolio Composition

BY SECTOR



Portfolio holdings and allocations are subject to change. Percentages are as of June 30, 2018, and are based on the total value of investments.

Portfolio of Investments

INTERNATIONAL FUND

June 30, 2018

| Shares | Security | Value |
|-----------------------------|--|--------------|
| COMMON STOCKS—96.6% | | |
| United Kingdom—15.9% | | |
| 69,807 | British American Tobacco, PLC | \$ 3,528,491 |
| 76,990 | Bunzl, PLC | 2,331,891 |
| 34,155 | DCC, PLC | 3,107,991 |
| 46,499 | Diageo, PLC | 1,670,410 |
| 454,885 | Domino's Pizza Group, PLC | 2,082,558 |
| 39,640 | London Stock Exchange | 2,338,996 |
| 53,141 | Reckitt Benckiser Group, PLC | 4,375,583 |
| 184,363 | RELX NV | 3,932,443 |
| 373,702 | Rentokil Initial, PLC | 1,730,120 |
| | | 25,098,483 |
| United States—15.2% | | |
| 10,425 | Accenture, PLC – Class "A" | 1,705,426 |
| 21,672 | Aptiv, PLC | 1,985,805 |
| 2,578 | * Booking Holdings, Inc. | 5,225,838 |
| 25,458 | Mastercard, Inc. – Class "A" | 5,003,006 |
| 27,832 | Medtronic, PLC | 2,382,698 |
| 45,802 | Philip Morris International, Inc. | 3,698,054 |
| 30,414 | Visa, Inc. – Class "A" | 4,028,334 |
| | | 24,029,161 |
| India—9.2% | | |
| 218,090 | HDFC Bank, Ltd. | 6,711,404 |
| 203,389 | Housing Development Finance Corp., Ltd. | 5,664,257 |
| 748,309 | Power Grid Corp. of India | 2,040,743 |
| | | 14,416,404 |
| Canada—8.1% | | |
| 106,259 | Alimentation Couche-Tard, Inc. – Class "B" | 4,616,021 |
| 46,183 | Canadian National Railway Co. | 3,777,475 |
| 5,636 | Constellation Software, Inc. | 4,370,885 |
| | | 12,764,381 |
| France—7.8% | | |
| 7,192 | L'Oreal SA | 1,776,352 |
| 9,815 | LVMH Moet Hennessy Louis Vuitton SE | 3,268,954 |
| 29,825 | Safran SA | 3,624,028 |
| 20,910 | Teleperformance | 3,694,553 |
| | | 12,363,887 |

Portfolio of Investments (continued)

INTERNATIONAL FUND

June 30, 2018

| Shares | Security | Value |
|---------|--|--------------|
| | Spain—6.8% | |
| 19,391 | Aena SA | \$ 3,521,272 |
| 134,622 | Grifols SA – Class “A” | 4,052,919 |
| 91,694 | Industria de Diseno Textil SA | 3,133,172 |
| | | 10,707,363 |
| | Ireland—5.7% | |
| 535,095 | AIB Group, PLC | 2,905,714 |
| 34,076 | Kingspan Group, PLC | 1,706,367 |
| 38,698 | Paddy Power Betfair, PLC | 4,293,200 |
| | | 8,905,281 |
| | Netherlands—4.9% | |
| 23,564 | Heineken NV | 2,367,105 |
| 96,121 | Unilever NV – CVA | 5,363,878 |
| | | 7,730,983 |
| | Germany—4.1% | |
| 30,087 | HeidelbergCement AG | 2,532,577 |
| 34,351 | SAP SE | 3,969,394 |
| | | 6,501,971 |
| | Switzerland—3.5% | |
| 52,373 | Nestle SA | 4,066,933 |
| 97,328 | * UBS Group AG | 1,506,161 |
| | | 5,573,094 |
| | Japan—3.0% | |
| 4,000 | Keyence Corp. | 2,260,218 |
| 17,000 | Shimano, Inc. | 2,496,681 |
| | | 4,756,899 |
| | Hong Kong—2.5% | |
| 295,408 | Techtronic Industries Co., Ltd. | 1,647,305 |
| 45,281 | Tencent Holdings, Ltd. | 2,272,823 |
| | | 3,920,128 |
| | Taiwan—2.4% | |
| 101,555 | Taiwan Semiconductor Manufacturing Co., Ltd. (ADR) | 3,712,851 |

| Shares or Principal Amount | Security | Value |
|---|---|-------------------------|
| 35,928 | Belgium—2.3% Anheuser-Busch InBev SA | \$ 3,629,260 |
| 17,849 | China—2.1% * Alibaba Group Holding, Ltd. (ADR) | 3,311,525 |
| 11,958 | Australia—1.1% CSL, Ltd. | 1,704,594 |
| 340,988 | Brazil—1.0% Ambev SA (ADR) | 1,578,774 |
| 6,184 | South Africa—1.0% Naspers, Ltd. | 1,571,076 |
| Total Value of Common Stocks (cost \$112,278,838) | | 152,276,115 |
| SHORT-TERM U.S. GOVERNMENT AGENCY OBLIGATIONS—1.9% | | |
| United States | | |
| \$ 3,000M | Federal Home Loan Bank, 1.79%, 7/16/2018 (cost \$2,997,760) | 2,997,831 |
| Total Value of Investments (cost \$115,276,598) | | 98.5% 155,273,946 |
| Other Assets, Less Liabilities | | 1.5 2,361,454 |
| Net Assets | | 100.0% \$157,635,400 |

* Non-income producing

Summary of Abbreviations:

ADR American Depositary Receipts

The Fund's assets and liabilities are classified into the following three levels based on the inputs used to value the assets and liabilities:

Level 1 — Unadjusted quoted prices in active markets for identical securities that the Fund has the ability to access.

Level 2 — Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 — Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund's own assumption about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

Portfolio of Investments (continued)

INTERNATIONAL FUND

June 30, 2018

The inputs methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For example, U.S. Government securities are reflected as Level 2 because the inputs used to determine fair value may not always be quoted prices in an active market.

The following is a summary, by category of Level, of inputs used to value the Fund's investments as of June 30, 2018:

| | Level 1 | Level 2 | Level 3 | Total |
|---------------------------------------|-----------------------|---------------------|-------------|-----------------------|
| Common Stocks | | | | |
| United Kingdom | \$ 25,098,483 | \$ — | \$ — | \$ 25,098,483 |
| United States | 24,029,161 | — | — | 24,029,161 |
| India | 14,416,404 | — | — | 14,416,404 |
| Canada | 12,764,381 | — | — | 12,764,381 |
| France | 12,363,887 | — | — | 12,363,887 |
| Spain | 10,707,363 | — | — | 10,707,363 |
| Ireland | 8,905,281 | — | — | 8,905,281 |
| Netherlands | 7,730,983 | — | — | 7,730,983 |
| Germany | 6,501,971 | — | — | 6,501,971 |
| Switzerland | 5,573,094 | — | — | 5,573,094 |
| Japan | 4,756,899 | — | — | 4,756,899 |
| Hong Kong | 3,920,128 | — | — | 3,920,128 |
| Taiwan | 3,712,851 | — | — | 3,712,851 |
| Belgium | 3,629,260 | — | — | 3,629,260 |
| China | 3,311,525 | — | — | 3,311,525 |
| Australia | 1,704,594 | — | — | 1,704,594 |
| Brazil | 1,578,774 | — | — | 1,578,774 |
| South Africa | 1,571,076 | — | — | 1,571,076 |
| Short-Term U.S. Government | | | | |
| Agency Obligations | — | 2,997,831 | — | 2,997,831 |
| Total Investments in Securities . . . | <u>\$ 152,276,115</u> | <u>\$ 2,997,831</u> | <u>\$ —</u> | <u>\$ 155,273,946</u> |

During the period ended June 30, 2018, there were no transfers between Level 1 investments and Level 2 investments that had a material impact to the Fund. This does not include transfers between Level 1 investments and Level 2 investments due to the Fund utilizing international fair value pricing during the year.

Fund Expenses (unaudited)

INVESTMENT GRADE FUND

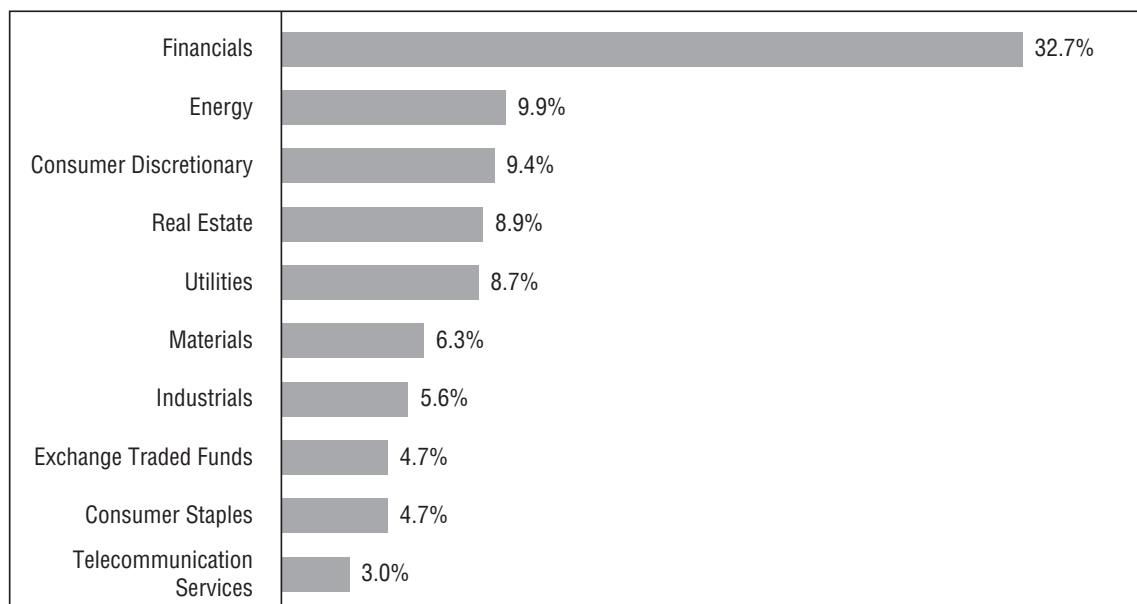
The examples below show the ongoing costs (in dollars) of investing in your Fund and will help you in comparing these costs with costs of other mutual funds. Please refer to page 1 for a detailed explanation of the information presented in these examples.

| | Beginning Account Value (1/1/18) | Ending Account Value (6/30/18) | Expenses Paid During Period (1/1/18–6/30/18)* |
|--|---|---|--|
| Expense Examples | | | |
| Actual | \$1,000.00 | \$972.03 | \$3.37 |
| Hypothetical (5% annual return before expenses) | \$1,000.00 | \$1,021.37 | \$3.46 |

* Expenses are equal to the annualized expense ratio of .69%, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period). Expenses paid during the period are net of expenses waived.

Portfolio Composition

TOP TEN SECTORS



Portfolio holdings and allocations are subject to change. Percentages are as of June 30, 2018, and are based on the total value of investments.

Portfolio of Investments

INVESTMENT GRADE FUND

June 30, 2018

| Principal Amount | Security | Value |
|------------------------------------|--|------------|
| CORPORATE BONDS—91.2% | | |
| Aerospace/Defense—1.4% | | |
| \$ 500M | Rockwell Collins, Inc., 3.2%, 3/15/2024 | \$ 482,309 |
| 400M | Rolls-Royce, PLC, 3.625%, 10/14/2025 (a) | 394,929 |
| | | 877,238 |
| Automotive—2.7% | | |
| Daimler Finance NA, LLC: | | |
| 200M | 3.35%, 2/22/2023 (a) | 196,670 |
| 250M | 3.2029%, 5/4/2023 (a) † | 250,913 |
| 490M | Ford Motor Credit Co., LLC, 3.5888%, 2/15/2023 † | 493,331 |
| 400M | Lear Corp., 5.25%, 1/15/2025 | 411,794 |
| 400M | O'Reilly Automotive, Inc., 3.55%, 3/15/2026 | 381,147 |
| | | 1,733,855 |
| Chemicals—2.6% | | |
| 500M | Dow Chemical Co., 3.5%, 10/1/2024 | 487,637 |
| 400M | LYB International Finance Co. BV, 3.5%, 3/2/2027 | 375,792 |
| 500M | LyondellBasell Industries NV, 6%, 11/15/2021 | 535,487 |
| 300M | Nutrien, Ltd., 3.375%, 3/15/2025 | 282,757 |
| | | 1,681,673 |
| Energy—9.6% | | |
| Andeavor Logistics, LP: | | |
| 300M | 3.5%, 12/1/2022 | 293,420 |
| 200M | 5.25%, 1/15/2025 | 205,225 |
| 450M | BP Capital Markets, PLC, 3.216%, 11/28/2023 | 441,698 |
| 575M | Canadian Oil Sands, Ltd., 7.75%, 5/15/2019 (a) | 593,631 |
| 500M | Continental Resources, Inc., 5%, 9/15/2022 | 507,178 |
| 400M | Enable Midstream Partners, LP, 4.4%, 3/15/2027 | 381,132 |
| 500M | Enbridge Energy Partners, LP, 4.2%, 9/15/2021 | 506,289 |
| 300M | Enterprise Products Operating, 7.55%, 4/15/2038 | 393,663 |
| Kinder Morgan Energy Partners, LP: | | |
| 300M | 3.5%, 3/1/2021 | 299,361 |
| 500M | 3.45%, 2/15/2023 | 483,009 |
| Kinder Morgan, Inc.: | | |
| 150M | 5.625%, 11/15/2023 (a) | 159,906 |
| 250M | 4.3%, 3/1/2028 | 243,347 |
| 500M | Magellan Midstream Partners, LP, 5%, 3/1/2026 | 527,396 |
| 400M | Noble Energy, Inc., 3.85%, 1/15/2028 | 383,007 |

| Principal Amount | Security | Value |
|-------------------------------------|---|------------|
| Energy (continued) | | |
| Valero Energy Corp.: | | |
| \$ 300M | 4.35%, 6/1/2028 | \$ 299,269 |
| 300M | 6.625%, 6/15/2037 | 359,754 |
| | | 6,077,285 |
| Financial Services—10.8% | | |
| American International Group, Inc.: | | |
| 400M | 3.75%, 7/10/2025 | 386,960 |
| 200M | 4.7%, 7/10/2035 | 195,126 |
| 500M | Assured Guaranty U.S. Holding, Inc., 5%, 7/1/2024 | 523,168 |
| 300M | Brookfield Finance, Inc., 4%, 4/1/2024 | 297,172 |
| 500M | ERAC USA Finance, LLC, 4.5%, 8/16/2021 (a) | 512,806 |
| 600M | Ford Motor Credit Co., LLC, 8.125%, 1/15/2020 | 642,765 |
| 250M | GE Capital International Funding Services, Ltd., 4.418%, 11/15/2035 | 242,629 |
| 700M | General Electric Capital Corp., 4.65%, 10/17/2021 | 728,409 |
| 400M | General Motors Financial Co., Inc., 5.25%, 3/1/2026 | 415,126 |
| 500M | International Lease Finance Corp., 8.25%, 12/15/2020 | 551,626 |
| 500M | Key Bank NA, 3.4%, 5/20/2026 | 476,732 |
| 400M | Liberty Mutual Group, Inc., 4.95%, 5/1/2022 (a) | 415,705 |
| 300M | National City Corp., 6.875%, 5/15/2019 | 310,017 |
| 600M | Protective Life Corp., 7.375%, 10/15/2019 | 631,849 |
| 300M | Prudential Financial, Inc., 7.375%, 6/15/2019 | 312,530 |
| 200M | Travelers Cos., Inc., 4.05%, 3/7/2048 | 194,305 |
| | | 6,836,925 |
| Financials—22.6% | | |
| Bank of America Corp.: | | |
| 300M | 3.5416%, 10/21/2022 † | 305,640 |
| 1,000M | 4.2%, 8/26/2024 | 1,006,030 |
| 475M | 5.875%, 2/7/2042 | 557,224 |
| Barclays Bank, PLC: | | |
| 400M | 5.125%, 1/8/2020 | 411,221 |
| 600M | 3.75%, 5/15/2024 | 591,976 |
| 300M | Capital One Financial Corp., 3.75%, 4/24/2024 | 294,632 |
| Citigroup, Inc.: | | |
| 200M | 2.9%, 12/8/2021 | 196,083 |
| 450M | 4.5%, 1/14/2022 | 462,609 |
| 450M | 4.3%, 11/20/2026 | 439,870 |
| 400M | Deutsche Bank AG of New York, 3.7%, 5/30/2024 | 371,800 |

Portfolio of Investments (continued)
INVESTMENT GRADE FUND
June 30, 2018

| Principal Amount | Security | Value |
|--|---|------------|
| Financials (continued) | | |
| Goldman Sachs Group, Inc.: | | |
| \$ 800M | 5.75%, 1/24/2022 | \$ 856,546 |
| 300M | 3.625%, 1/22/2023 | 298,338 |
| 750M | 3.272%, 9/29/2025 † | 712,736 |
| 500M | 3.5%, 11/16/2026 | 471,612 |
| 700M | 6.125%, 2/15/2033 | 801,642 |
| 250M | HSBC Holdings, PLC, 3.95%, 5/18/2024 | 249,269 |
| JPMorgan Chase & Co.: | | |
| 250M | 4.5%, 1/24/2022 | 258,730 |
| 800M | 3.54%, 5/1/2028 † | 766,774 |
| 550M | 6.4%, 5/15/2038 | 675,715 |
| Morgan Stanley: | | |
| 725M | 5.5%, 7/28/2021 | 767,725 |
| 300M | 4%, 7/23/2025 | 299,361 |
| 400M | 3.625%, 1/20/2027 | 384,508 |
| U.S. Bancorp: | | |
| 500M | 3.6%, 9/11/2024 | 494,348 |
| 300M | 3.1%, 4/27/2026 | 283,245 |
| 400M | UBS AG, 4.875%, 8/4/2020 | 413,030 |
| 300M | UBS Group Funding (Switzerland) AG, 4.253%, 3/23/2028 (a) | 298,396 |
| Wells Fargo & Co.: | | |
| 900M | 3.45%, 2/13/2023 | 882,959 |
| 250M | 4.75%, 12/7/2046 | 242,476 |
| Wells Fargo Bank NA: | | |
| 250M | 5.85%, 2/1/2037 | 286,440 |
| 250M | 6.6%, 1/15/2038 | 312,172 |
| | | 14,393,107 |
| Food/Beverage/Tobacco—4.2% | | |
| Anheuser-Busch InBev Finance, Inc.: | | |
| 200M | 3.65%, 2/1/2026 | 195,981 |
| 900M | 4.7%, 2/1/2036 | 914,865 |
| 550M | Bunge, Ltd. Finance Corp., 8.5%, 6/15/2019 | 577,848 |
| 440M | Ingredion, Inc., 4.625%, 11/1/2020 | 451,255 |
| 525M | Maple Escrow Subsidiary, Inc., 3.551%, 5/25/2021 (a) | 525,822 |
| | | 2,665,771 |
| Forest Products/Containers—1.0% | | |
| 400M | Packaging Corp. of America, 3.4%, 12/15/2027 | 378,014 |
| 250M | Rock-Tenn Co., 4.9%, 3/1/2022 | 260,630 |
| | | 638,644 |

| Principal Amount | Security | Value |
|------------------------------------|--|--------------|
| Health Care—2.8% | | |
| \$ 300M | Bayer U.S. Finance II, LLC, 4.375%, 12/15/2028 (a) | \$ 301,196 |
| | CVS Health Corp.: | |
| 400M | 3.875%, 7/20/2025 | 388,164 |
| 200M | 4.3%, 3/25/2028 | 197,670 |
| 450M | Express Scripts Holding Co., 4.75%, 11/15/2021 | 464,628 |
| 400M | Laboratory Corp. of America Holdings, 3.75%, 8/23/2022 | 402,802 |
| | | 1,754,460 |
| Information Technology—2.7% | | |
| 350M | Apple, Inc., 3%, 11/13/2027 | 332,984 |
| 400M | Corning, Inc., 7.25%, 8/15/2036 | 475,344 |
| 900M | Diamond 1 Finance Corp., 4.42%, 6/15/2021 (a) | 913,771 |
| | | 1,722,099 |
| Manufacturing—1.2% | | |
| 250M | CRH America, Inc., 3.4%, 5/9/2027 (a) | 235,751 |
| 500M | Johnson Controls International, PLC, 5%, 3/30/2020 | 514,587 |
| | | 750,338 |
| Media-Broadcasting—2.0% | | |
| 200M | ABC, Inc., 8.75%, 8/15/2021 | 231,644 |
| | Comcast Corp.: | |
| 400M | 2.75%, 3/1/2023 | 384,766 |
| 700M | 4.25%, 1/15/2033 | 684,683 |
| | | 1,301,093 |
| Media-Diversified—.6% | | |
| 400M | Time Warner, Inc., 3.6%, 7/15/2025 | 380,909 |
| Metals/Mining—2.4% | | |
| 500M | Arconic, Inc., 6.15%, 8/15/2020 | 521,875 |
| 500M | Glencore Funding, LLC, 4.625%, 4/29/2024 (a) | 503,774 |
| 500M | Newmont Mining Corp., 5.125%, 10/1/2019 | 511,294 |
| | | 1,536,943 |

Portfolio of Investments (continued)
 INVESTMENT GRADE FUND
 June 30, 2018

| Principal Amount | Security | Value |
|--|---|------------|
| Real Estate—8.7% | | |
| \$ 400M | Alexandria Real Estate Equities, Inc., 3.95%, 1/15/2028 | \$ 385,001 |
| 400M | Boston Properties, LP, 5.875%, 10/15/2019 | 412,080 |
| | Digital Realty Trust, LP: | |
| 300M | 5.25%, 3/15/2021 | 312,502 |
| 800M | 4.75%, 10/1/2025 | 825,610 |
| 200M | Duke Realty Corp., 3.25%, 6/30/2026 | 187,908 |
| 400M | ERP Operating, LP, 3.375%, 6/1/2025 | 390,879 |
| 300M | Essex Portfolio, LP, 3.875%, 5/1/2024 | 298,203 |
| 200M | HCP, Inc., 4.25%, 11/15/2023 | 201,415 |
| 200M | Prologis, LP, 3.875%, 9/15/2028 | 200,541 |
| | Realty Income Corp.: | |
| 500M | 3.875%, 4/15/2025 | 493,698 |
| 200M | 4.125%, 10/15/2026 | 199,414 |
| 500M | Simon Property Group, LP, 3.375%, 10/1/2024 | 488,376 |
| 400M | Ventas Realty, LP, 4.75%, 6/1/2021 | 412,283 |
| 425M | Vornado Realty, LP, 3.5%, 1/15/2025 | 407,413 |
| 300M | Welltower, Inc., 4%, 6/1/2025 | 294,659 |
| | | 5,509,982 |
| Retail-General Merchandise—1.6% | | |
| 400M | Amazon.com, Inc., 4.8%, 12/5/2034 | 439,499 |
| 500M | Home Depot, Inc., 5.875%, 12/16/2036 | 607,907 |
| | | 1,047,406 |
| Telecommunications—2.4% | | |
| 500M | AT&T, Inc., 4.25%, 3/1/2027 | 490,234 |
| | Verizon Communications, Inc.: | |
| 200M | 3.4425%, 5/15/2025 | 199,956 |
| 900M | 4.272%, 1/15/2036 | 832,740 |
| | | 1,522,930 |
| Transportation—2.9% | | |
| 250M | Air Lease Corp., 3.875%, 7/3/2023 | 247,799 |
| 300M | Aviation Capital Group, LLC, 3.5%, 11/1/2027 (a) | 275,230 |
| | Burlington Northern Santa Fe, LLC: | |
| 200M | 5.75%, 5/1/2040 | 237,448 |
| 400M | 5.15%, 9/1/2043 | 444,296 |
| 300M | Penske Truck Leasing Co., LP, 4.875%, 7/11/2022 (a) | 312,212 |
| 350M | Southwest Airlines Co., 3%, 11/15/2026 | 325,157 |
| | | 1,842,142 |

| Principal Amount or Shares | Security | Value |
|---|---|--------------|
| Utilities—8.5% | | |
| \$ 500M | Duke Energy Progress, Inc., 4.15%, 12/1/2044 | \$ 494,621 |
| 300M | Electricite de France SA, 3.625%, 10/13/2025 (a) | 293,984 |
| 300M | Entergy Arkansas, Inc., 4.95%, 12/15/2044 | 300,464 |
| 400M | Exelon Generation Co., LLC, 3.4%, 3/15/2022 | 397,690 |
| 429M | Great River Energy, 4.478%, 7/1/2030 (a) | 459,484 |
| 500M | Ohio Power Co., 5.375%, 10/1/2021 | 532,764 |
| 450M | Oklahoma Gas & Electric Co., 4%, 12/15/2044 | 454,348 |
| | ONEOK, Inc.: | |
| 400M | 7.5%, 9/1/2023 | 458,593 |
| 500M | 4.55%, 7/15/2028 | 505,385 |
| 400M | ONEOK Partners, LP, 3.375%, 10/1/2022 | 394,962 |
| 171M | San Diego Gas & Electric Co., 1.914%, 2/1/2022 | 167,331 |
| | Sempra Energy: | |
| 604M | 9.8%, 2/15/2019 | 628,579 |
| 300M | 2.8477%, 1/15/2021 † | 300,175 |
| | | 5,388,380 |
| Wireless Communications—.5% | | |
| | Vodafone Group, PLC: | |
| 100M | 3.75%, 1/16/2024 | 99,268 |
| 200M | 4.375%, 5/30/2028 | 198,016 |
| | | 297,284 |
| Total Value of Corporate Bonds (cost \$58,809,668) | | 57,958,464 |
| EXCHANGE TRADED FUNDS—4.6% | | |
| 34,200 | iShares iBoxx USD High Yield Corporate Bond ETF (ETF) (cost \$2,933,090) | 2,909,736 |
| PASS-THROUGH CERTIFICATES—.8% | | |
| Transportation | | |
| \$ 500M | American Airlines 2017-2 AA PTT, 3.35%, 10/15/2029 (cost \$500,000) | 483,273 |
| TAXABLE MUNICIPAL BONDS—.4% | | |
| 250M | California State GO, 4.6%, 4/1/2038 (cost \$263,279) | 262,280 |
| Total Value of Investments (cost \$62,506,037) | | 61,613,753 |
| Other Assets, Less Liabilities | | 1,895,306 |
| Net Assets | | \$63,509,059 |

Portfolio of Investments (continued)

INVESTMENT GRADE FUND

June 30, 2018

(a) Security exempt from registration under Rule 144A of the Securities Act of 1933 (see Note 5).

(b) A portion or all of the security purchased on a when-issued or delayed delivery basis (see Note 1G).

† Interest rates are determined and reset periodically. The interest rates above are the rates in effect at June 30, 2018.

Summary of Abbreviations:

ETF Exchange Traded Fund

GO General Obligation

PTT Pass Through Trust

USD United States Dollar

The Fund's assets and liabilities are classified into the following three levels based on the inputs used to value the assets and liabilities:

Level 1 — Unadjusted quoted prices in active markets for identical securities that the Fund has the ability to access.

Level 2 — Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 — Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund's own assumption about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The inputs methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For example, U.S. Government securities are reflected as Level 2 because the inputs used to determine fair value may not always be quoted prices in an active market.

The following is a summary, by category of Level, of inputs used to value the Fund's investments as of June 30, 2018:

| | Level 1 | Level 2 | Level 3 | Total |
|--------------------------------------|---------------------|----------------------|-------------|----------------------|
| Corporate Bonds | \$ — | \$ 57,958,464 | \$ — | \$ 57,958,464 |
| Exchange Traded Funds | 2,909,736 | — | — | 2,909,736 |
| Pass-Through Certificates | — | 483,273 | — | 483,273 |
| Taxable Municipal Bonds | — | 262,280 | — | 262,280 |
| Total Investments in Securities* . . | <u>\$ 2,909,736</u> | <u>\$ 58,704,017</u> | <u>\$ —</u> | <u>\$ 61,613,753</u> |

* The Portfolio of Investments provides information on the industry categorization for corporate bonds and pass-through certificates.

There were no transfers into or from Level 1 and Level 2 by the Fund for the period ended June 30, 2018. Transfers, if any, between Levels are recognized at the end of the reporting period.

Fund Expenses (unaudited)

LIMITED DURATION BOND FUND

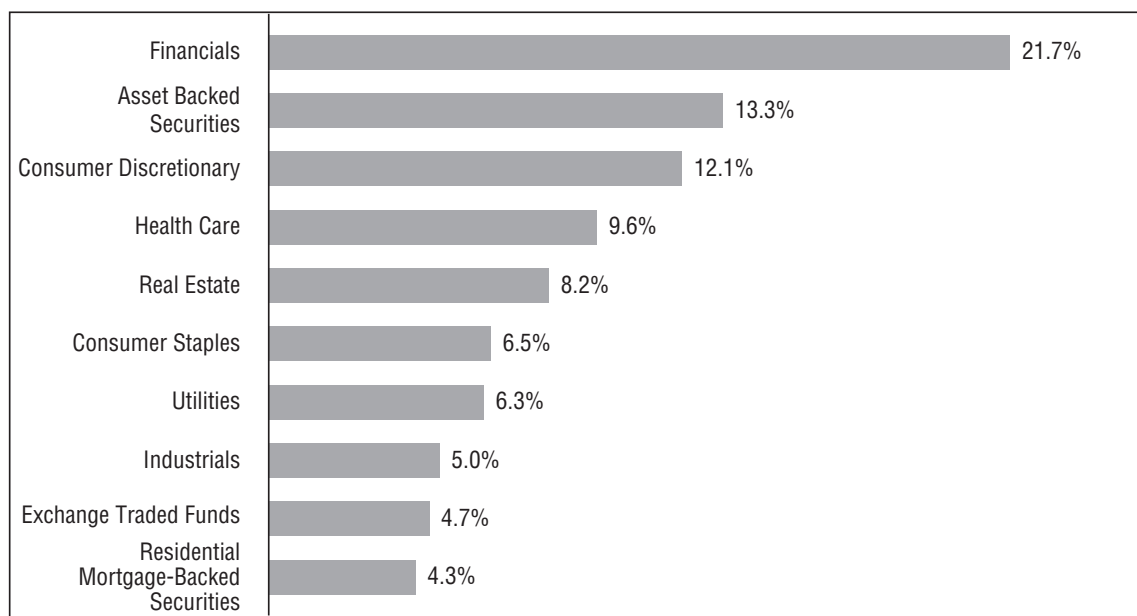
The examples below show the ongoing costs (in dollars) of investing in your Fund and will help you in comparing these costs with costs of other mutual funds. Please refer to page 1 for a detailed explanation of the information presented in these examples.

| | Beginning Account Value (1/1/18) | Ending Account Value (6/30/18) | Expenses Paid During Period (1/1/18–6/30/18)* |
|--|---|---|--|
| Expense Examples | | | |
| Actual | \$1,000.00 | \$990.34 | \$6.22 |
| Hypothetical (5% annual return before expenses) | \$1,000.00 | \$1,018.54 | \$6.31 |

* Expenses are equal to the annualized expense ratio of 1.26%, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period). Expenses paid during the period are net of expenses waived.

Portfolio Composition

TOP TEN SECTORS



Portfolio holdings and allocations are subject to change. Percentages are as of June 30, 2018, and are based on the total value of investments.

Portfolio of Investments
LIMITED DURATION BOND FUND
June 30, 2018

| Principal Amount | Security | Value |
|--------------------------------|---|------------|
| CORPORATE BONDS—79.9% | | |
| Automotive—12.5% | | |
| \$ 200M | Daimler Finance NA, LLC, 2.75294%, 5/4/2020 (a)† | \$ 199,983 |
| 210M | Ford Motor Credit Co., LLC, 3.58875%, 2/15/2023 † | 211,428 |
| | General Motors Financial Co., Inc.: | |
| 100M | 3.55%, 4/9/2021 | 99,741 |
| 108M | 3.89769%, 1/14/2022 † | 110,717 |
| 150M | Hyundai Capital America, 3.26088%, 7/8/2021 (a)† | 150,136 |
| 110M | O'Reilly Automotive, Inc., 4.625%, 9/15/2021 | 113,710 |
| | | 885,715 |
| Chemicals—1.4% | | |
| 100M | Dow Chemical Co., 4.25%, 11/15/2020 | 102,198 |
| Energy—1.4% | | |
| 100M | Continental Resources, Inc., 5%, 9/15/2022 | 101,436 |
| Financial Services—5.7% | | |
| 200M | PNC Bank, NA, 2.7%, 11/1/2022 | 192,372 |
| 100M | Protective Life Corp., 7.375%, 10/15/2019 | 105,308 |
| 100M | Prudential Financial, Inc., 7.375%, 6/15/2019 | 104,177 |
| | | 401,857 |
| Financials—16.7% | | |
| 100M | Bank of Montreal, 1.9%, 8/27/2021 | 95,681 |
| 100M | Barclays Bank, PLC, 6.75%, 5/22/2019 | 103,243 |
| 100M | Capital One Financial Corp., 3.05%, 3/9/2022 | 98,092 |
| 200M | Danske Bank AS, 2.7%, 3/2/2022 (a) | 194,153 |
| 100M | Deutsche Bank AG of New York, 3.15%, 1/22/2021 | 96,836 |
| 100M | Goldman Sachs Group, Inc., 3.36781%, 6/5/2023 † | 100,739 |
| 100M | JPMorgan Chase & Co., 4.5%, 1/24/2022 | 103,492 |
| 200M | Lloyds Bank, PLC, 3%, 1/11/2022 | 194,968 |
| 100M | Wells Fargo & Co., 3.45%, 2/13/2023 | 98,107 |
| 100M | Wells Fargo Bank, NA, 2.6%, 1/15/2021 | 98,443 |
| | | 1,183,754 |

| Principal Amount | Security | Value |
|------------------------------------|---|------------|
| Food/Beverage/Tobacco—6.7% | | |
| \$ 200M | Bunge, Ltd. Finance Corp., 8.5%, 6/15/2019 | \$ 210,127 |
| General Mills, Inc.: | | |
| 100M | 2.89281%, 4/16/2021 † | 100,189 |
| 100M | 3.36281%, 10/17/2023 † | 100,921 |
| 60M | Ingredion, Inc., 4.625%, 11/1/2020 | 61,535 |
| | | 472,772 |
| Health Care—9.9% | | |
| 600M | CVS Health Corp., 3.125%, 3/9/2020 | 599,469 |
| 100M | Gilead Sciences, Inc., 2.55%, 9/1/2020 | 98,829 |
| | | 698,298 |
| Information Technology—1.3% | | |
| 100M | QUALCOMM, Inc., 2.6%, 1/30/2023 | 95,685 |
| Metals/Mining—1.5% | | |
| 100M | Viterra, Inc., 5.95%, 8/1/2020 | 104,639 |
| Real Estate—8.5% | | |
| 200M | American Tower Trust I, 3.07%, 3/15/2023 (a) | 196,465 |
| 100M | Boston Properties, LP, 5.875%, 10/15/2019 | 103,020 |
| 100M | Digital Realty Trust, LP, 2.75%, 2/1/2023 | 95,351 |
| 100M | Realty Income Corp., 3.25%, 10/15/2022 | 98,545 |
| 100M | Welltower, Inc., 6.125%, 4/15/2020 | 104,700 |
| | | 598,081 |
| Telecommunications—2.7% | | |
| 100M | AT&T, Inc., 2.45%, 6/30/2020 | 98,535 |
| 100M | Verizon Communications, Inc., 1.75%, 8/15/2021 | 95,650 |
| | | 194,185 |
| Transportation—5.1% | | |
| 200M | Aviation Capital Group, LLC, 7.125%, 10/15/2020 (a) | 215,810 |
| 141M | Heathrow Funding, Ltd., 4.875%, 7/15/2021 (a) | 147,596 |
| | | 363,406 |

Portfolio of Investments (continued)

LIMITED DURATION BOND FUND

June 30, 2018

| Principal Amount or Shares | Security | Value |
|--|---|------------|
| Utilities—6.5% | | |
| \$ 100M | Arizona Public Service Co., 8.75%, 3/1/2019 | \$ 103,816 |
| 138M | Entergy Corp., 5.125%, 9/15/2020 | 142,454 |
| 115M | Sempra Energy, 2.79063%, 3/15/2021 † | 115,095 |
| 100M | Wisconsin Public Service Corp., 1.65%, 12/4/2018 | 99,694 |
| | | 461,059 |
| Total Value of Corporate Bonds (cost \$5,737,994) | | 5,663,085 |
| ASSET BACKED SECURITIES—13.8% | | |
| Fixed Autos—8.8% | | |
| 150M | CarMax Auto Owner Trust, 3.37%, 10/16/2023 | 150,008 |
| 126M | Ford Credit Floorplan Master Owner Trust, 1.76%, 2/15/2021 | 125,346 |
| 100M | GM Financial Automobile Leasing, 3.31%, 4/20/2022 | 99,982 |
| 189M | Harley-Davidson Motorcycle Trust, 1.67%, 8/15/2022 | 187,980 |
| 60M | Santander Drive Auto Receivables, 3.03%, 9/15/2022 | 59,898 |
| | | 623,214 |
| Fixed Financials—1.9% | | |
| 133M | American Credit Acceptance, 2.61%, 5/10/2021 (a) | 132,547 |
| Fixed Telecommunications Services—3.1% | | |
| 220M | Verizon Owner Trust, 1.92%, 12/20/2021 (a) | 216,953 |
| Total Value of Asset Backed Securities (cost \$972,836) | | 972,714 |
| EXCHANGE TRADED FUNDS—4.9% | | |
| 4,045 | iShares iBoxx USD High Yield Corporate Bond ETF (ETF) (cost \$346,428) | 344,149 |

| Principal Amount | Security | Value |
|---|-----------------------------|-------------|
| RESIDENTIAL MORTGAGE-BACKED SECURITIES—4.5% | | |
| Fannie Mae—3.3% | | |
| \$ 96M | 3%, 8/1/2026 – 9/1/2027 | \$ 96,199 |
| 136M | 3.5%, 12/1/2025 – 12/1/2029 | 137,997 |
| | | 234,196 |
| Freddie Mac—1.2% | | |
| 83M | 3%, 8/1/2027 – 8/1/2030 | 82,986 |
| Total Value of Residential Mortgage-Backed Securities (cost \$327,081) | | 317,182 |
| Total Value of Investments (cost \$7,384,339) | | 7,297,130 |
| Excess of Liabilities Over Other Assets | | (222,561) |
| Net Assets | | \$7,074,569 |

(a) Security exempt from registration under Rule 144A of the Securities Act of 1933 (see Note 5).

† Interest rates are determined and reset periodically. The interest rates above are the rates in effect at June 30, 2018.

Summary of Abbreviations:

ETF Exchange Traded Fund

USD United States Dollar

The Fund's assets and liabilities are classified into the following three levels based on the inputs used to value the assets and liabilities:

Level 1 — Unadjusted quoted prices in active markets for identical securities that the Fund has the ability to access.

Level 2 — Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 — Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund's own assumption about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

Portfolio of Investments (continued)
 LIMITED DURATION BOND FUND
 June 30, 2018

The inputs methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For example, U.S. Government securities are reflected as Level 2 because the inputs used to determine fair value may not always be quoted prices in an active market.

The following is a summary, by category of Level, of inputs used to value the Fund's investments as of June 30, 2018:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|---|-------------------|---------------------|----------------|---------------------|
| Corporate Bonds | \$ — | \$ 5,663,085 | \$ — | \$ 5,663,085 |
| Asset Backed Securities | — | 972,714 | — | 972,714 |
| Exchange Traded Funds | 344,149 | — | — | 344,149 |
| Residential Mortgage Backed Securities | — | 317,182 | — | 317,182 |
| Total Investments in Securities* . . | <u>\$ 344,149</u> | <u>\$ 6,952,981</u> | <u>\$ —</u> | <u>\$ 7,297,130</u> |

* The Portfolio of Investments provides information on the industry categorization of corporate bonds and asset backed securities.

There were no transfers into or from Level 1 and Level 2 by the Fund for the period ended June 30, 2018. Transfers, if any, between Levels are recognized at the end of the reporting period.

Fund Expenses (unaudited)

OPPORTUNITY FUND

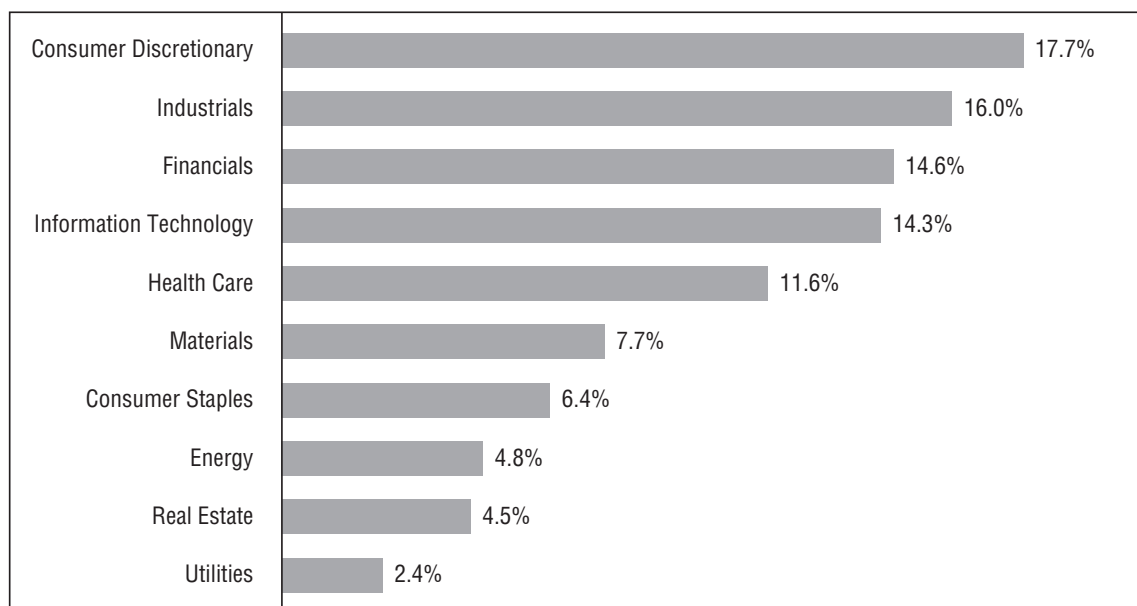
The examples below show the ongoing costs (in dollars) of investing in your Fund and will help you in comparing these costs with costs of other mutual funds. Please refer to page 1 for a detailed explanation of the information presented in these examples.

| | Beginning Account Value (1/1/18) | Ending Account Value (6/30/18) | Expenses Paid During Period (1/1/18–6/30/18)* |
|--|---|---|--|
| Expense Examples | | | |
| Actual | \$1,000.00 | \$996.08 | \$4.11 |
| Hypothetical (5% annual return before expenses) | \$1,000.00 | \$1,020.67 | \$4.16 |

* Expenses are equal to the annualized expense ratio of .83%, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

Portfolio Composition

BY SECTOR



Portfolio holdings and allocations are subject to change. Percentages are as of June 30, 2018, and are based on the total value of investments.

Portfolio of Investments

OPPORTUNITY FUND

June 30, 2018

| Shares | Security | Value |
|-------------------------------------|--|------------|
| COMMON STOCKS—98.1% | | |
| Consumer Discretionary—17.3% | | |
| 21,100 | Acushnet Holdings Corp. | \$ 516,106 |
| 11,100 | Aramark Holdings Corp. | 411,810 |
| 13,800 | Big Lots, Inc. | 576,564 |
| 8,400 | BorgWarner, Inc. | 362,544 |
| 13,900 | Dana, Inc. | 280,641 |
| 22,300 | DSW, Inc. – Class “A” | 575,786 |
| 11,800 | * Fox Factory Holding Corp. | 549,290 |
| 7,800 | * Helen of Troy, Ltd. | 767,910 |
| 2,600 | Lear Corp. | 483,106 |
| 10,300 | * LKQ Corp. | 328,570 |
| 8,600 | Magna International, Inc. | 499,918 |
| 10,300 | Meredith Corp. | 525,300 |
| 20,900 | * Michaels Cos., Inc. | 400,653 |
| 6,100 | Nordstrom, Inc. | 315,858 |
| 6,500 | Oxford Industries, Inc. | 539,370 |
| 8,300 | Penske Automotive Group, Inc. | 388,855 |
| 4,700 | Ross Stores, Inc. | 398,325 |
| 12,700 | Ruth’s Hospitality Group, Inc. | 356,235 |
| 22,200 | * ServiceMaster Holdings, Inc. | 1,320,234 |
| 13,400 | Tapestry, Inc. | 625,914 |
| 19,200 | * Taylor Morrison Home Corp. – Class “A” | 398,976 |
| 32,000 | * TRI Pointe Group, Inc. | 523,520 |
| 19,500 | * William Lyon Homes – Class “A” | 452,400 |
| 6,600 | Wyndham Destinations, Inc. | 292,182 |
| 6,600 | Wyndham Hotels & Resorts, Inc. | 388,278 |
| | | 12,278,345 |
| Consumer Staples—6.3% | | |
| 7,600 | B&G Foods, Inc. | 227,240 |
| 12,600 | Conagra Brands, Inc. | 450,198 |
| 2,600 | Keurig Dr Pepper, Inc. | 317,200 |
| 33,600 | Koninklijke Ahold Delhaize NV (ADR) | 802,032 |
| 3,400 | McCormick & Co., Inc. | 394,706 |
| 18,900 | * Performance Food Group Co. | 693,630 |
| 11,400 | Pinnacle Foods, Inc. | 741,684 |
| 22,000 | * U.S. Foods Holding Corp. | 832,040 |
| | | 4,458,730 |

| Shares | Security | Value |
|--------------------------|--|------------|
| Energy—4.7% | | |
| 11,600 | Devon Energy Corp. | \$ 509,936 |
| 5,200 | EOG Resources, Inc. | 647,036 |
| 5,800 | EQT Corp. | 320,044 |
| 5,500 | Hess Corp. | 367,895 |
| 9,500 | National Oilwell Varco, Inc. | 412,300 |
| 18,400 | PBF Energy, Inc. – Class “A” | 771,512 |
| 19,400 | * ProPetro Holding Corp. | 304,192 |
| | | 3,332,915 |
| Financials—14.4% | | |
| 4,800 | Ameriprise Financial, Inc. | 671,424 |
| 14,100 | Berkshire Hills Bancorp, Inc. | 572,460 |
| 32,700 | Citizens Financial Group, Inc. | 1,272,030 |
| 5,200 | Comerica, Inc. | 472,784 |
| 15,000 | Discover Financial Services | 1,056,150 |
| 23,500 | Financial Select Sector SPDR Fund (ETF) | 624,865 |
| 9,800 | First Republic Bank | 948,542 |
| 20,000 | FNF Group, Inc. | 752,400 |
| 8,100 | Great Western Bancorp, Inc. | 340,119 |
| 8,700 | IBERIABANK Corp. | 659,460 |
| 7,800 | Nasdaq, Inc. | 711,906 |
| 7,600 | Selective Insurance Group, Inc. | 418,000 |
| 10,300 | SPDR S&P Regional Banking (ETF) | 628,300 |
| 32,300 | Sterling Bancorp | 759,050 |
| 16,000 | Waddell & Reed Financial, Inc. – Class “A” | 287,520 |
| | | 10,175,010 |
| Health Care—11.4% | | |
| 11,500 | * Centene Corp. | 1,416,915 |
| 6,500 | * Charles River Laboratories International, Inc. | 729,690 |
| 7,800 | Gilead Sciences, Inc. | 552,552 |
| 9,900 | Hill-Rom Holdings, Inc. | 864,666 |
| 22,000 | Phibro Animal Health Corp. – Class “A” | 1,013,100 |
| 21,700 | * Prestige Brands, Inc. | 832,846 |
| 3,500 | Quest Diagnostics, Inc. | 384,790 |
| 12,500 | Smith & Nephew, PLC (ADR) | 469,125 |
| 6,400 | Thermo Fisher Scientific, Inc. | 1,325,696 |
| 2,400 | * Waters Corp. | 464,616 |
| | | 8,053,996 |

Portfolio of Investments (continued)
 OPPORTUNITY FUND
 June 30, 2018

| Shares | Security | Value |
|-------------------------------------|--|------------|
| Industrials—15.7% | | |
| 16,900 | A. O. Smith Corp. | \$ 999,635 |
| 11,200 | AAR Corp. | 520,688 |
| 9,000 | Apogee Enterprises, Inc. | 433,530 |
| 12,300 | ESCO Technologies, Inc. | 709,710 |
| 22,400 | * Evoqua Water Technologies Corp. | 459,200 |
| 24,400 | * Gardner Denver Holdings, Inc. | 717,116 |
| 6,400 | Ingersoll-Rand, PLC | 574,272 |
| 5,300 | J. B. Hunt Transport Services, Inc. | 644,215 |
| 16,600 | Korn/Ferry International | 1,028,038 |
| 2,600 | ManpowerGroup, Inc. | 223,756 |
| 24,600 | Masco Corp. | 920,532 |
| 16,100 | * MasTec, Inc. | 817,075 |
| 5,200 | Owens Corning | 329,524 |
| 1,800 | Roper Technologies, Inc. | 496,638 |
| 29,400 | Schneider National, Inc. – Class “B” | 808,794 |
| 2,500 | Snap-On, Inc. | 401,800 |
| 3,200 | Stanley Black & Decker, Inc. | 424,992 |
| 19,300 | Triton International, Ltd. | 591,738 |
| | | 11,101,253 |
| Information Technology—14.0% | | |
| 7,000 | Belden, Inc. | 427,840 |
| 3,200 | Broadcom, Ltd. | 776,448 |
| 23,000 | Cypress Semiconductor Corp. | 358,340 |
| 10,300 | * Fiserv, Inc. | 763,127 |
| 4,000 | * FleetCor Technologies, Inc. | 842,600 |
| 2,900 | * IAC/InterActiveCorp | 442,221 |
| 4,400 | Lam Research Corp. | 760,540 |
| 5,500 | LogMeIn, Inc. | 567,875 |
| 7,300 | NetApp, Inc. | 573,269 |
| 8,200 | * NETGEAR, Inc. | 512,500 |
| 11,500 | SS&C Technologies Holdings, Inc. | 596,850 |
| 4,200 | TE Connectivity, Ltd. | 378,252 |
| 4,500 | * Tech Data Corp. | 369,540 |
| 9,800 | Technology Select Sector SPDR Fund (ETF) | 680,806 |
| 43,950 | Travelport Worldwide, Ltd. | 814,833 |
| 6,800 | Western Digital Corp. | 526,388 |
| 3,900 | * Zebra Technologies Corp. – Class “A” | 558,675 |
| | | 9,950,104 |

| Shares | Security | Value |
|---|--|---------------------|
| Materials—7.6% | | |
| 9,600 | * Berry Global Group, Inc. | \$ 441,024 |
| 2,300 | Eastman Chemical Co. | 229,908 |
| 15,000 | * Ferro Corp. | 312,750 |
| 9,400 | FMC Corp. | 838,574 |
| 7,100 | Greif, Inc. | 375,519 |
| 5,700 | KMG Chemicals, Inc. | 420,546 |
| 2,600 | Praxair, Inc. | 411,190 |
| 8,500 | Sealed Air Corp. | 360,825 |
| 30,600 | * Summit Materials, Inc. – Class “A” | 803,250 |
| 11,400 | Trinseo SA | 808,830 |
| 22,300 | * Venator Materials, PLC | 364,828 |
| | | 5,367,244 |
| Real Estate—4.4% | | |
| 34,500 | Brixmor Property Group, Inc. (REIT) | 601,335 |
| 11,000 | Douglas Emmett, Inc. (REIT) | 441,980 |
| 4,400 | Federal Realty Investment Trust (REIT) | 556,820 |
| 16,300 | GGP, Inc. (REIT) | 333,009 |
| 25,800 | RLJ Lodging Trust (REIT) | 568,890 |
| 26,500 | Tanger Factory Outlet Centers, Inc. (REIT) | 622,485 |
| | | 3,124,519 |
| Utilities—2.3% | | |
| 15,400 | NiSource, Inc. | 404,712 |
| 9,400 | Portland General Electric Co. | 401,944 |
| 12,900 | WEC Energy Group, Inc. | 833,985 |
| | | 1,640,641 |
| Total Value of Common Stocks (cost \$55,598,088) | | 98.1% 69,482,757 |
| Other Assets, Less Liabilities | | 1.9 1,364,050 |
| Net Assets | | 100.0% \$70,846,807 |

* Non-income producing

Summary of Abbreviations:

ADR American Depositary Receipts

ETF Exchange Traded Fund

REIT Real Estate Investment Trust

SPDR Standard & Poor’s Depository Receipts

Portfolio of Investments (continued)

OPPORTUNITY FUND

June 30, 2018

The Fund's assets and liabilities are classified into the following three levels based on the inputs used to value the assets and liabilities:

- Level 1 — Unadjusted quoted prices in active markets for identical securities that the Fund has the ability to access.
- Level 2 — Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.
- Level 3 — Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund's own assumption about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The inputs methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For example, U.S. Government securities are reflected as Level 2 because the inputs used to determine fair value may not always be quoted prices in an active market.

The following is a summary, by category of Level, of inputs used to value the Fund's investments as of June 30, 2018:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|--------------------------|----------------------|----------------|----------------|----------------------|
| Common Stocks* | <u>\$ 69,482,757</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ 69,482,757</u> |

* The Portfolio of Investments provides information on the industry categorization for common stocks.

There were no transfers into or from Level 1 and Level 2 by the Fund for the period ended June 30, 2018. Transfers, if any, between Levels are recognized at the end of the reporting period.

Fund Expenses (unaudited)

REAL ESTATE FUND

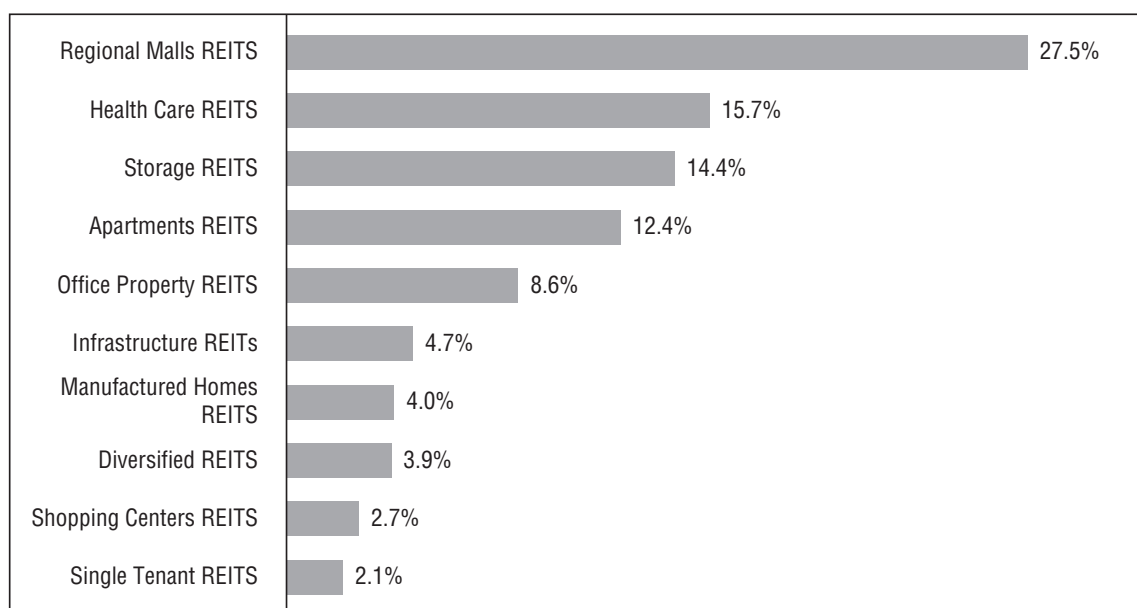
The examples below show the ongoing costs (in dollars) of investing in your Fund and will help you in comparing these costs with costs of other mutual funds. Please refer to page 1 for a detailed explanation of the information presented in these examples.

| | Beginning Account Value (1/1/18) | Ending Account Value (6/30/18) | Expenses Paid During Period (1/1/18–6/30/18)* |
|--|---|---|--|
| Expense Examples | | | |
| Actual | \$1,000.00 | \$1,010.69 | \$6.13 |
| Hypothetical (5% annual return before expenses) | \$1,000.00 | \$1,018.69 | \$6.16 |

* Expenses are equal to the annualized expense ratio of 1.23%, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

Portfolio Composition

TOP TEN SECTORS



Portfolio holdings and allocations are subject to change. Percentages are as of June 30, 2018, and are based on the total value of investments.

Portfolio of Investments

REAL ESTATE FUND

June 30, 2018

| Shares | Security | Value |
|----------------------------------|---|-----------|
| COMMON STOCKS—91.8% | | |
| Apartments REITs—11.4% | | |
| 1,112 | Apartment Investment & Management Co. – Class “A” | \$ 47,038 |
| 1,606 | AvalonBay Communities, Inc. | 276,055 |
| 809 | Camden Property Trust | 73,724 |
| 3,464 | Equity Residential Properties | 220,622 |
| 311 | Essex Property Trust, Inc. | 74,351 |
| 1,078 | Mid-America Apartment Communities, Inc. | 108,522 |
| 512 | UDR, Inc. | 19,220 |
| | | 819,532 |
| Diversified REITs—3.6% | | |
| 266 | CoreCivic, Inc. | 6,355 |
| 164 | Digital Realty Trust, Inc. | 18,299 |
| 1,816 | Duke Realty Corp. | 52,718 |
| 2,148 | Forest City Realty Trust, Inc. | 48,996 |
| 1,803 | Vornado Realty Trust | 133,278 |
| | | 259,646 |
| Health Care REITs—14.4% | | |
| 8,863 | HCP, Inc. | 228,843 |
| 110 | Healthcare Realty Trust, Inc. | 3,199 |
| 183 | Healthcare Trust of America, Inc. | 4,934 |
| 207 | LTC Properties, Inc. | 8,847 |
| 3,608 | Omega Healthcare Investors, Inc. | 111,848 |
| 1,141 | * Quality Care Properties, Inc. | 24,543 |
| 7,912 | Sabra Health Care REIT, Inc. | 171,928 |
| 2,837 | Senior Housing Properties Trust | 51,321 |
| 2,833 | Ventas, Inc. | 161,339 |
| 4,301 | Welltower, Inc. | 269,630 |
| | | 1,036,432 |
| Hotels REITs—.1% | | |
| 515 | Sunstone Hotel Investors, Inc. | 8,559 |
| Infrastructure REITs—4.3% | | |
| 136 | CorEnergy Infrastructure Trust, Inc. | 5,114 |
| 110 | Crown Castle International Corp. | 11,860 |
| 14,585 | Uniti Group, Inc. | 292,138 |
| | | 309,112 |

| Shares | Security | Value |
|--------------------------------------|--|------------|
| Manufactured Homes REITs—3.7% | | |
| 2,025 | Equity LifeStyle Properties, Inc. | \$ 186,098 |
| 801 | Sun Communities, Inc. | 78,402 |
| | | 264,500 |
| Office Property REITs—7.9% | | |
| 543 | Alexandria Real Estate Equities, Inc. | 68,510 |
| 1,952 | Boston Properties, Inc. | 244,820 |
| 293 | Brandywine Realty Trust | 4,946 |
| 953 | City Office REIT, Inc. | 12,227 |
| 1,070 | Corporate Office Properties Trust | 31,019 |
| 304 | Douglas Emmett, Inc. | 12,215 |
| 436 | Empire State Realty Trust, Inc. – Class “A” | 7,456 |
| 1,272 | * Equity Commonwealth | 40,068 |
| 44 | Franklin Street Properties Corp. | 377 |
| 951 | JBG SMITH Properties | 34,683 |
| 640 | Mack-Cali Realty Corp. | 12,979 |
| 832 | Paramount Group, Inc. | 12,813 |
| 567 | Piedmont Office Realty Trust, Inc. – Class “A” | 11,300 |
| 353 | SL Green Realty Corp. | 35,487 |
| 1,716 | Tier REIT, Inc. | 40,806 |
| | | 569,706 |
| Real Estate Services—1.4% | | |
| 600 | FNF Group, Inc. | 22,572 |
| 2,019 | * Marcus & Millichap, Inc. | 78,761 |
| | | 101,333 |
| Regional Malls REITs—25.2% | | |
| 9,461 | CBL & Associates Properties, Inc. | 52,698 |
| 18,721 | GGP, Inc. | 382,470 |
| 4,665 | Macerich Co. | 265,112 |
| 3,668 | Pennsylvania REIT | 40,311 |
| 3,803 | Simon Property Group, Inc. | 647,233 |
| 8,603 | Tanger Factory Outlet Centers, Inc. | 202,084 |
| 3,416 | Taubman Centers, Inc. | 200,724 |
| 3,449 | Washington Prime Group, Inc. | 27,971 |
| | | 1,818,603 |

Portfolio of Investments (continued)
REAL ESTATE FUND
June 30, 2018

| Shares | Security | Value |
|--|--|----------|
| Shopping Centers REITs—2.4% | | |
| 103 | Acadia Realty Trust | \$ 2,819 |
| 1,039 | Brixmor Property Group, Inc. | 18,110 |
| 308 | Cedar Realty Trust, Inc. | 1,454 |
| 2,017 | DDR Corp. | 36,104 |
| 202 | Federal Realty Investment Trust | 25,563 |
| 992 | Kimco Realty Corp. | 16,854 |
| 396 | Kite Realty Group Trust | 6,764 |
| 169 | Ramco-Gershenson Properties Trust | 2,233 |
| 315 | Regency Centers Corp. | 19,555 |
| 3,522 | Retail Properties of America, Inc. – Class ‘A’ | 45,011 |
| 52 | Weingarten Realty Investors | 1,602 |
| | | 176,069 |
| Single Tenant REITs—1.9% | | |
| 3,971 | Select Income REIT | 89,228 |
| 73 | * Spirit MTA REIT | 752 |
| 734 | Spirit Realty Capital, Inc. | 5,894 |
| 1,393 | STORE Capital Corp. | 38,168 |
| 513 | VEREIT, Inc. | 3,817 |
| | | 137,859 |
| Specialized REITs—0.7% | | |
| 2,500 | OUTFRONT Media, Inc. | 48,625 |
| Storage REITs—13.2% | | |
| 5,747 | CubeSmart | 185,168 |
| 1,461 | Extra Space Storage, Inc. | 145,822 |
| 90 | Iron Mountain, Inc. | 3,151 |
| 1,448 | Life Storage, Inc. | 140,905 |
| 2,117 | Public Storage | 480,263 |
| | | 955,309 |
| Student Housing REITs—0.3% | | |
| 552 | American Campus Communities, Inc. | 23,670 |
| Warehouse/Industrial REITs—1.3% | | |
| 81 | DCT Industrial Trust, Inc. | 5,405 |
| 39 | EastGroup Properties, Inc. | 3,727 |

| Shares | Security | Value |
|--|-------------------------------------|--------------------|
| Warehouse/Industrial REITs (continued) | | |
| 194 | First Industrial Realty Trust, Inc. | \$ 6,468 |
| 205 | Liberty Property Trust | 9,088 |
| 992 | Prologis, Inc. | 65,164 |
| | | 89,852 |
| Total Value of Common Stocks (cost \$6,412,805) | | 91.8% 6,618,807 |
| Other Assets, Less Liabilities | | 8.2 589,638 |
| Net Assets | | 100.0% \$7,208,445 |

* Non-income producing

Summary of Abbreviations:

REITs Real Estate Investment Trusts

The Fund's assets and liabilities are classified into the following three levels based on the inputs used to value the assets and liabilities:

Level 1 — Unadjusted quoted prices in active markets for identical securities that the Fund has the ability to access.

Level 2 — Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 — Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund's own assumption about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The inputs methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For example, U.S. Government securities are reflected as Level 2 because the inputs used to determine fair value may not always be quoted prices in an active market.

The following is a summary, by category of Level, of inputs used to value the Fund's investments as of June 30, 2018:

| | Level 1 | Level 2 | Level 3 | Total |
|--------------------------|--------------|---------|---------|--------------|
| Common Stocks* | \$ 6,618,807 | \$ — | \$ — | \$ 6,618,807 |

* The Portfolio of Investments provides information on the industry categorization for common stocks.

There were no transfers into or from Level 1 and Level 2 by the Fund for the period ended June 30, 2018. Transfers, if any, between Levels are recognized at the end of the reporting period.

Fund Expenses (unaudited)

SELECT GROWTH FUND

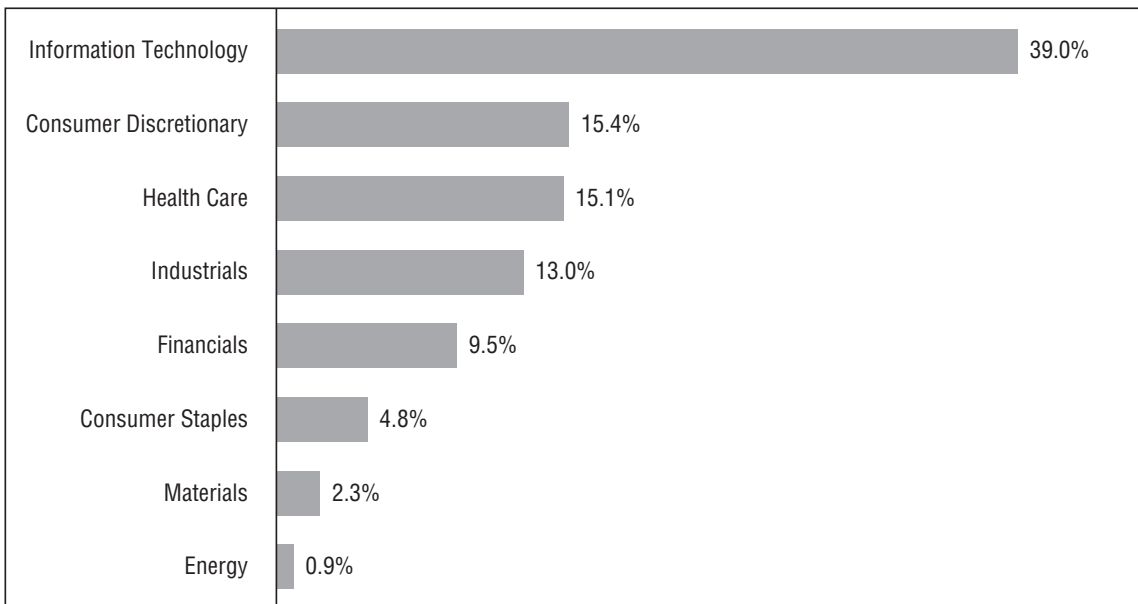
The examples below show the ongoing costs (in dollars) of investing in your Fund and will help you in comparing these costs with costs of other mutual funds. Please refer to page 1 for a detailed explanation of the information presented in these examples.

| | Beginning Account Value (1/1/18) | Ending Account Value (6/30/18) | Expenses Paid During Period (1/1/18–6/30/18)* |
|--|---|---|--|
| Expense Examples | | | |
| Actual | \$1,000.00 | \$1,060.74 | \$4.14 |
| Hypothetical (5% annual return before expenses) | \$1,000.00 | \$1,020.77 | \$4.06 |

* Expenses are equal to the annualized expense ratio of .81%, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

Portfolio Composition

BY SECTOR



Portfolio holdings and allocations are subject to change. Percentages are as of June 30, 2018, and are based on the total value of investments.

Portfolio of Investments

SELECT GROWTH FUND

June 30, 2018

| Shares | Security | Value |
|-------------------------------------|--------------------------------|--------------|
| COMMON STOCKS—98.9% | | |
| Consumer Discretionary—15.2% | | |
| 15,225 | Home Depot, Inc. | \$ 2,970,397 |
| 18,277 | Las Vegas Sands Corp. | 1,395,632 |
| 9,100 | Lear Corp. | 1,690,871 |
| 10,700 | McDonald's Corp. | 1,676,583 |
| 12,500 | PVH Corp. | 1,871,500 |
| 32,300 | * TripAdvisor, Inc. | 1,799,433 |
| | | 11,404,416 |
| Consumer Staples—4.8% | | |
| 30,500 | Sysco Corp. | 2,082,845 |
| 17,400 | Wal-Mart Stores, Inc. | 1,490,310 |
| | | 3,573,155 |
| Energy—.9% | | |
| 5,260 | Chevron Corp. | 665,022 |
| Financials—9.4% | | |
| 29,200 | Bank of New York Mellon Corp. | 1,574,756 |
| 15,090 | Discover Financial Services | 1,062,487 |
| 16,200 | JPMorgan Chase & Co. | 1,688,040 |
| 22,100 | SunTrust Banks, Inc. | 1,459,042 |
| 25,900 | U.S. Bancorp | 1,295,518 |
| | | 7,079,843 |
| Health Care—15.0% | | |
| 26,700 | Baxter International, Inc. | 1,971,528 |
| 5,100 | * Biogen, Inc. | 1,480,224 |
| 22,000 | * Centene Corp. | 2,710,620 |
| 21,700 | Eli Lilly & Co. | 1,851,661 |
| 14,000 | * Varian Medical Systems, Inc. | 1,592,080 |
| 8,400 | * Waters Corp. | 1,626,156 |
| | | 11,232,269 |

Portfolio of Investments (continued)
SELECT GROWTH FUND
June 30, 2018

| Shares | Security | Value |
|---|---------------------------------------|---------------------|
| Industrials—12.8% | | |
| 6,200 | Boeing Co. | \$ 2,080,162 |
| 18,100 | Eaton Corp., PLC | 1,352,794 |
| 23,000 | Emerson Electric Co. | 1,590,220 |
| 6,500 | Huntington Ingalls Industries, Inc. | 1,409,135 |
| 16,400 | Landstar Systems, Inc. | 1,790,880 |
| 9,100 | Parker Hannifin Corp. | 1,418,235 |
| | | 9,641,426 |
| Information Technology—38.5% | | |
| 16,300 | * Adobe Systems, Inc. | 3,974,103 |
| 1,600 | * Alphabet, Inc. – Class “A” | 1,806,704 |
| 9,200 | Apple, Inc. | 1,703,012 |
| 12,100 | * Arista Networks, Inc. | 3,115,629 |
| 65,900 | * Cadence Design Systems, Inc. | 2,854,129 |
| 11,800 | * F5 Networks, Inc. | 2,034,910 |
| 14,000 | * Facebook, Inc. | 2,720,480 |
| 7,700 | * FleetCor Technologies, Inc. | 1,622,005 |
| 19,700 | Microsoft Corp. | 1,942,617 |
| 36,400 | NetApp, Inc. | 2,858,492 |
| 20,600 | * PayPal Holdings, Inc. | 1,715,362 |
| 22,000 | * Take-Two Interactive Software, Inc. | 2,603,920 |
| | | 28,951,363 |
| Materials—2.3% | | |
| 15,700 | Celanese Corp. – Class “A” | 1,743,642 |
| Total Value of Common Stocks (cost \$51,970,019) | | 98.9% 74,291,136 |
| Other Assets, Less Liabilities | | 1.1 833,328 |
| Net Assets | | 100.0% \$75,124,464 |

* Non-income producing

The Fund's assets and liabilities are classified into the following three levels based on the inputs used to value the assets and liabilities:

- Level 1 — Unadjusted quoted prices in active markets for identical securities that the Fund has the ability to access.
- Level 2 — Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.
- Level 3 — Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund's own assumption about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The inputs methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For example, U.S. Government securities are reflected as Level 2 because the inputs used to determine fair value may not always be quoted prices in an active market.

The following is a summary, by category of Level, of inputs used to value the Fund's investments as of June 30, 2018:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|--------------------------|----------------------|----------------|----------------|----------------------|
| Common Stocks* | <u>\$ 74,291,136</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ 74,291,136</u> |

* The Portfolio of Investments provides information on the industry categorization for common stocks. There were no transfers into or from Level 1 and Level 2 by the Fund for the period ended June 30, 2018. Transfers, if any, between Levels are recognized at the end of the reporting period.

Fund Expenses (unaudited)

SPECIAL SITUATIONS FUND

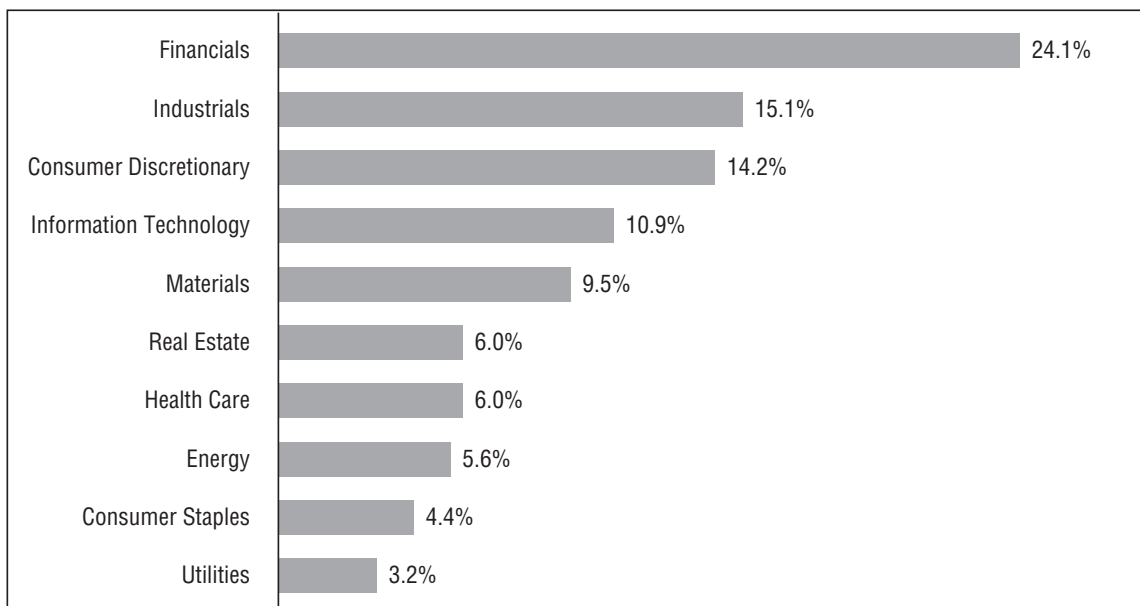
The examples below show the ongoing costs (in dollars) of investing in your Fund and will help you in comparing these costs with costs of other mutual funds. Please refer to page 1 for a detailed explanation of the information presented in these examples.

| | Beginning Account Value (1/1/18) | Ending Account Value (6/30/18) | Expenses Paid During Period (1/1/18–6/30/18)* |
|--|---|---|--|
| Expense Examples | | | |
| Actual | \$1,000.00 | \$1,015.55 | \$3.95 |
| Hypothetical (5% annual return before expenses) | \$1,000.00 | \$1,020.87 | \$3.96 |

* Expenses are equal to the annualized expense ratio of .79%, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

Portfolio Composition

BY SECTOR



Portfolio holdings and allocations are subject to change. Percentages are as of June 30, 2018, and are based on the total value of investments.

Portfolio of Investments

SPECIAL SITUATIONS FUND

June 30, 2018

| Shares | Security | Value |
|-------------------------------------|---|--------------|
| COMMON STOCKS—97.4% | | |
| Consumer Discretionary—13.9% | | |
| 102,900 | * Century Communities, Inc. | \$ 3,246,495 |
| 27,100 | Cheesecake Factory, Inc. | 1,492,126 |
| 12,900 | Children’s Place, Inc. | 1,558,320 |
| 69,600 | Dana, Inc. | 1,405,224 |
| 94,400 | DSW, Inc. – Class “A” | 2,437,408 |
| 56,700 | Entercom Communications Corp. – Class “A” | 428,085 |
| 38,000 | * Genesco, Inc. | 1,508,600 |
| 67,100 | Haverty Furniture Cos., Inc. | 1,449,360 |
| 17,300 | * Helen of Troy, Ltd. | 1,703,185 |
| 31,200 | Meredith Corp. | 1,591,200 |
| 67,000 | * Michaels Cos., Inc. | 1,284,390 |
| 51,800 | * Motorcar Parts of America, Inc. | 969,178 |
| 24,000 | Oxford Industries, Inc. | 1,991,520 |
| 34,500 | Penske Automotive Group, Inc. | 1,616,325 |
| 45,000 | Ruth’s Hospitality Group, Inc. | 1,262,250 |
| 51,000 | * ServiceMaster Holdings, Inc. | 3,032,970 |
| 139,000 | * TRI Pointe Group, Inc. | 2,274,040 |
| 19,000 | * Visteon Corp. | 2,455,560 |
| 78,400 | * William Lyon Homes – Class “A” | 1,818,880 |
| 58,300 | Wolverine World Wide, Inc. | 2,027,091 |
| | | 35,552,207 |
| Consumer Staples—4.3% | | |
| 34,300 | Energizer Holdings, Inc. | 2,159,528 |
| 11,800 | Lancaster Colony Corp. | 1,633,356 |
| 42,800 | * Performance Food Group Co. | 1,570,760 |
| 39,200 | Pinnacle Foods, Inc. | 2,550,352 |
| 51,800 | Tootsie Roll Industries, Inc. | 1,598,030 |
| 40,500 | * U.S. Foods Holding Corp. | 1,531,710 |
| | | 11,043,736 |
| Energy—5.5% | | |
| 37,800 | * Cactus, Inc. – Class “A” | 1,277,262 |
| 73,700 | * Carrizo Oil & Gas, Inc. | 2,052,545 |
| 49,800 | Delek U.S. Holdings, Inc. | 2,498,466 |
| 44,100 | * Dril-Quip, Inc. | 2,266,740 |
| 110,800 | * Jagged Peak Energy, Inc. | 1,442,616 |
| 97,200 | * Liberty Oilfield Services, Inc. – Class “A” | 1,819,584 |
| 66,200 | PBF Energy, Inc. – Class “A” | 2,775,766 |
| | | 14,132,979 |

Portfolio of Investments (continued)
SPECIAL SITUATIONS FUND
June 30, 2018

| Shares | Security | Value |
|-------------------------|--|--------------|
| Financials—23.7% | | |
| 100,400 | * AllianceBernstein Holding, LP (MLP) | \$ 2,866,420 |
| 46,000 | American Financial Group, Inc. | 4,937,180 |
| 51,800 | Aspen Insurance Holdings, Ltd. | 2,108,260 |
| 30,400 | * Atlas Financial Holdings, Inc. | 266,000 |
| 86,100 | Berkshire Hills Bancorp, Inc. | 3,495,660 |
| 111,000 | Brown & Brown, Inc. | 3,078,030 |
| 67,600 | Capstar Financial Holdings, Inc. | 1,252,628 |
| 59,000 | Citizens Financial Group, Inc. | 2,295,100 |
| 40,200 | * FCB Financial Holdings, Inc. – Class “A” | 2,363,760 |
| 56,100 | Great Western Bancorp, Inc. | 2,355,639 |
| 85,700 | Green Bancorp, Inc. | 1,851,120 |
| 49,800 | Guaranty Bancorp | 1,484,040 |
| 29,000 | IBERIABANK Corp. | 2,198,200 |
| 34,900 | James River Group Holdings, Ltd. | 1,371,221 |
| 28,700 | Kemper Corp. | 2,171,155 |
| 81,600 | OceanFirst Financial Corp. | 2,444,736 |
| 129,700 | Old National Bancorp of Indiana | 2,412,420 |
| 34,400 | Popular, Inc. | 1,555,224 |
| 36,600 | Prosperity Bancshares, Inc. | 2,501,976 |
| 34,000 | QCR Holdings, Inc. | 1,613,300 |
| 57,400 | * Seacoast Banking Corp. | 1,812,692 |
| 68,000 | Simmons First National Corp. – Class “A” | 2,033,200 |
| 30,500 | SPDR S&P Regional Banking (ETF) | 1,860,500 |
| 180,000 | Sterling Bancorp | 4,230,000 |
| 140,000 | TCF Financial Corp. | 3,446,800 |
| 137,800 | Waddell & Reed Financial, Inc. – Class “A” | 2,476,266 |
| | | 60,481,527 |
| Health Care—5.9% | | |
| 20,500 | * Centene Corp. | 2,525,805 |
| 12,200 | * Charles River Laboratories International, Inc. | 1,369,572 |
| 24,900 | Hill-Rom Holdings, Inc. | 2,174,766 |
| 13,200 | * ICON, PLC | 1,749,396 |
| 30,000 | PerkinElmer, Inc. | 2,196,900 |
| 71,100 | Phibro Animal Health Corp. – Class “A” | 3,274,155 |
| 48,400 | * Varex Imaging Corp. | 1,795,156 |
| | | 15,085,750 |

| Shares | Security | Value |
|-------------------------------------|---|--------------|
| Industrials—14.9% | | |
| 33,500 | Apogee Enterprises, Inc. | \$ 1,613,695 |
| 84,500 | * Atkore International Group Co. | 1,755,065 |
| 30,500 | * BrightView Holdings, Inc. | 669,475 |
| 35,100 | Columbus McKinnon Corp. | 1,521,936 |
| 39,700 | Comfort Systems USA, Inc. | 1,818,260 |
| 26,800 | ESCO Technologies, Inc. | 1,546,360 |
| 77,600 | * Gardner Denver Holdings, Inc. | 2,280,664 |
| 31,000 | ITT, Inc. | 1,620,370 |
| 40,200 | Korn/Ferry International | 2,489,586 |
| 41,000 | Masco Corp. | 1,534,220 |
| 139,300 | * NCI Building Systems, Inc. | 2,925,300 |
| 16,300 | Owens Corning | 1,032,931 |
| 32,000 | Park-Ohio Holdings Corp. | 1,193,600 |
| 31,400 | * Patrick Industries, Inc. | 1,785,090 |
| 23,700 | Regal Beloit Corp. | 1,938,660 |
| 63,300 | Schneider National, Inc. – Class “B” | 1,741,383 |
| 11,500 | Snap-On, Inc. | 1,848,280 |
| 5,000 | Spirit AeroSystems Holdings, Inc. – Class “A” | 429,550 |
| 65,500 | * SPX Corp. | 2,295,775 |
| 23,200 | Standex International Corp. | 2,371,040 |
| 41,000 | Timken Co. | 1,785,550 |
| 58,500 | Triton International, Ltd. | 1,793,610 |
| | | 37,990,400 |
| Information Technology—10.8% | | |
| 67,000 | * ARRIS International, PLC | 1,637,815 |
| 43,300 | * Axcelis Technologies, Inc. | 857,340 |
| 23,900 | Belden, Inc. | 1,460,768 |
| 65,500 | * CommScope Holding Co., Inc. | 1,912,928 |
| 51,000 | * Diodes, Inc. | 1,757,970 |
| 20,500 | * MagnaChip Semiconductor Corp. | 210,125 |
| 205,300 | * Mitel Networks Corp. | 2,252,141 |
| 30,000 | MKS Instruments, Inc. | 2,871,000 |
| 69,000 | * Perficient, Inc. | 1,819,530 |
| 15,000 | Perspecta, Inc. | 308,250 |
| 32,300 | Silicon Motion Technology Corp. (ADR) | 1,708,347 |
| 12,000 | * Tech Data Corp. | 985,440 |
| 157,900 | Travelport Worldwide, Ltd. | 2,927,466 |
| 124,300 | * TTM Technologies, Inc. | 2,191,409 |

Portfolio of Investments (continued)
SPECIAL SITUATIONS FUND
June 30, 2018

| Shares | Security | Value |
|--|--|--------------|
| Information Technology (continued) | | |
| 35,700 | * Verint Systems, Inc. | \$ 1,583,295 |
| 42,000 | * Web.com Group, Inc. | 1,085,700 |
| 13,200 | * Zebra Technologies Corp. – Class “A” | 1,890,900 |
| | | 27,460,424 |
| Materials—9.3% | | |
| 40,000 | AptarGroup, Inc. | 3,735,200 |
| 36,600 | * Berry Global Group, Inc. | 1,681,404 |
| 131,200 | * Constellium NV – Class “A” | 1,351,360 |
| 105,000 | * Ferro Corp. | 2,189,250 |
| 21,200 | Greif, Inc. | 1,121,268 |
| 66,500 | Louisiana-Pacific Corp. | 1,810,130 |
| 110,100 | * PQ Group Holdings, Inc. | 1,981,800 |
| 24,500 | Sealed Air Corp. | 1,040,025 |
| 25,400 | Sensient Technologies Corp. | 1,817,370 |
| 45,000 | Trinseo SA | 3,192,750 |
| 126,900 | * Venator Materials, PLC | 2,076,084 |
| 31,000 | WestRock Co. | 1,767,620 |
| | | 23,764,261 |
| Real Estate—6.0% | | |
| 84,500 | Americold Realty Trust (REIT) | 1,860,690 |
| 125,300 | Brixmor Property Group, Inc. (REIT) | 2,183,979 |
| 61,400 | Douglas Emmett, Inc. (REIT) | 2,467,052 |
| 19,000 | Federal Realty Investment Trust (REIT) | 2,404,450 |
| 104,500 | RLJ Lodging Trust (REIT) | 2,304,225 |
| 79,400 | Sunstone Hotel Investors, Inc. (REIT) | 1,319,628 |
| 69,500 | Tanger Factory Outlet Centers, Inc. (REIT) | 1,632,555 |
| 45,000 | Urstadt Biddle Properties, Inc. (REIT) | 1,018,350 |
| | | 15,190,929 |
| Utilities—3.1% | | |
| 46,500 | Black Hills Corp. | 2,846,265 |
| 23,500 | Pinnacle West Capital Corp. | 1,893,160 |
| 46,600 | Portland General Electric Co. | 1,992,616 |
| 20,000 | WEC Energy Group, Inc. | 1,293,000 |
| | | 8,025,041 |
| Total Value of Common Stocks (cost \$194,406,574) | | 248,727,254 |

| Principal Amount | Security | Value |
|---|---|----------------------|
| SHORT-TERM U.S. GOVERNMENT AGENCY OBLIGATIONS—1.0% | | |
| \$ 2,500M | Federal Home Loan Bank, 1.79%, 7/16/2018 (cost \$2,498,133) | \$ 2,498,192 |
| Total Value of Investments (cost \$196,904,707) | | 251,225,446 |
| Other Assets, Less Liabilities | | 4,092,139 |
| Net Assets | | \$255,317,585 |

* Non-income producing

Summary of Abbreviations:

ADR American Depositary Receipts

ETF Exchange Traded Funds

MLP Master Limited Partnership

REIT Real Estate Investment Trust

SPDR Standard & Poor's Depository Receipts

Portfolio of Investments (continued)

SPECIAL SITUATIONS FUND

June 30, 2018

The Fund's assets and liabilities are classified into the following three levels based on the inputs used to value the assets and liabilities:

- Level 1 — Unadjusted quoted prices in active markets for identical securities that the Fund has the ability to access.
- Level 2 — Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.
- Level 3 — Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund's own assumption about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The inputs methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For example, U.S. Government securities are reflected as Level 2 because the inputs used to determine fair value may not always be quoted prices in an active market.

The following is a summary, by category of Level, of inputs used to value the Fund's investments as of June 30, 2018:

| | Level 1 | Level 2 | Level 3 | Total |
|--|----------------------|---------------------|-------------|----------------------|
| Common Stocks | \$248,727,254 | \$ — | \$ — | \$248,727,254 |
| Short-Term U.S. Government Agency Obligations | — | 2,498,192 | — | 2,498,192 |
| Total Investments in Securities* . . | <u>\$248,727,254</u> | <u>\$ 2,498,192</u> | <u>\$ —</u> | <u>\$251,225,446</u> |

* The Portfolio of Investments provides information on the industry categorization for common stocks.

There were no transfers into or from Level 1 and Level 2 by the Fund for the period ended June 30, 2018. Transfers, if any, between Levels are recognized at the end of the reporting period.

Fund Expenses (unaudited)

TOTAL RETURN FUND

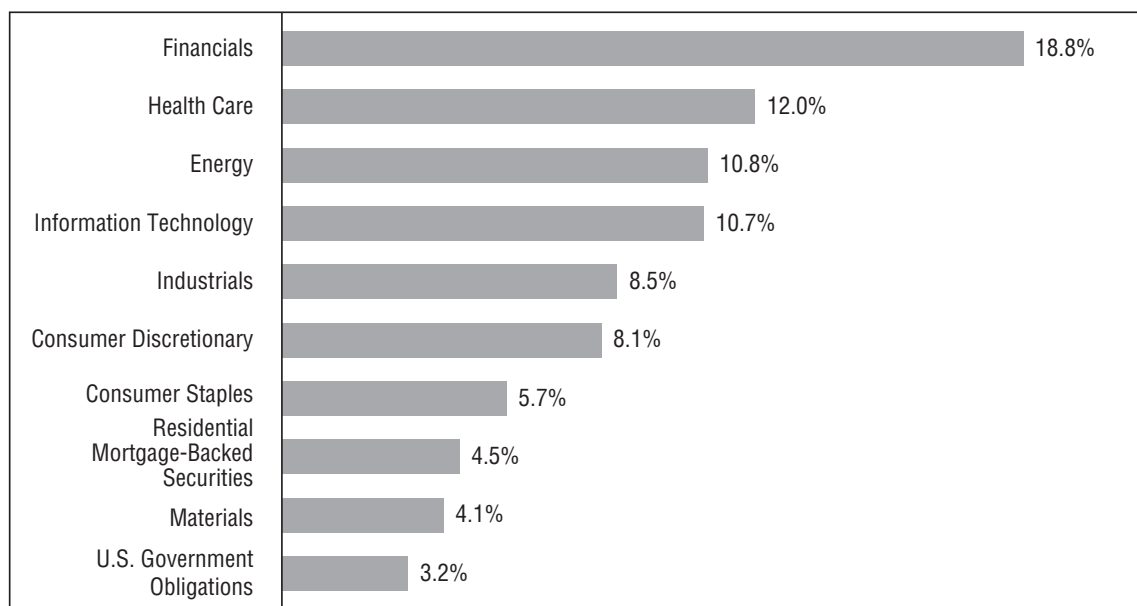
The examples below show the ongoing costs (in dollars) of investing in your Fund and will help you in comparing these costs with costs of other mutual funds. Please refer to page 1 for a detailed explanation of the information presented in these examples.

| | Beginning Account Value (1/1/18) | Ending Account Value (6/30/18) | Expenses Paid During Period (1/1/18–6/30/18)* |
|--|---|---|--|
| Expense Examples | | | |
| Actual | \$1,000.00 | \$974.44 | \$4.41 |
| Hypothetical (5% annual return before expenses) | \$1,000.00 | \$1,020.33 | \$4.51 |

* Expenses are equal to the annualized expense ratio of .90%, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

Portfolio Composition

TOP TEN SECTORS



Portfolio holdings and allocations are subject to change. Percentages are as of June 30, 2018, and are based on the total value of investments.

Portfolio of Investments

TOTAL RETURN FUND

June 30, 2018

| Shares | Security | Value |
|------------------------------------|-------------------------------------|------------|
| COMMON STOCKS—57.4% | | |
| Consumer Discretionary—4.8% | | |
| 1,600 | Aptiv, PLC | \$ 146,608 |
| 3,000 | Aramark Holdings Corp. | 111,300 |
| 2,000 | BorgWarner, Inc. | 86,320 |
| 4,750 | CBS Corp. – Class “B” | 267,045 |
| 2,800 | DSW, Inc. – Class “A” | 72,296 |
| 3,600 | Ford Motor Co. | 39,852 |
| 2,800 | Home Depot, Inc. | 546,280 |
| 950 | Lear Corp. | 176,519 |
| 3,050 | Magna International, Inc. | 177,297 |
| 1,000 | Penske Automotive Group, Inc. | 46,850 |
| 900 | Ross Stores, Inc. | 76,275 |
| 3,800 | Tapestry, Inc. | 177,498 |
| 2,400 | Walt Disney Co. | 251,544 |
| 1,950 | Wyndham Hotels & Resorts, Inc. | 114,719 |
| | | 2,290,403 |
| Consumer Staples—4.6% | | |
| 5,550 | Altria Group, Inc. | 315,184 |
| 5,600 | Coca-Cola Co. | 245,616 |
| 6,500 | Conagra Brands, Inc. | 232,245 |
| 700 | Keurig Dr Pepper, Inc. | 85,400 |
| 10,013 | Koninklijke Ahold Delhaize NV (ADR) | 239,010 |
| 2,500 | PepsiCo, Inc. | 272,175 |
| 4,050 | Philip Morris International, Inc. | 326,997 |
| 2,950 | Procter & Gamble Co. | 230,277 |
| 2,550 | Wal-Mart Stores, Inc. | 218,408 |
| | | 2,165,312 |
| Energy—6.0% | | |
| 2,600 | Anadarko Petroleum Corp. | 190,450 |
| 1,200 | Chevron Corp. | 151,716 |
| 4,100 | ConocoPhillips | 285,442 |
| 5,600 | Devon Energy Corp. | 246,176 |
| 1,700 | EOG Resources, Inc. | 211,531 |
| 3,050 | ExxonMobil Corp. | 252,326 |
| 3,600 | Halliburton Co. | 162,216 |
| 1,600 | Hess Corp. | 107,024 |
| 7,400 | Marathon Oil Corp. | 154,364 |
| 5,300 | Marathon Petroleum Corp. | 371,848 |
| 1,600 | Occidental Petroleum Corp. | 133,888 |

| Shares | Security | Value |
|--------|------------------------------------|------------|
| | Energy (continued) | |
| 1,550 | Phillips 66 | \$ 174,081 |
| 2,000 | Schlumberger, Ltd. | 134,060 |
| 7,300 | Suncor Energy, Inc. | 296,964 |
| | | 2,872,086 |
| | Financials—11.8% | |
| 4,800 | American Express Co. | 470,400 |
| 2,000 | American International Group, Inc. | 106,040 |
| 1,900 | Ameriprise Financial, Inc. | 265,772 |
| 11,700 | Bank of America Corp. | 329,823 |
| 1,900 | Chubb, Ltd. | 241,338 |
| 4,800 | Citigroup, Inc. | 321,216 |
| 8,400 | Citizens Financial Group, Inc. | 326,760 |
| 1,900 | Comerica, Inc. | 172,748 |
| 5,150 | Discover Financial Services | 362,611 |
| 1,900 | FNF Group, Inc. | 71,478 |
| 1,400 | Hamilton Lane, Inc. – Class “A” | 67,158 |
| 6,700 | JPMorgan Chase & Co. | 698,140 |
| 4,300 | MetLife, Inc. | 187,480 |
| 2,700 | Morgan Stanley | 127,980 |
| 2,350 | PNC Financial Services Group, Inc. | 317,485 |
| 1,500 | Popular, Inc. | 67,815 |
| 3,900 | Regions Financial Corp. | 69,342 |
| 2,400 | State Street Corp. | 223,416 |
| 8,600 | Sterling Bancorp | 202,100 |
| 1,100 | Travelers Cos., Inc. | 134,574 |
| 5,700 | U.S. Bancorp | 285,114 |
| 9,700 | Wells Fargo & Co. | 537,768 |
| | | 5,586,558 |
| | Health Care—10.6% | |
| 6,150 | Abbott Laboratories | 375,088 |
| 3,200 | AbbVie, Inc. | 296,480 |
| 1,000 | Aetna, Inc. | 183,500 |
| 600 | Allergan, PLC | 100,032 |
| 2,617 | Baxter International, Inc. | 193,239 |
| 1,400 | * Centene Corp. | 172,494 |
| 4,500 | CVS Health Corp. | 289,575 |
| 2,400 | Gilead Sciences, Inc. | 170,016 |
| 1,350 | Hill-Rom Holdings, Inc. | 117,909 |
| 4,350 | Johnson & Johnson | 527,829 |

Portfolio of Investments (continued)

TOTAL RETURN FUND

June 30, 2018

| Shares | Security | Value |
|--------|--|------------|
| | Health Care (continued) | |
| 3,900 | Koninklijke Philips NV (ADR) | \$ 164,853 |
| 2,250 | Medtronic, PLC | 192,623 |
| 5,400 | Merck & Co., Inc. | 327,780 |
| 13,400 | Pfizer, Inc. | 486,152 |
| 3,100 | Phibro Animal Health Corp. – Class “A” | 142,755 |
| 1,440 | Shire, PLC (ADR) | 243,072 |
| 5,600 | Smith & Nephew, PLC (ADR) | 210,168 |
| 3,000 | Thermo Fisher Scientific, Inc. | 621,420 |
| 2,800 | Zoetis, Inc. | 238,532 |
| | | 5,053,517 |
| | Industrials—6.5% | |
| 1,350 | 3M Co. | 265,572 |
| 11,000 | * Gardner Denver Holdings, Inc. | 323,290 |
| 3,200 | Honeywell International, Inc. | 460,960 |
| 2,400 | Ingersoll-Rand, PLC | 215,352 |
| 2,315 | Johnson Controls International, PLC | 77,437 |
| 550 | Lockheed Martin Corp. | 162,487 |
| 1,000 | ManpowerGroup, Inc. | 86,060 |
| 5,100 | Masco Corp. | 190,842 |
| 3,600 | * MasTec, Inc. | 182,700 |
| 1,900 | Owens Corning | 120,403 |
| 6,600 | Schneider National, Inc. – Class “B” | 181,566 |
| 800 | Snap-On, Inc. | 128,576 |
| 1,250 | Stanley Black & Decker, Inc. | 166,013 |
| 6,100 | Triton International, Ltd. | 187,026 |
| 2,600 | United Technologies Corp. | 325,078 |
| | | 3,073,362 |
| | Information Technology—9.4% | |
| 2,500 | Apple, Inc. | 462,775 |
| 4,800 | Applied Materials, Inc. | 221,712 |
| 1,250 | Broadcom, Ltd. | 303,300 |
| 11,200 | Cisco Systems, Inc. | 481,936 |
| 1,460 | * Dell Technologies, Inc. – Class “V” | 123,487 |
| 1,145 | DXC Technology Co. | 92,298 |
| 3,950 | * eBay, Inc. | 143,227 |
| 700 | * FleetCor Technologies, Inc. | 147,455 |
| 6,500 | Intel Corp. | 323,115 |
| 750 | Lam Research Corp. | 129,637 |
| 700 | LogMeIn, Inc. | 72,275 |

| Shares or Principal Amount | Security | Value |
|---|---|-------------------|
| Information Technology (continued) | | |
| 7,700 | Microsoft Corp. | \$ 759,297 |
| 1,600 | * NXP Semiconductors NV | 174,832 |
| 5,400 | Oracle Corp. | 237,924 |
| 6,200 | QUALCOMM, Inc. | 347,944 |
| 1,300 | TE Connectivity, Ltd. | 117,078 |
| 1,700 | Western Digital Corp. | 131,597 |
| 2,500 | * Worldpay, Inc. – Class “A” | 204,450 |
| | | 4,474,339 |
| Materials—1.9% | | |
| 3,400 | DowDuPont, Inc. | 224,128 |
| 4,500 | International Paper Co. | 234,360 |
| 850 | Praxair, Inc. | 134,428 |
| 2,200 | RPM International, Inc. | 128,304 |
| 1,500 | Sealed Air Corp. | 63,675 |
| 1,600 | Trinseo SA | 113,520 |
| | | 898,415 |
| Telecommunication Services—1.2% | | |
| 6,750 | AT&T, Inc. | 216,742 |
| 6,700 | Verizon Communications, Inc. | 337,077 |
| | | 553,819 |
| Utilities—.6% | | |
| 800 | Dominion Energy, Inc. | 54,544 |
| 5,100 | Exelon Corp. | 217,260 |
| | | 271,804 |
| Total Value of Common Stocks (cost \$21,839,216) | | 27,239,615 |
| CORPORATE BONDS—27.0% | | |
| Aerospace/Defense—.6% | | |
| \$ 300M | Rockwell Collins, Inc., 3.2%, 3/15/2024 | 289,385 |
| Automotive—1.5% | | |
| 200M | Daimler Finance NA, LLC, 3.35%, 2/22/2023 (a) | 196,670 |
| 400M | Lear Corp., 5.25%, 1/15/2025 | 411,794 |
| 100M | O’Reilly Automotive, Inc., 3.55%, 3/15/2026 | 95,287 |
| | | 703,751 |

Portfolio of Investments (continued)

TOTAL RETURN FUND

June 30, 2018

| Principal Amount | Security | Value |
|--------------------------------|--|-----------|
| Chemicals—8% | | |
| \$ 100M | Dow Chemical Co., 3.5%, 10/1/2024 | \$ 97,527 |
| 200M | LYB International Finance Co. BV, 3.5%, 3/2/2027 | 187,896 |
| 100M | Nutrien, Ltd., 3.375%, 3/15/2025 | 94,253 |
| | | 379,676 |
| Energy—4.6% | | |
| 400M | Andeavor Logistics, LP, 5.25%, 1/15/2025 | 410,452 |
| 200M | BP Capital Markets, PLC, 3.216%, 11/28/2023 | 196,310 |
| 300M | Canadian Oil Sands, Ltd., 7.75%, 5/15/2019 (a) | 309,720 |
| 100M | Enbridge Energy Partners, LP, 4.2%, 9/15/2021 | 101,258 |
| 200M | Enterprise Products Operating, 7.55%, 4/15/2038 | 262,442 |
| 200M | Kinder Morgan Energy Partners, LP, 3.45%, 2/15/2023 | 193,203 |
| Kinder Morgan, Inc.: | | |
| 150M | 5.625%, 11/15/2023 (a) | 159,906 |
| 250M | 4.3%, 3/1/2028 | 243,347 |
| 300M | Magellan Midstream Partners, LP, 5%, 3/1/2026 | 316,438 |
| | | 2,193,076 |
| Financial Services—3.4% | | |
| 100M | American International Group, Inc., 3.75%, 7/10/2025 | 96,740 |
| 100M | Ameriprise Financial, Inc., 5.3%, 3/15/2020 | 103,447 |
| 100M | Assured Guaranty U.S. Holding, Inc., 5%, 7/1/2024 | 104,634 |
| 300M | Brookfield Finance, Inc., 4%, 4/1/2024 | 297,172 |
| ERAC USA Finance, LLC: | | |
| 100M | 4.5%, 8/16/2021 (a) | 102,561 |
| 100M | 3.3%, 10/15/2022 (a) | 98,589 |
| 100M | Ford Motor Credit Co., LLC, 8.125%, 1/15/2020 | 107,127 |
| 208M | General Motors Financial Co., Inc., 5.25%, 3/1/2026 | 215,866 |
| 100M | Key Bank NA, 3.4%, 5/20/2026 | 95,346 |
| 100M | Liberty Mutual Group, Inc., 4.95%, 5/1/2022 (a) | 103,926 |
| 100M | Prudential Financial, Inc., 7.375%, 6/15/2019 | 104,177 |
| 200M | Travelers Cos., Inc., 4.05%, 3/7/2048 | 194,305 |
| | | 1,623,890 |
| Financials—3.4% | | |
| 100M | Bank of America Corp., 5.875%, 2/7/2042 | 117,310 |
| 100M | Barclays Bank, PLC, 5.125%, 1/8/2020 | 102,805 |
| 100M | Capital One Financial Corp., 3.75%, 4/24/2024 | 98,210 |
| 100M | Citigroup, Inc., 4.5%, 1/14/2022 | 102,802 |
| 100M | Deutsche Bank AG of New York, 3.7%, 5/30/2024 | 92,950 |
| 100M | Goldman Sachs Group, Inc., 3.625%, 1/22/2023 | 99,446 |

| Principal Amount | Security | Value |
|---------------------------------------|---|------------|
| Financials (continued) | | |
| \$ 200M | HSBC Holdings, PLC, 2.65%, 1/5/2022 | \$ 193,742 |
| | JPMorgan Chase & Co.: | |
| 100M | 4.5%, 1/24/2022 | 103,492 |
| 100M | 3.54%, 5/1/2028 † | 95,847 |
| | Morgan Stanley: | |
| 200M | 5.5%, 7/28/2021 | 211,786 |
| 100M | 4%, 7/23/2025 | 99,787 |
| 100M | U.S. Bancorp, 3.6%, 9/11/2024 | 98,869 |
| 200M | UBS Group Funding (Switzerland) AG, 4.253%, 3/23/2028 (a) | 198,931 |
| | | 1,615,977 |
| Food/Beverage/Tobacco—1.1% | | |
| | Anheuser-Busch InBev Finance, Inc.: | |
| 100M | 3.65%, 2/1/2026 | 97,991 |
| 100M | 4.7%, 2/1/2036 | 101,652 |
| 300M | Maple Escrow Subsidiary, Inc., 3.551%, 5/25/2021 (a) | 300,470 |
| | | 500,113 |
| Forest Products/Containers—.6% | | |
| 200M | Packaging Corp. of America, 3.4%, 12/15/2027 | 189,007 |
| 100M | Rock-Tenn Co., 4.9%, 3/1/2022 | 104,252 |
| | | 293,259 |
| Health Care—1.3% | | |
| | CVS Health Corp.: | |
| 200M | 3.875%, 7/20/2025 | 194,082 |
| 200M | 5.05%, 3/25/2048 | 204,321 |
| 100M | Express Scripts Holding Co., 4.75%, 11/15/2021 | 103,251 |
| 100M | Laboratory Corp. of America Holdings, 3.75%, 8/23/2022 | 100,701 |
| | | 602,355 |
| Information Technology—1.1% | | |
| 100M | Apple, Inc., 2.5%, 2/9/2025 | 94,114 |
| 200M | Corning, Inc., 7.25%, 8/15/2036 | 237,672 |
| 200M | Diamond 1 Finance Corp., 4.42%, 6/15/2021 (a) | 203,060 |
| | | 534,846 |
| Manufacturing—.2% | | |
| 100M | Johnson Controls International, PLC, 5%, 3/30/2020 | 102,917 |

Portfolio of Investments (continued)
TOTAL RETURN FUND
June 30, 2018

| Principal Amount | Security | Value |
|--|---|------------|
| Media-Broadcasting—0.8% | | |
| Comcast Corp.: | | |
| \$ 100M | 5.15%, 3/1/2020 | \$ 103,244 |
| 300M | 4.25%, 1/15/2033 | 293,436 |
| | | 396,680 |
| Media-Diversified—0.2% | | |
| 100M | Time Warner, Inc., 3.6%, 7/15/2025 | 95,227 |
| Metals/Mining—0.7% | | |
| 235M | Glencore Funding, LLC, 4.625%, 4/29/2024 (a) | 236,774 |
| 100M | Newmont Mining Corp., 5.125%, 10/1/2019 | 102,259 |
| | | 339,033 |
| Real Estate—2.9% | | |
| 200M | Alexandria Real Estate Equities, Inc., 3.95%, 1/15/2028 | 192,500 |
| 75M | Digital Realty Trust, LP, 4.75%, 10/1/2025 | 77,401 |
| 100M | ERP Operating, LP, 3.375%, 6/1/2025 | 97,720 |
| 200M | Essex Portfolio, LP, 3.875%, 5/1/2024 | 198,802 |
| 100M | HCP, Inc., 4.25%, 11/15/2023 | 100,708 |
| 300M | STORE Capital Corp., 4.5%, 3/15/2028 | 294,058 |
| 100M | Ventas Realty, LP, 4.75%, 6/1/2021 | 103,071 |
| 200M | Vornado Realty, LP, 3.5%, 1/15/2025 | 191,724 |
| 100M | Welltower, Inc., 4%, 6/1/2025 | 98,220 |
| | | 1,354,204 |
| Retail-General Merchandise—0.3% | | |
| 100M | Home Depot, Inc., 5.875%, 12/16/2036 | 121,581 |
| Schools—0.2% | | |
| 100M | Yale University, 2.086%, 4/15/2019 | 99,668 |
| Telecommunications—0.4% | | |
| 200M | AT&T, Inc., 4.25%, 3/1/2027 | 196,094 |
| Transportation—1.4% | | |
| 250M | Air Lease Corp., 3.875%, 7/3/2023 | 247,799 |
| 100M | Burlington Northern Santa Fe, LLC, 5.15%, 9/1/2043 | 111,074 |
| 100M | Penske Truck Leasing Co., LP, 4.875%, 7/11/2022 (a) | 104,070 |
| 200M | Southwest Airlines Co., 3%, 11/15/2026 | 185,804 |
| | | 648,747 |

| Principal Amount | Security | Value |
|---|---|------------|
| Utilities—1.5% | | |
| \$ 100M | Commonwealth Edison Co., 5.9%, 3/15/2036 | \$ 121,662 |
| 100M | Duke Energy Progress, Inc., 4.15%, 12/1/2044 | 98,924 |
| 100M | Electricite de France SA, 3.625%, 10/13/2025 (a) | 97,995 |
| 100M | Entergy Arkansas, Inc., 4.95%, 12/15/2044 | 100,155 |
| 100M | Ohio Power Co., 5.375%, 10/1/2021 | 106,553 |
| 100M | Oklahoma Gas & Electric Co., 4%, 12/15/2044 | 100,966 |
| 100M | Sempra Energy, 9.8%, 2/15/2019 | 104,069 |
| | | 730,324 |
| Total Value of Corporate Bonds (cost \$13,202,745) | | 12,820,803 |
| RESIDENTIAL MORTGAGE-BACKED SECURITIES—5.3% | | |
| Fannie Mae—4.8% | | |
| 40M | 2.5%, 7/1/2031 | 39,169 |
| 636M | 3%, 5/1/2029 – 11/1/2046 | 623,757 |
| 682M | 3.5%, 11/1/2028 – 1/1/2048 | 683,744 |
| 681M | 4%, 7/1/2041 – 3/1/2047 | 696,636 |
| 140M | 4.5%, 8/1/2041 – 1/1/2047 | 147,664 |
| 73M | 5%, 3/1/2042 | 78,614 |
| | | 2,269,584 |
| Freddie Mac—.5% | | |
| 62M | 3.5%, 7/1/2044 | 61,660 |
| 68M | 4%, 7/1/2044 – 4/1/2045 | 70,097 |
| 118M | 4.5%, 12/1/2043 | 123,686 |
| | | 255,443 |
| Total Value of Residential Mortgage-Backed Securities (cost \$2,577,511) | | 2,525,027 |
| U.S. GOVERNMENT OBLIGATIONS—2.4% | | |
| 100M | U.S. Treasury Bonds, 3.125%, 8/15/2044 | 102,707 |
| U.S. Treasury Notes: | | |
| 550M | 1.375%, 4/30/2020 | 538,828 |
| 200M | 2.375%, 5/15/2027 | 192,633 |
| 300M | 2.875%, 5/15/2028 | 300,639 |
| Total Value of U.S. Government Obligations (cost \$1,155,015) | | 1,134,807 |
| TAXABLE MUNICIPAL BONDS—1.9% | | |
| 175M | Allegheny Cnty., PA GO, 5%, 11/1/2043 (b) | 200,070 |
| 50M | Cucamonga Vly., CA Wtr. Dist. Rev. 3.7%, 9/1/2028 | 50,175 |

Portfolio of Investments (continued)

TOTAL RETURN FUND

June 30, 2018

| Principal Amount or Shares | Security | Value |
|--|---|----------------|
| TAXABLE MUNICIPAL BONDS (continued) | | |
| \$ 50M | Forney, TX ISD GO, 5%, 8/15/2048 (b) | \$ 57,492 |
| 125M | Met. St. Louis, MO Swr. Dist. Wstwtr. Sys. Rev., 5%, 5/1/2047 | 144,573 |
| 50M | New York Trans. Dev. Corp. Spl. Facs. Rev., 5%, 1/1/2033 | 56,358 |
| | Port Houston, TX Auth. GO: | |
| 50M | 5%, 10/1/2037 (b) | 57,685 |
| 50M | 5%, 10/1/2038 (b) | 57,591 |
| 150M | San Antonio, TX ISD GO, 5%, 8/15/2043 (b) | 168,887 |
| 75M | Tomball, TX ISD GO, 5%, 2/15/2041 | 87,584 |
| Total Value of Taxable Municipal Bonds (cost \$880,743) | | 880,415 |
| EXCHANGE TRADED FUNDS—1.8% | | |
| 10,170 | iShares iBoxx USD High Yield Corporate Bond ETF (ETF) (cost \$869,945) | 865,264 |
| ASSET BACKED SECURITIES—1.2% | | |
| Fixed Autos—.6% | | |
| \$ 200M | Ford Credit Floorplan Master Owner Trust, 1.76%, 2/15/2021 | 198,962 |
| 100M | Harley-Davidson Motorcycle Trust, 1.67%, 8/15/2022 | 99,460 |
| | | 298,422 |
| Fixed Telecommunications Services—.6% | | |
| 300M | Verizon Owner Trust, 1.92%, 12/20/2021 (a) | 295,845 |
| Total Value of Asset Backed Securities (cost \$594,047) | | 594,267 |
| COMMERCIAL MORTGAGE-BACKED SECURITIES—1.2% | | |
| Federal Home Loan Mortgage Corporation | | |
| 549M | Multi-Family Structured Pass-Throughs, 3.725%, 12/25/2027 (cost \$560,578) | 565,321 |
| COLLATERALIZED MORTGAGE OBLIGATIONS—.5% | | |
| 245M | Fannie Mae, 2.9863%, 12/25/2027 (cost \$234,827) † | 236,836 |

| Principal Amount | Security | Value |
|---|--|---------------------|
| PASS-THROUGH CERTIFICATES—.2% | | |
| Transportation | | |
| \$ 100M | American Airlines 2017-2 AA PTT, 3.35%, 10/15/2029 (cost \$100,780) | \$ 96,655 |
| Total Value of Investments (cost \$42,015,407) | | 46,959,010 |
| Other Assets, Less Liabilities | | 530,219 |
| Net Assets | | \$47,489,229 |

* Non-income producing

(a) Security exempt from registration under Rule 144A of the Securities Act of 1933 (see Note 5).

(b) A portion or all of the security purchased on a when-issued or delayed delivery basis (see Note 1G).

† Interest rates are determined and reset periodically. The interest rates above are the rates in effect at June 30, 2018.

Summary of Abbreviations:

ADR American Depositary Receipts

ETF Exchange Traded Fund

GO General Obligation

ISD Independent School District

PTT Pass Through Trust

USD United States Dollar

Portfolio of Investments (continued)

TOTAL RETURN FUND

June 30, 2018

The Fund's assets and liabilities are classified into the following three levels based on the inputs used to value the assets and liabilities:

- Level 1 — Unadjusted quoted prices in active markets for identical securities that the Fund has the ability to access.
- Level 2 — Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.
- Level 3 — Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund's own assumption about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The inputs methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For example, U.S. Government securities are reflected as Level 2 because the inputs used to determine fair value may not always be quoted prices in an active market.

The following is a summary, by category of Level, of inputs used to value the Fund's investments as of June 30, 2018:

| | Level 1 | Level 2 | Level 3 | Total |
|---|----------------------|----------------------|-------------|----------------------|
| Common Stocks | \$ 27,239,615 | \$ — | \$ — | \$ 27,239,615 |
| Corporate Bonds | — | 12,820,803 | — | 12,820,803 |
| Residential Mortgage-Backed Securities | — | 2,525,027 | — | 2,525,027 |
| U.S. Government Obligations . . . | — | 1,134,807 | — | 1,134,807 |
| Taxable Municipal Bonds | — | 880,415 | — | 880,415 |
| Exchange Traded Funds | 865,264 | — | — | 865,264 |
| Asset Backed Securities | — | 594,267 | — | 594,267 |
| Commercial Mortgaged-Backed Securities | — | 565,321 | — | 565,321 |
| Collateralized Mortgage Obligations | — | 236,836 | — | 236,836 |
| Pass-Through Certificates | — | 96,655 | — | 96,655 |
| Total Investments in Securities* . . | <u>\$ 28,104,879</u> | <u>\$ 18,854,131</u> | <u>\$ —</u> | <u>\$ 46,959,010</u> |

* The Portfolio of Investments provides information on the industry categorization for common stocks, corporate bonds, asset backed securities and pass-through certificates.

There were no transfers into or from Level 1 and Level 2 by the Fund for the period ended June 30, 2018. Transfers, if any, between Levels are recognized at the end of the reporting period.

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Statements of Assets and Liabilities

FIRST INVESTORS LIFE SERIES FUNDS

June 30, 2018

| | BALANCED INCOME | COVERED CALL STRATEGY |
|---|----------------------------|--------------------------------------|
| Assets | | |
| Investments in securities and futures contracts: | | |
| At identified cost | \$ 6,189,020 | \$ 13,300,262 |
| At value (Note 1A) | \$ 6,436,248 | \$ 14,305,926 |
| Cash | 235,107 | 230,867 |
| Receivables: | | |
| Investment securities sold | — | — |
| Due from broker-variation margin futures | 141,784 | 1,944 |
| Interest and dividends | 39,047 | 7,302 |
| Trust shares sold | 2,057 | 41,642 |
| Unrealized gain on futures and options contracts | 4,718 | — |
| Other assets | 454 | 532 |
| Total Assets | 6,859,415 | 14,588,213 |
| Liabilities | | |
| Options written, at value (Note 6) | \$ — | \$ 155,871(a) |
| Cash overdraft | — | — |
| Payables: | | |
| Investment securities purchased | — | — |
| Due to broker-variation margin futures | 57,070 | — |
| Trust shares redeemed | 16,736 | 3,510 |
| Accrued advisory fees | 3,387 | 8,882 |
| Accrued expenses | 15,692 | 17,115 |
| Total Liabilities | 92,885 | 185,378 |
| Net Assets | \$ 6,766,530 | \$ 14,402,835 |
| Net Assets Consist of: | | |
| Capital paid in | \$ 6,538,869 | \$ 13,418,762 |
| Undistributed net investment income | 51,989 | 78,484 |
| Accumulated net realized gain (loss) on investments, futures and options contracts | (76,185) | (184,849) |
| Net unrealized appreciation (depreciation) in value on investments, futures and options contracts | 251,857 | 1,090,438 |
| Total | \$ 6,766,530 | \$ 14,402,835 |
| Shares of beneficial interest outstanding (Note 2) | 657,805 | 1,282,959 |
| Net asset value, offering and redemption price per share — (Net assets divided by shares outstanding) | \$10.29 | \$11.23 |

(a) Premiums received from written options \$240,645

(b) Premiums received from written options \$8,340

| EQUITY INCOME | FUND FOR INCOME | GOVERNMENT | GOVERNMENT CASH MANAGEMENT | GROWTH & INCOME |
|--------------------------|----------------------------|----------------------|---|--------------------------------|
| <u>\$ 90,075,749</u> | <u>\$102,158,334</u> | <u>\$ 28,350,977</u> | <u>\$ 8,489,572</u> | <u>\$312,456,584</u> |
| \$122,689,381 | \$101,180,337 | \$ 27,737,618 | \$ 8,489,572 | \$496,020,926 |
| 2,642,259 | 3,159,313 | — | 461,724 | 9,930,407 |
| 1,102,827 | 454,282 | 500,292 | — | 1,995,508 |
| — | — | — | — | — |
| 170,379 | 1,570,164 | 97,582 | 5,543 | 470,918 |
| 9,907 | 16,692 | 5,171 | 51,542 | 14,474 |
| — | — | — | — | — |
| <u>7,366</u> | <u>6,639</u> | <u>1,959</u> | <u>642</u> | <u>30,668</u> |
| <u>126,622,119</u> | <u>106,387,427</u> | <u>28,342,622</u> | <u>9,009,023</u> | <u>508,462,901</u> |
| \$ 2,670(b) | \$ — | \$ — | \$ — | \$ — |
| — | — | 42,352 | — | — |
| 915,588 | 3,041,104 | 800,703 | — | 3,754,439 |
| — | — | — | — | — |
| 89,913 | 19,100 | 11,659 | 94,746 | 220,220 |
| 78,702 | 63,839 | 13,583 | 200 | 309,966 |
| 19,351 | 124,317 | 27,903 | 24,359 | 43,928 |
| <u>1,106,224</u> | <u>3,248,360</u> | <u>896,200</u> | <u>119,305</u> | <u>4,328,553</u> |
| <u>\$125,515,895</u> | <u>\$103,139,067</u> | <u>\$ 27,446,422</u> | <u>\$ 8,889,718</u> | <u>\$504,134,348</u> |
| \$ 83,639,514 | \$106,926,291 | \$ 29,395,316 | \$ 8,889,718 | \$283,300,734 |
| 1,170,383 | 2,164,737 | 179,656 | — | 3,953,246 |
| 8,086,696 | (4,973,964) | (1,515,191) | — | 33,316,026 |
| 32,619,302 | (977,997) | (613,359) | — | 183,564,342 |
| <u>\$125,515,895</u> | <u>\$103,139,067</u> | <u>\$ 27,446,422</u> | <u>\$ 8,889,718</u> | <u>\$504,134,348</u> |
| <u>5,653,494</u> | <u>16,960,810</u> | <u>2,979,683</u> | <u>8,889,718</u> | <u>11,072,352</u> |
| <u>\$22.20</u> | <u>\$ 6.08</u> | <u>\$ 9.21</u> | <u>\$ 1.00</u> | <u>\$45.53</u> |

Statements of Assets and Liabilities

FIRST INVESTORS LIFE SERIES FUNDS

June 30, 2018

| | INTERNATIONAL | INVESTMENT GRADE |
|---|----------------------|----------------------|
| Assets | | |
| Investments in securities: | | |
| At identified cost | \$115,276,598 | \$ 62,506,037 |
| At value (Note 1A) | \$155,273,946 | \$ 61,613,753 |
| Cash | 1,558,958 | 1,737,447 |
| Receivables: | | |
| Investment securities sold | — | — |
| Interest and dividends | 916,061 | 701,183 |
| Trust shares sold | 56,956 | 38,250 |
| Other assets | 8,958 | 4,140 |
| Total Assets | <u>157,814,879</u> | <u>64,094,773</u> |
| Liabilities | | |
| Payables: | | |
| Investment securities purchased | — | 498,635 |
| Trust shares redeemed | 3,705 | 32,099 |
| Accrued advisory fees | 97,930 | 31,383 |
| Accrued expenses | 77,844 | 23,597 |
| Total Liabilities | <u>179,479</u> | <u>585,714</u> |
| Net Assets | <u>\$157,635,400</u> | <u>\$ 63,509,059</u> |
| Net Assets Consist of: | | |
| Capital paid in | \$109,416,417 | \$ 65,656,509 |
| Undistributed net investment income (deficit) | 1,111,824 | (576,313) |
| Accumulated net realized gain (loss) on investments, foreign currency transactions and futures contracts | 7,124,412 | (678,853) |
| Net unrealized appreciation (depreciation) in value of investments and foreign currency transactions | 39,982,747 | (892,284) |
| Total | <u>\$157,635,400</u> | <u>\$ 63,509,059</u> |
| Shares of beneficial interest outstanding (Note 2) | <u>6,360,664</u> | <u>6,288,476</u> |
| Net asset value, offering and redemption price per share — (Net assets divided by shares outstanding) | <u>\$24.78</u> | <u>\$10.10</u> |

| LIMITED DURATION BOND | OPPORTUNITY | REAL ESTATE | SELECT GROWTH | SPECIAL SITUATIONS |
|-----------------------------|----------------------------|-------------------------|--------------------------|----------------------------|
| <u>\$ 7,384,339</u> | <u>\$ 55,598,088</u> | <u>\$ 6,412,805</u> | <u>\$ 51,970,019</u> | <u>\$196,904,707</u> |
| \$ 7,297,130 197,947 | \$ 69,482,757 1,249,225 | \$ 6,618,807 597,108 | \$ 74,291,136 796,130 | \$251,225,446 1,878,799 |
| 148,945 | 123,933 | — | — | 2,978,181 |
| 56,001 | 57,914 | 27,125 | 12,843 | 232,621 |
| 4,294 | 30,908 | 7,152 | 82,556 | 37,494 |
| 476 | 3,490 | 423 | 3,559 | 14,065 |
| <u>7,704,793</u> | <u>70,948,227</u> | <u>7,250,615</u> | <u>75,186,224</u> | <u>256,366,606</u> |
| 605,639 | — | — | — | 800,037 |
| 25 | 36,028 | 22,203 | 1,168 | 47,474 |
| 3,488 | 44,333 | 4,484 | 47,111 | 160,316 |
| 21,072 | 21,059 | 15,483 | 13,481 | 41,194 |
| <u>630,224</u> | <u>101,420</u> | <u>42,170</u> | <u>61,760</u> | <u>1,049,021</u> |
| <u>\$ 7,074,569</u> | <u>\$ 70,846,807</u> | <u>\$ 7,208,445</u> | <u>\$ 75,124,464</u> | <u>\$255,317,585</u> |
| \$ 7,434,774 (72,260) | \$ 55,824,579 242,859 | \$ 6,984,249 122,104 | \$ 52,456,702 110,645 | \$191,514,690 852,964 |
| (200,736) | 894,700 | (103,910) | 236,000 | 8,629,192 |
| (87,209) | 13,884,669 | 206,002 | 22,321,117 | 54,320,739 |
| <u>\$ 7,074,569</u> | <u>\$ 70,846,807</u> | <u>\$ 7,208,445</u> | <u>\$ 75,124,464</u> | <u>\$255,317,585</u> |
| <u>763,221</u> | <u>3,863,264</u> | <u>697,282</u> | <u>4,817,955</u> | <u>7,265,813</u> |
| <u>\$ 9.27</u> | <u>\$18.34</u> | <u>\$10.34</u> | <u>\$15.59</u> | <u>\$35.14</u> |

Statements of Assets and Liabilities

FIRST INVESTORS LIFE SERIES FUNDS

June 30, 2018

| | TOTAL RETURN |
|---|-------------------------|
| Assets | |
| Investments in securities: | |
| At identified cost | \$ 42,015,407 |
| At value (Note 1A) | \$ 46,959,010 |
| Cash | 1,029,916 |
| Receivables: | |
| Investment securities sold | 81,438 |
| Interest and dividends | 211,030 |
| Trust shares sold | 35,174 |
| Other assets | 2,715 |
| Total Assets | <u>48,319,283</u> |
| Liabilities | |
| Payables: | |
| Investment securities purchased | 747,788 |
| Trust shares redeemed | 26,251 |
| Accrued advisory fees | 29,532 |
| Accrued expenses | 26,483 |
| Total Liabilities | <u>830,054</u> |
| Net Assets | <u>\$ 47,489,229</u> |
| Net Assets Consist of: | |
| Capital paid in | \$ 42,349,052 |
| Undistributed net investment income | 144,244 |
| Accumulated net realized gain on investments | 52,330 |
| Net unrealized appreciation in value of investments | 4,943,603 |
| Total | <u>\$ 47,489,229</u> |
| Shares of beneficial interest outstanding (Note 2) | <u>3,600,854</u> |
| Net asset value, offering and redemption price per share — (Net assets divided by shares outstanding) | <u>\$13.19</u> |

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Statements of Operations
FIRST INVESTORS LIFE SERIES FUNDS
Six Months Ended June 30, 2018

| | BALANCED INCOME | COVERED CALL STRATEGY |
|---|----------------------------|--------------------------------------|
| Investment Income | | |
| Income: | | |
| Interest | \$ 71,882 | \$ — |
| Dividends | 45,572(a) | 143,366 |
| Total income | <u>117,454</u> | <u>143,366</u> |
| Expenses (Notes 1 and 4): | | |
| Advisory fees | 25,681 | 47,463 |
| Professional fees | 29,790 | 10,329 |
| Custodian fees and expenses | 2,207 | 2,530 |
| Reports and notices to shareholders | 3,250 | 2,513 |
| Registration fees | 100 | 753 |
| Trustees' fees | 212 | 380 |
| Other expenses | 495 | 989 |
| Total expenses | 61,735 | 64,957 |
| Less: Expenses waived and/or assumed (Note 4) | (5,136) | — |
| Expenses paid indirectly (Note 1G) | (118) | (76) |
| Net expenses | <u>56,481</u> | <u>64,881</u> |
| Net investment income | <u>60,973</u> | <u>78,485</u> |
| Realized and Unrealized Gain (Loss) on Investments, Futures and Options Contracts (Notes 3 and 6): | | |
| Net realized gain (loss) from: | | |
| Investments | (93,770) | 212,663 |
| Futures contracts | 19,879 | — |
| Options contracts | — | (169,543) |
| Net realized gain (loss) on investments, futures and options contracts | <u>(73,891)</u> | <u>43,120</u> |
| Net unrealized appreciation (depreciation) on: | | |
| Investments | (236,542) | (532,153) |
| Futures contracts | 2,507 | — |
| Options contracts | — | 87,083 |
| Net unrealized depreciation on investments, futures and options contracts | <u>(234,035)</u> | <u>(445,070)</u> |
| Net loss on investments, futures and options contracts transactions | <u>(307,926)</u> | <u>(401,950)</u> |
| Net Increase (Decrease) in Net Assets Resulting from Operations | <u>\$ (246,953)</u> | <u>\$ (323,465)</u> |

- (a) Net of \$505 foreign taxes withheld
(b) Net of \$11,426 foreign taxes withheld
(c) Net of \$25,763 foreign taxes withheld

| EQUITY INCOME | FUND FOR INCOME | GOVERNMENT | GOVERNMENT CASH MANAGEMENT | GROWTH & INCOME |
|-----------------------------|----------------------------|---------------------------|---|--------------------------------|
| \$ 19,962 | \$ 3,040,489 | \$ 301,384 | \$ 66,890 | \$ 126,421 |
| <u>1,725,057(b)</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>5,795,316(c)</u> |
| <u>1,745,019</u> | <u>3,040,489</u> | <u>301,384</u> | <u>66,890</u> | <u>5,921,737</u> |
| 476,972 | 388,788 | 103,874 | 32,046 | 1,894,164 |
| 14,749 | 15,427 | 25,200 | 12,101 | 10,228 |
| 4,158 | 10,099 | 3,446 | 2,093 | 9,306 |
| 8,249 | 9,500 | 3,100 | 2,100 | 30,000 |
| 600 | 650 | 350 | 132 | 650 |
| 3,926 | 3,205 | 857 | 283 | 15,969 |
| <u>4,869</u> | <u>35,559</u> | <u>5,850</u> | <u>2,625</u> | <u>13,036</u> |
| 513,523 | 463,228 | 142,677 | 51,380 | 1,973,353 |
| <u>—</u> | <u>—</u> | <u>(20,775)</u> | <u>(25,701)</u> | <u>—</u> |
| <u>(1,307)</u> | <u>(1,388)</u> | <u>(173)</u> | <u>(53)</u> | <u>(4,835)</u> |
| <u>512,216</u> | <u>461,840</u> | <u>121,729</u> | <u>25,626</u> | <u>1,968,518</u> |
| <u>1,232,803</u> | <u>2,578,649</u> | <u>179,655</u> | <u>41,264</u> | <u>3,953,219</u> |
| 8,207,013 | 301,222 | (225,734) | — | 34,490,956 |
| <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> |
| <u>22,174</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> |
| <u>8,229,187</u> | <u>301,222</u> | <u>(225,734)</u> | <u>—</u> | <u>34,490,956</u> |
| (11,185,057) | (3,448,304) | (366,720) | — | (50,149,718) |
| <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> |
| <u>5,670</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> |
| <u>(11,179,387)</u> | <u>(3,448,304)</u> | <u>(366,720)</u> | <u>—</u> | <u>(50,149,718)</u> |
| <u>(2,950,200)</u> | <u>(3,147,082)</u> | <u>(592,454)</u> | <u>—</u> | <u>(15,658,762)</u> |
| <u><u>\$(1,717,397)</u></u> | <u><u>\$(568,433)</u></u> | <u><u>\$(412,799)</u></u> | <u><u>\$ 41,264</u></u> | <u><u>\$(11,705,543)</u></u> |

Statements of Operations
FIRST INVESTORS LIFE SERIES FUNDS
Six Months Ended June 30, 2018

| | INTERNATIONAL | INVESTMENT GRADE |
|--|-----------------------|-----------------------|
| Investment Income | | |
| Income: | | |
| Interest | \$ 22,813 | \$ 1,182,825 |
| Dividends | <u>1,765,601(d)</u> | <u>—</u> |
| Total income | <u>1,788,414</u> | <u>1,182,825</u> |
| Expenses (Notes 1 and 4): | | |
| Advisory fees | 591,051 | 240,383 |
| Professional fees | 19,799 | 13,649 |
| Custodian fees and expenses | 23,906 | 2,683 |
| Reports and notices to shareholders | 9,000 | 5,950 |
| Registration fees | 650 | 650 |
| Trustees' fees | 4,859 | 1,983 |
| Other expenses | <u>27,868</u> | <u>5,451</u> |
| Total expenses | 677,133 | 270,749 |
| Less: Expenses waived (Note 4) | — | (48,077) |
| Expenses paid indirectly (Note 1G) | <u>(524)</u> | <u>(394)</u> |
| Net expenses | <u>676,609</u> | <u>222,278</u> |
| Net investment income | <u>1,111,805</u> | <u>960,547</u> |
| Realized and Unrealized Gain (Loss) on Investments, Futures and Foreign Currency Transactions (Note 3): | | |
| Net realized gain (loss) on: | | |
| Investments | 7,487,205 | (179,858) |
| Futures contracts | — | — |
| Foreign currency transactions (Note 1C) | <u>(16,527)</u> | <u>—</u> |
| Net realized gain (loss) on investments, futures and foreign currency transactions | <u>7,470,678</u> | <u>(179,858)</u> |
| Net unrealized appreciation (depreciation) on investments and foreign currency transactions | <u>(10,835,254)</u> | <u>(2,669,042)</u> |
| Net gain (loss) on investments, futures and foreign currency transactions | <u>(3,364,576)</u> | <u>(2,848,900)</u> |
| Net Increase (Decrease) in Net Assets Resulting from Operations | <u>\$ (2,252,771)</u> | <u>\$ (1,888,353)</u> |

(d) Net of \$225,399 foreign taxes withheld

(e) Net of \$4,630 foreign taxes withheld

| LIMITED DURATION BOND | OPPORTUNITY | REAL ESTATE | SELECT GROWTH | SPECIAL SITUATIONS |
|--------------------------------------|---------------------|------------------------|--------------------------|-------------------------------|
| \$ 79,609 | \$ 2,629 | \$ — | \$ 1,468 | \$ 22,286 |
| <u>—</u> | <u>527,826(e)</u> | <u>164,315</u> | <u>401,479</u> | <u>1,953,423</u> |
| <u>79,609</u> | <u>530,455</u> | <u>164,315</u> | <u>402,947</u> | <u>1,975,709</u> |
| 26,121 | 260,762 | 25,724 | 270,791 | 945,060 |
| 13,300 | 9,425 | 9,375 | 10,250 | 20,975 |
| 2,166 | 7,701 | 2,382 | 2,362 | 7,202 |
| 2,100 | 5,549 | 2,400 | 5,150 | 14,950 |
| 1,150 | 325 | 100 | 100 | 650 |
| 216 | 2,136 | 214 | 2,202 | 7,775 |
| <u>3,915</u> | <u>2,477</u> | <u>2,123</u> | <u>1,816</u> | <u>8,039</u> |
| 48,968 | 288,375 | 42,318 | 292,671 | 1,004,651 |
| (5,224) | — | — | — | — |
| <u>(37)</u> | <u>(792)</u> | <u>(117)</u> | <u>(391)</u> | <u>(2,480)</u> |
| <u>43,707</u> | <u>287,583</u> | <u>42,201</u> | <u>292,280</u> | <u>1,002,171</u> |
| <u>35,902</u> | <u>242,872</u> | <u>122,114</u> | <u>110,667</u> | <u>973,538</u> |
| (56,368) | 970,259 | 68,359 | 235,979 | 8,908,333 |
| (135) | — | — | — | — |
| <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> |
| <u>(56,503)</u> | <u>970,259</u> | <u>68,359</u> | <u>235,979</u> | <u>8,908,333</u> |
| <u>(47,053)</u> | <u>(1,467,070)</u> | <u>(92,081)</u> | <u>3,900,352</u> | <u>(5,939,905)</u> |
| <u>(103,556)</u> | <u>(496,811)</u> | <u>(23,722)</u> | <u>4,136,331</u> | <u>2,968,428</u> |
| <u>\$ (67,654)</u> | <u>\$ (253,939)</u> | <u>\$ 98,392</u> | <u>\$ 4,246,998</u> | <u>\$ 3,941,966</u> |

Statements of Operations
FIRST INVESTORS LIFE SERIES FUNDS
Six Months Ended June 30, 2018

| | TOTAL RETURN |
|---|-------------------------|
| Investment Income | |
| Income: | |
| Interest | \$ 281,501 |
| Dividends | <u>320,611(f)</u> |
| Total income | <u>602,112</u> |
| Expenses (Notes 1 and 4): | |
| Advisory fees | 177,608 |
| Professional fees | 13,999 |
| Custodian fees and expenses | 6,688 |
| Reports and notices to shareholders | 6,000 |
| Registration fees | 600 |
| Trustees' fees | 1,459 |
| Other expenses | <u>5,553</u> |
| Total expenses | 211,907 |
| Less: Expenses waived (Note 4) | — |
| Expenses paid indirectly (Note 1G) | <u>(540)</u> |
| Net expenses | <u>211,367</u> |
| Net investment income | <u>390,745</u> |
| Realized and Unrealized Gain (Loss) on Investments (Note 3): | |
| Net realized gain on investments | 54,829 |
| Net unrealized depreciation on investments | <u>(1,700,202)</u> |
| Net loss on investments | <u>(1,645,373)</u> |
| Net Decrease in Net Assets Resulting from Operations | <u>\$ (1,254,628)</u> |
| (f) Net of \$2,616 foreign taxes withheld | |

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Statements of Changes in Net Assets

FIRST INVESTORS LIFE SERIES FUNDS

| | BALANCED INCOME | |
|---|------------------------------|-------------------------------|
| | 1/1/18 to 6/30/18 | 1/1/17 to 12/31/17 |
| Increase (Decrease) in Net Assets From Operations | | |
| Net investment income | \$ 60,973 | \$ 151,103 |
| Net realized gain (loss) on investments, futures and options contracts | (73,891) | 209,616 |
| Net unrealized appreciation (depreciation) of investments, futures and options contracts | <u>(234,035)</u> | <u>302,508</u> |
| Net increase (decrease) in net assets resulting from operations | <u>(246,953)</u> | <u>663,227</u> |
| Distributions to Shareholders | | |
| Net investment income | (169,181) | (102,597) |
| Net realized gains | <u>(186,631)</u> | <u>(97,642)</u> |
| Total distributions | <u>(355,812)</u> | <u>(200,239)</u> |
| Trust Share Transactions | | |
| Proceeds from shares sold | 748,829 | 1,782,429 |
| Reinvestment of distributions | 355,812 | 200,239 |
| Cost of shares redeemed | <u>(837,758)</u> | <u>(3,992,034)</u> |
| Net increase (decrease) from trust share transactions . . . | <u>266,883</u> | <u>(2,009,366)</u> |
| Net increase (decrease) in net assets | (335,882) | (1,546,378) |
| Net Assets | | |
| Beginning of period | <u>7,102,412</u> | <u>8,648,790</u> |
| End of period † | <u>\$ 6,766,530</u> | <u>\$ 7,102,412</u> |
| † Includes undistributed net investment income of | <u>\$ 51,989</u> | <u>\$ 160,197</u> |
| Trust Shares Issued and Redeemed | | |
| Sold | 70,577 | 166,284 |
| Issued for distributions reinvested | 34,147 | 19,107 |
| Redeemed | <u>(79,000)</u> | <u>(377,679)</u> |
| Net increase (decrease) in trust shares outstanding | <u>25,724</u> | <u>(192,288)</u> |

| COVERED CALL STRATEGY | | EQUITY INCOME | | FUND FOR INCOME | |
|------------------------------|---------------------------|--------------------------|---------------------------|--------------------------|---------------------------|
| 1/1/18 to 6/30/18 | 1/1/17 to 12/31/17 | 1/1/18 to 6/30/18 | 1/1/17 to 12/31/17 | 1/1/18 to 6/30/18 | 1/1/17 to 12/31/17 |
| \$ 78,485 | \$ 132,950 | \$ 1,232,803 | \$ 2,217,225 | \$ 2,578,649 | \$ 4,926,866 |
| 43,120 | 54,148 | 8,229,187 | 3,773,225 | 301,222 | 2,057,210 |
| <u>(445,070)</u> | <u>928,913</u> | <u>(11,179,387)</u> | <u>11,752,979</u> | <u>(3,448,304)</u> | <u>(192,698)</u> |
| <u>(323,465)</u> | <u>1,116,011</u> | <u>(1,717,397)</u> | <u>17,743,429</u> | <u>(568,433)</u> | <u>6,791,378</u> |
| (132,946) | (44,670) | (2,334,015) | (2,293,954) | (5,406,594) | (5,236,876) |
| <u>—</u> | <u>—</u> | <u>(3,798,561)</u> | <u>(2,744,455)</u> | <u>—</u> | <u>—</u> |
| <u>(132,946)</u> | <u>(44,670)</u> | <u>(6,132,576)</u> | <u>(5,038,409)</u> | <u>(5,406,594)</u> | <u>(5,236,876)</u> |
| 3,746,520 | 6,079,783 | 1,356,176 | 3,323,163 | 1,642,336 | 3,972,717 |
| 132,946 | 44,670 | 6,132,576 | 5,038,409 | 5,406,594 | 5,236,876 |
| <u>(404,439)</u> | <u>(6,019,581)</u> | <u>(4,117,061)</u> | <u>(7,757,717)</u> | <u>(3,945,428)</u> | <u>(6,180,821)</u> |
| <u>3,475,027</u> | <u>104,872</u> | <u>3,371,691</u> | <u>603,855</u> | <u>3,103,502</u> | <u>3,028,772</u> |
| 3,018,616 | 1,176,213 | (4,478,282) | 13,308,875 | (2,871,525) | 4,583,274 |
| <u>11,384,219</u> | <u>10,208,006</u> | <u>129,994,177</u> | <u>116,685,302</u> | <u>106,010,592</u> | <u>101,427,318</u> |
| <u>\$ 14,402,835</u> | <u>\$ 11,384,219</u> | <u>\$ 125,515,895</u> | <u>\$ 129,994,177</u> | <u>\$ 103,139,067</u> | <u>\$ 106,010,592</u> |
| <u>\$ 78,484</u> | <u>\$ 132,945</u> | <u>\$ 1,170,383</u> | <u>\$ 2,271,595</u> | <u>\$ 2,164,737</u> | <u>\$ 4,992,682</u> |
| 328,737 | 552,336 | 59,508 | 151,829 | 263,172 | 627,229 |
| 11,796 | 4,087 | 276,242 | 237,437 | 887,782 | 848,764 |
| <u>(34,851)</u> | <u>(548,872)</u> | <u>(181,913)</u> | <u>(352,225)</u> | <u>(635,914)</u> | <u>(974,529)</u> |
| <u>305,682</u> | <u>7,551</u> | <u>153,837</u> | <u>37,041</u> | <u>515,040</u> | <u>501,464</u> |

Statements of Changes in Net Assets

FIRST INVESTORS LIFE SERIES FUNDS

| | GOVERNMENT | |
|--|------------------------------|-------------------------------|
| | 1/1/18 to 6/30/18 | 1/1/17 to 12/31/17 |
| Increase (Decrease) in Net Assets From Operations | | |
| Net investment income | \$ 179,655 | \$ 458,617 |
| Net realized gain (loss) on investments and foreign currency transactions | (225,734) | (190,956) |
| Net unrealized appreciation (depreciation) of investments and foreign currency transactions | <u>(366,720)</u> | <u>193,636</u> |
| Net increase (decrease) in net assets resulting from operations | <u>(412,799)</u> | <u>461,297</u> |
| Distributions to Shareholders | | |
| Net investment income | (550,069) | (565,317) |
| Net realized gains | <u>—</u> | <u>—</u> |
| Total distributions. | <u>(550,069)</u> | <u>(565,317)</u> |
| Trust Share Transactions | | |
| Proceeds from shares sold. | 808,377 | 1,317,181 |
| Reinvestment of distributions | 550,069 | 565,317 |
| Cost of shares redeemed | <u>(1,413,743)</u> | <u>(2,725,040)</u> |
| Net increase (decrease) from trust share transactions | <u>(55,297)</u> | <u>(842,542)</u> |
| Net increase (decrease) in net assets | (1,018,165) | (946,562) |
| Net Assets | | |
| Beginning of period | <u>28,464,587</u> | <u>29,411,149</u> |
| End of period † | <u>\$ 27,446,422</u> | <u>\$ 28,464,587</u> |
| †Includes undistributed net investment income of | <u>\$ 179,656</u> | <u>\$ 550,070</u> |
| Trust Shares Issued and Redeemed | | |
| Sold | 87,037 | 138,209 |
| Issued for distributions reinvested. | 59,920 | 60,013 |
| Redeemed | <u>(153,293)</u> | <u>(286,787)</u> |
| Net increase (decrease) in trust shares outstanding | <u>(6,336)</u> | <u>(88,565)</u> |

| GOVERNMENT CASH MANAGEMENT | | GROWTH & INCOME | | INTERNATIONAL | |
|---------------------------------------|-------------------------------|------------------------------|-------------------------------|------------------------------|-------------------------------|
| 1/1/18 to 6/30/18 | 1/1/17 to 12/31/17 | 1/1/18 to 6/30/18 | 1/1/17 to 12/31/17 | 1/1/18 to 6/30/18 | 1/1/17 to 12/31/17 |
| \$ 41,264 | \$ 22,842 | \$ 3,953,219 | \$ 7,229,735 | \$ 1,111,805 | \$ 1,319,920 |
| — | — | 34,490,956 | 23,289,962 | 7,470,678 | 13,381,924 |
| — | — | (50,149,718) | 53,706,924 | (10,835,254) | 25,743,295 |
| <u>41,264</u> | <u>22,842</u> | <u>(11,705,543)</u> | <u>84,226,621</u> | <u>(2,252,771)</u> | <u>40,445,139</u> |
| (41,264) | (22,842) | (7,229,708) | (7,591,392) | (1,252,882) | (1,560,148) |
| <u>—</u> | <u>—</u> | <u>(23,058,025)</u> | <u>(18,784,208)</u> | <u>(7,199,809)</u> | <u>—</u> |
| <u>(41,264)</u> | <u>(22,842)</u> | <u>(30,287,733)</u> | <u>(26,375,600)</u> | <u>(8,452,691)</u> | <u>(1,560,148)</u> |
| 13,217,281 | 20,967,631 | 1,759,515 | 3,866,763 | 3,303,263 | 3,801,845 |
| 41,264 | 22,842 | 30,287,733 | 26,375,600 | 8,452,691 | 1,560,148 |
| <u>(13,032,168)</u> | <u>(22,243,363)</u> | <u>(17,614,508)</u> | <u>(31,417,945)</u> | <u>(3,543,117)</u> | <u>(8,558,290)</u> |
| <u>226,377</u> | <u>(1,252,890)</u> | <u>14,432,740</u> | <u>(1,175,582)</u> | <u>8,212,837</u> | <u>(3,196,297)</u> |
| 226,377 | (1,252,890) | (27,560,536) | 56,675,439 | (2,492,625) | 35,688,694 |
| <u>8,663,341</u> | <u>9,916,231</u> | <u>531,694,884</u> | <u>475,019,445</u> | <u>160,128,025</u> | <u>124,439,331</u> |
| <u>\$ 8,889,718</u> | <u>\$ 8,663,341</u> | <u>\$ 504,134,348</u> | <u>\$ 531,694,884</u> | <u>\$ 157,635,400</u> | <u>\$ 160,128,025</u> |
| <u>\$ —</u> | <u>\$ —</u> | <u>\$ 3,953,246</u> | <u>\$ 7,229,735</u> | <u>\$ 1,111,824</u> | <u>\$ 1,252,901</u> |
| 13,217,281 | 20,967,631 | 37,164 | 85,374 | 130,633 | 157,115 |
| 41,264 | 22,842 | 656,716 | 603,699 | 342,492 | 72,666 |
| <u>(13,032,168)</u> | <u>(22,243,363)</u> | <u>(372,897)</u> | <u>(689,610)</u> | <u>(138,512)</u> | <u>(358,413)</u> |
| <u>226,377</u> | <u>(1,252,890)</u> | <u>320,983</u> | <u>(537)</u> | <u>334,613</u> | <u>(128,632)</u> |

Statements of Changes in Net Assets

FIRST INVESTORS LIFE SERIES FUNDS

| | INVESTMENT GRADE | |
|--|------------------------------|-------------------------------|
| | 1/1/18 to 6/30/18 | 1/1/17 to 12/31/17 |
| Increase (Decrease) in Net Assets From Operations | | |
| Net investment income | \$ 960,547 | \$ 1,916,230 |
| Net realized gain (loss) on investments and futures contracts | (179,858) | 385,327 |
| Net unrealized appreciation (depreciation) of investments . . . | (2,669,042) | 737,755 |
| Net increase (decrease) in net assets resulting from operations | <u>(1,888,353)</u> | <u>3,039,312</u> |
| Distributions to Shareholders | | |
| Net investment income | (2,464,911) | (2,510,135) |
| Net realized gains | <u>—</u> | <u>—</u> |
| Total distributions. | <u>(2,464,911)</u> | <u>(2,510,135)</u> |
| Trust Share Transactions | | |
| Proceeds from shares sold. | 1,730,098 | 3,697,811 |
| Reinvestment of distributions | 2,464,911 | 2,510,135 |
| Cost of shares redeemed | <u>(2,495,784)</u> | <u>(4,668,699)</u> |
| Net increase (decrease) from trust share transactions | <u>1,699,225</u> | <u>1,539,247</u> |
| Net increase (decrease) in net assets | (2,654,039) | 2,068,424 |
| Net Assets | | |
| Beginning of period | <u>66,163,098</u> | <u>64,094,674</u> |
| End of period † | <u>\$ 63,509,059</u> | <u>\$ 66,163,098</u> |
| †Includes undistributed net investment income (deficit) of. . . . | <u>\$ (576,313)</u> | <u>\$ 928,051</u> |
| Trust Shares Issued and Redeemed | | |
| Sold | 167,119 | 347,525 |
| Issued for distributions reinvested. | 242,371 | 240,665 |
| Redeemed | <u>(244,421)</u> | <u>(438,282)</u> |
| Net increase (decrease) in trust shares outstanding | <u>165,069</u> | <u>149,908</u> |

| LIMITED DURATION BOND | | OPPORTUNITY | | REAL ESTATE | |
|------------------------------|-------------------------------|------------------------------|-------------------------------|------------------------------|-------------------------------|
| 1/1/18 to 6/30/18 | 1/1/17 to 12/31/17 | 1/1/18 to 6/30/18 | 1/1/17 to 12/31/17 | 1/1/18 to 6/30/18 | 1/1/17 to 12/31/17 |
| \$ 35,902 | \$ 82,502 | \$ 242,872 | \$ 360,670 | \$ 122,114 | \$ 127,595 |
| (56,503) | (13,550) | 970,259 | 1,428,426 | 68,359 | (139,561) |
| <u>(47,053)</u> | <u>26,855</u> | <u>(1,467,070)</u> | <u>8,995,834</u> | <u>(92,081)</u> | <u>63,745</u> |
| <u>(67,654)</u> | <u>95,807</u> | <u>(253,939)</u> | <u>10,784,930</u> | <u>98,392</u> | <u>51,779</u> |
| (181,149) | (144,072) | (360,683) | (372,100) | (127,604) | (113,232) |
| <u>—</u> | <u>—</u> | <u>(903,391)</u> | <u>—</u> | <u>—</u> | <u>(173,121)</u> |
| <u>(181,149)</u> | <u>(144,072)</u> | <u>(1,264,074)</u> | <u>(372,100)</u> | <u>(127,604)</u> | <u>(286,353)</u> |
| 524,648 | 1,664,381 | 3,952,146 | 9,804,034 | 905,099 | 2,269,374 |
| 181,149 | 144,072 | 1,264,074 | 372,100 | 127,604 | 286,353 |
| <u>(602,398)</u> | <u>(2,377,246)</u> | <u>(2,828,898)</u> | <u>(3,348,254)</u> | <u>(1,058,918)</u> | <u>(2,790,480)</u> |
| <u>103,399</u> | <u>(568,793)</u> | <u>2,387,322</u> | <u>6,827,880</u> | <u>(26,215)</u> | <u>(234,753)</u> |
| (145,404) | (617,058) | 869,309 | 17,240,710 | (55,427) | (469,327) |
| <u>7,219,973</u> | <u>7,837,031</u> | <u>69,977,498</u> | <u>52,736,788</u> | <u>7,263,872</u> | <u>7,733,199</u> |
| <u>\$ 7,074,569</u> | <u>\$ 7,219,973</u> | <u>\$ 70,846,807</u> | <u>\$ 69,977,498</u> | <u>\$ 7,208,445</u> | <u>\$ 7,263,872</u> |
| <u>\$ (72,260)</u> | <u>\$ 72,987</u> | <u>\$ 242,859</u> | <u>\$ 360,670</u> | <u>\$ 122,104</u> | <u>\$ 127,594</u> |
| 56,183 | 173,061 | 214,679 | 578,651 | 95,023 | 221,072 |
| 19,541 | 15,118 | 70,383 | 22,703 | 13,976 | 26,812 |
| <u>(64,009)</u> | <u>(248,030)</u> | <u>(152,927)</u> | <u>(193,302)</u> | <u>(107,711)</u> | <u>(276,019)</u> |
| <u>11,715</u> | <u>(59,851)</u> | <u>132,135</u> | <u>408,052</u> | <u>1,288</u> | <u>(28,135)</u> |

Statements of Changes in Net Assets

FIRST INVESTORS LIFE SERIES FUNDS

| | SELECT GROWTH | |
|--|------------------------------|-------------------------------|
| | 1/1/18 to 6/30/18 | 1/1/17 to 12/31/17 |
| Increase (Decrease) in Net Assets From Operations | | |
| Net investment income | \$ 110,667 | \$ 243,759 |
| Net realized gain on investments | 235,979 | 5,019,818 |
| Net unrealized appreciation (depreciation) of investments | <u>3,900,352</u> | <u>12,005,973</u> |
| Net increase (decrease) in net assets resulting from operations | <u>4,246,998</u> | <u>17,269,550</u> |
| Distributions to Shareholders | | |
| Net investment income | (243,781) | (301,564) |
| Net realized gains | <u>(5,019,797)</u> | <u>(5,700,381)</u> |
| Total distributions. | <u>(5,263,578)</u> | <u>(6,001,945)</u> |
| Trust Share Transactions | | |
| Proceeds from shares sold. | 3,576,738 | 3,634,274 |
| Reinvestment of distributions | 5,263,578 | 6,001,945 |
| Cost of shares redeemed | <u>(2,528,756)</u> | <u>(3,507,121)</u> |
| Net increase (decrease) from trust share transactions . . . | <u>6,311,560</u> | <u>6,129,098</u> |
| Net increase (decrease) in net assets | 5,294,980 | 17,396,703 |
| Net Assets | | |
| Beginning of period | <u>69,829,484</u> | <u>52,432,781</u> |
| End of period † | <u>\$ 75,124,464</u> | <u>\$ 69,829,484</u> |
| †Includes undistributed net investment income of | <u>\$ 110,645</u> | <u>\$ 243,759</u> |
| Trust Shares Issued and Redeemed | | |
| Sold | 230,152 | 259,139 |
| Issued for distributions reinvested. | 347,890 | 467,077 |
| Redeemed | <u>(159,723)</u> | <u>(248,181)</u> |
| Net increase (decrease) in trust shares outstanding | <u>418,319</u> | <u>478,035</u> |

| SPECIAL SITUATIONS | | TOTAL RETURN | |
|------------------------------|-------------------------------|------------------------------|-------------------------------|
| 1/1/18 to 6/30/18 | 1/1/17 to 12/31/17 | 1/1/18 to 6/30/18 | 1/1/17 to 12/31/17 |
| \$ 973,538 | \$ 958,244 | \$ 390,745 | \$ 610,667 |
| 8,908,333 | 32,358,938 | 54,829 | 485,015 |
| <u>(5,939,905)</u> | <u>6,813,078</u> | <u>(1,700,202)</u> | <u>3,821,173</u> |
| <u>3,941,966</u> | <u>40,130,260</u> | <u>(1,254,628)</u> | <u>4,916,855</u> |
| (1,163,389) | (2,139,302) | (776,301) | (682,830) |
| <u>(32,391,107)</u> | <u>(2,798,466)</u> | <u>(232,996)</u> | <u>—</u> |
| <u>(33,554,496)</u> | <u>(4,937,768)</u> | <u>(1,009,297)</u> | <u>(682,830)</u> |
| 2,566,855 | 4,207,639 | 1,969,689 | 5,397,771 |
| 33,554,496 | 4,937,768 | 1,009,297 | 682,830 |
| <u>(7,190,450)</u> | <u>(12,559,006)</u> | <u>(1,135,334)</u> | <u>(2,805,100)</u> |
| <u>28,930,901</u> | <u>(3,413,599)</u> | <u>1,843,652</u> | <u>3,275,501</u> |
| <u>(681,629)</u> | <u>31,778,893</u> | <u>(420,273)</u> | <u>7,509,526</u> |
| <u>255,999,214</u> | <u>224,220,321</u> | <u>47,909,502</u> | <u>40,399,976</u> |
| <u>\$ 255,317,585</u> | <u>\$ 255,999,214</u> | <u>\$ 47,489,229</u> | <u>\$ 47,909,502</u> |
| <u>\$ 852,964</u> | <u>\$ 1,042,815</u> | <u>\$ 144,244</u> | <u>\$ 529,800</u> |
| 70,697 | 115,650 | 146,734 | 414,482 |
| 1,006,131 | 141,931 | 75,659 | 53,556 |
| <u>(198,108)</u> | <u>(342,882)</u> | <u>(84,571)</u> | <u>(215,397)</u> |
| <u>878,720</u> | <u>(85,301)</u> | <u>137,822</u> | <u>252,641</u> |

Notes to Financial Statements

FIRST INVESTORS LIFE SERIES FUNDS

June 30, 2018

1. Significant Accounting Policies—First Investors Life Series Funds, a Delaware statutory trust (“the Trust”), is registered under the Investment Company Act of 1940 (the “1940 Act”) as an open-end management investment company. The Trust operates as a series fund, issuing shares of beneficial interest in the Balanced Income Fund, Covered Call Strategy Fund, Equity Income Fund, Fund For Income, Government Fund, Government Cash Management Fund, Growth & Income Fund, International Fund, Investment Grade Fund, Limited Duration Bond Fund, Opportunity Fund, Real Estate Fund, Select Growth Fund, Special Situations Fund and Total Return Fund (each a “Fund”, collectively, “the Funds”), and accounts separately for the assets, liabilities and operations of each Fund. Each Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (“FASB”) Accounting Standard Codification Topic 946 “Financial Services—Investment Companies” including FASB Accounting Standard Update ASU 2013-08. Each Fund is diversified except for Real Estate Fund which is non-diversified. The objective of each Fund as of June 30, 2018 is as follows:

Balanced Income Fund seeks income as its primary objective and has a secondary objective of capital appreciation.

Covered Call Strategy Fund seeks long-term capital appreciation.

Equity Income Fund seeks total return.

Fund For Income seeks high current income.

Government Fund seeks to achieve a significant level of current income which is consistent with security and liquidity of principal.

Government Cash Management Fund seeks to earn a high rate of current income consistent with the preservation of capital and maintenance of liquidity.

Growth & Income Fund seeks long-term growth of capital and current income.

International Fund primarily seeks long-term capital growth.

Investment Grade Fund seeks to generate a maximum level of income consistent with investment primarily in investment grade debt securities.

Limited Duration Bond Fund seeks current income consistent with low volatility of principal.

Opportunity Fund seeks long-term capital growth.

Real Estate Fund seeks total return.

Select Growth Fund seeks long-term growth of capital.

Special Situations Fund seeks long-term growth of capital.

Total Return Fund seeks high, long-term total investment return consistent with moderate investment risk.

A. Security Valuation—Except as provided below, a security listed or traded on an exchange or the Nasdaq Stock Market is valued at its last sale price on the exchange or market where the security is principally traded, and lacking any sales, the security is valued at the mean between the closing bid and asked prices. Securities traded in the over-the-counter (“OTC”) market (including securities listed on exchanges whose primary market is believed to be OTC) are valued at the mean between the last bid and asked prices based on quotes furnished by a market maker for such securities or an authorized pricing service. Fixed income securities, other than short-term debt securities held by the Government Cash Management Fund, are priced based upon evaluated prices that are provided by a pricing service approved by the Trust’s Board of Trustees (“the Board”). Other securities may also be priced based upon valuations that are provided by pricing services approved by the Board. The pricing services consider security type, rating, market condition and yield data as well as market quotations, prices provided by market makers and other available information in determining evaluated prices.

The Funds monitor for significant events occurring prior to the close of trading on the New York Stock Exchange that could have a material impact on the value of any securities that are held by the Funds. Examples of such events include trading halts, natural disasters, political events and issuer-specific developments. If the Valuation Committee of Foresters Investment Management Company, Inc. (“FIMCO”) decides that such events warrant using fair value estimates, it will take such events into consideration in determining the fair values of such securities. If market quotations or prices are not readily available or are deemed to be unreliable, or do not appear to reflect significant events that have occurred prior to the time as of which the net asset value is calculated, the securities may be valued at fair value as determined in good faith pursuant to procedures adopted by the Board. The Funds also use evaluated prices from a pricing service to fair value foreign equity securities in the event that fluctuations in U.S. securities markets exceed a predetermined level or if a foreign market is closed. For valuation purposes, where applicable, quotations of foreign securities in foreign currencies are translated to U.S. dollar equivalents using the foreign exchange quotation in effect. At June 30, 2018, the Fund For Income held one security that was fair valued at a value of \$199,000, representing 0.2% of the Fund’s net assets.

Notes to Financial Statements (continued)

FIRST INVESTORS LIFE SERIES FUNDS

June 30, 2018

The Government Cash Management Fund values its portfolio securities in accordance with the amortized cost method of valuation under Rule 2a-7 under the 1940 Act. Amortized cost is an approximation of market value of an instrument, whereby the difference between its acquisition cost and market value at maturity is amortized on a straight-line basis over the remaining life of the instrument. The effect of changes in the market value of a security as a result of fluctuating interest rates is not taken into account and thus the amortized cost method of valuation may result in the value of a security being higher or lower than its actual market value.

In accordance with Accounting Standards Codification 820 “Fair Value Measurements and Disclosures” (“ASC 820”), investments held by the Funds are carried at “fair value”. As defined by ASC 820, fair value is the price that a fund would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment under current market conditions. Various inputs are used in determining the value of the Funds’ investments.

In addition to defining fair value, ASC 820 established a three-tier hierarchy of inputs to establish a classification of fair value measurements for disclosure purposes. The three-tier hierarchy of inputs is summarized in the three broad Levels listed below:

Level 1—Unadjusted quoted prices in active markets for identical securities that the Fund has the ability to access.

Level 2—Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3—Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund’s own assumption about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

Equity securities and options and futures contracts traded on an exchange or the Nasdaq Stock Market are categorized in Level 1 of the fair value hierarchy to the extent that they are actively traded and valuation adjustments are not applied. Foreign securities that are fair valued in the event that fluctuations in U.S. securities markets exceed a predetermined level or if a foreign market is closed are categorized in Level 2. Corporate, covered and municipal bonds, asset backed, U.S. Government and U.S. Government Agency securities, pass-through certificates and loan

participations are categorized in Level 2 to the extent that the inputs are observable and timely, otherwise they would be categorized in Level 3. Short-term notes that are valued at amortized cost by the Government Cash Management Fund are categorized in Level 2. Securities that are fair valued by the Valuation Committee may be categorized in either Level 2 or Level 3 of the fair value hierarchy depending on the relative significance of the unobservable valuation inputs.

The aggregate value by input level, as of June 30, 2018, for each Fund’s investments is included following each Fund’s portfolio of investments.

B. Federal Income Tax—No provision has been made for federal income taxes on net income or capital gains since it is the policy of each Fund to continue to comply with the special provisions of the Internal Revenue Code applicable to investment companies, and to make sufficient distributions of income and capital gains (in excess of any available capital loss carryovers), to relieve each Fund from all, or substantially all, federal income taxes. At December 31, 2017, capital loss carryovers were as follows:

| Fund | Total | Not Subject to Expiration | |
|---------------------------------|------------|---------------------------|------------|
| | | Long Term | Short Term |
| Covered Call Strategy | \$ 226,388 | \$ — | \$ 226,388 |
| Fund For Income | 5,259,305 | 4,571,986 | 687,319 |
| Government | 1,272,072 | 245,565 | 1,026,507 |
| Investment Grade | 498,995 | 498,995 | — |
| Limited Duration Bond | 144,233 | 77,813 | 66,420 |
| Real Estate | 66,970 | 5,002 | 61,968 |

During the year ended December 31, 2017, the following Funds had utilized/expired capital loss carryovers of:

| Fund | Utilized | Expired |
|---------------------------------|-----------|------------|
| Covered Call Strategy | \$ 51,854 | \$ — |
| Fund For Income | 1,434,089 | 15,502,053 |
| International | 6,224,564 | — |
| Investment Grade | — | 1,145,101 |
| Opportunity | 508,062 | — |
| Total Return | 66,830 | — |

As a result of the passage of the Regulated Investment Company Modernization Act of 2010 (“the Modernization Act of 2010”), losses incurred in this year and beyond retain their character as short-term or long-term, have no expiration date and

Notes to Financial Statements (continued)
FIRST INVESTORS LIFE SERIES FUNDS
June 30, 2018

are utilized prior to capital loss carryovers occurring prior to the enactment of the Modernization Act of 2010.

The Funds recognize the tax benefits of uncertain tax positions only where the position is “more likely than not” to be sustained assuming examination by tax authorities. Management has analyzed the Funds’ tax positions, and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on returns filed for open tax years 2015–2017, or are expected to be taken in the Funds’ 2018 tax returns. The Funds identify their major tax jurisdictions as U.S. Federal, New York State, New York City and foreign jurisdictions where the Funds make significant investments; however, the Funds are not aware of any tax position for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next twelve months.

C. Foreign Currency Translations and Transactions—The accounting records of the International Fund are maintained in U.S. dollars. Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars at the date of valuation. Purchases and sales of investment securities, dividend income and certain expenses are translated to U.S. dollars at the prevailing rates of exchange on the respective dates of such transactions.

The International Fund does not isolate that portion of gains and losses on investments which is due to changes in foreign exchange rates from that which is due to changes in market prices of the investments. These changes are included with the net realized and unrealized gains and losses from investments.

Net realized and unrealized gains and losses on foreign currency transactions include gains and losses from the sales of spot currency transactions and gains and losses on accrued foreign dividends and related withholding taxes.

D. Distributions to Shareholders—The Separate Accounts, which own the shares of the Funds, will receive all dividends and other distributions by the Funds. All dividends and distributions are reinvested by the Separate Accounts in additional shares of the distributing Funds. Distributions from net investment income and net realized capital gains are generally declared and paid annually on all Funds, except for the Government Cash Management Fund which declares dividends, if any, from the total of net investment income (plus or minus all realized short-term gains and losses on investments) daily and pays monthly. Dividends from net investment income and capital gain distributions are determined in accordance with income tax regulations which may differ from accounting principles generally accepted in the United States of America. These differences are primarily due to differing treatments for capital

loss carryforwards, deferral of wash sale losses, late loss deferrals, post-October capital losses, net operating losses and foreign currency transactions.

E. Expense Allocation—Expenses directly charged or attributable to a Fund are paid from the assets of that Fund. General expenses of the Trust are allocated among and charged to the assets of each Fund on a fair and equitable basis, which may be based on the relative assets of each Fund or the nature of the services performed and relative applicability to each Fund.

F. Use of Estimates—The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

G. Other—Security transactions are generally accounted for on the first business day following the date the securities are purchased or sold, except for financial reporting purposes which is trade date. Investments in securities issued on a when-issued or delayed delivery basis are generally reflected in the assets of the Funds on the first business day following the date the securities are purchased and the Funds segregate assets for these transactions. Cost of securities is determined and gains and losses are based on the identified cost basis for securities for both financial statement and federal income tax purposes. Dividend income is recorded on the ex-dividend date or for certain foreign dividends, as soon as the Fund becomes aware of the dividends. Interest income and estimated expenses are accrued daily. Bond discounts and premiums are accreted or amortized using the interest method. Interest income on zero coupon bonds and step bonds is accrued daily at the effective interest rate. Withholding taxes on foreign dividends have been provided in accordance with the Funds' understanding of the applicable country's tax rules and rates. The Bank of New York Mellon serves as custodian for the Funds and may provide credits against custodian charges based on uninvested cash balances of the Funds. For the six months ended June 30, 2018, the Funds received credits in the amount of \$9,837. Some of the Funds reduced expenses through brokerage service arrangements. For the six months ended June 30, 2018, the Balanced Income, Equity Income, Growth & Income, Opportunity, Real Estate, Special Situations and Total Return Funds' expenses were reduced by a total of \$3,388 under these arrangements.

2. Trust Shares—The Trust is authorized to issue an unlimited number of shares of beneficial interest without par value. The Trust consists of the Funds listed on the cover page, each of which is a separate and distinct series of the Trust. Shares in the

Notes to Financial Statements (continued)
 FIRST INVESTORS LIFE SERIES FUNDS
 June 30, 2018

Funds are acquired through the purchase of variable annuity or variable life insurance contracts for which a Fund is an investment option.

3. Security Transactions—For the six months ended June 30, 2018, purchases and sales of securities and long-term U.S. Government obligations (excluding U.S. Treasury bills, short-term securities and foreign currencies) were as follows:

| Fund | Securities | | Long-Term U.S. Government Obligations | |
|---------------------------------|----------------------|----------------------|--|----------------------|
| | Cost of Purchases | Proceeds of Sales | Cost of Purchases | Proceeds of Sales |
| Balanced Income | \$ 798,964 | \$ 1,108,362 | \$ — | \$ — |
| Covered Call Strategy | 10,538,757 | 7,211,692 | — | — |
| Equity Income | 30,466,692 | 31,007,370 | — | — |
| Fund For Income | 43,958,460 | 42,069,613 | — | — |
| Government | 4,428,870 | 8,702,578 | 4,297,638 | 665,668 |
| Growth & Income | 118,052,652 | 124,428,082 | — | — |
| International | 33,429,200 | 30,707,760 | — | — |
| Investment Grade | 17,969,841 | 18,012,035 | — | — |
| Limited Duration Bond | 4,422,983 | 3,938,596 | 199,148 | 296,887 |
| Opportunity | 13,177,785 | 12,267,751 | — | — |
| Real Estate | 634,116 | 872,378 | — | — |
| Select Growth | 8,365,629 | 6,858,873 | — | — |
| Special Situations | 55,856,245 | 53,318,727 | — | — |
| Total Return | 13,284,517 | 11,017,471 | 298,781 | — |

At June 30, 2018, aggregate cost and net unrealized appreciation (depreciation) of securities for federal income tax purposes were as follows:

| Fund | Aggregate Cost | Gross Unrealized Appreciation | Gross Unrealized Depreciation | Net Unrealized Appreciation (Depreciation) |
|---------------------------------|-------------------|-------------------------------------|-------------------------------------|---|
| Balanced Income | \$ 6,203,302 | \$ 467,970 | \$ 235,024 | \$ 232,946 |
| Covered Call Strategy | 13,301,348 | 1,452,433 | 447,855 | 1,004,578 |
| Equity Income | 90,105,979 | 33,733,878 | 1,150,476 | 32,583,402 |
| Fund For Income | 102,616,457 | 835,532 | 2,271,652 | (1,436,120) |
| Government | 28,368,097 | 52,061 | 682,540 | (630,479) |
| Growth & Income | 313,571,835 | 186,643,741 | 4,194,650 | 182,449,091 |
| International | 115,530,704 | 42,956,475 | 3,213,233 | 39,743,242 |
| Investment Grade | 63,767,885 | 185,222 | 2,339,354 | (2,154,132) |
| Limited Duration Bond | 7,493,735 | 3,153 | 199,758 | (196,605) |
| Opportunity | 55,640,760 | 15,797,275 | 1,955,278 | 13,841,997 |
| Real Estate | 6,515,677 | 502,315 | 399,185 | 103,130 |
| Select Growth | 51,970,019 | 22,493,392 | 172,275 | 22,321,117 |
| Special Situations | 197,036,286 | 61,890,450 | 7,701,290 | 54,189,160 |
| Total Return | 42,242,128 | 5,829,232 | 1,112,350 | 4,716,882 |

4. Advisory Fee and Other Transactions With Affiliates—Certain officers of the Trust are officers of the Trust’s investment adviser, FIMCO, and its transfer agent, Foresters Investor Services, Inc. (“FIS”). Trustees of the Trust who are not officers or directors of FIMCO or its affiliates are remunerated by the Funds. For the six months ended June 30, 2018, total trustee fees accrued by the Funds amounted to \$45,676.

The Investment Advisory Agreement provides as compensation to FIMCO for each Fund, an annual fee, payable monthly, at the rate of .75% on the first \$250 million of each Fund’s average daily net assets, .72% on the next \$250 million, .69% on the next \$250 million, .66% on the next \$500 million, declining by .02% on each \$500 million thereafter, down to .60% on average daily net assets over \$2.25 billion. For the six months ended June 30, 2018, FIMCO has voluntarily waived advisory fees in the amount of \$5,136 on Balanced Income Fund, \$20,775 on Government Fund, \$48,077 on Investment Grade Fund and \$5,224 on Limited Duration Bond Fund in order to limit the advisory fees on these Funds to .60% of their average daily net assets. For the period January 1, 2018 to May 31, 2018, the Government Cash Management Fund voluntarily waived advisory fees in the amount of \$20,827 to limit the advisory fees to .60% of the Fund’s average daily net assets. Effective June 1, 2018, the Government Cash Management Fund entered into a contractual agreement to limit the Fund’s advisory fees to .60% of the Fund’s average daily net assets.

Notes to Financial Statements (continued)

FIRST INVESTORS LIFE SERIES FUNDS

June 30, 2018

For the period June 1, 2018 to June 30, 2018, the Government Cash Management Fund waived advisory fees in the amount of \$4,874 under the agreement. For the six months ended June 30, 2018, total advisory fees accrued to FIMCO were \$5,506,488 of which \$104,913 was waived by FIMCO as noted above.

Ziegler Capital Management, LLC serves as investment subadviser to Covered Call Strategy Fund, Muzinich & Co., Inc. serves as investment subadviser to Balanced Income Fund, Fund For Income, Investment Grade Fund, Limited Duration Bond Fund and Total Return Fund. Vontobel Asset Management, Inc. serves as investment subadviser to International Fund and Smith Asset Management Group, L.P. serves as investment subadviser to Select Growth Fund. The subadvisers are paid by FIMCO and not by the Funds.

5. Restricted Securities—Certain restricted securities are exempt from the registration requirements under Rule 144A of the Securities Act of 1933 and may only be sold to qualified institutional investors. Unless otherwise noted, 144A securities are deemed to be liquid. These securities are valued as set forth in Note 1A. At June 30, 2018, the Fund For Income held one hundred eighty-six 144A securities with an aggregate value of \$53,840,536 representing 52.2% of the Fund's net assets, the Government Fund held two 144A securities with an aggregate value of \$1,117,373 representing 4.1% of the Fund's net assets, the Investment Grade Fund held seventeen 144A securities with an aggregate value of \$6,644,180 representing 10.5% of the Fund's net assets, the Limited Duration Bond Fund held eight 144A securities with an aggregate value of \$1,453,643 representing 20.5% of the Fund's net assets and the Total Return Fund held thirteen 144A securities with an aggregate value of \$2,408,517 representing 5.1% of the Fund's net assets.

6. Derivatives—Some of the Funds may invest in various derivatives. A derivative is a financial instrument which has a value that is based on—or “derived from”—the values of other assets, reference rates, or indices. The Funds may invest in derivatives for hedging purposes.

Derivatives may relate to a wide variety of underlying references, such as commodities, stocks, bonds, interest rates, currency exchange rates, and related indices. Derivatives include futures contracts and options on futures contracts, forward-commitment transactions, options on securities, caps, floors, collars, swap contracts, and other financial instruments. Some derivatives, such as futures contracts and certain options, are traded on U.S. commodity and securities exchanges, while other derivatives, such as swap contracts, are privately negotiated and entered into in the over-the-counter market (“OTC”). The risks associated with the use of derivatives are different from, and possibly greater than, the risks associated with investing directly in securities and other traditional investments.

The use of a derivative involves the risk that a loss may be sustained as a result of the insolvency or bankruptcy of the other party to the contract (usually referred to as a “counterparty”) or the failure of the counterparty to make required payments or otherwise comply with the terms of the contract. Additionally, the use of credit derivatives can result in losses if FIMCO, or a Fund’s subadviser, as applicable, does not correctly evaluate the creditworthiness of the issuer on which the credit derivative is based.

Derivatives may be subject to liquidity risk, which exists when a particular derivative is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is relatively illiquid (as is the case with many OTC derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

Derivatives may be subject to pricing or “basis” risk, which exists when a particular derivative becomes extraordinarily expensive relative to historical prices or the prices of corresponding cash market instruments. Under certain market conditions, it may not be economically feasible to initiate a transaction or liquidate a position in time to avoid a loss or take advantage of an opportunity.

Because many derivatives have leverage or borrowing components, adverse changes in the value or level of the underlying asset, reference rate, or index can result in a loss substantially greater than the amount invested in the derivative itself. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment.

Like most other investments, derivative instruments are subject to the risk that the market value of the instrument will change in a way detrimental to the Funds’ interest. The Funds bear the risk that FIMCO will incorrectly forecast future market trends or the values of assets, reference rates, indices, or other financial or economic factors in establishing derivative positions for the Funds. If FIMCO attempts to use a derivative as a hedge against, or as a substitute for, a portfolio investment, the Funds will be exposed to the risk that the derivative will have or will develop an imperfect or no correlation with the portfolio investment. This could cause substantial losses for the Funds. While hedging strategies involving derivative instruments can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favorable price movements in other investments. Many derivatives, in particular OTC derivatives, are complex and often valued subjectively. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to a Fund.

Notes to Financial Statements (continued)
FIRST INVESTORS LIFE SERIES FUNDS
June 30, 2018

The following provides more information on specific types of derivatives and activity in the Funds. The use of derivative instruments by certain of the Funds for the six months ended June 30, 2018 was related to the use of written options and futures contracts, as discussed further below.

Options Contracts—Some of the Funds may write covered call options on securities, derivative instruments, or currencies the Fund owns or in which it may invest. Writing call options tends to decrease a Fund's exposure to the underlying instrument. When a Fund writes a call, an amount equal to the premium received is recorded as a liability and subsequently marked to market to reflect the current value of the option written. These liabilities are reflected as written options outstanding in the Statement of Assets and Liabilities. Payments received or made, if any, from writing options with premiums to be determined on a future date are reflected as such on the Statement of Assets and Liabilities. Premiums received from writing options which expire are treated as realized gains. Premiums received from writing options which are exercised or closed are added to the proceeds or offset against amounts paid on the underlying future, swap, security or currency transaction to determine the realized gain or loss. A Fund, as a writer of an option, has no control over whether the underlying future, swap, security or currency may be sold (call) or purchased (put) and, as a result, bears the market risk of an unfavorable change in the price of the future, swap, security or currency underlying the written option. The risk exists that a Fund may not be able to enter into a closing transaction because of an illiquid market. A premium paid by a Fund is included in its Statement of Assets and Liabilities as an investment and subsequently marked to market to reflect the current value of the option. Premiums paid for purchasing options which expire are treated as realized losses. The risk associated with purchasing put and call options is limited to the premium paid. Premiums paid for purchasing options which are exercised or closed are added to the amounts paid or offset against the proceeds on the underlying future, swap, security or currency transaction to determine the realized gain or loss.

The premium amount and the number of option contracts written by the Funds during the six months ended June 30, 2018, were as follows:

| | Covered Call Strategy | | Equity Income | |
|--|-----------------------|--------------------|---------------------|-------------------|
| | Number of Contracts | Premium Amount | Number of Contracts | Premium Amount |
| Options outstanding at December 31, 2017 | (1,588) | \$(152,375) | — | \$ — |
| Call options written | (6,305) | (740,607) | (410) | (44,091) |
| Call options exercised | — | — | 118 | 13,577 |
| Call options purchased to cover | 4,133 | 459,501 | — | — |
| Call options expirations | 2,097 | 192,836 | 242 | 22,174 |
| Balance at June 30, 2018 | <u>(1,663)</u> | <u>\$(240,645)</u> | <u>(50)</u> | <u>\$ (8,340)</u> |

Derivative Investment Holdings Categorized by Risk Exposure—The following table sets forth the fair value and the location in the Statement of Assets and Liabilities of the Funds’ derivative contracts by primary risk exposure as of June 30, 2018:

| Risk exposure category | Asset derivatives | | Liability derivatives | |
|------------------------|--|------------|--|-------------------|
| | Statement of Assets and Liabilities location | Value | Statement of Assets and Liabilities location | Value |
| Options Contracts: | | | | |
| Covered Call Strategy | N/A | <u>N/A</u> | Written options, at value | <u>\$ 155,871</u> |
| Equity Income | N/A | <u>N/A</u> | Written options, at value | <u>\$ 2,670</u> |

The following table sets forth the Funds’ realized gain (loss), as reflected in the Statement of Operations, by primary risk exposure and by type of derivative contract for the six months ended June 30, 2018:

| Risk exposure category | Written options |
|------------------------|--------------------|
| Options Contracts: | |
| Covered Call Strategy | <u>\$(169,543)</u> |
| Equity Income | <u>\$ 22,174</u> |

Notes to Financial Statements (continued)
 FIRST INVESTORS LIFE SERIES FUNDS
 June 30, 2018

The following table sets forth the Funds' change in unrealized appreciation/(depreciation) by primary risk exposure and by type of derivative contract for the six months ended June 30, 2018:

| Risk exposure category | Option contracts |
|------------------------|------------------|
| Covered Call Strategy | \$ 87,083 |
| Equity Income | \$ 5,670 |

Futures Contracts—The Funds may enter into futures contracts including interest rate futures contracts and index futures, including futures on equity market indices and debt market indices. A futures contract is an agreement between two parties to buy or sell a specified underlying instrument for a fixed price at a specified future date. The Funds may use futures contracts to manage exposure to the stock market. Upon entering into a futures contract, a fund is required to deposit either cash or securities (initial margin) with a clearing broker in an amount equal to a certain percentage of the face value of the contract. Futures contracts are marked-to-market daily and subsequent daily payments (variation margin) are made or received by a fund depending on the daily fluctuations in the value of the futures contracts and are recorded as unrealized appreciation or (depreciation). This receivable and/or payable, if any, is included in daily variation margin on futures contracts in the Statement of Assets and Liabilities. Realized gain or (loss) is recorded upon the expiration or closing of a futures contract. The net realized gain (loss) and change in net unrealized appreciation (depreciation) on futures contracts during the period is presented in the Statement of Operations. Any open futures contracts at period end are presented in the Schedule of Investments under the caption “Futures Contracts”. The notional amount at value reflects each contract’s exposure to the underlying instrument or index at period end.

The Funds may enter into interest rate futures contracts on U.S. Treasury obligations and options thereon that are traded on a U.S. exchange. An interest rate futures contract provides for the future sale by one party and the purchase by another party of a specified amount of a particular financial instrument (debt security) at a specified price, date, time and place. Such investments may be used for, among other purposes, the purpose of hedging against changes in the value of a Fund’s portfolio securities due to anticipated changes in interest rates and market conditions. A public market exists for interest rate futures contracts covering a number of debt securities, including long-term U.S. Treasury Bonds, 10-year U.S. Treasury Notes and three-month U.S. Treasury Bills. No price is paid upon entering into futures contracts. Instead, upon entering into a futures contract, a Fund is required to deposit with its custodian

in a segregated account in the name of the futures broker through which the transaction is effected an amount of cash or U.S. Government securities generally equal to 3%–5% or less of the contract value. This amount is known as “initial margin.”

An option on an interest rate futures contract generally gives the purchaser the right, in return for the premium paid, to assume a position in a futures contract at a specified exercise price at any time prior to the expiration date of the option. The Funds may purchase put and call options on interest rate futures contracts on U.S. Treasury obligations which are traded on a U.S. exchange as a hedge against changes in interest rates, and may enter into closing transactions with respect to such options to terminate existing positions. There is no guarantee such closing transactions can be effected. When writing a call or put option on a futures contract, margin also must be deposited in accordance with applicable exchange rules. Initial margin on futures contracts is in the nature of a performance bond or good-faith deposit that is returned to a Fund upon termination of the transaction, assuming all obligations have been satisfied. Under certain circumstances, such as periods of high volatility, a Fund may be required by an exchange to increase the level of its initial margin payment. Subsequent payments, called “variation margin,” to and from the broker, are made on a daily basis as the value of the futures position varies, a process known as “marking to market.” Variation margin does not involve borrowing to finance the futures transactions, but rather represents a daily settlement of a Fund’s obligation to or from a clearing organization. A Fund is also obligated to make initial and variation margin payments when it writes options on futures contracts.

To the extent that a Fund participates in the futures or options markets, it will incur investment risks and transaction costs to which it would not be subject absent the use of these strategies. The use of these strategies involves certain special risks, including: (1) dependence on the ability of the Funds’ investment adviser, FIMCO, or a Fund’s subadviser, as applicable, to predict correctly movements in the direction of interest rates and securities prices; (2) imperfect correlation between the price of futures contracts and options thereon and movements in the prices of the securities or currencies being hedged; (3) the fact that skills needed to use these strategies are different from those needed to select portfolio securities; (4) the leverage (if any) that is created by investing in the option or futures contract; and (5) the possible absence of a liquid secondary market for any particular instrument at any time. If FIMCO’s, or a Fund’s subadviser, as applicable, prediction of movements in the direction of the securities and interest rate markets is inaccurate, the adverse consequences to that Fund may leave it in a worse position than if such strategies were not used. Derivatives may be difficult to sell, unwind or value.

Notes to Financial Statements (continued)
 FIRST INVESTORS LIFE SERIES FUNDS
 June 30, 2018

| | Statement of Operations | |
|-----------------------|--|--------|
| Futures Contracts | Realized gain (loss) in value of investments | |
| Balanced Income | \$ | 19,879 |
| Limited Duration Bond | \$ | (135) |

The following table summarizes the value of the Funds' interest rate futures contracts held as of June 30, 2018, and the related location in the accompanying Statement of Operations.

| | Statement of Operations | |
|-------------------|---|-------|
| Futures Contracts | Unrealized appreciation in value of investments | |
| Balanced Income | \$ | 2,507 |

7. High Yield Credit Risk—The investments of Balanced Income Fund, Fund For Income, Investment Grade Fund, Limited Duration Bond Fund and Total Return Fund in high yield securities, whether rated or unrated, may be considered speculative and subject to greater market fluctuations and risks of loss of income and principal than lower-yielding, higher-rated, fixed-income securities. The risk of loss due to default by the issuer may be significantly greater for the holders of high-yielding securities, because such securities are generally unsecured and are often subordinated to other creditors of the issuer.

8. Litigation—The Blue Chip and Equity Income Funds have been named, and have received notice that they may be putative members of the proposed defendant class of shareholders, in a lawsuit filed in the United States Bankruptcy Court for the District of Delaware on November 1, 2010, by the Official Committee of Unsecured Creditors of Tribune Company (the “Committee”). The Committee is seeking to recover all payments made to beneficial owners of common stock in connection with a leveraged buyout of the Tribune Company (“LBO”), including payments made in connection with a 2007 tender offer into which the Blue Chip and Equity Income Funds tendered their shares of common stock of the Tribune Company. On December 9, 2011, the Blue Chip Fund was reorganized into the Growth & Income Fund pursuant to a Plan of Reorganization and Termination, whereby all of the assets of the Blue Chip Fund were transferred to the Growth & Income Fund, the Growth & Income Fund assumed all of the liabilities of the Blue Chip Fund, including any contingent liabilities with respect to pending or threatened litigation or actions, and shareholders of Blue Chip Fund became shareholders of Growth & Income Fund. The adversary proceeding brought by the Committee has been transferred to the Southern District of New York

and administratively consolidated with other similar suits as discussed below. In addition, on June 2, 2011, the Blue Chip and Equity Income Funds were named as defendants in a lawsuit brought in connection with the Tribune Company's LBO by Deutsche Bank Trust Company Americas, in its capacity as successor indenture trustee for a certain series of Senior Notes, Law Debenture Trust Company of New York, in its capacity as successor indenture trustee for a certain series of Senior Notes, and Wilmington Trust Company, in its capacity as successor indenture trustee for the PHONES Notes (together, the "Bondholder Plaintiffs") in the Supreme Court of the State of New York. The Blue Chip and Equity Income Funds have also been named in a similar suit filed on behalf of participants in Tribune defined-compensation plans (the "Retiree Plaintiffs"). As with the Bondholder Plaintiffs and the Committee, the Retiree Plaintiffs seek to recover payments of the proceeds of the LBO. (All of these suits have been removed to the United States District Court for the Southern District of New York and administratively consolidated with other substantially similar suits against other former Tribune shareholders (the "MDL Proceeding"). On September 23, 2013, the Judge in the MDL Proceeding dismissed various state law constructive fraudulent transfer suits, resulting in the Funds being dismissed from the Bondholder and Retiree Plaintiffs' actions. On March 24, 2016, the Second Circuit Court of Appeals affirmed the MDL Judge's dismissal of the various state law constructive fraudulent transfer suits. In September 2016, the Bondholder and Plaintiffs petitioned the U.S. Supreme Court to review the Second Circuit's decision. The Supreme Court has not yet ruled on that request. On January 9, 2017, the Tribune MDL judge granted the defendants' motion to dismiss the Committee lawsuit alleging a single claim for intentional fraudulent transfer. An appeal of that decision to the Second Circuit is expected, but has not yet been made. The extent of the Funds' potential liability in any such actions has not been determined. The Funds have been advised by counsel that the Funds could be held liable to return all or part of the proceeds received in any of these actions, as well as interest and court costs, even though the Funds had no knowledge of, or participation in, any misconduct. The Equity Income Fund received proceeds of \$376,754 in connection with the LBO, representing .30% of its net assets as of June 30, 2018. The Blue Chip Fund received proceeds of \$288,456 in connection with the LBO, representing .06% of the net assets of Growth & Income Fund as of June 30, 2018. The Equity Income and Growth & Income Funds cannot predict the outcomes of these proceedings, and thus have not accrued any of the amounts sought in the various actions in the accompanying financial statements.

9. Name Change—Effective January 31, 2018, the First Investors Limited Duration High Quality Bond Fund changed its name to First Investors Limited Duration Bond Fund. The purpose of the name change is to reflect some changes in its investment strategies.

Notes to Financial Statements (continued)
FIRST INVESTORS LIFE SERIES FUNDS
June 30, 2018

10. Reorganizations of Government Fund into Limited Duration Bond Fund and Balanced Income Fund into Total Return Fund—On April 19, 2018: (a) the Board of Trustees (the “Board”) of First Investors Life Series Funds (the “Trust”) approved a Plan of Reorganization and Termination (the “Plan”) pursuant to which First Investors Life Series Government Fund (“Government Fund”), a series of the Trust, would be reorganized into First Investors Life Series Limited Duration Bond Fund (“Limited Duration Bond Fund”), also a series of the Trust; and (b) the Board of the Trust approved a Plan of Reorganization and Termination (the “Plan”) pursuant to which First Investors Life Series Balanced Income Fund (“Balanced Income Fund”), a series of the Trust, would be reorganized into First Investors Life Series Total Return Fund (“Total Return Fund”), a series of the Trust. Each of these transactions is referred to as a Reorganization.

Reorganization of Government Fund into Limited Duration Bond Fund

Pursuant to the Plan, shares of Government Fund held by each shareholder of Government Fund will be exchanged for shares of Limited Duration Bond Fund with the same aggregate net asset value as the shareholder had in Government Fund as of the scheduled close of regular trading on the New York Stock Exchange on the closing date of the Reorganization. Upon the completion of the Reorganization, shareholders of Government Fund will become shareholders of Limited Duration Bond Fund and Government Fund will then be terminated. The Reorganization is expected to occur during the third quarter of 2018. A shareholder vote is not required to reorganize Government Fund into Limited Duration Bond Fund. Government Fund shareholders will receive, prior to the Reorganization, a Prospectus and Information Statement that will describe, among other things, the investment objectives, policies and risks of each Fund in the Reorganization and the terms of the Plan. Government Fund will continue sales, redemptions and exchanges of its shares as described in its prospectus until the closing date of the Reorganization.

Reorganization of Balanced Income Fund into Total Return Fund

Shareholders of Balanced Income Fund will be asked to consider and approve the Plan at a special meeting of shareholders expected to be held during the third calendar quarter of 2018. Balanced Income Fund shareholders will receive, prior to the shareholder meeting, a Prospectus and Proxy Statement that will describe, among other things, the investment objectives, policies and risks of each Fund in the Reorganization and the terms of the Plan. If the Plan is approved by shareholders of Balanced Income Fund, the Reorganization will take place during the third or fourth calendar quarter of 2018 and, pursuant to the Agreement, shares of Balanced Income Fund held by each shareholder of Balanced Income Fund will be exchanged for

shares of Total Return Fund with the same aggregate net asset value as the shareholder had in Balanced Income Fund as of the scheduled close of regular trading on the New York Stock Exchange on the closing date of the Reorganization. Upon the completion of the Reorganization, shareholders of Balanced Income Fund will become shareholders of Total Return Fund and Balanced Income Fund will then be terminated. Balanced Income Fund will continue sales, redemptions and exchanges of its shares as described in its prospectus until the closing date of the Reorganization.

The exchange of shares in each Reorganization is intended to be a tax-free transaction for federal income tax purposes and, as such, is not expected to be considered a taxable event. It is anticipated that no sales loads, commissions or other transaction fees will be imposed on shareholders of Government Fund or Balanced Income Fund in connection with the Reorganizations.

11. Plan of Liquidation and Termination of First Investors Real Estate Fund—

On May 17, 2018, the Board of Trustees of the First Investors Life Series Funds (the “Trust”), upon the recommendation of Foresters Investment Management Company, Inc., the investment adviser for each series of the Trust, approved a plan to liquidate and terminate (the “Liquidation”) the First Investors Life Series Real Estate Fund (the “Fund”), a series of the Trust. The Liquidation was completed on August 17, 2018 (the “Liquidation Date”). A shareholder vote was not required to approve the Liquidation.

A letter was sent to Contract holders, setting forth various options and instructions with respect to the Liquidation and the distribution of their redemption proceeds. Any Contract value of the Fund outstanding on the Liquidation Date was automatically reallocated to the Government Cash Management Fund. The Contract holder will have an additional 60 days from the Liquidation Date to reallocate without counting against their yearly contractual limits. A final reminder letter will be mailed approximately 30 days prior to the expiration of this offer.

The liquidation is not expected to be a taxable event for the Fund or for holders of a Contract. Contract holders should consult their tax advisors regarding the tax treatment of the Liquidation.

12. Subsequent Events—Subsequent events occurring after June 30, 2018 have been evaluated for potential impact to this report through the date the financial statements were issued. There were no subsequent events to report that would have a material impact on the Funds’ financial statements.

Financial Highlights

FIRST INVESTORS LIFE SERIES FUNDS

The following table sets forth the per share operating performance data for a trust share outstanding, total return, ratios to average net assets and other supplemental data for each fiscal year ended December 31 except as otherwise indicated.

| PER SHARE DATA | | | | | | | |
|--------------------------------------|-----------------------|--|----------------------------------|-------------------------|--------------------|---------------------|--------|
| Net Asset Value, Beginning of Period | Investment Operations | | | Less Distributions from | | | |
| | Net Investment Income | Net Realized and Unrealized Gain (Loss) on Investments | Total from Investment Operations | Net Investment Income | Net Realized Gains | Total Distributions | |
| BALANCED INCOME FUND | | | | | | | |
| 2015(f) | \$10.00 | \$ —(a) | \$ (.17) | \$ (.17) | \$ — | \$ — | \$ — |
| 2016 | 9.83 | .13(a) | .53 | .66 | — | — | — |
| 2017 | 10.49 | .22(a) | .77 | .99 | .12 | .12 | .24 |
| 2018(j) | 11.24 | .09(a) | (.48) | (.39) | .27 | .29 | .56 |
| COVERED CALL STRATEGY FUND | | | | | | | |
| 2016(d) | \$10.00 | \$.07(a) | \$.46 | \$.53 | \$ — | — | \$ — |
| 2017 | 10.53 | .14(a) | 1.02 | 1.16 | .04 | — | .04 |
| 2018(j) | 11.65 | .07(a) | (.36) | \$(.29) | .13 | — | .13 |
| EQUITY INCOME FUND | | | | | | | |
| 2013 | \$16.36 | \$.36 | \$4.55 | \$4.91 | \$.38 | \$ — | \$.38 |
| 2014 | 20.89 | .35 | 1.28 | 1.63 | .36 | .87 | 1.23 |
| 2015 | 21.29 | .40(a) | (.58) | (.18) | .35 | .75 | 1.10 |
| 2016 | 20.01 | .42(a) | 2.03 | 2.45 | .40 | .70 | 1.10 |
| 2017 | 21.36 | .40(a) | 2.81 | 3.21 | .42 | .51 | .93 |
| 2018(j) | 23.64 | .22(a) | (.54) | (.32) | .43 | .69 | 1.12 |
| FUND FOR INCOME | | | | | | | |
| 2013 | \$ 6.81 | \$.36 | \$.09 | \$.45 | \$.42 | — | \$.42 |
| 2014 | 6.84 | .34 | (.28) | .06 | .37 | — | .37 |
| 2015 | 6.53 | .30(a) | (.40) | (.10) | .36 | — | .36 |
| 2016 | 6.07 | .30(a) | .34 | .64 | .35 | — | .35 |
| 2017 | 6.36 | .30(a) | .12 | .42 | .33 | — | .33 |
| 2018(j) | 6.45 | .15(a) | (.19) | (.04) | .33 | — | .33 |
| GOVERNMENT FUND | | | | | | | |
| 2013 | \$10.42 | \$.18 | \$ (.43) | \$ (.25) | \$.27 | — | \$.27 |
| 2014 | 9.90 | .18 | .13 | .31 | .26 | — | .26 |
| 2015 | 9.95 | .16(a) | (.15) | .01 | .23 | — | .23 |
| 2016 | 9.73 | .14(a) | (.09) | .05 | .21 | — | .21 |
| 2017 | 9.57 | .15(a) | (.01) | .14 | .18 | — | .18 |
| 2018(j) | 9.53 | .06(a) | (.20) | (.14) | .18 | — | .18 |

RATIOS / SUPPLEMENTAL DATA

| Net Asset Value, End of Period | Total Return* | Net Assets End of Period (in millions) | Ratio to Average Net Assets** | | Ratio to Average Net Assets Before Expenses Waived or Assumed | | Portfolio Turnover Rate |
|---|-----------------------|--|--------------------------------------|------------------------------------|---|------------------------------------|-------------------------------|
| | | | Expenses Before Fee Credits*** | Net Investment Income (Loss) | Expenses*** | Net Investment Income (Loss) | |
| \$ 9.83 | (1.70)% ^{††} | \$ 5 | 3.10% [†] | (.70)% [†] | 3.25% [†] | (.85)% [†] | 26% ^{††} |
| 10.49 | 6.71 | 9 | 1.51 | 1.31 | 1.66 | 1.16 | 101 |
| 11.24 | 9.57 | 7 | 1.00 | 2.05 | 1.15 | 1.90 | 79 |
| 10.29 | (3.53) ^{††} | 7 | 1.65 [†] | 1.78 [†] | 1.80 [†] | 1.63 [†] | 12 ^{††} |
| \$10.53 | 5.30% ^{††} | \$ 10 | 1.73% [†] | .97% [†] | N/A | N/A | 96% ^{††} |
| 11.65 | 11.07 | 11 | 1.06 | 1.26 | N/A | N/A | 143 |
| 11.23 | (2.52) ^{††} | 14 | 1.03 [†] | 1.24 [†] | N/A | N/A | 57 ^{††} |
| \$20.89 | 30.53% | \$ 99 | .82% | 1.97% | N/A | N/A | 31% |
| 21.29 | 8.26 | 110 | .81 | 1.76 | N/A | N/A | 25 |
| 20.01 | (1.03) | 107 | .81 | 1.97 | N/A | N/A | 24 |
| 21.36 | 13.28 | 117 | .81 | 2.09 | N/A | N/A | 20 |
| 23.64 | 15.52 | 130 | .80 | 1.81 | N/A | N/A | 18 |
| 22.20 | (1.35) ^{††} | 126 | .81 [†] | 1.94 [†] | N/A | N/A | 25 ^{††} |
| \$ 6.84 | 6.88% | \$ 95 | .88% | 5.37% | N/A | N/A | 56% |
| 6.53 | .79 | 99 | .85 | 4.88 | N/A | N/A | 41 |
| 6.07 | (1.85) | 95 | .86 | 4.86 | N/A | N/A | 45 |
| 6.36 | 11.12 | 101 | .89 | 4.85 | N/A | N/A | 56 |
| 6.45 | 6.82 | 106 | .89 | 4.70 | N/A | N/A | 66 |
| 6.08 | (.62) ^{††} | 103 | .89 [†] | 4.97 [†] | N/A | N/A | 41 ^{††} |
| \$ 9.90 | (2.47)% | \$ 30 | .76% | 1.76% | .91% | 1.61% | 118% |
| 9.95 | 3.14 | 31 | .74 | 1.82 | .89 | 1.67 | 103 |
| 9.73 | .04 | 30 | .75 | 1.62 | .90 | 1.47 | 87 |
| 9.57 | .48 | 29 | .75 | 1.38 | .90 | 1.23 | 95 |
| 9.53 | 1.53 | 28 | .75 | 1.58 | .90 | 1.43 | 42 |
| 9.21 | (1.43) ^{††} | 27 | .88 [†] | 1.30 [†] | 1.03 [†] | 1.15 [†] | 32 ^{††} |

Financial Highlights (continued)
FIRST INVESTORS LIFE SERIES FUNDS

| PER SHARE DATA | | | | | | | |
|---|--------------------------------------|------------------------------|--|----------------------------------|-------------------------|--------------------|---------------------|
| | Net Asset Value, Beginning of Period | Investment Operations | | | Less Distributions from | | Total Distributions |
| | | Net Investment Income (Loss) | Net Realized and Unrealized Gain (Loss) on Investments | Total from Investment Operations | Net Investment Income | Net Realized Gains | |
| GOVERNMENT CASH MANAGEMENT FUND(e) | | | | | | | |
| 2013 | \$ 1.00 | \$ — | — | — | \$ — | — | \$ — |
| 2014 | 1.00 | — | — | — | — | — | — |
| 2015 | 1.00 | —(a) | — | — | — | — | — |
| 2016 | 1.00 | —(a) | — | — | — | — | — |
| 2017 | 1.00 | —(a) | — | — | .00(c) | — | .00(c) |
| 2018(j) | 1.00 | —(a) | — | — | .00(c) | — | .00(c) |
| GROWTH & INCOME FUND | | | | | | | |
| 2013 | \$33.08 | \$.53 | \$11.89 | \$12.42 | \$.61 | \$ — | \$.61 |
| 2014 | 44.89 | .54 | 2.82 | 3.36 | .53 | .29 | .82 |
| 2015 | 47.43 | .60(a) | (1.87) | (1.27) | .55 | 2.50 | 3.05 |
| 2016 | 43.11 | .69(a) | 3.08 | 3.77 | .61 | 2.09 | 2.70 |
| 2017 | 44.18 | .66(a) | 7.09 | 7.75 | .71 | 1.77 | 2.48 |
| 2018(j) | 49.45 | .36(a) | (1.43) | (1.07) | .68 | 2.17 | 2.85 |
| INTERNATIONAL FUND | | | | | | | |
| 2013 | \$19.57 | \$.24 | \$ 1.08 | \$ 1.32 | \$.27 | \$ — | \$.27 |
| 2014 | 20.62 | .23 | .26 | .49 | .23 | — | .23 |
| 2015 | 20.88 | .26(a) | .47 | .73 | .23 | — | .23 |
| 2016 | 21.38 | .27(a) | (1.17) | (.90) | .26 | — | .26 |
| 2017 | 20.22 | .22(a) | 6.38 | 6.60 | .25 | — | .25 |
| 2018(j) | 26.57 | .18(a) | (.56) | (.38) | .21 | 1.20 | 1.41 |
| INVESTMENT GRADE FUND | | | | | | | |
| 2013 | \$11.57 | \$.42 | \$ (.51) | \$ (.09) | \$.45 | — | \$.45 |
| 2014 | 11.03 | .42 | .21 | .63 | .46 | — | .46 |
| 2015 | 11.20 | .34(a) | (.37) | (.03) | .47 | — | .47 |
| 2016 | 10.70 | .33(a) | .15 | .48 | .45 | — | .45 |
| 2017 | 10.73 | .31(a) | .18 | .49 | .42 | — | .42 |
| 2018(j) | 10.80 | .15(a) | (.45) | (.30) | .40 | — | .40 |
| LIMITED DURATION BOND FUND (i) | | | | | | | |
| 2014(h) | \$10.00 | \$(.13) | \$ (.13) | \$ (.26) | \$ — | — | \$ — |
| 2015 | 9.74 | .01(a) | (.06) | (.05) | — | — | — |
| 2016 | 9.69 | (.03)(a) | .09 | .06 | .09 | — | .09 |
| 2017 | 9.66 | .10(a) | .02 | .12 | .17 | — | .17 |
| 2018(j) | 9.61 | .05(a) | (.14) | (.09) | .25 | — | .25 |

RATIOS / SUPPLEMENTAL DATA

| Net Asset Value, End of Period | Total Return* | Net Assets End of Period (in millions) | Ratio to Average Net Assets** | | Ratio to Average Net Assets Before Expenses Waived or Assumed | | Portfolio Turnover Rate |
|--------------------------------|---------------|--|--------------------------------|------------------------------|---|------------------------------|-------------------------|
| | | | Expenses Before Fee Credits*** | Net Investment Income (Loss) | Expenses*** | Net Investment Income (Loss) | |
| \$ 1.00 | .00% | \$ 11 | .10%(b) | .00% | .99% | (.89)% | N/A |
| 1.00 | .00 | 10 | .08(b) | .00 | .99 | (.91) | N/A |
| 1.00 | .00 | 14 | .13(b) | .00 | 1.09 | (.96) | N/A |
| 1.00 | .00 | 10 | .38(b) | .00 | 1.15 | (.78) | N/A |
| 1.00 | .26 | 9 | .60(b) | .25 | 1.19 | (.34) | N/A |
| 1.00 | .48†† | 9 | .60(b)† | .97† | 1.20† | .37† | N/A |
| \$44.89 | 38.06% | \$474 | .79% | 1.34% | N/A | N/A | 23% |
| 47.43 | 7.65 | 493 | .78 | 1.18 | N/A | N/A | 21 |
| 43.11 | (3.12) | 457 | .78 | 1.33 | N/A | N/A | 23 |
| 44.18 | 9.88 | 475 | .79 | 1.67 | N/A | N/A | 21 |
| 49.45 | 18.28 | 532 | .78 | 1.45 | N/A | N/A | 17 |
| 45.53 | (2.25)†† | 504 | .76† | 1.53† | N/A | N/A | 24†† |
| \$20.62 | 6.77% | \$128 | .92% | 1.21% | N/A | N/A | 35% |
| 20.88 | 2.39 | 131 | .92 | 1.10 | N/A | N/A | 28 |
| 21.38 | 3.49 | 134 | .87 | 1.22 | N/A | N/A | 27 |
| 20.22 | (4.20) | 124 | .87 | 1.28 | N/A | N/A | 37 |
| 26.57 | 32.96 | 160 | .84 | .90 | N/A | N/A | 29 |
| 24.78 | (1.42)†† | 158 | .86† | 1.41† | N/A | N/A | 20†† |
| \$11.03 | (.80)% | \$ 59 | .70% | 3.49% | .85% | 3.34% | 39% |
| 11.20 | 5.86 | 63 | .69 | 2.78 | .84 | 2.63 | 45 |
| 10.70 | (.35) | 62 | .68 | 3.12 | .83 | 2.97 | 37 |
| 10.73 | 4.65 | 64 | .68 | 3.02 | .83 | 2.87 | 40 |
| 10.80 | 4.72 | 66 | .68 | 2.93 | .83 | 2.78 | 60 |
| 10.10 | (2.80)†† | 64 | .69† | 2.99† | .84† | 2.84† | 29†† |
| \$ 9.74 | (2.60)%†† | \$ 3 | 5.82%† | (4.25)%† | 5.97%† | (4.40)%† | 11%†† |
| 9.69 | (.51) | 6 | 1.44 | .11 | 1.59 | (.04) | 94 |
| 9.66 | .64 | 8 | 1.06 | (.34) | 1.21 | (.49) | 78 |
| 9.61 | 1.26 | 7 | 1.01 | 1.09 | 1.16 | .94 | 82 |
| 9.27 | (.97)†† | 7 | 1.26† | 1.03† | 1.41† | .88† | 62†† |

Financial Highlights (continued)
FIRST INVESTORS LIFE SERIES FUNDS

| PER SHARE DATA | | | | | | | |
|--------------------------------------|------------------------------|--|----------------------------------|-------------------------|--------------------|--------|---------------------|
| Net Asset Value, Beginning of Period | Investment Operations | | | Less Distributions from | | | Total Distributions |
| | Net Investment Income (Loss) | Net Realized and Unrealized Gain (Loss) on Investments | Total from Investment Operations | Net Investment Income | Net Realized Gains | | |
| OPPORTUNITY FUND | | | | | | | |
| 2013 | \$10.06 | \$(.04) | \$4.06 | \$4.02 | \$ — | \$ — | \$ — |
| 2014 | 14.08 | .03 | .78 | .81 | — | .01 | .01 |
| 2015 | 14.88 | .08(a) | (.20) | (.12) | .03 | — | .03 |
| 2016 | 14.73 | .12(a) | 1.09 | 1.21 | .07 | — | .07 |
| 2017 | 15.87 | .10(a) | 2.90 | 3.00 | .11 | — | .11 |
| 2018(j) | 18.76 | .06(a) | (.14) | (.08) | .10 | .24 | .34 |
| REAL ESTATE FUND | | | | | | | |
| 2015(g) | \$10.00 | \$.09(a) | \$.06 | \$.15 | \$ — | \$ — | \$ — |
| 2016 | 10.15 | .18(a) | .48 | .66 | .07 | .06 | .13 |
| 2017 | 10.68 | .33(a) | (.19) | .14 | .15 | .23 | .38 |
| 2018(j) | 10.44 | .17(a) | (.08) | .09 | .19 | — | .19 |
| SELECT GROWTH FUND | | | | | | | |
| 2013 | \$ 9.58 | \$.04 | \$3.12 | \$3.16 | \$.05 | \$ — | \$.05 |
| 2014 | 12.69 | .05 | 1.66 | 1.71 | .05 | .01 | .06 |
| 2015 | 14.34 | .09(a) | .38 | .47 | .05 | .78 | .83 |
| 2016 | 13.98 | .08(a) | .36 | .44 | .09 | .96 | 1.05 |
| 2017 | 13.37 | .06(a) | 3.97 | 4.03 | .08 | 1.45 | 1.53 |
| 2018(j) | 15.87 | .02(a) | .91 | .93 | .06 | 1.15 | 1.21 |
| SPECIAL SITUATIONS FUND | | | | | | | |
| 2013 | \$31.57 | \$.19 | \$9.11 | \$9.30 | \$.34 | \$1.56 | \$1.90 |
| 2014 | 38.97 | .22 | 1.82 | 2.04 | .18 | 6.61 | 6.79 |
| 2015 | 34.22 | .18(a) | (.27) | (.09) | .22 | 1.51 | 1.73 |
| 2016 | 32.40 | .33(a) | 4.28 | 4.61 | .18 | 2.19 | 2.37 |
| 2017 | 34.64 | .15(a) | 6.06 | 6.21 | .33 | .44 | .77 |
| 2018(j) | 40.08 | .14(a) | .20 | .34 | .18 | 5.10 | 5.28 |

RATIOS / SUPPLEMENTAL DATA

| Net Asset Value, End of Period | Total Return* | Net Assets End of Period (in millions) | Ratio to Average Net Assets** | | Ratio to Average Net Assets Before Expenses Waived or Assumed | | Portfolio Turnover Rate |
|--------------------------------|---------------|--|--------------------------------|------------------------------|---|-----------------------|-------------------------|
| | | | Expenses Before Fee Credits*** | Net Investment Income (Loss) | Expenses*** | Net Investment Income | |
| \$14.08 | 39.96% | \$ 14 | 2.28% | (.79)% | N/A | N/A | 32% |
| 14.88 | 5.73 | 27 | 1.01 | .31 | N/A | N/A | 31 |
| 14.73 | (.81) | 40 | .89 | .53 | N/A | N/A | 45 |
| 15.87 | 8.26 | 53 | .87 | .83 | N/A | N/A | 31 |
| 18.76 | 19.00 | 70 | .84 | .59 | N/A | N/A | 30 |
| 18.34 | (0.39)†† | 71 | .83† | .70† | N/A | N/A | 18†† |
| \$10.15 | 1.50%†† | \$ 5 | 2.27%† | 1.40%† | N/A | N/A | 17%†† |
| 10.68 | 6.57 | 8 | 1.34 | 1.72 | N/A | N/A | 39 |
| 10.44 | 1.27 | 7 | 1.11 | 3.18 | N/A | N/A | 43 |
| 10.34 | 1.07†† | 7 | 1.23† | 3.56† | N/A | N/A | 10†† |
| \$12.69 | 33.15% | \$ 35 | .85% | .43% | N/A | N/A | 64% |
| 14.34 | 13.53 | 44 | .83 | .43 | N/A | N/A | 37 |
| 13.98 | 3.21 | 48 | .83 | .65 | N/A | N/A | 43 |
| 13.37 | 4.04 | 52 | .83 | .61 | N/A | N/A | 64 |
| 15.87 | 32.80 | 70 | .81 | .40 | N/A | N/A | 52 |
| 15.59 | 6.07†† | 75 | .81† | .31† | N/A | N/A | 10†† |
| \$38.97 | 30.88% | \$201 | .82% | .53% | N/A | N/A | 108% |
| 34.22 | 6.30 | 209 | .80 | .66 | N/A | N/A | 41 |
| 32.40 | (.52) | 202 | .80 | .52 | N/A | N/A | 46 |
| 34.64 | 16.10 | 224 | .81 | 1.06 | N/A | N/A | 31 |
| 40.08 | 18.26 | 256 | .80 | .40 | N/A | N/A | 38 |
| 35.14 | 1.56†† | 255 | .79† | .77† | N/A | N/A | 22†† |

Financial Highlights (continued)
FIRST INVESTORS LIFE SERIES FUNDS

| PER SHARE DATA | | | | | | | |
|--------------------------------------|-----------------------|--|----------------------------------|-------------------------|--------------------|------|---------------------|
| Net Asset Value, Beginning of Period | Investment Operations | | | Less Distributions from | | | Total Distributions |
| | Net Investment Income | Net Realized and Unrealized Gain (Loss) on Investments | Total from Investment Operations | Net Investment Income | Net Realized Gains | | |
| TOTAL RETURN FUND | | | | | | | |
| 2013 | \$ 9.93 | \$ — | \$1.69 | \$1.69 | \$ — | \$ — | \$ — |
| 2014 | 11.62 | .09 | .60 | .69 | .01 | — | .01 |
| 2015 | 12.30 | .15(a) | (.34) | (.19) | .13 | — | .13 |
| 2016 | 11.98 | .18(a) | .59 | .77 | .17 | — | .17 |
| 2017 | 12.58 | .18(a) | 1.28 | 1.46 | .21 | — | .21 |
| 2018(j) | 13.83 | .11(a) | (.46) | (.35) | .22 | .07 | .29 |

- * The effect of fees and charges incurred at the separate account level are not reflected in these performance figures.
- ** Net of expenses waived or assumed by the investment adviser (Note 4).
- *** The ratios do not include a reduction of expenses from cash balances maintained with the Bank of New York Mellon or from brokerage service arrangements (Note 1G).
- † Annualized
- †† Not annualized
- (a) Based on average shares during the period.
- (b) For each of the periods shown, FIMCO voluntarily waived advisory fees to limit the Fund's overall expense ratio to .60% and waived additional advisory fees and assumed other expenses to prevent a negative yield on the Funds' shares (Note 4).
- (c) Due to rounding, amount is less than .005 per share.
- (d) For the period May 2, 2016 (commencement of operations) to December 31, 2016.
- (e) Prior to October 3, 2016, known as Cash Management Fund.
- (f) For the period November 2, 2015 (commencement of operations) to December 31, 2015.
- (g) For the period May 1, 2015 (commencement of operations) to December 31, 2015.
- (h) For the period July 1, 2014 (commencement of operations) to December 31, 2014.
- (i) Prior to January 31, 2018, known as Limited Duration High Quality Bond Fund.
- (j) For the period January 1, 2018 to June 30, 2018.

RATIOS / SUPPLEMENTAL DATA

| Net Asset Value, End of Period | Total Return* | Net Assets End of Period (in millions) | Ratio to Average Net Assets** | | Ratio to Average Net Assets Before Expenses Waived or Assumed | | Portfolio Turnover Rate |
|---|------------------|--|--------------------------------------|-----------------------------|---|-----------------------------|-------------------------------|
| | | | Expenses Before Fee Credits*** | Net Investment Income | Expenses*** | Net Investment Income | |
| \$11.62 | 17.02% | \$13 | 1.93% | .16% | N/A | N/A | 14% |
| 12.30 | 5.97 | 29 | .96 | .96 | N/A | N/A | 53 |
| 11.98 | (1.61) | 37 | .89 | 1.20 | N/A | N/A | 39 |
| 12.58 | 6.62 | 40 | .89 | 1.45 | N/A | N/A | 67 |
| 13.83 | 11.75 | 48 | .86 | 1.39 | N/A | N/A | 48 |
| 13.19 | (2.56)†† | 47 | .90† | 1.65† | N/A | N/A | 24†† |

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Trustees of
First Investors Life Series Funds

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of Balanced Income Fund, Covered Call Strategy Fund, Equity Income Fund, Fund For Income, Government Fund, Government Cash Management Fund, Growth & Income Fund, International Fund, Investment Grade Fund, Limited Duration Bond Fund, Opportunity Fund, Real Estate Fund, Select Growth Fund, Special Situations Fund and Total Return Fund (the “Funds”), each a series of First Investors Life Series Fund (the “Trust”), including the portfolio of investments, as of June 30, 2018, the related statement of operations, the statements of changes in net assets, and financial highlights for each of the periods indicated thereon, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Funds as of June 30, 2018, the results of their operations, the changes in their net assets and their financial highlights for each of the periods indicated thereon, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Funds’ management. Our responsibility is to express an opinion on the Funds’ financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Funds in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We have served as the auditor of one or more of the funds in the First Investors Family of Funds since 1978.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Funds are not required to have, nor were we engaged to perform, an audit of the Funds’ internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Funds’ internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of June 30, 2018 by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

Tait, Weller & Baker LLP

Philadelphia, Pennsylvania
August 28, 2018

Board Considerations of Advisory Contracts and Fees

FIRST INVESTORS LIFE SERIES FUNDS

Consideration of the Sub-Advisory Agreement with Muzinich & Co., Inc. with respect to the Total Return Fund, Investment Grade Fund, Limited Duration High Quality Bond Fund and Balanced Income Fund

At the November 16, 2017 meeting (the “November Meeting”) of the Board of Trustees (the “Board” or the “Trustees”) of the First Investors Life Series Funds (the “Trust”), the Board, including a majority of Board members who are not interested persons of the Trust under the Investment Company Act of 1940, as amended (the “Independent Trustees”), discussed and approved, for the Total Return Fund, Investment Grade Fund, Limited Duration High Quality Bond Fund and Balanced Income Fund (each, a “Fund” and collectively, the “Funds”), the sub-advisory agreement (the “Sub-Advisory Agreement”) with Muzinich & Co., Inc. (the Sub-Adviser”).

The Trustees were provided with materials relating to the proposed appointment of the Sub-Adviser by Foresters Investment Management Company, Inc. (“FIMCO”), the Funds’ investment adviser, and by the Sub-Adviser in advance of and at the November Meeting. The Trustees also met in person with senior officers of FIMCO, Trust counsel, independent legal counsel to the Independent Trustees (“Independent Legal Counsel”) and others to receive information on, and discuss the approval of, the Sub-Advisory Agreement. The material factors and conclusions that formed the basis for the approval of the Sub-Advisory Agreement are discussed below.

In making their determinations, the Trustees took into account management style, investment strategies, investment philosophy and process, the Sub-Adviser’s past performance and the Sub-Adviser’s personnel that would be providing services to the Funds. In evaluating the Sub-Advisory Agreement, the Trustees also reviewed information provided by FIMCO and the Sub-Adviser, including the terms of the Sub-Advisory Agreement and information regarding fee arrangements, including the structure of the sub-advisory fee, the method of computing fees, and the frequency of payment of fees. In addition, the Trustees reviewed, among other things, information regarding the Sub-Adviser’s investment program for implementing a high yield strategy for a portion of each Fund’s assets and compliance program. The Board also considered information provided by the Sub-Adviser in connection with the renewal of its sub-advisory agreement with respect to other funds in the First Investors fund complex a few months prior to the November Meeting.

After discussion and consideration among themselves, and with FIMCO, Trust counsel and Independent Legal Counsel, including during an executive session with Independent Legal Counsel held the day before the November Meeting, the Trustees concluded as follows with respect to the Sub-Advisory Agreement:

- The nature and extent of the investment sub-advisory services to be provided to the Funds by the Sub-Adviser was consistent with the terms of the Sub-Advisory Agreement;
- The prospects for satisfactory investment performance of the Funds' high yield strategy were reasonable;
- FIMCO and not the Funds would pay the subadvisory fees of the Sub-Adviser and therefore, there would be no change to the overall advisory fees charged to the Funds by FIMCO;
- The Sub-Adviser had agreed to a fee schedule that included breakpoints to reflect economies of scale, although the Board noted that reduced sub-advisory fees would benefit FIMCO and not the Funds since FIMCO pays the Sub-Adviser out of its investment advisory fees;
- The cost of services to be provided by the Sub-Adviser to the Funds and the profits realized by the Sub-Adviser from its relationship with the Funds would be assessed when the Trustees first consider the renewal of the Sub-Advisory Agreement; and
- The Sub-Adviser does not utilize any soft dollar arrangements or receive other "fall out" or ancillary benefits from its services to the Funds.

Based on all relevant information and factors, none of which was individually determinative of the outcome, the Board, including a majority of the Independent Trustees, concluded that the approval of the Sub-Advisory Agreement was in the best interests of each Fund and its shareholders and unanimously approved such Agreement.

Board Considerations of Advisory Contracts and Fees (continued) FIRST INVESTORS LIFE SERIES FUNDS

Annual Consideration of the Investment Advisory Agreements and the Sub-Advisory Agreements with Muzinich & Co., Inc., Smith Group Asset Management, LP, Vontobel Asset Management, Inc. and Ziegler Capital Management, LLC

The First Investors Life Series Funds' (the "Trust") investment advisory agreements with the Trust's investment adviser and, as applicable, sub-advisers, on behalf of each of the Trust's funds, can remain in effect after an initial term of no greater than two years only if they are renewed at least annually thereafter (i) by the vote of the Trustees or by a vote of the shareholders of each fund and (ii) by the vote of a majority of the Trustees who are not parties to the advisory agreement (and sub-advisory agreements, as applicable) or "interested persons" of any party thereto (the "Independent Trustees"), cast in person at a meeting called specifically for the purpose of voting on such approval.

The Board of Trustees (the "Board") has six regularly scheduled meetings each year and takes into account throughout the year matters bearing on the approval of the advisory agreement (and sub-advisory agreements, as applicable). In particular, the Board and its standing committees also consider at each meeting at least certain of the factors that are relevant to the annual renewal of each fund's advisory agreement (and sub-advisory agreements, as applicable), including investment performance, sub-adviser updates and reviews, reports with respect to brokerage and portfolio transactions, use of soft dollars for research products and services, portfolio turnover rates, risk management (including as it relates to cybersecurity risk), compliance monitoring, and the services and support provided to each fund and its shareholders. In addition, the Board meets with representatives of each sub-adviser in person at least once per year.

On April 18-19, 2018 (the "April Meeting"), the Independent Trustees met in person with senior management personnel of Foresters Investment Management Company, Inc. ("FIMCO"), the Trust's investment adviser, Trust counsel, independent legal counsel to the Independent Trustees ("Independent Legal Counsel") and others to give preliminary consideration to information bearing on the continuation of the advisory agreement (and sub-advisory agreement, as applicable) with respect to each fund. The primary purpose of the April Meeting was to ensure that the Independent Trustees had ample opportunity to consider matters they deemed relevant in determining whether to continue the advisory agreement (or sub-advisory agreements, as applicable), and to request any additional information they considered reasonably necessary to their deliberations. The Independent Trustees also met in executive session with Independent Legal Counsel on April 18, 2018, immediately prior to and during the April Meeting, to consider the continuation of the advisory agreement (or sub-advisory agreements, as applicable) outside the presence of management. As part

of the April Meeting, the Independent Trustees asked FIMCO to respond to certain additional questions prior to the contract approval meeting of the Board to be held on May 17, 2018 (the “May Meeting”). In addition, Independent Legal Counsel, in conjunction with the Board, and personnel from FIMCO reviewed each sub-adviser’s response in connection with the request for information with respect to the applicable sub-advisory agreements and requested follow-up information or clarifications from each sub-adviser, as applicable, which was provided prior to the May Meeting.

At the May Meeting, the Board, including a majority of the Independent Trustees, approved the renewal of the investment advisory agreement (the “Advisory Agreement”) between FIMCO and each of the following funds (each a “Fund” and collectively the “Funds”): Balanced Income Fund, Covered Call Strategy Fund, Equity Income Fund, Fund For Income, Government Fund, Government Cash Management Fund, Growth & Income Fund, International Fund, Investment Grade Fund, Limited Duration Bond Fund, Opportunity Fund, Real Estate Fund, Select Growth Fund, Special Situations Fund and Total Return Fund. In addition, at the May Meeting, the Board, including a majority of the Independent Trustees, approved the renewal of the sub-advisory agreements (each a “Sub-Advisory Agreement” and collectively the “Sub-Advisory Agreements”) with: (1) Muzinich & Co., Inc. (“Muzinich”) with respect to the Fund For Income; (2) Smith Group Asset Management, LP (“Smith Group”) with respect to the Select Growth Fund; (3) Vontobel Asset Management, Inc. (“Vontobel”) with respect to the International Fund; and (4) Ziegler Capital Management, LLC (“Ziegler”) with respect to the Covered Call Strategy Fund. The Fund For Income, Select Growth Fund, International Fund and Covered Call Strategy Fund are collectively referred to as the “Sub-Advised Funds.”

In reaching its decisions to approve the continuation of the Advisory Agreement for each Fund and the Sub-Advisory Agreements for the Sub-Advised Funds, the Board considered information furnished and discussed throughout the year at regularly scheduled Board and Committee meetings as well as a wide range of information provided specifically in relation to the renewal of the Advisory Agreement and Sub-Advisory Agreements for the April Meeting and May Meeting. Information furnished at Board and/or Committee meetings throughout the year included FIMCO’s analysis of each Fund’s investment performance and the performance of the sub-advisers to the respective Sub-Advised Funds, presentations given by representatives of FIMCO, Muzinich, Smith Group, Vontobel and Ziegler and various reports on compliance and other services provided by FIMCO.

In preparation for the April Meeting and/or May Meeting, the Independent Trustees requested and received information compiled by Broadridge Financial Solutions, Inc. (“Broadridge”), an independent provider of investment company data, that included,

Board Considerations of Advisory Contracts and Fees (continued) FIRST INVESTORS LIFE SERIES FUNDS

among other things, the investment performance over various time periods and the fees and expenses of each Fund as compared to a comparable group of funds as determined by Broadridge (“Peer Group”). The Board also considered that FIMCO charges different fee rates to various mutual funds that have similar investment mandates and FIMCO’s explanation for these differences.

Additionally, in response to specific requests from the Independent Trustees in connection with the April Meeting and/or May Meeting, FIMCO furnished, and the Board considered, information concerning various aspects of its operations, including: (1) the nature, extent and quality of services provided by FIMCO to the Funds, including investment advisory and administrative services to the Funds and, as applicable, services in connection with selecting, overseeing and evaluating the sub-advisers; (2) the actual management fees paid by each Fund to FIMCO; (3) the costs of providing services to each Fund and the profitability of FIMCO from the relationship with each Fund; and (4) any “fall out” or ancillary benefits accruing to FIMCO as a result of the relationship with each Fund. FIMCO also provided, and the Board considered, an analysis of the overall profitability of the First Investors mutual fund business that included various entities affiliated with FIMCO as well as comparative profitability information based on analysis performed by FIMCO of the financial statements of certain publicly-traded mutual fund asset managers. The Board also considered FIMCO’s and each sub-adviser’s personnel and methods, including the education, experience of key personnel, and the number of their advisory and analytical personnel; general information regarding the compensation of FIMCO’s and each sub-adviser’s advisory personnel; FIMCO’s and each sub-adviser’s investment management process; FIMCO’s and each sub-adviser’s compliance program; the time and attention of FIMCO’s and each sub-adviser’s personnel devoted to the management of the Funds; FIMCO’s and each sub-adviser’s cybersecurity practices and related controls and business continuity plans; and material pending, threatened or settled litigation involving FIMCO and each sub-adviser, and any ongoing or completed audits, investigations or examinations by the Securities and Exchange Commission. The Board also considered information provided by FIMCO on management’s initiatives for increasing Fund assets and new product development, which included enhanced sales and marketing efforts; continuing efforts as deemed practicable to reduce expenses and improve performance of the Funds; and improving the efficiency of back-office operations and services (including the launch of a system for processing new business electronically). In addition to evaluating, among other considerations, the written information provided by FIMCO, the Board also evaluated the answers to questions posed by the Board to representatives of FIMCO.

In addition, in response to specific requests from the Independent Trustees in connection with the April Meeting and/or May Meeting, Muzinich, Smith Group, Vontobel and Ziegler furnished, and the Board reviewed, information concerning various aspects of their respective operations, including: (1) the nature, extent and quality of services provided by Muzinich, Smith Group, Vontobel and Ziegler to the applicable Sub-Advised Funds; (2) the sub-advisory fee rates charged by Muzinich, Smith Group, Vontobel and Ziegler and a comparison of those fee rates to the fee rates of Muzinich, Smith Group, Vontobel and Ziegler for providing advisory services to other investment companies or accounts or compared to their standard fee schedule, as applicable, with an investment mandate similar to the applicable Sub-Advised Funds; (3) profitability and/or financial information provided by Muzinich, Smith Group, Vontobel and Ziegler; and (4) any “fall out” or ancillary benefits accruing to Muzinich, Smith Group, Vontobel and Ziegler as a result of the relationship with each applicable Sub-Advised Fund. The Board also considered FIMCO’s representations that it found the sub-adviser responses to the information requests in connection with the renewal of the Sub-Advisory Agreements to be satisfactory and raising no issues of general concern.

In considering the information and materials described above, the Independent Trustees took into account management style, investment strategies and prevailing market conditions. Moreover, the Independent Trustees received assistance from and met separately with Independent Legal Counsel during both the April Meeting and May Meeting and were provided with a written description of their statutory responsibilities and the legal standards that are applicable to approvals of advisory agreements (and sub-advisory agreements, as applicable). Although the Advisory Agreement for all of the Funds and the Sub-Advisory Agreements for the Sub-Advised Funds were considered at the same Board meeting, the Independent Trustees addressed each Fund separately during the April Meeting and May Meeting.

Based on all of the information presented, the Board, including a majority of its Independent Trustees, determined on a Fund-by-Fund basis that the fees charged under the Advisory Agreement and each Sub-Advisory Agreement are reasonable in relation to the services that are provided under each Agreement. The Board did not identify any single factor as being of paramount importance in reaching its conclusions and determinations with respect to the continuance of the Advisory Agreement for each Fund and Sub-Advisory Agreements and different Trustees may have given different weight to different factors. Although not meant to be all-inclusive, the following describes some of the factors that were considered by the Board in deciding to approve the continuance of the Advisory Agreement for each Fund and Sub-Advisory Agreements with Muzinich, Smith Group, Vontobel and Ziegler.

Board Considerations of Advisory Contracts and Fees (continued) FIRST INVESTORS LIFE SERIES FUNDS

Nature, Extent and Quality of Services

In examining the nature, extent and quality of the services provided by FIMCO, the Board recognized that FIMCO is dedicated to providing investment management services exclusively to the Funds and the other funds in the First Investors fund complex and that, unlike many other mutual fund managers, FIMCO is not in the business of providing management services to hedge funds, pension funds or private accounts. In this connection, the Board was advised that certain key FIMCO personnel provide separately managed account services to a FIMCO-affiliated investment adviser, but that these personnel spend most of their time serving their FIMCO clients. As a result, the Board considered that FIMCO's personnel devote substantially all of their time to serving the funds in the First Investors fund complex.

The Board noted that FIMCO has undertaken extensive responsibilities as manager of the Funds, including: (1) the provision of investment advice to the Funds; (2) implementing policies and procedures designed to ensure compliance with each Fund's investment objectives and policies; (3) the review of brokerage arrangements; (4) oversight of general portfolio compliance with applicable laws; (5) the provision of certain administrative services to the Funds, including fund accounting; (6) the implementation of Board directives as they relate to the Funds; and (7) evaluating and monitoring any sub-advisers on an ongoing basis, including, but not limited to, monitoring each sub-adviser's investment performance, evaluating each sub-adviser's compliance program on an annual basis and monitoring investments for compliance purposes, including monitoring each sub-adviser's soft dollar practices (as applicable), portfolio allocation and best execution. The Board also noted that FIMCO provided the same sorts of administrative and other services, except for direct management of the portfolio, for the Sub-Advised Funds as it does for the other funds that do not employ a sub-adviser. The Board noted that FIMCO provides not only advisory services, but historically also has provided certain administrative personnel and services that many other advisers do not provide without imposition of separate fees. The Board also noted the steps that FIMCO has taken to encourage strong performance, including the manner in which portfolio managers and analysts are provided significant incentive compensation for good performance. In addition, the Board considered information regarding the overall financial strength of FIMCO and its affiliates and the resources and staffing in place with respect to the services provided to the Funds.

The Board also considered the nature, extent and quality of the investment management services provided by Muzinich, Smith Group, Vontobel and Ziegler to the applicable Sub-Advised Funds. The Board considered Muzinich's, Smith Group's, Vontobel's and Ziegler's investment management process in managing the applicable

Sub-Advised Funds and the experience and capability of their respective personnel responsible for the portfolio management of the applicable Sub-Advised Funds. The Board also considered information regarding the resources and staffing in place with respect to the services provided by each sub-adviser. Additionally, with respect to the Sub-Advised Funds, the Board considered the differences in fees paid by each Sub-Advised Fund to FIMCO and the fees paid by FIMCO to each sub-adviser, as well as representations by FIMCO that these fee differentials are warranted by its ongoing services and assumption of risks.

Based on the information considered, the Board concluded that the nature, extent and quality of the services provided to each Fund by FIMCO and the applicable Sub-Advised Funds by Muzinich, Smith Group, Vontobel and Ziegler were appropriate and consistent with the terms of the Advisory Agreement and Sub-Advisory Agreements, as applicable, and supported approval of the Advisory Agreement and each Sub-Advisory Agreement.

Investment Performance

The Board placed significant emphasis on the investment performance of each of the Funds. While consideration was given to performance reports and discussions held at prior Board or Committee meetings, as applicable, particular attention was given to the performance information compiled by Broadridge. In particular, the Board reviewed the performance of each Fund over the most recent calendar year (“1-year period”) and the annualized performance over the most recent three calendar year period (“3-year period”) and five calendar year period (“5-year period”). In addition, the Board considered the performance information provided by FIMCO for each Fund through April 30, 2018. The Board also reviewed the annual yield of the Balanced Income Fund, Fund For Income, Government Fund, Government Cash Management Fund, Investment Grade Fund and Limited Duration Bond Fund over the past five years (or shorter period as applicable). With regard to the performance and yield information, the Board considered the performance and yield of each Fund on a percentile and quintile basis as compared to its Peer Group. For purposes of the performance data provided, the first quintile is defined as 20% of the funds in the applicable Peer Group with the highest performance or yield and the fifth quintile is defined as 20% of the funds in the applicable Peer Group with the lowest performance or yield. The Board also considered FIMCO’s representations that it monitors to ensure portfolio managers invest in a manner consistent with the mandate for the Fund or Funds they manage.

On a Fund-by-Fund basis, the performance reports indicated, and the Board noted, that each Fund, except for the Government Fund, Government Cash Management

Board Considerations of Advisory Contracts and Fees (continued) FIRST INVESTORS LIFE SERIES FUNDS

Fund, Growth & Income Fund, Limited Duration Bond Fund and Real Estate Fund fell within one of the top three quintiles for at least one of the performance periods provided by Broadridge. In particular, the Board noted that: (i) the Balanced Income Fund and Covered Call Strategy Fund fell within the third quintile for the 1-year period (the only period for which information was provided due to the short operating history of the Funds); (ii) the Equity Income Fund fell within fourth quintile, second quintile and third quintile for the 1-year period, 3-year period and 5-year period, respectively; (iii) the Fund For Income fell within third quintile, third quintile and fourth quintile for the 1-year period, 3-year period and 5-year period, respectively; (iv) the Government Fund fell within fourth quintile, fourth quintile and fifth quintile for the 1-year period, 3-year period and 5-year period, respectively; (v) the Government Cash Management Fund and Growth & Income Fund fell within fourth quintile for each of the 1-year period, 3-year period and 5-year period; (vi) the International Fund fell within first quintile, second quintile and second quintile for the 1-year period, 3-year period and 5-year period, respectively; (vii) the Investment Grade Fund fell within third quintile, third quintile and second quintile for the 1-year period, 3-year period and 5-year period, respectively; (viii) the Limited Duration Bond Fund fell within fourth quintile and fifth quintile for the 1-year period and 3-year period, respectively (the only periods for which information was provided due to the relatively short operating history of the Fund); (ix) the Opportunity Fund fell within first quintile, third quintile and third quintile for the 1-year period, 3-year period and 5-year period, respectively; (x) the Real Estate Fund fell within fifth quintile for the 1-year period (the only period for which information was provided due to the short operating history of the Fund); (xi) the Select Growth Fund fell within second quintile, first quintile and second quintile for the 1-year period, 3-year period and 5-year period, respectively; (xii) the Special Situations Fund fell within first quintile, first quintile and fourth quintile for the 1-year period, 3-year period and 5-year period, respectively; and (xiii) the Total Return Fund fell within fourth quintile, fourth quintile and third quintile for the 1-year period, 3-year period and 5-year period, respectively. The Board also considered that FIMCO had recommended, and the Board had approved at the April Meeting, the reorganization of the Balanced Income Fund into the Total Return Fund and the reorganization of the Government Fund into the Limited Duration Bond Fund, each of which would be effective during the fourth quarter of 2018. In addition, the Board considered that FIMCO had proposed the liquidation of the Real Estate Fund at the May Meeting and that such liquidation would take place on or around the end of August 2018.

The Board also reviewed the yields of the Balanced Income Fund, Fund For Income, Government Fund, Government Cash Management Fund, Investment Grade Fund and Limited Duration Bond Fund and noted that the yield for: (i) the Balanced

Income Fund fell outside of the top three quintiles for each of the past two calendar years, which was the only information available due to its relatively short operating history; (ii) the Fund For Income, Government Fund and Investment Grade Fund fell within one of the top three quintiles for each of the past five calendar years; (iii) the Government Cash Management Fund fell within one of the top three quintiles for three of the past five calendar years; and (iv) the Limited Duration Bond Fund fell within one of the top three quintiles for two out of the past three calendar years, which was the only information available due to the relatively short operating history of the Fund. Additionally, the Board considered FIMCO's representation that it believes that the Funds use a more conservative investment style than many of their peers.

Based on the information considered, the Board concluded that the investment performance of each Fund was either (a) acceptable or better, or (b) subject to reasonable steps to monitor or address certain periods of underperformance.

Fund Expenses, Costs of Services, Economies of Scale and Related Benefits

Management Fees and Expenses. The Board also gave substantial consideration to the fees payable under each Fund's Advisory Agreement as well as under the Sub-Advisory Agreements for the Sub-Advised Funds.

The Board reviewed the information compiled by Broadridge comparing each Fund's contractual management fee rate (at common asset levels) and actual management fee rate (which included the effect of any fee waivers) as a percentage of average net assets to other funds in its Peer Group. In this regard, the Board considered the contractual and actual management fees of each Fund on a quintile basis as compared to its Peer Group and noted the relative position of each Fund within the Peer Group. The Board also considered that FIMCO provides not only advisory services but also certain administrative personnel to the Funds under each Fund's Advisory Agreement and that many other advisers do not provide such administrative personnel under their advisory agreements and that FIMCO also provides certain administrative services without the imposition of a separate fee. The Board also considered that FIMCO informed the Board that it intends to: (i) extend, on a contractual rather than voluntary basis, the existing total expense cap limitation for the Government Cash Management Fund until June 1, 2019; and (ii) extend, on a voluntary basis, the existing management fee caps for the Balanced Income Fund, Government Fund, Investment Grade Fund and Limited Duration Bond Fund, respectively, until May 31, 2019. The Board also considered that, with respect to the Government Cash Management Fund, FIMCO has historically waived a significant portion of its management fees and reimbursed a portion of other expenses to avoid a negative return for shareholders due to the historically low interest rate environment.

Board Considerations of Advisory Contracts and Fees (continued) FIRST INVESTORS LIFE SERIES FUNDS

In particular, the Board noted that: (i) the Balanced Income Fund's contractual and actual management fees were in the third and fourth quintiles, respectively, of its Peer Group; (ii) the Covered Call Strategy Fund's contractual and actual management fees were in the first and second quintiles, respectively, of its Peer Group; (iii) the Equity Income Fund's contractual and actual management fees were in the third and fifth quintiles, respectively, of its Peer Group; (iv) the Fund For Income's contractual and actual management fees were in the fifth quintile of its Peer Group; (v) the Government Fund's contractual and actual management fees were in the fifth quintile of its Peer Group; (vi) the Government Cash Management Fund's contractual and actual management fees were in the fifth and second quintiles, respectively, of its Peer Group; (vii) the Growth & Income Fund's contractual and actual management fees were in the second and third quintiles, respectively, of its Peer Group; (viii) the International Fund's contractual and actual management fees were in the first quintile of its Peer Group; (ix) the Investment Grade Fund's contractual and actual management fees were in the fifth quintile of its Peer Group; (x) the Limited Duration Bond Fund's contractual and actual management fees were in the fifth quintile of its Peer Group; (xi) the Opportunity Fund's contractual and actual management fees were in the first and third quintiles, respectively, of its Peer Group; (xii) the Real Estate Fund's contractual and actual management fees were in the second quintile of its Peer Group; (xiii) the Select Growth Fund's contractual and actual management fees were in the third and fourth quintiles, respectively, of its Peer Group; (xiv) the Special Situations Fund's contractual and actual management fees were in the second and third quintiles, respectively, of its Peer Group; and (xv) the Total Return Fund's contractual and actual management fees were in the fourth and fifth quintiles, respectively, of its Peer Group.

The Board also reviewed the information compiled by Broadridge comparing each Fund's total expense ratio, taking into account FIMCO's expense waivers (as applicable), and the ratio of the sum of actual management and other non-management fees (i.e., fees other than management fees) to other funds in its Peer Group, including on a quintile basis. In particular, the Board noted that: (i) the total expense ratio for each Fund except the Covered Call Strategy Fund, Growth & Income Fund, International Fund, Opportunity Fund, Select Growth Fund and Special Situations Fund was not in the top three quintiles of their respective Peer Groups; and (ii) the ratio of the sum of actual management and other non-management fees for each Fund except the Covered Call Strategy Fund, Growth & Income Fund, International Fund, Opportunity Fund, Select Growth Fund and Special Situations Fund was not in the top three quintiles of their respective Peer Groups. In considering the level of the total expense ratio and the ratio of the sum of actual management and other non-management fees, the Board took into account management's explanation that Broadridge expense

comparisons do not take into account the size of a fund complex, and as a result, in certain cases the First Investors funds are compared to funds in complexes that are much larger than First Investors. The Board also noted that Broadridge's customized expense groups tend to be fairly small in number and the funds included in the Peer Group generally change from year to year, thereby introducing an element of randomness that affects comparative results each year. While recognizing the limitations inherent in Broadridge's methodology, the Board believed that the data provided by Broadridge was a generally appropriate measure of comparative expenses.

In considering the sub-advisory fee rates charged by and costs and profitability of Muzinich, Smith Group, Vontobel and Ziegler with regard to the respective Sub-Advised Funds, the Board noted that FIMCO pays Muzinich, Smith Group, Vontobel or Ziegler, as the case may be, a sub-advisory fee from its own advisory fee rather than each Fund paying Muzinich, Smith Group, Vontobel or Ziegler a fee directly. The Board also considered arrangements pursuant to which Muzinich, Smith Group and Vontobel (but not the Sub-Advised Funds) each pays a portion of its sub-advisory fee to a solicitor that introduced each such subadviser to FIMCO. Muzinich, Smith Group, Vontobel and Ziegler provided, and the Board reviewed, information comparing the fees charged by Muzinich, Smith Group, Vontobel and Ziegler for services to the respective Sub-Advised Funds versus the fee rates of Muzinich, Smith Group, Vontobel and Ziegler for providing advisory services to other comparable investment companies or accounts or compared to their standard fee schedule, as applicable. Based on a review of this information, the Board noted that the fees charged by Muzinich, Smith Group, Vontobel and Ziegler for services to each applicable Sub-Advised Fund appeared competitive to the fees Muzinich, Smith Group, Vontobel and Ziegler charge to their other comparable investment companies or accounts or compared to their standard fee schedule, as applicable.

The foregoing comparisons assisted the Trustees by providing them with a basis for evaluating each Fund's management fee and expense ratio on a relative basis and the Board concluded that each Fund's management fees appeared reasonable in relation to the services and benefits provided to each Fund.

Profitability. The Board reviewed the materials it received from FIMCO regarding its revenues and costs in providing investment management and certain administrative services to the Funds. In particular, the Board considered the analysis of FIMCO's profitability with respect to each Fund, calculated for the year ended December 31, 2017, as well as overall profitability information relating to the past five calendar years. The Board also considered the information provided by FIMCO comparing the profitability of certain publicly-traded mutual fund asset managers as analyzed by FIMCO based on publicly available financial statements and noted

Board Considerations of Advisory Contracts and Fees (continued) FIRST INVESTORS LIFE SERIES FUNDS

FIMCO's analysis that its profit margin is significantly lower than the average of such publicly-traded managers. In reviewing the profitability information, the Board also considered the "fall-out" or ancillary benefits that may accrue to FIMCO as a result of its relationship with the Funds, which are discussed below. Based on the information provided, the Board also noted that FIMCO operates the Balanced Income Fund at a loss. The Board acknowledged that, as a business matter, FIMCO was entitled to earn reasonable profits for its services to the Funds and concluded that the level of profitability to FIMCO of its contractual arrangements with each Fund did not appear so high as to call into question the appropriateness of the fees paid to FIMCO by any Fund or otherwise to preclude the proposed continuation of the Advisory Agreement for any of the Funds. The Board also considered the profitability and/or financial information provided by Muzinich, Smith Group, Vontobel and Ziegler.

Economies of Scale. With respect to whether economies of scale are realized by FIMCO and the extent to which any economies of scale are reflected in the level of management fee rates charged, the Board considered that the Advisory Agreement fee schedule for each Fund includes breakpoints to account for management economies of scale as each Fund's assets increase.

"Fall Out" or Ancillary Benefits. The Board considered the "fall-out" or ancillary benefits that may accrue to FIMCO, Muzinich, Smith Group, Vontobel and Ziegler as a result of their relationship with the Funds. In that regard, the Board considered the fact that FIMCO and each sub-adviser (except Muzinich and Ziegler) may receive research from broker-dealers that execute brokerage transactions for the funds in the First Investors fund complex. However, the Board noted that FIMCO and the sub-advisers must select brokers based on each Fund's requirements for seeking best execution.

* * *

In summary, based on all relevant information and factors, none of which was individually determinative of the outcome, the Board, including a majority of the Independent Trustees, approved the renewal of the Advisory Agreement and each Sub-Advisory Agreement.

FIRST INVESTORS LIFE SERIES FUNDS

Trustees and Officers

Trustees

Susan E. Artmann

Mary J. Barneby

Charles R. Barton, III

Arthur M. Scutro, Jr.

Mark R. Ward

Officers

E. Blake Moore Jr.*

President

Marc S. Milgram

Chief Compliance Officer

Joseph I. Benedek

Treasurer

Mark S. Spencer

Assistant Treasurer

Mary C. Carty**

Secretary

Carol Lerner Brown

Assistant Secretary

** Effective February 22, 2018, Mr. E. Blake Moore Jr. became President of the Funds and Foresters Investment Management Company, Inc.*

*** Mary C. Carty served as Secretary from November 19, 2010 through June 29, 2018.*

FIRST INVESTORS LIFE SERIES FUNDS

Shareholder Information

Investment Adviser
**Foresters Investment Management
Company, Inc.**
40 Wall Street
New York, NY 10005

Subadviser
(Covered Call Strategy Fund)
Ziegler Capital Management, LLC
70 W. Madison Street
Chicago, IL 60602

Subadviser
(Balanced Income Fund, Fund For Income,
Investment Grade Fund, Limited Duration
Bond Fund and Total Return Fund)
Muzinich & Co., Inc.
450 Park Avenue
New York, NY 10022

Subadviser
(International Fund)
Vontobel Asset Management, Inc.
1540 Broadway
New York, NY 10036

Subadviser
(Select Growth Fund)
Smith Asset Management Group, L.P.
100 Crescent Court
Dallas, TX 75201

Custodian
The Bank of New York Mellon
240 Greenwich Street
New York, NY 10286

Transfer Agent
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**Independent Registered
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1818 Market Street
Philadelphia, PA 19103

Legal Counsel
K&L Gates LLP
1601 K Street, N.W.
Washington, D.C. 20006

A description of the policies and procedures that the Funds use to vote proxies relating to a portfolio's securities is available, without charge, upon request by calling toll free 1-800-423-4026 or can be viewed online or downloaded from the EDGAR database on the U.S. Securities and Exchange Commission's ("SEC") internet website at <http://www.sec.gov>. In addition, information regarding how the Funds voted proxies relating to portfolio securities during the most recent 12-month period ended June 30, is available, without charge, upon request in writing or by calling 1-800-423-4026 and on the SEC's internet website at <http://www.sec.gov>.

The Funds file their complete schedule of portfolio holdings with the SEC on Form N-Q for the first and third quarters of each fiscal year. The Funds' Form N-Q is available on the SEC's website at <http://www.sec.gov>; and may also be reviewed and copied at the SEC's Public Reference Room in Washington D.C. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. The schedule of portfolio holdings is available, without charge, upon request in writing or by calling 1-800-423-4026.

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