



December 21, 2011

RE: First Investors Family of Mutual Funds
Cost Basis Reporting Information

To Whom It May Concern:

As you know the IRS is imposing new cost basis reporting requirements for certain mutual fund shares which are sold on or after January 1, 2012. This letter is to communicate some important information regarding cost basis as it relates to the First Investors Family of Mutual Funds.

- The attached letter regarding cost basis was included with our third quarter statements. A similar letter will be included with our fourth quarter statements as well. Please take the time to read the letter as it contains important information regarding our Default Method.
- Effective with Fund/SERV trades placed on January 1, 2012, Administrative Data Management Corp., the Transfer Agent for the First Investors Family of Mutual Funds, will be responsible for all Form 1099-B reporting with the exception of Network Level 3 accounts. You will continue to be responsible for 1099-B reporting for trades placed on Network Level 3 accounts.
- Cost Basis method elections will only be accepted in writing directly from clients. We have developed a form entitled First Investors Mutual Funds Cost Basis Method Election Form for this purpose. Brokers may obtain a copy of the form for their clients through our website firstinvestors.com or by contacting 1-800-524-2803.
- Effective January 1, 2012 our system will process all non-retirement exchanges and redemptions (except Network Level 3 accounts) based on the cost basis method elected in writing by the client. If no election is on file, trades will be processed using the funds' Default Method of Average Cost.
- Cost Basis indicators which may be available for use through Fund/SERV or Networking will be will not be accepted by our system.
- First Investors is currently not participating in Depository Trust & Clearing Corporation's (DTCC's) Cost Basis Reporting Service (CBRS); therefore, we will be sending and receiving paper Transfer Statements.
 - Please provide us with the mailing information and contact information that we should use for sending outgoing paper Transfer Statements.

- Incoming paper Transfer Statements should be sent to the following address:

For overnight mail:

First Investors
c/o Administrative Data Management
Attention: Transfer Reporting
Raritan Plaza 1
8th Floor
Edison, NJ 08837-3620

For regular mail:

First Investors
c/o Administrative Data Management
Attention: Transfer Reporting
P.O. Box 7837
Edison, NJ 08818-7837

- Please provide us with the contact information we should utilize should a paper Transfer Statement not be received from your firm within 15 days of a transfer from a Level 3 account.

Thank you for taking the time to review this important information and for forwarding it to your Brokers and Operations Personnel. Should you have any questions, please contact our Dealer Services Department at 1-800-524-2803.

Sincerely,



Elizabeth Reilly
Vice President



Cost Basis Information Regarding First Investors Mutual Funds

The Internal Revenue Service ("IRS") implemented new Form 1099-B reporting requirements on the redemption of mutual fund shares that are purchased on or after January 1, 2012. First Investors will be required to report holding period and cost basis information to the IRS on this Form for Covered Share redemptions. A Covered Share is generally a mutual fund share purchased on or after January 1, 2012 for a non-retirement account other than a money market or Education Savings Account.

For shares subject to cost basis reporting requirements, First Investors utilizes the Average Cost¹ of shares to determine your gain or loss when shares are sold. **Unless you instruct us to use a different method either prior to or when you request a redemption, we will continue to use the Average Cost basis method for all shares that are redeemed.** However, we will not report the gain or loss to the IRS for any Uncovered Shares. An Uncovered Share is any fund share that is purchased prior to January 1, 2012 and any share for which we do not have accurate basis information. For all redemptions, Uncovered Shares will be redeemed first, followed by Covered Shares, unless you instruct us to sell specific shares either prior to or when requesting a redemption.

If you would like to select a cost basis method other than the First Investors Average Cost Default Method, please call your registered representative or our Client Relations Department to request a First Investors Mutual Funds Cost Basis Method Election Form. One form will cover all non-retirement accounts that are held under your Customer Number. We will apply either our default method or the one you have chosen for all redemptions in 2012 and thereafter, including transactions such as automated redemptions, exchanges, and fees debited from your account. Once Covered Shares are sold in an account using the Average Cost basis method, any change in your basis method will only be made prospectively.

Please note that you are responsible for complying with the IRS rules regarding cost basis. We urge you to consult with your qualified tax advisor to determine the cost basis method that best suits your needs.

Thank for you being a valued customer of First Investors. If you have any questions please contact your registered representative or our Client Relations Department at 1-800-423-4026. We will be happy to assist you.

¹ The Average Cost is calculated by dividing the total fund investments (including reinvested dividends and capital gains) by the number of shares purchased to obtain one price per share.

First Investors Mutual Funds Cost Basis Method Election Form

**For Non-Retirement Accounts
(excluding ESA accounts & Cash Management Fund accounts)**



Use this form to elect or change the cost basis calculation method on your Covered Shares. A Covered Share is generally a fund share purchased on or after January 1, 2012 for a non-retirement account other than a money market or Education Savings Account. Your cost basis calculation method will be effective on the date this form is received in good order until a different method is selected.

1. Customer Information:

Name of Customer #1 (print)

Last 4-digits of Social Security Number for Customer #1

Name of Customer #2, if applicable (print)

Last 4-digits of Social Security Number for Customer #2

Customer Number

2. Method Selection: *(Please check one only.)*

I/We hereby authorize future share redemptions from my/our First Investors Customer Number referenced above be processed in the following manner:

- Average Cost Basis Method** (First Investors default method) which I/we understand means first selling all Uncovered Shares followed by the oldest Covered Shares. An Uncovered Share is any fund share that is purchased prior to January 1, 2012 and any share for which we do not have accurate basis information.
- First in First Out (FIFO) Method** which I/we understand means first selling all shares in the Account which are Uncovered followed by the oldest Covered Shares.
- High in First Out (HIFO) Method** which I/we understand means first selling all shares in the Account which are Uncovered followed by the Covered Shares for which the highest price was paid.
- Last in First Out (LIFO) Method** which I/we understand means first selling all shares in the Account which are Uncovered followed by the Covered Shares which were purchased most recently.
- Specific Share Identification Method** which I/we understand means that I/we will specifically identify which shares are to be sold for all redemptions processed in the Account. If the specific shares I instruct you to redeem have already been sold, I authorize you to sell Uncovered Shares first followed by the Covered Shares on a FIFO basis. Further, if a redemption is processed in the account for which shares are not specifically identified, i.e. shares redeemed as a result of a systematic withdrawal or to pay certain account fees, I authorize you to sell Uncovered Shares first followed by the Covered Shares on a FIFO basis.

3. Customer(s) Signature(s):

I/We understand that cost basis reporting is a complex matter and if necessary have contacted my/our qualified tax advisor for assistance. First Investors Corporation has not given me any advice regarding this matter. I/We understand that this method selection will remain in effect until another method is selected. I/We agree to indemnify and hold harmless FIC, its affiliates, and each of its and their officers, directors, employees and agents, managers and representatives, the successors/assigns of any of them, from any and all losses, damages or liabilities incurred from acting upon these instructions.



Signature of Customer #1

Date



Signature of Customer #2, if applicable

Date