Insights

The Four Pillars of Our Investment Approach

First Eagle's Global Value team has adopted the value investment philosophy first developed by Benjamin Graham and later refined by Warren Buffett. The key principle is the purchase of shares in what we believe to be well-positioned, well-managed and well-capitalized companies when they are trading at a discount to the team's estimate of their intrinsic value—a discount known as a "margin of safety." The team's bottom-up, fundamental, benchmark agnostic approach rests on four pillars.

Security Selection

The Global Value team looks for companies with strong balance sheets, sustainable earnings and careful management stewardship that are under a temporary cloud.

Even when equity prices in general are quite full, not every stock is at a new high. In fact, around the globe and across industries, there may be individual companies that have, for one reason or another, gone through their own bear markets. We focus on those that have proved resilient when business conditions were challenging. Having identified such companies, we commit capital only where we see a meaningful "margin of safety" in price. A margin of safety is the difference between our estimate of the intrinsic value of a security and the price at which it is selling.

We construct our portfolio from the bottom up, one security at a time, without regard to benchmarks. If an entire sector or geographic region has no securities that meet our criteria, we have the flexibility to avoid it. As illustrated in Exhibit 1, this approach has helped us to minimize our exposure to the largest market bubbles of the past 30 years.

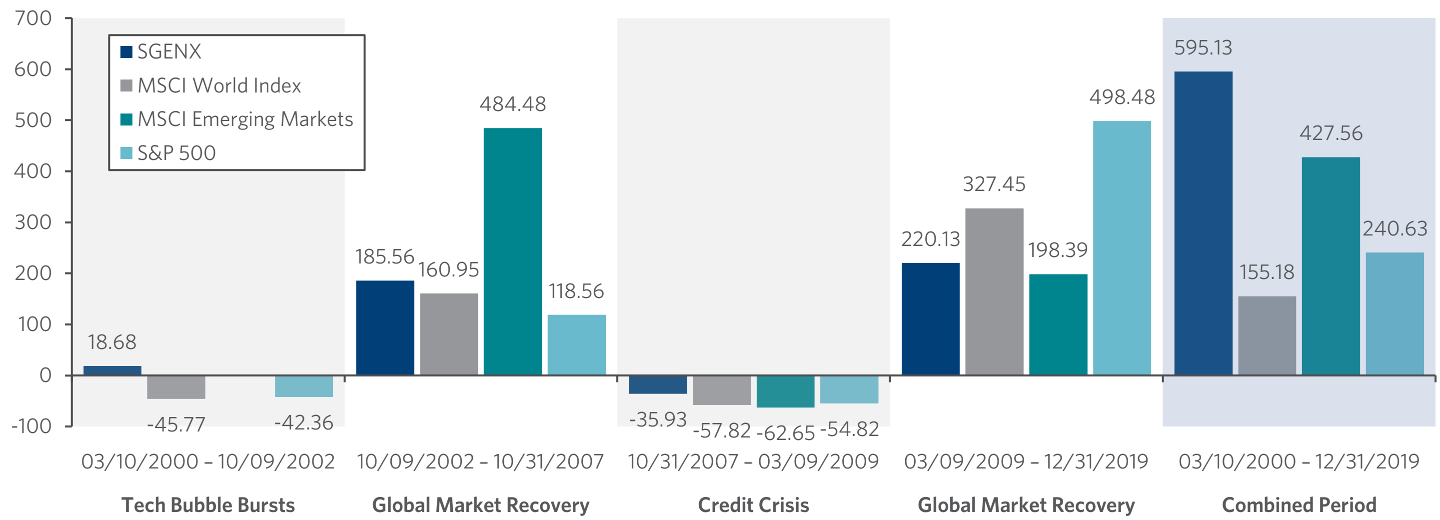
Exhibit 1: What We Seek to Avoid

	First Eagle Global Fund	MSCI World Index
December 31, 1988 in Japan	0.0%	44.1%
December 31, 1999 in Tech/Telecom	<5.0%	32.5%
December 31, 2006 in Financials[1]	<2.0%	26.4%

- High valuations
- High levels of leverage
- Vulnerable business models
- Aggressive management behavior

1. Excludes holding companies.
Source: FactSet.

Cumulative Total Returns in USD as of 12/31/2019 (%)



The information shown is only for the time periods indicated. Performance for other periods may differ, possibly significantly. Data for MSCI Emerging Markets for Tech Bubble Bursts is not available. Data for MSCI Emerging Markets for the Combined Period reflects 1/1/2001 – 12/31/2019.

Performance data quoted herein represents past performance and does not guarantee future results. Market volatility can dramatically impact the funds' short-term performance. Current performance may be lower or higher than figures shown. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Past performance data through the most recent month end is available at www.feim.com or by calling 800.334.2143. Performance information is for Class A Shares without the effect of sales charges and assumes all distributions have been reinvested and if a sales charge was included values would be lower.

The portfolio is actively managed and is subject to change. The above are not investment guidelines or restrictions. Prior to January 1, 2000, the strategy was managed by the strategy's senior adviser while he served as the portfolio manager at a firm different from First Eagle Investment Management, LLC.

Use of Cash & Cash Equivalents

When shares of attractive companies are unavailable at prices it considers acceptable, the team holds cash[2] and waits until it can once again identify good stocks selling at good prices. Cash is viewed as deferred purchasing power.

Waiting patiently in cash is quite unusual in our industry; most investment managers feel obliged to remain fully invested at all times. But if we are going to commit capital only when we can buy what we believe to be the right kind of company at the right kind of price, there will be times when these opportunities are scarce. For us, cash is a residual of a disciplined, bottom-up investment approach. It tends to build in strong bull markets and to shrink as it is deployed in windows of market distress.

Exhibit 2 represents the historical evolution of First Eagle Global Fund's cash allocation. In periods when the market appeared overvalued, such as July 2007, the cash position expanded. In periods of market distress, such as June 2009, we deployed our cash to take advantage of more abundant opportunities.

2. References to "cash" encompass both cash and cash equivalents, such as commercial paper.

Exhibit 2: Cash and Cash Equivalents[3] as Deferred Purchasing Power

Historical Evolution of the Global Fund's Cash Allocation[4]

As market valuations rise, cash may build

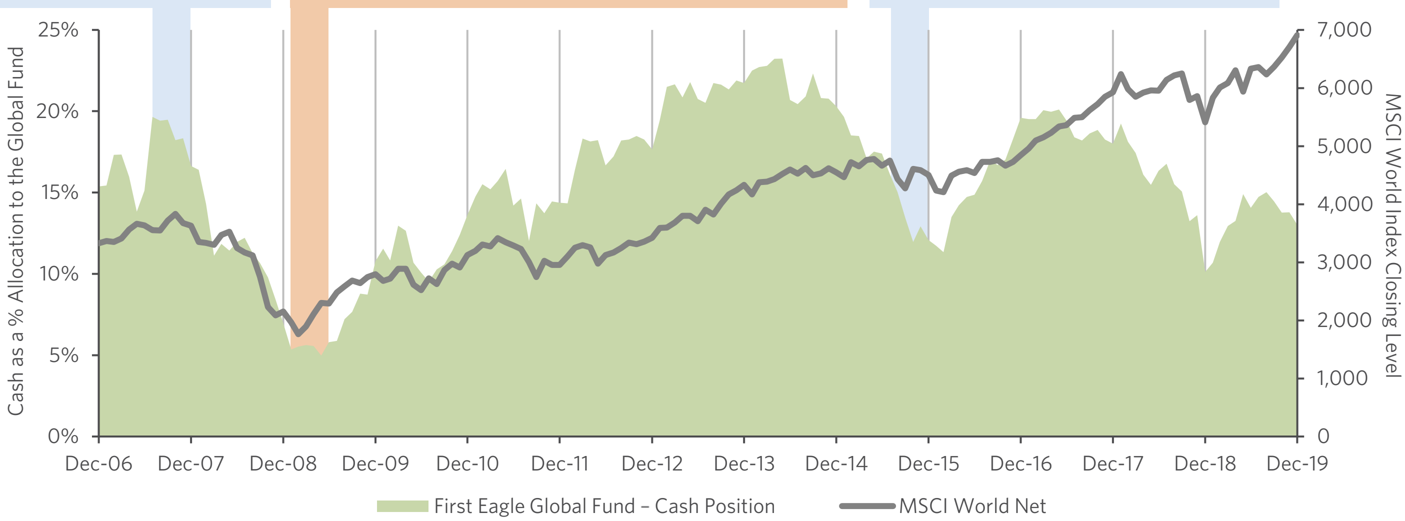
- If we cannot find opportunities to invest in quality businesses trading at what we feel is an appropriate discount to their intrinsic value, we will hold cash as deferred purchasing power.

We may deploy cash into windows of opportunity

- A cash position may allow us to take advantage of market distress without becoming forced sellers of our securities at a time when we consider them to be undervalued.
- In early 2009 our cash position fell to nearly 5% as we considered value opportunities to be more apparent following the financial crisis.

A narrowing market provides opportunity

- In 2015, a small group of stocks scored strong gains while many other stocks languished. When companies of interest fell to price levels below our estimate of intrinsic value, we put our cash to work.



3. Cash equivalents represents commercial paper, money market funds, net payables/receivables, currencies and US Government T-Bills.

4. For illustrative purposes only. Not meant to compare performance of the Fund or the MSCI World Index to any performance on cash and cash equivalents. The Fund may (but is not required to) temporarily hold cash and cash equivalents up to 100% of its assets. In such a case, the Fund may not be able to pursue, and may not achieve, its investment objective. It is impossible to predict whether, when or for how long the Fund will employ defensive strategies.

Source: FactSet. Data as of 12/31/2019.

Gold as a Potential Hedge

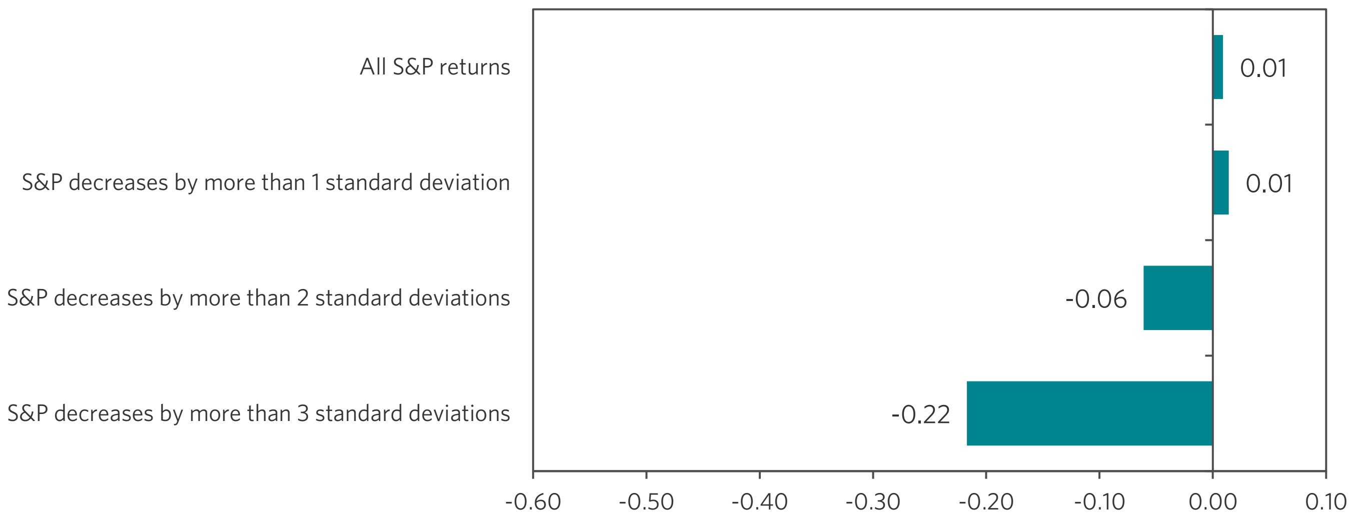
In its strategies, the team maintains a structural allocation to gold as a potential hedge against extreme market outcomes.

Since 1971, when gold began to trade freely, it has served as a potential hedge against extreme drawdowns in equities. As illustrated in Exhibit 3, the overall correlation between gold and equities is roughly zero (top bar). But when equities fall sharply, gold and stocks are negatively correlated, which means the price of gold rises. The steeper the decline in the S&P 500, the stronger the rise in the gold price.

We think it is prudent to own some gold as a potential hedge.

Exhibit 3: Gold as a Potential Hedge

Correlations between gold and the S&P 500 Index when the Index decreases by several standard deviations



Source: Bloomberg, World Gold Council, Aug-1971 to Mar-2020 from weekly data.

Past performance does not guarantee future results.

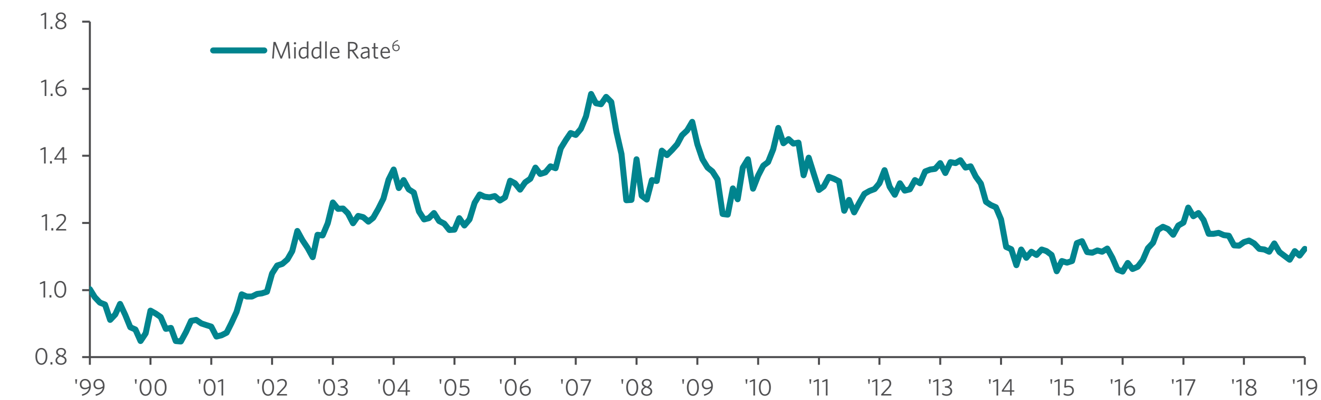
Currency Management

Dedicated to investing globally, the team believes that a thoughtful approach to currencies—holding some investments in undervalued currencies and selectively hedging positions in overvalued currencies—may help both to preserve wealth and to generate real returns.

In a world where interest rates have gone toward zero, or even below zero in many parts of the world, it is increasingly important to be mindful of risks that can arise in currency markets. We believe certain currencies are overvalued in real terms relative to their long-term historical norms. Where this does not seem to be due to their trade position or aggregate debt levels in those economies, we may hedge such currencies in order to preserve wealth. Conversely, in the case of other currencies we feel are materially undervalued relative to historical levels, we may hold investments on an unhedged basis because we believe we are being compensated and given the opportunity to diversify. Exhibit 4 illustrates how certain currencies can be volatile at times. Maintaining a thoughtful approach to managing currency is a way to potentially preserve wealth and generate real returns.

Exhibit 4: Currency Movement over Time

Price History: US Dollar per Euro



Price History: US Dollar per Yen

6. Middle rate is a term used to describe the average rate agreed upon when conducting foreign exchange. The middle rate is calculated using the median average of the bid and offer rates.

Source: FactSet. Date range from 12/31/1999 to 12/31/2019.

A Proven Approach

We have a history of independent thinking that has often carried us far from consensus Wall Street views. In an industry that is obsessed with quarterly performance, we maintain a long-term perspective and consider patience a key competitive advantage. We have sometimes waited ten years for the price of a stock we liked to fall to a level where we would buy it, and we have held some stocks in our portfolio for ten years before their prices converged with intrinsic value.

Striving, above all, to protect and grow investors' purchasing power over time, we believe that success is more a matter of avoiding losses than of seeking outsized gains. Reducing losses in down markets may add to long-term returns while at the same time diminishing investors' fears so they can stay in the market and, potentially, participate in the next upturn.

Cumulative Returns Since Inception

Allocation by Asset Class (%)* (as of 03/31/2020)

Global Fund

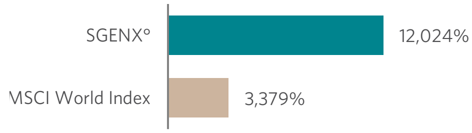
FUND OBJECTIVE:

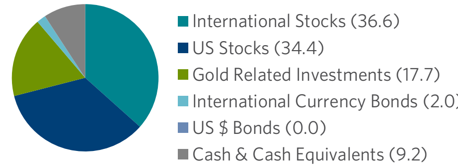
Seeks long-term growth of capital

APPROXIMATE RANGE OF HOLDINGS:

145-170

Inception Date (Class A): 01/01/1979†





Non-Equity Securities include Gold, Fixed Income, Cash and Cash Equivalents

Overseas Fund

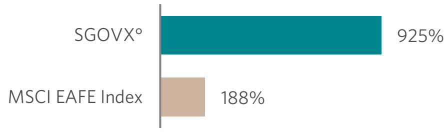
FUND OBJECTIVE:

Seeks long-term growth of capital

APPROXIMATE RANGE OF HOLDINGS:

100-150

Inception Date (Class A): 08/31/1993



Non-Equity Securities include Gold, Fixed Income, Cash and Cash Equivalents

U.S. Value Fund

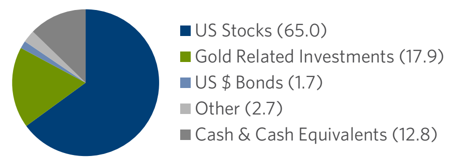
FUND OBJECTIVE:

Seeks long-term growth of capital

APPROXIMATE RANGE OF HOLDINGS:

50-100

Inception Date (Class A): 09/04/2001



Non-Equity Securities include Gold, Fixed Income, Cash and Cash Equivalents

Global Income Builder Fund

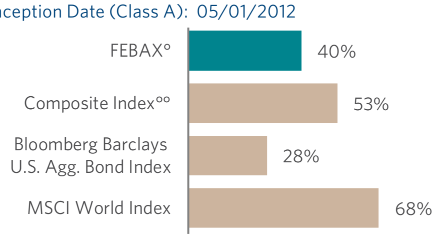
FUND OBJECTIVE:

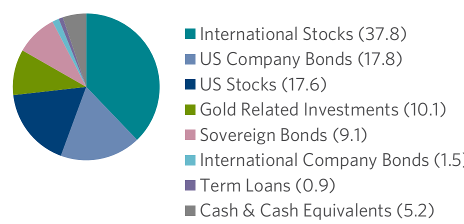
Seeks current income and long-term growth of capital

APPROXIMATE RANGE OF HOLDINGS:

150-200

Inception Date (Class A): 05/01/2012





Non-Equity Securities include Gold, Fixed Income, Cash and Cash Equivalents

* Percentages may not equal 100% due to rounding.

° Without sales charge. If sales charge was included performance would be lower.

°° The composite index consists of 60% of the MSCI World Index and 40% of the Bloomberg Barclays U.S. Aggregate Bond Index.

† The Fund commenced operation April 28, 1970. Performance for periods prior to January 1, 2000 occurred while a prior portfolio manager of the Fund was affiliated with another firm. Inception date shown is when this prior portfolio manager assumed responsibilities.

Performance data quoted herein represents past performance and does not guarantee future results. Market volatility can dramatically impact the funds' short-term performance. Current performance may be lower or higher than figures shown. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Past performance data through the most recent month end is available at www.feim.com or by calling 800.334.2143. Performance information is for Class A Shares without the effect of sales charges and assumes all distributions have been reinvested and if a sales charge was included values would be lower.

Average Annual Returns as of 03/31/2020 (%)

			YTD	1 Year	5 Years	10 Years	Expense Ratio Gross†	Expense Ratio Net†
First Eagle Global	Class A | SGENX	w/o sales charge	-19.50	-11.96	1.49	5.18	1.11	--
		w sales charge	-23.52	-16.36	0.46	4.64		
First Eagle Overseas	Class A | SGOVX	w/o sales charge	-17.70	-10.27	0.32	3.80	1.15	--
		w sales charge	-21.82	-14.75	-0.71	3.27		
First Eagle U.S. Value	Class A | FEVAX	w/o sales charge	-21.57	-15.24	1.78	5.70	1.16º	1.11
		w sales charge	-25.50	-19.47	0.74	5.15		

			YTD	1 Year	5 Years	Since Inception (05/01/12)	Expense Ratio Gross†	Expense Ratio Net†
First Eagle Global Income Builder	Class A | FEBAX	w/o sales charge	-15.78	-10.10	1.38	3.60	1.18	--
		w sales charge	-19.97	-14.57	0.36	2.93		

The performance data quoted herein represents past performance and does not guarantee future results. Market volatility can dramatically impact the fund's short-term performance. Current performance may be lower or higher than figures shown. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Past performance data through the most recent month end is available at www.feim.com or by calling 800.334.2143. The average annual returns for Class A Shares "with sales charge" of First Eagle Global, Overseas, U.S. Value, and Global Income Builder give effect to the deduction of the maximum sales charge of 5.00%.

For the First Eagle Global Income Builder and U.S. Value funds had fees not been waived and/or expenses reimbursed in the past, returns would have been lower.

† The annual expense ratio is based on expenses incurred by the fund, as stated in the most recent prospectus.

º These are the actual fund operating expenses prior to the application of fee waivers and/or expense reimbursements. The Adviser has contractually agreed to waive its management fee at an annual rate in the amount of 0.05% of the average daily value of the Fund's net assets for the period through February 29, 2020. This waiver has the effect of reducing the management fee shown in the table for the term of the waiver from 0.75% to 0.70%.

The commentary represents the opinion of the Global Value team as of September 2019 and is subject to change based on market and other conditions. These materials are provided for informational purposes only. These opinions are not intended to be a forecast of future events, a guarantee of future results, or investment advice. Any statistics contained herein have been obtained from sources believed to be reliable, but the accuracy of this information cannot be guaranteed. The views expressed herein may change at any time subsequent to the date of issue hereof. The information provided is not to be construed as a recommendation or an offer to buy or sell, or the solicitation of an offer to buy or sell any fund or security.

There are risks associated with investing in securities of foreign countries, such as erratic market conditions, economic and political instability and fluctuations in currency exchange rates. These risks may be more pronounced with respect to investments in emerging markets.

The principal risk of investing in value stocks is that the price of the security may not approach its anticipated value or may decline in value.

All investments involve the risk of loss.

Funds that invest in bonds are subject to interest-rate risk and can lose principal value when interest rates rise. Bonds are also subject to credit risk, in which the bond issuer may fail to pay interest and principal in a timely manner, or that negative perception of the issuer's ability to make such payments may cause the price of that bond to decline.

The Fund invests in high-yield securities (commonly known as "junk bonds"), which are generally considered speculative because they may be subject to greater levels of interest rate, credit (including issuer default) and liquidity risk than investment-grade securities and may be subject to greater volatility. High-yield securities are rated lower than investment-grade securities because there is a greater possibility that the issuer may be unable to make interest and principal payments on those securities.

Investment in gold and gold related investments present certain risks, and returns on gold related investments have traditionally been more volatile than investments in broader equity or debt markets.

Bank loans are often less liquid than other types of debt instruments. There is no assurance that the liquidation of any collateral from a secured bank loan would satisfy the borrower's obligation, or that such collateral could be liquidated.

Income generation and dividends are not guaranteed. If dividend paying stocks in the Fund's portfolio stop paying or reduce dividends, the fund's ability to generate income will be adversely affected.

All investments involve the risk of loss.

The MSCI World Index is a widely followed, unmanaged group of stocks from 23 developed market countries and is not available for purchase. The index provides total returns in U.S. dollars with net dividends reinvested. One cannot invest directly in an index.

The MSCI All Country World Index captures large and mid cap representation across 23 Developed Markets and 24 Emerging Markets countries and is not available for purchase. One cannot invest directly in an index.

The Standard & Poor's 500 Index is a widely recognized unmanaged index including a representative sample of 500 leading companies in leading sectors of the U.S. economy and is not available for purchase. Although the Standard & Poor's 500 Index focuses on the large-cap segment of the market, with approximately 80% coverage of U.S. equities, it is also considered a proxy for the total market. The Standard & Poor's 500 Index includes dividends reinvested. One cannot invest directly in an index.

Investors should consider the investment objectives, risks, charges and expenses of a fund carefully before investing. The prospectus and summary prospectus contain this and other information about the fund, and may be obtained by contacting your financial advisor, visiting our website at www.feim.com or calling us at 800.334.2143. Please read the prospectus carefully before investing. Investments are not FDIC insured or bank guaranteed, and may lose value.

FIRST EAGLE
INVESTMENT MANAGEMENT

First Eagle Funds are offered by **FEF Distributors, LLC**, a subsidiary of First Eagle Investment Management, LLC, which provides advisory services.

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