Gold Fund

Market Overview

A positive third quarter for the price of gold masked considerable intra-period volatility.

After a flattish July, gold surged in August before a hawkish turn by the Federal Reserve put the brakes on the rally. Gold posted a 3.1% gain during the quarter, while the FTSE Gold Mines Index advanced 16.4%.[1]

A Bumpy Ride

After several years in which gold traded monotonically higher, movements in the metal's price have grown more nuanced since the outbreak of the Iran war in late February. Since then, gold has become more reactive to the variables that traditionally have influenced its price over the short term. Factors such as economic activity and inflation, the direction of real rates, geopolitical risk and fiscal dynamics had a push-pull effect throughout the quarter.

Among the drivers of gold's positive return in the quarter was the Treasury's mid-August announcement that it would expand its bond-buyback program from $2 billion per operation to at least $4 billion in response to the surge in longer-term Treasury bond yields. The new buybacks, which target securities with maturities of 10 years and longer, went into effect September 9. While the size of the intervention is minor in the context of the $32 trillion Treasury market, investors interpreted the announcement as a sign of policymaker concern about the country's fiscal position and ability to continue financing its massive debt—tailwinds for gold.[2]

However, an appearance by Federal Reserve Chair Warsh at the annual Jackson Hole Economic Symposium in late August cast a hawkish pall and served as a turning point in the gold price. Soon after, the Federal Open Market Committee in mid-September voted unanimously to increase the federal funds target rate by 25 basis points to a range of 3.75–4.00%. The dot plot of policymaker forecasts, meanwhile, suggests one more hike is likely before year end. Treasury yields legged still higher on the hawkish news, and the 10-year Treasury yield finished the quarter at around 5.3% while the two-year traded at 4.9%—levels not seen consistently since before the global financial crisis.[3]

The Fed's decision to hike rates was made easier by economic resilience. After limited growth in fourth quarter 2025, US real gross domestic product (GDP) accelerated in the first half of 2026, with the economy expanding at a rate of 2.5% and 2.2% in the first and second quarters, respectively, driven by business investment and consumer spending.[4] Momentum is expected to pick up still further, with the Atlanta Fed GDPNow estimate calling for 3.6% growth in the third quarter.[5]

We are also seeing improving growth in most parts of the world outside of the Middle East, where GDP growth estimates have returned to pre-Iran war levels.[6] Global economies in general have adjusted to energy supply shocks caused by the war by sourcing crude oil from other regions, drawing on strategic and commercial inventories, and some demand destruction and substitution. That said, energy prices remain elevated and inflation levels above target, prompting a policy response from a number of global central banks in addition to the Fed, including the European Central Bank, Bank of Japan and Reserve Bank of Australia.

Among the more constant supports for gold demand—both in 2026 and over the past several years—has been central banks as they diversify their reserves in an effort to hedge financial and geopolitical risks. After a sluggish start to 2026, central banks' appetite for gold has rebounded sharply; 289 tonnes of net gold purchases in the second quarter pushed the first half total to 345 tonnes, and initial reports from July and August remain constructive. Poland and China have been the most active buyers in 2026, while Turkey and Russia have led the sellers.[7] A recent survey by the World Gold Council showed that 89% of central bankers expect global gold reserves to increase in the next 12 months.[8]

Market Summary	3rd Quarter 2026
FTSE Gold Mines Index	+16.35%
MSCI World Index	+1.88%
S&P 500 Index	+2.30%
German DAX Index	+0.81%
French CAC 40 Index	-4.88%
Nikkei 225 Index	-4.10%
Brent Crude Oil	+41.98% $103.53 a barrel
Gold	+3.73% $4,157.41 an ounce
US Dollar	-1.23% vs. yen +1.44% vs. euro

Source: Bloomberg, WM/Reuters.

1. Source: Bloomberg; data as of September 30, 2026.
2. Source: Financial Times; data as of August 20, 2026.
3. Source: Federal Reserve Bank of St. Louis; data as of September 30, 2026.
4. Source: US Bureau of Economic Analysis; data as of September 30, 2026.
5. Source: Federal Reserve Bank of Atlanta; data as of October 8, 2026.
6. Source: Bloomberg; data as of September 30, 2026.
7. Source: World Gold Council; data as of October 6, 2026.
8. Source: World Gold Council; data as of June 16, 2026.

Fund flows for physically backed gold exchanged-traded funds (ETFs), which measure investment demand from both institutional and individual investors, amounted to $31 billion in the third quarter, a new record. This trend is somewhat unusual; ETF flows tend to lag changes in the price of gold, and it is odd to see flows persist throughout the year even as gold pulled back from all-time highs. ETF demand during the period was led by investors in the US and the UK. The UK is the flow leader year-to-date; notably, these inflows have coincided with a rising gilt term premium and may be reflective of investor concerns about a complicated fiscal backdrop.[9]

More Signals Ahead

It remains to be seen whether we have entered a prolonged hiking cycle or if this hike represented a one-off that will be followed by more "data-dependent" decisions moving forward. While we view additional rate hikes as possible, the deliberate lack of formal Fed guidance under the Warsh regime makes policy trajectory difficult to assess.

With or without another Fed move, however, the fourth quarter figures to be an eventful one. Not least of the new variables to digest is the November election in the US that will decide the balance of Congress and potentially provide some insight into the trajectory of trade policy, domestic spending and the Iran war.

9. Source: World Gold Council; data as of October 7, 2026.

Portfolio Review

Gold Fund A Shares (without sales charge*) posted a return of 12.57% in third quarter 2026. Gold bullion and gold-related equities both contributed to performance. The Gold Fund underperformed the FTSE Gold Mines Index in the period.

The strongest performers included DPM Metals Inc., Wheaton Precious Metals Corp, Newmont Corporation, gold bullion and Northern Star Resources Ltd.

DPM Metals (formerly Dundee Precious Metals) is a junior miner headquartered in Canada with assets in Bulgaria, Bosnia and Herzegovina, Serbia, and Ecuador. Shares of the company were bolstered during the quarter by supportive global gold prices and operational success. Overall production was near the upper end of guidance. DPM's new Vareš silver-gold mine in Bosnia and Herzegovina exceeded initial production expectations during the quarter and reached commercial production in August 2026. The company has judiciously allocated capital to transition from a single-asset play to the owner/operator of multiple concentric high-margin properties in the Baltics.

Shares of Wheaton, a Canadian streaming and royalty company, were strong during the quarter on record first-half financial results bolstered by rising precious metals prices. The finalization of its silver streaming agreement with BHP related to the Antamina mine in Peru effectively doubles Wheaton's attributable silver production from that mine while solidifying its overall long-term organic growth profile.

Newmont is one of the world's largest gold miners and a major producer of silver. During the quarter, the company resolved a dispute over its Nevada Gold Mines joint venture with Barrick Gold, which removed an overhang on the stock. We remain constructive on Newmont's strong fundamentals and commitment to returning capital to shareholders.

Reflecting positive dynamics for gold pricing, only two holdings in the portfolio detracted during the quarter: Orla Mining Ltd. and Pan American Silver Corp Contingent Value Rights 2019-22.02.29. Other laggards included Fresnillo PLC, Equinox Gold Corp. and Pan American Silver Corp.

Orla Mining, a junior Canadian producer, was delisted during the quarter following its acquisition by Equinox Gold. The transaction combined Orla's portfolio—including the Musselwhite mine in Canada, the Camino Rojo mine in Mexico and the South Railroad project in Nevada—with Equinox's operating gold assets to create a major North American senior gold producer. The combined entity carries the Equinox Gold name and is led by Orla's former CEO Jason Simpson.

Fresnillo is a large gold and silver producer with headquarters in London and mines in Mexico. Despite higher revenues and reduced capital expenditures, the company confronted rising operational costs during the quarter. Additionally, shaft/infrastructure integration issues at the Saucito silver mine derailed production. We continue to regard Fresnillo as a high-quality precious metal producer with a strong balance sheet to cushion transitions through production challenges.

Pan American Silver is a Canadian mining company with large silver endowments and a diversified portfolio of producing mines. We hold small positions in both its contingent value rights (CVRs) and equity. Price changes in the company's CVRs reflect expectations of the prospective reopening of the company's shuttered Escobal silver mine in Guatemala, which remains on care and maintenance pending compliance with Indigenous consultation guidelines.

* Performance 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.

Trailing Returns

Data as of 30-Sep-2026

	Calendar YTD	1 Year	3 Years	5 Years	10 Years	Inception	Gross Expense Ratio[1]	Fund Inception Date
First Eagle Gold Fund Class A (SGGDX) w/o load	2.22%	18.53%	42.38%	23.56%	12.80%	8.12%	1.14%	Aug 31, 1993
First Eagle Gold Fund Class A (SGGDX) w/ load	-2.89%	12.61%	39.97%	22.30%	12.23%	7.95%	1.14%	Aug 31, 1993
FTSE Gold Mines Index	1.21%	15.97%	51.97%	24.45%	12.31%	3.32%		

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.firsteagle.com or by calling 800-334-2143. The average annual returns are historical and reflect changes in share price, reinvested dividends and are net of expenses. "With sales charge" performance for Class A Shares gives effect to the deduction of the maximum sales charge of 3.75% for periods prior to March 1, 2000, and of 5.00% thereafter. The average annual returns for Class C Shares reflect a CDSC (contingent deferred sales charge) of 1.00% in the year-to-date and first year only. Class I Shares require $1MM minimum investment and are offered without sales charge. Class R6 Shares are offered without sales charge. Operating expenses reflect the Fund's total annual operating expenses for the share class as of the Fund's most current prospectus, including management fees and other expenses.

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

Investments are not FDIC insured or bank guaranteed and may lose value.

Risks

All investments involve the risk of loss of principal.

Diversification does not guarantee investment returns and does not eliminate the risk of loss.

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. Investment in **gold and gold-related investments** present certain risks, including political and economic risks affecting the price of gold and other precious metals like changes in US or foreign tax, currency or mining laws, increased environmental costs, international monetary and political policies, economic conditions within an individual country, trade imbalances and trade or currency restrictions between countries. The price of gold, in turn, is likely to affect the market prices of securities of companies mining or processing gold and, accordingly, the value of investments in such securities may also be affected. Gold related investments as a group have not performed as well as the stock market in general during periods when the US dollar is strong, inflation is low and general economic conditions are stable. In addition, returns on gold related investments have traditionally been more volatile than investments in broader equity or debt markets. Investment in gold and gold related investments may be speculative and may be subject to greater price volatility than investments in other assets and types of companies. Funds whose investments are **concentrated in a specific industry or sector** may be subject to a higher degree of risk than funds whose investments are diversified and may not be suitable for all investors.

Definitions

Federal funds rate is the interest rate at which depository institutions (banks and credit unions) lend reserve balances to other depository institutions overnight on an uncollateralized basis. **Exchange-traded funds (ETF)** are listed investment vehicles that seek to provide exposure to a benchmark, index or actively managed strategy. **Gross domestic product (GDP)** measures the total value of all economic output in goods and services for an economy. **GDPNow** is a running estimate of real GDP growth based on available economic data maintained by the Federal Reserve Bank of Atlanta. It is not an official forecast of the Atlanta Fed.

MSCI World Index (Net) measures the performance of large and midcap equities across developed markets countries. A net-return index tracks price changes and reinvestment of distribution income net of withholding taxes. **FTSE Gold Mines Index** (Price) measures the performance of gold mining companies worldwide that have a sustainable, attributable gold production of at least 300,000 ounces a year and that derive 51% or more of their revenue from mined gold. A price-return index only measures price changes. **S&P 500 Index** (Gross/Total) measures the performance of 500 of the top companies in the leading industries of the US economy and is widely recognized as a proxy for the US market as a whole. A total-return index tracks price changes and reinvestment of distribution income. **Nikkei 225** is a price-weighted index composed of 225 stocks in the Prime Market of the Tokyo Stock Exchange. It is widely recognized as a proxy for the Japanese equity market as a whole. German **DAX® Index** measures the performance of the 40 largest companies listed on the Frankfurt Stock Exchange that fulfil certain minimum quality and profitability requirements. It is widely recognized as a proxy for the German equity market as a whole. **CAC 40® Index** is a free-float market capitalization-weighted index that measures the performance of the 40 largest and most actively traded shares listed on Euronext Paris.

Indexes are unmanaged and do not incur management fees or other operating expenses. One cannot invest directly in an index.

These holdings represent the top five contributors and detractors to performance for the First Eagle Gold Fund as of 09/30/2026: DPM Metals, Inc. 6.65%; Wheaton Precious Metals Corp 12.27%; Newmont Corporation 9.16%; gold bullion 24.46%; Northern Star Resources Ltd 3.20%; Orla Mining Ltd 0.00%; Pan American Silver Corp Contingent Value Rights 2019-22.02.29 0.06%; Fresnillo plc 0.83%; Equinox Gold Corp. 1.02%; Pan American Silver Corp. 2.08%.

Additional Disclosures

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The Fund may invest in gold and precious metals through investment in a wholly-owned subsidiary of the Fund organized under the laws of the Cayman Islands (the "Subsidiary"). Gold Bullion and commodities include the Fund's investment in the Subsidiary.

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