Gold Fund

Market Overview

The selloff in gold that began in the first quarter accelerated in the second as markets anticipated tighter monetary policy.

A brief April rebound dissipated quickly, and gold experienced its worst quarter in several years. Gold lost 14.1% during the period and is now off more than 25% from the all-time nominal high set in January. The FTSE Gold Mines Index fell 17.0%.[1]

Market Summary	2nd Quarter 2026
FTSE Gold Mines Index	-16.97%
MSCI World Index	+13.76%
S&P 500 Index	+15.20%
German DAX Index	+10.21%
French CAC 40 Index	+10.09%
Nikkei 225 Index	+37.35%
Brent Crude Oil	-38.39% $72.92 a barrel
Gold	-14.14% $4,008.02 an ounce
US Dollar	+2.16% vs. yen +0.78% vs. euro

Source: Bloomberg, WM/Reuters.

Policy Concerns Weigh on Gold

Gold's remarkable rally over the past two-plus years appeared to culminate with the outbreak of the Iran war. In retrospect, it appears that gold had been steadily pricing in the risk of a large-scale geopolitical event such as this. Once this risk was realized, it was not surprising to see the metal trade lower, especially given the likely macroeconomic impacts of the war—namely, higher inflation as a result of a disruption to the energy supply, resulting in more hawkish central banks and higher interest rates.

In fact, for much of the early part of the second quarter, gold demonstrated an inverse relationship with changes in the price of crude oil, weakening as crude rallied and strengthening as crude prices eased. Gold and crude decoupled as the period wore on, however, and expectations of tighter Federal Reserve policy appeared to take over as the primary driver of the gold price.

Hot inflation readings for April and May combined with resilient consumer spending and retail sales prompted hawkish concerns in the market, and these were underscored by messaging from new Federal Open Market Committee Chair Kevin Warsh, who took over for Jerome Powell in May. While Warsh's nomination for the role in March initially had some observers questioning his ability to lead the central bank independent of President Trump's rate-cutting influence, sentiment regarding his credibility has since shifted markedly. While it remains to be seen if Warsh's credibility is merely enjoying a honeymoon period at the start of his term, his consistently hawkish tone has helped push two-year yields and the dollar higher and gold lower. Notably, market-based expectations of US interest rates have continued to climb even as those for other major economies generally moderated.[2]

While we view rate hikes as possible based on Warsh's rhetoric, the deliberate lack of formal Fed guidance under the new regime makes policy trajectory difficult to assess. Further, as credible as Warsh may be, he doesn't have the same degree of policy flexibility that many of his predecessors had given today's fiscal situation. The ability to increase interest rates meaningfully in the face of inflationary pressures is likely constrained by the government's need to continually roll over its very large primary deficit at prevailing higher interest rates.

Though buying in the first half of 2026 is off the breakneck pace of recent years, central banks have continued to be a source of support for gold demand as they diversify their reserves in an effort to hedge financial and geopolitical risks. Central banks bought 244 tonnes of gold in the first quarter, and subsequent monthly readings suggest buying remained healthy, with Poland, Uzbekistan and China the most active buyers.[3] 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.[4]

Data around demand for physically backed gold ETFs, which measures investment demand from both institutional and individual investors, are accessible on a more timely basis than central bank activity. While gold ETFs saw outflows in March, May and June, they remained positive on a year-to-date basis, with particular strength in Asia.[5]

Return to the Mean

The price of gold had more than doubled over the preceding two years in response to rising geopolitical risk, and a correction upon the realization of a priced-in risk is consistent with the pattern observed during similar supply shocks in the Middle East in the 1970s. And while gold's peak-to-trough decline has been significant, gold at current levels is near its 50-year geometric average relative to the amount of

1. Source: Bloomberg; data as of June 30, 2026.
2. Source: Bloomberg; data as of July 7, 2026.
3. Source: World Gold Council; data as of April 2, 2026.
4. Source: World Gold Council; data as of June 16, 2026.
5. Source: World Gold Council; data as of June 30, 2026.

Treasury debt outstanding.[6] We would argue, however, that the quality of Treasuries is not at its 50-year average given the country's massive primary deficit and what may be a structural shift higher in interest rates.

As demonstrated by its performance in the lead up to the Iran war, we believe gold is best suited as a strategic allocation against adverse events. Though risk perception in the markets remains low, the risks—persistent geopolitical turmoil and troubling government debt dynamics among them—haven't gone away. While the prospect of higher nominal interest rates in an inflationary environment may weigh on gold in the near term, we remain confident in the benefits of a strategic long-term allocation to gold as a potential hedge in diversified portfolios.

6. Source: Bloomberg; data as of June 30, 2026.

Portfolio Review

Gold Fund A Shares (without sales charge*) posted a return of -16.62% in second quarter 2026. Gold bullion and gold-related equities both detracted from performance. The Gold Fund outperformed the FTSE Gold Mines Index in the period. Reflecting negative dynamics for gold pricing, all positions in the First Eagle Gold Fund this quarter detracted. The strongest performers included Pan American Silver Corp Contingent Value Rights 2019-22.02.29, Industrias Peñoles SAB de CV, B2Gold Corp., Fresnillo PLC and Ora Banda Mining Ltd.

Leading contributors in the First Eagle Gold Fund this quarter included Pan American Silver Corp Contingent Value Rights 2019-22.02.29, Industrias Peñoles SAB de CV, B2Gold Corp., Fresnillo plc and Ora Banda Mining Ltd.

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.

A subsidiary of Grupo BAL, Peñoles is a world leader in refined silver production and a top producer of gold, zinc and lead in Mexico. Peñoles derives a significant portion of earnings from its 75% stake in the precious metals group Fresnillo. The company reported strong headline results during the quarter. Operating leverage and cost-cutting initiatives position Peñoles for continued margin expansion and cash flow growth.

B2Gold is a Canadian mining company that owns and operates gold mines in Mali, Namibia, the Philippines and Canada. Shares were strong during the quarter on the strategic asset sale of B2Gold's 70% stake in Fingold Ventures to Agnico. The company continued to demonstrate operational excellence as a fire at the Goose Project in Canada reduced production during the quarter but did not affect full-year targets. Additionally, B2Gold smoothly negotiated a transition in senior management.

The leading detractors in the quarter were gold bullion, Agnico Eagle Mines Limited, Wheaton Precious Metals Corp, Alamos Gold Inc. and Newmont Corporation.

The factors driving the performance of gold were discussed in detail in the Market Overview section of this report, and silver bullion was subjected to the same dynamics.

Agnico Eagle is the world's second-largest gold producer. Although the company reported record operational results for its most recent quarter, shares of Agnico traded down with gold bullion prices. We continue to like the company's strong balance sheet, healthy pipeline of projects, cost-efficient operations and focus on returning cash to shareholders.

Shares of Wheaton, a Canadian streaming and royalty company, were pressured during the quarter by lower precious metals prices and margin contraction at partner mines. Wheaton benefits from operational expertise and a consistent track record of robust cash flow conversion. Longer term, Wheaton's precious-metals streaming contract at the Antamina mine in Peru could prove transformational for the company. Wheaton's growth potential is supported by its strong balance sheet and recent seamless leadership transition.

* 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-Jun-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	-9.19%	41.39%	33.56%	18.64%	11.13%	7.79%	1.14%	Aug 31, 1993
First Eagle Gold Fund Class A (SGGDX) w/ load	-13.74%	34.33%	31.29%	17.42%	10.56%	7.62%	1.14%	Aug 31, 1993
FTSE Gold Mines Index	-13.02%	49.53%	38.03%	17.50%	9.92%	2.87%		

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 (ETFs) are listed investment vehicles that seek to provide exposure to a benchmark, index or actively managed strategy.**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 06/30/2026: Pan American Silver Corp Contingent Value Rights 2019-22.02.29 0.08%; Industrias Peñoles SAB de CV 1.12%; B2Gold Corp. 0.77%; Fresnillo plc 0.94%; Ora Banda Mining Ltd. 1.10%; gold bullion 24.74%; Agnico Eagle Mines Limited 7.05%; Wheaton Precious Metals Corp 11.06%; Alamos Gold Inc. 3.98%; Newmont Corporation 6.84%.

Additional Disclosures

This commentary represents the opinion of the First Eagle Gold strategy portfolio managers as of the date noted and is subject to change based on market and other conditions. The opinions expressed are not necessarily those of the entire firm. 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 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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