

# First Eagle Small Cap Equity ETF

**Ticker: FESC | Actively Managed ETF**

## Investment Objective

Seeks long-term growth of capital.

## Distinguishing Features

### True Small Cap Specialists

- The seasoned management team has deep experience leveraging opportunities offered by small-cap companies across market cycles.

### Catalyst-Driven Value

- The ETF employs in-house fundamental research in an effort to identify temporarily mispriced companies with potential catalysts for earnings-growth normalization.

### Volatility Leads to Potential Opportunity

- Small cap market inefficiencies can create attractive opportunities for disciplined active investors, and broad portfolio diversification helps mitigate potential downside in a volatile investment universe.

## Portfolio Management

Bill Hench

Suzanne Franks

Adam Mielnik

## Portfolio Characteristics

**Number of Holdings (Approximate)** 100–175

**Approach** Bottom-Up Fundamental Benchmark Agnostic

**Anticipated Portfolio Turnover (Annual)** 10–20%

**Benchmarks** Russell 2000 Value Index and Russell 2000 Index

**Net Fees<sup>1</sup>** 0.55%

**Gross Fees** 0.85%

The above are not investment guidelines or restrictions and are subject to change without notice. Not all companies held in this Fund will meet the criteria listed.

1. First Eagle Investment Management, LLC (the "Adviser") has contractually agreed to waive and/or reimburse certain fees and expenses so that the total annual fund operating expenses (excluding Acquired Fund Fees and Expenses ("AFFE"), brokerage commissions, extraordinary items, interest or taxes) ("annual operating expenses") is limited to 0.55% of the Fund's average daily net assets. These contractual limitations are in effect until June 30, 2027, and may not be terminated prior to that date without the approval of the Board of Trustees (the "Board") of First Eagle ETF Trust (the "Trust").

## Investment Process

### Narrow the Universe

- Universe of approximately 3,000 US small cap stocks
- Ideas sourced from management meetings, industry data, conferences, historical investment experience
- Seek companies with low price/book and price/sales

### Fundamental Research

- Identify companies facing transitory or fixable issues
- Determine Catalyst (including but not limited to):
  - New management
  - More favorable business cycle
  - Product innovation
  - Margin improvement

### Portfolio Construction

- Diversified with approximately 100–175 holdings
- Annual turnover expected to be 10–20%

## Risk Management—Stock & Portfolio Level

Actual portfolio characteristics may differ. The portfolio is actively managed and is subject to change. The above are not investment guidelines or restrictions.

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

**Investors should consider the investment objectives, risks, and charges and expenses of the First Eagle ETFs carefully before investing. The prospectus and summary prospectus contain this and other information about our funds and may be obtained by visiting our website at [www.firsteagle.com](http://www.firsteagle.com) or calling us at 844-422-3367. The prospectus or summary prospectus should be read carefully before investing.**

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#### **Risks**

**ETFs are subject to additional risks that do not apply to conventional mutual funds, including the risks that the market price of an ETF's shares may trade at a premium or discount to its net asset value, an active secondary trading market may not develop or be maintained, or trading may be halted by the exchange in which they trade, which may impact an ETF's ability to sell its shares. Shares of any ETF are bought and sold at market price (not NAV) and are not individually redeemed from the ETF. Brokerage commissions will reduce returns.**

All investments involve the risk of loss of principal.

The value and liquidity of portfolio holdings may fluctuate in response to events specific to the companies or markets, as well as economic, political or social events in the United States or abroad. During periods of market volatility, the value of individual securities and other investments at times may decline significantly and rapidly. The securities of small and micro-size companies can be more volatile in price than those of larger companies and may be more difficult or expensive to trade.

There are risks associated with investing in foreign investments (including depositary receipts). Foreign investments, which can be denominated in foreign currencies, are susceptible to less politically, economically and socially stable environments, fluctuations in the value of foreign currency and exchange rates, and adverse changes to government regulations.

A 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. "Value" investments, as a category, or entire industries or sectors associated with such investments, may lose favor with investors as compared to those that are more "growth" oriented.

**Russell 2000® Index** (Gross/Total) measures the performance of the small-cap segment of the US equity universe. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. A total-return index tracks price changes and reinvestment of distribution income.

**Russell 2000® Value Index** (Gross/Total) measures the performance of the small cap value segment of the US equity universe. It includes those Russell 2000 companies with relatively lower price-to-book ratios, lower I/B/E/S forecast medium term (two-year) growth and lower sales per share historical growth (five-year). A total-return index tracks price changes and reinvestment of distribution income.

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

**Price-to-book ratio (P/B)** compares a company's stock price to its book value per share.

**Price-to-sales ratio (P/S)** compares a company's stock price to its revenue per share.

**Past performance is not indicative of future results.**

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