



First Eagle Global Fund: Perennial Relevance

It's been said that quality endures. Inherent in this concept is that some are willing to assign greater value to items they believe possess certain hallmarks of quality—craftsmanship, consistency, timelessness—than to those of similar utility but lesser regard.

Evidence of such artisanal preference can be found across the consumer landscape, from leather goods to bicycle parts to clothing. Many of the brands that exemplify this paradigm virtually define the niches in which they operate and, perhaps most importantly, have been able to avoid the commodification of their aesthetic even as they've grown in prominence over time.

The First Eagle Global Fund, in our view, offers a similarly idiosyncratic and time-tested style of equity investment. The longest-standing fund in Morningstar's Global Allocation category with assets in excess of \$1 billion, the go-anywhere, benchmark-agnostic Global Fund targets real absolute returns across business cycles while seeking to avoid the permanent impairment of capital by investing in assets that demonstrate scarce quality and value.¹ We believe the fund's investment philosophy and track record represent a diversifying complement and source of long-term ballast in broadly diversified portfolios.

The Illusion of Choice

The job of the financial advisor has grown more complex in recent years, as changes in the industry have led many to adopt a more holistic approach to client relationships that emphasizes a range of comprehensive, high-touch services beyond portfolio construction. Given increasing demands on their time, a number of advisors have relinquished some or all of their asset allocation responsibilities to risk-based models and populated them primarily with passive investment vehicles that offer lower-cost exposure to market beta.

But while financial advisors have more investment tools at their disposal than ever before, does the abundance of largely homogenized options merely represent the illusion of choice?

The Global Fund seeks to offer financial advisors and their clients a truly differentiated source of risk and return. Selectivity is at the heart of our value-oriented investment process, and the flexibility of our mandate allows us to apply this selectivity to the global opportunity set from the bottom up. We look for assets we believe demonstrate scarce quality and value, and invest in them only when we can do so at a "margin of safety."² Cash holdings are a residual of this investment discipline and serve as a form of deferred purchasing power. Our stock selection is complemented by a structural allocation to gold—a store of value for millennia—as a potential hedge against extreme market outcomes.

1. Source: Morningstar; data as of September 30, 2024.

2. First Eagle defines "margin of safety" as the difference between a company's market price and our estimate of its intrinsic value. "Intrinsic value" is based on our judgment of what a prudent and rational business buyer would pay in cash for all of a company in normal markets.

Going Against the Grain

What constitutes true diversification can be hard to pin down in increasingly top-heavy markets. For example, while the S&P 500 Index is considered a proxy for the US equity market, the market capitalization of the 10 largest (primarily tech-related) stocks in the index comprise 36% of its total. Similarly, the MSCI World Index's weighting in US stocks exceeds 70%.³ Portfolios benchmarked to these indexes—either active or passive—likely have similar concentrations. How can advisors efficiently build and maintain diversified client portfolios given these dynamics?

Many of us on the Global Value team had the pleasure of working side by side with Jean-Marie Eveillard, who launched the Global Fund in 1979 and served as its portfolio manager until he retired in 2008. Of all the wisdom he shared, this is perhaps the most resonant: "I would rather lose half my shareholders than lose half of my shareholders' money."

Upside capture and downside mitigation have always been central to the Global Fund's investment strategy, and this mindset historically has provided resilience in the face of market downturns that occur more often than most appreciate—even during extended bull markets. The S&P 500 has experienced negative returns in 49 rolling five-year periods and 24 rolling 10-year periods since 1979, while the MSCI World has posted a respective 58 and 14. The Global Fund has had zero.⁴ Importantly, our focus on minimizing potential losses during periods of broad market weakness amplified the fund's potential upside during the subsequent recoveries, resulting in higher cumulative return with lower risk compared to the indexes as well as a range of Morningstar fund categories.⁵

The Global Fund's success in seeking to preserve capital can be at least partially attributed to our active avoidance of areas of the market—be it individual stocks, sectors or regions/countries—that don't meet our underwriting standards. While this historically has caused the fund to miss out on periodic sharp rallies concentrated in certain parts of the markets, it also has enabled us to sidestep the full brunt of the corrections that inevitably followed.

In fact, if you look at the fund's track record over time, key turning points in performance were the result of acts of omission: being out of Japan in the late 1980s, for example, and being largely out of technology in the late 1990s and financials in 2007 and 2008. Moreover, challenging markets historically have provided us with opportunities to buy fundamentally solid businesses at what we view as discount prices; that is, to plant seeds we were able to harvest when market conditions normalized.

Confront Uncertainty with the First Eagle Global Fund

The future is uncertain by definition. But as the investment horizon extends from weeks to months and from months to years, we believe the likelihood only increases that a meaningful threat to your clients' wealth will at some point emerge.

The Global Fund has a 40-plus-year track record of generating absolute returns while seeking to avoid the permanent impairment of capital—a performance profile we believe is foundational to effective long-term asset allocation.⁶ We build the portfolio from the bottom up, assembling a select group of assets that in our view are positioned to endure the inevitable vicissitudes of the business cycle, local and geopolitical turbulence, and the cumulative ravages of inflation and currency debasement.

In short, we seek quality. And we do so through an approach that mirrors the same characteristics we value in an investment—commitment to craft, consistency of discipline and intentional timelessness.

3. Source: S&P Global, MSCI; data as of June 30, 2024.

4. Source: FactSet; data as of December 31, 2023. Rolling periods calculated monthly. Global Fund returns based on A shares without sales charge. Values would be lower if a sales charge was included and assumes all distributions have been reinvested.

5. Source: FactSet; data as of March 31, 2024.

6. 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 referenced is when the prior portfolio manager assumed portfolio management responsibilities.

Average Annual Returns as of Sep 30, 2024

	YTD	1 Year	5 Years	10 Years	Since Inception	Expense Ratio*	Fund Inception
First Eagle Global Fund Class A (SGENX) w/o sales charge	18.28%	27.00%	9.67%	7.58%	12.47%	1.10%	Jan 1, 1979**
First Eagle Global Fund Class A (SGENX) w sales charge	12.36%	20.64%	8.55%	7.03%	12.34%	1.10%	Jan 1, 1979**
First Eagle Global Fund Class C (FESGX)	16.62%	25.03%	8.84%	6.77%	9.26%	1.86%	Jun 5, 2000
First Eagle Global Fund Class I (SGIIX)	18.49%	27.29%	9.94%	7.85%	10.22%	0.86%	Jul 31, 1998
First Eagle Global Fund Class R6 (FEGRX)	18.55%	27.39%	10.02%	--	8.40%	0.79%	Mar 1, 2017
MSCI World Index	18.86%	32.43%	13.04%	10.07%	9.89%		

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

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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 firsteagle.com or by calling 800-334-2143. The average annual returns for Class A Shares "with sales charge" of First Eagle Global Fund give effect to the deduction of the maximum sales charge of 5.00%.

Class I Shares require \$1MM minimum investment, and are offered without sales charge. Class R6 Shares are offered without sales charge. 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 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.

The annual expense ratio is based on expenses incurred by the Fund, as stated in the most recent prospectus. The opinions expressed are not necessarily those of the firm.

The opinions expressed are not necessarily those of the 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 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 to buy, hold or sell or the solicitation or an offer to buy or sell any fund or security.

Past performance is not indicative of future results.

Risk Disclosures

All investments involve the risk of loss of principal.

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.

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.

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.

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

Definitions

Beta measures an investment's price volatility relative to that of the overall market. **Bull market** is generally defined as a period during which a securities market index rises by 20% or more. A **Morningstar category** reflects a cohort of portfolios determined by Morningstar to share certain investment characteristics based on their holdings. **Global allocation** portfolios seek to provide both capital appreciation and income by investing in three major areas: stocks, bonds and cash. While these portfolios do explore the whole world, most of them focus on the US, Canada, Japan and the larger markets in Europe. It is rare for such portfolios to invest more than 10% of their assets in emerging markets. These portfolios typically have at least 10% of assets in bonds, less than 70% of assets in stocks and at least 40% of assets in non-US stocks or bonds. © 2024 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results. **MSCI World Index** (Net) measures the performance of large and midcap equities across developed markets. A net-return index tracks price changes and reinvestment of distribution income net of withholding taxes. **S&P 500 Index** (Gross/Total) measures the performance of the large cap segment of the US equity market but is widely recognized as a proxy for the US market as a whole. It is composed of 500 constituent companies across the US economy, weighted by float-adjusted market capitalization. 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.

Investors should consider investment objectives, risks, charges and expenses carefully before investing. The prospectus and summary prospectus contain this and other information about the Funds and may be obtained by visiting our website at www.firsteagle.com or calling us at 800-334-2143. Please read our prospectus carefully before investing. Investments are not FDIC insured or bank guaranteed, and may lose value.

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