Global Real Assets Fund

Market Overview

While financial assets generally were strong in the third quarter, volatility trended higher as markets continued to be influenced by efforts to read the rate-cut tea leaves. Notably, there were signs of rotation away from the performance dynamics that had dominated the first half of the year, as value outperformed growth, small outperformed large, and non-US outperformed the US. The S&P 500 Index returned 5.9% for the period, while the MSCI World Index gained 6.4%.[1]

Under the Influence

One market idiosyncrasy investors have been forced to contend with for much of 2024 has been the presence of two distinct gravity wells of influence. One is the Goldilocks scenario in the US, as cooling inflation, a softer labor market, continued economic growth and strong corporate earnings have converged to raise hopes that a soft landing may yet be realized. Risk appetites in the US have remained elevated, supporting equity markets and credit spreads.

The other is the continued weakness in China, where both structural and cyclical issues have weighed down the country's manufacturing base as well as global assets dependent on it, including a range of industrial commodities like copper and oil. Risk appetites in China are depressed and have also weighed down other countries in the region.

More recently, however, signs have emerged that the strength of this duality may be waning. In mid-September, the Federal Reserve kicked off its much-anticipated rate-cut cycle, announcing the first federal funds rate reduction since the early-2020 onset of Covid-19. The oversized 50 basis point cut was broadly in line with market expectations and brought the central bank's key policy rate to a range of 4.75–5.00%. Fed Chair Powell characterized the move as a "recalibration" of policy that reflected the committee's growing confidence that labor-market strength could be preserved amid healthy economic growth and further cooling in inflation. The latest summary of economic projections suggest an additional 50 basis points of cuts in 2024 and 100 basis points in 2025.[2]

Data released subsequent to the Fed meeting appeared to back up the central bank's confidence in the jobs market's resilience. Unflagging labor strength runs the risk of sparking inflationary pressures anew, however, a risk of particular concern given that wage growth, while well off its peak, remains above levels consistent with the Fed's 2% inflation target. A Fed shift back to a hawkish policy bias sooner than expected could bring a recalibration of investor risk appetites and herald an untimely end to the US Goldilocks tale.

In China, meanwhile, policymakers were finally spurred to action in late September, as the latest slew of uniformly downbeat releases—from retail sales and consumer confidence to industrial production and fixed investment—appeared to disabuse them of any notions that they would be able to reach their full-year economic growth target organically. The government announced a series of stimulus measures to combat mounting deflationary pressures, stabilize housing and restore market optimism. On the monetary side, the People's Bank of China (PBOC) cut the reserve requirement ratio for banks and its benchmark short-term reverse repo rate, while instructing commercial banks to trim rates on outstanding mortgages and introducing new liquidity mechanisms to support capital markets.[3] While officials had suggested that significant fiscal stimulus also was on tap, further details have yet to be announced.

News of the stimulus package was greeted enthusiastically by markets. The MSCI China Index, which began the third quarter down more than 50% from its early-2021 peak, surged 23.6% during September, with most of the gains coming in the last week of the quarter.[4] Similarly, yields on 10-year government bonds rose from all-time lows, green shoots of relief for policymakers concerned about the financial risks of such low yields. The potential for improved activity in China also prompted a positive

1. Source: FactSet; data as of September 30, 2024.
2. Source: Federal Reserve; data as of September 18, 2024.
3. Source: Reuters; data as of September 24, 2024.
4. Source: MSCI; data as of September 30, 2024.

inflection in expectations for real economic activity globally, helping push the prices of certain real assets higher.

Though we're still waiting on details, the contours of a fiscal complement may be integral to the success of the PBOC's monetary blitz; while China has long sought to boost domestic consumption, household spending remains less than 40% of GDP compared to 68% in the US.[5] Further, it seems likely to us that China's deeper economic challenges may persist without measures targeting the oversupply of real estate in lower-tier cities and the bad debts related to it, as well as local governments' heavy reliance on the property market.

All that Glitters

As we think about the potential trajectories of the world's two largest economies, we're cognizant of the many risks that threaten to upend any sort of fundamental analysis. For example, unrestrained government debt globally has raised the specter of currency debasement and other adverse financial outcomes while geopolitical risk—headlined by Ukraine/Russia and broadening military engagement in the Middle East—shows no sign of relenting. Nearing the end of what was a very active year in national politics, all eyes now have turned to the contentious race for president in the US, the results of which may have broad policy implications affecting both domestic and cross-border actors.

Given gold's history as a perceived "safe haven" during periods of turmoil, recognition of these and other global risks—along with traditional tailwinds like falling real interest rates and a weaker dollar—likely supported its strong rally during the third quarter, helping the metal set a series of new nominal highs as it climbed 12.9%.[6] Risk sensitivity also may have contributed to gold's performance in the first half of the year, as the metal gained ground despite conditions like rising real rates and a stronger dollar that generally would be considered headwinds to its price. In fact, gold's resilience throughout 2024 and its disparate macroeconomic backdrops underscores why we advocate for strategic exposure to gold as a potential hedge against adverse market outcomes.

While we remain concerned about the many risks facing investors in the current environment, we also see opportunity. But rather than making bets on the direction of markets, we continue to focus on investing in individual assets we believe represent scarce quality and value and the potential to demonstrate resilience across multiple states of the world. We have been selectively adding and trimming names as opportunity dictates, targeting a semi-beta portfolio that we believe ultimately has the potential to position us to generate above average absolute returns over time while avoiding the permanent impairment of capital.

5. Source: CEIC; data as of December 31, 2023.
6. Source: World Gold Council; data as of October 8, 2024.

Portfolio Review

The Global Real Assets Fund A Shares (without sales charge*) posted a return of 8.95% in third quarter 2024. North America was the leading contributor by region, while emerging markets detracted. Real estate and materials were the largest contributors among equity sectors; energy and information technology were the only detractors. The Global Real Assets Fund outperformed the MSCI World Index in the period.

Leading contributors in the First Eagle Global Real Assets Fund this quarter included gold bullion, CRH Plc, HCA Healthcare Inc., Extra Space Storage Inc. and BXP Inc.

Gold bullion achieved a succession of new nominal highs during the quarter backed by tailwinds from falling real interest rates, a weaker dollar and an increasingly unsettled geopolitical landscape.

CRH provides a range of products and services for the construction and repair of infrastructure and residential and commercial buildings; this includes materials such as aggregates, cement, concrete and asphalt, as well as building products. CRH is one of the largest building-material providers in North America and Europe; the former accounts for the majority of revenues and pre-tax earnings. Management recently raised full-year guidance after reporting strong operating results and expanded margins. We expect continued federal infrastructure spending to underpin strong financial results for providers of construction materials like CRH, barring a severe slowdown in private construction.

HCA Healthcare, the largest for-profit hospital operator in the US, has been performing well and reported better-than-expected results for its most recent quarter and raised its full-year outlook. The company reported growth in inpatient admissions, emergency room visits and revenue per admission, as well as a decline in contract-labor costs. We maintain our positive opinion on the ability of HCA's management to be effective stewards of both the balance sheet and business operations.

Extra Space Storage is a real estate investment trust that owns and rents storage units. The company is completing the integration of its recent Life Storage acquisition, which should drive scale benefits in an operationally- and data-intensive industry. The Fed's 50 basis point rate cut during the quarter—along with declining mortgage rates—may trigger an upward inflection in homebuying activity, supporting increased demand for temporary storage.

BXP is a large fully integrated real estate investment trust, with premier office buildings in major US gateway cities, such

* 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.

as Boston, Los Angeles, New York, San Francisco, Seattle and Washington, DC. The property market appears to have bifurcated as US workers grudgingly return to the office post-pandemic; while office occupancy rates and rents overall have been pressured, trophy buildings have gained share—and commanded higher rents—at the expense of less prestigious properties. Even following recent strong performance, BXP's portfolio of attractive Class A properties trades at a material discount to their replacement cost.

The leading detractors in the quarter were Noble Corporation PLC Class A, Samsung Electronics Co Ltd Pfd Non-Voting, Shell PLC, SLB and Diamond Offshore Drilling Inc.

The latest deal in a wave of energy industry consolidation saw deepwater drilling contractor Noble acquire smaller rival Diamond Offshore in a mixed cash and stock transaction that closed in September. Weighed down by weaker oil prices, both companies traded lower during the quarter despite what we view as compelling acquisition dynamics, and we remain constructive on the combined business. With high-capacity utilization, attractive contracted day rates and manageable debt, Noble is well positioned to endure the current lull in operator activity. Longer term, we expect deep-water exploration to comprise a meaningful component of the energy mix, to the benefit of scale players like Noble.

Samsung Electronics is a global technology company with leadership positions in smartphones, televisions and semiconductor memory, and a major manufacturer of electronic components including lithium-ion batteries, semiconductors, image sensors, camera modules and displays. The company reported weak results for the most recent quarter, but we believe it is well positioned for eventual cyclical recovery in the lower-tech market for memory chips. Additionally, Samsung provides valuable exposure to the high-bandwidth chipset market for providers such as Nvidia.

Oil and gas supermajor Shell is the world's top seller of liquefied natural gas (LNG). Although earnings exceeded market expectations for the latest reporting period, weak refining margins, trading results and oil and gas prices weighed down the shares during the quarter. Management has actively focused on rationalizing Shell's businesses for profitability, and we believe the prospects for LNG will improve later in the decade. Cash flow continues to be strong, and the company remains active in buying back shares.

SLB is the world's largest oilfield service company and derives approximately 80% of its revenue from international and offshore markets. In addition to commodity price weakness during the quarter, share performance was dampened by management guidance toward softer activity in North America in the second half of 2024. Overseas markets were stronger. With utilization rates already high, even small increases in demand—triggered by long-deferred capital spending by the major and national oil companies—could drive strong pricing and margin expansion for SLB.

We appreciate your confidence and thank you for your support.

Sincerely,

First Eagle Investments

Trailing Returns

Data as of 30-Sep-2024

	Calendar YTD	1 Year	Inception	Gross Expense Ratio[1]	Net Expense Ratio	Fund Inception Date
First Eagle Global Real Assets Fund Class A (FERAX) w/o load	9.35%	18.07%	6.66%	5.91%	1.10%	Dec 1, 2021
First Eagle Global Real Assets Fund Class A (FERAX) w/ load	3.91%	12.17%	4.73%	5.91%	1.10%	Dec 1, 2021
First Eagle Global Real Assets Fund Class I (FEREX)	9.73%	18.45%	6.96%	5.46%	0.85%	Dec 1, 2021
First Eagle Global Real Assets Fund Class R6 (FERRX)	9.63%	18.49%	6.94%	5.51%	0.85%	Dec 1, 2021
MSCI World Index[2]	18.86%	32.43%	8.37%			
Consumer Price Index +400bps[3]	5.61%	0.32%	8.49%			

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. "With sales charge" performance for Class A Shares gives 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. 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. First Eagle Investment Management, LLC ("FEIM") has contractually agreed to waive and/or reimburse certain fees and expenses of Classes A, I and R6 so that the total annual operating expenses (excluding interest, taxes, brokerage commissions, acquired fund fees and expenses, dividend and interest expenses relating to short sales, and extraordinary expenses, if any) ("annual operating expenses") of each class are limited to 1.10%, 0.85% and 0.85% of average net assets, respectively. Each of these undertakings lasts until 28-Feb-2025 and may not be terminated during its term without the consent of the Board of Trustees. The Fund has agreed that each of Classes A, I and R6 will repay FEIM for fees and expenses waived or reimbursed for the class provided that repayment does not cause annual operating expenses (after the repayment is taken into account) to exceed either: (1) 1.10%, 0.85% and 0.85% of the class' average net assets, respectively; or (2) if applicable, the then-current expense limitations. Any such repayment must be made within three years after the year in which FEIM incurred the expense.
2. Primary index.
3. Secondary index.

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.

A contingent deferred sales charge of 1.00% may apply on certain redemptions of Class A shares made within 18 months following a purchase of $1,000,000 or more without an initial sales charge.

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

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. **Gross domestic product (GDP)** measures of the value of total economic output in goods and services for an economy. **Currency debasement** refers to a reduction in a currency's purchasing power as a result of an increase in the money supply. **Beta** is a measure of an investment's price volatility relative to that of the overall market. **A real estate investment trust (REIT)** is a company that owns and typically operates income-producing real estate or related assets. These may include office buildings, shopping malls, apartments, hotels, resorts, self-storage facilities, warehouses, and mortgages or loans.

Risk Disclosures

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

The Global Real Assets Fund will invest in companies operating in various industries related to real assets. To the extent there is a downturn in one or more of these industries, there would be a larger impact on the Fund than if the Fund's portfolio were more broadly diversified. Factors that may affect these industries include, but are not limited to, government regulation or deregulation, energy conservation and supply/demand, raw material prices, commodities regulation, cost of transport, cost of labor, interest rates, and broad economic developments such as growth or contraction in different markets, currency valuation changes and central bank movements.

The Global Real Assets Fund may invest in securities of companies that focus on real estate related activities. Real estate and its related businesses are highly dependent on market conditions, including interest rates. REITs are subject to special risks including the quality and skill of REIT management and the internal expenses of the REIT. Many types of businesses are significant owners and operators of real estate and can be directly or indirectly exposed to similar risks in addition to their own more sector-specific risks. Real estate income and values may be negatively affected by general and local economic developments such as extended vacancies of properties, as well as demographic trends, such as population movement or changing tastes and values. Real estate income and values also may be negatively affected by condemnations, tax law changes, zoning law changes, regulatory limits on rent, environmental regulations and the availability of mortgage financing and changes in interest rates.

The Global Real Assets Fund may invest in energy companies, which may be negatively affected by natural disasters, the high investment costs of exploration and other long-term projects, maintenance costs (and risks of obsolescence) associated with significant fixed assets, commodity prices, government regulations, and conservation efforts, among other factors.

Although the Global Real Assets Fund is intended to provide a measure of protection against inflation, it is possible it will not do so to the extent intended. The Fund's investments may be adversely affected to a greater extent than other investments during periods of deflation.

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. **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. **MSCI China Index** (Net) measures the performance of large and midcap representation across China A shares, H shares, B shares, Red chips, P chips and foreign listings. A net-return index tracks price changes and reinvestment of distribution income net of withholding taxes. **Consumer price index +400bps** (Price) represents the annualized US consumer price index (CPI), which measures the change over time in prices paid by US consumers for a specific basket of goods and services, plus 400 basis points. A price-return index only measures price changes.

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

The holdings mentioned herein represent the following total assets of the First Eagle Global Real Assets Fund as of 30-Sep-2024: gold bullion 4.80%; CRH Plc 2.68%; HCA Healthcare Inc. 2.39%; Extra Space Storage Inc. 2.81%; BXP Inc 1.58%; Noble Corporation PLC Class A 2.04%; Samsung Electronics Co Ltd Pfd Non-Voting 1.15%; Shell PLC 2.24%; SLB 1.23%; Diamond Offshore Drilling Inc 0.00%.

This commentary represents the opinion of the First Eagle Global Real Assets Fund 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's portfolio is actively managed and holdings can change at any time. Current and future portfolio holdings are subject to risk.

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.

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.

Third-party marks are the property of their respective owners.

FEF Distributors, LLC ("FEFD") (SIPC), a limited purpose broker-dealer, distributes certain First Eagle products. FEFD does not provide services to any investor but rather provides services to its First Eagle affiliates. As such, when FEFD presents a fund, strategy or other product to a prospective investor, FEFD and its representatives do not determine whether an investment in the fund, strategy or other product is in the best interests of, or is otherwise beneficial or suitable for, the investor. No statement by FEFD should be construed as a recommendation. Investors should exercise their own judgment and/or consult with a financial professional to determine whether it is advisable for the investor to invest in any First Eagle fund, strategy or product.

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 viewed at www.firsteagle.com. You may also request printed copies by calling us at 800-747-2008. Please read our prospectus carefully before investing.

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

1345 Avenue of the Americas, New York, NY 10105 | www.firsteagle.com

First Eagle Investments