FIRST EAGLE
INVESTMENT MANAGEMENT

Commentary March 31, 2020

First Eagle Global Income Builder Fund

Market Overview

The emergence of the novel coronavirus and the economic impact of efforts to contain its transmission led to a deep, sharp repricing of risk assets during the first quarter as liquidity concerns emerged across financial markets. The first-quarter market rout began as a typical flight to safety, with risk assets declining sharply while traditional safe havens rallied. By mid-March, however, financial markets appeared on the verge of breaking down, with pockets of illiquidity emerging across asset classes; investors had nowhere to hide as cross-asset correlations and intra-stock volatility rose to historic levels. As global monetary and fiscal policy responses to the crisis began to take shape toward the end of the quarter, markets were able to recover some of their deepest losses.

Market Summary	1st Quarter 2020
Bloomberg Barclays US Aggregate Bond Index	+3.15%
Bloomberg Barclays US Corporate High Yield Index	-12.68%
MSCI World Index	-21.05%
S&P 500 Index	-19.60%
German DAX Index	-25.01%
French CAC 40 Index	-26.15%
Nikkei 225 Index	-19.23%
Brent Crude Oil	-65.55% $22.74 a barrel
Gold	+4.03% $1,578.93 an ounce
US Dollar	-0.66% vs. yen +2.30% vs. euro

Source: Bloomberg, WM/Reuters.

Within equities, the parts of the market whose fortunes rest on the most readily observable impacts of the economic shutdown—including the traditional "old economy" industries often associated with value investing—bore the brunt of the first-quarter selloff. This included energy, which was forced to contend with not only the pandemic-inspired cratering of demand but also a supply shock courtesy of an oil-price war that emerged between OPEC+ members Saudi Arabia and Russia. Banks, too, struggled, particularly those in Europe and Japan that never really fully recovered after the financial crisis. Traditional deposit-based bank models aren't built for a world of zero interest rates and flat yield curves, and the coronavirus-related impact on business borrowers likely will translate into higher credit losses for lenders.

Certain corners of the stock market held up relatively well—including not only defensive sectors like utilities and healthcare, but also technology—though in some cases this is likely due to the relative lack of observable data that surrounded them. Though consensus estimates for MSCI World Index earnings growth for 2020 came down considerably over the course of the quarter, further revisions are likely as analysts and investors process news from the upcoming earnings season, and it's quite possible that some sectors and companies may reprice sharply, with cash-flow-negative companies particularly vulnerable.

Within fixed income, lower-quality issues suffered more than their higher-rated counterparts, though the dispersion of performance among credit tiers wasn't as significant as one might expect given the magnitude of the selloff. Bond market volatility over the quarter highlighted the impact of post-financial crisis rules that limit the ability of banks and brokers to perform their historical roles as countercyclical shock absorbers for the bond market, taking on risk when investors decline to do so. Their withdrawal was particularly noticeable in the bond Exchange-Traded Fund (ETF) market, which had all but collapsed by the third week of March before the Federal Reserve stepped in to provide liquidity.

While central banks and governments have responded forcefully to the dislocations caused by the pandemic, the policy responses may only be partially successful at stemming its damage. The coronavirus shutdown may result in a large and permanent loss of global economic output and growth that will trend at a lower potential rate than it had prior to the crisis—two scenarios that also came to pass in the aftermath of the global financial crisis. Moreover, recent fiscal and monetary activity is likely to promote further deterioration in the quality of man-made money and sovereign balance sheets, underscoring the importance we place on gold as a potential hedge in portfolios across First Eagle.

Recent events remind us why we don't presume to forecast market movements at First Eagle; while there was ample evidence that the business cycle had grown mature, no one expected a global pandemic to be the catalyst for its turn. That said, it's not hard to believe that we may be in only the early stages of a broad equity market re-rating, with the first quarter selloff merely scraping off the most pronounced valuation excesses that had built up over the years. Similarly, purging the bond market of its excesses —most prominently in the investment grade bond and leveraged loan markets—should take some time to play out, as investors' reach for yield in recent years resulted in a corporate debt market characterized by lower credit quality, higher leverage and weaker investor protections even as spreads remained tight.

While harrowing market moves and ongoing uncertainty are unsettling, these environments often present opportunities for the discerning investor. At First Eagle, the Fund's cash holdings and its potential hedge in gold provide ample liquidity, and in the first quarter we were able to selectively allocate capital, on what we believed to be advantageous terms, to the equity of well-positioned, well-capitalized, well-managed businesses that we expect to demonstrate resilience over the long term. Within our fixed income portfolio, we entered 2020 primed for defense, with an emphasis on higher credit quality and short duration. We intend to remain up in quality and to keep plenty of "dry powder," which will enable us to be a liquidity provider to a dysfunctional secondary market and with a goal of being an opportunistic buyer of fallen-angel paper, while remaining positioned to take advantage of the significant credit deterioration we believe lies ahead. We think this is a moment where our patience as investors appears likely to be rewarded, and we're sailing a very steady course as the crisis continues to play out.

Portfolio Review

The Global Income Builder Fund A Shares (without sales charge*) posted a return of -15.78% in first quarter 2020. While both equity and fixed income detracted from performance in what was a very challenging period for risk assets, the Fund's holdings in commodities and cash and cash equivalents had a slight positive impact on return. The Global Income Builder Fund underperformed the composite index in the period.

The leading equity contributors to performance in the first quarter were KDDI Corporation, NTT DOCOMO, Inc. and PPG Industries, Inc. The top three fixed income contributors were US Treasury issues: 2.5%, due 01/31/24; 2.625%, due 06/30/23; and 2.125%, due 06/30/22. In addition, our gold holdings demonstrated their value as a potential hedge against extreme market outcomes during what was a difficult period across risk assets. Our gold holdings do not represent a directional view on the price of the metal, but we believe the ongoing deterioration in the quality of fiat money suggests a need for the type of portfolio ballast that gold historically has provided.

Both KDDI Corporation and NTT DOCOMO provide telecommunications services in Japan, the world's most profitable telecom market, and are what we view as stable, well-capitalized businesses. Though Japan is a competitive market, incumbents have benefited from the tail-end of the 4G network era. As 5G becomes the standard technology and network capacity increases, however, Japanese telecoms in general may find their pricing power constrained, which raises concerns about the longer-term stability of the operating environment for these businesses.

Pittsburgh-based PPG Industries is a global leader in the manufacture and distribution of paints, coatings and specialty materials. PPG has a history of conservative balance sheet management and strong capital allocation and has generated positive free cash flow for more than 40 consecutive years. Early-2020 weakness in PPG's share price, due primarily to its exposure to cyclical weakness in autos and industrial production, enabled us to add this business to the portfolio at what we considered an attractive price.

With investors' flight to quality pushing yields on US government bonds sharply lower across the curve, Treasuries were the top-performing asset class for the quarter.

Equities that detracted most from first quarter performance included Exxon Mobil Corporation, Schlumberger NV and Weyerhaeuser Company. Fixed income detractors included BI-LO, LLC Term Loan at Libor plus 8.0%, due 05/31/24; Citgo Petroleum Corp. 6.25%, due 08/15/22; and Iho Verwaltungs GmbH 4.75%, due 09/15/26.

With oil prices plummeting during the quarter on concurrent supply and demand shocks, stocks across the energy complex suffered. While Exxon Mobil fell sharply alongside all other energy producers, we believe Exxon is better equipped than most of its competitors to withstand lower prices given significant, long-duration reserves and an attractive position on the oil-cost curve. Similarly, while continued low oil prices likely will weigh on the stock of oil-field services company Schlumberger in the near term, we see the company's financial strength and dominant market position as sources of resilience that may enable it to respond positively to an eventual rebound in oil.

* 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.

Timberland company Weyerhaeuser is an example of what we believe to be a stock whose attractive long-term prospects have been swamped by short-term concerns. Lumber tends to see its best pricing when housing starts pick up, as they did in December and January before momentum was derailed by the coronavirus. While it may be difficult for the company to maintain its dividend in the current environment, we're pleased the Fund owns the company's long-duration assets—timberland harvest cycles run more than 25 years—at what we believe to be a discount.

The BI-LO term loan came into the portfolio following the company's emergence from bankruptcy. BI-LO, which owns and operates supermarkets in the southeastern portion of the US has, in our view, performed well since emerging from bankruptcy as Southeastern Grocers—shrinking its store base, increasing its EBITDA margins and hitting its earnings guidance. Technical pressure on the leveraged loan market during the quarter hurt the BI-LO paper.

Citgo traded lower along with the rest of energy complex, though refiners held up better than many other names in the space, as they aren't exposed to the same oil-price pressures as exploration and production companies, for example.

Given the auto industry's sensitivity to eroding consumer sentiment and demand, Moody's put a number of European auto parts companies, including Iho Verwaltungs, on negative watch while downgrading several others.

We appreciate your confidence and thank you for your support.

Sincerely,

First Eagle Investment Management, LLC

Average Annual Returns as of 03/31/2020 (%)

				YTD	1 Year	5 Years	Since Inception (5/1/12)	Expense Ratio*
First Eagle Global Income Builder Fund	Class A	without sales charge	FEBAX	-15.78	-10.10	1.38	3.60	1.18
		with sales charge	FEBAX	-19.97	-14.57	0.36	2.93	
Composite Index**				-11.82	-2.58	3.54	5.54	
MSCI World Index				-21.05	-10.39	3.25	6.68	
Bloomberg Barclays US Aggregate Bond Index				3.15	8.93	3.36	3.16	

*The annual expense ratio is based on expenses incurred by the Fund, as stated in the most recent prospectus.
** The composite index consists of 60% of the MSCI World Index and 40% of the Bloomberg Barclays US Aggregate Bond Index.

The performance data quoted herein represent past performance and do 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 are available at www.feim.com or by calling 800.334.2143. The average annual returns for Class A Shares "with sales charge" of First Eagle Global Income Builder Fund give effect to the deduction of the maximum sales charge of 5.00%.

Fee waivers were in effect for some of the periods shown. Had fees not been waived and/or expenses reimbursed, returns would have been lower.

Performance assumes reinvestment of all distributions and does not account for taxes.

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.

The 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.

Funds that invest in bonds are subject to interest-rate risk and can lose principal value when interest rates rise. Bonds are also subject to credit risk, in which the bond issuer may fail to pay interest and principal in a timely manner, or that negative perception of the issuer's ability to make such payments may cause the price of that bond to decline.

The Fund invests in high-yield securities (commonly known as "junk bonds"), which are generally considered speculative because they may be subject to greater levels of interest rates, credit (including issuer default) and liquidity risk than investment-grade securities and may be subject to greater volatility. High-yield securities are rated lower than investment-grade securities because there is a greater possibility that the issuer may be unable to make interest and principal payments on those securities.

Bank loans are often less liquid than other types of debt instruments. There is no assurance that the liquidation of any collateral from a secured bank loan would satisfy the borrower's obligation, or that such collateral could be liquidated.

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. Physical gold does not produce income.

Income generation and dividends are not guaranteed. If dividend-paying stocks in the Fund's portfolio stop paying or reduce dividends, the Fund's ability to generate income will be adversely affected. All investments involve the risk of loss.

The holdings mentioned herein represent the following percentage of the total net assets of the First Eagle Global Income Builder Fund as of March 31, 2020: KDDI Corporation—1.18%; NYY DOCOMO, Inc.—0.00%; PPG Industries, Inc.—0.13%; Exxon Mobil Corporation—1.73%; Schlumberger NV—0.58%; Weyerhaeuser Company—0.83%; Government of the United States of America 2.5%, due 01/31/2024—1.00%; Government of the United States of America 2.625%, due 06/30/2023—1.52%;Government of the United States of America 2.125%, due 06/30/2022—1.25%; BI-LO Llc Term Loan, due 5/31/2024—0.66%; Citgo Petroleum Corp. 6.25%, due 08/15/2022—0.09%; Iho Verwaltungs Gmbh, 4.75% dur 09/15/2026—0.26%.

The commentary represents the opinion of the Global Income Builder portfolio managers as of March 31, 2020, 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 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.

The MSCI World Index is a widely followed, unmanaged group of stocks from 23 international markets. The index provides total returns in US dollars with net dividends reinvested.

The Bloomberg Barclays US Aggregate Bond Index is a broad-based unmanaged benchmark that measures the investment-grade, US dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS, and CMBS.

The Nikkei 225 is an unmanaged price-weighted equity index, which consists of 225 stocks in the first section of the Tokyo Stock Exchange.

The German DAX Index is unmanaged and tracks the segment of the largest and most important companies—known as blue chips—on the German equities market. It contains the shares of the 30 largest and most liquid companies admitted to the FWB® Frankfurt Stock Exchange in the Prime Standard segment. The DAX® represents about 80% of the aggregated prime standard's market cap.

The CAC 40 is an unmanaged market index designed to reflect the evolution of the Euronext Paris market. It is made up of the 40 highest ranking shares listed on the Paris market, according to criteria based on free-float market capitalization and trading volume. The index is reviewed and adjusted every quarter in order to take into account changes concerning the size and the volume of the constituent companies.

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

A credit rating as represented here is an assessment provided by a nationally recognized statistical rating organization (NRSRO) of credit worthiness of an issuer with respect to debt obligations, including specific securities, money market instruments, or other bonds. Ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest); ratings are subject to change without notice. Not Rated (NR) indicates that the debtor was not rated and should not be interpreted as indicating low quality. For more information on the Standard & Poor's rating methodology, please visit standardandpoors.com and select "Understanding Ratings" under Ratings Resources.

Investors should consider investment objectives, risks, charges and expenses carefully before investing. The prospectus and summary prospectus contain this and other information about the Fund and may be obtained by asking your financial advisor, visiting our website at www.feim.com or calling us at 800.334.2143. Please read the prospectus carefully before investing. Investments are not FDIC insured or bank guaranteed, and may lose value.