



First Eagle Global Fund 2Q10 Commentary

The First Eagle Global Fund (A Shares) fell 5.42% for the second quarter compared to the MSCI World Index which decreased 12.67%.

Global markets fell sharply in the second quarter as investors grew increasingly concerned about the sovereign debt crisis in Europe and the economic, fiscal and regulatory challenges facing many regions. The Nikkei 225 Index fell 15.4% during the three-month period. The French CAC 40 Index fell 13.4% while the German DAX declined 3.1% over the quarter. In the U.S, the S&P 500 Index fell 11.43%. Crude oil fell almost 10% to \$76 a barrel, and gold rose 12% to \$1,242 an ounce. The U.S. dollar rose 10.4% against the euro but it fell 5.4% against the yen.

Precious metals, telecom services and transportation stocks made the greatest positive contributions to the portfolio during the quarter. Individual stocks that added to returns were **Gold bullion (U.S)**, **Lihir Gold (Australia)**, **Newmont Mining (U.S.)**, **Fresnillo (U.K.)** and **Fanuc (Japan)**. Combined, these five securities added 1.18 points to the performance of the portfolio. Conversely, stocks that detracted from the performance of the portfolio included **MS&AD Insurance Group (Japan)**, **Microsoft (U.S)**, **Pargesa (Switzerland)**, **Cintas (U.S.)** and **Alliant Techsystems (U.S)**. In aggregate, these five securities subtracted 1.45 points from the portfolio's performance.

As of June 30th, the portfolio was 89.9% invested with 10.1% of total assets in cash.

We were approximately 30% hedged versus the Japanese yen and 30% hedged versus the euro. We were also 100% hedged on the Mexican peso on our non-mining holdings.

While last year's unprecedented policy actions have boosted recovery prospects, the credit bust's overhang could very well dampen the durability and duration of any ensuing expansion.

As long-term investors, our approach to dealing with that uncertainty is to be primarily owners of enterprises, favoring those we view as having entrenched market position, latency in potential cash flows, prudent management, strong balance sheets and most importantly modest prices. We believe such businesses can better endure current and future uncertainties and can better sustain real purchasing power in the long term.

As always, we appreciate your confidence and thank you for your support.



| Average Annual Returns as of 06/30/2010: | Year to Date | 1 Year | 5 Years | 10 Years | Expense Ratio |
|---|--------------|--------|---------|----------|---------------|
| First Eagle Global Fund - Class A (w/o sales charge)(SGENX) | -1.43% | 15.39% | 7.25% | 11.94% | 1.19% |
| First Eagle Global Fund - Class A(w/sales charge)(SGENX) | -6.35 | 9.62 | 6.16 | 11.36 | |

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 firsteaglefunds.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%.

There are risks associated with investing in funds that invest in securities of foreign countries, such as erratic market conditions, economic and political instability and fluctuations in currency exchange rates. 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. The holdings mentioned herein represent the following percentage of the total net assets of the First Eagle Global Fund as of June 30, 2010: Gold bullion 7.11%, Lihir Gold Ltd. 0.78%, Newmont Mining Corp. 0.53%, Fresnillo PLC 0.74%, Fanuc Ltd. 1.89%, MS&AD Insurance Group Holdings 1.27%, Microsoft Corp. 1.23%, Pargesa Holding S.A. 1.20%, Cintas Corp. 1.51%, and Alliant Techsystems Inc. 0.82%. The portfolio is actively managed and holdings can change at any time. Current and future portfolio holdings are subject to risk.

The commentary represents the opinion of the Global Value Team Portfolio Managers and is subject to change based on market and other conditions. The opinions expressed are not necessarily those of the firm. First Eagle Investment Management, LLC (FEIM) became investment adviser to the Fund commencing January 1, 2000. **These materials are provided for informational purpose 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 or an offer to buy or sell or the solicitation of an offer to buy or sell any fund or security.

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