

An Overview of Fund Fees and Expenses

Having access to information is critical for all investors. Working with your financial adviser, you should be aware of the costs associated with your mutual funds. The First Eagle Funds prospectus contains more complete information on fees, risks and expenses. This information should be carefully considered before investing. We have developed this overview of fund fees and expenses to help you understand exactly what you and your funds are paying for.

Annual Operating Expenses

Generally speaking, operating expenses are the business costs associated with running a fund. The operating expenses that are deducted from the fund's assets on a daily basis, are calculated annually and disclosed in the prospectus.

- **Management fees (Advisory fees)** are the amount a fund pays to its investment adviser for its services and essentially covers the costs of fund's portfolio management to research and monitor the investments. Managing a portfolio of a fund requires significant resources to ensure that the individual investments selected help the fund meet its investment objective. The managers' market knowledge and expertise in selecting appropriate securities for the fund are essential to providing potential returns for investors, while not incurring undue risk. There may be circumstances in which it is appropriate to charge higher management fees, depending on a fund's investment strategy. For example, certain types of funds may require more sophisticated research efforts by their managers, such as international stock funds that typically depend on research from multiple locations. You should note that high fees do not mean you will necessarily have better fund performance.
- **Distribution/service fees**, a portion of which is paid to financial advisers, are also known as 12b-1 fees, named after the section of the SEC code authorizing their payment. These fees compensate qualifying dealers for servicing client accounts as well as for their assistance in distributing a fund's shares. These fees also pay for expenses such as marketing costs, and the printing and distribution of the prospectus to prospective investors.
- **Other expenses** encompass transfer agency services, custody costs, record keeping fees, shareholder mailings, compliance costs, Board of Trustees fees, legal and fund accounting costs as well as administration expenses.
- **Fund brokerage commissions** You should be aware that, in accordance with SEC rules relating to the presentation of fund expenses, securities brokerage commissions, securities dealer mark-ups and similar expenses borne by a fund as part of its investment program are not reflected in the ratio of expenses to net assets represented by a fund's "other expenses" in the fee and expense tables on the following page. Fund expenses of this nature instead are reflected as a reduction in the total return realized by a fund over time and are already reflected in the net asset value per share information you are provided.

The Expense Ratio

The expense ratio is an important tool in evaluating and comparing mutual fund costs. The expense ratio is usually found on the “total annual operating expenses” line at the bottom of the fee table in the prospectus. The expense ratio is simply the percentage of the fund’s average net assets that is spent on operating expenses throughout the fiscal year.

Anything that affects operating costs can affect the expense ratio. As previously mentioned, different types of funds will have varied operating costs — so be sure you are comparing funds with similar objectives.

A Sample Fee Table

The following table is an example of how we lay out the fees and expenses in our prospectus.

	Class A	Class C	Class I
Shareholder Fees			
Maximum Sales Charge (Load) on Purchases as a percentage of public offering price	5.00%	None	None
Maximum Deferred Sales Charge (Load) as a percentage of the lesser of your purchase or redemption price	None	1.00%	None
Redemption Fee* as a percentage of the lesser of your purchase price or the amount redeemed within 60 days of purchase	2.00%	2.00%	2.00%
Annual Operating Expenses			
Management Fees	0.75%	0.75%	0.75%
Distribution (12b-1)/Service Fees	0.25%	1.00%	None
Other Expenses**	0.14%	0.14%	0.14%
Total Annual Operating Expenses	1.14%	1.89%	0.89%

* Redemption proceeds sent by bank wire are subject to a \$7.50 fee.

** Other expenses are allocated pro rata according to the relative net assets of each share class of the Fund. Other expenses reflect actual expenses during the fiscal year ended October 31, 2009; the largest of these were monies paid to parties providing transfer agency services to the Fund, including brokers and others acting as sub-transfer agents when maintaining omnibus and other “street name” shareholder accounts with the Fund.

Various operating expenses are paid from the Fund’s assets and are therefore incurred by shareholders indirectly, but may affect performance.

Sales Charges

Sales charges (usually called “loads”) are designed to compensate the financial advisers who assist investors with their purchase of the funds.

- **Front-end Load** If you buy fund shares that have a front-end load, you must pay a sales charge at the time of purchase. This charge is stated as a percentage of the fund’s offering price. The charge is deducted from your purchase reducing the amount initially invested in the fund.
- **Back-end Load** If you buy fund shares that have a back-end load, you may have to pay a sales charge when you sell the shares. This may be referred to as a contingent deferred sales charge. This back-end cost is a percentage of the fund’s net asset value, either at the time of purchase or redemption — whichever is lower. Generally, at First Eagle if you own the shares of the fund long enough, you will not pay a back-end load.
- **Level Load** If you buy fund shares that have a level load, you have to pay an annual sales charge that is typically 1% of your account balance, and you usually do not pay a front-end sales load. Although a level load may be lower than a front-end or back-end load, you may pay more if you own the shares for many years.

Redemption Fees

Redemption fees are not paid to your financial adviser as sales compensation. Instead, these fees are imposed by the Fund to discourage frequent buying and selling of shares and are intended to defray transaction and other expenses caused by early redemptions and to facilitate portfolio management. Frequent trading can be disruptive to the investment process; i.e., a fund manager may be forced to sell a desirable security to raise cash thus potentially negatively affecting the fund’s long-term shareholders. At First Eagle Funds, redemption fees are only levied if you sell shares within 60 days of purchase for the Global, Overseas and Gold Funds. Redemption fees do not apply to the U.S. Value Fund and Fund of America.

Costs Vary by Share Class

Different share classes offer different sales charges and expense structures, allowing you to invest the way that best suits your needs. When you choose your class of shares, you and your adviser should consider the size of your investment and how long you plan to hold your shares. There can be a significant cost differential among share classes depending on the length of time you plan to invest. Although each share class represents an interest in the same portfolio, you will be charged different fees and expenses depending on your choice of share class. At First Eagle Funds we offer the following share classes:

- **Class A Shares** are subject to a front-end load which declines as the investment amount increases (see breakpoints chart) and a 0.25% distribution (rule 12b-1) fee. Besides breakpoints, sales charges can be reduced in other ways described later in this guide.
- **Class C Shares** are sold with a “level load” consisting of an annual distribution (rule 12b-1) fee as well as a servicing fee totaling 1.00%. However, if an investor’s shares are redeemed before they are held for 12 months, a contingent deferred sales charge is levied. Because the service fee and Rule 12b-1 fees are paid from your investment in a Fund on an ongoing basis, over time these fees may ultimately cost more than paying a front-end load and other types of sales charges.
- **Class I Shares** are sold without an upfront or back-end sales load, and without 12b-1 fees or service fees. Class I shares are only available for initial purchases of \$1 million or more. Class I shares are not available for Fund of America.
- **Class Y Shares** pertain to First Eagle Fund of America only. These shares are sold without a sales charge, but being “no load” does not mean the Fund has no fees. The Y Shares have a 0.25% distribution (rule 12b-1) fee. *Class Y shares are currently closed to new investors.*

The Advantage of Breakpoints

To help reduce the costs associated with your funds, First Eagle Funds offers a “breakpoint” (a reduction in sales charge) for Class A Shares only. Your sales charge decreases as you invest more money. This chart is the breakpoint schedule offered on First Eagle Funds Class A Shares:

Breakpoints	Sales Charge
Less than \$25,000	5.00%
\$25,000 but less than \$50,000	4.50%
\$50,000 but less than \$100,000	4.00%
\$100,000 but less than \$250,000	3.25%
\$250,000 but less than \$500,000	2.50%
\$500,000 but less than \$1,000,000	1.50%
\$1,000,000 and over*	0.00%

* Purchases aggregating over \$1,000,000 in one or more of any of the Funds may be subject to a Class A Contingent Deferred Sales Charge. Please see the prospectus for more details.

In order to claim a breakpoint or other means of reducing the sales charge, an investor should notify, at the time of purchase, his or her dealer, the Distributor or the Transfer Agent (DST) at the time of purchase.

Other Methods for Reducing Fees

The following is an overview of other ways to reduce the sales charge on Class A Shares, in addition to breakpoints. For more information, please refer to our prospectus.

- **Aggregation** If you are purchasing Class A shares for several accounts at the same time, a person (defined as having the same tax identification number or mailing address) may be able to combine these investments into a single transaction in order to reduce the applicable sales charge.

Other Methods for Reducing Fees (Continued)

- **Rights of Accumulation** Class A shares may be purchased at a reduced sales charge by a person (defined previously in “Aggregation”) who is an existing shareholder. If the sum of the new investment combined with the person’s existing positions in any share class of any Fund exceeds a point in the sales charge schedule at which the charge is reduced, the entire new purchase is eligible for the reduced charge. In order to be entitled for this “accumulation” (combining previously held shares with newly purchased shares), you must notify your financial adviser at the time of purchase that you wish to take advantage of these rights.
- **Letter of Intention** You may be interested in receiving a breakpoint discount on your investment’s sales charges, but may not have the full amount available that qualifies for the desired breakpoint. In this scenario, you may submit a Letter of Intention that documents your commitment to purchase a predetermined dollar amount over a designated period to qualify for a discount. This enables you to aggregate purchases of Class A shares of any Fund during a thirteen-month period for purposes of calculating the applicable sales charge. The good news is that the Letter is not binding. If you can’t invest the full amount you intended to, you will simply be charged the applicable sales charge for the amounts that you did purchase.

For More Information

It is our hope that this overview of our funds’ fees and expenses will prove useful to you and your financial adviser in making informed decisions. This document does not replace the prospectus. Please feel free to contact us if you have any questions, or to request a prospectus. Any costs associated with the funds are described fully in the current prospectus. It is important to read the prospectus carefully for more complete information, including details on fees, expenses and risks before investing. In addition, FINRA has developed a mutual fund expense calculator to help investors compare the impact of share class costs over time. See FINRA’s website at www.finra.org.

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Investments are not FDIC insured or bank guaranteed and may lose value. 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.

Before investing in any of the First Eagle Funds, investors should carefully consider the investment objectives, risks, charges and expenses. The prospectus contains this and other information about the investment company and the funds and may be obtained by calling 800.334.2143. Please read the prospectus carefully before investing.

First Eagle Funds are offered by FEF Distributors, LLC, 1345 Avenue of the Americas, New York, NY 10105