



## First Eagle Overseas Fund 3Q10 Commentary

The First Eagle Overseas Fund (I shares) rose 9.45% for the third quarter compared to the MSCI EAFE Index which increased 16.48%.

Markets around the world rose in the third quarter as investors grew more confident that the worst news is behind us. Asian markets benefited from renewed economic growth and improved political stability. European markets increased on better than expected results from banks stress tests. In the U.S., economic stability helped the market to recover. The French CAC 40 Index rose 7.9% while the German DAX increased 4.4% during the quarter. The Nikkei 225 Index was flat over the three-month period. The MSCI World increased 13.78% while in the U.S, the S&P 500 Index rose 11.29% in the quarter. Crude oil rose 5.7% to \$80 a barrel, and gold rose 5.3% to \$1,308 an ounce as investors continued to flee to gold as a safe haven from inflation. The U.S. dollar fell 10.2% against the Euro and 5.5% against the yen.

Consumer discretionary, industrials and consumer staples stocks made the greatest positive contributions to the portfolio during the quarter. Individual investments that added to returns were **Shimano (Japan)**, **Gold bullion (U.S)**, **Deutsche Wohnen (Germany)**, **Genting Malaysia (Malaysia)** and **Daimler (Germany)**. Combined, these five investments added 1.92 percentage points to the performance of the portfolio. Conversely, stocks that detracted from the performance of the portfolio included **Keyence Corp (Japan)**, **THK (Japan)**, **OSG (Japan)**, **Okumura (Japan)** and **Inpex (Japan)**. In aggregate, these five securities subtracted 0.26 percentage points from the portfolio's performance.

As of September 30<sup>th</sup>, the portfolio was 85.2% invested with 14.8% of total assets in cash.

We were approximately 35% hedged versus the Japanese yen and 40% hedged versus the Euro. We were also 100% hedged on the Mexican peso on our non-mining holdings.

As long term investors, our approach to dealing with economic uncertainty is to be primarily owners of enterprises, favoring companies 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.

Portfolio is actively managed and is subject to change.



Average Annual Returns as of 09/30/2010:	Year to Date	1 Year	5 Years	10 Years	Expense Ratio
First Eagle Overseas Fund - Class A (w/o sales charge)(SGOVX)	9.56	10.22	7.56	12.78	1.20%
First Eagle Overseas Fund - Class A(w/sales charge)(SGOVX)	10.22	4.71	6.46	12.21	
First Eagle Overseas Fund - Class I(w/o sales charge)(SGOIX)	9.79	10.52	7.83	13.05	0.95%

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](http://firsteaglefunds.com) or by calling 800.334.2143. The average annual returns for Class A Shares "with sales charge" of First Eagle Overseas 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 Overseas Fund as of September 30, 2010: Shimano 3.25%, Gold Bullion 7.24%, Deutsche Wohnen. 0.77%, Genting Malaysia 0.80%, Daimler AG 1.12%, Keyence 1.70%, THK Co. Ltd.. 0.54%, OSG Corp. 0.40%, Okumura Corp. 0.42%, and Inpex Corp. 0.51%. 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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