

# Semiannual Report

June 30, 2019

Overseas Variable Fund



## Forward-Looking Statement Disclosure

One of our most important responsibilities as mutual fund managers is to communicate with shareholders in an open and direct manner. Some of our comments in our letters to shareholders are based on current management expectations and are considered “forward-looking statements”. Actual future results, however, may prove to be different from our expectations. You can identify forward-looking statements by words such as “may”, “will”, “believe”, “attempt”, “seem”, “think”, “ought”, “try” and other similar terms. We cannot promise future returns. Our opinions are a reflection of our best judgment at the time this report is compiled, and we disclaim any obligation to update or alter forward-looking statements as a result of new information, future events, or otherwise.

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# Letter from the President (unaudited)



Mehdi Mahmud

Dear Fellow Shareholders,

As noted in the past, global risks and market volatility have traveled along divergent paths for some time. Economic and geopolitical perils—fiscal imbalances, slowing growth, trade tensions, spreading populism—have increased, while volatility, often seen as a proxy for risk perception, has remained relatively calm. Though our crystal ball is foggy at best, we continue to believe that such divergence is unlikely to persist; either the economic and geopolitical risks would resolve favorably, or market volatility and risk awareness would increase materially.

For the most part, this trend persisted in the first half of 2019. Following a market downturn late in 2018, the perception of a policy U-turn by the US Federal Reserve (“Fed”) appeared pivotal in helping reverse investor sentiment at the start of 2019. Stocks and other global risk assets rebounded on expectations that the Fed would proceed cautiously with any additional rate hikes or adjustments to its ongoing balance-sheet reduction. Policy makers worldwide embraced similarly dovish sentiment. Amid slowing economic growth, China eased monetary conditions while cutting business taxes and boosting infrastructure spending. The European Central Bank signaled that it would keep its rate-hike plans on hold until 2020 or later. The Bank of Japan announced that it would hold interest rates at their extremely low levels until at least the spring of 2020.

The confident tone of the markets was interrupted in May, however, when escalating trade tensions between the US and China gave those already wary of weak global economic momentum another reason to fret. The tit-for-tat exchange of tariffs prompted investors to take refuge in perceived safe havens like Treasuries and gold, sending risk assets sharply lower and volatility higher. In June, however, equity markets began another leg higher on Fed comments that the economic impact of trade frictions could be grounds for more accommodative monetary policy. June saw very strong gains for risk assets, but even stronger gains for gold and Treasuries. Volatility was relatively subdued, but the rise of these defensive assets suggests that, at least for some investors, risk perception has not evaporated.

As shareholders, you know that First Eagle does not attempt to predict economic or market developments. We invest with a “margin of safety”<sup>1</sup> mindset, one security at a time. We remain acutely aware of the longer-term risks that continue to develop across the globe. A continuation of protectionist trade policies likely would be felt broadly, weighing on the growth and productivity of economies worldwide. This includes Europe, which already is contending with slow growth, the ongoing challenge of Brexit and the continued destabilizing rise of anti-establishment sentiment. Debt, too, remains a key concern. China, which has been the epicenter of global debt creation, has opted once again to spur its economy with measures that will add to its sovereign debt, while the US is likely to face persistent budget deficits for years to come despite the overall strength of its economy. Given the magnitude of the global debt overhang, even small downshifts in economic conditions could cause the debt cycle to turn viciously negative—a risk investors have not yet priced into asset valuations.

We believe that our patient, long-term-oriented, “margin of safety” driven approach to value investing has led us to be positioned appropriately for current conditions. We think it is important to remain prudent and to proceed with caution while taking advantage of volatility by deploying capital into great businesses at sensible valuations.

Thank you for entrusting your assets to our stewardship.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mehdi' followed by a period.

Mehdi Mahmud  
President

August 2019

<sup>1</sup> First Eagle defines a “margin of safety” as the difference between a company’s purchase price and our estimate of its intrinsic value. Any perceived “margin of safety” or “discount to intrinsic or fundamental value” is no guarantee against loss.

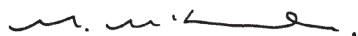
# Management's Discussion of Fund Performance (unaudited)

## First Eagle Overseas Variable Fund

The net asset value ("NAV") of First Eagle Overseas Variable Fund (the "Fund") rose 12.38% in the six months ended June 30, 2019, while the MSCI EAFE Index increased 14.03%.

The five largest contributors to the performance of the Fund over the period were gold bullion, FANUC Corp. (machinery, Japan), Nestle SA (food products, Switzerland), Danone SA (food products, France) and TechnipFMC plc (energy equipment & services, United Kingdom). Collectively, they accounted for 23.23% of the Fund's performance.

The five largest detractors were Jardine Matheson Holdings Ltd. (industrial conglomerates, Hong Kong), Telefonica Deutschland Holding AG (diversified telecommunication services, Germany), Cielo SA (information technology services, Brazil), BT Group plc (diversified telecommunication services, United Kingdom) and KT&G Corp. (tobacco, South Korea). Collectively, they subtracted 3.86% from the Fund's performance.



**Matthew McLennan**  
Head of the Global Value Team  
Portfolio Manager



**T. Kimball Brooker, Jr.**  
Portfolio Manager

August 2019

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 [feim.com](http://feim.com) or by calling 800.334.2143.

Performance data quoted herein does not reflect charges imposed by variable annuity contracts and variable life insurance policies issued by the life insurance companies through which the Fund is offered. If those account-level fees and expenses were reflected, performance would be lower.

The commentary represents the opinion of Mehdi Mahmud and the Global Value Team as of August 2019 and is subject to change based on market and other conditions. 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. 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.

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. These risks may be more pronounced with respect to investments in emerging markets. Funds whose investments are concentrated in a specific industry or sector may be subject to a higher degree of risk than funds whose investments are diversified and may not be suitable for all investors.

All securities may be subject to adverse market trends. The value of the Fund's portfolio holdings may fluctuate in response to events specific to the companies or stock or bond markets in which the Fund invests, as well as economic, political, or social events in the United States or abroad. This may cause the Fund's portfolio to be worth less than the price originally paid for it, or less than it was worth at an earlier time. Market risk may affect a single issuer or the market as a whole. As a result, a portfolio of such securities may underperform the market as a whole.

In addition to investments in larger companies, the Fund may invest in small and medium-size companies, which historically have been more volatile in price than larger company securities, especially over the short term. Positions in smaller companies, especially when the Fund is a large holder of a small company's securities, also may be more difficult or expensive to trade. Among the reasons for the greater price volatility are the less certain growth prospects of smaller companies, the lower degree of liquidity in the markets for such securities and the greater sensitivity of smaller companies to changing economic conditions. In addition, smaller companies may lack depth of management, they may be unable to generate funds necessary for growth or development, or they may be developing or marketing new products or services for which markets are not yet established and may never become established. The Funds consider small companies to be companies with market capitalizations of less than \$1 billion and medium-size companies to have market capitalizations of less than \$10 billion.

Investment in gold and gold-related investments present certain risks, including political and economic risks affecting the price of gold and other precious metals including specific changes in U.S. and foreign regulatory policies, tax, currency or mining laws, increased environmental costs, international monetary and political policies, economic conditions within an individual country, trade imbalances, and trade or currency restrictions between countries. The price of gold, in turn, is likely to affect the market prices of securities of companies mining or processing gold, and accordingly, the value of investments in such securities may also be affected. Gold-related investments as a group have not performed as well as the stock market in general during periods when the U.S. dollar is strong, inflation is low and general economic conditions are stable. In addition, returns on gold-related investments have traditionally been more volatile than investments in broader equity or debt markets.

Funds that invest in bonds are subject to credit and interest rate risk. The value of a fund's portfolio may fluctuate in response to the risk that the issuer of a bond or other instrument will not be able to make payments of interest and principal when due. In addition, fluctuations in interest rates can affect the value of debt instruments held by a fund. An increase in interest rates tends to reduce the market value of debt instruments, while a decline in interest rates tends to increase their values. Longer duration instruments tend to be more sensitive to interest rate changes than those with shorter durations.

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.

An investment made at a perceived "margin of safety" or "discount to intrinsic or fundamental value" can trade at prices substantially lower than when an investment is made, so that any perceived "margin of safety" or "discount to value" is no guarantee against loss.

All investments involve the risk of loss.

# First Eagle Overseas Variable Fund

## Fund Overview

Data as of June 30, 2019 (unaudited)

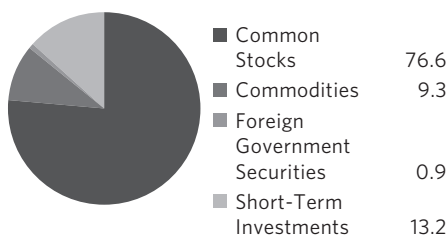
### Investment Objective

The First Eagle Overseas Variable Fund seeks long-term growth of capital by investing primarily in equities, including common and preferred stocks, warrants or other similar rights, and convertible securities, issued by non-U.S. companies.

### Average Annual Returns (%)

	One-Year	Five-Years	Ten-Years
First Eagle Overseas Variable Fund	3.75	2.47	7.22
MSCI EAFE Index	1.08	2.25	6.90
Consumer Price Index	1.65	1.45	1.73

### Asset Allocation\* (%)



### Countries\*~ (%)

Japan	20.9
United States	11.9
United Kingdom	9.8
France	8.9
Canada	6.7
Hong Kong	5.1
South Korea	4.2
Switzerland	4.0
Singapore	2.6
Sweden	2.3
Germany	1.7
Belgium	1.3
Thailand	1.3
Chile	0.9
Norway	0.9
Mexico	0.7
Australia	0.6
Taiwan	0.6
Denmark	0.5
Ireland	0.5
Brazil	0.4
Greece	0.3
Indonesia	0.2
Netherlands	0.2
Turkey	0.1
Israel	0.1
Malaysia	0.1
Italy	0.0^
Short-Term Investments	13.2

### Sectors\* (%)

Industrials	12.9
Financials	12.4
Consumer Staples	12.0
Materials	11.7
Commodities	9.3
Consumer Discretionary	6.4
Communication Services	5.3
Health Care	5.1
Real Estate	4.6
Energy	3.4
Information Technology	2.8
Foreign Government Securities	0.9
Short-Term Investments	13.2

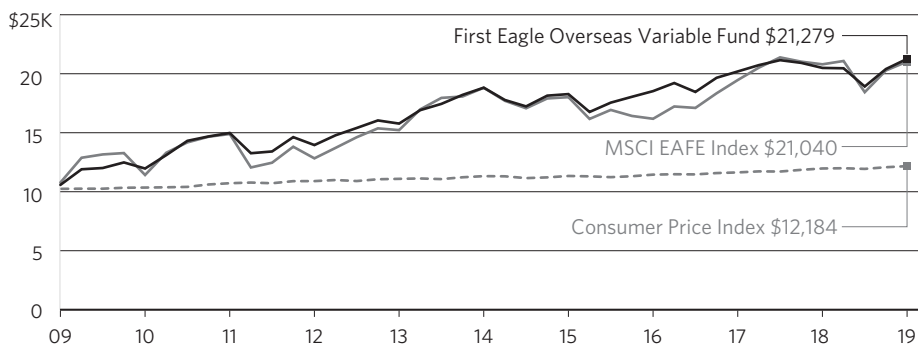
^Less than 0.05%.

\* Asset Allocation, Sector and Countries percentages are based on total investments in the portfolio.  
~ Country allocations reflect country of risk (not currency of issue). Bonds of non-U.S. issuers may be U.S. dollar denominated.

The Fund's portfolio composition is subject to change at any time.



## Growth of a \$10,000 Initial Investment



Performance data quoted herein represents past performance and should not be considered indicative of future results. Performance data quoted herein does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the sale of Fund shares. Performance data quoted herein does not reflect charges imposed by variable annuity contracts and variable life insurance policies issued by the life insurance companies through which the Fund is offered. If those account-level fees and expenses were reflected, performance would be lower.

The average annual returns shown above are historical and reflect changes in share price, reinvested dividends and are net of expenses.

The MSCI EAFE Index is an unmanaged total return index, reported in U.S. Dollars, based on share prices and reinvested net dividends of companies from 21 developed market countries. One cannot invest directly in an index. The Consumer Price Index (CPI) represents the change in price of all goods and services purchased for consumption in urban households.

## Top 10 Holdings\* (%)

Gold bullion (Precious Metal)	9.3
FANUC Corp. (Machinery, Japan)	2.8
Danone SA (Food Products, France)	2.4
Nestle SA (Registered) (Food Products, Switzerland)	2.1
KDDI Corp. (Wireless Telecommunication Services, Japan)	2.0
Mitsubishi Estate Co. Ltd. (Real Estate Management & Development, Japan)	2.0
Sompo Holdings, Inc. (Insurance, Japan)	1.9
Nutrien Ltd. (Chemicals, Canada)	1.9
British American Tobacco plc (Tobacco, United Kingdom)	1.8
Secom Co. Ltd. (Commercial Services & Supplies, Japan)	1.7
<b>Total</b>	<b>27.9</b>

\* Holdings in cash, commercial paper and other short term cash equivalents have been excluded. Percentages are based on total net assets.

Investments	Shares	Value (\$)
<b>Common Stocks — 76.9%</b>		
<b>Australia — 0.6%</b>		
Newcrest Mining Ltd.	95,506	2,145,659
<b>Belgium — 1.3%</b>		
Groupe Bruxelles Lambert SA	38,487	3,781,392
Sofina SA	4,345	829,129
		<b>4,610,521</b>
<b>Brazil — 0.4%</b>		
Cielo SA	872,351	1,526,634
<b>Canada — 6.7%</b>		
Agnico Eagle Mines Ltd.	42,814	2,195,053
Barrick Gold Corp.	166,690	2,628,701
Cenovus Energy, Inc.	195,196	1,721,629
Franco-Nevada Corp.	14,691	1,246,921
Imperial Oil Ltd.	156,091	4,321,988
Nutrien Ltd.	121,337	6,486,676
Power Corp. of Canada	108,905	2,346,004
Wheaton Precious Metals Corp.	98,615	2,384,511
		<b>23,331,483</b>
<b>Chile — 0.9%</b>		
Cia Cervecerias Unidas SA, ADR	115,867	3,273,243
<b>Denmark — 0.5%</b>		
ISS A/S	60,814	1,838,576
<b>France — 9.0%</b>		
Bouygues SA	15,342	568,160
Cie de Saint-Gobain	100,291	3,916,341
Danone SA	99,223	8,401,431
Laurent-Perrier	22,658	2,308,491
Legrand SA	17,663	1,291,321
Rexel SA	177,187	2,248,921
Robertet SA	3,270	2,376,004
Sabot SA	4,600	123,723
Sanofi	48,199	4,165,469

Investments	Shares	Value (\$)
<b>France — 9.0% (continued)</b>		
Sodexo SA	34,868	4,075,856
Wendel SA	12,347	1,683,229
		<b>31,158,946</b>
<b>Germany — 1.7%</b>		
FUCHS PETROLUB SE (Preference)	9,189	360,763
HeidelbergCement AG	53,023	4,290,907
Telefonica Deutschland Holding AG	445,331	1,244,190
		<b>5,895,860</b>
<b>Greece — 0.3%</b>		
JUMBO SA	52,806	1,022,053
<b>Hong Kong — 5.1%</b>		
CK Asset Holdings Ltd.	323,500	2,534,324
Great Eagle Holdings Ltd.	603,814	2,583,530
Guoco Group Ltd.	192,670	3,010,207
Hang Lung Properties Ltd.	802,251	1,908,566
Hysan Development Co. Ltd.	421,760	2,179,299
Jardine Matheson Holdings Ltd.	84,180	5,309,487
Jardine Strategic Holdings Ltd.	7,800	297,626
		<b>17,823,039</b>
<b>Ireland — 0.5%</b>		
CRH plc	54,690	1,787,318
<b>Israel — 0.1%</b>		
Israel Chemicals Ltd.	30,773	161,896
<b>Italy — 0.0% (a)</b>		
Italmobiliare SpA	6,348	153,028
<b>Japan — 21.0%</b>		
As One Corp.	20,980	1,745,545
Chofu Seisakusho Co. Ltd.	58,785	1,167,050
Daiichikosho Co. Ltd.	58,230	2,716,275
FANUC Corp.	51,780	9,621,384
Hirose Electric Co. Ltd.	28,980	3,242,805
Hoshizaki Corp.	17,800	1,327,369
Hoya Corp.	27,760	2,133,474

Investments	Shares	Value (\$)
<b>Japan — 21.0% (continued)</b>		
Kansai Paint Co. Ltd.	79,080	1,661,952
KDDI Corp.	271,400	6,906,231
Keyence Corp.	4,100	2,528,562
Komatsu Ltd.	36,700	890,996
Mitsubishi Electric Corp.	184,800	2,443,072
Mitsubishi Estate Co. Ltd.	363,760	6,779,561
MS&AD Insurance Group Holdings, Inc.	95,300	3,029,245
Nagaileben Co. Ltd.	37,310	819,760
Nissin Foods Holdings Co. Ltd.	20,100	1,296,485
NTT DOCOMO, Inc.	183,600	4,283,743
Olympus Corp.	17,864	198,806
Secom Co. Ltd.	69,660	6,002,590
Shimano, Inc.	17,960	2,676,227
SK Kaken Co. Ltd.	2,038	907,332
SMC Corp.	7,460	2,796,568
Sompo Holdings, Inc.	175,100	6,773,144
T Hasegawa Co. Ltd.	48,800	872,508
		<b>72,820,684</b>
<b>Mexico — 0.8%</b>		
Fresnillo plc	162,144	1,794,580
Industrias Penoles SAB de CV	61,384	794,094
		<b>2,588,674</b>
<b>Netherlands — 0.2%</b>		
HAL Trust	4,723	682,999
<b>Norway — 0.9%</b>		
Orkla ASA	338,712	3,006,044
<b>Singapore — 2.0%</b>		
ComfortDelGro Corp. Ltd.	655,410	1,288,924
Haw Par Corp. Ltd.	539,513	5,630,395
UOL Group Ltd.	700	3,910
		<b>6,923,229</b>
<b>South Korea — 4.2%</b>		
Fursys, Inc.	39,392	1,095,406
Hyundai Mobis Co. Ltd.	11,293	2,304,037

Investments	Shares	Value (\$)
<b>South Korea — 4.2% (continued)</b>		
Kia Motors Corp.	109,649	4,182,981
KT&G Corp.	48,099	4,104,546
Lotte Confectionery Co. Ltd.	2,996	448,149
Lotte Corp.	17,807	679,502
NongShim Co. Ltd.	6,038	1,328,359
Samsung Electronics Co. Ltd. (Preference)	14,089	467,253
		<b>14,610,233</b>
<b>Sweden — 2.3%</b>		
Industrivarden AB, Class C	38,232	848,326
Investor AB, Class A	96,942	4,659,635
Investor AB, Class B	16,963	815,734
Svenska Handelsbanken AB, Class A	152,328	1,503,279
		<b>7,826,974</b>
<b>Switzerland — 4.0%</b>		
Cie Financiere Richemont SA (Registered)	48,507	4,121,958
Nestle SA (Registered)	69,153	7,158,874
Pargesa Holding SA	35,541	2,741,114
		<b>14,021,946</b>
<b>Taiwan — 0.6%</b>		
Taiwan Semiconductor Manufacturing Co. Ltd., ADR	54,529	2,135,901
<b>Thailand — 1.3%</b>		
Bangkok Bank PCL, NVDR	589,505	3,788,791
Thai Beverage PCL	1,255,292	770,593
		<b>4,559,384</b>
<b>Turkey — 0.1%</b>		
AG Anadolu Grubu Holding A/S	191,062	347,344
<b>United Kingdom — 9.8%</b>		
Berkeley Group Holdings plc	54,675	2,591,238
British American Tobacco plc	182,852	6,384,451
BT Group plc	529,834	1,324,762
Diageo plc	48,196	2,074,369
GlaxoSmithKline plc	160,354	3,214,271
Hiscox Ltd.	72,214	1,551,529
Liberty Global plc, Class C*	22,188	588,648

Investments	Shares	Value (\$)
<b>United Kingdom — 9.8% (continued)</b>		
Linde plc	16,898	3,394,066
Lloyds Banking Group plc	6,357,455	4,566,053
TechnipFMC plc	228,469	5,926,486
Unilever NV, CVA	16,117	979,239
WPP plc	119,521	1,505,542
		<b>34,100,654</b>
<b>United States — 2.6%</b>		
Newmont Goldcorp Corp.	95,810	3,685,811
Royal Gold, Inc.	15,855	1,624,979
Willis Towers Watson plc	18,449	3,533,722
		<b>8,844,512</b>
<b>Total Common Stocks (Cost \$190,934,251)</b>		<b>267,196,834</b>
	Ounces	
<b>Commodities — 9.3%</b>		
Gold bullion*	23,039	32,501,632
<b>Total Commodities (Cost \$21,210,656)</b>		<b>32,501,632</b>
	Principal Amount (\$)	
<b>Foreign Government Securities — 0.9%</b>		
<b>Indonesia — 0.2%</b>		
Indonesia Treasury Bond 8.25%, 7/15/2021	IDR 10,534,000,000	762,104
<b>Malaysia — 0.1%</b>		
Malaysia Government Bond 3.66%, 10/15/2020	MYR 648,000	157,628
<b>Singapore — 0.6%</b>		
Singapore Government Bond 3.25%, 9/1/2020	SGD 1,882,000	1,416,687
2.25%, 6/1/2021	SGD 1,077,000	805,553
		<b>2,222,240</b>
<b>Total Foreign Government Securities (Cost \$3,130,939)</b>		<b>3,141,972</b>

Investments	Principal Amount (\$)	Value (\$)
<b>Short-Term Investments — 13.2%</b>		
<b>Commercial Paper — 12.3%</b>		
Anthem, Inc. 2.47%, 7/1/2019 (b)(c)	2,731,000	2,730,430
Avery Dennison Corp. 2.47%, 7/1/2019 (c)	3,500,000	3,499,280
CenterPoint Energy, Inc. 2.52%, 7/1/2019 (c)	3,005,000	3,004,374
Engie SA 2.54%, 8/9/2019 (c)	1,719,000	1,714,138
2.54%, 8/12/2019 (c)	1,719,000	1,713,768
Eni Finance USA, Inc. 2.51%, 7/1/2019 (c)	2,473,000	2,472,482
Erste Abwicklungsanstalt 2.39%, 8/15/2019 (b)(c)	4,000,000	3,987,648
Hitachi America Capital Ltd. 2.53%, 7/1/2019 (b)(c)	7,186,000	7,184,501
Kreditanstalt fuer Wiederaufbau 2.29%, 9/13/2019 (b)(c)	4,000,000	3,981,135
Nestle Capital Corp. 2.30%, 8/12/2019 (b)(c)	4,019,000	4,007,621
Province of Quebec Canada 2.48%, 8/13/2019 (c)	602,000	600,229
PSP Capital, Inc. 2.32%, 7/19/2019 (b)(c)	4,000,000	3,994,547
2.29%, 9/17/2019 (b)(c)	4,000,000	3,979,525
<b>Total Commercial Paper (Cost \$42,876,697)</b>		<b>42,869,678</b>
<b>U.S. Treasury Obligations — 0.9%</b>		
U.S. Treasury Bills 2.08%, 9/19/2019 (c) (Cost \$2,986,233)	3,000,000	2,986,177

Investments	Shares	Value (\$)
<b>Investment Companies — 0.0% (a)</b>		
JP Morgan U.S. Government Money Market Fund, Agency Shares 2.20% (d) (Cost \$2,847)	2,847	2,847
<b>Total Short-Term Investments (Cost \$45,865,777)</b>		<b>45,858,702</b>
<b>Total Investments — 100.3% (Cost \$261,141,623)</b>		<b>348,699,140</b>
<b>Liabilities in Excess of Other Assets — (0.3)%</b>		<b>(1,079,708)</b>
<b>Net Assets — 100.0%</b>		<b>347,619,432</b>

\* Non-income producing security.

(a) Represents less than 0.05% of net assets.

(b) Securities exempt from registration under Rule 144A or section 4(a)(2) of the Securities Act of 1933. Under procedures approved by the Board of Trustees, such securities have been determined to be liquid by the investment adviser and may be resold, normally to qualified institutional buyers in transactions exempt from registration.

(c) The rate shown was the current yield as of June 30, 2019.

(d) Represents 7-day effective yield as of June 30, 2019.

As of June 30, 2019, the gross unrealized appreciation (depreciation) of investments based on the aggregate cost of investment securities and derivative instruments, if applicable, for federal income tax purposes was as follows:

Aggregate gross unrealized appreciation	\$101,135,844
Aggregate gross unrealized depreciation	(13,668,198)
Net unrealized appreciation	\$ 87,467,646
Federal income tax cost	<u>\$261,141,623</u>



**Forward Foreign Currency Exchange Contracts outstanding as of June 30, 2019**

Currency Purchased		Currency Sold		Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
USD	3,017,922	EUR	2,597,000	JPMorgan Chase Bank	7/17/2019	\$ 61,092
USD	815,633	GBP	623,000	JPMorgan Chase Bank	7/17/2019	23,839
USD	226,433	EUR	193,000	UBS AG	8/21/2019	6,058
USD	1,416,940	GBP	1,094,000	UBS AG	8/21/2019	24,236
USD	366,499	JPY	38,983,000	UBS AG	8/21/2019	3,531
USD	1,251,117	EUR	1,082,000	HSBC Bank plc	9/18/2019	13,033
USD	724,878	GBP	553,000	HSBC Bank plc	9/18/2019	20,094
<b>Total unrealized appreciation</b>						<b>151,883</b>
USD	4,130,553	JPY	455,156,000	JPMorgan Chase Bank	7/17/2019	(96,197)
USD	2,018,057	EUR	1,780,000	UBS AG	8/21/2019	(14,424)
USD	3,874,936	JPY	421,593,000	UBS AG	8/21/2019	(50,481)
USD	322,984	GBP	254,000	HSBC Bank plc	9/18/2019	(733)
USD	2,735,849	JPY	295,209,000	HSBC Bank plc	9/18/2019	(18,277)
USD	5,878,439	EUR	5,164,000	Goldman Sachs	10/16/2019	(43,024)
USD	725,856	GBP	569,000	Goldman Sachs	10/16/2019	(88)
USD	3,341,425	JPY	359,387,000	Goldman Sachs	10/16/2019	(18,530)
<b>Total unrealized depreciation</b>						<b>(241,754)</b>
<b>Net unrealized depreciation</b>						<b>\$ (89,871)</b>

**Abbreviations**

ADR	— American Depositary Receipt
CVA	— Dutch Certification
EUR	— Euro
GBP	— British Pound
IDR	— Indonesian Rupiah
JPY	— Japanese Yen
MYR	— Malaysian Ringgit
NVDR	— Non-Voting Depositary Receipt
SGD	— Singapore Dollar
USD	— United States Dollar

# Statement of Assets and Liabilities

June 30, 2019 (unaudited)

First Eagle Overseas  
Variable Fund

Assets	
Investments, at Cost (Note 1)	
Investments in securities of unaffiliated issuers	\$239,930,967
Gold bullion	21,210,656
Investments, at Value (Note 1)	
Investments in securities of unaffiliated issuers	316,197,508
Gold bullion	32,501,632
Unrealized appreciation on forward foreign currency exchange contracts	151,883
Receivable for investment securities sold	1,071,114
Foreign tax reclaims receivable	700,495
Receivable for Fund shares sold	23,284
Accrued interest and dividends receivable	475,280
Other assets	37,053
<b>Total Assets</b>	<b>351,158,249</b>
Liabilities	
Investment advisory fees payable (Note 2)	212,318
Due to custodian	32,720
Payable for investment securities purchased	381,016
Distribution fees payable (Note 3)	70,773
Administrative fees payable (Note 2)	40,042
Trustee fees payable	1,280
Unrealized depreciation on forward foreign currency exchange contracts	241,754
Payable for Fund shares redeemed	2,011,721
Accrued expenses and other liabilities	547,193
<b>Total Liabilities</b>	<b>3,538,817</b>
<b>Net Assets</b>	<b>\$347,619,432</b>
Net Assets Consist of	
Capital stock (par value, \$0.001 per share)	13,585
Capital surplus	254,840,042
Total distributable earnings (losses)	92,765,805
<b>Net Assets</b>	<b>\$347,619,432</b>
Shares Outstanding (1,000,000,000 shares authorized):	13,585,362
Net asset value per share and redemption proceeds per share:	\$25.59

See Notes to Financial Statements

# Statement of Operations

June 30, 2019 (unaudited)

First Eagle Overseas  
Variable Fund

<b>Investment Income</b>	
Interest (net of \$5,487 foreign taxes withheld)	\$688,751
Dividends from unaffiliated issuers (net of \$478,825 foreign taxes withheld)	5,022,351
<b>Total Income</b>	<b>5,711,102</b>
<b>Expenses</b>	
Investment advisory fees (Note 2)	1,304,573
Distributions fees (Note 3)	434,858
Shareholder servicing agent fees	233,605
Administrative costs (Note 2)	151,527
Professional fees	123,749
Custodian and accounting fees	91,444
Shareholder reporting fees	35,813
Trustees' fees	2,573
Other expenses	8,486
<b>Total Expenses</b>	<b>2,386,628</b>
Expense reimbursement	(63,452)
Expense reductions due to earnings credits (Note 1)	(62)
<b>Net Expenses</b>	<b>2,323,114</b>
Net Investment Income (Loss) (Note 1)	3,387,988
<b>Realized and Unrealized Gains (Losses) on Investments and Foreign Currency Related Transactions (Note 1)</b>	
<b>Net realized gains (losses) from:</b>	
Transactions in investment securities of unaffiliated issuers	3,759,258
Commodity related transactions	34,939
Settlement of foreign currency and foreign currency transactions	9,924
Settlement of forward foreign currency exchange contracts	313,272
	<b>4,117,393</b>
<b>Changes in unrealized appreciation (depreciation) of:</b>	
Investment securities of unaffiliated issuers and commodity related transactions (net of increase in deferred capital gain country tax accruals of \$(756))	33,114,859
Foreign currency and foreign currency translations	652
Forward foreign currency exchange contracts	(8,372)
	<b>33,107,139</b>
Net realized and unrealized gains (losses) on investments, commodity, foreign currency and forward contract related transactions	37,224,532
<b>Net Increase in Net Assets Resulting from Operations</b>	<b>\$40,612,520</b>

See Notes to Financial Statements

# Statements of Changes in Net Assets

	First Eagle Overseas Variable Fund	
	For the Six Months ended June 30, 2019 (Unaudited)	For the year ended December 31, 2018
<b>Operations</b>		
Net investment income	\$3,387,988	\$3,764,064
Net realized gain from investments, commodity, foreign currency and forward contract related transactions	4,117,393	13,096,016
Change in unrealized appreciation (depreciation) of investments, commodity, foreign currency and forward contract related translations	33,107,139	(58,527,787)
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>40,612,520</b>	<b>(41,667,707)</b>
<b>Distributions to Shareholders</b>		
Distributable earnings	—	(28,137,746)
<b>Decrease in net assets resulting from distributions</b>	<b>—</b>	<b>(28,137,746)</b>
<b>Fund Share Transactions</b>		
Net proceeds from shares sold	4,687,545	36,043,026
Net asset value of shares issued for reinvested dividends and distributions	—	28,137,746
Cost of shares redeemed	(40,336,595)	(80,220,204)
Decrease in net assets from Fund share transactions	(35,649,050)	(16,039,432)
<b>Net increase (decrease) in net assets</b>	<b>4,963,470</b>	<b>(85,844,885)</b>
<b>Net Assets (Note 1)</b>		
Beginning of period	342,655,962	428,500,847
<b>End of period</b>	<b>\$347,619,432</b>	<b>\$342,655,962</b>
<b>Changes in Shares Outstanding</b>		
Shares outstanding, beginning of period	15,047,700	15,462,359
Shares sold	191,234	1,353,328
Shares issued on reinvestment of distributions	—	1,222,849
Shares redeemed	(1,653,572)	(2,990,836)
<b>Shares outstanding, end of period</b>	<b>13,585,362</b>	<b>15,047,700</b>

See Notes to Financial Statements

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# First Eagle Overseas Variable Fund

## Financial Highlights

Selected per share data for the year ended:	Per share operating performance*						
	Investment operation				Less dividends and distributions		
	Net asset value, beginning of period	Net investment income	Net realized and unrealized gains (losses) on investments	Total investment operations	From net investment income	From capital gains	Total distributions
Six-Months Ended June 30, 2019 (unaudited)	\$22.77	0.24	2.58	2.82	—	—	—
December 31, 2018	\$27.71	0.26	(3.16)	(2.90)	(0.60)	(1.44)	(2.04)
December 31, 2017	\$25.43	0.15	3.55	3.70	(0.31)	(1.11)	(1.42)
December 31, 2016	\$24.81	0.16	1.12	1.28	(0.15)	(0.51)	(0.66)
December 31, 2015	\$26.31	0.17	0.29	0.46	(0.18)	(1.78)	(1.96)
December 31, 2014	\$29.76	0.17	(0.59)	(0.42)	(0.85)	(2.18)	(3.03)

\* Per share amounts have been calculated using the average shares method.

(a) Performance data quoted herein does not reflect charges imposed by variable annuity contracts and variable life insurance policies issued by the life insurance companies through which the Fund is offered. If those account-level fees and expenses were reflected, performance would be lower.

(b) Not Annualized

(c) Annualized

See Notes to Financial Statements

			Ratios/Supplemental data				
			Ratios to Average Net Assets of				
Net asset value, end of period	Total Return(a)	Net assets, end of period (thousands)	Operating expenses excluding earnings credits and/or fee waivers	Operating expenses including earnings credits and/or fee waivers	Net investment income excluding earnings credits and/or fee waivers	Net investment income including earnings credits and/or fee waivers	Portfolio turnover rate
\$25.59	12.38%(b)	\$347,619	1.37%(c)	1.34%(c)	1.91%(c)	1.95%(c)	2.05%(b)
\$22.77	(10.55)%	\$342,656	1.36%	1.34%	0.93%	0.96%	13.39%
\$27.71	14.58%	\$428,501	1.36%	1.36%	0.53%	0.53%	9.20%
\$25.43	5.17%	\$439,983	1.30%	1.30%	0.60%	0.60%	6.44%
\$24.81	1.84%	\$480,222	1.30%	1.30%	0.61%	0.61%	11.86%
\$26.31	(1.23)%	\$545,000	1.28%	1.28%	0.54%	0.54%	15.23%

# Notes to Financial Statements

## Note 1 — Significant Accounting Policies

First Eagle Variable Funds (the “Trust”) is an open-end, diversified management investment company registered under the Investment Company Act of 1940, as amended (“1940 Act”). The Trust consists of one portfolio, First Eagle Overseas Variable Fund (the “Fund”). The Trust is a Delaware statutory trust and was until March 31, 2004 a Maryland Corporation operating under the name First Eagle Variable Funds, Inc. The First Eagle Overseas Variable Fund seeks long-term growth of capital by investing primarily in equities, including common and preferred stocks, warrants or other similar rights, and convertible securities, issued by non-U.S. companies. The shares of the Fund may be purchased only by the separate accounts of insurance companies for the purpose of funding variable life insurance policies and variable annuity contracts. At June 30, 2019, the Fund is offered as an investment option by two insurance companies and accordingly a decision by any insurance company to withdraw its participation may have a negative impact on the Fund.

First Eagle Investment Management, LLC (the “Adviser”), a subsidiary of First Eagle Holdings, Inc. (“First Eagle Holdings”), manages the Fund. A controlling interest in First Eagle Holdings is owned by BCP CC Holdings L.P., a Delaware limited partnership (“BCP CC Holdings”). BCP CC Holdings GP L.L.C., a Delaware limited liability company (“BCP CC Holdings GP”), is the general partner of BCP CC Holdings and has two managing members, Blackstone Capital Partners VI L.P. (“BCP VI”) and Corsair IV Financial Services Capital Partners L.P. (“Corsair IV”). BCP VI and Corsair IV are indirectly controlled by The Blackstone Group L.P. (“Blackstone”) and Corsair Capital LLC (“Corsair”), respectively. Investment vehicles indirectly controlled by Blackstone and Corsair and certain co-investors own a majority economic interest in First Eagle Holdings and the Adviser through BCP CC Holdings.

The following is a summary of significant accounting policies that are adhered to by the Fund. The Fund is an investment company and, accordingly, follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board Accounting Standards Codification Topic 946—Investment Companies, which is part of U.S. generally accepted accounting principles (“GAAP”).

**a) Investment valuation** — The Fund computes its net asset value once daily as of the close of trading on each day the New York Stock Exchange (“NYSE”) is open for trading. The net asset value per share is computed by dividing the total current value of the assets of the Fund, less its liabilities, by the total number of shares outstanding at the time of such computation.

A portfolio security (including an option), other than a bond, which is traded on a U.S. national securities exchange or a securities exchange abroad is generally valued at the price of the official close (last sales price if an official closing price is not available) as of the local market close on the exchange. If there are no round lot sales on such date, such security will be valued at the mean between the closing bid and asked prices (and if there is only a bid or only an asked price on such date, valuation will be at such bid or asked price for long or short positions, respectively). Securities, other than bonds, traded in the over-the-counter market are valued at the mean between the last bid and asked prices prior to the time of valuation (and if there is only a bid or only an asked price on such date, valuation will be at



such bid or asked price for long or short positions, respectively), except if such unlisted security is traded on the NASDAQ in which case, it is valued at the NASDAQ Official Closing Price. Such prices are provided by approved pricing vendors or other independent pricing sources.

All bonds, whether listed on an exchange or traded in the over-the-counter-market for which market quotations are readily available are generally priced at the evaluated bid price provided by an approved pricing service as of the close of the NYSE (normally 4:00 p.m. Eastern Time), or dealers in the over-the-counter markets in the United States or abroad. Prior to April 8, 2019, all bonds, whether listed on an exchange or traded in the over-the-counter-market for which market quotations are readily available, were generally priced at the evaluated bid price provided by an approved pricing service prior to the close of the NYSE (normally 3:00 p.m. Eastern Time), or dealers in the over-the-counter markets in the United States or abroad. Pricing services and broker-dealers use multiple valuation techniques to determine value. In instances where sufficient market activity exists, dealers or pricing services may utilize a market-based approach through which quotes from market makers are used to determine fair value. In instances where sufficient market activity may not exist or is limited, the dealers or pricing services also utilize proprietary valuation models which may consider market transactions in comparable securities and the various relationships between securities in determining value and/or market characteristics such as benchmark yield curves, option-adjusted spreads, credit spreads, estimated default rates, coupon-rates, anticipated timing of principal repayments, underlying collateral, and other unique security features in order to estimate the relevant cash flows, which are then discounted to calculate the fair values. The Adviser's Valuation Committee, at least annually, will review the pricing service's inputs, methods, models and assumptions for its evaluated prices. Short-term debt maturing in 60 days or less is valued at evaluated bid prices.

Commodities (such as physical metals) are valued at a calculated evaluated mean price, as provided by an independent price source as of the close of the NYSE (normally 4:00 p.m. Eastern Time).

Forward foreign currency exchange contracts are valued at the current cost of covering or off-setting such contracts, by reference to forward currency rates at the time the NYSE closes (normally 4:00 p.m. Eastern Time), as provided by an independent pricing source.

The spot exchange rates, as provided by an independent price source as of the close of the NYSE (normally 4:00 p.m. Eastern Time) are used to convert foreign security prices into U.S. dollars.

Any security that is listed or traded on more than one exchange (or traded in multiple markets) is valued at the official close on the primary exchange or market on which they are traded. In the absence of such a quotation, a security may be valued at the last quoted sales price on the most active exchange or market as determined by the independent pricing agent. The Fund uses pricing services to identify the market prices of publicly traded securities in its portfolio. When market prices are determined to be "stale" as a result of limited market activity for a particular holding, or in other circumstances when market prices are unavailable, such as for private placements, or determined to be unreliable for a particular holding, such holdings may be

“fair valued” in accordance with procedures approved by the Board of Trustees (“Board”). The values assigned to the Fund’s holdings therefore may differ on occasion from reported market values.

The Fund has adopted procedures under which movements in the prices for U.S. securities (beyond specified thresholds) occurring after the close of a foreign market may require fair valuation of securities traded in that foreign market. The determination of whether a particular foreign investment should be fair valued will be based on review of a number of factors, including developments in foreign markets and security-specific events. The values assigned to the Fund’s holdings therefore may differ on occasion from reported market values, especially during periods of higher market price volatility. The Board and the Adviser believe relying on the procedures as just described will result in prices that are more reflective of the actual market value of portfolio securities held by the Fund than relying solely on reported market values.

The Fund adopted provisions surrounding fair value measurements and disclosures that define fair value, establish a framework for measuring fair value in GAAP and expand disclosures about fair value measurements. This applies to fair value measurements that are already required or permitted by other accounting standards and is intended to increase consistency of those measurements and applies broadly to securities and other types of assets and liabilities.

The Fund discloses the fair value of its investments in a hierarchy that prioritizes the inputs or assumptions to valuation techniques used to measure fair value. These inputs are used in determining the value of the Fund’s investments and are summarized in the following fair value hierarchy:

Level 1 — Quoted prices in active markets for identical securities.

Level 2 — Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3 — Other significant unobservable inputs (including the Fund’s own assumption in determining the fair value of investments).

The significant unobservable inputs that may be used in determining valuations for investments identified within Level 3 are market comparables and the enterprise value of a company. Indications of value and quotations may be observable at any given time, but are currently treated by the Fund as unobservable. Significant changes in any of the unobservable inputs may significantly impact the fair value measurement. The impact is based on the relationship between each unobservable input and the fair value measurement.

Significant increases (decreases) in enterprise multiples may increase (decrease) the fair value measurement. Significant increases (decreases) in the discount for marketability, probability of insolvency and probability of default may decrease (increase) the fair value measurement.

Fair valuation of securities, other financial investments or other assets (collectively, “securities”) held by the Fund shall be determined in good faith under the supervision and responsibility of the Board. The Board has created a Board Valuation and Liquidity Committee (the “Committee”) to oversee the execution of the valuation and liquidity procedures for the Fund.

The following is a summary of the Fund's inputs used to value the Fund's investments as of June 30, 2019:

Description	Level 1	Level 2	Level 3	Total
<b>Assets:†</b>				
Common Stocks	\$63,116,296	\$204,080,538 <sup>(a)</sup>	\$—	\$267,196,834
Commodities*	—	32,501,632	—	32,501,632
Foreign Government Securities	—	3,141,972	—	3,141,972
Short-Term Investments	2,847	45,855,855	—	45,858,702
Forward Foreign Currency Exchange Contracts**	—	151,883	—	151,883
<b>Total</b>	<b>\$63,119,143</b>	<b>\$285,731,880</b>	<b>\$—</b>	<b>\$348,851,023</b>
<b>Liabilities:</b>				
Forward Foreign Currency Exchange Contracts**	\$—	\$(241,754)	\$—	\$(241,754)
<b>Total</b>	<b>\$—</b>	<b>\$(241,754)</b>	<b>\$—</b>	<b>\$(241,754)</b>

(a) At June 30, 2019, certain non-U. S. securities applied the procedures under which movements in the price for U.S. securities (beyond specific thresholds) occurring after the close of a foreign market required fair valuation of securities traded in that foreign market. See Note 1(a) for additional details.

† See Schedule of Investments for additional detailed categorizations.

\* Represents gold bullion.

\*\* Forward Foreign Currency Exchange Contracts are valued at net unrealized appreciation (depreciation) on the investment.

- b) Investment transactions and income** — Investment transactions are accounted for on a trade date basis. The specific identification method is used in determining realized gains and losses from investment transactions. Dividend income is recorded on the ex-dividend date. Interest income is recorded daily on the accrual basis. In computing investment income, the Fund accretes discounts and amortizes premiums on debt obligations using the effective yield method. Payments received from certain investments held by the Fund may be comprised of dividends, capital gains and return of capital. The Fund originally estimates the expected classification of such payments. The amounts may subsequently be reclassified upon receipt of information from the issuer.
- c) Expenses** — Certain expenses are shared with the First Eagle Funds, an affiliated fund group. Such costs are generally allocated using the ratio of the Fund's average daily net assets relative to the total average daily net assets of the First Eagle Funds. Earnings credits may reduce shareholder servicing agent fees by the amount of interest earned on balances with such service provider.
- d) Foreign currency translation** — The books and records of the Fund are maintained in U.S. dollars. The market values of securities which are not traded in U.S. currency are recorded in

the financial statements after translation to U.S. dollars based on the applicable exchange rates at the end of the period. The costs of such securities are translated at exchange rates prevailing when acquired. Related interests, dividends and withholding taxes are accrued at the rates of exchange prevailing on the respective dates of such transactions.

The net assets of the Fund are presented at the foreign exchange rates and market values at the close of the period. The Fund does not isolate that portion of gains and losses on investments which is due to changes in foreign exchange rates from that which is due to changes in market prices of the securities. Accordingly, such foreign currency gains (losses) are included in the reported net realized and unrealized gains (losses) on investment transactions on the Statement of Operations. However, for federal income tax purposes the Fund does isolate the effect of changes in foreign exchange rates from the changes in market prices for realized gains and losses on debt obligations.

- e) **Forward foreign currency exchange contracts** — In connection with portfolio purchases and sales of securities denominated in foreign currencies, the Fund has entered into forward foreign currency exchange contracts. The Fund enters into forward foreign currency exchange contracts primarily to manage and/or gain exposure to certain foreign currencies. The Fund's currency transactions include portfolio hedging on portfolio positions. Portfolio hedging is the use of a forward foreign currency exchange contract (or other cash management position) with respect to one or more portfolio security positions denominated or quoted in a particular currency. Currency exchange transactions involve currencies of different countries that the Fund invests in and serves as hedges against possible variations in the exchange rates between these currencies and the U.S. dollar. The Fund engages in portfolio hedging with respect to the currency of a particular country in amounts approximating actual or anticipated positions in securities denominated in that currency. Hedging can reduce exposure to currency exchange movements, but cannot eliminate that exposure. It is possible to lose money under a hedge.

The Fund could be exposed to risk if the value of the currency changes unfavorably, if the counterparties to the contracts are unable to meet the terms of their contracts or if the Fund is unable to enter into a closing position. Forward foreign currency exchange contracts outstanding at period end, if any, are listed after the Fund's Schedule of Investments. For the six-month period ended June 30, 2019, the average monthly outstanding currency purchased and/or sold in U.S. dollars for forward foreign currency exchange contracts totaled \$908,230 and \$30,974,676, respectively.

The Fund adopted provisions surrounding disclosures of derivative instruments and hedging activities which require qualitative disclosures about objectives and strategies for using derivatives, quantitative disclosures about fair value amounts of gains and losses on derivative instruments, and disclosures about currency-risk-related contingent features in derivative agreements.

In order to better define its contractual rights and to secure rights that may help the Fund mitigate its counterparty risk, the Fund may enter into an International Swaps and Derivatives Association, Inc. Master Agreement ("ISDA Master Agreement") or similar agreement with its

derivative contract counterparties. An ISDA Master Agreement is a bilateral agreement between the Fund and a counterparty that governs over-the-counter (“OTC”) derivatives and forward foreign currency exchange contracts and typically contains, among other things, collateral posting terms and netting provisions in the event of a default and/or termination event. Under an ISDA Master Agreement, the Fund may, under certain circumstances, offset with the counterparty certain derivative financial instrument’s payables and/or receivables with collateral held and/or posted and create one single net payment. With respect to certain counterparties, in accordance with the terms of the ISDA Master Agreement, the Fund may be required to post or receive collateral in the form of cash or debt securities issued by the U.S. Government or related agencies. Daily movement of cash collateral is subject to minimum threshold amounts. Cash collateral that has been pledged to cover obligations of the Fund, if any, is reported separately on the Statement of Assets and Liabilities as cash pledged. Non-cash collateral pledged by the Fund, if any, is noted in the Schedule of Investments. Collateral received by the Fund is held in a segregated account at the Fund’s custodian bank. These amounts are not reflected on the Fund’s Statement of Assets and Liabilities and are disclosed in the table below. The provisions of the ISDA Master Agreement typically permit a single net payment in the event of default (close-out netting) including the bankruptcy or insolvency of the counterparty. Note, however, that bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against the right of offset in bankruptcy, insolvency or other events.

For financial reporting purposes, the Fund does not offset derivative assets and derivative liabilities that are subject to netting arrangements in the Statement of Asset and Liabilities.

At June 30, 2019, the Fund had the following forward foreign currency exchange contracts grouped into appropriate risk categories illustrated below:

Risk Type	Asset Derivative Fair Value <sup>(1)</sup>	Liability Derivative Fair Value <sup>(2)</sup>	Derivative Gain (Loss) Recognized in Income	
			Net Realized Gains (Losses) <sup>(3)</sup>	Change in Appreciation (Depreciation) <sup>(4)</sup>
Foreign currency	\$151,883	\$241,754	\$313,272	\$(8,372)

(1) Statement of Assets and Liabilities location: Unrealized appreciation on forward foreign currency exchange contracts.

(2) Statement of Assets and Liabilities location: Unrealized depreciation on forward foreign currency exchange contracts.

(3) Statement of Operations location: Net realized gains (losses) from settlement of forward foreign currency exchange contracts.

(4) Statement of Operations location: Changes in unrealized appreciation (depreciation) of forward foreign currency exchange contracts.

The following table presents the Fund's gross derivative assets and liabilities by counterparty net of amounts available for offset under netting arrangements and any related collateral received or pledged by the Fund as of June 30, 2019:

Counterparty	Gross Amount of Assets Presented in the Statement of Assets and Liabilities	Derivatives Available for Offset	Collateral Received	Net Amount (Not Less Than \$0)
HSBC Bank plc	\$33,127	\$(19,010)	\$—	\$14,117
JPMorgan Chase Bank	84,931	(84,931)	—	—
UBS AG	33,825	(33,825)	—	—
Total	\$151,883	\$(137,766)	\$—	\$14,117

Counterparty	Gross Amount of Liabilities Presented in the Statement of Assets and Liabilities	Derivatives Available for Offset	Collateral Pledged	Net Amount (Not Less Than \$0)
HSBC Bank plc	\$19,010	\$(19,010)	\$—	\$—
JPMorgan Chase Bank	96,197	(84,931)	—	11,266
UBS AG	64,905	(33,825)	—	31,080
Goldman Sachs	61,642	—	—	61,642
Total	\$241,754	\$(137,766)	\$—	\$103,988

- f) Treasury Inflation-Protected Securities** — The Fund may invest in Treasury Inflation-Protected Securities (“TIPS”) which are specially structured bonds in which the principal amount is adjusted to keep pace with inflation. The principal value of TIPS will be adjusted upward or downward and any increase or decrease in the principal amount of TIPS will be included as interest income in the Statement of Operations, even though investors do not receive their principal until maturity. TIPS are subject to interest rate risk.
- g) Restricted Securities** — The Fund may invest in securities that are subject to legal or contractual restrictions on resale. These securities generally may be resold in transactions exempt from registration or to the public if the securities are registered. Disposal of these securities may involve time-consuming negotiations and expenses, and prompt sale at an acceptable price may be difficult. Information regarding restricted securities, if any, is included at the end of the Fund's Schedule of Investments.
- h) United States Income Taxes** — No provision has been made for U.S. federal income taxes since it is the intention of the Fund to distribute to shareholders all taxable net investment income and net realized gains on investments, if any, within the allowable time limit, and to comply with the provisions of Subchapter M of the Internal Revenue Code applicable to the

regulated investment company. The Fund declares and pays such income and capital gains on an annual basis.

The Fund adopted provisions surrounding income taxes, which require the tax effects of certain tax positions to be recognized. These tax positions must meet a “more likely than not” standard that, based on their technical merits, have a more than 50% likelihood of being sustained upon examination. Management of the Trust has analyzed the Fund’s tax positions taken on federal and state income tax returns for all open tax years (the current and the prior three tax years) and has concluded that no provision for income tax is required in the Fund’s financial statements.

- i) **Use of Estimates** — The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- j) **Foreign Taxes** — The Fund may be subject to foreign taxes on income, and gains on investments or currency purchases/repatriation, a portion of which may be recoverable. The Fund will accrue such taxes and recoveries as applicable, based upon its current interpretation of tax rules and regulations that exist in the markets in which it invests.

## **Note 2 — Investment Advisory, Custody and Administration Agreements; Transactions with Related Persons**

For its services, the Adviser receives, pursuant to an Investment Advisory Agreement between the Fund and the Adviser (the “Advisory Agreement”), an annual advisory fee at an annual rate of 0.75% of the average daily net assets of the Fund.

The Adviser also performs certain administrative, accounting, operations, compliance and other services on behalf of the Fund, and in accordance with its agreement with the Adviser, the Fund reimburses the Adviser for costs (including personnel and other costs) related to those services. These reimbursements may not exceed an annual rate of 0.05% of the Fund’s average daily net assets. For the six-month period ended June 30, 2019, the Fund reimbursed the Adviser \$92,383, and had a payable to the Adviser of \$40,042.

The Fund has entered into a custody agreement with J.P. Morgan Chase Bank, N.A. (“JPM”). The custody agreement provides for an annual fee based on the amount of assets under custody plus transaction charges. JPM serves as custodian of the Fund’s portfolio securities and other assets. JPM has directly entered into a sub-custodial agreement to maintain the custody of gold bullion in the Fund. Under the terms of the custody agreement between the Fund and JPM, JPM maintains and deposits in separate accounts, cash, securities and other assets of the Fund. JPM is also required, upon the order of the Fund, to deliver securities held by JPM and the sub-custodian, and to make payments for securities purchased by the Fund. JPM has also entered into sub-custodian agreements with a number of foreign banks and clearing agencies, pursuant to which portfolio securities purchased outside the United States are maintained in the custody of these entities.

The Fund has also entered into an agreement for administrative services with JPM, pursuant to which JPM provides certain financial reporting and other administrative services. JPM, as the Fund’s administrator, receives annual fees separate from and in addition to the fees it receives for its services as the Fund’s custodian.

The Trust adopted a Trustee Deferred Compensation Plan (the “Plan”) which allows the eligible Independent Trustees to defer the receipt of all or a portion of compensation related to performance of their duties as a Trustee. The deferred fees are invested in various First Eagle Funds until distribution in accordance with the Plan. As of June 30, 2019, balances to the Plan are included in the fees payable to the Trustees on the Statement of Assets and Liabilities.

**Note 3 — Plans of Distribution**

Under the terms of the Distribution Plan and Agreement (the “Plan”) with FEF Distributors, LLC (the “Distributor”), pursuant to the provisions of Rule 12b-1 under the 1940 Act, the Fund may pay monthly a distribution related fee at an annual rate of up to 0.25% of the Fund’s average daily net assets. Under the Plan, the Distributor will use amounts payable by the Fund in their entirety for payment to insurance companies which are the issuers of variable contracts invested in shares of the Fund, in order to pay or reimburse such insurance companies for distribution and shareholder servicing-related expenses incurred or paid by such insurance companies. For the six-month period ended June 30, 2019, the distribution fee incurred by the Fund was \$434,858.

**Note 4 — Purchases and Sales of Securities**

For the six-month period ended June 30, 2019, purchases and proceeds from sales of investments, excluding short-term securities, were as follows:

Fund	Purchases excluding U.S. Government Securities	Sales and Maturities excluding U.S. Government Securities	Purchases of U.S. Government Securities	Sales and Maturities of U.S. Government Securities
First Eagle Overseas Variable Fund	\$6,182,944	\$34,165,745	\$—	\$5,628,883

**Note 5 — Line of Credit**

On June 17, 2019, the Fund, together with the First Eagle Funds, renewed a \$200 million committed, unsecured line of credit (“Credit Facility”) with JPM for the Fund and First Eagle Funds, to be utilized for temporarily financing the purchase or sale of securities for prompt delivery in the ordinary course of business or for temporarily financing the redemption of shares of each Fund at the request of shareholders and other temporary or emergency purposes. Under the Credit Facility arrangement, the Fund has agreed to pay an annual commitment fee on the unused balance, allocated pro rata, based on the relative asset size of the Fund. A portion of the commitment fees



related to the Credit Facility are paid by the Fund and are included in other expenses in the Statement of Operations. During the six-month period ended June 30, 2019, the Fund had no borrowings under the agreement.

### **Note 6 — Indemnification and Investment Risk**

In the normal course of business, the Fund enters into contracts that contain a variety of representations which provide general indemnifications. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet occurred. However, based on experience, the Fund expects the risk of loss to be remote. The Fund may have elements of risk not typically associated with investments in the United States due to its investments in foreign countries or regions. Such foreign investments may subject the Fund to additional risks resulting from political or economic conditions in such countries or regions and the possible imposition of adverse governmental laws or currency exchange restrictions could cause the securities and their markets to be less liquid and their prices to be more volatile than those of comparable U.S. securities. The securities markets in many emerging-market countries are substantially smaller, less developed, less liquid and more volatile than the securities markets of developed countries.

The Fund is subject to interest rate and credit risk. The value of debt securities may decline as interest rates increase. The Fund could lose money if the issuer of a fixed income security is unable to pay interest or repay principal when it is due. The ability of the issuers of debt to meet their obligations may be affected by the economic and political developments in a specific industry or region.

The Fund enters into derivatives which may represent off-balance sheet risk. Off-balance sheet risk exists when the maximum potential loss on a particular investment is greater than the value of such investment as reflected in the Statement of Assets and Liabilities.

### **Note 7 — New Accounting Pronouncements**

In August 2018, the Financial Accounting Standards Board issued ASU No. 2018-13, Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurements ("ASU 2018-13"). The amendments in ASU 2018-13 are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Early adoption is permitted. The Fund has elected to early adopt ASU 2018-13 and the amendments are reflected in the current year financial statements. The adoption had no effect on the Fund's net assets or results of operations.

### **Note 8 — Subsequent Events**

In accordance with the provision surrounding Subsequent Events adopted by the Fund, management has evaluated the possibility of subsequent events existing in the Fund's financial statements. Management has determined that there are no material events that would require disclosure in the Fund's financial statements.

# Fund Expenses (unaudited)

## Example

As a shareholder of the Fund, you may incur two types of costs: (1) transaction costs and (2) ongoing costs, including advisory fees; distribution fees (12b-1) and/or service fees; and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

This example is based on an investment of \$1,000 invested on January 1, 2019 and held for the six-months ended June 30, 2019.

## Actual Expenses

The table below titled “Based on Actual Total Return” provides information about actual account values and actual expenses. You may use the information provided in this table, together with the amount you invested, to estimate the expenses that you paid over the period. To estimate the expenses you paid on your account, divide your ending account value by \$1,000 (for example, an \$8,600 ending account value divided by \$1,000 = 8.6), then multiply the result by the number under the heading entitled “Expenses Paid During the Period”.

# Fund Expenses (unaudited)

Based on Actual Total Return<sup>(1)</sup>

	Actual Total Return without Sales Charges <sup>(2)</sup>	Beginning Account Date Value	Ending Account Value	Annualized Expense Ratio	Expenses Paid for the Period <sup>(3)</sup>
First Eagle Overseas Variable Fund	12.38%	\$1,000	\$1,123.80	1.34%	\$7.06

- (1) For the six-months ended June 30, 2019.
- (2) Past performance does not guarantee future results. Assumes reinvestment of all dividends and capital gain distributions, if any, at net asset value. Total return is not annualized, as it may not be representative of the total return for the year.
- (3) Expenses are equal to the annualized expense ratio multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

# Fund Expenses (unaudited)

## Hypothetical Example for Comparison Purposes

The table below titled “Based on Hypothetical Total Return” provides information about hypothetical account values and hypothetical expenses based on the actual expense ratios and an assumed rate of return of 5% per year before expenses, which is not the Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use the information provided in this table to compare the ongoing costs of investing in the Fund and other funds. To do so, compare the 5% hypothetical example relating to the Fund with the 5% hypothetical examples that appear in the shareholder reports of other funds.

This example is based on an investment of \$1,000 invested on January 1, 2019 and held for the six-months ended June 30, 2019.

Please note that the expenses shown in the table below are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as front-end or back-end sales charges (loads). Therefore, the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transaction costs were included, your costs would have been higher.

# Fund Expenses (unaudited)

## Based on Hypothetical Total Return<sup>(1)</sup>

	Hypothetical Annualized Total Return	Beginning Account Date Value	Ending Account Value	Annualized Expense Ratio	Expenses Paid for the Period <sup>(2)</sup>
First Eagle Overseas Variable Fund	5.00%	\$1,000	\$1,018.15	1.34%	\$6.71

(1) For the six-months ended June 30, 2019.

(2) Expenses are equal to the annualized expense ratio multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

# General Information

## **Form N-PORT and Form N-Q portfolio schedule**

The First Eagle Variable Funds file their complete schedule of portfolio holdings with the Securities and Exchange Commission (“SEC”) for the first and third quarters of each fiscal year as an exhibit to Form N-PORT. Prior to March 31, 2019, the Fund filed a complete schedule of its fund holdings for the first and third quarters of each fiscal year with the SEC on Form N-Q. The Fund’s Form N-PORT and Form N-Q are available on the SEC’s website at [www.sec.gov](http://www.sec.gov). Additionally, you may obtain copies of Form N-PORT and Form N-Q from the Fund upon request by calling 1.800.334.2143.

## **Proxy voting policies, procedures and record**

You may obtain (1) a description of the Fund’s proxy voting policies, (2) a description of the Fund’s proxy voting procedures and (3) information regarding how the Fund voted any proxies related to portfolio securities during the most recent twelve-month period ended June 30 for which an SEC filing has been made, without charge, upon request by contacting the Fund directly at 1.800.334.2143 or on the EDGAR Database on the SEC’s website at [www.sec.gov](http://www.sec.gov).

# Board Considerations for Continuation of Advisory Agreements (unaudited)

At a meeting held on June 6, 2019, the Board of Trustees of the Fund, including a majority of the independent trustees (the “Independent Trustees”), approved the continuation of the Fund’s advisory agreement (the “Advisory Agreement”).

In response to a letter on behalf of the Independent Trustees requesting information about the Advisory Agreement and other arrangements and plans, the Board had received various background materials. The Board also had the benefit of presentations and discussions with management throughout the year.

Prior to approving the continuation of the Advisory Agreement, the Independent Trustees met in executive session with their independent counsel to discuss management’s responses to their information request and reviewed their legal and fiduciary obligations and the factors relating to their evaluation and approval. In their deliberations, Trustees attributed different weights to the various factors, and no factor alone was considered determinative. At the conclusion of their review, the Trustees determined that the advisory fee was fair and reasonable and within the range of what could be negotiated at arm’s length, and that the continuance of the agreement should serve the best interests of the Fund and its shareholders. The Trustees considered the following topics in reaching their conclusion to continue the agreement:

## **Nature, Quality, and Extent of Services Provided by Adviser**

- The Trustees reviewed the services provided and to be provided by the Adviser to the Fund. The Adviser provides the Fund with investment research, advice and supervision and continuously furnishes an investment portfolio for the Fund consistent with the Fund’s investment objectives, policies and restrictions as set forth in the Fund’s Prospectus.
- The Trustees reviewed the Fund’s long-standing historical relationship with the Adviser and the organizational resources available to the Fund under that relationship. The Trustees noted the background and experience of the Fund’s Portfolio Managers and the quality of the Trustees’ frequent meetings with them both individually and as a group throughout the year.

## **Investment Performance of Fund and Adviser**

- The Trustees reviewed the performance of the Fund on both an absolute and a relative basis over 1-year, 3-year, 5-year and 10-year periods. Performance for the Fund over these various periods was noted relative to the Fund’s benchmarks, to Morningstar and Lipper Category averages (referred to as the “composites” below) and to a custom group of peer mutual funds. The comparative review reflected research and benchmarking by an independent data provider. Performance results generally were as follows (all periods ended as of March 31, 2019):
  - First Eagle Overseas Variable Fund: Outperformed composite, benchmark and peer group median over the trailing 1-year period; outperformed composite and peer group median over the trailing 5-year period. Lagged composite, benchmark and peer group median over the trailing 3- and 10-year periods; lagged benchmark over the trailing 5-year period.

The Trustees noted (and management discussed) the generally less favorable longer-term relative performance results for First Eagle Overseas Variable Fund. Contributors to the lagging results (both with and without the impact of higher than median cash positions) were discussed. Gains on an absolute basis over the prior year were noted for the Fund.

- Performance for the Fund was determined to be adequate given benchmarks, peer comparisons and on an absolute basis, and reflective of the Fund's investment objective and philosophy.
- The Trustees commented on the Fund's holdings of cash and gold positions and noted that cash and gold are important elements of the Adviser's investment philosophy.

### **Costs of Services To Be Provided and Profits To Be Realized by Adviser and its Affiliates From Relationship with Fund; Economies of Scale; Fall-Out Benefits**

- The Trustees reviewed the total compensation received by the Adviser and the Fund's total costs for using the Adviser's services, taking into account expenses incurred by the Adviser that are passed through to the Fund (e.g., under the administrative cost reimbursement program). They concluded that this compensation was commensurate with the nature, extent, and quality of the services provided and therefore fair and reasonable under the circumstances, and referred to their prior discussion on performance of the Fund, including a review of performance against the Fund's respective composites, benchmark and peer group. As part of their analysis, the Trustees considered fees charged by investment advisers to peer mutual funds for services comparable to those provided by the Adviser and referred to a report specifically prepared by an independent third-party data provider in connection with the Trustees' review of the agreement, together with a management summary of the same. In doing so, they considered fees charged by investment advisers to peer mutual funds and determined that the Adviser's fees were competitive, with the net management fees for the Fund being within the range of peers. The Trustees also considered the advisory fees charged to other clients of the Adviser with similar investment objective(s) to the Fund and received information that the fees charged to these other clients were higher or lower relative to the Fund. The Trustees were apprised that for some of these other accounts there are different styles and categories of services provided (e.g., regulatory and operational structures may differ, frequency and scale of cash flows may differ, etc.), which may be reflected in lower fees charged relative to the Fund.
- While analyzing the effects of direct and indirect compensation to the Adviser and its affiliates (sometimes referred to as "fall-out benefits"), the Trustees considered the reduction in soft dollars versus prior years, the absence of affiliated broker-dealer relationships and the effects of the administrative service fees and reimbursements paid to the Adviser. The Trustees noted that the Adviser generally is seeking to absorb soft dollar costs and pay them itself, with this change in approach effective on or about January 1, 2018. With regard to other possible benefits associated with the Adviser's management of the Fund (and the related funds in the First Eagle Funds complex), the Trustees noted, among other things, that the Distributor is generally able to retain revenue associated with Rule 12b-1 fees on shareholders it services



directly and that the Adviser may be able to extend investment and operational efficiencies associated with the Funds to its management of other types of accounts (with retained Rule 12b-1 fees generally relevant to the First Eagle Funds and not Overseas Variable Fund).

- The Trustees reviewed the Fund's expense ratios, which were deemed reasonable both on an absolute basis and in comparison to peer funds. The Trustees noted the impact on expense ratios of the administrative reimbursements paid by the Adviser.
- The Trustees also noted that the Adviser is able to employ economies of scale in certain areas relating to the management of the Fund, such as investment management, trading, compliance and back-office operations. The Trustees discussed the impact of the advisory fee on the ratio of total expenses to net assets. The Trustees noted that the expense ratio for the Fund had remained substantially unchanged relative to the prior year. The Trustees also considered the effect of Fund asset size on particular categories of expenses, both currently and relative to prior periods.
- The Trustees reviewed the Adviser's financial condition and profitability. They noted that profits appear strong for the Fund, although not excessive and commensurate with the Fund's performance, based on the information provided at the meeting. The Trustees noted the cyclical and competitive nature of the global asset management industry and related importance of profitability in maintaining the Adviser's culture and management continuity. The Trustees also noted that the Adviser has always shown the willingness to commit resources to support investment in the business and to maintain the generally high quality of the overall shareholder experience in the Fund, such as attracting and retaining qualified personnel and investing in technology. The Trustees reviewed the level of personal investment maintained in the various First Eagle Funds, but not the First Eagle Variable Fund, by certain portfolio managers (with those investments being both direct and "notional" under the Adviser's compensation plans), which was viewed as evidence of commitment to the organization by key personnel. The Trustees also considered that certain personnel participate in equity ownership and other incentives tied to the financial results of the Adviser as a whole.

# First Eagle Variable Funds

## Trustees

Lisa Anderson

John P. Arnhold

Candace K. Beinecke (Chair)

Jean-Marie Eveillard

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## Officers

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General Counsel

Sheelyn Michael

Secretary & Deputy General Counsel

Tricia Larkin

Treasurer

Michael Luzzatto

Vice President

Neal Ashinsky

Assistant Treasurer

Thomas Meyer

Assistant Treasurer

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This report is not authorized for distribution to prospective investors unless preceded or accompanied by a currently effective prospectus of First Eagle Funds.





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