

Form ADV Part 2A Brochure



FIRST EAGLE SEPARATE ACCOUNT MANAGEMENT, LLC

1345 Avenue of the Americas
New York, N. Y. 10105
www.feim.com

This Brochure provides information about the qualifications and business practices of First Eagle Separate Account Management, LLC (“**FESAM**”). If you have any questions about the contents of this Brochure, please contact us at (212) 698-3300. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “**SEC**”) or by any state securities authority. FESAM is a registered investment adviser under the Investment Advisers Act of 1940 (the “**Advisers Act**”). This registration does not imply any level of skill or training.

Additional information about FESAM also is available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2 MATERIAL CHANGES

FESAM last filed its annual update to the Form ADV on May 1, 2020. FESAM was previously named First Eagle BDC Adviser LLC, and had originally been organized in 2019 to manage Business Development Companies (“**BDCs**”), though it had never commenced operations. As its prior intended client base had consisted of BDCs, FESAM had not previously been required to prepare, file or deliver a brochure. As such, all contents of this brochure are new despite FESAM’s prior registration.

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ITEM 4 ADVISORY BUSINESS

Firm Overview

FESAM (formerly known as First Eagle BDC Adviser LLC) is a limited liability company organized under the laws of the State of Delaware and has been a registered investment adviser under the Advisers Act since 2019. It is a wholly-owned subsidiary of First Eagle Investment Management, LLC (“**FEIM**”) and an indirect subsidiary of First Eagle Holdings, Inc., a holding company incorporated in Delaware (“**FE Holdings**” and the advisory business of FEIM, FESAM and all other affiliates, “**First Eagle**”). Since 2015, a controlling interest in FE Holdings has been 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 Inc. (“**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 FE Holdings, and therefore indirectly in FESAM, through BCP CC Holdings.

Investment Advisory Services

FESAM intends to provide investment management services to wrap fee or other non-institutional separately managed account (“**SMA**”) programs sponsored by broker-dealers, banks, or other investment advisers (“**Wrap/SMA Programs**”). In most Wrap/SMA Programs, the program sponsor (“**Wrap/SMA Program Sponsor**”) charges participants (“participants” or “investors”) a comprehensive fee (the wrap fee), inclusive of the advisory fee charged by FESAM and fees for other services provided by the Wrap/SMA Program Sponsor. Additional fees may be incurred in connection with certain trades instructed by FESAM on behalf of the accounts. Wrap/SMA Programs vary by sponsor, and FESAM may act in a discretionary or non-discretionary capacity. Under a single contract Wrap/SMA Program or a “model-only” Wrap/SMA Program, FESAM intends to enter into an investment management agreement directly with the Wrap/SMA Program Sponsor, while under a dual contract Wrap/SMA Program, FESAM intends to enter into an investment management agreement

with both the underlying program participants and the Wrap/SMA Program Sponsor. For discretionary Wrap/SMA Programs, FESAM intends to have the authority to enter into transactions on behalf of Wrap/SMA Program participants, subject to any investment or trading restrictions provided by the Wrap/SMA Program sponsor or Wrap/SMA Program participants. See Item 12 — Brokerage Practices below for additional information about trade execution under a Wrap/SMA Program.

Investment decisions will be based on the chosen investment strategy, in line with any applicable guidelines and/or restrictions.

For SMAs, FESAM may agree to abide by certain restrictions from investors, including but not limited to restrictions on securities or types of securities. In FESAM's management of an investor's account, FESAM will not be responsible for and will not consider any securities, cash or investments owned by the investor, the investor's financial circumstances or investment objectives outside of the investor's assets managed by FESAM.

Depending on the program terms, a participant in a Wrap/SMA Program may restrict the purchase of certain securities for an account. An investor may name either specific securities or a category that includes specified securities that may not be purchased for the account. The investor or program sponsor will be responsible for identifying any security or group of securities which may not be held in the account. If an investor identifies a category of restricted securities (e.g., tobacco companies, gambling stocks) without identifying the underlying companies of which the category is comprised or a source for identifying such underlying companies, FESAM or the program sponsor may utilize outside service providers to identify the universe of companies that will be considered in such a category. When a security is required to be sold or is restricted from being purchased for an account, this may adversely affect the account's performance and cause it not to track the performance of FESAM's other accounts without similar restrictions within the same investment disciplines. The change of the classification of a company, the grouping of an industry or the credit rating of a security may force FESAM to sell securities in an investor's account at an inopportune time and possibly cause a taxable event to the investor.

FESAM intends to manage the following principal investment strategies:

- **Overseas ADR** — This strategy seeks to deliver attractive real returns while avoiding the permanent impairment of capital over time by using a value approach to investing in equity securities issued by non-U.S. corporations primarily through American Depositary Receipts (“**ADRs**”). The investment team seeks to follow a bottom-up, fundamental approach, focusing on companies with businesses that they believe have sustainable profitability, trading at what they believe are significant discounts to their Intrinsic Values.¹ The investment team will also invest in exchange-traded funds (“**ETFs**”) representing exposure to gold and other precious metals. Additionally, the investment team will have the flexibility to invest in U.S. traded stocks of non-U.S. companies and U.S. companies engaged in significant non-U.S. business, and cash and cash equivalents.

Assets under Management

As of December 1, 2020, we managed regulatory assets under management of \$0 on a discretionary basis.

Although FESAM has not commenced operations as of the date of this brochure, the discussion within generally reflects the operations it expects to have once it begins operations.

ITEM 5 FEES AND COMPENSATION

The specific way fees are charged by FESAM is established in the written agreement governing each account.

FESAM generally negotiates the fees paid to us for investment management services provided to Wrap/SMA Programs directly with the Wrap/SMA Program Sponsor, and not with individual Wrap Program participants. Wrap Program participants receive a brochure from the Wrap/SMA Program Sponsor detailing all aspects of the Wrap Program. Fees and features of each Wrap Program vary by sponsor. Wrap Program participants should consult the Wrap Program sponsor’s brochure for the specific fees and features applicable to their program. For Wrap Program accounts, participants generally pay the sponsor a single fee and out of this

¹ FESAM defines “Intrinsic Value” as its estimate of what a knowledgeable buyer might pay in cash for an entire business. In creating such estimates, while FESAM typically considers traditional valuation criteria such as price/ earnings and price/book ratios, it generally places greater emphasis on cash flow valuation (enterprise value/ EBIT) and on valuations that take the balance sheet into account (enterprise value/net asset value; enterprise value/asset replacement value), while also noting multiples paid in private market transactions (where possible and applicable).

amount FESAM is paid its negotiated fee rate by the Wrap Program sponsor for advisory services. The Wrap Program sponsor retains the remainder of the fee for trade execution, custody, and additional services. Additional fees will be incurred in connection with certain trades made on behalf of Wrap/SMA Program accounts, including relating to investments in ADRs, ETFs or other underlying funds, where applicable. See Item 12 – Brokerage Practices for more information.

FESAM's basic annual fee schedule for SMAs is currently expected to be as follows:

- **Overseas ADR** —75 basis points

The basic fees listed above may vary depending on certain factors including but not limited to the total value of client assets under management with FESAM.

Unless a different arrangement is made with a client, FESAM expects generally to bill its management fees on a quarterly basis in arrears based on the average month-end assets during the quarter. Management fees are typically prorated for partial periods.

FESAM does not have performance-based fee arrangements with any clients.

FESAM's contracts typically include a provision for indemnification to FESAM under certain circumstances.

In certain circumstances, fees and account minimums are negotiable. FESAM may change its fee structure at any time.

Because the Wrap/SMA Program Sponsor does not charge an additional commission for brokerage transactions, FESAM expects it will usually be more cost effective to the investor account for FESAM to execute transactions through the sponsor instead of through other broker-dealers, who would charge additional commissions. In some cases, the Wrap/SMA Program Sponsor has directed FESAM to execute transactions through the sponsor. Additional information on FESAM's brokerage practices is set forth below under Item 12 — Brokerage Practices.

Other Fees and Expenses

In addition to fees paid to FESAM for investment advisory services by the Wrap/SMA Programs it advises, depending on the arrangement with the Wrap/SMA Program Sponsor, investor accounts also may incur certain other expenses including direct or

indirect charges imposed by custodians, brokers dealers, and other third parties such as fees and expenses charged by underlying ETFs, and mutual funds (including funds affiliated with FESAM), costs related to ADR set-up, custody, and maintenance, odd-lot differentials, transfer taxes, withholding fees, country tax or delivery fees, wire transfer and electronic fund fees. For more information with respect to brokerage commissions, see Item 12, Brokerage Practices, below.

Investors may bear other expenses, in addition to the fees and expenses described above, including: (1) custodial and related costs and expenses; (2) all taxes imposed on an account or an investment and all litigation expenses (and any judgments or settlements paid in connection therewith) and other extraordinary expenses; (3) pro rata share of extraordinary expenses incurred by an underlying fund and charged to shareholders; (4) all other costs incurred in connection with the administration of an investment; (5) any other expenses actually incurred on behalf of a client and paid by FESAM in connection with the management of certain investments; and (6) certain other fees and expenses that may be authorized under account documents.

Please see brochure for your SMA/Wrap Program for more details regarding the fees and expenses your account may bear.

ITEM 6 ADVISORY BUSINESS

In addition to the accounts FESAM manages for asset-based fees, FEIM, the parent of FESAM, also charges certain accounts performance-based fees — that is, fees based on a share of capital gain or capital appreciation of the assets of a client. There are potential conflicts of interest that arise due to the side-by-side management of fixed fee accounts with performance fee accounts as there may be an incentive to favor higher fee-paying accounts in the allocation of investment opportunities. Moreover, performance-based fee arrangements may create an incentive for FEIM, or FESAM, to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. A similar conflict may exist from managing client accounts paying higher asset-based fees than other accounts or accounts containing assets owned by FEIM, FESAM, its employees, or its owners.

Also, FESAM, its affiliates and their respective personnel have differing investment, compensatory and other pecuniary interests that could serve to influence such persons to favor one client over another — including in circumstances where personnel are in position to influence investment or other decisions that impact

clients. For instance, FESAM typically maintains a proprietary account with each Wrap/SMA Program Sponsor it advises. While FESAM aims to treat these accounts the same as other accounts at that sponsor and FESAM believes this account helps it to monitor execution and other services provided to accounts, FESAM has an incentive to favor its proprietary accounts and could have a conflict of interest in certain circumstances.

To mitigate conflicts related to performance fees and pecuniary interests, FESAM and its affiliates have adopted and implemented written policies and procedures, including trade aggregation and allocation procedures, reasonably designed to ensure that all clients are treated fairly and equitably over time, and to prevent these conflicts from influencing the allocation of investment opportunities among clients, and FESAM operates a separate trade implementation process for Wrap/SMA Programs (see Item 12 – Brokerage Practices for more details). Generally, FESAM will allocate trades for Wrap/SMA Programs on a pro-rata basis among eligible accounts where such trades are executed by one trading process, regardless of advisory fees paid to FESAM or of other pecuniary interests of FESAM, FEIM or their respective personnel. Eligible accounts include those handled by the same trading process for which there are no guidelines or restrictions that are inconsistent with the proposed trade and for which there is available cash to enter into the transaction.

Certain considerations may cause FESAM to deviate from pro-rata allocation and vary the portfolio composition, timing, and/or relative size of purchases and sales among types of accounts. Please see Item 12 – Brokerage Practices for more details.

FESAM expects to review performance dispersion among all similar accounts periodically to identify whether any account appears to have been favored relative to other similar accounts. Further details on allocation policies and procedures are provided in Item 12 — Brokerage Practices, below.

ITEM 7 TYPES OF CLIENTS

FESAM provides portfolio management services to Wrap/SMA Program Sponsors. FESAM generally requires minimum account sizes, which are based on mandate and type and are determined by the agreement between FESAM and the Wrap/SMA Program Sponsor. FESAM reserves the right, in its sole discretion, to waive or change investment minimums in certain circumstances.

FESAM establishes minimum account strategies with individual Wrap/SMA Programs. For single contract Wrap/SMA Programs,

FESAM's minimum account size is expected to be \$100,000 for most Sponsors. For dual contract Wrap/SMA Programs, FESAM's minimum account size is expected to be \$10 million. FESAM may waive the minimum account requirements or establish different minimum account standards for certain Wrap/SMA Programs from time to time in its sole discretion. Please see the Wrap/SMA Program brochure for details about a specific Wrap/SMA Program.

ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

The following are broad descriptions of the methods of analysis and strategies employed by FESAM. The investment approaches and material risks described below for each investment strategy are not comprehensive. A particular investment strategy may involve additional investment selection criteria and be subject to additional risks not described below. The investment strategies and associated risks for Wrap/SMA Programs are described in more detail in the offering materials provided by the Wrap/SMA Program Sponsor.

Overseas ADR

- **Overseas ADR** — This strategy seeks to deliver attractive real returns while avoiding the permanent impairment of capital over time by using a value approach to investing in equity securities issued by non-U.S. corporations primarily through ADRs. The investment team seeks to follow a bottom-up, fundamental approach, focusing on companies with businesses that they believe have sustainable profitability, trading at what they believe are significant discounts to their Intrinsic Values. The investment team will also invest in ETFs representing exposure to gold and other precious metals. Additionally, the investment team will have the flexibility to invest in U.S. traded stocks of non-U.S. companies and U.S. companies engaged in significant non-U.S. business, and cash and cash equivalents.

The strategies employed by FESAM for Wrap/SMA Programs may be materially different from strategies offered by FESAM or its affiliates that are not subject to the limitations of the Wrap/SMA Programs.

Investment Risks

Investing in securities involves risk of loss that investors should be prepared to bear. Below are certain specific risks associated with the above strategies. As it is not possible to identify all the risks associated with investing, this section discusses certain material risks of FESAM's investment activities. Moreover, the specific risks applicable to a client will depend upon various factors. For each

strategy, please refer to your Wrap/SMA Program Sponsor's offering materials for a more detailed explanation of risks. Investors or potential investors should be aware that an investment in an account managed by FESAM is not intended to provide a complete investment program. FESAM assumes that investors will not invest all of their assets in a FESAM-managed account. Investors are responsible for appropriately diversifying their assets to guard against the risk of loss.

Concentration Risk — Portfolios that are less diversified across geographic regions, countries, sectors, industries, or individual companies generally are riskier than more diversified portfolios and subject to higher levels of volatility.

Currency Risk — Currency trading involves significant risks, including market risk, interest rate risk and country risk. FESAM may use forward currency contracts to hedge unintended currency exposures. Forward currency contracts present the risk that the counterparty will fail to meet its obligations.

Depository Receipt Risk — The strategy will invest in securities of non-U.S. companies in the form of ADRs or similar securities. ADRs are negotiable certificates issued by a U.S. financial institution that represent a specified number of shares in a foreign stock. ADRs may trade on a U.S. national securities exchange, such as the New York Stock Exchange, or be traded over-the-counter. While ADRs are denominated in U.S. dollars, they are still subject to currency exchange rate risks. The securities underlying an ADR are usually denominated or quoted in currencies other than the U.S. Dollar. As a result, changes in foreign currency exchange rates may affect the value of a portfolio's investment. Generally, when the U.S. Dollar rises in value against a foreign currency, a security denominated in that currency loses value because the currency is worth fewer U.S. Dollars. In addition, because the underlying securities of ADRs trade on foreign exchanges at times when the U.S. markets are not open for trading, the value of the securities underlying the ADRs may change materially at times when the U.S. markets are not open for trading. ADRs entitle the shareholder to all dividends, net of any applicable local withholding taxes, and capital gains that would be paid on the company's ordinary shares. The price of ADRs can be materially impacted by a large increase in order volume. To the extent that a strategy seeks exposure to securities of non-U.S. companies using securities traded in the United States other than ADRs, such as so-called "F-Shares," the strategy will be subject to similar risks as if it held ADRs.

Differential Strategy Risk — An affiliate of FESAM has experience in managing pooled investment funds, but FESAM and its affiliates have limited experience in managing separate accounts, which are subject to different regulatory and other restrictions from pooled vehicles. Due to these differences, the investment strategies FESAM offers are not the same as the investment strategies affiliates of FESAM offer through pooled vehicles, and may have different results in the separate accounts than they have for the pooled vehicles that are not subject to the regulatory and other restrictions that apply to the separate accounts.

Emerging Market Risk — The risks associated with non-U.S. investments are generally more pronounced with respect to investments in emerging markets. Emerging markets are riskier than more developed markets because they tend to develop unevenly and may never fully develop. Investments in emerging markets may be considered speculative.

ETF Risk — Investing in an ETF exposes a portfolio to all of the risks of that ETF's investments and subjects it to a pro rata portion of the ETF's fees and expenses. As a result, the cost of investing in ETF shares may exceed the cost of investing directly in its underlying investments. ETF shares trade on an exchange at a market price which may vary from the ETF's net asset value. ETFs may be purchased at prices that exceed the net asset value of their underlying investments and may be sold at prices below such net asset value. Because the market price of ETF shares depends on market demand, the market price of an ETF may be more volatile than the underlying portfolio of securities the ETF is designed to track. An account may not be able to liquidate ETF holdings at the time and price desired, which may impact performance.

Gold and Commodity Risk — Exposure to gold and other commodities, including through ETFs, may subject a portfolio to greater volatility than investments in traditional securities. Accounts may be invested in the securities of companies in the gold mining sector. Prices of gold-related issues are susceptible to changes to U.S. and non-U.S. taxes, currency, mining laws, inflation, and various other market conditions.

LIBOR — On July 27, 2017, the Chief Executive of the United Kingdom Financial Conduct Authority, which regulates the London Interbank Offered Rate (commonly known as LIBOR), announced that it intends to stop persuading or compelling banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. The announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. It

is impossible to predict whether and to what extent banks will continue to provide LIBOR submissions to the administrator of LIBOR or whether any additional reforms to LIBOR may be enacted in the United Kingdom or elsewhere. Similarly, it is impossible to predict what rate or rates may become accepted alternatives to LIBOR and it is impossible to predict the effect of any such alternatives on the value of LIBOR-based securities. Uncertainty as to the nature of alternative reference rates and as to potential changes or other reforms to LIBOR may adversely affect the value and/or the trading market for LIBOR-based securities in which investor accounts may invest.

Liquidity Risk — In certain situations, including because of local market conditions, rules or position size, it may be difficult or impossible to sell an investment in an orderly fashion at an acceptable price.

Market Risk — The value of an investor's holdings may fluctuate in response to events specific to companies or markets, as well as to economic, political, or social events in the U.S. and abroad.

Natural Disaster and Epidemic Risk — Natural or environmental disasters, such as earthquakes, fires, floods, hurricanes, tsunamis and other severe weather-related phenomena, generally, as well as widespread disease, including pandemics and epidemics, have been, and can be, highly disruptive to economies and markets, adversely impacting individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of investments. Given the increasing interdependence among global economies and markets, conditions in one country, market, or region are increasingly likely to adversely affect markets, issuers, and/or foreign exchange rates in other countries, including the United States. These disruptions could prevent FESAM from executing advantageous investment decisions in a timely manner and negatively impact its ability to achieve its investment objectives. Any such event(s) could have a significant adverse impact on the value and risk profile of investments with FESAM. Most recently, the outbreak of COVID-19 and efforts to contain its spread have resulted in, among other things, border closings and other significant travel restrictions and disruptions, significant disruptions to business operations, supply chains, and customer activity including government shutdowns of sectors of the economy, event cancellations and restrictions, service cancellations, reductions, and other changes, significant challenges in healthcare service preparation and delivery, and prolonged quarantines, as well as general concern and uncertainty. These impacts have caused

significant market volatility, exchange trading suspensions and closures, and declines in global financial markets, which have caused losses for investors. The COVID-19 pandemic and its effects may last for an extended period of time and will likely precipitate a substantial economic downturn or recession. The impact of the COVID-19 outbreak will likely continue to negatively affect the global economy, the economies of individual countries, and the financial performance of individual companies, sectors, industries, asset classes, and markets in significant and unforeseen ways. Any such impact could adversely affect the value and liquidity of an investments, and negatively impact a client's performance. In addition, the outbreak of COVID-19 and measures taken to mitigate its effects could result in disruptions to the services provided to FESAM by its service providers.

New Manager Risk – FESAM has limited operating and performance history and limited experience managing separate accounts. This may result in lower than expected performance, operational and investment inefficiencies, and/or errors.

Non-U.S. Investment Risk — Non-U.S. investments often involve special risks not present in U.S. investments that can increase the chance of losing money. These risks include risks associated with non-U.S. custodians and depositories and fluctuations in currency exchange rates. Non-U.S. investments also generally trade in thinner markets than U.S. investments. In addition, non-U.S. investments may be subject to less politically and economically stable environments with a greater likelihood of abrupt changes to government regulation than in the U.S. Non-U.S. investments are subject to heightened risks of currency or capital controls, transfer restrictions, expropriation or nationalization of assets, and other governmental actions that may adversely impact issuers. The legal systems in certain countries provide relatively weak protections for investors.

Operational and Cybersecurity Risks — The failure in cyber security systems, as well as the occurrence of events unanticipated in the disaster recovery systems and management continuity planning of First Eagle, could impair FESAM's ability to conduct business effectively. The occurrence of a disaster such as a cyber-attack, a natural catastrophe, a pandemic, an industrial accident, a terrorist attack or war, events unanticipated in First Eagle's disaster recovery systems, or a support failure from external providers or intermediaries (including the Implementation Agent or Wrap/SMA Program Sponsors), could have an adverse effect on FESAM's ability to conduct business, maintain the privacy of investors, its clients and employees, and on FESAM's results of operations and

financial condition, particularly if those events affect our computer-based data processing, transmission, storage, and retrieval systems or destroy data. If a significant number of First Eagle's or FESAM's senior management and employees were unavailable in the event of a disaster, our ability to effectively conduct our business could be severely compromised. FESAM relies on internal and third-party technology systems and networks to view, process, transmit and store information, including sensitive investor, client and proprietary information, and to conduct many of its business and investment activities. Those systems and networks are subject to a comprehensive information and cyber security infrastructure, including the implementation of policies and procedures, designed to mitigate the risk of technology failures and intentional or inadvertent breaches. It cannot be assured that such measures will be successful in preventing all technology failures and breaches.

Regulatory Risk — Adverse changes to existing laws or regulations, or the adoption of new laws or regulations, have the potential to negatively affect existing investment holdings and restrict FESAM's ability to implement intended investment strategies.

Such changes could result in the forced sale of certain account holdings and limit the scope of available investment opportunities.

Reliance on Affiliates and Service Providers — FESAM relies upon the performance of certain affiliates or service providers, including FEIM and the Implementation Agent (as defined below), to perform most of its functions, including functions that are integral to FESAM's operations and financial performance. Failure by an affiliate or any service provider to carry out its obligations to FESAM or the termination of FESAM's relationship with any service provider, or any delay in appointing a replacement for such service provider, could materially disrupt the business of FESAM and could have a material adverse effect on the the performance and returns to investors or FESAM's clients. Additionally, misconduct or misrepresentations by employees of an affiliate or a service provider, including the Implementation Agent, could cause significant losses to FESAM, its clients, or investors. Despite FESAM's due diligence efforts, misconduct and intentional misrepresentations may be undetected or not fully comprehended, thereby potentially undermining FESAM's due diligence efforts. As a result, no assurances can be given that the due diligence performed by FESAM will identify or prevent any misconduct.

Risks Associated with "Brexit" — On December 31, 2020, the United Kingdom's post-Brexit transition period from the European Union is scheduled to expire, which may lead to significant market

volatility around the world, as well as political, economic, and legal uncertainty.

Small and Medium Size Company Risk — Shares of small and medium sized companies are generally less liquid, and more volatile in price, than those of larger companies. Certain small companies especially are less seasoned, trade in the over-the-counter markets, not well-known to the investing public, not significantly owned by institutions and can have cyclical, static or only moderate growth prospects.

Substantial Ownership Positions — Clients of First Eagle accumulate substantial positions in the securities of and even gain control of individual companies. Any exercise of management or control could expose the assets of a client to claims by the underlying company, its security holders and its creditors. Substantial ownership positions also are more difficult or expensive to liquidate. At times regulatory or company-specific requirements may limit or block trading in a company's securities by those deemed to be company "insiders" (officers, directors and certain large shareholders). These limitations may or may not be related to the possession of a company's material nonpublic information. Clients of First Eagle may be subject to investment limitations based on aggregate holdings of all First Eagle clients, even if an individual client's or investor's holding would not be subject to such limitations. These limitations could hinder the ability to enter into (or, in some cases, exit) an investment in a timely way or at the scale FESAM believes is attractive, and thus could negatively affect investment performance or returns.

Value Investing Risk — Value stocks tend to be in favor and out of favor with investors at different times and may underperform other asset types during given periods. The price of a value company's stock may never reach the level that the investment team considers its Intrinsic Value.

ITEM 9 DISCIPLINARY INFORMATION

On September 21, 2015, the SEC announced an agreement with FEIM, the parent company of FESAM, to settle charges relating to the use of assets of the First Eagle Funds (as defined below) to make payments to two financial intermediaries for distribution-related services outside of a written, approved Rule 12b-1 plan, and that were not paid by FEIM out of its own resources. The SEC alleged that the use of the Funds' assets to pay for these distribution-related services rendered the Funds' disclosures concerning payments for distribution-related services inaccurate. Without admitting or denying the SEC's findings, FEIM was censured and consented to

the entry of an order to cease and desist from committing or causing any violations and future violations of Section 206(2) of the Investment Advisers Act of 1940, as amended, and Sections 12(b) and 34(b) and Rule 12b-1 of the Investment Company Act of 1940, as amended. FEIM agreed in the settlement to pay disgorgement of \$24,907,354, prejudgment interest of \$2,340,525 and a civil monetary penalty of \$12,500,000. The resolution of this matter did not have a material adverse effect on FEIM's financial results or operations.

ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

FEIM, the parent company of FESAM, provides investment advisory services primarily to mutual funds, private investment funds and institutional separately managed accounts ("**Institutional SMAs**"). FEIM is the investment adviser to the First Eagle Funds and First Eagle Variable Funds (collectively, the "**First Eagle Funds**"), which are registered investment companies. FESAM relies on FEIM for numerous services and resources, and the portfolio management teams of FESAM and FEIM work together to make investment decisions for their clients, although trading is handled through a separate trade implementation process.

Trading Process Separation

While FEIM and FESAM expect to operate their portfolio management functions together, they will maintain separate trading processes due to regulatory and other limitations related to differences in clients and investment strategies. The separate trading processes are designed to prevent participants in either process knowing the precise timing or method of execution of a particular trade made in the other process. The professionals responsible for each are instructed as to their responsibilities not to discuss trading activities with employees on the other side of the separation, except under controlled circumstances. Legal and compliance personnel monitor the separation of the trading processes. The establishment and maintenance of this separation policy means collaboration between trading personnel associated with FEIM, on the one hand, and trading personnel of FESAM, on the other hand, will be limited, reducing potential synergies that would otherwise exist. See Item 12 – Brokerage Practices for more information about FESAM's trading practices, separate trading processes, and other policies and procedures established relating thereto.

It is possible that a breach of the process separation could result in misuse of trading information regarding the advisory clients of the other entity. This potential misuse of trading information could have adverse effects on the relevant clients and the reputation of FESAM

and FEIM, potentially resulting in the imposition of regulatory or financial sanctions and, as a consequence, negatively impacting each of FESAM and FEIM's ability to perform investment management services on behalf of its respective clients.

Blackstone and Corsair

Certain private investment funds, including BCP VI and Corsair IV, that are managed by affiliates of Blackstone and Corsair, along with certain co-investors, indirectly own or have the power to direct a controlling interest in FE Holdings. (Blackstone Management Partners L.L.C., a registered investment adviser, is the investment adviser to BCP VI. Corsair Investments, L.P., a registered investment adviser, is the investment adviser to Corsair IV. Blackstone and Corsair own and/or control other investment advisers, broker-dealers and sponsors of investment funds.) FE Holdings is the managing member of FEIM, which is the managing member and parent of FESAM.

Certain FESAM employees have interests in or are affiliated with other investment advisers or financial services firms. Certain directors of FE Holdings have industry affiliations with other financial firms, including firms affiliated with Blackstone and/ or Corsair; and certain FE Holdings non-employee directors may serve as directors of broker-dealer firms which may do business with FESAM and its clients.

From time to time, various potential and actual conflicts of interest arise from the overall advisory, investment and other activities of Blackstone and Corsair, their affiliates and personnel. The following briefly summarizes some of these conflicts but is not intended to be an exhaustive list of all such conflicts. Certain of these potential or actual conflicts may be present notwithstanding that neither Blackstone, Corsair nor their affiliates may technically be a management person or an affiliated person of FESAM.

On behalf of advisory clients, an affiliate of FESAM may enter into agreements, transactions, loans, brokerage, underwriting or other arrangements with Blackstone and/or Corsair affiliates and portfolio companies, including transactions involving the securities of such companies. From time to time, employees of Blackstone and Corsair may serve as directors or advisory board members of certain issuers of the clients' investments or other entities and earn compensation from such activities. It is expected that these investments in such issuers, if any, would not have a material impact on such compensation.

Information Barriers and Blackstone/Corsair — By virtue of their respective ownership interests in FESAM, Blackstone and Corsair will have access to information that FESAM's clients, including investors in the Wrap/SMA Programs, will not have. Blackstone and Corsair may be entitled to receive information regarding FESAM and its activities, including, without limitation, information about FESAM's clients, as well as confidential, proprietary information about FESAM.

In addition to policies and procedures that have been adopted by FESAM to mitigate potential conflicts and comply with applicable law, Blackstone and Corsair have adopted certain policies and procedures, including information barriers, to mitigate potential conflicts of interest that each has with its portfolio companies and to address certain regulatory requirements and contractual restrictions. This could result in reduced investment opportunity for FESAM's clients.

Blackstone and Corsair may represent creditors or debtors in proceedings under Chapter 11 of the Bankruptcy Code or prior to such filings. From time to time Blackstone and Corsair may serve as advisor to creditor or equity committees. While FESAM has adopted policies and procedures, including information barriers, to mitigate potential conflicts and reduce the risk that FESAM would face restrictions under these circumstances, the participation of Blackstone or Corsair in any such activities could potentially limit or preclude the flexibility that FESAM's clients may otherwise have to participate in restructurings. Alternatively, FESAM may be required to liquidate any existing client positions of the applicable portfolio entity. The inability to transact in any security, derivative or loan held by a client could result in significant losses to a client.

FESAM's affiliated companies First Eagle Private Credit, LLC (together with its affiliates, as the context requires, "**FE Private Credit**," a Delaware limited liability company and U.S. registered investment adviser wholly owned by FEIM) and First Eagle Alternative Credit, LLC (formerly, THL Credit Advisors LLC, and together with its affiliates, as the context requires, "**FE Alternative Credit**," a Delaware limited liability company and U.S. registered investment adviser wholly owned by FESAM) include affiliates which are registered investment advisers, serve as general partner, collateral manager and investment manager for both direct lending and broadly syndicated investments, through public and private vehicles, collateralized loan obligations, SMAs, and co-mingled funds (such entities collectively "**First Eagle Alternative Credit**" or "**FEAC**").

FEAC's Direct Lending platform provides debt and equity capital to middle-market companies. In particular, direct lending clients provide financing primarily in the form of directly originated first lien and second lien secured loans, including through unitranche investments. In certain instances, direct lending clients make subordinated debt investments, which may include an associated equity component such as warrants, preferred stock or similar securities, and direct equity co-investments. One of FEAC's Direct Lending clients is a publicly traded business development company that in turn manages certain private funds and SMAs.

FEAC also offers a Tradable Credit platform. The Tradable Credit strategy offers discretionary and non-discretionary investment management services to clients in below investment grade investment opportunities in bank loans, high yield debt, collateralized loan obligations ("CLOs"), including CLO debt or equity mandates, and other securities. FEAC's Tradable Credit clients include: registered funds, separate accounts, private funds and structured products, including CLOs.

ITEM 11 CODE OF ETHICS

FESAM has adopted a Code of Ethics (the "**Code**") to establish policies addressing its fiduciary duties to its clients and to set forth general ethical principles and a standard of conduct that FESAM requires of its employees. The Code establishes policies regarding personal trading by employees and their immediate family members (as defined in the Code), to mitigate any actual or potential conflicts of interest. Generally, the Code prohibits personal trading in any security (subject to exceptions set forth in the Code) while a client's trade order is pending in that security.

FESAM has implemented procedures to monitor compliance with the provisions of the Code, including pre-approval of personal securities transactions and post-trade monitoring, as well as quarterly personal transaction certifications and annual compliance confirmations and holdings report certifications. The Code contains prohibitions on purchases of initial public offerings of equity securities and preclearance procedures with respect to private placements. For employees and their immediate family, personal securities transactions must be pre-cleared and are subject to short-term trading bans and blackout periods, unless they meet certain exemptions. Personal securities transactions are monitored for compliance with the Code. Any employee who violates the Code is subject to remedial action, including termination of employment. Employees are required to provide written certifications of their

compliance with the Code upon the commencement of their employment and annually thereafter.

In addition, in accordance with FESAM's Code of Business Conduct and inside information procedures, FESAM prohibits the use of material, non-public information ("inside information") and maintains a restricted list of securities that may not be purchased by its employees for their own accounts or for client accounts because of the actual or possible possession of inside information. The Code of Business Conduct addresses areas of conduct regarding conflicts of interest, including but not limited to the acceptance and provision of gifts and business entertainment, outside business activities, political contributions, charitable contributions and privacy. On a quarterly basis, employees must disclose all gifts and business entertainment in excess of certain de minimis thresholds, and employees must pre-clear giving/receiving gifts or providing/receiving entertainment if above certain thresholds or, in any amount, if made to government/public fund officials, union representatives, plan fiduciaries or foreign officials.

Copies of FESAM's Code of Ethics and Code of Business Conduct are available to all clients and prospective clients upon request.

Participation or Interest in Personal Trading

From time-to-time, First Eagle's employees, in their personal securities accounts, may purchase, sell, or otherwise enter into transactions in securities and other instruments. Prior to, simultaneously with or after such transactions, FESAM may, for its clients, purchase, sell, or otherwise enter into transactions involving any of these same securities or other instruments, or in related securities or instruments (including securities issued by the same issuer, options on such securities or instruments, and instruments convertible into such securities or instruments). In addition, while FESAM generally does not enter into principal transactions, it may cause its advisory clients to enter into principal transactions with related persons in accordance with Section 206(3) of the Advisers Act. To address these potential conflicts, employees deemed to be "**Access Persons**" under the Code are required to report brokerage and trading accounts to FESAM upon hire, at the time a new account is opened and annually thereafter. Access Persons' personal securities transactions are also subject to limitations regarding the type and timing of transactions, including certain trading prohibitions, and pre-approval and monitoring by the firm's Legal and Compliance Department.

Subject to the restrictions described above, First Eagle's employees personally may at any time hold, acquire, increase, decrease, dispose of or otherwise deal in investments in which a client account may have an interest. FESAM has no obligation to acquire the same securities for different clients, or to acquire the same securities for clients that employees have acquired for their personal accounts. Likewise, client accounts shall not have first refusal, co-investment or other rights in respect of any such investment.

First Eagle and its related persons are permitted to buy or sell securities that they also recommend to clients. FESAM may take a position for an advisory client and affiliates of FESAM may take positions for their own accounts in a security contrary to the position held in the same security (*e.g.*, a short versus a long position) by clients of FESAM. It is possible that FESAM or its affiliates may, from time to time, cause short sales for a client to be executed following long transactions for other clients (including proprietary accounts) in the same security. There is a possibility that employees might benefit from market activity by a client in a security held by an employee. The Code is designed to mitigate potential conflicts of interest and improprieties, including even the appearance of impropriety in employees' personal actions. The nature and timing of actions taken by one or more of FESAM's employees or by one or more of FESAM's affiliates, either for their own accounts or for the accounts of clients, may differ from the nature and timing of actions taken by FESAM for client accounts. Because the Code of Ethics places restrictions on when employees can trade certain securities, the price received by FESAM's clients in a securities transaction will most likely be different than the price received by FESAM's employees.

FESAM and its affiliates perform investment management and investment advisory services for various clients, including SMAs and Wrap Programs, many of whom may have differing investment objectives, guidelines, and restrictions. As a result, FESAM or an affiliate may give advice and take action in the performance of its duties for a particular client that may differ from the advice given, or the timing or nature of action taken, with respect to other clients. Frequently, a particular security may be bought or sold for only one or a small number of clients, or in different amounts and at different times for more than one but less than all clients. In some cases, FESAM or an affiliate may cause one or more accounts to buy or sell a security from or to a broker-dealer, and soon thereafter may engage in the opposite transaction for one or more other accounts from that or another broker-dealer. This practice may result in certain accounts receiving less favorable prices. FESAM and its affiliates have adopted procedures that they believe are reasonably

designed to obtain the most favorable price and execution for the transactions by each account under the circumstances applicable to each account, including the account restrictions and investment guidelines.

In addition, affiliates of FESAM have other relationships with certain Wrap/SMA Program Sponsors, including for the distribution of the First Eagle Funds or other products or services offered by First Eagle. These other relationships may create conflicts of interest where FESAM or an affiliate may have more incentive to favor certain Wrap/SMA Program Sponsors than they would in the absence of such other relationships. FESAM has adopted policies and procedures regarding trade allocation that are governed by the principle of fair and equitable allocation among clients over time that are intended to mitigate these potential conflicts.

ITEM 12 BROKERAGE PRACTICES

FESAM's portfolio managers intend to select the market mechanism which they believe offers the best overall execution for client transactions and reduces other transaction costs. Because the Wrap/SMA Program Sponsor does not charge an additional commission for brokerage transactions, FESAM expects it to be more cost effective usually for FESAM to execute the transactions through the sponsor or the broker-dealer designated under the Wrap/SMA Program instead of through other broker-dealers that would impose additional costs and operational difficulties.

Wrap/SMA Programs

FESAM participates as an investment manager to separate accounts in certain Wrap/SMA Programs. Generally, FESAM has investment discretion with respect to its Wrap/SMA Programs, except that its arrangements with sponsors of "model only" Wrap/SMA Programs are non-discretionary. For its discretionary investment clients, while FESAM may have discretion to select broker-dealers other than the Wrap/SMA Program Sponsor to execute trades for Wrap/SMA Program accounts in a particular program, most trades are expected to be executed through the financial institution sponsoring the Wrap/SMA Program because the Sponsors do not charge commissions.

Sponsor-brokers will generally waive commissions for Wrap/SMA Program orders because these accounts have prepaid commissions as part of their wrap fees. However, in certain circumstances, Wrap/SMA Program accounts will incur commissions or markup/markdowns, paid to the executing broker, that are in addition to their prepaid commissions/wrap fees. Examples include

when: (i) a security is thinly traded and requires the executing broker's full service execution capability to source liquidity; (ii) Wrap/SMA Program orders for ADRs which require conversion from local shares, bear foreign-exchange fees and charges, or that bear other ADR-related costs; (iii) ongoing custody or service fees charged by ADR depository banks for inventorying the underlying non-U.S. shares and performing related administrative services; and (iv) when FESAM places certain orders in Wrap/SMA Programs for ADRs, ETFs, and fixed income securities. These commissions or mark-ups/mark-downs are netted into the price received for a security and will not be reflected as individual items on the client trade confirmation. These fees are in addition to the Wrap/SMA Program fee charged by the program sponsor.

To execute investment orders in ADRs that, in FESAM's judgment, have limited liquidity in U.S. markets, FESAM may coordinate with broker-dealers that purchase the ADR issuer's underlying ordinary shares in non-U.S. markets and then package such shares into an ADR (in the case of an ADR purchase) or convert the ADR into underlying ordinary shares of the ADR issuer and then sell such shares in non-U.S. markets (in the case of an ADR sale). These transactions typically involve foreign exchange, ADR conversion and related costs and charges that are reflected in the net price paid or received by the investor account.

Wrap/SMA Program fees typically assume a normal and consistent amount of trading activity, and therefore, under particular circumstances, a prolonged period of inactivity can result in higher fees than if commissions were paid separately for each transaction. A client who participates in a wrap fee arrangement with a Wrap/SMA Program Sponsor should consider that, depending on the level of the wrap fee charged by the program sponsor, the amount of portfolio activity in the client's account, the value of the custodial and other services which are provided under the arrangement, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were provided separately.

Directed Brokerage

A Wrap/SMA Program Sponsor may direct that all or a certain portion of the transactions for accounts of its investors ("**Sponsor-directed brokerage accounts**") be executed through the Wrap/SMA Program Sponsor (each, a "**Sponsor-broker**") because program participants have paid for some brokerage commissions in advance. In such cases, the Wrap/SMA Program Sponsor is responsible for negotiating the commissions or other charges and fees for its transactions with its chosen broker dealer(s) — *i.e.*,

FESAM is not responsible for negotiating Sponsor-broker transaction commissions or other related charges or fees. Such restrictions may affect (1) FESAM's ability to negotiate favorable commission rates or volume discounts, (2) the availability of certain spreads, and (3) the timeliness of execution, and as a consequence, may result in a less advantageous price being realized by Wrap/SMA Program accounts. There may be a material disparity in commissions charged to Sponsor-directed brokerage accounts versus the accounts of other clients of FESAM or its affiliates or in the timing, manner, or quality of trade execution, and FESAM may not obtain best execution for such transactions that must be traded through a Sponsor-broker. Depending on such factors as the size of the order, and the type and availability of a security, orders for accounts may be executed throughout the day, or over an extended period of time. Accordingly, FESAM expects where possible to obtain a written acknowledgment, either as part of the investment advisory agreement or otherwise, from Wrap/SMA Program Sponsor clients regarding the effects of any Sponsor-directed brokerage arrangement on transaction execution costs.

Separate Trading Processes

FESAM maintains a separate order implementation process to implement trades for Wrap/SMA Program accounts (referred to as the "**FESAM Trade Implementation Process**"). The FESAM Trade Implementation Process transmits orders for Wrap/SMA Program clients to Wrap/SMA Program Sponsors without regard to the timing of the placement of any aggregated order made on behalf of other clients of FEIM, which is expected to result in the executing brokers used by Wrap/SMA Program Sponsors competing against the trading desk for FEIM's clients when implementing buy and sell transactions from time to time, possibly causing certain accounts to pay more or receive less for a security than other accounts. As a result of the separateness of the processes, the FESAM Trade Implementation Process may not have the full benefit of or access to all of the institutional or market knowledge of other First Eagle trading personnel, which could negatively impact trading of clients of FESAM. Affiliates of FESAM will generally be making similar investment transactions at a similar time as for Wrap/SMA Programs, and because of differences in the trading process for Wrap/SMA Programs, will typically have the opportunity to make some part of those investment transactions before orders for Sponsor-directed brokerage accounts are executed, although FESAM or its affiliates may also choose to execute trades for other accounts over a more extended time.

The FESAM Trade Implementation Process utilizes a service provider to implement trades across various Wrap/SMA Programs (the “**Implementation Agent**”). FESAM will typically implement a trade for all accounts managed by a particular Wrap/SMA Program Sponsor at the same time. As a result of differences in the trading process for Wrap/SMA Programs such as use of the Implementation Agent, use of Sponsor-directed brokerage, differences in internal compliance reviews, and variations in account restrictions and strategies, investment decisions provided by the portfolio management teams of FEIM and FESAM concurrently to their corresponding trade execution areas may experience timing delays in execution and orders and are not expected to be executed at the same time.

When appropriate, the FESAM Trade Implementation Process will include a random trade rotation procedure implemented at the Implementation Agent in accordance with FESAM’s policy to treat all accounts fairly and equitably over time. Accounts in a rotation may experience sequencing delays and market impact costs with respect to certain transactions relative to other accounts in the rotation. The FESAM Trade Implementation Process may also assist portfolio managers with the allocation of trades for certain clients.

Trading Allocation

FESAM endeavors to allocate investment opportunities to its clients in a way that is fair and equitable over time, taking into account the client’s specific investment objectives, cash available for investment, client-imposed restrictions, and other relevant factors including but not limited to strategies, risk parameters, time horizons, relative sizes of the funds/accounts and amounts of capital available for investment, relative exposure to market trends, available capacity, liquidity needs, volatility and leverage considerations, diversification considerations and other market risk factors, contractual restrictions and guidelines, minimum and maximum investment sizes, tax and operational considerations, legal and regulatory factors, and similar factors. There may also be instances when there is limited supply of a security or investment opportunity. It is FESAM’s policy to make allocations, in the case of limited investment opportunities, fairly and equitably among clients. However, such a fair and equitable allocation need not be based solely on the relative net assets of the participating accounts. Although FESAM seeks to allocate trades fairly over time, it cannot assure that in every instance an investment can or will be or allocated proportionately. Because of the differences in trading instruments and process from strategies managed by affiliates,

FESAM does not expect trades to be aggregated or coordinated with affiliates.

FESAM will, in accordance with its trade allocation policies and procedures, use a randomizer at the Implementation Agent to generate a rotation schedule to seek fair and equitable allocations among its clients over time. Under such an approach, FESAM would deliver investment recommendations to the Implementation Agent who will use the randomizer to determine the order in which Wrap/SMA Program Sponsors or overlay managers will receive the instructions. Each Wrap/SMA Program Sponsor will be given the instructions upon receipt of notification that the preceding Wrap/SMA Program Sponsor or overlay manager has completed trading. FESAM may proceed to the next account or overlay manager in the randomly generated rotation schedule prior to the completion of the prior trade in certain circumstances, including when there are unusually long delays in an account's execution of a particular trade, in the absence of receiving confirmation from the overlay manager that a trade or model change has been completed, or under unusual market conditions.

Model-Only Accounts

With respect to Model-Only accounts (for which FESAM does not have the discretion to make specific investment decisions), FESAM will deliver investment recommendations for the relevant Model-Only portfolios to the program sponsor or Sponsor-Broker who will determine whether and how to execute the trade. Model delivery platforms may be included within the FESAM discretionary accounts trade implementation order rotation. However, FESAM may determine based on market conditions, liquidity, size of order or any other relevant factors to exclude a full or partial Model delivery platform order from the discretionary rotation. If the orders are not included in FESAM's implementation order or rotation for discretionary accounts, the Model delivery platform orders may be transmitted to Wrap/SMA Program Sponsors before or after the discretionary orders. Even if a Model-Only program is including in FESAM's discretionary rotation, delays in trading at the Sponsor-Broker, which are outside the control of FESAM, may cause its accounts to trade after FESAM's discretionary accounts, even if the Model-Only program receives an earlier placement in the rotation.

Exceptions to the above procedures may be made to avoid, among other things, odd lots and de minimis allocations.

ITEM 13 REVIEW OF ACCOUNTS

Portfolio Managers review performance, transactions and holdings for accounts on an ongoing basis and select investments in accordance with each client's investment objectives, consistent with the investment philosophy of FESAM.

Generally, each Wrap/SMA Program receives periodic performance and holdings reports per the contractual requirements of the client's investment management agreement. FESAM maintains systems for guideline surveillance that check pre-trade security transactions and post-trade account holdings against client account guidelines.

ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION

FESAM or its affiliates may adopt one or more incentive plans or enter into agreements from time-to-time that provide for cash payments to its employees who develop and refer new business. In addition, FESAM or its affiliates may enter into agreements with third party solicitors who refer clients in accordance with Rule 206(4)-3 under the Advisers Act. Investors or prospective investors should be aware that these plans or arrangements create a conflict of interest between an investor and the relevant placement agent and others. This conflict continues after an investment is made in that payments under these plans or arrangements are made by reference to the amount of the investment maintained with FESAM over time.

In Wrap/SMA Programs, FESAM receives fees from the program sponsor for all services rendered by FESAM to Wrap/SMA Program Sponsors or investors in accounts sponsored by them. To the extent that the program sponsor might not be considered a client of FESAM, FESAM might be considered to receive cash compensation from a non-client in connection with giving advice to program investors.

ITEM 15 CUSTODY

Although FESAM does not expect to have "custody" of client funds or securities within the meaning of Rule 206(4)-2 under the Advisers Act, if FESAM is deemed to have custody of a client's account, the client's custodian will send the client periodic account statements indicating the amounts of any funds or securities in the account as of the end of the statement period and any transactions in the account during the statement period. Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains the client's investment assets. FESAM urges clients to carefully review such official custodial records and compare them to any account statements that FESAM may provide. It should be noted that FESAM's statements may vary from

custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain account positions. Investors are advised to notify their Wrap/SMA Program Sponsor promptly if account statements are not received from their respective account's custodian on at least a quarterly basis.

ITEM 16 INVESTMENT DISCRETION

Generally, FESAM is typically appointed on a discretionary basis to provide continuous investment advice with respect to an Wrap/SMA Program pursuant to an investment management agreement that describes the services to be provided. Consistent with the account's investment objectives, FESAM typically will be granted full investment decision making authority over the types of investments for the account. From time to time, investors impose restrictions on the investments that FESAM may effect for their account or direct that FESAM use certain broker-dealers to execute their account's transactions.

When selecting securities and determining transaction quantities, FESAM seeks to follow the investment policies, limitations and restrictions of its clients. Wrap/SMA Program participants may not be able to provide such customized requests under the terms of their Wrap/SMA Program. As described in Item 12 — Brokerage Practices, FESAM generally retains the authority to select broker-dealers and to determine the commissions to be paid.

ITEM 17 VOTING CLIENT SECURITIES

FESAM has adopted proxy-voting policies and procedures designed to ensure that where clients have delegated proxy-voting authority to FESAM, proxy-voting decisions are sought to be made solely in the best interest of clients and to enhance the economic value of the underlying portfolio securities held in its clients' accounts. When a client retains FESAM, the client will instruct, in its investment management agreement, whether FESAM is authorized to vote proxies on its behalf. FESAM expects to retain Institutional Shareholder Services ("**ISS**") as its third-party proxy voting service provider to analyze proxy issues and recommend how to vote on those issues, and to assist in the administration of the proxy process, including maintaining complete proxy voting records. FESAM generally uses ISS's Standard Guidelines (the "**Standard Guidelines**"). FESAM periodically reviews the proxy voting policies, procedures and methodologies, conflicts of interest and competency of ISS.

Each proxy voted by FESAM must be instructed in accordance with the Standard Guidelines, unless FESAM believes that it is in the best

interest of the client(s) to vote otherwise. In those cases, FESAM's investment personnel must complete a form describing the reasons for departing from the Standard Guidelines and disclosing facts that might suggest a conflict, if any. In the event the Standard Guidelines do not address how a proxy should be voted or state that the vote is to be determined on a "case-by-case" basis, the proxy will be voted in accordance with the investment team's recommendation, as approved in advance by FESAM's Legal and Compliance Department.

FESAM may abstain from voting proxies for its clients' accounts under circumstances including but not limited to the following:

- When the economic effect on shareholders' interests or the value of the portfolio holding is indeterminable or insignificant;
- When the voting of proxies is subject to "share-blocking" restrictions;
- When voting the proxy would unduly impair the investment management process;
- When the client's custodian has not notified FESAM of the vote on a timely basis;
- When client securities in a securities lending program are out on loan;
- Timing issues related to the opening and closing of accounts; or
- When the cost of voting the proxies outweighs the benefits or is otherwise impractical.

Clients may obtain a copy of FESAM's proxy voting policies and procedures or obtain information on how their account's securities were voted by submitting their request in writing to: First Eagle Separate Account Management, LLC, Attention: Legal and Compliance Department, 1345 Avenue of the Americas, New York, NY 10105 or by calling (212) 698- 3300.

In certain Wrap/SMA Programs, FESAM may not be delegated the responsibility to vote proxies held by the Wrap/SMA Program accounts and, instead, the program sponsor or another service provider will generally vote such proxies. Investors in these Wrap/SMA Programs should contact the program sponsor for a copy of the program sponsor's proxy voting policies.

It is not customary for investors in unsponsored ADRs to be given proxy voting rights. To the extent FESAM invests client assets in unsponsored ADRs, clients of FESAM may not have any proxy voting rights with respect to such securities.

ITEM 18 FINANCIAL INFORMATION

FESAM does not require or solicit prepayment of its fees. FESAM is not aware of any financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients.

PRIVACY NOTICE

FESAM is committed to protecting your privacy. We are providing you with this privacy notice to inform you of how we handle your personal information that we collect and may disclose to our affiliates. If FESAM changes its information practices, we will provide you with notice of any material changes. This privacy policy supersedes any of our previous policies relating to the information you disclose to us.

Why this Privacy Policy Applies to You

You obtained a financial product or service from or through us for personal, family or household purposes when you opened an account with FESAM and are therefore covered by this privacy policy.

What We Do to Protect Your Personal Information

We protect personal information provided to us by you according to strict standards of security and confidentiality. These standards apply to both our physical facilities and any online services we may provide. We maintain physical, electronic and procedural safeguards that comply with federal standards to guard consumer information. We permit only authorized individuals, who are trained in the proper handling of individual client information and need to access this information to do their job, to have access to this information.

Personal Information that We Collect and May Disclose

As part of providing you with FESAM's products and services, we may obtain nonpublic personal information about you from the following sources:

- Information we receive from you on subscription applications or other forms, such as your name, address, telephone number, Social Security number, occupation, assets and income;

- Information about your transactions with us, our affiliates, or unaffiliated third parties, such as your account balances, payment history and account activity;
- Information from public records we may access in the ordinary course of business; and
- Information collected from you online, such as your IP address and data gathered from your browsing activity and location.

Categories of Affiliates to Whom We May Disclose Personal Information

We may share personal information about you with affiliates. Our affiliates do business under names that include First Eagle Holdings, Inc., First Eagle Investment Management, LLC, FEF Distributors, LLC, First Eagle Private Credit, LLC, First Eagle Private Credit Advisors, LLC, First Eagle Commercial Loan Originator II LLC, First Eagle Alternative Credit, LLC, First Eagle Alternative Credit SLS, LLC, and THL Credit, Inc.

You May Limit Marketing Solicitations by Choosing to Opt Out

We offer you the right to opt out from many types of marketing by our affiliates based on your personal information that we collect and share in accordance with this privacy policy. To limit those marketing solicitations, you may call 800.334.2143 indicating your desire not to receive marketing from our affiliates. Should you choose to opt out, your choice will remain in our records until you notify us otherwise, although we may choose to contact you in the future to modify your preference.

When We May Disclose Your Personal Information to Unaffiliated Third Parties

We will only share your personal information collected, as described above, with unaffiliated third parties:

- At your request;
- When you authorize us to process or service a transaction or product (unaffiliated third parties in this instance may include service providers such as the Funds' distributors, registrar and transfer agent for shareholder transactions, and other parties providing individual shareholder servicing, accounting and recordkeeping services);

- With companies that perform sales and marketing services on our behalf with whom we have agreements to protect the confidentiality of your information and to use the information only for the purposes for which we disclose the information to them; or
- When required by law to disclose such information to appropriate authorities.

We do not otherwise provide information about you to outside firms, organizations or individuals, except to our attorneys, accountants and auditors, and as permitted by law.

What We Do with Personal Information about Our Former Customers

If you decide to discontinue doing business with us, we will continue to adhere to this privacy policy with respect to the information we have in our possession about you and your account following the termination of our relationship.

ABOUT THIS BROCHURE

This Brochure is not:

- **an offer or agreement to provide advisory services to any person;**
- **an offer to sell interests (or a solicitation of an offer to purchase interests) in any fund; or**
- **a complete discussion of the features, risks or conflicts associated with any fund or advisory service.**

As required by the Advisers Act, FESAM provides this Brochure to current or prospective clients of FESAM. FESAM may also provide this Brochure to current or prospective investors in any private fund or other investment vehicle managed by FESAM, together with relevant confidential offering memoranda or prospectuses, and other related documents (“**Offering Documents**”), prior to or in connection with such person’s consideration or execution of an investment.

Although this publicly available Brochure describes investment advisory services and products of FESAM, persons who receive this Brochure (whether or not from FESAM) should be aware that it is designed solely to provide information about FESAM as necessary

to respond to certain disclosure obligations under the Advisers Act. As such, the information in this Brochure may differ from information provided in relevant Offering Documents. More complete information about each fund is included in its respective Offering Documents, certain of which may be provided to current and eligible prospective investors only by FESAM. To the extent that there is any conflict between discussions herein and similar or related discussions in any offering materials, the relevant Offering Documents shall govern and control.