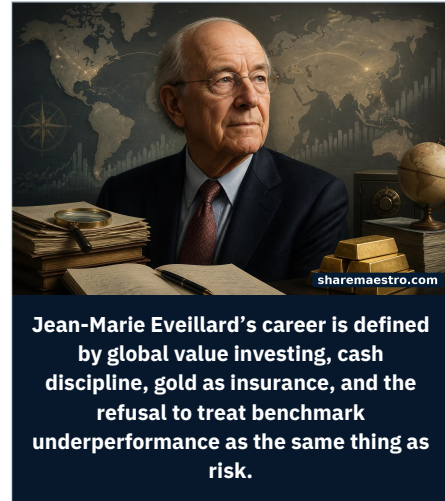


VALUE INVESTOR | GLOBAL ABSOLUTE-RETURN VALUE INVESTING

Jean-Marie Eveillard Made Global Value Investing a Discipline of Patience, Cash and Survival

Jean-Marie Eveillard built the First Eagle Global Fund around absolute-return value investing, a willingness to hold cash and gold, and a conviction that the real risk is permanent loss, not temporary embarrassment.

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Jean-Marie Eveillard's career is defined by global value investing, cash discipline, gold as insurance, and the refusal to treat benchmark underperformance as the same thing as risk.

In brief

Jean-Marie Eveillard's career stands out in mutual-fund history because he practiced global value investing with unusual consistency across bubbles, currency scares, credit crises and changing ownership. His record at First Eagle Global was built on bottom-up analysis, accounting skepticism, broad geographic reach, cash as deferred purchasing power and gold as insurance against extreme outcomes. The method was not painless: it lagged badly in the late-1990s growth boom, could look overly cautious in bull markets, and depended heavily on the temperament of the manager and the culture around him. Its enduring lesson is not that investors should copy his portfolio, but that survival, valuation discipline and the refusal to let benchmarks define risk can be a durable edge when markets reward impatience.

- Eveillard turned a small SoGen international fund into the core of a global value franchise that later became central to First Eagle's identity.
- His method combined Graham-style balance-sheet value with Buffett-style attention to durable business quality, but he never abandoned margin of safety.
- First Eagle Global's long-term record was distinguished by downside resilience, including positive returns during the 2000 to 2002 bear market and a smaller loss than MSCI World in 2008.
- Cash and gold were not tactical ornaments in the strategy. They reflected Eveillard's emphasis on purchasing power, optionality and protection against permanent capital impairment.
- The approach carried visible costs, especially relative underperformance during speculative bull markets and recurring questions about whether caution can become a drag.

Performance markers

First Eagle Global annualized return under Eveillard through 2004	15.8% Reported average annual return before his brief retirement, compared with 13.7% for the S&P 500.
January 1979 to March 2009 annualized return	13.8% Washington Post reported that \$10,000 invested at launch would have grown to roughly \$495,000 by March 2009.
25-year annualized return, SGENX	10.38% First Eagle reported this 25-year figure as of March 31, 2026, versus 7.65% for MSCI World Index.
25-year beta versus MSCI World	0.68 Reported by First Eagle as of March 31, 2026, reflecting a lower-sensitivity profile versus the global equity benchmark.
2008 calendar-year return	-21.06% First Eagle Global Class A declined less than MSCI World, which fell 40.71% in the same year.
Portfolio active share	89.6% Reported by First Eagle for Global Fund Class A as of June 30, 2026.

Charts and timelines

Risk		Timeline	
Bull-market lag	Market-trailing returns	Career begins at Société Générale	Joined Société Générale
Benchmark difference	High active share	Move to the United States	Relocated to New York
Gold opportunity cost	Insurance with carrying cost	Global Value strategy begins	Appointed portfolio manager
Succession risk	Founder transition	New funds broaden the franchise	Overseas and Gold Funds launched
		First Eagle acquisition	Société Générale Asset Management Corp. acquired
		Morningstar recognition	International Stock award and Lifetime Achievement Award
		Final transition from portfolio management	Senior adviser role

Philosophy		Performance	
Risk definition	Permanent impairment of capital	Long-run Eveillard record	15.8% annualized
Valuation anchor	Margin of safety	Full launch-to-exit compounding	13.8% annualized
Research style	In-house accounting skepticism	Dot-com bust resilience	Positive each year
Portfolio ballast	Cash and gold	Global financial crisis	-21.06% vs -40.71%
		Modern 25-year risk-return	10.38% return, 11.41% standard deviation

The year patience looked foolish

Jean-Marie Eveillard's defining moment was not a triumphant year. It was the season when his craft looked out of date. In 1998, First Eagle Global, still rooted in the SoGen international fund lineage, slipped 0.26 percent while the MSCI World Index rose 24.34 percent. The gap was not a rounding error. It was a public referendum on a manager who refused to pay fashionable prices for fashionable companies when the technology boom made caution look like professional negligence.

That is why Eveillard matters. Many investors preach patience after the fact. Eveillard practiced it when patience carried a business cost, a reputational cost and a psychological cost. He did not build his record by forecasting the next quarter or hugging an index with a slightly cheaper portfolio. He built it by asking whether a security offered enough protection against being wrong, then accepting that the answer would often leave him holding cash, gold or unfashionable stocks while the crowd moved elsewhere.

The irony is that his most stubborn periods became the proof of the method. The same fund that looked pedestrian in 1998 posted positive returns in 2000, 2001 and 2002, years in which the MSCI World Index fell. In 2008, a different kind of market break arrived, and First Eagle Global again lost far less than the global index. Eveillard's career is best understood through that rhythm: long stretches of restraint, short stretches of vindication, and an unusual willingness to be judged by capital preserved rather than applause earned.

Why Eveillard belongs in the first rank of value investors

Eveillard is not famous in the theatrical way some hedge-fund managers are famous. He did not cultivate public campaigns, stage proxy fights or build an identity around market calls delivered for television. His stage was the open-end mutual fund, a structure that punishes visible underperformance because disappointed shareholders can leave daily. Within that unforgiving vehicle, he created one of the more distinctive long-run records in global stock selection, fixed-income opportunism and capital preservation.

The facts behind the reputation are plain enough. HEC Paris describes him as the manager of the First Eagle Global Fund for 30 years and credits him with helping turn it from a \$15 million fund in early 1979 into a roughly \$50 billion fund by mid-2019. Morningstar named Eveillard and Charles de Vaulx International Stock managers of the year for 2001, and Eveillard received a Lifetime Achievement Award in 2003. Those honors were not for novelty. They recognized durability.

His deeper contribution was philosophical. Eveillard helped make global value investing practical for ordinary mutual-fund investors before global mandates became standard products. He treated Europe, Japan, the United States and selected emerging markets as one hunting ground, but he rejected the idea that global investing meant permanent full investment or compulsory country weightings. His central claim was simpler and more severe: the investor's first duty is to avoid permanent impairment of capital, even when that duty creates long periods of

uncomfortable relative performance.

From Paris banking to Graham and Dodd

Eveillard's temperament was formed before he became an American mutual-fund figure. A graduate of HEC Paris, he began his career at Société Générale in 1962. Columbia Business School's Heilbrunn Center later described his path through Société Générale, his move to the United States in 1968, his work as an analyst with SoGen International Fund, and his appointment as portfolio manager in 1979. The chronology matters because it placed him at the intersection of old European banking, American securities analysis and a rising global market.

In New York, Eveillard encountered Graham and Dodd through Columbia Business School alumni. What appealed to him was not merely the arithmetic of cheap stocks. It was the notion that a share represented ownership in a business and that intrinsic value imposed a kind of order on a market driven by emotion. That idea gave him an organizing principle for investing across borders, where accounting regimes, corporate customs and investor attitudes could differ widely.

He did not remain a mechanical Graham investor. Early in his career, balance sheets and statistical bargains gave him a practical route into neglected non-US companies. Later, as the First Eagle research operation expanded, he became more receptive to the Buffett emphasis on business quality, durable franchises and qualitative judgment. Eveillard's own formulation placed him between Graham and Buffett, not because he split the difference neatly, but because he wanted the protection of the former without ignoring the business durability emphasized by the latter.

A global strategy before global investing became routine

The First Eagle history traces the formal creation of the Global Value strategy to 1979, the same year Eveillard assumed the role that would define his career. The strategy later became part of First Eagle through the 1999 acquisition of Société Générale Asset Management Corp., an event that helped form what the firm now calls its Global Value team. In corporate history, that could sound like a routine transaction. In investment terms, it preserved a culture that had already been shaped by one manager's unusually consistent caution.

In the 1980s and early 1990s, global value investing had advantages that later narrowed. Eveillard observed that European companies often used conservative accounting that local investors did not fully appreciate. Hidden assets, understated earnings power and family-controlled corporate habits created situations that did not screen neatly. That suited a manager who preferred reading accounts and adjusting numbers to buying what ranked well on a database.

But the opportunity set changed. As more American value investors looked abroad and local investors became more sophisticated, the easy anomalies became less abundant. Eveillard's method evolved accordingly. He moved from a small-team, balance-sheet-heavy approach toward a more labor-intensive search for durable businesses at discounts to intrinsic value. The point was not to abandon cheapness. It was to recognize that in a more competitive world, accounting bargains alone could not support a global franchise.

Between Graham's margin of safety and Buffett's business quality

Eveillard's intellectual honesty lay in his reluctance to claim Buffett's gifts while still learning from Buffett's method. In a 2008 Graham and Doddsville interview, he described value investing as a broad tent, with Ben Graham at one end and Warren Buffett at the other. He said First Eagle had floated between them over nearly three decades, starting with the Graham approach and moving gradually toward Buffett as the firm added analysts and could do deeper qualitative work.

That migration carried danger. A Graham investor can rely more heavily on observable facts: cash, receivables, inventories, securities, liquidation value, replacement value and current earnings. A Buffett-style investor must judge

the future durability of a business, the strength of a competitive advantage, the quality of management and the economics of growth. Eveillard treated that shift with caution because it required judgment that cannot be fully audited by a spreadsheet.

His version of business quality was restrained. He was not hostile to growth, but he did not want to pay grand prices for extrapolated growth. He preferred stable and profitable businesses, sometimes in mundane areas, where a buyer could think like a private owner rather than a momentum trader. In that sense, his Buffett influence was disciplined by Graham: quality mattered, but only if the price still left room for error.

The mechanics: accounting, intrinsic value and in-house doubt

Eveillard's process was document-driven, skeptical and deliberately slow. He disliked screens because screens could not capture the economic meaning of accounting entries. In the Graham and Doddsville interview, he used timberland carried at decades-old cost as the kind of hidden value that a database might miss. The lesson was broader than timber. The reported numbers were a starting point, not the answer.

First Eagle's current description of the Global Fund process is recognizably descended from that approach. The team seeks to understand business models, examine market share and contingencies, recast financial statements, estimate true economic earnings and calculate intrinsic value using balance-sheet and cash-flow valuation tools. The official language is institutional, but the spirit is Eveillard's: reported accounts must be translated before they can be trusted.

The portfolio consequence was breadth without index deference. The Global Value strategy is described as bottom-up and fundamental, with no market-cap bias, no sector constraints, an average of 100 to 150 holdings, and the ability to own non-equity securities such as gold, fixed income, cash equivalents and currency hedges. That flexibility can look untidy beside a conventional equity benchmark. For Eveillard, the untidiness was the point. The benchmark did not own the client's losses; the portfolio manager did.

Cash and gold were part of the architecture

The most visible signatures of Eveillard's style were cash and gold. Many equity managers treat cash as an admission that they lack ideas. Eveillard treated it as a residual of discipline. If there were not enough securities trading at acceptable discounts to intrinsic value, cash was not a failed allocation. It was deferred purchasing power, waiting for the market to offer better terms.

Gold was more controversial. In the 2009 Advisor Perspectives interview, Eveillard framed gold as a universal store of value and discussed position sizing in stark terms: too small a position would be irrelevant, while too large a position would be painful if wrong. That is a revealing sentence because it makes gold neither prophecy nor ornament. It is insurance sized by usefulness and regret.

Kiplinger reported in 2007 that Eveillard had long favored gold and viewed it as protection against inflation, a severe bear market, a financial accident and a falling dollar. First Eagle's later materials kept that logic alive by describing gold as a potential hedge against extreme market outcomes. The case is not without cost: gold produces no earnings stream and can disappoint for long periods. Eveillard accepted that carrying cost as the price of resilience.

The benchmark he refused to worship

Eveillard's record cannot be understood through relative performance alone because he rejected the moral authority of relative performance. That did not mean he ignored comparisons. It meant he believed comparisons could corrupt behavior when they encouraged managers to own securities for fear of looking different. In his framework, a benchmark could measure the pain of being out of step, but it could not define risk.

His risk vocabulary was closer to that of a business owner than a consultant. Volatility was not the central enemy. Permanent impairment of capital was. Columbia's account of his 2005 Graham and Dodd Breakfast remarks captured that distinction directly: temporary capital losses and permanent impairment were the crucial difference, and impairment was the risk value investors had to fear. That distinction freed him to endure volatility, but it also required clients willing to understand what they owned.

The modern First Eagle Global Fund statistics still show the legacy of that posture. As of March 31, 2026, the fund's 25-year standard deviation was lower than MSCI World's, and its beta to the index was 0.68. Its active share was 89.6 percent as of June 30, 2026. Those figures are not a portrait of a closet index fund. They show a portfolio built to be visibly different, for better and sometimes for worse.

The record: a long compounding machine with a defensive bias

The headline numbers explain why Eveillard's discipline earned more than admiration for temperament. Graham and Doddsville reported that before his brief retirement in 2004, he led First Eagle Global to a 15.8 percent average annual return, compared with 13.7 percent for the S&P 500. Washington Post coverage of his 2009 exit put the longer January 1979 to March 2009 experience at 13.8 percent annualized, turning \$10,000 into roughly \$495,000.

No single benchmark perfectly fits First Eagle Global. It held US stocks, non-US stocks, gold, cash and at times bonds. Still, the pattern is clear across published data: the fund's relative advantage often came when markets were weak. First Eagle's calendar-year series shows positive returns in 2000, 2001 and 2002 while MSCI World fell each year. In 2008, the fund lost 21.06 percent while MSCI World lost 40.71 percent.

The trade-off was equally visible. In 1998, the fund badly trailed a surging global index. In some later growth-led years, it also lagged. The long-run result was not a smooth line of superiority. It was a profile shaped by downside mitigation, selective participation in rising markets and the mathematics of avoiding deep holes. Eveillard's edge was not that he was always right. It was that he tried to keep wrong decisions from becoming fatal.

What he bought when others looked away

Eveillard's global reach allowed him to move where neglect was greatest. The Washington Post noted that he made money in investments as varied as Mexican bonds after the 1994 currency crisis and gold-mining shares in the mid-1990s when most investors shunned the metal. Those examples show a portfolio manager willing to cross asset classes when price, fear and capital structure created enough protection.

Japan became a recurring case study in his later career. In 2009, he argued that Japanese companies often had overcapitalized balance sheets and that many traded below conservative measures of value, including net-net working capital, net cash or book value. The appeal was not an optimistic macro forecast. It was the chance to buy quality assets from a market that had endured decades of disappointment and had stopped assigning normal value to corporate strength.

He was also selective in financials during the crisis. In 2009, he discussed a mark-to-market loss in American Express while saying his expectations for future earnings had not changed much, and he was wary of most other financial institutions. That episode illustrates both the strength and vulnerability of the method. Eveillard could avoid much of a dangerous sector and still suffer when a chosen survivor fell further than expected.

The cost of being right too early

The late 1990s remain the cleanest criticism of Eveillard's style because the numbers were plain and the emotional pressure was real. Kiplinger later summarized the period bluntly: investors had to suffer through market-trailing returns from 1995 through 1999. The First Eagle data show the acute point in 1998, when the fund declined slightly

while MSCI World surged. That was not a theoretical tracking-error problem. It was a test of client patience.

Being early in value investing can be indistinguishable from being wrong. A manager who refuses a bubble must watch competitors gather assets, clients ask questions and consultants mark the portfolio as stale. Eveillard's response was not to deny the pain. It was to accept that the investment process had to be judged over a full cycle. That answer is easy to admire in retrospect and difficult to live through in real time.

His own mistake ledger was not empty. In the crisis, American Express fell after First Eagle had tried to distinguish it from weaker financial institutions. Gold could lag for years. Cash could drag returns in rising markets. International accounting and currency exposure could complicate the intrinsic-value exercise. Eveillard's career does not prove that caution eliminates error. It proves that a portfolio can be structured so errors do not dominate the entire enterprise.

Succession risk in a star-manager fund

A long record creates a practical problem: eventually, the person who built it has to leave. Eveillard first retired from active portfolio management at the end of 2004, later returned in March 2007 after Charles de Vaulx's abrupt resignation, and transitioned again in 2009 to a senior advisory role. Kiplinger's 2007 account captured the fragility of the moment. The fund had a celebrated process, but the public still wanted to know who would actually make the decisions.

First Eagle's later filings clarify the formal timeline. Eveillard's portfolio management tenure is listed as 1979 to 2004 and March 2007 to March 2009. He served as senior adviser from March 2009 through June 2021 and became trustee emeritus in September 2019. The sequence matters because it shows a gradual institutionalization of what had once been identified with one unusually disciplined investor.

The succession question was not merely personnel gossip. It was a test of whether a value culture can survive its founder. First Eagle's history presents the 1999 acquisition as a step that formed the Global Value team and reinforced a prudent approach characterized by patience, humility and conviction. That language can sound polished, but it points to the essential issue. A philosophy has lasting value only if it can be taught, staffed, governed and repeated without becoming a slogan.

The criticism: caution can become its own trap

The fairest criticism of Eveillard is not that he was too conservative. It is that conservatism, if applied mechanically, can become a trap of its own. Cash is optionality when bargains are scarce, but it is also an asset with an opportunity cost. Gold is insurance against monetary disorder and financial accident, but insurance can be expensive when the feared event does not arrive. A benchmark-agnostic portfolio can protect investors from crowded trades, but it can also test their willingness to remain invested.

The structure of the fund raises another tension. First Eagle's Global Value strategy has typically held 100 to 150 names, far more than the concentrated portfolios associated with some private partnerships. That breadth can reduce single-security disaster risk, but it can also dilute the impact of the best ideas. Eveillard's answer was that the portfolio's purpose was not heroic concentration. It was long-term real return with a focus on avoiding permanent impairment.

There is also a philosophical limit. A manager who defines risk as permanent loss must still decide, before the fact, which losses are temporary and which are permanent. That judgment can be wrong. Accounting adjustments can miss technological decay. Balance-sheet value can evaporate in bad governance. A cheap stock can remain cheap because the business deserves it. Eveillard's record is impressive precisely because those dangers are real, not because his doctrine made them disappear.

Influence beyond the fund sheet

Eveillard's influence extended into the institutions that teach and preserve value investing. Columbia Business School featured him at the 15th Annual Graham and Dodd Breakfast in 2005, where he spoke on value investing in international markets. Later, the Heilbrunn Center welcomed him as its inaugural Professor of Practice, linking his practitioner experience to Columbia's Graham and Dodd tradition.

HEC Paris, his alma mater, also carries his name through an endowed chair devoted to value investing, behavioral finance and related education. That is fitting because Eveillard's career was as much about temperament as technique. He understood that valuation errors are often behavioral errors: fear of missing out, fear of looking different, fear of holding cash, fear of buying what others have abandoned, and fear of admitting uncertainty.

First Eagle remains the most visible institutional expression of his influence. The firm's current Global Fund still describes a philosophy grounded in Graham and Buffett, bottom-up research, absolute returns, downside mitigation and margin of safety. The portfolio now belongs to later managers, not to Eveillard. Yet its vocabulary, structure and defensive self-image are inseparable from the habits he established.

What remains useful, and what remains dangerous

The useful part of Eveillard's approach is its refusal to confuse motion with progress. In a market culture organized around quarterly comparisons, he insisted that the investor's first task is to survive. That idea remains relevant in an era of index concentration, rapid factor rotations, private-market narratives and global policy shocks. Owning what is cheap is not enough. The investor must understand what can permanently impair value.

The dangerous part is the temptation to imitate the visible symbols without the discipline beneath them. Holding gold does not make an investor Eveillard. Holding cash does not prove patience. Buying non-US stocks does not create a global value process. The method depends on valuation work, accounting skepticism, a clear definition of risk, client communication and the emotional capacity to lag when prices detach from business value.

Eveillard's career therefore offers a stern but practical legacy. He showed that a mutual-fund manager could pursue absolute-return value investing across countries and asset classes without surrendering to benchmark compulsion. He also showed that such a path is lonely, commercially vulnerable and easy to misunderstand. The lesson is not that caution always wins. It is that when markets become careless, the investor who has preserved capital, judgment and optionality has earned the right to act.

Disclosure

Educational financial journalism and market research only. Not financial, investment, trading, tax, or legal advice. Market data and analysis may be delayed, incomplete, or inaccurate.

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