FPA Crescent Fund

Unless otherwise indicated, Fund performance and characteristics in the Morningstar Analyst Report are as of March 31, 2021.

You should consider the Fund's investment objectives, risks, and charges and expenses carefully before you invest. The Prospectus details the Fund's objective and policies and other matters of interest to a prospective investor. Please read the Prospectus carefully before investing. The Prospectus may be obtained by visiting the website at www.fpa.com, by calling toll-free, 1-800-982-4372, or by contacting the Fund in writing.

Average Annual Total Returns (%)

Trailing Performance (%)										Market Cycle Performance	
As of Date: 3/31/2021	Inception*	20 Years	15 Years	10 Years	5 Years	3 Years	1 Year	YTD	QTD	3/25/00-10/9/07	10/10/07-3/31/2021
FPA Crescent Fund (FPACX)	10.35	9.93	7.93	8.71	10.76	11.35	54.80	9.76	9.76	14.70	7.68
S&P 500	10.26	8.47	10.02	13.91	16.29	16.78	56.35	6.17	6.17	2.00	9.43
MSCI ACWI**	-	-	-	9.14	13.21	12.07	54.60	4.57	4.57	-	5.69
60% S&P500/40% BBgBarc US Agg	8.49	7.18	8.01	9.87	11.15	12.24	31.71	2.31	2.31	3.97	7.61
CPI	2.21	2.06	1.90	1.73	2.15	2.00	2.64	1.24	1.24	2.75	-

Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown. This data represents past performance and investors should understand that investment returns and principal values fluctuate, so that when you redeem your investment it may be worth more or less than its original cost. Current month-end performance data, which may be lower or higher than the performance data quoted, may be obtained at www.fpa.com or by calling toll-free, 1-800-982-4372. The Fund's total expense ratio as of its most recent prospectus is 1.15%, and its net expense ratio is 1.13% (both ratios include dividend and interest expenses on short sales). A redemption fee of 2% will be imposed on redemptions within 90 days.

Periods greater than one year are annualized. FPA Crescent Fund - Institutional ("Fund") performance is shown net of all fees and expenses. Fund performance is calculated on a total return basis which includes reinvestment of all distributions. Fund returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares, which would lower these figures. Comparison to any index is for illustrative purposes only. An investor cannot invest directly in an index. The Fund does not include outperformance of any index or benchmark in its investment objectives.

* The Fund commenced operations on June 2, 1993. The performance shown for periods prior to March 1, 1996 reflects the historical performance of a predecessor fund. FPA assumed control of the predecessor fund on March 1, 1996. The Fund's objectives, policies, guidelines, and restrictions are, in all material respects, equivalent to those of the predecessor fund.

** The MSCI ACWI was not considered a relevant illustrative index prior to 2011 because the Fund was not classified as a global mandate until this point in time. Market Cycle performance for MSCI ACWI is being shown for illustrative purposes only to illustrate how global equities have performed in the current market cycle.

Market Cycle Performance reflects the two most recent market cycles (peak to peak) defined as a period that contains a decline of at least 20% from the previous market peak over at least a two-month period and a rebound to establish a new peak above the prior market peak. The current cycle is ongoing and thus presented through the most recent quarter-end. Once the cycle closes, the results presented may differ materially.

Effective September 4, 2020, the current single class of shares of the Fund was renamed the Institutional Class shares and has the same ticker symbol (FPACX). In addition, effective September 4, 2020, the management fees for the Institutional Class includes both an advisory fee of 0.93% and class-specific administrative service fee of 0.07%. For additional information about the administrative service fee please see the Prospectus.

First Pacific Advisors, LP (the "Adviser" or "FPA"), the Fund's investment adviser, has contractually agreed to reimburse the Fund for operating expenses in excess of 1.05% of the average net assets of the Fund, excluding short sale dividend expenses and interest expenses on cash deposits relating to short sales, brokerage fees and commissions, redemption liquidity service expenses, interest, taxes, fees and expenses of other funds in which the Fund invests, and extraordinary expenses, including litigation expenses not incurred in the Fund's ordinary course of business, through April 30, 2022. The Adviser has also contractually agreed to reimburse the Fund for redemption liquidity service expenses in excess of 0.0044% of the average net assets of the Fund through April 30, 2022. These agreements may only be terminated earlier by the Fund's Board of Trustees (the "Board") or upon termination of the Advisory Agreement.

Risk Assets include all investments excluding cash and cash equivalents. The Fund has had a net risk exposure of 64.3% since inception.

Margin of Safety is the difference between the market price of a security and your estimation of its intrinsic value.

Please see important disclosures on the next page.

Important Disclosures

The data herein has been provided for informational purposes only and should not be construed as recommendations by the Fund, the portfolio manager, FPA, or the distributor. The views expressed herein and any forward-looking statements are as of the date of this publication and are subject to change without notice. Future events or results may vary significantly from those expressed and are subject to change at any time in response to changing circumstances and industry developments. This information and data has been prepared from sources believed reliable, but the accuracy and completeness of the information cannot be guaranteed and is not a complete summary or statement of all available data.

Portfolio composition will change due to ongoing management of the Fund. References to individual securities are for informational purposes only and should not be construed as recommendations by the Fund, the portfolio manager, the Adviser, or the distributor. It should not be assumed that future investments will be profitable or will equal the performance of the security examples discussed. The portfolio holdings as of the most recent quarter-end may be obtained at www.fpa.com.

Investments, including investments in mutual funds, carry risks and investors may lose principal value. Capital markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. The Fund may purchase foreign securities, including American Depository Receipts (ADRs) and other depository receipts, which are subject to interest rate, currency exchange rate, economic and political risks. Foreign investments, especially those of companies in emerging markets, can be riskier, less liquid, harder to value, and more volatile than investments in the United States. Adverse political and economic developments or changes in the value of foreign currency can make it more difficult for the Fund to value the securities. Differences in tax and accounting standards, difficulties in obtaining information about foreign companies, restrictions on receiving investment proceeds from a foreign country, confiscatory foreign tax laws, and potential difficulties in enforcing contractual obligations, can all add to the risk and volatility of foreign investments.

Small and mid-cap stocks involve greater risks and they can fluctuate in price more than larger company stocks. Groups of stocks, such as value and growth, go in and out of favor which may cause certain funds to underperform other equity funds.

The return of principal in a bond investment is not guaranteed. Bonds have issuer, interest rate, inflation and credit risks. Lower rated bonds, callable bonds and other types of debt obligations involve greater risks than higher rated bonds. Interest rate risk is when interest rates go up, the value of fixed income securities, such as bonds, typically go down and investors may lose principal value. Credit risk is the risk of loss of principal due to the issuer's failure to repay a loan. Generally, the lower the quality rating of a security, the greater the risk that the issuer will fail to pay interest fully and return principal in a timely manner. If an issuer defaults the security may lose some or all of its value. Mortgage-backed securities and asset-backed securities are subject to prepayment risk and the risk of default on the underlying mortgages or other assets.

SPACs are not required to provide the depth of disclosures or undergo the rigorous due diligence of a. traditional initial public offering (IPO). Investors in SPACs may become exposed to speculative investments, foreign or domestic, in higher risk sectors/industries. SPAC investors generally pay certain fees and give the sponsor certain incentives (e.g., discounted ownership stakes) not found in traditional IPOs. Certain conflicts of interest may arise between investors and sponsors because of these fees and incentives

While transactions in derivatives may reduce certain risks, they entail certain other risks. Derivatives may magnify the Fund's gains or losses, causing it to make or lose substantially more than it invested. Derivatives have a risk of default by the counterparty to a contract. When used for hedging purposes, increases in the value of the securities the Fund holds or intends to acquire should offset any losses incurred with a derivative.

Investments in private securities and limited partnerships present risks. These investments are not registered under the federal securities laws, and are generally eligible for sale only to certain eligible investors. They may be illiquid, and thus more difficult to sell, because there may be relatively few potential purchasers for such investments, and the sale of such investments may also be restricted under securities laws.

The ratings agencies that provide ratings are Standard and Poor's, Moody's, and Fitch. Credit ratings range from AAA (highest) to D (lowest). Bonds rated BBB or above are considered investment grade. Credit ratings BB and below are lower-rated securities (junk bonds). High-yielding, non-investment grade bonds (junk bonds) involve higher risks than investment grade bonds. Bonds with credit ratings of CCC or below have high default risk.

Value style investing presents the risk that the holdings or securities may never reach their full market value because the market fails to recognize what the portfolio management team considers the true business value or because the portfolio management team has misjudged those values. In addition, value style investing may fall out of favor and underperform growth or other styles of investing during given periods.

Please **refer to the Fund's Prospectus** for a complete overview of the primary risks associated with the Fund.

Index Definition

Index returns are provided for comparison purposes only and should not be relied upon as a fully accurate measure of comparison. Indices are unmanaged and index returns do not reflect transactions costs (e.g., commissions), investment management fees or other fees and expenses that would reduce performance for an investor. Indices have limitations when used for comparative purposes because they may have volatility, credit, or other material characteristics that are different from the Fund. The Fund does not include outperformance of any index in its investment objectives. It is not possible to invest directly in an index.

The **S&P 500 Index** includes a representative sample of 500 hundred companies in leading industries of the U.S. economy. The Index focuses on the large-cap segment of the market, with over 80% coverage of U.S. equities, but is also considered a proxy for the total market.

The **MSCI ACWI Index**, is designed to represent performance of the full opportunity set of large- and mid-cap stocks across 23 developed and 24 emerging markets. It covers more than 2,700 constituents across 11 sectors and approximately 85% of the free float-adjusted market capitalization in each market.

Bloomberg Barclays U.S. Aggregate Bond Index provides a measure of the performance of the U.S. investment grade bonds market, which includes investment grade U.S. Government bonds, investment grade corporate bonds, mortgage pass-through securities and asset-backed securities that are publicly offered for sale in the United States. The securities in the Index must have at least 1 year remaining in maturity. In addition, the securities must be denominated in U.S. dollars and must be fixed rate, nonconvertible, and taxable.

The **Consumer Price Index** (CPI) is an unmanaged index representing the rate of the inflation of U.S. consumer prices as determined by the U.S. Department of Labor Statistics. The CPI is presented to illustrate the Fund’s purchasing power against changes in the prices of goods as opposed to a benchmark, which is used to compare the Fund’s performance. This index reflects non-seasonally adjusted returns. There can be no guarantee that the CPI will reflect the exact level of inflation at any given time.

60% S&P500/ 40% Bloomberg Barclays U.S. Aggregate Bond Index is a hypothetical combination of unmanaged indices and comprises 60% S&P 500 Index and 40% Bloomberg Barclays U.S. Aggregate Bond Index.

Morningstar Analyst Ratings™

The **Morningstar Analyst Rating™** is not a credit or risk rating. It is a subjective evaluation performed by the manager research analysts of Morningstar. Morningstar evaluates funds based on five key pillars, which are process, performance, people, parent, and price. Analysts use this five pillar evaluation to determine how they believe funds are likely to perform relative to a benchmark, or in the case of exchange-traded funds and index mutual funds, a relevant peer group, over the long term on a risk-adjusted basis. They consider quantitative and qualitative factors in their research, and the weight of each pillar may vary. The Analyst Rating scale is Gold, Silver, Bronze, Neutral, and Negative. A Morningstar Analyst Rating of Gold, Silver, or Bronze reflects an analyst’s conviction in a fund’s prospects for outperformance. Analyst Ratings are continuously monitored and reevaluated at least every 14 months. For more detailed information about Morningstar’s Analyst Rating, including its methodology, please go to http://corporate1.morningstar.com/AnalystRating/.

The Morningstar Analyst Rating should not be used as the sole basis in evaluating a fund. Morningstar Analyst Ratings involve unknown risks and uncertainties which may cause Morningstar’s expectations not to occur or to differ significantly from what they expected.

The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

Through March 31, 2021, FPA Crescent Fund was rated against the following numbers of funds in the Allocation – 50% to 70% Equity Category over the following time periods: 188 funds in the last three years, 178 funds in the last five years, and 147 funds in the last ten years. **Past performance is no guarantee of future results**.

The FPA Funds are distributed by UMB Distribution Services, LLC, 235 W Galena Street, Milwaukee, WI 53212.

FPA Crescent FPACX

More volatile and more versatile.

Morningstar's Take FPACX

Morningstar Rating	★★★
Morningstar Analyst Rating	Gold

Morningstar Pillars

Process	High
Performance	—
People	High
Parent	Above Average
Price	—

Role In Portfolio

Supporting Player

Fund Performance

Year	Total Return (%)	+/- Category
YTD	9.76	5.55
2020	12.11	0.39
2019	20.02	0.79
2018	-7.43	-1.67
2017	10.39	-2.82

Data through 3-31-21

3-25-21 | by Dan Culloton

FPA Crescent is an unconventional allocation strategy whose share classes still earn Morningstar Analyst Ratings of Gold for its quirky yet effective approach.

The fund doesn't fit neatly in the allocation--50%-70% equity Morningstar Category. Managers Steve Romick, Mark Landecker and Brian Selmo don't run it like a typical allocation offering. They don't keep equity, fixed income, and other asset stakes within prescribed bands; instead, they use a wide range of security types and tactics--including stocks, cash, high-yield bonds, shorting, and private holdings--to deliver equitylike returns with less risk. The managers don't try to combine those pieces into a quantitatively derived optimal portfolio, either; they invest where they think valuations offer the best margin of safety and will hold cash if they can't find investments with attractive risk/reward propositions.

The fund's early decades earned it a reputation for holding up better in drawdowns, but it has been more volatile in recent years. That's due in part to a higher equity weighting but also because the fund's absolute-return-oriented managers won't own bonds simply to serve as ballast. Indeed, the fund has typically favored high-yield bonds that offer equitylike returns, albeit with stocklike volatility at times. This eclectic approach strives for strong risk-adjusted results over full market cycles but is not immune to variability.

It has been more volatile in recent years. The portfolio has owned more non-U.S. equities and stocks overall because high-yield bonds haven't yielded enough to compensate for their risks and the price gap between value and growth equities remains near historic highs. This stance hurt the fund in 2020's COVID-19 crash but has helped since.

Many stocks the managers bought or topped up in 2020's first quarter, ranging from Chinese Internet portal Baidu to insurer American International Group AIG to hotel chain Marriott MAR, have fueled a rebound. This demonstrates the managers' knack for deploying cash opportunistically, which is what investors should expect from an omnivorous contrarian strategy like this.

Process Pillar High | Dan Culloton 03/24/2021

This strategy ranges across asset classes, market caps, sectors, geographies, and public and private markets in pursuit of equitylike returns with less risk.

The managers, who can also short securities, are absolute value investors who view risk as the possibility of suffering permanent loss, not of underperforming a benchmark or peer group. They seek securities trading at discounts to their estimated worth that can deliver at least high-single to double-digit returns, and they'll stockpile cash when they can't find them. This flexible approach earns a High Process rating.

The fund's asset allocation varies based on where value resides. In the late 1990s and early 2000s, it favored small caps that had lagged in the 1990s bull market. In 2008, it turned to high-yield and distressed debt, believing they were cheaper than stocks. Since 2009, the fund has shifted to durable "compounders", out-of-favor cyclicals, and non-U.S. stocks, though it still opportunistically seeks deeper value investments offering at least 3 times as much upside as downside. The managers' macroeconomic views influence, but do not drive, the process. It has tended to keep about 64% of its money in "risk assets" such as stocks or high-yield bonds.

The fund usually pairs its shorts with long positions to exploit valuation gaps between expensive securities and their parents or major owners, but it also has shorted equity indexes.

The portfolio is aggressive for a strategy with a defensive reputation.

The fund has an above-historical-average stock stake and below-mean bond and cash helpings. At 2021's start it had almost 80% of assets in risk assets--mostly equities--and about 20% in cash. The fund's equity allocation was about 20 percentage points higher and cash stake roughly 15 percentage points lower than historical averages. Furthermore, non-U.S. stocks made up 30% of the portfolio and 40% of its equity stake.

It's an assertive stance for a fund that aims for equity-like returns with less risk. It's a product of available opportunities. The managers think equity valuations are high, on average, but high-yield bonds are even less attractive. Meanwhile, the share prices of cyclical yet well-managed and financed companies have been left behind by a prolonged growth rally. Non-U.S. stocks also look cheaper than U.S. stocks and acquiescent central banks have increased cash's opportunity cost.

So, the portfolio has leaned away from growthier holdings that have done well, such as Microsoft MSFT, and toward value-oriented and non-U.S. stocks, such as Hong Kong conglomerate Swire Pacific. The stock portfolio's average valuations are lower than those of broad equity benchmarks while offering similar average expected earnings growth.

Performance Pillar | Dan Culloton 03/24/2021
The fund's stated mission is to deliver equitylike returns with less risk than the stock market. It has met that goal since inception.

Its 10.4% annualized gain from its June 1993 launch through Feb. 28, 2021, edged the S&P 500's 10.3% with a standard deviation, a measure of volatility, that was more than one fourth lower than the index's.

FPA Crescent had won by not losing, but that's changed in recent years. With an often-heavy cash stake, it lagged in most rallies but held up in downturns. From its inception through the end of March 2020, it captured 70% of the S&P 500's gains in upturns. However, it was able to preserve those gains in rough environments, suffering 52% of the index's losses in downturns.

It broke from the pattern, however, in 2020's coronavirus-triggered bear market. It fell more than 20% in the first quarter of that campaign, while the S&P 500 dropped 19.6%, the MSCI ACWI plunged 21.4%, and the average allocation--50% to 70% equity category fund slid 14.7%. It also was more volatile in 2018.

Over the long term the fund fares well on both an absolute and risk-adjusted basis against those benchmarks and against passive rivals with 60%/40% stock/bond mixes. Its since-inception Morningstar Risk-Adjusted Return of 6.4% annualized through February 2021 beat the 5% of a mix of the MSCI ACWI Value and Bloomberg Barclays US Government/Credit 1-5 Year Index.

People Pillar High | Dan Culloton 03/24/2021
This deep and accomplished team deserves a High People rating.

Steve Romick has led FPA Crescent since its 1993 inception, compiling a stellar record along the way. The fund isn't a one-man show, though. Analysts and investment committee members Brian Selmo and Mark Landecker have been comanagers since June 2013. Selmo is also research director for the Crescent team, overseeing nine analysts with average firm tenure and industry experience of about five and 10 years, respectively. In total, 12 investment professionals work on this fund. The analysts are generalists, though in 2020 the team hired its first specialist to cover software and tech companies.

FPA hires a mix of veteran and junior analysts, but it takes pains to ensure its recruits share the firm's distinctive investment style. Selmo, for example, had founded his own asset-management firm and was an analyst at value shop Third Avenue before joining in 2008. Landecker worked at Kinney Asset Management and Arrow Investments before joining in 2009.

As a managing partner of the firm, Romick helps oversee FPA's 26 investment professionals. FPA Crescent remains the only FPA mutual fund he manages, though, and each of the firm's investment teams operate independently. He, Landecker, and Selmo also run a hedge fund, separate accounts, and some of PartnersSelect Alternative Strategies MASFX.

Parent Pillar Above Average | Dan Culloton 03/23/2021
FPA has had to adapt but remains an investor-focused, Above Average Parent.

The fund family has coped with a lot in recent years. When FPA International Value manager Pierre Py grew restive, the firm helped him find a partner, U.K.-based Polar Capital, and set up an independent shop in which FPA retains an economic interest. In 2020, it brought in an outside manager to replace its beleaguered FPA Capital. Outflows have persisted.

But the firm isn't circling the drain, it's circling its wagons. Where other out-of-favor active shops have resorted to aggressive sales practices, trendy new strategies, or mergers, FPA has found creative ways to defend its circle of competence. Letting a promising manager like Py go was hard, but at least the firm has a multiyear revenue share agreement with his new entity. FPA Capital had been a dismal performer for years, but merging it with FPA Queens Road Small Cap Value, a nearly 20-year-old strategy the firm adopted in 2020, gave remaining shareholders a fresh start.

These tactical retreats and course corrections should help the firm survive as a value investing boutique. The independently owned firm also has a solid core, including Steve Romick's FPA's Contrarian Value (Crescent) strategy and Tom Atteberry's and Abhijeet Patwardhan's FPA New Income, which closed to new investors in 2020. Manager ownership also remains high.

Price Pillar | Dan Culloton 03/24/2021
It's critical to evaluate expenses, as they come directly out of returns. The share class on this report levies a fee that ranks in its Morningstar category's second-costliest quintile. That's poor, but based on our assessment of the fund's People, Process and Parent pillars in the context of these fees, we think this share class will be able to overcome its high fees and deliver positive alpha relative to the category benchmark index, explaining its Morningstar Analyst Rating of Gold.