



FPA Announces Completion of FPA Capital Reorganization into FPA Queens Road Small Cap Value

LOS ANGELES, February 1, 2021 – First Pacific Advisors, LP (“FPA”), investment adviser to the FPA Queens Road Small Cap Value Fund (QRSIX/QRSAX/QRSVX) (“the Fund”), is pleased to announce that FPA Capital has completed its reorganization into the Fund, with more than 85% of the FPA Capital shares cast in support of the reorganization.

This milestone serves as an important step in the long-term, strategic partnership between FPA and Bragg Financial Advisors, Inc. (former adviser and current sub-adviser to the Fund) announced in July of 2020.¹

The reorganization offers significant benefits for shareholders of both funds. FPA Capital shareholders gain access to a Morningstar 5-star rated fund² led by portfolio manager Steve Scruggs’ almost two decades of successful stewardship, and the lower expenses of the Fund’s institutional class shares (QRSIX), currently capped at 0.89% for three years,³ placing expenses for the class at “Below Average” amongst its peers in the Morningstar Small-Value Category. Meanwhile, FPA expects that the economies of scale of the combined \$428 million Fund⁴ coupled with continued growth could help to lower expenses further.

The Fund is currently available on most major platforms including, Fidelity, Schwab, TD Ameritrade, Ameriprise and Commonwealth Financial Network.

About FPA

FPA, a Los Angeles-based institutional money management firm, employs a disciplined approach to value investing, prudently seeking superior long-term returns while maintaining a focus on capital preservation. As of December 31, 2020, FPA manages approximately \$26 billion across multiple strategies.

For questions, please contact: FPA: Ryan Leggio, 310-996-5484, rleggio@fpa.com

¹ [https://fpa.com/docs/default-source/FPA-News-Documents/fpa-gr-press-release-\(07-30-20\).pdf?sfvrsn=2](https://fpa.com/docs/default-source/FPA-News-Documents/fpa-gr-press-release-(07-30-20).pdf?sfvrsn=2)

² As of December 31, 2020. The Queens Road Small Cap Value Fund has been rated five stars in the Morningstar Small Value Category since February 1, 2020. Additional disclosures can be found at the end of this press release.

³ First Pacific Advisors, LP, (the “adviser”), has contractually agreed to waive its management fees and to make payments to limit Fund expenses, until February 1, 2024 so that the total annual operating expenses (excluding interest, taxes, brokerage fees and commissions payable by the Fund in connection with the purchase or sale of portfolio securities, 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) of the Fund do not exceed 1.04%, 0.99% and 0.89%, for Investor Class, Advisor Class, and Institutional Class shares, respectively. These fee waivers and expense reimbursements are subject to possible recoupment by the adviser from the Fund in future years (within the three years from the date when the amount is waived or reimbursed) if such recoupment can be achieved within the lesser of the foregoing expense limits or the then-current expense limits. The expense limit agreement may be terminated only by the Fund’s Board of Trustees, upon written notice to the adviser.

⁴ As of January 28, 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, charges, 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 email at crm@fpa.com, toll-free by calling 1-800-982-4372 or by contacting the Fund in writing.

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 higher or lower than the performance data quoted, may be obtained at www.fpa.com or by calling toll-free, 1-800-982-4372. There can be no assurance that the funds will meet any of their objectives. As of its most recent prospectus, the Queens Road Small Cap Value Fund's total expense ratio is 1.16% (Investor Class), 1.11% (Advisor Class), and 1.06% (Institutional Class).

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. Small and mid-cap stocks involve greater risks and they can fluctuate in price more than larger company stocks. You risk paying more for a security than you received from its sale. Groups of stocks, such as value and growth, go in and out of favor which may cause certain funds to underperform other equity funds. It is important to remember that there are risks inherent in any investment and there is no assurance that any investment or asset class will provide positive performance over time. Value style investing presents the risk that the holdings or securities may never reach our estimate of intrinsic 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 style investing during given periods.

The Fund primarily invests in equity securities (common stocks, preferred stocks and convertible securities) of small-capitalization U.S. companies, defined as those with market capitalization, at the time of purchase, of \$5 billion or less. Investing in small companies involves special risks including, but not limited to, the following: smaller companies typically have more risk and their company stock prices are more volatile than that of large companies; their securities may be less liquid and may be thinly traded which makes it more difficult to dispose of them at prevailing market prices; these companies may be more adversely affected by poor economic or market conditions; they may have limited product lines, limited access to financial resources, and may be dependent on a limited management group; and small cap stocks may fluctuate independently of large cap stocks. All investment decisions are made at the discretion of the Portfolio Manager, in accordance with the then current Prospectus.

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

Bragg Financial Advisors, Inc. serves as the sub-advisor for the Fund. The Fund is distributed by UMB Distribution Services, LLC. Queens Road Securities, LLC, an affiliate of Bragg Financial Advisors, Inc., previously served as the distributor of the Funds from inception through August 2020.

This material has been distributed for informational purposes only and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product. No part of this material may be reproduced in any form, or referred to in any other publication, without express written permission.

Definitions

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.

The Queens Road Small Cap Value Fund has been rated five stars in the Morningstar Small Value Category since February 1, 2020, and has been ranked five stars for the past 3, 5, and 10 year periods of as December 31, 2020. In the following periods through December 31, 2020, the Morningstar Small-Value Category included the following number of funds: 386 funds in the last three years, 358 funds in the last five years, and 259 funds in the last ten years. **Past performance is no guarantee of future results.**

Morningstar Category

Morningstar Small-Value Category portfolios invest in small U.S. companies with valuations and growth rates below other small-cap peers. Stocks in the bottom 10% of the capitalization of the U.S. equity market are defined as small cap. Value is defined based on low valuations (low price ratios and high dividend yields) and slow growth (low growth rates for earnings, sales, book value, and cash flow).

©2021 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted by Morningstar to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. **Past performance is no guarantee of future results.** Morningstar, Inc. has not granted consent for it to be considered or deemed an “expert” under the Securities Act of 1933.

The FPA Funds are distributed by UMB Distribution Services, LLC.

This material has been distributed for informational purposes only and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product. No part of this material may be reproduced in any form, or referred to in any other publication, without express written permission.