



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](http://www.fpa.com), by calling toll-free, 1-800-982-4372, or by contacting the Fund in writing.

### Annualized Total Returns

Trailing Performance (%)										Market Cycle Performance	
As of Date: 12/31/2019	Inception*	20 Years	15 Years	10 Years	5 Years	3 Years	1 Year	YTD	QTD	3/25/00- 10/9/07	10/10/07- 12/31/2019
FPA Crescent Fund	10.00	9.42	7.54	8.17	5.78	7.04	20.02	20.02	5.69	14.70	6.68
S&P 500	9.81	6.06	9.00	13.56	11.70	15.27	31.49	31.49	9.07	2.00	8.39
MSCI ACWI**	-	-	-	-	8.41	12.44	26.60	26.60	8.95	-	4.60
60% S&P500/40% BBgBarc US Agg	8.25	5.94	7.30	9.77	8.37	10.87	22.18	22.18	5.46	3.97	7.01
CPI	2.22	2.16	2.01	1.75	1.82	2.11	2.29	2.29	0.84	2.75	1.77

Periods greater than one year are annualized. FPA Crescent Fund ("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 performance does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares, which would lower these returns. Comparison to any index is for illustrative purposes only. The Fund does not include outperformance of any index or benchmark in its investment objectives. An investor cannot invest directly in an index.

\* 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.

**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](http://www.fpa.com) or by calling toll-free, 1-800-982-4372. The Fund's expense ratio as of its most recent prospectus is 1.18%. A redemption fee of 2% will be imposed on redemptions within 90 days.**

## Activity:<sup>1</sup>

- Added Alibaba common stock and added multiple McDermott International bonds within different areas in the capital structure. The Fund received shares of Spectrum Brand Holdings as a dividend from Jefferies.<sup>2</sup> Added short positions in various ETFs to reduce net equity exposure.
- Increased the Fund's position in Naspers.
- Decreased the Fund's position in Mohawk.
- Exited the Fund's long position in Mylan and short positions in Tencent (related to Naspers), and various ETFs. Barneys New York term loan was paid off as the company liquidated. Northern Shipping Funds participatory notes matured and were paid in full. Ditech positions were written off due to bankruptcy proceedings.

## Contributors and Detractors:<sup>3</sup>

Contributors	Performance Contribution	Percent of Portfolio	Detractors	Performance Contribution	Percent of Portfolio
<b>Q4 2019</b>					
Arconic	0.65%	3.5%	CIT/Regional Banks (hedge)	-0.34%	-1.2%
Alphabet	0.44%	4.5%	AIG	-0.29%	3.5%
Bank of America	0.44%	1.7%	iShares Core S&P 500 ETF	-0.11%	-1.7%
Citigroup	0.41%	2.4%	iShares Russell 1000 ETF	-0.10%	-1.6%
Broadcom	0.39%	2.5%	Ally Financial	-0.09%	1.1%
	<b>2.33%</b>	<b>14.6%</b>		<b>-0.93%</b>	<b>0.1%</b>
<b>Trailing 12 Months (TTM)</b>					
Arconic	2.01%	3.5%	PG&E/Utilities (hedge)	-0.51%	-0.2%
Citigroup	1.18%	2.4%	Baidu	-0.47%	1.2%
Charter Communications	1.17%	2.0%	Mylan	-0.42%	0.0%
AIG	1.13%	3.5%	O-I Glass	-0.33%	0.8%
Alphabet	1.09%	4.5%	Glencore PLC	-0.13%	1.1%
	<b>6.58%</b>	<b>15.9%</b>		<b>-1.86%</b>	<b>2.9%</b>

<sup>1</sup> The information provided does not reflect all positions purchased, sold or recommended by FPA during the quarter. It should not be assumed that an investment in the securities listed was or will be profitable. Increases and decreases represent securities whose position size changed by at least 25% over the period and represent greater than 0.50% of the portfolio.

<sup>2</sup> On of 9/16/2019, Jefferies Financial Group Inc. (NYSE: JEF or Jefferies) announced that its Board of Directors approved a distribution to stockholders of Jefferies of Spectrum Brands Holdings, Inc. (NYSE: SBP or Spectrum Brands) shares. Jefferies owned 7,514,477 shares, or approximately 15.4%, of the common stock of Spectrum Brands. For more information, see: <http://jefferiesfinancialgroupinvestorrelations.jefferies.com/file/103464/Index?KeyFile=399661745>

<sup>3</sup> Reflects the top contributors and top detractors to the Fund's performance based on preliminary contribution to return for the quarter and trailing twelve months. Contribution is presented gross of investment management fees, transactions costs, and Fund operating expenses, which if included, would reduce the returns presented. The information provided does not reflect all positions purchased, sold or recommended by FPA during the quarter. A copy of the methodology used and a list of every holding's contribution to the overall Fund's performance during the quarter is available by contacting [crm@fpa.com](mailto:crm@fpa.com). It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities listed. **Past performance is no guarantee, nor is it indicative, of future results.**

## Positioning and Outlook:

Risk Asset	Q4 2019	Q3 2019	Q4 2018
Common stock, long	67.2%	68.1%	69.9%
Common stock, short	-10.3%	-9.4%	-3.2%
Credit, Net	4.0%	4.7%	4.4%
Other	2.8%	2.6%	2.0%
Exposure, Net	63.7%	66.1%	73.1%
Cash	36.3%	33.9%	26.9%
No. of Long Equity Positions	44	45	48

- The Fund's top three sectors are financials, communication services, and information technology, which comprise approximately 35% of the portfolio.
- With volatility returning to the market, we continue to search for what we believe to be high-quality, value opportunities for inclusion in the portfolio, while remaining mindful of our long-term focus of limiting the permanent impairment of capital.
- We still view high-yield bonds as unattractive given sub-par yields and spreads to treasuries as well as weak covenants.

## Important Disclosures

This update is for informational and discussion purposes only and does not constitute, and should not be construed as, an offer or solicitation for the purchase or sale with respect to any securities, products or services discussed, and neither does it provide investment advice. Any such offer or solicitation shall only be made pursuant to the Fund's Prospectus, which supersedes the information contained herein in its entirety. This presentation does not constitute an investment management agreement or offering circular.

The views expressed herein and any forward-looking statements are as of the date of the publication and are those of the portfolio management team. 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 or exposures are for informational purposes only and should not be construed as recommendations by the Fund, the portfolio managers, 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](http://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 Depositary Receipts (ADRs) and other depository receipts, which are subject to interest rate, currency exchange rate, economic and political risks; these risks may be heightened when investing in emerging markets. 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 securities involve greater risks and may fluctuate in price more than larger company securities. Short-selling involves increased risks and transaction costs. You risk paying more for a security than you received from its sale.

The return of principal in a bond investment is not guaranteed. Bonds have issuer, interest rate, inflation and credit risks. Interest rate risk is the risk that 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. Lower rated bonds, callable bonds and other types of debt obligations involve greater risks. Mortgage-backed securities and asset-backed securities are subject to prepayment risk and the risk of default on the underlying mortgages or other assets. Derivatives may increase volatility.

Value securities, including those selected by the Fund's portfolio managers, are subject to the risk that their intrinsic value may never be realized by the market because the market fails to recognize what the portfolio managers consider to be their true business value or because the portfolio managers have misjudged those values. In addition, value style investing may fall out of favor and underperform growth or other styles of investing during given periods.

**Net risk exposure** refers to the percentage of the portfolio exposed to Risk Assets. Risk Assets means any asset that carries a degree of risk and generally refers to assets that have a significant degree of price volatility, such as equities, commodities, high-yield bonds, real estate and currencies.

As of 12/31/2019, the securities mentioned and corresponding position sizes were as follows: Alibaba (0.5%), McDermott International (0.9%), Spectrum Brand Holdings (0.0%), iShares Core S&P 500 ETF (-1.7%), iShares Russell 1000 ETF (-1.6%), iShares Dow Jones Financial ETF (-1.1%), Vanguard Financial ETF (-1.1%), Vanguard Utilities ETF (-0.5%), Naspers (1.7%), and Mohawk (0.4%).

### **Index Definitions**

Comparison to any index is for illustrative purposes only and should not be relied upon as a fully accurate measure of comparison. The Fund will be less diversified than the indices noted herein, and may hold non-index securities or securities that are not comparable to those contained in an index. Indices will hold positions that are not within the Fund's investment strategy. Indices are unmanaged and do not reflect any commissions or fees which would be incurred by an investor purchasing the underlying securities. The Fund does not include outperformance of any index or benchmark in its investment objectives. An investor cannot 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. 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.

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