FPA Crescent Fund

Unless otherwise indicated, Fund performance and characteristics in the Morningstar Analyst Report are as of March 31, 2020.

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: 3/31/2020	**Inception***	**20 Years**	**15 Years**	**10 Years**	**5 Years**	**3 Years**	**1 Year**	**YTD**	**QTD**	**3/25/00-10/9/07**	**10/10/07-3/31/2020**
FPA Crescent Fund	8.96	8.36	5.73	5.27	1.00	-1.94	-13.90	-20.51	-20.51	14.70	4.60
S&P 500	8.83	4.79	7.58	10.53	6.73	5.10	-6.98	-19.60	-19.60	2.00	6.34
MSCI ACWI**	-	-	-	-	2.85	1.50	-11.26	-21.37	-21.37	-	2.51
60% S&P500/40% BBgBarc US Agg	7.71	5.21	6.58	8.08	5.63	5.32	-0.39	-10.88	-10.88	3.97	5.88
CPI	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2.75	N/A

Inception of FPA Crescent Fund (“Fund”) was June 2, 1993. Periods greater than one year are annualized. 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’s total expense ratio as of its most recent prospectus is 1.18%. The Fund’s net expense ratio is 1.16% (including dividend and interest expense on short sales of 0.11%).

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. The Fund’s net expense ratio as of its most recent prospectus is 1.16%. Current month-end performance data, which may be lower or higher than the performance quoted, may be obtained at www.fpa.com or by calling toll-free, 1-800-982-4372.

First Pacific Advisors, LP (the “Adviser” or “FPA”), the Fund’s investment adviser, has contractually agreed to reimburse the Fund for Total Annual Fund 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, 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, 2021. This agreement may only be terminated earlier by the Fund’s Board of Trustees (the “Board”) or upon termination of the Advisory Agreement.

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.

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, 2020, FPA Crescent Fund was rated against the following numbers of funds in the Allocation – 50% to 70% Equity Category over the following time periods: 180 funds in the last three years, 173 funds in the last five years, and 144 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

Made for these times.

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	-11.71	-6.48
2019	20.02	0.79
2018	-7.43	-1.67
2017	10.39	-2.82
2016	10.25	2.91

Data through 5-31-20

4-16-20 | by Dan Culloton

FPA Crescent's seasoned managers and contrarian approach can still set the fund up well for what comes next; it keeps its Morningstar Analyst Rating of Gold.

The fund looked out of sorts in 2020's coronavirus-triggered bear market. Despite holding a large cash stake, its financial stocks, non-U.S. equities, and lack of government bonds that often serve as ports in storms dragged the strategy down more than the typical allocation 50%-70% equity Morningstar Category fund and about as much as the S&P 500 and MSCI ACWI indexes, which it tries to pace with less risk.

It was disappointing for a strategy that has built its reputation and strong long-term record by losing less than peers and benchmarks in downturns. The stances that hampered the fund in early 2020, however, were not inconsistent with its against-the-grain approach. The managers have not seen this kind of bear market before, but they have seen a few; their experience, philosophy, and temperament should help them learn from and take advantage of the environment. The team, for instance, has used this crisis to review current and prospective holdings and has added positions in travel-related businesses, including Booking Holdings BKNG, that have the financial wherewithal and competitive positions to survive the global economic lockdown.

In the short term, the fund's recent moves court more volatility. Managers Steve Romick, Mark Landecker, and Brian Selmo have leaned into the sell-off, increasing the fund's exposure to equity and credit securities from about 63% of assets at the end of 2019 to 73% as of March 31 by removing market hedges and buying stocks with strong balance sheets. The team also has nibbled at lower-rated corporate bonds, but high-yield bonds haven't gotten cheap enough for them to buy much. That could change, though.

Such tactics are consistent with the fund's long-term strategy, but they could take time, and beget a few bumps, before they pay off. The managers' experience and ability to take calculated risks when others are risk averse, however, are made for these times.

Process Pillar High | Dan Culloton 04/06/2020

This fund 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" at decent prices, 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. Over the long term it has tended to keep about 63% 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 managers are willing and able to act when valuations beckon and to endure short-term pain. As markets gyrated in 2018, the strategy ramped up its net allocation to "risk assets," typically stocks and high-yield bonds, to 73.0% of assets. That came down to 63.9% by the end of 2019 because the managers took profits as markets recovered from late 2018's correction and valuations swelled.

Then the team bought into the 2020 coronavirus crash, increasing the fund's exposure to stock and credit risk back to 73% at the end of March. It added to some existing positions and bought 12 new stocks, including travel-related companies, such as Bookings Holdings, Marriott MAR, and Air Canada, which the managers think will survive the global economic lockdown starving their businesses. The managers still like the banks and other financials the fund owns, including Citigroup C and American International Group AIG. These companies' capital positions are stronger now than in the 2008 global financial crisis and, while painful, the ramifications of this pandemic will not prove insurmountable. The managers pecked around the edges of high-yield and distressed debt but expect those sectors to present more opportunities in the future.

These moves likely set the fund up for more short-term volatility but also potential long-term gains, and they are consistent with the fund's contrarian heritage and philosophy.

Performance Pillar | Dan Culloton 04/06/2020
The fund's stated mission is to deliver equitylike returns with less risk than the stock market; it has met that goal since inception, despite recent troubles.

Its 9% annualized gain from its June 1993 launch through March 31, 2020, edged the S&P 500's 8.8% with a standard deviation, a measure of volatility, that was more than one fourth lower than the index's.

FPA Crescent has won by not losing. With an oft-heavy cash stake, it will lag in most rallies. From its 1993 inception through the end of March 2020, it captured 68% 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%.

Over the long term, however the fund still fares well on both an absolute and risk-adjusted basis against those benchmarks and even against passive rivals with 60%/40% stock/bond mixes. Its since-inception Morningstar Risk-Adjusted Return of 5.1% annualized through March 2020 beat the 4.2% of the passive stock and bond fund Vanguard Balanced Index VBIAX.

People Pillar ● High | Dan Culloton 04/06/2020
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 eight analysts with average firm tenure and industry experience of about four and nine years, respectively. In total, 11 investment professionals work on this fund, up from 10 in 2019.

FPA targets veteran analysts, but it takes pains to ensure its hires 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 roughly 30 investment professionals. FPA Crescent remains the only FPA mutual that 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 a piece of Litman Gregory Masters Alternative Strategies MASFX. Each manager invests more than $1 million here.

Parent Pillar ● Above Average | Dan Culloton 03/04/2020
Despite challenges, FPA is an adaptable, investor-focused, and Above Average Parent.

The family has coped with generational change, investing missteps, fund reorganizations, and a value slump. Four of five funds with 20-year records ranked in their peer groups' top fourths or higher in the 20 years ended Feb. 29, 2020, but none did in the trailing decade. Two of them have different strategies now, and a third, FPA Small/Mid Value (Capital), is a shadow of its former self. Assets have fallen, and a promising manager struck out on his own in 2020.

Yet this remains a group of independent investors co-led by CFO J. Richard Atwood and Steve Romick, manager of FPA's Contrarian Value (Crescent) strategy. Younger investors, including Romick's comanagers Brian Selmo and Mark Landecker and FPA New Income's Abhijeet Patwardhan, are capable. The family also has found creative solutions to potential problems. When FPA International Value manager Pierre Py grew restive, the firm helped him find a partner, U.K.-based Polar Capital, to help him set up an independent shop in which FPA will have an economic interest.

FPA Capital, whose assets have dwindled from $2.4 billion in 2007 to $234 million in early 2020, is moribund, and the firm could explore more idiosyncratic offerings in the future. The managers own their funds, communicate forthrightly, avoid scandal, and shun fads.

Price Pillar | Dan Culloton 04/06/2020
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.