



FPA International Value Fund

Fourth Quarter 2018 Update

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 the 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.

Annualized Total Returns (%)

| As of Date: 12/31/18 | Since 12/1/11* | 5 Years | 3 Years | 1 Year | YTD | QTR |
|------------------------------|----------------|---------|---------|--------|--------|--------|
| FPA International Value Fund | 6.44 | 1.01 | 7.33 | -10.81 | -10.81 | -6.70 |
| MSCI ACWI ex US (Net) | 4.49 | 0.68 | 4.48 | -14.20 | -14.20 | -11.46 |

* Inception of FPA International Value Fund ("Fund") is December 1, 2011.

Periods greater than one year are annualized. Fund performance is shown net of all fees and expenses. Performance is calculated on a total return basis which includes reinvestment of all distributions. 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. The index is net of withholding taxes.

The total expense ratio (as of the most recent prospectus) is 1.31%. The Advisor has contractually agreed to reimburse the Fund for Total Annual Fund Operating Expenses in excess of 1.29% through April 30, 2019. This agreement may only be terminated earlier by the Fund's Board of Trustees (the "Board") or upon termination of the Advisory Agreement.

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 1.29%. 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.

Activity:

- Purchased BK Brasil, Magazine Luiza, Notre Dame Intermedica, and Stroeer SE & Co.¹
- Liquidated position in Alicorp.¹
- Top contributors for the quarter were G8 Education (+1.27%), BK Brasil (+0.86%), Magazine Luiza (+0.41%), TOTVS (+0.34%), and Hypera (+0.31%).^{1, 2}
- Largest detractors for the quarter were Sulzer (-1.04%), Dignity (-0.92%), Sumo Group (-0.75%), Ryanair Holdings (-0.73%), and Volution Group (-0.68%).^{1, 2}

¹ The information provided may not reflect all positions purchased, sold or recommended by FPA during 4Q 2018. It should not be assumed that an investment in the securities listed was or will be profitable.

² Reflects the top contributors and top detractors to the Fund's performance based on preliminary contribution to return for the quarter. Contribution is presented gross of investment management fees, transactions costs, and Fund operating expenses, which if included, would reduce the returns presented. 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 FPA's Client Service Team at 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:

- Approximately 78% invested (compared to 74% at the end of Q3 2018). Top 10 holdings amount to ~29% of total assets. The portfolio's weighted average market cap is approximately \$37.6 billion and the median market cap is \$7.3 billion.
- The Fund's cash stake is about 22% (compared to 26% at the end of Q3 2018).
- European equities continue to account for the majority of the Fund's geographic exposure, at approximately 67% of invested assets.
- Equities of companies domiciled in emerging markets now account for ~30% of invested assets. This reflects a continued increase in Brazilian investments.
- Exposure to the Pacific Basin totals ~3%.

Outlook:

- While the Index declined this year, the weakness followed strong market performance in 2017. We believe the correction also remains modest in view of the many mounting geo-political challenges around the world. We think most countries still stand at a high point in the economic cycle, and an even higher point in the credit cycle. We would expect one of the most impactful issues for markets going forward to be the potential shift-away from unprecedented accommodative monetary policies across the globe. Lastly, we remain concerned with the many market mechanisms that we think could exacerbate a downturn.
- Even though recent market volatility has caused us to review or investigate more and more potential investment ideas, we believe that valuations generally remain high relative to the type of discount to intrinsic value we seek. In this challenging context, we continue to abide by our strict discipline so as to minimize the risk of permanent losses while seeking to build capital. We keep monitoring the companies on our coverage list in case of any temporary disruption. We also continue to look in (and travel to) every corner of the equity markets for compelling investment ideas.
- Going forward, we believe greater risks will mean greater opportunities for us. With significant amounts of cash available in the Fund, we believe we are well-positioned to take advantage of more substantial price dislocations. We would also expect short-term volatility to provide us with more opportunities than in recent past to rotate capital into companies that we know well, consider to be high quality, and have often previously owned. Lastly, we think inefficiencies have built in capital markets and that the disconnect between stock valuations and underlying fundamentals has grown in recent years, which we believe will provide us with more opportunities to purchase mispriced assets.

Important Disclosures

The views expressed herein and any forward-looking statements are as of the date of this 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 are for informational purposes only and should not be construed as recommendations by the Fund, the portfolio manager, 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 in mutual funds carry risks and investors may lose principal value. Stock 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. 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.

The Fund is non-diversified and may hold fewer securities than a diversified fund because it is permitted to invest a greater percentage of its assets in a smaller number of securities. Holding fewer securities increases the risk that the value of the fund could go down because of the poor performance of a single investment.

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.

As of 12/31/2018, the securities mentioned and corresponding position sizes were as follows: BK Brasil: 2.0%; Magazine Luiza: 2.8%; Notre Dame Intermedica: 2.5%; Stroeer SE & Co: 2.4%; G8 Education: 2.5%; TOTVS: 2.6%; Hypera: 2.5%; Sulzer: 2.8%; Dignity: 2.7%; Sumo Group: 2.0%; Ryanair Holdings: 4.2%; Volution Group: 2.3%.

Definitions

The MSCI ACWI ex-USA Index (Net) is a float-adjusted market capitalization index that is designed to measure the combined equity market performance of developed and emerging market countries excluding the United States. Performance is provided net of withholding taxes.

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. An investor cannot invest directly in an index.

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