

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. All indices include reinvestment of dividends and interest income unless otherwise noted. An investor cannot invest directly in an index.

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. Net index returns reinvest dividends after the deduction of withholding taxes, using (for international indexes) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

Ibovespa Brasil Sao Paulo Stock Exchange index is a gross total return index weighted by free float market cap and is comprised of the most liquid stocks traded on the Sao Paulo Stock Exchange.

Other Definitions

An asset's **book value** is equal to its carrying value on the balance sheet, and companies calculate it netting the asset against its accumulated depreciation.

Full market cycle - A cycle is a time period that contains a wide range of market conditions and usually consists of a bear market, recovery, and bull market stage.

Median market capitalization is the midpoint of market capitalization (market price multiplied by the number of shares outstanding) of the stocks in a portfolio. Half the stocks in the portfolio will have higher market capitalizations; half will have lower.

High-quality business - The portfolio manager believes a high quality business is one that is able to generate a return on capital in excess of its cost of capital for sustained periods of time.

Margin of safety - Buying with a "margin of safety" is when a security is purchased at a discount to the portfolio manager's estimate of its intrinsic value. Buying a security with a margin of safety is designed to protect against permanent capital loss in the case of an unexpected event or analytical mistake. A purchase made with a margin of safety does not guarantee the security will not decline in price.

Total enterprise value is a valuation measurement used to compare companies with varying levels of debt.

Weighted average discount to intrinsic value - Refers to the weighted average discount to intrinsic value of all securities in the Fund based on fundamental research versus its actual market value

Weighted average market capitalization refers to a type of stock market index construction that is based on the market capitalization of the index's constituent stocks. Large companies would thus account for a greater portion of an index than small-cap stocks.

Working capital the capital of a business which is used in its day-to-day trading operations, calculated as the current assets minus the current liabilities.

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

