



FPA Queens Road Small Cap Value Fund

First Quarter 2022 Commentary

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 (%)								Current Market Cycle Performance
As of Date: 3/31/2022	Inception	15 Years	10 Years	5 Years	3 Years	1 Year	QTD	06/05/07-3/31/2022
FPA Queens Road Small Cap Value	9.81	7.89	9.86	10.34	14.55	5.24	-3.24	7.39
Russell 2000 Value Index	8.92	6.91	10.54	8.57	12.72	3.32	-2.40	6.59

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 or by calling toll-free, 1-800-982-4372.

The FPA Queens Road Small Cap Value Fund ("Fund") commenced operations on June 13, 2002. Fund performance shown is for the Investor Class shares (QRSVX). Periods greater than one year are annualized. Fund performance is shown net of all fees and expenses and 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 figures. An investor cannot invest directly in an index. S.I. = since inception.

* Prior to November 1, 2020, the performance shown reflects the historical performance of the Fund when Bragg Financial Advisors, Inc. ("BFA") served as investment adviser of the Fund. Effective November 1, 2020, FPA became the investment adviser of the Fund and BFA transitioned to serving as the sub-adviser. BFA continues to be responsible for the day-to-day management of the Fund, subject to FPA's oversight. No changes to the Fund's principal investment strategies were made in connection with these changes in management of the Fund, and Steve Scruggs, CFA, Director of Research and Senior Portfolio Manager for BFA, continues to serve as the portfolio manager for the Fund.

From inception of the Fund to December 31, 2004, BFA and its affiliates voluntarily absorbed certain expenses of the Fund and voluntarily waived its management fee. Had BFA not done this, returns would have been lower during that period. Effective January 1, 2005 through October 31, 2020, BFA charged a single unitary management fee and contractually agreed to pay all operating expenses of the Fund except for brokerage, taxes, interest, litigation expenses, and other extraordinary expenses.

The Fund's Total Annual Operating Expenses before reimbursement is 1.07% (Investor Class), 0.96% (Advisor Class), and 0.91% (Institutional Class) as of the most recent prospectus. As of the most recent prospectus, First Pacific Advisors, LP, the Fund's 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. Prior to November 1, 2020, the Fund had a utilized fee structure that limited annual operating expenses to 1.18%.

Market Cycle reflects the most recent market cycle (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 previous one by Russell 2000 Value Index. The current cycle is ongoing and thus is presented through the most recent quarter-end. Once the cycle closes, the results presented may differ materially.

Please see important disclosures at the end of the commentary

Dear Shareholders,

FPA Queens Road Small Cap Value Fund (“Fund”) returned -3.3% in the first quarter of 2022. This compares to a -2.2% return for the Russell 2000 Value Index in the same period.

First quarter performance was negatively impacted by the Fund’s overweight position in the technology sector, which sold off sharply during the quarter, and its underweight allocation to the energy sector, which soared during the quarter (the energy holdings of the Russell 2000 Value Index were up 45% during the quarter).¹ These two sector allocations detracted approximately 2.75% from the Fund’s relative performance versus the Russell 2000 Value Index for the quarter. In technology, Synaptics, one of the Fund’s best-performing holdings last year, fell precipitously during the quarter. We sold part of the position during the 4th quarter of last year and additionally trimmed shares in January. While we feel great about Synaptics’s long-term prospects, we were concerned with the company’s valuation even though operating performance has improved considerably over the last two years. At the current reduced valuation, the company appears attractive.

While China experienced an unexpected surge in COVID cases during the first quarter, trends in the U.S. were favorable. The front-page news has shifted from a focus on the pandemic to Russia’s invasion of Ukraine. The global repercussions of Putin’s war are not yet fully understood, but energy prices have soared. Increased energy prices, as well as overall price increases tied to inflation hitting 40-year highs, are putting downward pressure on global growth. The Federal Reserve announced on March 16th a 0.25% rate hike in the Federal Funds rate and signaled it will continue to raise rates throughout the year if inflation remains elevated.² In the face of this, projections for global economic growth are dropping, prompting concerns about stagflation. The Fed’s prior predictions of inflation being ‘transitory’ have clearly not panned out.

Federal Reserve Chairman Jerome Powell said after the Federal Reserve Board of Governors’ March meeting, “The U.S. economy is very strong and well-positioned to handle tighter monetary policy.” Perhaps this prediction will prove to be more accurate than the previous assurance of “transitory” inflation; we shall see. The Fed, which had predicted U.S. GDP growth of 4% for 2022 back in December, lowered its expectation to 2.8% growth for the year.³

¹ Source: FTSE Russell

² Source: FOMC Press Release <https://www.federalreserve.gov/newsevents/pressreleases/monetary20220316a.htm>

³ Source: Federal Reserve Summary of Economic Projections
<https://www.federalreserve.gov/monetarypolicy/files/fomcproptabl20220316.pdf>

Q1 2022 and Trailing 12-Month Contributors and Detractors⁴

Contributors	Performance Contribution	Percent of Portfolio	Detractors	Performance Contribution	Percent of Portfolio
QTD					
South Jersey Industries	0.60%	2.1%	Synaptics Incorporated	-1.87%	4.0%
ServisFirst Bancshares	0.59%	5.0%	Deckers Outdoor Corporation	-0.48%	1.6%
Horace Mann Educators Corporation	0.26%	3.1%	PVH Corp.	-0.48%	1.9%
New Jersey Resources Corporation	0.26%	2.2%	Fabrinet	-0.38%	3.1%
CSG Systems International	0.21%	2.1%	Axos Financial	-0.36%	2.1%
	1.92%	14.5%		-3.56%	12.8%
TTM					
ServisFirst Bancshares	2.20%	4.6%	Schweitzer-Mauduit International	-1.54%	2.7%
Synaptics Incorporated	2.18%	4.6%	TreeHouse Foods	-0.73%	1.5%
South Jersey Industries	1.11%	2.3%	PVH Corp.	-0.50%	2.1%
American Equity Investment Life	1.09%	4.1%	Vishay Intertechnology	-0.37%	1.9%
American National Group	0.96%	1.8%	Oshkosh Corp	-0.32%	2.2%
	7.54%	17.4%		-3.46%	10.4%

Contributors

- **ServisFirst Bancshares**, a Birmingham, Ala.-based commercial bank, finished 2021 posting 8% quarter-over-quarter loan growth and has signaled that management expects the strong loan growth to continue throughout 2022. Loan quality remains high, and loss reserves seem more than adequate. The company recently hired a new team of bankers to help sustain continued loan growth. As one of the largest holdings in the portfolio, we remain confident in the company's long-term prospects.⁵
- **Synaptics**, a developer of human interface (HMI) hardware and software, has continued its strategic shift to higher-margin business, primarily Internet of Things (IoT) products. While the strategic plan has been well executed, we have trimmed the Fund's position over the last several months due to valuation. During the first quarter, Synaptics's stock price fell 31%.⁶ While increased uncertainty on global growth has tempered our near-term expectations, we believe the current valuation is attractive and remain confident in the company's long-term prospects.
- **South Jersey Industries** shares rose 40% on Feb. 24, 2022, on news that Infrastructure Investment Funds, a private equity fund managed by JP Morgan Investment Management, would take the company private. The deal is scheduled to close in the fourth quarter of 2022.⁷
- **American Equity Investment Life Holding Company**, a leading writer of fixed index annuities, has continued to transition to its AEL 2.0 business model. The plan's main goals are to diversify the company's assets into a broader array of investments, including private debt through strategic partnerships, and to increase its use of reinsurance to free up capital. We think this is an interesting, but somewhat aggressive plan. Thus far, the results have been impressive, but we continue to monitor the

⁴ Reflects top five contributors and top five detractors to the Fund's performance based on contribution-to-return on a gross basis. This is not a recommendation for a specific security and these securities may not be in the Fund at the time you receive this Commentary. The information provided does not reflect all positions purchased, sold or recommended by the Fund during the quarter and trailing twelve months ("TTM"). It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities listed. For a full list of holdings, please view the holdings report at the end of this Commentary. The portfolio holdings as of the most recent quarter-end may also be obtained at www.fpa.com.

⁵ Source: ServisFirst Bancshares Q1 2022 Earnings Call, April 18, 2022; <https://services.choruscall.com/mediaframe/webcast.html?webcastid=2uGk9K5e>

⁶ Source: FactSet

⁷ Source: South Jersey Industries 2/24/2022 Press Release <https://www.sjindustries.com/investors/news-events/newsroom/south-jersey-industries/2022/south-jersey-industries.-inc-enters-into-agreement>

Past performance is no guarantee, nor is it indicative, of future results.

credit quality of their assets as they move toward achieving their target of having 40% of their portfolio invested in private assets, up from 15%.⁸

- **American National Insurance.** Shares of the life insurance and annuity company's stock rose as the company agreed to a buyout from Brookfield Asset Management in an all-cash deal scheduled to close during the first half of 2022.⁹

Detractors

- **Schweitzer-Mauduit International**, a product engineering and manufacturing company, fell during the year as price increases did not keep up with inflation. The company's margins suffered, but the company expects a normalization by mid-2022. The company made a significant acquisition during the second quarter of 2021 (Scapa Group) at what we think was a bargain price.¹⁰ However, scarcity problems and inflation negatively impacted Scapa's initial performance. The company has aggressively raised prices and worked through many of its supply issues. The company continues to see strong demand and has projected strong financial performance for 2022.
- **TreeHouse Foods, Inc.**, a manufacturer and distributor of private label food, announced in November 2021 a plan to explore strategic alternatives. The company has been under pressure from activist investor Jana Partners.¹¹ The company has resisted a sale of the entire business but continues to look for strategic divestitures. While the company appears reasonably valued, we are concerned about its long-term outlook and have reduced our holdings.
- **PVH Corporation**, owner of Calvin Klein and Tommy Hilfiger brands, fell during the last 12 months as the company continues to struggle with supply chain issues resulting in delivery delays. During the first quarter, the company lowered its guidance, causing a sharp selloff in the stock. Some analysts worry that a slower-than-expected rebound in international travel may have a negative impact on the company this year (70% of sales are ex-US). Despite these concerns, management is projecting modest revenue growth and near record gross margins for 2022, and we remain confident in the company's long-term prospects.¹²
- **Vishay Intertechnology**, a manufacturer of discrete semiconductors and passive electronics, increased revenues and profits last year as its share price fell. The company offers a broad range of products essential to manufacturing electronic circuits. While broadly diversified by geography, customer, and end markets, the company is sensitive to economic growth, and slower economic growth would provide a headwind. Given the current valuation, these concerns seem to be priced into the stock, and we believe the secular tailwinds outweigh the near-term uncertainty.
- **Oshkosh Corporation**, a specialty vehicle manufacturer, fell during the year as the company's performance was impacted by chassis and component shortages. Given its strong backlog and competitive position within its markets, we think the company remains an attractive opportunity.

Sincerely,
Steve Scruggs, CFA
Portfolio Manager

⁸ Source: American Equity Life Holding Company Q4 2021 Earnings Call <https://bamr.brookfield.com/press-releases/brookfield-asset-management-reinsurance-partners-acquire-american-national-51>

⁹ Source: Brookfield Asset management 8/9/2021 Press Release

¹⁰ Source: SWM International 4/15/2021 Press Release <https://www.swmintl.com/about-us/news-plus-events/press-releases/swm-international-completes-acquisition-of-scapa-group-plc>

¹¹ Source: <https://www.reuters.com/markets/us/jana-partners-nominates-two-treehouses-board-2021-12-30/>

Past performance is no guarantee, nor is it indicative, of future results.

¹² Source: PVH Corp Q4 2021 Earnings Call, March 30, 2022; <https://edge.media-server.com/mmc/p/9horuu94>

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Important Disclosures

This Commentary 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 of 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 Commentary does not constitute an investment management agreement or offering circular.

The statements contained herein reflect the opinions and views of the portfolio managers as of the date written, is subject to change without notice, and may be forward-looking and/or based on current expectations, projections, and/or information currently available. Such information may not be accurate over the long-term. These views may differ from other portfolio managers and analysts of the firm as a whole and are not intended to be a forecast of future events, a guarantee of future results or investment advice.

Portfolio composition will change due to ongoing management of the Fund. References to individual securities or sectors are for informational purposes only and should not be construed as recommendations by the Fund, the portfolio manager, the Adviser, the Sub-Adviser or the distributor. It should not be assumed that future investments will be profitable or will equal the performance of the security or sector examples discussed. The portfolio holdings as of the most recent quarter-end may be obtained at www.fpa.com.

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. The information and data contained herein 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.

The information contained herein is not complete, may change, and is subject to, and is qualified in its entirety by, the more complete disclosures, risk factors, and other information contained in the Fund's Prospectus and Statement of Additional Information. The information is furnished as of the date shown. No representation is made with respect to its completeness or timeliness. The information is not intended to be, nor shall it be construed as, investment advice or a recommendation of any kind.

Certain statements contained in this presentation may be forward-looking and/or based on current expectations, projections, and information currently available. Actual events or results may differ from materially those we anticipate, or the actual performance of any investments described herein may differ from those reflected or contemplated in such forward-looking statements, due to various risks and uncertainties. We cannot assure future results and disclaim any obligation to update or alter any forward-looking statements, whether as a result of new information, future events, or otherwise. Such statements may or may not be accurate over the long-term. Statistical data or references thereto were taken from sources which we deem to be reliable, but their accuracy cannot be guaranteed.

The reader is advised that the Fund's investment strategy includes active management with corresponding changes in allocations from one period of time to the next. Therefore, any data with respect to investment allocations as of a given date is of limited use and may not be reflective of the portfolio manager's more general views with respect to proper geographic, instrument and /or sector allocations. The data is presented for indicative purposes only and, as a result, may not be relied upon for any purposes whatsoever.

In making any investment decision, you must rely on your own examination of the Fund, including the risks involved in an investment. Investments mentioned herein may not be suitable for all recipients and in each case, potential investors are advised not to make any investment decision unless they have taken independent advice from an appropriately authorized advisor. An investment in any security mentioned herein does not guarantee a positive return as securities are subject to market risks, including the potential loss of principal. You should not construe the contents of this document as legal, tax, investment or other advice or recommendations.

Fund performance presented is calculated on a total return basis, which includes the reinvestment of all income, plus realized and unrealized gains/losses, if applicable. Unless otherwise indicated, performance results are presented on a net of fees basis and reflect the deduction of, among other things: management fees, brokerage commissions, operating and administrative expenses, and accrued performance fee/allocation, if applicable.

The information provided in this presentation is based upon data existing as of the date(s) of the report and has not been audited or reviewed. While we believe the information to be accurate, it is subject in all respects to adjustments that may be made after proper review and reconciliation.

Investments, including mutual fund investments, 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. Short-selling involves increased risks and transaction costs. 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. The value of an individual security can be more volatile than the market as a whole and can perform differently than the value of the market as a whole.

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, that is no greater than the largest market capitalization of any company included in the Russell 2000 Value Index. 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. Comparison to any index is for illustrative purposes only.

The prices of securities held by the Fund may decline in response to certain events taking place around the world, including those directly involving the companies whose securities are owned by the Fund. Securities in the Fund's portfolio may underperform due to inflation (or expectations for inflation), interest rates, global demand for particular products or resources, natural disasters, pandemics, epidemics, terrorism, regulatory events and governmental or quasi-governmental actions. There is a risk that you may lose money by investing in the Fund.

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.

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

Index / Benchmark / Category Definitions

Comparison to any index or benchmark is for illustrative purposes only and should not be relied upon as a fully accurate measure of comparison. The Fund may 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, transaction costs, or fees and expenses which would be incurred by an investor purchasing the underlying securities and which would reduce the performance in an actual account. You cannot invest directly in an index.

The **Russell 2000 Value Index** is a subset of the Russell 2000 Index, and tracks the stocks of small domestic companies, based on total market capitalization. The Russell 2000 Value Index represents those stocks of the Russell 2000 with lower price-to-book ratios and lower relative forecasted growth rates. A total return index computes the index value based on capital gains plus cash payments such as dividends and interest.

Russell 2000 Index is a small-cap stock market index of the smallest 2,000 stocks in the Russell 3000 Index.

Small Cap Value Companies: The term small cap describes companies with a relatively small market capitalization. A company's market capitalization is the market value of its outstanding shares. The definition for small cap varies, but generally means a company with \$300 million to \$2 billion in market capitalization.