



FPA Queens Road Small Cap Value Fund

Third Quarter 2021 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 (%)

As of Date: 09/30/2021	S.I.	15 Years	10 Years	5 Years	3 Years	1 Year	QTD
FPA Queens Road Small Cap Value	9.77	8.09	10.64	10.32	12.19	41.25	-2.53
Russell 2000 Value TR USD	9.06	7.50	13.22	11.03	8.58	63.92	-2.98

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.

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

Please see important disclosures at the end of the commentary.

Dear Shareholders:

FPA Queens Road Small Cap Value Fund (“Fund”) returned -2.53% in the third quarter of 2021. This compares to a -2.98% return for the Russell 2000 Value Index in the same period. The third quarter began with equities rallying broadly as interest rates declined. As the quarter progressed, concerns about Fed tightening pushed interest rates higher, resulting in a selloff in equities during September.¹ For the quarter, large cap stocks outperformed small caps and growth shares outperformed value, a trend we have consistently seen over the last decade. However, when we look at relative valuations of large cap vs. small cap and growth vs. value, we feel confident in the prospects of small cap value.

Earnings during the quarter rebounded sharply as we’ve emerged from the worst of the COVID-19- related slowdown (hopefully). As we listened to management calls during the third quarter, we heard many of the same concerns we heard during the first half of this year. Management teams are concerned about increased input prices, wage inflation, logistics issues, and possible regulatory and tax policy changes.

Inflation continues to be a major concern. In fact, the inflation we have experienced this year has pushed real interest rates into negative territory.² Although many of the companies in our portfolio have been able to pass on price increases to counter inflation, the question remains whether this inflation is transitory or will persist. Some companies have said their price increases have been met with little resistance, which has been good for near-term profits but could be concerning. Historically, inflation has been much easier to start than it is to stop. The expectation of future price increases can be a self-fulfilling prophecy. However, in the current environment, we believe that while modest inflation across the economy is being driven by the labor situation, the sharper price increases in certain areas are more transitory and should ease as logistic bottlenecks work themselves out and inventories rebound from last year’s abrupt slow down. We remained focused on investing in high-quality, differentiated companies that have pricing power and should be less impacted by sustained inflation than lower-quality companies.³

Third Quarter Contributors and Detractors

Symbol	Name	Performance Contribution	Percent of Portfolio	GICS Sector
Top 5				
CCF-US	ServisFirst Bancshares Inc	0.6%	4.5%	Financials
OMI-US	Synaptics Incorporated	0.6%	4.5%	Information Technology
CNO-US	American National Group, Inc.	0.4%	1.9%	Financials
CSGS-US	Axos Financial, Inc.	0.2%	2.0%	Financials
CFX-US	Horace Mann Educators Corporation	0.2%	3.2%	Financials
Bottom 5				
FSTR-US	MasTec, Inc.	-0.6%	3.0%	Industrials
FN-US	Owens & Minor, Inc.	-0.4%	1.6%	Health Care
VSH-US	South Jersey Industries, Inc.	-0.4%	2.4%	Utilities
GHM-US	Oshkosh Corp	-0.4%	2.1%	Industrials
SFM-US	Schweitzer-Mauduit International, Inc.	-0.4%	2.8%	Materials

¹ Source: Reuters <https://www.reuters.com/business/finance/investors-look-ahead-rate-hikes-with-fed-tapering-plan-all-certain-2021-09-23/>

² Source: MarketWatch <https://www.marketwatch.com/story/americans-will-have-to-get-used-to-high-inflation-at-least-until-the-end-of-2021-11632511300>

³ Please see the end of the commentary for definitions of key terms.

Contributors

- **Synaptics**, a developer of human interface (HMI) hardware and software, is experiencing a strategic shift to a higher-margin business, primarily Internet of Things (IoT) products, and continued its recent trend of announcing higher operating margins and providing favorable financial guidance. During the quarter, the company announced it was purchasing former portfolio holding, DSP Group, a communications chip designer.⁴ Management is executing well on this strategic shift and delivering impressive financial results.
- **ServisFirst Bancshares**, a full-service commercial bank, announced during the quarter that both deposits and book value grew 17% from the previous year.⁵ The growth in book value is in line with its long-term average. One of the largest holdings in our portfolio, we remain confident in the company's long-term prospects.
- **American National Insurance**. Shares of the life insurance and annuity company's stock rallied on May 11 when the company announced it had hired an advisor to pursue a sale of the company.⁶ On August 9, the company announced that Brookfield Asset Management Reinsurance had agreed to purchase the company in an all-cash deal for \$190 per share, a 55% premium to the share price prior to the May 11 announcement.⁷ Interestingly, another portfolio holding, American Equity Life Insurance (AEL) announced an unrelated strategic partnership with Brookfield Asset Management (BAM) in October of 2020.⁸ In that deal, BAM took a 20% stake in American Equity Life, provided AEL \$5 billion of reinsurance on existing liabilities and offered AEL access to BAM's alternative asset class strategies.
- **Horace Mann** shares rose as the company announced strong earnings and a strategic acquisition of Madison National Life, a supplemental insurance provider based in the Midwest. The acquisition will allow Horace Mann agents to offer additional products to the niche market of K-12 educators.⁹
- **Concentrix**, a customer experience solutions provider spun off from one of our other portfolio holdings (Synnex) in December of 2020, rose during the quarter. Boasting a broadly diversified customer base, the company offset weakness in Covid-impacted segments with strong performance in finance, e-commerce, and healthcare.

Detractors

- **MasTec** gave back some of the strong gains made during the first half of the year during the third quarter. Earlier in the year, the infrastructure construction company rallied in part due to the proposed infrastructure bill being negotiated in Congress. As the size of the bill was reduced, the stock gave back some of those gains. On a fundamental basis, the company continued its long record of consistent, profitable growth. The company remains a top 10 holding in the portfolio.

⁴ Source: Synaptics Incorporated (<https://www.synaptics.com/company/news/synaptics-acquire-dsp-group-expanding-leadership-low-power-AI-technology>)

⁵ Source: ServisFirst Bancshares, Inc. (<https://www.servisfirstbancshares.com/news-market-info/news/news-details/2021/ServisFirst-Bancshares-Inc.-Announces-Results-For-Fourth-Quarter-of-2020/default.aspx>)

⁶ Source: American National (https://www.americannational.com/wps/wcm/connect/americanational/e207a4f3-4415-4cae-af4e-8688d0c0de78/Homepage+Press+Release.pdf?MOD=AJPERES&CONVERT_TO=url&CACHEID=ROOTWORKSPACE.Z18_M2M0HJ01LG8QD0APPS6TVN3FI7-e207a4f3-4415-4cae-af4e-8688d0c0de78-nlGMIQQ)

⁷ Source: American National (https://www.americannational.com/wps/wcm/connect/americanational/e207a4f3-4415-4cae-af4e-8688d0c0de78/Homepage+Press+Release.pdf?MOD=AJPERES&CONVERT_TO=url&CACHEID=ROOTWORKSPACE.Z18_M2M0HJ01LG8QD0APPS6TVN3FI7-e207a4f3-4415-4cae-af4e-8688d0c0de78-nlGMIQQ)

⁸ Source: S&P Global Market Intelligence (<https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/slow-to-insurance-brookfield-boosts-presence-with-american-equity-pact-60797732>)

⁹ Source: GlobeNewswire (<https://www.globenewswire.com/news-release/2021/07/14/2262758/10950/en/IHC-Announces-Agreement-to-Sell-Madison-National-Life-to-Horace-Mann-Educators-Corporation.html>)

- **Owens & Minor** also fell during the quarter after a sharp rally in the share price during the first half of 2021. As a manufacturer and distributor of personal protection equipment (PPE), the company's financial results have recently benefited from demand related to the COVID-19 pandemic. During 2020, the company brought in a new leadership team charged with reducing leverage and creating a more proactive, customer-focused culture. While the company's interim financial results and current year guidance are favorable, we are watching closely to determine how much of the performance stems from new management versus the short-term boost from the pandemic.
- **South Jersey Industries** shares fell due in part to the cancellation of the PennEast pipeline. The pipeline, which SJI was to be a partner in, was slated to deliver 1.1 billion cubic feet per day of natural gas from the Marcellus shale region to New Jersey and Pennsylvania. While the regulatory environment in New Jersey has historically been favorable, the state's role in preventing the PennEast pipeline's construction is causing us to reassess the regulatory environment there.¹⁰ The company currently pays a 5.5% dividend yield and is expected to continue its long history of slow but steady normalized earnings growth.
- **Oshkosh Corporation** posted increased earnings, but its shares slid during the quarter because the company announced significant supply chain issues and cost pressures.¹¹ Given the current valuation and long-term prospects, we think the company remains an attractive opportunity.
- **Schweitzer-Mauduit** shares declined in the quarter as the company continued to integrate its second quarter acquisition, Scapa Plc. During the quarter the company announced earnings that missed estimates due to margin compression caused by higher input costs and supply chain challenges. While the company said it has initiated aggressive price increases throughout the year, due to timing issues they were not enough to fully offset the increase in input costs.¹² Despite this, we remain pleased with management's overall execution.

Additions & Subtractions

During the quarter we began adding a new position in financials. We are not disclosing the investment yet because we are actively trading in the company's shares to build our position. There were no other material changes to the portfolio.

Conclusion

We plan to write more extensive shareholder letters about the Fund and our broader market views at mid-year and at year-end. In the interim, we will continue to scout for attractively priced small cap companies that are in sound financial condition, led by strong management teams, and operating in growing industries.

Respectfully,
Steve Scruggs
Portfolio Manager

Oct. 19, 2021

¹⁰ Source: Reuters (<https://www.reuters.com/business/energy/penneast-end-development-pennsylvania-new-jersey-natgas-pipe-2021-09-27>)

¹¹ Source: Oshkosh Corporation (<https://investors.oshkoshcorp.com/news/news-details/2021/Oshkosh-Corporation-Announces-Fiscal-Year-Change-and-Provides-Business-Update/default.aspx>)

¹² Source: Schweitzer-Mauduit International, Inc. (<https://ir.swmintl.com/news-releases/news-release-details/swm-announces-second-quarter-2021-results>)

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.

Effective November 1, 2020, FPA became the investment adviser to the Queens Road Value Fund and Queens Road Small Cap Value Fund (collectively, "QR Funds") and Bragg Financial Advisors, Inc. ("BFA"), the former investment adviser to the QR Funds, transitioned to serving as the sub-advisor to the QR Funds. BFA continues to be responsible for the day-to-day portfolio management of the QR Funds, subject to FPA's oversight. On that same date, the QR Funds were renamed to the FPA Queens Road Value Fund and the FPA Queens Road Small Cap Value Fund. No changes to each QR Fund's principal investment strategies were made in connection with these changes in management of the QR Funds, and Steve Scruggs, CFA, Director of Research and Senior Portfolio Manager for BFA, continues to serve as the portfolio manager for the QR Funds.

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.

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 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, of \$5 billion or less. 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

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 referenced fund. For example, the referenced fund may hold underlying securities that are not included in any index used for comparative purposes and FPA/BFA makes no representation that the referenced fund is comparable to any such index in composition or element of risk involved. Any comparisons herein of the investment performance of a referenced fund to an index are qualified as follows: (i) the volatility of such index may be materially different from that of the referenced fund; (ii) such index may employ different investment guidelines and criteria than the referenced fund and, therefore, holdings in such fund may differ significantly from holdings of the securities that comprise such index; and (iii) the performance of such index may not necessarily have been selected to represent an appropriate index to compare to the performance of the referenced fund, but rather, is disclosed to allow for comparison of the referenced fund's performance (or the performance of the assets held by such fund) to that of a well-known index. Indexes should not be relied upon as a fully accurate measure of comparison. No representation is made as to the risk profile of any index relative to the risk profile of the referenced fund. An investor 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.

The **Global Industries Classification Standards**, or GICS®, is a common global classification standard developed by S&P Dow Jones Indices and MSCI. The GICS structure consists of 11 Sectors, 24 Industry groups, 69 Industries and 158 sub-industries.

Drawdown is a peak-to-trough decline during a specific period for an investment, trading account, or fund.

High Quality companies, per the Fund's investment team, are typically those companies with balance sheet strength, attractive valuations with a margin of safety, quality of management, and in growing industries

Intrinsic Value a measure of what an asset is worth. This measure is arrived at by means of an objective calculation or complex financial model, rather than using the currently trading market price of that asset.