FPA Crescent Fund

2Q 2026 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 the prospective investor. Please read the Prospectus carefully before investing. The Prospectus may be obtained by visiting the website at fpa.com, by calling toll-free, 1-800-982-4372, or by contacting the Fund in writing.

Average Annual Total Returns (%)

As of June 30, 2026	Since Inception	30 Yr	20 Yr	15 Yr	10 Yr	5 Yr	3 Yr	1 Yr	YTD	QTD	Market Cycle 3/25/00-10/9/07	Market Cycle 10/10/07-1/3/22	Market Cycle 1/4/22-6/30/26
FPA Crescent (FPACX)	**10.24**	**9.64**	**8.45**	**9.15**	**10.41**	**9.43**	**14.81**	**14.75**	**5.47**	**7.13**	**14.70**	**7.65**	**10.07**
MSCI ACWI**	-	-	-	10.26	12.78	10.98	19.70	23.67	11.25	14.93	-	6.33	10.90
S&P 500	10.92	10.36	11.39	14.36	15.51	13.41	20.61	22.32	10.21	15.20	2.00	10.43	12.09
60% MSCI ACWI / 40% BBG U.S. Agg	-	-	-	7.24	8.38	6.67	13.38	15.53	7.07	9.15	-	5.74	6.69
60% S&P 500 / 40% BBG U.S. Agg	8.55	8.20	8.39	9.62	9.98	8.10	13.92	14.76	6.45	9.31	3.97	8.14	7.42

Index data source: Morningstar

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 fpa.com or by calling toll-free, 1-800-982-4372. The FPA Crescent Fund – Institutional Class ("Fund" or "FPACX") total expense ratio as of most recent prospectus is 1.09% and net expense ratio is 1.09% (including dividend and interest expense on short sales).

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 returns do 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. Comparison to any index is for illustrative purposes only. An investor cannot invest directly in an index. The Fund does not include outperformance of any index or benchmark in its investment objectives.

* The Fund commenced operations on June 2, 1993. The performance shown for periods prior to March 1, 1996 reflects the historical performance of a predecessor fund. FPA assumed control of the predecessor fund on March 1, 1996. The Fund's objectives, policies, guidelines, and restrictions are, in all material respects, equivalent to those of the predecessor fund.

** The MSCI ACWI was not considered a relevant illustrative index prior to 2011 because the Fund was not classified as having global mandate until this point in time. Market Cycle Performance for MSCI ACWI is shown for illustrative purposes only in the most recently completed market cycle (i.e., 10/10/07-01/03/22) to illustrate how global equities performed during that period.

Market Cycle Performance reflects the two most recent completed market cycles (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 S&P 500 Index. It also includes the current cycle, which is ongoing and thus presented through the most recent quarter-end. Once the current cycle closes, the results presented may differ materially and may reflect a different time period than shown here.

First Pacific Advisors, LP (the "Adviser" or "FPA"), the Fund's investment adviser, has contractually agreed to reimburse the Fund for operating expenses in excess of 0.05% of the average net assets of the Fund, excluding management fees, administrative service fees, short sale dividend expenses and interest expenses on cash deposits relating to short sales, brokerage fees and commissions, redemption liquidity service expenses, 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 January 8, 2028. The Adviser has also contractually agreed to reimburse the Fund for redemption liquidity service expenses in excess of 0.0044% of the average net assets of the Fund through January 8, 2028. These agreements may only be terminated earlier by the Fund's Board of Trustees (the "Board") or upon termination of the investment advisory agreement. Note that the management fees include both an advisory fee of 0.93% and class-specific administrative service fee of 0.07%. For additional information about the administrative service fee, please see the section in the prospectus titled "Management of the Fund."

All data herein is representative of the Institutional Share Class. ***Please see important disclosures at the end of this commentary.***

Dear Shareholder:

Performance Overview

The FPA Crescent Fund – Institutional Class ("Fund" or "Crescent") gained 7.13% for the quarter and 14.75% in the trailing twelve months. It captured 62.3% of the global market's return (i.e., MSCI AWCI, the "ACWI") over the trailing twelve months, slightly underperforming its own 63.8% average net risk exposure during the same period.

Performance versus Illustrative Indices (%)[1]

	Q2 2026	Trailing 12-month
FPA Crescent	7.13	14.75
FPA Crescent – Long Equity	11.59	21.46
MSCI ACWI	14.93	23.67
S&P 500	15.20	22.32
60% MSCI ACWI / 40% Bloomberg U.S. Agg	9.15	15.53
60% S&P 500 / 40% Bloomberg U.S. Agg	9.31	14.76

Portfolio & Market Discussion

In the six months ending June 30th, equity markets delivered strong returns (11.25% for the ACWI and 10.21% for the S&P 500) and became increasingly narrow. Exciting AI capabilities and data center supply shortages drove the market and economy. We continued to find opportunities in attractive mid-sized companies that are largely AI and data center-agnostic.

The following pictures illustrate the market's narrowness as seen in the indices.

AI-related stocks have captured investors' minds and wallets, driving the majority of recent stock market returns and, by some counts, accounting for 50% to more than 75% of the S&P 500's total gains since late 2022.[2] According to J.P. Morgan, "AI" companies now constitute approximately 50% of the S&P 500, exceeding even the Information Technology sector's 35% weight at the then S&P 500 peak in March of 2000.

[1] FPA, Morningstar. Comparison to the indices 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 long equity segment of the Fund is presented gross of investment management fees, transactions costs, and Fund operating expenses, which if included, would reduce the returns presented. Long equity holdings only includes equity securities excluding paired trades, short-sales, and preferred securities. The long equity performance information shown herein is for illustrative purposes only and may not reflect the impact of material economic or market factors. No representation is being made that any account, product, or strategy will or is likely to achieve profits, losses, or results similar to those shown. Long equity performance does not represent the return an investor in the Fund can or should expect to receive. Fund shareholders may only invest or redeem their shares at net asset value.

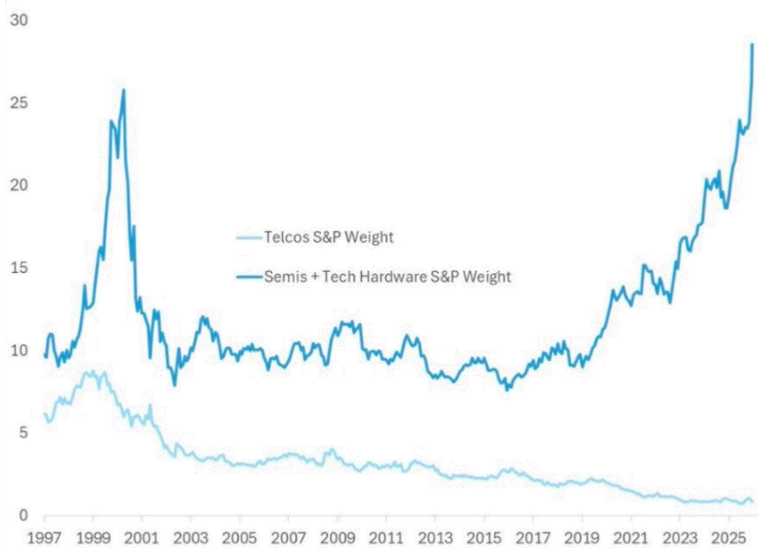
[2] Sommer, Jeff. "A.I. Has Rewarded Investors. It May Now Pose Their Greatest Risk." *The New York Times*, 10 July 2026.

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

Weighting of AI-Related Companies in the S&P 500 Index[3]

Semiconductors and tech hardware now represent nearly 30% of the market, the highest level recorded.

Weighting of Tech Hardware Companies in the S&P 500 Index[4]



Over the last six months, semiconductors and tech hardware accounted for nearly 90% of the S&P 500 Index's return.[5]

Until very late in the second quarter, momentum had been the strongest indicator/driver of returns and relatively more pronounced than in the past.

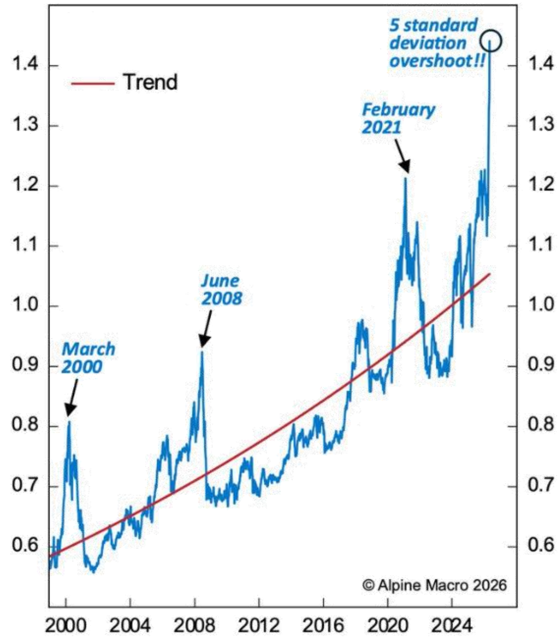
[3] Bianco Research, J.P. Morgan, Bloomberg. As of May 29, 2026. https://x.com/biancoresearch/status/2060813590421016858.

[4] Barclays Equities Tactical Strategies (BETS), S&P. As of May 18, 2026. https://x.com/Alty_Markets/status/2055998730180976963.

[5] FactSet. As of June 30, 2026.

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

Ratio of US Momentum stocks to US Minimum Volatility stocks[6]



From many vantage points, the market, as expressed by the indices, is quite narrow.

Good reasons underpin the market's narrowness. Progress in AI, first with OpenAI/ChatGPT and more recently with Anthropic/Claude/Mythos, has provided a credible peek into a future in which humans will massively increase productivity. If one squints, we can imagine machines embedded with intelligence that allow humans to enjoy a substantial surplus of necessary goods/service/comforts without requiring traditional physical/mental labor. While some technologies are speculative and others will take decades to diffuse, the potential is real and probable. If you need convincing, try a Waymo during your next visit to Los Angeles.

Rapid adoption of large language models (LLMs), facilitated by ubiquitous access to smart devices and fear of being left behind, has led to an epic boom for the suppliers of picks and shovels to the AI (datacenter) buildout.

To date, the boom has exceeded expectations. At year-end 2024 investors were generally bullish on Nvidia, ChatGPT had been introduced two years earlier. Nvidia had seen its revenue increase by 4x, and stock increase 6x since the introduction of ChatGPT. Despite being a well-recognized beneficiary of AI-led chip demand, analysts materially underestimated Nvidia's near-term performance. At year-end 2024, analysts expected 2026 revenue of $130-150bn. Run-rate will be closer to $400bn. To date, the correct call on fundamentals has been to be more bullish than the bulls.

Nvidia is not alone; semiconductor revenue is through the roof, and the memory market has developed an acute shortage.

[6] Arvy. *When 60% of the S&P 500 Is AI — Quality Becomes the Allocation Question*. MSCI, Alpine Macro 2026. Ratio of US Momentum stocks to US Minimum Volatility stocks, based on large- and mid-cap indices.

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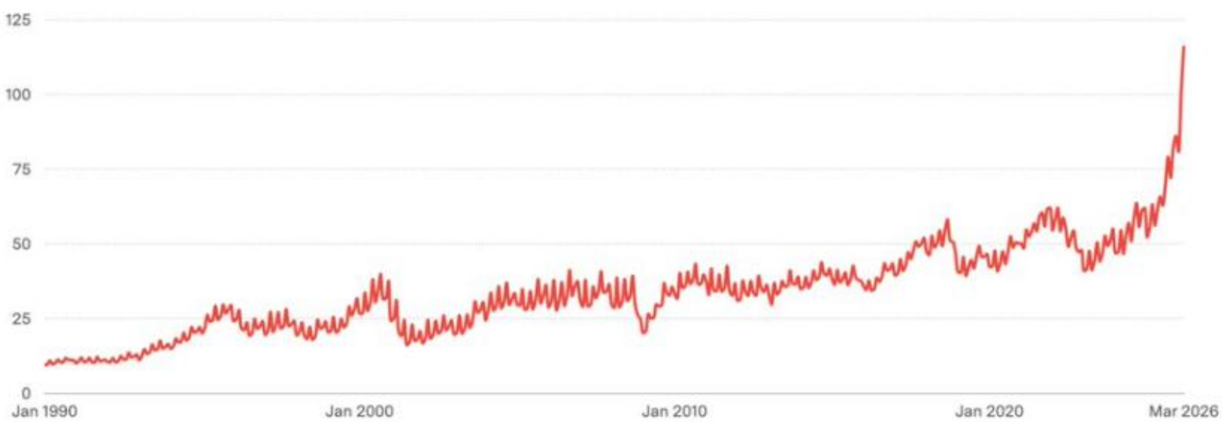
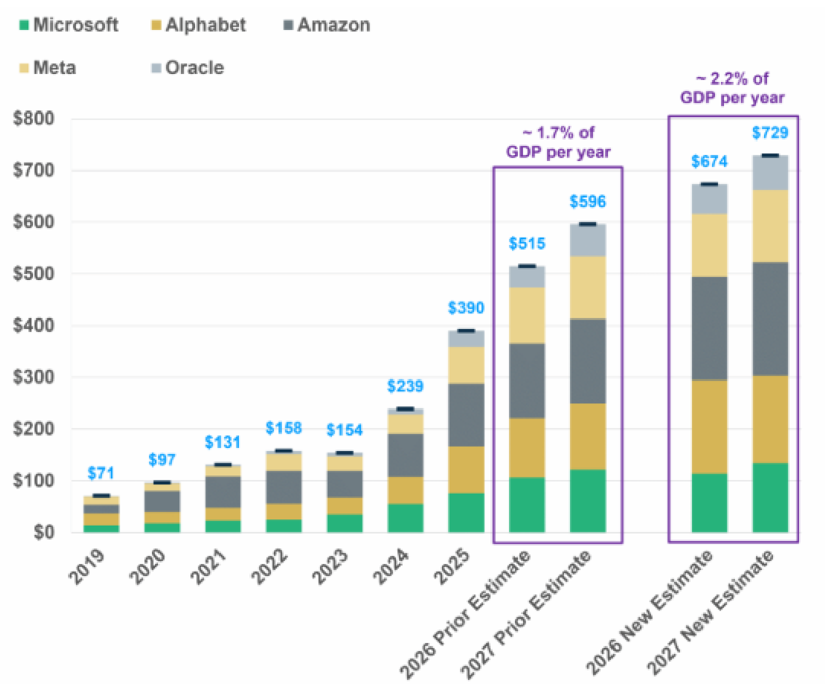
Monthly Global Semiconductor Billings ($ billions)[7]



This spending is primarily supported by the hyperscalers.

Big Tech Capital Expenditures ($ billions)[8]



This capital spending comes from cash generated by strong businesses that have seen revenues accelerate over the past few years. More recently, the baton has been passed to the capital markets through both debt and equity issuance. There is some circularity to this activity, but the vortex of activity is real and well-financed (to date).

As of today, there appears to be no limit to demand for compute/data centers, which is a good thing because supply is coming.

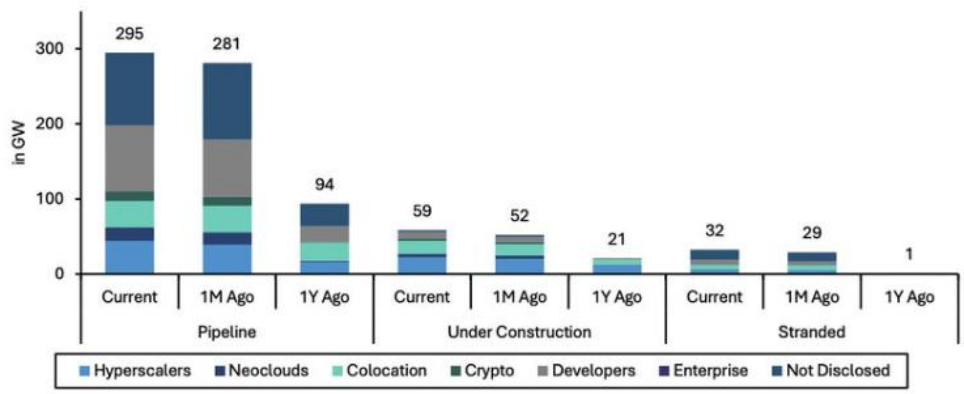
[7] WSTS and US Census.

[8] Carson Group. As of 15 May 2026. https://www.carsongroup.com/insights/blog/theyre-running-it-hot-and-were-still-riding-the-wave/.

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

The US had 40-53 GW of installed capacity at the beginning of 2026 and should double to 95 GW by the end of 2027.[9] As shown below, the total pipeline is nearly 300 GW. There are well-known limits around permitting, power supply, semi/memory and other materials, so substantially less than the pipeline will be delivered, but it appears likely that capacity will multiply in the next few years.

Data Center Capacity by Stage (in GW)[10]



Stranded capacity = delayed + cancelled + not approved/withdrawn capacity

And that's just on Earth. SpaceX went public in the second quarter at a $1.8T valuation. SpaceX is an awe-inspiring firm and has a credible claim to being the most consequential company on the planet. Still, according to sell-side reports, most of its IPO value is attributable to its speculative promise to build data centers in space. According to Elon, the company will deliver an additional 1 GW per year of capacity in 2027, 10 GW per year beginning in 2028, 100 GW per year beginning in 2030 and eventually 1 TW per year. That's a lot, and the company appears entirely serious about these intentions, given their active building of mega facilities to supply the necessary equipment.

It appears that, on Earth or in space, the market has confidence (based on valuations of the various businesses pursuing/benefiting from the build-out) that significant compute capacity will be delivered over the next few years. We can't help but wonder what the returns will be on all this compute spend? Could compute capacity exceed AI's ability to diffuse usefully through the economy? Currently, the market for compute is in backwardation, with forward 12-to-24-month prices 30 to 40% below the spot price (on, as best we can tell, a like-for-like unit). We are also struck by the recent contracts that SpaceX signed with Google and Anthropic for scaled compute capacity immediately available at prices 2 to 5x estimates of the long-term cost, but cancelable with 90-day notice.

We are bullish on AI and compute demand, but not more bullish than the bulls, and don't feel that the market is offering us any easy question in the AI/hardware space.

Difficult Questions

Given the exciting future and economic importance of AI, we spend time using, reading, and thinking about the technology, its near-term impact, and longer-term potential. Currently, we have more questions than answers and must admit that, mostly, we just don't know.

[9] Gemini
[10] Aterio, Bernstein Analysis. As of 20 May 2026. https://x.com/firstadopter/status/2057089666772320758. GW stands for gigawatts.

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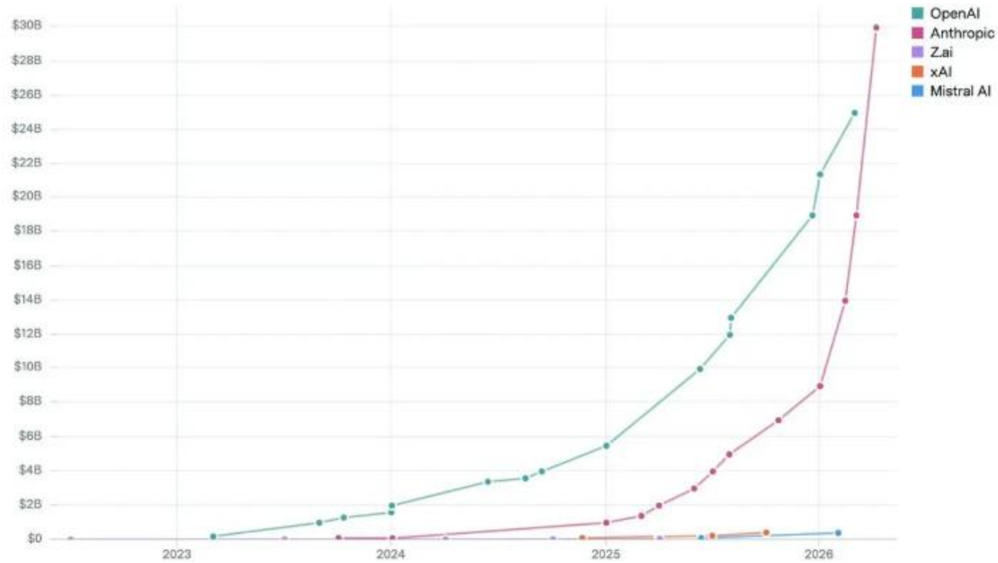
A recent *Invest Like the Best* podcast, titled "The Cone of Uncertainty" with Krishna Rao, Anthropic's CFO, neatly captures our feelings. During the discussion, Rao said, "We think about the world as scenarios. It's very hard to have a point estimate in this business. And then having a very low bar for updating your current priors, or your current perspective. It could be the case that something a month ago was true that's just not true today, and that breaks your model, and you have to go back and update it."

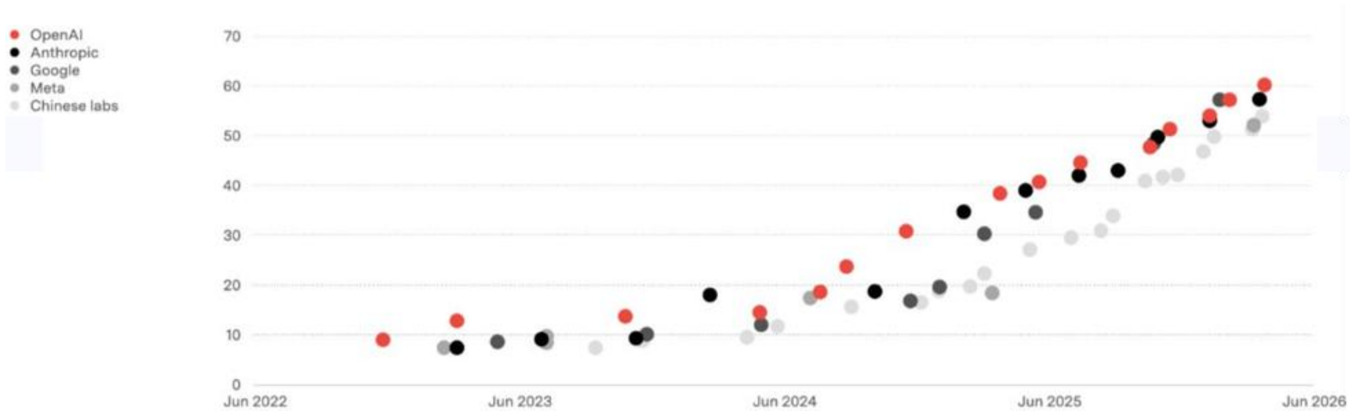
Thus far, all updates – capabilities, revenue, and compute demand -- have been positive. Should we expect all future updates to be as favorable? And, has OpenAI had a somewhat different experience in the past six months? In early 2025, OpenAI appeared to be the clear leader among independent frontier labs; today, not so clear.

Annualized Revenue (USD)[11]



Will frontier lab leadership prove persistent or fleeting? The following chart suggests fleeting.

Selected Frontier LLMs by Aggregate Benchmark Score[12]



[11] Epoch AI. As of 1 June 2026. https://epoch.ai/data/ai-companies?view=graph&tab=revenue.

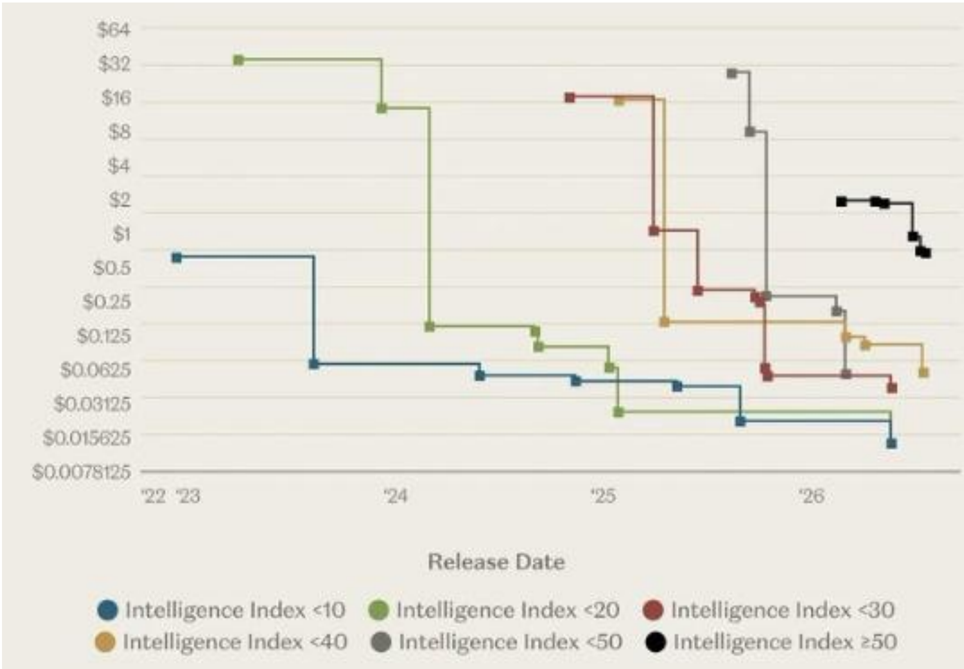
[12] Source: Benedict Evans. As of May 2026. https://static1.squarespace.com/static/50363cf324ac8e905e7df861/t/6a14a48160477b0e9a99301f/1779737729030/2026-Spring-AI.pdf. Aggregate benchmark score is a single composite metric or skill rating that combines results from multiple standardized tests (such as MMLU, coding suites, and math evaluations) to summarize the peak capabilities of the most advanced large language models.

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

If fleeting, what is the long-term economic return to frontier lab innovation? Where will the economics stick?

Perhaps leadership will be persistent, and if it is, will economic value accrue to the leader, or to the low-cost, slight laggard? Or to some other level of the stack? The following suggests that lagging models (open-source and low-cost) catch up quickly and cost a fraction of the frontier.

Language Model Inference Price ($/million tokens), by Model Intelligence[13]



Various reports suggest that companies are moving away from frontier models as costs become uneconomic relative to the value delivered. What activities require genuine frontier or super intelligence? At maturity, how much of the 'intelligence layer' can be served by good enough, low-cost commodity models?

Perhaps the most important near-term questions relate to the spend and sustainability of the data center buildout. Direct (semiconductors/memory) and indirect (power, building materials, commodities, engineering firms, and cooling business) beneficiaries are all experiencing massive tailwinds and driving both the economy and markets. The data center build is becoming large relative to GDP and relative to previous infrastructure buildouts.[14,15]

Some analysis proposes that the data center buildout is like nothing we have ever seen – multiples larger in inflation-adjusted terms than even the US railroad and interstate highway expansions of the 19th and 20th centuries.

[13] Source: Artificial Analysis. https://x.com/randgroup/status/2061052319756914815. This chart shows that the cost of the language models has declined substantially from their release dates.

[14] Fortune. Without data centers, GDP growth was 0.1% in the first half of 2025, Harvard economist says. Nick Lichtenberg. October 7, 2025. https://fortune.com/2025/10/07/data-centers-gdp-growth-zero-first-half-2025-jason-furman-harvard-economist/

[15] Epoch AI. The AI Boom has doubled computing infrastructure's share of US GDP. Isabel Juniewiicz. June 5, 2026. https://epoch.ai/data-insights/ai-datacenter-share-gdp.

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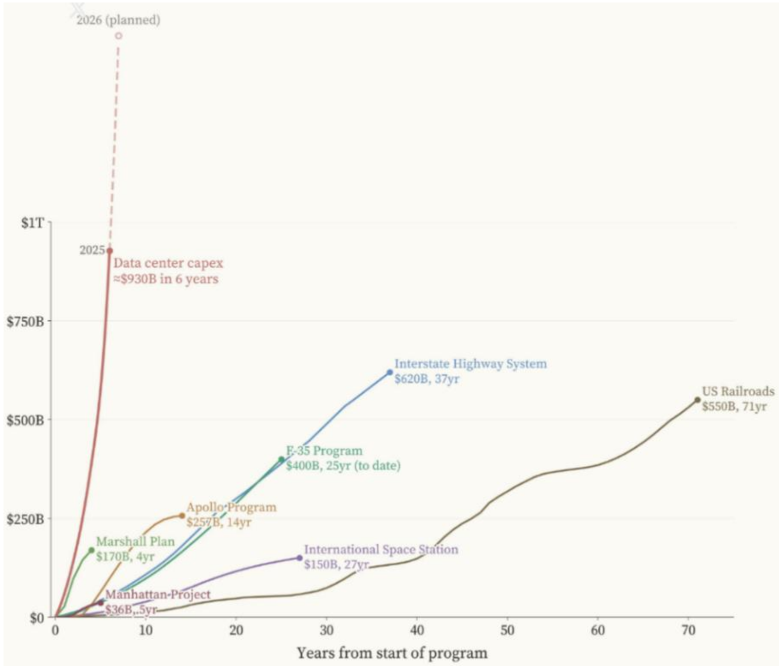
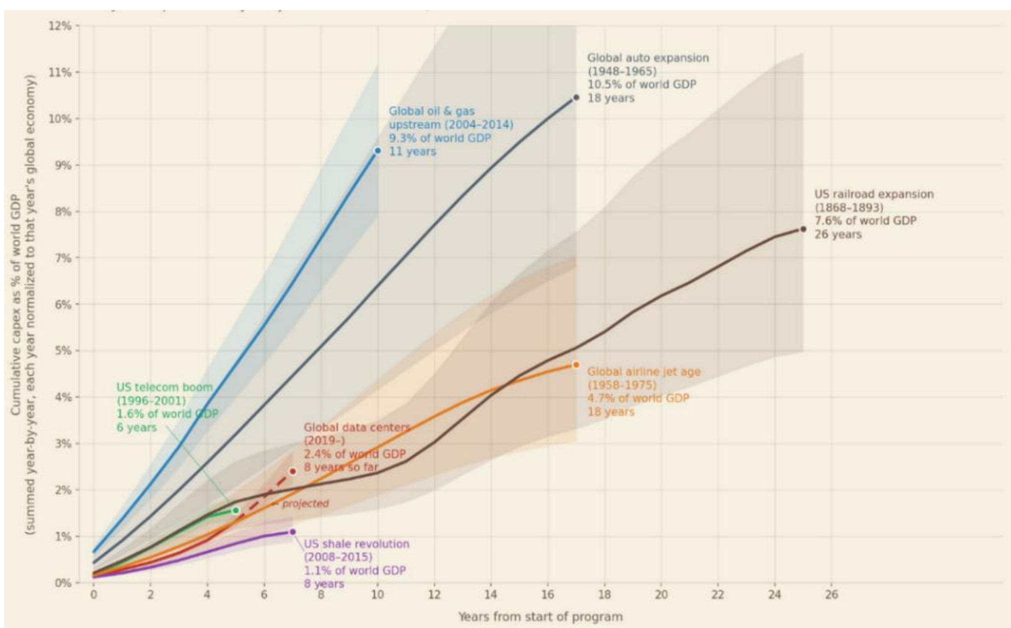
Data Centers vs. Megaprojects Inflation-Adjusted Costs[16]



On the other hand, a slightly different lens supports the argument that the buildout is reasonably consistent with past large-scale fundamental infrastructure builds.

Infrastructure Buildout – Cumulative Capex as a Share of World GDP[17]



[16] LinkedIn – Alvin Foo, Epoch AI. https://www.linkedin.com/posts/alvinfsc_mind-blowing-scale-of-the-ai-buildout-activity-7451479823744671744-parg. AI capex = estimated data-center share of global reported capex at the big-5 US hyperscalers (Amazon, Microsoft, Alphabet, Meta, Oracle; Epoch AI + Platformonomics). Assuming DC share scales from ~55% in 2020 to ~80% by 2026. Excludes Chinese hyperscalers. All costs in 2024 dollars.

[17] Source: LinkedIn – Benjamin Todd. https://www.linkedin.com/posts/benjamin-j-todd_the-ai-boom-is-still-small-compared-to-other-activity-7451048553445052416-h7sv. The chart shows each year's capital expenditure (capex) divided by that year's nominal world GDP, then summed. Note: World GDP figures for the 19th century are estimates derived from Maddison Project Database and US GDP / US-share-of-world-economy benchmarks. Confidence bands on the chart reflect capex uncertainty only.

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Even the data seems confused. If AI (and the robotic revolution it enables) ultimately satisfies all human needs without the need for traditional human labor, 'Super-Abundance', then, perhaps, historic precedents are irrelevant, and compute should represent a massive share of economic activity. But will there be a cycle in what is now a massively capital-intensive industry? And how do intelligence cycles work?

Together, these (and other) questions posed to long-term investors by the AI boom are difficult to answer. We are left uncertain about the sustainability of the current and projected level of AI capital spending and the prospect of it generating reasonable returns on the aggregate investment. Global spending influenced by AI is projected to skyrocket to a record $2.59 trillion in just this year. To achieve even a relatively low unlevered return on investment suggests (an improbable?) $207 billion in after-tax income, per year, starting immediately.[18]

In some important ways, AI is unique, and we have long invested in businesses that are well positioned for the digital future. Many of the businesses we own (Semiconductors/Hyper-scalers/Connectors) benefit from robust tailwinds from data center expansion and compute utilization. On average, we have owned these companies for over a decade and currently believe that they will each be larger and more profitable 5 and 10 years from now. These businesses are diverse, serve markets beyond just datacenters, and are growing faster than we expected a few years ago. Given expanded valuations and the stage of their capital cycle (far from depressed), we are scaling back exposure because we believe the risk-adjusted returns are less attractive – the margin of safety is shrinking, if not disappearing. We have been more aggressive in exiting the names that have benefited most directly from compute shortages.

Given our excitement about the technology, strength of the companies' positions and belief that compute demand will be greater over time, we think it is advisable to own a bit of the 'future' at a supportable (but potentially stretched valuation) should the capital cycle peter out.

AI is not the first theme markets have focused on that requires long-term investors to answer difficult questions in the affirmative. Since we have been managing the Fund, we recall the early web companies in the Dot-com era, Commodity Super-Cycle, EM Premium (remember the BRICs), MLP enthusiasm, SAAS, and Healthcare/Covid 'winners'. In each of those cases, we generally avoided the theme based on what we viewed as unsustainable valuations at stretched points in the capital cycle.

Our strategy is similar in the current environment. We seek investments that are asking long-term investors easier questions. Today, we have the opportunity to buy businesses we consider relatively AI-agnostic businesses at valuations that support what we see as an attractive expected absolute return. In the first half of the year, we added 14 new companies and increased our holdings in several companies purchased last year. They fit nicely in the Venn diagram we shared at the end of last year, updated below through June.[19]

[18] CIO Dive. Global AI spend to reach $2.59 trillion in 2026. May 19, 2026. Paige Gross. https://www.ciodive.com/news/global-AI-spend-2026/820656/.
[19] As of June 30, 2026. The Venn Diagram shows stocks added to the portfolio since 01/01/2024. Please visit our website for a full list of current holdings as of 6/30/2026. https://fpa.com/wp-content/uploads/FPA-Crescent-Fund-Holdings-2026-06.pdf.

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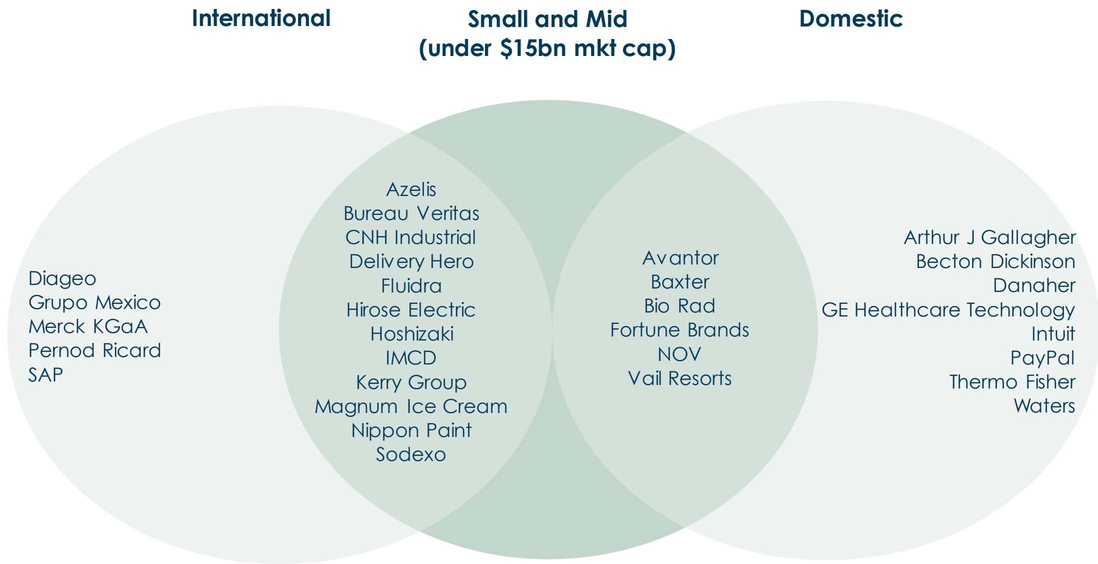

These businesses range from specialty chemical distribution to biotech equipment and were generally purchased at 10-15x our estimate on NTM earnings. While significantly smaller than the index leaders, our recent purchases are industry leaders, with strong balance sheets and attractive growth profiles.

In fact, we believe the generic profile of our portfolio has improved – faster growth and reasonable valuation.

As of June 30, 2026	**Price/Earnings 1-Year Forward**		**Price/Book**		**3-Year Forward Estimated EPS Growth**	
	6/30/2025	**6/30/2026**	**6/30/2025**	**6/30/2026**	**6/30/2025**	**6/30/2026**
FPA Crescent						
Long Equity Portfolio	**16.1x**	**16.0x**	**2.1x**	**2.2x**	**22%**	**25%**
MSCI ACWI	18.6x	17.7x	3.3x	3.9x	13%	18%
S&P 500	22.1x	20.4x	5.1x	5.6x	14%	19%
vs. MSCI ACWI	*-14%*	*-10%*	*-37%*	*-44%*	*69%*	*37%*
vs. S&P 500	*-27%*	*-22%*	*-60%*	*-62%*	*57%*	*30%*

In our view, a portfolio of the companies in the Venn diagram (at our basis) is likely to produce an absolute equity-like return, with little risk of permanent impairment. This is the type of portfolio we are always striving to create: a diversified mix of high-quality businesses, with good management, purchased at valuation math based on conservative assumptions that should support an equity-like return over the long term.

These holdings are primarily mid-cap businesses that look nothing like the index. We are willing to look foolish relative to others and to miss out on the bullish scenarios for AI in order to own a portfolio that we believe is highly likely to result in an acceptable absolute result.

Being out of step is nothing new. You may remember the healthcare/biotech boom that took place in 2020 and 2021. At the time, we had taken our exposure to zero – down from our largest exposure at the time of Obamacare concerns in the early 2010s. We recall being asked repeatedly whether we understood that there was an exciting future in biotech and cell and gene therapy.

In fact, we were excited, but just not at the prices available at the time. We continued to research the sector and developed a view towards a number of businesses we'd like to own. In the past year we have bought many of those very same businesses at valuations less than half the prevailing rate in 2020/21, and we submit that the future is just as bright and perhaps enhanced by potential AI innovation. Willingness to ignore investments with terrific momentum at valuations and long-term fundamentals that ask difficult questions (Will Covid spending be sustainable? Are these new multiples reflective of fundamentally different businesses?), combined with actively deploying capital when fundamentals and valuation are supportive of equity-like returns, will always be our preferred approach. However, we accept the risk of looking foolish at times and humbly settle for reasonable absolute returns when parts of the market are delivering spectacular returns based on thinking that we don't quite understand.

In short, we are seldom more bullish than the bulls. Though when analysis and consideration support the position, we are happy to be less bearish than the bears, which should continue to help us generate returns that are attractive on an absolute basis and not risk taking the fund (and you) off a cliff.

Respectfully submitted,

FPA Crescent Portfolio Managers

July 30, 2026

Crescent's top five performers contributed 9.31% to its trailing twelve-month return while its bottom five contributed -2.95%.

Trailing Twelve-Month Top and Bottom Contributors (%) as of June 30, 2026[20]

Top Contributors	Performance Contribution	Percent of Portfolio	Bottom Contributors	Performance Contribution	Percent of Portfolio
Alphabet	4.00	5.3	Charter Communications	-1.08	0.6
Analog Devices	1.80	3.1	Meta Platforms	-0.69	2.5
Echostar (multiple securities)	1.24	0.8	Comcast	-0.45	1.3
Citigroup	1.18	2.0	Nintendo	-0.38	0.5
Samsung C&T	1.10	1.0	Prosus	-0.34	1.4
	9.31	12.2		-2.95	6.4

The following companies impacted portfolio performance but have not been recently discussed.[21]

Analog Devices ("ADI"), a leading supplier of analog and mixed-signal semiconductors, benefited mostly from strong demand tied to AI infrastructure, industrial automation, and communications equipment. During the quarter, shares rose after ADI reported record quarterly results, including 37% year-over-year revenue growth, expanding margins, and management pointing to record bookings across several end markets. Investors were further encouraged by the company's announced acquisition of Empower Semiconductor (closed in early July) and guidance for continued growth into the second half of the year.

Samsung C&T's shares rose on the back of improving sentiment toward the broader Samsung ecosystem, which was supported by surging demand for AI-related semiconductors and memory products. Investors increasingly focused on the value of Samsung C&T's strategic holdings (namely Samsung Electronics) and exposure to the construction, energy, and life sciences segments. While market volatility emerged late in the quarter following concerns that AI-related capital spending could eventually moderate, the stock still closed the quarter with strong gains.

Nintendo weighed modestly on the portfolio despite continuing operational success. The company entered the period following the highly successful launch and adoption of the Nintendo Switch 2 platform, which drove hardware and software sales. However, the potential for increasing memory prices negatively impacting Nintendo's hardware margins weighed on shares. We continue to view Nintendo as a strong franchise with valuable intellectual property and a long runway for monetization across gaming.

Amsterdam-listed **Prosus** owns a collection of global technology and e-commerce businesses and remains among the largest shareholders of China's Tencent. While the company reported strong results, including accelerating profitability across its e-commerce network and improving cash generation, the share price declined as investors weighed execution risks associated with several large acquisitions and investments.

[20] Reflects the top five contributors and detractors to the Fund's performance based on contribution to return for the trailing twelve months ("TTM"). Contribution is presented gross of investment management fees, transactions costs, and Fund operating expenses, which if included, would reduce the returns presented. Percent of portfolio reflects the average position size over the period. The information provided does not reflect all positions purchased, sold or recommended by FPA during the quarter. A copy of the methodology used and a list of every holding's contribution to the overall Fund's performance during the TTM is available by contacting FPA Client Service 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.

[21] Historical commentaries for the Fund can be accessed on the fpa.com website.

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

FPA Crescent Fund Portfolio Highlights

Performance versus Illustrative Indices (%)[1]

	Q2 2026	Trailing 12-month
FPA Crescent	7.13	14.75
FPA Crescent – Long Equity	11.59	21.46
MSCI ACWI	14.93	23.67
S&P 500	15.20	22.32
60% MSCI ACWI / 40% Bloomberg U.S. Agg	9.15	15.53
60% S&P 500 / 40% Bloomberg U.S. Agg	9.31	14.76

Top 10 Holdings (%)[2]

Portfolio Holding	Portfolio Weight
Alphabet	4.9
Analog Devices	3.4
Citigroup	2.1
Int'l Flavors & Fragrances	2.0
Meta Platforms	2.0
Heineken Holding	1.9
Azelis Group	1.7
Safran	1.7
TE Connectivity	1.6
Amazon	1.6
	22.8

Asset Allocation (%)[3]

Risk Asset	Q2 2026	Q1 2026	Q2 2025	5yr Average
Common Stock, Long	60.8	59.0	59.2	64.9
Common Stock, Short	-0.7	-0.7	-0.3	-0.6
Credit, Long	1.4	2.0	2.8	2.4
Credit, Short	0.0	0.0	0.0	0.0
Other	1.7	1.8	3.9	3.3
Exposure, Net	63.3	62.1	65.5	69.9

Geographic Exposure (% Net Equity)[4]

	Domicile	Revenue
United States	56.6	40.7
International	43.4	59.3
Developed	38.9	30.3
Emerging Markets	4.5	18.6
Rest of World (Uncategorized)	-	10.3

Fund Activity[5]

Bought		Sold		Increased		Decreased	
Name	Percent of Portfolio	Name	Percent of Portfolio	Name	Percent of Portfolio	Name	Percent of Portfolio
Danaher	0.5	Charles Schwab Corporate Bond	0.0	Arthur J Gallagher	1.5	Alphabet	4.9
GE Healthcare Technology	0.3	Dell Technologies	0.0	Bureau Veritas	0.4	Analog Devices	3.4
Intuit	0.4	JDE Peet's	0.0	Fluidra	0.6	ICON	0.5
iShares Russell 2000 Growth (short)	-0.1	Kinder Morgan	0.0			Marriott	0.0
SAP	0.5	Rohto Pharmaceutical	0.0				
		Swire Pacific	0.0				
		Vornado Realty Corporate Bond	0.0				

Trailing Twelve-Month Contributors and Detractors[6]

Top Contributors	Performance Contribution	Percent of Portfolio	Bottom Contributors	Performance Contribution	Percent of Portfolio
Alphabet	4.00	5.3	Charter Communications	-1.08	0.6
Analog Devices	1.80	3.1	Meta Platforms	-0.69	2.5
Echostar (multiple securities)	1.24	0.8	Comcast	-0.45	1.3
Citigroup	1.18	2.0	Nintendo	-0.38	0.5
Samsung C&T	1.10	1.0	Prosus	-0.34	1.4
	9.31	12.2		-2.95	6.4

All data on this page as of June 30, 2026 and is for the FPA Crescent Fund - Institutional Class, unless otherwise indicated.
Source: Factset, Morningstar, Bloomberg, FPA.
Please see footnote references in the following page. Portfolio composition will change due to ongoing management of the Fund. Past performance is no guarantee, nor is it indicative, of future results. Please see the end of this Commentary for important disclosures and definitions.

FPA Crescent Fund Portfolio Highlights Footnotes

[1] Comparison to the indices 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 long equity segment of the Fund is presented gross of investment management fees, transactions costs, and Fund operating expenses, which if included, would reduce the returns presented. Crescent long equity excludes pair trades, short-sales, and preferred securities. The long equity performance information shown herein is for illustrative purposes only and may not reflect the impact of material economic or market factors. No representation is being made that any account, product or strategy will or is likely to achieve profits, losses, or results similar to those shown. Long equity performance does not represent the return an investor in the Fund can or should expect to receive. Fund shareholders may only invest or redeem their shares at net asset value.

[2] List provides the top 10 holdings for the Fund as a percentage of total net assets.

[3] Risk Assets include all investments excluding cash and cash equivalents. Net Risk Exposure is the percentage of portfolio exposed to Risk Assets. “Other” includes derivatives, futures, limited partnerships, and US Treasuries with maturity greater than 1 year.

[4] Geographic exposure based on country of domicile and revenue by geography. Revenue refers to the geographic location of companies’ revenue sources, rather than where they are domiciled, and may provide insight into the portfolio’s geographic diversification. Domicile and revenue composition are shown for the FPA Crescent Fund - Institutional Class’s (“Fund”) net equity positions as of June 30, 2026. Portfolio composition will change due to ongoing management of the Fund. Excludes cash and cash equivalents.

[5] The information provided does not reflect all positions purchased, sold or recommended by FPA during the quarter. The Bought/Sold table excludes positions used for cash management and positions that have not been explicitly identified in the fund’s most recent quarterly portfolio holdings report. It should not be assumed that an investment in the securities listed was or will be profitable. Increases and decreases represent securities whose position size either changed by at least 33% over the period and that represented greater than 0.75% of the portfolio at the beginning of the quarter or approximately greater than 0.25% of average NAV spent on trading. Percent of portfolio reflects the ending position size of the period. The portfolio holdings as of the most recent quarter-end may be obtained at fpa.com.

[6] Reflects the top five contributors and detractors to the Fund’s performance based on contribution to return for the trailing twelve months (“TTM”). Contribution is presented gross of investment management fees, transactions costs, and Fund operating expenses, which if included, would reduce the returns presented. Percent of portfolio reflects the average position size over the period. The information provided does not reflect all positions purchased, sold or recommended by FPA during the quarter. A copy of the methodology used and a list of every holding’s contribution to the overall Fund’s performance during the TTM is available by contacting FPA Client Service 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.

Important Information

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 with respect to 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 presentation does not constitute an investment management agreement or offering circular.

Any views expressed herein and any forward-looking statements are as of the date of the publication, are those of the portfolio management team, 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 have 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. All information and data is as of the date of this commentary unless otherwise disclosed.

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 managers, the 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 fpa.com.

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. 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; these risks may be heightened when investing in emerging markets. 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 may 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.

The return of principal in a bond investment is not guaranteed. Bonds have issuer, interest rate, inflation and credit risks. Interest rate risk is the risk that 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. Lower rated bonds, callable bonds and other types of debt obligations involve greater risks. Mortgage-backed securities and asset-backed securities are subject to prepayment risk and the risk of default on the underlying mortgages or other assets. High yield securities can be volatile and subject to much higher instances of default. Derivatives may increase volatility.

The ratings agencies that provide ratings are Standard and Poor’s, Moody’s, Fitch, DBRS, Kroll, and any other nationally recognized statistical rating organization ("NRSRO"). 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 securities, including those selected by the Fund’s portfolio managers, are subject to the risk that their intrinsic value may never be realized by the market because the market fails to recognize what the portfolio managers consider to be their true business value or because the portfolio managers have misjudged those values. In addition, value style investing may fall out of favor and underperform growth or other styles of investing during given periods.

While transactions in derivatives may reduce certain risks, they entail certain other risks. Derivatives may magnify the Fund’s gains or losses, causing it to make or lose substantially more than it invested. Derivatives have a risk of default by the counterparty to a contract. When used for hedging purposes, increases in the value of the securities the Fund holds or intends to acquire should offset any losses incurred with a derivative.

Investments in private securities and limited partnerships present risks. These investments are not registered under the federal securities laws and are generally eligible for sale only to certain eligible investors. They may be illiquid, and thus more difficult to sell, because there may be relatively few potential purchasers for such investments, and the sale of such investments may also be restricted under securities laws.

Please refer to the Fund's Prospectus for a complete overview of the primary risks associated with the Fund.

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.

Morningstar and 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 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 Fund does not include outperformance of any index in its investment objectives.

60% MSCI ACWI/40% Bloomberg U.S. Aggregate Index is a hypothetical combination of unmanaged indices comprised of 60% MSCI ACWI and 40% Bloomberg U.S. Aggregate Bond Index.

60% S&P 500/40% Bloomberg U.S. Aggregate Index is a hypothetical combination of unmanaged indices comprised of 60% S&P 500 Index and 40% Bloomberg U.S. Aggregate Bond Index.

Bloomberg U.S. Aggregate Bond Index provides a measure of the performance of the US 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 US dollars and must be fixed rate, nonconvertible, and taxable.

MSCI ACWI NR USD Index (MSCI ACWI) is an unmanaged free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. **Net Return (NR)** indicates that withholding taxes are applied to dividend reinvestments. MSCI uses the withholding tax rate applicable to non-resident institutional investors that do not benefit from double taxation treaties.

Standard & Poor's 500 Stock Index (S&P 500) is a capitalization-weighted index which covers industrial, utility, transportation and financial service companies, and represents approximately 75% of the New York Stock Exchange (NYSE) capitalization and 30% of NYSE issues. The S&P 500 is considered a measure of large capitalization stock performance.

Morningstar Global Moderate Allocation portfolios seek to provide both income and capital appreciation by investing in a mix of stocks, bonds, and cash. These portfolios typically have a moderate equity exposure, usually between 50% and 70%, with the remainder allocated to fixed income and cash. The Global component indicates that these funds may invest in a broad range of markets, including developed and emerging markets.

Glossary of Terms

Average Net Risk exposure is calculated as a simple average of the portfolio's Net Risk Exposure as measured at the end of each quarter.

Capital expenditures (CapEx) are the funds companies allocate to acquire, upgrade, and maintain essential physical assets like property, technology, or equipment, crucial for expanding operational capacity and securing long-term economic benefits.

Earnings Per Share (EPS) is calculated as a company's profit divided by the outstanding shares of its common stock.

Earnings Yield is the earnings per share for the most recent 12-month period divided by the current market price per share.

Equity-like returns refer to long-term returns that are comparable to those generated by equity markets.

Forward Price to Earnings is a version of the ratio of price-to-earnings (P/E) that uses forecasted earnings for the P/E calculation.

Trailing Twelve-Month Price to Earnings is based on the last 12 months of actual earnings.

Long Equity Performance represents the performance of stocks that the Fund owned over the given time periods and excludes the long equity portion of a pair trade, short-sales, limited partnerships, derivatives/futures, corporate bonds, mortgage-backed securities, and cash and cash equivalents.

Market Capitalization refers to the total dollar market value of a company's outstanding shares of stock. Commonly referred to as "market cap," it is calculated by multiplying the total number of a company's outstanding shares by the current market price of one share.

Market Cycles, also known as stock market cycles, is a wide term referring to trends or patterns that emerge during different markets or business environments.

Net Equity Exposure includes long equity securities minus short-sales and preferred securities.

Net Risk Exposure is defined as the percentage of portfolio exposed to Risk Assets. Risk Assets include all investments excluding cash and cash equivalents.

Price to Earnings Ratio (P/E) is the price of a stock divided by its earnings per share. P/E is using weighted harmonic averaging, which helps avoid extreme results that may occur due to small relative numbers, and excludes Real Estate Investment Trusts (REITS).

Return on Tangible Equity (ROTE) is a financial profitability metric that measures a company's earnings as a percentage of its tangible shareholders' equity.

Risk Assets generally refers to assets that have a significant degree of price volatility, such as equities, commodities, high-yield bonds, real estate and currencies, but does not include cash and cash equivalents.

Standard Deviation is a measure of dispersion of returns relative to its mean and is calculated as the square root of the variance. Higher deviation represents higher volatility.

Tangible Book Value is a company's total book value minus its intangible assets like goodwill and patents. It provides a more conservative estimate of a company's net worth by excluding non-physical assets that may have little to no liquidation value.

Volatility is a statistical measure of the dispersion of returns for a given security or market index. In most cases, the higher the volatility, the riskier the security. Volatility is often measured as either the standard deviation or variance between returns from that same security or market index.

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