FPA FUNDS

ETF Investing and Best Practices

Exchange-traded funds ("ETFs") are one of the most popular and efficient products available to individual investors. ETFs offer many benefits and, if used appropriately, can be a helpful tool in achieving investment goals.

Here are 5 basic facts about ETFs:

1. An ETF is generally a basket of securities that may track an index or a particular active investment strategy, but are purchased and sold like a common stock on an exchange.

2. Unlike mutual funds that are only traded and priced daily after the market closes, ETF share prices are constantly fluctuating as they are traded during market hours.

3. ETFs typically offer more transparency than other pooled investment vehicles and may be available commission free through your broker.

4. Equity oriented ETFs may offer better tax efficiency than the same strategy pursued in a mutual fund. Capital gains distributions may be limited during ownership, but like a mutual fund, may be incurred when the ETF is sold.

5. Similar to mutual funds, ETFs can be used as an efficient risk management tool, providing diversification by investing in securities across industries, sectors, geographic regions, and other categories.

For more information on this topic, please see the following article from the CBOE:
https:/ www.cboe.com/insights/posts/five-best-practices-for-trading-etfs/

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Best Practices for Trading ETFs

Like any investment, it is important to be familiar with when and how orders can be placed to seek the best execution.

Here are a few tips to help you navigate the ETF space. This list is not meant to be exhaustive:

Utilize the block trading desk at your custodian when placing large orders (for example, one creation unit or more (>$625,000)), if available.

> If you do not know the contact information of your block trading desk or would like assistance placing a trade in FPA's ETFs, please contact etftrading@virtu.com or 646-682-6480.

Trade all at once (especially if the trade is greater than one creation unit), rather than splitting up your trade into multiple trades throughout the day. The more information a market maker has, generally the tighter the quote will be.

> If you have offsetting trades, group them together if possible.

Use limit, rather than market orders, especially during times of market volatility.

Avoid trading during the first and last ~20 minutes of trading. ETFs generally have wider bid/ask spreads during this time.

> Also, for global or international ETFs, consider trading when the greatest number of markets are open (i.e., before the European markets close).

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IMPORTANT INFORMATION

Carefully consider an ETF fund's investment objectives, risk factors, and charges and expenses before investing. This and other information can be found in an ETF fund's prospectuses or, if available, the summary prospectuses. Read the prospectus carefully before investing. Investing involves risk, including possible loss of principal.

There can be no assurance that an active trading market for shares of an ETF will develop or be maintained. Shares of ETFs may be bought and sold throughout the day on the exchange through any brokerage account. Shares are not individually redeemable from the ETF; however, shares may be redeemed directly from an ETF by Authorized Participants, in very large creation/redemption units. Transactions in shares of ETFs may result in brokerage commissions and will generate tax consequences. All regulated investment companies are obliged to distribute portfolio gains to shareholders. Diversification and asset allocation may not protect against market risk or loss of principal.

The trading strategies discussed are strictly for illustrative and educational purposes and are not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment strategy. There is no guarantee that any strategies discussed will be effective. The information presented does not take into consideration commissions, tax implications, or other transactions costs, which may significantly affect the economic consequences of a given strategy or investment decision.

This document contains general information only and does not take into account an individual's financial circumstances. This information should not be relied upon as a primary basis for an investment decision. Rather, an assessment should be made as to whether the information is appropriate in individual circumstances and consideration should be given to talking to a financial advisor before making an investment decision.

For more information, visit https://fpag.fpa.com/ for the FPA Global Equity ETF or https://fpas.fpa.com/ for the FPA Short Duration Government ETF.

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