

## FPA Crescent: Same Fund, New Morningstar Category

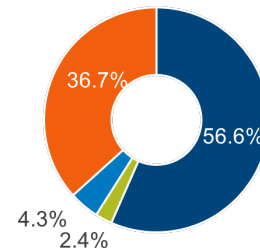
Morningstar recently recategorized FPA Crescent (“Crescent” or “the Fund”) to its new “Global Moderate Allocation” category from its domestic “Morningstar Moderately Aggressive Allocation” category in recognition of its global profile. Funds in this category typically have volatility similar to a strategic equity exposure between 50% and 70% and generally have no more than 75% of their assets in U.S. securities.

The Fund has pursued the same mandate and investment strategy for 30+ years and has been managed by the same team for 15+ years. Despite not changing how we manage Crescent, Morningstar has recategorized Crescent twice in the last few years. Yet, Crescent’s mandate has remained consistent since its 1993 inception: to seek to deliver equity-like returns over the long term, while taking less risk than the market and avoiding permanent capital impairment. The Fund’s portfolio composition, however, periodically changes based on opportunities in the market and the investment team’s evolving skill set, as reflected below

We deploy capital to different investment “categories” in response to market prices and welcome the volatility that allows us to be opportunistic since we view “risk” as permanent impairment of capital rather than the change in day to day prices. Some of Crescent’s more significantly weighted exposures have been:<sup>1</sup>

### FPA Crescent Profile as of March 31, 2025

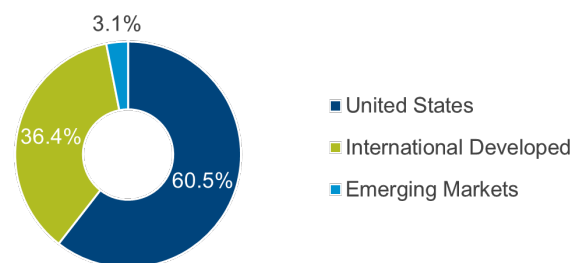
#### Portfolio Structure



Asset Class	% of Fund	Historical Range
Common Stock (Net)	56.6%	27-74%
Bonds - Credit	2.4%	1-34%
Other	4.3%	0-5%
Cash & Equivalents	36.7%	5-58%

Source: FPA. Other includes Options, Warrants, and U.S. Treasuries with maturity greater than 1 year. Historical range covers the period March 31, 1996 through March 31, 2025. Data prior to March 31, 1996 is not available.

#### Geographic Allocation



Source: FPA. Net equity only. Excludes cash and cash equivalents. Data is for the Institutional Class shares. For more information about the Fund’s geographic allocations, please see the Historical Asset Allocation report on the Fund’s website. The Q1 2025 report can be accessed [here](#).

<sup>1</sup> Source: FPA. For more detail, please see the Fund’s Historical Asset Allocation report on FPA’s website at: [https://fpa.com/docs/default-source/funds/fpa-crescent-fund/literature/fpa-crescent-fund-historical-asset-allocation-2025-03.pdf?sfvrsn=72f89e9d\\_1](https://fpa.com/docs/default-source/funds/fpa-crescent-fund/literature/fpa-crescent-fund-historical-asset-allocation-2025-03.pdf?sfvrsn=72f89e9d_1)

- 1990s and early 2000s: Low valuations in small- and mid-cap US value stocks dictated significant exposure.
- Pre-2008: Sizeable cash position due to inability to find attractive risk/rewards against a backdrop of heavily levered financial companies.

2008/09: Deployed capital into very high-yielding distressed public debt post the Great Financial Crisis.

- Early 2010s: Started shifting the portfolio composition to include more higher-quality international stocks.
- 2020: Scaled up exposure to risk assets amid COVID.
- 2024/25: Due to reduced opportunity, we have again let cash build while increasing exposure to internationally domiciled businesses.

We believe that our willingness to avoid what is popular and invest in what offers good value – independent of Wall Street labels - gives us good odds of continuing to meet the Fund’s mandate. We believe that our discipline in investing in what offers good value rather than what is popular has helped drive returns, and we will plan to execute similarly in the future so that we may continue to seek to deliver on the Fund’s mandate.

Over the past 10 years, Crescent has in fact exhibited similar volatility (standard deviation) as other Global Moderate Allocation funds and less volatility than the market (MSCI ACWI). (See chart below for detail).

A few observations regarding our new category:

- Crescent does not target a specific volatility profile. The Fund may be less (or more) volatile in the next few years, depending on our ability to find compelling risk/reward investment opportunities.
- While the Fund has had less than 75% of its assets in US securities, attractive opportunities could lead to greater U.S. exposure in the future. Whatever the geographic breakdown, it will be a function of the best risk/reward opportunities we find.

We aim to continue to perform well over our preferred measurement periods: full-market cycles and rolling five-year periods. If we can continue to do well, we believe we should compare favorably against our peers, no matter what Morningstar category we are in the future.

### FPA Crescent Fund: Volatility and Max Drawdown

	3-Year Standard Deviation	5-Year Standard Deviation	10-Year Standard Deviation	Max Drawdown Jan 1, 2022 to April 30, 2025
<b>FPA Crescent Fund</b>	11.51	12.09	12.33	-16.25
<b>US Fund Global Moderate Allocation</b>	11.85	11.32	10.75	-19.30
<b>MSCI ACWI Index</b>	15.46	15.25	14.82	-25.63

Source: Morningstar. As of April 30, 2024, and reflects the Institutional Class shares. Indices and peer groups shown are for illustrative purposes. Max Drawdown is the largest peak-to-trough decline quoted as a percentage during a specific recorded period of an investment. Please see **Important Disclosures** for index, peer group and other definitions. **Past results are no guarantee, or are they indicative, of future results.**

## Important Disclosures

This document 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 FPA Crescent Fund's ("Fund") Prospectus, which supersedes the information contained herein in its entirety. These materials are not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use is contrary to local law or regulation. You should not construe the contents of this document as legal, tax, investment or other advice or recommendations.

Certain information contained herein may reflect the opinions of the Fund portfolio manager(s) as of the date provided, 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. The views are those of the portfolio manager(s) acting in their individual capacity and not as a representative of the firm. 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.

**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](http://fpa.com), by calling toll-free, 1-800-982-4372, or by contacting the Fund in writing.**

**Past performance is no guarantee, nor is it indicative, of future results. Current performance may be higher or lower than the performance shown. The data herein 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](http://fpa.com), or by calling toll-free, 1-800-982-4372.**

**As of the most recent prospectus, the Fund's total expense ratio is 1.06%, 1.27%, and 1.02% for the Institutional Class, Investor Class, and Supra Institutional shares, respectively, the net expense ratio is 1.06%, 1.16%, and 1.00% (including short sale dividend and interest expenses), and the Adjusted Expense Ratio is 1.05%, 1.15%, and 0.99%, respectively (excludes short sale dividend and interest expenses of 0.01%).** 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 Institutional Class and Supra Institutional Class shares of the Fund, and in excess of 0.15% of the average net assets of the Investor Class shares 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 April 30, 2026. 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 Institutional Class, Investor Class and Supra Institutional Class shares of the Fund through April 30, 2026. These agreements may only be terminated earlier by the Fund's Board of Trustees 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 Institutional and Investor Class shares) and 0.01% (for Supra Institutional Class shares). For additional information about the administrative service fee, please see the section in the Prospectus titled "Management of the Fund."

There can be no assurance that the Fund or any other account managed by the investment manager will achieve its investment objectives and there is no guarantee against loss resulting from investment. Investment in the markets carries risk of loss of capital. Investors should review the terms of the Fund's Prospectus and Statement of Additional Information with due care and appropriate professional advice.

Portfolio composition will change due to ongoing management of the Fund. References to individual securities or sectors is for informational purposes only and should not be construed as a recommendation by the Fund, the Adviser, the portfolio managers or the distributor, to purchase or sell such securities or invest in such sectors, and any information provided is not a sufficient basis upon which to make an investment decision. It should not be assumed that future investments will be profitable or will equal the performance of any security or sector examples discussed. The portfolio holdings as of the most recent quarter-end may be obtained at [fpa.com](http://fpa.com).

The statements made herein may be forward-looking and/or based on current expectations, projections, and/or information currently available. Actual results may differ from those anticipated. FPA or any of its employees cannot assure future results and disclaims any obligation to update or alter any statistical data and/or references thereto, as well as 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.

The information provided does not constitute, and should not be construed as, a recommendation, financial promotions, investment advice, encouragement or an offer or solicitation with respect to any securities, products or services discussed. 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 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.

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; this may be enhanced when investing in emerging markets. Foreign investments, especially those of 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. The securities of smaller, less well-known companies can be more volatile than those of larger companies. 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 return of principal in fixed income securities (such as bonds), or in a fixed income fund, is not guaranteed. Fixed income or balanced funds have the same issuer, interest rate, inflation and credit risks that are associated with underlying bonds owned by the fund. Lower rated bonds, convertible securities and other types of debt obligations involve greater risks than higher rated bonds. High yield securities, senior loans, private placements, or restricted securities may carry liquidity risks. The Fund may experience increased costs, losses and delays in liquidating underlying securities should the seller of a repurchase agreement declare bankruptcy or default.

Interest rate risk is 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.

Mortgage-related and other asset-backed securities represent interests in "pools" of mortgages or other assets such as consumer loans or receivables held in trust and often involve risks that are different from or possibly more acute than risks associated with other types of debt instruments. Mortgage-related and asset-backed securities are subject to prepayment risk and can be highly sensitive to changes in interest rates. Mortgage-backed and asset-backed securities, and in particular those not backed by a government guarantee, are subject to credit risk/risk of default on the underlying mortgages or other assets. Asset-backed are also subject to additional risks associated with the nature of the assets and the servicing of those assets.

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.

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 Distribution Services, LLC, Three Canal Plaza, Suite 100, Portland, ME 04101. Distribution Services, LLC and FPA are not affiliated.*

#### Index and Other Definitions

Index returns are provided for comparison purposes only. Indices are unmanaged and index returns do not reflect transaction costs (e.g., commissions), investment management fees or other fees and expenses that would reduce performance for an investor. The Fund may hold underlying securities that are not included in any index used for comparative purposes and FPA makes no representation that the Fund is comparable to any such index in composition or element of risk involved. No representation is made as to the risk profile of any index relative to the risk profile of the Fund. The Fund does not include outperformance of any index in its investment objectives. It is not possible to invest directly in an index.

**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 withholding tax rates applicable to Luxembourg holding companies.

**Morningstar US Fund Moderate Allocation Category** portfolios seek to provide both capital appreciation and income by investing in three major areas: stocks, bonds, and cash. These portfolios tend to hold larger positions in stocks than conservative-allocation portfolios. These portfolios typically have 50% to 70% of assets in equities and the remainder in fixed income and cash. As of April 30, 2025, there were 461 funds in this category.

**Morningstar Global Moderate Allocation Category** 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. As of April 30, 2025, there were 120 funds in this category.

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