

December 2013



FPA Global Value Strategy

FPRAX

*Fourth Quarter 2013
Webcast Presentation*

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Key fund attributes

- **Absolute value** – Seek genuine bargains.
- **Broad universe and benchmark agnostic** – Invest across market caps*, sectors, geographies.
- **Bottom-up** – Select and value companies based on fundamentals. Look for high quality.
- **Downside focused** – Avoid low quality and high leverage. Buy at a significant discount to fair value.
- **Research-based** – Portfolio is output of research. Discounts dictate portfolio weightings.
- **Concentrated** – Focus on best ideas - typically 25-50 holdings.
- **Long-term, often contrarian approach** – Five-year expected average holding period.

*The Fund will invest in companies with a minimum \$2B market capitalization at purchase.

Paramount update

Portfolio management actions

- Completed review of existing holdings.
- Resulting activity:
 - Sales: Seventeen companies not trading at large enough discounts.
 - Purchases: New positions established in 10 U.S. and 10 international companies.

Tax considerations

- Dividend distribution paid (12/19/13) for 2013 year-end capital gains.
- Additional distribution paid (01/09/14) for 2014 capital gains.
- Expect no further exceptional distributions from large realized capital gains.

Performance (%)

| As of Date: 12/31/13 | QTD | 1 Year | 2012 | 3 Years* | 5 Years* | 10 Years* |
|----------------------|------|--------|-------|----------|----------|-----------|
| FPA Paramount | 5.32 | 27.75 | 15.97 | 12.58 | 20.79 | 8.77 |
| MSCI ACWI | 7.31 | 22.80 | 16.13 | 9.73 | 14.92 | 7.17 |
| Russell 2500 | 8.66 | 36.80 | 17.88 | 16.28 | 21.77 | 9.81 |

- Cash balance above expected LT average during transition period.
- Markets continue to rally at an accelerating pace. Not supported by long-term cash flow prospects.
- Focus on: Staying true to selection criteria and value discipline.
- Sustained run-up in prices could hurt short-term performance. Focus on performance over longer periods.

*Annualized.

Calculated using Morningstar Direct

A redemption fee of 2% will be imposed on redemptions within 90 days.
Expense Ratio as of most recent prospectus: 0.94%

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 may be obtained via <http://www.fpafunds.com/paramount> or by calling toll-free, 1-800-982-4372.

Note: The MSCI ACWI Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 44 country indices comprising 23 developed and 21 emerging market country indices. The Russell 2500 Index consists of the 2,500 smallest companies in the Russell 3000 total capitalization universe. One cannot invest directly in an index.

Portfolio metrics

| As of Date: 12/31/13 | FPA Paramount Fund | MSCI ACWI |
|------------------------------------|--------------------|-----------|
| 12-Month Trailing P/E ¹ | 16.7x | 18.1x |
| 12-Month Forward P/E ¹ | 15.8x | 14.7x |
| Price/Book ¹ | 2.8x | 2.1x |
| Return on Equity | 21.6% | 15.7% |
| Debt to Equity | 0.5x | 0.9x |
| Median Market Cap (\$ billion) | \$16.5 | \$8.8 |

- 16.7x P/E: High-quality companies that trade at attractive valuations.
 - Financials, Materials, Energy drive index P/E down significantly. We believe our names are cheaper.
 - We feel our businesses have greater staying power and superior management teams.
- 21.6% ROE: Strong fundamentals drive industry-leading margins, high cash flows, and attractive returns. Good managers allocate capital in value-creative manner.
- 0.5x Debt to Equity: Financially robust companies positioned to gain strength through difficult times.

Source: Mellon

¹ 12-Month Trailing and Forward P/E are calculated using harmonic averaging, which helps avoid extreme results that may occur due to small relative numbers.

Price/Book ratio is the market price of a stock divided by the book value per share. Return on Equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested. Debt to Equity is the measure of a company's financial leverage calculated by dividing its total debt by stockholders' equity.

Key performers

Performance (%)

9/30/13 Through 12/31/13

Total Return

BEST PERFORMERS

| | |
|--------------------|--------|
| CVS Caremark | 26.51% |
| Zebra Technologies | 18.70% |
| SAP AG | 16.48% |
| Oracle Corp | 15.71% |
| Publicis Groupe | 15.23% |

WORST PERFORMERS

| | |
|------------------|--------|
| Laboratory Corp | -7.84% |
| Pernod Ricard | -7.17% |
| SKF AB | -5.72% |
| Maxim Integrated | -5.58% |
| Cisco Systems | -3.55% |

Note: Individual security performance based on total return during measurement period.

■ Positive performer **Zebra**:

- U.S.-based. Designs and manufactures thermal printers to produce bar code and other identification systems.
- Leading market share. Attractive profitability. Strong cash flow. Debt-free balance sheet. Returning capital to shareholders.

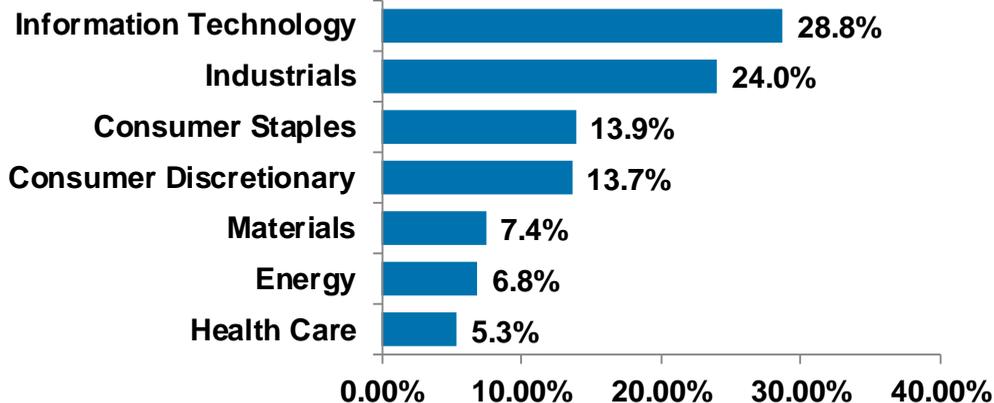
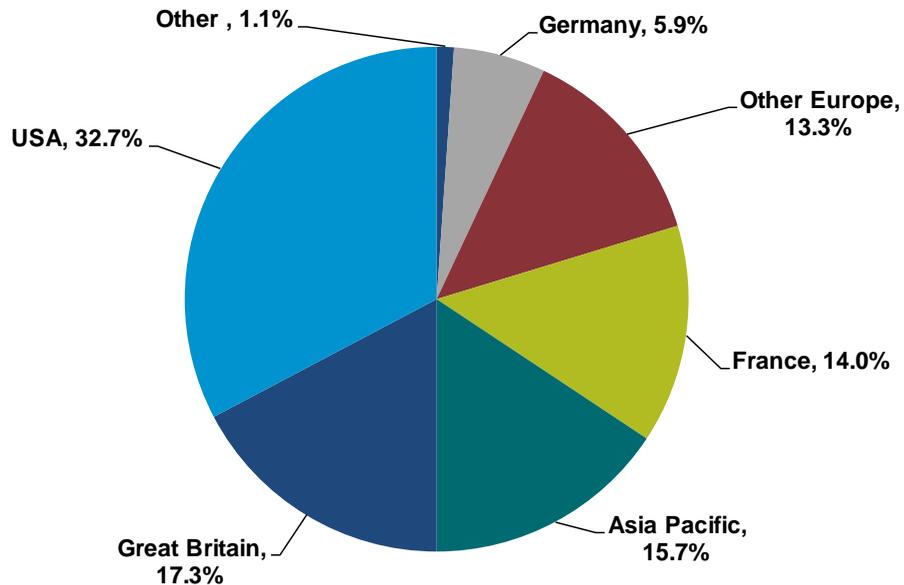
■ Negative performer **Maxim**:

- U.S.-based. Designs and manufactures high performance analog semiconductors.
- Weakness in consumer business. Inventory reduction at largest customer.
- Attractive market position and profitability. Strong cash flow. No net debt. 3.5% dividend yield and meaningful share repurchases.

As of December, 2013, CVS represented 1.59%, Zebra represented 1.71%, SAP represented 4.93%, Oracle represented 2.55%, Publicis Groupe represented 1.72%, Laboratory Corp represented 2.59%, SKF represented 1.59%, Maxim represented 1.54%, Pernod Ricard represented 1.62%, and Incitec Pivot represented 6.23% of FPA Paramount Fund. Portfolio composition will change due to ongoing management of the funds. References to individual securities are for informational purposes only and should not be construed as recommendations by the Fund's Advisor or Distributor.

Portfolio as of December 31, 2013

Geographic Allocation:



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Overview:

- 83% invested. Under normal circumstances, the Fund will not hold more than 10% in cash.
- 29 disclosed positions. Top 10 account for about 46% of total assets.
- \$53bn weighted average market cap (approx. \$2bn to \$300bn).

Geographic Analysis:

- Geography agnostic.
- Mostly U.S. and Northern Europe.
- No exposure to Japan.

Sector Analysis:

- Sector agnostic. No exposure to banks.
- Technology exposure reflects strength of business models. Not a call on technology developments.
- Favor proven robust industrial companies and asset-light business models.

Case study: WABCO Holdings Inc.

- Best-in-class manufacturer of safety and efficiency components for heavy-duty trucks and buses.



- Attractive worldwide oligopoly. WABCO leads the market and faces only one major competitor (private).

- Technology leader who typically introduces industry innovation.

- Cyclical with growth characteristics.

- Technology adoption driven by government regulations and productivity requirements.
- Market share gains demonstrated by growing 8%/year faster than industry prior five years.

- Low to mid-teens margins. Returns on capital employed average 20% over a business cycle.



- Management has strong operational track record. New product introductions drive growth and profitability. Annual productivity gains reinvested in business. Capital allocated prudently with excess returned to shareholders.

- Balance sheet is net cash positive. Typically 80-90% of net income gets converted into free cash flow.

- At time of purchase traded at 12x earnings and less than 10x EBIT.

- Returned in excess of 41% (in USD) in 2013. Remain interested in the stock consistent with valuation discipline.

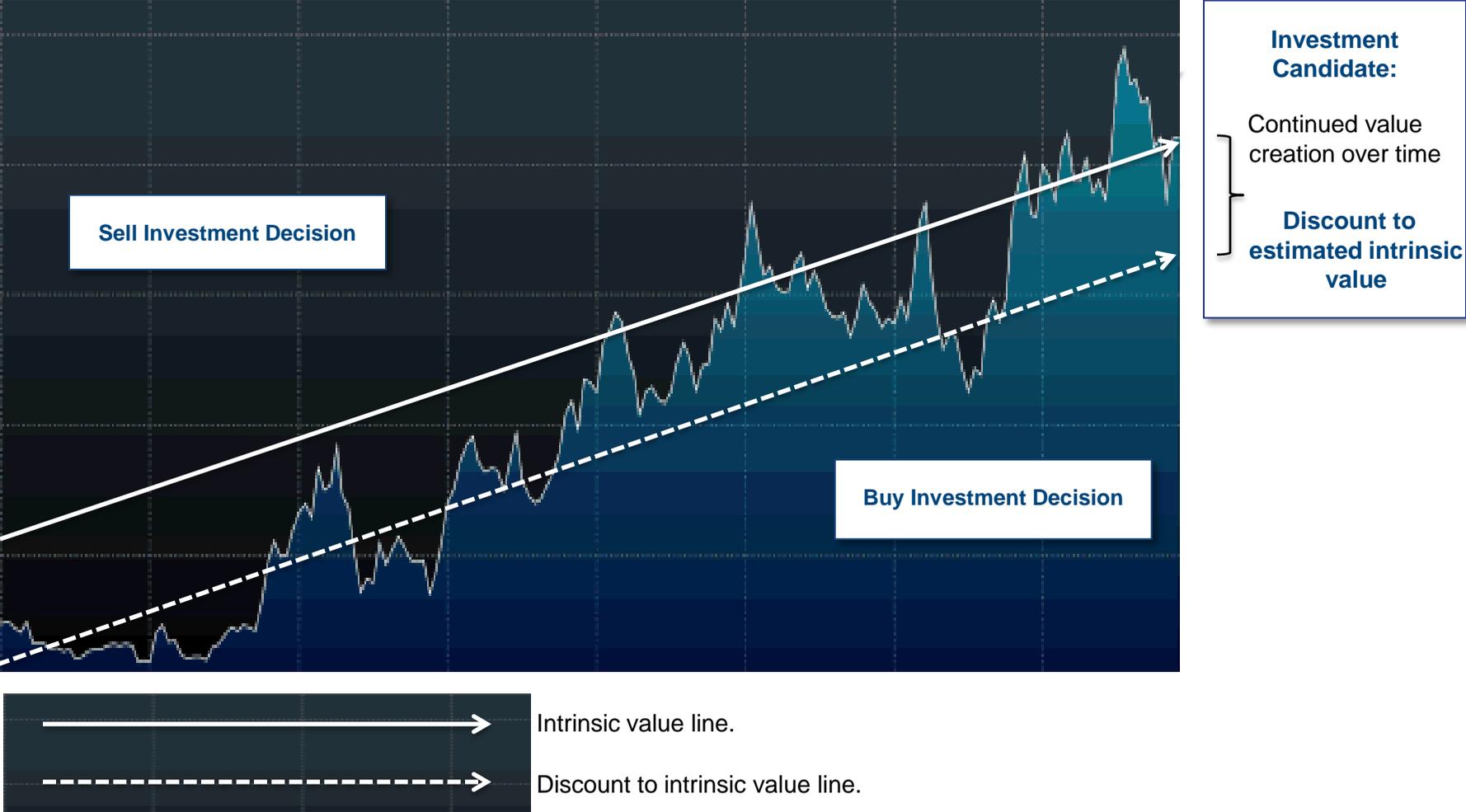
EBIT (Earnings Before Interest & Tax) is an indicator of a company's profitability, calculated as revenue minus expenses, excluding tax and interest.

Past performance is not indicative of future results.

As of December 31, 2013, Wabco represented 1.07% of FPA Paramount Fund.

Investment credo

We are long-term value investors with a focus on global equities. We look for well-run, financially strong, high-quality businesses that can be purchased at a significant discount to their intrinsic values.



*Chart is a hypothetical example to show our Investment Philosophy and is not an actual holding in the fund.



Question & Answer



Disclosure

These slides are intended as supplemental material to the 4th Quarter 2013 FPA Paramount audio presentation that is posted on our website fpafunds.com.

We do want to make sure you understand that the views expressed on these slides and in the accompanying audio presentation are as of today, February 4, 2013, and are subject to change based on market and other conditions. 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. Any mention of individual securities or sectors should not be construed as a recommendation to purchase or sell such securities, and any information provided is not a sufficient basis upon which to make an investment decision. The information provided does not constitute, and should not be construed as, an offer or solicitation with respect to any securities, products or services discussed.

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The Prospectus details the Fund's objective and policies, charges, and other matters of interest to the prospective investor. Please read this Prospectus carefully before investing. The Prospectus may be obtained by visiting the website at www.fpafunds.com, by email at crm@fpafunds.com, toll-free by calling 1-800-982-4372 or by contacting the Fund in writing.

Investments in mutual funds carry risks and investors may lose principal value. Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. The Fund may purchase foreign securities which are subject to interest rate, currency exchange rate, economic and political risks. Small and mid cap stocks involve greater risks and they can fluctuate in price more than larger company stocks. Groups of stocks, such as value and growth, go in and out of favor which may cause certain funds to underperform other equity funds. A non-diversified fund may hold fewer securities than a diversified fund because it is permitted to invest a greater percentage of its assets in a smaller number of securities. Holding fewer securities increases the risk that the value of the fund could go down because of the poor performance of a single investment. Please consult your tax advisor regarding higher capital gains distributions due to a change in portfolio strategy.

In connection with the leadership change, it is expected that current holdings in the Fund will be sized down or sold over time, in order to redeploy capital into investment opportunities the Portfolio Managers find most compelling. Some of these changes could occur over a short period of time and may likely result in the Fund paying significantly higher taxable distributions of capital gains than in prior years.

Performance returns for the MSCI ACWI assume dividends were reinvested for the entire period. Returns for periods greater than one year are compounded average annual rates of return. One cannot invest directly in an index.

Statistics have been obtained from sources believed to be reliable, but the accuracy and completeness cannot be guaranteed.

The FPA Funds are distributed by UMB Distribution Services, LLC

The portfolio holdings as the most recent quarter end may be obtained at <http://www.fpafunds.com/docs/funf-holdings/paramount-13-12.pdf?sfvrsn=2>.