



## Phaeacian Partners

*To Strive, To Seek, To Find*

## The key to pronouncing our name

### Phaeacian (FĪ' ā shen)

Maybe because of decades spent analyzing complex business situations, we like to think carefully through things. As highly selective stock pickers, we also prefer meaning over good looks and ease-of-use. It is no surprise then that our firm's name has some complexity to it, both in its meaning and in its pronunciation. We appreciate a name that is unfamiliar. As contrarian thinkers, we know that uncomfortable situations can provide the best opportunities. Like our firm and its approach to investing, our name is not like anything customary in the industry. And as global investors we have to be able to deal with pronunciation challenges. In the end, we like that outsiders may be surprised by our name and that it may trigger their curiosity. This curiosity for all things is at the heart of our corporate culture and investment approach. We like the idea that some may need to pause to say our name, think about it and ask about it.

## The tale of our name

According to the *Odyssey*, Homer's epic poem about the journey of Odysseus, the Phaeacians were a mythical people of ancient Greece. While the poem is unclear about their origins, Homer chronicles that they inhabited a mysterious and remote island called Scheria. In that secluded setting, the Phaeacians developed a society governed by a small group that wisely avoided the follies of the Trojan War. As they stayed clear of the madness of their time, the Phaeacians were able to dedicate themselves to seafaring, and perfect their understanding and command of this art.

They were particularly famous for their remarkable ships and unique navigating skills. According to Homer, the vessels the Phaeacians built could be powered and steered by thought alone. They could travel under any conditions as they were able to avoid dangerous storms, and were said to be unsinkable. The *Odyssey* also described the Phaeacians as having knowledge of all countries and cities around the world, so that anyone who would trust their ships could be safely carried to their desired destination.

*"Your country, tell me what it's called, your people and your city; then let our ships design their course, and bring you safely homeward. Phaeacian ships (...) know all countries of the world, their cities, and their meadows. They travel swiftly like the wind that blows [over] seas and oceans; avoiding storms and cloudy skies, so they are not in danger of sailing off their course to flounder, sink, and slowly vanish."*

Toward the later part of the poem, after finding his ardent desire to return home thwarted by seemingly endless challenges, Odysseus reaches the shore of Scheria and meets the Phaeacians. They offer to make him a ship that will take him back at last to his native Ithaca. It is in Scheria, while awaiting for his vessel to be built, that Odysseus tells the story of his extraordinary wanderings for the first time, making the Phaeacians the privileged recipients of all the experience and wisdom he had accumulated throughout his epic journey.

## How does that relate to investing

As long-term fundamental value investors, we rely on decades of information gathering, extensive travelling around the world, and experience of critical thinking about businesses to find investments that can generate strong returns while minimizing the risk of permanent losses.



**Like the Phaeacians, we provide our acquired knowledge, as well as our ships and navigation skills to anyone seeking our help to travel through the tumultuous global investment waters.**

As an organization, we assembled a group of talented individuals, trained to one investment philosophy and process. We created a small community of best-in-class professionals who are free to ignore macro-economic or political noise, and the madness of capital market crowds to focus on fundamental research and finding great companies that they can own at attractive prices.

**Like the Phaeacians, we gave ourselves the framework and resources we believe we need to limit outside distractions, focus on execution, and work together effectively to pursue superior results.**

Phaeacians have also been known for their hedonism, the pursuit of pleasure or happiness.

**In the end, we believe our business and investment approach is the recipe for success, and like the Phaeacians, we derive a sense of pride and deep satisfaction from being able to operate by these rules, focus on our craft, and ultimately bring comfort to those who place their confidence in us.**

### **Risk considerations:**

Investments, including investments in mutual funds, 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. 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 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. The Fund may 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. 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. The portfolio holdings as of the most recent quarter-end may be obtained at [www.fpa.com](http://www.fpa.com). Please refer to the Fund's Prospectus for a complete overview of the primary risks associated with the Fund. Portfolio composition will change due to ongoing management of the Fund. References to individual securities are for informational purposes only and should not be construed as recommendations by the Fund, the portfolio manager, the Adviser, or the distributor. It should not be assumed that future investments will be profitable or will equal the performance of the security examples discussed. The portfolio holdings as of the most recent quarter-end may be obtained at [www.phaeacianpartners.com](http://www.phaeacianpartners.com).