The Phaeacian Accent International Value Fund and the Phaeacian Global Value Fund (the “Phaeacian Funds”) were formerly known as the FPA International Value Fund and the FPA Paramount Fund, Inc. (the “Former Funds”), respectively, until their reorganization in October 2020. This commentary was written by the portfolio managers of the Phaeacian Funds while they were the portfolio managers of the Former Funds and employees of the Former Funds’ investment adviser. The Former Funds are no longer available for sale and these commentaries are provided for informational purposes only. The provision of these commentaries does not constitute or imply an endorsement of the Phaeacian Funds by the Former Funds’ investment adviser, and the views and opinions expressed in these commentaries are those of the portfolio managers and do not state or reflect those of the Former Funds’ investment adviser. Past performance is no guarantee, nor is it indicative, of future results. This is not an offer for sale or recommendation of any security, product or services discussed and neither does it provide investment advice.

FPA International Value Fund

Second Quarter 2015 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, sales 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.

Average Annual Total Returns
As of June 30, 2015

	QTR	YTD	1 Year	3 Years**	Since Inception**
FPA International Value Fund	2.92 %	6.68 %	-5.92 %	9.76 %	10.57 %
MSCI ACWI ex US	0.53 %	4.03 %	-5.26 %	9.44 %	8.33 %

**Annualized. Inception of FPA International Value Fund is December 1, 2011.
A redemption fee of 2.00% will be imposed on redemptions of certain shares within 90 days. Expense ratio calculated as of the date of the most recent prospectus is 1.13%.

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 by calling toll-free, 1-800-982-4372.

To view portfolio holdings from the most recent quarter end, please refer to the end of this document or at www.fpafunds.com.

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 Funds, Advisor or Distributor.

The views expressed and any forward-looking statements are as of the date of the publication and are those of the portfolio managers and/or the Advisor. 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. The accuracy and completeness of the information cannot be guaranteed and is not a complete summary or statement of all available data.

The MSCI ACWI ex-USA Index (Net) is a float-adjusted market capitalization index that is designed to measure the combined equity market performance of developed and emerging market countries excluding the United States. These indices do not reflect any commissions or fees which would be incurred by an investor purchasing the stocks they represent. The performance of the Fund and of the Averages is computed on a total return basis which includes reinvestment of all distributions.

Fund Risks

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, 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.

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The FPA Funds are distributed by UMB Distribution Services, LLC, 235 W Galena Avenue, Milwaukee, WI 53212.

Dear fellow shareholders,

During the second quarter of 2015, the Fund returned a positive 2.92% (in U.S. currency), compared to 0.53% for the MSCI All Country World Index's (ex-U.S.) (Net) (the "Index"). Since the beginning of the year, the Fund gained 6.68% (in U.S. currency) versus a gain of 4.03% for the Index. Most importantly, the Fund has appreciated by an annualized 10.57% since inception on December 1, 2011, vs. 8.33% for the Index.

At the end of the quarter, the Fund was 62% invested (down from just under 70% as at March 31, 2015), with the percentage having continued to come down progressively throughout the period. Since inception, the Fund's cash exposure has averaged circa 35%.

So much yet so little

In a lengthy commentary last quarter, we highlighted the extreme prices areas of capital markets had once again reached. We commented on the increasingly irrational behaviors of many participants, and other signs of market excesses. Specifically, we mentioned Europe, following the annnouncement of an aggressive quantitative easing program by the European Central Bank. We also mentioned China, with the astonishing rise of retail trading, fueled by changes in regulations, and expectations of more government stimulus in the face of slowing economic growth. We took advantage of this moment to reiterate our belief in our approach, and the importance of staying true to our discipline, as more dramatic developments, noise, and irrational behaviors would likely ensue. The following three months didn't disappoint.

Throughout the quarter, Europe experienced material volatility, and the Stoxx Europe index[1] ended up in negative territory for the period. These movements were seemingly driven by a revival of the old Greek drama. In a farcical turn of events, the Eurogroup agreed one more time to push the issue out further under the pretense of unrealistic reforms, but only after the country overwelmingly rejected milder budget cuts in a referendum. The possibility of an agreement has caused European markets to bounce back, and return to their March end levels. So, while much of the focus has been on the Greek situation in the past few months, little has effectively changed from our standpoint as bottom-up, long-term, value investors.

On Greece specifically, we are reminded of prior loans extended to the country by British, French, and Russian creditors which ultimately were never repaid, and the subsequent writings in 1854 by French scholar Edmond About: "Greece is the only known example of a still-existing country that's been completely insolvent since its birth".[2] For those with a longer-term perspective, it's hard to imagine the Greek financial situation being news, let alone an encouragement, to deploy capital.

Volatility was even more dramatic in the Chinese market. The Shanghai composite index has come down by more than 30% from its peak in mid-June 2015. This is supposedly a reaction to weakening economic growth, and disappointing individual business performance. As we pointed out last quarter, we would also note the government's recent efforts to bring uneducated retail investors into the market in mass, while at the same time facilitating shorting activity. More interestingly, the sharp fall in prices was followed by the

[1] The STOXX Europe 600 Index is derived from the STOXX Europe Total Market Index (TMI) and is a subset of the STOXX Global 1800 Index. With a fixed number of 600 components, the STOXX Europe 600 Index represents large, mid and small capitalization companies across 18 countries of the European region: Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom.
[2] La Grèce Contemporaine (1854), by Edmond About.

decision to halt trading of up to more than 50% of all listed companies on China's two main exchanges. Major shareholders, corporate executives, and directors were also banned from selling their stakes in listed companies for six months. This type of government intervention is something we started to notice back in May, albeit at a much smaller scale. It was brought to our attention at the time that more and more recently IPO'ed Chinese companies would halt trading shortly after their post-IPO pop.

We salute the Chinese for leading the charge for innovation in governments' ways of trying to control asset prices. It provides for good perspective on the efficiency of capital markets. It also reinforces our belief that returns should be measured over the long run, and based on the value that businesses create over time, rather than the short-term performance of their stocks. How else would one measure returns, if a computer glitch prevented pricing at close, or trading was indeed halted by government fiat? Share prices can not only be erratic, but also simply fabricated. This can be done indirectly, through monetary policies, but also more directly, as evidenced by the Chinese government actions.

As the two compound to distort market prices to unprecedented levels, one can only pause and reflect on where we stand. As Howard Marks commented in The Most Important Thing, "As difficult as it is to know the future, it's really not that hard to understand the present (…) If we are alert and perceptive, we can gauge the behavior of those around us and from that judge what we should do (…) Simply put, we must strive to understand the implications of what's going on around us."

The Chinese market situation also highlights how meaningless relative returns can be, with now close to 5% of the MSCI All Country World (ex-U.S.) Index's potentially fixed to be only either flat or up because of the Chinese government's potential intervention in the market. In fact, we would suggest short-term minded investors should do without portfolio management at this point. Simply put it all in Chinese stocks. By order of the Communist Party of China (CPC), that strategy has officially become synonymous to being cash if the market goes down, and invested only if the market goes up. High returns, low volatility guaranteed[3].

Lastly, we can't help but wonder why all the noise about the Chinese market "collapse". As we mentioned last quarter, Chinese equities were approaching a seven-year high prior to the correction, and the Shanghai composite index is now still up more than 30% year-to-date. The recent "crash" is dramatic for the millions of Chinese who poured their savings in the market (and to be fair for the Japanese funds which sought relief from debt exposure by allocating to Chinese equities). It also needs to be added to the list of dramatic market events that one would expect, under normal circumstances, to cause high profile failures (like the recent sharp drop in oil prices, or surge in the Swiss franc). Yet it makes no difference relative to where we were three months ago from a valuation standpoint. So, once again, while much of the focus has been on Chinese equities, little has changed from our standpoint as investors.

Much has happened this quarter, yet little has changed. Outside China and Europe, most markets continued to hum along, with the Nikkei topping 20,000 for the first time in 15 years. Artificially cheap capital printed by governments around the world continues to fuel irrational behaviors, absurd prices (Central banks don't have a profit and loss objective, in fact the more expensive the better), and to support unproductive - if not value destructive - investments. The environment remains most challenging overall from a value perspective. As we continue to travel and meet companies, we find that both earning expectations - even in situations with high execution risks - and multiples are excessively high. More concerning to us, we find that some of even the more disciplined managers, are starting to give-in, and venture into both economically and strategically absurd M&A. The increasingly insolvable problem of not only how to get a fair return for putting capital at risk, but also where to even park capital, is starting to get

[3] In case this is not clear enough to our readers, this paragraph is intended to be read as French sarcasm, and should not be construed as a guarantee of performance or a recommendation to invest into any securities.

to them. Keeping with our own discipline, we've added no new ideas to the portfolio, and cash has continued to increase throughout the period.

To the point above about a Chinese-only strategy, it's starting to feel like active management has indeed become superfluous. Focusing on long-term economic characteristics of individual businesses, and the quality of the managers in charge of running these businesses and re-investing the cash they generate, appears like a waste of time which can only lead to inaction and increased cash exposure. Owning everything seems like a far more productive and satisfying approach[4]. As contrarian-minded investors however, we'd argue that if it seems that simple and that obvious, it's probably wrong, and most likely not the way to ensure true long-term wealth creation.

As more disciplined investors increasingly refrain from engaging into a return-less market and economy, more unscrupulous and/or less qualified participants are stepping up, willing to borrow excessively at no costs, to allocate capital into speculative investments. Even unwilling agents are being pulled into trading securities at levels they know to be fallacious, as quantitative easing actions are causing market liquidity to tighten (or their very existence comes into question). Doing anything, however absurd, is now better than doing nothing, so that few tied to this action imperative can avoid getting pulled in. As one of our fellow investors put it in a recent Financial Times piece, many investments today are not being made because they increase productivity, they're being made because money is cheap and the profit motive is strong[5]. We can't envision a capital economy in which this produces positive results, and is sustainable over the long run. While we recognize that such state controlled economies can take years to die, we don't think the argument makes for much of an investment thesis. We'll wait.

Key performers

Our worst performing holding in the quarter was **Prada**, which was down (18.88%) (in U.S. currency). The position was added to the portfolio in the third quarter of last year. Based in Italy, Prada is one of the few iconic global luxury fashion brands, with a strong presence in leather goods. Such powerful status and foothold in that attractive category are difficult to replicate, as consumers' perception of luxury is hard to change, and as time reinforces the brand's value proposition. In the long run, Prada should benefit from continued wealth creation and aspirational consumption, and unlike some of its peers, it still has room to increase its store count. More importantly, the scarcity and quality of its products have allowed the group to consistently deliver strong high profit and EBITDA[6] margins, along with strong, stable returns on capital.

In the short-term, Prada's operating performance is negatively impacted by weak spending in luxury goods in Asia, and in China in particular, where the group has significant exposure. This weakness is a function of slower economic growth, anti-gifting policies, and to a degree, recent fluctuations in exchange rates. As a result, Prada's share price is down more than 50% since its 2013 peak (in U.S. currency), vs. the Index up approximately 12%.

We believe Prada's issues are cyclical, rather than structural. We find the resulting share price correction overdone given the global nature, and overall strength of the business, as sales continue to develop positively outside of Asia. With net cash on the balance sheet, we expect the company will easily weather the Chinese downturn, and eventually return to more positive results. With management personally holding 80% of the stock, we suspect they are as eager as we are to see the business prosper, and the

[4] See footnote 3.
[5] Financial Times, "Rates must rise to avert next crisis", July 15, 2015.
[6] **EBITDA** (Earnings before Interest Tax Depreciation and Amortization) is essentially net income with interest, taxes, depreciation, and amortization added back to it.

value of their assets restored. As a result, Prada remains one of the Fund's largest positions despite the continued decline in share price.

Our best performing holding in the quarter was **TNT**, which was up 34.14% (in U.S. currency). The position was added to the portfolio in the second quarter of last year. Based in the Netherlands, TNT is a spin-off from Dutch national postal service provider PostNL. The company's primary focus is the transportation of goods across Europe within a pre-agreed day and/or time. It arguably operates one of the best European road networks, and counts among the few players with an air network in the region, which caused an attempted takeover by UPS to be blocked by the European Commission in 2012.

Given its structure and end-market exposure, TNT had suffered from poor governance and thus, offered significant opportunities for improvements. It had also experienced challenging market conditions, given the weak European economic backdrop. As a result, the stock had been trading at statistically attractive valuations for some time, but we became interested only when PostNL reduced its participation to less than 15%, and management changed. We believed the company's issues were cyclical, rather than structural, and expected the new management to deliver material operating efficiency gains over time, while the solid balance sheet would allow the business to withstand difficult conditions in the short-term.

The unwinding of the discount to intrinsic value happened much faster than we anticipated however, as Fedex agreed to an all-cash offer for the company in April. The transaction is anticipated to close in early 2016.

Portfolio activity and profile

As mentioned earlier in this commentary, there were no new additions to the portfolio, and no complete exit from existing positions this quarter. However, we continuously tried and took advantage of increases in share prices to further reduce our exposure to companies which now trade at unattractive discounts to intrinsic values.

The overall profile of the portfolio remained largely unchanged from the previous quarter as a result. Consistent with our investment philosophy, it remains relatively concentrated with less than 30 holdings, and the top 10 accounting for more than 40% of the Fund's assets. At June 30, 2015, the weighted average discount to intrinsic value[i7] of our holdings was effectively unchanged from the previous quarter as we further reduced exposure to positions with low discounts to intrinsic values.

The portfolio remains reasonably balanced between small and larger market capitalization companies, although we generally find that smaller, more arcane companies tend to offer better discounts in the current environment, in particular when faced with execution challenges, or changing business conditions. We do not consider this to be very meaningful however, as our approach is agnostic to size, as it is to geography or sectors.

The main geographic features of the portfolio are broadly similar to what they were at the end of the first quarter. While we are invested in companies based in emerging markets, both Asia and Latin America, our holdings are primarily European. We also have notable exposure to businesses located in the Pacific Basin. We find that where companies are domiciled is of limited relevance, however. What matters to us

[7] **Estimated intrinsic value** - The actual value of a company or an asset based on an underlying perception of its true value including all aspects of the business, in terms of both tangible and intangible factors. This value may or may not be the same as the current market value and thus if it is less it is at a discount.

is where free cash flow[8] is generated, and therefore business value created, along with the risks associated with this value creation.

We still have no exposure to companies based in Japan, where we find that management teams typically lack the financial discipline we look for, and where we think valuations remain generally unattractive, in particular on the back of continued strong market performance in the past few months.

From a sector standpoint, we still have no exposure to banks. We find that these businesses often don't lend themselves well to research and appraisal, and tend to generate low returns, despite high levels of financial leverage. Furthermore, we've argued that their business model may be structurally impaired by increased regulatory pressure, and severely challenged by the current low rate environment.

Exposure to Industrials remains meaningful, due to our investments in sectors like mining, and Oil & Gas to a lesser degree. Beyond that, the Fund is still relatively diversified, while geared toward businesses that are cash generative and not very capital intensive. These include service type businesses, robust industrials, and consumer goods companies. Our exposure to technology is broadly the same, and simply reflects the strong fundamentals of the underlying businesses, rather than any calls on technological developments or market cycles. In general, we find that technology-driven companies are difficult to value, as we typically struggle to assess the long-term sustainability of their business models.

Long-term prospect

In general terms, our perception of the overall macro framework also remains broadly unchanged. We continue to see positive developments in the U.S., and some signs of life in Europe, although visibility remains limited, in particular in light of the Greek situation, and tensions around the British participation to the European Union. We are concerned with continued increase in financial leverage, in particular sovereign debt, weak financial institutions, most notably in Europe, imbalances in developing countries, specifically in China, the likelihood of tax increases, the threat of rampant inflation or currency disruptions driven by fiscal and monetary policies, and the rise in size, scope, and cost of governments across markets.

We see potential compelling prospects for our investment strategy however, as it appears as though we're heading into more tumultuous times. While challenging, such periods may present us with unique investment opportunities. We also think that our portfolio remains relatively well-positioned to weather the market cycle, and we hold an increasing amount of cash. This should allow us to take advantage of possible future suppressed liquidity, and extreme price dislocations.

Investment credo

As absolute, long-term value investors, our focus is on competitively advantaged businesses, with solid balance sheets and strong cash flow generation profiles, run by management teams that both operate the business well and deploy capital in a value creative manner, whose stocks we can purchase at significant discounts to our estimates of intrinsic value.

As always, we thank you for your confidence and look forward to continue serving your interests as shareholders of the FPA International Value Fund.

[8] **Free cash flow** is a measure of financial performance calculated as operating cash flow minus capital expenditures. Free cash flow (FCF) represents the cash that a company is able to generate after laying out the money required to maintain or expand its asset base.

Respectfully submitted,

The International Value Team

Pierre O. Py
Portfolio Manager

Jason Dempsey Analyst	Victor Liu Analyst

June 30, 2015

FPA International Value Fund

Portfolio Holdings

6/30/15

TICKER	SHARES	SECURITY	MKT PRICE ($)	MKT VALUE ($)	% OF NET ASSET VALUE
ACN	29,100	ACCENTURE PLC CL A*	96.78	2,816,298.00	0.58%
ADS GR	126,500	ADIDAS AG*	76.53	9,681,604.54	1.98%
AGK LN	660,886	AGGREKO PLC*	22.61	14,942,821.49	3.06%
ALQ.AU	5,247,139	ALS LIMITED*	4.51	23,683,321.21	4.85%
ATEA NO	320,014	ATEA ASA*	8.93	2,857,103.87	0.58%
BXB AU	553,158	BRAMBLES LTD*	8.18	4,523,964.97	0.93%
CDI FP	5,843	CHRISTIAN DIOR SA*	195.21	1,140,612.97	0.23%
CWD LN	1,634,267	COUNTRYWIDE PLC*	8.92	14,585,341.75	2.98%
BN FP	137,361	DANONE SA*	64.65	8,880,406.06	1.82%
DGE LN	292,879	DIAGEO PLC*	28.93	8,472,026.08	1.73%
FENR LN	8,975,347	FENNER PLC*	3.26	29,227,458.31	5.98%
FUR NA	883,403	FUGRO NV*	21.92	19,362,376.26	3.96%
GFS LN	1,920,827	G4S*	4.22	8,106,614.52	1.66%
GUD AU	542,176	G.U.D. HOLDINGS LTD*	6.82	3,697,913.30	0.76%
HYPE3 BZ	1,161,700	HYPERMARCAS SA*	7.28	8,455,588.76	1.73%
IPL AU	822,771	INCITEC PIVOT*	2.97	2,444,015.05	0.50%
KSB3 GR	38,416	KSB AG VORZUG*	466.17	17,908,553.79	3.66%
LSL LN	4,159,199	LSL PROPERTY SERVICES PLC*	6.13	25,487,049.92	5.22%
MPI LN	1,023,035	MICHAEL PAGE INTERNATIONAL*	8.56	8,760,567.83	1.79%
ORCL	166,100	ORACLE CORP	40.30	6,693,830.00	1.37%
		OTHER		9,315,940.64	1.91%
1913 HK	2,482,600	PRADA SPA*	4.81	11,946,124.32	2.44%
PUB FP	13,060	PUBLICIS GROUPE*	73.94	965,614.92	0.20%
SAP GR	133,794	SAP AG*	69.79	9,337,427.51	1.91%
SW FP	37,258	SODEXO*	94.96	3,538,127.23	0.72%
SUN SW	154,100	SULZER AG*	102.84	15,847,601.48	3.24%
TSM	110,700	TAIWAN SEMICONDUCTOR MFG LTD SPD ADR*	22.71	2,513,997.00	0.51%
TNTE NA	2,917,574	TNT EXPRESS NV*	8.48	24,749,460.49	5.06%
VSVS LN	165,614	VESUVIUS PLC*	6.68	1,105,939.17	0.24%
		TOTAL EQUITIES:		**301,047,701.44**	**61.60%**
		TOTAL DERIVATIVES/FUTURES		**145,735.92**	**0.03%**
		TOTAL MARKET VALUE:		**301,193,437.36**	**61.63%**
		CASH & EQUIVALENTS (NET OF LIABILITIES):		**187,514,640.36**	**38.37%**
		TOTAL NET ASSETS:		**$ 488,708,077.72**	**100.00%**
		NO. OF EQUITY POSTIONS:		**28**	

* Indicates Foreign Security

TICKER	SHARES	SECURITY	MKT PRICE ($)	MKT VALUE ($)	% OF NET ASSET VALUE

Portfolio Holding Submission Disclosure

Except for certain publicly available information incorporated herein, the information contained in these materials is our confidential and proprietary information and is being submitted to you for your confidential use with the express understanding that, without our prior written permission, you will not release these materials or discuss the information contained herein or make reproductions of or use these materials for any purpose other than evaluating a potential advisory relationship with First Pacific Advisors.

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