



Dear Fellow Shareholders,

Below is our quarterly commentary for the fourth quarter of 2020. In this document, we seek to update you on the Global Value Fund's performance, discuss the key contributors to performance as well as any meaningful portfolio activity.

### Performance update

During the fourth quarter of 2020, the Fund gained 13.9% (all figures in dollar terms, unless stated otherwise) net of fees and expenses compared to an increase of 14.7% for the MSCI All Country World Net TR Index. For the full year 2020, the Fund gained 14.9% compared to an increase of 16.3% for the Index.

### 5 Year Discrete Performance<sup>3</sup>

	2020	2019	2018	2017	2016
<b>Fund</b>	14.9%	29.3%	-8.6%	27.2%	11.3%
<b>Index</b>	16.3%	26.6%	-9.4%	24.0%	7.9%

### Performance<sup>3</sup>

	Q4 2020	1yr	5yr	10yr
<b>Fund</b>	13.9%	14.9%	92.2%	147.8%
<b>Index</b>	14.7%	16.3%	78.3%	139.6%

3. Source: Northern Trust, as at December 31, 2020.

### Portfolio discussion

#### Worst performers

The largest disclosed detractor to performance this period was SAP. Based in Germany, the company is the world's leading provider of enterprise resource management software. Companies use this software to manage their financial reporting, supply chains, logistics, procurement and other critical processes. We have actively followed SAP for the past 15 years, including several periods when it was a portfolio holding. Historically, concerns over SAP's transition from selling on-premises licenses to offering cloud-based subscriptions have provided us with opportunities to invest in the company at attractive prices. While the transition does not change the critical nature of SAP's solutions, it ultimately enhances the net present value of its users for the group.

#### Top 10 Holdings %<sup>1</sup>

<b>Microsoft</b>	3.8
<b>Activision Blizzard</b>	3.7
<b>Electrocomponents</b>	3.7
<b>Tencent</b>	3.7
<b>Adyen NV</b>	3.7
<b>Alphabet</b>	3.6
<b>Cap Gemini SA</b>	3.5
<b>UBISOFT Entertainment</b>	3.5
<b>ISS A/S</b>	3.5
<b>Alcon</b>	3.4

Source: Northern Trust.

**Periods over one year are annualized. The fund performance data quoted here represents past performance, which is not indicative of future results. Current performance may be lower or higher than the performance data quoted above. Investment return and principal value will fluctuate, so that shares, when redeemed, may be worth more or less than their original cost. The total operating expense ratio (including indirect expenses such as the costs of investing in underlying funds), as stated in the fee table in the Fund's prospectus dated October 13, 2020, is 1.40% (1.29% net of expense limitation agreement, contractually in effect through October 31, 2023). Phaeacian Global Value Fund commenced operations on 19 October, 2020, following the receipt of the assets and liabilities of the FPA Paramount Fund ("the Predecessor Fund") through a reorganization into the Phaeacian Global Value Fund (the "Fund"). FPA was the investment adviser from 1 July, 1978 through October 16, 2020, and reflects fees, charges and expenses of that vehicle for the time periods shown. 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, (800) 258-9668.**

It should not be assumed that recommendations made in future will be profitable or will equal performance of the securities in this document. A list of all recommendations made since the Fund's inception are available upon request. All opinions and estimates constitute the best judgment of Phaeacian Partners as of the date hereof, but are subject to change without notice, and do not necessarily represent the views of Phaeacian Partners.

The MSCI ACWI Index is an unmanaged free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets.



The company also generates a significant portion of its revenues from maintenance and other recurring services that have proven to be extremely sticky. We believe the mission-critical nature of SAP's software, along with the cost and complexity of installation, create considerable switching costs for customers. Last, strong cash generation and moderate financial leverage provide the group with abundant financial strength. We believe the combination of these positive characteristics makes SAP a compelling investment, particularly at times of market distress.

Such an opportunity arose during the downturn triggered by the pandemic. While SAP's stock initially bounced back along with the rest of the market in the second quarter of 2020, management's decision to cut guidance due to the impact of government lockdowns disappointed investors and caused the price to fall back to its March levels. The company also reported that the ongoing multi-year transition of its customers to the cloud would limit short-term profit growth. Looking beyond the temporary effects, we continue to believe this continuous migration will ultimately boost SAP's enterprise value. Longer term, we believe the fundamentals of the business will remain strong, and that demand driven by working-from-home and the growth in e-commerce will continue to benefit the company.

### Best performers

It is often our experience that weak performance in one period can reverse to become strong performance in subsequent periods. That was the case with ISS which went from last quarter's biggest detractor to the top performance contributor this quarter. Based in Denmark, ISS is a leading global provider of cleaning, property services, catering, security and facility management services. The company continues to work through COVID-19-related demand weakness and challenges with a few large integrated contracts. A new, well-regarded CEO joined from outside the company at the beginning of September.

### Portfolio activity

With global equity markets largely returned to pre-COVID-19 highs, we are not surprised to observe a limited number of companies meeting our quality criteria and selling at attractive discounts. Casting our nets widely did allow us to find a few new purchase opportunities, including S-1 Corporation and dormakaba. Based in South Korea, S-1 is the country's largest provider of security systems, with leading offerings for commercial and residential customers. This is a high-quality business we have followed for many years and the share price decline this quarter created an entry point for us to purchase the shares.

Based in Switzerland, dormakaba is a global leader in security and access solutions. It is another company we have researched for many years. In March 2020, after the company's share price fell dramatically, we purchased the shares for the Fund. Several months later, as the price rebounded and reached our intrinsic value estimate, we sold. We recognize the inefficiencies of this short holding period but we prefer to accept those rather than taking on the risk of owning a company that is selling for more than we think it is worth. During the fourth quarter, the dormakaba share price fell again following the release of H2 fiscal year results. The results were in line with our expectations and we re-established a position in the company.

The market rally also lifted many of our other holdings and we sold several, including ALS and Samsung Electronics, as their share prices converged with our intrinsic value estimates. Based in Australia, ALS is a leading global provider of analytical test and inspection services for commodity, life sciences and industrial customers. Based in South Korea, Samsung Electronics manufactures a wide range of electronic equipment, including semiconductors, monitors, televisions, and home appliances.

We thank you, as always, for your confidence, and look forward to continuing to serve your interests as shareholders of the Phaeacian Global Value Fund.

Respectfully submitted.

Gregory Herr & Pierre O. Py

**Managing Directors, Phaeacian Partners**

February 2021



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#### Disclaimer

This document contains general information about Phaeacian Global Value Fund. The information contained on this document does not constitute an offer or solicitation of an offer to make an investment into any fund managed by Phaeacian Partners. Market commentary, product information and performance data available is for informational purposes only and is not designed to contain information material to an investor's decision to invest in Phaeacian Global Value Fund.

**Prospectus offer:** An investor should consider the Fund's investment objectives, risks, and charges and expenses carefully before investing or sending any money. This and other important information about the Funds can be found in the prospectus or summary prospectus which can be obtained at [www.phaeacianpartners.com](http://www.phaeacianpartners.com) or by calling (800) 258-9668 (toll free) or (312) 557-3523. Please read the prospectus or summary prospectus carefully before investing.

**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 Depositary 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.phaeacianpartners.com](http://www.phaeacianpartners.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).

**Benchmark:** The MSCI All-Country World Index ex US 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. An investor cannot invest directly in an index. Comparison to the MSCI All-Country World Index ex US is for illustrative purposes only. The Fund does not include outperformance of any index or benchmark in its investment objectives. Index returns do not reflect transactions costs, investment management fees or other commissions, fees and expenses that would reduce performance for an investor.

The Phaeacian Funds are distributed by Foreside Financial Services LLC.

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