



## Private Capital Management Value Fund

March 31, 2012

### INVESTMENT OBJECTIVE

The Fund seeks to achieve long-term capital appreciation by investing in companies that are out of favor, underappreciated or misunderstood, and thereby trade at a significant discount to the Adviser's estimation of long-term intrinsic value.

### INVESTMENT STRATEGY

*Identify potential opportunities through:*

- Proprietary quantitative screening and analysis.
- Knowledge of various industries developed over 20+ years of investing in public companies.
- Industry contacts.

*Once identified, rigorous analysis is performed, focused on:*

- Valuing a company's business operations and assets over an identifiable investment horizon.
- A company's capacity to generate discretionary cash flow.

*Assuming a potential investment falls into an acceptable valuation range, PCM undertakes an in-depth qualitative assessment to:*

- Understand management's business plan and evaluate their ability to execute it.
- Analyze and account for shortcomings or risks that are identified relative to the overall attractiveness of the investment.
- Monitor compensation incentives and degree of goal congruency with shareholders.

*Existing investments are scaled back or exited when:*

- Achieving an established price target, or
- A material adverse change occurs in the operating environment or the business' fundamentals.
- May retain, or even add to positions with declining share prices when overall assessment of the company remains positive.

### RISK CONSIDERATIONS

Mutual Fund investing involves risk and it is possible to lose money by investing in a fund. The Fund is non-diversified and may invest a larger portion of its assets in the securities of a single issuer than a more diversified fund causing its value to fluctuate more widely. The Fund may engage in strategies that are considered risky or invest in stocks of companies that are undervalued which may cause greater volatility and less liquidity.

**\*\*Portfolio Characteristics:** Except for Trailing Year Price/Earnings, all figures are for the time period 12/31/86 - 3/31/12. **Up/Down Market Capture Ratio:** Up-market capture ratio is a measure of managers' performance in up markets relative to the market itself. Down-market capture ratio is a measure of managers' performance in down markets relative to the market itself. **Alpha:** Measures nonsystematic return, or the return that cannot be attributed to the market. **Beta:** Beta measures the systematic risk, or the return that is attributable to market movements. **Trailing Year Median Price/Earnings:** Price divided by earnings per share over the last 12 months. Companies with a negative price/earnings were excluded from the calculation. **Standard Deviation:** A gauge of risk that measures the spread of the difference of returns from their average.

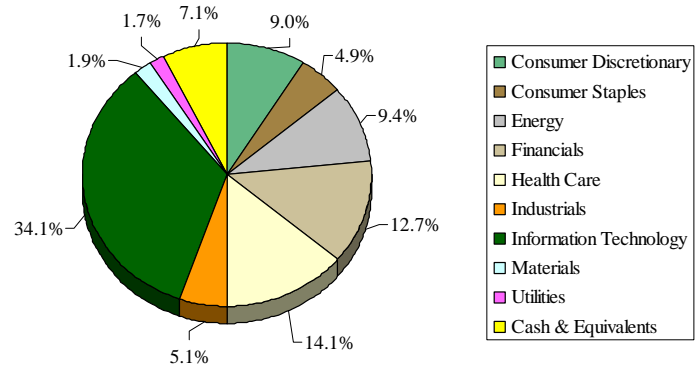
### ADVISOR INFORMATION

Private Capital Management, L.P. ("PCM") was founded in Naples, FL in 1986.

The firm has a long-term track record of managing equity separate account portfolios for individual and institutional investors.

PCM has been a wholly owned subsidiary of Legg Mason since August 2001 and managed approximately \$1.6 Billion in assets as of March 31, 2012.

### SECTOR BREAKDOWN (as of 3/31/12)



### TOP TEN HOLDINGS\* (as of 3/31/12)

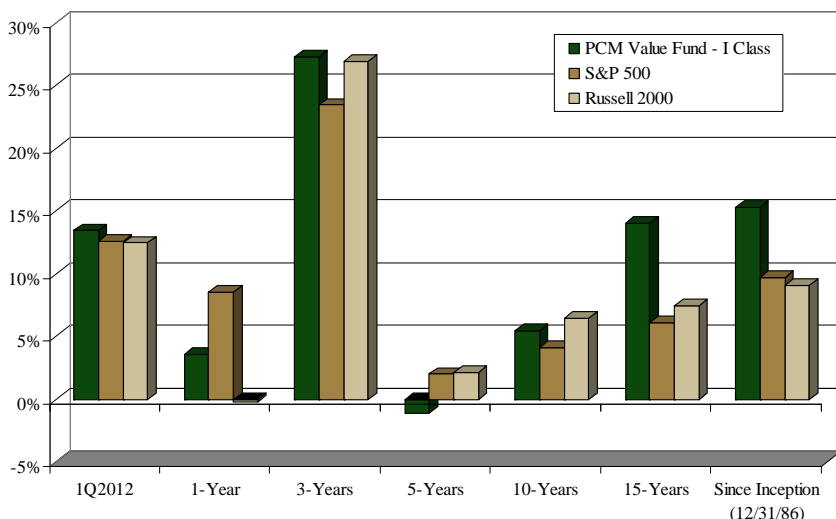
1. CA Technologies	5.9%
2. Symantec Corp.	4.5%
3. EZCORP Inc.	4.1%
4. Global Cash Access Holdings Inc.	3.5%
5. Valeant Pharmaceuticals International Inc.	3.4%
6. Qualcomm Inc.	3.1%
7. Nu Skin Enterprises Inc.	2.7%
8. Cisco Systems Inc.	2.5%
9. Golar LNG Limited	2.5%
10. Universal Health Services Inc. CL B	2.5%
<b>Percentage of Portfolio</b>	<b>34.7%</b>

\* Top holdings exclude cash, money market funds and cash equivalents. Holdings are subject to change.

### PORTFOLIO CHARACTERISTICS \*\*

	S&P 500	Russell 2000
Upside Capture Ratio	112.2%	89.5%
Downside Capture Ratio	70.4%	47.5%
Alpha	6.6%	7.4%
Beta	0.87	0.71
Trailing Year Median Price/Earnings	16.1X	
Standard Deviation	19.1%	

**AVERAGE ANNUAL TOTAL RETURNS** as of 3/31/12



	1Q2012	1-Year	3-Years	5-Years	10-Years	15-Years	Since Inception (12/31/86)
Class I	13.45%	3.59%	27.24%	-1.10%	5.48%	14.02%	15.28%
S&P 500 Index	12.59%	8.54%	23.42%	2.01%	4.12%	6.10%	9.70%
Russell 2000 Index	12.44%	-0.18%	26.90%	2.13%	6.45%	7.46%	9.09%

	1Q2012	1-Year	Since Inception (10/6/10)
Class A (NAV)	13.29%	3.34%	17.50%
Class A (w/MAX Sales Charge)	7.61%	-1.81%	13.51%
S&P 500 Index	12.59%	8.54%	16.35%
Russell 2000 Index	12.44%	-0.18%	15.32%

**FUND FEATURES**

	Class A	Class I
Ticker	VFPAX	VFPIX
Cusip	360873848	360873822
Net Expense Ratio*	1.25%	1.00%
Gross Expense Ratio	2.11%	1.86%
Sales Load	5.00% Max**	None
Min. Initial Investment	\$25,000	\$750,000
Redemption Fee	2% if within 30 days	

\* The Adviser has contractually agreed to waive and/or reimburse fees until August 31, 2014, unless the Board of Trustees approves its earlier termination. Does not include "Acquired Fund Fees and Expenses".

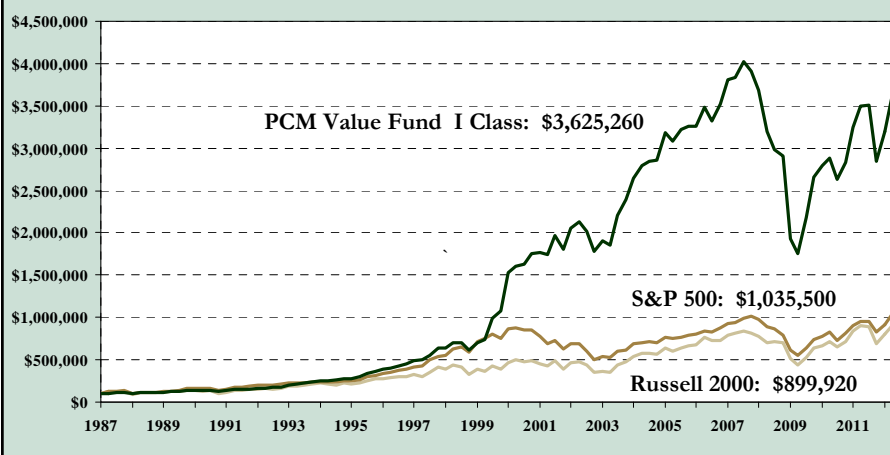
\*\* Class A Shares may be purchased without a load under certain conditions.

**FUND STATISTICS** as of 3/31/12

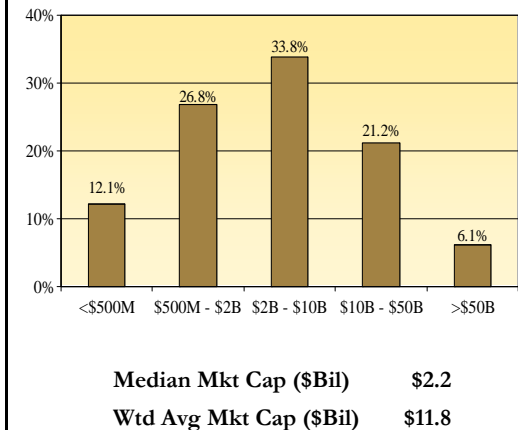
5-Yr Avg Annualized Turnover	19.4%
Number of Securities	52
Fund Inception	May 28, 2010
Total Net Assets (\$Mil)	\$47

On 5/28/2010, a corporate defined contribution plan (the "Predecessor Account") was converted into Class I Shares of the Fund. The Predecessor Account's performance has been included for the period January 1, 1987 to May 28, 2010 and has been adjusted to reflect the monthly deduction of fees and expenses applicable to Class I Shares of the Fund. The Predecessor Account was not registered as a mutual fund under the Investment Company Act of 1940, as amended ("1940 Act"), and therefore was not subject to certain investment restrictions, limitations and diversification requirements imposed by the 1940 Act and Internal Revenue Code. If the Predecessor Account had been registered under the 1940 Act its performance may have been different. The performance data quoted represents past performance. Past performance is no guarantee of future results. Investment return and principal value will fluctuate, and shares, when redeemed, may be worth more or less than their original cost. The performance shown reflects fee waivers/reimbursements in effect, without these waivers, performance would have been lower. Total returns are based on net change in NAV with reinvestment of all dividends. Current performance may be higher or lower than the performance data quoted. The Fund has experienced relatively high performance which may not be sustainable into the future. For performance current to the most recent month-end, please call 1-800-763-0337. The S&P 500 Index and the Russell 2000 Index are unmanaged indices. Individuals cannot invest in an index.

**GROWTH OF \$100,000** Cumulative Returns from 12/31/86 to 3/31/12



**MARKET CAP EXPOSURE** as of 3/31/12



Investors should consider the investment objectives, risks, charges, and expenses of the Fund carefully before investing. The prospectus contains this and other important information about the Private Capital Management Value Fund, and it may be obtained by visiting our website at [www.private-cap.com](http://www.private-cap.com). Read it carefully before investing.

Shares of the Private Capital Management Value Fund are distributed by Foreside Funds Distributors LLC, not an adviser affiliate.