

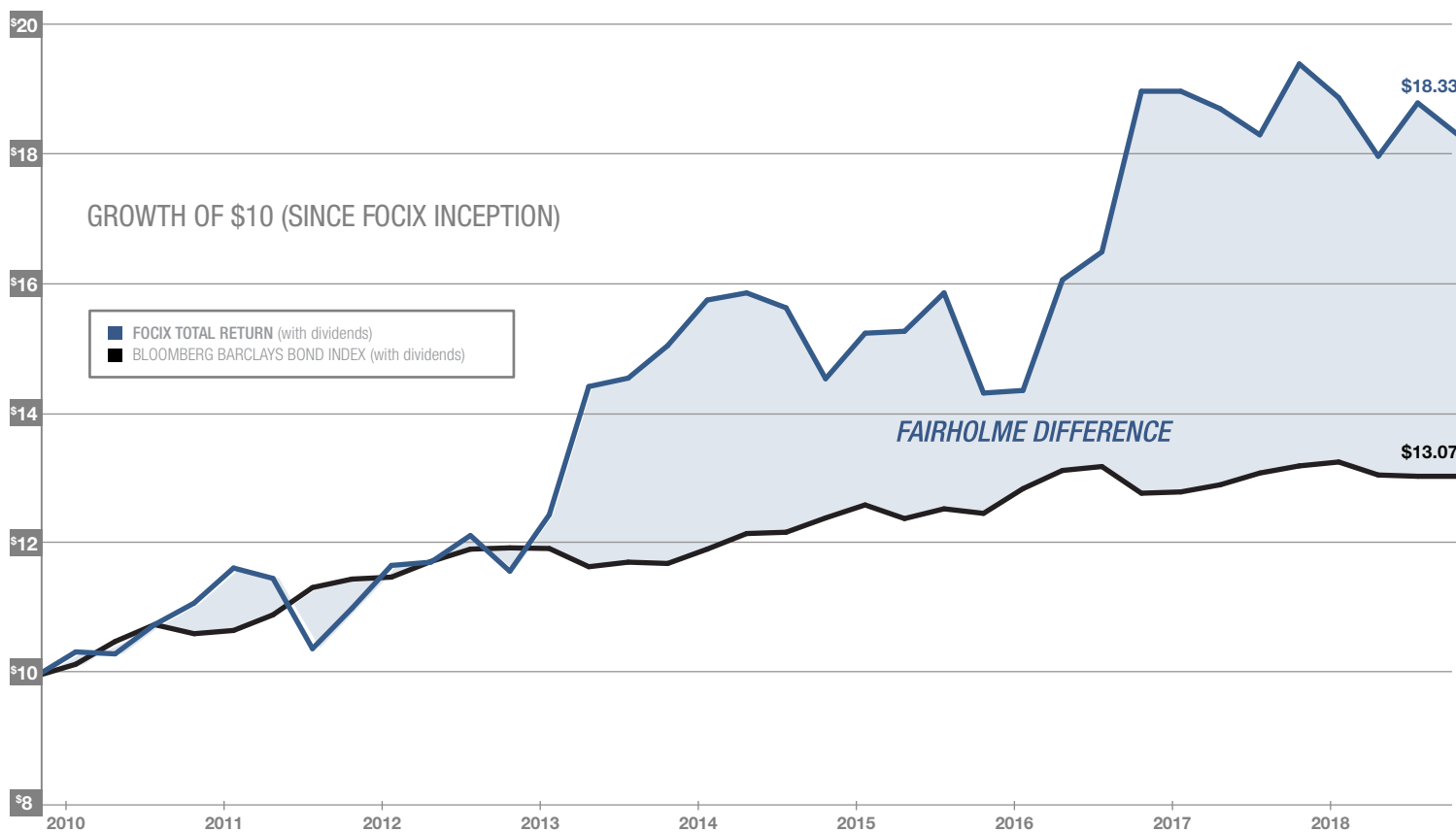
# THE FAIRHOLME FOCUSED INCOME FUND

Managed by **Bruce Berkowitz**, Chief Investment Officer of Fairholme Capital Management (the "Manager")

at 9/30/18

Seeks current income.

Growth of \$10 (Since Inception) <sup>(1)</sup>		60-Month Rolling Returns		FOCIX	Bloomberg Barclays Bond Index
Net Asset Value	\$10.30	Best		+79.94% (12/2011-11/2016)	+25.01% (2/2010-1/2015)
Distributions	\$6.23	Average		+47.88%	+15.12%
Reinvestment Value <sup>(2)</sup>	\$1.80	Worst		+17.51% (3/2011-2/2016)	+7.56% (5/2013-4/2018)
<b>Total Value</b>	<b>\$18.33</b>	Percentage of Positive Periods <sup>(3)</sup>		100%	100%



The chart above covers the period from inception (December 31, 2009) of The Fairholme Focused Income Fund (the "Fund" or "FOCIX") to September 30, 2018. **Performance information quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment in the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance information quoted herein. Performance figures assume reinvestment of dividends and capital gains. Performance prior to March 29, 2012, reflects fee waivers by the Manager. Most recent month-end performance and answers to any questions you may have can be obtained by calling Shareholder Services at (866) 202-2263.** The Bloomberg Barclays U.S. Aggregate Bond Index (the "Bloomberg Barclays Bond Index") is a broad-based flagship benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, and includes Treasuries, government-related and corporate securities, mortgage-backed securities (agency fixed-rate and hybrid adjustable-rate mortgage pass-throughs), asset-backed securities and commercial mortgage-backed securities (agency and non-agency). The Bloomberg Barclays Bond Index is used for comparative purposes only, and is not meant to be indicative of the Fund's performance, asset composition, or volatility. Results may differ markedly from the performance of the Bloomberg Barclays Bond Index in either up or down market trends. Because indices cannot be invested in directly, these index returns do not reflect a deduction for fees, expenses, or taxes. The Fund's expense ratio is 1.00%.

The Manager has agreed to waive, on a voluntary basis, a portion of the management fee of the Fund to the extent necessary to limit the management fee paid to the Manager by the Fund, to an annual rate of 0.80% of that Fund's daily average net asset value. This undertaking may change or be terminated by the Manager upon 60 days' written notice to the Fund.

Cumulative Return	FOCIX	Bloomberg Barclays Bond Index	Annualized Return	FOCIX	Bloomberg Barclays Bond Index
1-Year	-5.54%	-1.22%	1-Year	-5.54%	-1.22%
5-Year	+25.70%	+11.28%	5-Year	+4.68%	+2.16%
Since Inception	+83.31%	+30.73%	Since Inception	+7.17%	+3.11%

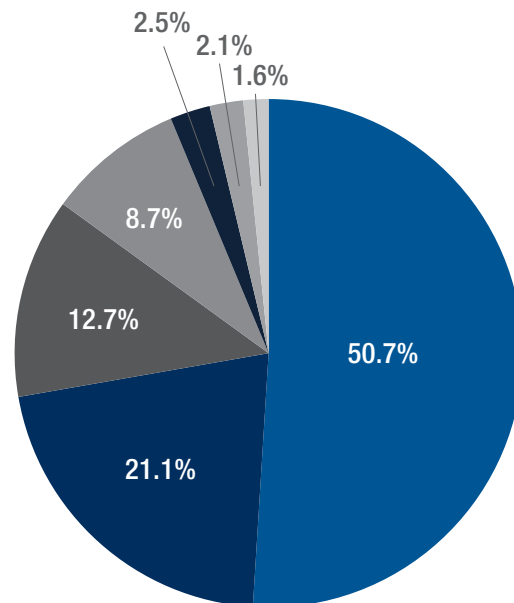
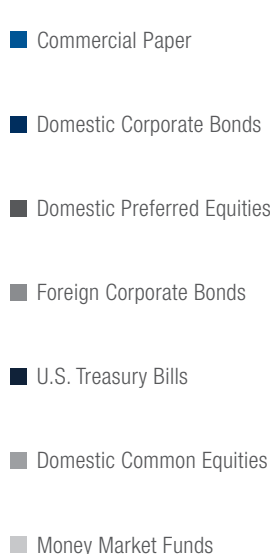
The Fund's 30-Day SEC Yield at September 30, 2018, was 5.51% (subsidized) and 5.31% (unsubsidized).<sup>(4)</sup>

# THE FAIRHOLME FOCUSED INCOME FUND

## Top Issuers as of 10/31/18<sup>(5)</sup> (% of Net Assets)

Cash and Cash Equivalents <sup>(6)</sup>	54.8%
Imperial Metals Corp.	8.7%
Vista Outdoor, Inc.	4.2%
Federal Home Loan Mortgage Corp.	3.8%
GMAC Capital Trust I, Inc.	3.6%
The Goldman Sachs Group, Inc.	3.4%
International Wire Group, Inc.	3.3%
Citigroup, Inc.	2.8%
Chesapeake Energy Corp.	2.6%
Bank of America Corp.	2.1%

## Portfolio Composition by Security Type as of 10/31/18



## Investment Minimums

Initial, Regular Account <sup>(7)</sup>	\$10,000
Initial, IRA <sup>(7)</sup>	\$5,500
Subsequent, Regular Account and IRA	\$1,000
Subsequent, Automatic Investment Plan	\$250/month

The Fund seeks current income. The Manager attempts, under normal circumstances, to achieve this objective by investing in a focused portfolio of cash distributing securities. To maintain maximum flexibility, the securities in which the Fund may invest include corporate bonds and other corporate debt securities of issuers in the U.S. and foreign countries, bank debt (including bank loans and participations), government and agency debt securities of U.S. and foreign countries (including U.S. Treasury bills), convertible bonds and other convertible securities, and equity securities, including preferred and common stock, and interests in real estate investment trusts. There is no guarantee that the Fund will meet its objective.

- (1) This chart assumes that distributions have been reinvested and does not include the effect of taxes.
- (2) This figure represents the appreciation of the reinvested distributions since inception.
- (3) This figure represents the percentage of 60-month rolling periods with returns greater than 0% since the inception of the Fund.
- (4) The 30-Day SEC Yield represents net investment income earned by the Fund over the 30-Day period, expressed as an annual percentage rate based on the Fund's share price at the end of the 30-Day period. The 30-Day unsubsidized SEC Yield does not reflect any fee waivers/reimbursements/limits in effect.
- (5) Percentages were calculated aggregating all securities held of a particular issuer.
- (6) Includes cash, U.S. Treasury Bills, money market funds, and various commercial paper issuers.
- (7) The minimum initial investment for regular accounts and IRAs may be waived by the Manager in its discretion.

The Fund is a non-diversified mutual fund, which means that the Fund invests in a smaller number of securities when compared to more diversified funds. This strategy exposes the Fund and its shareholders to greater risk of loss from adverse developments affecting portfolio companies. The Fund's investments are also subject to interest rate risk, which is the risk that the value of a security will decline because of a change in general interest rates. Investments subject to interest rate risk will usually decrease in value when interest rates rise and rise in value when interest rates decline. Also, securities with long maturities typically experience a more pronounced change in value when interest rates change. Debt securities are subject to credit risk (potential default by the issuer). The Fund may invest without limit in lower-rated securities. Compared to higher-rated fixed-income securities, lower-rated debt may entail greater risk of default and market volatility.

Shares of the Fund are not deposits or obligations of any bank, are not guaranteed by any bank, are not insured by the FDIC or any other agency, and involve investment risk, including possible loss of the principal amount invested. Automatic Investment Plans do not assure a profit and do not protect against a loss in declining markets.

The composition of the Fund's portfolio holdings and sector weightings is subject to change and should not be considered a recommendation to buy or sell any securities.

**Current and future portfolio holdings are subject to risk.**

## Contacts

### SHAREHOLDER SERVICES

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*The Fund's investment objective, risks, charges, and expenses should be considered carefully before investing. The prospectus and summary prospectus contain this and other important information about the Fund, and may be obtained by calling Shareholder Services at (866) 202-2263 or visiting our website [www.fairholmefunds.com](http://www.fairholmefunds.com). Read them carefully before investing.*