



FPA CRESCENT FUND

LETTER TO SHAREHOLDERS

Dear Shareholders:

Overview

Continued strength in the equity and corporate bond markets has buoyed Crescent, which increased 8.8% for the third quarter, and 22.0% year-to-date ended September 30, 2009. We are proud (and relieved) to report that, as of this writing, your portfolio is approximately break-even since the start of 2008, as compared to the broader market's loss of 21.9%.¹ More detailed returns of both the Fund and the comparative indices can be found at the end of this commentary.

It is strange to us, though, that the global economic dysfunction of 2008 and early 2009 seems forgotten, made all the more apparent by the S&P 500's 61% rally from the March low. We cannot help but admit we felt some fear as the market continually made new lows last fall/winter, but our more objective selves saw opportunity and we happily committed capital during that time of great bargains. Sadly, the market move now leaves us with less obvious investment opportunities. Whereas before, we found haystacks, we now find ourselves combing for needles.

If all the turbulent water lies behind and the economic sea remains calm, we will likely lag the market as your portfolio remains postured to protect capital.

Economy

It's not easy to sit here and write about numbers without recognizing the tremendous financial and emotional distress inflicted on those who have lost their jobs. We clearly see an economic recovery, but how much and for how long remain the key. The economy is so strung out on easy money, fiscal stimuli, guarantees, tax credits, etc. that we find understanding this heavily medicated economy unusually challenging — not that it's ever easy. It's difficult to determine vitals and make a diagnosis when the patient is all doped up. The U.S government's prescription has been to try to boost consumption, which will likely continue for the foreseeable future through such means as jobless benefits and extended/expanded homeownership tax credits. We question how our economy will perform as we are weaned from the medication (the transient stimuli). If your baby girl has the flu, administering children's Tylenol has proven effective at lowering the fever; however, that does not mean she's recovered. Skip a dose and you'll find out. What happens when Dr. Bernanke packs up his medicine bag and goes home?

One can only hope that stimulus programs will prove successful but we have our doubts. We only just witnessed the frivolity of the Cash for Clunkers program, which merely pulled car sales forward with the unintended consequence of adding around \$12 billion in debt on consumers' balance sheets.^{2,3,4} The following is a rough calculation of politically desirable, yet useless spending.

Total program payments\$2,877,000,000
Program participants690,000
Average cost of auto\$22,500
Average rebate(\$4,170)
Net cost of auto\$18,330
5% down payment (typical)\$917
Amount borrowed per car\$17,414
Estimated amount borrowed\$12,015,660,000

¹ Cumulative return with dividends reinvested from December 31, 2007 through October 19, 2009 equals -0.03%. S&P 500 used in broader market calculation.

² United States Department of Transportation, 26 August 2009, <<http://www.dot.gov/affairs/2009/dot13309.htm>>.

³ We realize that some cars were purchased for cash, albeit a very small number. The average car is purchased with just 5% down. Some cars were leased but the present value of the future lease liability would approximate a ratable share of the \$12 billion debt burden.

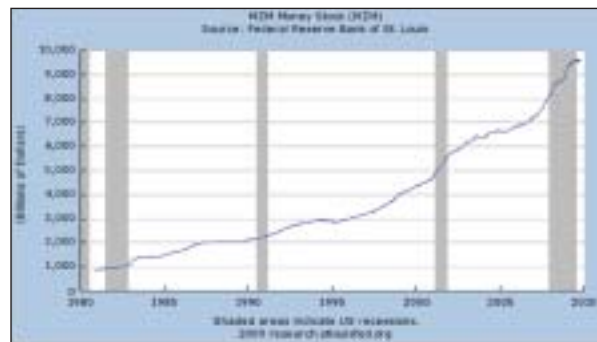
⁴ "Bankrate.com," Web, 25 Oct 2009, <<http://www.bankrate.com/finance/auto/sizing-up-your-down-payment.aspx>>.

The Top Chefs of the Fed and Treasury have mixed in their cauldron a witch’s brew of fiscal and monetary policy, tax credits, guarantees, etc. that kept our economy from a depression death spiral. We thought we’d be able to take a breath and properly assess the economic and investing landscape but the market, with its recent meteoric rise, seems to have already voted on a fairly typical recovery. We suspect, however, that GDP growth will not justify valuations of many securities — both equity and debt.

It’s easy to stimulate an economy with government spending. The more you spend, the more you grow. It’s like this.... Joe Spender earns and spends \$125,000 after taxes. He wants a new something or another and so he borrows and then spends another \$25,000. He will eventually have to repay his debt, but in the interim the economy has received a fleeting boost. It takes more spending than originally thought to put people back to work. At the time of the American Recovery and Reinvestment Act of 2009’s passage last February, “Administration economists cited Keynesian models that predicted that the \$787 billion stimulus package would increase GDP by enough to create 3.6 million jobs... but the data available so far tell us that the government transfers and rebates have not stimulated consumption at all, and that the resilience of the private sector (e.g., business investment) following the fall 2008 panic, not the fiscal stimulus program, deserves the lion’s share of the credit.”⁵

We aren’t the first to try to boost economic activity through the issuance of paper money that lacks all but the guarantee of its issuer. Such experiments go back at least as far as the early 18th century when John Law, King Louis XV’s regent and economic adviser, tried to do just that but failed, breaking what would be the French equivalent of our U.S. Treasury and wreaking economic havoc across Europe.⁶

Money supply continues to expand as can be seen in the chart below.⁷ As long as politicians seek public support for reelection, and without much needed campaign reform policies, we expect the political will for stimulus retrenchment to be found wanting. We believe the result will, at a point, be inflation and the longer-term degradation of the U.S. dollar.



⁵ Cogan, John F., John B. Taylor, and Volker Wieland, “The Stimulus Didn’t Work,” *Wall Street Journal*, 17 September 2009.

⁶ “Quantitative Easing,” *Economist*, 15 August 2009.

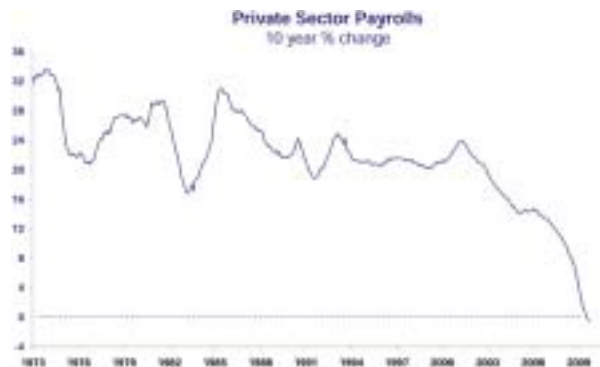
⁷ Economic Research Federal Reserve Bank of St. Louis, Web, 25 October 2009, <http://research.stlouisfed.org/fred2/data/MZM_Max_630_378.png>.

The government needs to foster creativity in ways other than with its balance sheet because all we seem to be getting is bigger and bigger government. We now have the highest amount of government spending since WWII, as a percent of GDP; Fannie and Freddie now buy or guarantee two-thirds of all U.S. mortgages; the FHA now guarantees 23% of all mortgages (up from 2%); the world's largest auto company and what was once the largest insurer have effectively become majority-owned subsidiaries of the U.S. government, not to mention an increasing number of banks either assisted through the TARP or taken over by the FDIC....⁸

The focus needs to become less political and more sensible. Rather than demonizing for-profit health insurance companies, whose aggregate after-tax profits account for less than 1% of total U.S. healthcare spending, healthcare reform needs to address the healthcare delivery system and the misaligned incentives of our third-party payer system.⁹ Rather than applying tariffs on goods imported from China, let's provide incentives to make our manufacturing more competitive. Rather than making labor markets more rigid through benefit mandates and union card check legislation, let's provide job retraining and continuing education programs. And, rather than give wintery Duluth, Minnesota \$6 million in requested Federal stimulus money for snow making machines, let's do just about anything else.

The securities markets appear to have priced in economic stability. We don't buy it. Besides the aforementioned, a number of considerations could easily inhibit a sustained economic recovery:

- Employment. Job losses continue. The Labor Department calculates employment by estimating the number of businesses that have shuttered and the number of businesses that have been created (the birth/death model) in a given period, but this approach has dreadfully understated job losses. Note from the chart below that the private sector has failed to create any net new jobs in the last ten years!¹⁰



⁸ Fannie = Fannie Mae. Freddie = Freddie Mac. TARP = Troubled Asset Relief Program. FHA = Federal Housing Association. FDIC = Federal Deposit Insurance Corporation.

⁹ Total U.S. healthcare spending in 2008 was \$2.4 trillion according to the Center for Medicare and Medicaid Services. Aggregate net income of for-profit publicly traded managed care companies was \$10 billion in 2008 (Compustat).

¹⁰ MacroMavens, 23 October 2009.

We now stand at the highest levels of unemployment and underemployment we have seen since the 1930s, and they are still rising.¹¹

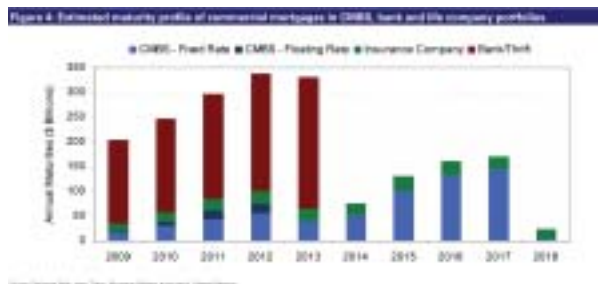


- Cost containment. Labor and raw material costs have been coming down but pricing has held relatively firm, thereby providing a margin boost to many corporations (and to a degree greater than we admittedly expected). The optimists argue that this cost containment will result in higher operating leverage when revenues uptick. We expect that at least a portion of the current margin expansion will be competed away.
- Residential Housing.
 - Defaulted home mortgages are just inching their way through the foreclosure process. Numbers are distorted by a ton of all cash deals by people who are looking to become landlords so as to receive rent that is greater than the paltry bank interest they would otherwise be receiving.
 - 88% of Option ARM loans have yet to reprice. “Of these loans that have not yet recast, 94% have utilized the minimum monthly payment to allow their loans to negatively amortize.Option ARMs either 90 days or more delinquent, in foreclosure or real estate-owned proceedings, which have increased from 16% to 37%. Total 30+ delinquencies are now 46%, despite the fact that only 12% have recast and experienced an associated payment shock.”¹²
 - One estimate has this overhang on existing home sales to be 7.1 million units, not inconsequential on a current base of 5.57 million. As Alan Abelson points out in a recent *Barron's* article, “Amherst (Securities) estimates... (t)hat’s the equivalent of 135% of a full year’s existing-home sales and chillingly greater than the 1.27 million units that made up the overhang in early 2005, when the housing bubble had just begun its dizzying and more than a little lunatic ascent.”

¹¹ Bureau Labor Statistics. Unemployment rate = Total unemployed, as a percent of the civilian labor force (official unemployment rate). U6 = Total unemployed, plus all marginally attached workers plus total employed part time for economic reasons, as a percent of all civilian labor force plus all marginally attached workers. Note: Marginally attached workers are persons who currently are neither working nor looking for work but indicate that they want and are available for a job and have looked for work sometime in the recent past.

¹² “Recast — Fitch: \$134B of U.S. Option ARM RMBS To Recast by 2011,” trading-house.Net, Web, 25 Oct 2009, <<http://www.direktbroker.de/news-kurse/details/International-News/Nachricht/20499863>>.

- **Commercial Mortgages.** As we have addressed in prior commentaries, there are \$2 trillion of commercial mortgages outstanding, with the unfortunate majority coming due in the next three to four years as can be seen in the chart below — the effects of which will be problematic for many banks, particularly the smaller, undercapitalized regional banks.^{13,14}



- **Consumer spending.** A sustainable rise in consumer spending is necessary for a commensurately sustained economic recovery. For that, we’ll need to see a fall-off in consumer bankruptcies that have continued to rise while U.S. households struggle under high unemployment and pressing debt burdens.
- **Wage growth.** Wage growth continues to be negative — net of transfer payments. A strong economic recovery will need to see net wage growth turn positive.

This is just a partial list and not intended to be unduly negative but hopefully serve as a reminder that we are not out of the woods yet. We still predict an “uh-oh” moment in 2010 when one or more of the above become headlines.

Investments

We are left with the unsettling feeling that the stock market seems to have greater expectations for the economy than we do. Somebody’s wrong. At best, we are shocked with how quickly complacency has returned. In the same span where we saw the stock market increase more than 60%, we also have shed more than 2.5 million jobs. As David Rosenberg, Chief Economist and Strategist at Gluskin Sheff, points out, “Never before have we seen the stock market rise so much off a low over such a short time period, and usually at this stage, the economy has already created over one million jobs.”¹⁵ We thought Mr. Rosenberg had thrown in his bear towel when we saw his recent commentary headlining a V-shaped recovery; however, as we subsequently read, he interpreted the “V” as valuation, not a quick and sustained snapback of GDP growth.

With the market having exhibited such rarely paralleled strength, we have naturally had many successes. We are not claiming to be particularly smart of late, as it has been virtually impossible for long investors to lose money. Your portfolio has performed well despite its conservative posture, thanks to our team’s strong security selection, particularly in high yield and distressed credits with particular appreciation for the stalwart efforts of our associates Brian Selmo and John Peetz. Meanwhile, our net market exposure still provides us reasonable protection should market trends reverse.

Healthcare remains one of the few parts of the market experiencing duress and, as is in our nature, we have increased investments in that sector. We do not like the degree of government proposed involvement, recognizing,

¹³ Deutsche Bank, “The Future Refinancing Crisis in Commercial Real Estate,” 23 April 2009.

¹⁴ Excludes \$600 billion of construction loans and \$200 billion of multi-family loans.

¹⁵ Gluskin Sheff, “Market Musings & Data Deciphering, Breakfast with Dave,” 17 September 2009.

as Arthur Laffer pointed out in the *New York Times*, “that when the government spends money on health care, the patient does not”¹⁶ and are therefore treading cautiously. We have owned Covidien (medical equipment provider) and WellPoint (largest owner of Blue Cross/Blue Shield health insurance programs) and are working on or building positions in other companies in the space. We expect further opportunities to materialize as Congress finalizes healthcare reform.

We recently initiated a position in PetSmart, Inc., thanks to another of our associates, Greg Nathan. PetSmart, a pet supplies and services retailer, has the largest market share in the U.S. Its competitive advantages include superior selection of products and services, the lowest prices, purchasing power, and 1,145 convenient locations. Consumer frugality has hurt both sales and margins, but once the economy recovers, and certain operating improvements are made, we believe that at our low \$20s average cost, we own a great company in a growing industry at what could prove to be less than 10x after-tax free cash flow. We believe the future drivers of higher cash flow per share will likely be: excess depreciation resulting from an only just completed storewide remodel; better marketing and merchandising; savings resulting from distribution center rationalization; an increase in private label from the current 19% of merchandise sales to a 4-year target of 28%; inflation beneficiary should agricultural commodity prices rise; and a shareholder friendly management that has committed to repurchase up to \$350 million of shares over the next couple of years.

We purchased CIT bonds based on analysis that suggests that the position should do well in the event CIT were to file for bankruptcy. We believed that we would make money in our investment across a range of outcomes that included both bankruptcy and restructuring. Please refer to our 2nd quarter commentary for the details of that discussion. Since then, CIT ran out of money and was forced to seek temporary “rescue” financing to prevent a disorderly free-fall bankruptcy and the situation bears revisiting now.

Thanks to our existing position and understanding of CIT, we were able to take advantage of the company’s July liquidity crisis by increasing our position at highly attractive levels (mid 50s) and help fund the company’s rescue facility (on terms that seem extremely favorable to the new lenders). CIT proposed an exchange offer and bankruptcy plan to existing unsecured bondholders in October. The proposal and plan were largely in line with our expectations for a restructuring of CIT. The principal of the exchange and plan are consistent with the rule of absolute priority. Under either the exchange or proposal, unsecured bondholders will receive over 95% of CIT’s economic value and functional control of the company’s board/strategy. We believe that the exchange is unlikely to succeed, but that the pre-packaged bankruptcy plan will succeed. Under that plan, we estimate that bondholders should realize more than 90 cents on the dollar (over time) through a combination of new notes and new common stock.

We purchased the debt of a number of distressed companies with the belief that some of these companies would ultimately fall into bankruptcy and we would be required to participate in the restructurings. So far, only one investment has required us to actively participate on a creditor committee, with John Peetz ably taking that seat on our behalf. Our work on this creditor committee is nearing an end as we are currently negotiating a final restructuring agreement that we hope will be completed by year end. The time we have invested on the creditor committee has paid off as the market price of our bonds has more than doubled in value. We had anticipated making additional investments with the prospect of influencing the debt restructuring process in favor of our shareholders, but have been surprised at the dearth of opportunities as many troubled companies have been able to raise fresh capital to fix their balance-sheet problems.

As past owners of TIPS (Treasury Inflation Protected Notes), investors have asked us why we have not been buyers as a means to protect against our government’s profligate use of ink and paper. Although quite concerned

¹⁶ Arthur Laffer, “How to Fix the Health-Care ‘Wedge,’” *Wall Street Journal*, 5 August 2009.

about inflation, we do not know when it will rear its head. We have heard some reference conclusions drawn from Peter Bernholz's book *Monetary Regimes and Inflation*, which lays out the argument for hyperinflation as has been the case over time in those countries where government deficits exceed 40% of government expenditures — something the U.S. unfortunately exceeds today. We certainly don't argue with Mr. Bernholz's conclusions but we lack the capability to address timing. In the meantime, we see high unemployment and low capacity utilization, not to mention a flawed CPI index. We would rather seek inflation protection elsewhere. We also believe that interest rates have every possibility of rising even without a commensurate increase in the rate of inflation due to, as we have addressed in detail in past commentaries, the continued need to convince people to buy our government-issued treasuries (more than half of whom have been foreigners).

Closing

According to the securities markets, things don't seem so bad. The frog wasn't squished in the road but it did not become a prince. Is it really possible that the gut wrenching movement of the economic tectonic plates have settled for the duration? Perhaps, but we would rather act protectively over your capital entrusted to us. A drinking binge is generally followed by sickness, and then by a hangover. We believe that we are in the latter stage. When the fear of not being in the game is replaced by the fear of losing, expect us to be committing additional capital.

Respectfully submitted,

A handwritten signature in black ink that reads "Steven Romick". The signature is written in a cursive, slightly slanted style.

Steven Romick
President
October 20, 2009

The discussion of Fund investments represents the views of the Fund’s managers at the time of this report and are subject to change without notice. References to individual securities are for informational purposes only and should not be construed as recommendations to purchase or sell individual securities. While the Fund’s managers believe that the Fund’s holdings are value stocks, there can be no assurance that others will consider them as such. Further, investing in value stocks presents the risk that value stocks may fall out of favor with investors and underperform growth stocks during given periods.

FORWARD LOOKING STATEMENT DISCLOSURE

As mutual fund managers, one of our responsibilities is to communicate with shareholders in an open and direct manner. Insofar as some of our opinions and comments in our letters to shareholders are based on current management expectations, they are considered “forward-looking statements” which may or may not be accurate over the long term. While we believe we have a reasonable basis for our comments and we have confidence in our opinions, actual results may differ materially from those we anticipate. You can identify forward-looking statements by words such as “believe,” “expect,” “may,” “anticipate,” and other similar expressions when discussing prospects for particular portfolio holdings and/or the markets, generally. We cannot, however, assure future results and disclaim any obligation to update or alter any forward-looking statements, whether as a result of new information, future events, or otherwise. Further, information provided in this report should not be construed as a recommendation to purchase or sell any particular security.

PORTFOLIO CHARACTERISTICS AND PERFORMANCE

September 30, 2009

Portfolio Characteristics

	FPA Crescent	Russell 2500	S&P 500	Barclays Capital Gov't/Credit
<u>Stocks</u>				
Price/Earnings TTM	11.2x	152.0x	23.5x	
Price/Earnings 2009 est.	13.6x	117.9x	21.3x	
Price/Book	1.3x	1.8x	2.2x	
Dividend Yield	1.8%	1.4%	2.0%	
Average Weighted Market Cap (billion)	\$37.5	\$2.1	\$77.1	
Median Market Cap (billion)	\$2.9	\$0.5	\$8.2	
<u>Bonds</u>				
Duration (years)	1.7			5.3
Maturity (years)	2.1			7.6
Yield-to-Worst	6.8%			3.1%
Yield-to-Worst (corporate only)	12.3%			

Portfolio Analysis

10 Largest Holdings (excluding U.S. Treasuries)		Portfolio Composition	
EnSCO International	4.0%	<u>Asset Class</u>	
Covidien LTD	3.5%	Common Stocks, Long	38.0%
CIT Group Bonds*	3.1%	Common Stocks, Short	-6.7%
American General Finance Bonds*	2.9%	Corporate Fixed Income	27.8%
Chevron	2.9%	Net Liquidity (Cash Ex-Short Rebate)	27.5%
Total S.A.	2.7%	<u>Geographic</u>	
PetSmart	2.0%	U.S.	50.7%
Ford Credit Europe Bonds*	2.0%	Europe	11.6%
ConocoPhillips	1.9%	Other	0.9%
American Capital 8.6% 08/2012	1.8%		
Total	<u>26.8%</u>		
* Various issues			

Performance Statistics

	FPA Crescent	60% R2500/ 40% BCGC	Russell 2500	S&P 500
<u>Statistics</u>				
Gain in Up Months - Cumulative	333.9%	323.4%	494.6%	410.8%
Upside Participation		103.2%	67.5%	81.3%
Loss in Down Months - Cumulative	-153.9%	-181.4%	-321.3%	-274.4%
Downside Participation		84.8%	47.9%	56.1%
Up Month - Average	2.6%	2.5%	4.0%	3.3%
Down Month - Average	-2.2%	-2.7%	-4.4%	-3.9%
Delta between Up/Down months	4.8%	5.2%	8.4%	7.2%
Worst Month	-13.9%	-13.9%	-21.5%	-16.8%
Best Month	12.6%	9.3%	14.4%	9.8%
Standard Deviation	10.82	11.20	18.46	15.32
Sharpe Ratio (using 5% risk-free rate)	0.55	0.30	0.22	0.16
<u>Performance</u>				
Quarter	8.8%	13.5%	20.1%	15.6%
Calendar YTD	22.0%	18.8%	27.9%	19.3%
1 Year - Trailing	2.3%	2.4%	-5.7%	-6.9%
3 Years - Trailing	2.7%	0.8%	-3.8%	-5.4%
5 Years - Trailing	6.0%	4.5%	3.3%	1.0%
10 Years - Trailing	9.8%	6.9%	6.3%	-0.2%
15 Years - Trailing	11.0%	8.6%	9.0%	7.6%
From Inception ^a	10.9%	8.4%	9.0%	7.4%

PORTFOLIO CHARACTERISTICS AND PERFORMANCE

September 30, 2009

HISTORICAL PERFORMANCE

Calendar Year-End	FPA Crescent	60% R2500/ 40% BCGC	Russell 2500	S&P 500
2008	-20.6%	-21.4%	-36.8%	-37.0%
2007	6.8%	3.9%	1.4%	5.5%
2006	12.4%	11.2%	16.2%	15.8%
2005	10.8%	6.0%	8.1%	4.9%
2004	10.2%	12.7%	18.3%	10.9%
2003	26.2%	28.1%	45.5%	28.7%
2002	3.7%	-6.6%	-17.8%	-22.1%
2001	36.1%	4.8%	1.2%	-11.9%
2000	3.6%	7.9%	4.3%	-9.1%
1999	-6.3%	13.3%	24.2%	21.0%
1998	2.8%	4.9%	0.4%	28.6%
1997	22.0%	18.5%	24.4%	33.4%
1996	22.9%	12.6%	19.0%	23.0%
1995	26.0%	26.7%	31.7%	37.6%
1994	4.3%	-2.0%	-1.1%	1.3%
1993 ^(a)	9.6%	8.2%	10.1%	5.3%

Objective, Strategy and Rankings

Objective

The Fund's investment objective is to provide a total return consistent with reasonable investment risk through a combination of income and capital appreciation. We employ a strategy of selectively investing across a company's capital structure (i.e., a combination of equity and debt securities) that we believe have the potential to increase in market value, in order to achieve rates of return with less risk than the broad U.S. equity indices.

Strategy

To invest across a company's capital structure to meet our objective. This includes investing in Common and Preferred Stocks, Convertible Bonds, High-Yield Bonds, and Bank Debt. There is an occasional use of Government Bonds.

Downside Protection

FPA Crescent's ratio of positive to negative monthly performance is, on average from inception,^a 7% better than the equity indexes. FPA Crescent has, on average from inception, captured 74% of the upside monthly performance but just 52% of the downside when compared to the equity indexes.

Volatility

FPA Crescent has exhibited much less volatility as measured by its Standard Deviation from inception.^a On average, the Fund's Standard Deviation is 36% lower than the equity indexes. FPA Crescent has a much lower delta in its average monthly performance, i.e., the difference between the average positive and negative month when compared to the equity indexes.

FPA Crescent has had only two years of negative performance since inception,^a the worst a loss of 21%. FPA Crescent's maximum drawdown is 37% better than its benchmarks.

	Crescent	60% R2500/40% BCGC	R2500	S&P 500
Number loss years since inception ^a	2	3	3	4
Maximum Drawdown ^b	-29%	-33%	-53%	-51%

Performance

FPA Crescent has beaten the stock indexes for the inception-to-date time period.^a

Conclusion

FPA Crescent has met its objective since inception, having achieved higher absolute rates of return than the indexes and a dramatically higher Sharpe Ratio.^a

NOTES

^a Inception date is June 2, 1993. Returns from inception are annualized. The annualized performance of the Russell 2500 and Barclays Capital Government/Credit Indexes begins 6/1/93.

^b Maximum Drawdown is the largest percentage peak to trough decline in value that has occurred since inception.

Past performance is not necessarily indicative of future results. All returns assume the reinvestment of dividends and distributions. There are no assurances that the Fund will meet its stated objectives. The Fund's holdings and allocations are subject to change because it is actively managed and should not be considered recommendations to buy individual securities. Distributed by FPA Fund Distributors, Inc., a subsidiary of First Pacific Advisors, LLC.

Balanced Benchmark is a hypothetical combination of unmanaged indices comprised of 60% Russell 2500 Index and 40% Barclays Capital Government/Credit Index, reflecting the Fund's neutral mix of 60% stocks and 40% bonds.

Russell 2500 Index is an unmanaged index comprised of 2,500 stocks of U.S. companies with small market capitalizations.

Barclays Capital Government/Credit Index is an unmanaged index of investment grade bonds, including U.S. Government Treasury bonds, corporate bonds, and yankee bonds.

S&P 500 Index includes a representative sample of 500 leading companies in leading industries of the U.S. economy. The index focuses on the large-cap segment of the market, with over 80% coverage of U.S. equities, but is also considered a proxy for the total market.