FPA Crescent Fund
Second Quarter 2019 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 and other matters of interest to the prospective investor. Please read the Prospectus carefully before investing. The Prospectus may be obtained by visiting the website at www.fpa.com, by calling toll-free, 1-800-982-4372, or by contacting the Fund in writing.

Average Annual Total Returns (%)

Trailing Performance (%)										Market Cycle Performance	
As of Date: 6/30/2019	Inception*	20 Years	15 Years	10 Years	5 Years	3 Years	1 Year	YTD	QTD	3/25/00-10/9/07	10/10/07-6/30/2019
FPA Crescent Fund	10.00	8.46	7.50	9.13	5.10	8.79	6.69	14.49	3.33	14.70	6.54
S&P 500	9.58	5.90	8.75	14.70	10.71	14.19	10.42	18.54	4.30	2.00	7.81
MSCI ACWI**	-	-	-	-	6.16	11.62	5.74	16.23	3.61	-	4.04
60%S&P500/40% BBgBarc US Agg	8.12	5.81	7.20	10.50	7.75	9.51	9.87	13.64	3.96	3.97	6.66
CPI	2.22	2.18	2.03	1.75	1.48	2.06	1.66	1.02	0.46	2.75	1.74

Periods greater than one year are annualized. FPA Crescent Fund (“Fund”) performance is shown net of all fees and expenses. Fund performance is calculated on a total return basis which includes reinvestment of all distributions. Fund returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares, which would lower these figures. Comparison to any index is for illustrative purposes only. An investor cannot invest directly in an index. The Fund does not include outperformance of any index or benchmark in its investment objectives.

* The Fund commenced operations on June 2, 1993. The performance shown for periods prior to March 1, 1996 reflects the historical performance of a predecessor fund. FPA assumed control of the predecessor fund on March 1, 1996. The Fund’s objectives, policies, guidelines, and restrictions are, in all material respects, equivalent to those of the predecessor fund.

** The MSCI ACWI was not considered a relevant illustrative index prior to 2011 because the Fund was not classified as a global mandate until this point in time. Market Cycle performance for MSCI ACWI is being shown for illustrative purposes only to illustrate how global equities have performed in the current market cycle.

Market Cycle Performance reflects the two most recent market cycles (peak to peak) defined as a period that contains a decline of at least 20% from the previous market peak over at least a two-month period and a rebound to establish a new peak above the prior market peak. The current cycle is ongoing and thus presented through the most recent quarter-end. Once the cycle closes, the results presented may differ materially.

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. The Fund’s expense ratio as of its most recent prospectus is 1.18%. A redemption fee of 2% will be imposed on redemptions within 90 days. Current month-end performance data, which may be lower or higher than the performance data quoted, may be obtained at www.fpa.com or by calling toll-free, 1-800-982-4372.

Please see important disclosures at the end of the commentary.

Introduction

Dear Shareholders:

FPA Crescent ("Fund") returned 3.33% in the second quarter and 14.49% over the first six months of 2019. This compares to 3.61% and 16.23% for the global MSCI ACWI and 4.30% and 18.54% for the S&P 500 in the same second quarter and year-to-date periods.

Long equities held by the Fund returned 5.03% and 21.16% in the second quarter and six months, respectively, besting the equity indices noted above.[1] Including the small amount of other risk assets and cash the Fund held, the Fund generated 92% and 77% of the MSCI ACWI and S&P 500's returns with just 72% of its capital at risk in the second quarter.[2]

The Fund benefited from broad-based performance in the first half, with only two of its investments meaningfully detracting from the year-to-date return. But rather than a cause for celebration, we regard such favorable breadth as more of a reflection of this bull market than a credit to our competence as portfolio managers.

There was little in the way of news that drove individual contributors and detractors.

Winners and Losers[3]

Contributors	Performance Contribution	Percent of Portfolio	Detractors	Performance Contribution	Percent of Portfolio
Q2 2019					
Arconic	0.88%	3.4%	Baidu	-0.58%	1.4%
AIG	0.81%	4.0%	Mylan	-0.46%	1.0%
TE Connectivity	0.36%	2.1%	Alphabet	-0.32%	3.6%
Citigroup	0.30%	2.6%	Glencore	-0.18%	1.1%
Facebook	0.29%	2.3%	Altaba	-0.15%	2.3%
	2.64%	**14.4%**		**-1.69%**	**9.4%**
YTD					
Arconic	1.25%	3.4%	Baidu	-0.48%	1.4%
AIG	1.16%	4.0%	Mylan	-0.38%	1.0%
Citigroup	0.76%	2.6%	PG&E/Utilities (hedge)	-0.12%	0.2%
Facebook	0.76%	2.3%	Naver	-0.04%	0.4%
Analog Devices	0.71%	2.6%	Glencore PLC	-0.03%	1.4%
	4.64%	**14.9%**		**-1.05%**	**4.4%**

[1] The performance of the long equity segment of the Fund is presented gross of investment management fees, transactions costs, and Fund operating expenses, which if included, would reduce the returns presented. Long equity holdings exclude paired trades, short-sales, limited partnerships, derivatives/futures, corporate bonds, mortgage backed securities, and cash and cash equivalents. Please refer to the first page for overall net performance of the Fund since inception. The long equity performance information shown is for illustrative purposes only and may not reflect the impact of material economic or market factors. No representation is being made that any account, product or strategy will or is likely to achieve profits, losses, or results similar to those shown. **Past results are no guarantee, nor are they indicative, of future results.**

[2] Risk assets are any assets that are not risk free and generally refers to any financial security or instrument, such as equities, commodities, high-yield bonds, and other financial products that are likely to fluctuate in price.

[3] Reflects the top five contributors and detractors to the Fund's performance based on contribution to return for the quarter and year-to-date. Contribution is presented gross of investment management fees, transactions costs, and Fund operating expenses, which if included, would reduce the returns presented. The information provided does not reflect all positions purchased, sold or recommended by FPA during the quarter. A copy of the methodology used and a list of every holding's contribution to the overall Fund's performance during the quarter is available by contacting FPA Client Service at crm@fpa.com. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities listed. **Past performance is no guarantee, nor is it indicative, of future results.**

Markets

Interest rates have helped drive stock market returns over the past few decades, and now, while only marginally higher than thousand-year-plus recorded lows, rates are again expected to remain low -- and perhaps sink even more -- for even longer.

Low interest rates make stocks more valuable. We use the Dividend Discount Model, or DDM, as a simple proxy for valuing businesses to illustrate that principle.

$$P = \frac{D_1}{r - g}$$

In the DDM formula, *P* is the fair price of a particular stock; D_1 is the expected annual dividend; *r* is its discount rate, and *g* is its dividend growth rate. Assume that the value of a business is equal to the sum of cash flows received by the shareholder over time. (Of course many companies reinvest their free cash flow and pay no dividend. We assume dividends and cash flow are interchangeable for this simple example.)

We will assume a dividend growth rate of 5% and set the expected annual dividend at $1 a share and leave them constant to isolate the effect of changes in interest rates. We will assign a discount rate based on a U.S. government bond plus an equity risk premium. In this example, we use the yield of a 10-year U.S. Treasury note in 2007, which was 5%, and the same note in 2019, when it was 2%, and then added a 5% risk premium for a discount rate of 10% and 7%.

Interest Rates – A Driver of Business Value[4]

2007	2019
$\$20 = \frac{\$1.00}{\mathbf{10\%} - 5\%}$	$\$50 = \frac{\$1.00}{\mathbf{7\%} - 5\%}$

In this case, the value of a business in 2019 that looks the same as one in 2007 would be worth 2.5 times as much, thanks to a discount rate that is 30% lower. In other words, low interest rates have added 7.9% to the return of the market since 2007, all else being equal; i.e., the rate of return from $20 to $50 over 12 years.

The beneficial impact of low rates on a highly leveraged equity would be even greater, in part because borrowing costs have declined so dramatically and in part because even more cash flow goes to investors.

The impact on a bond holder would be similar. In 2007, a 10-year U.S. Treasury note with a 5% coupon would be priced to yield 5% and therefore trade at $100. In 2019, a 10-year note priced to yield 2% would trade at $127 – or, 27% higher.[5]

Jim Grant of the eponymous Grant's Interest Rate Observer has called today's current low interest rate environment a "yield famine".[6] Taking that thought a step further, a starving person will eat most anything put in front of him, and indeed, investors hungry for returns are replacing low yielding, conservative fixed income and cash-like investments with riskier assets, further fueling markets already running on high octane. In our opinion, features of those assets like low coupons, high leverage and weak covenants are more meal replacements than sustenance.

There is an aura of hopeful complacency floating around the stock market that, in part, finds need replacing want. Investors *wanting* a higher rate of return have often steered bull markets, and this bull market certainly

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[4] Source: FPA. These calculations are hypothetical and are for illustrative purposes only.

[5] The 27% increase in bond prices has been a benefit for an investor interested in assuming interest rate risk. For investors such as ourselves, who prefer credit risk to interest rate risk, this has been a headwind.

[6] Grant's Interest Rate Observer. May 17, 2019.

has that characteristic. What's different today is that an investor cohort *needing* return also has a hand on the steering wheel in this market.

Let's say that before the Great Recession in 2007, you sought a conservative return, eschewing credit risk in exchange for a modicum of interest rate risk. You might have purchased a 10-year U.S. treasury note yielding 5.02%, and if you were fortunate enough to have $2.5 million to invest, you would have received an annual return of $125,450 for the next ten years.[7] Today the 10-year Treasury yields a lowly 2.05% and that same investment would give you just $51,125 annually – a 59% decline.

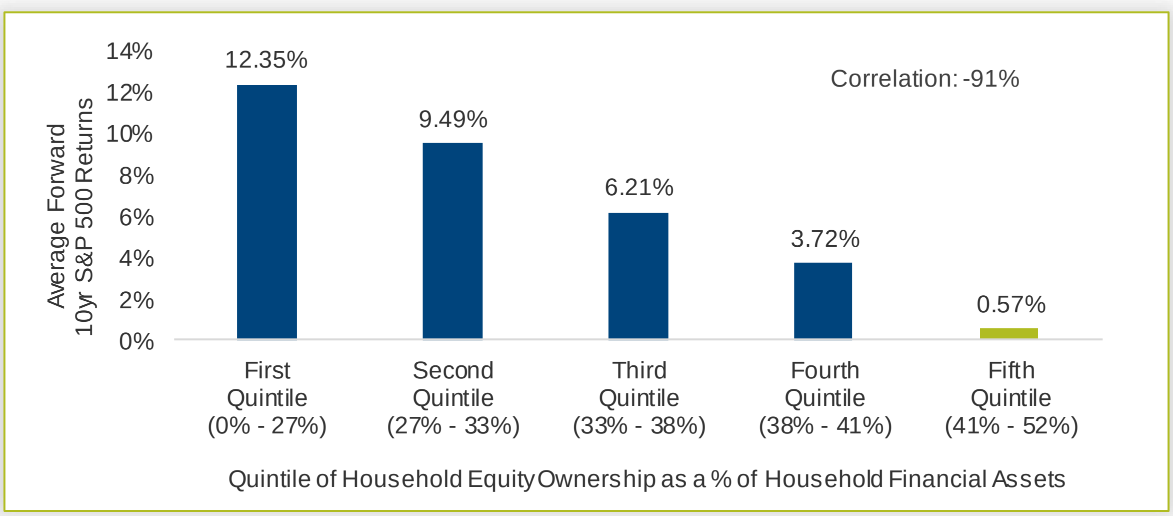
What's more, the ravages of inflation have reduced the purchasing power of that relatively meager return by a further $8,840, so that its real value is an annual inflation-adjusted $42,285 – $83,165 less than it earned just a little more than a decade ago – a 66.3% drop in purchasing power!

That means a retired person investing today is left with three choices: curtail lifestyle, spend principal or take on more risk. As creatures of habit, changing how we live is difficult, particularly if it means consuming less. Watching your nest egg shrink is also discomfiting unless your corpus is unusually large or you are older so that it matters less (assuming you don't plan to leave much to your heirs). So it's not surprising that most people select the third option and assume more risk, perhaps without even realizing they have added risk to their portfolio. They may at first look for yield in vehicles that at least look and feel like conservative bonds, an exercise likely to lead them to high-yield bonds, utilities, master limited partnerships and, maybe, higher yielding common stocks. Eventually they may even find their way to stocks that pay no dividend at all.

This has led the average household to have 44% invested in common stocks — the second-highest level in the past 18 years.[8] Crowding into equities has been a prescription that cured most ailments for more than a decade now. We suspect that not everyone knows what is in their portfolio; not everyone understands that volatility will most likely recur at some point, and not everyone fully understands how they might react to a major and sustained market downdraft. Will they panic and reduce their exposure? Or will they ride it out and maybe even buy more? History suggests the former.

Larger equity ownership generally suggests lower future stock market returns. As noted above, household ownership of equities currently stands at 44%, falling into the highest quintile and suggesting dismal prospective returns.

Household Equity Ownership as a Percent of Household Financial Assets vs. Average Forward 10yr S&P 500 Returns from 1961 to 2018[9]



[7] 10-year US Treasury note yielded 5.018% at 2007 third quarter-end (September 28, 2007).
[8] Source: Federal Reserve Economic Data, Bloomberg. Data as of December 31, 2018.
[9] Source: Federal Reserve Economic Data, Bloomberg.

Unusually, both risk-on and risk-off trades are working right now, allowing bulls and bears to win concurrently. Most global stock markets are trading at or near all-time highs, and gold and long-term U.S. Treasury bonds have also rallied. Thus, we have opposing sentiments existing and thriving in the same market.

Bull Market for Risk-on and Risk-off Assets[10]

	Year-to-Date Return	Cumulative Return since 2016 Low (ex. Dividends)	Percent Below All-time High
MSCI ACWI	16.57%	48.14%	At high
S&P 500	18.54%	60.83%	At high
Gold	10.20%	13.54%	-25.60%
US Treasury Bonds (30-year)	12.10%	8.05%	-7.32%

Many investors have placed the fears that sank the market in the fourth quarter of last year aside, pushing global markets higher despite a rising tide of populism around the world; slowing economic growth; looming Brexit, and U.S. corporate debt proliferation that features low coverage ratios for this point in the cycle, not to mention, weak covenants, high sovereign debt, high state and municipal debt, trade wars – we could go on.

Some investors believe that economies and markets will eventually suffer from some combination of the aforementioned woes. Interest rates, they argue, should then decline even from current low levels, and U.S. Treasuries and gold should be a safe place to wait out the inevitable correction. Inevitability we can affirm, timing we cannot. We know not which path the market's mixed signals portend, thereby making any prognostication an unsavory exercise of futility.

There isn't anything, however, that suggests rates can't remain low for a long, long time. As we collectively drink from this trough of easy, cheap money, there is no reason to believe we will escape an unfortunate hangover, unless, of course, long-standing economic rules are up-ended and cycles abrogated.

Portfolio

The decline in interest rates over the last dozen years has benefited most risk assets and has certainly supported the Fund's returns. However, despite much lower interest rates, we have not meaningfully increased the multiple we have been willing to pay for companies, nor have we been comfortable allocating capital to junk bonds yielding single digit returns.

From the perspective of maximizing return, this decision has been a mistake as it has it led us to have less risk exposure and therefore more low yielding cash. Had we correctly predicted that interest rates would remain lower for longer and chosen to embrace the idea of free money as a long-term component of the market/economy, the Fund would have more invested in the markets and potentially performed even better.

Since your managers do not have such predictive capabilities, that would have meant taking unacceptable risks. A portfolio positioned perfectly for low interest rates and the attendant knock-on economic benefit, would likely result in a permanent impairment of capital in the event that interest rates were to rise or the

[10] Data in table through June 30, 2019. The date of the '2016 Low' was February 11, 2016. Gold's all-time high price, as measured by the LBMA Gold Price PM Index, was 1895 recorded on September 5, 2011. The change in the price for the 30-year US Treasury bonds was calculated by comparing the price of two 30-year US Treasury bonds where coupon is held constant. The lowest 30-Year US Treasury bond yield (coincident with its all-time high price) was 2.11% recorded on July 8, 2011. The 30-year US Treasury Bond yield as of June 30, 2019 was 2.52%. **Past performance is no guarantee of future results.**

economy to weaken. One, the other or both will change at some point, and so we consider the current upside/downside trade-off unrewarding.

A decade ago we didn't know what the markets, interest rates and the economy would look like today. Similarly, we don't know what things might look like ten years hence. If one believes in the status quo, then one should be willing to pay a high multiple for a stable stream of cash flow and a very high multiple for a growing stream. Many companies today are priced with that expectation.

But how often do things really turn out as anticipated? There's an old Yiddish adage, "Mann tract, un Gott lacht," or, "Man plans, and God laughs." Rates might rise. The economy might weaken. Valuation multiples might therefore contract, and the same math that drove markets higher could reverse, taking it lower.

The Fund will continue to adhere to its long-term mandate and manage prudently. If the status quo prevails and markets continue to spin higher, that will likely mean we miss out on some gains. On the other hand, the Fund is positioned to do reasonably well if markets take a turn for the worse and to take advantage of the resulting opportunities.

The Fund has an unusual ability to invest broadly. It can put money into equities of various market caps around the globe, both long and short; high-yield and distressed credits; private loans; derivatives; and more. Simply having an impressive collection of tools in our belt, however, doesn't mean they are consistently in use. If we moved into a newly constructed home, we would not likely remodel the kitchen. Today, the equity and credit markets are like new homes, offering us little opportunity to use our tools. Where you wield a hammer, everything can't be a nail.

And so for some time, the Fund's portfolio composition and, by extension its performance, has regrettably appeared relatively more ordinary than its entire history would suggest. That will continue to be the case until such point in time when we can pull tools from our belt to create real value.

The stock market currently still offers us occasional opportunities to own good businesses and other misunderstood assets priced to offer attractive prospective returns with limited downside. Still, we are presently in the eleventh year of the longest running U.S. bull market in modern history, and it is challenging to assemble a fully invested portfolio that meets our risk/reward hurdles.

With stocks trading on average at a 19.3x price-to-earnings ratios and high-yield bonds trading on average at 6.5% yields, our position should not come as a surprise to our long-time partners. An exemplar of pricing gone wrong are the fourteen Euro-denominated junk bonds that trade with a negative yield. As Bloomberg pointed out, "At the start of the year there were none (i.e., no negative yielding junk bonds). Cheap money policies since the last financial crisis have kept interest rates at, or near, all-time lows for the last decade. That's prompted many investors to buy riskier assets that yield enough for them to meet their liabilities, driving bond markets higher and yields lower."[11]

We have to decide whether a security trades at a price where the underlying business or asset is valued at a discount to some combination of its current or prospective value. In order to protect capital, that discount must be big enough to compensate for the risk that an investment negatively surprises.

The distinction between growth and value has blurred. That's partly a function of technological innovation that continues to impair the economics of many businesses and render others obsolete, as we discussed in our commentary. So we remain hyper-focused on the importance of price.

Our opinion is that stock and bond markets have borrowed from future returns. Admittedly, a dollar in our pocket today feels better than the promise of one tomorrow, but in this low interest rate environment, spending that dollar is risky because it might not be so easily replaced by future stock market returns.

Price matters. Just take a look at two hypothetical companies, one growth, and the other value. Their shares can be purchased for $10 apiece. Growth Inc. trades at 17 times earnings (its "price-to-earnings"), and its

[11] Bloomberg Markets. *Sub-Zero Yields Start Taking Hold in "Europe's Junk Bond market.* Laura Benitez and Tasos Vossos. July 9, 2019.

profits compound at 12% over the next five years. At the end of that period, however, expectations for the next five years might be more modest, and so an investor would pay a somewhat lower 15 times earnings for its shares. That would leave an investor with a 51% gain.

Value Inc., on the other hand, trades at a much "cheaper" 10 times earnings. If it grows 5% over the ensuing five years and its multiple expands just two turns to 12 times earnings, then an investor would make a 53% return. The difference in return on investment for Growth Inc. and Value Inc. after five years is therefore inconsequential, as shown in Exhibit A.[12]

Exhibit A

	Year 0				Year 5			
Company	Price	Earnings Per Share	Price to Earnings	5-year Earnings Growth	Price	Earnings Per Share	Price to Earnings	Percent Change
Growth Inc.	$10.00	$0.57	17.5x	12%	$15.11	$1.01	15x	51%
Value Inc.	$10.00	$1.00	10.0x	5%	$15.32	$1.28	12x	53%

We invest, however, with imperfect knowledge in a dynamically evolving world, and reality in Year Five of owning a stock can be dramatically different than when it was bought – and more likely worse, given that one generally buys a security with optimistic expectations.

Let's now imagine that Value Inc. performs as expected and Growth Inc. doesn't, or vice-versa. In either case, an investor's gain would be far more muted should earnings growth disappoint and the expected P/E lag expectations, as is the case in Exhibit B.

Exhibit B

	Year 0				Year 5			
Company	Price	Earnings Per Share	Price to Earnings	5-year Earnings Growth	Price	Earnings Per Share	Price to Earnings	Percent Change
Growth Inc.	$10.00	$0.57	17.5x	7%	$10.42	$0.80	13x	4%
Value Inc.	$10.00	$1.00	10x	3%	$10.43	$1.16	9x	4%

But what if these companies start with a much higher valuation than in either Exhibit A or B, but profit growth and ending P/Es are the same as in Exhibit B? A price decline of 39% and 48% for Growth Inc. and Value Inc., respectively, is likely a larger mark-to-market decline than most investors find comfortable.

Exhibit C

	Year 0				Year 5			
Company	Price	Earnings Per Share	Price to Earnings	5-year Earnings Growth	Price	Earnings Per Share	Price to Earnings	Percent Change
Growth Inc.	$10.00	$0.33	30x	7%	$6.08	$0.47	13x	-39%
Value Inc.	$10.00	$0.50	20x	3%	$5.22	$0.58	9x	-48%

[12] **The hypothetical scenarios provided in Exhibits A, B & C are for illustrative and informational purposes only.** No representation is being made that any account, product, strategy or security will or is likely to achieve results similar to those shown. Hypothetical results do not reflect trading in actual accounts, and do not reflect the impact of economic, market or other factors. Hypothetical results have certain inherent limitations and are designed with the benefit of hindsight. There are frequently sharp differences between simulated results and the actual results subsequently achieved. Please see the end of this Commentary for additional disclosures.

High valuations are perishable, and we see the world tilting more towards the scenario in Exhibit C than Exhibit A. There are, of course, some who are nimble enough to exit overpriced equites before their sell-by date, but that is not our skill. To us, price matters.

As a result of strong performance across the portfolio, we have reduced the Fund's exposure to investments with risk-to-reward ratios that no longer justify the size of previous positions. The Fund's net risk exposure has declined since the end of 2018, ending the second quarter this year at 71.4% and down from 72.2% at the end of the first quarter.

Conclusion

With stocks and bonds trading at or near all-time high valuations, the market provides little downside protection for what will likely be a mediocre prospective return and we are therefore less than fully invested today.

Alfred E. Neuman, *Mad* Magazine's fictitious mascot and cover boy, had a favorite catch phrase, "What, Me Worry?" Neumann embodied complacency, a similarity we see today in many an investor. *Mad*'s publishers recently announced that the monthly magazine would cease publication with its August issue. Maybe now's the time for Mr. Neumann to worry. What about the rest of us?

Respectfully submitted,

Steven Romick
Portfolio Manager
July 29, 2019

Important Disclosures

This Commentary is for informational and discussion purposes only and does not constitute, and should not be construed as, an offer or solicitation for the purchase or sale with respect to any securities, products or services discussed, and neither does it provide investment advice. Any such offer or solicitation shall only be made pursuant to the Fund's Prospectus, which supersedes the information contained herein in its entirety. This presentation does not constitute an investment management agreement or offering circular.

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

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 managers, 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.fpa.com.

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 Depository Receipts (ADRs) and other depository receipts, which are subject to interest rate, currency exchange rate, economic and political risks; these risks may be heightened when investing in emerging markets. 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 may fluctuate in price more than larger company stocks. Short-selling involves increased risks and transaction costs. You risk paying more for a security than you received from its sale.

The return of principal in a bond investment is not guaranteed. Bonds have issuer, interest rate, inflation and credit risks. Interest rate risk is the risk that when interest rates go up, the value of fixed income securities, such as bonds, typically go down and investors may lose principal value. Credit risk is the risk of loss of principal due to the issuer's failure to repay a loan. Generally, the lower the quality rating of a security, the greater the risk that the issuer will fail to pay interest fully and return principal in a timely manner. If an issuer defaults the security may lose some or all of its value. Lower rated bonds, callable bonds and other types of debt obligations involve greater risks. Mortgage-backed securities and asset-backed securities are subject to prepayment risk and the risk of default on the underlying mortgages or other assets. Derivatives may increase volatility.

Value securities, including those selected by the Fund's portfolio managers, are subject to the risk that their intrinsic value may never be realized by the market because the market fails to recognize what the portfolio managers consider to be their true business value or because the portfolio managers have misjudged those values. In addition, value style investing may fall out of favor and underperform growth or other styles of investing during given periods.

Important Disclosures for Hypothetical Scenarios

The hypothetical scenarios provided in Exhibits A, B & C are for illustrative and informational purposes only. The hypothetical scenarios do not represent actual results; actual results may significantly differ from the theoretical data being presented. No representation is being made that any account, product, strategy or security will or is likely to achieve results similar to those shown. Hypothetical results do not reflect trading in actual accounts, and do not reflect the impact of economic, market or other factors. Hypothetical results have certain inherent limitations and are designed with the benefit of hindsight. As a result, hypothetical scenarios theoretically may be changed from time to time to obtain more favorable results. There are frequently sharp differences between simulated results and the actual results subsequently achieved. In addition, since trades have not actually been executed, simulated results cannot account for the impact of certain market risks such as the lack of liquidity. There are numerous other factors related to the markets in general or the implementation of any specific strategy which cannot be fully accounted for in the preparation of simulated results, all of which can adversely affect actual results.

Index Definitions

Comparison to any index is for illustrative purposes only and should not be relied upon as a fully accurate measure of comparison. The Fund may be less diversified than the indices noted herein, and may hold non-index securities or securities that are not comparable to those contained in an index. Indices will hold positions that are not within the Fund's investment strategy. Indices are unmanaged and do not reflect any commissions, transaction costs, or fees and expenses which would be incurred by an investor purchasing the underlying securities and which would reduce the performance in an actual account. You cannot invest directly in an index. The Fund does not include outperformance of any index in its investment objectives.

The **S&P 500 Index** includes a representative sample of 500 hundred 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.

Bloomberg Barclays U.S. Aggregate Bond Index provides a measure of the performance of the US investment grade bonds market, which includes investment grade US Government bonds, investment grade corporate bonds, mortgage pass-through securities and asset-backed securities that are publicly offered for sale in the United States. The securities in the Index must have at least 1-year remaining in maturity. In addition, the securities must be denominated in US dollars and must be fixed rate, nonconvertible, and taxable.

Bloomberg Barclays US Corporate High Yield Total Return Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on Barclays EM country definition, are excluded.

MSCI ACWI Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 44 country indices comprising 23 developed and 21 emerging market country indices.

The **Consumer Price Index** (CPI) is an unmanaged index representing the rate of the inflation of U.S. consumer prices as determined by the U.S. Department of Labor Statistics. The CPI is presented to illustrate the Fund's purchasing power against changes in the prices of goods as opposed to a benchmark, which is used to compare the Fund's performance. There can be no guarantee that the CPI will reflect the exact level of inflation at any given time.

60% S&P500/ 40% Bloomberg Barclays U.S. Aggregate Index is a hypothetical combination of unmanaged indices and comprises 60% S&P 500 Index and 40% Barclays U.S. Aggregate Index.

Other Definitions

Average forward 10-year S&P 500 Returns calculated by taking the average subsequent 10 year S&P 500 return for each date in which household equity ownership fell in a corresponding quintile. See percentage range for each quintile in the Household Equity Ownership chart.

Drawdown is the peak-to-trough decline during a specific recorded period of an investment, fund or commodity security. A drawdown is usually quoted as the percentage between the peak and the subsequent trough. Those tracking the entity measure from the time a retrenchment begins to when it reaches a new high.

Free Cash Flow represents the cash a company can generate after required investment to maintain or expand its asset base.

The **Great Recession** refers to the economic downturn of 2007 to 2009 after the bursting of the U.S. housing bubble and the global financial crisis. The Great Recession was the most severe economic recession in the United States since the Great Depression of the 1930s.

High Yield Bonds is a high paying bond with a lower credit rating than investment-grade corporate bonds, Treasury bonds and municipal bonds.

Long Equity Performance represents the performance of stocks that the Fund owned over the given time periods and excludes short-sales, limited partnerships, derivatives/futures, corporate bonds, mortgage backed securities, and cash and cash equivalents.

Margin of safety - Buying with a “margin of safety” is when a security is purchased at a discount to the portfolio manager’s estimate of its intrinsic value. Buying a security with a margin of safety is designed to protect against permanent capital loss in the case of an unexpected event or analytical mistake. A purchase made with a margin of safety does not guarantee the security will not decline in price.

Net Risk Exposure is a measure of the extent to which a fund’s trading book is exposed to market fluctuations. In regards to the Fund, it is the percent of the portfolio exposed to Risk Assets.

Price/Earnings ratio (P/E) is the price of a stock divided by its earnings per share. P/E and average P/E reflect the trailing 12 months. P/E, next 12 months, utilizes forward earnings expectations.

Risk Assets is any asset that carries a degree of risk. Risk asset generally refers to assets that have a significant degree of price volatility, such as equities, commodities, high-yield bonds, real estate and currencies, but does not include cash and cash equivalents.

Yield to maturity (YTM) is the total return anticipated on a bond if the bond is held until it matures.

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

TICKER/CUSIP	PRINCIPAL/ SHARES	SECURITY	COUPON RATE (%)	MATURITY DATE	MKT PRICE ($)	MKT VALUE ($)	% OF NET ASSET VALUE
		COMMON STOCKS (LONG)					
ALLY	6,577,069	ALLY FINANCIAL			30.99	203,823,368	1.4%
GOOGL	243,769	ALPHABET INC - A			1,082.80	263,953,073	1.8%
GOOG	245,340	ALPHABET INC - C			1,080.91	265,190,459	1.8%
AIG	10,790,921	AMERICAN INTERNATIONAL GROUP, INC.			53.28	574,940,271	4.0%
ADI	3,322,526	ANALOG DEVICES, INC.			112.87	375,013,510	2.6%
AON	1,131,085	AON PLC*			192.98	218,276,783	1.5%
ARNC	19,120,622	ARCONIC			25.82	493,694,460	3.4%
BIDU	1,791,516	BAIDU INC. - ADR*			117.36	210,252,318	1.4%
BAC	10,809,987	BANK OF AMERICA CORPORATION			29.00	313,489,623	2.2%
AVGO	1,340,149	BROADCOM			287.86	385,775,291	2.7%
CBT	600,021	CABOT CORPORATION			47.71	28,627,002	0.2%
CHTR	756,412	CHARTER COMMUNICATIONS INC. - A			395.18	298,918,894	2.1%
CIT	7,290,114	CIT GROUP			52.54	383,022,590	2.6%
C	5,300,260	CITIGROUP			70.03	371,177,208	2.6%
CMCSA	7,849,306	COMCAST CORPORATION - A			42.28	331,868,658	2.3%
FB	1,698,438	FACEBOOK, INC. - A			193.00	327,798,534	2.3%
GLEN LN	47,823,680	GLENCORE PLC*			3.46	165,514,014	1.1%
GBLB BB	2,722,644	GROUPE BRUXELLES LAMBERT S.A.*			98.25	267,502,935	1.8%
HEI GY	2,947,784	HEIDELBERGCEMENT AG *			80.93	238,550,460	1.6%
JS SP	2,042,860	JARDINE STRATEGIC HOLDINGS LIMITED*			38.16	77,949,867	0.5%
JD	5,731,482	JD.COM - ADR *			30.29	173,606,590	1.2%
JEF	16,334,640	JEFFERIES FINANCIAL GROUP			19.23	314,115,127	2.2%
KMI	12,078,542	KINDER MORGAN, INC,			20.88	252,199,957	1.7%
LHN SW	5,575,771	LAFARGEHOLCIM LTD - REG *			48.90	272,635,788	1.9%
LPLA	2,609,575	LPL FINANCIAL HOLDINGS INC.			81.57	212,863,033	1.5%
MGGT LN	28,376,243	MEGGITT PLC*			6.66	189,054,039	1.3%
MSFT	2,175,903	MICROSOFT			133.96	291,483,966	2.0%
MHK	697,373	MOHAWK INDUSTRIES			147.47	102,841,596	0.7%
MYL	7,279,674	MYLAN NV*			19.04	138,604,993	1.0%
NPN SJ	1,424,355	NASPERS LIMITED - N SHARES*			242.05	344,765,216	2.4%
035420 KS	560,426	NAVER CORPORATION*			98.83	55,387,371	0.4%
3659 JP	6,340,900	NEXON CO. LTD*			14.61	92,638,245	0.6%
7733 JP	6,219,900	OLYMPUS CORP*			11.13	69,220,549	0.5%
OI	9,007,760	OWENS-ILLINOIS			17.27	155,564,015	1.1%
PCG	3,585,220	PG & E CORPORATION			22.92	82,173,242	0.6%
PAH3 GY	1,539,070	PORSCHE AUTO HOLDING SE*			64.78	99,707,786	0.7%
RBS LN	49,922,150	ROYAL BANK OF SCOTLAND GROUP			2.79	139,238,225	1.0%
SBNY	731,980	SIGNATURE BANK			120.84	88,452,463	0.6%
SHFP	1,146,250	SOUND HOLDINGS FP*			36.12	41,407,097	0.3%
TEL	3,139,194	TE CONNECTIVTY			95.78	300,672,001	2.1%
UTX	2,498,174	UNITED TECHNOLOGIES CORPORATION			130.20	325,262,255	2.3%
UNVR	6,575,060	UNIVAR INC.			22.04	144,914,322	1.0%
WFC	4,799,137	WELLS FARGO			47.32	227,095,163	1.6%
		TOTAL COMMON STOCKS (LONG)				**9,909,242,357**	**68.6%**

TICKER/CUSIP	PRINCIPAL/ SHARES	SECURITY	COUPON RATE (%)	MATURITY DATE	MKT PRICE ($)	MKT VALUE ($)	% OF NET ASSET VALUE
		COMMON STOCKS (SHORT)					
		OTHER COMMON STOCKS (SHORT)				(270,819,306.02)	-1.9%
PEI	(589,420)	PENNSYLVANIA REAL ESTATE INVESTMENT TRUST			6.50	(3,831,230.00)	0.0%
KRE	(7,160,648)	SPDR S&P REGIONAL BANKING			53.43	(382,593,422.64)	-2.7%
XLU	(1,060,170)	SPDR SELECT SECTOR UTILITIES			59.63	(63,217,937.10)	-0.4%
700 HK	(911,600)	TENCENT HOLDINGS LIMITED*			45.24	(41,240,225.61)	-0.3%
VOW3 GY	(408,519)	VOLKSWAGEN AG*			168.44	(68,809,988.91)	-0.5%
GWW	(70,685)	W.W. GRAINGER, INC.			268.23	(18,959,837.49)	-0.1%
		TOTAL COMMON STOCKS (SHORT)				**(849,471,948)**	**-5.9%**
		CLOSED-END FUNDS					
AABA	4,756,180	ALTABA INC			69.37	329,936,207	2.3%
		TOTAL CLOSED-END FUNDS				**329,936,207**	**2.3%**
		PREFERRED STOCK					
DHCP O PERP	9,950	DITECH HOLDINGS (CONVERTIBLE PREFERRED)			0.10	995	0.0%
369604BQ5	28,026,000	GENERAL ELECTRIC COMPANY PERPETUAL CALL	5.000	12/29/2049	95.88	26,869,928	0.2%
		TOTAL PREFERRED STOCK				**26,870,923**	**0.2%**
		LIMITED PARTNERSHIPS					
963HYB908	76,942,058	FPS HOLDCO LLC			100.00	76,942,058	0.5%
932FJH904	67,132,682	GACP II L.P.			72.40	48,606,144	0.3%
ACI00CV12	35,000,000	U.S. FARMING REALTY TRUST I, L.P.			99.79	34,926,236	0.3%
FARM2	12,000,000	U.S. FARMING REALTY TRUST II, L.P.			98.43	11,811,408	0.1%
		TOTAL LIMITED PARTNERSHIPS				**172,285,846**	**1.2%**
		DERIVATIVES/FUTURES					
25501G113	430,887	DITECH HOLDINGS (WARRANTS - A)		2/9/2028	0.01	2,155	0.0%
25501G121	341,900	DITECH HOLDINGS (WARRANTS - B)		2/9/2028	0.01	3,419	0.0%
	70,886,000	EUR CURRENCY @ 1.1286		9/19/2019	(0.02)	(1,101,436)	0.0%
99ZL03275	194,350,000	JPY PUT 95.00 @ $0.07525*		3/24/2022	0.09	16,686,891	0.1%
AEI287813	72,866,628	LIBOR CAP 2.892		1/11/2029	0.02	1,576,251	0.0%
AEI287821	(72,866,628)	LIBOR FLOOR 2.552		1/11/2029	0.09	(6,404,175)	0.0%
99ZU04109	100,000,000	USD 3Y5Y30YR LINEAR FORWARD VOLATILITY AGREEMENT		5/22/2020	0.19	19,079,800	0.2%
99ZU68278	90,081,096	USD 3Y5Y30YR LINEAR FORWARD VOLATILITY AGREEMENT		7/13/2020	0.19	16,812,466	0.2%
99ZU68302	89,879,161	USD 5Y5Y30YR LINEAR FORWARD VOLATILITY AGREEMENT		7/13/2022	0.19	16,669,618	0.1%
99ZZ88317	749,000,000	USD 2Y10Y CMS CAP 0.100%		7/8/2021	0.00	2,993,753	0.0%
99ZZ70208	763,000,000	USD 2Y10Y CMS CAP 0.122%		6/24/2021	0.00	2,925,342	0.0%
AEI128926	3,345,901,000	USD 2Y10Y CMS CAP 0.1425%		9/28/2021	0.00	12,430,022	0.1%
99ZZ88309	658,000,000	USD 2Y10Y CMS CAP 0.187%		7/10/2023	0.00	2,372,090	0.0%
99ZZ77716	678,000,000	USD 2Y10Y CMS CAP 0.198%		6/30/2023	0.00	2,404,188	0.0%
AEI143222	3,125,230,200	USD 2Y10Y CMS CAP 0.145%		10/3/2021	0.00	12,322,783	0.1%
99ZZ88432	658,000,000	USD 2Y30Y CMS CAP 0.141%		7/8/2021	0.01	3,685,458	0.0%
99ZZ70216	690,000,000	USD 2Y30Y CMS CAP 0.162%		6/24/2021	0.01	3,755,670	0.0%
AEI128934	2,805,494,000	USD 2Y30Y CMS CAP 0.182%		9/28/2021	0.01	15,228,221	0.1%
99ZZ88440	597,000,000	USD 2Y30Y CMS CAP 0.269%		7/10/2023	0.00	2,669,784	0.0%
99ZZ77724	608,000,000	USD 2Y30Y CMS CAP 0.273%		6/30/2023	0.00	2,706,816	0.0%
AEI143230	2,605,964,690	USD 2Y30Y CMS CAP 0.190%		10/3/2021	0.01	15,442,947	0.1%
		TOTAL DERIVATIVES/FUTURES				**142,262,063**	**1.0%**

TICKER/CUSIP	PRINCIPAL/ SHARES	SECURITY	COUPON RATE (%)	MATURITY DATE	MKT PRICE ($)	MKT VALUE ($)	% OF NET ASSET VALUE
		CORPORATE BONDS & NOTES (LONG)					
097751BM2	66,677,000	BOMBARDIER 144A	7.500	3/15/2025	100.16	66,780,349	0.5%
097751AL5	5,800,000	BOMBARDIER 144A	7.450	5/1/2034	100.25	5,814,500	0.0%
13057QAF4	2,171,000	CALIFORNIA RESOURCES CORPORATION	6.000	11/15/2024	64.63	1,403,009	0.0%
13057QAG2	35,750,000	CALIFORNIA RESOURCES CORPORATION 144A	8.000	12/15/2022	75.38	26,946,563	0.2%
		TOTAL CORPORATE BONDS & NOTES (LONG)				**100,944,421**	**0.7%**
		CORPORATE BONDS & NOTES (SHORT)					
		OTHER CORPORATE BONDS & NOTES (SHORT)				(37,466,439)	-0.3%
		TOTAL CORPORATE BONDS & NOTES (SHORT)				**(37,466,439)**	**-0.3%**
		BANK DEBT & OTHER CREDIT DEBT					
933QDAII1	9,944,735	HALL OF FAME TL	11.222	5/15/2020	100.00	9,944,735	0.1%
933CQMII2	19,202,100	MEC FILO TL 1	11.340	2/12/2021	100.00	19,202,100	0.1%
		OTHER BANK DEBT & CREDIT DEBT				36,800,574	0.3%
927LYJII8	7,150,540	SHIP LOAN PARTICIPATION II	11.000	9/10/2019	100.00	7,150,540	0.0%
926CSAII5	30,533,326	SHIP LOAN PARTICIPATION	7.800	12/24/2019	100.00	30,533,326	0.2%
		TOTAL BANK DEBT & OTHER CREDIT DEBT				**103,631,275**	**0.7%**
		RMBS NON-AGENCY COLLATERALIZED MORTGAGE OBLIGATION					
85486BAA7	663,639	STANWICH MORTGAGE LOAN TRUST SERIES 2010-2	1.005	2/28/2057	50.42	334,607	0.0%
85487GAA5	98,815	STANWICH MORTGAGE LOAN TRUST SERIES 2012-2	0.000	3/15/2047	42.50	41,996	0.0%
		TOTAL RMBS NON-AGENCY COLLATERALIZED MORTGAGE OBLIGATION				**376,603**	**0.0%**
		MUNICIPAL BONDS					
74514LE86	111,230,000	PUERTO RICO COMMONWEALTH - A	8.000	7/1/2035	51.75	57,561,525	0.4%
745160QZ7	7,070,000	PUERTO RICO COMMONWEALTH AQUADUCT	5.000	7/1/2021	101.13	7,149,538	0.1%
745160RB9	14,598,000	PUERTO RICO COMMONWEALTH AQUADUCT	5.125	7/1/2037	100.63	14,689,237	0.1%
745160RC7	93,814,000	PUERTO RICO COMMONWEALTH AQUADUCT	5.250	7/1/2042	100.88	94,634,872	0.7%
745160RG8	9,753,000	PUERTO RICO COMMONWEALTH AQUADUCT	5.250	7/1/2029	101.38	9,887,104	0.1%
745160RP8	3,883,000	PUERTO RICO COMMONWEALTH AQUADUCT	5.000	7/1/2022	101.38	3,936,391	0.0%
745160RR4	25,194,000	PUERTO RICO COMMONWEALTH AQUADUCT	5.000	7/1/2033	100.63	25,351,463	0.2%
745160RS2	16,607,000	PUERTO RICO COMMONWEALTH AQUADUCT	5.750	7/1/2037	102.50	17,022,175	0.1%
745160RD5	14,655,000	PUERTO RICO COMMONWEALTH AQUADUCT	6.000	7/1/2047	102.63	15,039,694	0.1%
745235R37	54,920,000	PUERTO RICO COMMONWEALTH PUBLIC BUILDINGS REF-U	5.250	7/1/2042	72.50	39,817,000	0.3%
74529JQB4	2,452,000	COFINA SERIES A-1 (TE) CAB (ZERO COUPON)	4.250	7/1/2024	85.00	2,084,077	0.0%
74529JQC2	4,153,000	COFINA SERIES A-1 (TE) CAB (ZERO COUPON)	4.375	7/1/2027	76.54	3,178,789	0.0%
74529JQD0	4,047,000	COFINA SERIES A-1 (TE) CAB (ZERO COUPON)	4.375	7/1/2029	70.08	2,836,138	0.0%
74529JQE8	5,216,000	COFINA SERIES A-1 (TE) CAB (ZERO COUPON)	4.500	7/1/2031	62.57	3,263,547	0.0%
74529JQF5	5,871,000	COFINA SERIES A-1 (TE) CAB (ZERO COUPON)	4.500	7/1/2033	55.84	3,278,425	0.0%
74529JQG3	55,871,000	COFINA SERIES A-1 (TE) CAB (ZERO COUPON)	5.375	7/1/2046	22.87	12,777,698	0.1%
74529JQH1	45,515,000	COFINA SERIES A-1 (TE) CAB (ZERO COUPON)	5.625	7/1/2051	16.87	7,677,925	0.1%
74529JPU3	4,298,000	COFINA SERIES A-1 (TE) CIB (CASH PAY)	4.500	7/1/2034	103.18	4,434,676	0.0%
74529JPV1	2,177,000	COFINA SERIES A-1 (TE) CIB (CASH PAY)	4.550	7/1/2040	100.00	2,177,000	0.0%
74529JPW9	15,968,000	COFINA SERIES A-1 (TE) CIB (CASH PAY)	4.750	7/1/2053	97.21	15,521,854	0.1%
74529JPX7	40,380,000	COFINA SERIES A-1 (TE) CIB (CASH PAY)	5.000	7/1/2058	100.00	40,380,000	0.3%
74529JPY5	22,112,000	COFINA SERIES A-2 (TAX) CIB (CASH PAY)	4.550	7/1/2040	96.50	21,338,080	0.1%
74529JPZ2	662,000	COFINA SERIES A-2 (TAX) CIB (CASH PAY)	4.750	7/1/2053	94.37	624,710	0.0%
74529JQA6	8,865,000	COFINA SERIES A-2 (TAX) CIB (CASH PAY)	5.000	7/1/2058	96.75	8,576,888	0.1%
		TOTAL MUNICIPAL BONDS				**413,238,806**	2.9%
		TOTAL INVESTMENT SECURITIES				**10,311,850,114**	**71.4%**

TICKER/CUSIP	PRINCIPAL/ SHARES	SECURITY	COUPON RATE (%)	MATURITY DATE	MKT PRICE ($)	MKT VALUE ($)	% OF NET ASSET VALUE
		U.S. GOVERNMENT AND AGENCIES (SHORT-TERM)					
912796SC4	120,000,000	UNITED STATES TREASURY BILLS		8/8/2019	99.77	119,721,264	0.8%
912796VQ9	120,000,000	UNITED STATES TREASURY BILLS		8/13/2019	99.75	119,702,556	0.8%
912828S43	180,000,000	UNITED STATES TREASURY NOTES	0.750	7/15/2019	99.94	179,891,010	1.3%
9128282B5	175,000,000	UNITED STATES TREASURY NOTES	0.750	8/15/2019	99.82	174,680,083	1.2%
9128282G4	100,000,000	UNITED STATES TREASURY NOTES	0.875	9/15/2019	99.73	99,733,980	0.7%
912828TR1	170,000,000	UNITED STATES TREASURY NOTES	1.000	9/30/2019	99.72	169,519,223	1.2%
912828T59	235,000,000	UNITED STATES TREASURY NOTES	1.000	10/15/2019	99.68	234,238,083	1.6%
912828F62	100,000,000	UNITED STATES TREASURY NOTES	1.500	10/31/2019	99.79	99,793,360	0.7%
912828LY4	230,000,000	UNITED STATES TREASURY NOTES	3.375	11/15/2019	100.45	231,029,618	1.6%
		TOTAL U.S. GOVERNMENT AND AGENCIES (SHORT-TERM)				**1,428,309,177**	**9.9%**
		COMMERCIAL PAPER					
16677KU27	50,000,000	CHEVRON	2.420	7/2/2019	99.99	49,996,639	0.3%
16677KU35	81,000,000	CHEVRON	2.410	7/3/2019	99.99	80,989,155	0.6%
16677KUH4	75,000,000	CHEVRON	2.390	7/17/2019	99.89	74,920,333	0.5%
16677KUS0	124,550,000	CHEVRON	2.350	7/26/2019	99.84	124,351,602	0.9%
16677KUX9	50,000,000	CHEVRON	2.340	7/31/2019	99.81	49,902,500	0.3%
16677KV75	75,000,000	CHEVRON	2.310	8/7/2019	99.76	74,821,938	0.5%
16677KV91	100,000,000	CHEVRON	2.290	8/9/2019	99.75	99,751,917	0.7%
16677KVK6	100,000,000	CHEVRON	2.270	8/19/2019	99.69	99,691,028	0.7%
19121BUJ6	50,000,000	COCA COLA	2.400	7/18/2019	99.89	49,943,333	0.3%
30229BU54	25,000,000	EXXONMOBIL	2.410	7/5/2019	99.97	24,993,306	0.2%
30229BUG0	100,000,000	EXXONMOBIL	2.400	7/16/2019	99.90	99,900,000	0.7%
30229BUN5	125,000,000	EXXONMOBIL	2.400	7/22/2019	99.86	124,825,000	0.9%
30229BUQ8	50,000,000	EXXONMOBIL	2.400	7/24/2019	99.85	49,923,333	0.3%
30229BV53	74,000,000	EXXONMOBIL	2.330	8/5/2019	99.77	73,832,369	0.5%
30229BVN4	125,000,000	EXXONMOBIL	2.250	8/22/2019	99.68	124,593,750	0.9%
36960MU35	25,000,000	GENERAL ELECTRIC CO.	2.650	7/3/2019	99.99	24,996,320	0.2%
36960MU50	85,000,000	GENERAL ELECTRIC CO.	2.650	7/5/2019	99.97	84,974,972	0.6%
36960MU84	49,000,000	GENERAL ELECTRIC CO.	2.730	7/8/2019	99.95	48,973,989	0.3%
36960MU92	60,000,000	GENERAL ELECTRIC CO.	2.550	7/9/2019	99.94	59,966,000	0.4%
36960MUJ0	25,000,000	GENERAL ELECTRIC CO.	2.600	7/18/2019	99.88	24,969,306	0.2%
36960MUW1	40,000,000	GENERAL ELECTRIC CO.	2.640	7/30/2019	99.79	39,914,933	0.3%
36960MV26	75,000,000	GENERAL ELECTRIC CO.	2.630	8/2/2019	99.77	74,824,667	0.5%
36960MVC4	85,000,000	GENERAL ELECTRIC CO.	2.550	8/12/2019	99.70	84,747,125	0.6%
71344UU31	50,000,000	PEPSICO	2.240	7/3/2019	99.99	49,993,778	0.3%
71344UUF4	13,350,000	PEPSICO	2.260	7/15/2019	99.91	13,338,267	0.1%
71344UUK3	60,000,000	PEPSICO	2.360	7/19/2019	99.88	59,929,200	0.4%
71344UUV9	40,000,000	PEPSICO	2.270	7/29/2019	99.82	39,929,378	0.3%
93114FU10	100,000,000	WAL-MART STORES	2.400	7/1/2019	100.00	100,000,000	0.7%
93114FU28	40,000,000	WAL-MART STORES	2.320	7/2/2019	99.99	39,997,422	0.3%
93114FUV4	40,000,000	WAL-MART STORES	2.330	7/29/2019	99.82	39,927,511	0.3%
		TOTAL COMMERCIAL PAPER				**1,988,919,071**	**13.8%**
		REPURCHASE AGREEMENTS					
	44,439,000	STATE STREET BANK/FICC REPO			100.00	44,439,000	0.3%
		TOTAL REPURCHASE AGREEMENTS				**44,439,000**	**0.3%**

TICKER/CUSIP	PRINCIPAL/ SHARES	SECURITY	COUPON RATE (%)	MATURITY DATE	MKT PRICE ($)	MKT VALUE ($)	% OF NET ASSET VALUE
		CASH & EQUIVALENTS				671,380,089	4.6%
		TOTAL CASH & EQUIVALENTS				**4,133,047,337**	**28.6%**
		TOTAL NET ASSETS				**$ 14,444,897,451**	**100.0%**
		NUMBER OF LONG EQUITY POSITIONS				**44**	
		NUMBER OF LONG FIXED INCOME CREDIT POSITIONS				**43**	

* Indicates foreign security.

Portfolio Holding Disclosures

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 the Prospectus carefully before investing. The Prospectus may be obtained by visiting the website at www.fpa.com, by email at crm@fpa.com, toll-free by calling 1-800-982-4372 or by contacting the Fund in writing.

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 Depository Receipts (ADRs) and other depository receipts, which are subject to interest rate, currency exchange rate, economic and political risks; this may be enhanced when investing in emerging markets. Securities of smaller, less well-known companies involve greater risks and they can fluctuate in price more than larger company securities.

Short-selling involves increased risks and transaction costs. You risk paying more for a security than you received from its sale.

The return of principal in a bond investment is not guaranteed. Bonds have issuer, interest rate, inflation and credit risks. Lower rated bonds, callable bonds and other types of debt obligations involve greater risks. Mortgage securities and asset backed securities are subject to prepayment risk and the risk of default on the underlying mortgages or other assets; derivatives may increase volatility.
Interest rate risk is when interest rates go up, the value of fixed income securities, such as bonds, typically go down and investors may lose principal value. Credit risk is the risk of loss of principle due to the issuer's failure to repay a loan. Generally, the lower the quality rating of a security, the greater the risk that the issuer will fail to pay interest fully and return principal in a timely manner. If an issuer defaults the security may lose some or all its value.

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.

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 managers, FPA, or the distributor.

The Fund is distributed by UMB Distribution Services, LLC, 235 W. Galena Street, Milwaukee, WI, 53212.