FPA U.S. Value Fund, Inc.
Second Quarter 2020 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 a 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 (%)

As of Date: 6/30/2020	QTD	YTD	1 Year	3 Years	5 Years*	10 Years*
FPA U.S. Value Fund, Inc. ('Fund')	24.45	2.50	13.64	8.08	5.13	10.60
S&P 500	20.54	-3.08	7.51	10.73	10.73	13.99
Russell 2500	26.56	-11.05	-4.70	4.08	5.41	11.46

Periods greater than one year are annualized. 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 performance does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares, which would lower these returns. 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.

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 net expense ratio as of its most recent prospectus 1.22%. 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.

The total expense ratio is 1.43% and the net expense ratio is 1.22% (as of most recent prospectus). The Investment Advisory Agreement ("IAA") between the Fund and First Pacific Advisors, LP (the "Adviser" or "FPA"), the Fund's investment adviser, requires FPA to reduce its investment advisory fee to the extent necessary to reimburse the Fund for any annual expenses (exclusive of interest, taxes, the cost of brokerage and research services, legal expenses related to portfolio securities, and extraordinary expenses such as litigation, merger, reorganization or recapitalization) in excess of 1.50% of the first $30 million and 1% of the remaining average net assets of the Fund for the year. This agreement is coterminous with the IAA, and the IAA is renewed annually as of October 1 each year. The IAA may be terminated by the Fund's Board of Trustees, by the vote of a majority of the Fund's shareholders, or by the Adviser. The current term of the IAA runs through September 30, 2020.

* On September 1, 2015, the Fund changed its name to FPA U.S. Value Fund, Inc., and the current portfolio manager assumed management of the Fund on that date. Contemporaneous with this change, the Fund transitioned to its current investment strategy. Performance prior to September 1, 2015 reflects the performance of the prior portfolio manager and investment strategy. Performance prior to September 1, 2015 is not indicative of performance for any subsequent periods. The transition took place during time period from September 1, 2015 to September 30, 2015.

Please see important disclosures at the end of the commentary.

Introduction

In the second quarter, the FPA U.S. Value Fund, Inc.'s ("Fund") performance was 24.45%, which compares favorably to the 20.54% total return of the S&P 500 Index ("Index" or "S&P 500"). Year-to-date, the Fund's performance was 2.50% compared to the S&P 500 total return of -3.08%.[1]

The Fund's performance in the second quarter and first half of the year is mostly attributable to being exposed to the sectors we believe have sustainable, above average growth—and investing in high-quality companies within them that in our view are positioned to capture a disproportionate share of that growth.

The 10-year U.S. Treasury Yield remained close to historical lows at nearly 0.7% at the end of the second quarter as global economic growth looks to be even further challenged in the coming years due to the coronavirus pandemic. We believe secularly growing mid-to large-capitalization companies trading at compelling valuations will continue to be a favorable place to invest—especially relative to U.S. treasuries and other investment alternatives.

The Fund's performance over the past six quarters is representative of what we strive for and what we have confidence can be achieved over full market cycles. In 2019, during a strong bull market, the Fund generated more than the market's return, delivering 2.67% more than the S&P 500 total return. In the first quarter of 2020, which included one of the most abrupt bear markets we have witnessed in over a decade, the Fund managed to decline 1.96% less than the market. Then as the market rebounded in the second quarter, the Fund generated 3.91% more return than the Index. As a result, over the 18-month period ending June 30, 2020, the Fund delivered a 37.51% return (39.96%[2] gross of fees and expenses) compared to the S&P 500 total return of 27.44%.[3]

What is worth emphasizing is that we delivered this performance over the past six quarters in a thoughtful, well diversified, risk-adjusted manner. First, we explained which sectors we purposefully avoided and underweighted as well as the reasoning behind the ones we were overweight. Second, while we were surgical in choosing our largest investments, our top 10 positions did not exceed more than half of the portfolio. Additionally, we averaged 63 investments over these 18 months, with approximately 40% average overlap with the Index. As we explained in our second half 2019 presentation, there are enough secular winners to find within the S&P 500 and the broader mid-to large-cap market that the reward is not commensurate with the risk from too much single stock concentration.

The bottom line is we believe we have created a better version of the Index. There are many great companies in the S&P 500 and several outside of it. However, there are a lot of mediocre and sub-par companies in the Index that we believe will have a difficult time growing at or above the rate of GDP growth in the coming years. As a result, when constructing the Fund's portfolio we feel it makes sense to begin by trying to eliminate the worst parts of the Index and then look to accentuate what we believe is the top 40%. If we are successful in continuing to do that, we believe the Fund will continue to generate meaningful, attractive risk-adjusted performance.

Portfolio Commentary

We have stated several times in recent commentaries and presentations that we believe secular trends underpinning many of the Fund's portfolio companies' business models are robust enough to offset some macroeconomic weakness. These secular trends include increasing global smartphone penetration rates,

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[1] Source: Morningstar. Comparison to the S&P 500 Index is being used as a representation of the "market" and is for illustrative purposes only. The Fund does not include outperformance of any index or benchmark in its investment objectives.

[2] Gross performance reflects the compounded monthly gross returns before the deduction of any fees or expenses. Gross performance is being shown for illustrative purposes only and it does not represent the return an investor can or should expect to receive. Actual returns would be lower if fees and expenses were included. Fund shareholders may only invest or redeem their shares at net asset value.

[3] 2019 net performance for the Fund was 34.16%. 2019 performance for the S&P 500 index was 31.49%.

Past performance is no guarantee, nor is it indicative, of future results.

the growth in direct-to-consumer/e-commerce business, increasing 'software-as-a-service' (SAAS) and adoption of cloud-based applications, and growth in digital payments. While the coronavirus pandemic has resulted in overall macroeconomic weakness, it has accelerated many of these established, strong underlying trends.

As a result, many of the Fund's portfolio companies are thriving in this environment and the market is bidding up the prices and valuations of many of these secular winners. These companies remain the overwhelming majority of the portfolio at approximately 75%. However, we feel it is prudent to be more diversified than where we were at the end of the first quarter and to allocate some capital to "vaccine stocks" that have lagged in the market recovery and trade at compelling valuations. We define a vaccine stock as a company that we believe has an above average business that has been disproportionately hurt by the pandemic—and that we believe will have a commensurate rebound once there is a COVID-19 vaccine and the global economy returns to pre-pandemic consumer behavior patterns. At the end of the second quarter, we had nearly 11% of the portfolio invested in such companies. Some examples are Adidas, Stryker, Madison Square Garden Sports, Disney, Automatic Data Processing, Airbus, JP Morgan, HCA Healthcare, Starbucks, Estee Lauder and CBRE.[4]

During the second quarter, we eliminated three positions that made up 1.0% of the March 31, 2020 portfolio, reduced the weighting of the 50 remaining positions by 5.3% to 90.4% and added 28 new positions representing 8.8% of the June 30 portfolio. These new positions are in companies we have been following and that were on our wish list to purchase. Most are not at full position sizes due to valuation, and thus we are prepared to add to them should we get the opportunity.

As of June 30, 2020, the Fund was invested in 78 companies (67 of which are disclosed), including 60 that are in the S&P 500. That leaves 440 other Index positions that are not held in the Fund. Moreover, since the 60 positions in common made up approximately 42% of the S&P 500's weighting, the Fund's active share was 58% compared to the Index as of June 30, 2020.[5] At the same time, a majority of those 60 positions were overweight in the Fund relative to the Index. The Fund's remaining 18 investments were predominantly large-cap foreign companies and mid-to large-cap U.S. companies. Combined, those 18 companies made up 10.5% of the portfolio.

In terms of geography, 92.0% of the portfolio was in U.S. companies, while 7.2% was in foreign equities, as of June 30. By market capitalization, 93.2% of the disclosed portfolio was invested in large-cap companies—companies with market values above $10 billion, with just over 60% invested in mega-caps—companies with market values above $200 billion. The Fund's weighted average market cap was approximately $561 billion, while the Fund's median market cap was approximately $78 billion.

Regarding portfolio concentration, the Fund's top five positions made up 36.4% of the Fund compared to approximately 22.7% for the S&P 500. The Fund's top 10 positions made up approximately half of the portfolio versus 27.0% for the Index. Over time, our goal is to reduce the weighting of some of the Fund's largest positions and to increase some of the Fund's smallest ones as our conviction grows.

From an industry exposure standpoint, the portfolio had disclosed investments in eight of the 11 sectors in the S&P 500. Combined, those eight sectors made up approximately 92% of the S&P 500 and 94% of the Fund's disclosed portfolio. Relative to the S&P 500, the portfolio is overweight information technology, communication services and consumer discretionary, and underweight healthcare, financials, industrials, consumer staples and real estate. At the end of the quarter, the Fund did not have any disclosed investments in utilities, energy and materials. Collectively, those three sectors made up 8.4% of the S&P 500.

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[4] This is not a recommendation for a specific security and these securities may not be in the Fund at the time you receive this report. The information provided does not reflect all positions purchased, sold or recommended by FPA during the quarter.

[5] *Active share* is a measure of the percentage of the Fund's holdings that differ from the holdings in the Fund's illustrative index. It is calculated by taking the sum of the absolute value of the differences of the weight of each holding in the Fund and the weight of each holding in the index and dividing by two.

The following are the disclosed sector exposure changes from the end of March 31 through June 30, 2020. We reduced the Fund’s exposure to communication services from 26.1% to 23.5%, health care from 10.2% to 10.1%, financials from 4.0% to 3.2% and industrials from 3.1% to 2.1%; we increased information technology from 31.7% to 34.7% and consumer discretionary from 16.5% to 19.1%. Additionally, our disclosed investments in consumer staples stood at 1.3% and 0.2% in real estate.

Compared to the broader market, we believe the Fund’s portfolio is of higher quality and has greater potential for revenue and earnings growth. [6]

	FPA U.S. Value Fund	S&P 500
Large Capitalization Holdings % of Portfolio	93.2%	97.4%
Top 5 Holdings % of Portfolio	36.4%	22.7%
Top 10 Holdings % of Portfolio	50.3%	27.0%
Foreign Securities % of Portfolio	7.2%	0.0%
12-Month Forward P/E[7]	32.7x	23.2x
Price/Book[8]	7.6x	3.6x
Return on Equity[9]	29.1%	25.3%
EPS[10] Growth Historical (2-year, $-weighted median)	23.3%	12.2%
EPS Growth Forecast (2-year, median)	33.5%	24.2%
Revenue Growth Historical (2-year, $-weighted median)	15.3%	9.4%
Revenue Growth Forecast (2-year, median)	10.7%	5.5%
Debt/Equity[11]	1.0x	1.4x
Median Market Capitalization[12] (billions)	$78.3	$21.6
Weighted Average Market Cap (billions)	$560.6	$388.5

Source: FPA, Mellon, Capital IQ. Data as of June 30, 2020. Data excludes undisclosed holdings. ‘% of Portfolio’ statistics are based on net assets. Portfolio composition will change due to ongoing management of the Fund. Comparison to an index is for illustrative purposes only. The Fund does not include outperformance of any index or benchmark in its investment objectives.

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[6] The portfolio manager believes a high-quality company is one that is able to generate a return on capital in excess of its cost of capital for sustained periods of time.

[7] The forward price-to-earnings (P/E) ratio is derived by dividing the price of the stock by the estimated one year of future per-share earnings and is used as a relative value comparison for a company’s shares. Forward P/E numbers are estimates and subject to change.

[8] Price/Book ratio is the current closing price of the stock divided by the latest quarter’s book value per share.

[9] Return on Equity measures a portfolio company’s profitability by dividing net income before taxes less preferred dividends by the value of stockholders’ equity.

[10] EPS, or Earnings per Share, is the portion of a company's profit allocated to each share of common stock.

[11] Debt/Equity (D/E) Ratio is calculated by dividing a company’s total liabilities by its shareholder equity. These numbers are available on the balance sheet of a company’s financial statements. The ratio is used to evaluate a company's financial leverage.

[12] Market Cap, short for market capitalization, refers to the total dollar market value of a company's outstanding shares.

Q2 2020 Winners and Losers[13]

Winners	Performance Contribution	Losers	Performance Contribution
Amazon.com	2.57%	Airbus	-0.36%
Facebook	2.42%	Wells Fargo	-0.12%
Microsoft	2.30%	Alibaba Group	-0.09%
Alphabet	2.11%	Citigroup	-0.06%
Apple	1.91%	JPMorgan Chase	-0.06%

The Fund's biggest detractors to performance in the second quarter were largely in the aforementioned category we label as vaccine stocks. These companies are in industries such as banks, industrials as well as travel and entertainment. Many of these businesses have been disproportionately hurt by the pandemic and will likely not see their businesses rebound to 2019 levels for at least another couple of years. However, we believe their respective competitive positions remain intact and their valuations are compelling based on normalized earnings. As a result, we currently have nearly 11% of the portfolio invested in vaccine stocks and may increase or decrease our exposure over time.

The Fund's biggest contributors to performance in the quarter were its top five positions, which we dubbed FAAAM (pronounced 'fam') for Facebook, Amazon, Alphabet, Apple and Microsoft. We've discussed at length in past commentaries and presentations why we view these companies as long-term, secular winners in an increasingly cloud-based, digital, mobile, direct-to-consumer, e-commerce world. We stated in the first quarter commentary that the coronavirus pandemic was likely accelerating the established technological trends benefitting FAAAM and we believe this faster growth will continue after a Covid-19 vaccine emerges. Of course, there are risks to all industries and businesses. We are acutely aware of many of them as it relates to FAAAM, including various competitive and political ones. As such, we are continually monitoring them and managing our portfolio exposure accordingly.

Closing

We are optimistic that the Fund will generate good absolute and relative returns compared to the S&P 500 going forward.

We look forward to delivering value for our fellow shareholders over the coming years. Thank you for your confidence and continued support.

Respectfully submitted,

Gregory R. Nathan
Portfolio Manager
July 2020

[13] Reflects top contributors and top detractors to the Fund's performance based on contribution-to-return. Contribution is presented gross of investment management fees, transactions costs, and Fund operating expenses, which if included, would reduce the returns presented. This is not a recommendation for a specific security and these securities may not be in the Fund at the time you receive this report. 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 at crm@fpa.com. The portfolio holdings as of the most recent quarter-end may be obtained at www.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. For a full list of holdings and weights by percentage of total assets please view the holdings report at the end of this Commentary.

Past performance is no guarantee, nor is it indicative, of future results. Please see Important Disclosures at the end of this commentary.

Important Disclosures

This update 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 of 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.

The views expressed herein and any forward-looking statements are as of the date of this 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 manager, the Adviser, or the distributor. It should not be assumed that future investments will be profitable or will equal the performance of the security examples discussed. The portfolio holdings as of the most recent quarter-end may be obtained at www.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. Groups of stocks, such as value and growth, go in and out of favor which may cause certain funds to underperform other equity funds.

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 manager considers the true business value or because the portfolio manager 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.

Please refer to the Fund's Prospectus for a complete overview of the primary risks associated with the Fund.

In making any investment decision, you must rely on your own examination of the Fund, including the risks involved in an investment. Investments mentioned herein may not be suitable for all recipients and in each case, potential investors are advised not to make any investment decision unless they have taken independent advice from an appropriately authorized advisor. An investment in any security mentioned herein does not guarantee a positive return as securities are subject to market risks, including the potential loss of principal. You should not construe the contents of this document as legal, tax, investment or other advice or recommendations.

Index / Other Definitions

Debt/Equity is the measure of a company's financial leverage calculated by dividing its total liabilities by stockholder's equity.

EPS (Earnings per share) is the portion of a company's profit allocated to each outstanding share of common stock.

Price-to-Book (P/B) is a ratio used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the latest quarter's book value per share.

Return on Equity measures a portfolio company's profitability by revealing how much profit a company generates with the money shareholders have invested.

Comparison to any index or peer group is for illustrative purposes only and should not be relied upon as a fully accurate measure of comparison. The Fund will 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 may hold positions that are not within the Fund's investment strategy. Indices are unmanaged and do not reflect any commissions or fees which would be incurred by an investor purchasing the underlying securities. The Fund does not include outperformance of any index or peer group in its investment objectives. An investor cannot invest directly in an index.

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.

The **Russell 2500 Index** consists of the 2,500 smallest companies in the Russell 3000 total capitalization universe and is considered a measure of small to mid-capitalization stock performance.

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

TICKER	PRINCIPAL/ SHARES	SECURITY	COUPON RATE (%)	MATURITY DATE	MKT PRICE ($)	MKT VALUE ($)	% OF NET ASSET VALUE
		COMMON STOCK (LONG)					
ABT	4,850	ABBOTT LABORATORIES			91.43	443,436	0.6%
ACN	7,750	ACCENTURE PLC-CL A*			214.72	1,664,080	2.4%
ATVI	6,900	ACTIVISION BLIZZARD INC			75.90	523,710	0.8%
ADS GY	5,095	ADIDAS AG*			262.45	1,337,180	1.9%
ADBE	3,750	ADOBE SYSTEMS INC			435.31	1,632,413	2.4%
AIR FP	4,400	AIRBUS SE*			71.36	314,005	0.5%
AKAM	850	AKAMAI TECHNOLOGIES INC			107.09	91,027	0.1%
BABA	6,425	ALIBABA GROUP HOLDING-SP ADR*			215.70	1,385,873	2.0%
GOOG	3,991	ALPHABET INC-CL C			1,413.61	5,641,718	8.2%
AMZN	1,933	AMAZON.COM INC			2,758.82	5,332,799	7.7%
ANTM	2,580	ANTHEM INC			262.98	678,488	1.0%
AON	3,720	AON PLC*			192.60	716,472	1.0%
AAPL	10,105	APPLE INC			364.80	3,686,304	5.3%
ADSK	6,890	AUTODESK INC			239.19	1,648,019	2.4%
ADP	2,400	AUTOMATIC DATA PROCESSING			148.89	357,336	0.5%
BAC	13,000	BANK OF AMERICA CORP			23.75	308,750	0.4%
BX	3,000	BLACKSTONE GROUP INC/THE-A			56.66	169,980	0.2%
CBRE	3,815	CBRE GROUP INC - A			45.22	172,514	0.2%
CHTR	300	CHARTER COMMUNICATIONS INC-A			510.04	153,012	0.2%
CMCSA	38,450	COMCAST CORP-CLASS A			38.98	1,498,781	2.2%
STZ	1,050	CONSTELLATION BRANDS INC-A			174.95	183,698	0.3%
DHR	2,200	DANAHER CORP			176.83	389,026	0.6%
DG	925	DOLLAR GENERAL CORP			190.51	176,222	0.3%
EA	1,750	ELECTRONIC ARTS INC			132.05	231,088	0.3%
EL	925	ESTEE LAUDER COMPANIES-CL A			188.68	174,529	0.3%
FB	20,900	FACEBOOK INC-CLASS A			227.07	4,745,763	6.9%
GD	1,100	GENERAL DYNAMICS CORP			149.46	164,406	0.2%
GDDY	5,800	GODADDY INC - CLASS A			73.33	425,314	0.6%
HCA	2,500	HCA HEALTHCARE INC			97.06	242,650	0.4%
HD	6,500	HOME DEPOT INC			250.51	1,628,315	2.4%
HON	2,780	HONEYWELL INTERNATIONAL INC			144.59	401,960	0.6%
HUM	1,870	HUMANA INC			387.75	725,093	1.0%
INFO	2,450	IHS MARKIT LTD*			75.50	184,975	0.3%
INTC	9,700	INTEL CORP			59.83	580,351	0.8%
IQV	3,490	IQVIA HOLDINGS INC			141.88	495,161	0.7%
JPM	3,280	JPMORGAN CHASE & CO			94.06	308,517	0.4%
KKR	6,365	KKR & CO INC -A			30.88	196,551	0.3%
LMT	720	LOCKHEED MARTIN CORP			364.92	262,742	0.4%
OR FP	550	L'OREAL*			320.98	176,541	0.3%
LOW	4,000	LOWE'S COS INC			135.12	540,480	0.8%
MC FP	425	LVMH MOET HENNESSY LOUIS VUI*			438.73	186,459	0.3%
MSGS	3,545	MADISON SQUARE GARDEN SPORTS			146.89	520,725	0.8%
MA	6,710	MASTERCARD INC - A			295.70	1,984,147	2.9%
MCD	1,875	MCDONALD'S CORP			184.47	345,881	0.5%
MDT	5,050	MEDTRONIC PLC*			91.70	463,085	0.7%
MSFT	28,420	MICROSOFT CORP			203.51	5,783,754	8.4%
MCO	650	MOODY'S CORP			274.73	178,575	0.3%
MSCI	495	MSCI INC			333.82	165,241	0.2%
NSRGY	3,225	NESTLE SA-SPONS ADR*			110.44	356,169	0.5%
NFLX	2,615	NETFLIX INC			455.04	1,189,930	1.7%
NKE	15,880	NIKE INC -CL B			98.05	1,557,034	2.3%
NOC	425	NORTHROP GRUMMAN CORP			307.44	130,662	0.2%
OMCL	2,650	OMNICELL INC			70.62	187,143	0.3%
ORLY	1,190	O'REILLY AUTOMOTIVE INC			421.67	501,787	0.7%
		OTHER COMMON STOCK (LONG)				3,448,431	5.0%
PYPL	11,435	PAYPAL HOLDINGS INC			174.23	1,992,320	2.9%
QCOM	2,875	QUALCOMM INC			91.21	262,229	0.4%
SPGI	550	S&P GLOBAL INC			329.48	181,214	0.3%
CRM	8,550	SALESFORCE.COM INC			187.33	1,601,672	2.3%
SBUX	3,000	STARBUCKS CORP			73.59	220,770	0.3%
SYK	3,225	STRYKER CORP			180.19	581,113	0.8%

TICKER	PRINCIPAL/ SHARES	SECURITY	COUPON RATE (%)	MATURITY DATE	MKT PRICE ($)	MKT VALUE ($)	% OF NET ASSET VALUE
TCEHY	16,650	TENCENT HOLDINGS LTD-UNS ADR*			64.00	1,065,600	1.5%
TMO	2,350	THERMO FISHER SCIENTIFIC INC			362.34	851,499	1.2%
UNH	5,400	UNITEDHEALTH GROUP INC			294.95	1,592,730	2.3%
V	11,900	VISA INC-CLASS A SHARES			193.17	2,298,723	3.3%
VIVHY	6,750	VIVENDI SA-UNSPON ADR*			25.73	173,644	0.3%
DIS	4,620	WALT DISNEY CO/THE			111.51	515,176	0.7%
ZTS	2,480	ZOETIS INC			137.04	339,859	0.5%
		TOTAL COMMON STOCK (LONG)				**68,664,847**	**99.2%**
		TOTAL INVESTMENT SECURITIES				**68,664,847**	**99.2%**
		REPURCHASE AGREEMENTS					
	398,000	STATE STREET BANK/FICC REPO	0.000	07/01/2020		398,000	0.6%
		TOTAL REPURCHASE AGREEMENTS				**398,000**	**0.6%**
		CASH & EQUIVALENTS				136,405	0.2%
		TOTAL CASH & EQUIVALENTS				**534,405**	**0.8%**
		TOTAL NET ASSETS				**69,199,252**	**100.0%**
		NUMBER OF LONG EQUITY POSITIONS					**67**

* Indicates foreign security.

Portfolio Holding Disclosures

You should consider the FPA U.S. Value Fund, Inc.'s ("Fund") 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.

Portfolio composition will change due to ongoing management of the Fund. References to individual securities are for informational purposes only and should not be construed as recommendations by the Fund, the portfolio manager, FPA, or the distributor.

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; 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. Groups of stocks, such as value and growth, go in and out of favor which may cause certain equity strategies to underperform other equity strategies. You risk paying more for a security than you received from its sale.

Value style investing presents the risk that the holdings or securities may never reach their full market value because the market fails to recognize what the portfolio management team considers the true business value or because the portfolio management team has misjudged those values. In addition, value style investing may fall out of favor and underperform growth or other styles of investing during given periods.

The 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. 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.

On September 1, 2015, the Fund changed its name to FPA U.S. Value Fund, Inc., and the current portfolio manager assumed management of the Fund on that date. Contemporaneous with this change, the Fund transitioned to its current investment strategy.

Please **refer to the Fund's Prospectus** for a complete overview of the primary risks associated with the Fund.

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