FPA Capital Fund, Inc.
First 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 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: 3/31/19	Since 8/1/84*	20 Years	15 Years	10 Years	5 Years	3 Years	1 Year	YTD	QTR
FPA Capital Fund ("Fund")	12.33	7.72	4.76	9.69	-3.01	3.58	-1.92	15.89	15.89
Russell 2500	11.59	9.59	8.88	16.23	7.79	12.56	4.48	15.82	15.82

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.

* Inception date was July 11, 1984. A benchmark comparison is not available based on the Fund's inception date; therefore, data from August 1, 1984 is presented.

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 0.83%. 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.

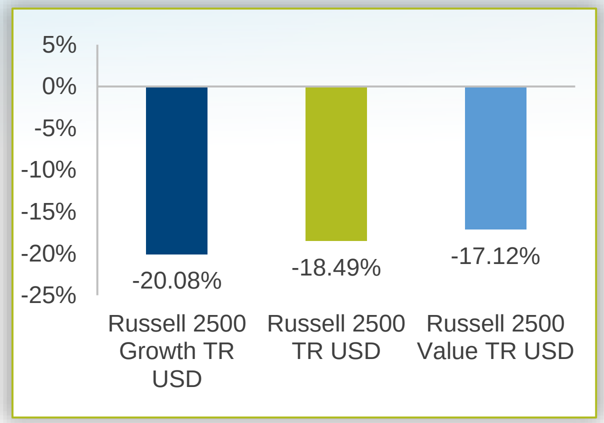
Mr. Ahitov was named sole portfolio manager of the Fund effective October 1, 2017. Dennis Bryan and Arik Ahitov had been co-portfolio managers since November 2007 and February 2014, respectively, and managed the Fund in a manner that is substantially similar to the prior portfolio manager, Robert Rodriguez. Mr. Rodriguez ceased serving as the Fund's portfolio manager effective December 2010.

The Fund is closed to new investors.

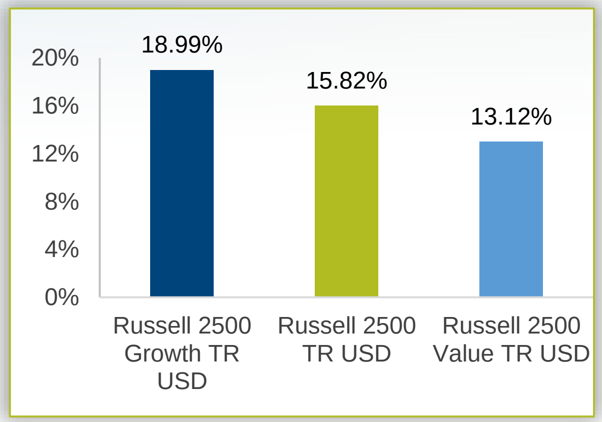
Please see important disclosures at the end of the commentary.

March 31, 2019 marked the end of the FPA Capital Fund, Inc.'s ("Fund") fiscal year 2018. US stocks were very volatile during the second half of the fiscal year. The Russell 2500 was down 18.49% during the fourth quarter of 2018 and was up 15.82% during the first quarter of 2019.

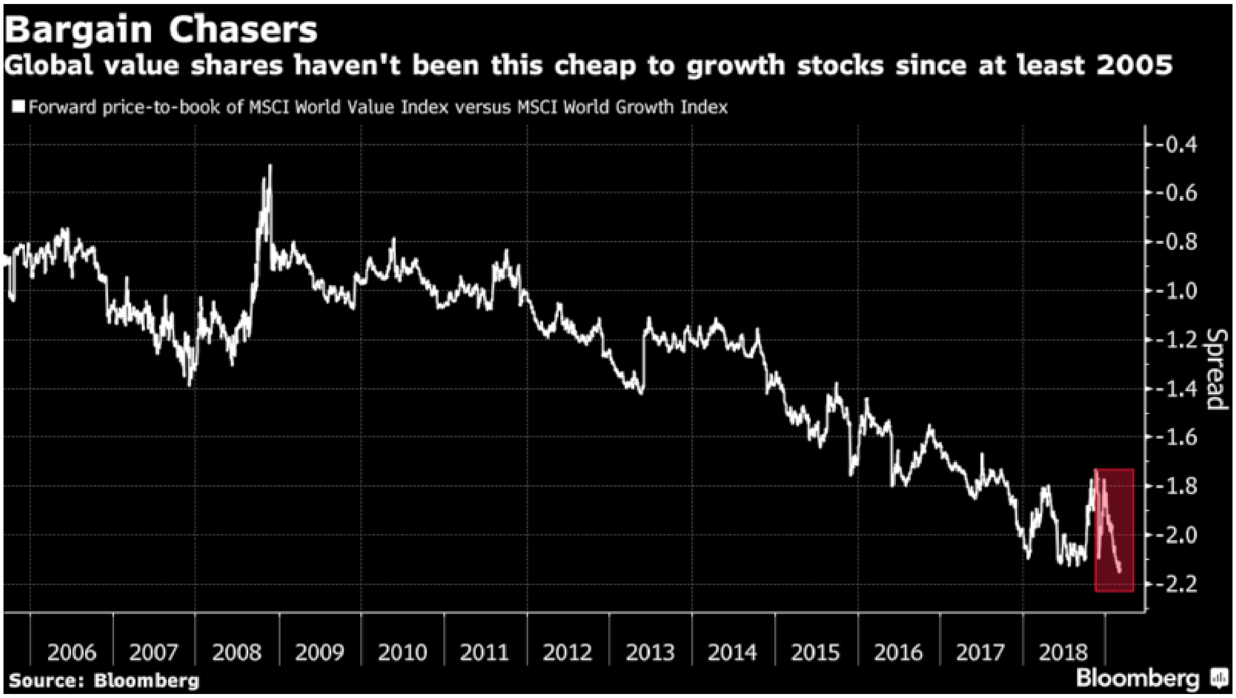
Q4'2018



Q1'2019



Being an absolute value investor continues to be challenging. The chart below depicts the forward price-to-book of companies in the value index versus the growth index. The spread widened from about -0.5 at the height of great financial crisis to about -2.2 today.[1] The lower the spread, the cheaper value companies are relative to growth companies.



[1] https://www.msn.com/en-us/money/markets/bernstein-quants-see-historic-divergence-favoring-value-stocks/ar-BBUs8GM
Source: www.msn.com, *Bernstein Quants See Historic Divergence Favoring Value Stocks*, dated 3/6/2019.
Price-to-book is calculated by taking the market value per share divided by the book value per share, where book value per share is ((total assets-total liabilities)/number of shares outstanding).

Cash is Optionality

Long-time investors will have noted that the Fund's cash level has been slowly coming down since it hit a 10-year high in the fourth quarter of 2016 (37.2%). The Fund's cash level stood at approximately 28.5% at the end of 2018. As the market sold off during the 4Q 2018, we put cash to work in stocks we know well and initiated positions in a few new opportunities where we were waiting for the right price. However in 1Q 2019, the Russell 2500 rallied 15.82% and the Fund was up 15.89% during that period. We looked to capture some of these gains by selling stocks into the rally and again building up the Fund's cash levels for the next correction. This is how you would expect us to act during a downturn and rally scenario and we would be happy to do the same thing again and again. Put most succinctly, buy low, sell high is what we are trying to do.

This is an opportune time to remind our fellow shareholders how we think about cash. Cash is more than just an asset class with a low-single digit return. It is a free call on liquidity when there is no liquidity in the market. Cash is the only asset class you can be sure will hold its value on a relative basis when the market is selling off. Most importantly, we think cash adds optionality to the portfolio. If the market sells off, we can put additional capital to work both in existing names and new names we have patiently waited to come down to our purchase levels. On the flipside, investment firms that were fully invested were likely forced sellers in 4Q 2018. The Fund, however, was able to take advantage of this dislocation and we were net buyers. With the strong rally in the Fund's portfolio since bottoming in December, we have again built up the Fund's cash levels, increasing our optionality and potential liquidity to take advantage of the next downturn whenever it should arise.

Year in Review

We had a very active twelve months. Since the end of the Fund's last fiscal year on March 31, 2018, we initiated many new positions:

Table 1: Portfolio Activity – April 1, 2018 through March 31, 2019[2]

New Position	Eliminated	Bought and Sold	Sold and Bought
Ambarella	ARRIS International	Undisclosed (2)	Arrow Electronics
The Cheesecake Factory	Cubic Corporation		
Carter's	Houghton Mifflin Harcourt Company		
Dana	Helmerich & Payne		
First Hawaiian	Matson		
Investors Bancorp	Spirit Airlines		
MKS Instruments	Tenneco		
Vail Resorts	Veeco Instruments		
Ryder Systems	Undisclosed (3)		
Valmont Industries			
Undisclosed (1)			

[2] 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. 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.

Top 5 / Bottom 5[3] Contributors – Last 12 Months (LTM) ending March 31, 2019

Top 5	Performance Contribution	Bottom 5	Performance Contribution
LTM		**LTM**	
Rowan Companies	1.11%	Western Digital	-2.93%
Spirit Airlines	0.92%	Cimarex Energy	-1.31%
SM Energy	0.91%	Allegiant Travel	-1.11%
Arris International	0.67%	Noble Energy	-1.01%
Aaron's Inc.	0.60%	Graphic Packaging Holding	-0.64%
	4.21%		**-7.00%**

Top 5 / Bottom 5[3] Contributors – Recent Quarter 1Q 2019

Top 5	Performance Contribution	Bottom 5	Performance Contribution
1Q19		**1Q19**	
Western Digital	1.44%	Valmont Industries	-0.04%
Allegiant Travel	1.43%	Gentex	0.04%
Patterson UTI Energy	1.40%	Undisclosed	0.04%
Rowan Companies	1.27%	Vail Resorts	0.06%
Noble Energy	1.06%	Cheesecake Factory	0.08%
	6.60%		**0.18%**

Western Digital (WDC)

Western Digital was the Fund's worst performing holding in the last fiscal year (it detracted 2.93% from performance), but rallied 31% in 1Q 2019. The Fund's Western Digital investment contributed 1.44% of the Fund's Q1'2019 returns. As the stock price went lower in 2018, we increased the Fund's share count by 33% into the weakness. We thought now would be a good opportunity to review our investment thesis, talk about what we got wrong, and why it is our biggest position today.

[3] Reflects the top contributors and top detractors to the Fund's performance based on contribution to return for the quarter and the fiscal year. Contribution is presented gross of investment management fees, transactions costs, and Fund operating expenses, which if included, would reduce the returns presented. The weights of the top 5 / bottom 5 performers within the portfolio for the last twelve months as of March 31, 2019 were: Rowan Companies (0.0%), Spirit Airlines (0.0%), SM Energy (2.7%), Arris International (0.0%), Aaron's Inc. (2.3%), Western Digital (5.5%), Cimarex Energy (5.0%), Allegiant Travel (3.8%), Noble Energy (3.1%), and Graphic Packaging Holding (2.4%). The weights of the top 5 / bottom 5 performers within the portfolio for the last quarter as of March 31, 2019 were: Western Digital (5.5%), Allegiant Travel (3.8%), Patterson UTI Energy (3.4%), Rowan Companies (0.0%), Noble Energy (3.1%), Valmont Industries (1.2%), Gentex (1.1%), Undisclosed (1.1%), Vail Resorts (1.3%), and Cheesecake Factory (1.1%). The information provided does not reflect all positions purchased, sold or recommended by FPA during the quarter or the fiscal year. A copy of the methodology used and a list of every holding's contribution to the overall Fund's performance during the quarter and/or the fiscal year 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.**

Investment Thesis

Western Digital is a market leader in non-volatile memory offering both Hard Disc Drives (HDDs) and Solid-state Drives (SSDs). We believe that the memory market is benefitting from multiple mega-trends (e.g. Internet of Things, Artificial Intelligence, Big Data, cloud, autonomous vehicles, etc.) that will continue to drive overall demand higher for years to come. Furthermore, in our view, the industry structure for both HDDs and SSDs are such that we can expect rational actions from the major players to help rebalance supply and demand. We believe this presents a ripe situation for the major players to earn good returns over the cycle as the market normalizes. Furthermore, with the stock trading at $48.06 (closing price on 03/31/19), we think this presents a compelling opportunity to own a company that we believe can compound earnings at a cheap valuation, a rare combination.

What We Got Wrong Last Year

While we understood that Western Digital's business is inherently cyclical, we underestimated the magnitude of this current cycle. In particular, we had not expected two of the biggest end-markets for NAND flash (the memory chip used in SSDs), mobile and cloud, to correct simultaneously. As that demand disappointed relative to expectations, supply was just starting to ramp up and exceeded estimates. The mismatch of supply and demand sent prices tumbling and investors adopted a shoot first, ask questions later approach to their selling in the memory space. We reflected on what we could have done differently: cyclical companies' sizing needs to be adjusted to the current point in the cycle rather than the cycle average. We have incorporated this learning across the rest of the book.

Why It is Still One of the Fund's Biggest Positions Today

In our view, the underlying thesis behind the Western Digital investment has not changed. What has changed in the last fiscal year is the price of the stock (cheaper) and the point in the cycle (closer to trough). While Western Digital stock price has rallied 31% in the first quarter of 2019, we believe there is substantial upside opportunity as we expect the street to begin to look through the down cycle as we approach the trough and begin to value the firm on its meaningfully higher normalized earnings potential.

Energy Investments

Recap of Q4'2018

A few of our energy holdings were some of the Fund's biggest detractors during fiscal year 2018. As previously detailed in the Fund's year-end webcast presentation (please refer to the FPA website[4]), we believed that the significant drawdown in oil prices during the fourth quarter was more a product of broad based risk-off sentiment than actual oil fundamentals. Now that a few months have gone by, we can confirm that was indeed the case as OECD oil inventories drew modestly in Q4'2018 despite a temporary supply surge by the Gulf States. Demand -- contrary to fears painted in the media -- was much stronger than consensus figures[5] showing a year over year increase of over two million barrels per day (mmb/d). China increased year over year consumption by over 20%.[6] We used the sell off as an opportunity to buy more shares in the Fund's existing energy holdings in Q4 2018 (~23% portfolio weight) and have trimmed the Fund's total energy exposure down in Q1 2019 (~18% portfolio weight). The Fund's energy investments contributed 5.89% of its Q1 2019 returns.

[4] www.fpa.com

[5] We use "apparent" demand to gauge global consumption. In short, OECD demand can be calculated as production +/- changes in inventories. Non-OECD countries largely consume on a hand-to-mouth basis.

[6] Source: Cornerstone Analytics. Reports released January 22, 2019, March 11, 2019. March 18, 2019.

	Q4'18 Share Count Change	Q1'19 Share Count Change	12/31/18 Weight	03/31/19 Weight
Frank's International	50%	0%	3.2%	3.5%
Noble Energy	24%	-40%	4.1%	3.1%
Patterson-UTI Energy	33%	-30%	3.8%	3.4%
Rowan Companies	103%	-100%	2.9%	0.0%
SM Energy Company	67%	-43%	4.5%	2.7%
Cimarex Energy	-3%	0%	4.7%	5.0%
			23.2%	**17.7%**

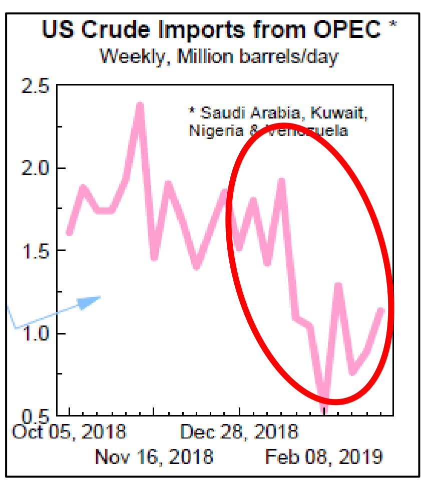
Update on Supply & Demand

So far through 2019, inventories have drawn counter seasonally due to continued strong global demand and restrained supply. On the demand side, January/February apparent demand growth was up 1.8 mmb/d versus the same period last year.[7] Once again, despite trade war fears, Chinese customs data shows year over year consumption growth up ~260 thousand barrels per day in January and 2.3 mmb/d in February.[8] On the supply side, OPEC's monthly crude production output has declined by around 1.7 mmb/d from November 2018 through February 2019 as quota cuts have kicked in and as suppliers like Venezuela remain in free fall.[9]

Thesis Checkpoints

In the last letter, we discussed our bottoms up approach to evaluating individual energy securities and the importance of monitoring oil prices relative to an estimated range of the global marginal cost of production. One is purely company specific analysis, while the latter helps establish a view of where we are in the industry cycle. As part of the latter research, we meticulously track global oil inventories to make sure we are going in the right direction, as inventories generally have an inverse correlation to changes in crude prices. As it stands, the most recent data shows that global OECD inventories are below normal and year-ago levels, but still ~80-130 million barrels above levels that would correlate to $80+ oil (what we believe is OPEC's fiscally driven target).

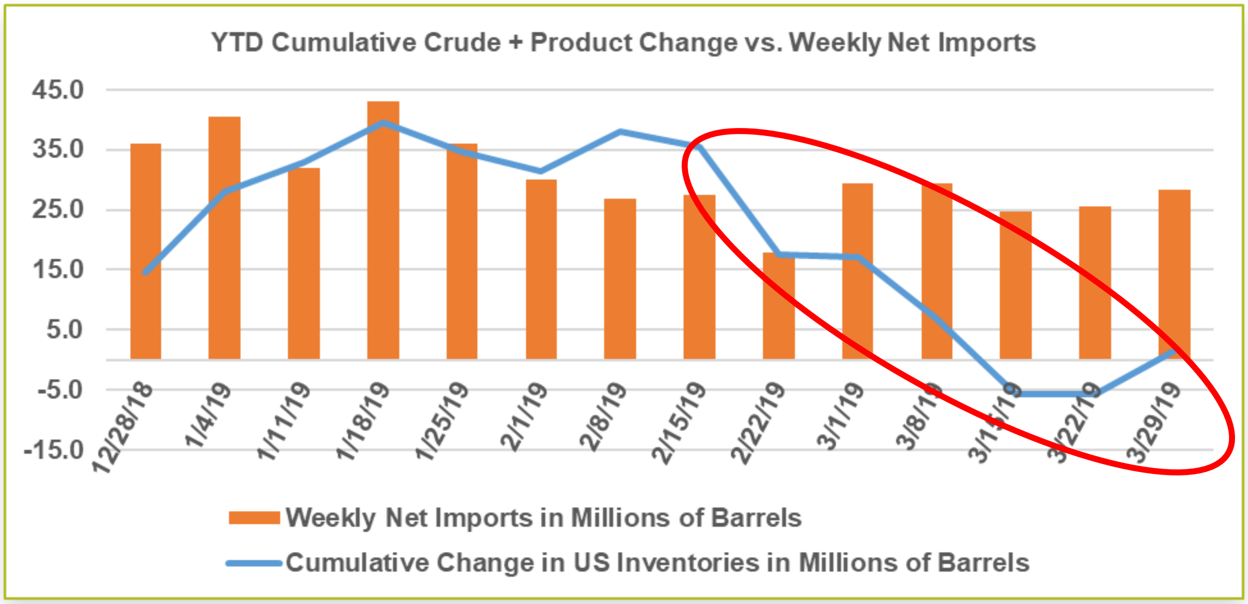
Both OECD Europe and OECD Asia Pacific inventories are well below normal levels, but North America – predominantly the U.S. – remains oversupplied, which is why OPEC has significantly reduced exports to the region (see chart below).



Source: Cornerstone Analytics, 3/14/2019

[7] Source: Cornerstone Analytics, March 18, 2019
[8] Source: Cornerstone Analytics, March 11, 2019
[9] Source: Cornerstone Analytics, March 18, 2019

We believe inventory drawdowns in the U.S. will be a major driver of oil prices and equity returns this year. Fortunately, inventory levels are released every week by the Department of Energy, allowing us to monitor results closely and determine if our thesis is on track or going astray. Our expectation is to see crude and product inventories decline over the coming months, as illustrated in the blue line in the bottom left chart.



Source: Department of Energy, Weekly Petroleum Status Reports; As of 3/29/19.

Key factors driving US inventories include:

1. Domestic Production Growth – Hovering between 11.9 mmb/d and 12.2 mmb/d since January 7th, due to pipeline constraints, lower commodity prices, and a significant reduction in spending plans during 2019 as upstream producers have become more oriented to producing free cash flow.

2. Net Imports – On one hand, you have U.S. producers/refiners that are incentivized to export US crude and crude products abroad to capture the spread between Brent and West Texas Intermediate pricing, and on the other you have OPEC actively (and passively via deterioration/sanctions in places like Venezuela) restraining import shipments. Reduced OPEC imports has been the key driver behind a drawdown in total product inventories that began in mid-February and our read of OPEC commentary is that this policy will remain in place until the glut in the U.S. is, at the very least, eliminated. Further, our sense is that gross exports (which, when growing, put downward pressure on inventories) may be temporarily restrained. Specifically, it appears that refineries around the world are extending their maintenance work in 1H19 (suppressing utilization) to support a potential windfall later this year as IMO 2020 influences higher middle distillate usage in the marine shipping industry.[10]

We will continue to closely monitor U.S. inventories and the underlying drivers. As always, we will adjust the portfolio accordingly, selling on strength or on data that invalidates any prior research conclusions.

[10] https://www.bloomberg.com/news/articles/2019-03-18/oil-refiners-next-boom-is-revealed-in-what-they-re-not-doing
Source: www.bloomberg.com, *Oil Refiners Are Getting Ready to Run Flat Out*, dated 3/17/2019.

Q1'19 Review

The first quarter of 2019 was a successful one for the Fund. The Fund was up 15.89% (ranked in 14th percentile in its Morningstar category[11]).

Only one of the Fund's investments, Valmont, detracted from performance during the quarter – and only by -0.04%. Valmont is a manufacture of metal products across four businesses: poles & towers for lighting, traffic, and cell service; utility transmission and distribution structures and wind towers; galvanizing metal services; and irrigation. The management team is focused on free cash flow generation and the company has a strong balance sheet (e.g., low interest rate debt that is not due until 2044 and 2054). One of our other weaker performers in the quarter contributed +0.04% to the Fund's performance. The name of this holding is not yet disclosed. It is a US homebuilder that is focused on first-time, entry-level home buyers.

In Conclusion

The year is off to a good start, but we will remain ever vigilant. Should we see disruption similar to what we saw at the end of last year, we will look for opportunities to deploy cash at what we believe to be favorable risk/reward levels. As always, we thank our fellow shareholders for the trust you have placed in us and for the opportunity to manage a portion of your capital.

Sincerely,

Arik Ahitov

[11] The Fund is in the U.S. Fund Mid-Cap Value Morningstar category. 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 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.

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.

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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. 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 they can 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 stocks, including those selected by the Fund's portfolio manager, are subject to the risk that their intrinsic value may never be realized by the market and that their prices may go down. Securities selected by the portfolio manager using a value strategy may never reach their intrinsic value because the market fails to recognize what the portfolio manager considers to be 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.

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 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 will 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 benchmark in its investment objectives. An investor cannot invest directly in an index.

The **Russell 2500 Growth TR USD Index** measures the performance of the small to mid-cap growth segment of the U.S. equity universe.

The **Russell 2500 TR USD Index** consists of the 2,500 smallest companies in the Russell 3000 total capitalization universe offers investors access to the small to mid-cap segment of the U.S. equity universe, commonly referred to as "smid" cap.

The **Russell 2500 Value TR USD Index** measures the performance of those Russell 2500 companies with lower price-to-book-ratios and lower forecasted growth values.

The **MSCI World Value Index** captures large and mid-cap securities exhibiting overall value style characteristics across 23 Developed Markets (DM) countries.

The **MSCI World Growth Index** captures large and mid-cap securities exhibiting overall growth style characteristics across 23 Developed Markets (DM) countries.

Price/Earnings ratio (P/E) is the price of a stock divided by its earnings per share.

Price-to-book (P/BV) 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.

West Texas Intermediate (WTI) - crude oil is the underlying commodity of the New York Mercantile Exchange's oil futures contracts.

U.S. Fund Mid-Cap Value Morningstar category - Comprised of portfolios invested in U.S. stocks that are less expensive or growing more slowly than the market. The U.S. mid-cap range for market capitalization typically falls between $1 billion and $8 billion and represents 20% of the total capitalization of the U.S. equity market. Value is defined based on low valuations (low price ratios and high dividend yields) and slow growth (low growth rates for earnings, sales, book value, and cash flow).

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

TICKER/CUSIP	SHARES/ PRINCIPAL	SECURITY	COUPON RATE (%)	MATURITY DATE	MKT PRICE ($)	MKT VALUE ($)	% OF NET ASSET VALUE
		COMMON STOCKS					
AAN	118,083	AARON'S INC			52.60	6,211,166	2.3%
AGCO	119,188	AGCO CORP			69.55	8,289,525	3.0%
ALGT	80,841	ALLEGIANT TRAVEL CO			129.47	10,466,484	3.8%
AMBA	160,697	AMBARELLA INC			43.20	6,942,110	2.5%
ARW	53,407	ARROW ELECTRONICS INC			77.06	4,115,543	1.5%
AVT	288,330	AVNET INC			43.37	12,504,872	4.5%
CFFN	691,734	CAPITOL FEDERAL FINANCIAL			13.35	9,234,649	3.3%
CRI	43,153	CARTER S INC			100.79	4,349,391	1.6%
CAKE	61,252	CHEESECAKE FACTORY INC/THE			48.92	2,996,448	1.1%
XEC	196,185	CIMAREX ENERGY CO			69.90	13,713,332	5.0%
CISN	223,167	CISION LTD			13.77	3,073,010	1.1%
DAN	363,310	DANA INC			17.74	6,445,119	2.3%
FHB	228,441	FIRST HAWAIIAN INC			26.05	5,950,888	2.2%
FI	1,555,904	FRANKS INTL N V			6.21	9,662,164	3.5%
GNTX	142,579	GENTEX CORP			20.68	2,948,534	1.1%
GPK	515,805	GRAPHIC PACKAGING HOLDING CO			12.63	6,514,617	2.4%
IDCC	162,735	INTERDIGITAL INC			65.98	10,737,255	3.9%
ISBC	799,697	INVESTORS BANCORP INC			11.85	9,476,409	3.4%
MKSI	60,036	MKS INSTRUMENTS INC			93.05	5,586,350	2.0%
NBL	343,844	NOBLE ENERGY INC			24.73	8,503,262	3.1%
		OTHER COMMON STOCKS			60.24	2,927,122	1.1%
PTEN	666,215	PATTERSON UTI ENERGY INC			14.02	9,340,334	3.4%
R	69,335	RYDER SYSTEM INC			61.99	4,298,077	1.6%
SM	420,454	SM ENERGY CO			17.49	7,353,740	2.7%
MTN	17,027	VAIL RESORTS INC			217.30	3,699,967	1.3%
VMI	25,971	VALMONT INDUSTRIES			130.10	3,378,827	1.2%
WDC	313,827	WESTERN DIGITAL CORP			48.06	15,082,526	5.5%
		TOTAL COMMON STOCKS				**193,801,722**	**70.4%**
		U.S. GOVERNMENT AND AGENCIES					
	10,000,000	UNITED STATES TREASURY NOTES	1.250	04/30/2019	99.89	9,988,711	3.7%
	7,500,000	UNITED STATES TREASURY NOTES	1.500	05/31/2019	99.83	7,487,344	2.7%
	10,000,000	UNITED STATES TREASURY NOTES	1.625	06/30/2019	99.78	9,978,008	3.6%
	10,000,000	UNITED STATES TREASURY NOTES	0.750	07/15/2019	99.50	9,950,078	3.6%
	7,000,000	UNITED STATES TREASURY NOTES	1.250	08/31/2019	99.49	6,964,535	2.5%
	7,500,000	UNITED STATES TREASURY NOTES	1.750	09/30/2019	99.65	7,473,779	2.7%
	10,000,000	UNITED STATES TREASURY NOTES	1.500	10/31/2019	99.45	9,944,688	3.6%
		TOTAL US GOVT AND AGENCIES				**61,787,143**	**22.4%**

	REPURCHASE AGREEMENTS					
20,037,000	STATE STREET BANK/FICC REPO	0.500	04/01/2019		20,037,000	7.3%
	TOTAL REPURCHASE AGREEMENTS				**20,037,000**	**7.3%**
	CASH & EQUIVALENTS				(273,136)	-0.1%
	TOTAL CASH & EQUIVALENTS				**81,551,007**	**29.6%**
	TOTAL NET ASSETS			**$**	**275,352,729**	**100.0%**
	NUMBER OF EQUITY POSITIONS				**26**	

* 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. Groups of stocks, such as value and growth, go in and out of favor which may cause certain funds to underperform other equity funds. 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. 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.

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.

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