FPA Capital Fund, Inc.

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 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: 6/30/19	Since 8/1/84*	20 Years	15 Years	10 Years	5 Years	3 Years	1 Year	YTD	QTR
FPA Capital Fund ("Fund")	12.22	6.68	4.57	7.01	-4.00	2.88	-5.47	15.49	-0.34
Russell 2500	11.60	8.92	9.07	14.44	7.66	12.34	1.77	19.25	2.96

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. An index 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.

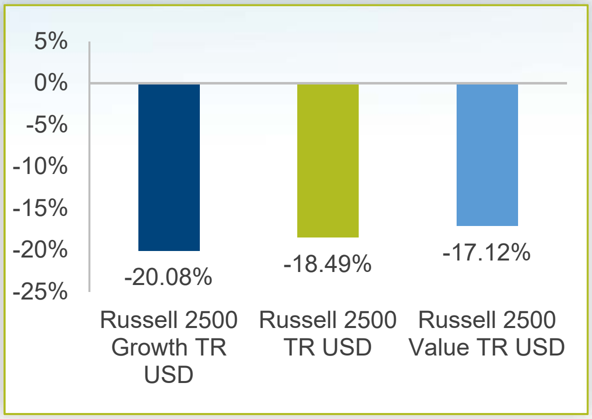
Mr. Ahitov was named sole portfolio manager of the Fund effective October 1, 2017. Dennis Bryan and Arik Ahitov had been co-portfolio managers since November 2007 and February 2014, respectively, and managed the Fund in a manner that is substantially similar to the prior portfolio manager, Robert Rodriguez.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

The availability of shares of the Fund to new investors is limited. Please see the Prospectus for more detail.

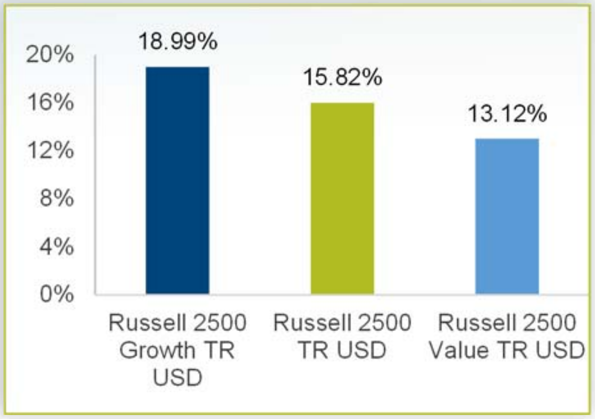
Please see important disclosures at the end of the commentary.

US stocks continue to be very volatile. The Russell 2500 TR USD (Russell 2500) was down -18.49% during the fourth quarter of 2018, was up 15.82% during the first quarter of 2019, and up 2.96% in the second quarter of 2019.

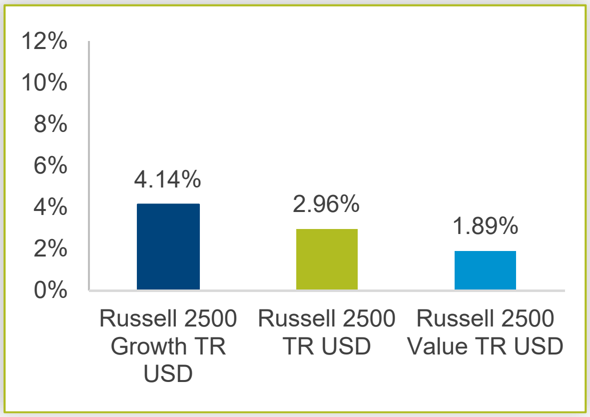
Q4'2018 (as of 12/31/2018)



Q1'2019 (as of 3/31/2019)



Q2'2019 as of 6/30/2019



Here is a scenario we have been thinking about: what if corporations prioritize debt repayment over stock buybacks? Since 2010, corporations have repurchased $420b worth of their own stock annually on average – that is a massive use of capital.[1] Especially when one considers that this $420b shopping spree has surpassed that of any other buyer. Since 2014, foreign investors, pension funds, and mutual funds all have been net sellers of stocks.

[1] Source: Bloomberg.com, *Goldman Considers 'A World Without Buybacks.' It Looks Ominous*, April 8, 2019, https://www.bloomberg.com/news/articles/2019-04-08/goldman-considers-a-world-without-buybacks-it-looks-ominous

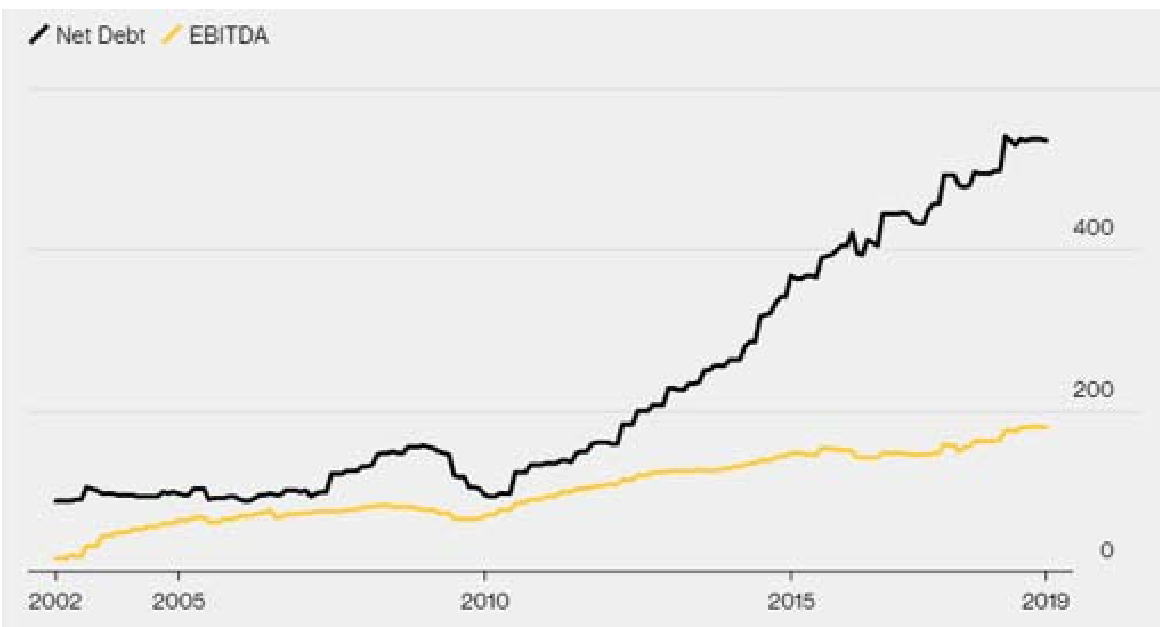
Corporations are the Largest Source of Equity Demand

(as of 4Q18)	Net US Equity demand ($billions)				
Category	**2014**	**2015**	**2016**	**2017**	**2018**
Corporations	442	508	697	296	509
Foreign Investors	114	-191	-188	125	-94
Pension Funds	-272	-7	-217	-162	-243
Mutual Funds	95	58	-112	-134	-124
Households	95	-138	-151	226	191
Life Insurance	-5	31	98	-45	-18
Other	12	-7	-12	-17	9
Less					
Foreign equities bought by US	432	197	22	167	128
Credit ETFs	50	57	96	123	100
Included among holders above are:					
Equity ETF purchase	191	174	188	347	210

In the meantime, both net debt and net debt to EBITDA[2] figures keep going up.

U.S. Small-Cap Debt Builds Up

Russell 200 non-financial net debt and earnings before tax, depreciation and amortization



Source: The Wall Street Journal, *The Daily Shot: Small Business Shedding Jobs – a Worrying Trend*, April 4, 2019. Chart data covers the period January 1, 2002 through March 31, 2019. https://blogs.wsj.com/dailyshot/2019/04/04/the-daily-shot-small-businesses-shedding-jobs-a-worrying-trend/ Chart data originally sourced from Societe Generale Cross Asset Research/Equity Quant.

[2] EBITDA is defined as earnings before interest, tax, depreciation, and amortization of intangibles.

Looking at corporations' massive buybacks and ever-increasing debt loads, we may deduce that corporations have been prioritizing buybacks over debt repayment. What would happen in the following scenario? High corporate debt levels and near term maturity cliff combined with eventual deterioration of earnings at the late stage of the business cycle results in widened spreads and credit tightening (recall that both the 2000-2001 and 2008-2009 stock market crashes followed widening high-yield spreads). Credit tightening and vulnerable corporate balance sheets would severely limit the massive share repurchases experienced as of late. Well, clearly, we may lose one of the largest buyers of equities.
Recently, AllianceBernstein stated the following in their Global View Report:

> "In 2018 US companies announced $1Tn of buybacks, by contrast the net flow of all buyers of active and passive funds combined was only of the order of $100 Bn. We estimate that it only requires a 50 bp increase in credit spreads to stop the growth of buybacks. Any increase in spreads beyond that (which we think is eminently conceivable) will see the rate of buybacks shrink." [3]

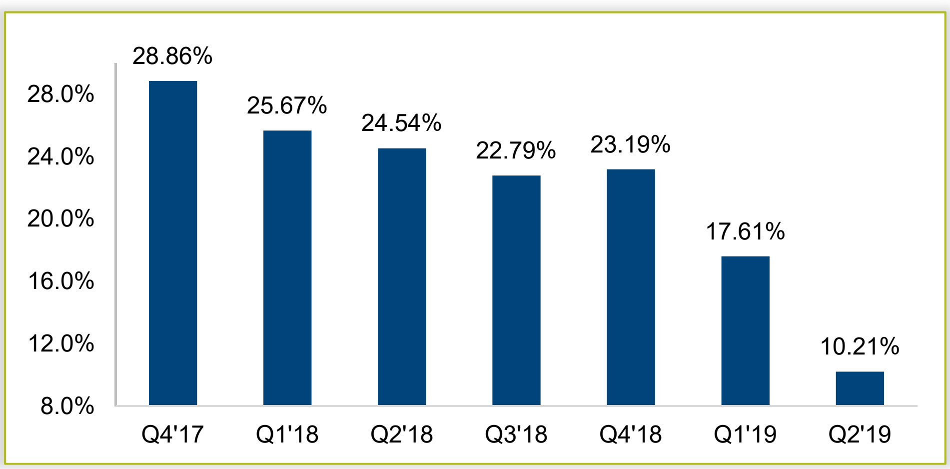
The uninitiated among us might ask: "Don't corporations know everything about their businesses so if they are buying, they must know?" Well, the actual results disagree. McKinsey & Company studied corporate buybacks across different periods and concluded: "The result is a cyclical pattern: companies pay out disproportionately large amounts at the top of a cycle and withhold purchases at the bottom." [4] About a particularly important timeframe (because it included the last market top and the Great Financial Crisis), they write:

> "Indeed, for the years 2004 through 2010, our analysis finds that a majority of companies repurchased shares when they and the market were both doing well—and were reluctant to repurchase shares when prices were low relative to their intrinsic valuations. Few stopped repurchases even as the market peaked in 2007. And when the market bottomed in 2009, few companies were buying back shares."

Q2 2019 Review

You might ask us how what we just discussed above (large corporate buybacks at time of high leverage) might influence our decision making. It does not. We are bottom-up investors. We continue to look for strong companies at cheap prices and cash is simply the residual of investment opportunities for us. With increased volatility, we have continued to find new opportunities. In the first half of the year, we initiated seven new positions (four during the first quarter and three in the second quarter). We also eliminated two positions in the first half of the year (one during the first quarter and one in the second quarter) – both from our energy book. In fact, energy was a large source of funds during the first half of 2019.

FPA Capital Fund Energy Weight*



*Portfolio composition will change due to ongoing management of the Fund.

[3] Source: AllianceBernstein Global View Report, *The Next 10 Years of Investing*, May 7, 2019.
[4] Source: McKinsey & Company, *The savvy executive's guide to buying back shares*, October 2011. https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/the-savvy-executives-guide-to-buying-back-shares

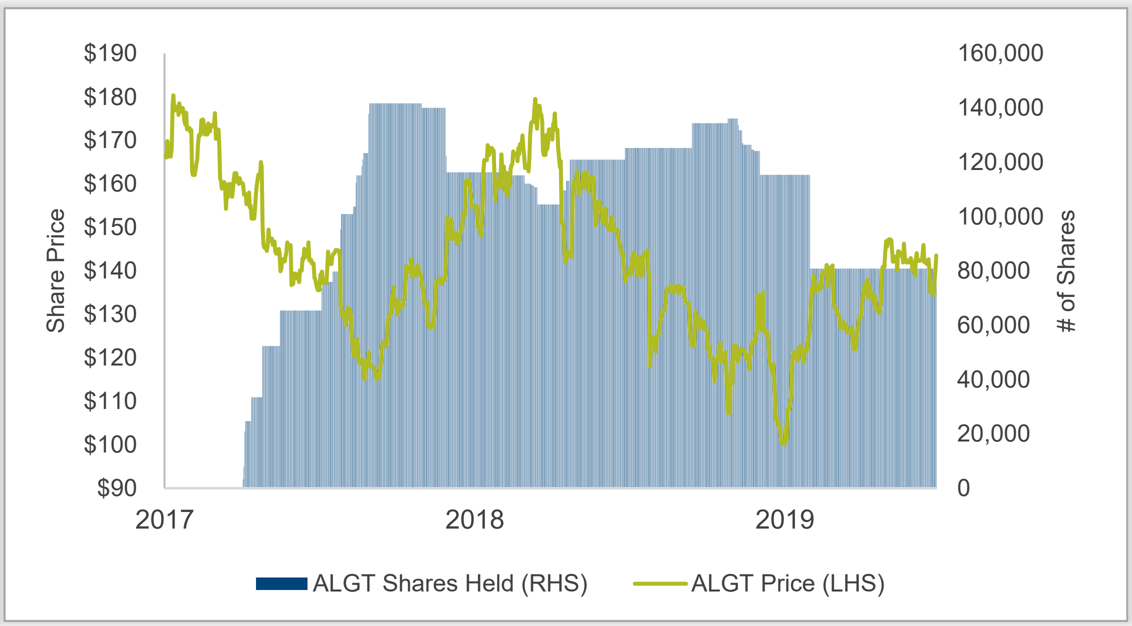
The second quarter of 2019 performance was negative for the Fund. The Fund was down -0.34%. However, even though the Fund's performance trailed that of Russell 2500 (up 2.96%), the Fund performed well compared to Russell 2500 Value year-to-date. FPA Capital was up 15.49% for the first half of 2019 compared to Russell 2500 Value's 15.26%. Also importantly, the invested part of the portfolio performed well at around 22.35%.[5]

Top 5 / Bottom 5 Contributors[6] –2Q 2019

Top 5	Performance Contribution	Bottom 5	Performance Contribution
2Q19		**2Q19**	
Dana	0.54%	Cimarex Energy	-0.71%
Allegiant Travel	0.44%	Patterson UTI Energy	-0.70%
Aaron's	0.40%	SM Energy	-0.37%
AGCO	0.31%	Frank's International	-0.28%
Graphic Packaging Holding Co	0.26%	Noble Energy	-0.20%
	1.94%		**-2.25%**

Allegiant Travel Company

ALGT: A Turbulent Flight



Source: First Pacific Advisors. As of June 28, 2019. **Past performance is no guarantee of future results.** Please see important information regarding this chart in the Important Disclosures section at the end of this commentary.

[5] Calculated as performance/ (1 – average cash balance).
[6] Reflects the top five contributors and detractors to the Fund's performance based on contribution to return for the quarter. 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 contributors within the portfolio for the last three months as of June 30, 2019 were: Dana (2.4%), Allegiant Travel (4.2%), Aaron's Inc. (2.3%), AGCO Corp. (2.5%), Graphic Packaging Holding (2.2%), Cimarex Energy (4.9%), Patterson UTI Energy (2.2%), SM Energy Co. (0.9%), Frank's International (3.1%), and Noble Energy (3.0%). 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.** Please see important disclosures at the end of this commentary.

Allegiant Travel (ALGT), a leisure airline, the Fund's strongest performer this year, and second largest contributor to the Fund's returns, is up 43% YTD.[7] We initiated a position in the second quarter of 2017 on a thesis that airline profitability would improve as MD-80 aircraft were replaced entirely with A320s/319s and that long term growth prospects were still well intact. Further, we like ALGT's low utilization, leisure-oriented strategy, which we believe supports a sustainable monopoly on the vast majority of routes.

2018 was a rough year for ALGT as profitability was pressured by transition related costs (e.g., spare aircrafts, low pilot productivity, running higher than normal number of fleet bases, etc.) while the leisure, budget focused model struggled to recoup higher fuel costs through higher fare pricing. Additionally, we believe ALGT's multiple was negatively impacted by an unpopular extension of the business into lodging and family entertainment where the scope and capital at risk were not well understood.

ALGT's differentiated story has recently become a shining light among peers. Since the back half of 2018, ALGT's unit revenue and costs (ex-fuel) have both improved, whereas industry peers have seen a contraction in the unit revenue to cost (ex-fuel) spread. During their 1Q19 earnings call, ALGT reiterated EPS[8] guidance of $14/share at the midpoint, up from $10/share in 2018. We believe the stock has been strong recently not only on the resurgence of airline profitability, but also due to ALGT's insulation from competition and de minimis exposure to more economically sensitive business travel demand. Additionally, the company recently toned down the scale of their Sunseeker Resort project and de-risked the financing through partial non-recourse debt. Our view is that management is using the resort as a showcase asset to gain a foothold in more lucrative, asset light hotel management contracts in their core destination markets.

We believe there is attractive upside to ALGT's near term earnings as well as asymmetric option value in the company's longer term lodging strategy.

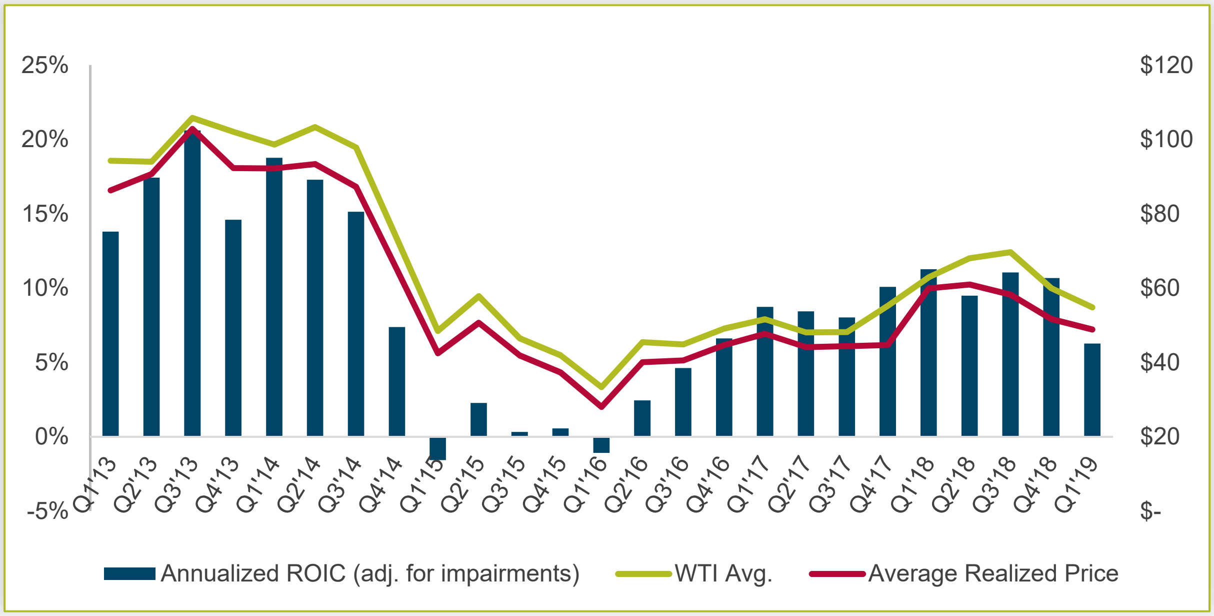
Cimarex Energy

Cimarex Energy (XEC) has been one of the Fund's largest detractors from performance this year, down roughly 4% YTD. We've written extensively about why XEC is one of our largest positions and the thesis hasn't changed. What has changed is sentiment around the entire oil and gas space, driven by recent petroleum and petroleum product inventory builds in the U.S. and a weakening global demand outlook. We believe that XEC has one of the best management teams in the exploration and production (E&P) industry as well as some of the most productive acreage in the prolific Permian Basin. In combination, XEC has produced in our view, attractive adjusted returns on capital and we believe they will get even more efficient with their assets now that they are targeting a three-year development plan based on greater predictability around well performance.

Additionally, it should be noted that recent returns have been depressed due to numerous well configuration pilots, midstream buildout, and a wider than usual spread between XEC's commodity price realization and index prices due to transitory pipeline constraints.

[7] Source: Morningstar. As of June 30, 2019. Portfolio composition will change due to ongoing management of the Fund. **Past performance is no guarantee, nor is it indicative, of future results.**
[8] EPS = Earnings Per Share

XEC Return on Adj. Capital vs. Oil Prices



Source: XEC Filings, EIA website for Avg WTI Pricing. Note: Invested capital was adjusted for cumulative asset impairments. WTI=West Texas Intermediate; EIA=U.S. Energy Information Administration.

The chart above highlights how management structurally improved returns (adjusted for asset impairments) despite lower prices, where they now generate mid-single digit returns on capital at $40 oil vs. near zero returns in 2015. Directionally, we believe management's assertion that the company can generate attractive full cycle returns even at $40-45 WTI has some merit.[9] This return profile combined with XEC's balance sheet and roughly 5.3x EV/EBITDA multiple give us confidence in the risk reward.[10]

Semiconductor Investments

The semiconductor industry is highly sensitive to global growth and the industry is dependent on a complex global supply chain that at its core relies on free trade. As signs emerged in late 2018 that the trade war between China and the US was potentially escalating, semi stocks sold off. But as the consensus view in 1Q began to bake in an increased likelihood of a trade deal, semi stocks rallied aggressively. That is until early May, when President Trump threatened to increase tariffs on China and it became clear to the market that hopes of a trade deal (at least in the near-term) had been scuttled. Sentiment further deteriorated when the US added Huawei to the Entity List in mid-May, a list that essentially prohibits US companies from doing business with Huawei. Huawei is a $100b revenue company and a major purchaser of semiconductors. If sales to Huawei were banned for US companies (and potentially some of their allies), that would be hugely disruptive to the entire semiconductor supply chain. The market reacted accordingly selling down the entire sector (see below) through May.

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[9] Morgan Stanley, *On the Road with the CEO*, May 29th, 2019.
[10] Enterprise value (EV) is based on a share price of $59.33 on June 28th, 2019 and EBITDA is based on company reported trailing twelve months adjusted EBITDA as of March 31st, 2019 per company press releases.
Past performance is no guarantee of future results.

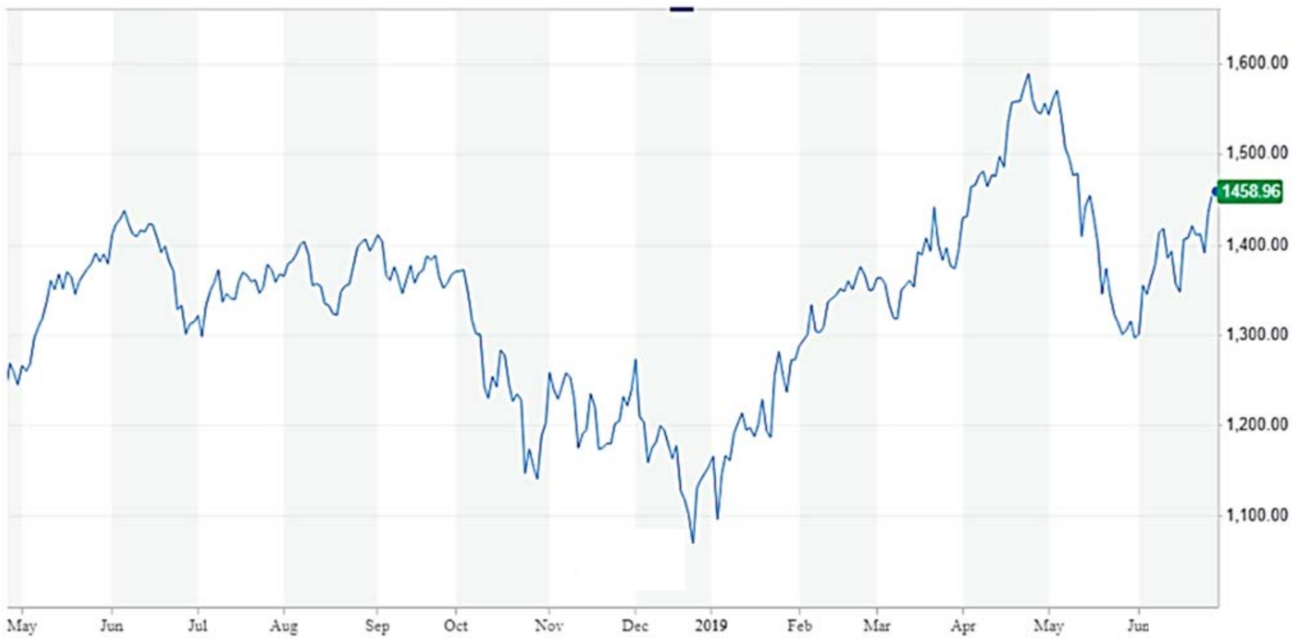
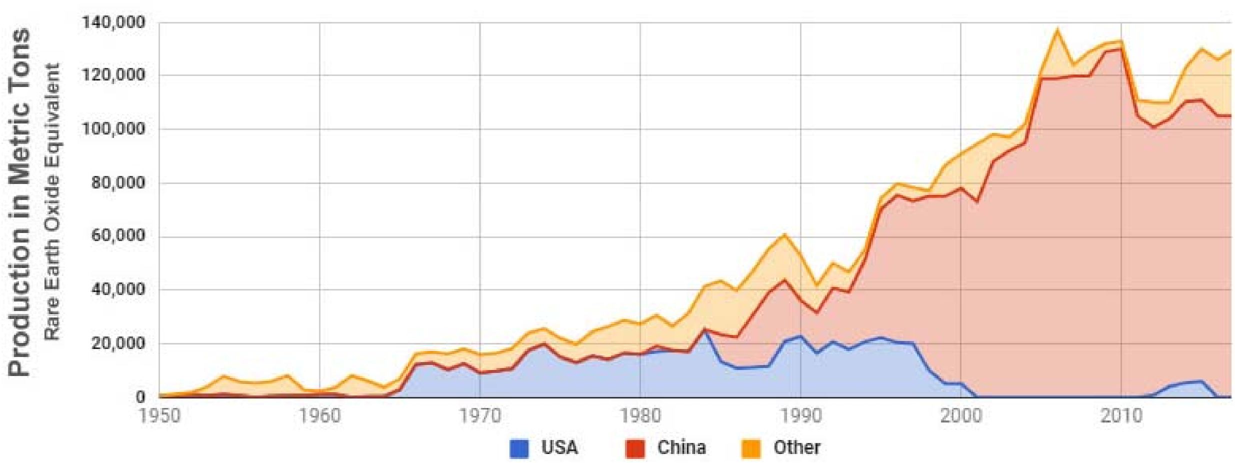


Chart shows price for the PHLX Semiconductor Sector Index (SOX). This is a modified market capitalization-weighted index composed of companies primarily involved in the design, distribution, manufacture, and sale of semiconductors. Source: Yahoo! Finance; https://finance.yahoo.com/quote/%5ESOX/ as of June 28th, 2019; Chart data covers the period April 27, 2018 through June 30, 2019.

As the tit-for-tat battle escalated, investors contemplated China and US's next move. Many speculated that China could limit the sale of rare earth metals (critical inputs in many modern devices including cell phones, rechargeable batteries, computer memory, etc.) given that they control the vast majority of global production (see below).



Source: Geology.com; *REE -Rare Earth Elements and their Uses, The demand for rare earth elements has grown rapidly, but their occurrence in minable deposits is limited*, Data shown for the period 1950-2017; https://geology.com/articles/rare-earth-elements/

China also threatened to create their own list of unreliable foreign entities which could further impair global trade and global supply chains. So in the short term, the outlook has certainly darkened, but we believe this presents a ripe environment for investors willing to look out past the short-term disruptions to identify the longer-term secular trends. And that brings us to our investment in MKS Instruments (MKSI).

MKS Instruments

MKS Instruments is a leading provider of systems to measure, power, and control critical parameters of advanced manufacturing processes. About half of their business focuses on semiconductors and the other half focuses on advanced markets (e.g., advanced manufacturing processes in industrial markets, life/health sciences, etc.).

We like the business because MKSI's end-markets have long-term entrenched demand drivers, which we believe should lead to mid-single-digit growth over-the-cycle. Additionally, MKSI's strong management team has delivered better than industry growth[11] through a combination of accretive acquisitions and market share capture. Furthermore, MKSI is a leader across most of its key products and we view their market position as entrenched within the semi cap supply chain.

Following a disappointing 1Q19 earnings report, where investors were surprised by the negative results of the recently acquired Electro Scientific acquisition, the stock took its first leg down. The stock continued its downward slide as trade war fears flared up and this presented an opportunity to continue building out the Fund's position.

Our view is that we are a few quarters into a down cycle and this tends to be a good time to purchase cyclically depressed stocks. Additionally, we believe the management has a track record of astute capital allocation and we expect more of the same from them whether through bolt-on acquisitions or buybacks. Finally, we think the street is not attaching an appropriate multiple to the firm's non-semi business and there could be an opportunity for a multiple re-rating as the market sees the stability that other businesses provide.

Team Update

Sean Pompa, after three years of strong contributions to the Fund, is moving to Omaha. We are sad to see him leave as he is not only a formidable research analyst but also a great human being. He will be greatly missed. However, when one door closes sometimes another one opens. We are lucky to welcome Dan Kaplan to the team. Dan has over 13 years of experience as a generalist investment analyst focusing on finding non-run-of-the-mill investment opportunities. His previous background includes investment banking and equity research. Dan holds an MBA with Distinction from Kellogg School of Management at Northwestern University and a BS with Honors in Economics from California Institute of Technology.

Conclusion

With the return of volatility in the second quarter, we have been able to initiate three new positions and add selectively to some existing positions. We still believe that the overall market is overpriced and continue to invest in only our highest conviction ideas when we believe the pricing levels present an attractive risk to reward ratio. The potential for disruption is high due to both the political issues and the extent of investor and corporate leverage and we remain disciplined with only a 67.5% long position. We are excited to see the return of volatility as historically such environment presented outsized opportunities.

Thank you for your support and the trust you placed in us.

Sincerely,

Arik Ahitov

[11] Industry growth is defined as Wafer Fab Equipment (WFE) spend and the period we are referencing is from 2013-2017.

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.

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 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.

Case Study Disclosures - Allegiant Travel (ALGT)

The case study shown herein is being shown only as an illustration of FPA's investment process and is not a recommendation for any particular type of transaction, security or sector. It should not be assumed that any transaction in the future will be profitable. This case study is not representative of the overall performance of the Fund as is demonstrated by the Fund's past performance numbers. **Past performance does not guarantee future results and results may differ over future time periods.** The case study shown herein is being shown only as an example of what the Adviser is seeking to achieve in managing the Fund, but is not necessarily indicative of what has actually been achieved with all of the investments or will be achieved going forward. References to specific securities, transactions or sectors should not be construed as recommendations by the Fund, its Adviser or distributor.

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.

Return on Invested Capital (ROIC) is the percentage amount that a company is making for every percentage point over the cost of capital.

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).

 Past performance is no guarantee of future results.

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

TICKER	SHARES / PRINCIPAL	SECURITY	COUPON RATE (%)	MATURITY DATE	MKT PRICE ($)	MKT VALUE ($)	% OF NET ASSET VALUE
		COMMON STOCKS					
AAN	108,523	AARON'S INC			61.41	6,664,397	2.6%
AGCO	74,107	AGCO CORP			77.57	5,748,480	2.2%
ALGT	80,841	ALLEGIANT TRAVEL CO			143.50	11,600,684	4.5%
AMBA	128,310	AMBARELLA INC			44.13	5,662,320	2.2%
ARW	55,595	ARROW ELECTRONICS INC			71.27	3,962,256	1.5%
AVT	149,752	AVNET INC			45.27	6,779,273	2.6%
CFFN	625,704	CAPITOL FEDERAL FINANCIAL			13.77	8,615,944	3.3%
CRI	55,280	CARTER S INC			97.54	5,392,011	2.1%
CAKE	115,787	CHEESECAKE FACTORY INC/THE			43.72	5,062,208	2.0%
XEC	223,975	CIMAREX ENERGY CO			59.33	13,288,437	5.1%
CISN	223,167	CISION LTD			11.73	2,617,749	1.0%
DAN	429,958	DANA INC			19.94	8,573,363	3.3%
FHB	228,441	FIRST HAWAIIAN INC			25.87	5,909,769	2.3%
FI	854,062	FRANKS INTL N V			5.46	4,663,179	1.8%
GNTX	142,579	GENTEX CORP			24.61	3,508,869	1.4%
GPK	414,063	GRAPHIC PACKAGING HOLDING CO			13.98	5,788,601	2.2%
IDCC	189,036	INTERDIGITAL INC			64.40	12,173,918	4.7%
ISBC	878,457	INVESTORS BANCORP INC			11.15	9,794,796	3.8%
MGLN	43,138	MAGELLAN HEALTH INC			74.23	3,202,134	1.2%
MKSI	97,506	MKS INSTRUMENTS INC			77.89	7,594,742	2.9%
NBL	380,840	NOBLE ENERGY INC			22.40	8,530,816	3.3%
		OTHER				5,631,123	2.2%
R	97,212	RYDER SYSTEM INC			58.30	5,667,460	2.2%
MTN	17,027	VAIL RESORTS INC			223.18	3,800,086	1.5%
VMI	44,506	VALMONT INDUSTRIES			126.81	5,643,806	2.2%
WDC	187,249	WESTERN DIGITAL CORP			47.55	8,903,690	3.4%
		TOTAL EQUITIES				**174,780,108**	**67.5%**
		U.S GOVERNMENT AND AGENCIES					
	10,000,000	US TREASURY NOTE	0.750	07/15/2019	99.94	9,993,945	3.9%
	7,000,000	US TREASURY NOTE	1.250	08/31/2019	99.81	6,986,793	2.7%
	7,500,000	US TREASURY NOTE	1.750	09/30/2019	99.90	7,492,325	2.9%
	10,000,000	US TREASURY NOTE	1.500	10/31/2019	99.79	9,979,336	3.9%
	10,000,000	US TREASURY NOTE	1.000	11/15/2019	99.58	9,957,891	3.8%
	7,500,000	US TREASURY NOTE	1.125	12/31/2019	99.51	7,463,496	2.9%
	10,000,000	US TREASURY NOTE	2.000	01/31/2020	99.97	9,996,641	3.9%
		TOTAL US GOVT AND AGENCIES				**61,870,427**	**24.0%**
		REPURCHASE AGREEMENTS					
	22,076,000	STATE STREET BANK/FICC REPO	0.500	07/01/2019		22,076,000	8.5%
		TOTAL REPURCHASE AGREEMENTS				**22,076,000**	**8.5%**

TICKER	SHARES / PRINCIPAL	SECURITY	COUPON RATE (%)	MATURITY DATE	MKT PRICE ($)	MKT VALUE ($)	% OF NET ASSET VALUE
		CASH & EQUIVALENTS (NET OF LIABILITIES)				100,419	0.0%
		TOTAL CASH & EQUIVALENTS				**84,046,846**	**32.5%**
		TOTAL NET ASSETS				**$ 258,826,954**	**100.0%**
		NO. OF EQUITY POSITIONS				**25**	

Portfolio Holding Submission Disclosure

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. Small and mid-cap stocks involve greater risks and they can fluctuate in price more than larger company stocks.

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.

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.