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UMB DISTRIBUTION SERVICES, LLC

235 West Galena Street
Milwaukee, Wisconsin 53212

June 30, 2019

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FPA CRESCENT FUND

LETTER TO SHAREHOLDERS

Introduction

Dear Shareholders:

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

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

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

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

Winners and Losers³

Contributors	Performance Contribution	Percent of Portfolio	Detractors	Performance Contribution	Percent of Portfolio
Q2 2019					
Arconic	0.88%	3.4%	Baidu	-0.58%	1.4%
AIG	0.81%	4.0%	Mylan	-0.46%	1.0%
TE Connectivity	0.36%	2.1%	Alphabet	-0.32%	3.6%
Citigroup	0.30%	2.6%	Glencore	-0.18%	1.1%
Facebook	0.29%	2.3%	Altaba	-0.15%	2.3%
	2.64%	14.4%		-1.69%	9.4%

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

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

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

FPA CRESCENT FUND LETTER TO SHAREHOLDERS

(Continued)

Contributors	Performance Contribution	Percent of Portfolio	Detractors	Performance Contribution	Percent of Portfolio
YTD					
Arconic	1.25%	3.4%	Baidu	-0.48%	1.4%
AIG	1.16%	4.0%	Mylan	-0.38%	1.0%
Citigroup	0.76%	2.6%	PG&E/Utilities (hedge)	-0.12%	0.2%
Facebook	0.76%	2.3%	Naver	-0.04%	0.4%
Analog Devices	0.71%	2.6%	Glencore PLC	-0.03%	1.4%
	4.64%	14.9%		-1.05%	4.4%

Markets

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

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

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

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

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

Interest Rates — A Driver of Business Value⁴

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

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

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

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

FPA CRESCENT FUND

LETTER TO SHAREHOLDERS

(Continued)

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

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

There is an aura of hopeful complacency floating around the stock market that, in part, finds need replacing want. Investors *wanting* a higher rate of return have often steered bull markets, and this bull market certainly has that characteristic. What's different today is that an investor cohort *needing* return also has a hand on the steering wheel in this market.

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

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

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

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

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

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

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

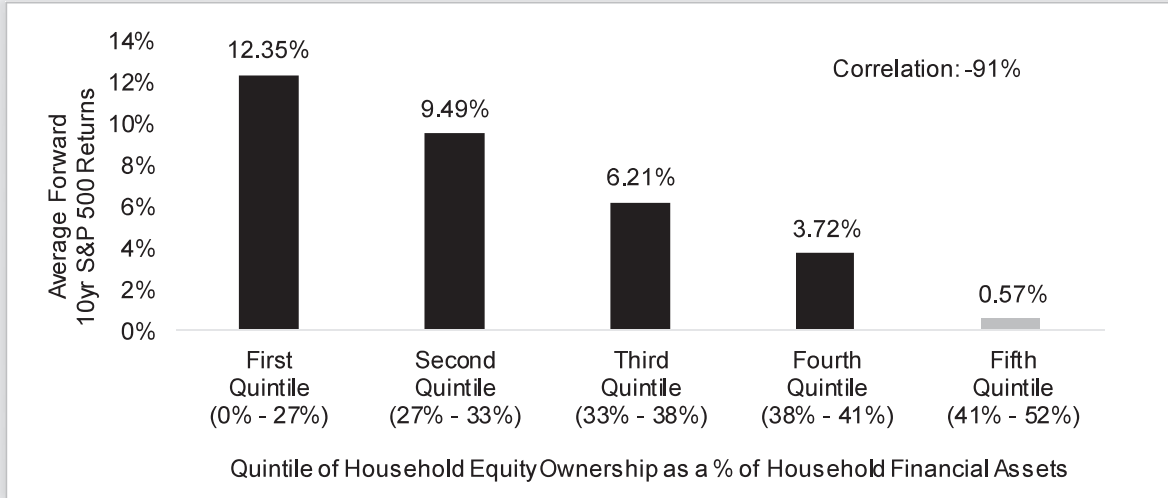
⁷ 10-year US Treasury note yielded 5.018% at 2007 third quarter-end (September 28, 2007).

⁸ Source: Federal Reserve Economic Data, Bloomberg. Data as of December 31, 2018.

FPA CRESCENT FUND LETTER TO SHAREHOLDERS

(Continued)

Household Equity Ownership as a Percent of Household Financial Assets vs. Average Forward 10yr S&P 500 Returns from 1961 to 2018⁹



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

Bull Market for Risk-on and Risk-off Assets¹⁰

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

Many investors have placed the fears that sank the market in the fourth quarter of last year aside, pushing global markets higher despite a rising tide of populism around the world; slowing economic growth; looming

⁹ Source: Federal Reserve Economic Data, Bloomberg.

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

FPA CRESCENT FUND

LETTER TO SHAREHOLDERS

(Continued)

Brexit, and U.S. corporate debt proliferation that features low coverage ratios for this point in the cycle, not to mention, weak covenants, high sovereign debt, high state and municipal debt, trade wars — we could go on.

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

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

Portfolio

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

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

Since your managers do not have such predictive capabilities, that would have meant taking unacceptable risks. A portfolio positioned perfectly for low interest rates and the attendant knock-on economic benefit, would likely result in a permanent impairment of capital in the event that interest rates were to rise or the economy to weaken. One, the other or both will change at some point, and so we consider the current upside/downside trade-off unrewarding.

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

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

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

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

FPA CRESCENT FUND

LETTER TO SHAREHOLDERS

(Continued)

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

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

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

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

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

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

Price matters. Just take a look at two hypothetical companies, one growth, and the other value. Their shares can be purchased for \$10 apiece. Growth Inc. trades at 17 times earnings (its "price-to-earnings"), and its profits compound at 12% over the next five years. At the end of that period, however, expectations for the next five years might be more modest, and so an investor would pay a somewhat lower 15 times earnings for its shares. That would leave an investor with a 51% gain.

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

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

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

FPA CRESCENT FUND

LETTER TO SHAREHOLDERS

(Continued)

Exhibit A

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

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

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

Exhibit B

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

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

Exhibit C

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

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

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

FPA CRESCENT FUND LETTER TO SHAREHOLDERS

(Continued)

Conclusion

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

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

Respectfully submitted,

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

Steven Romick
Portfolio Manager
July 29, 2019

FPA CRESCENT FUND

The discussions of Fund investments represent the views of the Fund's managers at the time of this report and are subject to change without notice. These views may not be relied upon as investment advice or as an indication of trading intent on behalf of any First Pacific Advisors portfolio. Security examples featured are samples for presentation purposes and are intended to illustrate our investment philosophy and its application. It should not be assumed that most recommendations made in the future will be profitable or will equal the performance of the securities. This information and data has been prepared from sources believed reliable. The accuracy and completeness of the information cannot be guaranteed and is not a complete summary or statement of all available data.

FORWARD LOOKING STATEMENT DISCLOSURE

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

FPA CRESCENT FUND

PORTFOLIO SUMMARY

June 30, 2019 (Unaudited)

Common Stocks	67.9%
Internet Media	7.8%
Aircraft & Parts	7.0%
Diversified Banks	5.7%
Semiconductor Devices	5.3%
Banks	4.8%
Cable & Satellite	4.4%
Investment Companies	4.0%
P&C Insurance	4.0%
Cement & Aggregates	3.5%
Entertainment Content	2.4%
Electrical Components	2.1%
Infrastructure Software	2.0%
Midstream — Oil & Gas	1.7%
Insurance Brokers	1.5%
Institutional Brokerage	1.5%
Consumer Finance	1.4%
E-Commerce Discretionary	1.2%
Mining Services	1.1%
Containers & Packaging	1.1%
Specialty Chemicals	1.0%
Generic Pharmaceuticals	1.0%
Home Improvement	0.7%
Application Software	0.6%
Integrated Utilities	0.6%
Food & Drug Stores	0.5%
Medical Equipment	0.5%
Marine Shipping	0.3%
Chemicals	0.2%
Closed End Fund	2.3%
Limited Partnerships	1.2%
Preferred Stocks	0.9%
Bonds & Debentures	14.1%
U.S. Treasuries	9.9%
Municipals	2.8%
Corporate Bonds & Notes	0.7%
Corporate Bank Debt	0.5%
Asset-Backed Securities	0.2%
Residential Mortgage-Backed Securities	0.0%
Short-term Investments	14.1%
Securities Sold Short	(6.1)%
Other Assets And Liabilities, Net	<u>5.6%</u>
Net Assets	<u>100.0%</u>

FPA CRESCENT FUND PORTFOLIO OF INVESTMENTS

June 30, 2019
(Unaudited)

COMMON STOCKS	Shares	Fair Value
INTERNET MEDIA — 7.8%		
Alphabet, Inc. (Class A)(a)	243,769	\$ 263,953,073
Alphabet, Inc. (Class C)(a)	245,340	265,190,459
Baidu, Inc. (ADR) (China)(a)	1,791,516	210,252,318
Facebook, Inc. (Class A)(a)	1,698,438	327,798,534
Naver Corp. (South Korea)	560,426	55,387,371
		\$ 1,122,581,755
AIRCRAFT & PARTS — 7.0%		
Arconic, Inc.	19,120,622	\$ 493,694,460
Meggitt plc (Britain)	28,376,243	189,054,039
United Technologies Corp.	2,498,174	325,262,255
		\$ 1,008,010,754
DIVERSIFIED BANKS — 5.7%		
Bank of America Corp.	10,809,987	\$ 313,489,623
Citigroup, Inc.	5,300,260	371,177,208
Royal Bank of Scotland Group plc (Britain)	49,922,150	139,238,225
		\$ 823,905,056
SEMICONDUCTOR DEVICES — 5.3%		
Analog Devices, Inc.	3,322,526	\$ 375,013,510
Broadcom, Inc.	1,340,149	385,775,291
		\$ 760,788,801
BANKS — 4.8%		
CIT Group, Inc.(b)	7,290,114	\$ 383,022,590
Signature Bank	731,980	88,452,463
Wells Fargo & Co.	4,799,137	227,095,163
		\$ 698,570,216
CABLE & SATELLITE — 4.4%		
Charter Communications, Inc. (Class A)(a)	756,412	\$ 298,918,894
Comcast Corp. (Class A)	7,849,306	331,868,658
		\$ 630,787,552
INVESTMENT COMPANIES — 4.0%		
Groupe Bruxelles Lambert SA (Belgium)	2,722,644	\$ 267,502,936
Jefferies Financial Group, Inc.(b)	16,334,640	314,115,127
		\$ 581,618,063
P&C INSURANCE — 4.0%		
American International Group, Inc.	10,790,921	\$ 574,940,271

FPA CRESCENT FUND
PORTFOLIO OF INVESTMENTS (Continued)

June 30, 2019
(Unaudited)

COMMON STOCKS — Continued	<u>Shares</u>	<u>Fair Value</u>
CEMENT & AGGREGATES — 3.5%		
HeidelbergCement AG (Germany)	2,947,784	\$ 238,550,460
LafargeHolcim Ltd. (Switzerland)(a)	5,575,771	<u>272,635,788</u>
		<u>\$ 511,186,248</u>
ENTERTAINMENT CONTENT — 2.4%		
Naspers, Ltd. (N Shares) (South Africa)	1,424,355	<u>\$ 344,765,216</u>
ELECTRICAL COMPONENTS — 2.1%		
TE Connectivity, Ltd. (Switzerland)	3,139,194	<u>\$ 300,672,001</u>
INFRASTRUCTURE SOFTWARE — 2.0%		
Microsoft Corp.	2,175,903	<u>\$ 291,483,966</u>
MIDSTREAM — OIL & GAS — 1.7%		
Kinder Morgan, Inc.	12,078,542	<u>\$ 252,199,957</u>
INSURANCE BROKERS — 1.5%		
Aon plc (Britain)	1,131,085	<u>\$ 218,276,783</u>
INSTITUTIONAL BROKERAGE — 1.5%		
LPL Financial Holdings, Inc.	2,609,575	<u>\$ 212,863,033</u>
CONSUMER FINANCE — 1.4%		
Ally Financial, Inc.	6,577,069	<u>\$ 203,823,368</u>
E-COMMERCE DISCRETIONARY — 1.2%		
JD.com, Inc. (ADR) (China)(a)	5,731,482	<u>\$ 173,606,590</u>
MINING SERVICES — 1.1%		
Glencore plc (Switzerland)(a)	47,823,680	<u>\$ 165,514,014</u>
CONTAINERS & PACKAGING — 1.1%		
Owens-Illinois, Inc.(b)	9,007,760	<u>\$ 155,564,015</u>
SPECIALTY CHEMICALS — 1.0%		
Univar, Inc.(a)	6,575,060	<u>\$ 144,914,322</u>

FPA CRESCENT FUND
PORTFOLIO OF INVESTMENTS (Continued)

June 30, 2019
(Unaudited)

COMMON STOCKS — Continued	<u>Shares</u>	<u>Fair Value</u>
GENERIC PHARMACEUTICALS — 1.0%		
Mylan NV(a)	7,279,674	\$ <u>138,604,993</u>
HOME IMPROVEMENT — 0.7%		
Mohawk Industries, Inc.(a)	697,373	\$ <u>102,841,596</u>
APPLICATION SOFTWARE — 0.6%		
Nexon Co. Ltd. (Japan)(a)	6,340,900	\$ <u>92,638,245</u>
INTEGRATED UTILITIES — 0.6%		
PG&E Corp.(a)	3,585,220	\$ <u>82,173,242</u>
FOOD & DRUG STORES — 0.5%		
Jardine Strategic Holdings, Ltd. (Hong Kong)	2,042,860	\$ <u>77,949,867</u>
MEDICAL EQUIPMENT — 0.5%		
Olympus Corp. (Japan)	6,219,900	\$ <u>69,220,549</u>
MARINE SHIPPING — 0.3%		
Sound Holding FP (Luxembourg)(a)(b)(c)(d)(e)	1,146,250	\$ <u>41,407,097</u>
CHEMICALS — 0.2%		
Cabot Corp.	600,021	\$ <u>28,627,002</u>
TOTAL COMMON STOCKS — 67.9% (Cost \$7,403,050,754)		<u>\$ 9,809,534,572</u>
CLOSED END FUND — 2.3%		
Altaba, Inc.(a) (Cost \$194,143,971)	4,756,180	\$ <u>329,936,207</u>
LIMITED PARTNERSHIPS		
FPS LLC(a)(c)(d)(e)	769,421	\$ 76,942,058
GACP II L.P.(c)(d)(e)	671,327	48,606,144
U.S. Farming Realty Trust, L.P.(c)(d)(e)	350,000	34,926,236
U.S. Farming Realty Trust II, L.P.(c)(d)(e)	120,000	<u>11,811,408</u>
TOTAL LIMITED PARTNERSHIPS — 1.2% (Cost \$159,979,416)		<u>\$ 172,285,846</u>

FPA CRESCENT FUND
PORTFOLIO OF INVESTMENTS (Continued)

June 30, 2019
(Unaudited)

	Shares or Principal Amount	Fair Value
PREFERRED STOCKS		
AUTOMOBILES — 0.7%		
Porsche Automobil Holding SE (Germany)	1,539,070	\$ 99,707,786
INDUSTRIALS — 0.2%		
General Electric Co., VRN(h)	28,026,000	\$ 26,869,928
TOTAL PREFERRED STOCKS — 0.9% (Cost \$110,149,904)		<u>\$ 126,577,714</u>
WARRANTS		
MORTGAGE FINANCE — 0.0%		
Ditech Holding Corp.(a)(b)	430,887	\$ 2,154
Ditech Holding Corp.(a)(b)	341,900	<u>3,419</u>
		<u>\$ 5,573</u>
TOTAL WARRANTS — 0.0% (Cost \$0)		<u>\$ 5,573</u>
CONVERTIBLE PREFERRED STOCK — 0.0%		
MORTGAGE FINANCE — 0.0%		
Ditech Holding Corp.(a)(b) (Cost \$16,018,470)	9,950	\$ 995
BONDS & DEBENTURES		
RESIDENTIAL MORTGAGE-BACKED SECURITIES		
NON-AGENCY COLLATERALIZED MORTGAGE OBLIGATION — 0.0%		
Stanwich Mortgage Loan Trust Series 2012-2 A — 0.00%		
3/15/2047(d)(e)(g)(h)	\$ 98,815	\$ 41,996
Stanwich Mortgage Loan Trust Series 2010-2 A — 0.00%		
2/28/2057(d)(e)(g)(h)	663,639	<u>334,607</u>
		<u>\$ 376,603</u>
TOTAL RESIDENTIAL MORTGAGE-BACKED SECURITIES — 0.0% (Cost \$390,433)		<u>\$ 376,603</u>
ASSET-BACKED SECURITIES		
OTHER — 0.2%		
Kamsarmax Shipping — 11.00% 9/10/2019(c)(d)(e)	\$ 7,150,540	\$ 7,150,540
Northern Shipping — 7.80% 12/24/2019(c)(d)(e)	30,533,326	<u>30,533,326</u>
		<u>\$ 37,683,866</u>
TOTAL ASSET-BACKED SECURITIES — 0.2% (Cost \$37,683,866) ...		<u>\$ 37,683,866</u>

FPA CRESCENT FUND
PORTFOLIO OF INVESTMENTS (Continued)

June 30, 2019
(Unaudited)

BONDS & DEBENTURES — Continued	Principal Amount	Fair Value
CORPORATE BONDS & NOTES		
ENERGY — 0.2%		
California Resources Corp. — 6.00% 11/15/2024	\$ 2,171,000	\$ 1,403,009
California Resources Corp. 2nd Lien — 8.00% 12/15/2022(g)	35,750,000	26,946,562
		\$ 28,349,571
INDUSTRIAL — 0.5%		
Bombardier, Inc. — 7.45% 5/1/2034(g)	\$ 5,800,000	\$ 5,814,500
Bombardier, Inc. — 7.50% 3/15/2025(g)	66,677,000	66,780,350
		\$ 72,594,850
TOTAL CORPORATE BONDS & NOTES — 0.7%		
(Cost \$88,273,573)		\$ 100,944,421
CORPORATE BANK DEBT — 0.2%		
Hall of Fame TL, 3M USD LIBOR + 11.000% — 15.080%		
5/15/2020(c)(d)(e)(h)	\$ 9,944,735	\$ 9,944,735
MEC Filo TL 1, 1M USD LIBOR + 9.000% — 11.440%		
2/12/2021(c)(d)(e)(h)	19,202,100	19,202,100
		\$ 29,146,835
OTHER CORPORATE BANK DEBT — 0.3% (i)		\$ 36,800,574
TOTAL CORPORATE BANK DEBT — 0.5% (Cost \$66,014,596)		\$ 65,947,409
MUNICIPALS		
Commonwealth of Puerto Rico GO, Series 2014 A, (SER A), — 8.00% 7/1/2035	\$111,230,000	\$ 57,561,525
Puerto Rico Commonwealth Aqueduct & Sewer Authority Rev., Series 2012 A, (SR LIEN-SER A), — 5.00% 7/1/2021	7,070,000	7,149,538
Puerto Rico Commonwealth Aqueduct & Sewer Authority Rev., Series 2012 A, (SR LIEN-SER A), — 5.00% 7/1/2022	3,883,000	3,936,391
Puerto Rico Commonwealth Aqueduct & Sewer Authority Rev., Series 2012 A, (SR LIEN-SER A), — 5.00% 7/1/2033	25,194,000	25,351,462
Puerto Rico Commonwealth Aqueduct & Sewer Authority Rev., Series 2012 A, (SR LIEN-SER A), — 5.125% 7/1/2037	14,598,000	14,689,238
Puerto Rico Commonwealth Aqueduct & Sewer Authority Rev., Series 2012 A, (SR LIEN-SER A), — 5.25% 7/1/2029	9,753,000	9,887,104
Puerto Rico Commonwealth Aqueduct & Sewer Authority Rev., Series 2012 A, (SR LIEN-SER A), — 5.25% 7/1/2042	93,814,000	94,634,872
Puerto Rico Commonwealth Aqueduct & Sewer Authority Rev., Series 2012 A, (SR LIEN-SER A), — 5.75% 7/1/2037	16,607,000	17,022,175

FPA CRESCENT FUND
PORTFOLIO OF INVESTMENTS (Continued)

June 30, 2019
(Unaudited)

BONDS & DEBENTURES — Continued	Principal Amount	Fair Value
Puerto Rico Commonwealth Aqueduct & Sewer Authority Rev., Series 2012 A, (SR LIEN-SER A), — 6.00% 7/1/2047	\$ 14,655,000	\$ 15,039,694
Puerto Rico Public Buildings Authority Rev., Series 2012 U, (REF-GOVT FACS-SER U), — 5.25% 7/1/2042	54,920,000	39,817,000
Puerto Rico Sales Tax Financing Corp. Sales Tax Rev. Rev., (CABS-RESTRUCTURED-SER A-1), — 0.00% 7/1/2024(f)	2,452,000	2,084,077
Puerto Rico Sales Tax Financing Corp. Sales Tax Rev. Rev., (CABS-RESTRUCTURED-SER A-1), — 0.00% 7/1/2027(f)	4,153,000	3,178,789
Puerto Rico Sales Tax Financing Corp. Sales Tax Rev. Rev., (CABS-RESTRUCTURED-SER A-1), — 0.00% 7/1/2029(f)	4,047,000	2,836,138
Puerto Rico Sales Tax Financing Corp. Sales Tax Rev. Rev., (CABS-RESTRUCTURED-SER A-1), — 0.00% 7/1/2031(f)	5,216,000	3,263,547
Puerto Rico Sales Tax Financing Corp. Sales Tax Rev. Rev., (CABS-RESTRUCTURED-SER A-1), — 0.00% 7/1/2033(f)	5,871,000	3,278,425
Puerto Rico Sales Tax Financing Corp. Sales Tax Rev. Rev., (CABS-RESTRUCTURED-SER A-1), — 0.00% 7/1/2046(f)	55,871,000	12,777,698
Puerto Rico Sales Tax Financing Corp. Sales Tax Rev. Rev., (CABS-RESTRUCTURED-SER A-1), — 0.00% 7/1/2051(f)	45,515,000	7,677,925
Puerto Rico Sales Tax Financing Corp. Sales Tax Rev. Rev., (RESTRUCTURED-SER A-1), — 4.50% 7/1/2034	4,298,000	4,434,676
Puerto Rico Sales Tax Financing Corp. Sales Tax Rev. Rev., (RESTRUCTURED-SER A-1), — 4.55% 7/1/2040	2,177,000	2,177,000
Puerto Rico Sales Tax Financing Corp. Sales Tax Rev. Rev., (TXBL-RESTRUCTURED-SER A-2), — 4.55% 7/1/2040	22,112,000	21,338,080
Puerto Rico Sales Tax Financing Corp. Sales Tax Rev. Rev., (RESTRUCTURED-SER A-1), — 4.75% 7/1/2053	15,968,000	15,521,854
Puerto Rico Sales Tax Financing Corp. Sales Tax Rev. Rev., (TXBL-RESTRUCTURED-SER A-2), — 4.75% 7/1/2053	662,000	624,710
Puerto Rico Sales Tax Financing Corp. Sales Tax Rev. Rev., (RESTRUCTURED-SER A-1), — 5.00% 7/1/2058	40,380,000	40,380,000
Puerto Rico Sales Tax Financing Corp. Sales Tax Rev. Rev., (TXBL-RESTRUCTURED-SER A-2), — 5.00% 7/1/2058	8,865,000	8,576,888
TOTAL MUNICIPALS — 2.8% (Cost \$279,623,255)		\$ 413,238,806

U.S. TREASURIES

U.S. Treasury Bills — 2.078% 8/8/2019	\$120,000,000	\$ 119,721,264
U.S. Treasury Bills — 2.098% 8/13/2019	120,000,000	119,702,556
U.S. Treasury Notes — 0.75% 7/15/2019	180,000,000	179,891,010
U.S. Treasury Notes — 0.75% 8/15/2019	175,000,000	174,680,082
U.S. Treasury Notes — 0.875% 9/15/2019	100,000,000	99,733,980

FPA CRESCENT FUND
PORTFOLIO OF INVESTMENTS (Continued)

June 30, 2019
(Unaudited)

BONDS & DEBENTURES — Continued	Principal Amount	Fair Value
U.S. Treasury Notes — 1.00% 9/30/2019	\$170,000,000	\$ 169,519,223
U.S. Treasury Notes — 1.00% 10/15/2019	235,000,000	234,238,083
U.S. Treasury Notes — 1.50% 10/31/2019	100,000,000	99,793,360
U.S. Treasury Notes — 3.375% 11/15/2019	230,000,000	231,029,618
TOTAL U.S. TREASURIES — 9.9% (Cost \$1,427,649,838)		<u>\$ 1,428,309,176</u>
 TOTAL BONDS & DEBENTURES — 14.1% (Cost \$1,899,635,561) ...		<u>\$ 2,046,500,281</u>
 TOTAL INVESTMENT SECURITIES — 86.4% (Cost \$9,782,978,076)		<u>\$12,484,841,188</u>
 SHORT-TERM INVESTMENTS		
Chevron Corp.		
— 2.31% 8/19/2019	\$100,000,000	\$ 99,691,028
— 2.316% 7/26/2019	100,000,000	99,841,667
— 2.329% 8/9/2019	100,000,000	99,751,917
— 2.35% 8/7/2019	75,000,000	74,821,937
— 2.38% 7/31/2019	50,000,000	49,902,500
— 2.39% 7/26/2019	24,550,000	24,509,936
— 2.431% 7/17/2019	75,000,000	74,920,333
— 2.453% 7/3/2019	81,000,000	80,989,155
— 2.463% 7/2/2019	50,000,000	49,996,639
Coca-Cola Co. (The) — 2.443% 7/18/2019	50,000,000	49,943,333
Exxon Mobil Corp.		
— 2.289% 8/22/2019	125,000,000	124,593,750
— 2.37% 8/5/2019	74,000,000	73,832,369
— 2.441% 7/16/2019	100,000,000	99,900,000
— 2.442% 7/22/2019	125,000,000	124,825,000
— 2.443% 7/24/2019	50,000,000	49,923,333
— 2.451% 7/5/2019	25,000,000	24,993,306
General Electric Co.		
— 2.588% 7/9/2019	60,000,000	59,966,000
— 2.594% 8/12/2019	85,000,000	84,747,125
— 2.642% 7/18/2019	25,000,000	24,969,306
— 2.677% 8/2/2019	75,000,000	74,824,667
— 2.687% 7/30/2019	40,000,000	39,914,933
— 2.693% 7/3/2019	25,000,000	24,996,319
— 2.693% 7/5/2019	85,000,000	84,974,972
— 2.781% 7/8/2019	49,000,000	48,973,989

FPA CRESCENT FUND
PORTFOLIO OF INVESTMENTS (Continued)

June 30, 2019
(Unaudited)

SHORT-TERM INVESTMENTS — Continued	Shares or Principal Amount	Fair Value
Pepsico, Inc.		
— 2.273% 7/3/2019	\$ 50,000,000	\$ 49,993,778
— 2.294% 7/15/2019	13,350,000	13,338,267
— 2.307% 7/29/2019	40,000,000	39,929,378
— 2.40% 7/19/2019	60,000,000	59,929,200
Wal-Mart Stores, Inc.		
— 2.354% 7/2/2019	40,000,000	39,997,422
— 2.369% 7/29/2019	40,000,000	39,927,511
— 2.386% 7/1/2019	50,000,000	50,000,000
— 2.439% 7/1/2019	50,000,000	50,000,000
State Street Bank Repurchase Agreement — 0.50% 7/1/2019 (Dated 06/28/2019, repurchase price of \$44,440,852, collateralized by \$44,250,000 principal amount U.S. Treasury Notes — 2.375% 2022, fair value \$45,332,178)(j)	44,439,000	<u>44,439,000</u>
TOTAL SHORT-TERM INVESTMENTS — 14.1%		
(Cost \$2,033,358,070)		<u>\$ 2,033,358,070</u>
TOTAL INVESTMENTS — 100.5% (Cost \$11,816,336,146)		<u>\$14,518,199,258</u>
SECURITIES SOLD SHORT		
COMMON STOCKS SOLD SHORT — (4.0)%		
Pennsylvania Real Estate Investment Trust	(589,420)	\$ (3,831,230)
SPDR S&P Regional Banking ETF	(7,160,648)	(382,593,423)
Tencent Holdings, Ltd. (China)	(911,600)	(41,240,226)
Utilities Select Sector SPDR Fund	(1,060,170)	(63,217,937)
Volkswagen AG (Preference Shares) (Germany)	(408,519)	(68,809,989)
WW Grainger, Inc.	(70,685)	<u>(18,959,837)</u>
		<u>\$ (578,652,642)</u>
OTHER COMMON STOCKS SOLD SHORT — (1.9%)(i)		<u>\$ (270,819,306)</u>
TOTAL COMMON STOCKS SOLD SHORT — (5.9)%		
(Proceeds \$852,883,785)		<u>\$ (849,471,948)</u>
TOTAL OTHER COPORATE BONDS AND NOTES (SHORT) — (0.2%)(i)		
(Proceeds \$37,362,913)		<u>\$ (37,466,438)</u>
TOTAL SECURITIES SOLD SHORT — (6.1)% (Proceeds \$890,246,698)		<u>\$ (886,938,386)</u>
Other Assets and Liabilities, net — 5.6%		<u>813,638,792</u>
NET ASSETS — 100.0%		<u>\$14,444,899,664</u>

FPA CRESCENT FUND
PORTFOLIO OF INVESTMENTS (Continued)

June 30, 2019
(Unaudited)

- (a) Non-income producing security.
- (b) Affiliated Security.
- (c) Restricted securities. These restricted securities constituted 2.82% of total net assets at June 30, 2019, most of which are considered liquid by the Adviser. These securities are not registered and may not be sold to the public. There are legal and/or contractual restrictions on resale. The Fund does not have the right to demand that such securities be registered. The values of these securities are determined by valuations provided by pricing services, brokers, dealers, market makers, or in good faith under policies adopted by authority of the Fund's Board of Trustees
- (d) These securities have been valued in good faith under policies adopted by authority of the Board of Trustee in accordance with the Fund's fair value procedures. These securities constituted 1.94% of total net assets at June 30, 2019.
- (e) Investments categorized as a significant unobservable input (Level 3) (See Note 7 of the Notes to Financial Statements).
- (f) Zero coupon bond. Coupon amount represents effective yield to maturity.
- (g) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, typically only to qualified institutional buyers. Unless otherwise indicated, these securities are not considered to be illiquid.
- (h) Variable/Floating Rate Security — The rate shown is based on the latest available information as of June 30, 2019. For Senior Loan Notes, the rate shown may represent a weighted average interest rate. Certain variable rate securities are not based on a published rate and spread but are determined by the issuer or agent and are based on current market conditions. These securities do not indicate a reference rate and spread in their description.
- (i) As permitted by U.S. Securities Exchange Commission regulations, "Other" Corporate Bank Debt, Common Stocks Sold Short, and Corporate Bonds and Notes (Short) include holdings in their first year of acquisition that have not previously been disclosed.
- (j) Security pledged as collateral (See Note 9 of the Notes to Financial Statements).

Forward Foreign Currency Contracts

Counterparty	Currency Purchased	Currency Sold	Settlement Date	Valuation at June 30, 2019	Unrealized Appreciation	Unrealized Depreciation
Barclays Bank PLC	USD 80,001,940	EUR70,886,000	9/19/2019	\$81,103,375	=	\$(1,101,436)
Total				<u>\$81,103,375</u>	<u>=</u>	<u>\$(1,101,436)</u>

FPA CRESCENT FUND
PORTFOLIO OF INVESTMENTS (Continued)

June 30, 2019
(Unaudited)

Purchased Options

Description	Pay/ Receive Floating Rate	Floating Rate Index	Exercise Rate	Expiration Date	Counter- party	Notional Amount	Premium	Fair Value
Call — CMS Cap Swap(c)(e)	Receive	Maximum of [0, 10-Year — 2-Year — USD-ISDA Swap Rate — 0.122]	0.12%	6/24/2021	Barclays Bank PLC	\$ 763,000,000	\$ 1,999,060	\$ 2,925,342
Call — CMS Cap Swap(c)(e)	Receive	Maximum of [0, 30-Year — 2-Year — USD-ISDA Swap Rate — 0.162]	0.16%	6/24/2021	Barclays Bank PLC	690,000,000	2,001,000	3,755,670
Call — CMS Cap Swap(c)(e)	Receive	Maximum of [0, 10-Year — 2-Year — USD-ISDA Swap Rate — 0.100]	0.10%	7/8/2021	Barclays Bank PLC	749,000,000	1,999,830	2,993,753
Call — CMS Cap Swap(c)(e)	Receive	Maximum of [0, 30-Year — 2-Year — USD-ISDA Swap Rate — 0.141]	0.14%	7/8/2021	Barclays Bank PLC	658,000,000	2,000,320	3,685,458
Call — CMS Cap Swap(c)(e)	Receive	Maximum of [0, 10-Year — 2-Year — USD-ISDA Swap Rate — 0.198]	0.20%	6/30/2023	Barclays Bank PLC	678,000,000	2,000,100	2,404,188
Call — CMS Cap Swap(c)(e)	Receive	Maximum of [0, 30-Year — 2-Year — USD-ISDA Swap Rate — 0.273]	0.27%	6/30/2023	Barclays Bank PLC	608,000,000	2,000,320	2,706,816

FPA CRESCENT FUND
PORTFOLIO OF INVESTMENTS (Continued)

June 30, 2019
(Unaudited)

Description	Pay/ Receive Floating Rate	Floating Rate Index	Exercise Rate	Expiration Date	Counter- party	Notional Amount	Premium	Fair Value
Call — CMS Cap Swap(c)(e)	Receive	Maximum of [0, 10-Year — 2-Year — USD-ISDA Swap Rate — 0.187]	0.19%	7/10/2023	Barclays Bank PLC	\$ 658,000,000	\$ 2,000,320	\$ 2,372,090
Call — CMS Cap Swap(c)(e)	Receive	Maximum of [0, 30-Year — 2-Year — USD-ISDA Swap Rate — 0.269]	0.27%	7/10/2023	Barclays Bank PLC	597,000,000	1,999,950	2,669,784
Call — 30-Year Interest Rate Agreement (c)(e)	Receive	3-Month USD-LIBOR	0.01%	5/22/2020	Barclays Bank PLC	100,000,000	21,930,000	19,079,800
Call — 30-Year Interest Rate Agreement (c)(e)	Receive	3-Month USD-LIBOR	0.01%	7/13/2020	Barclays Bank PLC	90,081,096	18,962,071	16,812,466
Call — CMS Cap Swap(c)(e)	Receive	Maximum of [0, 10-Year — 2-Year — USD-ISDA Swap Rate — 0.143]	0.14%	9/28/2021	Goldman Sachs Inter- national	3,345,901,000	8,750,000	12,430,022
Call — CMS Cap Swap(c)(e)	Receive	Maximum of [0, 30-Year — 2-Year — USD-ISDA Swap Rate — 0.182]	0.18%	9/28/2021	Goldman Sachs Inter- national	2,805,494,000	8,811,000	15,228,221

FPA CRESCENT FUND
PORTFOLIO OF INVESTMENTS (Continued)

June 30, 2019
(Unaudited)

Description	Pay/ Receive Floating Rate	Floating Rate Index	Exercise Rate	Expiration Date	Counter- party	Notional Amount	Premium	Fair Value
Call — 30-Year Interest Rate Swap(c)(e)	Receive	Maximum of [0, 10-Year — 2-Year — USD-ISDA Swap Rate — 0.145]	0.15%	10/4/2021	Morgan Stanley	\$3,125,230,200	\$ 8,281,777	\$ 12,322,783
Call — 30-Year Interest Rate Swap(c)(e)	Receive	Maximum of [0, 30-Year — 2-Year — USD-ISDA Swap Rate — 0.190]	0.19%	10/4/2021	Morgan Stanley	2,605,964,690	8,209,344	15,442,947
Call — CMS Cap Swap(c)(e)	Receive	3-Month USD-LIBOR	2.89%	1/11/2029	Morgan Stanley	72,866,628	3,563,250	1,576,251
Call — 30-Year Interest Rate Agreement (c)(e)	Receive	3-Month USD-LIBOR	0.01%	7/15/2027	Morgan Stanley	89,879,161	18,542,071	16,669,618
							<u>\$113,050,413</u>	<u>\$133,075,209</u>

Description	Exercise Price	Expiration Date	Counterparty	Notional Amount	Premium	Fair Value
Put — JPY FX(e)	\$95.00	3/24/2022	Barclays Bank PLC	\$194,350,000	\$14,624,838	\$16,686,891

Written Options

Description	Pay/ Receive Floating Rate	Floating Rate Index	Exercise Rate	Expiration Date	Counter- party	Notional Amount	Premium	Fair Value
Put — CMS Floor Swap (c)(e)	Pay	3-Month USD-LIBOR	2.55%	1/11/2029	Morgan Stanley	\$(72,866,628)	\$(3,563,250)	\$(6,404,175)

FPA CRESCENT FUND
PORTFOLIO OF INVESTMENTS — RESTRICTED SECURITIES

June 30, 2019
(Unaudited)

<u>Issuer</u>	<u>Acquisition Date(s)</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Fair Value as a % of Net Assets</u>
CMS CAP SWAPTION 0.100 JUL21 0.100 CALL Barclays Bank PLC .100% 07/08/2021	07/06/2018	\$ 1,999,830	\$ 2,993,753	0.02%
CMS CAP SWAPTION 0.122 JUN21 0.122 CALL Barclays Bank PLC .122% 06/24/2021	06/22/2018	1,999,060	2,925,342	0.02%
CMS CAP SWAPTION 0.141 JUL21 0.141 CALL Barclays Bank PLC .141% 07/08/2021	07/06/2018	2,000,320	3,685,458	0.03%
CMS CAP SWAPTION 0.162 JUN21 0.162 CALL Barclays Bank PLC .162% 06/24/2021	06/22/2018	2,001,000	3,755,670	0.03%
CMS CAP SWAPTION 0.187 JUL23 0.187 CALL Barclays Bank PLC .187% 07/10/2023	07/06/2018	2,000,320	2,372,090	0.01%
CMS CAP SWAPTION 0.198 JUN23 0.198 CALL Barclays Bank PLC .198% 06/30/2023	06/28/2018	2,000,100	2,404,188	0.02%
CMS CAP SWAPTION 0.269 JUL23 0.269 CALL Barclays Bank PLC .269% 07/10/2023	07/06/2018	1,999,950	2,669,784	0.02%
CMS CAP SWAPTION 0.273 JUN23 0.273 CALL Barclays Bank PLC .273% 06/30/2023	06/28/2018	2,000,320	2,706,816	0.02%
CMS ENERGY CORP 0.143 OCT20 0.143 CALL Goldman Sachs International .143% 09/28/2021	09/28/2018	8,750,000	12,430,022	0.09%
CMS ENERGY CORP 0.182 NOV20 0.182 CALL Goldman Sachs International .182% 09/28/2021	09/28/2018	8,811,000	15,228,221	0.11%
CMS ENERGY CORP 0.145 MAR21 0.145 CALL Morgan Stanley .145% 10/04/2021	10/03/2018	8,281,777	12,322,783	0.09%
CMS ENERGY CORP 0.190 MAR21 0.190 CALL Morgan Stanley .190% 10/04/2021	10/03/2018	8,209,345	15,442,947	0.11%
CMS CAP SWAPTION 2.892 JAN29 2.892 CALL Morgan Stanley 2.892% 01/11/2029	1/9/2019	3,563,250	1,576,251	0.01%

FPA CRESCENT FUND
PORTFOLIO OF INVESTMENTS — RESTRICTED SECURITIES (Continued)

June 30, 2019
(Unaudited)

Issuer	Acquisition Date(s)	Cost	Fair Value	Fair Value as a % of Net Assets
CMS CAP SWAPTION 2.552 JAN29 2.552 Put Morgan Stanley 2.552% 01/11/2029 Call-Strike \$0.0000.10; expires 05/22/2020; \$100,000,000(Barclays Capital Counterparty) Barclays Bank PLC 05/22/2020	1/9/2019	\$ (3,563,250)	\$ (6,404,175)	(0.04)%
Call-Strike \$0.0000.10; expires 07/13/2020; \$90,081,096.000 Barclays Bank PLC 07/13/2020	05/22/2017	21,930,000	19,079,800	0.13%
Call-Strike \$0.0000.10; expires 07/15/2027; \$89,879,161.000 Morgan Stanley & Co. International PLC 07/15/2027	07/13/2017	18,962,071	16,812,466	0.11%
FPS LLC	07/13/2017	18,542,071	16,669,618	0.11%
GACP II L.P.	10/17/2018, 12/10/2018, 12/17/2018, 1/28/2019, 2/28/2019, 3/22/2019, 3/26/2019, 4/08/2019, 4/24/2019, 5/03/2019, 5/15/2019, 6/28/2019	76,942,058	76,942,058	0.53%
Hall of Fame TL, 3M USD LIBOR + 11.000% — 15.080% 5/15/2020	01/12/2018, 02/27/2018, 04/13/2018, 05/17/2018, 06/21/2018, 06/28/2018, 11/27/2018, 2/1/2019	44,173,256	48,606,144	0.33%
Kamsarmax Shipping — 11.00% 9/10/2019	03/20/2018	9,944,735	9,944,735	0.07%
MEC Filo TL 1, 1M USD LIBOR + 9.000% — 11.440% 2/12/2021	09/08/2015, 11/29/2016, 06/07/2017, 09/08/2017	7,150,540	7,150,540	0.05%
Northern Shipping — 7.80% 12/24/2019	06/29/2018	19,202,100	19,202,100	0.13%
Sound Holding FP (Luxembourg)	12/22/2014	30,533,326	30,533,326	0.21%
	10/07/2013	68,546,025	41,407,097	0.29%

FPA CRESCENT FUND
PORTFOLIO OF INVESTMENTS — RESTRICTED SECURITIES (Continued)

June 30, 2019
(Unaudited)

<u>Issuer</u>	<u>Acquisition Date(s)</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Fair Value as a % of Net Assets</u>
U.S. Farming Realty Trust, L.P.	12/24/2012, 04/29/2013, 06/17/2013, 10/28/2013, 01/14/2014, 04/22/2014, 06/25/2014, 09/09/2014, 10/08/2014, 12/18/2014, 06/18/2015, 06/18/2015, 07/29/2015, 07/29/2015	\$ 27,527,690	\$ 34,926,236	0.24%
U.S. Farming Realty Trust II, L.P.	11/26/2010, 01/31/2011, 03/09/2011, 04/15/2011, 05/10/2011, 06/27/2011, 08/15/2011, 10/17/2011, 10/28/2011, 11/28/2011, 01/03/2012, 01/26/2012, 04/05/2012, 07/13/2012, 12/07/2012, 08/01/2013	<u>11,336,412</u>	<u>11,811,408</u>	<u>0.08%</u>
TOTAL RESTRICTED SECURITIES		<u>\$404,843,306</u>	<u>\$407,194,678</u>	<u>2.82%</u>

See accompanying Notes to Financial Statements.

FPA CRESCENT FUND

STATEMENT OF ASSETS AND LIABILITIES

June 30, 2019
(Unaudited)

ASSETS

Investment securities — at fair value (identified cost \$8,973,510,902)	\$11,590,725,791
Investments in affiliates — at fair value (identified cost \$809,467,174)	894,115,397
Short-term investments — at amortized cost (maturities 60 days or less)	2,033,358,070
Purchased options, at value (premiums received \$127,675,251)	149,762,100
Cash	406
Deposits for securities sold short	885,382,090
Receivable for:	
Dividends and interest	31,172,071
Capital Stock sold	4,970,724
Investment securities sold	<u>3,468,935</u>
Total assets	<u>\$15,592,955,584</u>

LIABILITIES

Written options, at value (premiums received \$3,563,250)	6,404,175
Payable for:	
Securities sold short, at fair value (proceeds \$890,246,698)	886,938,386
Investment securities purchased	96,301,903
Capital Stock repurchased	86,023,344
Due to broker — OTC derivatives collateral	57,135,806
Advisory fees	11,839,887
Accrued expenses and other liabilities	2,310,983
Unrealized depreciation on forward foreign currency contracts	<u>1,101,436</u>
Total liabilities	<u>1,148,055,920</u>

NET ASSETS \$14,444,899,664

SUMMARY OF SHAREHOLDERS' EQUITY

Capital Stock — no par value; unlimited authorized shares;	
435,195,830 outstanding shares	\$11,601,924,573
Distributable earnings	<u>2,842,975,091</u>

NET ASSETS \$14,444,899,664

NET ASSET VALUE

Offering and redemption price per share	<u>\$33.19</u>
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See accompanying Notes to Financial Statements.

FPA CRESCENT FUND

STATEMENT OF OPERATIONS

For the Six Months Ended June 30, 2019
(Unaudited)

INVESTMENT INCOME

Dividends (net of foreign taxes withheld of \$3,150,874)	\$ 103,979,886
Interest	65,657,058
Income from affiliates	9,499,596
	<u>179,136,540</u>

EXPENSES

Advisory fees	72,807,801
Short sale dividend expense	8,635,437
Transfer agent fees and expenses	3,236,916
Administrative services fees	399,454
Other professional fees	361,668
Custodian fees	321,410
Reports to shareholders	317,303
Trustee fees and expenses	200,005
Legal fees	90,117
Filing fees	64,174
Audit and tax services fees	45,871
Other	42,581
	<u>86,522,737</u>
Total expenses	<u>86,522,737</u>
Net investment income	<u>92,613,803</u>

NET REALIZED AND UNREALIZED GAIN (LOSS)

Net realized gain on:	
Investments	112,325,865
Investments in affiliates	37,236,626
Investments in forward foreign currency contracts	3,156,518
Investments in foreign currency transactions	(431,982)
Net change in unrealized appreciation (depreciation) of:	
Investments	1,663,106,935
Investments in affiliates	102,627,241
Investment securities sold short	(54,495,453)
Written options	(2,840,925)
Purchased options	(2,921,048)
Investments in forward foreign currency contracts	(1,016,381)
Translation of foreign currency denominated amounts	289,210
	<u>1,857,036,606</u>

NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS \$1,949,650,409

See accompanying Notes to Financial Statements.

FPA CRESCENT FUND

STATEMENTS OF CHANGES IN NET ASSETS

	<u>Six Months Ended</u> <u>June 30, 2019</u> <u>(Unaudited)</u>	<u>Year Ended</u> <u>December 31, 2018</u>
INCREASE (DECREASE) IN NET ASSETS		
Operations:		
Net investment income	\$ 92,613,803	\$ 117,113,141
Net realized gain	152,287,027	1,202,576,833
Net change in unrealized appreciation (depreciation)	<u>1,704,749,579</u>	<u>(2,506,480,278)</u>
Net increase (decrease) in net assets resulting from operations	<u>1,949,650,409</u>	<u>(1,186,790,304)</u>
Distributions to shareholders	<u>(265,442,498)</u>	<u>(1,204,136,931)</u>
Capital Stock transactions:		
Proceeds from Capital Stock sold	911,239,512	2,055,355,447
Proceeds from shares issued to shareholders upon reinvestment of dividends and distributions	229,315,745	1,035,861,508
Cost of Capital Stock repurchased*	<u>(2,087,103,137)</u>	<u>(4,477,796,979)</u>
Net decrease from Capital Stock transactions	<u>(946,547,880)</u>	<u>(1,386,580,024)</u>
Total change in net assets	737,660,031	(3,777,507,259)
NET ASSETS		
Beginning of period	<u>13,707,239,633</u>	<u>17,484,746,892</u>
End of period	<u><u>\$14,444,899,664</u></u>	<u><u>\$13,707,239,633</u></u>
CHANGE IN CAPITAL STOCK OUTSTANDING		
Shares of Capital Stock sold	28,163,481	60,104,320
Shares issued to shareholders upon reinvestment of dividends and distributions	6,959,379	34,375,789
Shares of Capital Stock repurchased	<u>(64,073,338)</u>	<u>(134,319,425)</u>
Change in Capital Stock outstanding	<u>(28,950,478)</u>	<u>(39,839,316)</u>

* Net of redemption fees of \$219,420 and \$338,489 for the period ended June 30, 2019 and year ended December 31, 2018, respectively.

See accompanying Notes to Financial Statements.

FPA CRESCENT FUND

FINANCIAL HIGHLIGHTS

	Six Months Ended June 30, 2019 (Unaudited)	Year Ended December 31,				
		2018	2017	2016	2015	2014
Per share operating performance:						
Net asset value at beginning of period . . .	<u>\$29.53</u>	<u>\$34.69</u>	<u>\$32.61</u>	<u>\$31.06</u>	<u>\$33.74</u>	<u>\$32.96</u>
Income from investment operations:						
Net investment income*	0.21	0.24	0.23	0.24	0.18	0.25
Net realized and unrealized gain (loss) on investment securities	<u>4.07</u>	<u>(2.78)</u>	<u>3.14</u>	<u>2.93</u>	<u>(0.89)</u>	<u>1.94</u>
Total from investment operations	<u>4.28</u>	<u>(2.54)</u>	<u>3.37</u>	<u>3.17</u>	<u>(0.71)</u>	<u>2.19</u>
Less distributions:						
Dividends from net investment income . . .	(0.21)	(0.21)	(0.34)	(0.29)	(0.31)	(0.31)
Distributions from net realized capital gains . . .	<u>(0.41)</u>	<u>(2.41)</u>	<u>(0.95)</u>	<u>(1.34)</u>	<u>(1.66)</u>	<u>(1.10)</u>
Total distributions	<u>(0.62)</u>	<u>(2.62)</u>	<u>(1.29)</u>	<u>(1.63)</u>	<u>(1.97)</u>	<u>(1.41)</u>
Redemption fees	<u>—**</u>	<u>—**</u>	<u>—**</u>	<u>0.01</u>	<u>—**</u>	<u>—**</u>
Net asset value at end of period	<u>\$33.19</u>	<u>\$29.53</u>	<u>\$34.69</u>	<u>\$32.61</u>	<u>\$31.06</u>	<u>\$33.74</u>
Total investment return	14.49%	(7.43)%	10.39%	10.25%	(2.06)%	6.64%
Ratios/supplemental data:						
Net assets, end of period (in \$000's)	\$14,444,900	\$13,707,240	\$17,484,747	\$16,555,035	\$18,119,838	\$19,983,836
Ratio of expenses of average net assets:						
Expenses	1.19%†‡	1.18%‡	1.10%‡	1.09%‡	1.11%‡	1.20%‡
Net investment income	1.27%†	0.70%	0.66%	0.77%	0.53%	0.45%
Portfolio turnover rate	4%†	64%	18%	35%	48%	31%

* Per share amount is based on average shares outstanding.

** Rounds to less than \$0.01 per share.

† Annualized.

‡ For the periods ended June 30, 2019, December 31, 2018, December 31, 2017, December 31, 2016, December 31, 2015, December 31, 2014, the expense ratio includes short sale dividend expense equal to 0.12%, 0.11%, 0.03%, 0.02%, 0.02%, 0.05% of average net assets, respectively.

See accompanying Notes to Financial Statements.

FPA CRESCENT FUND

NOTES TO FINANCIAL STATEMENTS

June 30, 2019
(Unaudited)

NOTE 1 — Significant Accounting Policies

FPA Crescent Fund (the “Fund”), a series of the FPA Funds Trust, is registered under the Investment Company Act of 1940 as an open-end, diversified, management investment company. The Fund’s investment objective is to seek to generate equity-like returns over the long-term, take less risk than the market and avoid permanent impairment of capital. The Fund qualifies as an investment company pursuant to Financial Accounting Standard Board (FASB) Accounting Standards Codification (ASC) No. 946, Financial Services — Investment Companies. The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements.

A. Security Valuation

The Fund’s investments are reported at fair value as defined by accounting principles generally accepted in the United States of America, (“U.S. GAAP”). The Fund generally determines its net asset value as of approximately 4:00 p.m. New York time each day the New York Stock Exchange is open. Further discussion of valuation methods, inputs and classifications can be found under Disclosure of Fair Value Measurements.

B. Securities Transactions and Related Investment Income

Securities transactions are accounted for on the date the securities are purchased or sold. Dividend income and distributions to shareholders are recorded on the ex-dividend date. Interest income and expenses are recorded on an accrual basis. The books and records of the Fund are maintained in U.S. dollars as follows: (1) the foreign currency fair value of investment securities, and other assets and liabilities stated in foreign currencies, are translated using the daily spot rate; and (2) purchases, sales, income and expenses are translated at the rate of exchange prevailing on the respective dates of such transactions. The resultant exchange gains and losses are included in net realized or net unrealized gain (loss) in the statement of operations. A detailed listing of outstanding currency transactions is included in the Portfolio of Investments, in Investment Securities in the Statement of Assets and Liabilities and in Disclosure of Fair Value Measurements.

C. Use of Estimates

The preparation of the financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported. Actual results could differ from those estimates.

D. Recent Accounting Pronouncements

In August 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2018-13, *Fair Value Measurement (Topic 820) — Disclosure Framework — Changes to the Disclosure Requirements for Fair Value Measurement*. The amendments eliminate certain disclosure requirements for fair value measurements for all entities, requires public entities to disclose certain new information and modifies some disclosure requirements. The new guidance is effective for all entities for fiscal years beginning after December 15, 2019 and for interim periods within those fiscal years. An entity is permitted to early adopt either the entire standard or only the provisions that eliminate or modify requirements. The Adviser is currently evaluating the impact of this new guidance on the Fund’s financial statements.

NOTE 2 — Risk Considerations

Investing in the Fund may involve certain risks including, but not limited to, those described below.

FPA CRESCENT FUND
NOTES TO FINANCIAL STATEMENTS (Continued)
(Unaudited)

Market Risk: Because the values of the Fund's investments will fluctuate with market conditions, so will the value of your investment in the Fund. You could lose money on your investment in the Fund or the Fund could underperform other investments.

Common Stocks and Other Securities (Long): The prices of common stocks and other securities held by the Fund may decline in response to certain events taking place around the world, including; those directly involving companies whose securities are owned by the Fund; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency, interest rate and commodity price fluctuations.

Common Stocks and Other Securities (Short): The prices of common stocks and other securities sold short rise between the date of the short sale and the date on which the Fund replaces the borrowed security. In addition, the Fund repays the person that lent it the security for any interest or dividends that may have accrued.

Interest Rate and Credit Risk: The values of, and the income generated by, most debt securities held by the Fund may be affected by changing interest rates and by changes in the effective maturities and credit rating of these securities. For example, the value of debt securities in the Fund's portfolio generally will decline when interest rates rise and increase when interest rates fall. In addition, falling interest rates may cause an issuer to redeem, call or refinance a security before its stated maturity, which may result in the Fund having to reinvest the proceeds in lower yielding securities. The values of any of the Fund's investments may also decline in response to events affecting the issuer or its credit rating. The lower rated debt securities in which the Fund may invest are considered speculative and are generally subject to greater volatility and risk of loss than investment grade securities, particularly in deteriorating economic conditions.

Repurchase Agreements: Repurchase agreements permit the Fund to maintain liquidity and earn income over periods of time as short as overnight. Repurchase agreements held by the Fund are fully collateralized by U.S. Government securities, or securities issued by U.S. Government agencies, or securities that are within the three highest credit categories assigned by established rating agencies (Aaa, Aa, or A by Moody's or AAA, AA or A by Standard & Poor's) or, if not rated by Moody's or Standard & Poor's, are of equivalent investment quality as determined by the Adviser. Such collateral is in the possession of the Fund's custodian. The collateral is evaluated daily to ensure its fair value equals or exceeds the current fair value of the repurchase agreements including accrued interest. In the event of default on the obligation to repurchase, the Fund has the right to liquidate the collateral and apply the proceeds in satisfaction of the obligation.

The Fund may enter into repurchase agreements, under the terms of a Master Repurchase Agreement ("MRA"). The MRA permits the Fund, under certain circumstances including an event of default (such as bankruptcy or insolvency), to offset payables and/or receivables under the MRA with collateral held and/or posted to the counterparty and create one single net payment due to or from the Fund. However, bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against such a right of offset in the event of a MRA counterparty's bankruptcy or insolvency. Pursuant to the terms of the MRA, the Fund receives securities as collateral with a fair value in excess of the repurchase price to be received by the Fund upon the maturity of the repurchase transaction. Upon a bankruptcy or insolvency of the MRA counterparty, the Fund recognizes a liability with respect to such excess collateral to reflect the Fund's obligation under bankruptcy law to return the excess to the counterparty. Repurchase agreements outstanding at the end of the period are listed in the Fund's Portfolio of Investments.

NOTE 3 — Purchases and Sales of Investment Securities

Cost of purchases of investment securities (excluding short-term investments) aggregated \$197,955,383 for the period ended June 30, 2019. The proceeds and cost of securities sold resulting in net realized gains of

FPA CRESCENT FUND
NOTES TO FINANCIAL STATEMENTS (Continued)
(Unaudited)

\$152,287,027 aggregated \$1,337,622,644 and \$1,185,335,617, respectively, for the period ended June 30, 2019. Realized gains or losses are based on the specific identification method.

NOTE 4 — Federal Income Tax

No provision for federal income tax is required because the Fund has elected to be taxed as a “regulated investment company” under the Internal Revenue Code (the “Code”) and intends to maintain this qualification and to distribute each year to its shareholders, in accordance with the minimum distribution requirements of the Code, its taxable net investment income and taxable net realized gains on investments.

The cost of investment securities held at June 30, 2019, was \$9,785,489,316 for federal income tax purposes. Gross unrealized appreciation and depreciation for all investment at June 30, 2019, for federal income tax purposes was \$3,208,653,395 and \$509,301,523, respectively resulting in net unrealized appreciation of \$2,699,351,872. As of and during the period ended June 30, 2019, the Fund did not have any liability for unrecognized tax benefits. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statement of Operations. During the year, the Fund did not incur any interest or penalties. The statute of limitations remains open for the last 3 years, once a return is filed. No examinations are in progress at this time.

NOTE 5 — Advisory Fees and Other Affiliated Transactions

Pursuant to an Investment Advisory Agreement (the “Agreement”), advisory fees were paid by the Fund to First Pacific Advisors, LP (the “Adviser”). Under the terms of this Agreement, the Fund pays the Adviser a monthly fee calculated at the annual rate of 1.00% of the Fund’s average daily net assets.

For the period ended June 30, 2019, the Fund paid aggregate fees and expenses of \$200,005 to all Trustees who are not affiliated persons of the Adviser. Certain officers of the Fund are also officers of the Adviser.

NOTE 6 — Securities Sold Short

The Fund maintains cash deposits and segregates marketable securities in amounts equal to the current fair value of the securities sold short or the fair value of the securities at the time they were sold short, whichever is greater. Possible losses from short sales may be unlimited, whereas losses from purchases cannot exceed the total amount invested. The dividends on securities sold short are reflected as short sale dividend expense.

NOTE 7 — Redemption Fees

A redemption fee of 2% applies to redemptions within 90 days of purchase. For the period ended June 30, 2019, the Fund collected \$219,420 in redemption fees. The impact of these fees is less than \$0.01 per share.

NOTE 8 — Disclosure of Fair Value Measurements

The Fund uses the following methods and inputs to establish the fair value of its assets and liabilities. Use of particular methods and inputs may vary over time based on availability and relevance as market and economic conditions evolve.

Equity securities are generally valued each day at the official closing price of, or the last reported sale price on, the exchange or market on which such securities principally are traded, as of the close of business on that day. If there have been no sales that day, equity securities are generally valued at the last available bid price. Securities that are unlisted and fixed-income and convertible securities listed on a national securities exchange for which the over-the-counter (“OTC”) market more accurately reflects the securities’ value in the judgment of the Fund’s officers, are valued at the most recent bid price. Events occurring after the close of trading on non-U.S. exchanges may result in adjustments to the valuation of foreign securities to reflect their fair value as of the close of regular trading on the NYSE. The Fund may utilize an independent fair valuation service in adjusting the valuations of foreign securities. However, most fixed income securities are generally valued at prices obtained

FPA CRESCENT FUND
NOTES TO FINANCIAL STATEMENTS (Continued)
(Unaudited)

from pricing vendors and brokers. Vendors value such securities based on one or more of the following inputs: transactions, bids, offers quotations from dealers and trading systems, spreads and other relationships observed in the markets among comparable securities, benchmarks, underlying equity of the issuer, and proprietary pricing models such as cash flows, financial or collateral performance and other reference data (includes prepayments, defaults, collateral, credit enhancements, and interest rate volatility). Currency forwards are valued at the closing currency exchange rate which is not materially different from the forward rate. Short-term corporate notes with maturities of 60 days or less at the time of purchase are valued at amortized cost.

Securities for which representative market quotations are not readily available or are considered unreliable by the Adviser are valued as determined in good faith under procedures adopted by the authority of the Fund's Board of Trustees. Various inputs may be reviewed in order to make a good faith determination of a security's value. These inputs include, but are not limited to, the type and cost of the security; contractual or legal restrictions on resale of the security; relevant financial or business developments of the issuer; actively traded similar or related securities; conversion or exchange rights on the security; related corporate actions; significant events occurring after the close of trading in the security; and changes in overall market conditions. Investments in limited partnerships are valued, as a practical expedient, utilizing the net asset valuations provided by the underlying limited partnerships in a manner consistent with U.S. GAAP for investment companies. The Fund applies the practical expedient to its investments in limited partnerships on an investment-by-investment basis, and consistently with the Fund's entire position in a particular investment, unless it is probable that the Fund will sell a portion of an investment at an amount different from the net asset valuation. Investments in limited partnerships are included in Level 3 of the fair value hierarchy based on the limited rights of withdrawal by the Fund as specified in the respective agreements. Fair valuations and valuations of investments that are not actively trading involve judgment and may differ materially from valuations of investments that would have been used had greater market activity occurred.

The Fund classifies its assets based on three valuation methodologies. Level 1 values are based on quoted market prices in active markets for identical assets. Level 2 values are based on significant observable market inputs, such as quoted prices for similar assets and quoted prices in inactive markets or other market observable inputs as noted above including spreads, cash flows, financial performance, prepayments, defaults, collateral, credit enhancements, and interest rate volatility. Level 3 values are based on significant unobservable inputs that reflect the Fund's determination of assumptions that market participants might reasonably use in valuing the assets. The valuation levels are not necessarily an indication of the risk associated with investing in those securities. The following table presents the valuation levels of the Fund's investments as of June 30, 2019: (see Portfolio of Investments for industry categories):

Investments	Level 1	Level 2	Level 3	Total
Common Stocks				
Internet Media	\$1,067,194,384	\$ 55,387,371	—	\$ 1,122,581,755
Aircraft & Parts	818,956,715	189,054,039	—	1,008,010,754
Diversified Banks	684,666,831	139,238,225	—	823,905,056
Semiconductor Devices	760,788,801	—	—	760,788,801
Banks	698,570,216	—	—	698,570,216
Cable & Satellite	630,787,552	—	—	630,787,552
Investment Companies	314,115,127	267,502,936	—	581,618,063

FPA CRESCENT FUND
NOTES TO FINANCIAL STATEMENTS (Continued)
(Unaudited)

Investments	Level 1	Level 2	Level 3	Total
P&C Insurance	\$ 574,940,271	—	—	\$ 574,940,271
Cement & Aggregates	—	\$ 511,186,248	—	511,186,248
Entertainment Content	—	344,765,216	—	344,765,216
Electrical Components	300,672,001	—	—	300,672,001
Infrastructure Software	291,483,966	—	—	291,483,966
Midstream — Oil & Gas	252,199,957	—	—	252,199,957
Insurance Brokers	218,276,783	—	—	218,276,783
Institutional Brokerage	212,863,033	—	—	212,863,033
Consumer Finance	203,823,368	—	—	203,823,368
E-Commerce Discretionary	173,606,590	—	—	173,606,590
Mining Services	—	165,514,014	—	165,514,014
Containers & Packaging	155,564,015	—	—	155,564,015
Specialty Chemicals	144,914,322	—	—	144,914,322
Generic Pharmaceuticals	138,604,993	—	—	138,604,993
Home Improvement	102,841,596	—	—	102,841,596
Application Software	—	92,638,245	—	92,638,245
Integrated Utilities	82,173,242	—	—	82,173,242
Food & Drug Stores	—	77,949,867	—	77,949,867
Medical Equipment	—	69,220,549	—	69,220,549
Marine Shipping	—	—	\$ 41,407,097	41,407,097
Chemicals	28,627,002	—	—	28,627,002
Closed End Fund				
Internet Media	329,936,207	—	—	329,936,207
Limited Partnerships	—	—	172,285,846	172,285,846
Preferred Stocks				
Automobiles	—	99,707,786	—	99,707,786
Industrials	—	26,869,928	—	26,869,928
Warrants				
Mortgage Finance	5,573	—	—	5,573
Convertible Preferred Stock				
Mortgage Finance	—	995	—	995
Residential Mortgage-Backed Securities				
Non-Agency Collateralized Mortgage Obligation	—	—	376,603	376,603
Asset-Backed Securities				
Other	—	—	37,683,866	37,683,866

FPA CRESCENT FUND
NOTES TO FINANCIAL STATEMENTS (Continued)
(Unaudited)

Investments	Level 1	Level 2	Level 3	Total
Corporate Bonds & Notes	—	\$ 100,944,421	—	\$ 100,944,421
Corporate Bank Debt	—	36,800,574	\$ 29,146,835	65,947,409
Municipals	—	413,238,806	—	413,238,806
U.S. Treasuries	—	1,428,309,176	—	1,428,309,176
Short-Term Investments	—	2,033,358,070	—	2,033,358,070
	<u>\$8,185,612,545</u>	<u>\$6,051,686,466</u>	<u>\$280,900,247</u>	<u>\$14,518,199,258</u>
Forward Foreign Currency Contracts (currency risk)				
Receivable	—	\$ (1,101,436)	—	\$ (1,101,436)
Currency Options (currency risk)	—	—	\$ 16,686,891	16,686,891
Purchased Options (interest rate risk)	—	—	133,075,209	133,075,209
Written Options (interest rate risk)	—	—	(6,404,175)	(6,404,175)
	—	<u>\$ (1,101,436)</u>	<u>\$143,357,925</u>	<u>\$ 142,256,489</u>
Common Stock Sold Short	<u>\$ (739,421,733)</u>	<u>\$ (110,050,215)</u>	—	<u>\$ (849,471,948)</u>
Corporate Bonds and Notes (Short)	—	<u>\$ (37,466,438)</u>	—	<u>\$ (37,466,438)</u>

The following table summarizes the Fund's Level 3 investment securities and related transactions during the period ended June 30, 2019:

Investments	Beginning Value at December 31, 2018	Net Realized and Unrealized Gains (Losses)*	Purchases	(Sales)	Gross Transfers In/(Out)	Ending Value at June 30, 2019	Net Change in Unrealized Appreciation (Depreciation) related to Investments held at June 30, 2019
Common Stocks	\$ 68,837,321	\$ 3,976,089	—	\$(31,406,313)	—	\$ 41,407,097	\$ 3,902,350
Limited Partnerships	121,067,254	1,677,548	\$59,643,466	(10,102,422)	—	172,285,846	1,677,548
Residential Mortgage-Backed Securities Non-Agency Collateralized Mortgage Obligation	2,090,381	383,571	—	(2,097,349)	—	376,603	10,113
Asset-Backed Securities Other	43,029,657	—	—	(5,345,791)	—	37,683,866	—
Corporate Bank Debt	28,770,700	—	376,135	—	—	29,146,835	—
Purchased Options (interest rate risk)	132,199,787	(2,687,828)	3,563,250	—	—	133,075,209	(2,687,827)
Currency Options (currency risk)	16,920,111	(233,220)	—	—	—	16,686,891	(233,220)
Written Options (interest rate risk)	—	(2,840,925)	—	(3,563,250)	—	(6,404,175)	(2,840,925)
	<u>\$412,915,211</u>	<u>\$ 275,235</u>	<u>\$63,582,851</u>	<u>\$(52,515,125)</u>	<u>—</u>	<u>\$424,258,172</u>	<u>\$ (171,961)</u>

* Net realized and unrealized gains (losses) are included in the related amounts in the statement of operations.

FPA CRESCENT FUND
NOTES TO FINANCIAL STATEMENTS (Continued)
(Unaudited)

Level 3 Valuation Process: Investments classified within Level 3 of the fair value hierarchy are valued by the Adviser in good faith under procedures adopted by authority of the Fund's Board of Trustees. The Adviser employs various methods to determine fair valuations including regular review of key inputs and assumptions, and review of related market activity, if any. However, there are generally no observable trade activities in these securities. The Adviser reports to the Board of Trustees at their regularly scheduled quarterly meetings, or more often if warranted. The report includes a summary of the results of the process, the key inputs and assumptions noted, and any changes to the inputs and assumptions used. When appropriate, the Adviser will recommend changes to the procedures and process employed. The value determined for an investment using the fair value procedures may differ significantly from the value realized upon the sale of such investment. Transfers of investments between different levels of the fair value hierarchy are recorded at fair value as of the end of the reporting period. There were no transfers between Levels 1, Level 2 or Level 3 during the period ended June 30, 2019. The following table summarizes the quantitative inputs and assumptions used for items categorized as items categorized as Level 3 of the fair value hierarchy as of June 30, 2019:

Financial Assets	Fair Value at June 30, 2019	Valuation Technique(s)	Unobservable Inputs	Price/Range
Asset-Backed Securities — Other	\$ 37,683,866	Most Recent Capitalization (Funding) (c)	Cost	\$100.00
Residential Mortgage-Backed — Non-Agency CMO	\$ 376,603	Methods of Comparables/Consensus Pricing (b)	Quotes/Prices Discount	\$29.88-\$55.89 (\$45.13) 0.00%-5.06% (4.49%)
Corporate Bank Debt	\$ 29,146,835	Most Recent Capitalization (Funding) (c)	Cost	\$100.00
Currency Options (currency risk)	\$ 16,686,891	Third-Party Broker Quote (d)	Quotes/Prices	\$0.09
Purchased Options (interest rate risk)	\$133,075,209	Third-Party Broker Quote (d)	Quotes/Prices	\$0.00-\$0.19
Written Options (interest rate risk)	\$ (6,404,175)	Third-Party Broker Quote (d)	Quotes/Prices	\$0.09
Common Stocks- Long	\$ 41,407,097	NAV adjusted to Fair Value (a)	N/A	\$36.12
Limited Partnerships	\$125,548,202	NAV as Practical Expedient (f)	N/A	\$72.40-\$100.00
	46,737,644	Discounted NAV (e)	Discount	9.83%

- (a) The NAV provided by the administrator of the LLC is reported at depreciated cost. To adjust to fair value, the Fund obtains independent appraisals of the underlying fixed assets and adjusts the NAV based on the difference between the two values.
- (b) The Pricing Model technique for Level 3 securities involves preparing a proprietary broker price opinion (BPO) model using valuation information provided by the loan servicer based on local market resources and sales trends published by the National Association of Realtors, and a broker, and then applying an appropriate discount to that valuation. The discount reflects market conditions such as lack of liquidity of the investment, the costs associated with foreclosure and liquidation, the historical performance of the loan pool and the characteristics of the remaining loans including whether or not the loans are performing.
- (c) The significant unobservable inputs used in the fair value measurement of the Fund's Private Investment shares are based on its most recent funding. If the financial condition of the underlying assets were to deteriorate, or if the market comparables were to fall, the value of this investment would be lower.
- (d) The Third Party Broker Quote technique involves obtaining an independent third-party broker quote for the security.
- (e) The NAV provided by the general partner has been discounted for the possible impact from various long-term exit strategies under consideration by the general partner.
- (f) No adjustments were made to the NAV provided by the administrator of the Limited Partnerships. Adjustments to the NAV would be considered if the practical expedient NAV was not as of Fund's measurement date; it was probable that the Limited Partnerships would be sold at a value materially different than the reported expedient NAV; or it was determined in accordance with the Fund's valuation procedures that the Limited Partnerships are not being reported at fair value.

FPA CRESCENT FUND
NOTES TO FINANCIAL STATEMENTS (Continued)
(Unaudited)

Options Contracts: An option contract is a commitment that gives the purchaser of the contract the right, but not the obligation, to buy or sell an underlying asset at a specific price on or before a specified future date. On the other hand, the writer of an option contract is obligated, upon the exercise of the option, to buy or sell an underlying asset at a specific price on or before a specified future date. A swaption is an option contract granting the owner the right to enter into an underlying swap. Inflation-capped options are options on U.S. inflation rates at a stated strike price. The seller of an inflation-capped option receives an upfront premium and in return the buyer receives the right to receive a payment at the expiration of the option if the cumulative annualized inflation rate over the life of the option is above (for caps) or below (for floors) the stated strike price. The purpose of inflation-capped options is to protect the buyer from inflation erosion above a certain rate on a given notional exposure. A floor can be used to give downside protection to investments in inflation-linked products below a certain rate on a given notional exposure. Writing put options or purchasing call options tends to increase a Fund's exposure to the underlying instrument. Writing call options or purchasing put options tends to decrease a Fund's exposure to the underlying instrument. When a Fund writes or purchases a call, put, or inflation-capped option, an amount equal to the premium received or paid by the Fund is recorded as a liability or an investment, respectively, and subsequently adjusted to the current market value, based on the quoted daily settlement price of the option written or purchased. Certain options may be written or purchased with premiums to be determined on a future date. The premiums for these options are based upon implied volatility parameters at specified terms. Premiums received or paid from writing or purchasing options, which expire unexercised, are treated by a Fund on the expiration date as realized gains or losses. The difference between the premium and the amount paid or received on a closing purchase or sale transaction, including brokerage commissions, is also treated as a realized gain or loss. If an option is exercised, the premium paid or realized is added to the cost of the purchase or proceeds from the sale in determining whether the Fund has realized a gain or loss on investment transactions. A Fund, as a writer of an option, may have no control over whether the underlying instrument may be sold (call) or purchased (put) and as a result bears the market risk of an unfavorable change in the price of the underlying written option. In addition, an illiquid market may make it difficult for a Fund to close out an option contract. The maximum risk of loss associated with writing put options is limited to the exercised fair value of the option contract. The maximum risk of loss associated with writing call options is potentially unlimited. Listed option contracts present minimal counterparty credit risk since they are exchange traded and the exchange's clearinghouse, as counterparty to all exchange-traded options, guarantees the options against default. A Fund's maximum risk of loss from counterparty credit risk related to OTC option contracts is limited to the premiums paid.

Forward foreign currency contracts: Forward foreign currency contracts are agreements to exchange one currency for another at a future date and at a specified price. The Funds' transactions in forward foreign currency contracts are limited to transaction and portfolio hedging. The contractual amounts of forward foreign currency contracts do not necessarily represent the amounts potentially subject to risk. The measurement of the risks associated with these instruments is meaningful only when all related and offsetting transactions are considered and could exceed the net unrealized value shown in the tables below. Risks arise from the possible inability of counterparties to meet the terms of their contracts and from movements in currency values. Forward foreign currency contracts are valued daily at the foreign exchange rates as of the close of the New York Stock Exchange. Unrealized appreciation or depreciation on the contracts as measured by the difference between the forward foreign exchange rates at the dates of entry into the contracts and the foreign exchange rates at the end of the period is included in the Statement of Assets and Liabilities under the caption "Forward Foreign Currency Contracts." Realized gains and losses and the net change in unrealized appreciation (depreciation) on forward

FPA CRESCENT FUND
NOTES TO FINANCIAL STATEMENTS (Continued)
(Unaudited)

foreign currency contracts for the year are included in the Statement of Operations under the caption “Forward Foreign Currency Contracts.”

<u>Derivative Type</u>	Asset Derivatives		Liability Derivatives	
	Statement of Assets and Liabilities Location	Fair Value	Statement of Assets and Liabilities Location	Fair Value
Foreign currency Contracts	Unrealized appreciation on forward foreign currency contracts	—	Unrealized depreciation on forward foreign currency contracts	\$(1,101,436)
Interest rate contracts	Purchased options, at value	\$149,762,100	Written options, at value	(6,404,175)
Total		<u>\$149,762,100</u>		<u>\$(7,505,611)</u>

<u>Derivative Type</u>	Location of Gain or (Loss) on Derivatives Within Statement of Operations	Realized Gain or (Loss) on Derivatives	Change in Unrealized Appreciation or (Depreciation)
Foreign currency contracts	Investments in Forward Foreign Currency Contracts	\$ 3,156,518	\$ (1,016,381)
Interest rate contracts	Net realized gain on purchased options/Net change in unrealized appreciation (depreciation) on purchased options	—	(2,921,048)
Interest rate contracts	Net realized gain on written options/Net change in unrealized appreciation (depreciation) on written options	—	(2,840,925)
Total		<u>\$(3,156,518)</u>	<u>\$(6,778,354)</u>

During the period ended June 30, 2019 the Fund had average volume of forward foreign currency contracts (based on the open positions at each month end) for purchases and sales of \$0 and \$90,018,512, respectively.

The following table represents the average monthly volume of the Fund’s derivative transactions during the period ended June 30, 2019:

Purchased Options	
Average notional amount	
Calls	\$12,162,550,147
Puts	\$ 194,350,000

FPA CRESCENT FUND
NOTES TO FINANCIAL STATEMENTS (Continued)
(Unaudited)

Written Options

Average notional amount

Calls	\$	—
Puts	\$	(279,960,257)

NOTE 9 — Collateral Requirements

For derivatives traded under an ISDA Master Agreement, the collateral requirements are typically calculated by netting the mark to market amount for each transaction under such agreement and comparing that amount to the value of any collateral currently pledged by a Fund and the counterparty. Cash collateral that has been pledged to cover obligations of a Fund and cash collateral received from the counterparty, if any, is reported separately on the Statement of Assets and Liabilities as cash pledged as collateral and cash received as collateral, respectively. Non-cash collateral pledged by a Fund, if any, is noted in the Portfolio of Investments. Generally, the amount of collateral due from or to a party is delivered to/pledged by the Fund on the next business day. Typically, the Fund and counterparties are not permitted to sell, repledge or use the collateral they receive. To the extent amounts due to the Fund from its counterparties are not fully collateralized, contractually or otherwise, the Fund bears the risk of loss from counterparty non-performance. The Fund attempts to mitigate counterparty risk by entering into agreements only with counterparties that it believes have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties.

For financial reporting purposes, the Fund does not offset derivative assets and derivative liabilities that are subject to netting arrangements in the Statement of Assets and Liabilities.

FASB Accounting Standards Update No. 2011-11, Disclosures about Offsetting Assets and Liabilities, requires disclosures to make financial statements that are prepared under U.S. GAAP more comparable to those prepared under International Financial Reporting Standards. Under this guidance the Fund discloses both gross and net information about instruments and transactions eligible for offset such as instruments and transactions subject to an agreement similar to a master netting arrangement. In addition, the Fund discloses collateral received and posted in connection with master netting agreements or similar arrangements. The following table presents the Fund's OTC derivative assets, liabilities and master repurchase agreements by counterparty net of amounts available for offset under an ISDA Master agreement or similar agreements and net of the related collateral received or pledged by the Fund as of June 30, 2019:

<u>Counterparty</u>	<u>Gross Assets (Liabilities) in the Statement of Assets and Liabilities</u>	<u>Collateral (Received) Pledged</u>	<u>Gross Amounts Not Offset in the Statement of Assets and Liabilities</u> <u>Assets (Liabilities) Available for Offset</u>	<u>Net Amount of Assets and (Liabilities)*</u>
State Street Bank and Trust Company:				
Repurchase Agreement	\$44,439,000	\$(44,439,000)**	—	—
Barclays Bank PLC:				
Forward foreign currency contracts Payable	\$ (1,101,436)	—	—	\$ (1,101,436)
Purchased Options	\$76,092,258	\$(34,155,806)	—	\$41,936,452
Goldman Sachs International:				
Purchased Options	\$27,658,243	\$ (4,580,000)	—	\$23,078,243

FPA CRESCENT FUND
NOTES TO FINANCIAL STATEMENTS (Continued)
(Unaudited)

Counterparty	Gross Assets (Liabilities) in the Statement of Assets and Liabilities	Gross Amounts Not Offset in the Statement of Assets and Liabilities		Net Amount of Assets and (Liabilities)*
		Collateral (Received) Pledged	Assets (Liabilities) Available for Offset	
Morgan Stanley:				
Purchased Options	\$46,011,599	\$(18,400,000)	—	\$27,611,599
Written Options	\$(6,404,175)	—	—	\$(6,404,175)

* Represents the net amount receivable (payable) from the counterparty in the event of default.

** Collateral with a value of \$45,332,178 has been received in connection with a master repurchase agreement. Excess of collateral received from the individual master repurchase agreement is not shown for financial reporting purposes.

NOTE 10 — Commitments

For the period ended June 30, 2019, the Fund was liable for the following unfunded commitments:

Security	Unfunded Commitment
GACP II L.P.	\$ 3,171,371

NOTE 11 — Affiliated Investments

A company is considered an affiliate of a fund under the Investment Company Act of 1940 if the Fund's holdings in that company represent 5% or more of the outstanding voting shares of that company. Further details on such holdings and related transactions during the period ended June 30, 2019, appear below:

Investments	Shares Held at 12/31/2018	Beginning Value as of December 31, 2018	Purchases at Cost	Proceeds from Sales	Net			Ending Value as of June 30, 2019	Shares as of June 30, 2018	Dividend Income from Affiliated Investments
					Realized Gain/(Loss) on sales of Affiliated Investments	Change in Unrealized Appreciation/ Depreciation	Transfers In (Out)			
Common Stocks — 6.19%										
Banks — 2.65%										
CIT Group, Inc. ^(b)	7,889,850	\$301,944,560	—	\$ (30,866,637)	\$ 9,987,055	\$101,957,612	—	\$383,022,590	7,290,114	\$4,515,160
Chemicals Distribution — 0.00%										
Nexeo Solutions, Inc. (Founders Shares) ^{(b)(c)(d)}	3,647,564	31,332,575	—	(31,406,312)	11,015,643	(10,941,906)	—	—	—	—
Nexeo Solutions, Inc. ^{(a)(b)}	17,910,012	153,847,003	—	(178,896,583)	22,370,082	2,679,498	—	—	—	—
		185,179,578	—	(210,302,895)	33,385,725	(8,262,408)	—	—	—	—
Containers & Packaging — 1.08%										
Owens-Illinois, Inc. ^(b)	9,048,330	155,993,209	—	(715,426)	(513,520)	799,752	—	155,564,015	9,007,760	900,776
Investment Companies — 2.17%										
Jefferies Financial Group, Inc. ^(b)	—	—	—	(1,295,698)	(298,226)	30,862,525	\$284,846,526	314,115,127	16,334,640	4,083,660
Marine Shipping — 0.29%										
Sound Holding FP (Luxembourg) ^{(a)(b)(c)(d)(e)}	1,146,250	37,504,746	—	—	—	3,902,351	—	41,407,097	1,146,250	—

FPA CRESCENT FUND
NOTES TO FINANCIAL STATEMENTS (Continued)
(Unaudited)

Investments	Shares Held at 12/31/2018	Beginning Value as of December 31, 2018	Purchases at Cost	Proceeds from Sales	Net Realized Gain/(Loss) on sales of Affiliated Investments	Change in Unrealized Appreciation/ Depreciation	Transfers In (Out)	Ending Value as of June 30, 2019	Shares as of June 30, 2018	Dividend Income from Affiliated Investments
Convertible Preferred Stock — 0.00%										
Mortgage Finance — 0.00%										
Ditech Holding Corporation ^{(a)(b)}	9,950	\$ 995	—	—	—	—	—	\$ 995	9,950	—
Warrants — 0.00%										
Mortgage Finance — 0.00%										
Ditech Holding Corporation (warrants A) ^{(a)(b)}	430,887	86	—	—	—	\$ 2,068	—	2,154	430,887	—
Ditech Holding Corporation (warrants B) ^{(a)(b)}	341,900	34	—	—	—	3,385	—	3,419	341,900	—
		120	—	—	—	5,453	—	5,573		—
Total Affiliate Investments — 6.19%		\$680,623,208	—	\$(243,180,656)	\$42,561,034	\$129,265,285	\$284,846,526	\$894,115,397		\$9,499,596

^(a) Non-income producing security.

^(b) Affiliated Security.

^(c) Restricted securities. These securities are considered liquid by the Adviser. These securities are not registered and may not be sold to the public. There are legal and/or contractual restrictions on resale. The Fund does not have the right to demand that such securities be registered. The values of these securities are determined by valuations provided by pricing services, brokers, dealers, market makers, or in good faith under policies adopted by authority of the Fund's Board of Trustees.

^(d) These securities have been valued in good faith under policies adopted by authority of the Board of Trustee in accordance with the Fund's fair value procedures.

^(e) Investments categorized as a significant unobservable input (Level 3) (See Note 7 of the Notes to Financial Statements).

FPA CRESCENT FUND

SHAREHOLDER EXPENSE EXAMPLE

June 30, 2019 (Unaudited)

Fund Expenses

Mutual fund shareholders generally incur two types of costs: (1) transaction costs, and (2) ongoing costs, including advisory and administrative fees; shareholder service fees; and other Fund expenses. The Example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds. The Example is based on an investment of \$1,000 invested at the beginning of the year and held for the entire year.

Actual Expenses

The information in the table under the heading “Actual Performance” provides information about actual account values and actual expenses. You may use the information in this column, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000= 8.6), then multiply the result by the number in the first column in the row entitled “Expenses Paid During Period” to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The information in the table under the heading “Hypothetical Performance (5% return before expenses)” provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to

compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs. Therefore, the information under the heading “Hypothetical Performance (5% return before expenses)” is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher. Even though the Fund does not charge transaction fees, if you purchase shares through a broker, the broker may charge you a fee. You should evaluate other mutual funds’ transaction fees and any applicable broker fees to assess the total cost of ownership for comparison purposes.

	Actual Performance	Hypothetical Performance (5% return before expenses)
Beginning Account Value December 30, 2018	\$1,000.00	\$1,000.00
Ending Account Value June 30, 2019	\$1,144.90	\$1,018.89
Expenses Paid During Period*	\$ 6.33	\$ 5.96

* Expenses are equal to the Fund’s annualized expense ratio of 1.19%, multiplied by the average account value over the period and prorated for the six-months ended June 30, 2019 (181/365 days).

FPA CRESCENT FUND

TRUSTEE AND OFFICER INFORMATION

(Unaudited)

Sandra Brown, Mark L. Lipson, Alfred E. Osborne, Jr., A. Robert Pisano and Patrick B. Purcell are all Trustees of the Fund who are not “interested persons” of the Fund, as that term is defined in the 1940 Act (collectively, the “Independent Trustees”). Trustees serve until their resignation, removal or retirement. The Statement of Additional Information includes additional information about the Trustees and is available, without charge, upon request by calling (800) 982-4372.

<u>Name, Address⁽¹⁾ and Year of Birth</u>	<u>Position(s) Held with the Trust</u>	<u>Year First Elected as Trustee of the Trust</u>	<u>Principal Occupation(s) During the Past Five Years</u>	<u>Number of FPA Funds Overseen by Trustee</u>	<u>Other Directorships Held by Trustee During the Past Five Years</u>
Independent Trustees					
Sandra Brown, 1955	Trustee	2016	Consultant (since 2009). Formerly, CEO and President of Transamerica Financial Advisers, Inc. (1999-2009); President, Transamerica Securities Sales Corp. (1998-2009); Vice President, Bank of America Mutual Fund Administration (1990-1998). Director/Trustee of FPA Capital, Inc., FPA Funds Trust, FPA New Income, Inc., FPA Paramount Fund, Inc., FPA U.S. Value Fund, Inc. and Source Capital, Inc. (since October 2016).	8	None
Mark L. Lipson, 1949	Trustee & Chairman	2015	Registered Investment Adviser, ML2 Advisors, LLC (since 2014). Formerly Managing Director, Bessemer Trust (2007-2014) and US Trust (2003-2006); Chairman and CEO of the Northstar Mutual Funds (1993-2001); and President and CEO of the National Mutual Funds (1988-1993). Director/Trustee of FPA Capital, Inc., FPA Funds Trust, FPA New Income, Inc., FPA Paramount Fund, Inc., FPA U.S. Value Fund, Inc. and Source Capital, Inc. (since October 2015).	8	None
Alfred E. Osborne, Jr., 1944	Trustee	2002	Senior Associate Dean (since July 2019), Professor and Faculty Director (since July 2018), Interim Dean (July 2018-June 2019), Price Center for Entrepreneurship and Innovation at the John E. Anderson School of Management at UCLA. Dr. Osborne has been at UCLA since 1972. Director/Trustee of FPA Capital Fund, Inc. and FPA New Income, Inc. (since 1999), of FPA Funds Trust (since 2002), of FPA Paramount Fund, Inc., FPA U.S. Value Fund, Inc. and Source Capital, Inc. (since 2013).	8	Kaiser Aluminum, and Wedbush, Inc.

FPA CRESCENT FUND
TRUSTEE AND OFFICER INFORMATION (Continued)
(Unaudited)

<u>Name, Address⁽¹⁾ and Year of Birth</u>	<u>Position(s) Held with the Trust</u>	<u>Year First Elected as Trustee of the Trust</u>	<u>Principal Occupation(s) During the Past Five Years</u>	<u>Number of FPA Funds Overseen by Trustee</u>	<u>Other Directorships Held by Trustee During the Past Five Years</u>
A. Robert Pisano, 1943	Trustee	2013	Consultant (since 2012). Formerly, President and Chief Operating Officer of The Motion Picture Association of America, Inc. (October 2005-2011). Formerly, National Executive Director and Chief Executive Officer of The Screen Actors Guild (2001-2005). Director/Trustee of FPA Paramount Fund, Inc. and FPA U.S. Value Fund, Inc. (since 2012), and of FPA Capital, Inc., FPA Funds Trust, FPA New Income, Inc. and Source Capital, Inc. (since 2013).	8	Resources Global Professionals
Patrick B. Purcell, 1943	Trustee	2006	Retired (since 2000). Formerly, Consultant to Paramount Pictures 1998-2000; Executive Vice President, Chief Financial and Administrative Officer of Paramount Pictures (1983-1998). Director/Trustee of FPA Capital, Inc., FPA Funds Trust and FPA New Income, Inc. (since 2006), of Source Capital, Inc. (since 2010), of FPA U.S. Value Fund, Inc. and FPA Paramount Fund, Inc. (since 2012).	8	None
“Interested” Trustees⁽²⁾					
Steven Romick, 1963	Trustee	2002	Director and President of FPA GP, Inc., the General Partner of the Adviser (since October 2018). Vice President (since February 2015) and Portfolio Manager of FPA Crescent Fund (since June 1993) and of Source Capital, Inc. (since 2015). Formerly, Managing Partner of FPA (2010-2018). Formerly, President of the Trust (2002-2015).	3	None
J. Richard Atwood, 1960	Trustee	2016	Director and President of FPA GP, Inc., the General Partner of the Adviser (since October 2018). Director/Trustee of each FPA Fund (since 2016). President of each FPA Fund (since 2015). Formerly, Managing Partner of FPA (2006-2018). Formerly, until 2015, Treasurer of each FPA Fund for more than the past five years.	8	None

⁽¹⁾ The address of each Trustee is 11601 Wilshire Boulevard, Suite 1200, Los Angeles, California 90025.

⁽²⁾ “Interested person” within the meaning of the 1940 Act by virtue of their affiliation with the Fund’s Adviser.

FPA CRESCENT FUND
TRUSTEE AND OFFICER INFORMATION (Continued)
(Unaudited)

Officers of the Fund. Officers of the Fund are elected annually by the Board.

<u>Name, Address⁽¹⁾ and Year of Birth</u>	<u>Position with Fund</u>	<u>Year First Elected as Officer of the Fund</u>	<u>Principal Occupation(s) During the Past Five Years</u>
Steven Romick, 1963	Vice President and Portfolio Manager	2002	Director and President of FPA GP, Inc., the General Partner of the Adviser (since October 2018). Vice President (since February 2015) and Portfolio Manager of FPA Crescent Fund (since June 1993) and of Source Capital, Inc. (since 2015). Formerly, Managing Partner of FPA (2010-2018). Formerly, President of the Trust (2002-2015).
Mark Landecker, 1975	Vice President and Portfolio Manager	2013	Partner of FPA (since December 2013). Formerly, Managing Director (January 2013-December 2013). Vice President and Portfolio Manager of Source Capital, Inc. (since December 2015).
Brian Selmo, 1977	Vice President and Portfolio Manager	2013	Partner of FPA (since December 2013). Formerly, Managing Director (January 2013-December 2013). Vice President and Portfolio Manager of Source Capital, Inc. (since December 2015).
J. Richard Atwood, 1960	President	1997	Director and President of FPA GP, Inc., the General Partner of FPA (since October 2018). Director/Trustee of each FPA Fund (since May 2016). President of each FPA Fund (since February 2015). Formerly, Managing Partner of FPA (2006-2018). Formerly, until February 2015, Treasurer of each FPA Fund for more than the past five years.
Karen E. Richards, 1969	Chief Compliance Officer	2019	Chief Compliance Officer of FPA (since August 2018). Formerly, Deputy Chief Compliance Officer of First Republic Investment Management, LLC (from February 2016 to March 2018), and Vice President, Senior Compliance Officer of Pacific Investment Management Company (from June 2010 to January 2016).
E. Lake Setzler III, 1967	Treasurer	2006	Senior Vice President (since January 2013) and Controller of FPA; and Treasurer of each FPA Fund (since February 2015). Formerly, until February 2015, Assistant Treasurer of each FPA Fund (February 2006 to February 2015).
Rebecca D. Gilding, 1979	Secretary	2019	Vice President and Counsel, State Street Bank and Trust Company (since April 2016). Formerly, Assistant Vice President and Associate Counsel, Brown Brothers Harriman & Co. (September 2013 to April 2016).

⁽¹⁾ The address for each Officer (except Ms. Gilding) is 11601 Wilshire Boulevard, Suite 1200, Los Angeles, California 90025. Ms. Gilding's address is State Street Bank and Trust Company, One Lincoln Street, Boston, Massachusetts 02111.

FPA CRESCENT FUND

(Unaudited)

INVESTMENT ADVISER

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TRANSFER & SHAREHOLDER SERVICE AGENT

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(800) 638-3060

CUSTODIAN AND ADMINISTRATOR

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One Lincoln Street
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TICKER SYMBOL: FPACX
CUSIP: 30254T759

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Los Angeles, California 90017

This report has been prepared for the information of shareholders of FPA CRESCENT FUND, and is not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus. The financial information included in this report has been taken from the records of the Fund without examination by independent auditors.

A description of the policies and procedures that the Adviser uses to vote proxies related to the Fund's portfolio securities is set forth in the Fund's Statement of Additional Information which is available without charge, upon request, on the Fund's website at www.fpa.com or by calling (800) 982-4372 and on the Securities and Exchange Commission's website at www.sec.gov.

The Fund's complete proxy voting record for the 12 months ended June 30, 2019 is available without charge, upon request by calling (800) 982-4372 and on the SEC's website at www.sec.gov.

The Fund's schedule of portfolio holdings, filed the first and third quarter of the Fund's fiscal year on Form N-Q with the SEC, is available on the SEC's website at www.sec.gov. To obtain Form N-Q from the Fund, shareholders can call (800) 982-4372.

Additional information about the Fund is available online at www.fpa.com. This information includes, among other things, holdings, top sectors, and performance, and is updated on or about the 15th business day after the end of each quarter.