

Annual Report

FPA Crescent Fund



Distributor:

UMB DISTRIBUTION SERVICES, LLC

235 West Galena Street
Milwaukee, Wisconsin 53212

December 31, 2021

FPA CRESCENT FUND

LETTER TO SHAREHOLDERS

Dear Shareholder:

Overview

The FPA Crescent Fund — Institutional Class (“Fund” or “Crescent”) gained 1.87% in 2021’s fourth quarter and increased 15.17% for the calendar year.¹ The Fund generated 64.2% of the average of the S&P 500 and MSCI ACWI NR USD’s (“MSCI ACWI”) return in 2021, underperforming its own 75.8% average net risk exposure.²

Crescent’s performance and that of its underlying equity exposure are captured in the following table:

*Exhibit A: Performance versus Illustrative Indices*³

	<u>Q4 2021</u>	<u>2021</u>
Crescent	1.87%	15.17%
Crescent — Long Equity	3.68%	23.18%
MSCI ACWI NR USD	6.68%	18.54%
S&P 500	11.03%	28.71%
60% MSCI ACWI NR USD/ 40% BBg US Agg	4.02%	10.20%
60% S&P 500 / 40% BBg US Agg	6.57%	15.86%

¹ Effective September 4, 2020, the current single class of shares of the Fund was renamed the Institutional Class shares. Unless otherwise noted, all data herein is representative of the Institutional Share Class.

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. Risk exposure refers to the Fund’s exposure to risk assets as a percent of total assets. The Fund’s net risk exposure as of December 31, 2021 was 74.8%.

³ Comparison to the indices is for illustrative purposes only. The Fund does not include outperformance of any index or benchmark in its investment objectives. An investor cannot invest directly in an index. 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 only* includes equity securities excluding paired trades, short-sales, and preferred securities. The long equity performance information shown herein 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. Long equity performance does not represent the return an investor in the Fund can or should expect to receive. Fund shareholders may only invest or redeem their shares at net asset value.

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

FPA CRESCENT FUND LETTER TO SHAREHOLDERS

(Continued)

Portfolio discussion

The top contributors to and detractors from the Fund’s trailing 12-month returns are listed below.

Exhibit B: Trailing Twelve-Month Contributors and Detractors as of December 31, 2021⁴

Contributors	Perf. Cont.	Avg. % of Port.	Detractors	Perf. Cont.	Avg. % of Port.
Alphabet	3.01%	5.7%	Alibaba	-0.69%	1.2%
American International Group	1.41%	2.9%	SPDR S&P 500 ETF (short)	-0.53%	-2.0%
Broadcom	1.39%	2.9%	Softbank ADR/Softbank	-0.52%	1.0%
Jefferies Financial Group	1.22%	2.0%	Nexon	-0.41%	0.9%
Glencore	1.20%	2.2%	Naspers & Prosus	-0.39%	2.8%
	8.23%	15.7%		-2.55%	3.8%

Economic recovery and persistent easy money continued to underpin the financial markets, allowing 2020’s global stock market rally to continue in 2021 and benefiting certain positions held in the Fund (as much as global stock volatility *temporarily* hurt their stock prices in Q1 2020). Crescent’s top five contributors added 8.2% to the Fund’s return in 2021, about 3.2x the sum of the top five detractors. Importantly, there was a lack of significant news that impacted the individual investments in the above table.

Exposure to each of the top five contributors was reduced in 2021, as their respective valuations reached levels high enough to warrant a reduction in holding size, but not their complete elimination from the portfolio. We did sell out of nine stocks completely in 2021, however. We similarly moved on from these positions largely as a result of valuation, which also drove other changes. Along with the reduction in position size of six financial service companies, we also eliminated positions in Bank of America and CIT Group. The Fund’s exposure to travel-related companies was also reduced as a function of selling some of our Marriott International and all of Booking Holdings stakes.

We believe that the portfolio changes in the last year resulted in the exchange of less appealing risk-reward opportunities for more attractive ones. Ten new equities were added in 2021, including new positions in video game stocks Ubisoft Entertainment and Activision Blizzard, which joined Nexon and Epic Corp to comprise our current sector exposure of 3.1%.

Unsurprisingly due to low yields, there were no new high yield positions and just one new private credit investment.

Crescent ended 2021 with net risk exposure of 74.8%, lower year over year by approximately five percentage points.

⁴ Reflects the top five contributors and detractors to the Fund’s performance based on contribution to return for the trailing twelve months (“TTM”). 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 TTM 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)

While the global stock markets remain at more elevated valuation levels, the potential for continued financial repression and its inflationary consequences is the reason why Crescent has a larger position in equities than has been typical (and less in corporate bonds). We believe that more “balanced” portfolios of stocks and bonds (e.g., the 60/40 equity/fixed income portfolios) are likely to generate weaker long-term returns, dragged down by the low yielding bonds — both investment grade and high yield, when compared to a more equity-centric portfolio. The poor performance of fixed income instruments last year, as shown in Exhibit C, and in stark contrast to the equity returns shown in Exhibit A, might just be a harbinger of things to come.

*Exhibit C: Bond Returns*⁵

	<u>2021</u>
10-Year Government Bonds	
United States	-5.7%
Germany	-10.2%
Japan	-10.5%
US Corporate Bonds	
Investment Grade	-1.0%
High Yield	3.3%

Wrestling with how much to own of stocks versus bonds doesn’t seem like much of a contest. The low starting yields of bonds in general, and corporate bonds more specifically with their additional burden of potential default, offered a negative *real* yield at quarter end and into the beginning of 2022. With such an anemic starting point, it appears that the earnings growth potential of stocks affords the better opportunity for those with a longer-term view despite higher-than-average equity valuations (Exhibit D).

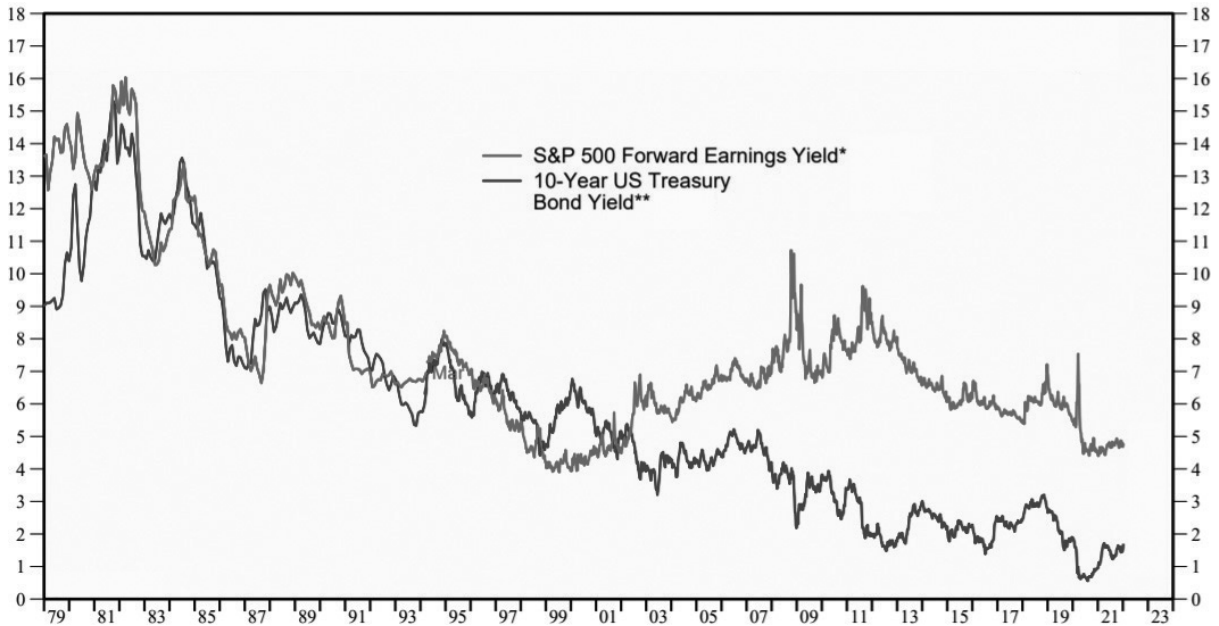
⁵ Source: Bloomberg. As of December 31, 2021.

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

FPA CRESCENT FUND LETTER TO SHAREHOLDERS

(Continued)

Exhibit D: S&P 500 Forward Earnings Yield & Nominal 10-Year Treasury Bond Yield⁶



The S&P 500's estimated 2022 P/E is 21.5x, which in its inverse translates to an estimated earnings yield of 4.7%. Given lower stock valuations outside the U.S., the estimated 2022 earnings yield for the global MSCI ACWI is a higher 5.6%. Contrast this with a 1.5% 10-year U.S. Treasury yield or worse, the 0.07% and -0.09% yields for Japanese and German government bonds.⁷

Assuming positive economic growth over the next decade, we believe the total return potential of stocks should exceed that of bonds, albeit with greater volatility. While volatility satisfies the institutional definition of equity risk, we have a different view. More precisely, risk is losing money, or a permanent impairment of capital, and should not factor in episodic, yet temporary price declines. Crescent's oft-stated goal is to deliver an equity-like rate of return while avoiding a permanent impairment of capital. The potential discomfort that comes with the ups and downs of the market must be borne if one is to achieve equity-like rates of return.

⁶ Source: Yardeni.com, I/B/E/S data by Refinitiv, FRED. Chart data covers the period December 31, 1978 through January 7, 2022.

* Year-ahead forward consensus expected earnings divided by S&P 500 stock price index. Monthly through March 1994, then weekly.

** Monthly through March 1994, then weekly.

⁷ Source: Bloomberg, FRED. US, Japanese and German 10-year government bond yields as of December 31, 2021.

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

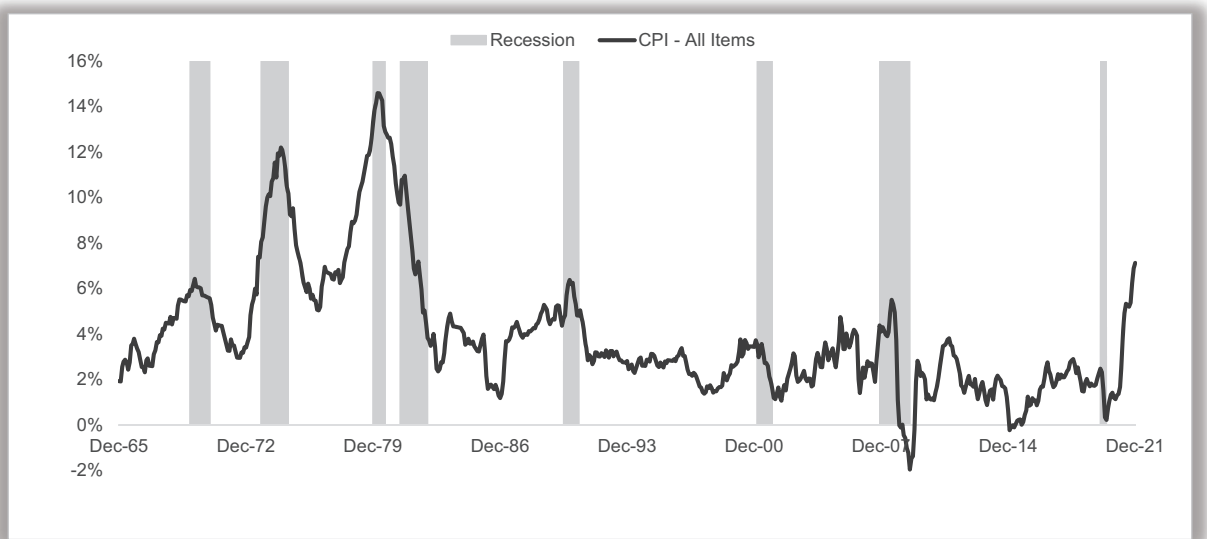
FPA CRESCENT FUND LETTER TO SHAREHOLDERS

(Continued)

It is not a truism that more invested = more risk. There are different kinds of risk. We believe, for example, that being less invested in risk assets invites the greater risk of inflation eroding the value of your cash or “conservative” fixed income instruments.

The easy money environment since the great financial crisis set the stage for higher inflation. The pandemic has made things worse, impacting both size and availability of the labor pool and causing supply chain disruptions. While one can reasonably argue that domestic inflation in the future will be lower than 2021’s 7%, we believe that inflation will likely average higher in this next decade than the preceding one — something that is not currently expected just as last year’s rise was not anticipated (Exhibits E and F).⁸

Exhibit E: CPI 1965 to 2021⁹



⁸ Average inflation over the past 10 years (2011-2020) was approximately 1.9%.

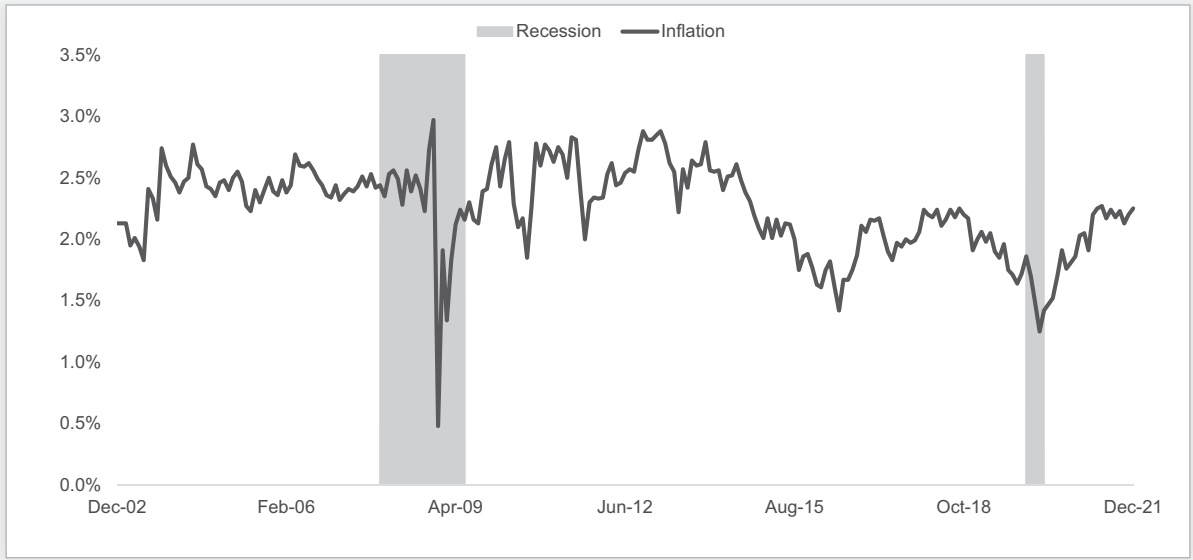
⁹ Source: FRED. Chart data covers the period December 31, 1965 through December 31, 2021. *CPI* stands for Consumer Price Index.

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

FPA CRESCENT FUND LETTER TO SHAREHOLDERS

(Continued)

Exhibit F: 5-Year Forward US Inflation Expectation Rate¹⁰



We manage your capital to seek to provide an acceptable real rate of return over time — both in the absolute and factoring in the risk assumed to achieve it. This requires us to seek to protect our/your portfolio from the diminution of real return that inflation can cause. To accomplish this, we:

- Own more stocks than the historical average (Exhibit G), including the Fund's holdings of lower priced overseas-based businesses that we believe offer better potential for risk-adjusted returns than their US counterparts.
- Hold good to great quality businesses at good prices. Owning shares in businesses that are both less expensive and growing faster than the stock market should help to achieve our goal (Exhibit H).
- Have avoided low-yielding bonds, particularly those with unappreciated credit risk (Exhibit G).

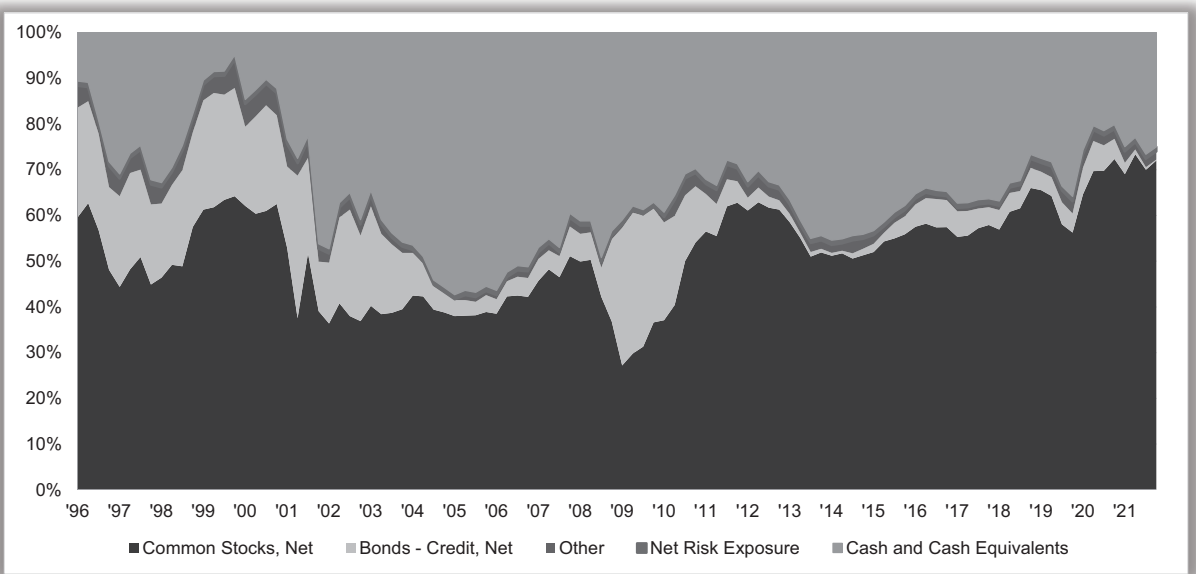
¹⁰ Source: FRED. Chart data covers the period December 31, 2002 through December 31, 2021.

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

FPA CRESCENT FUND LETTER TO SHAREHOLDERS

(Continued)

Exhibit G: FPA Crescent Historic Asset Class Composition¹¹



¹¹ Source: FPA. Chart data covers the period March 31, 1996 through December 31, 2021.

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

FPA CRESCENT FUND

LETTER TO SHAREHOLDERS

(Continued)

Exhibit H: FPA Crescent Long Equity Holding Valuation and Earnings Growth vs Stock Market¹²

	Price/Earnings		Price/Book		3-Year Trailing		3-Year Forward	
	1 Year Forward				EPS Growth		Estimated	
	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>
FPA Crescent —								
Long Equity								
Portfolio	18.9x	15.6x	1.6x	1.8x	-30%	22%	40%	21%
vs. MSCI								
ACWI NR . . .	-10%	-13%	-43%	-42%			79%	150%
vs. S&P 500 . . .	-21%	-25%	-62%	-62%			84%	121%
MSCI ACWI NR . .	21.1x	18.0x	2.8x	3.1x	-4%	5%	22%	9%
S&P 500	23.9x	20.9x	4.2x	4.8x	1%	9%	22%	10%

Hopefully, the Fund’s long equity exposure will continue to outperform global indices as it has done historically. Long equities held by Crescent outperformed the S&P 500 by 0.70% since 2007 and beaten the MSCI ACWI by 4.22% since 2011 when the Fund began to tilt more international (Exhibit I).

¹² Source: CapIQ, Factset, Bloomberg, FPA calculations. *3-Year Forward Estimated EPS Growth* is based on FPA calculations using consensus data from CapIQ, Factset and Bloomberg. Forward looking statistics are estimates and subject to change. Comparison to the S&P 500 and MSCI ACWI Indices is being used as a representation of the “market” and is for illustrative purposes only. The Fund does not include outperformance of any index or benchmark in its investment objectives. Please refer to footnote 3 for the definition of the long equity holdings and other important information and refer to Page 1 for net returns of the Fund. The long equity holdings average weight in the Fund was 74.4% and 75.1% for Q4 2021 and TTM through 12/31/21, respectively. The long equity holdings average weight in the Fund was 75.2% and 71.6% for Q4 2020 and TTM through 12/31/20, respectively. The long equity statistics shown herein are 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 results similar to those shown. Long equity statistics noted herein do not represent the results that the Fund or an investor can or should expect to receive. Fund shareholders can only purchase and redeem shares at net asset value.

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

FPA CRESCENT FUND LETTER TO SHAREHOLDERS

(Continued)

Exhibit I: Long Equity Carve-Out Gross Performance vs. Indices¹³

	CAGR 1/1/07 to 12/31/21	CAGR 1/1/11 to 12/31/21	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
FPACX Long Equity	11.36%	14.17%	23.18%	12.55%	31.53%	-12.33%	21.07%	15.57%	-0.64%	13.64%	38.12%	17.77%	4.58%	22.48%	38.66%	-38.27%	11.47%
MSCI ACWI NR*		9.95%	18.54%	16.25%	26.60%	-9.42%	23.97%	7.86%	-2.36%	4.16%	22.80%	16.13%	-7.35%	—	—	—	—
<i>Excess Return vs. MSCI</i>																	
ACWI NR		4.22%	4.64%	-3.71%	4.93%	-2.91%	-2.90%	7.71%	1.72%	9.48%	15.32%	1.64%	11.93%	—	—	—	—
S&P 500	10.66%	15.16%	28.71%	18.40%	31.49%	-4.38%	21.83%	11.96%	1.38%	13.69%	32.39%	16.00%	2.11%	15.06%	26.46%	-37.00%	5.49%
<i>Excess Return vs. S&P 500</i>	0.70%	-0.99%	-5.53%	-5.85%	0.04%	-7.95%	-0.76%	3.61%	-2.02%	-0.05%	5.73%	1.77%	2.47%	7.42%	12.20%	-1.27%	5.98%

Closing

We wish we could tell you the Crescent portfolio is as cheap as it has ever been, but given the market and the Fund's strong performance since Q1 2020's market bottom, you know that cannot be true. We have repositioned the portfolio as a function of old opportunities that have come to fruition and new opportunities that we believe offer reasonable prospects for attractive risk-adjusted future returns. The portfolio is also built to withstand multiple potential outcomes: e.g., inflation, stagflation, and recession.¹⁴

We just watched Peter Jackson's [The Beatles: Get Back](#). Although a music documentary, we couldn't help but appreciate how those four young men from Liverpool managed to focus on what they do best and what they wanted to accomplish, despite pressure from others to do some things differently. Your portfolio managers

¹³ As of December 31, 2021, which represents latest data available. Data shown from January 1, 2007 as that is when FPA began capturing this data. CAGR shown for period 1/1/2007 through 12/31/2021 for the S&P 500 and for the period 1/1/2011 through 12/31/2021 for the MSCI ACWI.

* The MSCI ACWI NR was not considered a relevant illustrative index prior to 2011 because the Fund was not classified as a global mandate until this point in time.

Source: FPA and Morningstar Direct. FPACX or Fund refers to FPA Crescent Fund — Institutional Class. The table shows the performance of the long equity segment of the Fund only and is presented gross of investment management fees, transactions costs, and Fund operating expenses, which if included, would reduce the returns presented. Please refer to page 1 for overall net performance of the Fund since inception. Long equity holdings only includes equity securities excluding paired trades, short-sales, and preferred securities. The long equity performance information shown herein 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. Long equity performance does not represent the return an investor in the Fund can or should expect to receive. Fund shareholders may only invest or redeem their shares at net asset value. Comparison to the S&P 500 and the MSCI ACWI NR indices is for illustrative purposes only. The Fund does not include outperformance of any index or benchmark in its investment objectives. An investor cannot invest directly in an index. Active stock selection refers to the fact that the Fund can make investments outside of the index or in different weights than the index and thus Fund performance may differ, sometimes materially, for any given period as compared to a given index.

¹⁴ The performance of the Fund, the S&P 500 and the MSCI ACWI NR for the period since the Q1 2020 bottom, 03/24/2020, to 12/31/2021 was 77.77%, 119.03%, and 102.12%, respectively. Fund performance is net of fees and expenses and includes reinvestment of distributions.

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

FPA CRESCENT FUND

LETTER TO SHAREHOLDERS

(Continued)

similarly *come together* to concentrate on the long-term, which means shutting our ears to the many cacophonous voices that whisper to us in the short-term.

Best wishes in the New Year and may you and your families be in good health.

Respectfully submitted,

FPA Crescent Portfolio Managers
January 31, 2022

Important Disclosures

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

The views expressed herein and any forward-looking statements are as of the date of the publication and are those of the portfolio management team and are subject to change without notice. Future events or results may vary significantly from those expressed and are subject to change at any time in response to changing circumstances and industry developments. This information and data have been prepared from sources believed reliable, but the accuracy and completeness of the information cannot be guaranteed and is not a complete summary or statement of all available data.

Portfolio composition will change due to ongoing management of the Fund. References to individual securities or sectors are for informational purposes only and should not be construed as recommendations by the Fund, the portfolio managers, the Adviser, or the distributor. It should not be assumed that future investments will be profitable or will equal the performance of the security or sector examples discussed. The portfolio holdings as of the most recent quarter-end may be obtained at www.fpa.com.

Investments, including investments in mutual funds, carry risks and investors may lose principal value. Capital markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. The Fund may purchase foreign securities, including American Depositary Receipts (ADRs) and other depository receipts, which are subject to interest rate, currency exchange rate, economic and political risks; these risks may be heightened when investing in emerging markets. Foreign investments, especially those of companies in emerging markets, can be riskier, less liquid, harder to value, and more volatile than investments in the United States. Adverse political and economic developments or changes in the value of foreign currency can make it more difficult for the Fund to value the securities. Differences in tax and accounting standards, difficulties in obtaining information about foreign companies, restrictions on receiving investment proceeds from a foreign country, confiscatory foreign tax laws, and potential difficulties in enforcing contractual obligations, can all add to the risk and volatility of foreign investments.

Small and mid-cap stocks involve greater risks and may fluctuate in price more than larger company stocks. Short-selling involves increased risks and transaction costs. You risk paying more for a security than you received from its sale.

The return of principal in a bond investment is not guaranteed. Bonds have issuer, interest rate, inflation and credit risks. Interest rate risk is the risk that when interest rates go up, the value of fixed income securities,

FPA CRESCENT FUND

LETTER TO SHAREHOLDERS

(Continued)

such as bonds, typically go down and investors may lose principal value. Credit risk is the risk of loss of principal due to the issuer's failure to repay a loan. Generally, the lower the quality rating of a security, the greater the risk that the issuer will fail to pay interest fully and return principal in a timely manner. If an issuer defaults the security may lose some or all of its value. Lower rated bonds, callable bonds and other types of debt obligations involve greater risks. Mortgage-backed securities and asset-backed securities are subject to prepayment risk and the risk of default on the underlying mortgages or other assets. High yield securities can be volatile and subject to much higher instances of default. Derivatives may increase volatility.

The ratings agencies that provide ratings are Standard and Poor's, Moody's, and Fitch. Credit ratings range from AAA (highest) to D (lowest). Bonds rated BBB or above are considered investment grade. Credit ratings BB and below are lower-rated securities (junk bonds). High-yielding, non-investment grade bonds (junk bonds) involve higher risks than investment grade bonds. Bonds with credit ratings of CCC or below have high default risk.

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

Investing in Special Purpose Acquisition Companies ("SPACs") involves risks. Because SPACs and similar entities have no operating history or ongoing business other than seeking acquisitions, the value of their securities is particularly dependent on the ability of the entity's management to identify and complete a profitable acquisition. SPACs are not required to provide the depth of disclosures or undergo the rigorous due diligence of a traditional initial public offering (IPO). Investors in SPACs may become exposed to speculative investments, foreign or domestic, in higher risk sectors/industries. SPAC investors generally pay certain fees and give the sponsor certain incentives (e.g., discounted ownership stakes) not found in traditional IPOs. Due to this, an investment in a SPAC may include potential conflicts and the potential for misalignment of incentives in the structure of the SPAC. For more information relating to the risks of investing in SPACs please refer to the Fund's Prospectus.

While transactions in derivatives may reduce certain risks, they entail certain other risks. Derivatives may magnify the Fund's gains or losses, causing it to make or lose substantially more than it invested. Derivatives have a risk of default by the counterparty to a contract. When used for hedging purposes, increases in the value of the securities the Fund holds or intends to acquire should offset any losses incurred with a derivative.

Investments in private securities and limited partnerships present risks. These investments are not registered under the federal securities laws, and are generally eligible for sale only to certain eligible investors. They may be illiquid, and thus more difficult to sell, because there may be relatively few potential purchasers for such investments, and the sale of such investments may also be restricted under securities laws.

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

In making any investment decision, you must rely on your own examination of the Fund, including the risks involved in an investment. Investments mentioned herein may not be suitable for all recipients and in each case, potential investors are advised not to make any investment decision unless they have taken independent advice from an appropriately authorized advisor. An investment in any security mentioned herein does not

FPA CRESCENT FUND

LETTER TO SHAREHOLDERS

(Continued)

guarantee a positive return as securities are subject to market risks, including the potential loss of principal. You should not construe the contents of this document as legal, tax, investment or other advice or recommendations.

Index Definitions

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

S&P 500 Index includes a representative sample of 500 hundred companies in leading industries of the U.S. economy. The Index focuses on the large-cap segment of the market, with over 80% coverage of U.S. equities, but is also considered a proxy for the total market.

MSCI ACWI NR USD Index is a free float-adjusted market capitalization weighted index that is designed to represent performance of the full opportunity set of large- and mid-cap stocks across 23 developed and 26 emerging markets.

CAGR is the compound annual growth rate is the rate of return (RoR) that would be required for an investment to grow from its beginning balance to its ending balance, assuming the profits were reinvested at the end of each period of the investment's life span.

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

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

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

60% MSCI ACWI NR USD/ 40% Bloomberg US Aggregate Bond Index is a hypothetical combination of unmanaged indices and comprises 60% MSCI ACWI Index and 40% Bloomberg US Aggregate Bond Index.

Other Definitions

Corporate bond is a type of debt security that is issued by a firm and sold to investors. The company gets the capital it needs and in return the investor is paid a pre-established number of interest payments at either a fixed or variable interest rate.

Earnings Per Share (EPS) is calculated as a company's profit divided by the outstanding shares of its common stock. The resulting number serves as an indicator of a company's profitability.

FPA CRESCENT FUND

LETTER TO SHAREHOLDERS

(Continued)

Earnings Per Share Growth is defined as the percentage change in normalized earnings per share over the previous 12-month period to the latest year end.

Earnings yield refers to the earnings per share for the most recent 12-month period divided by the current market price per share. The earnings yield (the inverse of the P/E ratio) shows the percentage of a company's earnings per share.

Government bond is a debt security issued by a government to support government spending and obligations. Government bonds can pay periodic interest payments called coupon payments.

High-yield bonds (also called junk bonds) are bonds that pay higher interest rates because they have lower credit ratings than investment-grade bonds. High-yield bonds are more likely to default, so they must pay a higher yield than investment-grade bonds to compensate investors.

Inflation is the decline of purchasing power of a given currency over time. A quantitative estimate of the rate at which the decline in purchasing power occurs can be reflected in the increase of an average price level of a basket of selected goods and services in an economy over some period of time.

Investment grade is a rating that signifies that a municipal or corporate bond presents a relatively low risk of default.

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

Market Capitalization refers to the total dollar market value of a company's outstanding shares of stock. Commonly referred to as "market cap," it is calculated by multiplying the total number of a company's outstanding shares by the current market price of one share.

Market Cycles, also known as stock market cycles, is a wide term referring to trends or patterns that emerge during different markets or business environments.

Net Equity Exposure includes long equity securities minus short-sales and preferred securities.

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

Price to Book is used to compare a firm's market capitalization to its book value. It's calculated by dividing the company's stock price per share by its book value per share (BVPS). An asset's book value is equal to its carrying value on the balance sheet, and companies calculate it netting the asset against its accumulated depreciation.

Price to Earnings is the ratio for valuing a company that measures its current share price relative to its EPS. The price-to-earnings ratio is also sometimes known as the price multiple or the earnings multiple.

Trailing Price to Earnings is a relative valuation multiple that is based on the last 12 months of actual earnings.

Forward Price to Earnings is a version of the ratio of price-to-earnings (P/E) that uses forecasted earnings for the P/E calculation.

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

Standard Deviation is a measure of the dispersion of a set of data from its mean.

FPA CRESCENT FUND

LETTER TO SHAREHOLDERS

(Continued)

Treasury bonds (T-bonds) are government debt securities issued by the U.S. Federal government that have maturities greater than 20 years. T-bonds earn periodic interest until maturity, at which point the owner is also paid a par amount equal to the principal.

Volatility is a statistical measure of the dispersion of returns for a given security or market index. In most cases, the higher the volatility, the riskier the security. Volatility is often measured as either the standard deviation or variance between returns from that same security or market index.

Yield refers to the earnings generated and realized on an investment over a particular period of time. It's expressed as a percentage based on the invested amount, current market value, or face value of the security.

©2021 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted by Morningstar to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. **Past performance is no guarantee of future results.**

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

FPA CRESCENT FUND LETTER TO SHAREHOLDERS

(Continued)

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.

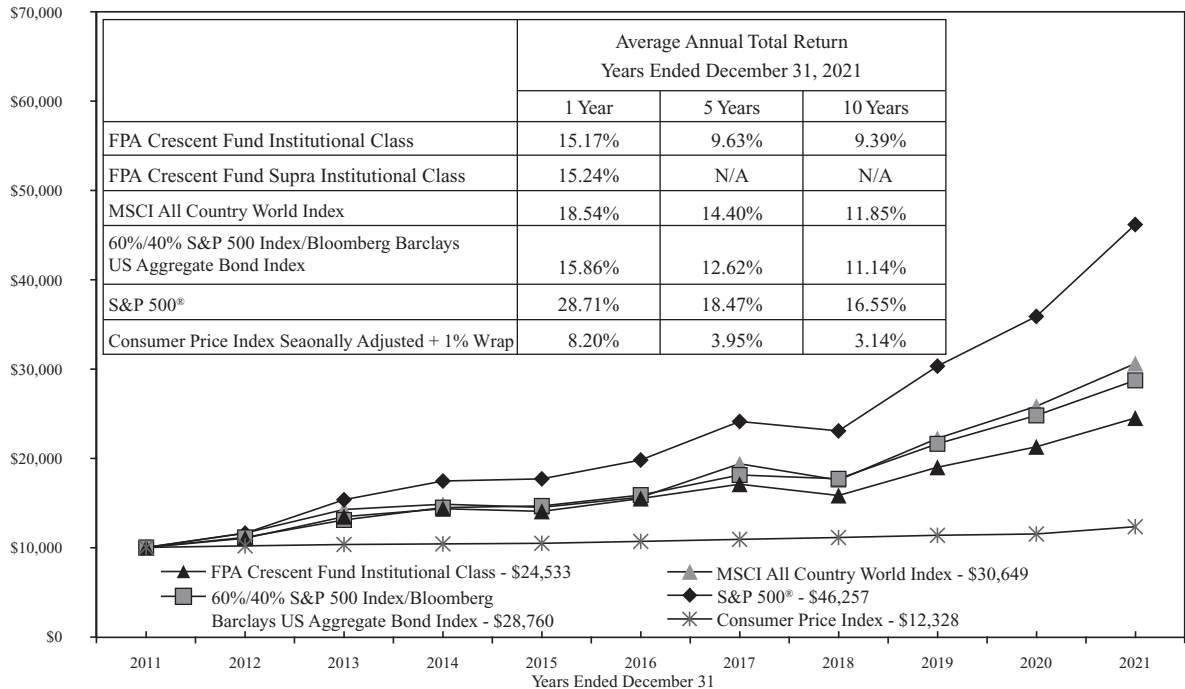
FORWARD LOOKING STATEMENT DISCLOSURE

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 HISTORICAL PERFORMANCE

(Unaudited)

Change in Value of a \$10,000 Investment in FPA Crescent Fund Institutional Class vs. S&P 500, MSCI All Country World Index, 60%/40% S&P 500 Index/Bloomberg Barclays US Aggregate Bond Index and Consumer Price Index for the Ten Years Ended December 31, 2021



The Standard & Poor's 500 Stock Index (S&P 500) is a capitalization-weighted index which covers industrial, utility, transportation and financial service companies, and represents approximately 75% of the New York Stock Exchange (NYSE) capitalization and 30% of NYSE issuers and is considered a measure of large capitalization stock performance. The MSCI All Country World Index is a float-adjusted market capitalization index that is designed to measure the combined equity market performance of developed and emerging market countries. The 60%/40% S&P 500 Index/Bloomberg Barclays U.S. Aggregate Bond Index is a composite blend of 60% of the S&P 500 Index and 40% of the Bloomberg Barclays U.S. Aggregate Bond Index. The Consumer Price Index (CPI) is an unmanaged index representing the rate of inflation of U.S. consumer prices as determined by the U.S. Bureau of Labor Statistics. The S&P 500, MSCI All Country World and 60%/40% S&P 500/Bloomberg Barclays U.S. Aggregate Bond indexes are included as broad-based comparisons to the capitalization characteristics of the Fund's portfolio. The CPI is included as comparison of the Fund's results to inflation.

Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown. This data represents past performance and investors should understand that investment returns and principal values fluctuate, so that when you redeem your investment may be worth more or less than its original cost. Current month-end performance data can be obtained by visiting the website at www.fpa.com or by calling toll-free, 1-800-982-4372. Information regarding the Fund's expense ratio and redemption fees can be found on pages 36, 37, 42 and 43. The Prospectus details the Fund's objective and policies, sales charges, and other matters of interest to prospective investors. Please read the Prospectus carefully before investing. The Prospectus may be obtained by visiting the website at www.fpa.com, by email at crm@fpa.com, toll-free by calling 1-800-982-4372 or by contacting the Fund in writing.

FPA CRESCENT FUND

PORTFOLIO SUMMARY

December 31, 2021

Common Stocks	71.8%
Internet Media	12.1%
Semiconductor Devices	7.3%
Cable & Satellite	5.9%
Application Software	4.5%
Cement & Aggregates	3.4%
Electrical Components	3.1%
Diversified Banks	3.0%
P&C Insurance	2.9%
Banks	2.5%
Industrial Distribution & Rental	2.5%
Insurance Brokers	2.3%
Base Metals	2.3%
Investment Companies	2.2%
Institutional Brokerage	1.8%
Food Services	1.7%
E-Commerce Discretionary	1.3%
Chemicals	1.3%
Infrastructure Software	1.1%
Hotels, Restaurants & Leisure	1.1%
Railroad Rolling Stock	1.0%
Apparel, Footwear & Accessory Design	1.0%
Specialty Chemicals	1.0%
Wealth Management	0.9%
Telecom Carriers	0.9%
Midstream — Oil & Gas	0.8%
Commercial & Residential Building	
Equipment & Systems	0.8%
Computer Hardware & Storage	0.7%
Real Estate Owners & Developers	0.6%
Marine Shipping	0.5%
Industrials	0.5%
Integrated Utilities	0.4%
Entertainment Content	0.2%
Oil & Gas Services & Equipment	0.2%
Closed End Fund	0.3%
Limited Partnerships	1.5%
Preferred Stocks	0.1%
Warrant	0.0%
Special Purpose Acquisition Companies	3.2%
Bonds & Debentures	18.5%
U.S. Treasuries	18.3%
Corporate Bank Debt	0.2%
Corporate Bonds & Notes	0.0%
Short-term Investments	5.7%
Securities Sold Short	(2.5)%
Other Assets And Liabilities, Net	<u>1.4%</u>
Net Assets	<u><u>100.0%</u></u>

FPA CRESCENT FUND PORTFOLIO OF INVESTMENTS

December 31, 2021

COMMON STOCKS	Shares	Fair Value
INTERNET MEDIA — 12.1%		
Alphabet, Inc. Class A(a)	120,086	\$ 347,893,946
Alphabet, Inc. Class C(a)	92,424	267,437,162
Baidu, Inc. ADR (China)(a)	3,912,174	72,548,475
Meta Platforms, Inc. Class A(a)	895,761	301,289,212
Naspers, Ltd. N Shares (South Africa)	345,972	53,670,711
Prosus NV (Netherlands)	2,430,289	203,448,914
		\$ 1,246,288,420
SEMICONDUCTOR DEVICES — 7.3%		
Analog Devices, Inc.	1,683,454	\$ 295,900,710
Broadcom, Inc.	536,804	357,194,750
NXP Semiconductors NV (Netherlands)	429,743	97,886,860
		\$ 750,982,320
CABLE & SATELLITE — 5.9%		
Charter Communications, Inc. Class A(a)(b)	390,978	\$ 254,905,927
Comcast Corp. Class A(b)	6,979,258	351,266,055
		\$ 606,171,982
APPLICATION SOFTWARE — 4.5%		
Activision Blizzard, Inc.	2,313,470	\$ 153,915,159
Entain PLC (Isle of Man)(a)	3,205,123	73,013,490
Epic Games, Inc.(a)(c)(d)(e)	33,130	29,320,050
Nexon Co. Ltd. (Japan)	4,096,691	79,205,779
Open Text Corp. (Canada)	1,515,451	71,953,613
Ubisoft Entertainment SA (France)(a)	1,111,750	54,514,860
		\$ 461,922,951
CEMENT & AGGREGATES — 3.4%		
HeidelbergCement AG (Germany)	1,012,913	\$ 68,638,527
LafargeHolcim Ltd. (Switzerland)	5,535,770	282,559,990
		\$ 351,198,517
ELECTRICAL COMPONENTS — 3.1%		
TE Connectivity Ltd. (Switzerland)	1,944,520	\$ 313,728,857
DIVERSIFIED BANKS — 3.0%		
Citigroup, Inc.	3,571,897	\$ 215,706,860
Flutter Entertainment PLC (Ireland)(a)	369,704	58,848,549
Gulfport Energy Corp.(a)	503,402	36,260,046
		\$ 310,815,455

FPA CRESCENT FUND
PORTFOLIO OF INVESTMENTS (Continued)

December 31, 2021

COMMON STOCKS — Continued	Shares	Fair Value
P&C INSURANCE — 2.9%		
American International Group, Inc.(b)	5,195,127	\$ 295,394,921
BANKS — 2.5%		
Signature Bank	86,091	\$ 27,847,856
Wells Fargo & Co.	4,809,287	<u>230,749,590</u>
		\$ 258,597,446
INDUSTRIAL DISTRIBUTION & RENTAL — 2.5%		
Howmet Aerospace, Inc.	4,577,152	\$ 145,690,748
LG Corp. (South Korea)	1,610,540	<u>109,604,783</u>
		\$ 255,295,531
INSURANCE BROKERS — 2.3%		
Aon PLC Class A (Britain)	790,294	\$ 237,530,765
BASE METALS — 2.3%		
Glencore PLC (Switzerland)	46,063,352	\$ 233,777,756
INVESTMENT COMPANIES — 2.2%		
Groupe Bruxelles Lambert SA (Belgium)	2,039,158	\$ 227,886,352
INSTITUTIONAL BROKERAGE — 1.8%		
Jefferies Financial Group, Inc.(b)	4,697,583	\$ 182,266,220
FOOD SERVICES — 1.7%		
JDE Peet's NV (Netherlands)	4,041,690	\$ 124,699,634
Just Eat Takeaway.com NV (Netherlands)(a)(f)	965,437	<u>53,275,784</u>
		\$ 177,975,418
E-COMMERCE DISCRETIONARY — 1.3%		
Alibaba Group Holding Ltd. ADR(China)(a)	5,586,312	\$ 85,182,204
Amazon.com, Inc.(a)	15,136	<u>50,468,570</u>
		\$ 135,650,774
CHEMICALS — 1.3%		
International Flavors & Fragrances, Inc.	867,290	\$ 130,657,238
INFRASTRUCTURE SOFTWARE — 1.1%		
FirstEnergy Corp.	2,789,666	\$ 116,022,209
HOTELS, RESTAURANTS & LEISURE — 1.1%		
Marriott International, Inc. Class A(a)	693,390	\$ 114,575,764

FPA CRESCENT FUND
PORTFOLIO OF INVESTMENTS (Continued)

December 31, 2021

COMMON STOCKS — Continued	<u>Shares</u>	<u>Fair Value</u>
RAILROAD ROLLING STOCK — 1.0%		
Westinghouse Air Brake Technologies Corp.	1,123,039	\$ <u>103,443,122</u>
APPAREL, FOOTWEAR & ACCESSORY DESIGN — 1.0%		
Cie Financiere Richemont SA (Switzerland)	676,970	\$ <u>101,746,095</u>
SPECIALTY CHEMICALS — 1.0%		
Univar Solutions, Inc.(a)	3,486,932	\$ <u>98,854,522</u>
WEALTH MANAGEMENT — 0.9%		
LPL Financial Holdings, Inc.	606,686	\$ <u>97,124,362</u>
TELECOM CARRIERS — 0.9%		
SoftBank Group Corp. (Japan)	1,963,022	\$ <u>92,732,866</u>
MIDSTREAM — OIL & GAS — 0.8%		
Kinder Morgan, Inc.(b)	5,262,897	\$ <u>83,469,546</u>
COMMERCIAL & RESIDENTIAL BUILDING EQUIPMENT & SYSTEMS — 0.8%		
Samsung C&T Corp. (South Korea)	801,618	\$ <u>80,246,092</u>
COMPUTER HARDWARE & STORAGE — 0.7%		
Dell Technologies, Inc. C Shares(a)	1,192,689	\$ <u>66,993,341</u>
REAL ESTATE OWNERS & DEVELOPERS — 0.6%		
Swire Pacific Ltd. Class A (Hong Kong)	10,113,170	\$ <u>57,520,515</u>
MARINE SHIPPING — 0.5%		
Sound Holding FP (Luxembourg)(c)(d)(e)(g)(h)	1,146,250	\$ <u>55,564,380</u>
INDUSTRIALS — 0.5%		
Uber Technologies, Inc.(a)	1,183,677	\$ <u>49,631,577</u>
INTEGRATED UTILITIES — 0.4%		
PG&E Corp.(a)	3,597,611	\$ <u>43,674,998</u>

FPA CRESCENT FUND
PORTFOLIO OF INVESTMENTS (Continued)

December 31, 2021

COMMON STOCKS — Continued	Shares	Fair Value
ENTERTAINMENT CONTENT — 0.2%		
Netflix, Inc.(a)	42,588	\$ <u>25,656,715</u>
OIL & GAS SERVICES & EQUIPMENT — 0.2%		
McDermott International Ltd.(a)(g)	46,782,420	\$ <u>19,180,792</u>
TOTAL COMMON STOCKS — 71.8% (Cost \$4,545,733,988)		\$ <u>7,382,577,819</u>
CLOSED END FUND — 0.3%		
Altaba Escrow(c)(Cost \$0)	4,756,180	\$ <u>28,204,147</u>
LIMITED PARTNERSHIPS		
FPS LLC (Marine Shipping)(c)(d)(e)(g)(h)	1,185,446	\$ 83,704,351
FPS Shelby Holding I LLC (Marine Shipping)(c)(d)(e)(g)(h)	107,799	8,876,468
Footpath Ventures SpV IV LP (Private Credit)(c)(d)(e)	150,000	15,108,448
GACP II LP (Private Credit)(c)(d)(e)	958,312	29,634,927
U.S. Farming Realty Trust LP (Real Estate)(c)(d)(e)(g)	350,000	5,966,001
U.S. Farming Realty Trust II LP (Real Estate)(c)(d)(e)(g)	120,000	<u>8,343,236</u>
TOTAL LIMITED PARTNERSHIPS — 1.5% (Cost \$152,581,792)		\$ <u>151,633,431</u>
PREFERRED STOCKS		
ENGINEERING SERVICES — 0.1%		
McDermott International, Inc.(c)(d)(e)(g)	22,591	\$ <u>13,554,380</u>
ENERGY — 0.0%		
Gulfport Energy Corp.(d)(e)	1,345	\$ <u>727,363</u>
TOTAL PREFERRED STOCKS — 0.1% (Cost \$1,272,525)		\$ <u>14,281,743</u>
WARRANT — 0.0%		
ENERGY — 0.0%		
Cie Financiere Richemont SA 11/22/2023(a) (Cost \$0)	2,521,536	\$ <u>2,767,270</u>

FPA CRESCENT FUND
PORTFOLIO OF INVESTMENTS (Continued)

December 31, 2021

SPECIAL PURPOSE ACQUISITION COMPANIES^(a) — 3.2%	Shares	Fair Value
Accelerate Acquisition Corp.	1,824	\$ 18,185
African Gold Acquisition Corp.	175,509	1,769,131
Agile Growth Corp.	972,411	9,539,352
Alpha Partners Technology Merger Corp.	40,319	397,142
Angel Pond Holdings Corp.	948,163	9,367,850
Apollo Strategic Growth Capital II	206,968	2,061,401
Ares Acquisition Corp.	494,451	4,909,898
Artisan Acquisition Corp. Class A	42,770	325,484
Atlantic Coastal Acquisition Corp.	1,651,462	12,344,725
Babylon Holdings Ltd.(a)	12,409	8,438
BigBear.ai Holdings, Inc.	266,952	216,231
Broadscale Acquisition Corp.	1,046,401	8,517,706
BurTech Acquisition Corp.	438,637	4,390,756
Churchill Capital Corp. VII	616,422	6,177,165
Colonnade Acquisition Corp. II	1,032,132	10,197,464
COVA Acquisition Corp.	334,885	3,348,850
DHC Acquisition Corp.	520,584	5,091,312
Digital Transformation Opportunities Corp.	72,255	716,047
Disruptive Acquisition Corp. I	1,032,135	10,125,244
ESM Acquisition Corp.	157	1,559
Flame Acquisition Corp.	1,032,145	10,300,807
Forest Road Acquisition Corp. II	1,242,983	12,319,205
Fortress Value Acquisition Corp. IV	493,906	4,850,157
FTAC Hera Acquisition Corp.	124,395	1,238,974
Fusion Acquisition Corp. II	173,927	1,721,008
Glenfarne Merger Corp.	1,033,214	10,249,483
Global Partner Acquisition Corp. II	387,688	3,818,727
Golden Arrow Merger Corp.	1,032,132	10,114,894
Gores Holdings VII, Inc.	4,846	48,412
Gores Holdings VIII, Inc.	264,895	2,461,460
Gores Technology Partners II, Inc.	6,490	65,419
GX Acquisition Corp. II	864,261	6,402,015
Haymaker Acquisition Corp. III	9,171	73,443
Heliogen, Inc.	98,835	168,019
Hudson Executive Investment Corp. III	1,243,215	12,195,939
InterPrivate IV InfraTech Partners, Inc.	866,479	8,534,818
Kismet Acquisition Three Corp.	1,032,132	10,114,894
Landcadia Holdings IV, Inc.	1,243,001	12,430,010
Lazard Growth Acquisition Corp. I	37,457	370,450
Lead Edge Growth Opportunities Ltd.	111,893	1,121,168

FPA CRESCENT FUND
PORTFOLIO OF INVESTMENTS (Continued)

December 31, 2021

	Shares or Principal Amount	Fair Value
<u>SPECIAL PURPOSE ACQUISITION COMPANIES — Continued</u>		
Macondray Capital Acquisition Corp. I	1,030,833	\$ 10,277,405
Mason Industrial Technology, Inc.	760,239	7,541,571
Metals Acquisition Corp.	539,903	5,318,045
Mission Advancement Corp.	613,285	6,071,521
Monument Circle Acquisition Corp.	69,903	692,739
Northern Star Investment Corp. III	550,747	5,466,164
Northern Star Investment Corp. IV	425,470	4,216,408
Orion Acquisition Corp.	252,217	2,484,337
Peridot Acquisition Corp. II	582,407	5,783,302
Pershing Square Tontine Holdings Ltd. Class A	457,176	9,015,511
Pine Technology Acquisition Corp.	1,290,095	9,704,737
Plum Acquisition Corp. I	969,880	9,436,932
Queen's Gambit Growth Capital	109,868	833,354
Ross Acquisition Corp. II	231,224	2,316,864
RXR Acquisition Corp.	9,883	97,842
Silver Spike Acquisition Corp. II	130,768	1,301,142
Slam Corp.	714,327	7,057,551
Stratim Cloud Acquisition Corp.	671,649	6,582,160
TCW Special Purpose Acquisition Corp.	118,726	1,175,387
Tio Tech A (Germany)	297,050	2,946,736
TLG Acquisition One Corp.	1,242,983	12,305,532
Twelve Seas Investment Co. II	990,015	9,830,849
Viking Acquisition (Norway)(c)(d)(e)	9,562,500	7,238,931
Virgin Orbit Holdings, Inc.	94,559	132,383
TOTAL SPECIAL PURPOSE ACQUISITION COMPANIES — 3.2%		
(Cost \$328,301,389)		<u>\$ 325,950,645</u>
BONDS & DEBENTURES		
CORPORATE BONDS & NOTES		
ENERGY — 0.0%		
Gulfport Energy Corp. — 6.000% 10/15/2024(d)(e)	\$ 18,209,000	\$ —
Gulfport Energy Corp. — 6.375% 5/15/2025(d)(e)	8,822,000	—
Gulfport Energy Corp. — 6.375% 1/15/2026(d)(e)	9,128,000	—
Gulfport Energy Corp. — 6.625% 5/1/2023(d)(e)	9,417,000	—
		<u>\$ —</u>
TOTAL CORPORATE BONDS & NOTES — 0.0% (Cost \$0)		<u>\$ —</u>

FPA CRESCENT FUND
PORTFOLIO OF INVESTMENTS (Continued)

December 31, 2021

BONDS & DEBENTURES — Continued	Principal Amount	Fair Value
CORPORATE BANK DEBT		
McDermott LC, 1M USD LIBOR + 4.000% — 4.131% 12/31/2025(c)(d)(e)(g)(i)(j)	\$ 28,718,370	\$ 17,142,040
McDermott Senior Exit LC — 3.000% 6/30/2024(e)(g)(i)	19,843,000	(9,326,210)
McDermott Technology Americas, Inc., 1M USD LIBOR + 1.000% — 1.087% 6/30/2025(c)(g)(j)	33,083,090	14,225,729
McDermott Technology Americas, Inc., 1M USD LIBOR + 3.000% — 3.090% 6/30/2024(c)(g)(j)	1,074,102	612,238
Steenbok LUX Financial 2 SARL, PIK — 10.750% 12/31/2022(c)	741,988	<u>763,446</u>
TOTAL CORPORATE BANK DEBT — 0.2% (Cost \$97,809,620)		<u>\$ 23,417,243</u>
 U.S. TREASURIES		
U.S. Treasury Bills — 0.020% 2/24/2022(k)	\$ 70,000,000	\$ 69,994,911
U.S. Treasury Bills — 0.030% 1/13/2022(k)	100,000,000	99,999,440
U.S. Treasury Bills — 0.030% 1/18/2022(k)	100,000,000	99,998,360
U.S. Treasury Bills — 0.030% 1/27/2022(k)	85,000,000	84,997,458
U.S. Treasury Bills — 0.030% 3/1/2022(k)	121,000,000	120,989,134
U.S. Treasury Bills — 0.033% 2/22/2022(k)	118,000,000	117,994,348
U.S. Treasury Bills — 0.035% 3/31/2022(k)	120,000,000	119,986,644
U.S. Treasury Bills — 0.037% 3/3/2022(k)	40,000,000	39,996,684
U.S. Treasury Bills — 0.038% 1/25/2022(k)	127,000,000	126,999,047
U.S. Treasury Bills — 0.041% 1/4/2022(k)	125,000,000	124,999,912
U.S. Treasury Bills — 0.041% 1/11/2022(k)	77,000,000	76,999,361
U.S. Treasury Bills — 0.041% 2/1/2022(k)	90,000,000	89,994,492
U.S. Treasury Bills — 0.043% 2/8/2022(k)	50,000,000	49,998,890
U.S. Treasury Bills — 0.043% 2/17/2022(k)	100,000,000	99,995,980
U.S. Treasury Bills — 0.046% 1/6/2022(k)	75,000,000	74,999,813
U.S. Treasury Bills — 0.047% 3/10/2022(k)	110,000,000	109,985,810
U.S. Treasury Bills — 0.047% 5/5/2022(k)	200,000,000	199,937,900
U.S. Treasury Bills — 0.048% 1/20/2022(k)	75,000,000	74,999,423
U.S. Treasury Cash Management Bills — 0.025% 2/15/2022(k)	100,000,000	<u>99,996,470</u>
TOTAL U.S. TREASURIES — 18.3% (Cost \$1,882,908,376)		<u>\$ 1,882,864,077</u>
 TOTAL BONDS & DEBENTURES — 18.5% (Cost \$1,980,717,996)		<u>\$ 1,906,281,320</u>
 TOTAL INVESTMENT SECURITIES — 95.4% (Cost \$7,008,607,690)		<u>\$ 9,811,696,375</u>

FPA CRESCENT FUND
PORTFOLIO OF INVESTMENTS (Continued)

December 31, 2021

SHORT-TERM INVESTMENTS	Shares or Principal Amount	Fair Value
Amazon.com, Inc.		
— 0.061% 2/11/2022	\$ 17,000,000	\$ 16,998,838
— 0.061% 2/14/2022	43,000,000	42,996,847
Apple, Inc. — 0.051% 1/11/2022	25,000,000	24,999,653
Cisco Systems, Inc.		
— 0.081% 2/2/2022	60,000,000	59,995,733
— 0.081% 2/3/2022	20,000,000	19,998,533
Johnson & Johnson — 0.061% 2/15/2022	40,000,000	39,997,000
Nestle Capital Corp. — 0.071% 1/12/2022	125,000,000	124,997,326
National Finance International Ltd. — 0.071% 1/11/2022	45,200,000	45,199,121
Roche Holdings, Inc.		
— 0.041% 1/19/2022	25,000,000	24,999,500
— 0.041% 1/21/2022	25,000,000	24,999,445
Roche Holdings, Inc. — 0.051% 1/10/2022	60,000,000	59,999,250
State Street Bank Repurchase Agreement — 0.00% 1/3/2022 (Dated 12/31/2021, repurchase price of \$104,822,000, collateralized by \$105,499,400 principal amount U.S. Treasury Notes 0.625% — 1.75% 2027 — 2028, fair value \$106,918,513)(1)	104,822,000	<u>104,822,000</u>
TOTAL SHORT-TERM INVESTMENTS — 5.7% (Cost \$590,003,246)		<u>\$ 590,003,246</u>
TOTAL INVESTMENTS — 101.1% (Cost \$7,598,610,936)		<u>\$10,401,699,621</u>
SECURITIES SOLD SHORT — (2.5)%		
COMMON STOCKS SOLD SHORT — (2.5)%		
SoftBank Corp. (Japan)	(1,426,732)	(18,040,352)
SPDR S&P 500 ETF Trust	(505,929)	<u>(240,296,038)</u>
TOTAL COMMON STOCKS SOLD SHORT (Proceeds \$188,622,673)		<u>\$ (258,336,390)</u>
TOTAL SECURITIES SOLD SHORT (Proceeds \$188,622,673)		<u>\$ (258,336,390)</u>
Other assets and liabilities, net — 1.4%		<u>141,592,762</u>
NET ASSETS — 100.0%		<u><u>\$10,284,955,993</u></u>

FPA CRESCENT FUND
PORTFOLIO OF INVESTMENTS (Continued)

December 31, 2021

- (a) Non-income producing security.
- (b) As of December 31, 2021, investments with a value of \$947,582,500 were fully or partially segregated with the broker(s)/custodian as collateral for short option contracts.
- (c) Restricted securities. These restricted securities constituted 3.29% of total net assets at December 31, 2021, 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 Trustees in accordance with the Fund's fair value procedures. These securities constituted 2.68% of total net assets at December 31, 2021.
- (e) Investments categorized as a significant unobservable input (Level 3) (See Note 8 of the Notes to Financial Statements).
- (f) 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.
- (g) Affiliated Security.
- (h) Controlled company.
- (i) All or a portion of this holding is subject to unfunded loan commitments. The stated interest rate reflects the weighted average of the reference rate and spread for the funded portion, if any, and the commitment fees on the portion of the loan that is unfunded.
- (j) Variable/Floating Rate Security — The rate shown is based on the latest available information as of December 31, 2021. For Corporate Bank Debt, 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.
- (k) Zero coupon bond. Coupon amount represents effective yield to maturity.
- (l) Security pledged as collateral (See Note 10 of the Notes to Financial Statements)

FPA CRESCENT FUND
PORTFOLIO OF INVESTMENTS (Continued)

December 31, 2021

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, 30-Year — 3-Year — USD-ISDA Swap Rate — 0.04]	0.04%	2/15/2023	Barclays Bank PLC	\$4,776,000,000	\$ 1,265,640	\$ 682,968
Call — CMS Cap Swap(c)(e)	Receive	Maximum of [0, 30-Year — 3-Year — USD-ISDA Swap Rate — 0.04]	0.04%	2/22/2023	Barclays Bank PLC	4,776,000,000	1,265,640	702,072
Call — CMS Cap Swap(c)(e)	Receive	Maximum of [0, 30-Year — 3-Year — USD-ISDA Swap Rate — 0.04]	0.04%	3/01/2023	Barclays Bank PLC	4,776,000,000	1,265,640	740,280
Call — CMS Cap Swap(c)(e)	Receive	Maximum of [0, 30-Year — 3-Year — USD-ISDA Swap Rate — 0.04]	0.04%	3/08/2023	Barclays Bank PLC	4,776,000,000	1,265,640	764,160
Call — CMS Cap Swap(c)(e)	Receive	Maximum of [0, 30-Year — 3-Year — USD-ISDA Swap Rate — 0.04]	0.04%	2/15/2023	Goldman Sachs Inter- national	9,204,500,000	2,531,237	902,041
Call — CMS Cap Swap(c)(e)	Receive	Maximum of [0, 30-Year — 3-Year — USD-ISDA Swap Rate — 0.04]	0.04%	2/22/2023	Goldman Sachs Inter- national	9,204,500,000	2,531,238	920,450

FPA CRESCENT FUND
PORTFOLIO OF INVESTMENTS (Continued)

December 31, 2021

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, 30-Year — 3-Year — USD-ISDA Swap Rate — 0.04]	0.04%	3/01/2023	Goldman Sachs Inter- national	\$9,204,500,000	\$ 2,531,237	\$ 948,063
Call — CMS Cap Swap(c)(e)	Receive	Maximum of [0, 30-Year — 3-Year — USD-ISDA Swap Rate — 0.04]	0.04%	3/08/2023	Goldman Sachs Inter- national	9,204,500,000	2,531,238	975,677
Call — CMS Cap Swap(c)(e)	Receive	Maximum of [0, 30-Year — 3-Year — USD-ISDA Swap Rate — 0.04]	0.04%	2/15/2023	Morgan Stanley	5,062,500,000	1,265,625	374,625
Call — CMS Cap Swap(c)(e)	Receive	Maximum of [0, 30-Year — 3-Year — USD-ISDA Swap Rate — 0.04]	0.04%	2/22/2023	Morgan Stanley	5,062,500,000	1,265,625	394,875
Call — CMS Cap Swap(c)(e)	Receive	Maximum of [0, 30-Year — 3-Year — USD-ISDA Swap Rate — 0.04]	0.04%	3/01/2023	Morgan Stanley	5,062,500,000	1,265,625	415,125
Call — CMS Cap Swap(c)(e)	Receive	Maximum of [0, 30-Year — 3-Year — USD-ISDA Swap Rate — 0.04]	0.04%	3/08/2023	Morgan Stanley	5,062,500,000	1,265,625	440,438
Call — OIS Cap Swap(c)(e)	Receive	3-Month USD-LIBOR	0.68%	1/11/2029	Morgan Stanley	260,061,813	7,038,227	14,960,836
							<u>\$27,288,237</u>	<u>\$23,221,610</u>

FPA CRESCENT FUND
PORTFOLIO OF INVESTMENTS (Continued)

December 31, 2021

Written Options

<u>Description</u>	<u>Pay/ Receive Floating Rate</u>	<u>Floating Rate Index</u>	<u>Exercise Rate</u>	<u>Expiration Date</u>	<u>Counter- party</u>	<u>Notional Amount</u>	<u>Premium</u>	<u>Fair Value</u>
Put — OIS Floor Swap(c)(e)	Pay	3-Month USD-LIBOR	0.35%	1/11/2029	Morgan Stanley	\$(260,061,813)	<u>\$(7,038,227)</u>	<u>\$(3,501,472)</u>

FPA CRESCENT FUND

PORTFOLIO OF INVESTMENTS — RESTRICTED SECURITIES

December 31, 2021

Issuer	Acquisition Date(s)	Cost	Fair Value	Fair Value as a % of Net Assets
Altaba Escrow	09/01/2021	—	\$ 28,204,147	0.27%
CMS CAP SWAPTION 4.000 FEB23 4.000 CALL Barclays Bank PLC 4.000% 02/15/2023	02/26/2020	\$ 1,265,640	682,968	0.01%
CMS CAP SWAPTION 4.000 FEB23 4.000 CALL Barclays Bank PLC 4.000% 02/22/2023	02/26/2020	1,265,640	702,072	0.01%
CMS CAP SWAPTION 4.000 MAR23 4.000 CALL Barclays Bank PLC 4.000% 03/01/2023	02/26/2020	1,265,640	740,280	0.01%
CMS CAP SWAPTION 4.000 MAR23 4.000 CALL Barclays Bank PLC 4.000% 03/08/2023	02/26/2020	1,265,640	764,160	0.01%
CMS CAP SWAPTION 4.000 FEB23 4.000 CALL Goldman Sachs International 4.000% 02/15/2023	02/26/2020	2,531,237	902,041	0.01%
CMS CAP SWAPTION 4.000 FEB23 4.000 CALL Goldman Sachs International 4.000% 02/22/2023	02/26/2020	2,531,238	920,450	0.01%
CMS CAP SWAPTION 4.000 MAR23 4.000 CALL Goldman Sachs International 4.000% 03/01/2023	02/26/2020	2,531,237	948,063	0.01%
CMS CAP SWAPTION 4.000 MAR23 4.000 CALL Goldman Sachs International 4.000% 03/08/2023	02/26/2020	2,531,238	975,677	0.01%
CMS CAP SWAPTION 4.000 FEB23 4.000 CALL Morgan Stanley 4.000% 02/15/2023	02/26/2020	1,265,625	374,625	0.00%
CMS CAP SWAPTION 4.000 FEB23 4.000 CALL Morgan Stanley 4.000% 02/22/2023	02/26/2020	1,265,625	394,875	0.00%
CMS CAP SWAPTION 4.000 MAR23 4.000 CALL Morgan Stanley 4.000% 03/01/2023	02/26/2020	1,265,625	415,125	0.00%
CMS CAP SWAPTION 4.000 MAR23 4.000 CALL Morgan Stanley 4.000% 03/08/2023	02/26/2020	1,265,625	440,438	0.00%

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

December 31, 2021

<u>Issuer</u>	<u>Acquisition Date(s)</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Fair Value as a % of Net Assets</u>
Epic Games, Inc.	06/25/2020	\$ 19,049,750	\$ 29,320,050	0.28%
FPS LLC (Marine Shipping)	01/11/2021, 04/13/2021, 07/06/2021, 12/21/2021	100,019,744	83,704,351	0.81%
FPS Shelby Holding I LLC (Marine Shipping)	02/04/2020, 03/26/2020, 04/29/2020, 07/24/2020	10,191,935	8,876,468	0.09%
Footpath Ventures SpV IV LP	09/24/2021	15,180,000	15,108,448	0.15%
GACP II L.P. (Credit)	01/17/2020	17,691,919	29,634,927	0.29%
McDermott International, Inc.	12/31/2020	—	13,554,380	0.13%
McDermott LC, 1M USD LIBOR + 4.000% — 4.131% 12/31/2025	03/04/2021, 03/05/2021	35,777,645	17,142,040	0.17%
McDermott Technology Americas, Inc., 1M USD LIBOR + 1.000% — 1.087% 6/30/2025	01/29/2021, 02/26/2021, 03/31/2021, 04/30/2021, 05/31/2021, 06/30/2021, 07/30/2021, 08/31/2021, 09/30/2021, 10/29/2021, 11/30/2021	68,814,705	14,225,729	0.14%
McDermott Technology Americas, Inc., 1M USD LIBOR + 3.000% — 3.090% 6/30/2024	07/01/2020	1,074,102	612,238	0.01%
OIS CAP SWAPTION 0.680 JAN29 0.680 CALL Morgan Stanley 0.680% 01/11/2029	10/19/2020	7,038,227	14,960,836	0.14%
OIS FLOOR SWAPTION 0.350 JAN29 0.350 PUT Morgan Stanley 0.350% 01/11/2029	10/19/2020	(7,038,227)	(3,501,472)	(0.03)%
Sound Holding FP	10/07/2013	68,546,025	55,564,380	0.54%
Steenbok LUX Financial 2 SARL, PIK — 10.750% 12/31/2022	06/30/2021, 12/31/2021	774,873	763,446	0.01%
U.S. Farming Realty Trust II, L.P. (Real Estate)	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, 07/29/2015	9,498,194	8,343,236	0.08%

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

December 31, 2021

<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. (Real Estate)	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	—	\$ 5,966,001	0.06%
Viking Acquisitions (Norway)	06/03/2021	\$ 7,607,534	7,238,931	0.07%
TOTAL RESTRICTED SECURITIES		<u>\$374,476,436</u>	<u>\$337,978,910</u>	<u>3.29%</u>

See accompanying Notes to Financial Statements.

FPA CRESCENT FUND

STATEMENT OF ASSETS AND LIABILITIES

December 31, 2021

ASSETS

Investment securities — at fair value (identified cost \$6,630,082,694)	\$ 9,593,852,970
Investments in affiliates — at fair value (identified cost \$378,524,996)	217,843,405
Short-term investments — at amortized cost (maturities 60 days or less)	590,003,246
Purchased options, at value (premiums paid \$27,288,237)	23,221,610
Deposits for securities sold short	200,949,412
Cash	2,603,729
Foreign currencies, at value (identified cost \$431,563)	433,749
Receivable for:	
Investment securities sold	54,929,510
Dividends and interest	16,968,233
Capital Stock sold	2,823,573
Prepaid expenses and other assets	<u>133,147</u>
Total assets	<u>\$10,703,762,584</u>

LIABILITIES

Securities sold short — at fair value (proceeds \$188,622,673)	258,336,390
Written options, at value (premiums received \$7,038,227)	3,501,472
Payable for:	
Investment securities purchased	123,999,928
Due to broker — OTC derivatives collateral	16,844,124
Advisory fees	7,956,957
Capital Stock repurchased	5,452,107
Accrued expenses and other liabilities	<u>2,715,613</u>
Total liabilities	<u>418,806,591</u>

NET ASSETS \$10,284,955,993

SUMMARY OF SHAREHOLDERS' EQUITY

Capital Stock — no par value; unlimited authorized shares;	
277,906,528 outstanding shares	\$ 7,619,890,262
Distributable earnings	<u>2,665,065,731</u>

NET ASSETS \$10,284,955,993

Institutional Class:

Net Assets	<u>\$8,394,401,553</u>
Shares outstanding, no par value; unlimited authorized shares	<u>226,818,699</u>
Offering and redemption price per share	<u>\$37.01</u>

Supra Institutional Class:

Net Assets	<u>\$1,890,554,440</u>
Shares outstanding, no par value; unlimited authorized shares	<u>51,087,829</u>
Offering and redemption price per share	<u>\$37.01</u>

See accompanying Notes to Financial Statements.

FPA CRESCENT FUND

STATEMENT OF OPERATIONS

For the Year Ended December 31, 2021

INVESTMENT INCOME

Dividends (net of foreign taxes withheld of \$4,842,819)	\$ 112,947,887
Interest	<u>8,841,456</u>
Total investment income	<u>121,789,343</u>

EXPENSES

Advisory fees	98,798,209
Short sale dividend expense	9,081,861
Transfer agent fees and expenses	6,359,107
Custodian fees	528,330
Other professional fees	412,533
Administrative services fees — Institutional Class	6,612,982
Trustee fees and expenses	340,633
Administrative services fees — Supra Institutional Class	245,903
Legal fees	335,157
Filing fees	221,139
Reports to shareholders	198,911
Audit and tax services fees	36,084
Redemption liquidity service	<u>614,129</u>
Total expenses	<u>123,784,978</u>
Reimbursement from Adviser	<u>(3,720,948)</u>
Net expenses	<u>120,064,030</u>
Net investment income	<u>1,725,313</u>

NET REALIZED AND UNREALIZED GAIN (LOSS)

Net realized gain (loss) on:	
Investments	1,101,996,252
Investments in affiliates	(12,199,048)
In-kind redemptions	289,418,221
Swap contracts	(3,630,439)
Investments in foreign currency transactions	(388,500)
Net change in unrealized appreciation (depreciation) of:	
Investments	109,642,608
Investments in affiliates	22,600,771
Investment securities sold short	(36,766,853)
Written options	2,851,838
Purchased options	(624,475)
Swap contracts	1,591,624
Translation of foreign currency denominated amounts	<u>(689,303)</u>
Net realized and unrealized gain	<u>1,473,802,696</u>

NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS **\$1,475,528,009**

See accompanying Notes to Financial Statements.

FPA CRESCENT FUND

STATEMENTS OF CHANGES IN NET ASSETS

	<u>Year Ended</u> <u>December 31, 2021</u>	<u>Year Ended</u> <u>December 31, 2020</u>
INCREASE (DECREASE) IN NET ASSETS		
Operations:		
Net investment income	\$ 1,725,313	\$ 59,992,476
Net realized gain	1,375,196,486	816,651,617
Net change in unrealized appreciation (depreciation)	<u>98,606,210</u>	<u>(296,372,002)</u>
Net increase in net assets resulting from operations	<u>1,475,528,009</u>	<u>580,272,091</u>
Distributions to shareholders — Institutional Class	(919,984,099)	(510,592,905)
Distributions to shareholders — Supra Institutional Class	<u>(200,997,258)</u>	<u>(12,461,447)^(a)</u>
Total distributions to shareholders	<u>(1,120,981,357)</u>	<u>(523,054,352)</u>
Capital Stock transactions: ^(b)		
Proceeds from Capital Stock sold	1,976,165,831	2,408,393,979
Proceeds from shares issued to shareholders upon reinvestment of dividends and distributions	964,804,823	458,862,950
Cost of Capital Stock repurchased ^(c)	<u>(3,093,196,869)</u>	<u>(6,850,927,376)</u>
Net decrease from Capital Stock transactions	<u>(152,226,215)</u>	<u>(3,983,670,447)</u>
Total change in net assets	202,320,437	(3,926,452,708)
NET ASSETS		
Beginning of Year	<u>10,082,635,556</u>	<u>14,009,088,264</u>
End of Year	<u><u>\$10,284,955,993</u></u>	<u><u>\$10,082,635,556</u></u>

(a) Period from September 4, 2020, date operations commenced, through December 31, 2020.

(b) See Note 9, Capital Stock, in the Notes to Financial Statements.

(c) Net of redemption fees of \$431,341 and \$444,210 for the year ended December 31, 2021 and year ended December 31, 2020, respectively, see Note 7 in the Notes to Financial Statements.

See accompanying Notes to Financial Statements.

FPA CRESCENT FUND

FINANCIAL HIGHLIGHTS

Selected Data for Each Share of Capital Stock Outstanding Throughout Each Period

	Year Ended December 31				
	2021	2020	2019	2018	2017
Institutional Class					
Per share operating performance:					
Net asset value at beginning of year	<u>\$35.97</u>	<u>\$33.83</u>	<u>\$29.53</u>	<u>\$34.69</u>	<u>\$32.61</u>
Income from investment operations:					
Net investment income ^(a)	— ^(b)	0.18	0.62	0.24	0.23
Net realized and unrealized gain (loss) on investment securities	<u>5.34</u>	<u>3.69</u>	<u>5.25</u>	<u>(2.78)</u>	<u>3.14</u>
Total from investment operations	<u>5.34</u>	<u>3.87</u>	<u>5.87</u>	<u>(2.54)</u>	<u>3.37</u>
Less distributions:					
Dividends from net investment income . .	(0.29)	(0.11)	(0.80)	(0.21)	(0.34)
Distributions from net realized capital gains	<u>(4.01)</u>	<u>(1.62)</u>	<u>(0.77)</u>	<u>(2.41)</u>	<u>(0.95)</u>
Total distributions	<u>(4.30)</u>	<u>(1.73)</u>	<u>(1.57)</u>	<u>(2.62)</u>	<u>(1.29)</u>
Redemption fees	— ^(b)	— ^(b)	— ^(b)	— ^(b)	— ^(b)
Net asset value at end of year	<u>\$37.01</u>	<u>\$35.97</u>	<u>\$33.83</u>	<u>\$29.53</u>	<u>\$34.69</u>
Total investment return	15.17%	12.11%	20.02%	(7.43)%	10.39%
Ratios/supplemental data:					
Net assets, end of year (000's)	\$8,394,402	\$8,903,455	\$14,009,883	\$13,707,240	\$17,484,747
Ratio of expenses to average net assets:					
Before reimbursement from Adviser	1.17% ^(c)	1.15% ^(c)	1.23% ^(c)	1.18% ^(c)	1.10% ^(c)
After reimbursement from Adviser	1.14% ^(c)	1.13% ^(c)	1.23% ^(c)	1.18% ^(c)	1.10% ^(c)
Net investment income:					
Before reimbursement from Adviser	(0.03)%	0.54%	1.90%	0.70%	0.66%
After reimbursement from Adviser	0.01%	0.56%	1.90%	0.70%	0.66%
Portfolio turnover rate	20%	29%	23%	64%	18%

(a) Per share amount is based on average shares outstanding.

(b) Rounds to less than \$0.01 per share.

(c) For the periods ended December 31, 2021, December 31, 2020, December 31, 2019, December 31, 2018 and December 31, 2017, the expense ratio includes short sale dividend expense equal to 0.09%, 0.07%, 0.16%, 0.11% and 0.03% of average net assets, respectively.

See accompanying Notes to Financial Statements.

FPA CRESCENT FUND

FINANCIAL HIGHLIGHTS

Selected Data for Each Share of Capital Stock Outstanding Throughout Each Period

	<u>Year Ended</u> <u>December 31, 2021</u>	<u>Period from</u> <u>September 4,</u> <u>through</u> <u>December 31, 2020</u>
Supra Institutional Class		
Per share operating performance:		
Net asset value at beginning of period	<u>\$35.98</u>	<u>\$31.96</u>
Income from investment operations:		
Net investment income ^(a)	0.02	0.01
Net realized and unrealized gain on investment securities	<u>5.33</u>	<u>4.81</u>
Total from investment operations	<u>5.35</u>	<u>4.82</u>
Less distributions:		
Dividends from net investment income	(0.31)	—
Distributions from net realized capital gains	<u>(4.01)</u>	<u>(0.80)</u>
Total distributions	<u>(4.32)</u>	<u>(0.80)</u>
Redemption fees	<u>—^(b)</u>	<u>—^(b)</u>
Net asset value at end of period	<u>\$37.01</u>	<u>\$35.98</u>
Total investment return	15.24%	15.08%
Ratios/supplemental data:		
Net assets, end of period (in 000's)	\$1,890,554	\$1,179,180
Ratio of expenses to average net assets:		
Before reimbursement from Adviser	1.12% ^(d)	1.14% ^{(c)(d)}
After reimbursement from Adviser	1.09% ^(d)	1.11% ^{(c)(d)}
Net investment income:		
Before reimbursement from Adviser	0.02%	0.07% ^(c)
After reimbursement from Adviser	0.06%	0.10% ^(c)
Portfolio turnover rate	20%	29%

(a) Per share amount is based on average shares outstanding.

(b) Rounds to less than \$0.01 per share.

(c) Annualized.

(d) For the periods ended December 31, 2021 and December 31, 2020, the expense ratio includes short sale dividend expense equal to 0.10% and 0.13% of average net assets, respectively.

See accompanying Notes to Financial Statements.

FPA CRESCENT FUND

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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. Market discounts and premiums on fixed income securities are amortized over the expected life of the securities using effective interest rate method. Realized gains or losses are based on the specific identification method. 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.

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. Actual results could differ from those estimates.

D. Recent Accounting Pronouncements

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform (Topic 848) Facilitation of the Effects of Reference Rate Reform on Financial Reporting, which provides optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships, and other transaction to ease the potential burden in accounting for (or recognizing the effects of) reference rate reform on financial reporting if certain criteria are met. The guidance is effective from March 12, 2020 through December 31, 2022. 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.

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.

FPA CRESCENT FUND

NOTES TO FINANCIAL STATEMENTS (Continued)

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. Debt securities are subject to credit risk, meaning that the issuer of the debt security may default or fail to make timely payments of principal or interest. 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.

Special Purpose Acquisition Companies Risk — The Fund may invest in stock, warrants, and other securities of special purpose acquisition companies ("SPACs") or similar special purpose entities that pool funds to seek potential acquisition opportunities. Because SPACs and similar entities are in essence blank check companies

FPA CRESCENT FUND

NOTES TO FINANCIAL STATEMENTS (Continued)

without operating history or ongoing business other than seeking acquisitions, the value of their securities is particularly dependent on the ability of the entity's management to identify and complete a profitable acquisition. An investment in a SPAC is subject to a variety of risks, including that (i) a portion of the monies raised by the SPAC for the purpose of effecting an acquisition or merger may be expended prior to the transaction for payment of taxes and other purposes; (ii) prior to any acquisition or merger, a SPAC's assets are typically invested in government securities, money market funds and similar investments whose returns or yields may be significantly lower than those of the Fund's other investments; (iii) the Fund generally will not receive significant income from its investments in SPACs (both prior to and after any acquisition or merger) and, therefore, the Fund's investments in SPACs will not significantly contribute to the Fund's distributions to shareholders; (iv) an attractive acquisition or merger target may not be identified at all, in which case the SPAC will be required to return any remaining monies to shareholders; (v) if an acquisition or merger target is identified, the Fund may elect not to participate in the proposed transaction or the Fund may be required to divest its interests in the SPAC due to regulatory or other considerations, in which case the warrants or other rights with respect to the SPAC held by the Fund may expire worthless or may be repurchased or retired by the SPAC at an unfavorable price; (vi) any proposed merger or acquisition may be unable to obtain the requisite approval, if any, of SPAC shareholders; (vii) under any circumstances in which the Fund receives a refund of all or a portion of its original investment (which typically represents a pro rata share of the proceeds of the SPAC's assets, less any applicable taxes), the returns on that investment may be negligible, and the Fund may be subject to opportunity costs to the extent that alternative investments would have produced higher returns; (viii) to the extent an acquisition or merger is announced or completed, shareholders who redeem their shares prior to that time may not reap any resulting benefits; (ix) the Fund may be delayed in receiving any redemption or liquidation proceeds from a SPAC to which it is entitled; (x) an acquisition or merger once effected may prove unsuccessful and an investment in the SPAC may lose value; (xi) an investment in a SPAC may be diluted by additional later offerings of interests in the SPAC or by other investors exercising existing rights to purchase shares of the SPAC; (xii) only a thinly traded market for shares of or interests in a SPAC may develop, or there may be no market at all, leaving the Fund unable to sell its interest in a SPAC or to sell its interest only at a price below what the Fund believes is the SPAC interest's intrinsic value; and (xiii) the values of investments in SPACs may be highly volatile and may depreciate significantly over time.

Many countries have experienced outbreaks of infectious illnesses in recent decades, including swine flu, avian influenza, SARS and, more recently, COVID-19. The global outbreak of COVID-19 in early 2020 has resulted in various disruptions, including travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The full effects, duration and costs of the COVID-19 pandemic are impossible to predict, and the circumstances surrounding the COVID-19 pandemic will continue to evolve, including the risk of future increased rates of infection due to low vaccination rates and/or the lack of effectiveness of current vaccines against new variants. Similar consequences could arise as a result of the spread of other infectious diseases. Management will continue to monitor the impact COVID-19 has on the Fund and reflect the consequences as appropriate in the Fund's accounting and financial reporting.

NOTE 3 — Purchases and Sales of Investment Securities

Cost of purchases of investment securities (excluding short-term investments) aggregated \$1,694,852,711 for the year ended December 31, 2021. The proceeds and cost of securities sold resulting in net realized gains of \$1,379,291,697 aggregated \$3,237,975,672 and \$1,858,683,975, respectively, for the year ended December 31, 2021.

FPA CRESCENT FUND

NOTES TO FINANCIAL STATEMENTS (Continued)

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.

Distributions paid to shareholders are based on net investment income and net realized gains determined on a tax reporting basis, which may differ from financial reporting.

For federal income tax purposes, the Fund had the following components of distributable earnings at December 31, 2021:

Unrealized appreciation	\$2,599,243,686
Undistributed capital gains	60,186,345
Undistributed ordinary income	5,635,700

The tax status of distributions paid during the fiscal years ended December 31, 2021 and 2020 were as follows:

	2021	2020
Dividends from ordinary income	\$122,817,067	\$110,604,770
Distributions from long-term capital gains	998,164,291	412,449,582

The Fund utilizes the provisions of federal income tax laws that provide for the carryforward of capital losses for prior years, offsetting such losses against any future realized capital gains. The Fund did not generate or utilize capital losses during the current tax year.

The cost of investment securities held at December 31, 2021 was \$7,759,532,758 for federal income tax purposes. Gross unrealized appreciation and depreciation for all investments at December 31, 2021, for federal income tax purposes was \$2,751,914,148 and \$152,670,462, respectively resulting in net unrealized appreciation of \$2,599,243,686. As of and during the year ended December 31, 2021, 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.

During the year ended December 31, 2021, the Fund reclassified \$441,303,768 from Distributable Earnings to Paid in Capital to align financial reporting to tax reporting. These permanent differences are primarily due to redemptions in kind, distributions made in connection with redemption of fund shares, and prior period adjustments. Net assets were not affected by these reclassifications.

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”).

Effective September 4, 2020, the Board approved the addition of the Supra Institutional Class shares and the reduction in the annual advisory fee rate paid by the Fund to 0.93%. The current management fee rate paid by

FPA CRESCENT FUND

NOTES TO FINANCIAL STATEMENTS (Continued)

Institutional Class shares is 1.00% and Supra Institutional Class shares is 0.94%, which includes both the advisory fee of 0.93% and a class-specific administrative service fee of 0.07% for Institutional Class and 0.01% for Supra Institutional Class. In addition, the Adviser has contractually agreed to reimburse operating expenses in excess of 0.05% of the average daily net assets of the Fund, excluding management fees, administrative service fees, short sale dividend expenses and interest expenses on cash deposits relating to short sales, brokerage fees and commissions, redemption liquidity service expense, interest, taxes, fees and expenses of other funds in which the Fund invests, and extraordinary expenses, including litigation expenses not incurred in the Fund's ordinary course of business, through April 30, 2022. The Adviser has also contractually agreed to reimburse the Fund for redemption liquidity service expenses in excess of 0.0044% of the average net assets of the Fund through April 30, 2022. This agreement may only be terminated earlier by the Fund's Board of Trustees (the "Board") or upon termination of the Advisory Agreement. The reductions and reimbursements are in amounts that maintain total operating expenses at or below certain limits. The limit is expressed as a percentage of average daily net assets attributable to the Fund on an annualized basis during the reporting period. The expenses borne by the Adviser are subject to reimbursement by the Fund through the fiscal year end, provided no reimbursement will be made if it would result in the Fund exceeding the total operating expense limits. Any amounts outstanding at the end of the period are shown as an expense reimbursement from Adviser or expense reimbursement to Adviser on the Statement of Assets and Liabilities.

For the year ended December 31, 2021, the Fund paid aggregate fees and expenses of \$340,633 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. The Fund considers cash deposits held in connection with securities sold short to be restricted cash. The restriction will lapse when the related short positions are terminated. 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 year ended December 31, 2021, the Fund collected \$431,341 in redemption fees. The impact of these fees is less than \$0.01 per share. Subsequent to the December 31, 2021, the Board unanimously approved the elimination of the Fund's 2% redemption fee effective February 18, 2022.

The Funds may participate in the ReFlow Fund, LLC ("ReFlow") liquidity program, which is designed to provide an alternative liquidity source on days when redemptions of Fund shares exceed purchases. Under the program, ReFlow is available to provide cash to the Funds to meet all, or a portion, of daily net shareowner redemptions. Following purchases of Fund shares, ReFlow then generally redeems those shares when the Fund experiences net sales, at the end of a maximum holding period determined by ReFlow (currently 14 days) or at other times at ReFlow's discretion. For use of the ReFlow service, a participating Fund pays a fee to ReFlow each time it purchases Fund shares, calculated by applying to the purchase amount a fee rate determined through an automated daily "Dutch auction" among other participating mutual funds seeking liquidity that day. The current minimum fee rate is 0.20% of the value of the Fund shares purchased by ReFlow, although the Fund may submit a bid at a higher fee rate if it determines that doing so is in the best interest of Fund shareowners. In accordance with federal securities laws, ReFlow is prohibited from acquiring more than 3% of the outstanding voting securities of a Fund. ReFlow will periodically redeem its entire share position in the Fund and request that

FPA CRESCENT FUND

NOTES TO FINANCIAL STATEMENTS (Continued)

such redemption be met in kind in accordance with the Fund's in-kind redemption policies. There is no assurance that ReFlow will have sufficient funds available to meet the Funds' liquidity needs on a particular day. During the year ended December 31, 2021, only FPA Crescent Fund participated in ReFlow. Fees associated with ReFlow are disclosed in the Statements of Operations within redemption liquidity service fees.

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 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.

Investments in open-end investment companies are valued at their net asset value each business day and are categorized as Level 1. The investments in limited partnerships represent investments in private funds which are valued at their net asset value as a practical expedient. The net asset value of the limited partnerships has been estimated primarily based upon the pro-rata ownership of the fair value of the limited partnerships as reported by

FPA CRESCENT FUND

NOTES TO FINANCIAL STATEMENTS (Continued)

the Management of the limited partnerships. Investments in private funds can never be redeemed. Instead, the nature of the investments in this category is that distributions are received through the liquidation of the underlying assets of the limited partnerships.

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 December 31, 2021: (see Portfolio of Investments for industry categories):

Investments	Level 1	Level 2	Level 3	Total
Common Stocks				
Internet Media	\$1,246,288,420	—	—	\$ 1,246,288,420
Semiconductor Devices	750,982,320	—	—	750,982,320
Cable & Satellite	606,171,982	—	—	606,171,982
Application Software	432,602,901	—	\$ 29,320,050	461,922,951
Cement & Aggregates	351,198,517	—	—	351,198,517
Electrical Components	313,728,857	—	—	313,728,857
Diversified Banks	310,815,455	—	—	310,815,455
P&C Insurance	295,394,921	—	—	295,394,921
Banks	258,597,446	—	—	258,597,446
Industrial Distribution & Rental	255,295,531	—	—	255,295,531
Insurance Brokers	237,530,765	—	—	237,530,765
Base Metals	233,777,756	—	—	233,777,756
Investment Companies	227,886,352	—	—	227,886,352
Institutional Brokerage	182,266,220	—	—	182,266,220
Food Services	177,975,418	—	—	177,975,418
E-Commerce Discretionary	135,650,774	—	—	135,650,774
Chemicals	130,657,238	—	—	130,657,238
Infrastructure Software	116,022,209	—	—	116,022,209
Hotels, Restaurants & Leisure	114,575,764	—	—	114,575,764
Railroad Rolling Stock	103,443,122	—	—	103,443,122
Apparel, Footwear & Accessory Design	101,746,095	—	—	101,746,095
Specialty Chemicals	98,854,522	—	—	98,854,522
Wealth Management	97,124,362	—	—	97,124,362
Telecom Carriers	92,732,866	—	—	92,732,866

FPA CRESCENT FUND
NOTES TO FINANCIAL STATEMENTS (Continued)

Investments	Level 1	Level 2	Level 3	Total
Midstream — Oil & Gas	\$ 83,469,546	—	—	\$ 83,469,546
Commercial & Residential				
Building Equipment & Systems	80,246,092	—	—	80,246,092
Computer Hardware & Storage	66,993,341	—	—	66,993,341
Real Estate Owners & Developers	57,520,515	—	—	57,520,515
Marine Shipping	—	—	\$ 55,564,380	55,564,380
Industrials	49,631,577	—	—	49,631,577
Integrated Utilities	43,674,998	—	—	43,674,998
Entertainment Content	25,656,715	—	—	25,656,715
Oil & Gas Services & Equipment	19,180,792	—	—	19,180,792
Closed End Fund	—	\$ 28,204,147	—	28,204,147
Limited Partnerships	—	—	151,633,431	151,633,431
Preferred Stocks				
Engineering Services	—	—	13,554,380	13,554,380
Energy	—	—	727,363	727,363
Warrant				
Energy	2,767,270	—	—	2,767,270
Special Purpose Acquisition				
Companies	318,711,714	—	7,238,931	325,950,645
Corporate Bank Debt	—	15,601,413	7,815,830	23,417,243
U.S. Treasuries	—	1,882,864,077	—	1,882,864,077
Short-Term Investments	—	590,003,246	—	590,003,246
	<u>\$7,619,172,373</u>	<u>\$2,516,672,883</u>	<u>\$265,854,365</u>	<u>\$10,401,699,621</u>
Purchased Options (interest rate risk)	—	—	\$ 23,221,610	\$ 23,221,610
Written Options (interest rate risk)	—	—	(3,501,472)	(3,501,472)
	<u>—</u>	<u>—</u>	<u>\$ 19,720,138</u>	<u>\$ 19,720,138</u>
Common Stock Sold Short	<u>\$ (258,336,390)</u>	<u>—</u>	<u>—</u>	<u>\$ (258,336,390)</u>

FPA CRESCENT FUND

NOTES TO FINANCIAL STATEMENTS (Continued)

The following table summarizes the Fund's Level 3 investment securities and related transactions during the year ended December 31, 2021:

Investments	Beginning Value at December 31, 2020	Net Realized and Unrealized Gains (Losses)*	Purchases	(Sales)	Gross Transfers In/(Out)	Ending Value at December 31, 2021	Net Change in Unrealized Appreciation (Depreciation) related to Investments held at December 31, 2021
Common Stocks	\$ 50,973,743	\$ 33,910,687	—	—	—	\$ 84,884,430	\$33,910,687
Closed End Fund	67,513,975	(36,741,491)	—	\$ (2,568,337)	\$(28,204,147)	—	—
Limited Partnerships	139,460,218	22,801,321	\$ 31,798,163	(42,426,271)	—	151,633,431	22,801,321
Preferred Stock	7,906,722	5,101,094	1,274,000	(73)	—	14,281,743	5,102,496
Special Purpose Acquisition Companies	—	(368,605)	7,607,535	—	—	7,238,930	(368,605)
Asset-Backed Securities — Marine Shipping	4,410,116	634,907	—	(5,045,023)	—	—	—
Corporate Bank Debt	22,136,102	(14,048,873)	51,258,510	(51,529,909)	—	7,815,830	(7,845,374)
Purchased Options (interest rate risk)	23,846,085	(624,475)	—	—	—	23,221,610	(624,475)
Written Options (interest rate risk)	(6,353,310)	2,851,838	—	—	—	(3,501,472)	2,851,838
Credit Default Swaps (credit risk)	(59,388)	(1,024,582)	59,693,808	(58,609,838)	—	—	—
	<u>\$309,834,263</u>	<u>\$ 12,491,821</u>	<u>\$151,632,016</u>	<u>\$(160,179,451)</u>	<u>\$(28,204,147)</u>	<u>\$285,574,502</u>	<u>\$55,827,888</u>

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

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 transfers of \$28,204,147 out of Level 3 into Level 2. Transfers out of Level 3 were due to change in valuation technique from recent trade activity to vendor priced.

The following table summarizes the quantitative inputs and assumptions used for items categorized as Level 3 of the fair value hierarchy as of December 31, 2021:

Financial Assets	Fair Value at December 31, 2021	Valuation Technique(s)	Unobservable Inputs	Price/Range	Weighted Average
Special Purpose Acquisition Companies	\$ 7,238,930	Restricted Security ^(a)	Cost	\$0.76	\$0.76
Corporate Bank Debt	\$ 7,815,830	Pricing Model ^(b)	Quotes/Prices	\$47.00-\$53.00	\$50.89
Preferred Stock	\$14,281,743	Pricing Model ^(b)	Quotes/Prices	\$540.79-\$600.00	\$596.98
Purchased Options (interest rate risk)	\$23,221,610	Third-Party Broker Quote ^(c)	Quotes/Prices	\$0.00-\$0.06	\$0.04
Written Options (interest rate risk)	\$ (3,501,472)	Third-Party Broker Quote ^(c)	Quotes/Prices	\$0.01	\$0.01

FPA CRESCENT FUND

NOTES TO FINANCIAL STATEMENTS (Continued)

Financial Assets	Fair Value at December 31, 2021	Valuation Technique(s)	Unobservable Inputs	Price/Range	Weighted Average
Common Stocks — Long	\$55,564,380	Market Approach ^(a)	Shipping Broker Valuations	N/A	N/A
			Discounts	59%	59%
	29,320,050	Most Recent Capitalization (Funding) ^(b)	Quotes/Prices	\$885.00	\$885.00
Limited Partnerships	\$29,634,927	NAV as Practical Expedient ^(c)	Market Discount	15%	15%
	92,580,819	Market Approach ^(d)	Shipping Broker Valuations	N/A	N/A
			Discounts	35%-69%	38%
	15,108,448	NAV as Practical Expedient ^(e)	Market Discount	N/A	N/A
	14,309,237	Discounted NAV ^(g)	Market Discount	26%-31%	28%

^(a) The fair value of the investment is based on the initial purchase price. If the financial condition of the underlying assets were to deteriorate, or if the market comparables were to fall, the value of the investment could be lower.

^(b) The Pricing Model technique for Level 3 securities involves recently quoted funding prices of the security.

^(c) The Third Party Broker Quote technique involves obtaining a third-party broker quote for the security.

^(d) The fair value of the investment is based on the market approach, which involves obtaining broker quotes for the underlying vessels based on free and clear charter rates, and further discounting those quotes for vessel-specific contracted charter rates.

^(e) The fair value of the investment is based on capital funding terms. If the financial condition of the underlying assets were to deteriorate, or if the market comparables were to fall, the value of the investment could be lower.

^(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.

^(g) 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.

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

FPA CRESCENT FUND

NOTES TO FINANCIAL STATEMENTS (Continued)

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

Credit Default Swaps: The Fund enters into credit default swap contracts for investment purposes and to manage its credit risk. Credit default swap agreements involve one party making a stream of payments (referred to as the buyer of protection) to another party (the seller of protection) in exchange for the right to receive a specified return in the event of a default or other credit event for the referenced entity, obligation or index. The Fund may purchase or sell protection. A seller of protection generally receives an upfront payment or periodic payments throughout the term of the swap provided there is no credit event. Such periodic payments received are accrued daily and accounted for as realized gains. If a credit event occurs, as defined under the terms of the swap agreement, the Fund will either (i) pay to the buyer of protection an amount equal to the notional amount of the swap and take delivery of the referenced obligation or underlying securities comprising the referenced index or (ii) pay a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index. The buyer of protection generally pays an upfront premium or periodic payments throughout the term of the swap provided there is no credit event. Such periodic payments paid are accrued daily and accounted for as realized losses.

Entering into credit default swaps involves, to varying degrees, elements of credit, market and documentation risk in excess of the related amounts recognized in the Consolidated Statement of Assets and Liabilities. Such risks involve the possibility that there will be no liquid market for these agreements, that the counterparty to the

FPA CRESCENT FUND
NOTES TO FINANCIAL STATEMENTS (Continued)

agreements may default on its obligations to perform or disagree as to the meaning of the contractual terms in the agreements, and that there will be unfavorable changes in net interest rates.

<u>Derivative Type</u>	Asset Derivatives		Liability Derivatives	
	Statement of Assets and Liabilities Location	Fair Value	Statement of Assets and Liabilities Location	Fair Value
Interest rate contracts	Purchased options, at value	<u>\$23,221,610</u>	Written options, at value	<u>\$(3,501,472)</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)	
Credit contracts	Swap contracts	\$(3,630,439)	\$1,591,624	
Interest rate contracts	Written options, Purchased options	— —	2,851,838 (624,475)	
Total		<u>\$(3,630,439)</u>	<u>\$3,818,987</u>	

The following table represents the average monthly volume of the Fund's derivative transactions during the year ended December 31, 2021:

Purchased Options

Average notional amount	
Calls	\$76,432,061,813

Written Options

Average notional amount	
Puts	\$ (260,061,813)

Swaps

Average notional amount	\$ 24,872,420
-------------------------	---------------

FPA CRESCENT FUND

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 — Capital Stock

	Year Ended December 31, 2021		Year Ended December 31, 2020	
	Shares	Amount	Shares	Amount
Capital Stock sold				
Institutional Class	21,888,320	\$ 862,574,874	32,818,768	\$ 1,033,674,881
Supra Institutional Class	28,356,842	1,113,590,957	39,911,145 ^(a)	1,374,719,098 ^(a)
Issued to shareholders upon reinvestment of dividends and distributions				
Institutional Class	21,538,321	793,113,350	14,134,128	450,582,121
Supra Institutional Class	4,686,401	171,691,473	233,585 ^(a)	8,280,829 ^(a)
Capital Stock repurchased				
Institutional Class	(64,107,130)	(2,510,889,410)	(213,605,986)	(6,622,737,320)
Supra Institutional Class	(14,728,481)	(582,307,459)	(7,371,663) ^(a)	(228,190,056) ^(a)
Change in Capital Stock outstanding	<u>(2,365,727)</u>	<u>\$ (152,226,215)</u>	<u>(133,880,023)</u>	<u>\$(3,983,670,447)</u>

^(a) Period from September 4, 2020, date operations commenced, through December 31, 2020.

NOTE 10 — 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

FPA CRESCENT FUND

NOTES TO FINANCIAL STATEMENTS (Continued)

subject to an agreement similar to a master netting arrangement. The following table presents the Fund's OTC derivative assets, liabilities and master repurchase agreements by counterparty net of amounts available for the offset under an ISDA Master agreement or similar agreements and net of the related collateral received or pledged by the Fund as of December 31, 2021:

<u>Counterparty</u>	<u>Product</u>	<u>Gross Assets (Liabilities) in the Statement of Assets and Liabilities</u>	<u>Cash Collateral (Received) Pledged</u>	<u>Financial Instruments (Received) Pledged</u>	<u>Assets (Liabilities) Available for Offset</u>	<u>Net Amount of Asset and (Liabilities)^(a)</u>
State Street Bank and Trust Company:	Repurchase Agreement	\$104,822,000		\$(104,822,000) ^(b)	—	—
Barclays Bank PLC:	Purchased Options	\$ 2,889,480	—	2,159,793	—	\$5,049,273
Goldman Sachs International:	Purchased Options	\$ 3,746,231	\$ (3,746,231) ^(c)	—	—	—
Morgan Stanley:	Purchased Options	\$ 16,585,899	\$(13,084,427) ^(d)	—	\$(3,501,472)	—
	Written Options	\$ (3,501,472)	—	—	\$ 3,501,472	—

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

^(b) Collateral with a value of \$106,918,513 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.

^(c) Collateral with a value of \$3,755,124 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.

^(d) Collateral with a value of \$13,089,000 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 11 — Commitments

As of December 31, 2021 the Fund was liable for the following unfunded commitments:

<u>Asset Class</u>	<u>Unfunded Commitment</u>
Corporate Bank Debt	\$10,038,100

FPA CRESCENT FUND

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 12 — 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 year ended December 31, 2021, appear below:

Investments	Shares Held as of December 31, 2020	Beginning Value as of December 31, 2020	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 December 31, 2021	Shares as of December 31, 2021	Dividend Income from Affiliated Investments
Common										
Stocks — 0.73%										
Oil & Gas										
Services & Equipment — 0.19%										
McDermott										
International Ltd. ^{(a)(b)}	39,633,209	\$ 32,102,899	\$16,331,720	\$(12,757,114)	—	\$(16,496,713)	—	\$ 19,180,792	46,782,420	—
Marine										
Shipping — 0.54%										
Sound Holding FP (Luxembourg) ^{(b)(c)(d)(e)}	1,146,250	31,923,993	—	—	—	23,640,387	—	55,564,380	1,146,250	—
Corporate										
Bank Debt — 0.22%										
McDermott LC,										
1M USD LIBOR — 4.000% — 4.131%										
12/31/2025 ^{(c)(d)(e)(f)(g)}	22,648,178	27,920,992	1,707,660	—	\$ (2,343,243)	(10,143,369)	—	17,142,040	28,718,370	—
McDermott										
Senior Exit LC — 3.000%										
6/30/2024 ^{(e)(f)}	12,520,193	(1,252,019)	428,679	(9,425,613)	365,229	557,514	—	(9,326,210)	19,843,000	—
McDermott										
Technology Americas, Inc., 1M USD LIBOR + 1.000% — 1.087%										
6/30/2025 ^{(c)(g)}	32,176,109	20,270,949	906,981	—	—	(6,952,201)	—	14,225,729	33,083,090	—
McDermott										
Technology Americas, Inc., 1M USD LIBOR + 3.000% — 3.090%										
6/30/2024 ^{(c)(g)}	1,074,102	859,281	—	—	—	(247,043)	—	612,238	1,074,102	—
		47,799,203	3,043,320	(9,425,613)	(1,978,014)	(16,785,099)	—	22,653,797		—

FPA CRESCENT FUND

NOTES TO FINANCIAL STATEMENTS (Continued)

Investments	Shares Held as of December 31, 2020	Beginning Value as of December 31, 2020	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 December 31, 2021	Shares as of December 31, 2021	Dividend Income from Affiliated Investments
Limited										
Partnerships — 1.04%										
FPS LLC ^{(b)(c)(d)(e)}	1,076,253	\$ 65,661,790	\$ 16,618,162	\$(14,192,470)	—	\$ 15,616,869	—	\$ 83,704,351	1,185,446	—
FPS Shelby Holding I LLC ^{(b)(c)(d)(e)}	107,799	9,464,470	—	(588,000)	—	(2)	—	8,876,468	107,799	—
U.S. Farming Realty Trust, L.P. ^{(b)(c)(d)(e)}	350,000	17,906,499	—	(14,150,050)	—	2,209,552	—	5,966,001	350,000	—
U.S. Farming Realty Trust II, L.P. ^{(b)(c)(d)(e)}	120,000	8,544,132	—	—	—	(200,896)	—	8,343,236	120,000	—
		<u>101,576,891</u>	<u>16,618,162</u>	<u>(28,930,520)</u>	<u>—</u>	<u>17,625,523</u>	<u>—</u>	<u>106,890,056</u>		<u>—</u>
Preferred										
Stocks — 0.13%										
Engineering Services — 0.13%										
McDermott International, Inc. ^{(c)(d)(e)}	225,906	<u>7,906,722</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>5,647,658</u>	<u>—</u>	<u>13,554,380</u>	22,591	<u>—</u>
Total Affiliate Investments — 2.12%		<u>\$221,309,708</u>	<u>\$35,993,202</u>	<u>\$(51,113,247)</u>	<u>\$ (1,978,014)</u>	<u>\$ 13,631,756</u>	<u>—</u>	<u>\$217,843,405</u>		<u>—</u>

^(a) Non-income producing security.

^(b) Controlled company.

^(c) Restricted securities. These securities are considered liquid by the Adviser. Most of 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 8 of the Notes to Financial Statements).

^(f) All or a portion of this holding is subject to unfunded loan commitments. The stated interest rate reflects the weighted average of the reference rate and spread for the funded portion, if any, and the commitment fees on the portion of the loan that is unfunded.

^(g) Variable/Floating Rate Security — The rate shown is based on the latest available information as of December 31, 2021. For Corporate Bank Debt, 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.

FPA CRESCENT FUND REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

TO THE SHAREHOLDERS AND BOARD OF TRUSTEES OF FPA CRESCENT FUND

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of FPA Crescent Fund (the “Fund”) (one of the funds constituting the FPA Funds Trust (the “Trust”)), including the portfolio of investments, as of December 31, 2021, the related statement of operations for the year then ended, the statement of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the four years in the period then ended, and the related notes (collectively referred to as the “financial statements”). The financial highlights for the year ended December 31, 2017 was audited by another independent registered public accounting firm whose report, dated February 20, 2018, expressed an unqualified opinion on those financial highlights. In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund (one of the funds constituting the FPA Funds Trust) at December 31, 2021, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and its financial highlights for each of the four years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Fund’s management. Our responsibility is to express an opinion on the Fund’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of the Fund’s internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Fund’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2021, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

The logo for Ernst & Young LLP, featuring the company name in a stylized, handwritten-style cursive font.

We have served as the auditor of one or more FPA investment companies since 2018.

Los Angeles, CA
February 28, 2022

FPA CRESCENT FUND

APPROVAL OF INVESTMENT ADVISORY AGREEMENT

(Unaudited)

Approval of the Advisory Agreement. At a meeting of the Board of Directors held on August 9, 2021, the Directors approved the continuation of the advisory agreement between the Fund and the Adviser (the “Advisory Agreement”) for an additional one-year period through September 30, 2022, on the recommendation of the Independent Directors, who met in executive session on August 9, 2021 prior to the Board meeting to review and discuss the proposed continuation of the Advisory Agreement. The Board had also met on July 12, 2021, with the Independent Directors meeting separately prior to the Meeting in executive session with the management of the Adviser and then separately with independent counsel to evaluate the renewal of the Advisory Agreement. Prior to their July 12 meeting, the Independent Directors, through their independent counsel, had requested and received extensive materials prepared in connection with the review of the Advisory Agreements. The materials provided a broad range of information regarding the Fund, including a description of, among other matters, the terms of the Advisory Agreement; the services provided by the Adviser; the experience of the relevant investment personnel; the Fund’s performance in absolute terms and as compared to the performance of peers and appropriate benchmark(s); the fees and expenses of the Fund in absolute terms and as compared to peers; and the profitability of the Adviser from serving as adviser to the Fund.

In addition to the executive sessions, the Boards, acting directly or through their committees, met regularly throughout the year and received information on a variety of topics that were relevant to their annual consideration of the renewal of each Advisory Agreement including, among other matters, Fund investment performance, compliance, risk management, liquidity, valuation, trade execution, service provider oversight and other matters relating to Fund operations. The Independent Directors also had met with management of the Adviser (including key investment personnel) at their quarterly meetings as well as with management at other times between the quarterly meetings throughout the year. The materials specifically provided in connection with the annual review of the Advisory Agreements supplement the information received throughout the year.

At their regular Board meetings and executive sessions, the Independent Directors were also advised by independent legal counsel. In addition to the materials provided by the Adviser, the Independent Directors received a legal memorandum from independent counsel that outlined, among other matters: the duties of the Independent Directors and relevant requirements under the 1940 Act; the general principles under state law relevant to considering the approval of advisory contracts; an adviser’s fiduciary duty with respect to advisory agreements and compensation; the standards used by courts in determining whether investment advisers and investment company boards of trustees have fulfilled their duties; and factors to be considered by the Independent Directors when voting on advisory agreements. During both executive sessions, independent legal counsel reviewed with Independent Directors these duties, standards and factors summarized in the legal memorandum described above. The following paragraphs summarize the material information and factors considered by the Board and the Independent Directors, as well as the Directors’ conclusions relative to such factors.

Nature, Extent and Quality of Services. The Board and the Independent Trustees considered information provided by the Adviser in response to their requests, as well as information provided throughout the year regarding: the Adviser and its staffing in connection with the Fund, including the Fund’s portfolio managers and the number and quality of analysts the Adviser has hired who are under the direct supervision of the Fund’s portfolio managers; the scope of services supervised and provided by the Adviser; and the absence of any significant service problems reported to the Board. The Independent Trustees especially noted the experience, length of service and the outstanding reputation of the Fund’s portfolio managers: Steven Romick, who has managed the Fund since its inception in 1993, Mark Landecker, who joined the Adviser in 2009 and has served as portfolio manager since 2013 and Brian A. Selmo, who joined the Adviser in 2008 and has served as portfolio

FPA CRESCENT FUND
APPROVAL OF INVESTMENT ADVISORY AGREEMENT (Continued)
(Unaudited)

manager since 2013. The Board and the Independent Trustees concluded that the nature, extent and quality of services provided by the Adviser have benefitted and should continue to benefit the Fund and its shareholders.

Investment Performance. The Board and the Independent Trustees reviewed the overall investment performance of the Fund. They also received information from an independent consultant, Broadridge, regarding the Fund's performance relative to a peer group of flexible (domestic and international) funds selected by Broadridge (the "Peer Group"). The Board and the Independent Trustees considered the Adviser's representation that the Fund's investment strategy is significantly different from other funds in the Peer Group in that the Fund has a much broader universe of investment possibilities, which requires a greater degree of portfolio management effort on the part of the Adviser. The Board and the Independent Trustees also considered the Adviser's representation that no other Broadridge category or peer grouping adequately represents the breadth and style of investing performed by the Fund's portfolio managers on behalf of the Fund (as a report previously prepared for the Board by an independent consultant had concluded). The Board and the Independent Trustees also considered FPA's representation that the Fund's size did not impede its ability to manage the Fund. The Board and the Independent Trustees noted the Fund's strong long-term investment performance and low volatility of returns when compared to the Peer Group and concluded that the Fund's investment performance has been strong. The Board and the Independent Trustees noted the Fund outperformed its Peer Group median for the one-, three-, five-, and ten-year periods ending March 31, 2021. The Board and the Independent Trustees further noted the Fund underperformed the comparative S&P 500 Index for the one-, three-, five- and 10-year periods ending March 31, 2021. They also noted that Morningstar continues to give the Fund a "Gold" Analyst Rating. In addition, they considered a comparison of the Fund's performance to that of hedge funds managed by the Adviser in a similar style. The Board and the Independent Trustees concluded that the Adviser's continued management of the Fund's investments should benefit the Fund and its shareholders.

Advisory Fees and Fund Expenses; Comparison with Peer Group and Institutional Fees. The Board and the Independent Trustees considered information provided by the Adviser regarding the Fund's advisory fees and total expense levels. The Board and the Independent Trustees reviewed comparative information regarding fees and expenses for the mutual fund industry generally and for the Peer Group. The Board and the Independent Trustees noted that the Fund's current management fee rate and total expense ratio each ranked towards the higher end of those of the Peer Group. They considered the Adviser's representation that the Fund's broader investment strategy makes comparisons to the advisory fees of the funds in the Peer Group less relevant, noting the Adviser's representation that most of the funds in the Peer Group are traditional balanced funds with different investment objectives and strategies, generally encompassing bond components that traditionally have lower advisory fees. The Board and the Independent Trustees considered the fees charged by the Adviser for advising institutional accounts and hedge funds and for sub-advising other mutual funds and the Adviser's discussion of the differences between the services provided by the Adviser to the Fund and those provided by the Adviser to the sub-advised funds, institutional accounts, and hedge funds. The Board and the Independent Trustees concluded that the continued payment of advisory fees and expenses by the Fund to the Adviser was fair and reasonable and should continue to benefit the Fund and its shareholders.

Adviser Profitability and Costs. The Board and the Independent Trustees considered information provided by the Adviser regarding the Adviser's costs in providing services to the Fund, the profitability of the Adviser and the benefits to the Adviser from its relationship to the Fund. They reviewed and considered the Adviser's representations regarding its assumptions and methods of allocating certain costs, such as personnel costs, which constitute the Adviser's largest operating cost, overhead and trading costs with respect to the provision of

FPA CRESCENT FUND
APPROVAL OF INVESTMENT ADVISORY AGREEMENT (Continued)
(Unaudited)

investment advisory services. The Independent Trustees discussed with the Adviser the general process through which individuals' compensation is determined and then reviewed by the management committee of the Adviser, as well as the Adviser's methods for determining that its compensation levels are set at appropriate levels to attract and retain the personnel necessary to provide high quality professional investment advice. In evaluating the Adviser's profitability, they excluded certain distribution and marketing-related expenses. The Board and the Independent Trustees recognized that the Adviser is entitled under the law to earn a reasonable level of profits for the services that it provides to the Fund. The Board and the Independent Trustees concluded that the Adviser's level of profitability from its relationship with the Fund did not indicate that the Adviser's compensation was unreasonable or excessive.

Economies of Scale and Sharing of Economies of Scale. The Board and the Independent Trustees considered, and discussed at length with the Adviser, whether there have been economies of scale with respect to the management of the Fund, whether the Fund has appropriately benefited from any economies of scale, and whether the fee rate is reasonable in relation to the Fund's asset levels and any economies of scale that may exist. While the Independent Trustees noted that the Fund experienced significant increases in its net assets several years ago, in recent years asset levels have declined. They also considered the Adviser's representation that its internal costs of providing investment management services to the Fund have also significantly increased in recent years as a result of a number of factors, including the ongoing and growing complexity of the Fund's investments, as well as the Adviser's substantial investment in additional professional resources and staffing. The Board and the Independent Trustees considered both quantitative and qualitative information regarding the Adviser's representation that it has also made significant investments in: (1) maintaining a portfolio management team of three and a team of analysts, traders and other investment personnel who assist with the management of the Fund; (2) new compliance, operations, and administrative personnel; (3) information technology, portfolio accounting and trading systems; and (4) office space, each of which enhances the quality of services provided to the Fund. The Board and Independent Trustees also considered the Adviser's representation that it would continue making such investments to maintain and increase the level and quality of services that it provides to the Fund. The Board and the Independent Trustees also considered that the Adviser had agreed to forgo the compensation for providing certain financial services that it had previously received from the Fund. The Board and the Independent Trustees also considered the Adviser's willingness to close funds to new investors when it believed that the Fund had limited capacity to grow or that it otherwise would benefit fund shareholders. The Board also noted that even though the Fund has experienced net outflows during the recent period, the Adviser has continued to make investments in the services it provides to the Fund. The Board noted that the Fund does not charge sales loads.

The Board and the Independent Trustees recognized that the advisory fee schedule for the Fund does not have breakpoints. They considered that many mutual funds have breakpoints in the advisory fee structure as a means by which to share in the benefits of potential economies of scale as a fund's assets grow. They also considered that not all funds have breakpoints in their fee structures and that breakpoints are not the exclusive means of sharing potential economies of scale. The Board and the Independent Trustees considered the Adviser's statement that it believes that breakpoints currently remain inappropriate for the Fund given the ongoing additional investments the Adviser is making in its business for the benefit of the Fund, uncertainties regarding the direction of the economy, and uncertainties regarding future growth or contraction in the Fund's assets, all of which could negatively impact the profitability of the Adviser. The Board and the Independent Directors also noted that the Adviser has contractually agreed to reimburse the Fund for operating expenses in excess of 0.05% of the average

FPA CRESCENT FUND
APPROVAL OF INVESTMENT ADVISORY AGREEMENT (Continued)
(Unaudited)

net assets of the Fund, excluding management fees, administrative service fees, short sale dividend expenses and interest expenses on cash deposits relating to short sales, brokerage fees and commissions, redemption liquidity service expenses, interest, taxes, fees and expenses of other funds in which the Fund invests, and extraordinary expenses, including litigation expenses not incurred in the Fund's ordinary course of business, through April 30, 2022. The Board and the Independent Trustees concluded that the Fund is benefitting from the ongoing investments made by the Adviser in its team of personnel serving the Fund and in the Adviser's service infrastructure, and that in light of these investments, the addition of breakpoints to the Fund's advisory fee structure was not warranted at current asset levels.

Ancillary Benefits. The Board and the Independent Trustees considered other actual and potential benefits to the Adviser from managing the Fund, including the acquisition and use of research services with commissions generated by the Fund, in concluding that the contractual advisory and other fees are fair and reasonable for the Funds. They noted that the Adviser does not have any affiliates that benefit from the Adviser's relationship to the Fund.

Conclusions. The Board and the Independent Trustees determined that the Fund continues to benefit from the services of the Adviser's highly experienced portfolio managers and portfolio management team, which has produced outstanding long-term returns with low relative volatility. In addition, the Board and the Independent Trustees agreed that the Fund continues to receive high quality services from the Adviser. The Board and the Independent Trustees concluded that the current advisory fee rate is reasonable and fair to the Fund and its shareholders in light of the nature and quality of the services provided by the Adviser and the Adviser's profitability and costs. In reaching their conclusions, the Independent Trustees also noted their intention to continue monitoring the factors relevant to the Adviser's compensation, such as changes in the Fund's asset levels, changes in portfolio management personnel and the cost and quality of the services provided by the Adviser to the Fund. On the basis of the foregoing, and without assigning particular weight to any single factor, none of which was dispositive, the Board and the Independent Trustees concluded that it would be in the best interests of the Fund to continue to be advised and managed by the Adviser and determined to approve the continuation of the current Advisory Agreement for another one-year period through September 30, 2022.

FPA CRESCENT FUND

SHAREHOLDER EXPENSE EXAMPLE

December 31, 2021 (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.

	<u>Actual Performance</u>	<u>Hypothetical Performance (5% return before expenses)</u>
Institutional Class		
Beginning Account Value June 30, 2021	\$1,000.00	\$1,000.00
Ending Account Value December 31, 2021	\$1,016.20	\$1,019.21
Expenses Paid During Period ^(a)	\$ 6.05	\$ 6.06
Supra Institutional Class		
Beginning Account Value June 30, 2021	\$1,000.00	\$1,000.00
Ending Account Value December 31, 2021	\$1,016.80	\$1,019.51
Expenses Paid During Period ^(b)	\$ 5.74	\$ 5.75

^(a) Expenses are equal to the class’s annualized expense ratio of 1.19%, multiplied by the average account value over the period and prorated for the six-months ended December 31, 2021 (184/365 days).

^(b) Expenses are equal to the class’s annualized expense ratio of 1.13%, multiplied by the average account value over the period and prorated for the six-months ended December 31, 2021 (184/365 days).

FPA CRESCENT FUND PRIVACY POLICY

(Unaudited)

The following is the privacy notice of the mutual funds managed by First Pacific Advisors, LP (“FPA”, and the mutual funds, the “FPA Funds”). A complete list of funds is provided below.

The FPA Funds take privacy seriously and consider privacy to be a fundamental aspect of its relationships with its former, prospective, and current investors. The FPA Funds are committed to maintaining the confidentiality, integrity and security of its former, current, and prospective investors’ non-public personal information and other personal information. This privacy policy describes our privacy practices surrounding the collection and sharing of non-public personal information of current, former, and prospective investors.

Sources and Collection of Non-Public Personal Information.

While providing investors and/or prospective investors (collectively, “investors”) with products and services, the FPA Funds, and certain service providers, such as the FPA Fund’s Transfer Agents and/or Administrators, may obtain non-public personal information about such investors, which may come directly from the investor or their intermediaries from sources such as: (i) account applications, subscription agreements and other forms, (ii) written, electronic or verbal correspondence, (iii) investor transactions, (iv) an investor’s brokerage or financial advisory firm, financial advisor or consultant, and/or (v) from information captured on applicable websites, including information you may voluntarily provide when you subscribe to receive FPA’s quarterly updates or request us to mail you information about the FPA Funds. In addition, the FPA Funds may collect additional non-public personal information from different sources, such as: (i) affiliates or their service providers; (ii) public websites or other publicly available sources such as government records; and/or (iii) from credit reporting agencies, sanctions screening databases, or from sources designed to detect and prevent fraud.

The non-public personal information collected about an investor may include: (i) identifiers and similar information such as the investor’s name, address, tax identification number, birth date, driver’s license number, and potentially email address and phone number (if provided); (ii) commercial information like an investment selection, beneficiary information, or transaction and account history with the FPA Funds; (iii) internet or other electronic network activity like interactions with the FPA website; and (iv) professional or employment-related information like an investor’s occupation and job title.

Purpose for Collecting Non-Public Personal Information.

We may collect or use all or a few of these categories of non-public personal information listed above for the following business or commercial purposes: (i) performing services on behalf of FPA or the FPA Funds, including, for example, maintaining or servicing accounts, providing customer service, processing transactions, verifying information, processing payments, or providing similar services; (ii) performing our contractual obligations, including providing updates on FPA Funds performance and other operational matters; (iii) detecting security incidents, protecting against malicious, deceptive, fraudulent, or illegal activity, including, preventing fraud and conducting “Know Your Client,” anti-money laundering, terrorist financing, and conflict checks; or (iv) enabling or effecting commercial transactions, including, using bank account details to remit funds and process distributions.

Disclosure of Non-Public Personal Information.

The FPA Funds do not disclose any non-public personal information provided by investors or gathered by the FPA Funds to third parties, except as required or permitted by law or as necessary for such third parties to perform their agreements with respect to the FPA Funds. Non-affiliated companies may from time to time be used to provide certain services, such as maintaining investor accounts, preparing and mailing prospectuses, reports, account statements and other information, conducting Know Your Client reviews, performing checks

FPA CRESCENT FUND

PRIVACY POLICY (Continued)

(Unaudited)

against sanctions lists, and gathering shareholder proxies. In many instances, the investor will be a client of a third party, but the FPA Funds may also provide an investor's non-public personal information and account information to the investor's respective custodian, brokerage or financial advisory firm and/or financial advisor or consultant.

Sharing Information with Third Parties.

The FPA Funds reserve the right to report or disclose non-public personal information or account information to third parties in circumstances where the FPA Funds believe in good faith that disclosure is required or permitted under law, to cooperate with regulators or law enforcement authorities, to protect their rights or property, or upon reasonable request by the FPA Funds in which an investor has invested. In addition, the FPA Funds may disclose information about an investor or an investor's accounts to a third party at the investor's request or direction or with the consent of the investor.

Rights to Limited Sharing.

Federal law gives you the right to limit some but not all sharing of your nonpublic personal information. We do not: (i) share non-public personal information with non-affiliates to market to you; (ii) engage in joint marketing with non-affiliates; (iii) share non-public personal information with affiliates to market to you; or (iv) share non-public personal information about your creditworthiness with affiliates.

Procedures to Safeguard Private Information.

The FPA Funds will take reasonable steps and use security measures appropriate to the nature of the information and that comply with applicable laws to protect investors' non-public personal information against unauthorized access and exfiltration, acquisition, theft, or disclosure. In addition to this policy, the FPA Funds have implemented internal procedures that are designed to help guard investors' personal data. Given the nature of information security, there is no guarantee that such safeguards will always be successful.

Changes to the Privacy Policy.

From time to time, the FPA Funds may update or revise this privacy policy. If there are changes to the terms of this privacy policy, documents containing the revised policy will be updated.

FPA Funds.

FPA Crescent Fund, FPA New Income, Inc., FPA Flexible Fixed Income Fund, FPA U.S. Core Equity Fund, Inc., FPA Queens Road Value Fund, FPA Queens Road Small Cap Value Fund, Source Capital, Inc.

Contact Us.

Questions, comments, and requests regarding this privacy policy are welcomed and should be addressed to dataprotection@fpa.com.

Revised: January 2022

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 Fund</u>	<u>Year First Elected as Trustee of the Fund</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 Funds Trust, FPA New Income, Inc., FPA U.S. Core Equity Fund, and Source Capital (since 2016), and Trustee of Bragg Capital Trust (since 2020).	7	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 Funds Trust, FPA New Income, Inc., FPA U.S. Core Equity Fund, and Source Capital (since 2015), and Trustee of Bragg Capital Trust (since 2020).	7	None
Alfred E. Osborne, Jr., 1944	Trustee	2002	Senior Associate Dean, (2003-Present), Interim Dean (2018-June 2019), Professor and Faculty Director (since 2003) 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 Funds Trust, FPA New Income, Inc., FPA U.S. Core Equity Fund, and Source Capital (since 2013), and Trustee of Bragg Capital Trust (since 2020).	7	Kaiser Aluminum, Wedbush Capital and Waverley Capital Acquisition Corporation

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

<u>Name, Address⁽¹⁾ and Year of Birth</u>	<u>Position(s) Held with the Fund</u>	<u>Year First Elected as Trustee of the Fund</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. (2005-2011). Formerly, National Executive Director and Chief Executive Officer of The Screen Actors Guild (2001-2005). Director/Trustee of FPA Funds Trust, FPA New Income, Inc., FPA U.S. Core Equity Fund, and Source Capital (since 2013), and Trustee of Bragg Capital Trust (since 2020).	7	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 Funds Trust and FPA New Income, Inc. (since 2006), of Source Capital, Inc. (since 2010), of FPA U.S. Core Equity Fund, Inc (since 2012), and Bragg Capital Trust (since 2020).	7	None
“Interested” Trustees⁽²⁾					
Steven Romick, 1963	Trustee	2002	Director and President of FPA GP, Inc., the General Partner of the Adviser (since 2018). Vice President (since 2015) and Portfolio Manager of FPA Crescent Fund (since 1993) and of Source Capital, Inc. (since 2015). Formerly, Managing Partner of FPA (2010-2018). Formerly, President of the Trust (2002-2015).	2	None
J. Richard Atwood, 1960	Trustee	2016	Director and President of FPA GP, Inc., the General Partner of the Adviser (since 2018). Director/Trustee and President of each FPA Fund. Formerly, Managing Partner of the Advier (2006-2018).	7	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>
J. Richard Atwood, 1960	President	1997	Director and President of FPA GP, Inc., the General Partner of the Adviser (since 2018). Director/Trustee of each FPA Fund. President of each FPA Fund. Formerly, Managing Partner of Adviser (2006-2018).
Steven Romick, 1963	Vice President and Portfolio Manager	2002	Director and President of FPA GP, Inc., the General Partner of the Adviser (since 2018). Vice President (since 2015) and Portfolio Manager of FPA Crescent Fund (since 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 2013). Formerly, Managing Director (January 2013-December 2013). Vice President and Portfolio Manager of Source Capital, Inc. (since 2015).
Brian Selmo, 1977	Vice President and Portfolio Manager	2013	Partner of FPA (since 2013). Formerly, Managing Director (January 2013-December 2013). Vice President and Portfolio Manager of Source Capital, Inc. (since 2015).
Karen E. Richards, 1969	Chief Compliance Officer	2019	Chief Compliance Officer of the Adviser (since 2018); and Chief Compliance Officer of each FPA Fund (since 2019, except Bragg Capital Trust since 2020). Formerly, Deputy Chief Compliance Officer of First Republic Investment Management, LLC (from 2016 to 2018), and Vice President, Senior Compliance Officer of Pacific Investment Management Company (from 2010 to 2016).
E. Lake Setzler III, 1967	Treasurer	2006	Managing Director and CFO of the Adviser (since 2022); and Treasurer of each FPA Fund. Formerly, Senior Vice President and Controller of the Adviser.
Rebecca D. Gilding, 1979	Secretary	2019	Vice President and Counsel, State Street Bank and Trust Company (since 2016); and Secretary of each FPA Fund (since 2019, except Bragg Capital Trust since 2020). Formerly, Assistant Vice President and Associate Counsel, Brown Brothers Harriman & Co. (2013 to 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

First Pacific Advisors, LP
11601 Wilshire Boulevard, Suite 1200
Los Angeles, CA 90025

DISTRIBUTOR

UMB Distribution Services, LLC
235 West Galena Street
Milwaukee, Wisconsin 53212-3948

TRANSFER & SHAREHOLDER SERVICE AGENT

UMB Fund Services, Inc.
P.O. Box 2175
Milwaukee, WI 53201-2175
or
235 West Galena Street
Milwaukee, WI 53212-3948
(800) 638-3060

LEGAL COUNSEL

Dechert LLP
One Bush Street, Suite 1600
San Francisco, California 94104

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Ernst & Young LLP
725 South Figueroa Street
Los Angeles, California 90017

CUSTODIAN AND ADMINISTRATOR

State Street Bank and Trust Company
One Lincoln Street
Boston, Massachusetts 02111

Institutional Class:

TICKER SYMBOL: FPACX

CUSIP: 30254T759

Supra Institutional Class:

TICKER SYMBOL: FPCSX

CUSIP: 30254T676

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.

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, 2021 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-PORT with the SEC, is available on the SEC's website at www.sec.gov.

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.