

Average Annual Total Returns

As of June 30, 2016

Fund/Index	QTR	YTD	1 Year	3 Years**	5 Years**	10 Years**	20 Years**	Since Inception**
FPA Crescent	0.39 %	0.19 %	-1.87 %	4.95 %	6.68 %	6.53 %	9.26 %	10.16 %
S&P 500	2.46 %	3.84 %	3.99 %	11.66 %	12.10 %	7.42 %	7.87 %	8.99 %
MSCI ACWI	0.99 %	1.23 %	-3.73 %	6.03 %	5.38 %	-	-	-
CPI	0.84 %	0.79 %	1.05 %	1.07 %	1.31 %	1.75 %	2.15 %	N/A
60% S&P500/40% BC Agg	2.37 %	4.52 %	5.04 %	8.73 %	8.90 %	6.81 %	7.32 %	7.94 %

** Annualized. A redemption fee of 2.00% will be imposed on redemptions of shares within 90 days. Expense ratio as of most recent prospectus is 1.11%.

Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown. This data represents past performance and investors should understand that investment returns and principal values fluctuate, so that when you redeem your investment it may be worth more or less than its original cost. Current month-end performance data may be obtained by calling toll-free, 1-800-982-4372.

The Fund commenced investment operations on June 2, 1993. The performance shown for periods prior to March 1, 1996 reflects the historical performance of a predecessor fund. FPA assumed control of the predecessor fund on March 1, 1996. The FPA Crescent Fund's objectives, policies, guidelines and restrictions are, in all material respects, equivalent to those of the predecessor fund.

S&P 500 Index includes a representative sample of 500 leading 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 Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 44 country indices comprising 23 developed and 21 emerging market country indices. Barclays Aggregate Index provides a measure of the performance of the U.S. investment grade bonds market, which includes investment grade U.S. 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 U.S. dollars and must be fixed rate, nonconvertible, and taxable. The Consumer Price Index is an unmanaged index representing the rate of the inflation of the U.S. consumer prices as determined by the U.S. Department of Labor Statistics. There can be no guarantee that the CPI of other indexes will reflect the exact level of inflation at any given time. The CPI shown here is used to illustrate the Fund's purchasing power against changes in the prices of goods as opposed to a benchmark which is used to compare Fund's performance. 60% S&P500/ 40% Barclays Aggregate Index is a hypothetical combination of unmanaged indices comprised of 60% S&P 500 Index and 40% Barclays Aggregate Index, the Fund's neutral mix of 60% stocks and 40% bonds. These indices do not reflect any commissions or fees which would be incurred by an investor purchasing the stocks they represent. The performance of the Fund and of the Indices is computed on a total return basis which includes reinvestment of all distributions. It is not possible to invest in an index.

Dear Shareholders:

The FPA Crescent Fund (“the Fund”) returned 0.39% in the second quarter of 2016 and 0.19% in the first half of the year. This compares to 2.46% and 3.84%, respectively, for the S&P 500 and 0.99% and 1.23%, respectively, for the MSCI ACWI index.

In the most recent quarter, winners added 0.89% while the losers detracted -0.75%.¹ There wasn’t any one company with notable news that had a significant impact on the quarter’s performance.

Winners	Losers
Consol Energy Bonds (various issues)	Microsoft Corp
Aon PLC	WPP PLC
Halliburton Company	Sound Holding FP Luxembourg
Occidental Petroleum Corp	Alphabet Inc. (Class A and C)
Leucadia National Corp	TE Connectivity LTD

This letter will be briefer than our usual mid-year commentary as we devoted a lot of time to the Fund, its process and some macro views during our recent Investor Day, a transcript of which you can find here: [FPA Crescent Investor Day Presentation](#).

We also recently wrote about the market noise surrounding Brexit and that commentary can be read here: [Brexit Commentary](#).

We hope you will find the voluminous information offered between the two documents helpful as you review your investment with us. Both the world and our portfolio haven’t changed enough in the last month to unnecessarily clog your inbox.

Value investing continues to be out of favor but we continue to inch along with our habitual conservative bent. We invest when we see the prospects for a good rate of return without any kind of heroic assumptions, meaning that the base case in our models does not assume the greatest unit growth or the highest margins. If we start pushing the pencil too hard to make the numbers work, there won’t be a margin of safety. We’d prefer not to invest in such scenarios, which explains the fund’s continuing large cash position.

The best performing assets in the markets have generally been those with the highest perceived quality and the highest yield and the longest duration. This has driven investors to investments such as 30-year U.S. Treasury bonds and the highest quality global equities that pay a dividend. We used to own many of these companies but they became too expensive and we sold them in order to purchase less expensive businesses. As far as our stock price performance is concerned, we would have been better off had we retained our entire portfolio from a couple of years ago. What we sold has, on average, increased more than what we bought. The expensive has become more expensive. Something sold at 18x earnings can go to 20x, 22x or anywhere really. We can’t control where stocks trade but we can choose what to own and when to buy and sell.

We continue to act prudently. We own a portfolio of businesses that is growing faster than the market (of late) and trades less expensively but the market doesn’t care. According to CapIQ, Crescent’s equities had trailing 12-month earnings growth of +3.27% compared to -4.45% for the S&P 500 and -9.95% for the

¹ Reflects the top contributors and top detractors to the Fund’s performance based on contribution to return for the quarter. Attribution is presented gross of investment management fees, transactions costs, and Fund operating expenses, which if included, would reduce the returns presented.

MSCI ACWI.² If the Wall Street consensus has it right, our portfolio should continue to grow more or less in line with the market. We don't know what the future has in store but we take some additional comfort in the fact that our portfolio trades at a sizeable discount to the market on both a P/E and a Price/Book basis.

	Trailing 12 Month Earnings Per Share Growth	Projected Earnings Per Share Growth	2016 Forward Price/Earnings ³	Price/Book ⁴
FPACX	3.27%	8.7%	14.8	1.3
S&P 500	-4.45%	8.5%	17.2	2.7
MSCI ACWI	-9.95%	9.7%	15.9	2.0

Over time, valuation should follow earnings. Nowhere is it written, though, that even when an investment is made with a margin of safety that the asset purchased won't first decline. That explains our investment in financials (discussed in some additional detail below).

Investing

Financials are currently our largest equity exposure at about 20%, but that includes service businesses like Aon.⁵ The Fund's exposure to traditional balance sheet intensive financials is roughly 14%.

Banks in the S&P 500 have recently traded near their lowest valuation relative to tangible book value in 20 years.⁶ As prices and valuations have declined, our exposure increased as would be expected given our immutable value-investing principles. We own AIG, Citigroup, Bank of America, CIT and Leucadia/Jefferies to name most of them. Leading up to the 2008/09 financial crisis, these companies were highly leveraged (20:1 across the group), traded at high valuations (~2x tangible book) and had poor asset quality.

Today, however, the picture has changed quite dramatically. These companies have stronger balance sheets, trade at much lower multiples and, we believe, have better loans. On average, tangible equity/tangible assets is better by a factor of two with the group currently trading at a cheap 72% of tangible book.⁷ And, in wanting to avoid the massive loan losses of the last recession, banks have generally been more conservative in their lending practices. There's always a rub though. The return on tangible equity is a fairly pitiful 8% or so across our investments.

From a total portfolio perspective, we like to think about what we could lose before we think about what we could make so we seriously weigh the chance for a permanent impairment of capital with these investments. Because banks and insurance companies are both inherently opaque and leveraged and we are not inside these corporations, we cannot know everything that's happening. In order not to expose the entire portfolio to the exogenous risk of excessive concentration, we have currently chosen to limit the Fund's aggregate exposure to balance sheet intensive financials to 15%. This protects the Fund on a portfolio basis by not having too many eggs in one basket. We do not intend to diverge from our cautious approach or increase our overall allocation to financials unless valuations continue to decline and reach absurd levels.

In thinking about these individual companies, we consider various scenarios. For example, we reduced 2015's pre-tax, pre-provision earnings by a theoretical amount equivalent to the actual losses incurred in the financial crisis of 2008-10. This is a fairly draconian view and gives no credit to today's better asset quality. Even under this scenario, by our calculations all of the companies held in the portfolio would remain well-financed and, in many cases, would be better financed than they were in 2007, pre-crisis.

² Source: CapIQ.

³ Price/Earnings, or P/E, is the price of a stock divided by its earnings per share.

⁴ Price/Book, or P/B, is the price of a stock divided by its book value per share.

⁵ The 20% exposure to the financials sector is based on the Global Industry Classification Standard (GICS).

⁶ Tangible book value is the total net asset value of a company minus intangible assets and goodwill.

⁷ Tangible equity/tangible assets is calculated by taking the value of the company's total equity and subtracting intangible assets, goodwill and preferred stock equity and then dividing by the value of the company's tangible assets.

Ever mindful of the downside, we were comforted by the Federal Reserve's recent publication of its annual bank stress tests, which concluded that each of the companies we own that was subject to the test was adequately capitalized in a severe stress scenario.

With the downside meaningfully protected in our view, let's consider the upside. We believe that these financials are absolutely cheap, trading at less than 75% of tangible book. If we were to assume Price/Tangible Book remains a constant over a three-year holding period and nothing else changes (i.e., no improvement to the 8% ROTE, no change in dividend or earnings, etc.), then we would estimate a 10%-11% rate of return on these positions.^{8,9} That's interesting but not great.

What if these companies are successful in their plans to get ROTE higher? If that happened (or even if it didn't), we wouldn't be surprised to see their trading value move higher. Under that scenario, we would estimate an attractive mid- to high-teens rate of return on these positions. Then again, that might not happen. It still sets up for an attractive risk/reward, i.e., the upside potential is greater than the downside risk in our view.

One last thought.... Capitalism is nothing if not consistent. If one believes he can get more for something, he will certainly try. Many of the financials we own are set up well in that regard. Underperforming and hidden assets, overcapitalized balance sheets and managements that haven't successfully created shareholder value on their own can attract activist shareholders. Carl Icahn's representatives, for example, have been elected to AIG's board of directors, which is in the process of selling off pieces of the company. CIT has announced that it is exploring strategic alternatives and has announced asset sales. Long-time bank analyst Mike Mayo has said, "No bank is immune from activist pressure."¹⁰ As we've said before, good things generally happen to cheap stocks.

Conclusion

Valuation is a function of what investors will pay for future earnings. Higher earnings growth and a lower discount rate mean a higher multiple. Today, there is lower than average earnings growth around the world so that leaves a greater dependence on rates. People are now paying more for less, all because of low, low, low, low rates. For that, gratitude can be expressed to central bankers born with the congenital defect of missing a risk aversion gene. It feels like we're on the bleeding edge but of what we don't know. As one more example in a long line of them offered in past missives, we hold up the European Central Bank's (ECB) corporate sector purchase program (CSPP) as another example of misguided hope. The program will buy investment-grade bonds issued by non-financial companies in the euro area. In June, just the first month of the program, they purchased €6 billion, which one pundit estimated to be approximately 1% of the €600-€700 billion EU corporate bond market that would be eligible.¹¹ That's one helluva aggressive bid support and will serve to only drive European corporate bond yields lower and, in turn, could spillover to lowering corporate and government bond yields in the U.S. as investors flee to a higher yield and what is currently perceived to be a safer currency. We merely share this information without analysis because we just don't know what to make of it. It's not like any central banker has ever successfully baked a cake with all of these QE ingredients. No one knows what this means and it's hard not to be both skeptical and nervous. We, therefore, continue to tread cautiously.

Respectfully submitted,

Steven Romick
Portfolio Manager
July 25, 2016

⁸ 8% ROTE / 75% Price/Tangible Book = 10.7% estimated rate of return.

⁹ ROTE stands for return on tangible equity and is a measure of profitability that calculates how many dollars of profit a company generates with each dollar of shareholders' equity less preferred stock, goodwill, and identifiable intangible assets.

¹⁰ Crain's New York. December 8, 2014.

<http://www.craigslist.com/article/20141208/BLOGS02/312079992/>

¹¹ ECB Corporate Purchase Program, Anthony Valeri. LPL Financial.

<http://www.advisorperspectives.com/commentaries/20160610-lpl-financial-ecb-corporate-purchase-program>

TICKER	SHARES / PRINCIPAL	SECURITY	MKT PRICE (\$)	MKT VALUE (\$)	COUPON RATE (%)	MATURITY DATE	% OF NET ASSET VALUE
AA	48,379,832	ALCOA INC.	9.27	448,481,042.64			2.76%
Y	180,217	ALLEGHANY CORPORATION	549.58	99,043,658.86			0.61%
GOOGL	220,277	ALPHABET INC - A	703.53	154,971,477.81			0.95%
GOOG	220,881	ALPHABET INC - C	692.10	152,871,740.10			0.94%
AXP	4,794,270	AMERICAN EXPRESS COMPANY	60.76	291,299,845.20			1.79%
AIG	9,381,080	AMERICAN INTERNATIONAL GROUP, INC.	52.89	496,165,321.20			3.05%
ADI	3,731,890	ANALOG DEVICES, INC.	56.64	211,374,249.60			1.30%
AON	4,624,910	AON PLC*	109.23	505,178,919.30			3.11%
BIDU	290,466	BAIDU INC. - ADR*	165.15	47,970,459.90			0.29%
BAC	24,829,840	BANK OF AMERICA CORPORATION	13.27	329,491,976.80			2.03%
CSCO	15,443,820	CISCO SYSTEMS	28.69	443,083,195.80			2.72%
CIT	11,811,262	CIT GROUP	31.91	376,897,370.42			2.32%
C	11,132,480	CITIGROUP	42.39	471,905,827.20			2.90%
ESL	2,863,871	ESTERLINE TECHNOLOGIES CORPORATION	62.04	177,674,556.84			1.09%
OGZD LI	12,690,400	GAZPROM OAO - ADR*	4.32	54,834,761.55			0.34%
GE	8,423,390	GENERAL ELECTRIC CO	31.48	265,168,317.20			1.63%
GENM MK	41,441,930	GENTING MALAYSIA BERHAD*	1.11	45,820,938.33			0.28%
GBLB BB	2,851,023	GROUPE BRUXELLES LAMBERT S.A.*	82.01	233,800,221.33			1.44%
HAL	2,926,070	HALLIBURTON COMPANY	45.29	132,521,710.30			0.81%
HEN GR	1,128,081	HENKEL AG & CO. KGAA*	108.17	122,022,114.79			0.75%
JS SP	2,674,240	JARDINE STRATEGIC HOLDINGS LIMITED*	30.27	80,948,669.84			0.50%
LNTR LI	8,153,870	LENTA LTD 144A*	7.20	58,707,864.00			0.36%
LUK	17,836,443	LEUCADIA NATIONAL CORPORATION	17.33	309,105,557.19			1.90%
LPLA	4,165,970	LPL FINANCIAL HOLDINGS INC.	22.53	93,859,304.10			0.58%
LKOD LI	1,455,100	LUKOIL OAO - ADR*	41.85	60,901,206.83			0.37%
MGGT LN	42,460,160	MEGGITT PLC*	5.44	230,789,357.77			1.42%
MSFT	7,732,740	MICROSOFT	51.17	395,684,305.80			2.43%
MNOD LI	4,377,920	MMC NORILSK NICKEL OJSC - ADR*	13.39	58,634,922.90			0.36%
NPN SJ	3,268,832	NASPERS LIMITED - N SHARES*	152.69	499,134,248.97			3.07%
NXEO	17,691,717	NEXEO SOLUTIONS - PIPE SHARES	8.98	158,871,618.66			0.98%
	2,431,709	NEXEO SOLUTIONS - FOUNDER SHARES	3.93	9,548,119.98			0.06%
OXY	620,540	OCCIDENTAL PETROLEUM	75.56	46,888,002.40			0.29%
ORCL	19,810,787	ORACLE CORPORATION	40.93	810,855,511.91			4.99%
		OTHER		277,932,666.81			1.71%
OI	9,409,630	OWENS-ILLINOIS	18.01	169,467,436.30			1.04%
QCOM	3,100,110	QUALCOMM INCORPORATED	53.57	166,072,892.70			1.02%
ROSN LI	5,711,200	ROSNEFT OIL COMPANY - REG S GDR*	5.14	29,382,896.09			0.18%
	1,146,250	SOUND HOLDINGS FP*	27.23	31,208,492.58			0.19%
SNGSP RM	39,322,900	SURGUTNEFTEGAS - PREFERENCE*	0.60	23,614,090.72			0.15%
TEL	5,468,970	TE CONNECTIVTY	57.11	312,332,876.70			1.92%
TMO	1,415,820	THERMO FISHER SCIENTIFIC INC.	147.76	209,201,563.20			1.29%
UNA NA	1,932,200	UNILEVER N.V.*	46.51	89,865,877.86			0.55%
UTX	5,390,020	UNITED TECHNOLOGIES CORPORATION	102.55	552,746,551.00			3.40%
WPP LN	10,943,690	WPP PLC*	20.84	228,081,634.23			1.40%
YHOO	3,412,700	YAHOO	37.56	128,181,012.00			0.79%
		TOTAL COMMON STOCK (LONG):		10,092,594,385.71			62.06%
CCP	(15,450)	CARE CAPITAL PROPERTIES	26.21	(404,944.50)			-0.01%
PEI	(600,700)	PENNSYLVANIA REAL ESTATE INVESTMENT TRUST	21.45	(12,885,015.00)			-0.08%

TICKER	SHARES / PRINCIPAL	SECURITY	MKT PRICE (\$)	MKT VALUE (\$)	COUPON RATE (%)	MATURITY DATE	% OF NET ASSET VALUE
PBI	(401,000)	PITNEY BOWES INC.	17.80	(7,137,800.00)			-0.04%
700 HK	(23,897,100)	TENCENT HOLDINGS LIMITED*	22.94	(548,191,557.69)			-3.37%
VTR	(61,800)	VENTAS	72.82	(4,500,276.00)			-0.03%
GWW	(96,049)	W.W. GRAINGER, INC.	227.25	(21,827,135.25)			-0.13%
4689 JP	(7,121,600)	YAHOO! JAPAN CORPORATION*	4.43	(31,579,723.18)			-0.19%
		TOTAL COMMON STOCK (SHORT):		(626,526,451.62)			-3.85%
	120,000	U.S. FARMING REALTY TRUST I, L.P.	106.82	12,818,760.00			0.08%
	350,000	U.S. FARMING REALTY TRUST II, L.P.	115.55	40,442,850.00			0.25%
	968	WL ROSS HOLDING CORPORATION - LLC INTEREST	6,957.63	6,734,353.01			0.04%
		TOTAL LIMITED PARTNERSHIPS:		59,995,963.01			0.37%
	118,300,000	EUR CURRENCY 09/23/16 (118.3M EUR @ 1.130555)*		1,117,010.49			0.01%
	194,350,000	JPY PUT 03/24/22 95.00 (194.35M JPY @ \$0.07525)*	0.08	16,183,524.50			0.10%
		TOTAL DERIVATIVES/FUTURES:		17,300,534.99			0.11%
		TOTAL OTHER SECURITIES		77,296,498.00			0.48%
	5,216,000	SPRINGLEAF FINANCIAL SERVICES	100.38	5,235,560.00	5.7500	9/15/2016	0.03%
	8,980,000	SPRINGLEAF FINANCIAL SERVICES	103.25	9,271,850.00	6.5000	9/15/2017	0.06%
	15,366,000	SPRINGLEAF FINANCIAL SERVICES	103.75	15,942,225.00	6.9000	12/15/2017	0.10%
	4,893,000	BOMBARDIER 144A	96.50	4,721,745.00	4.7500	4/15/2019	0.03%
	28,058,000	BOMBARDIER 144A	98.00	27,496,840.00	7.7500	3/15/2020	0.17%
	13,800,000	BOMBARDIER 144A	86.50	11,937,000.00	5.7500	3/15/2022	0.07%
	12,670,000	BOMBARDIER 144A	86.00	10,896,200.00	6.0000	10/15/2022	0.07%
	29,534,000	BOMBARDIER 144A	85.50	25,251,570.00	6.1250	1/15/2023	0.16%
	82,750,000	BOMBARDIER 144A	86.38	71,479,450.00	7.5000	3/15/2025	0.43%
	5,800,000	BOMBARDIER 144A	79.00	4,582,000.00	7.4500	5/1/2034	0.03%
	2,171,000	CALIFORNIA RESOURCES CORPORATION	51.00	1,107,210.00	5.0000	1/15/2020	0.01%
	8,984,000	CALIFORNIA RESOURCES CORPORATION	50.25	4,514,460.00	5.5000	9/15/2021	0.03%
	2,171,000	CALIFORNIA RESOURCES CORPORATION	49.00	1,063,790.00	6.0000	11/15/2024	0.01%
	35,750,000	CALIFORNIA RESOURCES CORPORATION 144A	70.75	25,293,125.00	8.0000	12/15/2022	0.16%
	5,650,000	CONSOL ENERGY	91.25	5,155,625.00	8.2500	4/1/2020	0.03%
	196,666,000	CONSOL ENERGY	87.00	171,099,420.00	5.8750	4/15/2022	1.04%
	77,110,000	CONSOL ENERGY	88.50	68,242,350.00	8.0000	4/1/2023	0.42%
	6,472,000	GLENCORE FINANCE CANADA 144A	100.00	6,472,000.00	4.9500	11/15/2021	0.04%
	21,450,000	GLENCORE FINANCE CANADA 144A	92.50	19,841,250.00	4.2500	10/25/2022	0.12%
	11,393,000	GLENCORE FINANCE CANADA 144A	84.50	9,627,085.00	6.0000	11/15/2041	0.06%
	10,600,000	GLENCORE FINANCE CANADA 144A	79.50	8,427,000.00	5.5500	10/25/2042	0.05%
	23,500,000	GLENCORE FUNDING LLC 144A	96.50	22,677,500.00	3.1250	4/29/2019	0.14%
	11,800,000	GLENCORE FUNDING LLC 144A	94.00	11,092,000.00	2.8750	4/16/2020	0.07%
	18,100,000	GLENCORE FUNDING LLC 144A	91.50	16,561,500.00	4.6250	4/29/2024	0.10%
	4,964,000	ISTAR FINANCIAL INC.	101.25	5,026,050.00	5.8500	3/15/2017	0.03%
	22,938,000	NAVISTAR INTL CORP CV	66.25	15,196,425.00	4.5000	10/15/2018	0.09%
	34,244,000	NAVISTAR INTL CORP CV	58.00	19,861,520.00	4.7500	4/15/2019	0.12%
	143,177,000	NAVISTAR INTL CORP	70.13	100,402,871.25	8.2500	11/1/2021	0.62%
	4,189,885	RELP-4	100.00	4,189,884.65	9.0000	12/20/2015	0.03%
	4,366,796	RELP-7	100.00	4,366,796.34	11.2500	8/7/2017	0.03%
	5,965,084	RELP-8	100.00	5,965,084.10	10.0000	10/17/2017	0.04%
	10,320,000	RELP-9	100.00	10,320,000.00	9.0000	7/30/2017	0.06%
	9,878,175	RELP-10	100.00	9,878,174.72	9.5000	11/20/2017	0.06%

TICKER	SHARES / PRINCIPAL	SECURITY	MKT PRICE (\$)	MKT VALUE (\$)	COUPON RATE (%)	MATURITY DATE	% OF NET ASSET VALUE
	17,034,026	REL1-11	100.00	17,034,025.78	10.7500	8/5/2018	0.10%
	16,731,000	RICE ENERGY INC.	99.00	16,563,690.00	6.2500	5/1/2022	0.10%
	18,800,000	SHIP LOAN PARTICIPATION (KAMSARMAX SHIPPING)	100.00	18,800,000.00	11.0000	9/4/2018	0.12%
	55,699,191	SHIP LOAN PARTICIPATION (NORTHERN SHIPPING)	100.00	55,699,191.17	7.8000	12/24/2019	0.34%
	3,800,000	SOUTHWEST ENERGY CO.	89.00	3,382,000.00	4.1000	3/15/2022	0.02%
	28,841,000	WALTER INVESTMENT MANAGEMENT CORP. CV	32.75	9,445,427.50	4.5000	11/1/2019	0.06%
	53,600,000	WALTER INVESTMENT MANAGEMENT CORP.	49.13	26,333,680.00	7.8750	12/15/2021	0.16%
	38,214,067	WALTER INVESTMENT MANAGEMENT CORP. TL	79.42	30,347,700.92	3.7500	12/18/2020	0.19%
		TOTAL CORPORATE BONDS & NOTES:		910,801,276.43			5.60%
	1,480,743	STANWICH MORTGAGE LOAN TRUST SERIES 2009-2	44.72	662,188.32		2/15/2049	0.00%
	1,317,849	STANWICH MORTGAGE LOAN TRUST SERIES 2010-1	50.58	666,568.11		9/30/2047	0.00%
	9,887,770	STANWICH MORTGAGE LOAN TRUST SERIES 2010-2	50.42	4,985,413.45		2/28/2057	0.03%
	5,827,183	STANWICH MORTGAGE LOAN TRUST SERIES 2010-3	50.03	2,915,339.45		7/31/2038	0.02%
	6,468,101	STANWICH MORTGAGE LOAN TRUST SERIES 2010-4	50.50	3,266,391.02		8/31/2049	0.02%
	11,718,192	STANWICH MORTGAGE LOAN TRUST SERIES 2011-1	52.74	6,180,514.46		6/30/2039	0.04%
	6,846,686	STANWICH MORTGAGE LOAN TRUST SERIES 2011-2	53.52	3,664,373.58		9/15/2050	0.02%
	6,580,528	STANWICH MORTGAGE LOAN TRUST SERIES 2012-2	42.50	2,796,724.37		3/15/2047	0.02%
	9,903,832	STANWICH MORTGAGE LOAN TRUST SERIES 2012-4	46.00	4,555,762.52		6/15/2051	0.03%
	41,528,764	SUNSET MORTGAGE LOAN COMPANY 2014 NPL-1 A	99.65	41,384,106.39	3.2282	8/16/2044	0.25%
	38,788,124	SUNSET MORTGAGE LOAN COMPANY 2015 NPL-1 A	100.29	38,900,089.57	4.4586	9/16/2045	0.24%
		TOTAL MORTGAGE BACKED SECURITIES		109,977,471.24			0.67%
		TOTAL INVESTMENT SECURITIES:		10,564,143,179.76			64.96%
	200,000,000	U.S. TREASURY NOTE	100.00	200,007,820.00	0.6250	7/15/2016	1.23%
	100,000,000	U.S. TREASURY NOTE	100.09	100,091,310.00	1.5000	7/31/2016	0.62%
	85,000,000	U.S. TREASURY NOTE	100.03	85,026,979.00	0.6250	8/15/2016	0.52%
	250,000,000	U.S. TREASURY NOTE	100.03	250,065,925.00	0.5000	8/31/2016	1.54%
	123,000,000	U.S. TREASURY NOTE	100.12	123,150,146.10	0.8750	9/15/2016	0.76%
	300,000,000	U.S. TREASURY NOTE	100.17	300,503,910.00	1.0000	9/30/2016	1.85%
	275,000,000	U.S. TREASURY NOTE	100.08	275,214,857.50	0.6250	10/15/2016	1.69%
	360,000,000	U.S. TREASURY NOTE	100.02	360,057,996.00	0.3750	10/31/2016	2.21%
	275,000,000	U.S. TREASURY NOTE	100.10	275,268,565.00	0.6250	11/15/2016	1.69%
	275,000,000	U.S. TREASURY NOTE	100.22	275,601,562.50	0.8750	11/30/2016	1.69%
	350,000,000	U.S. TREASURY NOTE	100.12	350,425,530.00	0.6250	12/15/2016	2.15%
	300,000,000	U.S. TREASURY NOTE	100.18	300,539,070.00	0.7500	1/15/2017	1.85%
	100,000,000	U.S. TREASURY NOTE	100.04	100,042,970.00	0.5000	1/31/2017	0.62%
	175,000,000	U.S. TREASURY NOTE	100.27	175,465,692.50	0.8750	1/31/2017	1.08%
	310,000,000	U.S. TREASURY NOTE	100.12	310,373,860.00	0.6250	2/15/2017	1.91%
	175,000,000	U.S. TREASURY NOTE	100.28	175,488,775.00	0.8750	2/28/2017	1.08%
	320,000,000	U.S. TREASURY NOTE	100.20	320,634,368.00	0.7500	3/15/2017	1.97%
	150,000,000	U.S. TREASURY NOTE	100.02	150,027,105.00	0.5000	3/31/2017	0.92%
	175,000,000	U.S. TREASURY NOTE	100.38	175,661,377.50	1.0000	3/31/2017	1.08%
	275,000,000	U.S. TREASURY NOTE	100.31	275,866,085.00	0.8750	4/15/2017	1.70%
	150,000,000	U.S. TREASURY NOTE	100.00	150,005,865.00	0.5000	4/30/2017	0.92%
	150,000,000	U.S. TREASURY NOTE	100.38	150,565,425.00	0.8750	8/15/2017	0.93%
		TOTAL U.S. GOVERNMENT AND AGENCIES		4,880,085,194.10			30.01%



TICKER	SHARES / PRINCIPAL	SECURITY	MKT PRICE (\$)	MKT VALUE (\$)	COUPON RATE (%)	MATURITY DATE	% OF NET ASSET VALUE
		CASH & EQUIVALENTS		817,593,091.56			5.03%
		TOTAL CASH & EQUIVALENTS		5,697,678,285.66			35.04%
		TOTAL NET ASSETS:		16,261,821,465.42			100.00%

* Indicates foreign security.

Portfolio Holding Submission Disclosure

You should consider the Fund's investment objectives, risks, and charges and expenses carefully before you invest. The Prospectus details the Fund's objective and policies, sales charges, and other matters of interest to the prospective investor. Please read this Prospectus carefully before investing. The Prospectus may be obtained by visiting the website at www.fpafunds.com, by email at crm@fpafunds.com, toll-free by calling 1-800-982-4372 or by contacting the Fund in writing.

Investments in mutual funds carry risks and investors may lose principal value. Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Certain funds may purchase foreign securities, including American Depository Receipts (ADRs) and other depository receipts, which are subject to interest rate, currency exchange rate, economic and political risks; this may be enhanced when investing in emerging markets. Small and mid cap stocks involve greater risks and they can 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. Lower rated bonds, callable bonds and other types of debt obligations involve greater risks. Mortgage securities and asset backed securities are subject to prepayment risk and the risk of default on the underlying mortgages or other assets; derivatives may increase volatility.

Portfolio composition will change due to ongoing management of the fund. References to individual securities are for informational purposes only and should not be construed as recommendations by the Funds, Advisor or Distributor.

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