Annual Report

FPA International Value Fund

investors first

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FPA INTERNATIONAL VALUE FUND
LETTER TO SHAREHOLDERS

"Welcome to a world in which everything you learned about risk/return analysis (…) is not only worthless but detrimental to your career path. The Fed paying cash to dumb down an entire investment community."

Danielle DiMartino Booth, CEO and Chief Strategist, Quill Intelligence. January 2, 2020

"Businesses are worth more money if interest rates fall and stocks rise (…) And after a while, rising prices themselves alone will keep people excited and cause more people to enter the game (…) People tend to forget about the importance of the price they pay as the experience of a bull market just sort of dulls the senses."

Warren Buffett, Chairman and CEO, Berkshire Hathaway. May 5, 1997

"We all are going to pay a horrible price someday but in the meantime it's a lot of fun for a lot of people."

Jim Rogers, Chairman, Beeland Interests. January 10, 2020

Dear Fellow Shareholders,

In the fourth quarter of 2019, the FPA International Value Fund (the "Fund") returned 9.35% (in U.S. currency), net of fees and expenses (the Fund's most recent total expense ratio was 1.29%). This compared to 8.92% over the same period for the MSCI All Country World Index (ex-U.S.) (Net) (the "Index").

Over the full calendar year, the Fund returned 24.05%, net of fees and expenses (the Fund's most recent total expense ratio was 1.29%), versus 21.51% for the Index over the same period.

Most importantly, since its inception on Dec. 1, 2011, the Fund had an annualized return of 8.48% (in U.S. currency), net of fees and expenses (the Fund's net expense ratio averaged around 1.29% since inception). This compares to an annualized return of 6.58% for the Index over a similar period.[1]

In addition, we note that cash and equivalent holdings on average accounted for 35% and 29% of the Fund's total assets in the fourth quarter and over the full calendar year, respectively. Since the Fund's inception, cash exposure has averaged 31% of assets, while fluctuating from less than 12% to more than 40%, depending on the availability of suitable investment opportunities.

Holdings performance

Portfolio holdings (i.e., excluding cash and cash equivalents) outperformed the Index in the quarter and over the full calendar year by an even larger margin, with returns of 15%, and close to 35%, respectively (in U.S. currency), compared to approximately 9% and 22% for the Index, respectively. Most importantly given our long-term focus, the annualized return on the Fund's investments since inception is 14% (in U.S. currency), compared to less than 7% for the Index.[2]

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[1] The Index's annualized return of 6.58% is for the period from Nov. 30, 2011 to Dec. 31, 2019 in U.S. currency. From Dec. 1, 2011 to Dec. 31, 2019, the Index has produced an annualized return of 6.46%.

[2] The performance of the portfolio holdings 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. Performance of the portfolio holdings also excludes the impact of cash and cash equivalents. An investor in the Fund cannot achieve these returns. Please refer to the first page for overall net performance of the Fund since inception. The long equity performance information shown is for illustrative purposes only and may not reflect the impact of material economic or market factors. No representation is being made that any account, product or strategy will or is likely to achieve profits, losses, or results similar to those shown.

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

Unsurprisingly given the Fund's performance, return contributions were positive across the board in the fourth quarter, with only two holdings negatively impacting performance in the period (though only modestly): **Alcon** and **G8 Education** (G8). Alcon is a recent addition to the portfolio (*see Portfolio Activity for description*). As is often the case with our value investment approach, Alcon's shares had been under pressure when we started purchasing the stock,[3] and this negative momentum continued through most of the rest of the year, despite the rising market. G8 is a long standing holding of the Fund (*see Worst Performer for description*). However, as stated in the third quarter commentary, we had previously sold out of the stock almost completely, following a sharp increase in the share price (up 91% — in U.S. currency — from its low in October 2018 to its high in February 2019). When the stock experienced a sharp decline in the subsequent months, and reached new lows by the end of the year, we took advantage of the price weakness to buy back shares and rebuild our position in G8. That also negatively impacted the Fund's returns in the short-term.

In the third quarter, we also noted that the decline of the Fund's UK holdings had negatively impacted the Fund's performance. We inferred that this may have been a function of the recent change in government, uncertainty around plans for the country to exit the European Union (Brexit), and growing fears that Jeremy Corbyn (who planned to institute radical socialist policies) could become the next Prime Minister. Boris Johnson's (who vowed to follow through with Brexit) biggest Conservative Party's election win, the biggest Conservative Party win in over 20 years, helped ease many of these concerns and drove a rebound in the UK market. Together, the Fund's UK and Irish holdings accounted for about 60% of the total positive contribution in the fourth quarter.

However, we believe these short-term price developments say little about the underlying fundamentals and intrinsic value of our individual holdings. Focus should remain on their long-term business prospects rather than macro-economic fluctuations, political news flow, or headline noise. As always, we encourage shareholders to evaluate the stock performance of our investments over longer periods of time.

Worst performer

The largest detractor to performance this quarter, as noted above, was G8, with a contribution to return of -0.58%. It was also the Fund's worst-performing holding, with a share price that fell 23.54% (in U.S. currency).[4,5]

Based in Australia, G8 is one of the country's largest operators of childcare centers. We commented on the G8 in past commentaries, in particular in the fourth quarter of 2018, after the stock price strongly recovered.

We first invested in G8 when the group started to experience material cyclical challenges.[6] Too much capital desperate for yields had been flowing into properties used for early education. As supply overshot demand,

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3 The Fund first started investing in Alcon in Q3 2019.

4 Based on the percentage of G8's share price change from Sept. 30 to Dec. 31, 2019 in U.S. currency. This share price change may not equate with the performance of the holding in the Fund. As of Dec. 31, 2019, G8 represented 2.52% of the Fund's assets.

5 Detractors and contributors noted throughout this Commentary are presented gross of investment management fees, transactions costs, and Fund operating expenses, which if included, would reduce the returns presented. The information provided does not reflect all positions purchased, sold or recommended by FPA during the quarter. A copy of the methodology used and a list of every holding's contribution to the overall Fund's performance during the quarter is available by contacting FPA Client Service at crm@fpa.com. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities listed.

6 The Fund first started investing in G8 in Q3 2017.

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

occupancy levels were negatively impacted. The resulting pressure triggered material changes at G8 in ownership, management, and strategic focus. The combination of all these disruptive forces presumably caused significant weakness in the company's share price, which we took advantage of to build the position.

While we expected G8's underlying business to remain under pressure in the short term, we believed that the aforementioned changes would be positives and that they presented opportunities for improvements after years of poorly managed growth. Furthermore, we expected long-term structural drivers to support growth in demand for early education, and we thought G8's business fundamentals were strong.

As the market started showing signs of improvement and some of the initiatives launched by G8's new CEO began having a positive impact on the business, market sentiment shifted and the company's shares rallied. Consistent with our investment discipline, we proceeded to take profits and sold most of the position by the first quarter of 2019.

More recently, however, further business updates disappointed, and confidence in continued improvements in market conditions faded, causing the stock price to fall sharply. The shares declined more than 20% (in U.S. currency) in the month of November alone and returned to their 2018 lows.

Patience continues to be required for supply and demand of early education properties in Australia to find an equilibrium. However, we have not seen any structural changes in these short few months that would require us to revise our underlying assessment of the fundamentals of the G8 business, its management team, or its balance sheet, and thus, our estimate of its intrinsic value. We therefore took advantage of the renewed weakness in the share price to rebuild the Fund's position in G8.

Best performer

The Fund's biggest contributor to performance this quarter was **Ryanair**, with a contribution to return of 1.94%. It was also the Fund's second-best-performing holding, with a share price that rose 42.71% (in U.S. currency). The Fund's best-performing holding was **Volution**, with a share price that increased 64.45% (in U.S. currency).[7]

Based in Ireland, Ryanair is one of Europe's leading passenger airlines. We have commented several times on this name in previous commentaries, most recently in the second quarter of 2019 (when we highlighted, in our view, the stock's particularly attractive valuation), as the company has experienced many difficulties that have weighed negatively on both its operating results and its share price in recent years. Problems have ranged from pilot roster-related flight cancellations, strike-ridden labor negotiations, and air traffic control disruptions, to increased fuel prices and the uncertainties associated with Brexit. We believe none of those were structural threats to Ryanair's long-term dominance in its market, and its seasoned management team has been able to manage most of them. Most recently, however, Ryanair has had to deal with the Boeing 737 Max issue. Following two deadly crashes, the Max came under intense scrutiny over several design flaws, and was grounded by authorities effectively until further notice. It is extremely difficult to determine what will become of the Max in the months to come. The aircraft plays an important part in Ryanair's plans to grow its business going forward, which means the group may have to rethink its mid-term strategy.

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[7] Based on the percentage of Ryanair and Volution's share prices change from Sept. 30 to Dec. 31, 2019 in U.S. currency. These share price changes may not equate with the performance of the holdings in the Fund. As of Dec. 31, 2019, Ryanair and Volution represented 4.85% and 2.11% of the Fund's net assets, respectively.

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

In the meantime, Ryanair's many competitive advantages and the sustained growth in demand for air travel have helped the company generate good operating performance. Most recently, the group raised its profit guidance for 2019 by an impressive 20%.[8] Such momentum, combined with the high quality of the business and a debt-free balance sheet, was likely an important driver behind the recent share price increase.

Based in the UK, Volution is a leading manufacturer of ventilation systems. As noted in our third quarter commentary, we increased the Fund's holdings of Volution on share price weakness during that period. The negative momentum was presumably driven by the short-term disruption the business experienced amid the complex consolidation of its Slough and Reading facilities into a single modernized injection molding and fan assembly facility. However, operations subsequently returned to normal with the new site delivering the anticipated efficiency gains. This likely explains the recovery in the share price this quarter.

Despite the recent performance of these two holdings, we remain interested in being shareholders of both Ryanair and Volution so long as their stock prices continue to offer an appropriate margin of safety.

Portfolio activity[9]

As always, through the quarter we continued to add to holdings we believe offer compelling discounts to intrinsic value, and to trim positions that are becoming less attractively priced. We also rebalanced individual positions based on relative discounts to intrinsic value. While this helps ensure that our most compelling investments are more heavily weighted to drive performance, it is important to realize that it can also inflate portfolio turnover at times, particularly if short-term volatility rises.

Specifically, we increased the Fund's ownership of some portfolio companies whose stocks experienced material weakness. Those included G8 and Alcon (a leading manufacturer of eye care products and related surgical equipment), as per our previous comments. Among the Fund's largest existing holdings, we also increased the portfolio's investments in **Cap Gemini** (a global leading provider of consulting and technology services), which experienced some negative volatility on overblown fears of softer trading conditions, and in **Ubisoft** (one of the world's largest video game developers). We commented in the past on how challenging the year has been for game developers. We noted that it created an opportunity for us to increase the Fund's exposure to the industry, which we researched extensively prior to investments in companies like **Keywords** or **Sumo** (both leading providers of game development services). Ubisoft was particularly hard hit. It reported weak results and had to write-down the latest sequel of key game franchise Ghost Recon. It also postponed the release of three important new games originally expected by year-end.

During the period, we also made some new purchases, including shares of **ISS A/S**. Based in the Denmark, ISS is a global leading provider of cleaning, catering, support, security, and facility management services.

Because of positive performance, we trimmed several of the Fund's holdings. Those included Volution and Ryanair whose stocks experienced notable increases in price as previously discussed. We also reduced the size of several other holdings, including **Naver** (a leading Korean provider of internet-based services) and **EssilorLuxottica** (a global leading manufacturer of both ophthalmic lenses and eyeglass frames).

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[8] Ryanair raised profit guidance on January 10, 2020 for year ending March 31, 2020 in a note to investors.

[9] The information provided does not reflect all positions purchased, sold or recommended by FPA during the quarter. It should not be assumed that an investment in the securities listed was or will be profitable.

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

We first had the opportunity to build meaningful exposure to Essilor and Luxottica when their share prices fell amid fears that the European Commission wouldn't approve the merger of the two companies. A second opportunity came after the deal closed, when known internal tensions became public between senior executives on each side over the governance of the merged entity.[10] More recently, however, the market appeared to shift its focus toward what we believe to be the unique quality of EssilorLuxottica's business and the potential large opportunities to extract synergies from the merger as well as the subsequent acquisition of **GrandVision** (*see details below*).

We mentioned Naver in our last commentary, as the operator of South Korea's dominant internet portal had announced in the third quarter of 2019 that it would spin off its mobile payment division, which helped lift the company's share price. Subsequently, the group reported that it plans to merge its Japanese messaging app operator, Line Corp, with SoftBank's internet subsidiary Yahoo! Japan (which recently acquired Japan's biggest online fashion retailer Zozo and changed its name to Z Holdings). The deal creates a new local tech powerhouse with leading positions across key strategic segments and strong shareholder backing. As such, it was received positively by the market and led to further improvement in Naver's stock price.

During the quarter, we also completed the sale of several holdings, including GrandVision, **Avon Rubber** (Avon), **Melrose**, and **Totvs**.

Based in the Netherlands, GrandVision is a leading global optical retailer. The group sells and distributes prescription eyeglasses, contacts, eye care products and sunglasses in Europe and Asia. As mentioned above, EssilorLuxottica acquired GrandVision in July. The sale price of 28 euros per share was effectively in line with our estimated intrinsic value per share.

Based in the UK, Avon has mainly operated two distinct businesses. In its Protection division, the group is a producer of gas masks for the U.S. military. In Dairy, it is a leading manufacturer of dairy liners. When we purchased the stock, Avon was transitioning away from its historical rubber-based commodity businesses and suffering from two issues. On the Protection side, it had to manage the conversion of a large contract with the U.S. Department of Defense from procurement to sustainment status (meaning lower volumes). On the Dairy side, Avon was experiencing weak performance driven by a downturn in milk prices. However, management successfully steered the business through these challenging times. More importantly, they subsequently expanded into new geographies, new end-markets, and successfully rolled out new products, which positively contributed to performance. Last quarter, Avon announced the acquisition of 3M's ballistic protection business. This appeared to give the market confidence in management's long-term plans to transform Avon into a leading manufacturer of respiratory protection systems for the military and law enforcement markets, which led to further increases in the stock price.

Based in the UK, Melrose is effectively a publicly traded private equity firm with a highly concentrated buy-and-improve strategy. Its most recent investment was the acquisition in early 2018 of GKN, a publicly listed industrial conglomerate also based in the UK. As mentioned last quarter, the stock has responded positively to reports that management is delivering the planned operating efficiencies at GKN and delivering robust performance amid cyclical and structural headwinds in its key automotive and aerospace markets.

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[10] We first built meaningful exposure to Essilor and Luxottica in the Fund in Q4 2017. The merger of Essilor and Luxottica occurred in Q4 2018.

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

We have written several times about Totvs in previous commentaries, and we noted in the third quarter that we were trimming the position. Based in Brazil, Totvs is the country's leading provider of enterprise software solutions. It typically targets small- and medium-sized enterprises (SMEs). We started investing in the company at a uniquely difficult time for Totvs. Given its domestic focus, large exposure to SMEs, and natural correlation with employment, the business was hit particularly hard by the multi-year economic downturn,[11] along with inflationary pressure on both tech wages and payroll taxes. During the period, Totvs also went through the integration of a sizable acquisition, along with a broader reorganization of its operations and management. Lastly, like many providers of software solutions, the group was shifting its business model from selling upfront licenses to offering subscriptions. We believe that while the long-term effect of this migration is an increase in the present value of the firm's customer relationships, the short-term impact is a decline in profitability. Even under normal economic conditions, such a transition can depress profits over multiple years. The confluence of so many challenges put significant pressure on the group's results, which in turn negatively impacted its share price and created what we believed to be a compelling opportunity to invest (notwithstanding the weak currency).

In typical fashion, the investment in Totvs was predicated on the combination of short-term headwinds for the stock price and compelling long-term prospects for the business. At the time, we recognized conditions could remain challenging for a few years, as we estimated that the company was only halfway through a four-year business transition that started in 2015. However, we believed the new subscription model would enhance the company's value, and that the macro environment would improve eventually. We also expected favorable results from the reorganization and the hiring of new talent. More fundamentally, we viewed Totvs as a high-quality business, with a dominant position in a market that is both difficult to penetrate and constantly changing. Its products are high value-added solutions and appear to be a must-have for users, thereby commanding renewal rates in excess of 90%.[12] Before the transition, the group had consistently generated double-digit annual revenue growth and margins above 20%. Even in the economic downturn, the business still generated returns north of 30% and strong free cash flows. The balance sheet was robust. Lastly, the chief executive had an impressive reputation in the industry, and we believed he could attract top industry talents. He was also a large shareholder in the group.

As several of the aforementioned long-term expectations became more immediate prospects, the market appeared to recognize Totvs' many compelling qualities, and the group's stock price improved significantly.

With Totvs now sold, there is little exposure left to Brazil in the portfolio. As some readers will remember, we highlighted the Brazilian opportunity several times in the earlier part of 2018. At the time, we reported that we were taking advantage of the combination of a material decline in the market and a depressed currency to invest a large portion of the portfolio's assets (over 20%) in a handful of local high-quality companies.

In each of the cases above, and consistent with our investment discipline, we sold the position as the stock price increased and the discount to intrinsic value unwound. While these companys' stocks no longer trade at what we would consider an appropriate margin of safety, we continue to view Avon, Melrose, and Totvs as high-quality, well-run businesses, and we would be interested in becoming shareholders again, subject to being able to buy their shares at a significant discount to intrinsic value.

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[11] The most recent economic downturn in Brazil occurred during the period March 2015 to 2Q 2017. Source: TOTVS Q4 2018 earnings release. Renewal rates as of Q4 2018 were 97.9%.

Past performance is no guarantee, or indicative, of future results

[12] Source: TOTVS Q4 2018 earnings release. Renewal rates as of Q4 2018 were 97.9%.

Portfolio turnover

It is rewarding to see the prices of our holdings increase because it validates each underlying thesis and the intense research work needed to support them. It has created wealth for the Fund's shareholders (us included). Nonetheless, we find ourselves frustrated by the resulting portfolio turnover.

Based on historical experience, we would expect it could take three to five years for the market to understand the value of one of the Fund's holdings, and for its share price to converge toward our assessment of intrinsic value (itself accruing in the meantime). This means we would expect the average holding period to be three to five years and the portfolio turnover to be in the 20% to 30% range.

In practice, the discounts have unwound much faster than expected and triggered higher turnover in the portfolio. That was the case with the Fund's European investments during the sovereign-debt crisis, cyclical commodity-related investments in the economic downturn, UK holdings after Brexit, technology-driven opportunities, and most recently, the high exposure to Brazilian equities.

Part of this turnover is a function of our ability to rebalance the portfolio on an on-going basis to help ensure that our better ideas have greater weighting in the Fund. Nonetheless, even when measured in terms of names that have come in and out of the portfolio, turnover has been higher than we would want. A lower turnover means lower costs, reduced taxes, and less research work (which can mean fewer mistakes).

It is important to highlight and to understand that this higher turnover has been a product of two things: 1) the success of the Fund's investments, and 2) the flexibility to hold cash in the absence of opportunities that can satisfy all our investment criteria. In almost every case, decisions to sell were a function of the full unwinding of the discount, combined with not having the obligation to find a replacement when selling a holding. Unlike with a fully invested portfolio, we cannot justify hanging on to a stock that offers little or no upside based on the argument that no known tax-adjusted alternative could produce a better return. Embedded future losses are not an option for us. Cash is always a next-best alternative for us.

When looking at the Fund's portfolio holdings returns in years like 2012 (+37%), 2013 (+31%), 2017 (+43%), and 2019 (+34%), it is easy to see how this approach would have created high turnover. We invest in stocks that we believe trade at a discount to our estimates of intrinsic value in excess of 30%, yet in each of these years, the Fund's holdings together generated a return well in excess of 30%.[13] That means many of the Fund's positions saw their expected upside realized in a short period (vs. only a limited increase in intrinsic value in the meantime) and had to be sold, which pushed the Fund's turnover higher.

Portfolio profile

Net of the aforementioned transactions, the Fund remained focused on our best ideas, with 24 disclosed positions at the end of the period. The top 10 positions accounted for 33% of the Fund's total assets, and 51% of

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[13] Note: The return of the Fund's portfolio holdings are gross of fees and expenses, and do not include the impact of cash and cash equivalents, which if included, would reduce the returns presented. The return of the Fund's portfolio holdings does not equate with the net performance of the Fund. An investor in the Fund would not have achieved these gross returns during these periods. The Fund's net returns during these periods were: 2012 (+24%), 2013 (+18%), 2017 (+27%), and 2019 (+24%). Please refer to the first page for overall net performance of the Fund since inception. The portfolio holdings only 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. **Past performance is no guarantee, nor is it indicative, of future results.**

the invested portion. The top five accounted for 18% of total assets and 28% of the invested portion. The weighted average discount to fair value of these holdings was close to 22% at the end of the fourth quarter.[14]

The Fund's median capitalization size was $18 billion, and the weighted average was $55 billion at the end of the period. Sixty percent of the Fund's invested assets were in companies with a market capitalization of more than $10 billion. However, we do not consider a company's market capitalization to be a relevant criterion from an investment perspective. We are invested across a wide range of market capitalization sizes, from less than $400 million to more than $400 billion. That's been the case since the Fund's inception, and we have delivered positive returns across that market capitalization spectrum.

We are similarly indifferent to which sector a company operates in, or where it happens to be domiciled. Nonetheless, looking at the Fund's geographic profile at the end of the quarter, 44% of total assets were invested in companies domiciled in Europe (ex-UK). The Fund's exposure to the UK stood at 11% of total assets as of December 31. We were starting to see many possible compelling value opportunities in that market going into the fourth quarter, especially among high-quality cyclicals and industrials (which accounted for a meaningful portion of our idea pipeline at the time). We presumed those opportunities were driven by political uncertainties and concerns that industrial activity had entered a down-cycle. Much to our frustration, the combination of several central banks pumping more money into the markets (presumably to fight off the downturn), a favorable outcome in the elections, and a sudden shift toward so-called value stocks, caused most of these names to rally by 20% or more in the last few weeks of the year, along with some of the Fund's holdings (such as Volution and Melrose, as mentioned above).[15]

Due to the further reduction of the Fund's investments in Brazilian companies, emerging markets exposure fell to 8% of total assets. With the increased investment in G8, Australia rose to 3% of total assets. We still had no direct exposure to Japan as of the end of this quarter.

From a sector standpoint, we often migrate toward businesses that are cash generative and not very capital intensive. Those include service-type businesses and consumer goods companies. At the end of the quarter, discretionary and staples together accounted for 18% of total assets. The Fund had similarly meaningful exposure to industrials, which accounted for 19% of total assets. Healthcare accounted for 3% of total assets. The Fund's largest exposure, however, was to technology and communications, which accounted for 23% of total assets. We had 3% of assets invested in financials, which reflected the Fund's investment in AIB. Outside of that, we have had no exposure to banks since the Fund's inception. We noted in previous commentaries the challenges often

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[14] *Weighted average discount to fair value* refers to the weighted average discount to fair value of all securities in the Fund based on fundamental internal research fair value estimates (versus the discount to its actual market value).

[15] In the United States, the Federal Reserve increased its balance sheet by about 10% between September and year-end through monthly purchases of T-bills of about $60 billion (which is expected to extend at least into the second quarter of 2020). In the meantime, the S&P 500 increased about 15% since its low in August, including the best fourth-quarter rally in six years. Since the Fed started buying T-bills, the index has gone up almost 1% for every 1% increase in the bank's balance sheet. In Europe, where members of the European Union are required to keep budget deficits below 3% of GDP, the central bank's president, Christine Lagarde, in November pointed to the 7% deficit in the United States in the past two years, and called on governments to increase spending. Even more fiscally conservative Germany announced plans for a $60 billion fiscal expansion. In the U.K., newly elected Mr. Johnson pledged to spend over $100 billion on infrastructure projects. In China, the central bank cut the amount of cash banks must hold in reserve, thus releasing an estimated $115 billion in funds for lending. The Chinese government has also been aggressively pushing for lower interest rates and further lending, in particular to SMEs, even though non-performing loans have become a more pressing issue. Companies in China are continuing to default despite having received bail-out funding as part of the 2018 rescue campaign, and corporate defaults are reaching record levels for their second year.

associated with these investments, which typically are a poor fit for our philosophy and process. Overall, the Fund had limited exposure to the credit cycle and financially levered companies.[16]

While we try to provide some perspective on the Fund's sector profile in these commentaries, the portfolio is simply the residual of our bottom-up approach. We also find that the Global Industry Classification Standard (GICS) classifications are of limited relevance. PageGroup, for instance, is a provider of recruitment services, yet it is classified as industrial. In our view, GICS's sector definitions are too broad to provide a meaningful picture of the Fund's underlying exposure.

More fundamentally, we think the Fund is exposed to a fairly diverse group of sectors and geographies, and is exposed to markets that we think have limited correlation. We also believe many of the Fund's holdings have particular secular dynamics that help make them more predictable and better-suited to work through potential short-term economic challenges. While it is impossible to anticipate how individual stocks will perform going forward, we would argue that the Fund's exposure to varying sectors and geographies, along with the quality of its holdings, positions it well to withstand market dislocation. To this, of course, we need to add the cash holding, which offers us the flexibility to buy when others are selling. It could also be a driver of performance through the cycle.

Investment prospects

As we review this letter, capital markets across the board continue to rally and look set to break new records. With that, our views on investment prospects can only be worse than what we laid out in recent commentaries, where we highlighted many of the significant geopolitical, macro-economic, and market-specific challenges that we see in the current environment. We would simply reiterate most of our previous concerns, with an emphasis on China risks (where the economy continues to show signs of weakness and excessive financial leverage, while recent MSCI index inclusions attract more capital).

In the later part of 2018, we also warned of signs of weakness in business activity around the world, which for the most part we continued to see through 2019. Government actions to stimulate economic activity appear to have temporarily helped in recent months. However, we believe many of the cyclical headwinds (along with some structural challenges) remain latent and they could raise concerns going forward, especially since investors took an excessive and ill-timed (on price) interest in cyclicals toward year-end.

Similarly, we mentioned in past commentaries that we believe a range of mechanisms are currently at play across capital markets that could not only be distorting prices but also restrict liquidity and amplify a potential market correction. We reiterate these concerns as well, and would suggest a healthy dose of skepticism toward the idea that passive and quantitative strategies are a panacea for positive returns going forward.

In particular, we noted the dangerous trend of seeking to subject capital and corporations to an arbitrary moral agenda, and the many challenges that it raises. Since then, the SEC reported that it sent examination letters to investment firms, as record amounts of money flow into funds that formally free themselves of the cumbersome obligation to do well (i.e., deliver positive, if not excess, returns) in order to hold themselves to the standard of doing good. There seem to be new efforts to solve associated problems such as how to measure and rank values, track moral performance, meet individual shareholder's preferences, and address conflicts with a manager's fiduciary obligations. While we are skeptical sound solutions can be articulated, we're always keen to learn from others and improve our investment approach in any way we can. We'll continue to follow this debate to see how we should be incorporating these ideas into our thinking.

[16] Sector classification scheme reflects GICS (Global Industry Classification Standard).

To these distortive mechanisms, we would add the continuation of aggressive monetary and fiscal policies by many governments around the world in response to signs of economic weakness (as was our fear in the third quarter).[17] This injection of even more money into the economy largely explains, in our view, the impressive performance of capital markets around the world in the past few months. We believe expectations of profit growth are unreasonably high across the board, and seem particularly unrealistic given how far this cycle has run. As such, most of the increase in market valuations appears to have come from further multiple expansion. As bottom-up investors, we are certainly unable to reconcile these price developments with the underlying fundamentals of many of the companies we follow. Instead, we believe continued ultra-low interest rates, macro themes and technical drivers are the main drivers behind the broad rally.

Concerns are being raised more openly, especially by financial institutions such as banks and insurance companies (whose long-term financial solvency is at risk) about the merits of these policies. Such concerns could translate into pressure for a change of course, and/or potentially limit central banks' ability to respond to an economic downturn. Either way, this could have a material impact on capital markets going forward.

As we explained in the past, these policies also disrupt the laws of economics, and undercut the value of fundamental analysis. With unlimited access to cheap capital, companies can buy their way into a market or a value chain by accepting uneconomical terms to replicate an existing business model. In the United States, the percentage of listed companies losing money in the previous 12 months has increased to 40%, the highest rate during non-recession periods since the late 1990s. The proportion of companies losing money for the previous three years also hit a new high according to data stretching back to the late 1990s. Furthermore, for the second year in a row, 80% of the firms that went public were loss-making (vs. less than 40% on average in the previous 40 years).[18] Said otherwise, investors are likely putting high valuations on companies that exist because they could afford to destroy the economics of their own business model.

Generally speaking, we observe that investors are now paying little attention to business fundamentals. Even then, it seems few are considering whether stock prices adequately correlate with such fundamentals (which is equally critical). It appears as though investors, without any assessment of a business or what it may be worth, will buy into what they perceive to be a "good premise" (such as quality or growth) with the hope of taking advantage of a possible short-term price increase, only to drop the stock if anything in the company's next reporting cycle doesn't fully support this premise. Put another way, they appear to have traded "desirable because underpriced" for "desirable because growing/big/popular/transformative," no matter the price. By foregoing price discovery and valuation discipline, they must rely on the "greater fool theory," i.e., the hope that another investor will somehow be compelled to offer more for the stock. We have no interest in playing this game, even if it means missing out on speculative short-term paper gains.

Opportunities to deploy capital for us as long-term, fundamental, value investors are incredibly scarce. This is arguably one of the most unattractive environments we have ever seen. As we continue to re-assess what is needed for companies we follow to deliver the desired upside, we can see that most of them no longer offer even the unlikely prospect of a mediocre return, but rather the relative certainty of a permanent loss. A few years ago, our view was that many risks had materialized, so the future was likely to bring positive developments. Yet all we saw were highly discounted valuations. That was our time to invest. Today, our view is that many risks

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17 See footnote 16 above detailing various central banks' recent monetary initiatives.

18 "Quote" (R. Ritter 2020, as cited in James Mackintosh, 2020) "Money-Losing Companies Mushroom Even as Stocks Hit New Highs". The Wall Street Journal. https://www.wsj.com/articles/money-losing-companies-mushroom-even-as-stocks-hit-new-highs-11578608209

seem likely to materialize in the months or years to come. Yet all we see are prices that aren't discounted for many risks (however probable and material). This isn't a market for us.

Despite this incredibly challenging backdrop, we will continue to put our time and efforts into finding and focusing on the few remaining value opportunities that may still exist in the market. With our broad mandate, and by consistently applying our investment philosophy and research process, we think we could identity these opportunities, and ultimately deliver long-term returns, while minimizing the risk of permanent losses. We will remain focused on high-quality companies that we believe have strong, sustainable fundamentals and compelling prospects to build shareholder value in the long run, as well as balance sheets that can withstand short-term disruption. They must also have management teams capable of steering the business through both good and bad times. And we will only put capital at risk when we think we can buy their stocks at significant discounts to our estimates of intrinsic value.

We thank you, as always, for your confidence, and we look forward to continuing to serve your interests as shareholders of the FPA International Value Fund.

Respectfully submitted,

Pierre O. Py
Portfolio Manager
December 31, 2019

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.

The views expressed herein and any forward-looking statements are as of the date of this publication and are those of the portfolio management team. Future events or results may vary significantly from those expressed and are subject to change at any time in response to changing circumstances and industry developments. This information and data has been prepared from sources believed reliable, but the accuracy and completeness of the information cannot be guaranteed and is not a complete summary or statement of all available data.

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

Investments, 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 Depository Receipts (ADRs) and other depository receipts, which are subject to interest rate, currency exchange rate, economic and political risks. Foreign investments, especially those of companies in emerging markets, can be riskier, less liquid, harder to value, and more volatile than investments in the United States. Adverse political and economic developments or changes in the value of foreign currency can make it more difficult for the Fund to value the securities. Differences in tax and accounting standards, difficulties in obtaining information about foreign companies, restrictions on receiving investment proceeds from a foreign country, confiscatory foreign tax laws, and potential difficulties in enforcing contractual obligations, can all add to the risk and volatility of foreign investments.

Small and mid-cap stocks involve greater risks and they can fluctuate in price more than larger company stocks. Groups of stocks, such as value and growth, go in and out of favor which may cause certain funds to underperform other equity funds.

The Fund may invest a greater percentage of its assets in a smaller number of securities. Holding fewer securities increases the risk that the value of the Fund could go down because of the poor performance of a single investment.

Value style investing presents the risk that the holdings or securities may never reach their full market value because the market fails to recognize what the portfolio management team considers the true business value or because the portfolio management team has misjudged those values. In addition, value style investing may fall out of favor and underperform growth or other styles of investing during given periods.

Top Five Contributors (Contribution %, Weight %) (For the quarter-end 12/31/2019): Ryanair (4.9%, 1.94%); Volution Group (2.1%, 1.37%); PageGroup (3.0%, 0.88%); Dignity (3.1%, 0.70%); NAVER Corp (2.8%, 0.64%)

Bottom Five Detractors (Contribution %, Weight %) (For the quarter-end 12/31/2019): G8 Education (2.5%, -0.58%); Alcon (2.9%, -0.08%); Nestle (0.8%, 0.00%); TOTVS (0.0%, 0.00%); Ambev (2.3%, 0.05%)

Throughout this Commentary, detractors and contributors to Fund performance noted are based on contribution to return for the periods noted. Contributors and detractors are presented gross of investment management fees, transactions costs, and Fund operating expenses, which if included, would reduce the returns presented. The information provided does not reflect all positions purchased, sold or recommended by FPA during the quarter. A copy of the methodology used and a list of every holding's contribution to the overall Fund's performance during the quarter is available by contacting FPA Client Service at crm@fpa.com. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities listed. **Past performance is no guarantee, nor is it indicative, of future results., and there is no assurance that the Fund's investment objective will be achieved or that the strategies employed will be successful. As with any investment, there is always the potential for gain, as well as the possibility of loss.**

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 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 will be less diversified than the indices noted herein, and may hold non-index securities or securities that are not comparable to those contained in an index. Indices will hold positions that are not within the Fund's investment strategy. Indices are unmanaged and do not reflect any commissions or fees which would be incurred by an investor purchasing the underlying securities. All indices include reinvestment of dividends and interest income unless otherwise noted. An investor cannot invest directly in an index.

The **MSCI ACWI ex-USA Index (Net)** is a float-adjusted market capitalization index that is designed to measure the combined equity market performance of developed and emerging market countries excluding the United States. Net index returns reinvest dividends after the deduction of withholding taxes, using (for international indexes) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

Other Definitions

Intrinsic value, in finance, is the "true, inherent, and essential value" of an asset independent of its market value. The portfolio manager defines the "intrinsic value" of a business to mean the discounted value of the cash that can be taken out of the business during its remaining life.

Market capitalization refers to the total value of all a company's shares of stock. It is calculated by multiplying the price of a stock by its total number of outstanding shares.

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.

Median market capitalization is the midpoint of market capitalization (market price multiplied by the number of shares outstanding) of the stocks in a portfolio. Half the stocks in the portfolio will have higher market capitalizations; half will have lower.

High-quality business — The portfolio manager believes a high quality business is one that is able to generate a return on capital in excess of its cost of capital for sustained periods of time.

Margin of safety — Buying with a "margin of safety" is when a security is purchased at a discount to the portfolio manager's estimate of its intrinsic value. Buying a security with a margin of safety is designed to protect against permanent capital loss in the case of an unexpected event or analytical mistake. A purchase made with a margin of safety does not guarantee the security will not decline in price.

Weighted average discount to intrinsic value — Refers to the weighted average discount to intrinsic value of all securities in the Fund based on fundamental research versus its actual market value

Weighted average market capitalization refers to a type of stock market index construction that is based on the market capitalization of the index's constituent stocks. Large companies would thus account for a greater portion of an index than small-cap stocks.

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

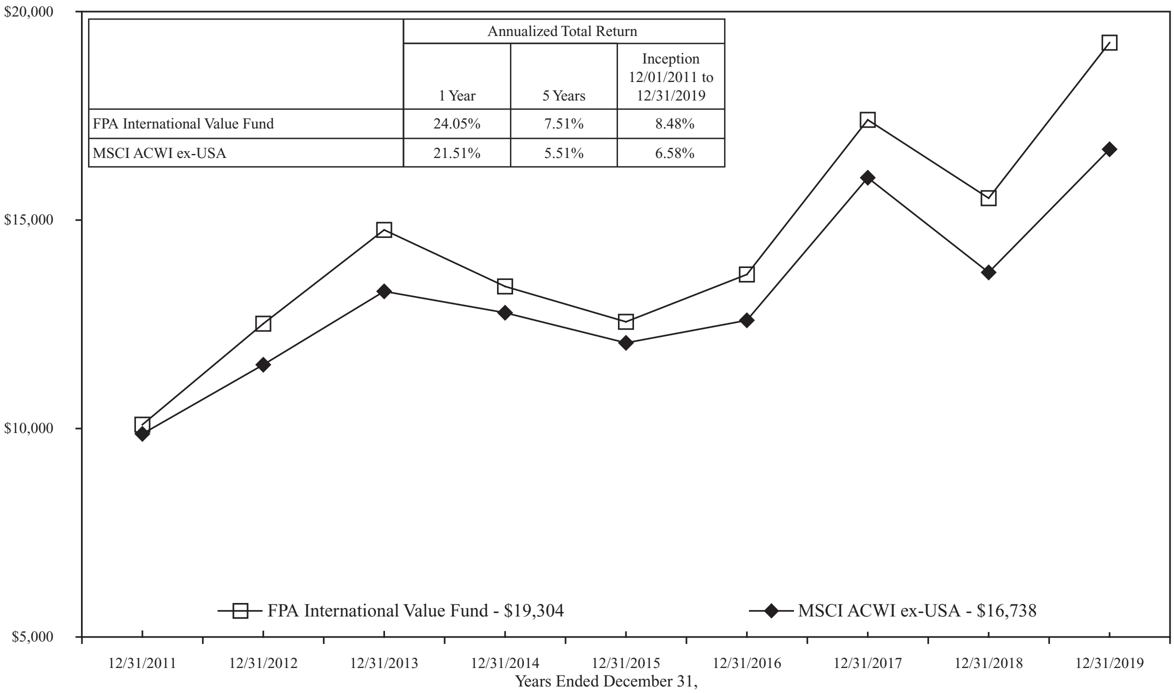
The discussions of Fund investments represent the views of the Fund's managers at the time of this report and are subject to change without notice. References to individual securities are for informational purposes only and should not be construed as recommendations to purchase or sell individual securities.

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 INTERNATIONAL VALUE FUND
HISTORICAL PERFORMANCE
(Unaudited)

Change in Value of a $10,000 Investment in FPA International Value Fund vs. MSCI ACWI ex-USA Index for the Period December 1, 2011 to December 31, 2019



	Annualized Total Return		
	1 Year	5 Years	Inception 12/01/2011 to 12/31/2019
FPA International Value Fund	24.05%	7.51%	8.48%
MSCI ACWI ex-USA	21.51%	5.51%	6.58%

The MSCI ACWI ex-USA Index is a float-adjusted market capitalization index that is designed to measure the combined equity market performance of developed and emerging market countries excluding the United States. This index does not reflect any commissions or fees which would be incurred by an investor purchasing the stocks it represents. The performance of the Fund and of the Index is computed on a total return basis which includes reinvestment of all distributions, if any.

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 page 23. 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 INTERNATIONAL VALUE FUND
PORTFOLIO SUMMARY

December 31, 2019

Common Stocks		**64.9%**
Application Software	9.1%	
Airlines	4.8%	
Professional Services	4.4%	
Building Maintenance Services	3.3%	
Information Technology Services	3.2%	
Funeral Services	3.1%	
Specialty Apparel Stores	3.0%	
Medical Equipment	2.9%	
Internet Media	2.8%	
Semiconductor Manufacturing	2.7%	
Non Wood Building Materials	2.7%	
Educational Services	2.5%	
Banks	2.5%	
Health Care Supplies	2.4%	
Food Services	2.4%	
Beverages	2.3%	
Commercial & Residential Building Equipment & Systems	2.1%	
Advertising & Marketing	2.1%	
Household Products	1.7%	
Flow Control Equipment	1.3%	
Packaged Food	0.8%	
Other Common Stocks	2.8%	
Short-term Investments		**34.8%**
Other Assets And Liabilities, Net		**0.3%**
Net Assets		**100.0%**

FPA INTERNATIONAL VALUE FUND
PORTFOLIO OF INVESTMENTS
December 31, 2019

COMMON STOCKS	Shares	Fair Value
APPLICATION SOFTWARE — 9.1%		
Sumo Group plc (Britain) (a)	2,738,655	$ 6,584,134
Tencent Holdings Ltd. (China)	172,471	8,313,349
Ubisoft Entertainment SA (France) (a)	141,229	9,755,292
		$ 24,652,775
AIRLINES — 4.8%		
Ryanair Holdings plc (Ireland) (a)	803,833	$ 13,191,278
PROFESSIONAL SERVICES — 4.4%		
Pagegroup plc (Britain)	1,183,129	$ 8,196,312
Randstad NV (Netherlands)	62,628	3,824,400
		$ 12,020,712
BUILDING MAINTENANCE SERVICES — 3.3%		
ISS A/S (Denmark)	377,400	$ 9,055,651
INFORMATION TECHNOLOGY SERVICES — 3.2%		
Capgemini SE (France)	71,129	$ 8,688,630
FUNERAL SERVICES — 3.1%		
Dignity plc (Britain)	1,078,206	$ 8,362,061
SPECIALTY APPAREL STORES — 3.0%		
Industria de Diseno Textil SA (Spain)	228,587	$ 8,063,970
MEDICAL EQUIPMENT — 2.9%		
Alcon, Inc. (Switzerland) (a)	141,346	$ 8,003,473
INTERNET MEDIA — 2.8%		
NAVER Corp. (South Korea)	46,996	$ 7,579,017
SEMICONDUCTOR MANUFACTURING — 2.7%		
ASML Holding NV (Netherlands)	25,288	$ 7,479,995
NON WOOD BUILDING MATERIALS — 2.7%		
Cie de Saint-Gobain (France)	176,331	$ 7,219,352
EDUCATIONAL SERVICES — 2.5%		
G8 Education Ltd. (Australia)	5,133,774	$ 6,844,989

COMMON STOCKS — Continued	Shares	Fair Value
BANKS — 2.5%		
AIB Group plc (Ireland)	1,915,324	$ 6,672,989
HEALTH CARE SUPPLIES — 2.4%		
EssilorLuxottica SA (France)	43,010	$ 6,551,578
FOOD SERVICES — 2.4%		
Sodexo SA (France)	54,317	$ 6,436,977
BEVERAGES — 2.3%		
Ambev SA (Brazil) (a)	1,327,649	$ 6,161,833
COMMERCIAL & RESIDENTIAL BUILDING EQUIPMENT & SYSTEMS — 2.1%		
Volution Group plc (Britain)	1,683,399	$ 5,730,663
ADVERTISING & MARKETING — 2.1%		
Stroeer SE & Co. KGaA (Germany)	69,646	$ 5,628,684
HOUSEHOLD PRODUCTS — 1.7%		
L'Oreal SA (France)	15,781	$ 4,673,208
FLOW CONTROL EQUIPMENT — 1.3%		
Sulzer AG (Switzerland)	32,483	$ 3,624,885
PACKAGED FOOD — 0.8%		
Nestle SA (Switzerland)	20,900	$ 2,262,763
OTHER COMMON STOCKS — 2.8% (b)		$ 7,634,371
TOTAL COMMON STOCKS — 64.9% (Cost $159,852,054)		$176,539,854
TOTAL INVESTMENT SECURITIES — 64.9% (Cost $159,852,054)		$176,539,854

SHORT-TERM INVESTMENTS — 34.8%	Principal Amount	Fair Value
State Street Bank Repurchase Agreement — 0.12% 1/2/2020 (Dated 12/31/2019, repurchase price of $94,576,631, collateralized by $93,810,000 principal amount U.S. Treasury Notes — 2.875% 2021, fair value $96,468,951) (c)	$94,576,000	$ 94,576,000
TOTAL SHORT-TERM INVESTMENTS (Cost $94,576,000)		$ 94,576,000
TOTAL INVESTMENTS — 99.7% (Cost $254,428,054)		$271,115,854
Other Assets and Liabilities, net — 0.3%		777,666
NET ASSETS — 100.0%		$271,893,520

(a) Non-income producing security.

(b) As permitted by U.S. Securities and Exchange Commission regulations, "Other" Common Stocks include holdings in their first year of acquisition that have not previously been publicly disclosed.

(c) Security pledged as collateral (See Note 8 of the Notes to Financial Statements).

Foreign Currency Exchange Contracts

Counterparty	Currency Purchased	Currency Sold	Settlement Date	Valuation at December 31, 2019	Unrealized Appreciation	Unrealized Depreciation
Barclays Bank plc	USD31,744,520	EUR28,287,000	3/19/2020	$31,880,567	—	$(136,047)
State Street Bank	USD 1,884,564	EUR 1,690,000	2/6/2020	1,899,679	—	(15,116)
Total				$33,780,246	—	$(151,163)

See accompanying Notes to Financial Statements.

FPA INTERNATIONAL VALUE FUND
STATEMENT OF ASSETS AND LIABILITIES
December 31, 2019

ASSETS	
Investment securities — at fair value (identified cost $159,852,054)	$176,539,854
Short-term investments — repurchase agreements	94,576,000
Cash	760
Foreign currencies at value (identified cost $288,848)	289,671
Receivable for:	
Dividends and interest	658,690
Capital Stock sold	418,709
Investment securities sold	142,602
Total assets	272,626,286
LIABILITIES	
Payable for:	
Advisory fees	204,903
Investment securities purchased	149,342
Capital Stock repurchased	16,853
Accrued expenses and other liabilities	210,505
Unrealized depreciation on forward foreign currency contracts	151,163
Total liabilities	732,766
NET ASSETS	$271,893,520
SUMMARY OF SHAREHOLDERS' EQUITY	
Capital Stock — no par value; unlimited authorized shares; 16,907,775 outstanding shares	$263,219,519
Distributable earnings	8,674,001
NET ASSETS	$271,893,520
NET ASSET VALUE	
Offering and redemption price per share	$16.08

See accompanying Notes to Financial Statements.

FPA INTERNATIONAL VALUE FUND
STATEMENT OF OPERATIONS

For the Year Ended December 31, 2019

INVESTMENT INCOME	
Dividends (net of foreign taxes withheld of $693,147)	$ 3,140,788
Interest	256,642
Total investment income	3,397,430
EXPENSES	
Advisory fees	2,464,495
Transfer agent fees and expenses	164,107
Trustee fees and expenses	153,332
Custodian fees	114,907
Legal fees	111,524
Reports to shareholders	90,240
Filing fees	73,269
Audit and tax services fees	28,210
Administrative services fees	12,826
Other professional fees	11,408
Other	89,369
Total expenses	3,313,687
Reimbursement from Adviser	(134,487)
Net expenses	3,179,200
Net investment income	218,230
NET REALIZED AND UNREALIZED APPRECIATION (DEPRECIATION)	
Net realized gain (loss) on:	
Investments	14,025,342
Investments in affiliates	(5,188,892)
Investments in forward foreign currency contracts	2,396,943
Investments in foreign currency transactions	(81,187)
Net change in unrealized appreciation (depreciation) of:	
Investments	36,452,505
Investments in affiliates	5,428,560
Investments in forward foreign currency contracts	(351,497)
Translation of foreign currency denominated amounts	6,011
Net realized and unrealized gain	52,687,785
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	$52,906,015

See accompanying Notes to Financial Statements.

FPA INTERNATIONAL VALUE FUND
STATEMENTS OF CHANGES IN NET ASSETS

	Year Ended December 31, 2019	Year Ended December 31, 2018
INCREASE (DECREASE) IN NET ASSETS		
Operations:		
Net investment income	$ 218,230	$ 952,822
Net realized gain	11,152,206	19,460,361
Net change in unrealized appreciation (depreciation)	41,535,579	(47,365,711)
Net increase (decrease) in net assets resulting from operations	52,906,015	(26,952,528)
Distributions to shareholders	(11,600,003)	(3,871,469)
Capital Stock transactions:		
Proceeds from Capital Stock sold	43,744,239	40,118,057
Proceeds from shares issued to shareholders upon reinvestment of dividends and distributions	10,376,742	3,612,388
Cost of Capital Stock repurchased	(42,880,614)	(48,445,802)
Net increase (decrease) from Capital Stock transactions	11,240,367	(4,715,357)
Total change in net assets	52,546,379	(35,539,354)
NET ASSETS		
Beginning of Year	219,347,141	254,886,495
End of Year	$271,893,520	$219,347,141
CHANGE IN CAPITAL STOCK OUTSTANDING		
Shares of Capital Stock sold	2,878,791	2,670,234
Shares issued to shareholders upon reinvestment of dividends and distributions	651,805	267,386
Shares of Capital Stock repurchased	(2,826,848)	(3,229,344)
Change in Capital Stock outstanding	703,748	(291,724)

See accompanying Notes to Financial Statements.

FPA INTERNATIONAL VALUE FUND
FINANCIAL HIGHLIGHTS

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

	Year Ended December 31				
	2019	2018	2017	2016	2015
Per share operating performance:					
Net asset value at beginning of year	$13.54	$15.45	$12.21	$11.52	$12.87
Income from investment operations:					
Net investment income (loss)*	$ 0.01	$ 0.06	$ (0.01)	$ 0.22	$ 0.07
Net realized and unrealized gain (loss) on investment securities	3.24	(1.73)	3.32	0.82	(0.86)
Total from investment operations	$ 3.25	$ (1.67)	$ 3.31	$ 1.04	$ (0.79)
Less distributions:					
Dividends from net investment income	$ (0.71)	$ (0.14)	$ (0.07)	$ (0.35)	$ (0.56)
Distributions from net realized capital gains	—	(0.10)	—	—	—
Total distributions	$ (0.71)	$ (0.24)	$ (0.07)	$ (0.35)	$ (0.56)
Redemption fees	—	—	—**	—**	—**
Net asset value at end of year	$16.08	$13.54	$15.45	$12.21	$11.52
Total investment return***	24.05%	(10.81)%	27.12%	9.05%	(6.34)%
Ratios/supplemental data:					
Net assets, end of year (in $000's)	$271,894	$219,347	$254,886	$262,274	$287,116
Ratio of expenses to average net assets:					
Before reimbursement from Adviser	1.34%	1.35%	1.31%	1.28%	1.25%
After reimbursement from Adviser	1.29%	1.29%	1.29%	1.28%	1.25%
Ratio of net investment income to average net assets:					
Before reimbursement from Adviser	0.03%	0.33%	(0.11)%	1.86%	0.50%
After reimbursement from Adviser	0.09%	0.39%	(0.09)%	1.86%	0.50%
Portfolio turnover rate	88%	120%	146%	93%	39%

* Per share amount is based on average shares outstanding.

** Rounds to less than $0.01 per share.

*** Return is based on net asset value per share, adjusted for reinvestment of distributions, and does not reflect deduction of the sales charge.

See accompanying Notes to Financial Statements.

FPA INTERNATIONAL VALUE FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 1 — Significant Accounting Policies

FPA International Value Fund (the "Fund"), a series of the FPA Funds Trust, is registered under the Investment Company Act of 1940, as a non-diversified, open-end management investment company. The Fund's primary investment objective is to seek above average capital appreciation over the long term while attempting to minimize the risk of capital loss. The Fund qualifies as an investment company pursuant to Financial Accounting Standard Board (FASB) Accounting Standards Codification (ASC) No. 946, Financial Services — Investment Companies. The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements.

A. Security Valuation

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

B. Securities Transactions and Related Investment Income

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

C. Use of Estimates

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

D. Recent Accounting Pronouncements

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

NOTE 2 — Risk Considerations

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

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

Common Stocks and Other Securities: 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. Since the Fund invests in foreign securities, it will be subject to risks not typically associated with domestic securities. 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. The financial problems in global economies over the past several years, including the European sovereign debt crisis, may continue to cause high volatility in global financial markets.

Risks Associated with Non-Diversification: The Fund is non-diversified, which generally means that it may invest a greater percentage of its total assets in the securities of fewer issuers than a "diversified" fund. This increases the risk that a change in the value of any one investment held by the Fund could affect the overall value of the Fund more than it would affect that of a diversified fund holding a greater number of investments. Accordingly, the Fund's value will likely be more volatile than the value of a more diversified fund.

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

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

NOTE 3 — Purchases and Sales of Investment Securities

Cost of purchases of investment securities (excluding short-term investments) aggregated $153,201,239 for the year ended December 31, 2019. The proceeds and cost of securities sold resulting in net realized gains of $8,836,450 aggregated $198,069,848 and $189,233,398, respectively, for the year ended December 31, 2019. Realized gains or losses are based on the specific identification method.

NOTE 4 — Federal Income Tax

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

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, 2019:

Undistributed Ordinary Income	$2,398,981
Undistributed Capital Gains	1,423,133
Unrealized appreciation	4,851,887

The tax status of distributions paid during the fiscal years ended December 31, 2019 and 2018 were as follows:

	2019	2018
Dividends from ordinary income	$11,600,003	$3,871,469
Return of Capital	—	—

The cost of investment securities held at December 31, 2019, was $266,111,515 for federal income tax purposes. Gross unrealized appreciation and depreciation for all investments at December 31, 2019, for federal income tax purposes was $11,883,456 and $7,030,280, respectively resulting in net unrealized appreciation of $4,853,176. As of and during the year ended December 31, 2019, the Fund did not have any liability for unrecognized tax benefits. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statement of Operations. During the year, the Fund did not incur any interest or penalties. The statute of limitations remains open for the last 3 years, once a return is filed. No examinations are in progress at this time.

As of December 31, 2019, the Fund had no short-term capital or long-term capital loss carryforwards.

NOTE 5 — Advisory Fees and Other Affiliated Transactions

Pursuant to an Investment Advisory Agreement (the "Agreement"), advisory fees were paid by the Fund to First Pacific Advisors, LP (the "Adviser"). Under the terms of this Agreement, the Fund pays the Adviser a monthly fee calculated at the annual rate of 1.00% of the Fund's average daily net assets. The Adviser has contractually agreed to reimburse expenses in excess of 1.29% of the average net assets of the Fund (excluding brokerage fees and commissions, interest, taxes, shareholder service fees, fees and expenses of other funds in which the Fund invests, and extraordinary expenses) through April 30, 2020.

For the year ended December 31, 2019, the Fund paid aggregate fees and expenses of $153,332 to all Trustees who are not affiliated persons of the Adviser. Certain officers of the Fund are also officers of the Adviser.

NOTE 6 — 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. 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. Fair valuations and valuations of investments that are not actively trading involve judgment and may differ materially from valuations of investments that would have been used had greater market activity occurred.

The Fund classifies its assets based on three valuation methodologies. Level 1 values are based on quoted market prices in active markets for identical assets. Level 2 values are based on significant observable market inputs, such as quoted prices for similar assets and quoted prices in inactive markets or other market observable inputs as noted above including spreads, cash flows, financial performance, prepayments, defaults, collateral, credit enhancements, and interest rate volatility. Level 3 values are based on significant unobservable inputs that reflect the Fund's determination of assumptions that market participants might reasonably use in valuing the assets. The valuation levels are not necessarily an indication of the risk associated with investing in those securities. The following table presents the valuation levels of the Fund's investments as of December 31, 2019:

Investments	Level 1	Level 2	Level 3	Total
Common Stocks				
Application Software	$ 24,652,775	—	—	$ 24,652,775
Airlines	13,191,278	—	—	13,191,278
Professional Services	12,020,712	—	—	12,020,712
Building Maintenance Services	9,055,651	—	—	9,055,651
Information Technology Services	8,688,630	—	—	8,688,630
Funeral Services	8,362,061	—	—	8,362,061
Specialty Apparel Stores	8,063,970	—	—	8,063,970

Investments	Level 1	Level 2	Level 3	Total
Medical Equipment	$ 8,003,473	—	—	$ 8,003,473
Internet Media	7,579,017	—	—	7,579,017
Semiconductor Manufacturing	7,479,995	—	—	7,479,995
Non Wood Building Materials	7,219,352	—	—	7,219,352
Educational Services	6,844,989	—	—	6,844,989
Banks	6,672,989	—	—	6,672,989
Health Care Supplies	6,551,578	—	—	6,551,578
Food Services	6,436,977	—	—	6,436,977
Beverages	6,161,833	—	—	6,161,833
Commercial & Residential Building Equipment & Systems	5,730,663	—	—	5,730,663
Advertising & Marketing	5,628,684	—	—	5,628,684
Household Products	4,673,208	—	—	4,673,208
Flow Control Equipment	3,624,885	—	—	3,624,885
Packaged Food	2,262,763	—	—	2,262,763
Other Common Stocks	7,634,371	—	—	7,634,371
Short-Term Investment	—	$94,576,000	—	94,576,000
	$176,539,854	$94,576,000	—	$271,115,854
Forward Foreign Currency Contracts (currency risk)				
Payable	—	$ (151,163)	—	$ (151,163)

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 $121,301,392 from Level 2 to Level 1 during the year ended December 31, 2019. The transfers between Level 2 and Level 1 of the fair value hierarchy during the year ended December 31, 2019, were due to changes in valuation of international equity securities from the fair value price to the exchange closing price.

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." During the year ended December 31, 2019 the Fund had average volume of forward foreign currency contracts (based on the open positions at each month end) for purchases and sales of $0 and $43,031,961, respectively.

During the year ended December 31, 2019 the Fund had entered into the following derivatives:

	Asset Derivatives		Liability Derivatives	
Derivative Type	Statement of Assets and Liabilities Location	Fair Value	Statement of Assets and Liabilities Location	Fair Value
Foreign currency contracts	Unrealized appreciation on forward foreign currency contracts	—	Unrealized depreciation on forward foreign currency contracts	$(151,163)
Total		—		$(151,163)

Derivative Type	Location of Gain or (Loss) on Derivatives Within Statement of Operations	Realized Gain or (Loss) on Derivatives	Change in Unrealized Appreciation or (Depreciation)
Foreign currency contracts	Investments in Forward Foreign Currency Contracts	$2,396,943	$(351,497)
Total		$2,396,943	$(351,497)

NOTE 7 — Line of Credit

The Fund, along with FPA Paramount, Inc. (another mutual fund managed by the Adviser), has collectively entered into an agreement that enables them to participate in a $50 million unsecured line of credit with State Street Bank and Trust. Borrowings will be made solely to temporarily finance the repurchase of Capital Stock. Interest is charged to each Fund based on its borrowings at a rate per annum equal to the Overnight LIBOR Rate plus 1.25%. In addition, the Fund and FPA Paramount, Inc. pay a combined commitment fee of 0.25% per annum on any unused portion of the line of credit.

For the year ended December 31, 2019, the Fund had no borrowings under the agreement.

NOTE 8 — Collateral Requirements

For derivatives traded under an International Swaps and Derivatives Association, Inc. Master Agreement ("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 ASU No. 2011-11, *Disclosures about Offsetting Assets and Liabilities*, requires disclosures to make financial statements that are prepared under U.S. GAAP more comparable to those prepared under International Financial Reporting Standards. Under this guidance the Fund discloses both gross and net information about instruments and transactions eligible for offset such as instruments and transactions subject to an agreement similar to a master netting arrangement. In addition, the Fund discloses collateral received and posted in connection with master netting agreements or similar arrangements. The following table presents the Fund's OTC derivative assets, liabilities and master repurchase agreements by counterparty net of amounts available for offset under an ISDA Master Agreement or similar agreements and net of the related collateral received or pledged by the Fund as of December 31, 2019:

Counterparty	Gross Assets (Liabilities) in the Statement of Assets and Liabilities	Gross Amounts Not Offset in the Statement of Assets and Liabilities: Security Collateral (Received) Pledged	Gross Amounts Not Offset in the Statement of Assets and Liabilities: Assets (Liabilities) Available for Offset	Net Amount of Assets and (Liabilities)*
State Street Bank and Trust Company:				
Repurchase Agreement	$94,576,000	$(94,576,000)**	—	—
Barclays Capital:				
Forward foreign currency contracts Payable	$ (151,163)	—	—	$(151,163)

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

** Collateral with a value of $96,468,951 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 9 — Affiliated Securities

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, 2019, appear below:

Investments	Shares Held at 12/31/2018	Beginning Value as of December 31, 2018	Purchases at Cost	Proceeds from Sales	Net Realized Gain/(Loss) on sales of Affiliated Investments	Change in Unrealized Appreciation/ Depreciation	Ending Value as of December 31, 2019	Shares as of December 31, 2019	Dividend Income from Affiliated Investments
Profarma Distribuidora de Produtos Farmaceuticos SA	6,484,921	$6,563,762	$ —	$(6,803,430)	$(5,188,892)	$5,428,560	$ —	—	$ —

NOTE 10 — Subsequent Event

On February 13, 2020, it was announced that Polar Capital Holdings plc ("Polar Capital") has reached agreement to acquire from the Adviser its International Value and World Value equity business, team and strategies led by Pierre Py, Portfolio Manager of the Fund, and Greg Herr (both the "Portfolio Managers"). The transaction contemplates that the Fund would be reorganized into a new US series trust organized by Polar Capital and advised by a subsidiary of Polar Capital. The transaction is subject to all required regulatory, Board and shareholder approvals. Polar Capital, the Portfolio Managers and the Adviser will be recommending to the Board and shareholders to transition to the Polar Capital platform. The expectation is that the transaction and all approvals will be completed in the third or fourth quarter of 2020.

FPA INTERNATIONAL VALUE FUND
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

**TO THE SHAREHOLDERS AND
BOARD OF TRUSTEES OF FPA INTERNATIONAL VALUE FUND**

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of FPA International Value Fund (the "Fund") (one of the funds constituting the FPA Funds Trust (the "Trust")), including the portfolio of investments, as of December 31, 2019, the related statement of operations for the year then ended, the statement of changes in net assets and the financial highlights for each of the two years in the period then ended and the related notes (collectively referred to as the "financial statements"). The financial highlights for the years ended December 31, 2015, December 31, 2016, and December 31, 2017 were 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, 2019, the results of its operations for the year then ended, and the changes in its net assets and its financial highlights for each of the two 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, 2019, 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.

Ernst + Young LLP

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

Los Angeles, CA
February 26, 2020

FPA INTERNATIONAL VALUE FUND
APPROVAL OF INVESTMENT ADVISORY AGREEMENT

(Unaudited)

Approval of the Advisory Agreement. At a meeting of the Board of Directors held on August 12, 2019, 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, 2020, on the recommendation of the Independent Directors, who met in executive session on August 12, 2019 prior to the Board meeting to review and discuss the proposed continuation of the Advisory Agreement. The Board had also met on July 8, 2019, 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 8 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. Following their review at the July 8 meeting, the Independent Directors requested (through their independent counsel) and received supplemental information and responses to a number of questions relating to the materials provided by the Adviser.

In addition, the Board met regularly throughout the year and received information on a variety of topics that were relevant to its annual consideration of the renewal of the Advisory Agreement including, among other matters, Fund investment performance, compliance, risk management, liquidity, valuation, trade execution 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 Agreement supplement the information received throughout the year.

At their regular Board meetings and executive sessions, the Independent Directors were also assisted 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 executive session, independent legal counsel reviewed with the 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 manager and the number and quality of analysts the Adviser has hired who are under the direct supervision of the Fund's portfolio manager; the scope of services supervised and provided by the Adviser; and the absence of any significant service problems reported to the Board. The Board and the Independent Trustees noted the experience, length of service and the outstanding reputation of the Fund's portfolio manager, Pierre O. Py, who has managed the Fund since its inception in 2011. 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 international multi-cap core funds selected by Broadridge (the "Peer Group"). The Board and the Independent Trustees noted the Fund underperformed its Peer Group median for the five-year period ending March 31, 2019 and outperformed its Peer Group median for the one- and three-year periods ending March 31, 2019. The Board also noted that the Fund underperformed the Fund's benchmark, MSCI All Country World Ex US, for the five-year period ending March 31, 2019, and outperformed the Fund's benchmark for the one- and three-year periods ending March 31, 2019. They also noted that Broadridge had given the Fund a "Neutral" Analyst Rating. 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, noting that the Adviser had extended its waiver of a portion of the Fund's advisory fee in order to maintain a maximum limit of the Fund's expense ratio, although the Fund's current expense ratio is below that limit. 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 above the average of those of the Peer Group. The Board and the Independent Trustees considered the fees charged by the Adviser for advising institutional accounts 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 institutional accounts. 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, over-head and trading costs with respect to the provision of 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 Trustees noted that the Fund has experienced increases in its net assets since inception, 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 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) one analyst, 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 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 a fund may have 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 Total Annual Fund Operating Expenses in excess of 1.29% of the average daily net assets of the Fund (excluding brokerage fees and commissions, interest, taxes, shareholder service fees, fees and expenses of other funds in which the Fund invests, and extraordinary expenses) through April 30, 2020. 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 manager and portfolio management team, which has produced outstanding returns since inception 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 a one-year period through September 30, 2020.

FPA INTERNATIONAL VALUE FUND
SHAREHOLDER EXPENSE EXAMPLE

December 31, 2019 (Unaudited)

Fund Expenses

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

Actual Expenses

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

Hypothetical Example for Comparison Purposes

The information in the table under the heading "Hypothetical Performance (5% return before expenses)" provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

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

	Actual Performance	Hypothetical Performance (5% return before expenses)
Beginning Account Value June 30, 2019	$1,000.00	$1,000.00
Ending Account Value December 31, 2019	$1,098.50	$1,018.70
Expenses Paid During Period*	$ 6.82	$ 6.56

* Expenses are equal to the Fund's annualized expense ratio of 1.29%, multiplied by the average account value over the period and prorated for the six-months ended December 31, 2019 (184/365 days).

FPA INTERNATIONAL VALUE FUND
PRIVACY POLICY
(Unaudited)

The FPA Funds consider customer privacy to be an essential part of their investor relationships and are committed to maintaining the confidentiality, integrity and security of their current, prospective and former investors' non-public personal information. The FPA Funds have developed policies that are designed to protect this confidentiality, while permitting investor needs to be served.

Obtaining Personal Information

While providing 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 investors, which may come 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. The non-public personal information that may be collected from investors may include the investor's name, address, tax identification number, birth date, investment selection, beneficiary information, and possibly the investor's personal bank account information and/or email address if the investor has provided that information, as well as the investor's transaction and account history with the FPA Funds.

Respecting Your Privacy

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, and gathering shareholder proxies. In many instances, the investors will be clients of a third party, but the FPA Funds may also provide an investor's personal and account information to the investor's respective 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 personal 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 with the consent of the investor.

Procedures to Safeguard Private Information

The FPA Funds are committed to their obligation to safeguard investor non-public personal information. In addition to this policy, the FPA Funds have implemented procedures that are designed to limit access to an investor's non-public personal information to internal personnel who require the information to complete tasks, such as processing transactions, maintaining client accounts or otherwise providing services the investor requested. Physical, electronic and procedural safeguards are in place to guard an investor's non-public personal information.

Information Collected from Websites

Websites maintained by the FPA Funds or its service providers may use a variety of technologies to collect information that helps the FPA Funds and their service providers understand how the website is used. Information collected from your web browser (including small files stored on your device that are commonly referred to as "cookies") allow the websites to recognize your web browser and help to personalize and improve your user experience and enhance navigation of the website. If you are a registered user of the FPA Funds' and/or their service providers' website, the FPA Funds, their service providers, or third party firms engaged by the FPA Funds and/or their service providers, may collect or share information submitted by you, which may include personally identifiable information. You can change your cookie preferences by changing the setting on your web browser to delete or reject cookies. If you delete or reject cookies, some website pages may not function properly. The FPA Funds do not look for web browser "do not track" requests.

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 on the relevant website will be updated.

FPA Funds

FPA Capital Fund, Inc., FPA Crescent Fund, FPA International Value Fund, FPA New Income, Inc., FPA Flexible Fixed Income Fund, FPA Paramount Fund, Inc., FPA U.S. Value Fund, Inc., Source Capital, Inc.

Revised: January 2019

FPA INTERNATIONAL VALUE 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.

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

FPA INTERNATIONAL VALUE FUND
TRUSTEE AND OFFICER INFORMATION (Continued)
(Unaudited)

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

(1) The address of each Trustee is 11601 Wilshire Boulevard, Suite 1200, Los Angeles, California 90025.
(2) "Interested person" within the meaning of the 1940 Act by virtue of their affiliation with the Fund's Adviser.

FPA INTERNATIONAL VALUE FUND
TRUSTEE AND OFFICER INFORMATION (Continued)
(Unaudited)

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

Name, Address[(1)] and Year of Birth	Position with Fund	Year First Elected as Officer of the Fund	Principal Occupation(s) During the Past Five Years
Pierre O. Py, 1976	Vice President and Portfolio Manager	2011	Managing Director of FPA (since 2013). Co-Portfolio Manager of FPA Paramount Fund, Inc. (since 2013). Vice President of FPA (from September 2011 to December 2012). Co-President from 2013 to February 2015 and Vice President from November 2011 to August 2013 of FPA Paramount Fund, Inc.; and President from November 2013 to February 2015 and Vice President from November 2011 to November 2013 of the Fund.
J. Richard Atwood, 1960	President	1997	Director and President of FPA GP, Inc., the General Partner of FPA (since October 2018). Director/Trustee of each FPA Fund (since May 2016). President of each FPA Fund (since February 2015). Formerly, Managing Partner of FPA (2006-2018). Formerly, until February 2015, Treasurer of each FPA Fund for more than the past five years.
Karen E. Richards, 1969	Chief Compliance Officer	2019	Chief Compliance Officer of FPA (since August 2018). Formerly, Deputy Chief Compliance Officer of First Republic Investment Management, LLC (from February 2016 to March 2018), and Vice President, Senior Compliance Officer of Pacific Investment Management Company (from June 2010 to January 2016).
E. Lake Setzler III, 1967	Treasurer	2006	Senior Vice President (since January 2013) and Controller of FPA; and Treasurer of each FPA Fund (since February 2015). Formerly, until February 2015, Assistant Treasurer of each FPA Fund (February 2006 to February 2015).
Rebecca D. Gilding, 1979	Secretary	2019	Vice President and Counsel, State Street Bank and Trust Company (since April 2016). Formerly, Assistant Vice President and Associate Counsel, Brown Brothers Harriman & Co. (September 2013 to April 2016).

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

FPA INTERNATIONAL VALUE FUND
(Unaudited)

INVESTMENT ADVISER

First Pacific Advisors, LP
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LEGAL COUNSEL

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INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

This report has been prepared for the information of shareholders of FPA INTERNATIONAL VALUE 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, 2019 is available without charge, upon request by calling (800) 982-4372 and on the SEC's website at www.sec.gov.

The Fund's schedule of portfolio holdings, filed the first and third quarter of the Fund's fiscal year on Form N-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.