FPA International Value Fund

Semi-Annual Report

investors first

Distributor:

UMB DISTRIBUTION SERVICES, LLC

235 West Galena Street
Milwaukee, Wisconsin 53212

June 30, 2018

FPA INTERNATIONAL VALUE FUND
LETTER TO SHAREHOLDERS

Dear Fellow Shareholders,

For the quarter ended June 30, 2018, the FPA International Value Fund (the "Fund") declined -3.10% (in U.S. currency), compared to a decline of -2.61% over the same period for the MSCI All Country World Index (ex-U.S.) (Net) (the "Index").[1] Since the beginning of the year, however, it has declined -2.85%, outperforming the Index, which has declined -3.77% over the same period.[2] Most importantly, since its inception on Dec. 1, 2011, our Fund has outperformed the Index by returning an average of 8.35% per year, net of fees and expenses,[3] compared to an average of 6.83% for the Index over the same period.[4]

To help put these results in the context of our absolute strategy, cash and equivalent holdings accounted for 25% of the Fund's net assets at the end of the quarter, in line with the average level for the period. Since the beginning of the year, they have averaged 26% of net assets. Most importantly, since the Fund's inception, cash exposure has averaged 32% of net assets, while fluctuating from less than 12% to more than 40%, depending on the availability of suitable investment opportunities.

Recent performance

Given this exposure to cash, it may not come as a surprise that our Fund has outperformed the declining Index by close to 25% through the first half of the year. However, this performance was generated in a period when our exposure to Latin America has continued to increase and has averaged around 15% of the Fund's assets.[5] Much of that exposure reflects investments in Brazilian companies.

For reference, the Ibovespa Brasil Sao Paulo Stock Exchange Index ("IBOV") has declined 19% since the beginning of the year (in U.S. currency), driven by a severe, prolonged economic downturn, continued political instability, and fears of further currency devaluation similar to the sharp declines recently experienced in other emerging markets, such as Argentina and Turkey.

While our Latin American investments performed better than the IBOV over the period, they had a significant negative impact on the Fund's performance. Three out of five of the Fund's biggest detractors were Brazilian equities in the second quarter and since the beginning of the year. Excluding these holdings, our equity portfolio returned close to 6% for the quarter ended June 30, 2018, and since the beginning of the year, compared to declines for the Index over these two periods.

In the past, we have often been able to comment on groups of contributors to explain positive performance. We talked about European-based high-quality large-cap companies we were able to buy at heavily discounted prices as a result of the Euro crisis in the first quarter of 2012. We talked about cyclical industrial and consumer discretionary names we bought starting in the later part of 2014, when their share prices were under pressure due to the slowing Chinese economy and its impact on growth and commodity demand in emerging markets. We talked about British-centric holdings we purchased following the Brexit vote and during the subsequent correction in the UK market in the early part of the third quarter of 2016. And in the later part of this market cycle, we talked about smaller, off-the-beaten-path companies, some with meaningful opportunities for further business developments, such as **Purplebricks** and **Keywords**.

---

1 Comparison is based on the period from March 29 to June 29, 2018 for the Index.

2 Comparison is based on the period from Dec. 29, 2017 to June 29, 2018 for the Index.

3 The Fund's expense ratio is 1.29% per the most recent Prospectus.

4 Comparison is based on the period from Nov. 30, 2011 to March 29, 2018 for the Index.

5 Including Edenred. While based in France, Edenred currently generates about 60% of its profits in Latin America.

However, the positive performance of our non-Latin American holdings this period stems from a wide range of diverse businesses. For the quarter ended June 30, 2018, contributors included companies engaged in specialty chemical distribution; personal care and domestic appliances; healthcare technologies and services in imaging, monitoring, and treatment; digital market places for cars and properties; IT services; and software solutions. Year-to-date, it also included recruitment services; gas masks and other respiration protection equipment; as well as milk liners, clusters, and other types of dairy farm equipment. This performance was, in essence, the result of our stock selection, and a reflection of our go-anywhere approach, whereby we look across all sectors, sizes, and geographies, but only select well-run, financially robust, high-quality companies whose stocks we can purchase at significant discounts to their intrinsic values.

Most importantly, what the performance of our non-Latin American holdings shows is that beside our recent purchases in Latin America, we have continued to build wealth with past purchases, and to monetize some of the gains, while re-deploying capital towards new investment ideas.

Space oddity

As mentioned in previous commentaries, it is not uncommon for our new purchases to be stocks that are experiencing negative price pressure, as is the case this time with our Latin American holdings. We already discussed in some of our recent commentaries increasing price attractiveness across some of the Latin American markets, many of which we last visited about a year ago, and more specifically Brazil. This is one corner of the international markets that has experienced significant challenges in recent years.

In fact, with prices around the world pushed to such high levels, in part by strong economic momentum, Brazil is an oddity in the equity space. The country has been struggling to recover from a particularly severe economic downturn, in terms of both its magnitude and its duration. GDP growth is moribund, and unemployment remains at record high levels. Most of Brazil's political class, along with part of its business class, is mired in corruption scandals at a time when the country is preparing to choose its next president. Many Brazilian companies are experiencing abnormally weak levels of business activity, and often short-term disruption as executives find themselves named in one investigation or another. In typical capital markets fashion, these issues have indiscriminately turned most Brazilian stocks into toxic assets, regardless of individual underlying fundamentals.

This is in sharp contrast to the perfect "Eldorado" investors saw in the country only a few years back, when it stood as the first letter of the "BRICs" acronym, and was the poster child for the "de-coupling" story with expectations of perpetual double-digit economic growth. Too often capital markets deal in simplistic absolute terms like these, and are often wrong as a result. This is partly why we can repeatedly find opportunities to buy good companies at discounted prices. As we explained back then, we had little interest in paying the type of multiples Brazilian companies commanded at the time. Of course, we were scorned for having too little exposure to the region, as I suspect we may be criticized for having too much now.

Throughout all this, we have avoided both extremes, and followed a more nuanced and analytical bottom-up approach. We have focused on business fundamentals and valuation estimates based on long-term free cash flow generating power (meaning through both good and bad times). We have repeatedly travelled to the region, taking the time to identify the businesses we would want to own; the managers who could run operations effectively, give reliable disclosure, and act as good stewards of capital; as well as the few families and owners we could trust. We established relationships to help us gain knowledge about specific industries, and to ultimately gain comfort with individual investments. At a fundamental level, what we found to be true is that Brazil harbors many well-run, high-quality companies that we wanted to own at the right price. The current economic and political crisis has provided us with the opportunity to buy their stocks at significant discounts to intrinsic values, while also taking advantage of the highly depreciated currency.

To be clear, our increased exposure to the region is not a function of top-down macro or political views. Nor is it a function of some asset allocation strategy. It is only a function of our belief that good companies are now being offered at highly discounted prices, as a product of the challenging short-term economic and political environment.

Key performers

The largest detractor to performance this quarter was an undisclosed position we have been building. The second largest detractor to performance was **Ambev SA**. It was also our worst-performing holding with a share price down 35.6% (in U.S. currency).[6] Ambev is the leading beer company, as well as Pepsi's exclusive bottler, in Brazil. As such, it is exposed to many of the country-specific issues we highlighted in our earlier comments, and its stock has suffered accordingly in the past few months.

The top contributor to performance was **IMCD Group NV**. Based in the Netherlands, IMCD is a leading global distributor of specialty chemicals and food ingredients that came to the equity markets just over two years ago. As its business fundamentals get stronger over time, and the company builds value per share at a high rate of growth, investors may be slowly recognizing the high quality of IMCD's model and management, which has caused its market value to play catch-up at an accelerating pace in recent months.

Our best-performing holding was **Sumo Group PLC**, a position we had recently been building. Its share price was up 76.9% (in U.S. currency) in the second quarter.[7]

Portfolio activity

As always, 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 consistently rebalance individual positions based on relative discounts to intrinsic value. While this helps ensure that our most compelling investments are always more heavily weighted and can drive performance, it can also artificially inflate turnover.

We made several new purchases in the second quarter, including **Dignity PLC, Industria de Diseno Textil ("Inditex")**, and Sumo Group PLC. Based in the UK, Dignity is the country's second-largest provider of funeral and cremation services. Based in Spain, Inditex is a leading global retailer of fashion apparel, primarily under the Zara brand. Based in the UK, Sumo is a global provider of outsourced development services to the video game industry.

Lastly, we exited several positions in the quarter, including **Amadeus IT Group, Essilor International SA, Fenner PLC, Meggitt PLC, WPP AUNZ LTD**, and **WPP PLC**. The share prices of Amadeus and Meggitt had converged toward our estimates of intrinsic value, and no longer offered the margin of safety that is required for us to remain invested.

The stocks of both Essilor and Luxottica have appreciated in value as the merger of the two companies received approvals from the various countries where they operate and most importantly, from the European

---

[6] Based on the percentage of Ambev's share price change from March 31 to June 30, 2018 in U.S. currency. This share price change may not equate with the performance of the holding in the Fund. As of June 30, 2018, Ambev represented 1.2% of the Fund's assets.

[7] Based on the percentage of Sumo's share price change from March 31 to June 30, 2018 in U.S. currency. This share price change may not equate with the performance of the holding in the Fund. As of June 30, 2018, Sumo represented 1.5% of the Fund's assets.

Commission. We viewed these two holdings as parts of the same investment. As the discount has unwound, we have trimmed the combined position by prioritizing the selling of Essilor, which we believed was less attractively priced than Luxottica. However, at the end of the period, we remained shareholders of Luxottica.

As mentioned in our first quarter commentary, Fenner had been a long-standing investment of the Fund. It had been one of our largest holdings for a prolonged period of time, and the single largest position for well over a year, at one point accounting for roughly 8% of assets. The company was one of the few holdings left in the portfolio from all the cyclicals we purchased during the commodity downturn in 2014. Fenner had agreed to be acquired by Michelin earlier this year, and the deal closed during the second quarter.

Lastly, we sold out of our two investments in WPP, one at the parent level in the UK, and one at the subsidiary level in Australia. Our decision to sell both holdings follows the abrupt departure of the architect and CEO of the company, Martin Sorrell. There were three main reasons behind the sale. One, we believed Mr. Sorrell was an important driving force for the group, especially at a critical time for WPP, which faces significant industry changes. Two, the way his departure was handled, including succession management, and how it was communicated to the market failed to meet our governance standards. Three, our experience with the industry has been reminiscent of our experience with UK real estate agents. As we continued to monitor and research the advertising business, we found that the structural changes impacting it are potentially more severe than we initially thought, further highlighting the need for strong leadership.

As we explained in our previous commentary, we think strong leadership with companies facing material change is particularly important. By strong leadership, we mean executives with intrinsic knowledge of the business, acute strategic vision, the ability to unite an organization behind that vision, superior execution capabilities, sound balance sheet management, and the discipline to allocate and deploy capital in a value-accretive manner. Mr. Sorrell is a true "ad man" who built WPP from the ground-up and had the required charisma to command the many strong personalities of this business. We considered him uniquely suited to steer the business through hard times.

The value curse

One of the most difficult challenges we have to address as fundamental value investors is how we deal with change. In the past few years, we have seen virtually every business model we thought we knew being altered, at least to some degree, by new technology advances, shifts in consumer preferences, or evolving business practices (often in reaction to political interventions). Change drives uncertainty, and establishing clarity requires the type of research and analytical work that many investors no longer have the incentive, inclination, or capabilities to perform. This is likely to lead them to sell in the face of any change, and will cause a company's stock price to decline. As a result, a stock might trade at a low multiple of past earnings (or short-term forward earnings), or a high free cash flow yield, but this, in and of itself, tells us very little.

What we need to determine is whether this decline in price constitutes a value opportunity, or a value trap. There are several challenges in doing so. First, we have to assess if a change is cyclical or temporary, rather than structural. This is particularly difficult for value investors. We are wired to be contrarian thinkers, to ignore short-term noise, and anchor on how things were historically. That is our curse, as it will cause us to spurn one of the youngest and yet most-powerful companies ever built, while rejoicing at the opportunity presumably created by challenges at one of the oldest listed industrial groups, or some multi-decade leading brick and mortar retailer. Industry category classification, and the institutional, if not economic imperative, to stay true to a "style box," only adds to these biases. Investing in evolving yet powerful businesses that can create value over time, even at compelling discounts, might cause us to be dismissed as value heretics if their stocks happen to trade at a high multiple of past earnings.

This cycle has been particularly testing for value investors in that regard, with perceived margins of safety often evaporating in the face of changing fundamentals, while true value shifts towards other businesses often viewed as too expensive. As the pressure to keep up with the market mounts, the risk for many of these investors is now to be pushed into chasing the latest trends to make up for past miscalculations.

In addition to the nature of the changes facing a business, we need to assess how fast and impactful they might be, and to what degree a company could respond and adapt. Whereas our fundamental value biases hurt us in the case of the former, they help in the case of the latter. Because we are constantly talking to companies about what they do, how they do it and why, rather than discussing short-term earnings, we believe we can make reasonable conjectures as to what will happen to a business. Importantly, these will not be based merely on historical data, but most critically on what we can reasonably expect people and organizations to do. We believe this is where a significant part of our ability to differentiate as investors ultimately resides.

Organic nature

The added difficulty in assessing future business developments is that they are organic by nature. Little in the life of a given company is static, unidirectional, or linear. As a former portfolio manager of mine used to always say: For every anticipated action, we must also expect a reaction. What this requires us to do as investors is to continuously question the fundamentals of a business and its management in order to assess whether it remains suitable for our strategy, and whether its stock still trades at a discount to intrinsic value.

In doing so, we also hope to counteract another of our biases as long-term investors. Our inclination is to believe that in time, things will inevitably come to be exactly as we said they would. We might be proven right in the end, but we may not be around to see it, and companies may come and go before it happens.

Even after we have decided to own a company, we will continue to monitor the trends impacting its business. Because businesses are organic, so is our research. For instance, long-standing shareholders will remember that after researching further the rise of new competition in the UK property market, specifically the threat of hybrid online agents, we ended up selling our investment in **Countrywide** and buying digital competitor **Purplebricks**. Similarly, in the case of WPP, we have continued to talk to every company we meet about how they manage their advertising needs today. We have done more work on the expanding roles of technology providers, vendors, and consultants. And we have had opportunities to speak with more industry insiders. This follow-up research contributed to our recent decision to sell the stock.

We consider this to be one of the key benefits of our process. Unlike sector or market specialists, we are constantly meeting with companies and their competitors across entire value chains around the world. We believe the feedback of all these direct industry participants allows us to build a mosaic of how business fundamentals are evolving, anticipate what impacts a given change may have on specific companies, and ultimately, identify the ones best-positioned to structurally benefit, as well as the ones that will struggle to adapt.

Fortune telling

In the end, one might argue our business is akin to fortune telling. We would suggest every investment in its own way is an act of prediction. Buying a stock because it trades at a relatively lower multiple than in the past is a *de facto* prediction that the underlying business will remain unchanged. Buying it at any multiple is in fact a prediction that it will be around for some asserted period of time. That in and of itself isn't the issue. The issue is for one to put faith in that sole multiple, as if it provided some kind of protection against erroneous predictions. Our approach is to always consider price together with quality, to think in terms of sustainable fundamentals supporting the economics of a business, and to define "value" as discount.

At a basic level, value investing consists of acquiring an asset for less than it is worth. The crux of it, of course, is how to assess intrinsic value. Our view is that value is the sum of all future free cash flows a company can be expected to generate through cycles and under normal operating conditions, discounted back to present time. Such an assessment can only be based on a solid understanding of the long-term fundamentals of the underlying business together with that of future management actions. This is critical as we seek to establish a reasonable degree of certainty in the performance we expect this company to deliver.

What a stock happens to trade at on short-term metrics, and what effectively causes the discount to exist is far less relevant, if at all. It could be a function of a lack of market understanding of the quality of the business, its management, structural growth opportunities, or of its potential for operating or capital efficiency gains. Ultimately, the upside invariably comes from our ability to assess future business developments, and the risk stems from our ability to weigh-in the possibilities of being wrong, if only partially.

What is most important in our analysis is not the presumed source of value realization of a given investment, but how well we understand a given company and the future of its business. That is central to our bottom-up approach, and it's something the industry generally ignores entirely. In our view, this is one of the key differentiating factors separating our investment discipline from the many forms of speculative, momentum, or institutional strategies out there.

Portfolio profile

Net of the aforementioned transactions, the portfolio remained generally focused on our best ideas at the end of the period, as we held 30 disclosed positions. The top 10 positions accounted for 30% of assets and 40% of the invested portion. The top five accounted for about 16% of assets and roughly 22% of the invested portion. We would note that the portfolio has moved to be less focused and less "top-heavy" in recent months. This is a function of how rare it is to find deeply discounted stocks, and how rapidly discounts can unwind in the current market environment. In that context, there typically are no meaningful outliers in the portfolio, so positions are generally smaller, and the level of concentration at the top is lower.

At the end of the quarter, our selected group of holdings presented a weighted average discount to intrinsic value of around 28%. This was down from the previous period as a function of the strong performance of our non-Latin American holdings, which we highlighted earlier in this commentary.

The Fund's median capitalization size was just over $6 billion at the end of the quarter, and the weighted average was more than $30 billion. However, we do not consider a company's size to be a relevant criterion from an investment perspective. We are invested across a wide range of market capitalization sizes, from less than $200 million to well over $200 billion. Similarly, we are indifferent regarding which sector a company operates in, or where it happens to be domiciled.

Looking at the Fund's geographic profile, more than half of the assets remained invested in companies domiciled in Europe. Of those, 15% were in the UK, and most of the remaining exposure was toward Northern Europe, primarily France, Holland, Ireland, Germany, and Switzerland. With increased exposure to Latin America, emerging markets accounted for 16% of assets, with another 4% in Australia and New-Zealand. We had no exposure to Japan at the end of the period.

From a sector standpoint, the Fund remained geared toward Industrials, which accounted for just under 25% of assets. As we highlighted in past commentaries, we often migrate toward businesses that are cash generative and not very capital intensive. Those include service-type businesses and consumer goods companies, with Discretionary and Staples together now accounting for the Fund's largest exposure, at 27% of assets. Lastly, we continue to have significant investments in enterprise resource planning software providers, such as **Totvs** and **SAP**. They still account for a sizeable portion of our exposure to Information Technology, which is effectively unchanged from the previous period at 13% of assets.

That said, we find Global Industry Classification Standard (GICS) classifications to be of limited relevance. **Page Group**, for instance, is a provider of recruitment services, yet is classified as Industrial. GICS's sector definitions are too broad to give a meaningful picture of our underlying holdings. In reality, the Fund has exposure to a broad range of businesses. It also currently has little exposure to highly cyclical businesses (such as car manufacturers), and limited exposure to the credit cycle and financially levered companies (such as banks). As mentioned earlier, the Fund is also exposed to a variety of sectors and geographies, and in markets that we think have limited correlation. Lastly, we believe many of our holdings have unique secular dynamics that 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 respond to the next downturn, we believe the Fund's exposure to varying sectors and geographies, along with the quality of its holdings, positions us well in the event of a market dislocation. To this, of course, we need to add our cash holding, which offers us the flexibility to buy when others are selling and also could be a driver of performance through the cycle.

Prospects

While the Index has declined since the beginning of the year, this follows strong performance in 2017. We believe the correction also seems quite modest in view of the many mounting geopolitical challenges around the world. Generally speaking, we think valuations remain elevated. We also likely stand now at a high point in the economic cycle, and an even higher point in the credit cycle. Lastly, we remain concerned about some of the current market dynamics, which we worry could amplify, if not trigger, a market downturn.

We also continue to be concerned about the many distractions, biases, and perverse incentives that have developed in recent years in the asset management industry, and now appear to be driving many investment decisions, in particular when it comes to other people's money. With almost all my personal investable capital in the Fund (having not sold a share since inception), my personal incentive certainly is to create wealth by compounding superior returns.

And with the environment as challenging as it is, our focus remains on seeking to minimize the risk of permanent capital impairments. Of course, we continue to monitor closely the companies on our coverage list to be ready to take advantage of any short-term disruption in their share prices. We also continue to look in every corner of the equity markets for compelling investment ideas. Even at this point in the cycle, we think opportunities can still be found where large scale and lack of proprietary knowledge or forward understanding of businesses make it difficult for most asset management organizations to compete. However, despite our natural agility, the past few months have been quite frustrating for the team, as windows of buying opportunities on new ideas seem to close ever so quickly, and several exciting opportunities failed to materialize. While we try to move as promptly as we can, we always remain committed to our discipline.

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
June 30, 2018

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
PORTFOLIO SUMMARY

June 30, 2018 (Unaudited)

Common Stocks		**74.7%**
Beverages	7.7%	
Packaged Food	7.1%	
Application Software	5.9%	
Professional Services	5.1%	
Other Spec Retail — Discretionary	4.8%	
Flow Control Equipment	4.3%	
Internet Based Services	3.6%	
Other Common Stocks	3.5%	
Educational Services	3.5%	
Airlines	3.2%	
Information Technology Services	3.0%	
Non Wood Building Materials	2.8%	
Banks	2.8%	
Funeral Services	2.6%	
Specialty Apparel Stores	2.5%	
Chemicals Distribution	2.4%	
Comml & Res Bldg Equip & Sys	2.3%	
Other Commercial Services	2.3%	
Medical Equipment	1.8%	
Household Products	1.8%	
Defense Primes	1.7%	
Short-term Investments		**24.9%**
Other Assets And Liabilities, Net		**0.4%**
Net Assets		**100.0%**

FPA INTERNATIONAL VALUE FUND
PORTFOLIO OF INVESTMENTS

June 30, 2018
(Unaudited)

COMMON STOCKS	Shares	Fair Value
BEVERAGES — 7.7%		
Ambev SA (Brazil)	1,388,538	$ 6,441,570
Britvic plc (Britain)	539,068	5,542,080
Fomento Economico Mexicano SAB de CV (Mexico)	753,098	6,618,533
		$ 18,602,183
PACKAGED FOOD — 7.1%		
Alicorp SAA (Peru)	1,331,016	$ 4,478,601
Frutarom Industries Ltd. (Israel)	69,123	6,773,894
Nestle SA (Switzerland)	74,100	5,754,105
		$ 17,006,600
APPLICATION SOFTWARE — 5.9%		
SAP SE (Germany)	42,944	$ 4,962,343
Sumo Group plc (Britain) (a)	1,521,279	3,603,837
TOTVS SA (Brazil)	820,856	5,760,765
		$ 14,326,945
PROFESSIONAL SERVICES — 5.1%		
Pagegroup plc (Britain)	764,376	$ 5,684,507
Randstad Holding NV (Netherlands)	111,898	6,588,607
		$ 12,273,114
OTHER SPEC RETAIL — DISCRETIONARY — 4.8%		
GrandVision NV (Netherlands) (b)	257,861	$ 5,796,754
Luxottica Group SpA (Italy)	87,960	5,676,290
		$ 11,473,044
FLOW CONTROL EQUIPMENT — 4.3%		
KSB AG (Preference Shares) (Germany)	11,327	$ 4,689,209
Sulzer AG (Switzerland)	46,920	5,713,978
		$ 10,403,187
INTERNET BASED SERVICES — 3.6%		
Just Eat plc (Britain) (a)	476,713	$ 4,901,018
Scout24 AG (Germany) (b)	72,840	3,865,242
		$ 8,766,260
EDUCATIONAL SERVICES — 3.5%		
G8 Education Ltd. (Australia)	4,933,626	$ 8,507,133
AIRLINES — 3.2%		
Ryanair Holdings plc (Ireland) (a)	423,769	$ 7,821,538
INFORMATION TECHNOLOGY SERVICES — 3.0%		
Capgemini SE (France)	53,766	$ 7,233,170

FPA INTERNATIONAL VALUE FUND
PORTFOLIO OF INVESTMENTS (Continued)
June 30, 2018
(Unaudited)

COMMON STOCKS — Continued	Shares	Fair Value
NON WOOD BUILDING MATERIALS — 2.8%		
Cie de Saint-Gobain (France)	152,950	$ 6,835,597
BANKS — 2.8%		
AIB Group plc (Ireland)	1,220,032	$ 6,625,103
FUNERAL SERVICES — 2.6%		
Dignity plc (Britain)	474,240	$ 6,296,337
SPECIALTY APPAREL STORES — 2.5%		
Industria de Diseno Textil SA (Spain)	178,761	$ 6,108,233
SPECIALTY CHEMICALS — 2.4%		
IMCD Group NV (Netherlands)	86,512	$ 5,809,151
COMML & RES BLDG EQUIP & SYS — 2.3%		
Volution Group plc (Britain)	2,172,692	$ 5,634,463
OTHER COMMERCIAL SERVICES — 2.3%		
Edenred (France)	174,365	$ 5,510,051
MEDICAL EQUIPMENT — 1.8%		
Koninklijke Philips NV (Netherlands)	100,360	$ 4,269,025
HOUSEHOLD PRODUCTS — 1.8%		
L'Oreal SA (France)	17,204	$ 4,249,211
DEFENSE PRIMES — 1.7%		
Avon Rubber plc (Britain)	214,371	$ 4,045,702
OTHER COMMON STOCKS — 3.5% (c)(d)		$ 8,522,749
TOTAL COMMON STOCKS — 74.7% (Cost $185,734,668)		$180,318,796
TOTAL INVESTMENT SECURITIES — 74.7% (Cost $185,734,668)		$180,318,796

FPA INTERNATIONAL VALUE FUND
PORTFOLIO OF INVESTMENTS (Continued)

June 30, 2018
(Unaudited)

SHORT-TERM INVESTMENTS	Principal Amount	Fair Value
State Street Bank Repurchase Agreement — 0.35% 7/2/2018 (Dated 06/29/2018, repurchase price of $60,041,751, collateralized by $59,700,000 principal amount U.S. Treasury Notes — 0.125% 2024, fair value $61,242,230)	$60,040,000	$ 60,040,000
TOTAL SHORT-TERM INVESTMENTS — 24.9% (Cost $60,040,000)		$ 60,040,000
TOTAL INVESTMENTS — 99.6% (Cost $245,774,668)		$240,358,796
Other Assets and Liabilities, net — 0.4%		928,102
NET ASSETS — 100.0%		$241,286,898

(a) Non-income producing security.

(b) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, typically only to qualified institutional buyers. Unless otherwise indicated, these securities are not considered to be illiquid.

(c) Affiliated Security.

(d) 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.

Foreign Currency Exchange Contracts

Counterparty	Currency Purchased	Currency Sold	Settlement Date	Valuation at June 30, 2018	Unrealized Appreciation	Unrealized Depreciation
Barclays Bank PLC	USD 6,931,971	BRL 25,780,000	8/16/2018	$ 6,619,127	$312,844	—
Barclays Bank PLC	USD 2,009,410	EUR 1,690,000	8/16/2018	1,979,929	29,481	—
Barclays Bank PLC	USD 33,303,982	EUR 28,287,000	9/27/2018	33,247,419	56,563	—
Total				$41,846,475	$398,888	—

See notes to financial statements.

FPA INTERNATIONAL VALUE FUND
STATEMENT OF ASSETS AND LIABILITIES

June 30, 2018
(Unaudited)

ASSETS	
Investment securities — at fair value (identified cost $185,734,668)	$180,318,796
Short-term investments — repurchase agreements	60,040,000
Cash	333
Receivable for:	
Investment securities sold	1,980,582
Dividends and interest	1,006,782
Capital Stock sold	55,666
Unrealized gain on forward foreign currency contracts	398,888
Unrealized gain on foreign currency contracts	5,395
Prepaid expenses and other assets	2,153
Total assets	243,808,595
LIABILITIES	
Payable for:	
Investment securities purchased	1,277,707
Due to broker — OTC derivatives collateral	743,297
Advisory fees	188,038
Capital Stock repurchased	122,214
Line of Credit	18,398
Due to custodian	1,306
Accrued expenses and other liabilities	165,534
Unrealized loss on foreign currency contracts	5,203
Total liabilities	2,521,697
NET ASSETS	$241,286,898
SUMMARY OF SHAREHOLDERS' EQUITY	
Capital Stock — no par value; unlimited authorized shares; 16,072,041 outstanding shares	$250,495,330
Accumulated net realized loss on investments	(5,873,145)
Undistributed net investment income	1,690,695
Net unrealized depreciation	(5,025,982)
NET ASSETS	$241,286,898
NET ASSET VALUE	
Offering and redemption price per share	$15.01

See notes to financial statements.

FPA INTERNATIONAL VALUE FUND
STATEMENT OF OPERATIONS

For the Six Months Ended June 30, 2018
(Unaudited)

INVESTMENT INCOME	
Dividends (net of foreign taxes withheld of $276,035)	$ 2,889,422
Interest	68,467
Total investment income	2,957,889
EXPENSES	
Advisory fees	1,256,677
Transfer agent fees and expenses	90,336
Trustee fees and expenses	79,311
Legal fees	70,309
Custodian fees	56,911
Reports to shareholders	39,224
Audit and tax services fees	26,512
Filing fees	23,527
Administrative services fees	6,722
Professional fees	6,071
Other	39,977
Total expenses	1,695,577
Reimbursement from Adviser	(74,463)
Net expenses	1,621,114
Net investment income	1,336,775
NET REALIZED AND UNREALIZED GAIN (LOSS)	
Net realized gain (loss) on:	
Investments	19,050,099
Foreign currency transactions	9,855
Net change in unrealized appreciation (depreciation) of:	
Investments	(29,109,291)
Investments in Forward Foreign Currency Contracts	1,739,043
Translation of foreign currency denominated amounts	(21,214)
Net realized and unrealized loss	(8,331,508)
NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS	$ (6,994,733)

See notes to financial statements.

FPA INTERNATIONAL VALUE FUND
STATEMENTS OF CHANGES IN NET ASSETS

	Six Months Ended June 30, 2018 (Unaudited)	Year Ended December 31, 2017
INCREASE (DECREASE) IN NET ASSETS		
Operations:		
Net investment income (loss)	$ 1,336,775	$ (254,049)
Net realized gain	19,059,954	51,595,979
Net change in unrealized appreciation (depreciation)	(27,391,462)	19,149,748
Net increase (decrease) in net assets resulting from operations	(6,994,733)	70,491,678
Distributions to shareholders from:		
Net investment income	—	(1,513,532)
Total distributions	—	(1,513,532)
Capital Stock transactions:		
Proceeds from Capital Stock sold	19,601,183	76,148,593
Proceeds from shares issued to shareholders upon reinvestment of dividends and distributions	—	1,391,833
Cost of Capital Stock repurchased	(26,206,047)	(153,905,878)*
Net decrease from Capital Stock transactions	(6,604,864)	(76,365,452)
Total change in net assets	(13,599,597)	(7,387,306)
NET ASSETS		
Beginning of period	254,886,495	262,273,801
End of period	$241,286,898	$ 254,886,495
CHANGE IN CAPITAL STOCK OUTSTANDING		
Shares of Capital Stock sold	1,259,558	5,546,324
Shares issued to shareholders upon reinvestment of dividends and distributions	—	98,293
Shares of Capital Stock repurchased	(1,683,268)	(10,625,741)
Change in Capital Stock outstanding	(423,710)	(4,981,124)

* Net of redemption fees of $2,340 for the year ended December 31, 2017.

See notes to financial statements.

FPA INTERNATIONAL VALUE FUND
FINANCIAL HIGHLIGHTS

	Six Months Ended June 30, 2018 (Unaudited)	Year Ended December 31, 2017	2016	2015	2014	2013
Per share operating performance:						
Net asset value at beginning of period	$15.45	$12.21	$11.52	$12.87	$14.45	$12.54
Income from investment operations:						
Net investment income (loss)*	$ 0.08	$ (0.01)	$ 0.22	$ 0.07	$ 0.14	$ 0.10
Net realized and unrealized gain (loss) on investment securities	(0.52)	3.32	0.82	(0.86)	(1.45)	2.13
Total from investment operations	$ (0.44)	$ 3.31	$ 1.04	$ (0.79)	$ (1.31)	$ 2.23
Less distributions:						
Dividends from net investment income	—	$ (0.07)	$ (0.35)	$ (0.56)	$ (0.16)	$ (0.09)
Distributions from net realized capital gains	—	—	—	—	(0.11)	(0.23)
Total distributions	—	$ (0.07)	$ (0.35)	$ (0.56)	$ (0.27)	$ (0.32)
Redemption fees	—	—**	—**	—**	—**	—**
Net asset value at end of period	$15.01	$15.45	$12.21	$11.52	$12.87	$14.45
Total investment return***	(2.85)%	27.12%	9.05%	(6.34)%	(9.19)%	18.00%
Ratios/supplemental data:						
Net assets, end of period (in $000's)	$241,287	$254,886	$262,274	$287,116	$468,001	$288,193
Ratio of expenses of average net assets:						
Before reimbursement from Adviser	1.35%†	1.31%	1.28%	1.25%	1.22%	1.26%
After reimbursement from Adviser	1.29%†	1.29%	1.28%	1.25%	1.22%	1.26%
Ratio of net investment income to average net assets:						
Before reimbursement from Adviser	1.00%†	(0.11)%	1.86%	0.50%	1.28%	0.76%
After reimbursement from Adviser	1.06%†	(0.09)%	1.86%	0.50%	1.28%	0.76%
Portfolio turnover rate	134%†	146%	93%	39%	84%	44%

* 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.

† Annualized.

See notes to financial statements.

FPA INTERNATIONAL VALUE FUND
NOTES TO FINANCIAL STATEMENTS

June 30, 2018
(Unaudited)

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 market 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.

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 market value equals or exceeds the current market 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 market 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 $125,214,785 for the period ended June 30, 2018. The proceeds and cost of securities sold resulting in net realized gains of $19,050,099 aggregated $125,209,961 and $106,159,862, respectively, for the period ended June 30, 2018. Realized gains or losses are based on the specific identification method.

NOTE 4 — Federal Income Tax

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

The cost of investment securities held at June 30, 2018, was $204,648,119 for federal income tax purposes. Gross unrealized appreciation and depreciation for all investments (excluding short-term investments) at June 30, 2018, for federal income tax purposes was $11,614,345 and $19,197,287, respectively resulting in net unrealized depreciation of $7,582,942. As of and during the period ended June 30, 2018, 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 period, the Fund did not incur any interest or penalties.

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, LLC (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, 2019.

For the period ended June 30, 2018, the Fund paid aggregate fees and expenses of $79,311 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 June 30, 2018:

Investments	Level 1	Level 2	Level 3	Total
Common Stocks				
Beverages	$ 18,602,183	—	—	$ 18,602,183
Packaged Food	17,006,600	—	—	17,006,600
Application Software	14,326,945	—	—	14,326,945
Professional Services	12,273,114	—	—	12,273,114
Other Spec Retail — Discretionary	11,473,044	—	—	11,473,044
Flow Control Equipment	10,403,187	—	—	10,403,187
Internet Based Services	8,766,260	—	—	8,766,260
Educational Services	8,507,133	—	—	8,507,133
Airlines	7,821,538	—	—	7,821,538
Information Technology Services	7,233,170	—	—	7,233,170
Non Wood Building Materials	6,835,597	—	—	6,835,597
Banks	6,625,103	—	—	6,625,103
Funeral Services	6,296,337	—	—	6,296,337
Specialty Apparel Stores	6,108,233	—	—	6,108,233
Specialty Chemicals	5,809,151	—	—	5,809,151
Comml & Res Bldg Equip & Sys	5,634,463	—	—	5,634,463
Other Commercial Services	5,510,051	—	—	5,510,051
Medical Equipment	4,269,025	—	—	4,269,025
Household Products	4,249,211	—	—	4,249,211
Defense Primes	4,045,702	—	—	4,045,702
Other Common Stocks	8,522,749	—	—	8,522,749
Short-Term Investment	—	$60,040,000	—	60,040,000
	$180,318,796	$60,040,000	—	$240,358,796

Transfers of investments between different levels of the fair value hierarchy are recorded at market value as of the end of the reporting period. There were transfers of $81,132,928 from Level 2 to Level 1 during the period ended June 30, 2018. The transfers between Level 2 and Level 1 of the fair value hierarchy during the period ended June 30, 2018, 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 gain or loss 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 period ended June 30, 2018 the fund had average volume of forward foreign currency contracts (based on the open positions at each month end) for purchases and sales of $6,557,811 and $42,372,308, respectively.

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 period ended June 30, 2018, the Fund had no borrowings under the agreement.

NOTE 8 — Collateral Requirements

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

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

FASB Accounting Standards Update No. 2011-11, Disclosures about Offsetting Assets and Liabilities, requires disclosures to make financial statements that are prepared under U.S. GAAP more comparable to those prepared under International Financial Reporting Standards. Under this guidance the Fund discloses both gross and net information about instruments and transactions eligible for offset such as instruments and transactions subject to an agreement similar to a master netting arrangement. In addition, the Fund discloses collateral received and posted in connection with master netting agreements or similar arrangements. The following table presents the Fund's OTC derivative assets and master repurchase agreements by counterparty net of amounts available for offset under an ISDA Master agreement or similar agreements and net of the related collateral received or pledged by the Fund as of June 30, 2018:

Counterparty	Gross Assets (Liabilities) in the Statement of Assets and Liabilities	Collateral Received (Pledged)	Assets (Liabilities) Available for Offset	Net Amount of Assets (Liabilities)*
State Street Bank and Trust Company: Repurchase Agreement	$60,040,000	$60,040,000**	—	—
Barclays Capital: Forward foreign currency contracts Receivable	$ 398,888	—	—	$398,888

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

** Collateral with a value of $61,242,230 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.

FPA INTERNATIONAL VALUE FUND
SHAREHOLDER EXPENSE EXAMPLE

June 30, 2018 (Unaudited)

Fund Expenses

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

Actual Expenses

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

Hypothetical Example for Comparison Purposes

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

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

	Actual Performance	Hypothetical Performance (5% return before expenses)
Beginning Account Value December 31, 2017	$1,000.00	$1,000.00
Ending Account Value June 30, 2018	$ 971.50	$1,018.40
Expenses Paid During Period*	$ 6.31	$ 6.46

* 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 June 30, 2018 (181/365 days).

FPA INTERNATIONAL VALUE FUND
TRUSTEE AND OFFICER INFORMATION

(Unaudited)

Name, Address[(1)] and Year of Birth	Position(s) With Fund Years Served	Principal Occupation(s) During the Past 5 Years	Portfolios in Fund Complex Overseen	Other Directorships
Independent Trustees				
Allan M. Rudnick – 1940†	Trustee and Chairman* Years Served: 6	Private Investor. Formerly Co-Founder, Chief Executive Officer, Chairman and Chief Investment Officer of Kayne Anderson Rudnick Investment Management from 1989 to 2007.	7	
Sandra Brown – 1955†	Trustee* Years Served: 1	Consultant. Formerly CEO and President of Transamerica Financial Advisers, Inc., 1999 to 2009; President, Transamerica Securities Sales Corp. 1998 to 2009; VP, Bank of America Mutual Fund Administration 1990 to 1998.	7	
Mark L. Lipson – 1949†	Trustee* Years Served: 2	Consultant. ML2Advisors, LLC. Former Managing Director, Bessemer Trust (2007-2014) and US Trust (2003-2006); Founder, Chairman and CEO of the Northstar Mutual Funds (1993-2001).	7	
Alfred E. Osborne, Jr. – 1944†	Trustee* Years Served: 6	Interim Dean, Professor and Faculty Director, Price Center for Entrepreneurship and Innovation of the John E. Anderson School of Management at UCLA.	7	Wedbush, Inc., Nuverra Environmental Solutions, Inc., and Kaiser Aluminun, Inc.
A. Robert Pisano – 1943†	Trustee* Years Served: 4	Consultant. Formerly President and Chief Operating Officer of the Motion Picture Association of America, Inc. from 2005 to 2011.	7	Entertainment Partners, and Resources Global Professionals
Patrick B. Purcell – 1943†	Trustee* Years Served: 6	Retired. Formerly Executive Vice President, Chief Financial and Administrative Officer of Paramount Pictures from 1983 to 1998.	7	
Interested Trustees[(2)]				
J. Richard Atwood – 1960	Trustee* and President Years Served: 6	Managing Partner of the Adviser.	7	
Steven Romick – 1963	Trustee* Years Served: 6	Managing Partner of the Adviser.	2	

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

Name, Address[1] and Year of Birth	Position(s) With Fund Years Served	Principal Occupation(s) During the Past 5 Years	Portfolios in Fund Complex Overseen	Other Directorships
Officers				
Pierre O. Py – 1976	Vice President & Portfolio Manager Years Served: 6	Managing Director of the Adviser since 2013. Formerly Vice President of the Adviser since 2011. Formerly an international research analyst at Harris Associates LP from 2005 to 2010.		
David C. Lebisky – 1972	Chief Compliance Officer Years Served: 1	President of Lebisky Compliance Consulting LLC (since October 2015). Consultant, Duff & Phelps Compliance Consulting (since 2016). Senior Consultant, Freeh Group International Solutions, LLC (a global risk management firm) (since 2015). Formerly, Director of Regulatory Administration, Scotia Institutional Investments US, LP (2010 to 2014).		
E. Lake Setzler – 1967	Treasurer Years Served: 6	Senior Vice President and Controller of the Adviser.		
Francine S. Hayes – 1967	Secretary Years Served: 2	Vice President and Senior Counsel of State Street Bank and Trust Company		

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

[2] "Interested person" within the meaning of the 1940 Act by virtue of his affiliation with the Fund's Adviser.

* Trustees serve until their resignation, removal or retirement.

† Audit Committee member

The Statement of Additional Information includes additional information about the Directors and is available, without charge, upon request by calling (800) 982-4372.

FPA INTERNATIONAL VALUE FUND

(Unaudited)

INVESTMENT ADVISER

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

TRANSFER & SHAREHOLDER SERVICE AGENT

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

(800) 638-3060

CUSTODIAN AND ADMINISTRATOR

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

DISTRIBUTOR

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

LEGAL COUNSEL

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

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

TICKER SYMBOL: FPIVX
CUSIP: 30254T726

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. The financial information included in this report has been taken from the records of the Fund without examination by independent auditors.

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

The Fund's complete proxy voting record for the 12 months ended June 30, 2018 is available without charge, upon request by calling (800) 982-4372 and on the SEC's website at www.sec.gov.

The Fund's schedule of portfolio holdings, filed the first and third quarter of the Fund's fiscal year on Form N-Q with the SEC, is available on the SEC's website at www.sec.gov. Form N-Q is available at the SEC's Public Reference Room in Washington, D.C., and information on the operations of the Public Reference Room may be obtained by calling (202) 551-8090. To obtain Form N-Q from the Fund, shareholders can call (800) 982-4372.

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