



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

Average Annual Total Returns (%)

As of Date: 12/31/18	1 Year	YTD	QTD	10 Years*	5 Years*
FPA U.S. Value Fund, Inc.	-9.81	-9.81	-16.21	10.98	1.65
S&P 500	-4.38	-4.38	-13.52	13.12	8.49
Morningstar Large Blend Average	-6.24	-6.24	-13.54	11.43	6.28
Russell 2500	-10.00	-10.00	-18.49	13.15	5.15

Periods greater than one year are annualized. Fund performance is shown net of all fees and expenses. Performance is calculated on a total return basis which includes reinvestment of all distributions. Performance does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares, which would lower these returns. Comparison to any Index is for illustrative purposes only. An investor cannot invest directly in an index. The Fund does not include outperformance of any index or benchmark in its investment objectives.

The Adviser has agreed to reduce its investment advisory fee to the extent necessary to reimburse the Fund for any annual expenses in excess of 1.5% of the first \$30 million and 1% of the remaining average net assets of the Fund for the year. This agreement is in alignment with the Investment Advisory Agreement which may be terminated by the Board, the vote of a majority of the Fund's shareholders or the Adviser.

Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown. This data represents past performance and investors should understand that investment returns and principal values fluctuate, so that when you redeem your investment it may be worth more or less than its original cost. The Fund's net expense ratio as of its most recent prospectus 1.13%. Current month-end performance data, which may be lower or higher than the performance data quoted, may be obtained at www.fpa.com or by calling toll-free, 1-800-982-4372.

The total expense ratio is 1.22% (as of most recent prospectus). The Investment Advisory Agreement between the Fund and FPA requires FPA to reduce its investment advisory fee to the extent necessary to reimburse the Fund for any annual expenses in excess of 1.5% of the first \$30 million and 1% of the remaining average net assets of the Fund for the year. This agreement is coterminous with the Investment Advisory Agreement which may be terminated by the Board, the vote of a majority of the Fund's shareholders or the Adviser.

* On September 1, 2015, the Fund changed its name to FPA U.S. Value Fund, Inc., and the current portfolio manager assumed management of the Fund on that date. Contemporaneous with this change, the Fund transitioned to its current investment strategy. Performance prior to September 1, 2015 reflects the performance of the prior portfolio manager and investment strategy. Performance prior to September 1, 2015 is not indicative of performance for any subsequent periods. The transition took place during time period from September 1, 2015 to September 30, 2015.

Please see important disclosures at the end of the commentary.



Introduction

In the fourth quarter, the FPA U.S. Value Fund, Inc.'s ("Fund") performance was -16.21%. It underperformed the total return of the S&P 500 Index ("Index") by 2.69%.¹ For the year, the Fund's performance was -9.81% compared to -4.38% for the Index's total return. In 2018, the median stock price return in the Index experienced a loss greater than -8%¹, which is similar to the Fund's 2018 gross performance.

In general, the larger-weighted companies in the Index performed better than the smaller ones². This is a trend we have witnessed for some years now due to various large-cap companies continuing to enjoy some of the best revenue and earnings growth in the market. However, it was not all good news for the largest companies in the Index. While companies like Amazon and Microsoft enjoyed double-digit returns in 2018, others, like Facebook and Bank of America, experienced the opposite. What is interesting to note is that the 50 largest positive contributing stocks to the Index had a median return of approximately 20% and made up nearly 30% of the Index's weighting at the beginning of the year. It was a mirror image of that with the 50 greatest detractors to the index, which had a median return of approximately -20% and made up nearly 30% of the Index at the beginning of the year as well.²

Therefore, while on balance 2018 was a down year, depending on stock selection and position sizing, a fund's returns could have easily been much worse or much better than the index. Within this context it is not surprising that some of the best value investors over the past 20-plus years had one of their worst years ever in 2018 and a tough three-year stretch.³ We can empathize with these managers since we have also had a difficult time navigating the market over the past few years. However, we began making several important portfolio management changes toward the end of 2017 and have continued to tweak them throughout 2018. We believe those moves have positioned the Fund to achieve our goal of outperformance over full market cycles.

It is worth reiterating the changes we made to the portfolio construction process over the past five quarters.

First, we moved from a focused portfolio, which had an average of 27 disclosed investments over the first nine quarters, to a much more diversified portfolio averaging 65 disclosed positions over the last five quarters.⁴ We made the change because we have witnessed the pace of disruption to industries move

¹ Source: Morningstar. Comparison to the S&P 500 Index is being used as a representation of the "market" and is for illustrative purposes only. The Fund does not include outperformance of any index or benchmark in its investment objectives.

² Source: Bloomberg.

³ Source: Morningstar.

⁴ On September 1, 2015, the Fund changed its name to FPA U.S. Value Fund, Inc., and the current portfolio manager assumed management of the Fund on that date. Contemporaneous with this change, the Fund transitioned to its current investment strategy. The transition took place during time period from September 1, 2015-September 30, 2015. The first nine quarters refers to the nine quarters starting with 4Q 2015 through 3Q 2017. The last five quarters refers to 4Q 2017 through 4Q 2018.

ever more rapidly to the point where it has become increasingly difficult to have enough conviction to justify overwhelming concentration in any given sector. Businesses that appear to be unique and great today can quickly become a commodity and average tomorrow. Today, we believe very few companies have the ability to retain their greatness for extended periods.

Second, we completely changed the process by which we construct the portfolio. Over the first nine quarters, we built the portfolio from a purely bottom-up, fundamental perspective. If we found an attractive company, we added it to the portfolio and sized the investment based on our view of the quality of the business and estimated upside over the next few years. We did not mind being overly concentrated in an industry if we believed the risk/reward was highly attractive. However, more often than not, we were surprised to the downside on business fundamentals, even though they were usually historically very solid.

Over the past five quarters, the portfolio construction process has begun by determining what industries we want to avoid or be less exposed to due to lack of business quality and/or compelling valuation—with business quality being the most important factor. Among the industries we find attractive, we seek to invest in the highest quality companies we can find at compelling valuations. We base position sizing on a combination of valuation and the strength of our conviction that the business's attributes can be sustained and translated into above average revenue and earnings growth over the long term. Ultimately, the most difficult aspect of portfolio management is determining which industries and companies warrant overweighting—mostly because it's difficult to anticipate where the next disruption will occur that will impact business fundamentals.

While business quality is the most important factor for us, unattractive valuations have kept us from buying several high-quality⁵ companies. Those companies we continue to follow reside on our current “wish list”, with the hope that one day their valuations become appealing so we get an opportunity to add them to the portfolio.

Third, we have changed our approach to technology-related companies. We believe the best secular growth within the global economy continues to be technology related. For the first three years, the portfolio was very under exposed to the sector due to above average valuation relative to the market. However, after expanding our research efforts within various technology related businesses, we added select companies to the portfolio and recently reached technology exposure that is more in line with the Index.

⁵ Although it is difficult to define a high quality business, the portfolio manager believes such businesses typically are able to earn higher than average operating margins and return on capital due to economies of scale, proprietary technology, brand value, pricing power or some other unique, sustainable competitive advantage. Additionally, these unique, sustainable advantages should result in above average earnings growth over time.

Portfolio Commentary

Compared to the broader market, we believe our portfolio is of higher quality and has greater potential for earnings growth.

	FPA U.S. Value Fund	S&P 500
Large Capitalization	90.6%	96.8%
Top 5 Holdings	29.7%	15.3%
Top 10 Holdings	46.8%	21.0%
Foreign Securities	5.2%	0.0%
12-Month Forward P/E ⁶	16.5x	15.1x
Price/Book ⁷	3.7x	3.0x
Return on Equity ⁸	25.5%	21.2%
EPS ⁹ Growth Historical (2-year, \$-weighted median)	21.9%	19.7%
EPS Growth Forecast (2-year, median)	14.4%	10.6%
Revenue Growth Historical (2-year, \$-weighted median)	15.6%	11.5%
Revenue Growth Forecast (2-year, median)	11.7%	8.5%
Debt/Equity ¹⁰	1.3x	1.3x
Median Market Capitalization ¹¹ (billions)	\$84.0	\$18.5
Weighted Average Market Cap (billions)	\$308.5	\$201.1

Source: FPA, Mellon. Data as of December 31, 2018.

As of Dec. 31, 2018, the Fund was invested in 63 companies (56 of which are disclosed), including 55 that are in the Index. That leaves 445 other Index positions that are not in our portfolio. Moreover, the 55 positions in common made up approximately 38.5% of the Index's weighting. At the same time, a majority of those 55 positions were overweight in the Fund relative to the Index. The Fund's remaining eight investments were predominantly large-cap foreign companies and mid-cap U.S. companies. Combined, these eight companies made up 11.1% of the portfolio. Cash was 2.1%, which has come down as we put more money to work when stock prices declined at the end of the year. The Fund continues to have a relatively high active share compared to the Index.¹²

In terms of geography, 92.7% of the portfolio was in U.S. companies, while 5.2% was in foreign equities. By market capitalization, 90.6% of the disclosed portfolio was in large-cap companies, with approximately 47% of the portfolio invested in mega-caps— i.e., companies with market values above \$200 billion. The

⁶ P/E (Price-to-Earnings Ratio) is a ratio used to value a company by measuring its current share price relative to its per-share earnings.

⁷ Price/Book ratio is the current closing price of the stock by the latest quarter's book value per share.

⁸ Return on Equity is the amount of profit computed by dividing net income before taxes less preferred dividends by the value of stockholders' equity.

⁹ EPS, or Earnings per Share, is the portion of a company's profit allocated to each share of common stock.

¹⁰ Debt/Equity (D/E) Ratio is calculated by dividing a company's total liabilities by its shareholder equity. These numbers are available on the balance sheet of a company's financial statements. The ratio is used to evaluate a company's financial leverage.

¹¹ "Market Cap, short for market capitalization, refers to the total dollar market value of a company's outstanding shares."

¹² Active share is a measure of the Fund's holdings that differ from the holdings in the Fund's benchmark index. The Fund's Active Share as of December 31, 2018 was 64.5%.

portfolio's weighted average market cap was approximately \$308 billion, while the Fund's median market cap was approximately \$84 billion.

Regarding portfolio concentration, the Fund's top five positions made up 29.7% of the portfolio at year end compared to approximately 15.3% for the Index. The Fund's top 10 disclosed positions made up 46.8% of the portfolio versus 21.0% for the Index. Over time, our goal is to reduce the weighting of some of the Fund's largest positions and increase some of the Fund's smallest ones as our conviction grows.

From an industry exposure standpoint, the portfolio had disclosed investments in seven of the 11 sectors in the Index. Combined, those seven sectors made up approximately 81% of the Index and 93% of the Fund's disclosed portfolio. Relative to the S&P 500, at the end of 2018, the portfolio is overweight communication services, industrials, and consumer discretionary, slightly underweight materials and healthcare, and in-line with information technology and financials. At the end of the quarter, the Fund didn't have any disclosed investments in consumer staples, energy, utilities and real estate. Collectively, those four sectors made up about 19% of the Index.

Sector	FPA U.S. Value Fund	S&P 500
Information Technology	21.4%	20.1%
Communication Services	19.5%	10.1%
Consumer Discretionary	14.6%	9.9%
Financials	13.6%	13.3%
Industrials	13.2%	9.2%
Health Care	10.0%	15.5%
Materials	0.6%	2.7%
Consumer Staples	0.0%	7.4%
Energy	0.0%	5.3%
Utilities	0.0%	3.3%
Real Estate	0.0%	3.0%
Total	92.9%	100.0%
Other	5.0%	
Cash and equivalents (net of liabilities)	2.1%	

Source: FPA, Mellon. Data as of December 31, 2018. Figures may not add up to 100% due to rounding. Sector classification scheme reflects GICS (Global Industry Classification Standard). Portfolio composition will change due to ongoing management of the Fund. Comparison to an index is for illustrative purposes only. The Fund does not include outperformance of any index or benchmark in its investment objectives. Please refer to the end of this commentary for important disclosures.

Q4 2018 Winners and Losers¹³

Winners	Performance Contribution	Losers	Performance Contribution
Twenty First Century Fox	0.03%	Apple	-1.68%
Dollar General	0.01%	Amazon.com	-1.27%
O'Reilly Automotive	0.01%	Facebook	-1.06%
PayPal Holdings	0.00%	Alphabet Inc.	-1.06%
HD Supply Holdings	-0.00%	Airbus	-0.93%

2018 Winners and Losers¹³

Winners	Performance Contribution	Losers	Performance Contribution
Anthem	0.28%	Facebook	-1.33%
Madison Square Garden	0.26%	Citigroup	-0.55%
Twenty First Century Fox	0.24%	Apple	-0.50%
Microsoft	0.20%	Amazon.com	-0.48%
Medtronic	0.19%	Comcast	-0.45%

In looking at the top five detractors to performance in the fourth quarter and 2018, a majority of them are among the largest technology related companies in the world. With the exception of Amazon.com (NASDAQ: AMZN) and Microsoft (NASDAQ: MSFT), we were overweight Alphabet, Facebook and Apple throughout the year. Since the latter three companies were some of the largest detractors to the Index, it should be no surprise that being overweight them in the portfolio hurt the Fund's return disproportionately more than it did the Index.¹⁴

Regarding AMZN, we began investing in the company in January 2018 and the Fund was meaningfully underweight compared to the Index for the first half of the year. While we have admired the company for a long time, we had struggled with its seemingly lofty valuation. As we continued to do more work on the company throughout the year, we became more comfortable with the long-term earnings power of its various businesses, particularly its AWS, 1P, 3P, Amazon Prime¹⁵ and nascent, but fast-growing digital advertising business. We also took note of several other relatively small but fast-growing ventures that

¹³ Reflects top contributors and top detractors to the Fund's performance based on contribution-to-return basis. Contribution is presented gross of investment management fees, transactions costs, and Fund operating expenses, which if included, would reduce the returns presented. This is not a recommendation for a specific security and these securities may not be in the Fund at the time you receive this report. 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 at crm@fpa.com. The portfolio holdings as of the most recent quarter-end may be obtained at www.fpa.com. **Past performance is no guarantee, nor is it indicative, of future results.** Please see **Important Disclosures** at the end of this commentary.

¹⁴ Source: Bloomberg.

¹⁵ **Amazon Web Services (AWS)** is a secure cloud services platform, offering computing power, database storage, content delivery and other functionality to help businesses scale and grow. **1P:** Amazon sells sellers products on a wholesale relationship. Seller sends their inventory to Amazon, Amazon controls the pricing and the listing displays as "Ships from and sold by Amazon.com". **3P:** Seller sells products on Amazon's marketplace and seller has Amazon fulfill orders from their fulfillment centers (Fulfillment by Amazon, FBA) and/or the seller can fulfill orders from their own warehouse or 3rd party warehouses (Fulfillment by Merchant, FBM). **Amazon Prime:** Amazon Prime is a paid service that gives Amazon shoppers a few distinct advantages. Members of Amazon Prime are eligible for free one- or two-day shipping on most items, among several other perks.

Amazon is involved with that we believe may contribute meaningful earnings over time.

While our small initial investment in AMZN benefitted the Fund's performance for the year, the timing of our subsequent purchases throughout 2018 hurt our results. Had we known now what we knew a year ago, we would have begun 2018 with a full position. Unfortunately, we continued to build up our AMZN investment in the third and fourth quarters, which was followed by a double-digit correction in the stock market.

We felt that AMZN had run up too much, too quickly over the first nine months of the year, and as a result, we chose to write some covered calls against part of our investment in Q3'18. As the stock price declined in late 2018, we covered our call options and further increased our investment. As a result, our overall investment in AMZN was a detractor for the Fund in 2018, whereas the stock was a major benefit to the Index. Nevertheless, based on what we know today, we are happy to have a full position in AMZN at the current valuation and believe it will positively benefit the Fund's returns over the next full market cycle.

One of the Fund's largest contributors to performance in 2018 was MSFT. As we did with AMZN, we began 2018 with a small investment in MSFT (though larger than our initial AMZN position) and steadily increased our holding as the year progressed. Both were approximately 4% positions at the end of September. However, MSFT shares did not rise as much as AMZN in the first nine months of the year. When the market correction came, MSFT held up better than AMZN, which helps explain why MSFT contributed positively to the Fund's performance in 2018, but not nearly to the same degree it benefitted the Index.

Closing

We are optimistic that the portfolio will generate good absolute and relative returns compared to the Index going forward. To that end, we further increased our alignment with fellow shareholders by making opportunistic purchases of the Fund with our personal capital during the fourth quarter market sell-off—taking advantage of what we believe to be attractive prices for a reasonably diversified portfolio of high-quality companies.

We look forward to delivering value for our shareholders over the coming years. Thank you for your confidence and continued support.

Respectfully submitted,

Gregory R. Nathan
Portfolio Manager
January 2019

Important Disclosures

This update 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.fpafunds.com.

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; these risks may be heightened when investing in emerging markets. Foreign investments, especially those of companies in emerging markets, can be riskier, less liquid, harder to value, and more volatile than investments in the United States. Adverse political and economic developments or changes in the value of foreign currency can make it more difficult for the Fund to value the securities. Differences in tax and accounting standards, difficulties in obtaining information about foreign companies, restrictions on receiving investment proceeds from a foreign country, confiscatory foreign tax laws, and potential difficulties in enforcing contractual obligations, can all add to the risk and volatility of foreign investments.

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

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 manager considers the true business value or because the portfolio manager 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.

Index / Category Definitions

Debt/Equity is the measure of a company's financial leverage calculated by dividing its total liabilities by stockholder's equity.

EPS (Earnings per share) is the portion of a company's profit allocated to each outstanding share of common stock.

Price-to-Book (P/B) - A ratio used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the latest quarter's book value per share.

Return on Equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested.

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 may 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. The Fund does not include outperformance of any index or benchmark in its investment objectives. An investor cannot invest directly in an index.

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

Morningstar Large Blend Average consists of portfolios that invest in a variety of large US stocks. Stocks in the top 70% of the capitalization of the US equity market are defined as large-cap. The blend style is assigned to funds where neither growth nor value characteristics predominate. The average does not reflect the effect of fund sales charges.

The **Russell 2500 Index** consists of the 2,500 smallest companies in the Russell 3000 total capitalization universe and is considered a measure of small to mid-capitalization stock performance.

Please consult your tax advisor regarding higher capital gains distributions due to a change in portfolio strategy.

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The Fund is distributed by UMB Distribution Services, LLC, 235 W. Galena Street, Milwaukee, WI, 53212.



TICKER / CUSIP	SHARES / PRINCIPAL	SECURITY	COUPON RATE (%)	MATURITY DATE	MKT PRICE (\$)	MKT VALUE (\$)	% OF NET ASSET VALUE
COMMON STOCKS							
ABT	4,950	ABBOTT LABS			72.33	358,034	0.6%
ATVI	9,925	ACTIVISION BLIZZARD INC			46.57	462,207	0.7%
ADBE	2,800	ADOBE SYS INC			226.24	633,472	1.0%
AIR FP	24,250	AIRBUS SE*			96.20	2,332,781	3.8%
GOOG	5,050	ALPHABET INC CL C			1,035.61	5,229,831	8.5%
AABA	9,350	ALTABA INC			57.94	541,739	0.9%
AMZN	2,217	AMAZON.COM INC			1,501.97	3,329,867	5.4%
AXP	5,700	AMERICAN EXPRESS COMPANY			95.32	543,324	0.9%
ANTM	7,350	ANTHEM INC			262.63	1,930,331	3.1%
AON	2,700	AON PLC*			145.36	392,472	0.6%
AAPL	19,817	APPLE INC			157.74	3,125,934	5.1%
BAC	54,050	BANK OF AMERICA CORP			24.64	1,331,792	2.1%
BRK/A	4	BERKSHIRE HATHAWAY INC-CL A			306,000.00	1,224,000	2.0%
BX	21,300	BLACKSTONE GROUP LP/THE			29.81	634,953	1.0%
BA	2,500	BOEING CO			322.50	806,250	1.3%
BKNG	585	BOOKING HOLDINGS INC			1,722.42	1,007,616	1.6%
CCL	6,350	CARNIVAL CORP			49.30	313,055	0.5%
CBS	8,200	CBS CORP CLASS B NON VOTING			43.72	358,504	0.6%
CI	2,700	CIGNA CORP			189.92	512,784	0.8%
CSCO	20,000	CISCO SYSTEMS INC			43.33	866,600	1.4%
C	15,900	CITIGROUP INC			52.06	827,754	1.3%
CMCSA	26,500	COMCAST CORP CLASS A			34.05	902,325	1.5%
DWDP	6,500	DOWDUPONT INC			53.48	347,620	0.6%
FB	25,155	FACEBOOK INC CL A			131.09	3,297,569	5.3%
FDX	3,850	FEDEX CORP			161.33	621,121	1.0%
GD	2,850	GENERAL DYNAMICS CORP			157.21	448,049	0.7%
HDS	10,150	HD SUPPLY HOLDINGS INC			37.52	380,828	0.6%
HD	3,750	HOME DEPOT INC			171.82	644,325	1.0%
HON	2,100	HONEYWELL INTL INC			132.12	277,452	0.4%
IR	3,350	INGERSOLL-RAND PLC*			91.23	305,621	0.5%
IQV	2,825	IQVIA HLDGS INC			116.17	328,180	0.5%
JPM	15,900	JPMORGAN CHASE & CO			97.62	1,552,158	2.5%
KKR	65,250	KKR & CO INC CL A			19.63	1,280,858	2.1%
LEN/B	20,900	LENNAR CORP B SHS			31.33	654,797	1.1%
LMT	1,875	LOCKHEED MARTIN CORP			261.84	490,950	0.8%
LOW	11,000	LOWE'S COS INC			92.36	1,015,960	1.6%
MC FP	1,100	LVMH MOET HENNESSY*			295.83	325,416	0.5%
MSG	4,025	MADISON SQUARE GARDEN CO A			267.70	1,077,493	1.7%
MAR	4,950	MARRIOTT INTL INC			108.56	537,372	0.9%
MA	7,950	MASTERCARD INCORPORATED CL A			188.65	1,499,768	2.4%
MDT	3,800	MEDTRONIC INC*			90.96	345,648	0.6%
MSFT	32,870	MICROSOFT CORP			101.57	3,338,606	5.4%
MS	16,550	MORGAN STANLEY			39.65	656,208	1.1%
NOC	1,775	NORTHROP GRUMMAN CORP			244.90	434,698	0.7%
NCLH	8,100	NORWEGIAN CRUISE LINE HLDGS LTD*			42.39	343,359	0.6%
		OTHER COMMON STOCK				3,091,831	5.0%
PYPL	8,300	PAYPAL HLDGS INC			84.09	697,947	1.1%



TICKER / CUSIP	SHARES / PRINCIPAL	SECURITY	COUPON RATE (%)	MATURITY DATE	MKT PRICE (\$)	MKT VALUE (\$)	% OF NET ASSET VALUE
RTN	3,160	RAYTHEON CO			153.35	484,586	0.8%
RCL	3,150	ROYAL CARIBBEAN CRUISES LTD			97.79	308,039	0.5%
TEL	6,700	TE CONNECTIVITY LTD*			75.63	506,721	0.8%
TMO	2,350	THERMO FISHER SCIENTIFIC INC			223.79	525,907	0.9%
FOXA	15,000	TWENTY FIRST CENTURY FOX A			48.12	721,800	1.2%
UNP	5,500	UNION PACIFIC CORP			138.23	760,265	1.2%
UPS	5,650	UNITED PARCEL SERVICE INC CL B			97.53	551,045	0.9%
UTX	3,000	UNITED TECHNOLOGIES CORP			106.48	319,440	0.5%
UNH	8,625	UNITEDHEALTH GROUP INC			249.12	2,148,660	3.5%
V	19,900	VISA INC - CL A			131.94	2,625,606	4.2%
TOTAL COMMON STOCKS						60,611,521	97.9%
CALL OPTIONS							
	(6)	BOEING CO		01/18/2019	0.07	(42)	0.0%
	(23)	MASTERCARD INCORPORATED CL A		01/18/2019	0.09	(207)	0.0%
TOTAL CALL OPTIONS						(249)	0.0%
REPURCHASE AGREEMENTS							
	1,644,000	STATE STREET BANK/FICC REPO	0.500	01/02/2019		1,644,000	2.6%
TOTAL REPURCHASE AGREEMENTS						1,644,000	2.6%
CASH & EQUIVALENTS						(327,661)	-0.5%
TOTAL CASH & EQUIVALENTS						1,316,339	2.1%
TOTAL NET ASSETS						61,927,611	100.0%
NUMBER OF EQUITY POSITIONS						56	

* Indicates Foreign Security

Portfolio Holding Disclosures

You should consider the Fund's investment objectives, risks, and charges and expenses carefully before you invest. The Prospectus details the Fund's objective and policies, sales charges, and other matters of interest to the prospective investor. Please read 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.

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; this may be enhanced when investing in emerging markets. Securities of smaller less well-known companies involve greater risks and they can fluctuate in price more than larger company securities. Groups of stocks, such as value and growth, go in and out of favor which may cause certain funds to underperform other equity funds. You risk paying more for a security than you received from its sale.

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.

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, FPA, or the distributor.

Significant taxable distributions impact fund expenses which in turn negatively impacts Fund performance. Please consult your tax advisor regarding higher capital gains distributions due to a change in portfolio strategy.

The Fund is distributed by UMB Distribution Services, LLC, 235 W. Galena Street, Milwaukee, WI, 53212.