



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 a prospective investor. Please read the Prospectus carefully before investing. The Prospectus may be obtained by visiting the website at [www.fpa.com](http://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: 12/31/2019	3 Years	1 Year	YTD	QTD	10 Years*	5 Years*
FPA U.S. Value Fund, Inc. ('Fund')	9.84	34.16	34.16	10.87	10.02	4.58
S&P 500	15.27	31.49	31.49	9.07	13.56	11.70
Morningstar Large Blend Average	13.25	28.62	28.62	8.13	11.47	9.52
Russell 2500	10.33	27.77	27.77	8.54	12.58	8.93

Periods greater than one year are annualized. Fund performance is shown net of all fees and expenses. Fund performance is calculated on a total return basis which includes reinvestment of all distributions. Fund 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.

**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 1.20%. Current month-end performance data, which may be lower or higher than the performance data quoted, may be obtained at [www.fpa.com](http://www.fpa.com) or by calling toll-free, 1-800-982-4372.**

The total expense ratio is 1.37% (as of most recent prospectus). The Investment Advisory Agreement ("IAA") 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 (exclusive of interest, taxes, the cost of brokerage and research services, legal expenses related to portfolio securities, and extraordinary expenses such as litigation, merger, reorganization or recapitalization) in excess of 1.50% 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 IAA, and the IAA is renewed annually as of October 1 each year. The IAA may be terminated by the Board, by the vote of a majority of the Fund's shareholders, or by the Adviser. The current term of the IAA runs through September 30, 2020.

\* 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 10.87%. It outperformed the total return of the S&P 500 Index ("Index" or "S&P 500") by 1.80%.<sup>1</sup> In 2019, the Fund was up 34.16%, outperforming the Index's total return by 2.67%. Within Morningstar's Large Blend category, the Fund outperformed the category average by 5.38% on a total return basis and finished in the top 6<sup>th</sup> percentile out of 1,387 funds in the category for the year.<sup>2</sup> The Fund was tax efficient with over 90% of its gain in 2019 being unrealized.

The Fund's outperformance in the fourth quarter and for the year is mostly attributable to being exposed to the sectors we believe have sustainable, above average growth—and investing in high-quality companies within them that in our view are positioned to capture a disproportionate share of that growth.

The 10-year U.S. Treasury Yield declined from approximately 2.7% at the beginning of the year to 1.9% at year-end, which partly explains the price-to-earnings ("P/E")<sup>3</sup> multiple expansion the S&P 500 enjoyed in 2019—going from 15.1x forward EPS at the beginning of the year to 18.3x at year-end. Therefore, approximately two-thirds of the index's return for the year was due to P/E multiple expansion—and many of the Fund's portfolio companies benefitted from this move.<sup>4</sup> We expect the Fund's returns over the coming years will largely be driven by its portfolio companies' organic revenue and earnings growth.

While the portfolio and the Index are not as cheap as they were a year ago, on an absolute basis and especially on a relative basis compared to treasuries and various risk-based asset classes, high quality mid-to large-capitalization companies with above-average growth in our view continue to offer good value. The Index sported a dividend yield of approximately 1.8% at year-end and is expected to continue to grow earnings at a mid-to-high single-digit rate over the next decade. With the 10-year U.S. Treasury Yield at approximately 1.9% at year-end, one can see why the Index is currently a relatively favorable place to invest. Unless interest rates move up materially or economic growth slows meaningfully, we see a positive outlook for mid-to large-cap U.S. stocks over the coming years.

In general, we believe the fundamentals of the Fund's holdings remain healthy. Additionally, we believe some of the Fund's largest investments remain among the most undervalued in the portfolio. For a few of the Fund's largest investments, business growth kept pace with their stock price performance, so they were no more expensive on Dec. 31 than they were at the beginning of the year. The Fund's cash and equivalents position ended the year at 3.2%.

## Portfolio Commentary

We continue to believe secular trends underpinning many of the Fund's portfolio companies' business models are robust enough to offset some macroeconomic weakness should that occur in the next decade. These secular trends include increasing global smartphone penetration rates, the growth in direct-to-consumer/e-commerce business, increasing 'software-as-a-service' (SAAS) and cloud-based adoption, and growth in digital

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<sup>1</sup> 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. **Past performance is no guarantee, nor is it indicative, of future results.**

<sup>2</sup> Source: Morningstar. <https://www.morningstar.com/funds/xnas/fppfx/quote>. **Past performance is no guarantee, nor is it indicative, of future results.**

<sup>3</sup> The price-to-earnings (P/E) ratio is derived by dividing the price of the stock by one year of per-share earnings and is used as a way of valuing equities. In 2019, the P/E multiple expansion was primarily due to the price of the shares of a company gaining more than their underlying earnings. (Source: MarketWatch, *Almost none of the S&P 500's blockbuster rally in 2019 can be pegged to rising earnings, and that's a problem, says Goldman*, January 6, 2020). In this situation, an asset can sometimes be referred to as richly priced.

<sup>4</sup> Source: Capital IQ.

payments. We will explain the general investment theses behind many of our largest investments in our 2019 year-end webcast presentation on January 28, 2020. Please refer to that presentation, which can be accessed on [www.fpa.com/funds](http://www.fpa.com/funds),<sup>5</sup> for more detail on why we continue to be very positive on the fundamental outlook for so many of our portfolio companies.

Compared to the broader market, we believe the Fund's portfolio is of higher quality and has greater potential for revenue and earnings growth.<sup>6</sup>

	FPA U.S. Value Fund	S&P 500
Large Capitalization Holdings % of Portfolio	93.1%	98.2%
Top 5 Holdings % of Portfolio	33.9%	17.5%
Top 10 Holdings % of Portfolio	50.0%	22.7%
Foreign Securities % of Portfolio	8.7%	0.0%
12-Month Forward P/E	23.1x	19.4x
Price/Book <sup>7</sup>	5.3x	3.6x
Return on Equity <sup>8</sup>	26.9%	23.7%
EPS <sup>9</sup> Growth Historical (2-year, \$-weighted median)	20.7%	15.8%
EPS Growth Forecast (2-year, median)	16.8%	11.6%
Revenue Growth Historical (2-year, \$-weighted median)	14.8%	10.5%
Revenue Growth Forecast (2-year, median)	11.8%	7.1%
Debt/Equity <sup>10</sup>	1.3x	1.4x
Median Market Capitalization <sup>11</sup> (billions)	\$125.5	\$24.0
Weighted Average Market Cap (billions)	\$465.8	\$291.8

*Source: FPA, Mellon, Capital IQ. Data as of December 31, 2019. 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.*

As of December 31, 2019, the Fund was invested in 64 companies (59 of which are disclosed), including 54 that are in the S&P 500. That leaves 446 other Index positions that are not held in the Fund. Moreover, since the 54 positions in common made up approximately 40% of the S&P 500's weighting, about 60% of U.S. Value's portfolio is different relative to the Index. At the same time, a majority of those 54 positions were overweight in the Fund relative to the Index. The Fund's remaining 10 investments were predominantly large-cap foreign companies and mid-cap U.S. companies. Combined, those 10 companies made up 13.5% of the portfolio. The Fund continues to have a high active share compared to the S&P 500.<sup>12</sup>

In terms of geography, 88.1% of the portfolio was in U.S. companies, while 8.7% was in foreign equities as of December 31. By market capitalization, 93.1% of the disclosed portfolio was invested in large-cap companies, with nearly 60% of the portfolio invested in mega-caps—companies with market values above \$200 billion. The

<sup>5</sup> Note, the webcast presentation is typically posted to FPA's website within 1-2 weeks of the presentation date.

<sup>6</sup> The portfolio manager believes a high quality company is one that is able to generate a return on capital in excess of its cost of capital for sustained periods of time.

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

<sup>8</sup> Return on Equity measures a portfolio company's profitability by dividing net income before taxes less preferred dividends by the value of stockholders' equity.

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

<sup>10</sup> 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.

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

<sup>12</sup> Active share is a measure of the Fund's holdings that differ from the holdings in the Fund's illustrative index. The Fund's Active Share was 59.7% as of December 31, 2019.

portfolio's weighted average market cap was approximately \$466 billion, while the Fund's median market cap was approximately \$126 billion.

Regarding portfolio concentration, the Fund's top five positions made up 33.9% of the Fund compared to approximately 17.5% for the S&P 500. The Fund's top 10 disclosed positions made up 50.0% of the portfolio versus 22.7% for the Index. Over time, our goal is to reduce the weighting of some of the Fund's largest positions and to increase some of the Fund's smallest ones as our conviction grows.

From an industry exposure standpoint, the portfolio had disclosed investments in six of the 11 sectors in the S&P 500. Combined, those six sectors made up approximately 79.7% of the S&P 500 and 94.8% of the Fund's disclosed portfolio. Relative to the S&P 500, the portfolio is overweight information technology, communication services, industrials, and consumer discretionary, roughly in-line with financials, and underweight healthcare. At the end of the quarter, the Fund did not have any disclosed investments in consumer staples, energy, materials, real estate or utilities. Collectively, those five sectors made up 20.4% of the S&P 500.

Sector	FPA U.S. Value Fund	S&P 500
Information Technology	26.5%	23.2%
Communication Services	23.8%	10.4%
Industrials	13.3%	9.1%
Financials	12.7%	13.0%
Consumer Discretionary	12.6%	9.8%
Health Care	5.9%	14.2%
Consumer Staples	0.0%	7.2%
Energy	0.0%	4.3%
Utilities	0.0%	3.3%
Real Estate	0.0%	2.9%
Materials	0.0%	2.7%
<b>Total</b>	<b>94.7%</b>	<b>100.0%</b>
<b>Other</b>	<b>2.1%</b>	
<b>Cash and equivalents (net of liabilities)</b>	<b>3.2%</b>	

Source: FPA, Mellon. Data as of December 31, 2019. 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.

## 2019 Winners and Losers<sup>13</sup>

Winners	Performance Contribution	Losers	Performance Contribution
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<sup>13</sup> Reflects top contributors and top detractors to the Fund's performance based on contribution-to-return. 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](mailto:crm@fpa.com). The portfolio holdings as of the most recent quarter-end may be obtained at [www.fpa.com](http://www.fpa.com). It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities listed. **Past performance is no guarantee, nor is it indicative, of future results.** Please see **Important Disclosures** at the end of this commentary. For a full list of holdings and weights by percentage of total assets please view the holdings report at the end of this Commentary.

Facebook	3.27%	Cigna	-0.10%
Microsoft	3.10%	Not Disclosed	-0.08%
Alphabet	2.61%	Not Disclosed	-0.07%
Apple	2.39%	DuPont de Nemours	-0.05%
Airbus SE	2.26%	Not Disclosed	-0.03%

#### Q4 2019 Winners and Losers<sup>13</sup>

Winners	Performance Contribution	Losers	Performance Contribution
Facebook	1.09%	Boeing	-0.27%
Apple	1.04%	Northrop Grumman	-0.07%
Alphabet	1.02%	Home Depot	-0.04%
Microsoft	0.93%	Cisco Systems	-0.04%
Airbus SE	0.61%	Comcast	-0.03%

The Fund's largest detractor to performance in the quarter was Boeing (NYSE: BA), which fell nearly 14% in the fourth quarter. For 2019, BA was up 3.3%, underperforming the Index by more than 28%.

BA continues to suffer from the inability to regain Federal Aviation Administration (FAA) certification for its 737 Max jetliner. The 737 Max had been Boeing's bestselling plane. It stopped deliveries, slashed and then halted production of the jets after the worldwide grounding in March 2019 after 346 people were killed in two 737 Max crashes—one in Indonesia in October 2018 and another in Ethiopia in March 2019. The key issue stems from the Maneuvering Characteristics Augmentation System (MCAS), which is flight control software written into the 737 Max flight control system. The activation logic of MCAS has been shown to be vulnerable to erroneous angle of flight data.

On December 23, 2019, Boeing fired its CEO, Dennis Muilenberg, whose response to the crisis angered lawmakers, airlines, regulators and victims' families. He repeatedly made overly optimistic projections about how quickly the plane would be allowed to fly again. The FAA saw the pronouncements as an attempt to pressure it to clear the Max for service. It also created chaos for airlines, which had to cancel thousands of flights.

David Calhoun, who was serving as Boeing's chairman, is the new CEO. Mr. Calhoun began his career at General Electric and ran GE's airplane-engine business in the aftermath of the September 11, 2001 terrorist attacks. He was elevated to chairman at Boeing in October when the board stripped Mr. Muilenberg of that title. Mr. Calhoun has been a director of Boeing since 2009. His CEO experience includes running Nielsen from August 2006 to January 2014. Since January 2014, Mr. Calhoun has served as Senior Managing Director and head of Private Equity Portfolio Operations of The Blackstone Group (NYSE: BX), which is another portfolio holding of the Fund. It remains to be seen whether Mr. Calhoun can be the one to get Boeing back on track, but a CEO change is welcome nonetheless.

Our view of the situation is straightforward. We think the odds are in favor of the 737 Max ultimately flying again. When that might happen is an entirely different story and we have little sense of the timing. What we know for sure is that there is strong demand for the 737 Max and its main competitor's offering, the Airbus A320. Order backlogs for those planes at Boeing and Airbus represent nearly a decade of production. This business is effectively a duopoly and the barriers to entry have likely never been higher. Over time, we believe that should translate into further pricing power for both companies' narrow-body aircraft.

Should the 737 Max fly again in 2020, consensus estimates for 2021 EPS, which assumes more normalized production and sales of the 737 Max, is \$22.61—translating into a below market P/E multiple of 14.4x.<sup>14</sup>

It is worth noting that our investment in Airbus (ENXTPA: AIR) stands at nearly 4.5% of the portfolio's net asset value, which is about 3x larger than our Boeing investment of 1.5%. Should the 737 Max never fly again, we believe Boeing's loss will translate (at least partially) into Airbus' gain over time through higher pricing and/or unit sales of its A320, which would encourage the company to increase production capacity.

For the fourth quarter and 2019, Airbus was the Fund's fifth-largest contributor to performance. In local currency (Euro), Airbus' stock price increased approximately 57.6% in 2019 and 9.5% in the fourth quarter. We made our initial investment in Airbus on April 25, 2017, with the belief that its earnings power would ramp up considerably over the coming years as its operations became more efficient. To put this earnings growth into perspective, in 2017 Airbus generated EPS of €3.04 and is expected to post an EPS of €6.15 in 2019 on its way to an estimated €8.62 in 2021 per consensus estimates. Airbus ended 2019 trading at a below-average U.S. market multiple of 15.1x 2021 estimated EPS.<sup>15</sup>

## Closing

We are optimistic that the Fund will generate good absolute and relative returns compared to the S&P 500 going forward.

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

Respectfully submitted,

Gregory R. Nathan  
Portfolio Manager  
January 2020

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<sup>14</sup> Source: Capital IQ.

<sup>15</sup> Source: Capital IQ.



## 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 of any securities, products or services discussed, and neither does it provide investment advice. Any such offer or solicitation shall only be made pursuant to the Fund's Prospectus, which supersedes the information contained herein in its entirety.

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

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

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

Small and mid-cap stocks involve greater risks and may fluctuate in price more than larger company stocks. 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 / Other 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)** is 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 portfolio company's profitability by revealing how much profit a company generates with the money shareholders have invested.

Comparison to any index or peer group 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 peer group 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.

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.

**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 returns do not reflect the effect of fund sales charges or redemption fees.

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





**FPA U.S. Value Fund, Inc.**  
**Portfolio Holdings**

12/31/2019

TICKER	PRINCIPAL/ SHARES	SECURITY	COUPON RATE (%)	MATURITY DATE	MKT PRICE (\$)	MKT VALUE (\$)	% OF NET ASSET VALUE	
<b>COMMON STOCK (LONG)</b>								
ABT	4,850	ABBOTT LABORATORIES			86.86	421,271	0.6%	
ACN	2,000	ACCENTURE PLC-CL A*			210.57	421,140	0.6%	
ATVI	6,900	ACTIVISION BLIZZARD INC			59.42	409,998	0.6%	
ADS GY	950	ADIDAS AG*			325.07	308,815	0.4%	
ADBE	2,800	ADOBE SYSTEMS INC			329.81	923,468	1.3%	
AIR FP	21,660	AIRBUS SE*			146.36	3,170,145	4.5%	
BABA	6,565	ALIBABA GROUP HOLDING-SP ADR*			212.10	1,392,437	2.0%	
GOOG	5,000	ALPHABET INC-CL C			1,337.02	6,685,100	9.4%	
AMZN	2,185	AMAZON.COM INC			1,847.84	4,037,530	5.7%	
AXP	6,620	AMERICAN EXPRESS CO			124.49	824,124	1.2%	
ANTM	1,200	ANTHEM INC			302.03	362,436	0.5%	
AON	1,400	AON PLC*			208.29	291,606	0.4%	
AAPL	11,000	APPLE INC			293.65	3,230,150	4.5%	
ARNC	10,500	ARCONIC INC			30.77	323,085	0.5%	
ADSK	3,750	AUTODESK INC			183.46	687,975	1.0%	
BAC	38,100	BANK OF AMERICA CORP			35.22	1,341,882	1.9%	
BRK/A	3	BERKSHIRE HATHAWAY INC-CL A			339,590.00	1,018,770	1.4%	
BRK/B	1,885	BERKSHIRE HATHAWAY INC-CL B			226.50	426,953	0.6%	
BX	19,700	BLACKSTONE GROUP LP/THE			55.94	1,102,018	1.5%	
BA	3,275	BOEING CO/THE			325.76	1,066,864	1.5%	
BKNG	160	BOOKING HOLDINGS INC			2,053.73	328,597	0.5%	
CSCO	12,900	CISCO SYSTEMS INC			47.96	618,684	0.9%	
C	11,475	CITIGROUP INC			79.89	916,738	1.3%	
CMCSA	28,100	COMCAST CORP-CLASS A			44.97	1,263,657	1.8%	
EA	1,750	ELECTRONIC ARTS INC			107.51	188,143	0.3%	
FB	24,820	FACEBOOK INC-CLASS A			205.25	5,094,305	7.2%	
GD	1,000	GENERAL DYNAMICS CORP			176.35	176,350	0.2%	
HD	3,315	HOME DEPOT INC			218.38	723,930	1.0%	
HON	2,000	HONEYWELL INTERNATIONAL INC			177.00	354,000	0.5%	
HUM	1,075	HUMANA INC			366.52	394,009	0.6%	
HII	1,130	HUNTINGTON INGALLS INDUSTRIE			250.88	283,494	0.4%	
INFO	6,250	IHS MARKIT LTD*			75.35	470,938	0.7%	
IR	2,600	INGERSOLL-RAND PLC			132.92	345,592	0.5%	
INTC	6,025	INTEL CORP			59.85	360,596	0.5%	
IQV	2,400	IQVIA HOLDINGS INC			154.51	370,824	0.5%	
JPM	10,050	JPMORGAN CHASE & CO			139.40	1,400,970	2.0%	
KKR	44,220	KKR & CO INC -A			29.17	1,289,897	1.8%	
LMT	1,725	LOCKHEED MARTIN CORP			389.38	671,681	0.9%	
LOW	5,250	LOWE'S COS INC			119.76	628,740	0.9%	
MC FP	1,100	LVMH MOET HENNESSY LOUIS VUI*			464.61	511,069	0.7%	
MSG	4,025	MADISON SQUARE GARDEN CO- A			294.19	1,184,115	1.7%	
MAR	2,700	MARRIOTT INTERNATIONAL -CL A			151.43	408,861	0.6%	
MA	7,715	MASTERCARD INC - A			298.59	2,303,622	3.2%	
MDT	3,950	MEDTRONIC PLC*			113.45	448,128	0.6%	
MSFT	32,420	MICROSOFT CORP			157.70	5,112,634	7.2%	
MS	8,550	MORGAN STANLEY			51.12	437,076	0.6%	
NKE	6,250	NIKE INC -CL B			101.31	633,188	0.9%	
NOC	1,600	NORTHROP GRUMMAN CORP			343.97	550,352	0.8%	
OTHER COMMON STOCK (LONG)							1,476,546	2.1%
PYPL	8,890	PAYPAL HOLDINGS INC			108.17	961,631	1.4%	
RTN	1,900	RAYTHEON COMPANY			219.74	417,506	0.6%	
CRM	4,350	SALESFORCE.COM INC			162.64	707,484	1.0%	
TEL	4,200	TE CONNECTIVITY LTD*			95.84	402,528	0.6%	
TCEHY	17,000	TENCENT HOLDINGS LTD-UNS ADR*			48.01	816,170	1.1%	
TMO	2,350	THERMO FISHER SCIENTIFIC INC			324.87	763,445	1.1%	
UNP	4,100	UNION PACIFIC CORP			180.79	741,239	1.0%	
UTX	5,775	UNITED TECHNOLOGIES CORP			149.76	864,864	1.2%	
UNH	4,780	UNITEDHEALTH GROUP INC			293.98	1,405,224	2.0%	
V	16,810	VISA INC-CLASS A SHARES			187.90	3,158,599	4.4%	
DIS	8,800	WALT DISNEY CO/THE			144.63	1,272,744	1.8%	
<b>TOTAL COMMON STOCK (LONG)</b>						<b>68,903,934</b>	<b>96.8%</b>	
<b>TOTAL INVESTMENT SECURITIES</b>						<b>68,903,934</b>	<b>96.8%</b>	



**FPA U.S. Value Fund, Inc.**  
Portfolio Holdings

12/31/2019

TICKER	PRINCIPAL/ SHARES	SECURITY	COUPON RATE (%)	MATURITY DATE	MKT PRICE (\$)	MKT VALUE (\$)	% OF NET ASSET VALUE
		<b>U.S. GOVERNMENT AND AGENCIES (SHORT-TERM)</b>					
	700,000	UNITED STATES TREASURY BILL	1.460	02/06/2020	99.85	698,955	1.0%
	800,000	UNITED STATES TREASURY NOTE/BOND	1.375	01/15/2020	99.98	799,834	1.1%
	800,000	UNITED STATES TREASURY NOTE/BOND	1.250	01/31/2020	99.96	799,670	1.1%
		<b>TOTAL U.S. GOVERNMENT AND AGENCIES (SHORT-TERM)</b>				<b>2,298,459</b>	<b>3.2%</b>
		<b>REPURCHASE AGREEMENTS</b>					
	181,000	STATE STREET BANK/FICC REPO	0.120	01/02/2020		181,000	0.3%
		<b>TOTAL REPURCHASE AGREEMENTS</b>				<b>181,000</b>	<b>0.3%</b>
		CASH & EQUIVALENTS				(188,858)	-0.3%
		<b>TOTAL CASH &amp; EQUIVALENTS</b>				<b>2,290,601</b>	<b>3.2%</b>
		<b>TOTAL NET ASSETS</b>				<b>71,194,535</b>	<b>100.0%</b>
		<b>NUMBER OF LONG EQUITY POSITIONS</b>					<b>59</b>
		<b>NUMBER OF LONG FIXED INCOME CREDIT POSITIONS</b>					<b>3</b>

\* 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](http://www.fpa.com), by email at [crm@fpa.com](mailto: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 Depositary 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.

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