



investors first

FPA Crescent Fund
(Institutional Class: FPACX)
(Investor Class: FPFRX)
(Supra Institutional Class: FPCSX)

ANNUAL FINANCIALS AND OTHER INFORMATION
DECEMBER 31, 2024

FPA Crescent Fund
A series of Investment Managers Series Trust III

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Please note the Financials and Other Information only contains Items 7-11 required in Form N-CSR. All other required items will be filed with the SEC.

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This report and the financial statements contained herein are provided for the general information of the shareholders of the FPA Crescent Fund (the "Fund"). This report is not authorized for distribution to prospective investors in the Fund unless preceded or accompanied by an effective shareholder report and prospectus.

FPA Crescent Fund
SCHEDULE OF INVESTMENTS
As of December 31, 2024

Principal Amount		Value
	BONDS & DEBENTURES — 4.6%	
	COMMERCIAL MORTGAGE-BACKED SECURITIES — 0.1%	
	NON-AGENCY — 0.1%	
	Eleven Madison Mortgage Trust	
\$ 12,681,000	Series 2015-11MD, Class A, 3.555%, 9/10/2035 ^{(a),(b)}	<u>\$ 12,410,370</u>
	TOTAL COMMERCIAL MORTGAGE-BACKED SECURITIES	
	(Cost \$11,375,502)	<u>12,410,370</u>
	CONVERTIBLE BONDS — 1.7%	
	Delivery Hero AG	
86,200,000	1.000%, 1/23/2027	81,668,384
1,600,000	1.500%, 1/15/2028	1,442,044
46,000,000	3.250%, 2/21/2030	47,012,629
	Wayfair, Inc.	
41,668,000	0.625%, 10/1/2025	39,951,278
4,278,000	1.000%, 8/15/2026	<u>3,954,583</u>
	TOTAL CONVERTIBLE BONDS	
	(Cost \$166,504,754)	<u>174,028,918</u>
	CORPORATE BANK DEBT — 0.2%	
	Cornerstone OnDemand, Inc.	
2,512,862	8.340% (1-Month Term SOFR+375 basis points), 10/16/2028 ^{(b),(c),(d)}	2,200,337
	Lealand Finance Company B.V. Senior Exit LC	
26,423,879	3.500%, 6/30/2027 ^{(b),(c),(d),(e),(f),(g),(h)}	(11,890,745)
	Lealand Reficar LC Term Loan	
529,985	12.365% (3-Month Term SOFR+750 basis points), 6/30/2027 ^{(b),(c),(d),(e),(f),(g),(i)}	344,490
	McDermott LC	
31,488,546	4.000%, 6/30/2027 ^{(b),(c),(d),(e),(f),(g)}	17,318,701
	McDermott Technology Americas, Inc.	
1,074,221	7.472% (1-Month Term SOFR+300 basis points), 6/30/2027 ^{(b),(c),(d),(e)}	531,739
39,380,822	8.471% (1-Month Term SOFR+400 basis points), 12/31/2027 ^{(b),(c),(d),(e),(g),(i)}	13,783,288
	Vision Solutions, Inc.	
2,512,568	8.847% (3-Month Term SOFR+400 basis points), 4/24/2028 ^{(b),(c),(d)}	<u>2,468,598</u>
	TOTAL CORPORATE BANK DEBT	
	(Cost \$75,562,825)	<u>24,756,408</u>
	CORPORATE BONDS — 0.4%	
	FINANCIALS — 0.4%	
	Charles Schwab Corp.	
18,976,000	4.000% (USD 5 Year Tsy+316.8 basis points) ^{(b),(i)}	18,240,680
2,588,000	5.000% (3-Month USD Libor+257.5 basis points) ^{(b),(i)}	2,468,305
	Vornado Realty LP	
8,815,000	3.500%, 1/15/2025	8,791,167

FPA Crescent Fund
SCHEDULE OF INVESTMENTS - Continued
As of December 31, 2024

Principal Amount		Value
	CORPORATE BONDS (Continued)	
	FINANCIALS (Continued)	
\$ 8,623,000	2.150%, 6/1/2026	\$ 8,191,850
		37,692,002
	TOTAL CORPORATE BONDS	
	(Cost \$34,274,705)	37,692,002
	U.S. TREASURY NOTES & BONDS — 2.2%	
	U.S. Treasury Note	
231,000,000	5.000%, 8/31/2025	232,083,367
	TOTAL U.S. TREASURY NOTES & BONDS	
	(Cost \$231,143,862)	232,083,367
	TOTAL BONDS & DEBENTURES	
	(Cost \$518,861,648)	480,971,065
Number of Shares		
	CLOSED-END FUNDS — 0.1%	
4,756,180	Altegrity, Inc. ^{(d),(g)}	5,850,101
	TOTAL CLOSED-END FUNDS	
	(Cost \$0)	5,850,101
	COMMON STOCKS — 60.0%	
	AEROSPACE & DEFENSE — 2.0%	
479,090	Howmet Aerospace, Inc.	52,398,073
724,451	Safran S.A.	159,163,101
		211,561,174
	APPAREL & TEXTILE PRODUCTS — 0.9%	
617,794	Cie Financiere Richemont S.A. - Class A	93,451,144
	ASSET MANAGEMENT — 1.3%	
408,466	LPL Financial Holdings, Inc.	133,368,234
457,176	Pershing Square Tontine Holdings Ltd. ^{(d),(g)}	—
		133,368,234
	BANKING — 4.6%	
4,375,618	Citigroup, Inc.	307,999,751
2,477,499	Wells Fargo & Co.	174,019,530
		482,019,281
	BEVERAGES — 3.2%	
2,745,086	Heineken Holding N.V.	164,494,743
5,836,081	JDE Peet's N.V.	99,927,925
585,709	Pernod Ricard S.A.	66,130,393
		330,553,061
	CABLE & SATELLITE — 3.8%	
393,387	Charter Communications, Inc. - Class A*	134,841,262

FPA Crescent Fund
SCHEDULE OF INVESTMENTS - Continued
As of December 31, 2024

Number of Shares		Value
	COMMON STOCKS (Continued)	
	CABLE & SATELLITE (Continued)	
7,087,694	Comcast Corp. - Class A	\$ 266,001,156
		400,842,418
	CHEMICALS — 2.1%	
2,596,396	International Flavors & Fragrances, Inc.	219,525,282
	COMMERCIAL SUPPORT SERVICES — 0.8%	
1,637,209	Eurofins Scientific S.E.	83,624,172
	CONSTRUCTION MATERIALS — 2.8%	
3,105,190	Holcim AG*	298,966,571
	E-COMMERCE DISCRETIONARY — 2.1%	
991,344	Amazon.com, Inc.*	217,490,960
	ELECTRIC UTILITIES — 0.1%	
720,710	PG&E Corp.	14,543,928
	ELECTRICAL EQUIPMENT — 2.4%	
1,742,366	TE Connectivity Ltd.	249,106,067
	ENGINEERING & CONSTRUCTION — 0.7%	
356,485,315	McDermott International, Ltd. *,(d),(e),(g)	17,824,266
694,573	Samsung C&T Corp.	53,669,078
		71,493,344
	ENTERTAINMENT CONTENT — 0.6%	
33,130	Epic Games, Inc. (d),(g)	8,812,580
3,917,437	Nexon Co., Ltd.	58,273,315
		67,085,895
	FOOD — 0.3%	
482,504	Orion Corp.	33,329,618
	HEALTH CARE FACILITIES & SVCS — 0.6%	
289,998	ICON PLC*	60,815,481
	HOME CONSTRUCTION — 0.1%	
162,638	Fortune Brands Innovations, Inc.	11,113,054
	INSTITUTIONAL FINANCIAL SVCS — 1.8%	
2,470,929	Jefferies Financial Group, Inc.	193,720,834
	INSURANCE — 1.8%	
533,117	Aon PLC - Class A	191,474,302
	INTERNET MEDIA & SERVICES — 10.4%	
1,864,432	Alphabet, Inc. - Class A	352,936,978
1,139,840	Alphabet, Inc. - Class C	217,071,130
551,839	Delivery Hero S.E.*	15,502,251
578,505	Meta Platforms, Inc. - Class A	338,720,462
2,882,508	Prosus N.V.*	114,506,093
784,070	Uber Technologies, Inc.*	47,295,102
		1,086,032,016

FPA Crescent Fund
SCHEDULE OF INVESTMENTS - Continued
As of December 31, 2024

Number of Shares		Value
COMMON STOCKS (Continued)		
LEISURE FACILITIES & SERVICES — 1.6%		
362,118	Marriott International, Inc. - Class A	\$ 101,009,195
343,286	Vail Resorts, Inc.	64,348,961
		165,358,156
MEDICAL EQUIPMENT & DEVICES — 0.5%		
152,000	Bio-Rad Laboratories, Inc.*	49,933,520
METALS & MINING — 1.1%		
25,011,010	Glencore PLC*	110,652,115
55,123	MAC Copper, Ltd. - Class A*	585,406
		111,237,521
OIL & GAS PRODUCERS — 1.8%		
301,358	Gulfport Energy Corp.*	55,510,144
4,849,761	Kinder Morgan, Inc.	132,883,451
		188,393,595
OTHER COMMON STOCK — 0.5%		
—	Other Common Stock ^(k)	54,581,352
REAL ESTATE OWNERS & DEVELOPERS — 0.2%		
2,098,628	Swire Pacific Ltd. - Class A	19,036,186
REIT — 1.3%		
4,120,722	Douglas Emmett, Inc.	76,480,600
1,546,316	Vornado Realty Trust	65,007,125
		141,487,725
RETAIL - DISCRETIONARY — 2.3%		
1,521,148	CarMax, Inc.*	124,369,060
699,096	Ferguson Enterprises, Inc.	121,342,093
		245,711,153
SEMICONDUCTORS — 4.3%		
1,388,622	Analog Devices, Inc.	295,026,630
236,424	Broadcom, Inc.	54,812,540
503,846	NXP Semiconductors N.V.	104,724,391
		454,563,561
TECHNOLOGY HARDWARE — 2.5%		
418,505	Dell Technologies, Inc. - Class C	48,228,516
1,845,291	NCR Atleos Corp.*	62,592,271
2,751,836	NCR Voyix Corp.*	38,085,410
1,921,580	Nintendo Co., Ltd.	111,916,269
		260,822,466
TECHNOLOGY SERVICES — 0.7%		
1,463,180	LG Corp.	70,895,925
TELECOMMUNICATIONS — 0.2%		
933,511	EchoStar Corp. - Class A*	21,377,402

FPA Crescent Fund
SCHEDULE OF INVESTMENTS - Continued
As of December 31, 2024

Number of Shares		Value
COMMON STOCKS (Continued)		
TRANSPORTATION EQUIPMENT — 0.6%		
310,550	Westinghouse Air Brake Technologies Corp.	\$ 58,877,174
TOTAL COMMON STOCKS (Cost \$3,572,645,581)		6,292,392,572
LIMITED PARTNERSHIPS — 3.0%		
150,000	Footpath Ventures SPV IV LP ^{(d),(l)}	12,532,243
2,073,734	FPS Holdco LLC ^{(d),(e),(g)}	251,127,867
107,799	FPS Shelby Holdco I LLC ^{(d),(e),(g)}	8,876,467
22,500,000	Jett Texas LLC ^{(d),(l)}	22,500,000
1,146,250	Sound Holding FP ^{(d),(e),(g)}	21,949,607
120,000	U.S. Farming Realty Trust II LP ^{(d),(e),(g)}	446,134
TOTAL LIMITED PARTNERSHIPS (Cost \$182,007,891)		317,432,318
PREFERRED STOCKS — 0.0%		
ENERGY — 0.0%		
1,345	Gulfport Energy Corp., 10.000%, ^(g)	1,395,231
TOTAL PREFERRED STOCKS (Cost \$1,271,542)		1,395,231
WARRANTS (SPAC) — 0.0%		
414,327	Electric Power Holdings, Inc., Expiration Date: January 25, 2028 ^{*,(g)}	—
316,054	MariaDB PLC, Expiration Date: December 16, 2027 ^{*,(g)}	—
70,911	Northern Star Investment Corp. IV, Expiration Date: December 31, 2027 ^{*,(g)}	—
77,074	Ross Acquisition Corp. II, Expiration Date: February 12, 2026 ^{*,(g)}	—
TOTAL WARRANTS (SPAC) (Cost \$236,286)		—
SHORT-TERM INVESTMENTS — 32.0%		
COMMERCIAL PAPER — 12.1%		
\$ 250,000,000	Alphabet, Inc., 4.32%, 1/6/2025	249,850,000
125,000,000	Alphabet, Inc., 4.33%, 1/10/2025	124,864,688
30,000,000	Chevron Corp., 4.47%, 1/8/2025	29,973,925
25,000,000	Chevron Corp., 4.53%, 1/27/2025	24,918,208
75,000,000	Chevron Corp., 4.39%, 2/7/2025	74,661,604
59,000,000	Chevron Corp., 4.44%, 3/14/2025	58,476,080
72,650,000	Cisco Systems, Inc., 4.55%, 1/6/2025	72,603,585
100,000,000	Cisco Systems, Inc., 4.50%, 3/25/2025	98,962,500
135,000,000	Cisco Systems, Inc., 4.45%, 4/7/2025	133,398,000
100,000,000	Kenvue, Inc., 4.50%, 1/27/2025	99,671,389
75,000,000	Nestle Capital, 4.58%, 1/10/2025	74,915,625
42,000,000	Nestle Capital, 4.91%, 1/24/2025	41,877,103
30,000,000	PepsiCo., Inc., 4.47%, 1/17/2025	29,934,533
28,000,000	PepsiCo., Inc., 4.84%, 2/12/2025	27,853,980

FPA Crescent Fund
SCHEDULE OF INVESTMENTS - Continued
As of December 31, 2024

Principal Amount		Value
COMMERCIAL PAPER (Continued)		
\$ 40,000,000	PepsiCo., Inc., 4.46%, 2/14/2025	\$ 39,763,378
30,000,000	PepsiCo., Inc., 4.72%, 2/21/2025	29,810,450
49,000,000	Toyota Motor Co., 4.49%, 2/6/2025	48,768,720
11,854,000	Walt Disney, 4.55%, 1/24/2025	11,819,996
		1,272,123,764
TREASURY BILLS — 19.9%		
70,500,000	U.S. Treasury Bill, 4.69%, 1/2/2025 ^(m)	70,490,941
122,500,000	U.S. Treasury Bill, 4.47%, 1/7/2025 ^(m)	122,409,975
101,500,000	U.S. Treasury Bill, 4.25%, 1/9/2025 ^(m)	101,398,642
102,000,000	U.S. Treasury Bill, 4.49%, 1/14/2025 ^(m)	101,837,226
108,500,000	U.S. Treasury Bill, 4.57%, 1/16/2025 ^(m)	108,296,664
100,000,000	U.S. Treasury Bill, 4.48%, 1/21/2025 ^(m)	99,754,920
81,000,000	U.S. Treasury Bill, 4.61%, 1/23/2025 ^(m)	80,775,594
70,000,000	U.S. Treasury Bill, 4.48%, 1/28/2025 ^(m)	69,768,947
49,000,000	U.S. Treasury Bill, 4.48%, 1/30/2025 ^(m)	48,826,176
73,000,000	U.S. Treasury Bill, 4.45%, 2/4/2025 ^(m)	72,698,713
73,000,000	U.S. Treasury Bill, 4.45%, 2/11/2025 ^(m)	72,637,099
42,000,000	U.S. Treasury Bill, 4.48%, 2/13/2025 ^(m)	41,779,613
65,000,000	U.S. Treasury Bill, 4.43%, 2/18/2025 ^(m)	64,623,650
99,000,000	U.S. Treasury Bill, 4.38%, 2/20/2025 ^(m)	98,409,947
91,000,000	U.S. Treasury Bill, 4.31%, 2/25/2025 ^(m)	90,412,840
68,000,000	U.S. Treasury Bill, 4.36%, 2/27/2025 ^(m)	67,539,950
84,000,000	U.S. Treasury Bill, 4.33%, 3/4/2025 ^(m)	83,408,758
74,000,000	U.S. Treasury Bill, 4.32%, 3/6/2025 ^(m)	73,458,860
104,000,000	U.S. Treasury Bill, 4.31%, 3/13/2025 ^(m)	103,154,730
100,000,000	U.S. Treasury Bill, 4.32%, 3/20/2025 ^(m)	99,102,730
50,000,000	U.S. Treasury Bill, 4.30%, 3/27/2025 ^(m)	49,510,885
81,000,000	U.S. Treasury Bill, 4.27%, 4/3/2025 ^(m)	80,135,973
72,000,000	U.S. Treasury Bill, 4.27%, 4/10/2025 ^(m)	71,184,658
64,000,000	U.S. Treasury Bill, 4.27%, 4/17/2025 ^(m)	63,223,859
62,000,000	U.S. Treasury Bill, 4.28%, 4/24/2025 ^(m)	61,200,491
79,000,000	U.S. Treasury Bill, 4.25%, 5/1/2025 ^(m)	77,918,261
15,000,000	U.S. Treasury Bill, 4.22%, 5/15/2025 ^(m)	14,770,572
		2,088,730,674
TOTAL SHORT-TERM INVESTMENTS		
(Cost \$3,360,739,649)		3,360,854,438
TOTAL INVESTMENTS — 99.7%		
(Cost \$7,635,762,597)		10,458,895,725
Other Assets in Excess of Liabilities — 0.3%		34,911,981
TOTAL NET ASSETS — 100.0%		\$ 10,493,807,706

FPA Crescent Fund
SCHEDULE OF INVESTMENTS - Continued
As of December 31, 2024

Number of Shares	Value
SECURITIES SOLD SHORT — (0.0)%	
EXCHANGE-TRADED FUNDS — (0.0)%	
(8,951) SPDR S&P 500 ETF Trust	\$ (5,246,002)
TOTAL EXCHANGE-TRADED FUNDS	
(Proceeds \$5,432,153)	(5,246,002)
TOTAL SECURITIES SOLD SHORT	
(Proceeds \$5,432,153)	\$ (5,246,002)

ETF – Exchange-Traded Fund
 LLC – Limited Liability Company
 LP – Limited Partnership
 PLC – Public Limited Company
 REIT – Real Estate Investment Trust

*Non-income producing security.

^(a)Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities are restricted and may be resold in transactions exempt from registration normally to qualified institutional buyers. The total value of these securities is \$12,410,370, which represents 0.12% of Total Net Assets.

^(b)Variable or floating rate security.

^(c)Bank loans generally pay interest at rates which are periodically determined by reference to a base lending rate plus a premium. All loans carry a variable rate of interest. These base lending rates are generally (i) the Prime Rate offered by one or more major United States banks, (ii) the lending rate offered by one or more European banks such as the London Interbank Offered Rate ("LIBOR"), (iii) the Certificate of Deposit rate, or (iv) Secured Overnight Financing Rate ("SOFR"). Bank Loans, while exempt from registration, under the Securities Act of 1933, contain certain restrictions on resale and cannot be sold publicly. Floating rate bank loans often require prepayments from excess cash flow or permit the borrower to repay at its election. The degree to which borrowers repay, whether as a contractual requirement or at their election, cannot be predicted with accuracy.

^(d)Restricted securities. These restricted securities constituted 3.57% of total net assets at December 31, 2024, most of which are considered liquid by the Adviser. These securities are not registered and may not be sold to the public. There are legal and/or contractual restrictions on resale. The Fund does not have the right to demand that such securities be registered. The values of these securities are determined by valuations provided by pricing services, brokers, dealers, market makers, or in good faith under policies adopted by authority of the Fund's Board of Trustees.

^(e)Affiliated company.

^(f)As of December 31, 2024, the Fund had entered into commitments to fund various delayed draw debt-related investments. Such commitments are subject to the satisfaction of certain conditions set forth in the documents governing those investments and there can be no assurance that such conditions will be satisfied. See Note 10 of the Notes to Financial Statements for further information on these commitments and contingencies.

^(g)The value of these securities was determined using significant unobservable inputs. These are reported as Level 3 securities in the Fair Value Hierarchy.

^(h)All or a portion of the loan is unfunded.

⁽ⁱ⁾Payment-in-kind interest is generally paid by issuing additional par/shares of the security rather than paying cash.

^(j)Perpetual security. Maturity date is not applicable.

^(k)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.

^(l)Investment valued using net asset value per share (or its equivalent) as a practical expedient.

^(m)Treasury bill discount rate.

See accompanying Notes to Financial Statements.

FPA Crescent Fund
SCHEDULE OF INVESTMENTS - Continued
As of December 31, 2024

Total Return Swaps

Receive	Pay	Payment Frequency	Counterparty	Expiration Date	Notional Amount	Value	Upfront Premiums Paid(Received)	Unrealized Appreciation (Depreciation)
Cresco Labs, Inc.	CAONREPO + 1.800%	Annual	Nomura Securities International, Inc.	7/14/2025	CAD 3,585,169	\$ (1,102,148)	—	\$ (1,102,148)
Green Thumb Industries, Inc.	OBFR + 1.500%	Annual	Nomura Securities International, Inc.	7/14/2025	USD 24,524,164	(8,298,332)	—	(8,298,332)
Trulieve Cannabis Corp.	CAONREPO + 1.800%	Annual	Nomura Securities International, Inc.	7/14/2025	CAD 6,289,423	(1,815,699)	—	(1,815,699)
Verano Holdings Corp.	CAONREPO + 1.800%	Annual	Nomura Securities International, Inc.	7/14/2025	CAD 7,451,604	(3,325,701)	—	(3,325,701)
						<u>\$ (14,541,880)</u>	<u>—</u>	<u>\$ (14,541,880)</u>

FPA Crescent Fund
STATEMENT OF ASSETS AND LIABILITIES
As of December 31, 2024

Assets:	
Investments, at value (cost \$7,364,298,267)	\$ 10,138,583,911
Investments in affiliates, at value (cost \$271,464,330)	320,311,814
Cash	507,236
Deposits held at broker	37,154,890
Receivables:	
Investment securities sold	5,811,984
Fund shares sold	4,189,061
Dividends and interest	10,824,801
Reclaims receivable	7,961,156
Prepaid expenses	193,418
Total assets	<u>10,525,538,271</u>
Liabilities:	
Securities sold short, at value (proceeds \$5,432,153)	5,246,002
Foreign currency due to custodian, at value (cost \$139)	138
Payables:	
Investment securities purchased	526,580
Fund shares redeemed	2,053,765
Unrealized depreciation on open swap contracts	14,541,880
Advisory fees	8,377,090
Shareholder servicing fees (Note 8)	244,851
Fund services fees	123,531
Administrative service fees	448,217
Shareholder reporting fees	39,195
Legal fees	38,517
Trustees' deferred compensation (Note 3)	25,289
Dividends on securities sold short	17,594
Auditing fees	15,000
Trustees' fees and expenses	4,640
Chief Compliance Officer fees	3,541
Accrued other expenses	24,735
Total liabilities	<u>31,730,565</u>
Commitments and contingencies (Note 10)	
Net Assets	<u>\$ 10,493,807,706</u>
Components of Net Assets:	
Capital Stock (no par value with an unlimited number of shares authorized)	\$ 7,579,738,291
Total distributable earnings (accumulated deficit)	2,914,069,415
Net Assets	<u>\$ 10,493,807,706</u>
Maximum Offering Price per Share:	
Investor Class Shares:	
Net assets applicable to shares outstanding	\$ 6,158,722
Shares of beneficial interest issued and outstanding	153,224
Redemption price per share	<u>40.19</u>
Institutional Class Shares:	
Net assets applicable to shares outstanding	\$ 6,896,876,091
Shares of beneficial interest issued and outstanding	171,546,360
Redemption price per share	<u>40.20</u>
Supra Institutional Class Shares:	
Net assets applicable to shares outstanding	\$ 3,590,772,893
Shares of beneficial interest issued and outstanding	89,216,977
Redemption price per share	<u>\$ 40.25</u>

See accompanying Notes to Financial Statements.

FPA Crescent Fund
STATEMENT OF OPERATIONS
For the Year Ended December 31, 2024

Investment income:

Interest(net of foreign withholding taxes of \$144,877)	\$	193,084,759
Dividends (net of foreign withholding taxes of \$3,215,454)		105,793,721
Dividends from affiliated issuers		25,875,100
Interest from affiliated issuers		19,875,762
Total investment income		<u>344,629,342</u>

Expenses:

Advisory fees		96,008,671
Shareholder servicing fees - Investor Class (Note 8)		2,575
Shareholder servicing fees - Institutional Class (Note 8)		2,870,293
Shareholder servicing fees - Supra Institutional Class (Note 8)		1,960,328
Fund services fees		1,419,305
Administrative service fees – Investor Class		721
Administrative service fees – Institutional Class		4,840,660
Administrative service fees – Supra Institutional Class		340,371
Redemption liquidity service		284,020
Dividends on securities sold short		266,590
Trustees' fees and expenses		233,344
Shareholder reporting fees		181,143
Insurance fees		142,276
Miscellaneous		94,207
Registration fees		85,491
Tax fees		61,267
Legal fees		59,229
Chief Compliance Officer fees		10,929
Auditing fees		7,582
Interest expense		<u>6,653</u>
Total expenses		<u>108,875,655</u>
Advisory fees waived		<u>(1,904,319)</u>
Net expenses		<u>106,971,336</u>
Net investment income (loss)		<u>237,658,006</u>

Realized and Unrealized Gain (Loss):

Net realized gain (loss) on:		
Investments		523,402,331
Investments in affiliated issuers		2,100,147
In-kind redemptions		148,284,363
Securities sold short		12,890,487
Swap contracts		9,635,532
Foreign currency transactions		<u>(227,852)</u>
Total realized gain (loss)		<u>696,085,008</u>
Net change in unrealized appreciation (depreciation) on:		
Investments		382,922,123
Investments in affiliated issuers		48,671,517
Securities sold short		186,151
Swap contracts		(22,879,871)
Foreign currency translations		<u>(569,551)</u>
Net change in unrealized appreciation (depreciation)		<u>408,330,369</u>
Net realized and unrealized gain (loss)		<u>1,104,415,377</u>

Net Increase (Decrease) in Net Assets from Operations **\$** 1,342,073,383

See accompanying Notes to Financial Statements.

FPA Crescent Fund
STATEMENTS OF CHANGES IN NET ASSETS

	For the Year Ended December 31, 2024	For the Year Ended December 31, 2023
Increase (Decrease) in Net Assets from:		
Operations:		
Net investment income (loss)	\$ 237,658,006	\$ 177,766,426
Total realized gain (loss) on investments, Investments in affiliated issuers - realized, purchased options contracts, securities sold short, Swap contracts - realized, Forward foreign currency contracts - realized and foreign currency transactions	696,085,008	615,944,348
Net change in unrealized appreciation (depreciation) on investments, Investments in affiliated issuers - unrealized, purchased options contracts, securities sold short, Swap contracts - unrealized, Forward foreign currency contracts - unrealized and foreign currency translations	408,330,369	893,410,154
Net increase (decrease) in net assets resulting from operations	1,342,073,383	1,687,120,928
Distributions to Shareholders:		
Distributions:		
Investor Class	(362,286) ¹	-
Institutional Class	(613,259,813)	(258,315,563)
Supra Institutional Class	(317,440,683)	(97,960,009)
Total distributions to shareholders	(931,062,782)	(356,275,572)
Capital Transactions:		
Net proceeds from shares sold:		
Investor Class	7,231,016 ¹	-
Institutional Class	720,419,100	775,927,534
Supra Institutional Class	1,099,107,496	574,819,089
Reinvestment of distributions:		
Investor Class	362,286 ¹	-
Institutional Class	510,800,548	218,121,504
Supra Institutional Class	285,821,922	88,452,433
Cost of shares redeemed:		
Investor Class	(1,080,782) ¹	-
Institutional Class	(1,633,167,326)	(1,260,797,159)
Supra Institutional Class	(609,534,340)	(585,048,552)
Net increase (decrease) in net assets from capital transactions	379,959,920	(188,525,151)
Total increase (decrease) in net assets	790,970,521	1,142,320,205
Net Assets:		
Beginning of period	9,702,837,185	8,560,516,980
End of period	\$ 10,493,807,706	\$ 9,702,837,185
Capital Share Transactions:		
Shares sold:		
Investor Class	169,840 ¹	-
Institutional Class	17,713,291	21,181,241
Supra Institutional Class	27,222,535	15,702,900
Shares reinvested:		
Investor Class	9,075 ¹	-
Institutional Class	12,722,319	5,730,291
Supra Institutional Class	7,112,264	2,322,849
Shares redeemed:		
Investor Class	(25,691) ¹	-
Institutional Class	(40,319,922)	(34,480,860)
Supra Institutional Class	(14,805,338)	(16,077,091)
Net increase (decrease) in capital share transactions	9,798,373	(5,620,670)

¹ The Investor Class commenced operations on April 30, 2024. The data shown reflects operations for the period April 30, 2024 to December 31, 2024.

See accompanying Notes to Financial Statements.

FPA Crescent Fund
FINANCIAL HIGHLIGHTS
Investor Class

Per share operating performance.

For a capital share outstanding throughout each period.

	For the Period Ended December 31, 2024¹
Net asset value, beginning of period	<u>\$ 40.13</u>
Income from Investment Operations:	
Net investment income (loss) ²	0.71
Net realized and unrealized gain	<u>3.11</u>
Total from investment operations	<u>3.82</u>
Less Distributions:	
From net investment income	(1.27)
From net realized gain	<u>(2.49)</u>
Total distributions	<u>(3.76)</u>
Net asset value, end of period	<u>\$ 40.19</u>
Total return³	9.71% ⁴
Ratios and Supplemental Data:	
Net assets, end of period (in thousands)	\$ 6,159
Ratio of expenses to average net assets:	
Before fees waived and expenses absorbed	1.28% ^{5,6}
After fees waived and expenses absorbed	1.16% ^{5,6}
Ratio of net investment income (loss) to average net assets:	
Before fees waived and expenses absorbed	2.38% ⁵
After fees waived and expenses absorbed	2.50% ⁵
Portfolio turnover rate	10% ⁵

¹ The Investor Class commenced operations on April 30, 2024. The data shown reflects operations for the period April 30, 2024 to December 31, 2024.

² Based on average shares outstanding for the period.

³ Return is based on net asset value per share, adjusted for reinvestment of distributions, and does not reflect deduction of the sales charge.

⁴ Not annualized.

⁵ Annualized.

⁶ Includes short sale dividend, tax, and interest expenses that rounds to less than 0.01% of average net assets.

See accompanying Notes to Financial Statements.

FPA Crescent Fund
FINANCIAL HIGHLIGHTS
Institutional Class

Per share operating performance.

For a capital share outstanding throughout each period.

	For the Year Ended December 31,				
	2024	2023	2022 ¹	2021 ¹	2020 ¹
Net asset value, beginning of period	\$ 38.63	\$ 33.34	\$ 37.01	\$ 35.97	\$ 33.83
Income from Investment Operations:					
Net investment income (loss) ²	0.94	0.70	0.17	-. ³	0.18
Net realized and unrealized gain (loss)	4.37	6.03	(3.58)	5.34	3.69
Total from investment operations	5.31	6.73	(3.41)	5.34	3.87
Less Distributions:					
From net investment income	(1.25)	(0.05)	(0.02)	(0.29)	(0.11)
From net realized gain	(2.49)	(1.39)	(0.24)	(4.01)	(1.62)
Total distributions	(3.74)	(1.44)	(0.26)	(4.30)	(1.73)
Redemption fee proceeds³	-	-	-	-	-
Net asset value, end of period	\$ 40.20	\$ 38.63	\$ 33.34	\$ 37.01	\$ 35.97
Total return⁴	13.96%	20.27%	(9.20)%	15.17%	12.11%
Ratios and Supplemental Data:					
Net assets, end of period (in thousands)	\$ 6,896,876	\$ 7,009,178	\$ 6,301,530	\$ 8,394,402	\$ 8,903,455
Ratio of expenses to average net assets:					
Before fees waived and expenses absorbed	1.07% ⁵	1.08%	1.09% ⁶	1.17% ⁷	1.15% ⁷
After fees waived and expenses absorbed	1.06% ⁵	1.05%	1.06% ⁶	1.14% ⁷	1.13% ⁷
Ratio of net investment income (loss) to average net assets:					
Before fees waived and expenses absorbed	2.26%	1.89%	0.46%	(0.03)%	0.54%
After fees waived and expenses absorbed	2.27%	1.92%	0.50%	0.01%	0.56%
Portfolio turnover rate	10%	14%	20%	20%	29%

¹ Audits performed for the fiscal years indicated by the Fund's previous auditor, Ernst & Young LLP.

² Based on average shares outstanding for the period.

³ Amount represents less than \$0.01 per share.

⁴ Return is based on net asset value per share, adjusted for reinvestment of distributions, and does not reflect deduction of the sales charge.

⁵ Includes short sale dividend, tax, and interest expenses that rounds to less than 0.01% of average net assets.

⁶ For the year ended December 31, 2022, the expense ratio includes short sale dividend expense that rounds to less than 0.01% of average net assets.

⁷ For the years ended December 31, 2021 and December 31, 2020, the expense ratio includes short sale dividend expense equal to 0.09% and 0.07% of average net assets, respectively.

See accompanying Notes to Financial Statements.

FPA Crescent Fund
FINANCIAL HIGHLIGHTS
Supra Institutional Class

Per share operating performance.

For a capital share outstanding throughout each period.

	For the Year Ended December 31,				For the Period Ended December 31, 2020 ^{1,2}
	2024	2023	2022 ¹	2021 ¹	
Net asset value, beginning of period	\$ 38.65	\$ 33.35	\$ 37.01	\$ 35.98	\$ 31.96
Income from Investment Operations:					
Net investment income (loss) ³	0.96	0.72	0.22	0.02	0.01
Net realized and unrealized gain (loss)	4.39	6.03	(3.61)	5.33	4.81
Total from investment operations	5.35	6.75	(3.39)	5.35	4.82
Less Distributions:					
From net investment income	(1.26)	(0.06)	(0.03)	(0.31)	-
From net realized gain	(2.49)	(1.39)	(0.24)	(4.01)	(0.80)
Total distributions	(3.75)	(1.45)	(0.27)	(4.32)	(0.80)
Redemption fee proceeds⁴	-	-	-	-	-
Net asset value, end of period	\$ 40.25	\$ 38.65	\$ 33.35	\$ 37.01	\$ 35.98
Total return⁵	14.06%	20.33%	(9.14)%	15.24%	15.08%
Ratios and Supplemental Data:					
Net assets, end of period (in thousands)	\$ 3,590,773	\$ 2,693,659	\$ 2,258,987	\$ 1,890,554	\$ 1,179,180
Ratio of expenses to average net assets:					
Before fees waived and expenses absorbed	1.03% ⁶	1.02%	1.03% ⁷	1.12% ⁸	1.14% ^{8,9}
After fees waived and expenses absorbed	1.00% ⁶	0.99%	1.00% ⁷	1.09% ⁸	1.11% ^{8,9}
Ratio of net investment income (loss) to average net assets:					
Before fees waived and expenses absorbed	2.33%	1.95%	0.61%	0.02%	0.07% ⁹
After fees waived and expenses absorbed	2.36%	1.98%	0.64%	0.06%	0.10% ⁹
Portfolio turnover rate	10%	14%	20%	20%	29% ⁹

¹ Audits performed for the fiscal years indicated by the Fund's previous auditor, Ernst & Young LLP.

² The Supra Institutional Class commenced operations on September 4, 2020. The data shown reflects operations for the period September 4, 2020 to December 31, 2020.

³ Based on average shares outstanding for the period.

⁴ Amount represents less than \$0.01 per share.

⁵ Return is based on net asset value per share, adjusted for reinvestment of distributions, and does not reflect deduction of the sales charge.

⁶ Includes short sale dividend, tax, and interest expenses that rounds to less than 0.01% of average net assets.

⁷ For the year ended December 31, 2022, the expense ratio includes short sale dividend expense that rounds to less than 0.01% of average net assets.

⁸ For the years ended December 31, 2021 and December 31, 2020, the expense ratio includes short sale dividend expense equal to 0.10% and 0.13% of average net assets, respectively.

⁹ Annualized.

See accompanying Notes to Financial Statements.

FPA Crescent Fund
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

Note 1 – Organization

FPA Crescent Fund (the “Fund”), is a diversified series of Investment Managers Series Trust III (the “Trust”) which is registered as an open-end management investment company under the Investment Company Act of 1940, as amended (the “1940 Act”). The Fund’s investment objective is to seek to generate equity-like returns over the long-term, take less risk than the market and avoid permanent impairment of capital. First Pacific Advisors, LP (the “Adviser”), has served as the Fund’s investment adviser since March 1, 1996.

The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standard Codification Topic 946 “Financial Services— Investment Companies”.

The Fund is deemed to be an individual reporting segment and is not part of a consolidated reporting entity. The objective and strategy of [each Fund / the Fund] is used by the Adviser to make investment decisions, and the results of the operations, as shown on the Statements of Operations and the financial highlights for the Fund is the information utilized for the day-to-day management of the Fund. The Fund is party to the expense agreements as disclosed in the Notes to the Financial Statements and there are no resources allocated to a Fund based on performance measurements. The Adviser is deemed to be the Chief Operating Decision Maker with respect to the Funds’ investment decisions.

Note 2 – Accounting Policies

The following is a summary of the significant accounting policies consistently followed by the Fund in the preparation of its financial statements. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from these estimates.

(a) Valuation of Investments

The Fund values equity securities at the last reported sale price on the principal exchange or in the principal over the counter (“OTC”) market in which such securities are traded, as of the close of regular trading on the NYSE on the day the securities are being valued or, if the last-quoted sales price is not readily available, the securities will be valued at the last bid or the mean between the last available bid and ask price. Securities traded on the NASDAQ are valued at the NASDAQ Official Closing Price (“NOCP”). Investments in open-end investment companies are valued at the daily closing net asset value of the respective investment company. Debt securities are valued by utilizing a price supplied by independent pricing service providers. The independent pricing service providers may use various valuation methodologies including matrix pricing and other analytical pricing models as well as market transactions and dealer quotations. These models generally consider such factors as yields or prices of bonds of comparable quality, type of issue, coupon, maturity, ratings and general market conditions. If a price is not readily available for a portfolio security, the security will be valued at fair value (the amount which the Fund might reasonably expect to receive for the security upon its current sale). The Board of Directors has designated the Adviser as the Fund’s valuation designee (the “Valuation Designee”) to make all fair value determinations with respect to the Fund’s portfolio investments, subject to the Board’s oversight. As the Valuation Designee, the Adviser has adopted and implemented policies and procedures to be followed when the Fund must utilize fair value pricing.

(b) Investment Transactions, Investment Income and Expenses

Investment transactions are accounted for on the trade date. Realized gains and losses on investments are determined on the identified cost basis. Dividend income is recorded net of applicable withholding taxes on the ex-dividend date and interest income is recorded on an accrual basis. Withholding taxes on foreign dividends, if applicable, are paid (a portion of which may be reclaimable) or provided for in accordance with the applicable

FPA Crescent Fund
NOTES TO FINANCIAL STATEMENTS - Continued
December 31, 2024

country's tax rules and rates and are disclosed in the Statement of Operations. Withholding tax reclaims are filed in certain countries to recover a portion of the amounts previously withheld. The Fund records a reclaim receivable based on a number of factors, including a jurisdiction's legal obligation to pay reclaims as well as payment history and market convention. Discounts on debt securities are accreted or amortized to interest income over the lives of the respective securities using the effective interest method. Premiums for callable debt securities are amortized to the earliest call date, if the call price was less than the purchase price. If the call price was not at par and the security was not called, the security is amortized to the next call price and date. Income and expenses of the Fund are allocated on a pro rata basis to each class of shares relative net assets, except for distribution and service fees which are unique to each class of shares relative net assets. Expenses incurred by the Trust with respect to more than one fund are allocated in proportion to the net assets of each fund except where allocation of direct expenses to each fund or an alternative allocation method can be more appropriately made.

(c) Mortgage-Backed Securities

The Fund may invest in mortgage-backed securities ("MBS"), representing direct or indirect interests in pools of underlying residential or commercial mortgage loans that are secured by real property. These securities provide investors with payments consisting of both principal and interest as the mortgages in the underlying mortgage pools are paid.

The timely payment of principal and interest (but not the market value) on MBS issued or guaranteed by Ginnie Mae (formally known as the Government National Mortgage Association or GNMA) is backed by Ginnie Mae and the full faith and credit of the US government. Obligations issued by Fannie Mae (formally known as the Federal National Mortgage Association or FNMA) and Freddie Mac (formally known as the Federal Home Loan Mortgage Corporation or FHLMC) are historically supported only by the credit of the issuer, but currently are guaranteed by the US government in connection with such agencies being placed temporarily into conservatorship by the US government. Some MBS are sponsored or issued by private entities. Payments of principal and interest (but not the market value) of such private MBS may be supported by pools of residential or commercial mortgage loans or other MBS that are guaranteed, directly or indirectly, by the US government or one of its agencies or instrumentalities, or they may be issued without any government guarantee of the underlying mortgage assets but may contain some form of non-government credit enhancement.

Collateralized mortgage obligations ("CMO") are a type of MBS. A CMO is a debt security that may be collateralized by whole mortgage loans or mortgage pass-through securities. The mortgage loans or mortgage pass-through securities are divided into classes or tranches with each class having its own characteristics. Investors typically receive payments out of the interest and principal on the underlying mortgages. The portions of these payments that investors receive, as well as the priority of their rights to receive payments, are determined by the specific terms of the CMO class.

The yield characteristics of MBS differ from those of traditional debt securities. Among the major differences are that interest and principal payments are made more frequently, usually monthly, and that principal may be prepaid at any time because the underlying mortgage loans or other obligations generally may be prepaid at any time. Prepayments on a pool of mortgage loans are influenced by a variety of economic, geographic, social and other factors. Generally, prepayments on fixed-rate mortgage loans will increase during a period of falling interest rates and decrease during a period of rising interest rates. Certain classes of CMOs and other MBS are structured in a manner that makes them extremely sensitive to changes in prepayment rates.

FPA Crescent Fund
NOTES TO FINANCIAL STATEMENTS - Continued
December 31, 2024

(d) Asset-Backed Securities

Asset-backed securities include pools of mortgages, loans, receivables or other assets. Payment of principal and interest may be largely dependent upon the cash flows generated by the assets backing the securities, and, in certain cases, supported by letters of credit, surety bonds, or other credit enhancements. The value of asset-backed securities may also be affected by the creditworthiness of the servicing agent for the pool, the originator of the loans or receivables, or the financial institution(s) providing the credit support. In addition, asset-backed securities are not backed by any governmental agency.

Collateralized Debt Obligations (“CDOs”) include Collateralized Bond Obligations (“CBOs”), Collateralized Loan Obligations (“CLOs”) and other similarly structured securities. CBOs and CLOs are types of asset backed securities. A CBO is a trust which is backed by a diversified pool of high risk, below investment grade fixed income securities. A CLO is a trust typically collateralized by a pool of loans, which may include, among others, domestic and foreign senior secured loans, senior unsecured loans, and subordinate corporate loans, including loans that may be rated below investment grade or equivalent unrated loans. The risks of an investment in a CDO depend largely on the type of the collateral securities and the class of the CDO in which a Fund invests. CDOs carry additional risks including, but not limited to, (i) the possibility that distributions from collateral securities will not be adequate to make interest or other payments, (ii) the collateral may decline in value or default, (iii) a Fund may invest in CDOs that are subordinate to other classes, and (iv) the complex structure of the security may not be fully understood at the time of investment and may produce disputes with the issuer or unexpected investment results.

(e) Stripped Mortgage-Backed Interest Only (“I/O”) and Principal Only (“P/O”) Securities

Stripped mortgage-backed securities are usually structured with two classes that receive different proportions of the interest and principal distributions on a pool of mortgage assets. In certain cases, one class will receive all of the interest payments on the underlying mortgages (the I/O class), while the other class will receive all of the principal payments (the P/O class). The Fund currently has investments in I/O securities. The yield to maturity on I/Os is sensitive to the rate of principal repayments (including prepayments) on the related underlying mortgage assets, and principal payments may have a material effect on yield-to-maturity. If the underlying mortgage assets experience greater than anticipated prepayments of principal, a Fund may not fully recoup its initial investment in I/Os.

(f) Credit Risk

Debt securities are subject to credit risk, meaning that the issuer of the debt security may default or fail to make timely payments of principal or interest. The values of any of the Fund's investments may also decline in response to events affecting the issuer or its credit rating. The lower rated debt securities in which the Fund may invest are considered speculative and are generally subject to greater volatility and risk of loss than investment grade securities, particularly in deteriorating economic conditions. The Fund invests a significant portion of its assets in securities of issuers that hold mortgage-and asset-backed securities and direct investments in securities backed by commercial and residential mortgage loans and other financial assets. The value and related income of these securities is sensitive to changes in economic conditions, including delinquencies and/or defaults. Continuing shifts in the market's perception of credit quality on securities backed by commercial and residential mortgage loans and other financial assets may result in increased volatility of market price and periods of illiquidity that can negatively impact the valuation of certain securities held by the Fund.

(g) Special Purpose Acquisition Companies

The Fund may invest in stock, warrants, and other securities of special purpose acquisition companies (“SPACs”) or similar special purpose entities that pool funds to seek potential acquisition opportunities. Because SPACs and similar entities are in essence blank check companies without operating history or ongoing business other than seeking acquisitions, the value of their securities is particularly dependent on the ability of the entity's management

FPA Crescent Fund
NOTES TO FINANCIAL STATEMENTS - Continued
December 31, 2024

to identify and complete a profitable acquisition. An investment in a SPAC is subject to a variety of risks, including that (i) a portion of the monies raised by the SPAC for the purpose of effecting an acquisition or merger may be expended prior to the transaction for payment of taxes and other purposes; (ii) prior to any acquisition or merger, a SPAC's assets are typically invested in government securities, money market funds and similar investments whose returns or yields may be significantly lower than those of the Fund's other investments; (iii) the Fund generally will not receive significant income from its investments in SPACs (both prior to and after any acquisition or merger) and, therefore, the Fund's investments in SPACs will not significantly contribute to the Fund's distributions to shareholders; (iv) an attractive acquisition or merger target may not be identified at all, in which case the SPAC will be required to return any remaining monies to shareholders; (v) if an acquisition or merger target is identified, the Fund may elect not to participate in the proposed transaction or the Fund may be required to divest its interests in the SPAC due to regulatory or other considerations, in which case the warrants or other rights with respect to the SPAC held by the Fund may expire worthless or may be repurchased or retired by the SPAC at an unfavorable price; (vi) any proposed merger or acquisition may be unable to obtain the requisite approval, if any, of SPAC shareholders; (vii) under any circumstances in which the Fund receives a refund of all or a portion of its original investment (which typically represents a pro rata share of the proceeds of the SPAC's assets, less any applicable taxes), the returns on that investment may be negligible, and the Fund may be subject to opportunity costs to the extent that alternative investments would have produced higher returns; (viii) to the extent an acquisition or merger is announced or completed, shareholders who redeem their shares prior to that time may not reap any resulting benefits; (ix) the Fund may be delayed in receiving any redemption or liquidation proceeds from a SPAC to which it is entitled; (x) an acquisition or merger once effected may prove unsuccessful and an investment in the SPAC may lose value; (xi) an investment in a SPAC may be diluted by additional later offerings of interests in the SPAC or by other investors exercising existing rights to purchase shares of the SPAC; (xii) only a thinly traded market for shares of or interests in a SPAC may develop, or there may be no market at all, leaving the Fund unable to sell its interest in a SPAC or to sell its interest only at a price below what the Fund believes is the SPAC interest's intrinsic value; and (xiii) the values of investments in SPACs may be highly volatile and may depreciate significantly over time. There were no Private Investment in Public Equity ("PIPE") share purchase commitments for the SPACs the Fund invested in as of December 31, 2024.

(h) Currency Translation

Assets and liabilities denominated in foreign currencies are translated into U.S. dollars at the mean of the quoted bid and ask prices of such currencies against the U.S. dollar. Purchases and sales of portfolio securities are translated into U.S. dollars at the rates of exchange prevailing when such securities were acquired or sold. Income and expenses are translated into U.S. dollars at rates of exchange prevailing when accrued.

Net realized gain or loss on foreign currency transactions represents foreign exchange gains and losses from sales and maturities of foreign fixed income investments, holding of foreign currencies, currency gains or losses realized between the trade and settlement dates on foreign investment transactions, and the difference between the amounts of dividends, interest and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent amounts actually received or paid. Net unrealized currency gains and losses from valuing foreign currency denominated assets and liabilities at year-end exchange rates are reflected as a component of net unrealized appreciation or depreciation of foreign currency denominated assets and liabilities.

(i) Illiquid Securities

Pursuant to Rule 22e-4 under the 1940 Act, the Fund has adopted a Liquidity Risk Management Program ("LRMP") that requires, among other things, that the Fund limits its illiquid investments that are assets to no more than 15% of net assets. An illiquid investment is any security which may not reasonably be expected to be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the investment. If the Adviser, at any time determines that the value of illiquid securities held by

FPA Crescent Fund
NOTES TO FINANCIAL STATEMENTS - Continued
December 31, 2024

the Fund exceeds 15% of its net asset value, the Adviser will take such steps as it considers appropriate to reduce them as soon as reasonably practicable in accordance with the Fund's written LRMP.

(j) Use of Estimates

The presentation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

(k) Federal Income Taxes

The Fund intends to comply with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of their net investment income and any net realized gains to their shareholders. Therefore, no provision is made for federal income or excise taxes. Due to the timing of dividend distributions and the differences in accounting for income and realized gains and losses for financial statement and federal income tax purposes, the fiscal year in which amounts are distributed may differ from the year in which the income and realized gains and losses are recorded by the Fund.

Accounting for Uncertainty in Income Taxes (the "Income Tax Statement") requires an evaluation of tax positions taken (or expected to be taken) in the course of preparing a Fund's tax returns to determine whether these positions meet a "more-likely-than-not" standard that, based on the technical merits, have a more than fifty percent likelihood of being sustained by a taxing authority upon examination. A tax position that meets the "more-likely-than-not" recognition threshold is measured to determine the amount of benefit to recognize in the financial statements. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statement of Operations.

The Income Tax Statement requires management of the Fund to analyze tax positions taken in the prior three open tax years, if any, and tax positions expected to be taken in the Fund's current tax year, as defined by the IRS statute of limitations for all major jurisdictions, including federal tax authorities and certain state tax authorities. As of December 31, 2024, and during the prior three open tax years, the Fund did not have a liability for any unrecognized tax benefits. The Fund has no examinations in progress and is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

(l) Distributions to Shareholders

The Fund will make distributions of net investment income and net capital gains, if any, at least annually. Distributions to shareholders are recorded on the ex-dividend date. The amount and timing of distributions are determined in accordance with federal income tax regulations, which may differ from GAAP.

The character of distributions made during the year from net investment income or net realized gains may differ from the characterization for federal income tax purposes due to differences in the recognition of income, expense and gain (loss) items for financial statement and tax purposes.

Note 3 – Investment Advisory and Other Agreements

The Trust, on behalf of the Fund, entered into an Investment Advisory Agreement (the "Agreement") with the Adviser. Under the terms of the Agreement, the Fund pays a monthly investment advisory fee to the Adviser at the annual rate of 0.93% plus class-specific administrative service fee of 0.07%, 0.07% and 0.01% of the Fund's average daily net assets for the Institutional Class, Investor Class and Supra Institutional Class, respectively.

FPA Crescent Fund
NOTES TO FINANCIAL STATEMENTS - Continued
December 31, 2024

The Adviser has contractually agreed to reimburse operating expenses in excess of 0.05%, 0.15% and 0.05% of the average daily net assets of the Institutional Class, Investor Class and Supra Institutional Class, respectively, excluding management fees, administrative service fees, short sale dividend expenses and interest expenses on cash deposits relating to short sales, brokerage fees and commissions, redemption liquidity service expense, interest, taxes, fees and expenses of other funds in which the Fund invests, and extraordinary expenses, including litigation expenses not incurred in the Fund's ordinary course of business, through April 30, 2025. The Adviser has also contractually agreed to reimburse the Fund for redemption liquidity service expenses in excess of 0.0044% of the daily average net assets of the Fund through April 30, 2025. These agreements may only be terminated earlier by the Fund's Board of Trustees (the "Board") or upon termination of the Advisory Agreement. For the year ended December 31, 2024, the Adviser waived a portion of its advisory fees totaling \$1,904,319.

UMB Fund Services, Inc. ("UMBFS") serves as the Fund's fund accountant, transfer agent and co-administrator; and Mutual Fund Administration, LLC ("MFAC") serves as the Fund's other co-administrator. UMB Bank, n.a., an affiliate of UMBFS, serves as the Fund's custodian. The Fund's allocated fees incurred for fund accounting, fund administration, transfer agency and custody services for the year ended December 31, 2024 are reported on the Statement of Operations.

Distribution Services, LLC, serves as the Fund's distributor (the "Distributor"). Prior to December 6, 2024, UMB Distribution Services, LLC ("UMB Distribution Services"), a wholly owned subsidiary of UMBFS, served as the Fund's distributor. The Distributor does not receive compensation from the Fund for its distribution services; The Adviser pays the Distributor a fee for its distribution-related services.

Certain trustees and officers of the Trust are employees of UMBFS, MFAC or Adviser. The Fund does not compensate trustees and officers affiliated with the Fund's Adviser or co-administrators. For the year ended December 31, 2024, the Fund's allocated fees incurred to Trustees of the Trust who are not "interested persons" of the Trust, as that term is defined in the 1940 Act (collectively, the "Independent Trustees") are reported on the Statement of Operations.

The Fund's Board of Trustees has adopted a Deferred Compensation Plan (the "Plan") for the Independent Trustees that enables Trustees to elect to receive payment in cash or the option to defer some or all of their fees. If a trustee elects to defer payment, the Plan provides for the creation of a deferred payment account. A Trustee's deferred fees are deemed to be invested in designated mutual funds available under the Plan. The Fund's liability for these amounts is adjusted for market value changes in the invested fund and remains a liability to the Fund until distributed in accordance with the Plan. The Trustees Deferred compensation liability under the Plan constitutes a general unsecured obligation of the Fund and is disclosed in the Statement of Assets and Liabilities. Contributions made under the plan and the change in unrealized appreciation/depreciation and income are included in the Trustees' fees and expenses in the Statement of Operations.

Dziura Compliance Consulting, LLC provides Chief Compliance Officer ("CCO") services to the Trust. The Fund's allocated fees incurred for CCO services for the year ended December 31, 2024, are reported on the Statement of Operations.

Note 4 –Redemption Liquidity Service Fees

The Fund may participate in the ReFlow Fund, LLC ("ReFlow") liquidity program, which is designed to provide an alternative liquidity source on days when redemptions of Fund shares exceed purchases. Under the program, ReFlow is available to provide cash to the Fund to meet all, or a portion, of daily net shareowner redemptions. Following purchases of Fund shares, ReFlow then generally redeems those shares when the Fund experiences net sales, at the end of a maximum holding period determined by ReFlow (currently 8 days) or at other times at ReFlow's discretion.

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For use of the ReFlow service, the Fund pays a fee to ReFlow each time it purchases Fund shares, calculated by applying to the purchase amount a fee rate determined through an automated daily “Dutch auction” among other participating mutual funds seeking liquidity that day. The current minimum fee rate is 0.14% of the value of the Fund shares purchased by ReFlow, although the Fund may submit a bid at a higher fee rate if it determines that doing so is in the best interest of Fund shareowners. In accordance with federal securities laws, ReFlow is prohibited from acquiring more than 3% of the outstanding voting securities of a Fund. ReFlow will periodically redeem its entire share position in the Fund and request that such redemption be met in kind in accordance with the Fund’s in-kind redemption policies. There is no assurance that ReFlow will have sufficient funds available to meet the Funds’ liquidity needs on a particular day. During the year ended December 31, 2024 the fees associated with ReFlow are disclosed in the Statement of Operations within redemption liquidity service fees.

Note 5 – Securities Sold Short

The Fund maintains cash deposits and segregates marketable securities in amounts equal to the current fair value of the securities sold short or the fair value of the securities at the time they were sold short, whichever is greater. The Fund considers cash deposits held in connection with securities sold short to be restricted cash. The restriction will lapse when the related short positions are terminated. Possible losses from short sales may be unlimited, whereas losses from purchases cannot exceed the total amount invested. The dividends on securities sold short are reflected as short sale dividend expense.

Note 6 – Federal Income Taxes

At December 31, 2024, gross unrealized appreciation/(depreciation) of investments, based on cost for federal income tax purposes were as follows:

Cost of investments	<u>\$ 7,659,648,832</u>
Gross unrealized appreciation	\$ 3,210,315,486
Gross unrealized depreciation	<u>(416,314,595)</u>
Net unrealized appreciation/(depreciation)	<u>\$ 2,794,000,891</u>

The difference between cost amounts for financial statement and federal income tax purposes is due primarily to timing differences in recognizing certain gains and losses in security transactions.

GAAP requires that certain components of net assets be reclassified between financial and tax reporting. These reclassifications have no effect on net assets or net asset value per share. For the year ended December 31, 2024, permanent differences in book and tax have been reclassified to paid-in capital and total distributable earnings/(deficit) as follows:

	Increase (Decrease)
Paid-in Capital	Total accumulated earnings/(deficit)
<u>\$ 177,472,011</u>	<u>\$ (177,472,011)</u>

FPA Crescent Fund
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As of December 31, 2024, the components of accumulated earnings/(deficit) on a tax basis were as follows:

Undistributed ordinary income	\$	28,943,468
Undistributed long-term capital gains		104,938,724
Tax accumulated earnings		<u>133,882,192</u>
Accumulated capital and other losses		1,270,530
Net Unrealized appreciation/(depreciation) on investments		2,794,000,891
Deferred compensation		(25,289)
Foreign currency translations		(517,029)
Swap value change		(14,541,880)
Total accumulated earnings/(deficit)	\$	<u>2,914,069,415</u>

The tax character of distributions paid during the fiscal years ended December 31, 2024 and December 31, 2023, were as follows:

	2024	2023
Distributions paid from:		
Ordinary income	\$ 333,402,961	\$ 12,500,929
Net long-term capital gains	597,659,821	343,774,643
Total distributions paid	<u>\$ 931,062,782</u>	<u>\$ 356,275,572</u>

As of December 31, 2024, the Fund did not have any non-expiring capital loss carryforwards.

During the tax year ended December 31, 2024, the Fund utilized \$0 of short-term and \$0 of long-term non-expiring capital loss carryforwards, respectively.

Note 7 – Investment Transactions

For the year ended December 31, 2024, purchases and sales of investments, excluding short-term investments, were \$706,957,062 and \$1,618,668,968, respectively.

Note 8 – Shareholder Servicing Plan

On April 16, 2024, the Board of Trustees (the “Board”) approved a Shareholder Service Plan. Pursuant to the Shareholder Service Plan adopted by the Board, on behalf of the Fund, the Fund may pay a fee at an annual rate of up to 0.10%, 0.25%, and 0.10% of its average daily net assets attributable to the Institutional Class, Investor Class and Supra Institutional Class shares of the Fund, respectively. Prior to April 16, 2024, the Fund made payments to Sub-transfer agents totaling \$ 996,859 for Institutional Class and \$ 465,644 for Supra Institutional Class shares. The adoption of the Shareholder Service Plan does not constitute a change to the current fees being paid by Fund shareholders. The Fund does not pay these service fees on shares purchased directly. In addition, the Adviser may, at its own expense, pay financial representatives and/or shareholder servicing agents for these services. For the year ended December 31, 2024, shareholder servicing fees incurred were \$1,873,434 , and \$1,494,684 and \$2,575 for Institutional Class, Supra Institutional Class and Investor Class shares, respectively.

FPA Crescent Fund
NOTES TO FINANCIAL STATEMENTS - Continued
December 31, 2024

Note 9 – Indemnifications

In the normal course of business, the Fund enters into contracts that contain a variety of representations which provide general indemnifications. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet occurred. However, the Fund expects the risk of loss to be remote.

Note 10 – Commitments and Contingencies

The Fund may enter into unfunded loan commitments. Unfunded loan commitments may be partially or wholly unfunded. During the contractual period, the Fund is obliged to provide funding to the borrower upon demand. Unfunded loan commitments are fair valued in accordance with the valuation policy described in Note 2(a) and unrealized appreciation or depreciation, if any, is recorded on the Statement of Assets and Liabilities.

As of December 31, 2024, the Fund had the following unfunded loan commitments outstanding:

Loan	Principal	Cost	Value	Unrealized Appreciation/ (Depreciation)	Unfunded Commitment
Lealand Finance Company B.V. Senior Exit LC	\$26,423,879	\$(11,603,892)	\$(11,890,745)	\$(286,853)	\$11,890,745

Note 11 – Fair Value Measurements and Disclosure

Fair Value Measurements and Disclosures defines fair value, establishes a framework for measuring fair value in accordance with GAAP, and expands disclosure about fair value measurements. It also provides guidance on determining when there has been a significant decrease in the volume and level of activity for an asset or a liability, when a transaction is not orderly, and how that information must be incorporated into a fair value measurement.

Under *Fair Value Measurements and Disclosures*, various inputs are used in determining the value of the Fund's investments. These inputs are summarized into three broad Levels as described below:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.
- Level 2 – Observable inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.
- Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund's own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

FPA Crescent Fund
NOTES TO FINANCIAL STATEMENTS - Continued
December 31, 2024

The inputs used to measure fair value may fall into different Levels of the fair value hierarchy. In such cases, for disclosure purposes, the Level in the fair value hierarchy within which the fair value measurement falls in its entirety, is determined based on the lowest Level input that is significant to the fair value measurement in its entirety.

The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities. The following is a summary of the inputs used, as of December 31, 2024, in valuing the Fund's assets carried at fair value:

Investments	Level 1	Level 2	Level 3	NAV as Practical Expedient*	Total
Commercial Mortgage-Backed Securities					
Non-Agency	\$ -	\$ 12,410,370	\$ -	\$ -	\$ 12,410,370
Convertible Bonds	-	174,028,918	-	-	174,028,918
Corporate Bank Debt	-	5,200,674	19,555,734	-	24,756,408
Corporate Bonds					
Financials	-	37,692,002	-	-	37,692,002
U.S. Treasury Notes & Bonds	-	232,083,367	-	-	232,083,367
Closed-End Funds	-	-	5,850,101	-	5,850,101
Common Stocks					
Aerospace & Defense	211,561,174	-	-	-	211,561,174
Apparel & Textile Products	-	93,451,144	-	-	93,451,144
Asset Management	133,368,234	-	-	-	133,368,234
Banking	482,019,281	-	-	-	482,019,281
Beverages	330,553,061	-	-	-	330,553,061
Cable & Satellite	400,842,418	-	-	-	400,842,418
Chemicals	219,525,282	-	-	-	219,525,282
Commercial Support Services	83,624,172	-	-	-	83,624,172
Construction Materials	-	298,966,571	-	-	298,966,571
E-Commerce Discretionary	217,490,960	-	-	-	217,490,960
Electric Utilities	14,543,928	-	-	-	14,543,928
Electrical Equipment	249,106,067	-	-	-	249,106,067
Engineering & Construction	-	53,669,078	17,824,266	-	71,493,344
Entertainment Content	-	58,273,315	8,812,580	-	67,085,895
Food	-	33,329,618	-	-	33,329,618
Health Care Facilities & Svcs	60,815,481	-	-	-	60,815,481
Home Construction	11,113,054	-	-	-	11,113,054
Institutional Financial Svcs	193,720,834	-	-	-	193,720,834
Insurance	191,474,302	-	-	-	191,474,302
Internet Media & Services	1,086,032,016	-	-	-	1,086,032,016
Leisure Facilities & Services	165,358,156	-	-	-	165,358,156
Medical Equipment & Devices	49,933,520	-	-	-	49,933,520
Metals & Mining	111,237,521	-	-	-	111,237,521
Oil & Gas Producers	188,393,595	-	-	-	188,393,595
Other Common Stock	29,756,716	24,824,636	-	-	54,581,352
Real Estate Owners & Developers	19,036,186	-	-	-	19,036,186
Reit	141,487,725	-	-	-	141,487,725
Retail - Discretionary	245,711,153	-	-	-	245,711,153
Semiconductors	454,563,561	-	-	-	454,563,561
Technology Hardware	148,906,197	111,916,269	-	-	260,822,466
Technology Services	-	70,895,925	-	-	70,895,925

FPA Crescent Fund
NOTES TO FINANCIAL STATEMENTS - Continued
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	Level 1	Level 2	Level 3	NAV as Practical Expedient*	Total
Investments - Continued					
Telecommunications	\$ 21,377,402	\$ -	\$ -	\$ -	\$ 21,377,402
Transportation Equipment	58,877,174	-	-	-	58,877,174
Limited Partnerships	-	-	282,400,075	35,032,243	317,432,318
Preferred Stocks					
Energy	-	-	1,395,231	-	1,395,231
Warrants (SPAC)	-	-	-	-	-
Short-Term Investments	-	3,360,854,438	-	-	3,360,854,438
	\$ 5,520,429,170	\$ 4,567,596,325	\$ 335,837,987	\$ 35,032,243	\$ 10,458,895,725
Securities Sold Short					
Exchange-Traded Funds	\$ (5,246,002)	\$ -	\$ -	\$ -	\$ (5,246,002)
Total Return Swaps	\$ -	\$ (14,541,880)	\$ -	\$ -	\$ (14,541,880)

* Investments valued using net asset value per share (or its equivalent) as a practical expedient are excluded from the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Schedule of Investments.

The following is a reconciliation of assets in which significant unobservable inputs (Level 3) were used in determining value:

Investments	Beginning balance at December 31, 2023	Transfers into/(out) of Level 3 during the period	Total realized gain/(loss)	Total change in net unrealized appreciation/ (depreciation)	Accretion of Discount (Amortization of Premium) and Return of Capital	Net purchases	Net sales	Ending Value at December 31, 2024
Corporate	\$42,420,738	\$13,783,288	\$(695,079)	\$8,881,248	\$(632,560)	\$10,974,716	\$(55,176,617)	\$19,555,734
Bank Debt								
Closed-End	11,081,900	-	-	(5,231,799)	-	-	-	5,850,101
Funds								
Common	8,812,580	17,824,266	-	-	-	-	-	26,636,846
Stocks								
Limited	275,884,843	-	2,795,226	29,706,277	(23,191,045)	-	(2,795,226)	282,400,075
Partnerships								
Preferred	4,102,159	-	-	(1,505,354)	(36)	-	(1,201,538)	1,395,231
Stocks								
Warrants	8,670	-	(14,944)	6,274	-	-	-	-
(SPAC)								
	\$342,310,890	\$31,607,554	\$2,085,203	\$31,856,646	\$(23,823,641)	\$10,974,716	\$(59,173,381)	\$335,837,987

The change in unrealized gains or losses attributable to Level 3 investments held at December 31, 2024 was \$41,276,464.

Transfers of investments between different levels of the fair value hierarchy are recorded at fair value as of the end of the reporting period. There were transfers of \$31,607,554 out of Level 1 and Level 2 into Level 3. Transfers into Level 3 were due to change in valuation technique from vendor priced to a pricing model based on last executed trade.

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The following table presents additional quantitative information about valuation methodologies and inputs used for investments that are measured at fair value and categorized within Level 3 as of December 31, 2024.

Asset Class	Fair Value December 31, 2024	Valuation Methodologies	Unobservable Input	Input Range/ Value	Valuation Weighted Average of Input	Impact to Valuation From an Increase in Input ⁽¹⁾
Corporate Bank Debt	\$19,555,734	Pricing Model ⁽²⁾	Quotes/Prices	\$35 - \$65	\$47.16	Increase
Closed End Funds	5,850,101	Pricing Model ⁽³⁾	Last Reported Trade	\$1.23	\$1.23	Increase
Common Stocks- Long	8,812,580	Most Recent Capitalization (Funding) ⁽⁴⁾	Market Discount	25%	25%	Increase
	17,824,266	Pricing Model ⁽⁵⁾	Quotes/Prices	\$0.05	\$0.05	Increase
	0	Asset Approach ⁽⁶⁾	Estimated Recovery Proceeds	\$0.00	\$0.00	Increase
Limited Partnerships	281,953,941	Market Approach ⁽⁷⁾	Shipping Broker Valuations	6% - 25%	24%	Increase
	446,134	Discounted NAV ⁽⁸⁾	Market Discount	10%	20%	Increase
Preferred Stock	1,395,231	Pricing Model ⁽⁹⁾	Quotes/Prices	\$1,037.35	\$1,037.35	Increase
Warrants	0	Asset Approach ⁽¹⁰⁾	Estimated Recovery Proceeds	\$0.00 - \$0.00	\$0.03	Increase

(1) This column represents the directional change in the fair value of the Level 3 investments that would result from an increase to the corresponding unobservable input. A decrease to the unobservable input would have the opposite effect.

(2) The Pricing Model technique for Level 3 securities involves recently quoted funding prices of the security.

(3) The Pricing Model technique for Level 3 securities involves the last reported trade in the security.

(4) The fair value of the investment is based on capital funding terms and discounted on market trends. If the financial condition of the underlying assets were to deteriorate, or if the market comparables were to fall, the value of the investment could be lower.

(5) The Pricing Model technique for Level 3 securities involves the estimated price of the security after an expected post-reverse split and resulting price dilution.

(6) The Asset Approach technique for Level 3 securities involves the issuance of non-tradable rights with no set exercise date.

(7) The Discounted Cash Flow valuation technique involves estimating the value of an asset based on discounting a future stream of estimated cash flows using a discount rate determined by the Advisor.

(8) The NAV provided by the general partner has been discounted for the possible impact from various exit strategies under consideration by the general partner.

(9) The Pricing Model technique for Level 3 securities involves correlating the fair value of the preferred stock to the parent company's common stock.

(10) The Asset Approach technique for Level 3 securities involves the projected value of warrants that are pending cancellation.

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Note 12 – Derivatives and Hedging Disclosures

Derivatives and Hedging requires enhanced disclosures about the Fund’s derivative and hedging activities, including how such activities are accounted for and their effects on the Fund’s financial position, performance and cash flows.

The effects of these derivative instruments on the Fund’s financial position and financial performance as reflected in the Statement of Assets and Liabilities and Statement of Operations are presented in the tables below. The fair values of derivative instruments as of December 31, 2024 by risk category are as follows:

Asset Derivatives			Liability Derivatives	
Derivatives not designated as hedging instruments	Statements of Assets and Liabilities	Value	Statements of Assets and Liabilities	Value
	Unrealized appreciation on open swap contracts		Unrealized depreciation on open swap contracts	
Equity contracts		\$ -		\$ 14,541,880

The effects of derivative instruments on the Statement of Operations for the year ended December 31, 2024, are as follows:

Derivatives not designated as hedging instruments			
	Equity Contracts		Total
Realized Gain (Loss) on Derivatives			
Swap contracts	\$ 9,635,532	\$ 9,635,532	
	Equity Contracts		Total
Net Change in Unrealized Appreciation/Depreciation on Derivatives			
Swap contracts	\$(22,879,871)	\$(22,879,871)	

The notional amount is included on the Schedule of Investments. The quarterly average volumes of derivative instruments as of December 31, 2024 are as follows:

Derivatives not designated as hedging instruments				
Equity contracts	Swap contracts	Notional amount	\$	34,410,401

Note 13 - Disclosures about Offsetting Assets and Liabilities

Disclosures about Offsetting Assets and Liabilities requires an entity to disclose information about offsetting and related arrangements to enable users of its financial statements to understand the effect of those arrangements on its financial position. The guidance requires retrospective application for all comparative periods presented.

A Fund mitigates credit risk with respect to OTC derivative counterparties through credit support annexes included with International Swaps and Derivatives Association Master Agreements or other Master Netting Agreements which are the standard contracts governing most derivative transactions between the Fund and each of its counterparties. These agreements allow the Fund and each counterparty to offset certain derivative financial

FPA Crescent Fund
NOTES TO FINANCIAL STATEMENTS - Continued
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instruments' payables and/or receivables against each other and/or with collateral, which is generally held by the Fund's custodian. The amount of collateral moved to/from applicable counterparties is based upon minimum transfer amounts specified in the agreement. 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's Statement of Assets and Liabilities presents financial instruments on a gross basis, therefore there are no net amounts and no offset amounts within the Statement of Assets and Liabilities to present below. Gross amounts of the financial instruments, amounts related to financial instruments/cash collateral not offset in the Statement of Assets and Liabilities and net amounts are presented below:

Description	Counterparty	Gross Amounts Recognized in the Statements of Assets and Liabilities	Amounts Not Offset in Statements of Assets and Liabilities		Net Amount
			Financial Instruments	Cash Collateral	
Unrealized depreciation on open swap contracts	Nomura	\$ (14,541,880)	\$ -	\$ -	\$ (14,541,880)

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Note 14 – Investments in Affiliated Issuers

An affiliated issuer is an entity in which the Fund has ownership of a least 5% of the voting securities. Issuers that are affiliates of the Fund at period-end are noted in the Fund's Schedule of Investments. Additional security purchases and the reduction of certain securities shares outstanding of existing portfolio holdings that were not considered affiliated in prior years may result in the Fund owning in excess of 5% of the outstanding shares at period-end. The table below reflects transactions during the period with entities that are affiliates as of December 31, 2024 and may include acquisitions of new investments, prior year holdings that became affiliated during the period and prior period affiliated holdings that are no longer affiliated as of period-end:

Security Description	Shares Held as of December 31, 2023	Beginning Value December 31, 2023	Purchases at Cost	Proceeds from Sales	Net Realized Gain (Loss) on Sales Affiliated Investment
CB&I STS Delaware LLC 12.853% (3-Month Term SOFR+750 basis points), 12/31/2026	38,703,999	\$ 37,929,919	\$ 4,036,241	\$ (42,740,241)	\$ -
FPS Holdco LLC	2,073,734	240,622,105	-	-	-
FPS Shelby Holdco I LLC	107,799	8,876,468	-	-	-
Lealand Finance Company B.V. Senior Exit LC 3.500%, 6/30/2027	19,148,815	(9,868,366)	-	(1,738,788)	(695,123)
Lealand Reficar LC Term Loan, 12.365% (3-Month Term SOFR+750 basis points), 6/30/2027	-	-	2,715,291	(2,185,306)	-
McDermott International, Ltd.	56,585,375	5,092,684	1,201,538	-	-
McDermott International, Ltd., 8.000%	26,288	2,987,331	-	(1,201,538)	-
McDermott LC 4.000%, 6/30/2027	21,452,975	10,726,488	4,223,183	(1,246,887)	(1)
McDermott Tanks Escrow LC 10.406%, 12/31/2026	7,265,394	3,632,697	-	(7,265,394)	44
McDermott Technology Americas, Inc., 7.472% (1-Month Term SOFR+300 basis points), 6/30/2027	1,074,221	708,986	-	-	-
McDermott Technology Americas, Inc., 8.471% (1-Month Term SOFR+400 basis points), 12/31/2027	35,242,982	13,744,763	2,324,315	-	-
Sound Holding FP	1,146,250	23,393,851	-	-	-
U.S. Farming Realty Trust II LP	120,000	2,992,419	-	(2,795,226)	2,795,226
Total		\$340,839,345	\$14,500,568	\$(59,173,380)	\$2,100,146

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Security Description - Continued	Accretion of Discount (Amortization of Premium) and Return of Capital	Change in Unrealized Appreciation (Depreciation)	Transfer In (Out)	Ending Value December 31, 2024	Shares as of December 31, 2024	Income from Affiliated Investments
CB&I STS Delaware LLC 12.853% (3-Month Term SOFR+750 basis points), 12/31/2026	\$ -	\$774,081	\$ -	\$ -	-	\$10,321,321
FPS Holdco LLC	(21,231,044)	31,736,806	-	251,127,867	2,073,734	14,925,000
FPS Shelby Holdco I LLC	(1,960,000)	1,959,999	-	8,876,467	107,799	588,000
Lealand Finance Company B.V. Senior Exit LC 3.500%, 6/30/2027	(632,555)	1,044,087	-	(11,890,745)	26,423,878	550,264
Lealand Reficar LC Term Loan, 12.365% (3-Month Term SOFR+750 basis points), 6/30/2027	-	(185,495)	-	344,490	529,985	247,848
McDermott International, Ltd.	-	11,530,044	-	17,824,266	356,485,315	-
McDermott International, Ltd., 8.000%	-	(1,785,793)	-	-	-	-
McDermott LC 4.000%, 6/30/2027	(6)	3,615,924	-	17,318,701	31,488,546	3,187,095
McDermott Tanks Escrow LC 10.406%, 12/31/2026	-	3,632,653	-	-	-	735,024
McDermott Technology Americas, Inc., 7.472% (1-Month Term SOFR+300 basis points), 6/30/2027	-	(177,247)	-	531,739	1,074,221	90,421
McDermott Technology Americas, Inc., 8.471% (1-Month Term SOFR+400 basis points), 12/31/2027	(2,802,777)	516,987	-	13,783,288	39,380,822	4,653,789
Sound Holding FP	-	(1,444,244)	-	21,949,607	1,146,250	10,362,100
U.S. Farming Realty Trust II LP	-	(2,546,285)	-	446,134	120,000	-
Total	\$(26,626,382)	\$48,671,517	\$ -	\$320,311,814		\$45,660,862

Note 15 – Restricted Securities

Restricted securities include securities that have not been registered under the Securities Act of 1933, as amended, and securities that are subject to restrictions on resale. The Fund may invest in restricted securities that are consistent with the Fund's investment objective and investment strategies. Investments in restricted securities are valued at net asset value as a practical expedient for fair value, or fair value as determined in good faith in accordance with procedures adopted by the Board. It is possible that the estimated value may differ significantly from the amount that might ultimately be realized in the near term, and the difference could be material.

FPA Crescent Fund
NOTES TO FINANCIAL STATEMENTS - Continued
December 31, 2024

As of December 31, 2024, the Fund invested in the following restricted securities:

Restricted Security	Initial Acquisition Date	Cost	Fair Value	Fair Value as a % of Net Assets
Altegrity, Inc.	9/1/2021	\$-	\$5,850,101	0.06%
Cornerstone OnDemand, Inc., 8.340% (1-Month Term SOFR+375 basis points), 10/16/2028	12/7/2022	2,341,129	2,200,337	0.02%
Epic Games, Inc.	6/25/2020	19,049,750	8,812,580	0.08%
Footpath Ventures SPV IV LP	9/24/2021	15,764,550	12,532,243	0.12%
FPS Holdco LLC	10/17/2018	132,669,406	251,127,867	2.39%
FPS Shelby Holdco I LLC	2/4/2020	11,073,935	8,876,467	0.09%
Jett Texas LLC	12/2/2024	22,500,000	22,500,000	0.21%
Lealand Finance Company B.V. Senior Exit LC, 3.500%, 6/30/2027	11/12/2019	(11,603,892)	(11,890,745)	-0.11%
Lealand Reficar LC Term Loan 12.365%, (3-Month Term SOFR+750 basis points), 6/30/2027	4/5/2024	529,985	344,490	0.00%
McDermott International, Ltd.	7/1/2020	56,700,448	17,824,266	0.17%
McDermott LC 4.000%, 6/30/2027	12/31/2020	31,488,579	17,318,701	0.17%
McDermott Technology Americas, Inc., 7.472% (1-Month Term SOFR+300 basis points), 6/30/2027	7/1/2020	1,074,192	531,739	0.01%
McDermott Technology Americas, Inc., 8.471% (1-Month Term SOFR+400 basis points), 12/31/2027	7/1/2020	49,531,678	13,783,288	0.13%
Pershing Square Tontine Holdings Ltd.	7/26/2022	-	-	0.00%
Sound Holding FP	10/7/2013	-	21,949,607	0.21%
U.S. Farming Realty Trust II LP	12/24/2012	-	446,134	0.00%
Vision Solutions, Inc., 8.847% (3-Month Term SOFR+400 basis points), 4/24/2028	12/7/2022	2,201,154	2,468,598	0.02%
		\$333,320,914	\$374,675,673	3.57%

Note 16 – Market Disruption and Geopolitical Risks

Certain local, regional or global events such as war, acts of terrorism, the spread of infectious illness and/or other public health issues, financial institution instability or other events may have a significant impact on a security or instrument. These types of events and other like them are collectively referred to as “Market Disruptions and Geopolitical Risks” and they may have adverse impacts on the worldwide economy, as well as the economies of individual countries, the financial health of individual companies and the market in general in significant and unforeseen ways. Some of the impacts noted in recent times include but are not limited to embargos, political actions, supply chain disruptions, bank failures, restrictions to investment and/or monetary movement including the forced selling of securities or the inability to participate impacted markets. The duration of these events could adversely affect the Funds’ performance, the performance of the securities in which the Funds invest and may lead to losses on your investment. The ultimate impact of “Market Disruptions and Geopolitical Risks” on the financial performance of the Funds’ investments is not reasonably estimable at this time. Management is actively monitoring these events.

FPA Crescent Fund
NOTES TO FINANCIAL STATEMENTS - Continued
December 31, 2024

Note 17 – New Accounting Pronouncements

Effective January 24, 2023, the Securities and Exchange Commission (the “SEC”) adopted rule and form amendments to require mutual funds and exchange-traded funds (“ETFs”) to transmit concise and visually engaging streamlined annual and semiannual reports to shareholders that highlight key information deemed important for retail investors to assess and monitor their fund investments. Certain information, including financial statements, will no longer appear in the funds’ streamlined shareholder reports but must be available online, delivered free of charge upon request, and filed on a semiannual basis on Form N-CSR. The rule and form amendments have a compliance date of July 24, 2024. The Fund has adopted procedures in accordance with the SEC’s rules and form amendments.

In November 2023, the FASB issued ASU 2023-07, “Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures (“ASU 2023-07”),” which enhances disclosure requirements about significant segment expenses that are regularly provided to the chief operating decision maker (the “CODM”). ASU 2023-07, among other things, (i) requires a single segment public entity to provide all of the disclosures as required by Topic 280, (ii) requires a public entity to disclose the title and position of the CODM and an explanation of how the CODM uses the reported measure(s) of segment profit or loss in assessing segment performance and deciding how to allocate resources and (iii) provides the ability for a public entity to elect more than one performance measure. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Management has evaluated the impact of applying ASU 2023-07, and the fund has adopted the ASU during the reporting period. The adoption of the ASU does not have a material impact on the financial statements. Required disclosure is included in Note 1.

Note 18 – Events Subsequent to the Fiscal Period End

The Fund has adopted financial reporting rules regarding subsequent events which require an entity to recognize in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet. Management has evaluated the Fund’s related events and transactions that occurred through the date of issuance of the Fund’s financial statements.

There were no events or transactions that occurred during this period that materially impacted the amounts or disclosures in the Fund’s financial statements.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

**To the Board of Trustees
and the Shareholders of the FPA Crescent Fund**

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of the FPA Crescent Fund (the “Fund”), a series of Investment Managers Series Trust III, including the schedule of investments, as of December 31, 2024, the related statement of operations for the year then ended, the statement of changes in net assets, and financial highlights for each of the two years in the period then ended, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2024, the results of its operations for the year then ended, the changes in its net assets, and the financial highlights for each of the two years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

The financial highlights for each of the three years in the period ended December 31, 2022, were audited by other auditors, whose report dated March 1, 2023 expressed unqualified opinions on those financial highlights.

Basis for Opinion

These financial statements are the responsibility of the Fund’s management. Our responsibility is to express an opinion on the Fund’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We have served as the auditor of the Fund since 2023.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Fund’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2024 by correspondence with the custodian, agent banks, brokers, and others or by other appropriate auditing procedures where replies were not received. We believe that our audits provide a reasonable basis for our opinion.



TAIT, WELLER & BAKER LLP

**Philadelphia, Pennsylvania
February 28, 2025**

Form N-CSR Item 8 - 11 (Unaudited)

Item 8. Changes in and Disagreements with Accountants for Open-End Management Investment Companies.

Not applicable.

Item 9. Proxy Disclosures for Open-End Management Investment Companies.

Not applicable.

Item 10. Remuneration Paid to Directors, Officers, and Others of Open-End Management Investment Companies.

This information is included in Item 7, as part of the financial statements.

Item 11. Statement Regarding Basis for Approval of Investment Advisory Contract.

Not applicable.