

## Highlights

Primary investment objective is long-term growth of capital. Current income is a secondary consideration. Goal is to generate returns in excess of the S&P 500 Index over full market cycles.

- **Avoid permanent capital impairment.**
- **Invest in quality businesses at attractive valuations.**
- **Preference for companies with good management.**

### Portfolio Manager

**Gregory R. Nathan**  
Joined FPA in 2003

## Fund Facts

Ticker Symbol	FPPFX
Share Class	No load, no 12b-1 fees
NAV	\$9.78
Initial Minimum Investment	\$1,500
Fund Assets	\$120 million

Fund Inception <sup>1</sup>	April 1, 1984
Current Manager Inception <sup>2</sup>	September 1, 2015
Expense Ratio (as of most recent prospectus)	1.11%
Dividend Frequency	Semi-Annually

<sup>1</sup> Reflects the date when the Fund was first available for purchase under FPA management.

<sup>2</sup> Reflects the date the current portfolio managers began managing the Fund.

## Performance

### Historical (%)<sup>3</sup>

Fund/Index	1 Year	YTD	QTD	10 Years*	5 Years*
<b>FPA U.S. Value</b>	<b>12.02</b>	<b>7.59</b>	<b>1.98</b>	<b>6.35</b>	<b>11.61</b>
S&P 500	17.90	9.34	3.09	7.18	14.63
Morningstar Large Blend Average	17.17	8.65	2.92	6.21	13.35
Russell 2500	19.84	5.97	2.13	7.42	14.04

<sup>3</sup> Periods over one year are annualized.

\*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-September 30, 2015.

**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. Current month-end performance data may be obtained by calling toll-free, 1-800-982-4372.**

**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, charges, and other matters of interest to the prospective investor. Please read this Prospectus carefully before investing. The Prospectus may be obtained by visiting the website at [www.fpfunds.com](http://www.fpfunds.com), by email at [crm@fpafunds.com](mailto:crm@fpafunds.com), toll-free by calling 1-800-982-4372 or by contacting the Fund in writing.**

S&P 500 Index is an unmanaged index which includes a representative sample of 500 leading companies in leading industries of the U.S. economy. The index focuses on the large-cap segment of the market, with over 80% coverage of U.S. equities, but is also considered a proxy for the total market. Morningstar Large Blend Average consists of portfolios that invest in a variety of large US stocks. Stocks in the top 70% of the capitalization of the US equity market are defined as large-cap. The blend style is assigned to funds where neither growth nor value characteristics predominate. The Russell 2500 Index consists of the 2,500 stocks that cover the small and mid cap market capitalizations. The Russell 2500 is a market cap weighted index that includes the smallest 2,500 companies covered in the Russell 3000 universe of United States-based listed equities.

## Portfolio Information

Number of Holdings <sup>4</sup>	36
Turnover (as of most recent report) <sup>5</sup>	115%
Active Share <sup>6</sup>	92.7%
Cash	3.2%

## Sector Breakdown (GICS)<sup>4</sup>

Consumer Discretionary	36.1%
Health Care	19.8%
Industrials	11.5%
Information Technology	9.6%
Consumer Staples	5.5%
Real Estate	4.3%
Financials	3.8%
Materials	1.7%
Energy	0.0%
Telecommunication Services	0.0%
Utilities	0.0%

\* Houghton Mifflin Harcourt, included in the consumer discretionary sector, derives a majority of its revenue and profit from its Education segment, which primarily provides education solutions to educational institutions for the pre-K – 12 market.

## Top 10 Holdings<sup>4</sup>

Alphabet	6.1%
CVS Health	5.5%
CBS	5.3%
Time Warner	4.8%
Twenty First Century Fox	4.8%
Madison Square Garden	4.4%
McKesson	3.7%
Tempur Sealy International	3.5%
AmerisourceBergen	3.4%
Cardinal Health	3.4%
<b>Total</b>	<b>44.9%</b>

Totals might not add up due to rounding.

## Fund Risks

Investments in mutual funds carry risks and investors may lose principal value. Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. The fund may purchase foreign securities, including American Depository Receipts (ADRs) and other depository receipts, which are subject to interest rate, currency exchange rate, economic and political risks. Small and mid cap stocks involve greater risks and they can fluctuate in price more than larger company stocks. Groups of stocks, such as value and growth, go in and out of favor which may cause certain funds to underperform other equity funds.

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

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

## Portfolio Characteristics<sup>4</sup>

	FPA U.S. Value	S&P 500
12-Month Trailing P/E <sup>7</sup>	20.6x	22.8x
12-Month Forward P/E <sup>7</sup>	14.6x	18.5x
Price/Book <sup>8</sup>	3.0x	3.1x
Return on Equity <sup>9</sup>	20.4%	17.7%
Debt/Equity <sup>10</sup>	1.3x	1.3x
Debt/Capital <sup>11</sup>	59.6%	55.5%
Average Weighted Market Cap (billions)	\$90.7	\$168.7
Median Market Cap (billions)	\$22.1	\$20.9

Source: Mellon

<sup>4</sup> Excludes undisclosed holdings.

<sup>5</sup> From time to time, the Fund may buy and sell the same security within a short period of time. The frequency of trading within the Fund impacts portfolio turnover rates. A high rate of portfolio turnover (100% or more) could produce higher trading costs and taxable distributions, which would detract from the Fund's performance. The U.S. Value Fund, formerly known as the Perennial Fund, had a turnover rate of 117% from June 15, 2015 - October 15, 2015 due to the Fund's transition during that time period.

<sup>6</sup> Active Share is defined as "the percentage of the fund's portfolio that differs from the fund's benchmark index".

<sup>7</sup> 12-Month Trailing and Forward P/E are calculated using weighted harmonic averaging, which helps avoid extreme results that may occur due to small relative numbers.

<sup>8</sup> Price/Book ratio is the market price of a stock divided by the book value per share.

<sup>9</sup> Return on Equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested.

<sup>10</sup> Debt/Equity is the measure of a company's financial leverage calculated by dividing its total liabilities by stockholder's equity.

<sup>11</sup> Debt/Capital is the measure of a company's financial leverage calculated by dividing its total liabilities by its total capital.