



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

Average Annual Total Returns (%)

As of Date: 6/30/17	1 Year	YTD	QTD	10 Years	5 Years
FPA U.S. Value Fund, Inc.	12.02	7.59	1.98	6.35	11.61
S&P 500	17.90	9.34	3.09	7.18	14.63
US OE Large Blend	17.17	8.65	2.92	6.21	13.35
Russell 2500	19.84	5.97	2.13	7.42	14.04

Periods greater than one year are annualized. Performance is calculated on a total return basis which includes reinvestment of all distributions.

Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown. This data represents past performance and investors should understand that investment returns and principal values fluctuate, so that when you redeem your investment it may be worth more or less than its original cost. The Fund's expense ratio as of its most recent prospectus is 1.11%. Current month-end performance data may be obtained at www.fpafunds.com or by calling toll-free, 1-800-982-4372.

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.

Please see important disclosures at the end of the commentary.

Based on consensus estimates for 2017, at the end of the second quarter, the portfolio had a forward weighted average P/E⁴ of 14.6x and a forecasted EPS⁵ growth rate of 13.3% over the next two years. As valuations have continued to move up with the market, I have selectively sold covered call options on positions where premiums were healthy and strike prices were at levels where positions could be trimmed or sold outright. In total, the Fund had covered calls written against just over 7% of the portfolio.

The Fund's investment objective is long-term growth of capital, with current income as a secondary consideration. The Fund seeks to deliver returns in excess of the S&P 500 Index over full market cycles. By design, the portfolio is unique in its construct in order to achieve this. As of June 30, approximately 28% of the disclosed portfolio was invested in 14 companies that are not in the S&P 500. Additionally, over 64% of the disclosed portfolio was invested in 22 companies that comprise just over 11% of the S&P 500. Over 40% of the Fund's exposure resides within three industries.

Given these positions, investors should expect that over any given quarter, year, or years, the Fund could have highly divergent results compared to the market. However, I believe the philosophy of focusing investments in high-quality companies within secularly healthy, growing industries at cheap valuations best positions the Fund to deliver on its stated objective and goal.

Conclusion

I remain enthusiastic about the Fund's investments and their prospective returns over the long term. Compared to the broader market, I believe our portfolio is of higher quality, has greater potential for earnings growth, and is less financially levered. Even better, based on consensus estimates, our portfolio's securities, taken together, trade at a sizable discount to the S&P 500's forward P/E and to my estimate of their intrinsic value.

I look forward to delivering value for shareholders over the coming years. Your confidence and continued support is truly appreciated.

Respectfully submitted,

Gregory R. Nathan
Portfolio Manager

July 2017

⁴ P/E (Price-to-Earnings Ratio) is a ratio for valuing a company that measures its current share price relative to its per-share earning.

⁵ EPS (Earnings Per Share) is the portion of a company's profit allocated to each outstanding share of common stock. It serves as an indicator of a company's profitability.

Important Disclosures

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

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

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 Depositary Receipts (ADRs) and other depository receipts, which are subject to interest rate, currency exchange rate, economic and political risks; these risks may be heightened when investing in emerging markets. Small and mid-cap stocks involve greater risks and may fluctuate in price more than larger company stocks. Groups of stocks, such as value and growth, go in and out of favor which may cause certain funds to underperform other equity funds.

Value style investing presents the risk that the holdings or securities may never reach their full market value because the market fails to recognize what the portfolio manager considers the true business value or because the portfolio manager has misjudged those values. In addition, value style investing may fall out of favor and underperform growth or other styles of investing during given periods.

Index / Category Definitions

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

Morningstar Large Blend Average consists of portfolios that invest in a variety of large US stocks. Stocks in the top 70% of the capitalization of the US equity market are defined as large-cap. The blend style is assigned to funds where neither growth nor value characteristics predominate.

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

Indices are unmanaged, do not reflect any commissions or fees which would be incurred by an investor purchasing the underlying securities. Investors cannot invest directly in an index.

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.



TICKER	SHARES	SECURITY	COUPON RATE (%)	MATURITY DATE	MKT PRICE (\$)	MKT VALUE (\$)	% OF NET ASSET VALUE
COMMON STOCKS							
AIR FP	29,850	AIRBUS SE*			82.23	2,454,708	2.1%
ALGT	13,100	ALLEGIANT TRAVEL CO			135.60	1,776,360	1.5%
AGN	9,700	ALLERGAN PLC*			243.09	2,357,973	2.0%
GOOG	7,973	ALPHABET INC CL C			908.73	7,245,304	6.1%
AMCX	31,750	AMC NETWORKS INC A			53.41	1,695,767	1.4%
ABC	43,600	AMERISOURCEBERGEN CORP			94.53	4,121,508	3.4%
ANTM	12,750	ANTHEM INC			188.13	2,398,658	2.0%
AAPL	15,600	APPLE INC			144.02	2,246,712	1.9%
AXTA	64,300	AXALTA COATING SYSTEMS LTD			32.04	2,060,172	1.7%
CAH	52,300	CARDINAL HEALTH INC			77.92	4,075,216	3.4%
CBS	98,850	CBS CORP CLASS B NON VOTING			63.78	6,304,653	5.3%
C	32,750	CITIGROUP INC			66.88	2,190,320	1.8%
CVS	81,040	CVS HEALTH CORP			80.46	6,520,478	5.5%
DAL	45,200	DELTA AIR LINES INC			53.74	2,429,048	2.0%
DISCK	71,200	DISCOVERY COMMUNICATIONS INC			25.21	1,794,952	1.5%
ESRX	40,000	EXPRESS SCRIPTS HOLDING CO			63.84	2,553,600	2.2%
GT	65,200	GOODYEAR TIRE + RUBBER CO			34.96	2,279,392	1.9%
HCA	16,500	HCA HOLDINGS INC			87.20	1,438,800	1.2%
HDS	78,500	HD SUPPLY HOLDINGS INC			30.63	2,404,455	2.0%
HMHC	253,100	HOUGHTON MIFFLIN HARCOURT CO			12.30	3,113,130	2.6%
IWG LN	506,500	IWG PLC*			4.21	2,133,440	1.8%
JLL	16,850	JONES LANG LASALLE INC			125.00	2,106,250	1.8%
KGf LN	495,000	KINGFISHER PLC*			3.92	1,938,651	1.6%
LH	15,070	LABORATORY CORP AMER HLDGS			154.14	2,322,890	1.9%
MSG	26,700	MADISON SQUARE GARDEN CO A			196.90	5,257,230	4.4%
MCK	26,550	MCKESSON CORP			164.54	4,368,537	3.7%
MPW	140,500	MEDICAL PROPERTIES TRUST INC			12.87	1,808,235	1.5%
ORCL	38,700	ORACLE CORP			50.14	1,940,418	1.6%
		OTHER				5,913,971	4.9%
RLGY	37,500	REALOGY HOLDINGS CORP			32.45	1,216,875	1.0%
LUV	39,800	SOUTHWEST AIRLINES CO			62.14	2,473,172	2.1%
TPX	78,300	TEMPUR SEALY INTERNATIONAL			53.39	4,180,437	3.5%
TWX	57,200	TIME WARNER INC			100.41	5,743,452	4.8%
FOXA	203,000	TWENTY FIRST CENTURY FOX A			28.34	5,753,020	4.8%
WHR	20,500	WHIRLPOOL CORP			191.62	3,928,210	3.3%
WLTW	16,400	WILLIS TOWERS WATSON PLC			145.46	2,385,544	2.0%
WPP LN	56,800	WPP PLC (JERSEY)*			21.02	1,194,023	1.0%
		TOTAL EQUITIES				116,125,561	97.2%
CALL OPTIONS							
	(15,600)	APPLE INC		01/19/2018	3.95	(61,620)	-0.1%
	(45,200)	DELTA AIR LINES INC		01/19/2018	2.72	(122,944)	-0.1%
	(16,500)	HCA HEALTHCARE INC		01/19/2018	4.50	(74,250)	-0.1%
	(39,800)	SOUTHWEST AIRLINES CO		01/19/2018	3.70	(147,260)	-0.1%



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

06/30/17

TOTAL CALL OPTIONS				(406,074)	-0.4%
REPURCHASE AGREEMENTS					
2,070,000	STATE STREET BANK/FICC REPO	0.12	07/03/2017	2,070,000	1.7%
TOTAL REPURCHASE AGREEMENTS				2,070,000	1.7%
CASH & EQUIVALENTS (NET OF LIABILITIES)				1,792,393	1.5%
TOTAL CASH & EQUIVALENTS				3,862,393	3.2%
TOTAL NET ASSETS				119,581,880	100.0%
NO. OF EQUITY POSITIONS				36	

* Indicates Foreign Security

Portfolio Holding Submission Disclosure

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