The Phaeacian Accent International Value Fund and the Phaeacian Global Value Fund (the “Phaeacian Funds”) were formerly known as the FPA International Value Fund and the FPA Paramount Fund, Inc. (the “Former Funds”), respectively, until their reorganization in October 2020. This commentary was written by the portfolio managers of the Phaeacian Funds while they were the portfolio managers of the Former Funds and employees of the Former Funds’ investment adviser. The Former Funds are no longer available for sale and these commentaries are provided for informational purposes only. The provision of these commentaries does not constitute or imply an endorsement of the Phaeacian Funds by the Former Funds’ investment adviser, and the views and opinions expressed in these commentaries are those of the portfolio managers and do not state or reflect those of the Former Funds’ investment adviser. Past performance is no guarantee, nor is it indicative, of future results. This is not an offer for sale or recommendation of any security, product or services discussed and neither does it provide investment advice.

We hope that investors will find FPA commentaries helpful to understand application of the same investment discipline in various markets, and can refer to particular items that interest them.

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.fpafunds.com, by email at crm@fpafunds.com, toll-free by calling 1-800-982-4372 or by contacting the Fund in writing.

Average Annual Total Returns
As of September 30, 2014

Fund/Index	QTD	YTD	1Year	3Years**	5 Years**	10 Years**
FPA Paramount	-9.01%	-5.57%	-0.55%	17.73%	12.02%	7.30%
MSCI ACWI	-2.30%	3.73%	11.32%	16.61%	10.07%	7.28%
Russell 2500	-5.35%	0.28%	8.97%	22.80%	15.99%	9.45%

** Annualized. FPA Paramount Fund transitioned to its current World Value strategy on September 1, 2013.
A redemption fee of 2.00% will be imposed on redemptions within 90 days. Expense ratio is 1.26% as of most recent prospectus.

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.

To view portfolio holdings from the most recent quarter end, please refer to the end of this document or at www.fpafunds.com.

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 Funds, Advisor or Distributor.

The views expressed and any forward-looking statements are as of the date of the publication and are those of the portfolio managers and/or the Advisor. 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. The accuracy and completeness of the information cannot be guaranteed and is not a complete summary or statement of all available data.

The Russell 2500 Index is an unmanaged index comprised of the 2,500 smallest companies in the Russell 3000 Index.

The MSCI All Country World NR Index is a float-adjusted market capitalization index that is designed to measure the combined equity market performance of developed and emerging markets.

You cannot invest directly in an index

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 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.

A non-diversified fund may hold fewer securities than a diversified fund because it is permitted to invest a greater percentage of its assets in a smaller number of securities. Holding fewer securities increases the risk that the value of the fund could go down because of the poor performance of a single investment.

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, 803 W. Michigan Street, Milwaukee, WI, 53233.

investors first

Dear fellow shareholders,

During the third quarter of 2014, the Fund fell 9.01% compared to the MSCI All Country World Index's (Net) (the "Index") decline of 2.30%. For calendar 2014 to date, the Fund has declined 5.57% versus a gain of 3.73% for the Index.

Market Commentary

In order to properly put this year's performance in context, we think it is important to review our approach to adding new investments and the impact this can have on the portfolio. The parts of the investment process we control are the research we conduct, our forecasts for a business and the price we are willing to pay to own a portion of it. The portfolio is then constructed to concentrate assets on our best ideas. This means new investments can enter as large positions because respective weightings are based on estimated discounts to intrinsic value. After a prolonged market rise, it is even more likely that new additions receive large initial weights.[1]

The part of the process we do not control is market sentiment. As value investors, we are often interested in high-quality companies in sectors most out of favor. Our new purchases this quarter are discussed later in more detail but as examples, **Prada** is falling on concerns about Chinese consumer demand, the slowdown in Brazil weighs on **Hypermarcas** and **ALS** is exposed to commodity price weakness. In each case, we aren't ignoring the reasons for their current price weakness, but as we value the businesses on a normalized basis, we believe our forecasts for each adequately reflect these issues. After we've made a purchase at an attractively discounted valuation, however, there is nothing to stop Mr. Market's pessimism from pushing prices down further.

That is what happened in the third quarter as price declines in several of our newest positions had a meaningful impact on the Fund's performance. As regular readers know, we focus on the long term, and do not consider short-term over- or under-performance versus the index to be particularly meaningful. Instead of viewing the price declines as indications of a change in business values, we found that after additional assessment, our estimates of intrinsic value for the affected companies did not meaningfully change. As a result we were able to use the weakness to build even larger positions based on the increased discounts. We are encouraged that these positions now embed greater latent performance potential, and the degree of undervaluation for the portfolio overall has increased as a result. That said, we are under no illusion that discounts could not widen further.

[1] The existing portfolio could be trading at less of a discount after a period of market appreciation.

Portfolio Commentary

Key Performers

Our best performer in the quarter was **Ross Stores**, which is the number two U.S. off-price apparel and home goods retailer.[2] With a 650-person merchant team, Ross opportunistically buys excess vendor merchandise very close to "need". Historically, this has lowered the risk of markdowns from off-trend or ill-timed purchases, and reduced economic sensitivity. The model has produced returns on capital employed of nearly thirty percent over the last decade. Senior management is long-tenured, and we believe appropriately allocates cash flow to fund organic growth through store expansion. The balance sheet is consistently net cash, and only 1.5x Net Debt-to-EBITDA if off-balance sheet store leases are included.[3] As a result of the increased share price, we recently exited our position due to a reduced margin of safety[4].

Our worst performing holding in the quarter was **Fugro**, which was down over 40% (in U.S. currency) following the release of a profit warning in July indicating material asset impairments, and a significant contraction in operating margin. The company was one of our largest holdings and thus, was a meaningful detractor to quarterly performance. Based in Holland, Fugro is a world leading provider of geotechnical and geophysical analyses for resource projects, with large exposure to the oil and gas sector. When we initiated our investment in the company, we thought Fugro was an interesting collection of small businesses, with a history of good organic growth, solid returns, high free cash flow generation, a healthy balance sheet, and the potential for operational improvements. As the company was working through some of these issues, however, it failed to recognize some of the cyclical shifts taking place in its underlying markets, and ran into a number of operational challenges that compounded with softening business conditions. The slowdown in oil and gas, and in particular offshore exploration and production, where Fugro generates a significant portion of its profits, will likely continue to put negative pressure on the company's results in the short-term. Longer-term, however, we expect market conditions to improve as depleting fields ultimately need to be replaced with new offshore resources. We also expect management to take actions to adjust both operating expenses and capital expenditures. Lower interim free cash flows translate into a reduction in enterprise value, but far smaller than the share price correction, which implies a greater discount to intrinsic value. As a result, we have substantially added to our position, and maintain a large investment in the company.

Activity

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[2]The company's sales account for approximately one quarter of the estimated $40 billion market.

[3] Net Debt to EBITDA, is a measurement of leverage, calculated as a company's interest-bearing liabilities minus cash or cash equivalents, divided by its EBITDA. EBITDA (Earnings before Interest Tax Depreciation and Amortization) is essentially net income with interest, taxes, depreciation, and amortization added back to it, and can be used to analyze and compare profitability between companies and industries because it eliminates the effects of financing and accounting decisions.

[4] Margin of safety - Buying with a "margin of safety," a phrase popularized by Benjamin Graham and Warren Buffett, is when a security is purchased for less than its estimated value. This helps protect against permanent capital loss in the case of an unexpected event or analytical mistake. A purchase made with a margin of safety does not guarantee the security will not decline in price.

After struggling for much of the last year to find high-quality companies selling at significant discounts to our estimate of intrinsic value, the tide turned this quarter. Businesses exposed to mining, energy or luxury goods, and to Europe, Australia and many emerging markets frequently experienced significant corrections. In addition to the significant position increases previously mentioned, we purchased four new portfolio positions – Prada, Hypermarcas, ALS and one we have not disclosed as we are still in the process of buying. The combination of all these purchases represented 23% of Fund assets at quarter end.

Based in Italy, Prada is a global luxury fashion retailer with a strong position in leather goods. Hypermarcas, based in Brazil, is the third-largest pharmaceutical company and second-largest consumer branded-goods company in the Brazilian market. Based in Australia, ALS is a global testing, inspection and certification company serving minerals, environmental, energy and industrial customers. All three companies experienced price declines this year that caused them to trade at meaningful discounts to our estimates of intrinsic value, which created the opportunity for us to become shareholders.

Turning to companies exiting the portfolio, in addition to Ross Stores we also sold out of **Arca Continental** this quarter. **Arca** is the second-largest Coca-Cola bottler in Latin America and one of the largest in the world. We think Arca is a well-run, high-quality company with limited financial risk. Here too, recent increases in the share price caused us to exit our position due to a reduced margin of safety.

Portfolio Profile

In line with our investment approach, the Fund's overall profile is little changed. We owned 34 companies at the end of the quarter. This remains within the range of the 25 to 50 businesses that we would expect to own at any given point in time. The top ten holdings represented about 41% of Fund assets, and position sizes are based on the relative discount to intrinsic value of each (largest weightings correspond to the largest discounts). Most of the positions are still large-caps (median $15 billion) including several considered mega-caps. As always, those holdings are based on each company's combination of quality and discount to intrinsic value, and not a focus on specific market capitalization.

Companies domiciled in Europe and the U.S. continue to represent most of our investments, with Asia Pacific making up the balance. Where a company is domiciled generally matters little to us, however. Since many of these are large companies, they typically conduct business on a global basis. That means they often generate significant amounts of their cash flows outside their home countries, rendering traditional country classification less useful.

We are grateful for your confidence as shareholders of the FPA Paramount Fund, and look forward to continuing to serve your interests.

Respectfully submitted,

The World Value Team

Gregory Herr Portfolio Manager	Pierre O. Py Portfolio Manager
Jason Dempsey Analyst	Victor Liu Analyst

October 14, 2014

FPA

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FPA Paramount Fund, Inc.

Portfolio Holdings

9/30/14

CUSIP/SEDOL	TICKER	SHARES	SECURITY	MKT PRICE ($)	MKT VALUE ($)	% OF NET ASSET VALUE
G1151C101	ACN	54,375	ACCENTURE PLC CL A	81.32	4,421,775.00	1.45%
4031976	ADS GR	230,000	ADIDAS AG*	74.49	17,133,091.00	5.64%
B4WQ2Z2	AGK LN	395,907	AGGREKO PLC*	25.09	9,935,127.80	3.27%
B86SZR5	ALQ AU	450,000	ALS LIMITED*	4.64	2,090,141.83	0.69%
B1FJ0C0	BXB AU	250,100	BRAMBLES LTD*	8.33	2,084,283.38	0.69%
4061393	CDI FP	39,400	CHRISTIAN DIOR*	167.60	6,603,443.94	2.17%
17275R102	CSCO	375,000	CISCO SYSTEMS INC	25.17	9,438,750.00	3.11%
126650100	CVS	66,300	CVS CAREMARK CORP	79.59	5,276,817.00	1.74%
B1Y9TB3	BN FP	155,600	DANONE S.A.*	66.94	10,415,708.40	3.43%
0237400	DGE LN	351,400	DIAGEO PLC*	28.94	10,168,321.24	3.35%
278642103	EBAY	94,000	EBAY INC	56.63	5,323,220.00	1.75%
B096LW7	FUR NA	530,750	FUGRO NV*	30.27	16,064,634.85	5.29%
B01FLG6	GFS LN	1,727,450	G4S*	4.06	7,020,529.55	2.31%
B2QY968	HYPE3 BZ	1,150,000	HYPERMARCAS SA*	7.22	8,298,515.00	2.73%
6673042	IPL AU	3,401,483	INCITEC PIVOT*	2.37	8,069,338.12	2.65%
481165108	JOY	95,000	JOY GLOBAL INC	54.54	5,181,300.00	1.70%
50540R409	LH	99,500	LABORATORY CORP AMER HLDGS	101.75	10,124,125.00	3.33%
57772K101	MXIM	164,700	MAXIM INTEGRATED PRODUCTS, INC.	30.24	4,980,528.00	1.64%
580135101	MCD	68,500	MCDONALDS CORP	94.81	6,494,485.00	2.14%
3023231	MPI LN	1,334,022	MICHAEL PAGE INTL*	6.79	9,052,539.89	2.98%
594918104	MSFT	223,300	MICROSOFT CORP	46.36	10,352,188.00	3.41%
7123870	NESN VX	45,000	NESTLE SA*	73.58	3,311,248.50	1.09%
68389X105	ORCL	467,500	ORACLE CORPORATION	38.28	17,895,900.00	5.89%
			OTHER		4,652,246.34	1.53%
703395103	PDCO	157,000	PATTERSON COMPANIES INC	41.43	6,504,510.00	2.14%
4682329	RI FP	37,400	PERNOD RICARD*	113.22	4,234,252.22	1.39%
B4PFFW4	1913 HK	1,350,000	PRADA SPA*	6.07	8,197,605.00	2.70%
4380429	PUB FP	70,950	PUBLICIS GROUPE*	68.67	4,872,086.84	1.60%
4846288	SAP GR	141,150	SAP AG*	72.18	10,188,277.58	3.35%
B1Q3J35	SKFB SS	181,000	SKF AB B SHARES*	20.88	3,779,551.50	1.24%
7062713	SW FP	30,300	SODEXO*	97.86	2,965,073.16	0.97%
874039100	TSM	148,000	TAIWAN SEMICONDUCTOR MFG LTD SPD ADR	20.18	2,986,640.00	0.98%
B3Y0JD2	TNTE NA	1,900,000	TNT EXPRESS NV*	6.33	12,032,130.00	3.96%
92927K102	WBC	34,100	WABCO HOLDINGS, INC.	90.95	3,101,395.00	1.02%
			TOTAL EQUITIES:		**253,249,779.13**	**83.33%**
			CASH & EQUIVALENTS (NET OF LIABILITIES):		**50,678,270.08**	**16.67%**
			TOTAL NET ASSETS:		**$ 303,928,049.21**	**100.00%**
			NO. OF EQUITY POSTIONS:		**33**	

* Indicates Foreign Security

Portfolio Holding Submission Disclosure

Except for certain publicly available information incorporated herein, the information contained in these materials is our confidential and proprietary information and is being submitted to you for your confidential use with the express understanding that, without our prior written permission, you will not release these materials or discuss the information contained herein or make reproductions of or use these materials for any purpose other than evaluating a potential advisory relationship with First Pacific Advisors.

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