FPA New Income to Close to New Investors

LOS ANGELES, July 13, 2020 - FPA New Income, Inc. (FPNIX, the "Fund"), a mutual fund with total assets of approximately $7.8 billion, and the availability of separate accounts that pursue the same strategy, will close to new investors, effective the close of business on July 31, 2020.

FPA New Income will continue to accept additional investments from existing shareholders (including clients of financial advisors, institutional consultants and their affiliates who have client assets invested in the Fund or with the Adviser), reinvest dividends and capital gain distributions with respect to shareholders who select such options, and redeem shares at net asset value when requested by any shareholder.

The policy to limit additional investments in the Fund to existing shareholders reflects the belief of the portfolio managers, Thomas Atteberry and Abhijeet (Abhi) Patwardhan, that doing so is in the best interests of shareholders due to a combination of the current investment opportunity set, the overall size of the strategy and modest but consistent asset growth.

In addition, because of slightly elevated cash in the Fund due to the current investment environment and to mitigate its impact on shareholders, FPA voluntarily implemented a temporary expense waiver effective July 1, 2020.[1]

First Pacific Advisors, LP, ("FPA") the Fund's investment adviser, has a history of limiting the size of the strategies it manages for the benefit of investors. FPA New Income will become the only fund in its Morningstar Short-Term Bond category that is currently closed to new investors.[2]

FPA New Income has achieved positive returns in every calendar year since FPA started managing the Fund in 1984. It is the only fund in its peer group to post 35 consecutive calendar years of positive returns.[3]

FPA Flexible Fixed Income Fund (FPFIX), the other mutual fund managed by Mr. Atteberry and Mr. Patwardhan, remains open to all investors given its broader opportunity set.

FPA New Income and FPA Flexible Fixed Income Fund seek to provide long-term total return, which includes income and capital appreciation, while considering capital preservation.

About FPA

FPA, a Los Angeles-based institutional money management firm, employs a disciplined approach to value investing, prudently seeking superior long-term returns while maintaining a focus on capital preservation. As of June 30, 2020, FPA manages approximately $24 billion across multiple strategies.

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[1]As disclosed in the supplement to the Prospectus dated as of July 13, 2020, effective July 1, 2020, the Adviser is temporarily waiving management fees to limit annualized Fund operating expenses to 0.48% of the average net assets of the Fund (excluding interest, taxes, brokerage fees and commissions payable by the Fund in connection with the purchase or sale of portfolio securities, and extraordinary expenses, including litigation expenses not incurred in the Fund's ordinary course of business) until such time as the Fund's portfolio managers believe the waiver is no longer appropriate. When this temporary waiver is terminated, the Fund's expenses will be return to the contractual limit of 0.50%. Please refer to the Fund's Prospectus.

[2] Source: Morningstar as of June 30, 2020. Please see the end of this press release for important disclosures and key definitions.

[3] Source: Morningstar as of June 30, 2020. **Past performance is no guarantee, nor is it indicative, of future results.**

For questions, please contact:

Ryan Leggio, 310-996-5484, rleggio@fpa.com

You should consider the Fund's investment objectives, risks, and charges and expenses carefully before you invest. You can obtain additional information by visiting the website at www.fpa.com, by email at crm@fpa.com, toll free by calling 1-800-279-1241 (option 1), or by contacting the Fund in writing.

Investments, including investments in mutual funds, carry risks and investors may lose principal value. Capital markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. It is important to remember that there are risks inherent in any investment and there is no assurance that any investment or asset class will provide positive performance over time. Value style investing presents the risk that the holdings or securities may never reach our estimate of intrinsic value because the market fails to recognize what the portfolio management team considers the true business value or because the portfolio management team has misjudged those values. In addition, value style investing may fall out of favor and underperform growth or other style investing during given periods. Non-U.S. investing presents additional risks, such as the potential for adverse political, currency, economic, social or regulatory developments in a country, including lack of liquidity, excessive taxation, and differing legal and accounting standards. Non-U.S. securities, including American Depository Receipts (ADRs) and other depository receipts, are also subject to interest rate and currency exchange rate risks.

Fixed income securities are subject to interest rate, inflation and credit risks. Lower rated bonds, convertible securities, and other types of debt obligations involve greater risks than higher rated bonds. Mortgage securities and collateralized mortgage obligations (CMOs) are subject to prepayment risk and the risk of default on the underlying mortgages or other assets; such derivatives may increase volatility. Convertible securities are generally not investment grade and are subject to greater credit risk than higher-rated investments. High yield securities can be volatile and subject to much higher instances of default.

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The Morningstar Short-Term Bond category (or peer group) includes short-term bond portfolios that invest primarily in corporate and other investment-grade U.S. fixed-income issues and typically have durations of 1.0 to 3.5 years. These portfolios are less sensitive to interest rates than portfolios with longer durations. Morningstar calculates monthly breakpoints using the effective duration of the Morningstar Core Bond Index (MCBI) in determining duration assignment. Short-term is defined as 25% to 75% of the three-year average effective duration of the MCBI. There are 589 funds in this category as of June 30, 2020.

 Past performance is no guarantee of future results.

The FPA Funds are distributed by UMB Distribution Services, LLC.

FPA

investors first