Annual Report

FPA Flexible Fixed Income Fund

FPA

investors first

Distributor:

UMB DISTRIBUTION SERVICES, LLC

235 West Galena Street
Milwaukee, Wisconsin 53212

December 31, 2019

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, we intend to no longer mail paper copies of the Fund's shareholder reports, unless you specifically request paper copies of the reports from the Fund or from your financial intermediary, such as a broker-dealer or bank. Instead, the reports will be made available on the FPA Funds website (fpa.com/funds), and you will be notified by mail each time a report is posted and provided with a website link to access the report. If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. If you prefer to receive shareholder reports and other communications electronically, you may update your mailing preferences with your financial intermediary, or enroll in e-delivery at fpa.com (for accounts held directly with the Fund).

You may elect to continue to receive paper copies of all future reports free of charge. If you invest through a financial intermediary, you may contact your financial intermediary to request that you continue to receive paper copies of your shareholder reports. If you invest directly with the Fund, you may inform the Fund that you wish to continue receiving paper copies of your shareholder reports by contacting us at (800) 638-3060. Your election to receive reports in paper will apply to all funds held with the FPA Funds or through your financial intermediary.

FPA FLEXIBLE FIXED INCOME FUND
LETTER TO SHAREHOLDERS

INTRODUCTION

Dear Fellow Shareholders,

FPA Flexible Fixed Income, Inc. (the "Fund") returned 0.42% in the fourth quarter of 2019 and 3.78% for the year ended December 31, 2019.

As of December 31, the portfolio had a yield-to-worst of 2.80% and an effective duration of 1.74 years.[1] After starting the quarter inverted, the yield curve[2] — as measured by the difference between 3-month and 10-year Treasuries — returned to a positive slope. The reversal stemmed from the combined impact of a decrease in yields on Treasuries maturing in less than two years, a rise in yields on Treasuries maturing beyond two years, and the third Federal Reserve interest rate cut of 2019. In addition, short maturity Treasury yields were driven lower by the Federal Reserve's efforts to manage funding costs in the repo market. The net result is that, in combination with lower spreads on investment grade bonds, yields on the portfolio's high-quality investments (defined as investments rated A- or higher) decreased slightly. Despite a significant compression in high-yield spreads, which made the market for credit investments (defined as investments rated BBB+ or lower) more expensive, we opportunistically added to existing investments and initiated a few new positions. Consequently, the portfolio's credit exposure increased to 9.6% as of December 31, up from 8.4% at September 30. Cash and equivalents were 12.5% of the portfolio as of December 31 versus 3.1% at September 30.

Portfolio Attribution[3]

Fourth Quarter 2019

During the fourth quarter, the largest, second-largest and third-largest contributors to performance were agency mortgage pools, collateralized loan obligations (CLO) and corporates (i.e., bank debt, high yield bonds and common stock). The return on all was predominantly driven by coupon payments. Within corporates, bank debt represents the vast majority of the exposure and was the source of the majority of the return.

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[1] **Yield-to-worst** is the lowest possible yield that can be received on a bond without the issuer defaulting. It does not represent the yield that an investor should expect to receive, and is gross of management fees and expenses. As of December 31, 2019, the Fund's subsidized/unsubsidized 30-Day SEC Standardized Yield ("SEC Yield") was 2.72%/1.93% respectively. The SEC Yield calculation is an annualized measure of the Fund's dividend and interest payments for the last 30 days, less the Fund expenses. Subsidized yield reflects fee waivers and/or expense reimbursements during the period. Without waivers and/or reimbursements, yields would be reduced. Unsubsidized yield does not adjust for any fee waivers and/or expense reimbursements in effect. The SEC Yield calculation is based on the price of the Fund at the beginning of the month. The SEC Yield calculation shows investors what they would earn in yield over the course of a 12-month period if the fund continued earning the same rate for the rest of the year. **Duration** is a measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates.

[2] A yield curve is a line that plots the interest rates, at a set point in time, of bonds having equal credit quality but differing maturity dates. An inverted yield curve means that short-term yields were higher than long-term yields.

[3] See the end of this commentary for additional information pertaining to attribution for the year ending December 31, 2019. Top contributors and detractors to the Fund's performance are based on contribution to return for the periods noted. This information is not a recommendation for a specific security or sector and these securities/sectors may not be in the Fund at the time you receive this report. The information provided does not reflect all positions purchased, sold or recommended by FPA during the quarter. A copy of the methodology used and a list of every sector's contribution to the overall Fund's performance during the quarter is available by contacting FPA at crm@fpa.com. The portfolio holdings as of the most recent quarter-end may be obtained at www.fpa.com.

Past performance is no guarantee, nor is it indicative, of future returns.

From a sector standpoint, there were no meaningful detractors from performance during the quarter. However, within the Fund's corporate holdings, the equity investment in PHI, Inc. detracted from performance.

Calendar Year 2019

During the year ended December 31, the largest, second-largest and third-largest contributors to performance were agency mortgage pools, equipment ABS and ABS backed by auto loans, respectively. For all of these investments, the return benefited from coupon payments and price appreciation, the latter resulting from the decrease in Treasury yields over the course of 2019 and lower spreads.

We actively manage the Fund's effective duration by targeting the longest duration investments that we expect will have a breakeven return in a rising interest rate environment. This approach seeks to limit the potential decline in value of the portfolio from rising interest rates while creating upside optionality in the form of higher prices in the event that interest rates decline. This past year was the realization of that upside optionality as the duration-extending investments we made early in 2019 when interest rates were higher generated greater than expected returns as prices rose due to lower interest rates later in 2019.

Portfolio Activity[4]

The table below shows the portfolio's exposures as of December 31, 2019 compared to September 30, 2019:

Sector	% Portfolio 12/31/2019	% Portfolio 9/30/2019
ABS	33.5%	35.4%
Mortgage Backed (CMO)[5]	6.3%	5.7%
Stripped Mortgage-backed	0.5%	0.7%
Corporate	9.2%	7.9%
CMBS[5]	12.6%	14.1%
Mortgage Pass-through	18.5%	26.9%
U.S. Treasury	6.9%	6.2%
Cash and equivalents	12.5%	3.1%
Total	**100.0%**	**100.0%**
Yield-to-worst[6]	2.80%	2.74%
Effective Duration (years)	1.74	2.07
Average Life[7] (years)	2.23	2.49

[4] Portfolio composition will change due to ongoing management of the Fund.

[5] Collateralized mortgage obligations ("CMO") are mortgage-backed bonds that separate mortgage pools into different maturity classes. Commercial mortgage-backed securities ("CMBS") are securities backed by commercial mortgages rather than residential mortgages.

[6] Yield to Worst ("YTW") is presented gross of fees and reflects the lowest possible yield on a callable bond without the issuer defaulting. It does not represent the yield an investor should expect to receive. As of December 31, 2019, the Fund's subsidized/unsubsidized 30-day SEC standardized yield ("SEC Yield") was 2.72%/1.93% respectively. The SEC Yield calculation is an annualized measure of the Fund's dividend and interest payments for the last 30 days, less the Fund's expenses. Subsidized yield reflects fee waivers and/or expense reimbursements during the period. Without waivers and/or reimbursements, yields would be reduced. Unsubsidized yield does not adjust for any fee waivers and/or expense reimbursements in effect. The SEC Yield calculation is based on the price of the Fund at the beginning of the month. The SEC Yield calculation shows investors what they would earn in yield over the course of a 12-month period if the fund continued earning the same rate for the rest of the year.

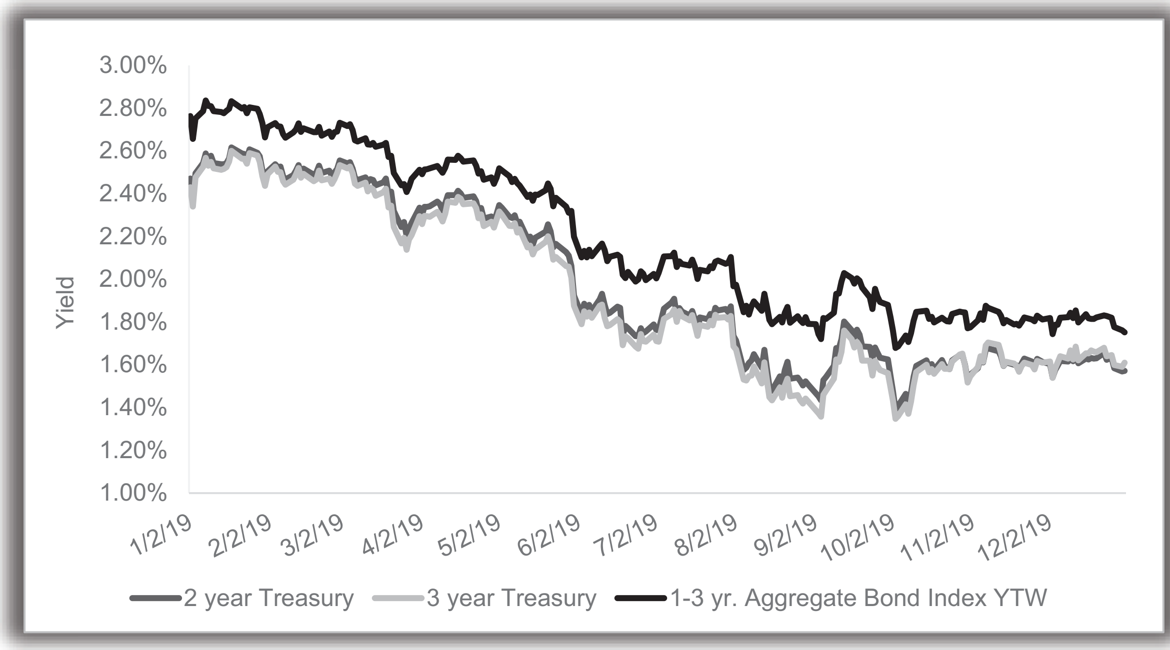
[7] The Average Life (years) is the average length of time that each dollar of unpaid principal on a loan, a mortgage or an amortizing bond remains outstanding.

Past performance is no guarantee, nor is it indicative, of future returns.

Charts 1 and 2 below tell the story of our year and this past quarter. The first chart shows 2- and 3-year Treasury yields and the yield on the Bloomberg Barclays 1-3 year Aggregate Bond Index. These data points serve as a proxy for our high-quality investment opportunity set as determined by our market-based duration target. Based on yields over the past year, we have focused on bonds with a duration of two to three years. As a reminder, we define high-quality bonds as bonds rated A- or higher.

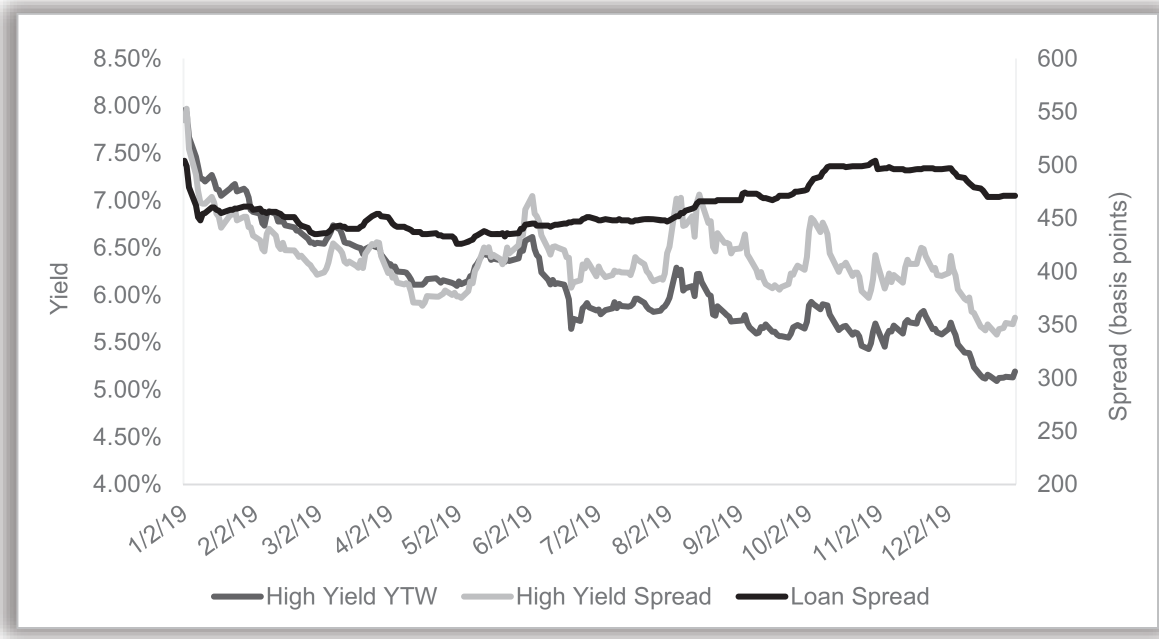
The second chart shows the yield and spread on the Bloomberg Barclays High Yield Index and the spread on the Credit Suisse Leveraged Loan Index as proxies for our credit investment opportunity set. We define credit investments as investments rated BBB+ or lower.

Chart 1: High Quality Opportunity Set



Source: Bloomberg Barclays; Chart data covers the period 1/1/2019 through 12/31/2019.

Chart 2: Credit Opportunity Set



Source: High Yield data Bloomberg Barclays, Loan data Credit Suisse; Chart data covers the period 1/1/2019 through 12/31/2019.

In 2019 (and also in the past quarter), bonds of all sorts became more and more expensive. Chart 1 shows that yields on high-quality 2- to 4-year maturity bonds declined by 90 to 100 basis points (bps) during the year. Chart 2 shows that yields on high-yield bonds declined by over 275 basis points, ending the year at a not-so-high-yield of 5.2%! In the leveraged loan market, spreads compressed by nearly 80 basis points at one point before finishing the year approximately 30 basis points lower than where they started at the beginning of the year. What is an absolute value investor to do in a market like this? We wait and preserve capital for better investment opportunities, which is exactly what we did for the past year and, indeed, for the past quarter.

Much as we did during the first nine months of the year, during the fourth quarter most of the capital we deployed went to high-quality bonds that extend the portfolio's duration. Most of the Fund's high-quality investments came in the form of fixed rate equipment ABS, non-agency CMBS, auto ABS and agency and non-agency mortgages which, on average, had a duration of 2.30 years. We also meaningfully added to the Fund's exposure in high quality, floating rate CLOs. These investments were funded with a combination of existing cash, the proceeds of bond maturities and amortization, and sales of short duration bonds. Notably, we also sold longer-duration agency mortgage pools that had an average duration of approximately 2.9 years. These pools were purchased early in 2019 when there were higher yields. As yields declined in 2019, the price of these pools went up. Those higher prices contributed positively to the portfolio's return. However, those higher prices also meant that these pools were no longer attractive for us to own going forward because the yields no longer adequately compensated us for the duration risk. As disciplined investors, we look to sell investments like these when they cease to meet our investment criteria.

In credit, we exercised patience and waited for opportunities to deploy capital at attractive valuations. That paid off when we identified a few investment opportunities in the loan market that met our investment criteria. In addition to adding to existing positions at attractive prices, we invested in a few new loans this quarter, both public and private.[8] Some of the new investments came from recent research and some from past research. Even in expensive markets like today, our team researches companies and investments in the hope that one day they will become cheap enough for us to own. In total, the Fund's credit exposure increased by 120 bps to 9.6% at December 31, 2019 versus 8.4% at September 30, 2019.

Lastly, cash and equivalents increased to 12.5% of the portfolio as of the end of the 2019 versus 3.1% at September 30, 2019, reflecting the impact of the aforementioned sales of agency pools close to the end of the year and inflows with little opportunity to invest the proceeds prior to year-end.

Market Commentary

In December, the inbox fills up with two types of very large research reports: reviews of 2019 and projections for the best and worst places to invest in 2020. For many investment managers, at the stroke of midnight on December 31, everything magically starts over. In our minds, the only thing that starts over is the 'calendar return' for the assets we manage. Since our long-term investment horizon is five years, the year-end reset is of limited value. What's more, the effects of actions taken by individuals and policy makers in one year aren't limited to that year but continue to influence future asset valuations without regard to the calendar.

An example of a policy that transcends calendar years is the Federal Reserve's program to increase the Fed Funds rate in a well-telegraphed fashion, with a target of being neutral to economic growth. This policy appeared correct when first implemented in December 2016, but it resulted in unintended consequences years later when it became toxic for the capital markets by the fourth quarter of 2018 and negatively impacted economic growth in 2019. Year-over-year real GDP growth declined from 2.7% to 2.1% during calendar year 2019. As a result, that policy was reversed. That reversal has thus far had little economic impact, but it may influence the economy in the future.

Another policy with long-term effects involved shrinking the Federal Reserve's balance sheet, or quantitative tightening (QT). For over a year, this balance sheet reduction was, to quote the Fed, 'like watching paint dry.' Then in September 2019, liquidity problems erupted in the repo market — partially as an indirect consequence of the balance sheet reduction. In our Q3 2019 letter and conference call, we talked about the repo market and its problems. The short-term solution from the Federal Reserve was to provide a repo facility and purchase Treasury Bills until the middle of 2020. As of the end of 2019, those two actions resulted in about a $400 billion increase in assets on the Federal Reserve's balance sheet, which was effectively a reversion to quantitative easing (QE). As Chart 3 makes clear, the $400 billion of new liquidity provided to the market reversed about 50% of the decline in the Federal Reserve's balance sheet from its high point at the end of 2016.

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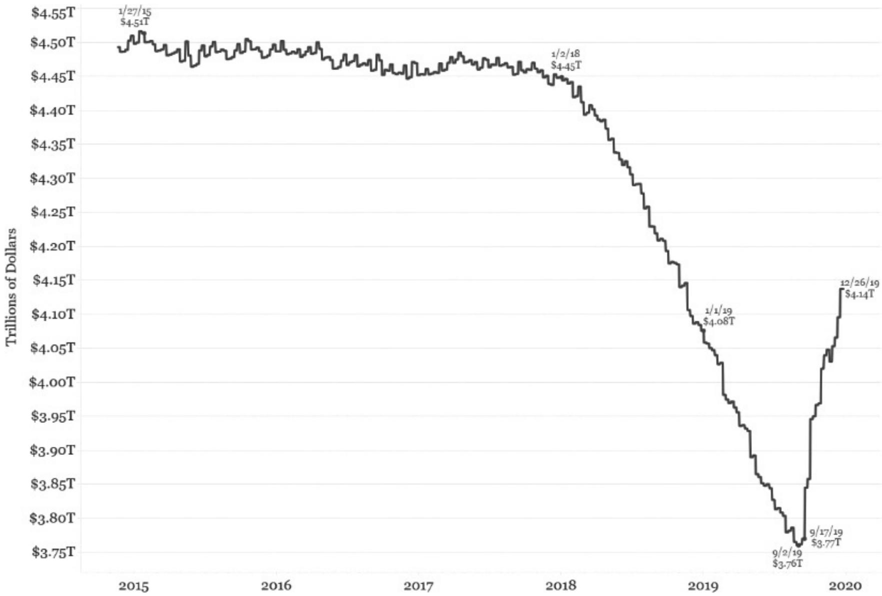
[8] Illiquid investments represented approximately 3.27% of the portfolio as of December 31, 2019.

Chart 3: The Federal Reserve's Balance Sheet



Source: Bianco Research LLC, Federal Reserve and Bloomberg. Chart data from 1/1/2015-12/26/2019.

We do not yet know the ultimate consequences of this repo clean-up exercise, though we have gleaned some insight from our inbox. Amid the flood of commentary that arrived over the last quarter, three points about the repo market stood out. The first came from David Rosenberg at Rosenberg Research. He said that over the last 10 years, the correlation between the stock market and GDP was only 7%, while the correlation between the Federal Reserve's balance sheet and the equity market was 70%.[9] We would define this comparison as fundamental versus technical.

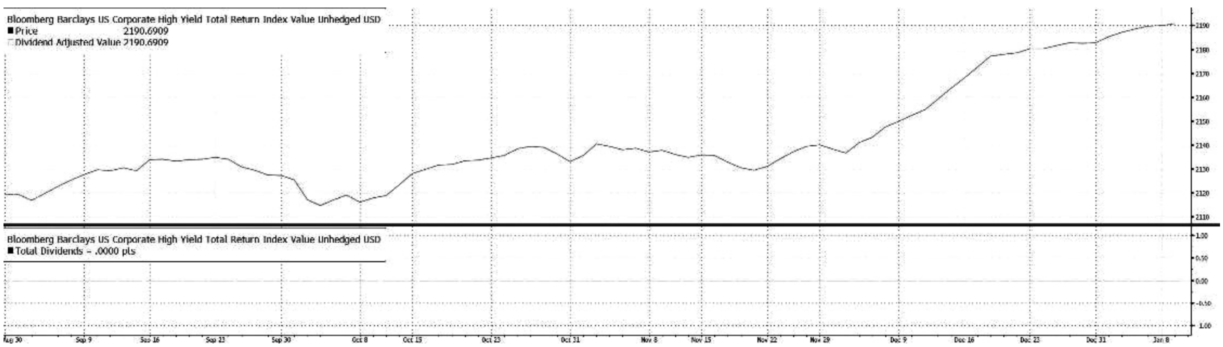
The second comment was from Bianco Research, which showed a strong positive relationship between the return on the S&P 500 and the Fed's announcement of Fed Repo program and Treasury Bill purchases (shown in Chart 4). Additionally, Bianco showed a similar reaction in the high-yield credit market as is evident in Chart 5, which shows the appreciation in the high-yield index value.

[9] Source: The Market; *Gold is an Ideal Investment;* https://themarket.ch/interview/david-rosenberg-gold-is-an-ideal-investment-ld.1429; Article dated 1/16/20.

Chart 4: S&P 500 "Repo Rally" in 2019

Source: Bianco Research and Bloomberg. Chart data covers period 9/1/2019 through 12/26/2019.

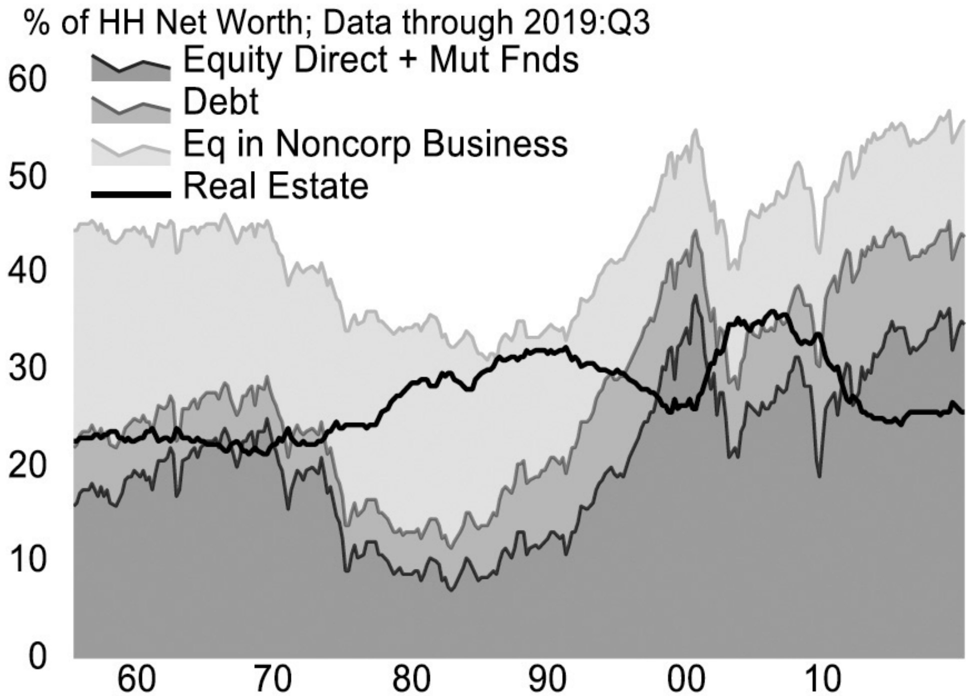
Chart 5: Bloomberg Barclays High Yield Index Value Appreciation



Source: Bloomberg. Chart data covers the period 8/30/2019 through 1/6/2020.

Finally, the third comment relates to a graph from Steve Blitz, an economist with TS Lombard that illustrated the breakdown of household wealth by asset class. Equity holdings are now the largest component of U.S. household wealth, as shown in Chart 6.

Chart 6: Allocation of Select Household (HH) Investments



Source: Refinitiv, Datastream, and TS Lombard.

These three items remind us of what then-Federal Reserve Chairman Ben Bernanke said was the objective of QE. The following is an excerpt from his Nov. 4, 2010 editorial published in the Washington Post, where he laid out the Federal Open Market Committee's (FOMC) reasoning for instituting the second QE program:

"The FOMC intends to buy an additional $600 billion of longer-term Treasury securities by mid-2011 and will continue to reinvest repayments of principal on its holdings of securities, as it has been doing since August. This approach eased financial conditions in the past and, so far, looks to be effective again. Stock prices rose and long-term interest rates fell when investors began to anticipate this additional action. Easier financial conditions will promote economic growth. For example, lower mortgage rates will make housing more affordable and allow more homeowners to refinance. Lower corporate bond rates will encourage investment. <u>And higher stock prices will boost consumer wealth and help increase confidence, which can also spur spending. Increased spending will lead to higher incomes and profits that, in a virtuous circle, will further support economic expansion</u>." (Our emphasis added).

We are nine years on, and the central bank policy still adheres to ideas put forth just after the end of a recession. Further, part of the objective is to be an activist in asset prices, calm volatility and, to borrow from Pink Floyd, make the market 'comfortably numb' to risk and proper valuations.

Over the past 10 years of this economic expansion, we have commented in detail as to why expensive valuations have made disciplined investing challenging for vast periods of time, whether it is in the high-quality or credit portion of the fixed income market. We don't and can't know how long this numbed environment will last, so we must decide how best to deploy capital to reach the Fund's short- and long-term investment objectives. Scattered among those year-end research reports are economic prognostications that a recession is coming soon and others saying the economy will improve. We have no valuable insight to this macroeconomic question, so instead, we ask whether we are being paid enough relative to the risk of a bad outcome. For the most part, in today's market, we think the answer is no. As such, 2020 starts out as one of those market environments where capital preservation is paramount, and the appropriate attitude appears to be patiently waiting for more attractive investment opportunities. We see value in pushing out the duration of the Fund's high-quality holdings as far as possible within the confines of our duration test. That test seeks to identify investments that we expect will have a positive or break-even return over 12 months, assuming that yields rise by 100 bps. Actively managing the duration in this manner creates an attractive upside versus downside with respect to interest rate duration. Further, we have moved toward investments that are less exposed to rising spreads and bear less credit risk until we are paid adequately to do otherwise. The yield spread over corresponding Treasury securities on a vast majority of fixed income securities are at or near multi-year lows. If the economy improves over the course of 2020, that good news is already baked into the price. If, on the other hand, the economy deteriorates, investors won't be compensated for that deteriorating environment. None of this is new to our shareholders, who expect us to be consistent and disciplined while patiently waiting for an attractive investing environment. Unlike the rest of the market, we are not 'comfortably numb.'

Thank you for your continued trust and support.

Respectfully submitted,

Thomas H. Atteberry
Portfolio Manager

Abhijeet Patwardhan
Portfolio Manager

January 2020

Important Disclosures

This Commentary is for informational and discussion purposes only and does not constitute, and should not be construed as, an offer or solicitation for the purchase or sale of any securities, products or services discussed, and neither does it provide investment advice. Any such offer or solicitation shall only be made pursuant to the Fund's Prospectus which supersedes the information contained herein in its entirety.

The views expressed herein and any forward-looking statements are as of the date of the 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 or sectors are for informational purposes only and should not be construed as recommendations by the Fund, the portfolio managers, the Adviser, or the distributor. It should not be assumed that future investments will be profitable or will equal the performance of the security or sector examples discussed. The portfolio holdings as of the most recent quarter-end may be obtained at www.fpa.com.

The statements made herein may be forward-looking and/or based on current expectations, projections, and/or information currently available. Actual results may differ from those anticipated. The portfolio managers and/or FPA cannot assure future results and disclaims any obligation to update or alter any statistical data and/or references thereto, as well as any forward-looking statements, whether as a result of new information, future events, or otherwise. Such statements may or may not be accurate over the long-term.

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. 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; this may be enhanced when investing in emerging markets. Foreign investments, especially those of companies in emerging markets, can be riskier, less liquid, harder to value, and more volatile than investments in the United States. The securities of smaller, less well-known companies can be more volatile than those of larger companies.

The return of principal in a bond fund is not guaranteed. Bond funds have the same issuer, interest rate, inflation and credit risks that are associated with underlying bonds owned by the Fund. Lower rated bonds, convertible securities and other types of debt obligations involve greater risks than higher rated bonds.

Interest rate risk is the risk that when interest rates go up, the value of fixed income securities, such as bonds, typically go down and investors may lose principal value. Credit risk is the risk of loss of principal due to the issuer's failure to repay a loan. Generally, the lower the quality rating of a security, the greater the risk that the issuer will fail to pay interest fully and return principal in a timely manner. If an issuer defaults the security may lose some or all of its value.

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.

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 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 styles of investing during given periods.

The ratings agencies that provide ratings are Standard and Poor's, Moody's, and Fitch. Credit ratings range from AAA (highest) to D (lowest). Bonds rated BBB or above are considered investment grade. Credit ratings of BB and below are lower-rated securities (junk bonds). High-yielding, non-investment grade bonds (junk bonds) involve higher risks than investment grade bonds. Bonds with credit ratings of CCC or below have high default risk.

Not authorized for distribution unless preceded or accompanied by a current prospectus. The prospectus can be accessed at: https://fpa.com/request-funds-literature.

Index Definitions

Comparison to any index is for illustrative purposes only and should not be relied upon as a fully accurate measure of comparison. The Fund will be less diversified than the indices noted herein, and may hold non-index securities or securities that are not comparable to those contained in an index. Indices will hold positions that are not within the Fund's investment strategy. Indices are unmanaged, do not reflect any commissions, fees or expenses which would be incurred by an investor purchasing the underlying securities. The Fund does not include outperformance of any index or benchmark in its investment objectives. An investor cannot invest directly in an index.

Bloomberg Barclays U.S. Universal Bond Index represents the union of the following Bloomberg Barclay's indices: U.S. Aggregate Index, the U.S. Corporate High-Yield Index, the 144A Index, the Eurodollar Index, the Emerging Markets Index, and the non-ERISA portion of the CMBS Index. Municipal debt, private placements, and non-dollar-denominated issues are excluded from the Universal Index. The only constituent of the index that includes floating-rate debt is the Emerging Markets Index.

The **Consumer Price Index (CPI)** is an unmanaged index representing the rate of the inflation of U.S. consumer prices as determined by the U.S. Department of Labor Statistics. The CPI is presented to illustrate the Fund's purchasing power against changes in the prices of goods as opposed to a benchmark, which is used to compare the Fund's performance. There can be no guarantee that the CPI will reflect the exact level of inflation at any given time. This index reflects non-seasonally adjusted returns.

The **CPI + 200 bps** is created by adding 2% to the annual percentage change in the CPI. This index reflects non-seasonally adjusted returns.

Basis Point (bps) is equal to one hundredth of one percent, or 0.01%. 100 basis points = 1%.

Effective Duration (years) is the duration calculation for bonds with embedded options. Effective duration takes into account that expected cash flows will fluctuate as interest rates change.

Average Life (years) is the average length of time that each dollar of unpaid principal on a loan, a mortgage or an amortizing bond remains outstanding.

Repo (Repurchase Agreement) is a form of short-term borrowing for dealers in government securities.

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

The discussions of Fund investments represent the views of the Fund's managers at the time of this report and are subject to change without notice. References to individual securities are for informational purposes only and should not be construed as recommendations to purchase or sell individual securities.

FUND RISKS

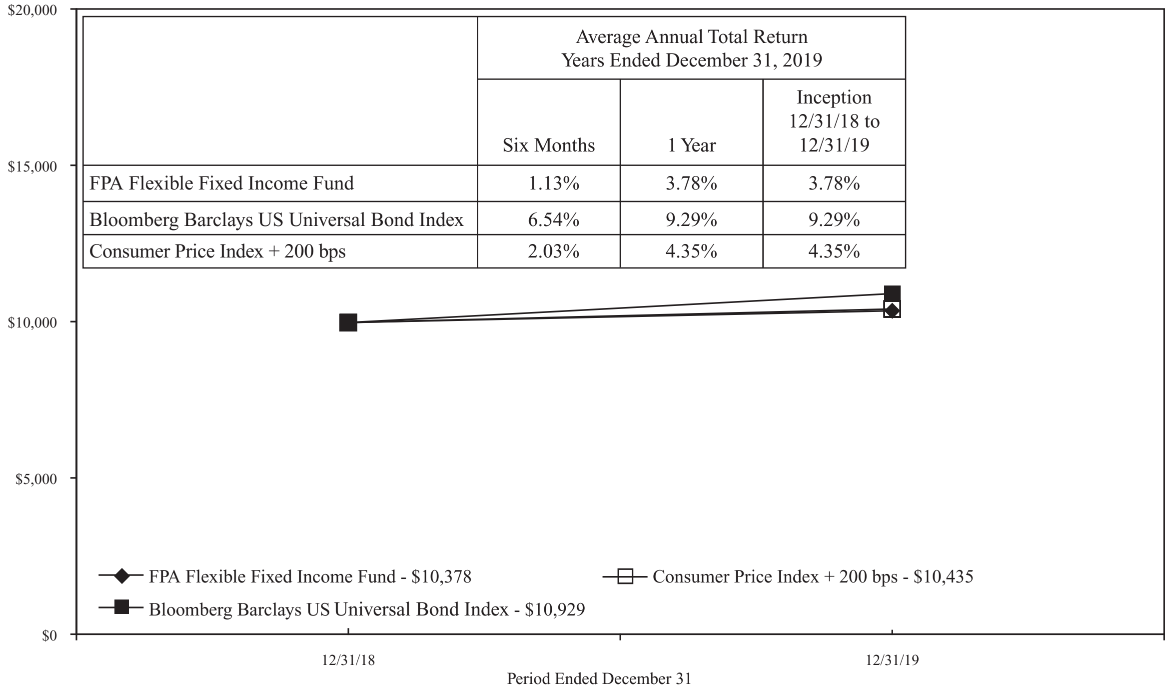
Investments in mutual funds carry risks and investors may lose principal value. Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. The funds may purchase foreign securities which are subject to interest rate, currency exchange rate, economic and political risks: this may be enhanced when investing in emerging markets. The securities of smaller, less well-known companies can be more volatile than those of larger companies. The return of principal in a bond fund is not guaranteed. Bond funds have the same issuer, interest rate, inflation and credit risks that are associated with underlying bonds owned by the fund. 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; derivatives may increase volatility. High yield securities can be volatile and subject to much higher instances of default.

FORWARD LOOKING STATEMENT DISCLOSURE

As mutual fund managers, one of our responsibilities is to communicate with shareholders in an open and direct manner. Insofar as some of our opinions and comments in our letters to shareholders are based on our current expectations, they are considered "forward-looking statements" which may or may not prove to be accurate over the long term. While we believe we have a reasonable basis for our comments and we have confidence in our opinions, actual results may differ materially from those we anticipate. You can identify forward-looking statements by words such as "believe," "expect," "may," "anticipate," and other similar expressions when discussing prospects for particular portfolio holdings and/or the markets, generally. We cannot, however, assure future results and disclaim any obligation to update or alter any forward-looking statements, whether as a result of new information, future events, or otherwise. Further, information provided in this report should not be construed as a recommendation to purchase or sell any particular security.

FPA FLEXIBLE FIXED INCOME FUND
HISTORICAL PERFORMANCE
(Unaudited)

Change in Value of a $10,000 Investment in FPA Flexible Fixed Income Fund vs Bloomberg Barclays U.S. Universal Bond Index and Consumer Price Index + 200 Basis Points from December 31, 2018 to December 31, 2019



	Average Annual Total Return Years Ended December 31, 2019		
	Six Months	1 Year	Inception 12/31/18 to 12/31/19
FPA Flexible Fixed Income Fund	1.13%	3.78%	3.78%
Bloomberg Barclays US Universal Bond Index	6.54%	9.29%	9.29%
Consumer Price Index + 200 bps	2.03%	4.35%	4.35%

Past performance is not indicative of future performance. The Bloomberg Barclays U.S. Universal Bond Index represents the union of the following Bloomberg Barclays' indices: U.S. Aggregate Index, U.S. High-Yield Corporate Index,144A Index, Eurodollar Index, Emerging Markets Index and non-ERISA portion of the CMBS Index. Municipal debt, private placements, and non-dollar-denominated issues are excluded from the Universal Index. The only constituent of the index that includes floating-rate debt is the Emerging Markets Index. The CPI + 200 Basis Points index is created by adding 2% to the annual percentage change in the Consumer Price Index ("CPI"). The Consumer Price Index is an unmanaged index representing the rate of inflation of U.S. consumer prices as determined by the U.S. Department of Labor Statistics. There can be no guarantee that the CPI or other indexes will reflect the exact level of inflation at any given time. An investor cannot invest directly in an index. The performance of the Fund and of the Averages is computed 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. Current month-end performance data can be obtained by visiting the website at www.fpa.com or by calling toll-free, 1-800-982-4372. Information regarding the Fund's expense ratio and redemption fees can be found on page 31.

The Prospectus details the Fund's objective and policies, charges, and other matters of interest to prospective investors. Please read the prospectus carefully before investing. The Prospectus may be obtained by visiting the website at www.fpa.com, by email at crm@fpa.com, toll-free by calling 1-800-982-4372 or by contacting the Fund in writing.

FPA FLEXIBLE FIXED INCOME FUND
PORTFOLIO SUMMARY

December 31, 2019

Common Stocks		**0.4%**
Energy	0.4%	
Bonds & Debentures		**100.0%**
Asset-Backed Securities	33.4%	
Residential Mortgage-Backed Securities	25.0%	
U.S. Treasuries	19.8%	
Commercial Mortgage-Backed Securities	12.9%	
Corporate Bank Debt	7.5%	
Corporate Bonds & Notes	1.4%	
Short-term Investments		**0.2%**
Other Assets And Liabilities, Net		**(0.6)%**
Net Assets		**100.0%**

FPA FLEXIBLE FIXED INCOME FUND
PORTFOLIO OF INVESTMENTS
December 31, 2019

COMMON STOCKS	Shares or Principal Amount	Fair Value
ENERGY — 0.4%		
PHI Group, Inc.(a)(b)(c)(d)	23,814	$ 154,791
PHI Group, Inc., Restricted(a)(b)(c)(d)	51,478	334,607
		$ 489,398
TOTAL COMMON STOCKS — 0.4% (Cost $615,785)		$ 489,398
BONDS & DEBENTURES		
COMMERCIAL MORTGAGE-BACKED SECURITIES — 12.9%		
AGENCY — 3.3%		
Federal Home Loan Mortgage Corp. K042 A1 — 2.267% 6/25/2024	$ 248,746	$ 249,384
Federal Home Loan Mortgage Corp. K024 A2 — 2.573% 9/25/2022	93,000	94,251
Government National Mortgage Association 2014-169 A — 2.60% 11/16/2042	957,572	959,903
Government National Mortgage Association 2015-21 A — 2.60% 11/16/2042	968,577	971,307
Government National Mortgage Association 2014-148 A — 2.65% 11/16/2043	963,666	965,457
Government National Mortgage Association 2014-138 A — 2.70% 1/16/2044	98,885	99,158
Government National Mortgage Association 2010-161 B — 3.00% 7/16/2040	42,560	42,617
Government National Mortgage Association 2019 39 A — 3.10% 5/16/2059	1,097,366	1,112,306
Government National Mortgage Association 2011-9 C, VRN — 3.499% 9/16/2041(e)	83,399	84,010
		$ 4,578,393
AGENCY STRIPPED — 0.9%		
Government National Mortgage Association 2015-19 IO — 0.739% 1/16/2057(e)	$ 4,118,015	$ 201,174
Government National Mortgage Association 2015-7 IO — 0.761% 1/16/2057(e)	3,991,888	208,140
Government National Mortgage Association 2015-41 AF, VRN — 3.051% 9/16/2056(e)	901,941	933,171
		$ 1,342,485
NON-AGENCY — 8.7%		
Citigroup Commercial Mortgage Trust 2013-GC11 A3 — 2.815% 4/10/2046	$ 744,604	$ 757,897
Citigroup Commercial Mortgage Trust 2012-GC8 A4 — 3.024% 9/10/2045	66,931	68,236
COMM Mortgage Trust 2012-CR5 A3 — 2.54% 12/10/2045	861,000	867,099
COMM Mortgage Trust 2013-LC6 A4 — 2.941% 1/10/2046	1,103,000	1,125,575

FPA FLEXIBLE FIXED INCOME FUND
PORTFOLIO OF INVESTMENTS (Continued)

December 31, 2019

BONDS & DEBENTURES — Continued	Principal Amount	Fair Value
COMM Mortgage Trust 2015-CR22 A3 — 3.207% 3/10/2048	$ 179,000	$ 181,678
GS Mortgage Securities Corp. II 2015-GC30 AAB — 3.12% 5/10/2050	500,000	512,337
GS Mortgage Securities Corp. Trust 2012-ALOH A — 3.551% 4/10/2034(f)	988,000	1,010,041
JP Morgan Chase Commercial Mortgage Securities Trust C 2012-HSBC A — 3.093% 7/5/2032(f)	942,714	959,870
JP Morgan Chase Commercial Mortgage Securities Trust 2012-C8 AS — 3.424% 10/15/2045(f)	687,000	702,843
JPMBB Commercial Mortgage Securities Trust 2015-C30 ASB — 3.559% 7/15/2048	990,000	1,022,045
RETL P 2019-RVP B, 1M USD LIBOR + 1.55%, FRN — 3.29% 3/15/2036(e)(f)	735,000	735,917
UBS Commercial Mortgage Trust 2012-C1 A3 — 3.40% 5/10/2045	95,690	97,761
VNDO E Mortgage Trust 2012-6AVE B — 3.298% 11/15/2030(f)	1,250,000	1,273,217
Wells Fargo Commercial Mortgage Trust 2012-LC5 A3 — 2.918% 10/15/2045	512,486	520,992
Wells Fargo Commercial Mortgage Trust 2014-LC18 ASB — 3.244% 12/15/2047	999,992	1,023,336
WFRBS Commercial Mortgage Trust 2012-C9 A3 — 2.87% 11/15/2045	133,530	135,658
WFRBS Commercial Mortgage Trust 2012-C8 A3 — 3.001% 8/15/2045	989,000	1,004,219
WFRBS Commercial Mortgage Trust 2013-C11 A5 — 3.071% 3/15/2045	187,000	191,296
		$ 12,190,017
TOTAL COMMERICAL MORTGAGE-BACKED SECURITIES (Cost $17,976,397)		$ 18,110,895
RESIDENTIAL MORTGAGE-BACKED SECURITIES — 25.0%		
AGENCY COLLATERALIZED MORTGAGE OBLIGATION — 2.5%		
Federal Home Loan Mortgage Corp. 4336 WV — 3.00% 10/15/2025	$ 677,869	$ 687,259
Federal Home Loan Mortgage Corp. 4235 QE — 3.00% 8/15/2031	214,845	217,586
Federal Home Loan Mortgage Corp. 4162 P — 3.00% 2/15/2033	805,919	824,961
Federal National Mortgage Association 2012-128 WC — 1.75% 10/25/2032	161,823	159,243
Federal National Mortgage Association 2012-47 HA — 1.50% 5/25/2027	300,026	293,564
Federal National Mortgage Association 4220 EH — 2.50% 6/15/2028	257,074	259,862
Federal National Mortgage Association 4387 VA — 3.00% 2/15/2026	887,343	900,930
Federal National Mortgage Association 2012-144 PD — 3.50% 4/25/2042	201,863	207,018
		$ 3,550,423
AGENCY POOL FIXED RATE — 18.5%		
Federal Home Loan Mortgage Corp. E04202 — 2.00% 2/1/2028	$ 137,226	$ 136,860
Federal Home Loan Mortgage Corp. G18431 — 2.50% 4/1/2027	207,086	209,583

BONDS & DEBENTURES — Continued	Principal Amount	Fair Value
Federal Home Loan Mortgage Corp. J18818 — 2.50% 4/1/2027	$ 461,021	$ 466,580
Federal Home Loan Mortgage Corp. J20465 — 2.50% 9/1/2027	301,371	305,005
Federal Home Loan Mortgage Corp. J20770 — 2.50% 10/1/2027	364,939	369,339
Federal Home Loan Mortgage Corp. J20834 — 2.50% 10/1/2027	876,248	886,814
Federal Home Loan Mortgage Corp. J21434 — 2.50% 12/1/2027	429,359	434,537
Federal Home Loan Mortgage Corp. J16680 — 3.00% 9/1/2026	367,863	377,271
Federal Home Loan Mortgage Corp. G14266 — 3.00% 11/1/2026	618,786	634,611
Federal Home Loan Mortgage Corp. J17233 — 3.00% 11/1/2026	815,150	835,998
Federal Home Loan Mortgage Corp. J17774 — 3.00% 1/1/2027	864,946	887,067
Federal Home Loan Mortgage Corp. J18051 — 3.00% 2/1/2027	548,763	562,969
Federal Home Loan Mortgage Corp. G14600 — 3.00% 11/1/2027	644,867	662,165
Federal Home Loan Mortgage Corp. G15418 — 3.00% 11/1/2027	1,047,285	1,074,397
Federal Home Loan Mortgage Corp. G16476 — 3.00% 4/1/2028	647,267	664,630
Federal National Mortgage Association AL6472 — 2.00% 3/1/2025	187,098	187,386
Federal National Mortgage Association AB7241 — 2.00% 12/1/2027	286,566	285,646
Federal National Mortgage Association AQ7281 — 2.00% 12/1/2027	682,568	680,377
Federal National Mortgage Association MA2676 — 2.50% 7/1/2026	800,134	808,848
Federal National Mortgage Association AS8618 — 2.50% 1/1/2027	696,990	704,798
Federal National Mortgage Association BM1022 — 2.50% 1/1/2027	814,178	823,298
Federal National Mortgage Association AL1366 — 2.50% 2/1/2027	884,825	894,184
Federal National Mortgage Association AB4720 — 2.50% 3/1/2027	847,538	857,298
Federal National Mortgage Association AK7393 — 2.50% 3/1/2027	868,771	878,775
Federal National Mortgage Association AK7766 — 2.50% 3/1/2027	855,396	865,246
Federal National Mortgage Association AL1562 — 2.50% 4/1/2027	241,714	244,498
Federal National Mortgage Association MA1047 — 2.50% 4/1/2027	810,202	819,532
Federal National Mortgage Association AB5710 — 2.50% 7/1/2027	2,907,605	2,941,086
Federal National Mortgage Association MA1101 — 2.50% 7/1/2027	421,172	426,022
Federal National Mortgage Association MA3079 — 2.50% 7/1/2027	106,142	107,331
Federal National Mortgage Association AB6192 — 2.50% 9/1/2027	461,957	467,277
Federal National Mortgage Association MA1167 — 2.50% 9/1/2027	375,429	379,752
Federal National Mortgage Association MA3158 — 2.50% 10/1/2027	154,278	156,054
Federal National Mortgage Association AL4637 — 2.50% 11/1/2027	305,553	309,072
Federal National Mortgage Association BM5514 — 2.50% 2/1/2029	460,026	465,323
Federal National Mortgage Association BM1595 — 2.50% 3/1/2031	657,956	665,532
Federal National Mortgage Association AJ7495 — 3.00% 12/1/2026	225,633	231,349
Federal National Mortgage Association AK3263 — 3.00% 2/1/2027	379,192	388,916
Federal National Mortgage Association AL3773 — 3.00% 6/1/2028	838,285	859,783
Federal National Mortgage Association BM4299 — 3.00% 3/1/2030	596,140	611,056
Federal National Mortgage Association AL1741 — 3.50% 5/1/2027	854,571	885,741

BONDS & DEBENTURES — Continued	Principal Amount	Fair Value
Federal National Mortgage Association AL1576 — 4.00% 3/1/2027	$ 310,507	$ 325,096
Federal National Mortgage Association FM1102 — 4.00% 3/1/2031	133,541	139,315
		$ 25,916,417
AGENCY STRIPPED — 0.2%		
Federal National Mortgage Association 284 1 — 0.00% 7/25/2027(g)	$ 316,061	$ 292,547
NON-AGENCY COLLATERALIZED MORTGAGE OBLIGATION — 3.8%		
BRAVO Residential Funding Trust 2019-1 A1C — 3.50% 3/25/2058(f)	$ 847,965	$ 870,960
CIM Trust 2017-7 A, VRN — 3.00% 4/25/2057(e)(f)	142,552	143,186
CIM Trust 2018-R3 A1, VRN — 5.00% 12/25/2057(e)(f)	797,989	825,070
Finance of America HECM Buyout — 2.656% 12/27/2049(b)(f)	1,204,000	1,204,188
Nationstar HECM Loan Trust 2019-2A M1, VRN — 2.359% 11/25/2029(e)(f)	130,000	129,792
Nationstar HECM Loan Trust 2019-1A M1, VRN — 2.664% 6/25/2029(e)(f)	1,008,000	1,010,832
Towd Point Mortgage Trust 2018-1 A1, VRN — 3.00% 1/25/2058(e)(f)	70,153	70,870
Towd Point Mortgage Trust 2018-2 A1, VRN — 3.25% 3/25/2058(e)(f)	895,258	908,398
Towd Point Mortgage Trust 2018-5 A1A, VRN — 3.25% 7/25/2058(e)(f)	156,294	159,057
		$ 5,322,353
TOTAL RESIDENTIAL MORTGAGE-BACKED SECURITIES (Cost $34,629,090)		$ 35,081,740
ASSET-BACKED SECURITIES — 33.4%		
AUTO — 9.2%		
Ally Auto Receivables Trust 2019-1 A4 — 3.02% 4/15/2024	$ 252,000	$ 258,166
CarMax Auto Owner Trust 2019-3 A3 — 2.18% 8/15/2024	666,000	666,947
CarMax Auto Owner Trust 2019-1 A4 — 3.26% 8/15/2024	200,000	205,520
CarMax Auto Owner Trust 2019-1 B — 3.45% 11/15/2024	107,000	110,286
Ford Credit Auto Lease Trust 2019-B B — 2.36% 1/15/2023	494,000	495,283
Ford Credit Auto Owner Trust 2019-A A4 — 2.85% 8/15/2024	676,000	688,633
GM Financial Automobile Leasing Trust 2019-2 B — 2.89% 3/20/2023	1,000,000	1,009,310
Honda Auto Receivables Owner Trust 2019-3 A3 — 1.78% 8/15/2023	523,000	521,619
Honda Auto Receivables Owner Trust 2019-2 A4 — 2.54% 3/21/2025	1,000,000	1,013,163
Honda Auto Receivables Owner Trust 2019-1 A4 — 2.90% 6/18/2024	355,000	362,827
Honda Auto Receivables Owner Trust 2018-4 A4 — 3.30% 7/15/2025	70,000	72,071
Hyundai Auto Lease Securitization Trust 2019-A B — 3.25% 10/16/2023(f)	334,000	338,160
Hyundai Auto Receivables Trust 2019-A A4 — 2.71% 5/15/2025	1,000,000	1,015,449
Nissan Auto Receivables Owner Trust 2019-C A3 — 1.93% 7/15/2024	575,000	575,437

BONDS & DEBENTURES — Continued	Principal Amount	Fair Value
Nissan Auto Receivables Owner Trust 2019-A A4 — 3.00% 9/15/2025	$ 252,000	$ 258,638
Nissan Auto Receivables Owner Trust 2018-B A4 — 3.16% 12/16/2024	435,000	446,022
Prestige Auto Receivables Trust 2019-1A B — 2.53% 1/16/2024(f)	263,000	263,851
Toyota Auto Receivables Owner Trust 2019-A A4 — 3.00% 5/15/2024	252,000	258,877
Volkswagen Auto Lease Trust 2019-A A4 — 2.02% 8/20/2024	259,000	258,154
World Omni Auto Receivables Trust 2019-C A3 — 1.96% 12/16/2024	650,000	648,632
World Omni Auto Receivables Trust 2018-A B — 2.89% 4/15/2025	1,022,000	1,035,248
World Omni Auto Receivables Trust 2018-B A4 — 3.03% 6/17/2024	1,013,000	1,034,020
World Omni Auto Receivables Trust 2019-A B — 3.34% 6/16/2025	252,000	258,057
World Omni Automobile Lease Securitization Trust 2019-B A4 — 2.07% 2/18/2025	338,000	337,215
World Omni Automobile Lease Securitization Trust 2019-B B — 2.13% 2/18/2025	190,000	189,290
World Omni Automobile Lease Securitization Trust 2019-A B — 3.24% 7/15/2024	529,000	537,303
		$ 12,858,178
COLLATERALIZED LOAN OBLIGATION — 9.1%		
Canyon Capital CLO Ltd. 2014-2A AS, 3M USD LIBOR + 1.250%, FRN — 3.251% 4/15/2029(e)(f)	$ 627,000	$ 625,923
Cerberus Corporate Credit Solutions Fund — 3.531% 10/15/2030(e)(f)	1,247,000	1,243,798
Cerberus Loan Funding XXI LP 2017-4A A, 3M USD LIBOR + 1.45%, FRN — 3.451% 10/15/2027(e)(f)	1,136,000	1,135,732
Cerberus Loan Funding XXIII LP 2018-2A A, 3M USD LIBOR + 1.00%, FRN — 3.001% 4/15/2028(e)(f)	744,652	742,922
Fortress Credit Opportunities IX CLO Ltd. 2017-9A A1T, 3M USD LIBOR + 1.55%, FRN — 3.46% 11/15/2029(e)(f)	1,014,000	1,008,638
Fortress Credit Opportunities VII CLO Ltd. 2016-7A BR, 3M USD LIBOR + 2.45%, FRN — 4.344% 12/15/2028(e)(f)	329,000	328,658
Fortress Credit Opportunities VII CLO, Ltd. 2016-7I E, 3M USD LIBOR + 7.49%, FRN — 9.384% 12/15/2028(e)	246,000	235,967
Hercules Capital Funding Trust 2018-1A A — 4.605% 11/22/2027(f)	1,188,000	1,191,520
Hercules Capital Funding Trust 2019-1A A — 4.703% 2/20/2028(f)	666,000	669,604
Ivy Hill Middle Market Credit Fund VII Ltd., 3M USD LIBOR + 1.25%, FRN — 3.253% 7/18/2030(e)(f)	227,000	223,693
Jamestown CLO VII Ltd. 2015-7A A1R, 3M USD LIBOR + 0.83%, FRN — 2.77% 7/25/2027(e)(f)	467,820	466,969
Palmer Square CLO Ltd. 2019-1A A1, 3M USD LIBOR + 1.05%, FRN — 3.016% 4/20/2027(e)(f)	448,410	448,494
Sound Point CLO XII Ltd. 2016-2A AR, 3M USD LIBOR + 1.29%, FRN — 3.256% 10/20/2028(e)(f)	514,000	513,829

BONDS & DEBENTURES — Continued	Principal Amount	Fair Value
Symphony CLO XII Ltd. 2013-12A AR, 3M USD LIBOR + 1.030%, FRN — 3.031% 10/15/2025(e)(f)	$ 840,501	$ 840,585
Telos CLO Ltd. 2014-5A A1R, 3M USD LIBOR + 0.95%, FRN — 2.952% 4/17/2028(e)(f)	260,000	259,142
Telos CLO Ltd. 2013-3A AR, 3M USD LIBOR + 1.300% — 3.302% 7/17/2026(e)(f)	909,860	909,859
Trinitas CLO V Ltd. 2016-5A AR, 3M USD LIBOR + 1.39%, FRN — 3.33% 10/25/2028(e)(f)	628,000	627,990
VCO CLO LLC 2018-1A A, 3M USD LIBOR + 1.50%, FRN — 3.466% 7/20/2030(e)(f)	251,000	251,057
Venture 35 CLO Ltd. 2018-35A AS, 3M USD LIBOR + 1.150%, FRN — 3.103% 10/22/2031(e)(f)	155,000	154,821
Venture CDO Ltd., 3M USD LIBOR + 0.88%, FRN — 2.881% 4/15/2027(e)(f)	333,000	331,821
Venture XXV CLO Ltd. 2016-25A AR, 3M USD LIBOR + 1.230%, FRN — 2.992% 4/20/2029(e)(f)	577,000	576,991
		$ 12,788,013
CREDIT CARD — 2.7%		
American Express Credit Account Master Trust 2019-2 A — 2.67% 11/15/2024	$ 268,000	$ 272,735
American Express Credit Account Master Trust 2019-1 A — 2.87% 10/15/2024	1,014,000	1,035,297
Barclays Dryrock Issuance Trust 2019-1 A — 1.96% 5/15/2025	869,000	868,013
Synchrony Card Funding LLC 2019-A2 A — 2.34% 6/15/2025	1,044,000	1,053,387
Synchrony Card Funding LLC 2019-A1 A — 2.95% 3/15/2025	544,000	553,972
		$ 3,783,404
EQUIPMENT — 9.4%		
ARI Fleet Lease Trust 2018-B A3 — 3.43% 8/16/2027(f)	$ 248,000	$ 254,447
Ascentium Equipment Receivables 2019-2A A3 — 2.19% 11/10/2026(f)	718,000	715,726
Ascentium Equipment Receivables Trust 2019-1A A3 — 2.83% 5/12/2025(f)	1,000,000	1,015,523
Avis Budget Rental Car Funding AESOP LLC 2017-2A A — 2.97% 3/20/2024(f)	268,000	272,030
Avis Budget Rental Car Funding AESOP LLC 2017-1A A — 3.07% 9/20/2023(f)	528,000	536,165
Avis Budget Rental Car Funding AESOP LLC 2019-1A A — 3.45% 3/20/2023(f)	254,000	259,682
Chesapeake Funding II LLC — 3.11% 4/15/2031(f)	676,000	695,249
Daimler Trucks Retail Trust 2019-1 A4 — 2.79% 5/15/2025(f)	1,000,000	1,014,379
Dell Equipment Finance Trust 2019-2 A3 — 1.91% 10/22/2024(f)	263,000	262,087
Dell Equipment Finance Trust 2019-2 B — 2.06% 10/22/2024(f)	353,000	349,992

BONDS & DEBENTURES — Continued	Principal Amount	Fair Value
Dell Equipment Finance Trust 2019-1 B — 2.94% 3/22/2024(f)	$ 1,000,000	$ 1,013,689
Great American Auto Leasing, Inc. 2019-1 B — 3.37% 2/18/2025(f)	252,000	259,608
GreatAmerica Leasing Receivables Funding LLC 2019-1 A4 — 3.21% 2/18/2025(f)	250,000	255,471
GreatAmerica Leasing Receivables Funding LLC Series 2018-1 B — 2.99% 6/17/2024(f)	255,000	257,943
HPEFS Equipment Trust 2019-1A B — 2.32% 9/20/2029(f)	100,000	99,928
John Deere Owner Trust 2019 A A4 — 3.00% 1/15/2026	532,000	543,778
Kubota Credit Owner Trust 2018-1A A4 — 3.21% 1/15/2025(f)	105,000	107,498
NextGear Floorplan Master Owner Trust 2019-1A A2 — 3.21% 2/15/2024(f)	934,000	953,011
NextGear Floorplan Master Owner Trust 2019-2A A2 — 2.07% 10/15/2024(f)	470,000	465,112
Verizon Owner Trust 2019 A B — 3.02% 9/20/2023	532,000	542,690
Verizon Owner Trust 2019-C A1A — 1.94% 4/22/2024	298,000	297,589
Verizon Owner Trust 2019-C B — 2.06% 4/22/2024	675,000	672,180
Verizon Owner Trust 2019-B B — 2.40% 12/20/2023	1,006,000	1,009,202
Volvo Financial Equipment LLC Series 2019-1A A4 — 3.13% 11/15/2023(f)	250,000	255,247
Wheels SPV 2 LLC 2019-1A A3 — 2.35% 5/22/2028(f)	1,033,000	1,034,349
		$ 13,142,575
OTHER — 3.0%		
MelTel Land Funding LLC 2019-1A C — 6.07% 4/15/2049(f)	$ 312,000	$ 320,751
New Residential Advance Receivables Trust Advance Receivables Backed 2019-T3 AT3 — 2.512% 9/15/2052(f)	517,000	516,152
NRZ Excess Spread-Collateralized Notes Series 2018-PLS1 A — 3.193% 1/25/2023(f)	903,835	903,270
PFS Financing Corp. 2019-A A2 — 2.86% 4/15/2024(f)	1,000,000	1,012,375
PFS Financing Corp. 2019-A B — 3.13% 4/15/2024(f)	1,000,000	1,013,813
PFS Financing Corp. 2018-F A — 3.52% 10/15/2023(f)	446,000	450,848
		$ 4,217,209
TOTAL ASSET-BACKED SECURITIES (Cost $46,457,661)		$ 46,789,379
CORPORATE BONDS & NOTES — 1.4%		
BASIC MATERIALS — 0.4%		
Neon Holdings, Inc. — 10.125% 4/1/2026(f)	$ 550,000	$ 547,250
CONSUMER, NON-CYCLICAL — 0.7%		
StoneMor Partners LP / Cornerstone Family Services of West Virginia Subsidiary — 11.50% 6/30/2024(f)	$ 956,148	$ 938,818

FPA FLEXIBLE FIXED INCOME FUND
PORTFOLIO OF INVESTMENTS (Continued)
December 31, 2019

BONDS & DEBENTURES — Continued	Principal Amount	Fair Value
ENERGY — 0.3%		
Natural Resource Partners LP / NRP Finance Corp. — 9.125% 6/30/2025(f)	$ 504,000	$ 451,080
TOTAL CORPORATE BONDS & NOTES (Cost $1,968,687)		$ 1,937,148
CORPORATE BANK DEBT — 7.5%		
ABG Intermediate Holdings 2 LLC, 1M USD LIBOR + 7.750% — 9.549% 9/29/2025(a)(e)	$ 788,000	$ 786,030
BJ Services Inc., 3M USD LIBOR + 7.000% — 9.100% 1/3/2023(a)(b)(d)(e)	240,625	238,785
Frontier Communications Corp., 1M USD LIBOR + 3.000% — 4.799% 3/15/2024(a)(e)	672,000	652,398
General Nutrition Centers, Inc., 1M USD LIBOR + 7.000% — 8.800% 12/31/2022(a)(e)	949,000	944,255
Hanjin International Corp., 1M USD LIBOR + 2.500% — 4.299% 10/18/2020(a)(e)	107,000	106,465
JC Penney Corp., Inc., 3M USD LIBOR + 4.250% — 6.159% 6/23/2023(a)(e)	579,133	508,190
Logix Holding Co. LLC TL 1L, 1M USD LIBOR + 5.750% — 7.549% 12/22/2024(a)(e)	335,186	334,140
MEC Filo TL 1, 1M USD LIBOR + 9.500% — 11.500% 2/12/2021(a)(b)(d)(e)	1,087,000	1,087,000
Mediaco Holding, Inc. Class A, 1M USD LIBOR + 6.400% — 8.40% 11/25/2024(a)(b)(d)(e)	1,241,108	1,228,949
PHI, Inc., 1M USD LIBOR + 7.000% — 8.799% 9/4/2024(a)(e)	1,251,485	1,238,970
Polyconcept North America Holdings, Inc., 1M USD LIBOR + 4.500% — 6.20% 8/16/2023(a)(e)	802,000	799,995
Transform SR Holdings LLC Term Loan B, 3M USD LIBOR + 7.250% — 9.184% 2/12/2024(a)(e)	853,000	853,017
Windstream Holdings Inc., 1M USD LIBOR + 2.500% — 4.300% 2/26/2021(a)(e)	1,000,000	1,000,000
Xplornet Communication, Inc., 3M USD LIBOR + 4.000% — 5.945% 9/9/2021(a)(e)	676,549	669,824
TOTAL CORPORATE BANK DEBT (Cost $10,440,296)		$ 10,448,018

FPA FLEXIBLE FIXED INCOME FUND
PORTFOLIO OF INVESTMENTS (Continued)
December 31, 2019

BONDS & DEBENTURES — Continued	Principal Amount	Fair Value
U.S. TREASURIES — 19.8%		
U.S. Treasury Bills — 1.501% 1/7/2020(g)	$ 2,051,000	$ 2,050,587
U.S. Treasury Bills — 1.454% 1/14/2020(g)	16,011,000	16,003,100
U.S. Treasury Notes — 1.75% 7/15/2022	9,656,000	9,688,118
TOTAL U.S. TREASURIES (Cost $27,732,083)		$ 27,741,805
TOTAL BONDS & DEBENTURES — 100.0% (Cost $139,204,214)		$140,108,985
TOTAL INVESTMENT SECURITIES — 100.4% (Cost $139,819,999)		$140,598,383
SHORT-TERM INVESTMENTS — 0.2%		
State Street Bank Repurchase Agreement — 0.12% 1/2/2020 (Dated 12/31/2019, repurchase price of $279,002, collateralized by $290,000 principal amount U.S. Treasury Notes — 1.25% 2021, fair value $288,808)	$ 279,000	$ 279,000
TOTAL SHORT-TERM INVESTMENTS (Cost $279,000)		$ 279,000
TOTAL INVESTMENTS — 100.6% (Cost $140,098,999)		$140,877,383
Other Assets and Liabilities, net — (0.6)%		(788,021)
NET ASSETS — 100.0%		$140,089,362

(a) Restricted securities. These restricted securities constituted 7.81% of total net assets at December 31, 2019, 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.

(b) Investments categorized as a significant unobservable input (Level 3) (See Note 6 of the Notes to Financial Statements).

(c) Non-income producing security.

(d) These securities have been valued in good faith under policies adopted by authority of the Board of Trustees in accordance with the Fund's fair value procedures. These securities constituted 2.17% of total net assets at December 31, 2019.

(e) Variable/Floating Rate Security — The rate shown is based on the latest available information as of December 31, 2019. For Senior Loan Notes, the rate shown may represent a weighted average interest rate.

Certain variable rate securities are not based on a published rate and spread but are determined by the issuer or agent and are based on current market conditions. These securities do not indicate a reference rate and spread in their description.

(f) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, typically only to qualified institutional buyers. Unless otherwise indicated, these securities are not considered to be illiquid.

(g) Zero coupon bond. Coupon amount represents effective yield to maturity.

FPA FLEXIBLE FIXED INCOME FUND
PORTFOLIO OF INVESTMENTS — RESTRICTED SECURITIES

December 31, 2019

Issuer	Acquisition Date(s)	Cost	Fair Value	Fair Value as a % of Net Assets
ABG Intermediate Holdings 2 LLC, 1M USD LIBOR + 7.750% — 9.549% 9/29/2025	01/07/2019, 01/18/2019, 02/12/2019, 03/28/2019, 09/20/2019, 09/27/2019, 10/16/2019	$ 782,448	$ 786,030	0.56%
BJ Services Inc., 3M USD LIBOR + 7.000% — 9.100% 1/3/2023	01/28/2019, 12/31/2019	238,785	238,785	0.17%
Frontier Communications Corp., 1M USD LIBOR + 3.000% — 4.799% 3/15/2024	12/10/2019	648,480	652,398	0.47%
General Nutrition Centers, Inc., 1M USD LIBOR + 7.000% — 8.800% 12/31/2022	12/04/2019, 12/11/2019	948,725	944,255	0.67%
Hanjin International Corp., 1M USD LIBOR + 2.500% — 4.299% 10/18/2020	10/31/2019	106,184	106,465	0.08%
JC Penney Corp., Inc., 3M USD LIBOR + 4.250% — 6.159% 6/23/2023	01/17/2019, 02/08/2019, 03/11/2019	517,809	508,190	0.36%
Logix Holding Co. LLC TL 1L, 1M USD LIBOR + 5.750% — 7.549% 12/22/2024	01/09/2019, 06/18/2019, 06/19/2019	335,100	334,140	0.24%
MEC Filo TL 1, 1M USD LIBOR + 9.500% — 11.500% 2/12/2021	11/7/2019	1,077,353	1,087,000	0.78%
Mediaco Holding, Inc. Class A, 1M USD LIBOR + 6.400% — 8.40% 11/25/2024	01/09/2019, 06/18/2019, 06/19/2019	1,228,871	1,228,949	0.88%
PHI Group, Inc.	08/19/2019	188,003	154,791	0.11%
PHI Group, Inc., Restricted	08/19/2019	427,782	334,607	0.24%
PHI, Inc., 1M USD LIBOR + 7.000% — 8.799% 9/4/2024	07/10/2019, 12/05/2019	1,229,294	1,238,970	0.88%
Polyconcept North America Holdings, Inc., 1M USD LIBOR + 4.500% — 6.20% 8/16/2023	11/18/2019	793,980	799,995	0.57%
Transform SR Holdings LLC Term Loan B, 3M USD LIBOR + 7.250% — 9.184% 2/12/2024	02/11/2019, 02/19/2019, 08/02/2019, 09/05/2019, 09/11/2019, 11/22/2019, 12/16/2019	858,788	853,017	0.61%
Windstream Holdings Inc., 1M USD LIBOR + 2.500% — 4.300% 2/26/2021	03/08/2019, 03/29/2019	997,435	1,000,000	0.71%

Issuer	Acquisition Date(s)	Cost	Fair Value	Fair Value as a % of Net Assets
Xplornet Communication, Inc., 3M USD LIBOR + 4.000% — 5.945% 9/9/2021	06/13/2019, 06/28/2019, 09/24/2019	$ 677,044	$ 669,824	0.48%
TOTAL RESTRICTED SECURITIES		$11,056,081	$10,937,416	7.81%

See accompanying Notes to Financial Statements.

FPA FLEXIBLE FIXED INCOME FUND
STATEMENT OF ASSETS AND LIABILITIES

December 31, 2019

ASSETS	
Investment securities — at fair value (identified cost $139,819,999)	$140,598,383
Short-term investments — at amortized cost (maturities 60 days or less)	279,000
Cash	30,923
Receivable for:	
Capital Stock sold	1,010,596
Interest	348,647
Due from Adviser	31,205
Total assets	142,298,754
LIABILITIES	
Payable for:	
Investment securities purchased	1,877,010
Capital Stock repurchased	236,610
Accrued expenses and other liabilities	95,772
Total liabilities	2,209,392
NET ASSETS	$140,089,362
SUMMARY OF SHAREHOLDERS' EQUITY	
Capital Stock — no par value; unlimited authorized shares; 13,883,776 outstanding shares	$139,338,109
Distributable earnings	751,253
NET ASSETS	$140,089,362
NET ASSET VALUE	
Offering and redemption price per share	$10.13

See accompanying Notes to Financial Statements.

FPA FLEXIBLE FIXED INCOME FUND
STATEMENT OF OPERATIONS

For the Year Ended December 31, 2019

INVESTMENT INCOME	
Interest	$2,787,976
EXPENSES	
Advisory fees	444,028
Trustee fees and expenses	83,500
Legal fees	77,645
Reports to shareholders	73,523
Transfer agent fees and expenses	67,485
Custodian fees	58,142
Filing fees	57,466
Audit and tax services fees	21,100
Administrative services fees	4,576
Other professional fees	4,143
Other	10,567
Total expenses	902,175
Reimbursement from Adviser	(554,731)
Net expenses	347,444
Net investment income	2,440,532
NET REALIZED AND UNREALIZED GAIN (LOSS)	
Net realized loss on:	
Investments	(67,175)
Net change in unrealized appreciation (depreciation) of:	
Investments	778,384
Net realized and unrealized gain	711,209
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	$3,151,741

See accompanying Notes to Financial Statements.

FPA FLEXIBLE FIXED INCOME FUND
STATEMENT OF CHANGES IN NET ASSETS

	Year Ended December 31, 2019(1)
INCREASE/(DECREASE) IN NET ASSETS	
Operations:	
Net investment income	$ 2,440,532
Net realized loss	(67,175)
Net change in unrealized appreciation (depreciation)	778,384
Net increase in net assets resulting from operations	3,151,741
Distributions to shareholders	(2,400,488)
Capital Stock transactions:	
Proceeds from Capital Stock sold	143,104,215
Proceeds from shares issued to shareholders upon reinvestment of dividends and distributions	1,963,802
Cost of Capital Stock repurchased	(9,080,908)
Net increase from Capital Stock transactions	135,987,109
Total change in net assets	136,738,362
NET ASSETS	
Beginning of Year	3,351,000
End of Year	$140,089,362
CHANGE IN CAPITAL STOCK OUTSTANDING	
Shares of Capital Stock sold	14,199,869
Shares issued to shareholders upon reinvestment of dividends and distributions	193,874
Shares of Capital Stock repurchased	(895,067)
Change in Capital Stock outstanding	13,498,676

(1) Operations of the Fund commenced on December 31, 2018, upon which the Fund sold 335,100 shares of capital stock worth $3,351,000

See accompanying Notes to Financial Statements.

FPA FLEXIBLE FIXED INCOME FUND
FINANCIAL HIGHLIGHTS

Selected Data for Each Share of Capital Stock Outstanding Throughout Each Year

	Year Ended December 31, 2019
Per share operating performance:	
Net asset value at beginning of year	$10.00
Income from investment operations:	
Net investment income*	0.28
Net realized and unrealized gain on investment securities	0.10
Total from investment operations	0.38
Less distributions:	
Dividends from net investment income	(0.25)
Net asset value at end of year	$10.13
Total investment return**	3.78%
Ratios/supplemental data:	
Net assets, end of year (in $000's)	$140,089
Ratio of expenses to average net assets:	
Before reimbursement from Adviser	1.01%
After reimbursement from Adviser	0.39%
Ratio of net investment income to average net assets:	
Before reimbursement from Adviser	2.11%
After reimbursement from Adviser	2.74%
Portfolio turnover rate	30%

* Per share amount is based on average shares outstanding.

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

See accompanying Notes to Financial Statements.

FPA FLEXIBLE FIXED INCOME FUND
NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 1 — Significant Accounting Policies

FPA Flexible Fixed Income Fund (the "Fund"), a series of the FPA Funds Trust, is registered under the Investment Company Act of 1940, as a diversified, open-end, management investment company. The Fund's primary investment objective is to seek current income and long-term total return. Capital preservation is also a consideration. The Fund qualifies as an investment company pursuant to Financial Accounting Standard Board (FASB) Accounting Standards Codification (ASC) No. 946, Financial Services — Investment Companies. The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements.

A. Security Valuation

The Fund's investments are reported at fair value as defined by accounting principles generally accepted in the United States of America, ("U.S. GAAP"). The Fund generally determines its net asset value as of approximately 4:00 p.m. New York time each day the New York Stock Exchange is open. Further discussion of valuation methods, inputs and classifications can be found under Disclosure of Fair Value Measurements.

B. Securities Transactions and Related Investment Income

Securities transactions are accounted for on the date the securities are purchased or sold. Dividend income and distributions to shareholders are recorded on the ex-dividend date. Interest income and expenses are recorded on an accrual basis. Market discounts and premiums on fixed income securities are amortized over the expected life of the securities. Realized gains or losses are based on the specific identification method.

C. Use of Estimates

The preparation of the financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported. Actual results could differ from those estimates.

D. Recent Accounting Pronouncements

In August 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2018-13, *Fair Value Measurement (Topic 820) — Disclosure Framework — Changes to the Disclosure Requirements for Fair Value Measurement*. The amendments eliminate certain disclosure requirements for fair value measurements for all entities, requires public entities to disclose certain new information and modifies some disclosure requirements. The new guidance is effective for all entities for fiscal years beginning after December 15, 2019 and for interim periods within those fiscal years. An entity is permitted to early adopt either the entire standard or only the provisions that eliminate or modify requirements. The Adviser is currently evaluating the impact of this new guidance on the Fund's financial statements.

NOTE 2 — Risk Considerations

Investing in the Fund may involve certain risks including, but not limited to, those described below.

Market Risk: Because the values of the Fund's investments will fluctuate with market conditions, so will the value of your investment in the Fund. You could lose money on your investment in the Fund or the Fund could underperform other investments.

Interest Rate and Credit Risk: The values of, and the income generated by, most debt securities held by the Fund may be affected by changing interest rates and by changes in the effective maturities and credit rating of these securities. For example, the value of debt securities in the Fund's portfolio generally will decline when interest rates rise and increase when interest rates fall. In addition, falling interest rates may cause an issuer to redeem, call or refinance a security before its stated maturity, which may result in the Fund having to reinvest the proceeds in lower yielding securities.

Mortgage-Backed and Other Asset-Backed Securities Risk: The values of some mortgage-backed and other asset-backed securities may expose the Fund to a lower rate of return upon reinvestment of principal. When interest rates rise, the value of mortgage-related securities generally will decline; however, when interest rates are declining, the value of mortgage related-securities with prepayment features may not increase as much as other fixed income securities. The rate of prepayments on underlying mortgages will affect the price and volatility of a mortgage-related security, and may shorten or extend the effective maturity of the security beyond what was anticipated at the time of purchase. If an unanticipated rate of prepayment on underlying mortgages increases the effective maturity of a mortgage-related security, the volatility of the security can be expected to increase. The value of these securities may also fluctuate in response to the market's perception of the creditworthiness of the issuers. Additionally, although mortgages and mortgage-related securities are generally supported by some form of government or private guarantee and/or insurance, there is no assurance that private guarantors or insurers will meet their obligations.

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.

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.

Repurchase Agreements: Repurchase agreements permit the Fund to maintain liquidity and earn income over periods of time as short as overnight. Repurchase agreements held by the Fund are fully collateralized by U.S. Government securities, or securities issued by U.S. Government agencies, or securities that are within the three highest credit categories assigned by established rating agencies (Aaa, Aa, or A by Moody's or AAA, AA or A by Standard & Poor's) or, if not rated by Moody's or Standard & Poor's, are of equivalent investment quality as determined by the Adviser. Such collateral is in the possession of the Fund's custodian. The collateral is evaluated daily to ensure its fair value equals or exceeds the current fair value of the repurchase agreements including accrued interest. In the event of default on the obligation to repurchase, the Fund has the right to liquidate the collateral and apply the proceeds in satisfaction of the obligation.

The Fund may enter into repurchase agreements, under the terms of a Master Repurchase Agreement ("MRA"). The MRA permits the Fund, under certain circumstances including an event of default (such as bankruptcy or insolvency), to offset payables and/or receivables under the MRA with collateral held and/or posted to the counterparty and create one single net payment due to or from the Fund. However, bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against such a right of offset in the event of a MRA counterparty's bankruptcy or insolvency. Pursuant to the terms of the MRA, the Fund receives securities as collateral with a fair value in excess of the repurchase price to be received by the Fund upon the maturity of the repurchase transaction. Upon a bankruptcy or insolvency of the MRA counterparty, the Fund recognizes a liability with respect to such excess collateral to reflect the Fund's obligation under bankruptcy law to return the excess to the counterparty. Repurchase agreements outstanding at the end of the period are listed in the Fund's Portfolio of Investments.

NOTE 3 — Purchases and Sales of Investment Securities

Cost of purchases of investment securities (excluding short-term investments) aggregated $151,541,194 for the year ended December 31, 2019. The proceeds and cost of securities sold resulting in net realized losses of $67,175 aggregated $22,785,069 and $22,852,244, respectively, for the year ended December 31, 2019. Realized gains or losses are based on the specific identification method.

NOTE 4 — Advisory Fees and Other Affiliated Transactions

Pursuant to an Investment Advisory Agreement (the "Agreement"), advisory fees were paid by the Fund to First Pacific Advisors, LP (the "Adviser"). Under the terms of this Agreement, the Fund pays the Adviser a monthly fee calculated at the annual rate of 0.50% of the Fund's average daily net assets. In addition, the Adviser has contractually agreed to reimburse the Fund for Total Annual Fund Operating Expenses (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) in excess of 0.39% of the average net assets of the Fund through December 31, 2019, in excess of 0.39% of net assets of the Fund for the year ended December 31, 2020, in excess of 0.49% of net assets of the Fund for the year ended December 31, 2021, and in excess of 0.59% of net assets of the Fund for the year ended December 31, 2022. During the term of the current expense limit agreement, beginning January 1, 2020 and ending December 31, 2022, any expenses reimbursed to the Fund by the Adviser during any of the previous 36 months may be recouped by the Adviser, provided the Fund's Total Annual Fund Operating Expenses do not exceed the then-applicable expense limit. Beginning January 1, 2023, any expenses reimbursed to the Fund by the Adviser during any of the previous 36 months may be recouped by the Adviser, provided the Fund's Total Annual Fund Operating Expenses do not exceed 0.64% of average net assets of the Fund for any subsequent calendar year, regardless of whether there is a then-effective higher expense limit. This agreement may only be terminated earlier by the Fund's Board of Trustees (the "Board") or upon termination of the Agreement

For the year ended December 31, 2019, the Fund paid aggregate fees and expenses of $83,500 to all Trustees who are not affiliated persons of the Adviser. Certain officers of the Fund are also officers of the Adviser. For the year ended December 31, 2019, $31,205 was due to the Fund from the Adviser for reimbursement of expenses over the Fund's 0.39% expense limit.

NOTE 5 — Federal Income Tax

No provision for federal income tax is required because the Fund has elected to be taxed as a "regulated investment company" under the Internal Revenue Code (the "Code") and intends to maintain this qualification and to distribute each year to its shareholders, in accordance with the minimum distribution requirements of the Code, its taxable net investment income and taxable net realized gains on investments.

Distributions paid to shareholders are based on net investment income and net realized gains determined on a tax reporting basis, which may differ from financial reporting.

For federal income tax purposes, the Fund had the following components of distributable earnings at December 31, 2019:

Unrealized appreciation	$778,318
Undistributed ordinary income	28,729
Capital loss carryover	(55,795)

The tax status of distributions paid during the fiscal years ended December 31, 2019 and 2018 were as follows:

	2019	2018
Dividends from ordinary income	$2,400,488	N/A
Distributions from long-term capital gains	—	N/A

The Fund utilizes the provisions of federal income tax laws that provide for the carryforward of capital losses for prior years, offsetting such losses against any future realized capital gains. Under the Regulated Investment Company Act of 2010 (the "Act"), net capital losses recognized for fiscal years beginning after December 22, 2010 may be carried forward indefinitely, and their character is retained as short-term and/or long-term losses. Previously, net capital losses were carried forward for eight years and treated as short-term losses.

As a transition rule, the Act requires that post-enactment net capital losses be used before pre-enactment net capital losses.

As of December 31, 2019, the fund had short-term and long-term capital loss carryforwards of $55,795 and $0, respectively, to offset future realized capital gains.

The cost of investment securities held at December 31, 2019, was $140,099,064 for federal income tax purposes. Gross unrealized appreciation and depreciation for all investments (excluding short-term investments) at December 31, 2019, for federal income tax purposes was $1,021,264 and $242,946, respectively resulting in net unrealized appreciation of $778,318. As of and during the year ended December 31, 2019, the Fund did not have any liability for unrecognized tax benefits. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statement of Operations. During the year, the Fund did not incur any interest or penalties. The statute of limitations remains open for the last 3 years, once a return is filed. No examinations are in progress at this time.

NOTE 6 — Disclosure of Fair Value Measurements

The Fund uses the following methods and inputs to establish the fair value of its assets and liabilities. Use of particular methods and inputs may vary over time based on availability and relevance as market and economic conditions evolve.

Equity securities are generally valued each day at the official closing price of, or the last reported sale price on, the exchange or market on which such securities principally are traded, as of the close of business on that day.

If there have been no sales that day, equity securities are generally valued at the last available bid price. Securities that are unlisted and fixed-income and convertible securities listed on a national securities exchange for which the over-the-counter ("OTC") market more accurately reflects the securities' value in the judgment of the Fund's officers, are valued at the most recent bid price. However, most fixed income securities are generally valued at prices obtained from pricing vendors and brokers. Vendors value such securities based on one or more of the following inputs: transactions, bids, offers quotations from dealers and trading systems, spreads and other relationships observed in the markets among comparable securities, benchmarks, underlying equity of the issuer, and proprietary pricing models such as cash flows, financial or collateral performance and other reference data (includes prepayments, defaults, collateral, credit enhancements, and interest rate volatility). Short-term corporate notes with maturities of 60 days or less at the time of purchase are valued at amortized cost.

Securities for which representative market quotations are not readily available or are considered unreliable by the Adviser are valued as determined in good faith under procedures adopted by the authority of the Fund's Board of Trustees. Various inputs may be reviewed in order to make a good faith determination of a security's value. These inputs include, but are not limited to, the type and cost of the security; contractual or legal restrictions on resale of the security; relevant financial or business developments of the issuer; actively traded similar or related securities; conversion or exchange rights on the security; related corporate actions; significant events occurring after the close of trading in the security; and changes in overall market conditions. Fair valuations and valuations of investments that are not actively trading involve judgment and may differ materially from valuations of investments that would have been used had greater market activity occurred.

The Fund classifies its assets based on three valuation methodologies. Level 1 values are based on quoted market prices in active markets for identical assets. Level 2 values are based on significant observable market inputs, such as quoted prices for similar assets and quoted prices in inactive markets or other market observable inputs as noted above including spreads, cash flows, financial performance, prepayments, defaults, collateral, credit enhancements, and interest rate volatility. Level 3 values are based on significant unobservable inputs that reflect the Fund's determination of assumptions that market participants might reasonably use in valuing the assets. These assumptions consider inputs such as proprietary pricing models, cash flows, prepayments, defaults, and collateral. The valuation levels are not necessarily an indication of the risk associated with investing in those securities. The following table presents the valuation levels of the Fund's investments as of December 31, 2019:

Investments	Level 1	Level 2	Level 3	Total
Common Stocks				
Energy	—	—	$ 489,398	$ 489,398
Commercial Mortgage-Backed Securities				
Agency	—	$ 4,578,393	—	4,578,393
Agency Stripped	—	1,342,485	—	1,342,485
Non-Agency	—	12,190,017	—	12,190,017
Residential Mortgage-Backed Securities				
Agency Collateralized Mortgage Obligation	—	3,550,423	—	3,550,423
Agency Pool Fixed Rate	—	25,916,417	—	25,916,417
Agency Stripped	—	292,547	—	292,547
Non-Agency Collateralized Mortgage Obligation	—	4,118,165	1,204,188	5,322,353

December 31, 2019

Investments	Level 1	Level 2	Level 3	Total
Asset-Backed Securities				
Auto	—	$ 12,858,178	—	$ 12,858,178
Collateralized Loan Obligation	—	12,788,013	—	12,788,013
Credit Card	—	3,783,404	—	3,783,404
Equipment	—	13,142,575	—	13,142,575
Other	—	4,217,209	—	4,217,209
Corporate Bonds & Notes	—	1,937,148	—	1,937,148
Corporate Bank Debt	—	7,893,284	$2,554,734	10,448,018
U.S. Treasuries	—	27,741,805	—	27,741,805
Short-Term Investment	—	279,000	—	279,000
	—	$136,629,063	$4,248,320	$140,877,383

The following table summarizes the Fund's Level 3 investment securities and related transactions during the year ended December 31, 2019:

Investments	Beginning Value at December 31, 2018	Net Realized and Unrealized Gains (Losses)*	Purchases	(Sales)	Gross Transfers In/(Out)	Ending Value at December 31, 2019	Net Change in Unrealized Appreciation (Depreciation) related to Investments held at December 31, 2019
Non-Agency Collateralized Mortgage Obligation	—	$ 191	$1,203,997	—	—	$1,204,188	$ 188
Common Stocks	—	(126,387)	615,785	—	—	489,398	(126,387)
Corporate Bank Debt	—	11,939	2,567,880	$(25,085)	—	2,554,734	9,725
	—	$(114,257)	$4,387,662	$(25,085)	—	$4,248,320	$(116,474)

* Net realized and unrealized gains (losses) are included in the related amounts in the statement of operations.

Level 3 Valuation Process: Investments classified within Level 3 of the fair value hierarchy are valued by the Adviser in good faith under procedures adopted by authority of the Fund's Board of Trustees. The Adviser employs various methods to determine fair valuations including regular review of key inputs and assumptions, and review of related market activity, if any. However, there are generally no observable trade activities in these securities. The Adviser reports to the Board of Trustees at their regularly scheduled quarterly meetings, or more often if warranted. The report includes a summary of the results of the process, the key inputs and assumptions noted, and any changes to the inputs and assumptions used. When appropriate, the Adviser will recommend changes to the procedures and process employed. The value determined for an investment using the fair value procedures may differ significantly from the value realized upon the sale of such investment. 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 no transfers between Level 1, Level 2 or Level 3

The following table summarizes the quantitative inputs and assumptions used for items categorized as Level 3 within the fair value hierarchy as of December 31, 2019:

Financial Asset	Fair Value at December 31, 2019	Valuation Technique(s)	Unobservable Inputs	Range
Common Stock	$ 489,398	Restricted Assets (a)	Quotes/Prices	$6.50
Residential Mortgage — Backed Securities Non-Agency Collateralized Mortgage Obligation	$1,204,188	Third-Party Broker Quote (b)	Quotes/Prices	$100.02
Corporate Bank Debt	$2,315,949	Most Recent Capitalization (Funding) (c)	Cost	$99.02-$100.00
	$ 238,785	Pricing Model (d)	Amortized Cost	$99.24
	$2,554,734			

(a) The fair value is based on the recent trade activity obtained from market makers in this security.

(b) The Third Party Broker Quote technique involves obtaining an independent third-party broker quote for the security.

(c) The significant unobservable inputs used in the fair value measurement are based on the most recent funding. If the financial condition of the underlying assets were to deteriorate, or if the market comparables were to fall, the value of this investment could be lower.

(d) The Pricing Model technique for Level 3 securities involves amortized cost. If the financials condition of the underlying assets were to deteriorate, of if the market comparables were to fall, the value of this investment could be lower.

NOTE 7 — Collateral Requirements

FASB ASU No. 2011-11, *Disclosures about Offsetting Assets and Liabilities*, requires disclosures to make financial statements that are prepared under U.S. GAAP more comparable to those prepared under International Financial Reporting Standards. Under this guidance the Fund discloses both gross and net information about instruments and transactions eligible for offset such as instruments and transactions subject to an agreement similar to a master netting arrangement. In addition, the Fund discloses collateral received and posted in connection with master netting agreements or similar arrangements. The Fund did not hold derivative positions during the year ended December 31, 2019.

The following table presents the Fund's OTC derivative assets, liabilities and master repurchase agreements by counterparty net of amounts available for offset under an International Swaps Derivatives Associations, Inc. Master Agreement ("ISDA Master Agreement") or similar agreements and net of the related collateral received or pledged by the Fund as of December 31, 2019:

		Gross Amounts Not Offset in the Statement of Assets and Liabilities		
Counterparty	Gross Assets (Liabilities) in the Statement of Assets and Liabilities	Security Collateral (Received) Pledged	Assets (Liabilities) Available for Offset	Net Amount of Assets and (Liabilities)*
State Street Bank and Trust Company:				
Repurchase Agreement	$279,000	$(279,000)**	—	—

* Represents the net amount receivable (payable) from the counterparty in the event of default.

** Collateral with a value of $288,808 has been received in connection with a master repurchase agreement. Excess of collateral received from the individual master repurchase agreement is not shown for financial reporting purposes.

FPA FLEXIBLE FIXED INCOME FUND
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

TO THE SHAREHOLDERS AND
BOARD OF TRUSTEES OF FPA FLEXIBLE FIXED INCOME FUND

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of FPA Flexible Fixed Income Fund (the "Fund") (one of the funds constituting the FPA Funds Trust (the "Trust")), including the portfolio of investments, as of December 31, 2019, and the related statements of operations, changes in net assets and financial highlights for 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 (one of the funds constituting the FPA Funds Trust) at December 31, 2019 and the results of its operations, changes in its net assets and its financial highlights for the period then ended, in conformity with U.S. generally accepted accounting principles.

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 audit. 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 conducted our audit 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 the Fund's internal control over financial reporting. As part of our audit, 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 audit 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 procedures included confirmation of securities owned as of December 31, 2019, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Ernst + Young LLP

We have served as the auditor of one or more FPA investment companies since 2018.

Los Angeles, CA
February 26, 2020

FPA FLEXIBLE FIXED INCOME FUND
SHAREHOLDER EXPENSE EXAMPLE

December 31, 2019 (Unaudited)

Fund Expenses

Mutual fund shareholders generally incur two types of costs: (1) transaction costs, and (2) ongoing costs, including advisory and administrative fees; shareholder service fees; and other Fund expenses. The Example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds. The Example is based on an investment of $1,000 invested at the beginning of the year and held for the entire year.

Actual Expenses

The information in the table under the heading "Actual Performance" provides information about actual account values and actual expenses. You may use the information in this column, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by $1,000 (for example, an $8,600 account value divided by $1,000 = 8.6), then multiply the result by the number in the first column in the row entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The information in the table under the heading "Hypothetical Performance (5% return before expenses)" provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs. Therefore, the information under the heading "Hypothetical Performance (5% return before expenses)" is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher. Even though the Fund does not charge transaction fees, if you purchase shares through a broker, the broker may charge you a fee. You should evaluate other mutual funds' transaction fees and any applicable broker fees to assess the total cost of ownership for comparison purposes.

	Actual Performance	Hypothetical Performance (5% return before expenses)
Beginning Account Value June 30, 2019	$1,000.00	$1,000.00
Ending Account Value December 31, 2019	$1,011.30	$1,023.24
Expenses Paid During Period*	$ 1.98	$ 1.99

* Expenses are equal to the Fund's annualized expense ratio of 0.39%, multiplied by the average account value over the period and prorated for the six-months ended December 31, 2019 (184/365 days).

FPA FLEXIBLE FIXED INCOME FUND
PRIVACY POLICY
(Unaudited)

The FPA Funds consider customer privacy to be an essential part of their investor relationships and are committed to maintaining the confidentiality, integrity and security of their current, prospective and former investors' non-public personal information. The FPA Funds have developed policies that are designed to protect this confidentiality, while permitting investor needs to be served.

Obtaining Personal Information

While providing investors with products and services, the FPA Funds, and certain service providers, such as the FPA Fund's Transfer Agents and/or Administrators, may obtain non-public personal information about investors, which may come from sources such as (i) account applications, subscription agreements and other forms, (ii) written, electronic or verbal correspondence, (iii) investor transactions, (iv) an investor's brokerage or financial advisory firm, financial advisor or consultant, and/or (v) from information captured on applicable websites. The non-public personal information that may be collected from investors may include the investor's name, address, tax identification number, birth date, investment selection, beneficiary information, and possibly the investor's personal bank account information and/or email address if the investor has provided that information, as well as the investor's transaction and account history with the FPA Funds.

Respecting Your Privacy

The FPA Funds do not disclose any non-public personal information provided by investors or gathered by the FPA Funds to third parties, except as required or permitted by law or as necessary for such third parties to perform their agreements with respect to the FPA Funds. Non-affiliated companies may from time to time be used to provide certain services, such as maintaining investor accounts, preparing and mailing prospectuses, reports, account statements and other information, and gathering shareholder proxies. In many instances, the investors will be clients of a third party, but the FPA Funds may also provide an investor's personal and account information to the investor's respective brokerage or financial advisory firm and/or financial advisor or consultant.

Sharing Information with Third Parties

The FPA Funds reserve the right to report or disclose personal or account information to third parties in circumstances where the FPA Funds believe in good faith that disclosure is required or permitted under law, to cooperate with regulators or law enforcement authorities, to protect their rights or property, or upon reasonable request by the FPA Funds in which an investor has invested. In addition, the FPA Funds may disclose information about an investor or an investor's accounts to a third party at the investor's request or with the consent of the investor.

Procedures to Safeguard Private Information

The FPA Funds are committed to their obligation to safeguard investor non-public personal information. In addition to this policy, the FPA Funds have implemented procedures that are designed to limit access to an investor's non-public personal information to internal personnel who require the information to complete tasks, such as processing transactions, maintaining client accounts or otherwise providing services the investor requested. Physical, electronic and procedural safeguards are in place to guard an investor's non-public personal information.

Information Collected from Websites

Websites maintained by the FPA Funds or its service providers may use a variety of technologies to collect information that helps the FPA Funds and their service providers understand how the website is used. Information collected from your web browser (including small files stored on your device that are commonly referred to as "cookies") allow the websites to recognize your web browser and help to personalize and improve your user experience and enhance navigation of the website. If you are a registered user of the FPA Funds' and/or their service providers' website, the FPA Funds, their service providers, or third party firms engaged by the FPA Funds and/or their service providers, may collect or share information submitted by you, which may include personally identifiable information. You can change your cookie preferences by changing the setting on your web browser to delete or reject cookies. If you delete or reject cookies, some website pages may not function properly. The FPA Funds do not look for web browser "do not track" requests.

Changes to the Privacy Policy

From time to time, the FPA Funds may update or revise this privacy policy. If there are changes to the terms of this privacy policy, documents containing the revised policy on the relevant website will be updated.

FPA Funds

FPA Capital Fund, Inc., FPA Crescent Fund, FPA International Value Fund, FPA New Income, Inc., FPA Flexible Fixed Income Fund, FPA Paramount Fund, Inc., FPA U.S. Value Fund, Inc., Source Capital, Inc.

Revised: January 2019

FPA FLEXIBLE FIXED INCOME FUND
TRUSTEE AND OFFICER INFORMATION

(Unaudited)

Sandra Brown, Mark L. Lipson, Alfred E. Osborne, Jr., A. Robert Pisano, and Patrick B. Purcell are all Trustees of the Fund who are not "interested persons" of the Fund, as that term is defined in the 1940 Act (collectively, the "Independent Trustees"). Trustees serve until their resignation, removal or retirement. The Statement of Additional Information includes additional information about the Trustees and is available, without charge, upon request by calling (800) 982-4372.

Name, Address[1] and Year of Birth	Position(s) Held with the Fund	Year First Elected as Trustee of the Fund	Principal Occupation(s) During the Past Five Years	Number of FPA Funds Overseen by Trustee	Other Directorships Held by Trustee During the Past Five Years
Independent Trustees					
Sandra Brown, 1955	Trustee	2016	Consultant (since 2009). Formerly, CEO and President of Transamerica Financial Advisers, Inc. (1999-2009); President, Transamerica Securities Sales Corp. (1998-2009); Vice President, Bank of America Mutual Fund Administration (1990-1998). Director/Trustee of FPA Capital, Inc., FPA Funds Trust, FPA New Income, Inc., FPA Paramount Fund, Inc., FPA U.S. Value Fund, Inc. and Source Capital, Inc. (since October 2016).	8	None
Mark L. Lipson, 1949	Trustee & Chairman	2015	Registered Investment Adviser, ML2 Advisors, LLC (since 2014). Formerly Managing Director, Bessemer Trust (2007-2014) and US Trust (2003-2006); Chairman and CEO of the Northstar Mutual Funds (1993-2001); and President and CEO of the National Mutual Funds (1988-1993). Director/Trustee of FPA Capital, Inc., FPA Funds Trust, FPA New Income, Inc., FPA Paramount Fund, Inc., FPA U.S. Value Fund, Inc. and Source Capital, Inc. (since October 2015).	8	None
Alfred E. Osborne, Jr., 1944	Trustee	2002	Senior Associate Dean, (since July 2003), Interim Dean (July 2018-June 2019), Professor and Faculty Director Price Center for Entrepreneurship and Innovation at the John E. Anderson School of Management at UCLA. Dr. Osborne has been at UCLA since 1972. Director/Trustee of FPA Capital Fund, Inc. and FPA New Income, Inc. (since 1999), of FPA Funds Trust (since 2002), of FPA Paramount Fund, Inc., FPA U.S. Value Fund, Inc. and Source Capital, Inc. (since 2013).	8	Kaiser Aluminum, and Wedbush, Inc.

FPA FLEXIBLE FIXED INCOME FUND
TRUSTEE AND OFFICER INFORMATION (Continued)
(Unaudited)

Name, Address[1] and Year of Birth	Position(s) Held with the Fund	Year First Elected as Trustee of the Fund	Principal Occupation(s) During the Past Five Years	Number of FPA Funds Overseen by Trustee	Other Directorships Held by Trustee During the Past Five Years
A. Robert Pisano, 1943	Trustee	2013	Consultant (since 2012). Formerly, President and Chief Operating Officer of The Motion Picture Association of America, Inc. (October 2005-2011). Formerly, National Executive Director and Chief Executive Officer of The Screen Actors Guild (2001-2005). Director/Trustee of FPA Paramount Fund, Inc. and FPA U.S. Value Fund, Inc. (since 2012), and of FPA Capital, Inc., FPA Funds Trust, FPA New Income, Inc. and Source Capital, Inc. (since 2013).	8	Resources Global Professionals
Patrick B. Purcell, 1943	Trustee	2006	Retired (since 2000). Formerly, Consultant to Paramount Pictures 1998-2000; Executive Vice President, Chief Financial and Administrative Officer of Paramount Pictures (1983-1998). Director/Trustee of FPA Capital, Inc., FPA Funds Trust and FPA New Income, Inc. (since 2006), of Source Capital, Inc. (since 2010), of FPA U.S. Value Fund, Inc. and FPA Paramount Fund, Inc. (since 2012).	8	None
"Interested" Trustee[2]					
J. Richard Atwood, 1960	Trustee	2016	Director and President of FPA GP, Inc., the General Partner of the Adviser (since October 2018). Director/Trustee of each FPA Fund (since 2016). President of each FPA Fund (since 2015). Formerly, Managing Partner of FPA (2006-2018). Formerly, until 2015, Treasurer of each FPA Fund for more than the past five years.	8	None
Steven Romick, 1963	Trustee	2002	Director and President of FPA GP, Inc., the General Partner of the Adviser (since October 2018). Vice President (since February 2015) and Portfolio Manager of FPA Crescent Fund (since June 1993) and of Source Capital, Inc. (since 2015). Formerly, Managing Partner of FPA (2010-2018). Formerly, President of the Trust (2002-2015).	3	None

(1) The address of each Trustee is 11601 Wilshire Boulevard, Suite 1200, Los Angeles, California 90025.
(2) "Interested person" within the meaning of the 1940 Act by virtue of their affiliation with the Fund's Adviser.

FPA FLEXIBLE FIXED INCOME FUND
TRUSTEE AND OFFICER INFORMATION (Continued)
(Unaudited)

Officers of the Fund. Officers of the Fund are elected annually by the Board.

Name, Address[(1)] and Year of Birth	Position with Fund	Year First Elected as Officer of the Fund	Principal Occupation(s) During the Past Five Years
Thomas. H. Atteberry, 1953	Vice President and Portfolio Manager	2018	Partner of FPA. Formerly Chief Executive Officer of the FPA New Income (until February 2015). Vice President and Portfolio Manager of FPA New Income (since 2004).
Abhijeet Patwardhan, 1979	Vice President and Portfolio Manager	2018	Partner (since January 2017) and a Director of Research (since April 2015) of FPA; Managing Director of FPA from November 2015 to January 2017, Senior Vice President of FPA from January 2014 to November 2015; Analyst and Vice President of FPA from June 2010 to December 2013. Vice President and Portfolio Manager of FPA Flexible Fixed Income Fund (since December 2018).
J. Richard Atwood, 1960	President	2002	Director and President of FPA GP, Inc., the General Partner of FPA (since October 2018). Director/Trustee of each FPA Fund (since May 2016). President of each FPA Fund (since February 2015). Formerly, Managing Partner of FPA (2006-2018). Formerly, until February 2015, Treasurer of each FPA Fund for more than the past five years.
Karen E. Richards, 1969	Chief Compliance Officer	2019	Chief Compliance Officer of FPA (since August2018). Formerly, Deputy Chief Compliance Officer of First Republic Investment Management, LLC (from February 2016 to March 2018), and Vice President, Senior Compliance Officer of Pacific Investment Management Company (from June 2010 to January 2016).
E. Lake Setzler III, 1967	Treasurer	2006	Senior Vice President (since January 2013) and Controller of FPA; and Treasurer of each FPA Fund (since February 2015). Formerly, until February 2015, Assistant Treasurer of each FPA Fund (February 2006 to February 2015).
Rebecca D. Gilding, 1979	Secretary	2019	Vice President and Counsel, State Street Bank and Trust Company (since April 2016). Formerly, Assistant Vice President and Associate Counsel, Brown Brothers Harriman & Co. (September 2013 to April 2016).

(1) The address for each Officer (except Ms. Gilding) is 11601 Wilshire Boulevard, Suite 1200, Los Angeles, California 90025. Ms. Gilding's address is State Street Bank and Trust Company, One Lincoln Street, Boston, Massachusetts 02111.

FPA FLEXIBLE FIXED INCOME FUND

(Unaudited)

INVESTMENT ADVISER

First Pacific Advisors, LP
11601 Wilshire Boulevard, Suite 1200
Los Angeles, CA 90025

TRANSFER & SHAREHOLDER SERVICE AGENT

UMB Fund Services, Inc.
P.O. Box 2175
Milwaukee, WI 53201-2175
or
235 West Galena Street
Milwaukee, WI 53212-3948
(800) 638-3060

CUSTODIAN AND ADMINISTRATOR

State Street Bank and Trust Company
One Lincoln Street
Boston, Massachusetts 02111

TICKER SYMBOL: FPFIX
CUSIP: 30254T718

DISTRIBUTOR

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LEGAL COUNSEL

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One Bush Street, Suite 1600
San Francisco, California 94104

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Ernst & Young LLP
725 South Figueroa Street
Los Angeles, California 90017

This report has been prepared for the information of shareholders of FPA FLEXIBLE FIXED INCOME FUND, and is not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus.

A description of the policies and procedures that the Adviser uses to vote proxies related to the Fund's portfolio securities is set forth in the Fund's Statement of Additional Information which is available without charge, upon request, on the Fund's website at www.fpa.com or by calling (800) 982-4372 and on the Securities and Exchange Commission's website at www.sec.gov.

The Fund's complete proxy voting record for the 6 months ended June 30, 2019 is available without charge, upon request by calling (800) 982-4372 and on the SEC's website at www.sec.gov.

The Fund's schedule of portfolio holdings, filed the first and third quarter of the Fund's fiscal year on Form N-PORT with the SEC, is available on the SEC's website at www.sec.gov.

Additional information about the Fund is available online at www.fpa.com. This information includes, among other things, holdings, top sectors, and performance, and is updated on or about the 15th business day after the end of each quarter.