FPA New Income, Inc. ("FPNIX") Update

	FPNIX 12/31/2019	FPNIX 3/31/2020	BbgBarc US Agg Bond Index 3/31/2020	BbgBarc US Agg 1-3 Yr 3/31/2020
Yield-to-worst[1]	2.71%	4.01%	1.59	0.97%
Subsidized SEC Yield[2]	2.50%	2.64%	NA	NA
Effective Duration (years)	1.57	1.35	5.69	1.61

FPNIX[3]	% Portfolio 12/31/2019	% Portfolio 3/31/2020
AAA	81.3	79.6
AA	8.7	10.0
A	3.4	3.6
BBB	0.1	0.2
BB	1.0	0.3
B & Below	3.3	3.4
Non-rated	2.2	2.9
Total High Quality	**93.4**	**93.2**
Total Credit Sensitive	**6.6**	**6.8**
Total	**100.0**	**100.0**

[1] 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.

[2] As of March 31, 2020, FPNIX subsidized/unsubsidized 30-day SEC standardized yield ("SEC Yield") was 2.64%/2.57% respectively. The SEC Yield calculation is an annualized measure of FPNIX dividend and interest payments for the last 30 days, less FPNIX 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 FPNIX at the beginning of the month.

[3] Source: FactSet. The Barclays Capital Family of Indices ratings rules use the median if more than two ratings are available from all NRSROs. Lower of the two is used if only two ratings are available from all NRSROs. 'Credit Sensitive' are investments rated BBB+ and below. Portfolio composition will change due to ongoing management of FPNIX. Totals may not add due to rounding.

Past performance is no guarantee, nor is it indicative, of future results. Please refer to the end of this document for net performance since inception, important disclosures and key definitions.

FPNIX[4]	% Portfolio 12/31/2019	% Portfolio 3/31/2020
ABS[5]	52.1	62.5
Mortgage Backed (CMO)[6]	9.3	8.4
Stripped Mortgage-backed	2.6	2.4
Corporate	6.3	6.9
CMBS[6]	6.1	7.9
Mortgage Pass-through	8.4	2.9
U.S. Treasury	6.9	0.0
Agencies	1.2	1.3
Cash and equivalents	7.1	7.7
Total	**100.0**	**100.0**

FPNIX Contributors and Detractors[7]

During the first quarter, the largest contributor to performance was U.S. Treasuries (+0.23%) which appreciated in price as U.S. Treasury yields declined during the quarter. The second and third largest contributors to performance were agency mortgage pools (+0.15%) and agency collateralized mortgage obligations (CMOs) (+0.05%), both of which also appreciated in price due to lower Treasury yields though the price increases were tempered by wider spreads.

Credit spreads increased significantly during the quarter across all sectors and ratings within fixed income. The largest detractor from performance during the quarter was asset-backed securities (-1.04%) which declined in price as a result of significantly wider spreads. The Fund's ABS holdings are predominantly rated A and higher. The ABS holdings themselves performed relatively well on an absolute basis during the quarter with a total return of approximately -1.67%, but were a relatively large detractor from overall performance because, on average, they represented over half of the portfolio.

The second largest detractor from performance was the corporate bank debt (i.e., leveraged loans) and bond holdings (-0.40%) which are predominantly rated less than BBB. Approximately two-thirds of the portfolio's corporate holdings[8] are in bank debt with the rest of the corporate holdings mostly in high yield bonds. The leveraged loan and high yield markets experienced historic price declines during the quarter. As result, despite the corporate exposure representing just 6% of the portfolio on average, the corporate holdings were a relatively large detractor from performance. The third largest detractor from performance was GNMA project loan interest only bonds (-0.14%) which were also subject to significantly wider spreads during the quarter.

We view the negative performance as a temporary mark-to-market impact on the portfolio. Given the overall high quality nature of the portfolio's holdings, we do not believe that the portfolio's capital is permanently impaired. As such, we expect that we will recover much of this negative performance over time as our high quality short maturity holdings mature and/or credit spreads normalize.

[4] Source: FactSet. Portfolio composition will change due to ongoing management of FPNIX. Totals may not add due to rounding.

[5] ABS (Asset Backed Securities) are financial securities backed by a loan, lease or receivables against assets other than real estate and mortgage-backed securities.

[6] 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

[7] Sector contribution is presented gross of investment management fees, transactions costs, and FPNIX operating expenses, which if included, would reduce their returns. This information is not a recommendation for a specific security or sector and these securities/sectors may not be in FPNIX 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 performance of FPNIX 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.

[8] Corporate investments include bank debt, corporate bonds and common stock.

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FPA Flexible Fixed Income ("FPFIX") Fund Update

	FPFIX 12/31/2019	FPFIX 3/31/2020	BbgBarc US Universal Index 3/31/2020
Yield-to-worst[9]	2.80%	4.20%	2.36%
Subsidized SEC Yield[10]	2.72%	2.85%	NA
Effective Duration (years)	1.74	1.52	5.56

FPFIX[11]	% Portfolio 12/31/2019	% Portfolio 3/31/2020
AAA	78.7	70.4
AA	9.6	11.1
A	2.1	5.2
BBB	0.0	0.5
BB	1.1	2.0
B & Below	3.9	5.3
Non-rated	4.6	5.5
Total High Quality	**90.4**	**86.7**
Total Credit Sensitive	**9.6**	**13.3**
Total	**100.0**	**100.0**

FPFIX[11]	% Portfolio 12/31/2019	% Portfolio 3/31/2020
ABS	33.5	50.7
Mortgage Backed (CMO)	6.3	7.2
Stripped Mortgage-backed	0.5	0.4
Corporate	9.2	11.7
CMBS	12.6	12.8
Mortgage Pass-through	18.5	7.2
U.S. Treasury	6.9	0.0
Cash and equivalents	12.5	10.0
Total	**100.0**	**100.0**

[9] 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.

[10] As of March 31, 2020, FPFIX subsidized/unsubsidized 30-day SEC standardized yield ("SEC Yield") was 2.85%/2.49% respectively. The SEC Yield calculation is an annualized measure of FPFIX dividend and interest payments for the last 30 days, less FPFIX 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 FPFIX at the beginning of the month.

[11] Source: FactSet. The Barclays Capital Family of Indices ratings rules use the median if more than two ratings are available from all NRSROs. Lower of the two is used if only two ratings are available from all NRSROs. 'Credit Sensitive' are investments rated BBB+ and below. Portfolio composition will change due to ongoing management of FPFIX. Totals may not add due to rounding.

Past performance is no guarantee, nor is it indicative, of future results. Please refer to the end of this document for net performance since inception, important disclosures and key definitions.

FPFIX Contributors and Detractors[12]

During the first quarter, the largest, second largest and third largest contributors to performance were agency mortgage pools (+0.33%), U.S. Treasuries (+0.23%) and agency collateralized mortgage obligations (+0.07%), respectively. All three appreciated in price due to lower U.S. Treasury yields though the price increases on the agency pools and agency CMOs were tempered by wider spreads.

Credit spreads increased significantly during the quarter across all sectors and ratings within fixed income. The largest detractor from performance during the quarter was asset-backed securities (-1.18%), most of which are rated single-A and higher. The ABS holdings declined in price as a result of significantly wider spreads. The ABS holdings themselves performed relatively well on an absolute basis during the quarter with a total return of approximately -2.10% but are a relatively large detractor from overall performance because, on average, they represented approximately 41% of the portfolio.

The second largest detractor from performance was the corporate bank debt (i.e., leveraged loans) and bond holdings (-0.63%) which are rated less than BBB. Approximately 80% of the portfolio's corporate holdings are in bank debt with the rest of the corporate holdings in high yield bonds. The leveraged loan and high yield markets experienced historic price declines during the quarter. As result, the corporate holdings were a relatively large detractor from performance though the average exposure during the quarter was just under 10% of the portfolio.

The third largest detractor from performance was non-agency commercial mortgage backed securities (-0.11%). The vast majority of the portfolio's CMBS holdings are rated AA or higher. Similar to ABS, these bonds declined in price due to wider spreads.

[12] Sector contribution is presented gross of investment management fees, transactions costs, and FPFIX operating expenses, which if included, would reduce their returns. This information is not a recommendation for a specific security or sector and these securities/sectors may not be in FPFIX 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 performance of FPFIX 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 results**.

Average Annual Total Returns (%) - FPNIX

As of March 31, 2020	30 Years	20 Years	15 Years	10 Years	5 Years	3 Years	1 Year	YTD	QTR
FPA New Income, Inc.	5.37	3.62	2.60	1.84	1.88	2.24	1.21	-1.38	-1.38
BBgBarc US Agg Bond	5.96	5.08	4.40	3.88	3.36	4.82	8.93	3.15	3.15
CPI + 100 bps	NA	NA	NA	NA	NA	NA	NA	NA	NA
BBgBarc US Aggregate 1-3 Yr	NA	3.26	2.66	1.64	1.93	2.63	4.63	1.79	1.79

Average Annual Total Returns (%) - FPFIX

As of March 31, 2020	Since Inception 12/31/18	1 Year	QTD
FPA Flexible Fixed Income Fund	1.88	1.29	-1.38
BBgBarc US Universal Bond Index	8.48	7.15	1.30
CPI + 200 bps	NA	NA	NA

Periods greater than one year are annualized. FPA New Income, Inc. and FPA Flexible Fixed Income Fund (each a "Fund" and collectively the "Funds") performance is calculated on a total return basis which includes reinvestment of all distributions and is net of all fees and expenses. The Funds' returns do not reflect the deduction of taxes that a shareholder would pay on Funds' distributions or the redemption of Funds' shares, which would lower these figures. Comparison to any index is for illustrative purposes only. The Funds do not include outperformance of any index or benchmark in its investment objectives. An investor cannot invest directly in an index.

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, which may be higher or lower than the performance data quoted, may be obtained at www.fpa.com or by calling toll-free, 1-800-982-4372.

You should consider each Fund's investment objectives, risks, and charges and expenses carefully before you invest. The Prospectus for each Fund details each Fund's objective and policies, charges, and other matters of interest to a prospective investor. Please read the Prospectus carefully before investing. The Prospectus for each Fund 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 Funds in writing.

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

FPA New Income, Inc.'s Total Annual Fund Operating Expenses before reimbursement is 0.57% (as of most recent prospectus). The Advisor has contractually agreed to reimburse the Fund for Total Annual Fund Operating Expenses in excess of 0.50% of the average net assets of the Fund (excluding interest, taxes, brokerage fees and commissions payable by the Fund in connection with the purchase or sale of portfolio securities, and extraordinary expenses, including litigation expenses not incurred in the Fund's ordinary course of business) through January 31, 2021. This agreement may only be terminated earlier by the Fund's Board of Directors (the "Board") or upon termination of the Advisory Agreement. The Fund's net expense ratio as of its most recent prospectus is 0.50%.

FPA Flexible Fixed Income Fund's Total Annual Fund Operating Expenses before reimbursement is 0.97% (as of most recent prospectus). The Advisor 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, 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 December 31, 2018 and ending December 31, 2021, any expenses reimbursed to the Fund by FPA during any of the previous 36 months may be recouped by FPA, provided the Fund's Total Annual Fund Operating Expenses do not exceed the then-applicable expense limit. Beginning January 1, 2022, any expenses reimbursed to the Fund by FPA during any of the previous 36 months may be recouped by FPA, 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 Advisory Agreement.

Important Disclosures

This update 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 each 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.

Thomas Atteberry and Abhijeet Patwardhan have been portfolio managers for FPA New Income, Inc. since November 2004 and November 2015, respectively, and manage the Fund in a manner that is substantially similar to the prior portfolio manager, Robert Rodriguez. Mr. Rodriguez ceased serving as the Fund's portfolio manager effective December 2009.

Portfolio composition will change due to ongoing management of the Funds. References to individual securities or sectors are for informational purposes only and should not be construed as recommendations by the Funds, 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 Funds 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 Funds. 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.

Index and Other Definitions

Comparison to any index is for illustrative purposes only and should not be relied upon as a fully accurate measure of comparison. The Funds 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 Funds' investment strategies. Indices are unmanaged, do not reflect any commissions, fees or expenses which would be incurred by an investor purchasing the underlying securities. The Funds does not include outperformance of any index or benchmark in their investment objectives. Investors cannot invest directly in an index.

Bloomberg Barclays US Aggregate Bond Index provides a measure of the performance of the U.S. investment grade bonds market, which includes investment grade U.S. Government bonds, investment grade corporate bonds, mortgage pass-through securities and asset-backed securities that are publicly offered for sale in the United States. The securities in the Index must have at least 1 year remaining in maturity. In addition, the securities must be denominated in U.S. dollars and must be fixed rate, nonconvertible, and taxable.

Bloomberg Barclays US Aggregate 1-3 Year Index provides a measure of the performance of the U.S. investment grade bonds market, which includes investment grade U.S. Government bonds, investment grade corporate bonds, mortgage pass-through securities and asset-backed securities that are publicly offered for sale in the United States. The securities in the Index must have a remaining maturity of 1 to 3 years. In addition, the securities must be denominated in U.S. dollars and must be fixed rate, nonconvertible, and taxable.

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.

CPI + 100 bps is the measure of the CPI plus an additional 100 basis points.

CPI + 200 bps is the measure of the CPI plus an additional 200 basis points.

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.

Yield to Maturity is the rate of return anticipated on a bond if held until the end of its lifetime. YTM is considered a long-term bond yield expressed as an annual rate. The YTM calculation takes into account the bond's current market price, par value, coupon interest rate and time to maturity. It is also assumed that all coupon payments are reinvested at the same rate as the bond's current yield.

Yield to Worst is the lowest amount that an investor will make from a bond, computed by using the lower of the yield to maturity and the yield to call on every call date.

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

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