

FPA FUNDS

NOTICE ACCOMPANYING IRS FORM 1099: CALENDAR 2011

The enclosed Form 1099 shows the federal tax status of dividends and distributions paid to you which are taxable in 2011. Below is additional information for each Fund.

Ordinary Income:

Income derived from U.S. Treasury Securities can be determined by multiplying the amount shown in box #1a of your Form 1099 by the percentage in Column (1) below.

Corporate shareholders can determine the amount which qualifies for the 70% corporate dividends received deduction by multiplying the amount shown in box #1a of your Form 1099 by the percentage in Column (2) below.

	(1) Income from U.S. Treasury Securities	(2) Corporate Dividend Deduction
FPA CRESCENT FUND	9.0%	69.3%
FPA NEW INCOME, INC.	3.6%	—

FPA Capital Fund, Inc., FPA International Value Fund, FPA Paramount Fund, Inc., and FPA Perennial Fund, Inc. did not pay any dividends from ordinary income in 2011.

Long-term Capital Gains:

Certain states permit different tax rates for capital gain distributions based on the length of time the security is held. Residents of these states can determine the capital gain to include in each applicable category by multiplying the amount shown in box #2a of Form 1099 by the percentage in the respective time period for the appropriate Fund.

	1-2 yrs.	2-3 yrs.	3-4 yrs.	4-5 yrs.	5-6 yrs.	6+yrs.
FPA CRESCENT FUND	9.1%	76.1%	8.1%	—	0.9%	5.8%

FPA Capital Fund, Inc., FPA International Value Fund, FPA New Income, Inc., FPA Paramount Fund, Inc., and FPA Perennial Fund, Inc. did not pay any distributions from long-term capital gains in 2011.