Q3 2024 FPA New Income Fund (FPNIX) and Flexible Fixed Income Fund (FPFIX) Webcast
October 29, 2024

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You should consider FPNIX and/or FPFIX (each a "Fund", and collectively the "Funds") investment objectives, risks, and charges and expenses carefully before you invest. The Prospectus details each Fund's objective and policies and other matters of interest to the prospective investor. Please read the Prospectus carefully before investing.

This transcript must be preceded or accompanied by a prospectus for the Funds. The prospectus for FPNIX dated April 30, 2024 can be accessed at: https://fpa.com/request-funds-literature. The prospectus for FPFIX dated April 30, 2024 can be accessed at: https://fpa.com/request-funds-literature. The most current prospectus can always be obtained by visiting the website at fpa.com, by calling toll-free, 1-800-982-4372, or by contacting each Fund in writing.

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Moderator: [Please see slide 1] Hello and welcome to today's webcast. Please note that today's webcast is being recorded.

During the presentation, we will have a question and answer session. You can ask text questions at any time. Submit your question in the questions and answers panel and click New Question to submit. If you would like to view the presentation in a full-screen view, click the corner of the slides panel to drag and resize to best fit your view. To restore the panels to their original view, click the Restore icon from the icons on the right side of the screen. And finally, should you need technical assistance, as a best practice, we suggest you first refresh your browser. If that does not resolve the issue, please submit your issue in our question and answer panel and someone will assist you.

It is now my pleasure to turn today's program over to Kristina Surkova. Kristina, the floor is yours.

Kristina: Good afternoon and thank you for joining us today. We would like to welcome you to FPA New Income and FPA Flexible Fixed Income Fund [(the Funds)] Third Quarter 2024 Webcast. My name is Kristina Surkova, and I am the relationship manager for the funds.

The audio, transcript and visual replay of today's webcast will be available on our website FPA.com.

In just a moment, you will hear from portfolio manager Abhi Patwardhan and members of the Fixed Income investment team. Abhi Patwardhan is a partner at FPA and has been with the firm since 2010. He has been a portfolio manager for FPA New Income since November 2015 and has served as portfolio manager for FPA Flexible Fixed Income Fund since its inception in December 2018.

[Please see slides 2-5] As part of today's agenda, Abhi will discuss the highlights for both funds, provide commentary on the market, review performance and portfolio activity, and then open it up to question and answers. Over to you, Abhi.

(00:02:14)

Abhijeet: [Please see slide 6] Thank you, Kristina. Good afternoon, everyone. Thank you for your time. As background for our comments today, it's helpful to keep in mind that we manage fixed income differently than a lot of other fixed income managers. We use absolute value to determine whether an investment is attractive or not, which means our first requirement is that there needs to be enough expected absolute return to compensate us for the risks involved. This absolute value-based approach to fixed income investing relies on current market prices and is a much different approach than what many other bond managers employ, which involves betting on future prices by trying to predict movements in interest rates and/or spreads. We believe trying to predict the market is speculative and has a mixed record of success. In comparison, we believe our value-based approach has served our investors well over the years.

This first slide provides an overview of our two funds. FPA New Income, shown on the left, seeks positive absolute returns over rolling 12-month periods and in the long term seeks positive real returns of CPI plus 100 basis points over rolling 5-year periods. FPA New Income is largely an investment grade or a high-quality fund, which has to have at least 75% of its assets in investments rated single-A or higher and can, but does not have to, have 0% to 25% of its portfolio in investments rated BBB or lower. We refer to these BBB or lower holdings as Credit. The amount of Credit that we own is a function of the individual investment opportunities that we see.

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FPA Flexible Fixed Income is shown on the right. Flexible Fixed Income is managed with the same investment philosophy as New Income. The key distinction is that Flexible Fixed Income can, but does not have to, take on more Credit exposure. This fund can have up to 75% of its assets in investments rated BBB or lower and must have at least 25% of its assets in investments rated single-A or higher. Flexible Fixed Income's higher Credit capacity is in service of a higher long-term return objective of CPI plus 200 basis points over rolling 5-year periods. To accommodate potentially greater Credit exposure, in the short term, Flexible Fixed Income seeks positive absolute returns over rolling 3-year periods.

[Please see slide 7] This is a snapshot of the Funds as of September 30. Shown at the top, FPA New Income had a 4.5% yield-to-worst and a duration of 3.2 years, which is a higher yield than the Aggregate Bond Index with less duration than that index, and a higher yield than the 1-3 Year Aggregate Bond Index with more duration than that index.

Shown at the bottom, FPA Flexible Fixed Income had a 4.8% yield-to-worst and 3.1 year duration, representing a higher yield with less duration than the Universal Bond Index.

Please note that we provide comparisons to these indices solely to help our investors understand our Funds' profile in comparison to the opportunity set, not because we are tracking these indices.

[Please see slide 8] The summary of what we'll discuss today is that, at a high level, the market got more expensive during the quarter. Spreads didn't change much through the end of September [2024] but yields were lower.

[Please see slide 9] We still think it makes sense to buy longer-duration bonds, but lower-rated bonds aren't appealing so our investment activity was geared towards buying longer-duration, highly rated bonds, and reducing exposure to lower-rated debt.

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[Please see slide 10] On September 18, [2024] the Federal Reserve cut the Fed funds rate by 50 basis points. The Fed explained its rate cut by pointing toward its dual mandate of managing inflation and employment. The Fed explained that inflation was heading toward the Fed's 2% target but the labor market was cooling even though unemployment was still low on an absolute basis. So, whereas the Fed had been primarily focused on bringing down inflation, now they're focused on inflation and employment.

Treasury yields declined heading into the September 18 rate cut but then subsequently increased.

As shown here, overall, yields on 1- to 5-year maturity Treasuries were approximately 80 to 110 basis points lower during the quarter, and yield on longer-maturity Treasuries were 45 to 70 basis points lower during the quarter.

[Please see slide 11] Even with the decreasing yields in the third quarter, risk-free rates were still at levels that, apart from the last year or two, are higher than what we've seen in 10 to 15 years.

[Please see slide 12] The spreads are low. This chart shows the yield and spread on the BB component of the High Yield Index excluding energy. We believe this index provides a more consistent view of historical pricing in the high yield market because it removes some of the distortions related to changes in the composition of the broader High Yield Index over the years.

Toward the bottom right, we see that spreads are at the 9th percentile of the available history. The lower the percentile, the more expensive the market is. For reference, the spread on the broad High Yield Index is at the 9th percentile, and spreads have been compressed further since the end of September.[1]

[Please see slide 13] Similarly, the extra compensation available in high yield relative to investment grade bonds is low. This chart shows the spread on the BB index excluding energy, less the spread on investment

[1] Source: Bloomberg; Bloomberg U.S. Corporate High Yield BB excl. Energy, As of October 28, 2024, the spread was 195 basis points.

grade bonds. As shown on the right, this extra spread is at the 7th percentile.

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We don't invest based on charts like these, but they affirm what we have been seeing when we look at individual bonds. When we look at high yield debt, we don't think we are getting compensated enough on an absolute basis for the credit risk. Further, high yield debt has a lot of incremental credit risk in comparison to investment grade debt. We find that these days, the extra return available in high yield does not compensate us for the extra credit risk. By buying investment grade bonds instead, we think we can capture a lot of the available return in high yield without taking on a lot of uncompensated credit risk. That explains why we've been orienting our investment activity toward investment grade or high-quality bonds.

[Please see slide 14] But turning to that market, we can see there as well that spreads are very low. This chart shows the yield and spread on the investment grade Aggregate Bond Index. The right side of this chart shows that spreads are at the 1st percentile. Because of low spreads in investment grade bonds, we have generally been focused on very high-quality, less esoteric investments because we find that the incremental spread available to own anything else isn't worth a non-zero incremental credit risk and/or the worse liquidity.

With that said, what we do find appealing is buying longer-duration bonds. We don’t try to pretend that we can predict with any conviction whether rates will be lower or higher in the future, or by how much. We’re not sure anyone can. As such, we want to lock in higher yields while we can and own those [bonds] for multiple years.

To understand why, we can think about where rates were a year ago, or even three months ago. They were quite a bit higher than they were at the end of September. Back then, we could have sat in cash or bought shorter-duration bonds, but instead we bought longer-duration bonds and we’re glad we did because yields are lower now. We want to avoid the opportunity cost of cash in short-duration bonds.[2]

Now, of course, we could buy longer-duration bonds and rates could subsequently rise, leading to mark-to-market [declines in those bonds].[3]

[2] **Past performance is no guarantee, nor is it indicative, of future results.**
[3] Fixed income securities, such as bonds, have issuer, interest rate, inflation and credit risks. Lower rated bonds, convertible securities and other types of debt obligations involve greater risks. Interest rate risk is when interest rates go up, the value of fixed

[Please see slide 15] To [mitigate] that [risk] possibility, we look for longer-duration bonds that we think will produce at least a breakeven return over 12 months if we assume that bond's yield will increase by 100 basis points over those 12 months.[4]

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This slide shows what that analysis looks like. The dark blue bars on this chart show the Treasury yield curve as of September 30, [2024]. The green bars show the result of that [hypothetical] 12-month 100 basis points total return analysis. For example, the 4-year Treasury yield at 3.57% at the end of September [2024], if we had bought the 4-year Treasury at a 3.57% yield and then the yield increased by 100 basis points from 3.57% to 4.57% over 12 months, we would expect to earn positive 0.8% total return over those 12 months. The 5-year Treasury would have produced a slight loss of minus 0.06% in that scenario.

income securities, such as bonds, typically go down and investors may lose principal value. **Past performance is no guarantee, nor is it indicative, of future results.**

[4] The hypothetical situation set forth above do not represent actual results; actual results may significantly differ from the theoretical data being presented. Hypothetical/estimated results have certain inherent limitations. Hypothetical models theoretically may be changed from time to time to obtain more favorable results. There may be sharp differences between simulated or estimated results and the actual results subsequently achieved by any particular account, product or strategy. In addition, simulated/estimated results cannot account for the impact of certain market risks such as a lack of liquidity or default risk. There are numerous other factors related to the markets in general or the implementation of any specific strategy which cannot be fully accounted for in the preparation of simulated or estimated results, all of which can adversely affect actual results.

We always try to push the boundaries of this 100 basis point test. As mentioned earlier, yields decreased during the third quarter. At the start of the quarter, the 5-year Treasury would have produced a positive return using this test. So, it would have been a candidate for our portfolio at that time. However, as seen here, by the end of the quarter, the 5-year Treasury was not a candidate for our portfolio because of the expected loss under our 100 basis point test. So instead, towards the end of the quarter, we bought 4.8-year maturity Treasury bonds that still yielded enough to produce an expected positive return using our 100 basis point test.

Using this test, we think that we can add duration while providing some ability to protect capital in a rising rate environment. Now, if it turns out that rates decreased, longer-duration bonds offer more short-term total return potential. The light blue bars on this chart show the total return over 12 months if rates decrease by 100 basis points. These longer-duration Treasuries offer the potential for mid to high single-digit total returns if rates decrease over the next 12 months. Specifically, the 4.8-year Treasuries that we bought recently would produce an expected total return of 7% if rates decreased by 100 basis points over 12 months.

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The purpose of this chart is to explain how we identify the duration we want to buy. Though the analysis on this slide is focusing on Treasuries, in many instances we are buying bonds with spread. That spread creates extra yield which, when run through this analysis, can allow us to [identify] bonds that are a bit longer than this chart would suggest.

[Please see slide 16] As shown here, we have been diligently adding duration to both New Income and Flexible Fixed Income since the end of 2021. New Income's duration has increased from 1.4 years to 3.2 years, versus essentially no change in duration for its category, which makes New Income one of the most actively managed funds in its category. Similarly, Flexible Fixed Income's duration increased from 1.0 year to 3.1 years versus a smaller increase for its category.

[Please see slide 17] We believe longer-duration investments we have made have created an attractive short-term upside versus downside return profile for the portfolio. This chart estimates what the return for New Income could look like over the next 12 months, before fees. The x-axis shows different scenarios for changes in the reference yields, and each bar estimates New Income's 12-month gross return for each scenario, assuming no defaults, assuming that we don't buy or sell any bonds, and assuming a zero reinvestment rate.

For example, the bar above +100 says that New Income could return 1.7% before fees if reference rates rise by 100 basis points over the next 12 months. The right side shows that rates could increase by 150-175 basis points, and New Income could generate a positive return before fees. And the left side shows that New Income could return 6.8% over 2 months before fees if rates decrease by 100 basis points.[5]

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[Please see slide 18] The same chart for Flexible Fixed Income is shown here, and shows that Flexible Fixed Income could return 2% before fees if rates rise by 100 basis points over the next 12 months, and could return 6.9% over 12 months before fees if rates decrease by 100 basis points.

[5] These charts show the hypothetical impact of rate changes on the portfolio's performance in one year as of the month end noted assuming: (i) a gradual shift in yield over a 12-month period; (ii) zero reinvestment rate; (iii) no investments are bought or sold; and (iv) new securities are not purchased to replace securities that mature within the 12 months. The hypothetical performance is presented gross of investment management fees, transactions costs, and operating expenses, which if included, would reduce the returns presented. **Stress Test data is hypothetical and provided for illustrative purposes only** and is intended to demonstrate the mathematical impact of changes in reference yield.

[Please see slide 19] We have spent almost three years increasing the funds' duration so that we might participate in the short-term upside offered by the broader bond market while [mitigating the downside risk] than the broader bond market against short-term drawdowns induced by rising interest rates.

We've seen now that upside versus downside play out over the past year as rates have declined by 100 to 145 basis points across 1- to 7-year maturity bonds over the last 12 months.

During that time, the Aggregate Bond Index returned 11.57%. In comparison, New Income returned 9.74%, capturing 84% of the Aggregate Bond Index's return. So New Income was able to participate in a lot of the upside that the broader bond market offered. On the other hand, over this same period, New Income's 0.94% maximum drawdown was a fraction of the Aggregate Bond Index's 3.19% maximum drawdown.

Similarly, Flexible Fixed Income returned 10.71% over the past year, capturing 93% of the Aggregate Bond Index's return and 89% of the Universal Index's return during that time. But Flexible Fixed Income only had a 0.90% max drawdown over the past year versus 3.19% for the Aggregate Bond Index and 2.73% for the Universal Index.[6]

[Please see slide 20] We think being thoughtful about short-term upside versus downside is important because it has implications for long-term returns. A portfolio that can protect capital on the downside is in a better position to take advantage of the cheaper markets that created that downside, and subsequently benefit when those cheaper markets return to normal, which is what has happened over the past couple of years. That requires discipline and a willingness to move out of step with the market but can result in what we think are attractive long-term risk-adjusted returns.

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This chart shows a value of an investment in New Income over the past ten years. We also provide a comparison to the short-term bond category, the 1-3 Year Aggregate Bond Index, and the broader Aggregate Bond Index. Our willingness to deviate from the crowd in a disciplined way

[6] **Past performance is no guarantee, nor is it indicative, of future results.**

has allowed our investors to make more money over the years, and with less volatility or a smoother ride along the way.

New Income has outpaced short-duration strategies, which supports our view that New Income is a good short-duration bond fund. But the fact that New Income has outpaced longer-duration indices too supports our view that New Income can also be a good core bond fund for those with a longer horizon.

[Please see slide 21] We show a similar chart here for Flexible Fixed Income since its inception at the end of 2018. Using the same investment approach in comparison to the nontraditional bond category, the Aggregate Bond Index and Universal Index, Flexible Fixed Income's investors have made more money with less volatility along the way.

[Please see slide 22] Let's now review the third quarter for New Income.

[Please see slide 23] The bottom right of this table shows that New Income returned 3.84% before fees during the quarter.

The largest contributors to this performance were agency mortgage pools, which rose in price as risk-free rates declined. The agency mortgage pools also benefited from coupon payments and principal amortization applied to the pools' discount dollar price.

The second-largest contributors to performance were agency-guaranteed commercial mortgage-based securities, which also increased in price due to a decrease in risk-free rates.

The third-largest contributors to performance were asset-backed securities backed by equipment, which increased in price as rates fell. Those bonds also got the benefit of their coupon payments.[7]

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[Please see slide 24] There were individual bonds that detracted from performance during the quarter but there were no meaningful detractors at the sector level.

[Please see slide 25] These pie charts show the New Income portfolio broken down by investment idea. There is a slice of the pie for each investment idea that is at least 4% of the portfolio. The Other slice is

[7] FPNIX's sector performance and contribution is presented gross of investment management fees, transactions costs, and FPNIX operating expenses, which if included, would reduce the returns presented. Portfolio composition will change due to ongoing management of FPNIX. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities/sectors listed. This is not a recommendation for a specific security/sector and these securities/sectors may not be in FPNIX at the time you receive this presentation.

the total of all of the individual ideas that are each less than 4% of the portfolio.

Consistent with what we discussed earlier, we have been focused on buying high-quality, longer-duration bonds. During the quarter, we bought fixed rate, high-quality bonds including, but not limited to, Treasuries, agency-guaranteed commercial mortgage-backed securities, asset-backed securities backed by equipment, agency-guaranteed residential mortgage pools, utility cost recovery bonds, and nonagency residential mortgage-backed securities. On average, these investments had a weighted average life of 4.8 years and a weighted average duration of 4.3 years.

To help fund investments, we sold high-quality bond with a weighted average life and duration of 1.8 years and 1.7 years respectively.

In addition to the outright additions to our Treasury holdings, we extended the duration of our existing Treasury holdings. Further, we sold high-quality asset-backed securities or ABS with a weighted average life and duration of 4.3 years and 3.7 years respectively, and some BBB-rated corporate bonds, and we reinvested the proceeds into Treasuries because the spread on those ABS and corporate bonds had decreased to a level where the prospective returns no longer justified the exposure.

And finally, we sold outright some other BBB-rated corporate bonds. Those BBB bonds sit within our Credit holdings. Some of our other credit holdings matured, were repaid, or amortized.

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[Please see slide 26] Due to these active reductions in our Credit holdings, the Credit exposure in the portfolio decreased to 7% of the portfolio, as shown here. That means that 93% of the portfolio is held in a combination of cash, Treasuries, and [High Quality] bonds.

[Please see slide 27] Moving on to Flexible Fixed Income.

[Please see slide 28] The bottom right of this table shows that Flexible Fixed Income returned 3.94% before fees during the quarter.

The largest contributors to this performance were agency mortgage pools, which rose in price as risk-free rates declined. The agency mortgage pools also benefited from coupon payments, and principal amortization applied to the pools' discount dollar price.

The second-largest contributors to performance were Treasuries, which increased in price due to a decrease in risk-free rates.

The third-largest contributors to performance were agency-guaranteed commercial mortgage-backed securities, which also increased in price due to a decrease in the risk-free rates.[8]

[Please see slide 29] There were individual bonds that detracted from performance during the quarter, but there were no meaningful detractors at the sector level.

[Please see slide 30] These pie charts follow the same format that we showed earlier. During the quarter, we bought high-quality bonds with a weighted average life and duration of 4.8 years and 4.3 years respectively. These investments included, but weren't limited to, Treasuries, agency-guaranteed commercial mortgage-backed securities, agency mortgage pools, asset-backed securities backed by equipment, nonagency CMBS backed by single-family rental properties, utility cost recovery bonds, and nonagency residential mortgage-backed securities. In addition to adding to the Treasury holdings, we extended the duration of the Fund's existing Treasury position. Further, we sold high-quality ABS

[8] FPFIX's sector performance and contribution is presented gross of investment management fees, transactions costs, and FPFIX operating expenses, which if included, would reduce the returns presented. Portfolio composition will change due to ongoing management of FPFIX. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities/sectors listed. This is not a recommendation for a specific security/sector and these securities/sectors may not be in FPFIX at the time you receive this presentation.

with a weighted average life and duration of 4.3 years and 3.7 years respectively, and reinvested the proceeds into Treasuries

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Finally, we reduced the Credit exposure via maturities, repayment, and amortization of the existing holdings. We also sold bank debt and BBB-rated corporate bonds, and we reinvested the proceeds of some of those sales into Treasuries.

[Please see slide 31] As a result of that investment activity, the Credit exposure ended the quarter at 13%, as shown here. 87% of the portfolio was held in a combination of cash, Treasuries, and highly rated bonds. Stepping back, given the comments we made earlier about how expensive the high yield market is, it makes sense the Fund has less Credit these days.

[Please see slide 32] We can now move on to Q&A.

[Please see slide 33] **We'll start with a question we received in advance which asks for more detail on our CMBS holdings.**

Let's look at New Income first. At the bottom of this table, we can see that [as of September, 30, 2024], 20% of New Income was invested in CMBS. Of the 20% in CMBS, almost 15 percentage points was invested in agency-guaranteed CMBS which are secured by multifamily properties and has a benefit of the agency guarantee at the principal value.

Moving down the list, of the remaining 5 percentage points that were held in Non-Agency CMBS, 3 percentage points were in [CRE] CLOs backed by commercial real estate loans. These CLOs are all AAA-rated and floating rate. Approximately 75% of the collateral is multifamily and there's over 50% credit support provided by bonds that are below ours in the capital structure that serve to absorb losses.

Next, we have SASB bonds. SASB refers to single asset single borrower and refers to bonds that are backed by a single property or a set of related properties.

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The total SASB exposure in New Income is half a percentage point of the portfolio. 0.1 percentage points is a bond backed by a multifamily property at a 25% loan-to-value or LTV. Another 0.1 percentage points is a bond backed by an office property in Silicon Valley where the tenant is a $2 trillion AA-rated company, and that tenant's lease payments alone are sufficient to fully pay down our bond. And then we have the property value itself as belts and suspenders. There's another SASB bond backed by datacenters that's 0.3 percentage points of the portfolio, and that bond has a 53% LTV.

Finally, 1.6 percentage points of New Income's CMBS exposure is held in AAA-rated bonds backed by single-family rental properties at an average 32% loan-to-value. Note that we categorize these single-family rental bonds as CMBS but other bond funds out there would be categorizing them as something else, like ABS.

Looking at Flexible Fixed Income, we'll highlight a few differences. First, the majority of Flexible Fixed Income's 17% CMBS exposure is held in similar agency-guaranteed multifamily bonds. That's 12 of the 17 percentage points. The [CRE] CLOs are similar to New Income's. Flexible Fixed Income has two SASB multifamily bonds. One is the same as New Income. On average, these two bonds have a 44% blended LTV in Flexible Fixed Income. 0.7 percentage points of Flexible Fixed Income are held in two different AAA-rated bonds backed by Trophy Office Properties in New York City. We bought these bonds during a period of heightened stress in the market towards the end of 2023. These buildings are fully occupied, with long lease terms, and our bonds have an average LTV of 36%.

Flexible Fixed Income also owns two SASB backed by two different hotels. One is one of the best hotel casinos in Las Vegas, where our AAA bond has a 31% LTV. The other is a trophy hotel property in Maui, Hawaii, where our split-rated AA and single-A bond has a 33% LTV.

Flexible Fixed Income owns the same datacenters but via two tranches with LTV at 53% and 60%, and a weighted average of 58%. Flexible Fixed Income has a *de minimis* position in an AAA-rated conduit bond backed by 49 properties, a blended LTV of 30%. And lastly, the single-family rental exposure is similar to New Income's.

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Kristina: [Please see slide 32] Thank you, Abhi, and thank you to those of you who submitted questions in advance. We covered many of them in the prepared remarks.

Kristina: We received some more administrative questions regarding capital gains, and we expect to post the capital gain estimates on our website FPA.com in the coming weeks. We are also going to send our general blast email to the same distribution list where you received the invite for this webcast.

Thank you for listening to FPA New Income Fund and FPA Flexible Fixed Income Third Quarter 2024 Webcast. We now turn it over to the system moderator for closing comments and disclosures.

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Moderator: [Please see slide 37] Thank you for you participation in today's webcast. We invite you, your colleagues, and shareholders to listen to the playback of this recording and view the presentation slides that will be available on our website, typically within a few weeks, at FPA.com.

[Please see slide 38] We urge you to visit the website for additional information about each fund, such as complete portfolio holdings, historical returns, and after-tax returns.

Following today's webcast, you will have the opportunity to provide your feedback and submit any comments or suggestions. We encourage you to complete this portion of the webcast. We know your time is valuable, and we do appreciate and review all of your comments.

[Please see slide 39] Please visit FPA.com for future webcast information, including replays. We post the date and time of upcoming webcasts towards the end of each current quarter, and webcasts are typically held three to four weeks following each quarter end. If you did not receive an invitation via email for today's webcast and would like to receive them, please email us at crm@fpa.com.

We hope that our quarterly commentaries, webcasts, and special commentaries will continue to keep you appropriately informed on the strategies discussed today.

We do want to make sure you understand that the views expressed on this call are as of today and are subject to change without notice based on market and other conditions. These views may differ from other portfolio managers and analysts at the firm as a whole, and are not intended to be a forecast of future events, a guarantee of future results, or investment advice.

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

[Please see slide 40] Any mention of individual securities or sectors should not be construed as a recommendation to purchase or sell such securities or invest in such sectors, and any information provided is not a sufficient basis upon which to make an investment decision. It should not be assumed that future investments will be profitable or will equal the performance of the security or sector examples discussed.

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You should consider each fund's investment objectives, risks, and charges, and expenses carefully before you invest. The prospectus details each fund's investment objective, and policies, risks, 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 FPA.com, by email at crm@fpa.com, toll-free by calling 1-800-982-4372, or by contacting the fund in writing.

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This concludes today's call. Thank you and enjoy the rest of your day.

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[END FILE]