



## FPA New Income, Inc. Third Quarter 2020 Commentary

Not authorized for distribution unless preceded or accompanied by a current prospectus.

### Average Annual Total Returns (%)

| As of September 30, 2020    | 30<br>Years | 20<br>Years | 15<br>Years | 10<br>Years | 5<br>Years | 3<br>Years | 1<br>Year | YTD  | QTR  |
|-----------------------------|-------------|-------------|-------------|-------------|------------|------------|-----------|------|------|
| FPA New Income, Inc.        | 5.40        | 3.60        | 2.79        | 2.02        | 2.52       | 2.83       | 2.41      | 1.96 | 0.71 |
| BBgBarc US Agg Bond         | 6.02        | 5.01        | 4.48        | 3.64        | 4.18       | 5.24       | 6.98      | 6.79 | 0.62 |
| CPI + 100 bps               | 3.30        | 3.07        | 2.83        | 2.79        | 2.86       | 2.85       | 2.43      | 1.44 | 1.42 |
| BBgBarc US Aggregate 1-3 Yr | NA          | 3.10        | 2.64        | 1.58        | 2.05       | 2.76       | 3.44      | 2.85 | 0.16 |

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](http://www.fpa.com) or by calling toll-free, 1-800-982-4372.

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

The Total Annual Fund Operating Expenses before reimbursement is 0.57% (as of the most recent prospectus). First Pacific Advisors, LP ("FPA" or the "Adviser"), the Fund's investment adviser, 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. *For the period July 1, 2020 through October 1, 2020, the Adviser temporarily reimbursed annualized Fund operating expenses in excess of 0.48% of 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). This temporary waiver was terminated effective October 2, 2020.*

You should consider the Fund's investment objectives, risks, and charges and expenses carefully before you invest. The Prospectus details the Fund's objective and policies, charges, and other matters of interest to a prospective investor. Please read the Prospectus carefully before investing. The Prospectus may be obtained by visiting the website at [www.fpa.com](http://www.fpa.com), by email at [crm@fpa.com](mailto:crm@fpa.com), toll-free by calling 1-800-982-4372 or by contacting the Fund in writing.

*Effective August 1, 2020, the availability of shares of the Fund to new investors is limited. Please see the Prospectus for more detail.*

***Please see important disclosures at the end of this update.***

## Introduction

Dear Fellow Shareholders,

FPA New Income, Inc. (the “Fund”) returned 0.71% in the third quarter of 2020 and 1.96% year-to-date.

As of September 30, 2020, the portfolio had a yield-to-worst<sup>1</sup> of 1.65% and an effective duration of 1.30 years. Continuing a trend since the pandemic-related selloff in March of this year, yields declined during the quarter across much of the fixed income market, predominantly driven by lower spreads (as the change in Treasury yields was negligible). Despite progress toward a vaccine and therapies for COVID-19 over the past few months, the imminent arrival of an effective and widely disseminated treatment for COVID-19 is not a certainty (although market prices suggest otherwise). Accordingly, the long-term impact of COVID-19 on the economy and asset values remains unclear. This lack of certainty, combined with low interest rates and elevated prices creates a challenging investment environment and leads us to focus on short duration, high-quality bonds (rated single-A or higher) and specific types of credit investments (investments rated BBB or lower). To hedge against a macroeconomic ‘failure to launch’ – such as weaker-than-expected economic growth and/or weaker-than-expected inflation – we invested in five-year maturity Treasury bonds. The Fund’s credit exposure (investments rated BBB or lower) increased from 5.6% on June 30, 2020 to 6.3% as of September 30, 2020.<sup>2</sup> Cash and equivalents decreased from 14.2% of the portfolio as of June 30 to 4.7% at September 30.

To help optimize returns for the Fund’s existing shareholders, effective as of the close of business on July 31, 2020, the Fund voluntarily closed to new investors and, effective July 1, 2020, FPA implemented a temporary expense waiver (the “Temporary Waiver”), which reduced the Fund’s expense ratio to mitigate the effect of the Fund’s temporary elevated cash holding. Please see [the announcement](#) for more details. On Oct. 2, 2020, FPA removed the Temporary Waiver because we have reduced cash and equivalents to a level we believe is more appropriate in the current market environment and which we believe can be maintained for the near future. Please see [the announcement](#) for more details.

## Portfolio Attribution<sup>3</sup>

The largest contributors to performance during the third quarter were corporate loans, asset-backed securities (ABS) backed by auto loans or leases, and ABS backed by equipment. Following a significant increase in spreads and a decline in prices in the first quarter of 2020, spreads decreased significantly during the second quarter, leading to price appreciation across much of the fixed income market, a trend that continued in the third quarter. The three largest contributors this quarter all benefited from this price appreciation. In addition, the corporate loan holdings benefited from repayment of a few investments that were priced below par.

The only detractors from performance during the quarter were five-year maturity Treasury bonds, a newly instituted position designed to serve as a hedge for the overall portfolio. At the sector level, there were no other meaningful detractors from performance, though there were individual bonds in some sectors that immaterially detracted from performance.

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<sup>1</sup> 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 September 30, 2020, the Fund’s subsidized/unsubsidized 30-day SEC standardized yield (“SEC Yield”) was 1.98%/1.86% 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 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.

<sup>2</sup> Includes bonds representing 72 basis points (bps) of the portfolio that were downgraded to BBB during this quarter.

<sup>3</sup> 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 or sectors purchased, sold or recommended by FPA during the quarter. The portfolio holdings as of the most recent quarter-end may be obtained at [www.fpa.com](http://www.fpa.com).

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

## Portfolio Activity

The table below shows the Fund's exposures as of June 30, 2020 compared to September 30, 2020:

| Sector                             | % Portfolio<br>9/30/2020 | % Portfolio<br>6/30/2020 | Change (bps*) |
|------------------------------------|--------------------------|--------------------------|---------------|
| ABS                                | 67.6                     | 61.9                     | 564           |
| Mortgage Backed (CMO) <sup>4</sup> | 7.6                      | 7.3                      | 29            |
| Stripped Mortgage-backed           | 1.9                      | 2.5                      | -55           |
| Corporate                          | 4.1                      | 5.2                      | -114          |
| CMBS <sup>4</sup>                  | 8.3                      | 7.5                      | 82            |
| Mortgage Pass-through              | 0.2                      | 0.2                      | -5            |
| U.S. Treasury                      | 4.6                      | 0.0                      | 462           |
| Agencies                           | 1.0                      | 1.2                      | -12           |
| Cash and equivalents               | 4.7                      | 14.2                     | -952          |
| <b>Total</b>                       | <b>100.0%</b>            | <b>100.0%</b>            |               |
| Yield-to-worst <sup>5</sup>        | 1.65%                    | 2.06%                    | -40           |
| Effective Duration (years)         | 1.30                     | 1.14                     | 0.17          |
| Average Life (years)               | 1.78                     | 1.47                     | 0.31          |

\* Except effective duration and average life. Due to rounding, the numbers presented above may not add up precisely to the totals provided.

Declining spreads combined with slightly lower Treasury yields during the quarter reduced overall yields across much of the fixed income market.

<sup>4</sup> 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.

<sup>5</sup> 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 September 30, 2020, the Fund's subsidized/unsubsidized 30-day SEC standardized yield ("SEC Yield") was 1.98%/1.86% 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 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.

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## Yield Curve

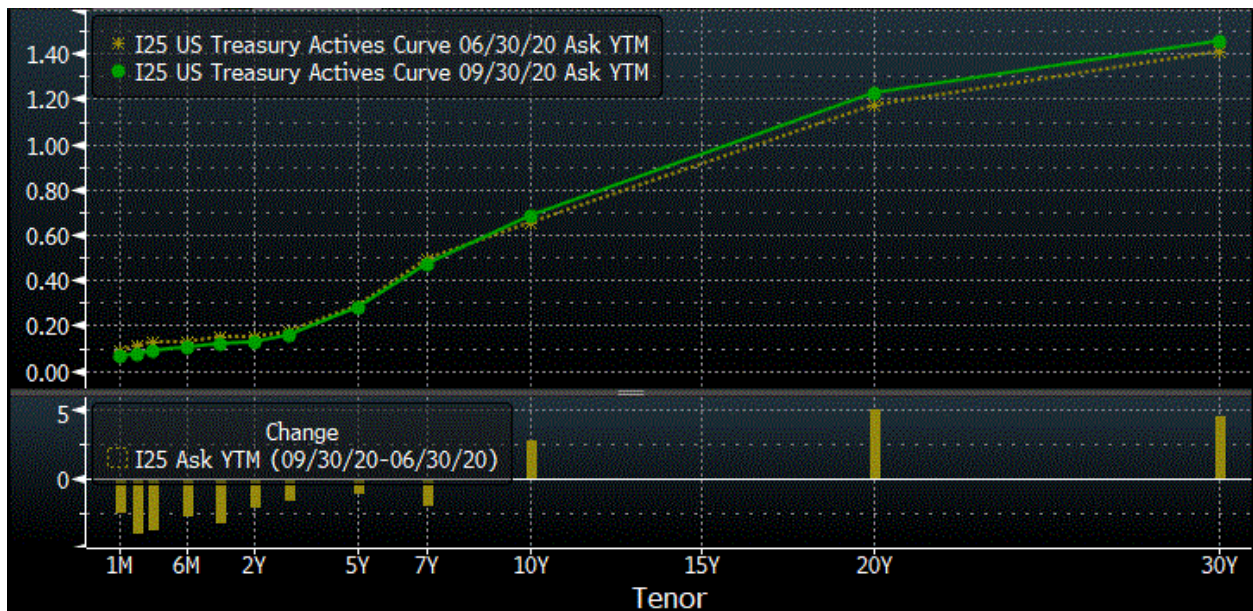
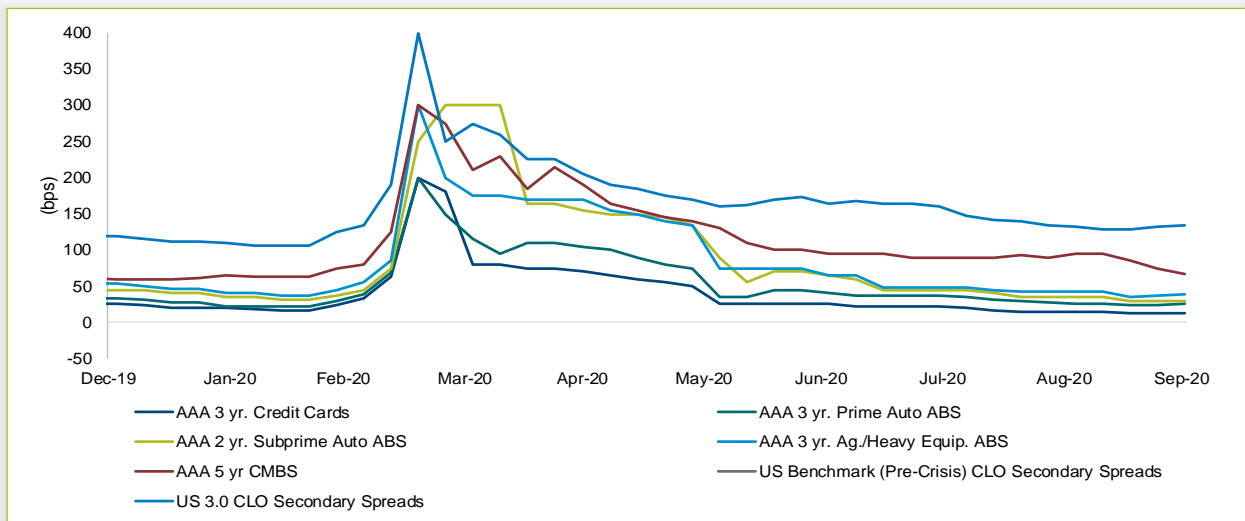


Chart data as of the dates shown. Source: Bloomberg.

Many segments of the high-quality bond market now trade at spreads that are lower than pre-COVID-19 levels. The chart and table below show spreads in high-quality structured products, where we find the most attractive risk-adjusted return (in comparison to investment-grade corporate bonds, agency mortgages or other high-quality investments):

## ABS Spreads



| Spread to worst (bps)            | 12/26/2019 | 2020<br>Peak<br>Spread | 10/1/2020 |
|----------------------------------|------------|------------------------|-----------|
| AAA 3 yr Credit Cards            | 26         | 200                    | 13        |
| AAA 3 yr. Prime Auto ABS         | 33         | 200                    | 26        |
| AAA 2 yr Subprime Auto ABS       | 44         | 250                    | 30        |
| AAA 3 yr. Ag/Heavy Equipment ABS | 53         | 300                    | 39        |
| AAA 5 yr CMBS                    | 62         | 300                    | 67        |
| US 3.0 CLO Secondary Spreads AAA | 120        | 400                    | 134       |

Source: JP Morgan. Chart data from December 26, 2019 through October 1, 2020.

Notably, the market for collateralized loan obligations (CLOs) is one of the few segments where spreads have still not fully recovered to pre-COVID-19 levels, which is why we directed much our investment activity there during the quarter. The CLO exposure increased from 10% of the portfolio as of June 30 to 19% as of September 30.

We stated in a recent commentary that crises often create attractive investments due to a combination of better protection for investors and better return profiles. This year's COVID-19 crisis has been no different. Newly created CLOs include better protection for investors in the form of additional credit support to guard against losses in the underlying corporate loan collateral. Further, the underlying loan portfolios in these new CLOs are often of higher quality (and are therefore considered less risky). Our CLO investment activity was focused on AAA bonds issued by managers who have a track record and investment approach that we believe will limit the risk of permanent impairment of our bonds. Should these managers fail to invest in a manner consistent with their history, the significant protection built into AAA bonds should protect the bonds from permanent losses of capital, even in a high default and loss scenario.

The relatively higher CLO spreads highlighted above should translate into higher yields. Moreover, due to risk-free rates near zero,<sup>6</sup> the flatness of the yield curve between three months and three years and coupon floors on CLOs,<sup>7</sup> the yield opportunity cost of buying floating rate CLOs versus a fixed rate alternative is insignificant. On the other hand, if short-term interest rates rise, the coupon on CLOs should adjust accordingly, helping to maintain the value of those bonds versus fixed rate bonds, all things being equal. The tradeoff is that the limited call protection on CLOs may result in less price appreciation if rates decline.<sup>8</sup>

Beyond CLOs, we made other high-quality investments in ABS backed by prime or subprime auto loans or leases, equipment, servicer advances, or insurance premium loans; commercial mortgage-backed securities; and residential mortgage-backed securities backed by inactive reverse mortgages.

In credit markets, spreads declined during the quarter but remain higher than they were at the start of the year. However, spreads are now applied to much lower risk-free rates versus the beginning of the year, resulting in overall yields in high-yield bonds and loans that are comparable to pre-COVID-19 yields, as shown below:

<sup>6</sup> In this case, risk-free rates refer to yields on Treasury bonds maturing in zero to three years.

<sup>7</sup> A coupon floor is the minimum coupon rate on a floating rate security.

<sup>8</sup> Floating rate bond coupons increase and decrease based on increases and decreases, respectively, in the reference interest rate. Some floating rate bonds have a coupon floor whereby the coupon rate is equal to the greater of the coupon rate defined by the coupon floor and the reference interest rate-based coupon rate. Depending on the magnitude of a decline in the reference interest rate, the floating rate coupon on a bond with a coupon floor might not decline if the reference interest rate-based coupon rate is less than the coupon floor. If a bond's coupon rate equals the coupon floor, then the bond starts to behave like a fixed rate bond whereby a decline in market yields causes the bond's price to rise. However, bonds that are callable often do not appreciate in price much beyond the call price. Callable bonds are bonds that are able to be redeemed by the bond issuer. Some bonds have call protection which is a provision that prohibits the issuer from redeeming the bond for a specified period of time and, once that period expires, the issuer may redeem the bond at a specified price (the call price). Bonds often do not appreciate in price much beyond the call price because bond investors are wary of the loss associated with paying a price above the call price then subsequently having the bond redeemed at the call price. All things being equal, bonds with longer call protection periods and higher call prices have more potential price appreciation when market yields decline. Conversely, bonds with shorter call protection periods and call prices equal to par, like some CLOs, have less potential price appreciation.



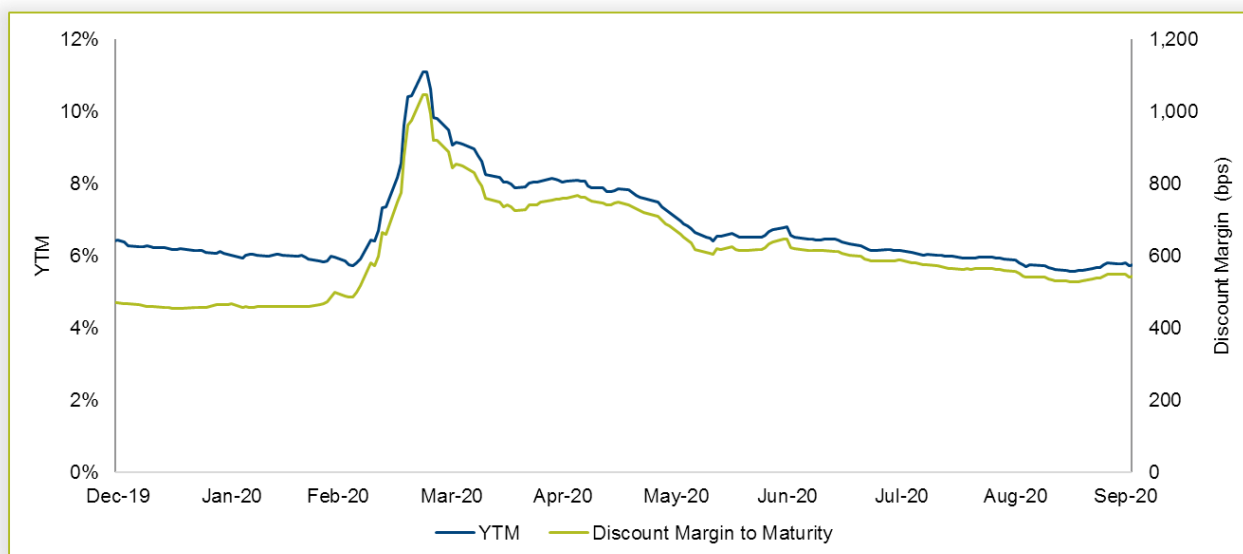
## Bloomberg Barclays U.S. High Yield Bond Index



|              | 12/31/2019 | 2020 Peak Spread | 10/1/2020 |
|--------------|------------|------------------|-----------|
| Spread (bps) | 357        | 1,123            | 540       |
| YTW          | 5.19%      | 11.69%           | 5.69%     |

Source: Bloomberg Barclays. Chart data from December 31, 2019 through October 1, 2020.

## Credit Suisse Leveraged Loan Index



|                                   | 12/31/2019 | 2020 Peak Spread | 10/1/2020 |
|-----------------------------------|------------|------------------|-----------|
| Discount Margin to Maturity (bps) | 471        | 1,047            | 542       |
| YTM                               | 6.43%      | 11.10%           | 5.73%     |

Chart data from December 31, 2019 through October 1, 2020. Source: Bloomberg Barclays.

To paraphrase our comments from last quarter, there is a disconnect between bond prices and the uncertainty in the world. It was true three months ago and it is still true today that long-term economic growth and asset prices depend on the effectiveness of a COVID-19 vaccine or treatment and the availability of either. Undoubtedly, substantial progress has been made toward a vaccine and new treatments -- but we still don't have enough clarity on their timing and effectiveness. That means there are still significant questions about which borrowers (corporate, consumer or government) will have the wherewithal to repay debt. Our view is that investors should be compensated for the risk of nonpayment of debt on an absolute basis. Thus, while relative value investors may see an attractive high-yield market in a "there-is-no-alternative" world, we see little value in high-yield bonds and other similarly rated debt. Consequently, to the extent that we are investing in credit, those investments have been directed toward situations where we believe there is a significant margin of safety. Those investments have also generally been short in duration to provide protection against an increase in spreads and yields that may arise due to an increase in actual or expected defaults. As one might imagine, such investments are not plentiful in today's world, but this past quarter we identified a few in corporate bank debt and structured products bonds backed by non-performing residential or commercial loans.

Due to significant worldwide economic uncertainty, during this past quarter we hedged the portfolio. The high-quality investments described above were largely consistent with our oft-described duration stress test, which seeks to identify bonds that we expect will generate at least a breakeven return over 12 months (assuming that yields rise by 100 basis points during that 12-month period). As yields decline, this stress test directs us toward shorter duration bonds. The shorter duration is beneficial if interest rates rise, which can occur due to some combination of an increase in inflation, real interest rates and spreads. As it relates to inflation and real interest rates, the Federal Reserve has pledged to keep monetary policy accommodative until inflation averages 2% over time, per the Federal Reserve's new average inflation targeting framework. Rising inflation should lead to higher nominal yields and, theoretically, eventually higher real yields -- and both would contribute to lower bond prices.

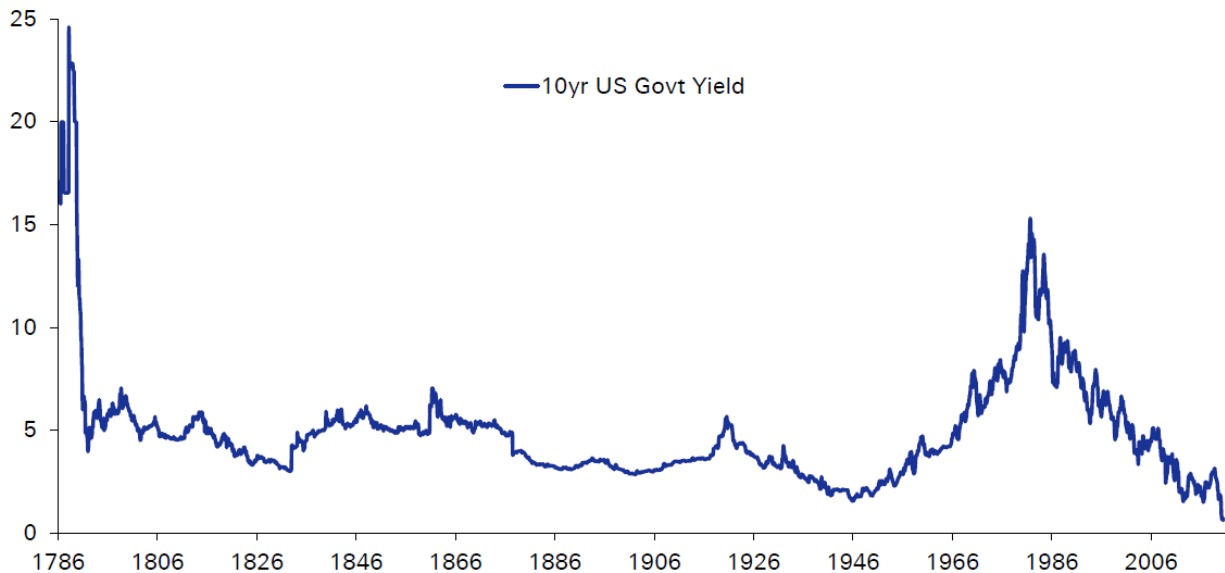
However, despite the Federal Reserve's wishes, higher inflation is not a certainty. There is a very real possibility that meaningful inflation will fail to materialize due to lackluster long-term economic growth. That lackluster growth could be caused by society's inability to control COVID-19, for example, the debt overhang and unproductive capital allocation of a central bank-supported post-COVID-19 economy or unproductive fiscal stimulus. In response, the Federal Reserve could push monetary policy to new bounds, including past the zero bound of interest rates. Current commentary from the Federal Reserve suggests that it is not seriously contemplating negative interest rate policy. However, there is nothing stopping the market from pushing yields on bonds into negative territory in anticipation of a move in that direction by the Federal Reserve. Alternatively, the Federal Reserve could pursue other measures that suppress bond yields. All else constant, such outcomes would be positive for bonds in the near term since lower yields would lead to price appreciation. However, the short duration bonds in our portfolio would see limited benefit.

To gain exposure to more price appreciation if yields decline, we instituted a hedge via an investment in five-year Treasury bonds. As of the end of the quarter, that position represented 4.6% of the portfolio. If yields decline further, we expect these Treasury bonds will experience much greater price appreciation than the bonds in the rest of the portfolio (which have an average duration of approximately one year). We chose five-year maturity bonds and sized this Treasury position so it will meaningfully contribute to returns in the event that interest rates decline, but if rates rise, they should still position the portfolio to produce a positive total return over 12 months. Finally, Treasuries have the added benefit of being among the most liquid investments in the world, so we can quickly adjust the hedge as market conditions change. That said, like many hedges, this hedge has a cost, so we recognize that these Treasury bonds could periodically detract from performance as interest rates move.

## Market Commentary

In many ways, today's market is unprecedented. The 10-year US Treasury yield recently hit its lowest point in more than 230 years, and the yield on the 2-year US Treasury also reached a new all-time low this year since they started tracking it in 1976 (see the following charts). But this isn't the first time we've dealt with historically low interest rates.

## 10-Year US Treasury Yield (%)



Source: Deutsche Bank. Data Source: Global Financial Data, Deutsche Bank

Chart data covers the period January 1786 to September 30, 2020.

Yields are spliced together from various government borrowings through history before the Treasury market was established

## 2-Year US Treasury Yield (%)



Source: Bloomberg. Chart data from June 1, 1976 through September 30, 2020.

The new all-time low yield on the 2-year Treasury was 0.13% on Sept. 30, 2020. That beats a record low established just eight years ago, at the end of September 2012, when the yield on the 2-year Treasury was 0.23%. At a high level, it appears that today's environment is similar to where we were in late 2012.

But there are differences too, of course. One is the shape of the yield curve. In 2012, the yield curve was much steeper than it is today (see the following chart).



## Yield Curve

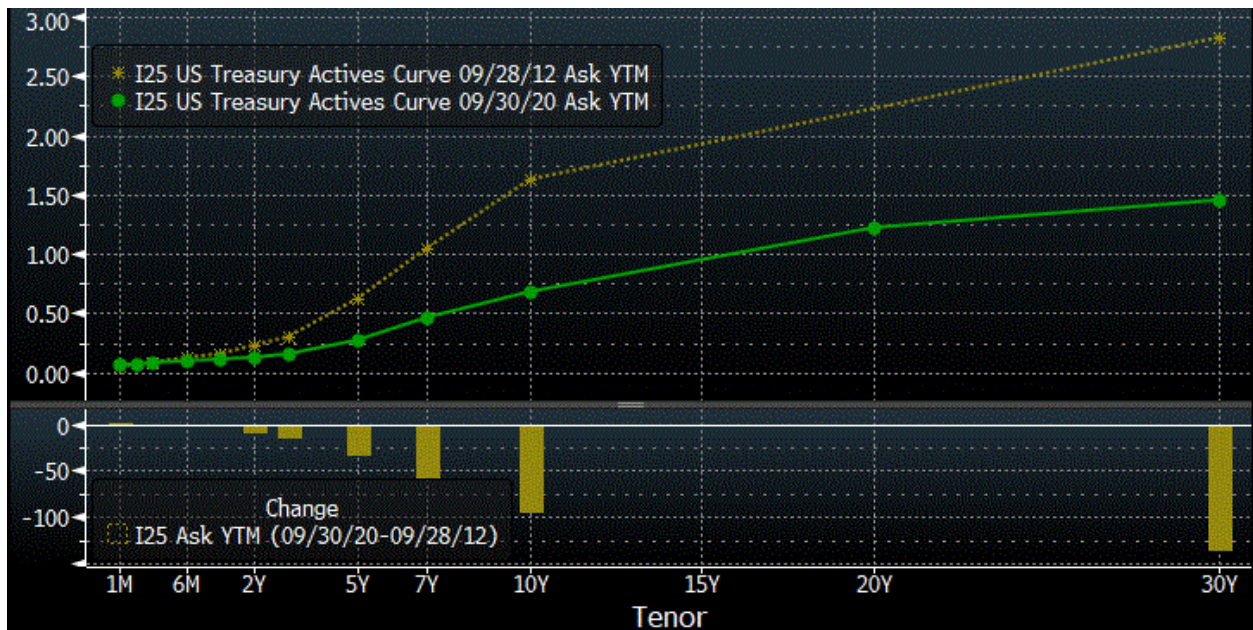


Chart data as of the dates shown. Source: Bloomberg.

The difference in steepness stems from the difference in inflation expectations. The chart below shows the implied inflation rate over five years starting five years from each date on the chart (i.e., the 5-year forward, 5-year breakeven inflation).

## 5y5y Inflation Swap Rate (%)<sup>9</sup>

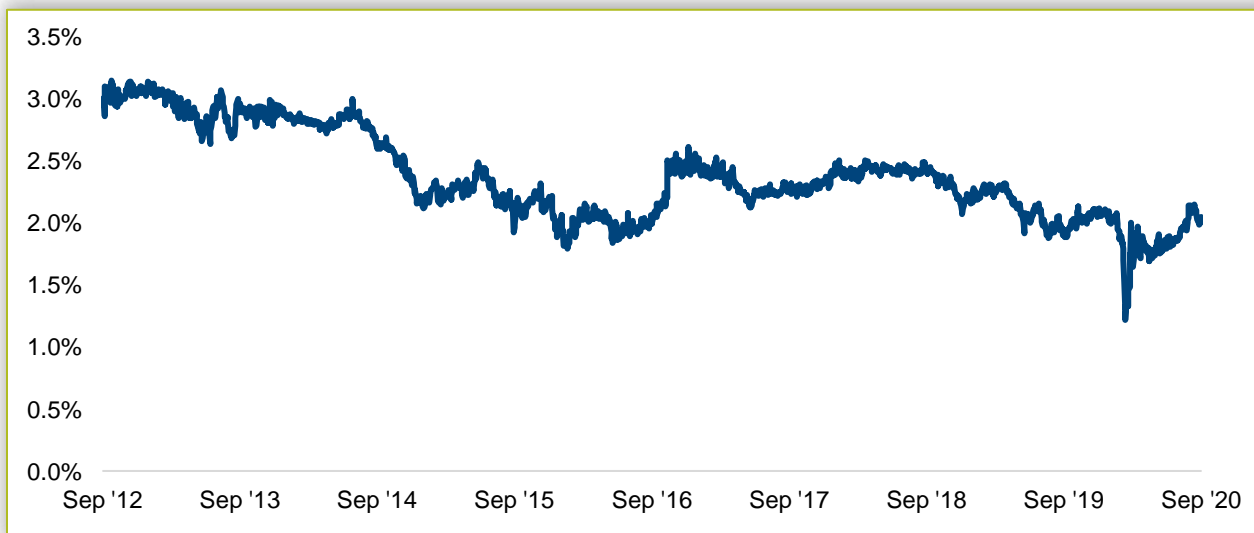


Chart data period September 30, 2012 through September 30, 2020. Source: Bloomberg.

Inflation expectations were much higher in 2012 than they are today. Consequently, long-term real interest rates were higher eight years ago than they are today, as reflected below by the real yield on 10-year Treasury Inflation Protected Securities (TIPS).

<sup>9</sup> 5y5y inflation swap is the measure of expected inflation of the five-year period that begins five years from today.

### 10-Year TIPS Real Yield (%)



Chart data period September 30, 2012 through September 30, 2020. Source: Bloomberg

In the period following the Great Financial Crisis starting in 2010, the Federal Reserve undertook what was then a novel approach of buying Treasuries and agency mortgages in a bid to stimulate economic growth and generate higher inflation. Something similar is playing out today. The Federal Reserve is using its playbook from the Great Financial Crisis and applying it to the current COVID-19 crisis but with much greater magnitude and at a much faster pace. Just a few months into the COVID-19 crisis, Federal Reserve purchases of Treasuries and mortgages had already grown to exceed the balance sheet expansion that took many years to amass following the Great Financial Crisis. This time, however, the Federal Reserve took the additional step of adjusting its inflation objective. In the past, 2% inflation was the ceiling, but now the Federal Reserve says it will allow inflation to exceed 2% to achieve an average of 2% over some undefined period.<sup>10</sup>

This comparison to the past is relevant for anyone wondering if we can produce an attractive return in a historically low interest rate environment. The charts below show that we've done it before. The first graph shows the rolling three-year returns of the Fund versus the Bloomberg Barclays US Aggregate Bond Index and the Bloomberg Barclays US Aggregate 1-3 Year Bond Index. The second graph shows the Fund's performance over a rolling five-year period versus the same indices.

<sup>10</sup> Source: Federal Reserve, August 27, 2020, <https://www.federalreserve.gov/newsevents/pressreleases/monetary20200827a.htm>

### Rolling 3-Year Return<sup>11</sup>

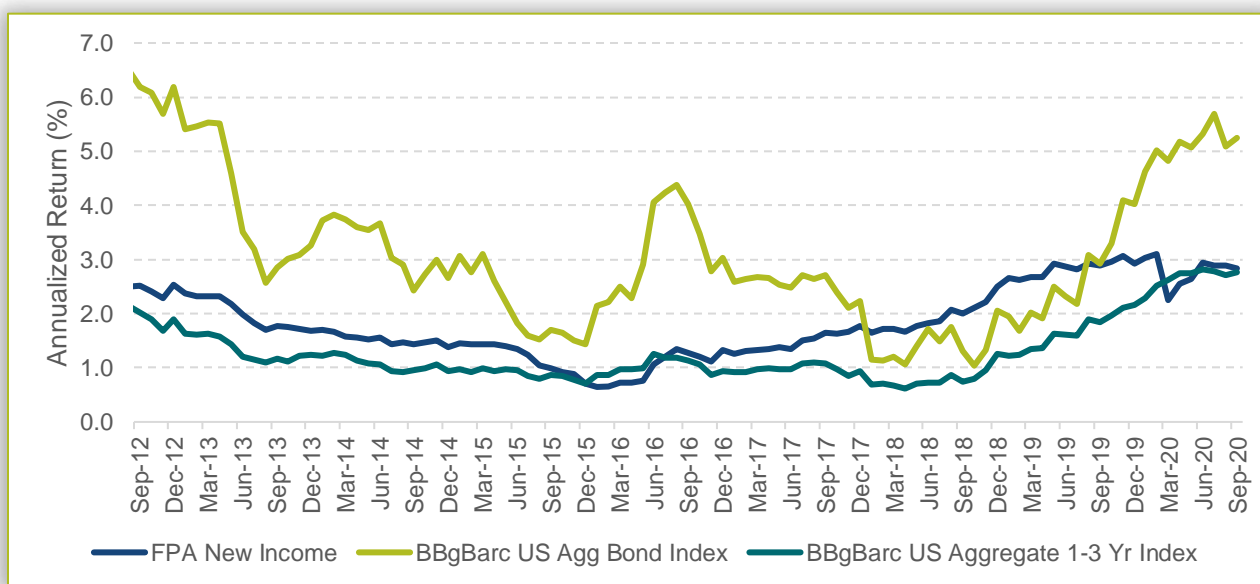


Chart data period September 30, 2012 through September 30, 2020. Source: Morningstar, Bloomberg Barclays.

### Rolling 5-Year Return<sup>12</sup>

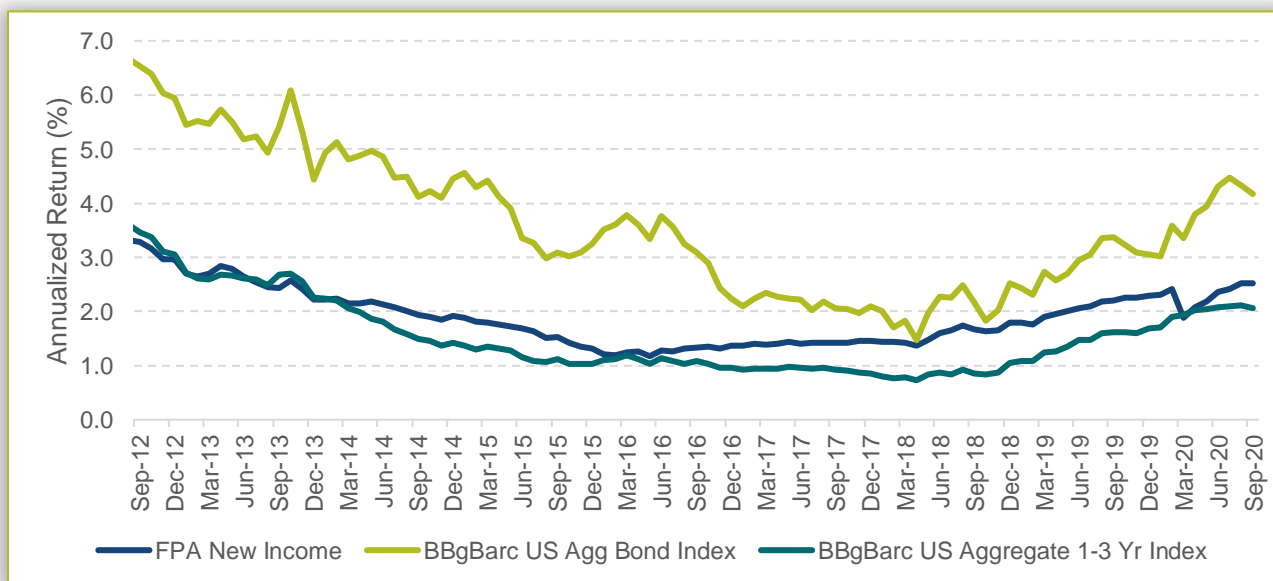


Chart data period September 30, 2012 through September 30, 2020. Source: Morningstar, Bloomberg Barclays.

We recognize that no two markets are the same, and that there are differences between 2012 and today. Still, the charts above show that in the eight years since the last time interest rates reached historical lows, the Fund has generally provided a better return than the Bloomberg Barclays US Aggregate 1-3 Year Bond Index and, in some instances, the Bloomberg Barclays US Aggregate Bond Index as well, when comparing the rolling 3-year and 5-year annualized returns. That kind of performance requires patience and is not necessarily achieved over a few quarters or a year, but rather over longer horizons. It also requires

<sup>11</sup> Comparison to indices are for illustrative purposes only. The Fund does not include outperformance of any index in its investment objectives. **Past performance is no guarantee, not is it indicative, of future results.**

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discipline and consistent adherence to a tried and true investment philosophy. Today's environment is more challenging than it was in 2012 because the yield curve is flatter, which means that even if one wanted to take on additional duration risk, there is very little compensation for doing so. Having said that, the steeper yield curve in 2012 did not ultimately matter at the time because, as evidenced by our short duration in 2012, we did not need to utilize the yield curve steepness back then to aid the Fund's performance.

Looking ahead, we are cautiously optimistic about the Fund's positioning. The sharp decline in yields and spreads in the market have left the indices noted in the paragraph above with a lower yield-to-worst than the Fund. (See table below). Consequently, with a shorter duration than the indices, the Fund has a much better yield/duration profile, which we believe leaves the Fund well positioned in the short-term if interest rates or credit spreads rise modestly.

### Characteristics (9/30/20)

|  | Yield to Worst (%) | Effective Duration (yrs) | YTW/Duration |   |
|--|--------------------|--------------------------|--------------|---|
| FPA New Income, Inc. ("FPNIX")                         | 1.65               | 1.30                     | 1.27         | Higher ratio equals less exposure to interest rate risk<br><br>FPNIX captures 139% of the yield with 79% less interest rate risk than the Index |
| Bloomberg Barclays U.S. Aggregate Bond Index ("Index") | 1.18               | 6.12                     | 0.19         |   |
| Bloomberg Barclays U.S. Aggregate 1-3 Year Index       | 0.35               | 1.61                     | 0.22         |   |

Source: Factset, Bloomberg Barclays. Yield to Worst ("YTW") is presented gross of fees and expenses 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 September 30, 2020, the FPNIX subsidized/unsubsidized 30-day standardized SEC yield ("SEC Yield") was 1.98%/1.86% 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 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.

Comparison to the Bloomberg Barclays U.S. Aggregate Bond Index and the Bloomberg Barclays U.S. Aggregate 1-3 Year Index is for illustrative purposes only. FPNIX does not include outperformance of any index or benchmark in their investment objectives. An investor cannot invest directly in an index. **Past performance is no guarantee, nor it is indicative, of future results. Please refer to the end of the presentation for important disclosures and Glossary of Terms.**

In closing, we find ourselves in somewhat familiar territory. While it's not the optimum investment environment, we have lived through historically low interest rates before and we have learned how to act and what to expect. We don't yet know exactly what types of investments will be the source of future performance but, because of our investment discipline, we do know what they look like.

The fixed income team thanks you for your continued support and the trust which you place in us with your hard-earned savings. Just like before, we will get through this difficult fixed-income environment.

Thank you for your continued trust and support.

Respectfully submitted,

Thomas H. Atteberry  
Portfolio Manager

Abhijeet Patwardhan  
Portfolio Manager

October 2020

## Appendix: Attribution and Portfolio Activity for the Twelve Months Ending September 30, 2020

### Portfolio Attribution

For the period September 30, 2019 through September 30, 2020:

Largest contributors to performance:

- Asset-backed securities (ABS) backed by auto loans
- Asset-backed securities (ABS) backed by equipment
- Non-agency mortgage-backed securities

Largest detractors from performance:

- GNMA project loan interest only bonds were the only meaningful detractors from performance

### Portfolio Activity

| Sector                              | % Portfolio<br>9/30/2020 | % Portfolio<br>9/30/2019 | Change (bps*) |
|-------------------------------------|--------------------------|--------------------------|---------------|
| ABS                                 | 67.6                     | 51.1                     | 1,642         |
| Mortgage Backed (CMO) <sup>13</sup> | 7.6                      | 9.5                      | -186          |
| Stripped Mortgage-backed            | 1.9                      | 3.0                      | -105          |
| Corporate                           | 4.1                      | 5.4                      | -132          |
| CMBS <sup>4</sup>                   | 8.3                      | 6.0                      | 232           |
| Mortgage Pass-through               | 0.2                      | 13.0                     | -1,282        |
| U.S. Treasury                       | 4.6                      | 6.8                      | -215          |
| Agencies                            | 1.0                      | 1.2                      | -16           |
| Cash and equivalents                | 4.7                      | 4.0                      | 61            |
| <b>Total</b>                        | <b>100.0%</b>            | <b>100.0%</b>            |               |
| Yield-to-worst <sup>14</sup>        | 1.65%                    | 2.63%                    | -97           |
| Effective Duration (years)          | 1.30                     | 1.75                     | -0.44         |
| Average Life (years)                | 1.78                     | 2.15                     | -0.37         |

*\* Except effective duration and average life. Due to rounding, the numbers presented above may not add up precisely to the totals provided.*

<sup>13</sup> 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.

<sup>14</sup> 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 September 30, 2020, the Fund's subsidized/unsubsidized 30-day SEC standardized yield ("SEC Yield") was 1.98%/1.86% 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 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.

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



## 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 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 and are subject to change without notice. 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. You should not construe the contents of this document as legal, tax, accounting, investment or other advice or recommendations.

Thomas Atteberry and Abhijeet Patwardhan have been portfolio managers for the Fund 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 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](http://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 Depositary 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.

Please **refer to the Fund's Prospectus** for a complete overview of the primary risks associated with the Fund.

**The Fund is 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 / Benchmark 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. 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. High Yield Index** measures the market of USD-denominated, non-investment grade, fixed-rate, taxable corporate bonds.

**Bloomberg Barclays BB U.S. High Yield Index ex. Energy** measures the market of USD-denominated, non-investment grade, fixed-rate, taxable corporate bonds rated BB excluding energy sector.

**Credit Suisse Leveraged Loan Index** is designed to mirror the investable universe of U.S. dollar institutional leveraged loans, including U.S. and international borrowers.

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. 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.

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

**Corporate holdings** include bank debt, corporate bonds and common stock.

**A discount margin to maturity** is the average expected return of a floating-rate security (typically a bond) that's earned in addition to the index underlying, or reference rate of, the security. The size of the discount margin depends on the price of the floating- or variable-rate security.

**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.

**Margin of Safety** is a principle of investing in which an investor purchases securities when they believe the market price is significantly below its estimated intrinsic value. In other words, when the market price of a security is, in an investor's view, significantly below their estimation of the intrinsic value, the difference is the margin of safety. Using the margin of safety principle may help to reduce downside risk. Note, determining a company's "true" worth or intrinsic value is highly subjective. There is no guarantee that the methods used to evaluate intrinsic value will be accurate or precise or that an investment made using this principle will be successful.

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

**Spread to worst** (bps) measures the dispersion of returns between the best and worst performing security in a given market, usually bond markets, or between returns from different markets.

**Weighted 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.

**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.

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



**FPA New Income, Inc.**  
Portfolio Holdings

9/30/2020

| PRINCIPAL/<br>SHARES       | SECURITY  | COUPON RATE (%) | MATURITY DATE | MKT PRICE (\$) | MKT VALUE (\$) | % OF NET ASSET VALUE |
|----------------------------|---|-----------------|---------------|----------------|----------------|----------------------|
| <b>ASSET-BACKED - AUTO</b> |   |                 |               |                |                |                      |
| 3,758,000                  | ALLY AUTO RECEIVABLES TRUST 2017 - 1 B                  | 2.350           | 03/15/2022    | 100.01         | 3,758,376      | 0.0%                 |
| 7,059,000                  | ALLY AUTO RECEIVABLES TRUST 2017 - 1 C                  | 2.480           | 05/16/2022    | 100.01         | 7,059,706      | 0.1%                 |
| 1,470,502                  | ALLY AUTO RECEIVABLES TRUST 2017 - 3 A4                 | 2.010           | 03/15/2022    | 100.30         | 1,474,868      | 0.0%                 |
| 70,270,000                 | ALLY AUTO RECEIVABLES TRUST 2019 - 3 A3                 | 1.930           | 05/15/2024    | 101.92         | 71,618,896     | 0.8%                 |
| 12,930,734                 | AMERICAN CREDIT ACCEPTANCE RECEIVABLES TRUST 2020 - 3 A | 0.620           | 10/13/2023    | 100.00         | 12,930,864     | 0.1%                 |
| 10,301,000                 | AMERICAN CREDIT ACCEPTANCE RECEIVABLES TRUST 2020 - 3 B | 1.150           | 08/13/2024    | 101.28         | 10,432,642     | 0.1%                 |
| 6,836,971                  | AMERICREDIT AUTOMOBILE RECEIVABLES TRUST 2017 - 1 C     | 2.710           | 08/18/2022    | 100.76         | 6,888,640      | 0.1%                 |
| 953,729                    | AMERICREDIT AUTOMOBILE RECEIVABLES TRUST 2017 - 4 A3    | 2.040           | 07/18/2022    | 100.08         | 954,469        | 0.0%                 |
| 2,477,210                  | BMW VEHICLE LEASE TRUST 2018 - 1 A3                     | 3.260           | 07/20/2021    | 100.48         | 2,489,062      | 0.0%                 |
| 32,758,000                 | BMW VEHICLE OWNER TRUST 2019 - A A3                     | 1.920           | 01/25/2024    | 101.82         | 33,354,183     | 0.4%                 |
| 3,175,088                  | CARMAX AUTO OWNER TRUST 2017 - 4 A3                     | 2.110           | 10/17/2022    | 100.59         | 3,193,732      | 0.0%                 |
| 9,806,830                  | CARMAX AUTO OWNER TRUST 2018 - 1 A3                     | 2.480           | 11/15/2022    | 100.91         | 9,895,878      | 0.1%                 |
| 15,246,640                 | CARMAX AUTO OWNER TRUST 2018 - 2 A3                     | 2.980           | 01/17/2023    | 101.44         | 15,465,884     | 0.2%                 |
| 6,059,000                  | CARMAX AUTO OWNER TRUST 2018 - 2 A4                     | 3.160           | 07/17/2023    | 103.85         | 6,292,280      | 0.1%                 |
| 22,031,000                 | CARMAX AUTO OWNER TRUST 2018 - 4 A4                     | 3.480           | 02/15/2024    | 105.45         | 23,231,084     | 0.3%                 |
| 24,353,000                 | CARMAX AUTO OWNER TRUST 2019 - 1 A4                     | 3.260           | 08/15/2024    | 105.96         | 25,804,035     | 0.3%                 |
| 13,090,000                 | CARMAX AUTO OWNER TRUST 2019 - 1 B                      | 3.450           | 11/15/2024    | 105.32         | 13,786,070     | 0.2%                 |
| 48,284,000                 | CARMAX AUTO OWNER TRUST 2019 - 3 A3                     | 2.180           | 08/15/2024    | 102.73         | 49,602,013     | 0.6%                 |
| 281,635                    | CREDIT ACCEPTANCE AUTO LOAN TRUST 2017 - 3A A           | 2.650           | 06/15/2026    | 100.03         | 281,707        | 0.0%                 |
| 36,562,000                 | CREDIT ACCEPTANCE AUTO LOAN TRUST 2017 - 3A B           | 3.210           | 08/17/2026    | 100.03         | 36,571,481     | 0.4%                 |
| 8,250,000                  | DRIVE AUTO RECEIVABLES TRUST 2020 - 2 A3                | 0.830           | 05/15/2024    | 100.28         | 8,272,873      | 0.1%                 |
| 8,214,053                  | DT AUTO OWNER TRUST 2020 - 2A A                         | 1.140           | 01/16/2024    | 100.04         | 8,217,593      | 0.1%                 |
| 3,939,000                  | DT AUTO OWNER TRUST 2020 - 2A B                         | 2.080           | 03/16/2026    | 102.14         | 4,023,463      | 0.0%                 |
| 11,570,000                 | DT AUTO OWNER TRUST 2020 - 3 A B                        | 0.910           | 12/16/2024    | 99.94          | 11,562,762     | 0.1%                 |
| 6,384,000                  | DT AUTO OWNER TRUST 2020 - 3 A C                        | 1.470           | 06/15/2026    | 100.28         | 6,401,946      | 0.1%                 |
| 16,529,000                 | EXETER AUTOMOBILE RECEIVABLES TRUST 2020 - 3 A B        | 0.790           | 09/16/2024    | 99.90          | 16,512,312     | 0.2%                 |
| 5,903,000                  | EXETER AUTOMOBILE RECEIVABLES TRUST 2020 - 3 A C        | 1.320           | 07/15/2025    | 100.21         | 5,915,101      | 0.1%                 |
| 9,679,995                  | EXETER AUTOMOBILE RECEIVABLES TRUST 2020 - 2A A         | 1.130           | 08/15/2023    | 100.29         | 9,707,842      | 0.1%                 |
| 10,545,000                 | EXETER AUTOMOBILE RECEIVABLES TRUST 2020 - 2A B         | 2.080           | 07/15/2024    | 101.41         | 10,693,755     | 0.1%                 |
| 7,944,407                  | FIRST INVESTORS AUTO OWNER TRUST 2017 - 1A C            | 2.950           | 04/17/2023    | 100.61         | 7,992,669      | 0.1%                 |
| 16,227,253                 | FLAGSHIP CREDIT AUTO TRUST 2020 - 3 A                   | 0.700           | 04/15/2025    | 100.20         | 16,260,040     | 0.2%                 |
| 32,914,000                 | FORD CREDIT AUTO LEASE TRUST 2019 - B B                 | 2.360           | 01/15/2023    | 100.06         | 32,933,683     | 0.4%                 |
| 16,674,000                 | FORD CREDIT AUTO LEASE TRUST 2020 - A A4                | 1.880           | 05/15/2023    | 102.31         | 17,059,658     | 0.2%                 |
| 20,000,000                 | FORD CREDIT AUTO LEASE TRUST 2020 - B A2A               | 0.500           | 12/15/2022    | 100.01         | 20,002,494     | 0.2%                 |
| 32,703,000                 | FORD CREDIT AUTO LEASE TRUST 2020 - B A3                | 0.620           | 08/15/2023    | 100.43         | 32,842,737     | 0.4%                 |
| 12,523,000                 | FORD CREDIT AUTO LEASE TRUST 2020 - B C                 | 1.700           | 02/15/2025    | 99.95          | 12,516,363     | 0.1%                 |
| 30,639,000                 | FORD CREDIT AUTO OWNER TRUST 2019 - C A3                | 1.870           | 03/15/2024    | 102.27         | 31,334,009     | 0.4%                 |
| 3,747,787                  | FORD CREDIT AUTO OWNER TRUST 2020 - A A2                | 1.030           | 10/15/2022    | 100.33         | 3,760,272      | 0.0%                 |
| 36,400,000                 | FORD CREDIT AUTO OWNER TRUST 2020 - B A2A               | 0.500           | 02/15/2023    | 100.14         | 36,451,666     | 0.4%                 |
| 43,632,000                 | GM FINANCIAL AUTOMOBILE LEASING TRUST 2019 - 1 B        | 3.370           | 12/20/2022    | 102.09         | 44,545,008     | 0.5%                 |
| 12,206,000                 | GM FINANCIAL AUTOMOBILE LEASING TRUST 2019 - 2 B        | 2.890           | 03/20/2023    | 101.89         | 12,436,985     | 0.1%                 |
| 5,929,000                  | GM FINANCIAL AUTOMOBILE LEASING TRUST 2019 - 3 A4       | 2.030           | 07/20/2023    | 101.74         | 6,032,074      | 0.1%                 |
| 21,492,000                 | GM FINANCIAL AUTOMOBILE LEASING TRUST 2019 - 3 B        | 2.160           | 07/20/2023    | 100.97         | 21,699,572     | 0.3%                 |
| 13,417,000                 | GM FINANCIAL AUTOMOBILE LEASING TRUST 2020 - 1 B        | 1.840           | 12/20/2023    | 100.98         | 13,548,763     | 0.2%                 |
| 5,750,000                  | GM FINANCIAL AUTOMOBILE LEASING TRUST 2020 - 2 A2A      | 0.710           | 10/20/2022    | 100.29         | 5,766,466      | 0.1%                 |
| 37,617,000                 | HONDA AUTO RECEIVABLES OWNER TRUST 2018 - 1 A4          | 2.830           | 05/15/2024    | 102.03         | 38,381,385     | 0.4%                 |
| 14,962,000                 | HONDA AUTO RECEIVABLES OWNER TRUST 2019 - 1 A4          | 2.900           | 06/18/2024    | 104.16         | 15,585,142     | 0.2%                 |
| 21,573,000                 | HONDA AUTO RECEIVABLES OWNER TRUST 2019 - 2 A4          | 2.540           | 03/21/2025    | 104.38         | 22,517,041     | 0.3%                 |
| 33,626,000                 | HONDA AUTO RECEIVABLES OWNER TRUST 2019 - 3 A3          | 1.780           | 08/15/2023    | 101.79         | 34,228,763     | 0.4%                 |
| 32,441,000                 | HONDA AUTO RECEIVABLES OWNER TRUST 2019 - 4 A3          | 1.830           | 01/18/2024    | 102.27         | 33,177,450     | 0.4%                 |
| 51,001,000                 | HONDA AUTO RECEIVABLES OWNER TRUST 2020 - 1 A3          | 1.610           | 04/22/2024    | 102.35         | 52,200,268     | 0.6%                 |
| 10,197,000                 | HONDA AUTO RECEIVABLES OWNER TRUST 2020 - 2 A2          | 0.740           | 11/15/2022    | 100.27         | 10,224,406     | 0.1%                 |
| 6,932,576                  | HYUNDAI AUTO LEASE SECURITIZATION TRUST 2018 - A A4     | 2.890           | 03/15/2022    | 100.08         | 6,938,398      | 0.1%                 |
| 993,120                    | HYUNDAI AUTO LEASE SECURITIZATION TRUST 2019 - A A2     | 2.920           | 07/15/2021    | 100.09         | 994,026        | 0.0%                 |
| 12,636,000                 | HYUNDAI AUTO LEASE SECURITIZATION TRUST 2019 - A B      | 3.250           | 10/16/2023    | 100.95         | 12,755,564     | 0.1%                 |
| 10,870,000                 | HYUNDAI AUTO LEASE SECURITIZATION TRUST 2019 - B A4     | 2.030           | 06/15/2023    | 102.04         | 11,092,160     | 0.1%                 |
| 41,387,000                 | HYUNDAI AUTO LEASE SECURITIZATION TRUST 2019 - B B      | 2.130           | 11/15/2023    | 99.62          | 41,228,765     | 0.5%                 |
| 8,740,000                  | HYUNDAI AUTO LEASE SECURITIZATION TRUST 2020 - A A4     | 2.000           | 12/15/2023    | 102.56         | 8,963,529      | 0.1%                 |
| 7,377,000                  | HYUNDAI AUTO LEASE SECURITIZATION TRUST 2020 - A B      | 2.120           | 05/15/2024    | 102.72         | 7,577,741      | 0.1%                 |
| 27,125,000                 | HYUNDAI AUTO RECEIVABLES TRUST 2018 - A A4              | 2.940           | 06/17/2024    | 102.45         | 27,789,565     | 0.3%                 |
| 22,000,000                 | HYUNDAI AUTO RECEIVABLES TRUST 2019 - A A4              | 2.710           | 05/15/2025    | 104.34         | 22,954,589     | 0.3%                 |
| 20,719,000                 | MERCEDES-BENZ AUTO LEASE TRUST 2019 - B A4              | 2.050           | 08/15/2025    | 102.14         | 21,163,342     | 0.2%                 |
| 569,614                    | MERCEDES-BENZ AUTO LEASE TRUST 2020 - A A2              | 1.820           | 03/15/2022    | 100.44         | 572,136        | 0.0%                 |
| 1,865,000                  | MERCEDES-BENZ AUTO LEASE TRUST 2020 - A A3              | 1.840           | 12/15/2022    | 101.57         | 1,894,233      | 0.0%                 |



**FPA New Income, Inc.**  
**Portfolio Holdings**

9/30/2020

| PRINCIPAL/<br>SHARES                                 | SECURITY   | COUPON RATE (%) | MATURITY DATE | MKT PRICE (\$) | MKT VALUE (\$)       | % OF NET ASSET VALUE |
|--|--|-----------------|---------------|----------------|----------------------|----------------------|
| 21,440,000   | MERCEDES-BENZ AUTO LEASE TRUST 2020 - A A4                   | 1.880           | 09/15/2025    | 102.12         | 21,894,127           | 0.3%                 |
| 32,591,000   | MERCEDES-BENZ AUTO RECEIVABLES TRUST 2018 - 1 A4             | 3.150           | 10/15/2024    | 104.43         | 34,035,707           | 0.4%                 |
| 48,937,000   | MERCEDES-BENZ AUTO RECEIVABLES TRUST 2019 - 1 A3             | 1.940           | 03/15/2024    | 102.21         | 50,019,736           | 0.6%                 |
| 656,994  | NISSAN AUTO LEASE TRUST 2019 - A A2                          | 2.710           | 07/15/2021    | 100.15         | 657,951              | 0.0%                 |
| 21,027,000   | NISSAN AUTO LEASE TRUST 2019 - B A4                          | 2.290           | 04/15/2025    | 102.05         | 21,457,866           | 0.2%                 |
| 2,311,000  | NISSAN AUTO LEASE TRUST 2020 - A A3                          | 1.840           | 01/17/2023    | 101.71         | 2,350,577            | 0.0%                 |
| 25,925,000   | NISSAN AUTO LEASE TRUST 2020 - A A4                          | 1.880           | 04/15/2025    | 101.95         | 26,429,469           | 0.3%                 |
| 10,711,777   | NISSAN AUTO RECEIVABLES OWNER TRUST 2018 - A A3              | 2.650           | 05/16/2022    | 100.65         | 10,781,164           | 0.1%                 |
| 27,408,000   | NISSAN AUTO RECEIVABLES OWNER TRUST 2018 - B A4              | 3.160           | 12/16/2024    | 102.27         | 28,029,827           | 0.3%                 |
| 5,864,000  | NISSAN AUTO RECEIVABLES OWNER TRUST 2019 - A A3              | 2.900           | 10/16/2023    | 102.37         | 6,002,861            | 0.1%                 |
| 710,000  | NISSAN AUTO RECEIVABLES OWNER TRUST 2019 - B A3              | 2.500           | 11/15/2023    | 102.47         | 727,570              | 0.0%                 |
| 35,456,000   | NISSAN AUTO RECEIVABLES OWNER TRUST 2019 - C A3              | 1.930           | 07/15/2024    | 102.44         | 36,322,140           | 0.4%                 |
| 28,857,790   | PRESTIGE AUTO RECEIVABLES TRUST 2017 - 1A C                  | 2.810           | 01/17/2023    | 99.76          | 28,787,213           | 0.3%                 |
| 17,546,000   | PRESTIGE AUTO RECEIVABLES TRUST 2019 - 1A B                  | 2.530           | 01/16/2024    | 101.47         | 17,804,696           | 0.2%                 |
| 6,673,528  | SANTANDER CONSUMER AUTO RECEIVABLES TRUST 2020 - AA A        | 1.370           | 10/15/2024    | 100.95         | 6,736,777            | 0.1%                 |
| 8,404,000  | SANTANDER DRIVE AUTO RECEIVABLES TRUST 2020 - 2 A3           | 0.670           | 04/15/2024    | 100.30         | 8,428,822            | 0.1%                 |
| 7,802,000  | SANTANDER DRIVE AUTO RECEIVABLES TRUST 2020 - 2 B            | 0.960           | 11/15/2024    | 100.17         | 7,815,515            | 0.1%                 |
| 27,048,000   | SANTANDER DRIVE AUTO RECEIVABLES TRUST 2020 - 3 B            | 0.690           | 03/17/2025    | 99.97          | 27,040,805           | 0.3%                 |
| 37,055,000   | TOYOTA AUTO RECEIVABLES OWNER TRUST 2019 - C A3              | 1.910           | 09/15/2023    | 101.89         | 37,753,635           | 0.4%                 |
| 34,225,000   | TOYOTA AUTO RECEIVABLES OWNER TRUST 2019 - D A3              | 1.920           | 01/16/2024    | 102.35         | 35,029,681           | 0.4%                 |
| 55,845,000   | TOYOTA AUTO RECEIVABLES OWNER TRUST 2020 - A A3              | 1.660           | 05/15/2024    | 102.17         | 57,056,652           | 0.7%                 |
| 16,152,000   | VOLKSWAGEN AUTO LEASE TRUST 2019 - A A4                      | 2.020           | 08/20/2024    | 102.01         | 16,476,689           | 0.2%                 |
| 8,455,000  | VOLKSWAGEN AUTO LOAN ENHANCED TRUST 2018 - 1 A4              | 3.150           | 07/22/2024    | 103.19         | 8,724,462            | 0.1%                 |
| 11,760,000   | VOLKSWAGEN AUTO LOAN ENHANCED TRUST 2020 - 1 A2A             | 0.930           | 12/20/2022    | 100.37         | 11,803,053           | 0.1%                 |
| 259,425  | WESTLAKE AUTOMOBILE RECEIVABLES TRUST 2018 - 1A C            | 2.920           | 05/15/2023    | 100.01         | 259,451              | 0.0%                 |
| 62,080,000   | WESTLAKE AUTOMOBILE RECEIVABLES TRUST 2020 - 1A B            | 1.940           | 04/15/2025    | 100.42         | 62,340,513           | 0.7%                 |
| 12,743,000   | WESTLAKE AUTOMOBILE RECEIVABLES TRUST 2020 - 2A B            | 1.320           | 07/15/2025    | 101.11         | 12,884,105           | 0.1%                 |
| 17,401,717   | WORLD OMNI AUTO RECEIVABLES TRUST 2018 - A A3                | 2.500           | 04/17/2023    | 101.23         | 17,615,630           | 0.2%                 |
| 4,865,000  | WORLD OMNI AUTO RECEIVABLES TRUST 2018 - A B                 | 2.890           | 04/15/2025    | 100.98         | 4,912,859            | 0.1%                 |
| 1,982,000  | WORLD OMNI AUTO RECEIVABLES TRUST 2018 - B A4                | 3.030           | 06/17/2024    | 104.02         | 2,061,705            | 0.0%                 |
| 30,746,000   | WORLD OMNI AUTO RECEIVABLES TRUST 2019 - A A3                | 3.040           | 05/15/2024    | 102.39         | 31,480,580           | 0.4%                 |
| 10,560,000   | WORLD OMNI AUTO RECEIVABLES TRUST 2019 - A B                 | 3.340           | 06/16/2025    | 105.80         | 11,172,262           | 0.1%                 |
| 40,212,000   | WORLD OMNI AUTO RECEIVABLES TRUST 2019 - C A3                | 1.960           | 12/16/2024    | 102.22         | 41,102,909           | 0.5%                 |
| 23,500,000   | WORLD OMNI AUTO RECEIVABLES TRUST 2020 - B A2A               | 0.550           | 07/17/2023    | 100.06         | 23,514,187           | 0.3%                 |
| 11,060,000   | WORLD OMNI AUTOMOBILE LEASE SECURITIZATION TRUST 2018 - B B  | 3.430           | 03/15/2024    | 101.78         | 11,257,062           | 0.1%                 |
| 21,951,000   | WORLD OMNI AUTOMOBILE LEASE SECURITIZATION TRUST 2019 - B A4 | 2.070           | 02/18/2025    | 100.29         | 22,014,981           | 0.3%                 |
| 12,293,000   | WORLD OMNI AUTOMOBILE LEASE SECURITIZATION TRUST 2019 - B B  | 2.130           | 02/18/2025    | 98.61          | 12,122,191           | 0.1%                 |
| 41,597,000   | WORLD OMNI AUTOMOBILE LEASE SECURITIZATION TRUST 2020 - A A3 | 1.700           | 01/17/2023    | 102.05         | 42,450,749           | 0.5%                 |
| <b>TOTAL ASSET-BACKED - AUTO</b>                     |  |                 |               |                | <b>1,899,170,655</b> | <b>22.0%</b>         |
| <b>ASSET-BACKED - COLLATERALIZED LOAN OBLIGATION</b> |  |                 |               |                |                      |                      |
| 8,136,000  | ADAMS MILL CLO LTD 2014 - 1A B2R                             | 3.350           | 07/15/2026    | 100.05         | 8,140,174            | 0.1%                 |
| 73,646,000   | AGL CLO 1 LTD. 2020 - 8A A1                                  | 0.00            | 10/20/2031    | 100.00         | 73,646,000           | 0.9%                 |
| 65,825,000   | AGL CLO 7 LTD 2020 - 7A A1                                   | 2.050           | 07/15/2031    | 100.23         | 65,975,871           | 0.8%                 |
| 35,167,195   | AIMCO 2015 - AA AR   | 1.125           | 01/15/2028    | 99.37          | 34,946,204           | 0.4%                 |
| 53,792,000   | ANCHORAGE CAPITAL CLO LTD 2020 - 16A A                       | 0.00            | 10/20/2031    | 100.00         | 53,792,000           | 0.6%                 |
| 12,409,000   | B&M CLO LTD 2014 - 1A A2R                                    | 1.871           | 04/16/2026    | 99.53          | 12,350,318           | 0.1%                 |
| 29,662,000   | BABSON CLO LTD 2018 - 3A A1                                  | 1.222           | 07/20/2029    | 99.34          | 29,466,735           | 0.3%                 |
| 33,271,000   | BATTALION CLO LTD 2020 - 18A A1                              | 1.800           | 10/15/2032    | 100.26         | 33,357,638           | 0.4%                 |
| 1,248,793  | BLACK DIAMOND CLO LTD 2014 - 1A A1R                          | 1.423           | 10/17/2026    | 99.98          | 1,248,526            | 0.0%                 |
| 29,250,000   | CALIFORNIA STREET CLO XII, LTD 2013 - 12A B2RA               | 0.00            | 10/15/2025    | 100.00         | 29,250,000           | 0.3%                 |
| 10,750,000   | CALIFORNIA STREET CLO XII, LTD 2013 - 12A B2RB               | 1.629           | 10/15/2025    | 100.00         | 10,750,000           | 0.1%                 |
| 49,072,000   | CBAM CLO MANAGEMENT 2017 - 3A A                              | 1.503           | 10/17/2029    | 99.51          | 48,830,419           | 0.6%                 |
| 29,142,279   | CERBERUS 2017 - 4A A   | 1.725           | 10/15/2027    | 99.40          | 28,966,464           | 0.3%                 |
| 13,879,000   | CERBERUS 2018 - 4RA A1TR                                     | 1.805           | 10/15/2030    | 96.36          | 13,374,138           | 0.2%                 |
| 70,979,000   | CERBERUS 2020 - 1A A   | 1.850           | 10/15/2031    | 100.00         | 70,979,000           | 0.8%                 |
| 23,102,691   | CERBERUS LOAN FUNDING XVIII LP 2017 - 1A A                   | 2.025           | 04/15/2027    | 99.80          | 23,056,716           | 0.3%                 |
| 24,473,000   | CVP CLO LTD 2017 - 1A A                                      | 1.612           | 07/20/2030    | 99.07          | 24,246,209           | 0.3%                 |
| 20,977,000   | FORTRESS CREDIT OPPORTUNITIES CLO LP 2016 - 7I E             | 7.740           | 12/15/2028    | 87.51          | 18,357,413           | 0.2%                 |
| 64,117,000   | FORTRESS CREDIT OPPORTUNITIES CLO LP 2017 - 9A A1T           | 1.830           | 11/15/2029    | 99.35          | 63,700,624           | 0.7%                 |
| 8,159,000  | FORTRESS CREDIT OPPORTUNITIES CLO LP 2017 - 9A AFR2          | 2.530           | 11/15/2029    | 100.15         | 8,171,239            | 0.1%                 |
| 12,772,000   | FORTRESS CREDIT OPPORTUNITIES CLO LP 2017 - 9A E             | 7.530           | 11/15/2029    | 84.59          | 10,803,643           | 0.1%                 |
| 62,423,000   | FORTRESS CREDIT OPPORTUNITIES CLO LP 2020 - 13A A            | 2.518           | 07/15/2028    | 100.03         | 62,441,540           | 0.7%                 |
| 64,944,000   | GOLUB CAPITAL BDC LLC 2020 - 1A A1                           | 2.554           | 11/05/2032    | 100.00         | 64,942,441           | 0.8%                 |
| 28,251,000   | GOLUB CAPITAL PARTNERS CLO LTD 2020 - 49A A1                 | 2.778           | 07/20/2032    | 99.99          | 28,249,559           | 0.3%                 |





**FPA New Income, Inc.**  
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| PRINCIPAL/<br>SHARES                                       | SECURITY  | COUPON RATE (%) | MATURITY DATE | MKT PRICE (\$) | MKT VALUE (\$)       | % OF NET ASSET VALUE |
|--|---|-----------------|---------------|----------------|----------------------|----------------------|
| 3,609,672  | HALCYON LOAN ADVISORS FUNDING LTD 2014 - 3A AR          | 1.358           | 10/22/2025    | 99.73          | 3,599,811            | 0.0%                 |
| 23,464,071   | HALCYON LOAN ADVISORS FUNDING LTD 2015 - 1A AR          | 1.192           | 04/20/2027    | 99.44          | 23,331,663           | 0.3%                 |
| 29,218,496   | HALCYON LOAN ADVISORS FUNDING LTD 2015 - 3A A1R         | 1.172           | 10/18/2027    | 99.23          | 28,994,244           | 0.3%                 |
| 26,085,000   | IVY HILL MIDDLE MARKET CREDIT FUND LTD - 10A A1AR       | 1.522           | 07/18/2030    | 96.46          | 25,161,174           | 0.3%                 |
| 7,430,000  | IVY HILL MIDDLE MARKET CREDIT FUND LTD - 7A AR          | 1.802           | 10/20/2029    | 97.66          | 7,255,804            | 0.1%                 |
| 7,850,000  | LCM LTD PARTNERSHIP - 20A AR                            | 1.312           | 10/20/2027    | 99.02          | 7,773,455            | 0.1%                 |
| 10,488,493   | MAGNETITE CLO LTD 2015 - 16A AR                         | 1.072           | 01/18/2028    | 99.22          | 10,406,505           | 0.1%                 |
| 24,398,000   | NASSAU LTD 2017 - 1A A1AS                               | 1.425           | 10/15/2029    | 98.72          | 24,084,632           | 0.3%                 |
| 54,186,000   | OCEAN TRAILS CLO 2020 - 10A A1                          | 0.00            | 10/15/2031    | 100.00         | 54,185,946           | 0.6%                 |
| 4,750,000  | OCEAN TRAILS CLO IX 2020-9A A1                          | 2.153           | 10/15/2029    | 99.76          | 4,738,804            | 0.1%                 |
| 44,563,000   | OCTAGON INVESTMENT PARTNERS 35 LTD 2018 - 1A A1A        | 1.332           | 01/20/2031    | 98.63          | 43,950,660           | 0.5%                 |
| 2,998,589  | PALMER SQUARE LOAN FUNDING LTD 2018 - 4A A1             | 1.180           | 11/15/2026    | 99.58          | 2,985,881            | 0.0%                 |
| 35,532,000   | PARLIMENT FUNDING II LTD 2020 - 1A A                    | 2.764           | 08/12/2030    | 100.05         | 35,549,517           | 0.4%                 |
| 25,908,457   | SARANAC CLO LTD 2014 - 3A ALR                           | 1.825           | 06/22/2030    | 99.58          | 25,798,554           | 0.3%                 |
| 8,121,171  | SILVERMORE CLO LTD 2014 - 1A A1R                        | 1.450           | 05/15/2026    | 99.63          | 8,091,375            | 0.1%                 |
| 2,685,000  | SOUND POINT CLO LTD 2017 - 3A A1A                       | 1.492           | 10/20/2030    | 98.42          | 2,642,574            | 0.0%                 |
| 3,435,000  | SOUND POINT CLO LTD 2017 - 3A A1B                       | 1.492           | 10/20/2030    | 98.42          | 3,380,724            | 0.0%                 |
| 43,805,000   | STRATUS CLO LTD 2020 - 2A A                             | 1.568           | 10/15/2028    | 99.79          | 43,711,433           | 0.5%                 |
| 15,800,000   | SYMPHONY CLO XII LTD 2013 - 12A B2R                     | 3.389           | 10/15/2025    | 100.06         | 15,809,069           | 0.2%                 |
| 10,401,435   | TELOS CLO LTD 2013 - 3A AR                              | 1.573           | 07/17/2026    | 99.73          | 10,373,330           | 0.1%                 |
| 20,894,000   | TELOS CLO LTD 2013 - 3A BR                              | 2.273           | 07/17/2026    | 99.48          | 20,786,375           | 0.2%                 |
| 30,065,081   | TELOS CLO LTD 2014 - 5A A1R                             | 1.223           | 04/17/2028    | 99.09          | 29,790,918           | 0.3%                 |
| 7,656,538  | TICP CLO LTD 2018 - 3R A                                | 1.112           | 04/20/2028    | 99.16          | 7,591,978            | 0.1%                 |
| 26,138,047   | VCO CLO LLC 2018 - 1A A                                 | 1.772           | 07/20/2030    | 98.48          | 25,741,873           | 0.3%                 |
| 20,378,747   | VENTURE CDO LTD 2015 - 20A AR                           | 1.095           | 04/15/2027    | 99.33          | 20,241,231           | 0.2%                 |
| 35,216,000   | VENTURE CDO LTD 2016 - 25A AR                           | 1.502           | 04/20/2029    | 99.45          | 35,022,171           | 0.4%                 |
| 25,128,355   | WELLFLEET CLO LTD 2016 - 1A AR                          | 1.182           | 04/20/2028    | 99.01          | 24,879,208           | 0.3%                 |
| 2,799,909  | WEST CLO LTD 2014 - 2A A1BR                             | 2.724           | 01/16/2027    | 100.04         | 2,800,900            | 0.0%                 |
| 61,457,000   | WHITEBOX CLO I LTD 2020 - 2A A1                         | 1.992           | 10/24/2031    | 100.05         | 61,490,187           | 0.7%                 |
| 27,873,000   | WIND RIVER CLO LTD 2016 - 1A AR                         | 1.325           | 07/15/2028    | 99.40          | 27,705,316           | 0.3%                 |
| 82,754,000   | WOODMONT TRUST 2017 - 1A A1R                            | 0.00            | 10/18/2032    | 100.00         | 82,754,000           | 1.0%                 |
| 503,777  | ZAIS CLO 2 LTD 2014 - 2A A1BR                           | 2.920           | 07/25/2026    | 100.03         | 503,933              | 0.0%                 |
| 15,426,307   | ZAIS CLO 7 LLC 2017 - 2A A                              | 1.565           | 04/15/2030    | 98.40          | 15,179,749           | 0.2%                 |
| 52,951,000   | ZAIS MATRIX CDO I 2020 - 14A A1A                        | 2.380           | 04/15/2032    | 99.42          | 52,643,831           | 0.6%                 |
| <b>TOTAL ASSET-BACKED - COLLATERALIZED LOAN OBLIGATION</b> |   |                 |               |                | <b>1,607,999,691</b> | <b>18.6%</b>         |
| <b>ASSET-BACKED - CREDIT CARD</b>                          |   |                 |               |                |                      |                      |
| 39,998,000   | AMERICAN EXPRESS CREDIT ACCOUNT MASTER TRUST 2017 - 6 B | 2.200           | 05/15/2023    | 100.04         | 40,012,159           | 0.5%                 |
| 35,343,000   | AMERICAN EXPRESS CREDIT ACCOUNT MASTER TRUST 2018 - 8 A | 3.180           | 04/15/2024    | 102.79         | 36,330,833           | 0.4%                 |
| 79,915,000   | AMERICAN EXPRESS CREDIT ACCOUNT MASTER TRUST 2019 - 1 A | 2.870           | 10/15/2024    | 103.87         | 83,007,591           | 1.0%                 |
| 16,863,000   | AMERICAN EXPRESS CREDIT ACCOUNT MASTER TRUST 2019 - 2 A | 2.670           | 11/15/2024    | 103.77         | 17,499,273           | 0.2%                 |
| 57,546,000   | BARCLAYS DRYROCK ISSUANCE TRUST 2019 - 1 A              | 1.960           | 05/15/2025    | 102.78         | 59,143,155           | 0.7%                 |
| 2,495,000  | CAPITAL ONE MULTI-ASSET EXECUTION TRUST 2019 - A2 A2    | 1.720           | 08/15/2024    | 102.73         | 2,563,111            | 0.0%                 |
| 8,877,000  | DISCOVER CARD EXECUTION NOTE TRUST 2019 - A1 A1         | 3.040           | 07/15/2024    | 103.60         | 9,197,010            | 0.1%                 |
| 32,022,000   | GOLDEN CREDIT CARD TRUST 2018 - 1A A*                   | 2.620           | 01/15/2023    | 100.69         | 32,243,202           | 0.4%                 |
| 57,741,000   | SYNCHRONY CARD ISSUANCE TRUST 2018 - A1 A               | 3.380           | 09/15/2024    | 102.91         | 59,420,980           | 0.7%                 |
| 19,862,000   | SYNCHRONY CARD ISSUANCE TRUST 2019 - A1 A               | 2.950           | 03/15/2025    | 103.41         | 20,538,921           | 0.2%                 |
| 64,171,000   | SYNCHRONY CARD ISSUANCE TRUST 2019 - A2 A               | 2.340           | 06/15/2025    | 103.17         | 66,207,601           | 0.8%                 |
| <b>TOTAL ASSET-BACKED - CREDIT CARD</b>                    |   |                 |               |                | <b>426,163,835</b>   | <b>4.9%</b>          |
| <b>ASSET-BACKED - EQUIPMENT</b>                            |   |                 |               |                |                      |                      |
| 13,974,000   | ARI FLEET LEASE TRUST 2018 - A A3                       | 2.840           | 10/15/2026    | 101.69         | 14,210,629           | 0.2%                 |
| 2,008,798  | ARI FLEET LEASE TRUST 2018 - B A2                       | 3.220           | 08/16/2027    | 101.09         | 2,030,701            | 0.0%                 |
| 3,824,000  | ARI FLEET LEASE TRUST 2018 - B A3                       | 3.430           | 08/16/2027    | 103.48         | 3,957,066            | 0.0%                 |
| 17,169,048   | ARI FLEET LEASE TRUST 2019 - A A2A                      | 2.410           | 11/15/2027    | 101.31         | 17,393,622           | 0.2%                 |
| 5,020,032  | ASCENTIUM EQUIPMENT RECEIVABLES LLC 2017 - 2A A3        | 2.310           | 12/10/2021    | 100.65         | 5,052,672            | 0.1%                 |
| 50,532,000   | ASCENTIUM EQUIPMENT RECEIVABLES LLC 2019 - 2A A3        | 2.190           | 11/10/2026    | 101.73         | 51,407,805           | 0.6%                 |
| 11,333,000   | AVIS BUDGET RENTAL CAR FUNDING AESOP LLC 2015 - 2A A    | 2.630           | 12/20/2021    | 100.23         | 11,359,566           | 0.1%                 |
| 8,580,000  | AVIS BUDGET RENTAL CAR FUNDING AESOP LLC 2017 - 2A A    | 2.970           | 03/20/2024    | 103.18         | 8,853,040            | 0.1%                 |
| 13,010,000   | AVIS BUDGET RENTAL CAR FUNDING AESOP LLC 2019 - 1A A    | 3.450           | 03/20/2023    | 102.33         | 13,313,046           | 0.2%                 |
| 1,820,493  | CCG RECEIVABLES TRUST 2018 - 1 A2                       | 2.500           | 06/16/2025    | 100.24         | 1,824,871            | 0.0%                 |
| 19,746,000   | CCG RECEIVABLES TRUST 2020 - 1 A2                       | 0.540           | 12/14/2027    | 100.00         | 19,746,559           | 0.2%                 |
| 7,044,608  | CHESAPEAKE FUNDING II LLC 2017 - 4A A1                  | 2.120           | 11/15/2029    | 100.73         | 7,096,003            | 0.1%                 |
| 471,114  | CHESAPEAKE FUNDING II LLC 2018 - 1A A1                  | 3.040           | 04/15/2030    | 102.19         | 481,417              | 0.0%                 |
| 1,342,216  | CHESAPEAKE FUNDING II LLC 2018 - 2A A1                  | 3.230           | 08/15/2030    | 101.45         | 1,361,671            | 0.0%                 |



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|----------------------|--|-----------------|---------------|----------------|----------------|----------------------|
| 36,467,360           | CHESAPEAKE FUNDING II LLC 2019 - 2A A1                 | 1.950           | 09/15/2031    | 101.40         | 36,977,976     | 0.4%                 |
| 12,409,155           | COINSTAR FUNDING, LLC 2017 - 1A A2                     | 5.216           | 04/25/2047    | 93.67          | 11,623,440     | 0.1%                 |
| 23,397,000           | DAIMLER TRUCKS RETAIL TRUST 2019 - 1 A4                | 2.790           | 05/15/2025    | 100.56         | 23,528,723     | 0.3%                 |
| 3,000,000            | DAIMLER TRUCKS RETAIL TRUST 2020 - 1 A3                | 1.220           | 09/15/2023    | 101.10         | 3,032,862      | 0.0%                 |
| 1,691,350            | DELL EQUIPMENT FINANCE TRUST 2018 - 1 A3               | 3.180           | 06/22/2023    | 100.57         | 1,701,000      | 0.0%                 |
| 1,678,214            | DELL EQUIPMENT FINANCE TRUST 2018 - 2 A3               | 3.370           | 10/22/2023    | 100.95         | 1,694,151      | 0.0%                 |
| 658,177              | DELL EQUIPMENT FINANCE TRUST 2019 - 1 A2               | 2.780           | 08/23/2021    | 100.35         | 660,504        | 0.0%                 |
| 400,000              | DELL EQUIPMENT FINANCE TRUST 2019 - 1 A3               | 2.830           | 03/22/2024    | 101.94         | 407,751        | 0.0%                 |
| 27,810,000           | DELL EQUIPMENT FINANCE TRUST 2019 - 1 B                | 2.940           | 03/22/2024    | 102.15         | 28,407,000     | 0.3%                 |
| 1,438,386            | DELL EQUIPMENT FINANCE TRUST 2019 - 2 A2               | 1.950           | 12/22/2021    | 100.59         | 1,446,932      | 0.0%                 |
| 17,299,000           | DELL EQUIPMENT FINANCE TRUST 2019 - 2 A3               | 1.910           | 10/22/2024    | 101.17         | 17,502,187     | 0.2%                 |
| 21,992,000           | DELL EQUIPMENT FINANCE TRUST 2019 - 2 B                | 2.060           | 10/22/2024    | 100.19         | 22,034,106     | 0.3%                 |
| 3,000,000            | DELL EQUIPMENT FINANCE TRUST 2020 - 1 A2               | 2.260           | 06/22/2022    | 101.63         | 3,048,994      | 0.0%                 |
| 16,500,154           | ENTERPRISE FLEET FINANCING LLC 2017 - 2 A3             | 2.220           | 01/20/2023    | 100.01         | 16,501,804     | 0.2%                 |
| 644,481              | ENTERPRISE FLEET FINANCING LLC 2017 - 3 A2             | 2.130           | 05/22/2023    | 100.09         | 645,079        | 0.0%                 |
| 2,240,906            | ENTERPRISE FLEET FINANCING LLC 2019 - 1 A2             | 2.980           | 10/20/2024    | 101.64         | 2,277,570      | 0.0%                 |
| 38,190,392           | ENTERPRISE FLEET FINANCING LLC 2019 - 2 A2             | 2.290           | 02/20/2025    | 101.78         | 38,870,521     | 0.4%                 |
| 780,483              | ENTERPRISE FLEET FINANCING LLC 2019 - 3 A2             | 2.060           | 05/20/2025    | 101.75         | 794,142        | 0.0%                 |
| 33,551,000           | ENTERPRISE FLEET FINANCING LLC 2020 - 1 A2             | 1.780           | 12/22/2025    | 101.52         | 34,060,932     | 0.4%                 |
| 1,865,866            | GREAT AMERICA LEASING RECEIVABLES 2017 - 1 A4          | 2.360           | 01/20/2023    | 100.20         | 1,869,508      | 0.0%                 |
| 2,609,000            | GREAT AMERICA LEASING RECEIVABLES 2017 - 1 C           | 2.890           | 01/22/2024    | 100.46         | 2,620,967      | 0.0%                 |
| 8,631,000            | GREAT AMERICA LEASING RECEIVABLES 2018 - 1 A4          | 2.830           | 06/17/2024    | 101.78         | 8,784,925      | 0.1%                 |
| 920,000              | GREAT AMERICA LEASING RECEIVABLES 2018 - 1 B           | 2.990           | 06/17/2024    | 99.98          | 919,802        | 0.0%                 |
| 10,720,000           | GREAT AMERICA LEASING RECEIVABLES 2019 - 1 A4          | 3.210           | 02/18/2025    | 103.14         | 11,056,278     | 0.1%                 |
| 1,530,000            | GREAT AMERICA LEASING RECEIVABLES 2020 - 1 A2          | 1.760           | 06/15/2022    | 100.64         | 1,539,761      | 0.0%                 |
| 19,348,000           | GREAT AMERICA LEASING RECEIVABLES 2020 - 1 A3          | 1.760           | 08/15/2023    | 100.89         | 19,519,752     | 0.2%                 |
| 8,006,493            | HERTZ FLEET LEASE FUNDING LP 2018 - 1 A2               | 3.230           | 05/10/2032    | 100.47         | 8,043,766      | 0.1%                 |
| 7,595,725            | HPEFS EQUIPMENT TRUST 2019 - 1A A2                     | 2.190           | 09/20/2029    | 100.57         | 7,639,290      | 0.1%                 |
| 6,292,000            | HPEFS EQUIPMENT TRUST 2019 - 1A B                      | 2.320           | 09/20/2029    | 99.39          | 6,253,387      | 0.1%                 |
| 13,617,000           | HPEFS EQUIPMENT TRUST 2020 - 1A B                      | 1.890           | 02/20/2030    | 101.47         | 13,817,056     | 0.2%                 |
| 61,830,000           | HPEFS EQUIPMENT TRUST 2020 - 2A A2                     | 0.650           | 07/22/2030    | 100.04         | 61,855,474     | 0.7%                 |
| 11,900,000           | HPEFS EQUIPMENT TRUST 2020 - 2A B                      | 1.200           | 07/22/2030    | 100.05         | 11,906,350     | 0.1%                 |
| 24,496,000           | JOHN DEERE OWNER TRUST 2018 - A A4                     | 2.910           | 01/15/2025    | 101.80         | 24,936,269     | 0.3%                 |
| 26,991,000           | JOHN DEERE OWNER TRUST 2018 - B A4                     | 3.230           | 06/16/2025    | 103.69         | 27,986,938     | 0.3%                 |
| 880,000              | JOHN DEERE OWNER TRUST 2019 - A A3                     | 2.910           | 07/17/2023    | 102.24         | 899,675        | 0.0%                 |
| 13,310,000           | JOHN DEERE OWNER TRUST 2019 - A A4                     | 3.000           | 01/15/2026    | 104.65         | 13,929,187     | 0.2%                 |
| 15,542,000           | JOHN DEERE OWNER TRUST 2019 - B A3                     | 2.210           | 12/15/2023    | 102.36         | 15,909,466     | 0.2%                 |
| 27,067,624           | KUBOTA CREDIT OWNER TRUST 2018 - 1A A3                 | 3.100           | 08/15/2022    | 101.34         | 27,431,045     | 0.3%                 |
| 12,034,000           | KUBOTA CREDIT OWNER TRUST 2018 - 1A A4                 | 3.210           | 01/15/2025    | 103.39         | 12,441,969     | 0.1%                 |
| 7,342,703            | MMAF EQUIPMENT FINANCE LLC 2017 - B A3                 | 2.210           | 10/17/2022    | 100.75         | 7,398,060      | 0.1%                 |
| 16,545,000           | MMAF EQUIPMENT FINANCE LLC 2017 - B A4                 | 2.410           | 11/15/2024    | 102.30         | 16,925,623     | 0.2%                 |
| 23,174,000           | MMAF EQUIPMENT FINANCE LLC 2019 - A A3                 | 2.840           | 11/13/2023    | 103.03         | 23,875,971     | 0.3%                 |
| 7,150,000            | MMAF EQUIPMENT FINANCE LLC 2020 - A A2                 | 0.740           | 04/09/2024    | 100.30         | 7,171,640      | 0.1%                 |
| 62,562,000           | NAVISTAR FINANCIAL DEALER NOTE MASTER TRUST 2020 - 1 A | 1.098           | 07/25/2025    | 100.34         | 62,776,425     | 0.7%                 |
| 20,252,000           | NEXTGEAR FLOORPLAN MASTER OWNER TRUST 2017 - 2A B      | 3.020           | 10/17/2022    | 100.01         | 20,254,025     | 0.2%                 |
| 12,191,000           | NEXTGEAR FLOORPLAN MASTER OWNER TRUST 2018 - 1A A2     | 3.220           | 02/15/2023    | 100.95         | 12,306,361     | 0.1%                 |
| 21,126,000           | NEXTGEAR FLOORPLAN MASTER OWNER TRUST 2018 - 2A A2     | 3.690           | 10/15/2023    | 102.56         | 21,667,426     | 0.3%                 |
| 15,798,000           | NEXTGEAR FLOORPLAN MASTER OWNER TRUST 2019 - 1A A2     | 3.210           | 02/15/2024    | 103.61         | 16,368,344     | 0.2%                 |
| 29,251,000           | NEXTGEAR FLOORPLAN MASTER OWNER TRUST 2019 - 2A A2     | 2.070           | 10/15/2024    | 98.96          | 28,946,257     | 0.3%                 |
| 20,247,597           | PROP LIMITED 2017 - 1 A                                | 5.300           | 03/15/2042    | 79.00          | 15,995,601     | 0.2%                 |
| 2,110,655            | VERIZON OWNER TRUST 2017 - 3A A1A                      | 2.060           | 04/20/2022    | 100.16         | 2,114,114      | 0.0%                 |
| 19,491,000           | VERIZON OWNER TRUST 2017 - 3A B                        | 2.380           | 04/20/2022    | 100.51         | 19,590,145     | 0.2%                 |
| 24,278,000           | VERIZON OWNER TRUST 2018 - 1A B                        | 3.050           | 09/20/2022    | 101.81         | 24,717,570     | 0.3%                 |
| 5,183,000            | VERIZON OWNER TRUST 2018 - A A1A                       | 3.230           | 04/20/2023    | 101.58         | 5,264,693      | 0.1%                 |
| 26,414,000           | VERIZON OWNER TRUST 2018 - A B                         | 3.380           | 04/20/2023    | 103.40         | 27,312,691     | 0.3%                 |
| 47,492,000           | VERIZON OWNER TRUST 2019 - A A1A                       | 2.930           | 09/20/2023    | 102.47         | 48,662,982     | 0.6%                 |
| 18,870,000           | VERIZON OWNER TRUST 2019 - A B                         | 3.020           | 09/20/2023    | 103.03         | 19,441,514     | 0.2%                 |
| 42,076,000           | VERIZON OWNER TRUST 2019 - B B                         | 2.400           | 12/20/2023    | 102.80         | 43,253,833     | 0.5%                 |
| 79,492,000           | VERIZON OWNER TRUST 2019 - C A1A                       | 1.940           | 04/22/2024    | 102.34         | 81,353,512     | 0.9%                 |
| 42,152,000           | VERIZON OWNER TRUST 2019 - C B                         | 2.060           | 04/22/2024    | 101.75         | 42,891,182     | 0.5%                 |
| 2,859,874            | VOLVO FINANCIAL EQUIPMENT LLC 2017 - 1A A4             | 2.210           | 11/15/2021    | 100.29         | 2,868,170      | 0.0%                 |
| 13,913,101           | VOLVO FINANCIAL EQUIPMENT LLC 2018 - 1A A3             | 2.540           | 02/15/2022    | 100.51         | 13,984,007     | 0.2%                 |
| 17,060,000           | VOLVO FINANCIAL EQUIPMENT LLC 2019 - 1A A4             | 3.130           | 11/15/2023    | 103.88         | 17,722,102     | 0.2%                 |
| 2,720,000            | VOLVO FINANCIAL EQUIPMENT LLC 2019 - 2A A3             | 2.040           | 11/15/2023    | 101.96         | 2,773,383      | 0.0%                 |
| 12,759,000           | WHEELS SPV LLC 2018 - 1A A3                            | 3.240           | 04/20/2027    | 102.04         | 13,019,083     | 0.2%                 |



**FPA New Income, Inc.**  
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| PRINCIPAL/<br>SHARES | SECURITY   | COUPON RATE (%) | MATURITY DATE | MKT PRICE (\$) | MKT VALUE (\$)       | % OF NET ASSET VALUE |
|----------------------|--|-----------------|---------------|----------------|----------------------|----------------------|
| 32,817,000           | WHEELS SPV LLC 2019 - 1A A3  | 2.350           | 05/22/2028    | 102.90         | 33,768,283           | 0.4%                 |
|                      | <b>TOTAL ASSET-BACKED - EQUIPMENT</b>                                |                 |               |                | <b>1,315,088,202</b> | <b>15.2%</b>         |
|                      | <b>ASSET-BACKED - MONEY MARKET</b>                                   |                 |               |                |                      |                      |
| 3,790,853            | CARMAX AUTO OWNER TRUST 2020 - 2 A1                                  | 1.252           | 05/17/2021    | 100.04         | 3,792,393            | 0.0%                 |
| 13,844,944           | DELL EQUIPMENT FINANCE TRUST 2020 - 1 A1                             | 1.983           | 05/21/2021    | 100.33         | 13,890,733           | 0.2%                 |
| 519,961              | HPEFS EQUIPMENT TRUST 2020 - 1A A1                                   | 1.683           | 03/09/2021    | 100.09         | 520,434              | 0.0%                 |
| 3,182,403            | HYUNDAI AUTO RECEIVABLES TRUST 2020 - A A1                           | 1.198           | 05/17/2021    | 100.07         | 3,184,523            | 0.0%                 |
| 2,543,518            | KUBOTA CREDIT OWNER TRUST 2020 - 1A A1                               | 1.500           | 05/17/2021    | 100.02         | 2,543,935            | 0.0%                 |
| 1,698,601            | NISSAN AUTO RECEIVABLES OWNER TRUST 2020 - A A1                      | 0.978           | 04/15/2021    | 100.02         | 1,699,023            | 0.0%                 |
| 2,746,921            | TOYOTA AUTO RECEIVABLES OWNER TRUST 2020 - B A1                      | 1.141           | 05/17/2021    | 100.03         | 2,747,716            | 0.0%                 |
|                      | <b>TOTAL ASSET-BACKED - MONEY MARKET</b>                             |                 |               |                | <b>28,378,757</b>    | <b>0.3%</b>          |
|                      | <b>ASSET-BACKED - OTHER</b>  |                 |               |                |                      |                      |
| 11,435,000           | ELM 2020-3 TRUST A A2  | 2.954           | 08/20/2029    | 100.54         | 11,496,330           | 0.1%                 |
| 22,693,000           | ELM TRUST 2018 - 2A A2   | 4.605           | 10/20/2027    | 99.97          | 22,685,225           | 0.3%                 |
| 21,762,000           | HERCULES CAPITAL FUNDING TRUST 2018 - 1A A                           | 4.605           | 11/22/2027    | 100.88         | 21,953,965           | 0.3%                 |
| 47,606,000           | HERCULES CAPITAL FUNDING TRUST 2019 - 1A A                           | 4.703           | 02/20/2028    | 100.89         | 48,031,398           | 0.6%                 |
| 8,950,000            | LAUREL ROAD PRIME STUDENT LOAN TRUST 2020 - A A1FX                   | 0.720           | 11/25/2050    | 100.01         | 8,950,890            | 0.1%                 |
| 19,433,362           | NRZ EXCESS SPREAD COLLATERALIZED NOTES 2018 - FNT1 A                 | 3.610           | 05/25/2023    | 100.03         | 19,438,376           | 0.2%                 |
| 23,732,786           | NRZ EXCESS SPREAD COLLATERALIZED NOTES 2018 - FNT2 A                 | 3.790           | 07/25/2054    | 100.04         | 23,741,439           | 0.3%                 |
| 8,739,872            | NRZ EXCESS SPREAD COLLATERALIZED NOTES 2018 - PLS1 A                 | 3.193           | 01/25/2023    | 100.00         | 8,739,659            | 0.1%                 |
| 10,101,215           | NRZ EXCESS SPREAD COLLATERALIZED NOTES 2018 - PLS2 A                 | 3.265           | 02/25/2023    | 100.00         | 10,101,519           | 0.1%                 |
| 69,290,000           | OCWEN MASTER ADVANCE RECEIVABLES TRUST 2020 - T1 AT1                 | 1.278           | 08/15/2052    | 100.37         | 69,544,280           | 0.8%                 |
| 16,852,000           | PFS FINANCING CORP. 2017 - D A                                       | 2.400           | 10/17/2022    | 100.09         | 16,867,622           | 0.2%                 |
| 7,798,000            | PFS FINANCING CORP. 2017 - D B                                       | 2.740           | 10/17/2022    | 100.05         | 7,801,764            | 0.1%                 |
| 28,944,000           | PFS FINANCING CORP. 2018 - B A                                       | 2.890           | 02/15/2023    | 100.94         | 29,215,087           | 0.3%                 |
| 7,809,000            | PFS FINANCING CORP. 2018 - B B                                       | 3.080           | 02/15/2023    | 100.71         | 7,864,241            | 0.1%                 |
| 66,056,000           | PFS FINANCING CORP. 2018 - D A                                       | 3.190           | 04/17/2023    | 101.50         | 67,044,554           | 0.8%                 |
| 17,375,000           | PFS FINANCING CORP. 2018 - D B                                       | 3.450           | 04/17/2023    | 101.43         | 17,623,205           | 0.2%                 |
| 35,679,000           | PFS FINANCING CORP. 2018 - F A                                       | 3.520           | 10/15/2023    | 103.06         | 36,769,215           | 0.4%                 |
| 5,641,000            | PFS FINANCING CORP. 2018 - F B                                       | 3.770           | 10/15/2023    | 102.46         | 5,780,041            | 0.1%                 |
| 20,397,000           | PFS FINANCING CORP. 2019 - A A2                                      | 2.860           | 04/15/2024    | 102.57         | 20,921,898           | 0.2%                 |
| 4,897,000            | PFS FINANCING CORP. 2019 - A B                                       | 3.130           | 04/15/2024    | 102.19         | 5,004,457            | 0.1%                 |
| 21,014,000           | PFS FINANCING CORP. 2020 - B A                                       | 1.210           | 06/15/2024    | 101.04         | 21,231,844           | 0.2%                 |
| 5,831,000            | PFS FINANCING CORP. 2020 - B B                                       | 1.710           | 06/15/2024    | 101.52         | 5,919,920            | 0.1%                 |
| 15,785,000           | PFS FINANCING CORP. 2020 - F A                                       | 0.930           | 08/15/2024    | 100.18         | 15,813,208           | 0.2%                 |
| 4,352,000            | PFS FINANCING CORP. 2020 - F B                                       | 1.420           | 08/15/2024    | 99.76          | 4,341,515            | 0.1%                 |
| 40,640,000           | SPRINGCASTLE AMERICA FUNDING LLC 2020 - AA A                         | 1.970           | 09/25/2037    | 101.07         | 41,075,819           | 0.5%                 |
| 16,688,713           | TVEST 2020A, LLC 2020 - A A  | 4.500           | 07/15/2032    | 100.07         | 16,699,576           | 0.2%                 |
|                      | <b>TOTAL ASSET-BACKED - OTHER</b>                                    |                 |               |                | <b>564,657,046</b>   | <b>6.5%</b>          |
|                      | <b>COMMERCIAL MORTGAGE-BACKED SECURITIES AGENCY</b>                  |                 |               |                |                      |                      |
| 5,758,105            | FREDDIE MAC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES K024 A2 | 2.573           | 09/25/2022    | 103.44         | 5,956,013            | 0.1%                 |
| 13,112,276           | FREDDIE MAC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES K042 A1 | 2.267           | 06/25/2024    | 103.37         | 13,554,249           | 0.2%                 |
| 19,456               | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2010-148 AC                 | 7.000           | 12/16/2050    | 101.90         | 19,825               | 0.0%                 |
| 9,961,527            | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2014-148                    | 2.650           | 11/16/2043    | 101.41         | 10,102,217           | 0.1%                 |
| 2,398,902            | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2014-169 A                  | 2.600           | 11/16/2042    | 101.21         | 2,427,917            | 0.0%                 |
| 1,837,453            | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2015-21 A                   | 2.600           | 11/16/2042    | 100.61         | 1,848,725            | 0.0%                 |
| 64,395,724           | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2019-39 A                   | 3.100           | 05/16/2059    | 103.09         | 66,386,447           | 0.8%                 |
| 45,804,155           | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2020-110 MA                 | 2.500           | 03/16/2037    | 101.49         | 46,486,028           | 0.5%                 |
|                      | <b>TOTAL COMMERCIAL MORTGAGE-BACKED SECURITIES AGENCY</b>            |                 |               |                | <b>146,781,422</b>   | <b>1.7%</b>          |
|                      | <b>COMMERCIAL MORTGAGE-BACKED SECURITIES AGENCY STRIPPED</b>         |                 |               |                |                      |                      |
| 33,710,865           | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2012-114 IO                 | 0.710           | 01/16/2053    | 2.29           | 771,119              | 0.0%                 |
| 60,938,479           | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2012-125 IO                 | 0.263           | 02/16/2053    | 1.12           | 684,333              | 0.0%                 |
| 58,975,894           | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2012-150 IO                 | 0.659           | 11/16/2052    | 2.22           | 1,307,885            | 0.0%                 |
| 59,629,639           | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2012-25 IO                  | 0.294           | 08/16/2052    | 0.94           | 558,569              | 0.0%                 |
| 7,229,446            | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2012-45 IO                  | 0.00            | 04/16/2053    | 0.27           | 19,719               | 0.0%                 |
| 124,689,983          | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2012-58 IO                  | 0.526           | 02/16/2053    | 1.08           | 1,350,866            | 0.0%                 |
| 89,862,315           | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2012-79 IO                  | 0.538           | 03/16/2053    | 1.55           | 1,392,444            | 0.0%                 |
| 16,811,422           | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2013-125 IO                 | 0.527           | 10/16/2054    | 2.02           | 339,611              | 0.0%                 |
| 56,084,936           | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2013-45 IO                  | 0.463           | 12/16/2053    | 1.26           | 703,944              | 0.0%                 |
| 52,934,218           | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2014-110 IO                 | 0.627           | 01/16/2057    | 3.58           | 1,895,236            | 0.0%                 |
| 202,557,882          | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2014-135 IO                 | 0.710           | 01/16/2056    | 3.03           | 6,135,802            | 0.1%                 |



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|--|---|-----------------|---------------|----------------|--------------------|----------------------|
| 24,502,001   | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2014-138 IO                      | 0.718           | 04/16/2056    | 3.75           | 918,965            | 0.0%                 |
| 106,234,174  | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2014-153 IO                      | 0.547           | 04/16/2056    | 3.29           | 3,500,150          | 0.0%                 |
| 101,830,624  | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2014-157 IO                      | 0.505           | 05/16/2055    | 2.64           | 2,693,053          | 0.0%                 |
| 207,788,699  | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2014-164 IO                      | 0.743           | 01/16/2056    | 3.49           | 7,248,771          | 0.1%                 |
| 161,327,363  | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2014-175 IO                      | 0.724           | 04/16/2056    | 3.88           | 6,253,323          | 0.1%                 |
| 111,962,374  | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2014-187 IO                      | 0.739           | 05/16/2056    | 3.87           | 4,332,127          | 0.1%                 |
| 37,938,186   | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2014-77 IO                       | 0.688           | 12/16/2047    | 2.74           | 1,040,292          | 0.0%                 |
| 68,306,630   | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2015-101 IO                      | 0.471           | 03/16/2052    | 2.77           | 1,891,896          | 0.0%                 |
| 23,938,316   | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2015-108 IO                      | 0.791           | 10/16/2056    | 4.22           | 1,009,311          | 0.0%                 |
| 114,219,534  | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2015-114 IO                      | 0.795           | 03/15/2057    | 3.98           | 4,541,277          | 0.1%                 |
| 161,535,335  | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2015-128 IO                      | 0.870           | 12/16/2056    | 4.50           | 7,269,187          | 0.1%                 |
| 121,422,461  | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2015-150 IO                      | 0.872           | 09/16/2057    | 4.54           | 5,514,377          | 0.1%                 |
| 199,137,507  | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2015-160 IO                      | 0.857           | 01/16/2056    | 4.41           | 8,787,440          | 0.1%                 |
| 167,157,085  | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2015-169 IO                      | 0.893           | 07/16/2057    | 4.87           | 8,142,522          | 0.1%                 |
| 69,658,162   | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2015-19 IO                       | 0.718           | 01/16/2057    | 3.97           | 2,763,862          | 0.0%                 |
| 27,150,576   | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2015-41 IO                       | 0.537           | 09/16/2056    | 3.32           | 901,092            | 0.0%                 |
| 125,366,333  | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2015-47 IO                       | 0.782           | 10/16/2056    | 4.15           | 5,208,908          | 0.1%                 |
| 48,727,428   | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2015-7 IO                        | 0.722           | 01/16/2057    | 4.10           | 1,996,017          | 0.0%                 |
| 47,872,269   | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2015-86 IO                       | 0.620           | 05/16/2052    | 3.44           | 1,648,745          | 0.0%                 |
| 211,271,619  | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2016-106 IO                      | 1.000           | 09/16/2058    | 6.16           | 13,021,959         | 0.2%                 |
| 105,837,270  | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2016-125 IO                      | 0.952           | 12/16/2057    | 5.66           | 5,994,422          | 0.1%                 |
| 129,294,268  | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2016-65 IO                       | 1.015           | 01/16/2058    | 5.80           | 7,503,968          | 0.1%                 |
| 210,824,513  | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2020 - 42 IO                     | 1.056           | 03/16/2062    | 8.81           | 18,566,767         | 0.2%                 |
| 75,409,480   | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2020 - 43 IO                     | 1.357           | 11/16/2061    | 9.64           | 7,272,038          | 0.1%                 |
| 92,049,978   | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2020 - 71 IO                     | 1.206           | 01/16/2062    | 9.16           | 8,430,498          | 0.1%                 |
| 182,998,095  | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2020 - 75 IO                     | 1.165           | 02/16/2062    | 8.84           | 16,177,947         | 0.2%                 |
| <b>TOTAL COMMERCIAL MORTGAGE-BACKED SECURITIES AGENCY STRIPPED</b> |   |                 |               |                | <b>167,788,441</b> | <b>1.9%</b>          |
| <b>COMMERCIAL MORTGAGE-BACKED SECURITIES NON-AGENCY</b>            |   |                 |               |                |                    |                      |
| 28,818,000   | A10 BRIDGE ASSET FINANCING 2020-C LLC 2020 - C A                          | 2.021           | 08/15/2040    | 100.00         | 28,818,784         | 0.3%                 |
| 2,033,452  | BEAR STEARNS COMMERCIAL MTG SEC TRUST 2005-PWR7 B                         | 5.214           | 02/11/2041    | 99.99          | 2,033,267          | 0.0%                 |
| 1,961,542  | CITIGROUP COMMERCIAL MORTGAGE TRUST 2012-GC8 2012 - GC8 AAB               | 2.608           | 09/10/2045    | 101.31         | 1,987,200          | 0.0%                 |
| 4,148,778  | CITIGROUP COMMERCIAL MORTGAGE TRUST 2012-GC8 A4                           | 3.024           | 09/10/2045    | 102.72         | 4,261,626          | 0.0%                 |
| 18,524,000   | CITIGROUP COMMERCIAL MORTGAGE TRUST 2017-C4 A2                            | 3.190           | 10/12/2050    | 103.73         | 19,214,780         | 0.2%                 |
| 15,941,000   | COMM 2012-CCRE2 MORTGAGE TRUST 2012 - CR2 A4                              | 3.147           | 08/15/2045    | 103.10         | 16,434,535         | 0.2%                 |
| 11,090,000   | COMM 2012-CCRE5 MORTGAGE TRUST 2012 - CR5 A3                              | 2.540           | 12/10/2045    | 102.48         | 11,365,475         | 0.1%                 |
| 10,015,221   | COMM MORTGAGE TRUST 2013-LC6  | 2.941           | 01/10/2046    | 103.79         | 10,395,263         | 0.1%                 |
| 607,738  | COMM MORTGAGE TRUST 2014-FL5 B  | 1.548           | 10/15/2031    | 94.41          | 573,737            | 0.0%                 |
| 8,340,000  | COMM MORTGAGE TRUST 2014-FL5 C  | 1.548           | 10/15/2031    | 88.64          | 7,392,314          | 0.1%                 |
| 30,882,045   | COREVEST AMERICAN FINANCE 2018-1 TRUST 2018 - 1 A                         | 3.804           | 06/15/2051    | 104.75         | 32,348,945         | 0.4%                 |
| 40,736,174   | DBUBS MORTGAGE TRUST 2011-LC2A A4   | 4.537           | 07/10/2044    | 101.42         | 41,314,631         | 0.5%                 |
| 21,003,000   | GS MORTGAGE SECURITIES TRUST 2012-ALOH A                                  | 3.551           | 04/10/2034    | 100.35         | 21,076,926         | 0.2%                 |
| 23,215,325   | GS MORTGAGE SECURITIES TRUST 2012-GC6 2012 - GC6 A3                       | 3.482           | 01/10/2045    | 102.00         | 23,678,687         | 0.3%                 |
| 1,646,545  | GS MORTGAGE SECURITIES TRUST 2012-GCJ7 2012 - GCJ7 A4                     | 3.377           | 05/10/2045    | 101.06         | 1,663,994          | 0.0%                 |
| 159,716  | JP MORGAN CHASE COMMERCIAL MORTGAGE SECURITIES TRUST 2012-C8 2012 - C8 A3 | 2.829           | 10/15/2045    | 103.00         | 164,510            | 0.0%                 |
| 46,713,286   | JP MORGAN CHASE COMMERCIAL MTG SEC TRUST 2012-HSBC A                      | 3.093           | 07/05/2032    | 102.01         | 47,652,746         | 0.6%                 |
| 6,973,822  | JPMBB COMMERCIAL MORTGAGE SECURITIES TRUST 2015-C30 ASB                   | 3.559           | 07/15/2048    | 105.91         | 7,386,110          | 0.1%                 |
| 22,137,000   | JPMCC COMMERCIAL MORTGAGE SECURITIES TRUST 2016-WIKI A                    | 2.798           | 10/05/2031    | 99.40          | 22,003,080         | 0.3%                 |
| 4,025,945  | MORGAN STANLEY BANK OF AMERICAL MERRILL LYNCH TRUST 2012-C6 A4            | 2.858           | 11/15/2045    | 102.56         | 4,129,039          | 0.0%                 |
| 4,186,592  | MORGAN STANLEY CAPITAL I TRUST 2011-C3 2011 - C3 A4                       | 4.118           | 07/15/2049    | 100.70         | 4,215,980          | 0.0%                 |
| 2,400,000  | MORGAN STANLEY CAPITAL I TRUST 2014-MP C                                  | 3.816           | 08/11/2033    | 101.79         | 2,443,050          | 0.0%                 |
| 15,240,541   | UBS COMMERCIAL MORTGAGE TRUST 2012-C1 A3                                  | 3.400           | 05/10/2045    | 102.51         | 15,622,908         | 0.2%                 |
| 10,807,248   | UBS-BARCLAYS COMMERCIAL MORTGAGE TRUST 2012-C3 2012 - C3 A4               | 3.091           | 08/10/2049    | 103.50         | 11,185,598         | 0.1%                 |
| 20,486,000   | UBS-BARCLAYS COMMERCIAL MORTGAGE TRUST 2012-C4 A4                         | 2.792           | 12/10/2045    | 102.16         | 20,927,551         | 0.2%                 |
| 15,471,332   | VCC 2020-MC1 TRUST 2020 - MC1 A   | 4.500           | 06/25/2045    | 98.56          | 15,249,190         | 0.2%                 |
| 5,604,681  | VNDO 2012-6AVE MORTGAGE TRUST 2012 - 6AVE A                               | 2.996           | 11/15/2030    | 102.57         | 5,748,845          | 0.1%                 |
| 13,266,000   | VNO MORTGAGE TRUST 2012-6AVE B  | 3.298           | 11/15/2030    | 102.96         | 13,658,258         | 0.2%                 |
| 36,898,092   | WELLS FARGO COMMERCIAL MORTGAGE TRUST 2012-LC5 A3                         | 2.918           | 10/15/2045    | 103.22         | 38,087,185         | 0.4%                 |
| 9,489,318  | WELLS FARGO COMMERCIAL MORTGAGE TRUST 2019-C51 A1                         | 2.276           | 06/15/2052    | 102.12         | 9,690,069          | 0.1%                 |
| 64,706,000   | WFBRS COMMERCIAL TRUST 2012-C8 A3   | 3.001           | 08/15/2045    | 102.38         | 66,246,210         | 0.8%                 |
| 12,538,749   | WFBRS COMMERCIAL TRUST 2012-C9 A3   | 2.870           | 11/15/2045    | 103.20         | 12,939,822         | 0.1%                 |
| 7,610,000  | WFBRS COMMERCIAL TRUST 2013-C11 A5  | 3.071           | 03/15/2045    | 103.86         | 7,903,996          | 0.1%                 |
| 30,588,000   | WFBRS COMMERCIAL TRUST 2013-UBS1 A3                                       | 3.591           | 03/15/2046    | 100.38         | 30,703,234         | 0.4%                 |
| 802,730  | WFRBS COMMERCIAL MORTGAGE TRUST 2012-C8 2012 - C8 AFL                     | 1.151           | 08/15/2045    | 100.13         | 803,803            | 0.0%                 |
| 12,250,000   | WFRBS COMMERCIAL MORTGAGE TRUST 2013-C11 2013 - C11 A4                    | 3.037           | 03/15/2045    | 103.41         | 12,668,165         | 0.1%                 |



| PRINCIPAL/<br>SHARES   | SECURITY   | COUPON RATE (%) | MATURITY DATE | MKT PRICE (\$) | MKT VALUE (\$) | % OF NET ASSET VALUE |
|--|--|-----------------|---------------|----------------|----------------|----------------------|
| TOTAL COMMERCIAL MORTGAGE-BACKED SECURITIES NON-AGENCY                             |  |                 |               |                | 571,989,512    | 6.6%                 |
| CORPORATE BONDS AND NOTES  |  |                 |               |                |                |                      |
| 71,635,618   | BOART LONGYEAR MANAGEMENT PTY LTD*                     | 10.000          | 12/31/2022    | 80.00          | 57,308,494     | 0.7%                 |
| 2,523  | CONTINENTAL AIRLINES 2000-1 CLASS B PASS THROUGH TRUST | 8.388           | 11/01/2020    | 103.79         | 2,619          | 0.0%                 |
| 46,851,306   | STONEMOR PARTNERS LP                                   | 11.500          | 06/30/2024    | 98.75          | 46,265,665     | 0.5%                 |
| TOTAL CORPORATE BONDS AND NOTES  |  |                 |               |                | 103,576,778    | 1.2%                 |
| CORPORATE BANK DEBT  |  |                 |               |                |                |                      |
| 8,149,099  | ABG INTERMEDIATE HOLDINGS 2 LLC                        | 3.742           | 09/29/2024    | 97.75          | 7,965,745      | 0.1%                 |
| 10,689,000   | ASURION LLC  | 3.145           | 11/03/2024    | 98.25          | 10,501,943     | 0.1%                 |
| 5,312,806  | BLY ABL 1L*  | 10.000          | 10/22/2022    | 97.13          | 5,160,381      | 0.1%                 |
| 12,030,338   | CINCINNATI BELL INC                                    | 4.250           | 10/02/2024    | 99.89          | 12,017,466     | 0.1%                 |
| 4,223,007  | FRONTIER COMMUNICATIONS CORP REV                       | 3.234           | 03/15/2024    | 98.75          | 4,170,219      | 0.0%                 |
| 40,877,000   | GENERAL NUTRITION CENTER DIP FILO TL                   | 10.000          | 12/23/2020    | 97.50          | 39,855,075     | 0.5%                 |
| 5,204,024  | JC PENNEY CO, INC. DIP TERM LOAN                       | 13.000          | 11/15/2020    | 127.00         | 6,609,111      | 0.1%                 |
| 27,218,577   | JC PENNEY TL-B 1L                                      | 5.250           | 06/23/2023    | 30.75          | 8,369,712      | 0.1%                 |
| 16,770,000   | LEALAND FINANCE CO BV*                                 | 0.00            | 06/30/2024    | 92.00          | 15,428,400     | 0.2%                 |
| 13,946,573   | LOGIX HOLDING CO. LLC TL 1L                            | 6.750           | 12/22/2024    | 92.00          | 12,830,847     | 0.1%                 |
| 6,816,000  | MB2TL  | 10.130          | 11/30/2023    | 99.34          | 6,771,287      | 0.1%                 |
| 12,190,000   | MEDIA TL   | 7.586           | 11/21/2024    | 89.25          | 10,880,002     | 0.1%                 |
| 25,509,068   | OTGTL  | 10.752          | 08/26/2021    | 89.48          | 22,824,493     | 0.3%                 |
| 24,488,236   | POLYCONCEPT NORTH AMERICA HOLDINGS INC TL-B 1L         | 5.500           | 08/16/2023    | 81.50          | 19,957,913     | 0.2%                 |
| 8,611,000  | TECH DATA  | 3.640           | 07/01/2025    | 100.21         | 8,628,911      | 0.1%                 |
| 13,474,000   | WINDSTREAM SERVICES LLC TL B                           | 7.250           | 09/21/2027    | 96.25          | 12,968,725     | 0.1%                 |
| 14,508,375   | ZW1LTL   | 5.880           | 11/17/2022    | 99.24          | 14,398,111     | 0.2%                 |
| 3,274,418  | ZW2LTL   | 9.880           | 11/17/2023    | 98.82          | 3,235,813      | 0.0%                 |
| TOTAL CORPORATE BANK DEBT  |  |                 |               |                | 222,574,154    | 2.6%                 |
| RESIDENTIAL MORTGAGE BACKED SECURITIES AGENCY POOL ADJUSTABLE RATE MORTGAGES       |  |                 |               |                |                |                      |
| 383,039  | FANNIE MAE POOL 865963                                 | 3.836           | 03/01/2036    | 105.29         | 403,287        | 0.0%                 |
| TOTAL RESIDENTIAL MORTGAGE BACKED SECURITIES AGENCY POOL ADJUSTABLE RATE MORTGAGES |  |                 |               |                | 403,287        | 0.0%                 |
| RESIDENTIAL MORTGAGE BACKED SECURITIES AGENCY POOL FIXED RATE MORTGAGES            |  |                 |               |                |                |                      |
| 122,336  | FANNIE MAE POOL 890225                                 | 6.000           | 05/01/2023    | 103.18         | 126,222        | 0.0%                 |
| 52,838   | FANNIE MAE POOL AD0951                                 | 6.000           | 12/01/2021    | 101.27         | 53,511         | 0.0%                 |
| 14,379   | FANNIE MAE POOL AL0294                                 | 6.000           | 10/01/2022    | 102.88         | 14,793         | 0.0%                 |
| 41,371   | FANNIE MAE POOL AL0471                                 | 5.500           | 07/01/2025    | 104.83         | 43,371         | 0.0%                 |
| 617,989  | FANNIE MAE POOL AL4056                                 | 5.000           | 06/01/2026    | 103.11         | 637,196        | 0.0%                 |
| 201,397  | FANNIE MAE POOL AL4433                                 | 5.500           | 09/01/2025    | 103.02         | 207,480        | 0.0%                 |
| 149,716  | FANNIE MAE POOL AL4901                                 | 5.500           | 09/01/2025    | 103.46         | 154,893        | 0.0%                 |
| 44,983   | FANNIE MAE POOL AL5867                                 | 5.500           | 08/01/2023    | 102.68         | 46,188         | 0.0%                 |
| 6,717,977  | FANNIE MAE POOL FM1102                                 | 4.000           | 03/01/2031    | 106.12         | 7,129,330      | 0.1%                 |
| 25,057   | FREDDIE MAC GOLD POOL G13667                           | 5.000           | 08/01/2024    | 102.26         | 25,624         | 0.0%                 |
| 46,621   | FREDDIE MAC GOLD POOL G14460                           | 6.000           | 01/01/2024    | 103.21         | 48,120         | 0.0%                 |
| 139,990  | FREDDIE MAC GOLD POOL G15036                           | 5.000           | 06/01/2024    | 102.77         | 143,872        | 0.0%                 |
| 979,561  | FREDDIE MAC GOLD POOL G15169                           | 4.500           | 09/01/2026    | 106.01         | 1,038,414      | 0.0%                 |
| 214,477  | FREDDIE MAC GOLD POOL G15173                           | 5.000           | 06/01/2026    | 103.13         | 221,184        | 0.0%                 |
| 557,825  | FREDDIE MAC GOLD POOL G15230                           | 5.500           | 12/01/2024    | 103.56         | 577,662        | 0.0%                 |
| 351,739  | FREDDIE MAC GOLD POOL G15272                           | 4.500           | 09/01/2026    | 104.41         | 367,251        | 0.0%                 |
| 1,037,572  | FREDDIE MAC GOLD POOL G15407                           | 5.000           | 06/01/2026    | 104.07         | 1,079,842      | 0.0%                 |
| 149,836  | FREDDIE MAC GOLD POOL G15458                           | 5.500           | 12/01/2024    | 103.64         | 155,283        | 0.0%                 |
| 1,371,745  | FREDDIE MAC GOLD POOL G15875                           | 4.500           | 09/01/2026    | 105.29         | 1,444,243      | 0.0%                 |
| 2,012  | FREDDIE MAC GOLD POOL J01270                           | 5.500           | 02/01/2021    | 100.49         | 2,022          | 0.0%                 |
| 266,957  | GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 782281        | 6.000           | 03/15/2023    | 103.74         | 276,946        | 0.0%                 |
| TOTAL RESIDENTIAL MORTGAGE BACKED SECURITIES AGENCY POOL FIXED RATE MORTGAGES      |  |                 |               |                | 13,793,446     | 0.2%                 |
| RESIDENTIAL MORTGAGE BACKED SECURITIES AGENCY STRIPPED INTEREST ONLY SECURITIES    |  |                 |               |                |                |                      |
| 365,580  | FANNIE MAE REMICS 2003 - 64 XI                         | 5.000           | 07/25/2033    | 16.05          | 58,658         | 0.0%                 |
| 1,528  | FANNIE MAE REMICS 2010 - 25 NI                         | 5.000           | 03/25/2025    | 2.38           | 36             | 0.0%                 |
| 460,550  | FREDDIE MAC REMICS - 3763 NI                           | 3.500           | 05/15/2025    | 2.06           | 9,489          | 0.0%                 |
| 4,531,136  | FREDDIE MAC REMICS - 3917 AI                           | 4.500           | 07/15/2026    | 4.38           | 198,410        | 0.0%                 |
| 130,261  | FREDDIE MAC STRIPS - 217 IO                            | 6.500           | 01/01/2032    | 21.70          | 28,271         | 0.0%                 |
| PRINCIPAL ONLY SECURITIES  |  |                 |               |                |                |                      |





**FPA New Income, Inc.**  
**Portfolio Holdings**

9/30/2020

| PRINCIPAL/<br>SHARES | SECURITY  | COUPON RATE (%) | MATURITY DATE | MKT PRICE (\$) | MKT VALUE (\$)     | % OF NET ASSET VALUE |
|----------------------|---|-----------------|---------------|----------------|--------------------|----------------------|
| 135,281              | FREDDIE MAC STRIPS - 217 PO   | 0.00            | 01/01/2032    | 91.43          | 123,693            | 0.0%                 |
|                      | <b>TOTAL RESIDENTIAL MORTGAGE BACKED SECURITIES AGENCY STRIPPED</b>                               |                 |               |                | <b>418,558</b>     | <b>0.0%</b>          |
|                      | <b>RESIDENTIAL MORTGAGE BACKED SECURITIES AGENCY COLLATERALIZED MORTGAGE OBLIGATION</b>           |                 |               |                |                    |                      |
| 1,156,020            | FANNIE MAE REMICS 2010 - 43 MK  | 5.500           | 05/25/2040    | 110.70         | 1,279,676          | 0.0%                 |
| 8,631,232            | FANNIE MAE REMICS 2011 - 80 KB  | 3.500           | 08/25/2026    | 104.29         | 9,001,616          | 0.1%                 |
| 5,780,304            | FANNIE MAE REMICS 2011 - 98 VE  | 3.500           | 06/25/2026    | 100.20         | 5,791,654          | 0.1%                 |
| 2,746,817            | FANNIE MAE REMICS 2012 - 144 PD   | 3.500           | 04/25/2042    | 106.28         | 2,919,322          | 0.0%                 |
| 274,087              | FANNIE MAE REMICS 2012 - 40 GC  | 4.500           | 12/25/2040    | 100.47         | 275,376            | 0.0%                 |
| 938,559              | FANNIE MAE REMICS 2013 - 135 KM   | 2.500           | 03/25/2028    | 102.34         | 960,502            | 0.0%                 |
| 1,368,705            | FANNIE MAE REMICS 2013 - 93 PJ  | 3.000           | 07/25/2042    | 104.22         | 1,426,412          | 0.0%                 |
| 404,049              | FANNIE MAE REMICS 2014 - 21 ED  | 2.250           | 04/25/2029    | 102.16         | 412,785            | 0.0%                 |
| 10,173,747           | FANNIE MAE REMICS 2017 - 16 JA  | 3.000           | 02/25/2043    | 101.16         | 10,292,120         | 0.1%                 |
| 5,596,786            | FANNIE MAE REMICS 2017 - 30 G   | 3.000           | 07/25/2040    | 102.11         | 5,714,894          | 0.1%                 |
| 7,047,295            | FANNIE MAE REMICS 2017 - 45 KD  | 3.500           | 02/25/2044    | 101.67         | 7,164,701          | 0.1%                 |
| 5,436,280            | FANNIE MAE REMICS 2017 - 52 KC  | 3.500           | 04/25/2044    | 101.22         | 5,502,395          | 0.1%                 |
| 10,193,393           | FANNIE MAE REMICS 2017 - 59 DC  | 3.500           | 05/25/2044    | 101.43         | 10,339,428         | 0.1%                 |
| 13,387,942           | FANNIE MAE REMICS 2018 - 16 HA  | 3.000           | 07/25/2043    | 102.23         | 13,686,896         | 0.2%                 |
| 700,473              | FREDDIE MAC REMICS - 3828 VE  | 4.500           | 01/15/2024    | 105.84         | 741,349            | 0.0%                 |
| 10,955,341           | FREDDIE MAC REMICS - 3862 MB  | 3.500           | 05/15/2026    | 104.54         | 11,453,110         | 0.1%                 |
| 1,313,453            | FREDDIE MAC REMICS - 3914 MA  | 3.000           | 06/15/2026    | 104.15         | 1,367,918          | 0.0%                 |
| 1,606,215            | FREDDIE MAC REMICS - 3979 HD  | 2.500           | 12/15/2026    | 102.54         | 1,646,996          | 0.0%                 |
| 1,904,329            | FREDDIE MAC REMICS - 4010 DE  | 2.500           | 02/15/2027    | 102.44         | 1,950,772          | 0.0%                 |
| 1,705,715            | FREDDIE MAC REMICS - 4170 QE  | 2.000           | 05/15/2032    | 102.24         | 1,743,921          | 0.0%                 |
| 2,072,092            | FREDDIE MAC REMICS - 4297 CA  | 3.000           | 12/15/2030    | 102.09         | 2,115,309          | 0.0%                 |
| 617,087              | FREDDIE MAC REMICS - 4304 DA  | 2.500           | 01/15/2027    | 102.78         | 634,247            | 0.0%                 |
| 396,426              | FREDDIE MAC REMICS - 4387 VA  | 3.000           | 02/15/2026    | 103.34         | 409,665            | 0.0%                 |
| 5,020,522            | FREDDIE MAC REMICS - 4395 NT  | 4.500           | 07/15/2026    | 105.93         | 5,318,142          | 0.1%                 |
| 5,779,998            | FREDDIE MAC REMICS - 4504 DN  | 3.000           | 10/15/2040    | 101.20         | 5,849,192          | 0.1%                 |
| 945,266              | FREDDIE MAC REMICS - 4664 TA  | 3.000           | 09/15/2037    | 100.09         | 946,155            | 0.0%                 |
|                      | <b>TOTAL RESIDENTIAL MORTGAGE BACKED SECURITIES AGENCY COLLATERALIZED MORTGAGE OBLIGATION</b>     |                 |               |                | <b>108,944,554</b> | <b>1.3%</b>          |
|                      | <b>RESIDENTIAL MORTGAGE BACKED SECURITIES NON-AGENCY COLLATERALIZED MORTGAGE</b>                  |                 |               |                |                    |                      |
| 24,528,129           | BRAVO RESIDENTIAL FUNDING TRUST 2019 - 1 A1C  | 3.500           | 03/25/2058    | 102.76         | 25,205,434         | 0.3%                 |
| 16,807,939           | CIM TRUST 2017 - 7 A  | 3.000           | 04/25/2057    | 102.84         | 17,285,284         | 0.2%                 |
| 43,389,793           | CIM TRUST 2018 - R3 A1  | 5.000           | 12/25/2057    | 105.68         | 45,855,609         | 0.5%                 |
| 5,223,609            | CITIGROUP MORTGAGE LOAN TRUST INC 2014 - A A  | 4.000           | 01/25/2035    | 104.28         | 5,447,208          | 0.1%                 |
| 16,733,836           | FINANCE OF AMERICA HECM BUYOUT 2019-AB1 2019 - AB1 A  | 2.656           | 12/27/2049    | 99.96          | 16,727,328         | 0.2%                 |
| 56,151,222           | FINANCE OF AMERICA HECM BUYOUT 2020 - HB2 A   | 1.710           | 07/25/2030    | 100.18         | 56,254,754         | 0.7%                 |
| 10,431,000           | FINANCE OF AMERICA HECM BUYOUT 2020-HB1 2020 - HB1 M1   | 2.105           | 02/25/2030    | 100.64         | 10,497,414         | 0.1%                 |
| 29,583,573           | MILL CITY MORTGAGE LOAN TRUST 2018-2 A1   | 3.500           | 05/25/2058    | 104.14         | 30,807,617         | 0.4%                 |
| 10,270,000           | NATIONSTAR HECM LOAN TRUST 2019 - 1A M1   | 2.664           | 06/25/2029    | 100.57         | 10,328,350         | 0.1%                 |
| 7,922,000            | NATIONSTAR HECM LOAN TRUST 2019-2 2019 - 2A M1  | 2.359           | 11/26/2029    | 99.78          | 7,904,413          | 0.1%                 |
| 35,838,000           | NATIONSTAR HECM LOAN TRUST 2020 - 1A A1   | 1.269           | 09/25/2030    | 100.00         | 35,838,000         | 0.4%                 |
| 8,928,000            | NATIONSTAR HECM LOAN TRUST 2020 - 1A M2   | 1.972           | 09/25/2030    | 100.00         | 8,928,000          | 0.1%                 |
| 9,981,000            | NATIONSTAR HECM LOAN TRUST 2020-1 2020 - 1A M1  | 1.472           | 09/25/2030    | 100.00         | 9,981,000          | 0.1%                 |
| 2,485,561            | NOMURA RESECURITIZATION TRUST 2016 - 1R 3A1   | 5.000           | 09/28/2036    | 101.85         | 2,531,438          | 0.0%                 |
| 30,252,000           | PRESTON RIDGE PARTNERS MORTGAGE TRUST 2020 - 3 A1   | 2.857           | 09/25/2025    | 100.00         | 30,251,492         | 0.3%                 |
| 15,136,000           | RQO V MORTGAGE LLC 2020-1 2020 - 1 A1   | 3.105           | 09/25/2025    | 99.73          | 15,095,019         | 0.2%                 |
| 491,141              | TOWD POINT MORTGAGE TRUST 2015 - 1 AES  | 3.000           | 10/25/2053    | 100.05         | 491,366            | 0.0%                 |
| 8,091,216            | TOWD POINT MORTGAGE TRUST 2015 - 2 1A1  | 3.250           | 11/25/2060    | 100.94         | 8,167,497          | 0.1%                 |
| 3,168,801            | TOWD POINT MORTGAGE TRUST 2015 - 2 2A1  | 3.750           | 11/25/2057    | 100.59         | 3,187,604          | 0.0%                 |
| 7,467,018            | TOWD POINT MORTGAGE TRUST 2015 - 4 A1   | 3.500           | 04/25/2055    | 100.82         | 7,528,130          | 0.1%                 |
| 8,182,858            | TOWD POINT MORTGAGE TRUST 2016 - 3 A1   | 2.250           | 04/25/2056    | 100.99         | 8,264,028          | 0.1%                 |
| 23,451,158           | TOWD POINT MORTGAGE TRUST 2018 - 1 A1   | 3.000           | 01/25/2058    | 103.77         | 24,335,898         | 0.3%                 |
| 55,975,755           | TOWD POINT MORTGAGE TRUST 2018 - 2 A1   | 3.250           | 03/25/2058    | 106.29         | 59,498,556         | 0.7%                 |
| 39,533,962           | TOWD POINT MORTGAGE TRUST 2018 - 5 A1A  | 3.250           | 07/25/2058    | 104.53         | 41,326,179         | 0.5%                 |
| 39,300,699           | TOWD POINT MORTGAGE TRUST 2018 - 6 A1A  | 3.750           | 03/25/2058    | 105.69         | 41,536,299         | 0.5%                 |
| 17,291,826           | VCAT ASSET SECURITIZATION, LLC 2020 - NPL6 A1   | 3.671           | 08/25/2050    | 99.99          | 17,290,083         | 0.2%                 |
| 9,694,310            | VERICREST OPPORTUNITY LOAN TRANSFEREE 2020 - NPL6 A1A   | 3.967           | 04/25/2050    | 100.75         | 9,766,954          | 0.1%                 |
|                      | <b>TOTAL RESIDENTIAL MORTGAGE BACKED SECURITIES NON-AGENCY COLLATERALIZED MORTGAGE OBLIGATION</b> |                 |               |                | <b>550,330,954</b> | <b>6.4%</b>          |
|                      | <b>GOVERNMENT AGENCY STRIPPED</b>   |                 |               |                |                    |                      |
| 89,328,000           | RESIDUAL FUNDING CORP PRINCIPAL STRIP   | 0.00            | 10/15/2020    | 99.99          | 89,321,479         | 1.0%                 |
|                      | <b>TOTAL GOVERNMENT AGENCY STRIPPED</b>   |                 |               |                | <b>89,321,479</b>  | <b>1.0%</b>          |



**FPA New Income, Inc.**  
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| PRINCIPAL/<br>SHARES                                | SECURITY   | COUPON RATE (%) | MATURITY DATE | MKT PRICE (\$) | MKT VALUE (\$)       | % OF NET ASSET VALUE |
|---|--|-----------------|---------------|----------------|----------------------|----------------------|
| <b>U.S. GOVERNMENT AND AGENCIES</b>                 |  |                 |               |                |                      |                      |
| 400,000,000   | UNITED STATES TREASURY NOTE/BOND                       | 0.250           | 09/30/2025    | 99.87          | 399,469,640          | 4.6%                 |
|   | <b>TOTAL U.S. GOVERNMENT AND AGENCIES</b>              |                 |               |                | <b>399,469,640</b>   | <b>4.6%</b>          |
| <b>COMMON STOCK (LONG)</b>                          |  |                 |               |                |                      |                      |
| 874,320   | BOART LONGYEAR LTD                                     |                 |               | 0.28           | 244,230              | 0.0%                 |
| 2,602,492   | PHI GROUP INC/DE                                       |                 |               | 7.25           | 18,868,067           | 0.2%                 |
| 1,203,928   | PHI INC PRIVATE PLACEMENT                              |                 |               | 7.25           | 8,728,478            | 0.1%                 |
|   | <b>TOTAL COMMON STOCK (LONG)</b>                       |                 |               |                | <b>27,840,775</b>    | <b>0.3%</b>          |
|   | <b>TOTAL INVESTMENT SECURITIES</b>                     |                 |               |                | <b>8,244,691,188</b> | <b>95.3%</b>         |
| <b>U.S. GOVERNMENT AND AGENCIES (SHORT-TERM)</b>    |  |                 |               |                |                      |                      |
| 56,741,000  | UNITED STATES CASH MANAGEMENT BILL                     | 0.055           | 10/13/2020    | 100.00         | 56,739,610           | 0.7%                 |
| 253,782,000   | UNITED STATES CASH MANAGEMENT BILL                     | 0.068           | 10/20/2020    | 100.00         | 253,769,768          | 2.9%                 |
| 272,566,000   | UNITED STATES CASH MANAGEMENT BILL                     | 0.070           | 10/27/2020    | 99.99          | 272,551,200          | 3.2%                 |
| 139,843,000   | UNITED STATES CASH MANAGEMENT BILL                     | 0.085           | 11/03/2020    | 99.99          | 139,831,183          | 1.6%                 |
|   | <b>TOTAL U.S. GOVERNMENT AND AGENCIES (SHORT-TERM)</b> |                 |               |                | <b>722,891,761</b>   | <b>8.4%</b>          |
| <b>REPURCHASE AGREEMENTS</b>                        |  |                 |               |                |                      |                      |
| 89,255,000  | STATE STREET BANK/FICC REPO                            | 0.000           | 10/01/2020    |                | 89,255,000           | 1.0%                 |
|   | <b>TOTAL REPURCHASE AGREEMENTS</b>                     |                 |               |                | <b>89,255,000</b>    | <b>1.0%</b>          |
| <b>CASH &amp; EQUIVALENTS</b>                       |  |                 |               |                |                      |                      |
|   | <b>TOTAL CASH &amp; EQUIVALENTS</b>                    |                 |               |                | <b>(409,929,329)</b> | <b>-4.7%</b>         |
|   | <b>TOTAL NET ASSETS</b>                                |                 |               |                | <b>8,646,908,619</b> | <b>100.0%</b>        |
| <b>NUMBER OF LONG EQUITY POSITIONS</b>              |  |                 |               |                |                      | <b>3</b>             |
| <b>NUMBER OF LONG FIXED INCOME CREDIT POSITIONS</b> |  |                 |               |                |                      | <b>473</b>           |

\* Indicates foreign security.

**Portfolio Holding Disclosures**

You should consider the the FPA New Income Inc. ("Fund") investment objectives, risks, and charges and expenses carefully before you invest. The Prospectus details the Fund's objective and policies, sales charges, and other matters of interest to the prospective investor. Please read the Prospectus carefully before investing. The Prospectus may be obtained by visiting the website at [www.fpa.com](http://www.fpa.com), by email at [crm@fpa.com](mailto:crm@fpa.com), toll-free by calling 1-800-982-4372 or by contacting the Fund in writing.

The Fund's holdings data contained herein is as of September 30, 2020, and is subject to change. Portfolio composition will change due to ongoing management of the Fund. References to individual securities are for informational purposes only and should not be construed as recommendations by the Fund, the portfolio managers, FPA, or the distributor.

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 Depositary 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. Securities of smaller, less well-known companies involve greater risks and they can fluctuate in price more than larger company securities. You risk paying more for a security than you received from its sale.

The return of principal in a bond investment is not guaranteed. Bonds have issuer, interest rate, inflation and credit risks. Interest rate risk is 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 principle 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 its value. Lower rated bonds, callable bonds and other types of debt obligations involve greater risks. Mortgage securities, collateralized mortgage obligations (CMOs), and asset backed securities are subject to prepayment risk and the risk of default on the underlying mortgages or other assets; such derivatives may increase volatility. These securities can also be highly sensitive to changes in interest rates. 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. The Fund may experience increased costs, losses and delays in liquidating underlying securities should the seller of a repurchase agreement declare bankruptcy or 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.

Please refer to the Fund's Prospectus for a complete overview of the primary risks associated with the Fund.

The Fund is distributed by UMB Distribution Services, LLC, 235 W. Galena Street, Milwaukee, WI, 53212



**FPA New Income, Inc.**  
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| PRINCIPAL/<br>SHARES | SECURITY | COUPON RATE (%) | MATURITY DATE | MKT PRICE (\$) | MKT VALUE (\$) | % OF NET ASSET VALUE |
|----------------------|----------|-----------------|---------------|----------------|----------------|----------------------|
|----------------------|----------|-----------------|---------------|----------------|----------------|----------------------|