



Source Capital, Inc. Declares Regular Quarterly and Special Distributions on Common Stock

LOS ANGELES, November 9, 2020 - The Board of Directors of Source Capital, Inc. (NYSE:SOR), today declared a regular quarterly distribution and special distribution as follows:

Regular Quarterly Distribution

Rate:	\$0.25 per share
Ex Date:	November 25, 2020
Record Date:	November 27, 2020
Pay Date:	December 15, 2020

Special Distribution

Rate:	\$0.64 per share
Ex Date:	November 25, 2020
Record Date:	November 27, 2020
Pay Date:	December 15, 2020

The Internal Revenue Code requires a regulated investment company to distribute substantially all of its net investment income and net realized capital gains to shareholders of record on or before December 31 in order to avoid the imposition of a federal excise tax. The special year-end distribution was declared because the Company has realized substantial capital gains during 2020.

About Source Capital, Inc.

Source Capital (<https://fpa.com/funds/overview/source-capital>) is a diversified, closed-end management investment company seeking maximum total return for stockholders from both capital appreciation and investment income to the extent consistent with protection of invested capital. Its shares are listed on the New York Stock Exchange under the symbol "SOR".

The Fund is managed by First Pacific Advisors, LP ("FPA"). FPA, a Los Angeles-based institutional money management firm, employs a disciplined approach to value investing, prudently seeking above average long-term returns while maintaining a focus on capital preservation. As of September 30, 2020, FPA manages approximately \$24 billion across multiple strategies.

For investor questions, please contact:

1-800-982-4372

You should consider the Fund's investment objectives, risks, and charges and expenses carefully before you invest. You can obtain additional information by visiting the website at www.fpa.com, by email at crm@fpa.com, toll free by calling 1-800-279-1241 (option 1), or by contacting the Fund in writing.

Distributions may include ordinary income, net capital gains and/or returns of capital. Generally, a return of capital would occur when the amount distributed by the Fund includes a portion of (or is comprised entirely of) your investment in the Fund in addition to (or rather than) your pro-rata portion of the Fund's net income or capital gains. The Fund's distributions in any period may be more or less than the net return earned by the Fund on its investments, and therefore should not be used as a measure of performance or confused with "yield" or "income." A return of capital is not taxable; rather it reduces a shareholder's tax basis in his or her shares of the Fund. If the Fund estimates that a portion of its distribution may be comprised of amounts from sources other than net investment income, the Fund will notify shareholders of the

estimated composition of such distribution through a separate written Section 19 notice. Such notices are provided for informational purposes only, and should not be used for tax reporting purposes. Final tax characteristics of all Fund distributions will be provided on Form 1099-DIV, which is mailed after the close of the calendar year.

It is important to note that differences exist between the Fund's daily internal accounting records and practices, the Fund's financial statements prepared in accordance with U.S. GAAP, and recordkeeping practices under income tax regulations. Please see the Fund's most recent shareholder reports for more detailed tax information. You should not construe the contents of this press release as legal, tax, investment or other advice or recommendations.

The Fund's distribution rate may be affected by numerous factors, including changes in realized and projected market returns, Fund performance, and other factors. There can be no assurance that a change in market conditions or other factors will not result in a change in the Fund's distribution rate at a future time.

As with any stock, the price of the Fund's common shares will fluctuate with market conditions and other factors. Shares of closed-end management investment companies frequently trade at a price that is less than (a "discount") or more than (a "premium") their net asset value. If the Fund's shares trade at a premium to net asset value, there is no assurance that any such premium will be sustained for any period of time and will not decrease, or that the shares will not trade at a discount to net asset value thereafter.

The Fund's daily New York Stock Exchange closing market prices, net asset values per share, as well as other information, including updated portfolio statistics and performance are available by visiting the website at <https://fpa.com/funds/overview/source-capital>, by email at crm@fpa.com, toll free by calling 1-800-279-1241 (option 1), or by contacting the Fund in writing.

Investing in the Fund involves risks, including the risk that you may receive little or no return on your investment or that you may lose part or all of your investment.

Portfolio composition will change due to ongoing management of the Fund. The portfolio holdings as of the most recent quarter-end may be obtained at www.fpa.com. **Past performance is no guarantee, nor is it indicative, of future results.**

Investments, including investments in closed-end 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. Value style investing presents the risk that the holdings or securities may never reach our estimate of intrinsic 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 style investing during given periods. Non-U.S. investing presents additional risks, such as the potential for adverse political, currency, economic, social or regulatory developments in a country, including lack of liquidity, excessive taxation, and differing legal and accounting standards. Non-U.S. securities, including American Depositary Receipts (ADRs) and other depository receipts, are also subject to interest rate and currency exchange rate risks.

Fixed income securities are subject to interest rate, inflation and credit risks. Such investments may be secured, partially secured or unsecured and may be unrated, and whether or not rated, may have speculative characteristics. The market price of the Fund's fixed income investments will change in response to changes in interest rates and other factors. Generally, when interest rates rise, the values of fixed income instruments fall, and vice versa.

Private placement securities are securities that are not registered under the federal securities laws, and are generally eligible for sale only to certain eligible investors. Private placements may be illiquid, and thus more difficult to sell, because there may be relatively few potential purchasers for such investments, and the sale of such investments may also be restricted under securities laws.

While the use of leverage may help increase the distribution and return potential of the Fund, it also increases the volatility of the Fund's net asset value (NAV), and potentially increases volatility of its distributions and market price. There are costs associated with the use of leverage, including ongoing dividend and/or interest expenses. There also may be expenses for issuing or administering leverage. Leverage changes the Fund's capital structure through the issuance of preferred shares and/or debt, both of which are senior to the common shares in priority of claims. If short-term interest rates rise, the cost of leverage will increase and likely will reduce returns earned by the Fund's common stockholders.

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