



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

LOS ANGELES, Feb. 8, 2016---The Board of Directors of Source Capital, Inc. (NYSE:SOR), today declared a special distribution of \$33.65 per common share, payable March 15, 2016, to shareholders of record as of the close of business February 19, 2016. As discussed in the November 17, 2015 announcement, "[Source Capital Portfolio Manager Eric Ende to Retire](#)," the strategy change has resulted in the realization of significant long-term capital gains.

The Board of Directors has also declared a regular quarterly distribution of 41 cents per common share, payable March 15, 2016, to shareholders of record as of the close of business February 19, 2016. The quarterly distribution represents an annualized rate of approximately 4.5% of net assets after the payment of the special distribution declared above. It is expected that Source Capital will make quarterly distributions at approximately this rate for the first three quarters of 2016. However, if the equity markets continue to be weak, then it is expected that the distribution rate will decline in the fourth quarter to less than 2%, a level more commensurate with dividend and interest income. Source Capital's actual investment results will ultimately determine the rate paid.

These distributions will be taxable in 2016 and reported to shareholders on the Form 1099 they will receive in early 2017.

About Source Capital, Inc.

The Fund (www.sourcecapitalinc.com) is a diversified, closed-end management investment company seeking maximum total return for shareholders 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, LLC.

For investor questions, please contact:

Mark Hancock, 310-996-5454, mhancock@fpafunds.com

Ryan Leggio, 310-996-5484, rleggio@fpafunds.com

For media questions, please contact:

Tucker Hewes, 212-207-9453, tucker@hewescomm.com

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.sourcecapitalinc.com, by email at crm@fpafunds.com, toll free by calling 1-800-279-1241 (option 1), or by contacting the Fund in writing.

Investments in mutual funds carry risks and investors may lose principal value. Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market,

or economic developments. It is important to remember that there are risks inherent in any investment and there is no assurance that any investment or asset class will provide positive performance over time. 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 Depository Receipts (ADRs) and other depository receipts, are also subject to interest rate and currency exchange rate risks.