

## Highlights

Primary investment objective is to seek maximum total return for shareholders from both capital appreciation and investment income to the extent consistent with protection of invested capital.

- Generally, under normal conditions, up to 70% of the Fund's assets will be allocated to equities, with the remaining assets allocated to public and private credit of varying quality.
- The Fund will invest in public equities of large businesses from around the world (typically with market capitalizations in excess of \$10 billion).
- Absolute return focus - investments require a compelling risk/reward proposition on an absolute basis.
- Flexible approach - invest across capital structure, geographies, sectors and market caps. Allocation to fixed-income will increase in the absence of compelling equity opportunities.
- Deep research - independent, bottom-up, fundamental research process seeking to minimize risk.

### Portfolio Management

**Steven Romick, CFA**  
Joined FPA in 1996

**Brian Selmo, CFA**  
Joined FPA in 2008

**Mark Landecker, CFA**  
Joined FPA in 2009

**Abhijeet Patwardhan**  
Joined FPA in 2010

## Fund Facts

Ticker Symbol	SOR	Current Manager Inception <sup>3</sup>	December 1, 2015
NAV <sup>1</sup>	\$46.72	Expense Ratio (as of most recent financial report)	0.93%
Market Price	\$44.53	Distribution Frequency	Monthly
Premium (discount)	-4.7%	Distribution Rate (NAV)	5.35%
Fund Assets	\$383 Million	Distribution Rate (market price)	5.61%
Fund Inception <sup>2</sup>	June 1, 1968	Total % Portfolio Effectively Leveraged (annual)	0.00%

## Performance

### Historical (%)<sup>4</sup>

Fund/Index	Since 12/1/15 <sup>5</sup>	5 Yr	3 Yr	1 Yr	YTD	QTD	10 Yr <sup>6</sup>
<b>Source Capital (NAV)</b>	<b>7.52</b>	<b>8.46</b>	<b>7.27</b>	<b>18.19</b>	<b>10.90</b>	<b>3.19</b>	<b>7.76</b>
60% MSCI ACWI/40% Bloomberg US Agg	7.29	7.58	4.37	23.38	12.82	6.05	6.54
60% S&P 500/40% Bloomberg US Agg	9.38	9.78	6.63	25.98	14.80	5.61	8.89

<sup>1</sup> The Net Asset Value (NAV) is the market value of one share of the Fund. The NAV is calculated by subtracting the Fund's liabilities from the value of the Fund's total assets and dividing it by the number of the Fund's outstanding shares.

<sup>2</sup> Reflects the date when the Fund was first available for purchase under FPA management.

<sup>3</sup> Reflects the date the current portfolio managers began managing the Fund.

<sup>4</sup> Periods over one year are annualized. Fund performance is shown net of all fees and expenses.

<sup>5</sup> On December 1, 2015, the Fund transitioned to a balanced strategy and the current portfolio managers assumed management of the Fund on that date.

<sup>6</sup> Performance prior to December 1, 2015 reflects the performance of the prior portfolio manager and investment strategy. Performance prior to December 1, 2015 is not indicative of performance for any subsequent periods.

Past performance is not indicative of future performance. Fund performance changes over time and current performance may be lower or higher than what is stated. Current performance information is updated monthly and is available by calling 1-800-982-4372. The returns shown for Source Capital are calculated at net asset value per share, including reinvestment of all distributions. Returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions, which would lower these figures. Since Source Capital is a closed-end investment company and its shares are bought and sold on the New York Stock Exchange, your performance may also vary based upon the market price of the common stock.

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 [fpa.com](http://fpa.com), by email at [crm@fpa.com](mailto:crm@fpa.com), toll free by calling 1-800-279-1241 (option 1), or by contacting the Fund in writing.

**S&P 500 Index** includes a representative sample of 500 leading companies in leading industries of the U.S. economy. The index focuses on the large-cap segment of the market, with over 80% coverage of U.S. equities, but is also considered a proxy for the total market. The **MSCI ACWI NR USD Index (MSCI ACWI)** is an unmanaged free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. **Net Return (NR)** indicates that withholding taxes are applied to dividend reinvestments. MSCI uses withholding tax rates applicable to Luxembourg holding companies. **Bloomberg U.S. 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. **60% MSCI ACWI/40% Bloomberg U.S. Aggregate Bond Index** is a hypothetical combination of unmanaged indices comprised of 60% MSCI ACWI and 40% Bloomberg U.S. Aggregate Bond Index. **60% S&P 500/40% Bloomberg U.S. Aggregate Bond Index** is a hypothetical combination of unmanaged indices comprised of 60% S&P 500 Index and 40% Bloomberg U.S. Aggregate Bond Index. An investor cannot invest directly in an index. Comparison to any index is for illustrative purposes only. Index returns do not reflect transactions costs, investment management fees or other commissions, fees and expenses that would reduce performance for an investor. The Fund does not include outperformance of any index or benchmark in its investment objectives.

## Portfolio Information

Number of Equity Positions	49
Number of Fixed Income Holdings (excl. cash & equivalents)	73
Turnover (as of most recent shareholder report)	1%
Active Share <sup>7</sup>	91.5%
Effective Maturity <sup>8</sup>	2.4 years
Effective Duration <sup>8</sup>	1.2 years
Yield-to-Worst <sup>8</sup>	7.36%

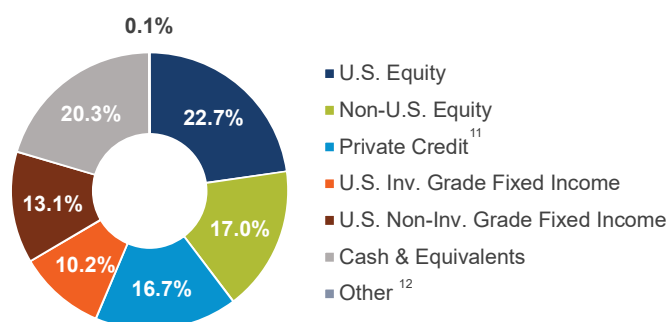
## Equity Sector Breakdown (%)<sup>9</sup>

	% of Net Assets
Communication Services	7.9
Information Technology	6.2
Materials	5.6
Industrials	5.4
Financials	5.3
Consumer Discretionary	4.4
Consumer Staples	2.7
Energy	1.6
Health Care	0.5
Utilities	0.0
Real Estate	0.0

## Top 10 Equity Holdings (%)<sup>10</sup>

	% of Net Assets
Analog Devices	2.4
Comcast	2.4
Holcim	2.3
Alphabet	2.2
Citigroup	2.2
International Flavors & Fragrances	2.1
TE Connectivity	2.1
Meta Platforms	1.6
Wells Fargo	1.6
Aon	1.5
<b>Total</b>	<b>20.2</b>

## Asset Allocation



## Quality (%)<sup>8</sup>

	Source Capital	Index <sup>13</sup>
AAA	1.6	3.4
AA	20.8	72.7
A	0.2	11.5
BBB	21.2	12.5
BB and Below	36.7	0.0
Not Rated	19.4	0.0

## Private Credit Information (%)<sup>11</sup>

	Source Capital
Market Value of Invested Capital	16.6
Unfunded Committed Capital	5.9

As of September 30, 2024, the Fund's subsidized/unsubsidized 30-Day standardized SEC yield ("SEC Yield") was 3.90%. The SEC Yield calculation is an annualized measure of the Fund's dividend and interest payments for the last 30 days, less 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 is based on the price of the Fund at the beginning of the month.

<sup>7</sup> Active Share is defined as the percentage of the Fund's equity portfolio that differs from the Fund's illustrative index (S&P 500).

<sup>8</sup> Fixed Income only. Average effective maturity is a weighted average of all the maturities of the bonds in a portfolio, computed by weighting each bond's effective maturity by the market value of the security. Effective duration provides a measure of a fund's interest-rate sensitivity. The longer a fund's duration, the more sensitive the fund is to shifts in interest rates. Yield-to-Worst is presented gross of fees and reflects the lowest potential yield that can be received on a debt investment without the issuer defaulting. YTW considers the impact of expected prepayments, calls and/or sinking funds, among other things. Average YTW is based on the weighted average YTW of the investments held in the Fund's portfolio. YTW may not represent the yield an investor should expect to receive.

<sup>9</sup> Equities only. Includes undisclosed holdings and represents net exposure. Sector classification scheme for equities reflects GICS (Global Industry Classification Standard).

<sup>10</sup> Equities only. Excludes undisclosed holdings and represents net exposure. Totals might not add up due to rounding.

<sup>11</sup> Percentage reflects the market value of invested capital only as a percentage of net assets. Private credit includes, but is not limited to, private loans.

<sup>12</sup> Other category includes preferred stock.

<sup>13</sup> Bloomberg US Aggregate Bond Index. The Bloomberg Family of Indices rating rules use the median if more than two ratings are available. Lower of the two is used if only two ratings are available.

## Fund Risks

Investing in closed-end funds involves risk, including loss of principal. Closed-end fund shares may frequently trade at a discount or premium to their net asset value. 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 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. Lower rated bonds, convertible securities, and other types of debt obligations involve greater risks than higher rated bonds. The return of principal for a bond is not guaranteed. 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. 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.

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 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 its value.

The ratings agencies that provide ratings are Standard and Poor's, Moody's, Fitch, DBRS, Kroll, and any other nationally recognized statistical rating organization ("NRSRO"). 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.

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, FPA, or the portfolio managers. 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 [fpa.com](http://fpa.com).

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.

The Fund may use leverage. 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.

This material has been distributed for informational purposes only and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product.