Dear Shareholder:

Performance Overview

Source Capital Inc.'s ("Source" or "Fund") net asset value (NAV) gained 0.19% for the quarter and 11.11% for the trailing twelve months, which is higher than the balanced MSCI ACWI/Bloomberg US Agg index, the Fund's primary illustrative benchmark.

Performance versus Illustrative Indices (%)[1]

	Q4 2024	Trailing 12-month
Source Capital (NAV)	0.19	11.11
60% MSCI ACWI / 40% Bloomberg US Agg	-1.81	10.77
60% S&P 500 / 40% Bloomberg US Agg	0.21	15.04

We include the Fund's underlying exposure by asset class in the following table:

Portfolio Exposure (%)[2]

	Q4 2024
Equity	
Common Stocks	40.7
Total Equity	40.7
Credit	
Public	21.2
Private (Invested assets only)	14.0
Total Credit	35.2
Other Limited Partnerships	3.9
Other	0.0
Cash and equivalents	20.2
Total	**100**

[1] Comparison to the indices is for illustrative purposes only. An investor cannot invest directly in an index. Fund shareholders may only invest or redeem their shares at market value (NYSE: SOR), which may be higher or lower than the Fund's net asset value (NAV).

[2] Source: FPA, as of December 31, 2024. Portfolio composition will change due to ongoing management of the Fund. *Cash* includes the non-invested portion of private credit investments. Totals may not add up to 100% due to rounding.

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

Portfolio Discussion[3]

Equity

The MSCI ACWI increased 38.98% in the two years ending 2024, five times its 7.7% cumulative earnings growth. The global equity market is more richly valued than the target-rich environment at the end of 2022, with a price-to-earnings (P/E) ratio that is approximately 29% higher. As expected, and is typical, the Fund's exposure to the equity market declined 7.3 percentage points from year-end 2022 to 2024 as stock prices increased.

MSCI ACWI Return, Earnings Growth and Valuation vs Source Exposure[4]
2022-2024

	MSCI ACWI			SOR
	Return ex-Div	Earnings Growth	P/E TTM	Equity Expsoure
2022	-19.80%	5.3%	15.2	48.0%
2023	20.09%	-0.7%	18.4	40.3%
2024	15.73%	8.5%	19.6	40.7%
YE 2022 to 2024				
Cumulative	38.98%	7.7%		
Pct Change			28.9%	
Change				-7.3%

When exposure was higher at year-end 2022, we wrote, "We think lower valuations and higher bond yields help position us to take advantage of any continued market weakness." We further explained at year-end 2023 that "Today's less attractive valuations (relative to last year), particularly in the US, help explain the Fund's slightly lower exposure."[5] Therefore, it should be no great surprise that 2024's equity exposure is still lower. The Fund's portfolio managers have a long history of leaning into market weakness and backing away from strength.

Good stock market performance tends to breed investor complacency. Today, the largest proportion of investors since the Great Financial Crisis believe that there is less than a 10% probability of a stock market crash.

[3] References to individual securities are for informational purposes only, are subject to change, and should not be construed as recommendation or a solicitation to buy or sell a particular security. Portfolio composition will change due to ongoing management of the Fund. Portfolio holdings for the Fund can be found at fpa.com.

[4] Source: FPA, Bloomberg. As of December 31, 2024.

[5] https://fpa.com/docs/default-source/funds/source-capital/literature/quarterly-commentaries/fpa-source-capital-commentary-2022-q4.pdf?sfvrsn=53119f9d_40. https://fpa.com/docs/default-source/funds/source-capital/literature/quarterly-commentaries/fpa-source-capital-commentary-2023-12.pdf?sfvrsn=c7059e9d_4.

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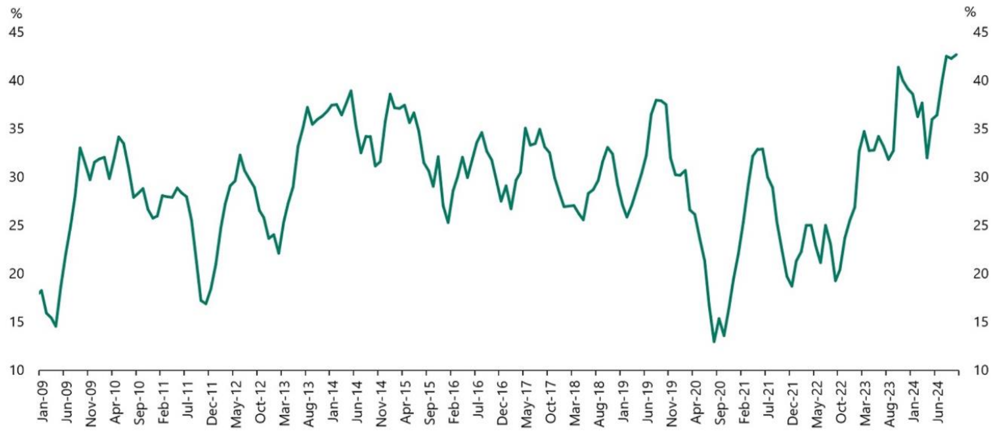
Percent of Investors who Believe There is Less than a 10% Probability of a Stock Market Crash[6]
January 2009 to November 2024



Believing that little can go wrong creates the danger that one can lose more than they believe possible. Greater exposure at higher valuations is rationalized. You can see examples of the resulting frothiness in the following charts.

Three occasions occurred in the last thirty years when enterprise value-to-sales (EV/Sales) reached such a distended level. When complacency takes center stage, caution often finds itself relegated to the wings, allowing valuations to reach inappropriate levels.

Stocks with Enterprise Value/Sales Ratios >10x[7]
December 1995 to November 2024

Only a small percentage of stocks (~30%) in the S&P 500 outperformed the index in 2023 and 2024. The last time we witnessed such concentration was in the internet bubble at the turn of the century.

[6] Source: Apollo Academy. As of November 30, 2024. https://www.apolloacademy.com/bullish-sentiment-in-the-stock-market/.
[7] Source: Compustat. Goldman Sachs. As of November 30, 2024.
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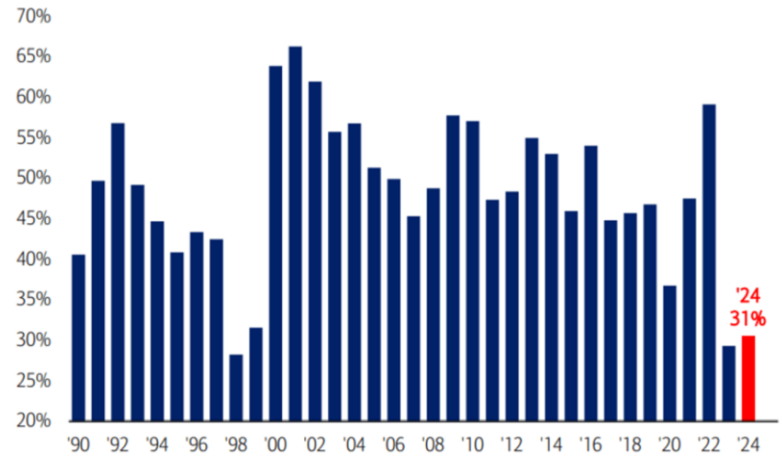
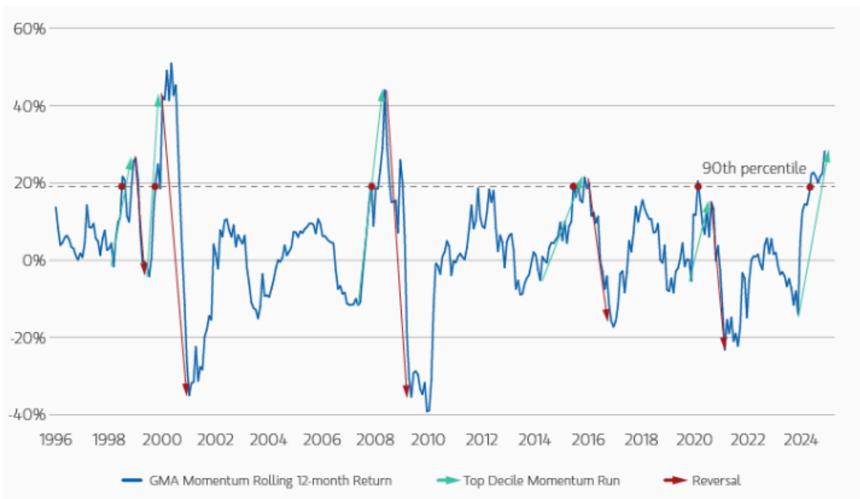
Percent of Companies Outperforming the S&P 500[8]
1990-2024



Momentum stocks have led the market, particularly in 2024. According to Morgan Stanley, "…momentum ruled more than any other factor. Sure, high growth and high-quality stocks have outperformed low growth and junkier stocks, but high momentum stocks have exploded higher (relative to low momentum stocks). The current momentum run is one of the top momentum runs since 1995, with high momentum stocks outperforming low momentum by +28% year-on-year as of Dec 11th, *a two standard-deviation event*."[9]

Momentum Year-On-Year Returns[10]
1997-2024



Momentum's gravitational pull can bring lesser planets into its orbit, as is the case with cryptocurrency which had a big year. We find it hard to believe that you can earn money by telling fart jokes, yet there's a

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[8] Source: BofA Global Research. BofA Global Investment Strategy. As of December 10, 2024.
[9] Global Multi Asset Thought of the Week. Momentum Ruled in 2024, But Reversal Likely in 2025.Morgan Stanley. December 23, 2024. https://www.morganstanley.com/im/en-us/individual-investor/insights/articles/momentum-ruled-in-2024.html#:~:text=In%202024%2C%20momentum%20ruled%20more,relative%20to%20low%20momentum%20stocks).
[10] Source: Global Multi Asset Thought of the Week. Momentum Ruled in 2024, But Reversal Likely in 2025.Morgan Stanley. December 23, 2024. https://www.morganstanley.com/im/en-us/individual-investor/insights/articles/momentum-ruled-in-2024.
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billion-dollar market for the crypto FART COIN. This likely suggests that caution is warranted, though we don't know what or when things might implode.

Many less flatulent companies trade at indefensible prices. Beyond the "Magnificent Seven" stocks (Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia, and Tesla), numerous other more mundane but good businesses have tapped into investor zeitgeist and in our opinion have achieved cult-like status. The admittedly curated list of companies below that, among other things, sell paint, uniforms, mops, air conditioning and heating equipment, and store old paper documents have seen their stocks soar and now trade at approximately 40x 1-year forward earnings. Their average P/E is nearly 3x the estimate of their next 3-year *projected* earnings growth. We find it difficult to accept that they trade at such high multiples, especially when we believe Source's equity positions offer better value, trading at a lower P/E.

Less Magnificent but Still Expensive[11]

	P/E		3-Year Earnings Growth		1-Year Forward P/E
	10-Year Avg. TTM	1-Year Forward	Trailing	Forward	3-Year Forward EPS Growth
Cintas	34.0	39.9	15.6%	13.1%	3.0
Costco	35.9	49.0	13.6%	9.2%	5.3
Iron Mountain	42.9	52.8	-38.8%	86.4%	0.6
Sherwin Williams	29.9	26.8	12.9%	17.6%	1.5
Watsco	28.0	32.5	6.7%	10.0%	3.2
Average	34.1	40.2	2.0%	27.3%	2.7
Source equity positions	27.3	15.2	-5.5%	26.7%	0.6

A more expensive US market does not mean all stocks are expensive. We continue to find potentially better value overseas and in small and medium-sized US companies. Using third party consensus estimates, Source's diversified equity portfolio, of what we believe to be market-leading businesses, trades at 15.2x projected earnings and a 2.0x book value, with 27% expected earnings growth over the next three years. We hold many stocks in the portfolio that the world has not fallen in love with, allowing for a portfolio that trades at a lower valuation and with projected above-market growth, which should serve our investors well.

[11] Source: Factset consensus as of January 22, 2025. FPA Source equity position data as of December 31, 2024.
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Valuation and growth rate of Source equity positions vs indices[12]

As of December 31, 2024	Price/Earnings 1-Year Forward	Price/Book	3-Year Forward Estimated EPS Growth
FPA Source Capital			
Equity Portfolio	15.2x	2.0x	27%
vs. MSCI ACWI	*84%*	*60%*	*195%*
vs. S&P 500	*70%*	*39%*	*151%*
MSCI ACWI	17.9x	3.3x	14%
S&P 500	21.5x	5.0x	18%

We occasionally show global valuations to help explain changes in regional portfolio weightings. However, that does not take into account the quality of business or industry sector, and the US market ranks higher on both counts. Nevertheless, you can see the valuation gap is about as wide as it has been since 2000.

MSCI Forward P/E: US vs All-Country World ex-US[13]
2001-2024

The following graph better supports the Fund's international tilt by assessing the current valuations of each region compared to their averages over almost thirty years. While US stocks trade near their historic highs, other regions are at or below their average.

[12] 3-Year Forward Estimated EPS Growth is based on FPA calculations using consensus data from Factset. Forward Price/Earnings and 3-Year Forward Estimated EPS Growth are estimates and subject to change. Comparison to the S&P 500 and MSCI ACWI Indices is being used as a representation of the "market" and is for illustrative purposes only. The Fund does not include outperformance of any index or benchmark in its investment objectives. References to Source's "long equity holdings valuations" refers to the valuations of the Fund's long equity holdings only. The long equity holdings average weight in the Fund was 40.2% and 40.3% for Q4 2024 and TTM through December 31, 2024, respectively. The long equity statistics shown herein are for illustrative purposes only and may not reflect the impact of material economic or market factors. No representation is being made that any account, product or strategy will or is likely to achieve results similar to those shown. Long equity statistics noted herein do not represent the results that the Fund or an investor can or should expect to receive. Fund shareholders can only purchase and redeem shares at net asset value. Portfolio composition will change due to ongoing management of the Fund.

[13] Source: LSEG Datastream, Yardeni Research, MSCI, and IBES. As of December 19, 2024.

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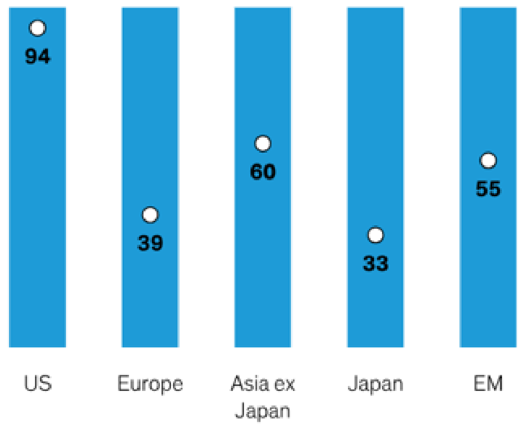
Regional Valuations[14]
Price/Forward Earnings (Next 12 Months)
Percentile Rank Since 1996



Current P/FE (Next 12 Months)				
22.3x	13.3x	12.6x	14.2x	11.8x

With respect to the recent performance of the Fund, in the previous twelve months, Source's top five equity performers contributed 3.65% to its return while its bottom five detracted 1.71%.

Trailing Twelve-Month Contributors and Detractors as of December 31, 2024 (%)[15]

Top 5	Performance Contribution	Percent of Portfolio	Bottom 5	Performance Contribution	Percent of Portfolio
Citigroup	0.81	2.2	Heineken	-0.47	1.4
Alphabet	0.74	2.3	JDE Peet's	-0.36	0.8
Wells Fargo	0.72	1.6	Glencore	-0.33	1.1
Holcim	0.69	2.6	Comcast	-0.32	2.3
Meta	0.69	1.4	LG	-0.23	0.7
	3.65	**10.00**		**-1.71**	**6.37**

[14] Source: AB Funds. Mapping Out the 2025 Investment Landscape Across Asset Classes December 5, 2024. Data as of November 30, 2024. https://www.abfunds.com.sg/sg/en/investor/insights/investment-insights/mapping-out-the-2025-investment-landscape-across-asset-classes.html

[15] Reflects the top five contributors and detractors to the Fund's performance based on contribution to return for the trailing twelve months ("TTM"). Contribution is presented gross of investment management fees, transactions costs, and Fund operating expenses, which if included, would reduce the returns presented. The information provided does not reflect all positions purchased, sold or recommended by FPA during the quarter. A copy of the methodology used and a list of every holding's contribution to the overall Fund's performance during the TTM is available by contacting FPA Client Service at crm@fpa.com. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities listed.

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We will review four companies that have impacted portfolio performance but that we have not recently discussed.[16]

Heineken is a global beer business with 150 years of heritage and has market-leading positions in its various markets. Over the past year, the company's shares have derated and now trade at 11x earnings. With 55% of revenue coming from faster-growing developing countries, we think Heineken has a good chance to maintain the mid-single-digit growth (revenue and EBITDA) that the company produced in the last decade. We like that that company has a strong balance sheet, meaningful dividend and opportunity to begin share buybacks.

Glencore is a global mining and marketing company with essential positions in commodities of the past (thermal coal) and future (copper, cobalt, nickel, and met coal). Shares have derated on the back of Chinese economic weakness and softer commodity prices. We think that Glencore's management is the best in the business. The company operates with a strong balance sheet and returns excess capital to shareholders through a variable dividend and share repurchases. The shares currently trade at 9x FCF (average of the past 5 years and estimate for 2025).

Comcast is a leading broadband and media business. Competition in the broadband business and the media industry's evolution has pressured the company. The media side of the company tends to make headlines, but the broadband business is responsible for most of the economics. Competition from fixed wireless and overbuilders has resulted in shrinking subscribers. We think the business will emerge no worse than an average telecommunications company, which currently trades as such - our downside case. Pricing and the company's growing wireless offering, however, have allowed the company to continue to grow, which we believe leaves an attractive upside for the stock.

LG Corp is a Korean conglomerate with exposure to various businesses, ranging from chemicals and cosmetics to the local Coca-Cola bottler, to name those that start with "C." Despite the multiple operating businesses that introduce some complexity to the investment thesis, the actual structure of the holding company is relatively clean, and the parent company's balance sheet is robust. We continue to find the valuation to be highly asymmetric, with a look through earnings multiple on after-tax earnings that we calculate to be in the single digits on a look-forward basis, complemented by recent share repurchases and a trailing dividend yield of more than 4%.

Fixed Income

Traditional

Spreads are very low in high yield-rated debt. The chart below shows the yield and spread of the Bloomberg US Corporate High Yield Index (All High Yield). At year-end 2024, the spread on that index was 313 bps, the 4th percentile of the available history. (A lower percentile indicates that spreads are relatively low or expensive.) The chart also shows the yield and spread of the BB component of the Bloomberg US Corporate High Yield Index, excluding Energy (BB, ex. energy). We believe this index is a more consistent measure of prices in the high-yield market because it removes some of the distortions caused by changes in the composition of the overall index over time. The spread on that index of 201 bps was at the 5th percentile at the end of the year.

[16] The company data and statistics referenced in this section, including competitor data, are sourced from company press releases, investor presentations, financial disclosures, SEC filings, or company websites, unless otherwise noted. You can find the Fund's other positions addressed previously in our archived commentaries.

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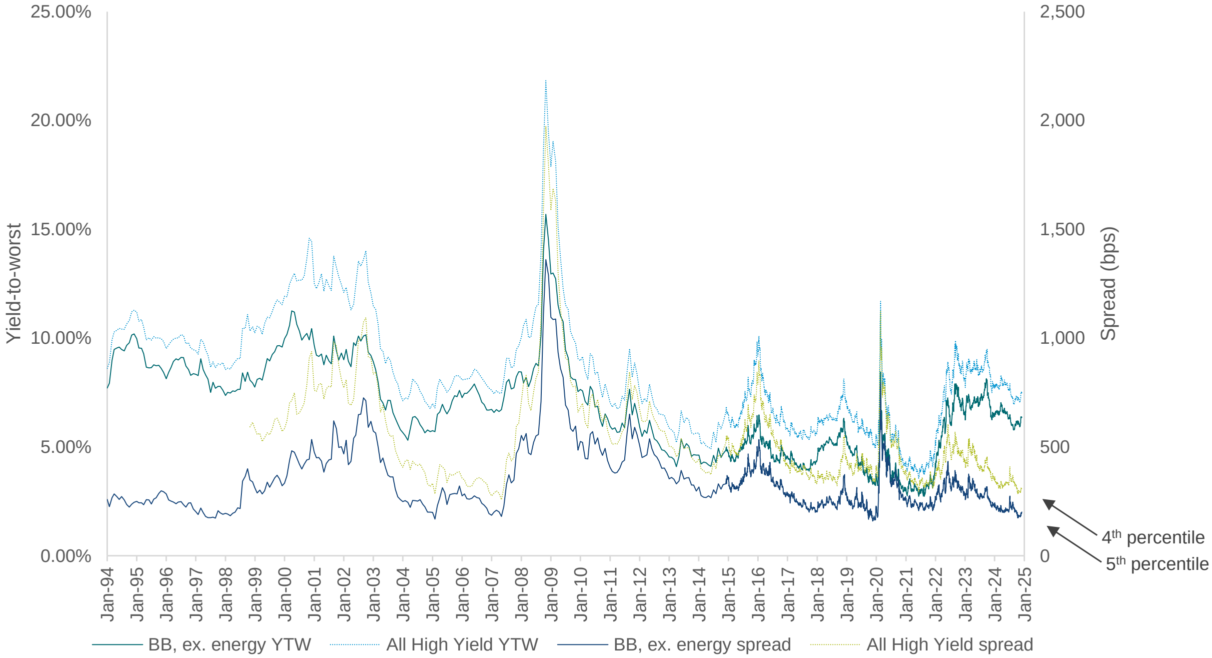
Bloomberg US Corporate High-Yield Yield-To-Worst (YTW) and Spread[17]



Narrow spreads give us pause for two reasons. First and foremost, they suggest either a lower probability of bad outcomes or lower compensation for the same credit risks that have always existed. Given an uncertain economic landscape, we do not buy into the belief of lower probabilities of bad outcomes. Said another way, we are not interested in buying debt priced to perfection. We also do not like to earn historically low compensation for the same risks.

Second, narrow spreads introduce greater mark-to-market risk; the narrower the spread, the more that spread could widen if spreads return to historical norms. All things being equal, the larger the spread widening, the more significant the potential short-term price decline.

In summary, we believe high-yield debt is presently priced on the assumption of positive outcomes without adequate compensation for negative outcomes. We do not view this market as attractively priced, but we continue to search for and will seek to opportunistically invest in high yield when we believe prices adequately compensate for the risk of permanent impairment of capital and near-term mark-to-market risk.

Private Credit

Source has committed 19.5% to private credit (including called and uncalled capital). We continue to look for opportunities to increase that exposure.

[17] Source: Bloomberg. As of December 31, 2024. YTW is Yield-to-Worst. Spread reflects the quoted spread of a bond that is relative to the security off which it is priced, typically an on the-run Treasury. Please see Important Disclosures for definitions of key terms.

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Corporate and Other Matters

Distribution

On January 23, 2025, the Fund's Board approved maintaining the Fund's regular monthly distribution of the current rate of 20.83 cents per share through March 2025.[18] This equates to an annualized 5.75% unlevered distribution rate based on the Fund's closing market price on December 31, 2024.

Discount to NAV

The Fund's discount to NAV closed at 0.1% at year-end – its lowest discount since your current portfolio managers assumed control. The average discount to NAV for the trailing twelve months was 5.88%.[19]

Closing

Rudyard Kipling's poem *Brother Square Toes* encourages the reader to maintain their values despite adversity. Looking past its antiquated male-centric view, its message emphasizes the virtues of humility, integrity, and self-belief that embody a good leader (and hopefully portfolio manager). It begins, "If you can keep your head when all about you are losing theirs…" which is what we have done in the past and hope to continue to do with the expectation that it should help your portfolio's performance. Thoughtful stock selection by your portfolio managers, ever mindful of what can go wrong, will hopefully translate into a better and smoother journey than holding the cult stocks that seem to worry very few.

Writing this shareholder letter seems frivolous in the context of the apocalyptic terror that we have witnessed in our backyard. While a few of us had to evacuate our homes due to the Los Angeles fires, we are fortunate that no one at FPA lost their home, and, more importantly, we are all safe. We cannot say the same about the dozens and dozens of friends in our community who lost their homes and everything in it — all the memories, collectibles, cars, photographs, and kid's toys- to begin the list. Whole communities have ceased to exist. We appreciate the many calls and emails of concern from our shareholders, partners, and providers. Fortunately, we and our FPA colleagues dodged the worst of this horror and now look to help those affected move forward.

Thank you, as always, for your continued confidence in our strategy.

Respectfully submitted,

Source Capital Portfolio Managers

February 10, 2025

[18] For more information related to the Fund's distribution rate, please see the press release dated January 23, 2025 at: https://fpa.com/news-special-commentaries/fund-announcements. Dividends and other distributions are not guaranteed.

[19] Source: FPA. The average is calculated using daily discount rates.

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Important Disclosures

This Commentary 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 with respect to any securities, products or services discussed, and neither does it provide investment advice. This Commentary does not constitute an investment management agreement or offering circular.

Current performance information is updated monthly and is available by calling 1-800-982-4372 or by visiting fpa.com. Performance data quoted represents past performance, which is no guarantee of future results. Current performance may vary from the performance quoted. 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.

The Fund is managed according to its investment strategy which may differ significantly in terms of security holdings, industry weightings, and asset allocation from those of the comparative indices. Overall Fund performance, characteristics and volatility may differ from the comparative indices shown.

There is no guarantee the Fund's investment objectives will be achieved. 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, by email at crm@fpa.com, toll free by calling 1-800-982-4372 or by contacting the Fund in writing.

Effective January 1, 2025, Source Capital, Inc. was reorganized into a Delaware Trust. The Fund's new name is Source Capital, but it continues to trade on the NYSE under the SOR ticker. There was no change in its investment objective, investment strategy, or fundamental investment policies. FPA continues to be the adviser to the Fund. For more information, please refer to the announcement on FPA's website at: https://fpa.com/docs/default-source/funds/source-capital/press-releases---general-announcement/press-release-2024-11.pdf?sfvrsn=51b09e9d_5

The views expressed herein and any forward-looking statements are as of the date of this publication and are those of the portfolio management team. 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.

Portfolio composition will change due to ongoing management of the Fund. References to individual financial instruments or sectors are for informational purposes only and should not be construed as recommendations by the Fund or the portfolio managers. It should not be assumed that future investments will be profitable or will equal the performance of the financial instrument or sector examples discussed. The portfolio holdings as of the most recent quarter-end may be obtained atwww.fpa.com.

Investing in closed-end funds involves risk, including loss of principal. Closed-end fund shares may frequently trade at a discount (less than) or premium (more than) to 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.

Capital 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.

The Fund may purchase foreign securities, including American Depository Receipts (ADRs) and other depository receipts, which are subject to interest rate, currency exchange rate, economic and political risks; these risks may be heightened when investing in emerging markets. 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.

The return of principal in a fund that invests in fixed income instruments is not guaranteed. The Fund's investments in fixed income instruments have the same issuer, interest rate, inflation and credit risks that are associated with underlying fixed income instruments owned by the Fund. 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 go up, the value of fixed income instruments, such as bonds, typically go down (and vice versa) 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 an instrument, 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, convertible securities and other types of debt obligations involve greater risks than higher rated bonds.

Mortgage-related and asset-backed securities are subject to prepayment risk, can be highly sensitive to changes in interest rates, and are subject to credit risk/risk of default on the underlying assets... 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.

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 (IG). Credit ratings of BB and below are lower-rated securities (junk bonds). High-yielding, non-investment grade bonds (junk bonds) (HY) involve higher risks than investment grade bonds. Bonds with credit ratings of CCC or below have high default risk.

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.

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.

Distribution Rate

Distributions may include the net income from dividends and interest earned by fund securities, net capital gains, or in certain cases it may include a return of capital. The Fund may also pay a special distribution at the end of a calendar year to comply with federal tax requirements. All mutual funds, including closed-end funds, periodically distribute profits they earn to investors. By law, if a fund has net gains from the sale of securities, or if it earns dividends and interest from securities, it must pass substantially all of those earnings to its shareholders or it will be subject to corporate income taxes and excise taxes. These taxes would, in effect, reduce investors' total return. First Pacific Advisors, LP does not provide legal, accounting, or tax advice.

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.

Index 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 may 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 and do not reflect any commissions, transaction costs, or fees and expenses which would be incurred by an investor purchasing the underlying securities and which would reduce the performance in an actual account. You cannot invest directly in an index. The Fund does not include outperformance of any index in its investment objectives.

S&P 500 Index includes a representative sample of 500 hundred 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.

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 US Aggregate Bond Index provides a measure of the performance of the US investment grade bonds market, which includes investment grade US 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 US dollars and must be fixed rate, nonconvertible, and taxable.

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. The CPI is presented to illustrate the Fund's purchasing power against changes in the prices of goods as opposed to a benchmark, which is used to compare the Fund's performance. There can be no guarantee that the CPI will reflect the exact level of inflation at any given time.

MSCI USA Index is designed to measure the performance of the large and midcap segments of the US market.

MSCI Europe Index captures large and midcap representation across Developed Markets (DM) countries in Europe.

MSCI AC Asia ex Japan Index captures large and mid cap representation across Developed Markets (DM) countries (excluding Japan) and Emerging Markets (EM) countries in Asia.

MSCI Japan Index is designed to measure the performance of the large and midcap segments of the Japanese market.

MSCI Emerging Markets Index captures large and midcap representation across Emerging Markets (EM) countries.

60% S&P500 / 40% Bloomberg US Aggregate Bond Index is a hypothetical combination of unmanaged indices and comprises 60% S&P 500 Index and 40% Bloomberg US Aggregate Bond Index.

60% MSCI ACWI / 40% Bloomberg US Aggregate Bond Index is a hypothetical combination of unmanaged indices and comprises 60% MSCI ACWI Index and 40% Bloomberg US Aggregate Bond Index.

Bloomberg US High Yield Index measures the market of USD-denominated, non-investment grade, fixed-rate, taxable corporate bonds.

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

Other Definitions

Discount to Net Asset Value (NAV) is a pricing situation when a closed-end fund's market trading price is lower than its daily net asset value (NAV).

Dividend Yield, expressed as a percentage, is a financial ratio (dividend/price) that shows how much a company pays out in dividends each year relative to its stock price.

Earnings Per Share (EPS) is calculated as a company's profit divided by the outstanding shares of its common stock. The resulting number serves as an indicator of a company's profitability.

Earnings Per Share Growth is defined as the percentage change in normalized earnings per share over the previous 12-month period to the latest year end.

EBITDA, short for earnings before interest, taxes, depreciation, and amortization, is an alternate measure of profitability to net income. It's used to assess a company's profitability and financial performance.

Ex-Dividend is a stock that is trading without the value of the next dividend payment.

Effective yield is the total yield an investor receives, in contrast to the nominal yield—which is the stated interest rate of the bond's coupon.

Enterprise value-to-sales (EV/sales) is a financial valuation measure that compares the enterprise value (EV) of a company to its annual sales.

Free cash flow (FCF) represents the cash that a company generates after accounting for cash outflows to support its operations and maintain its capital assets.

High Yield (HY) bond is a high paying bond with a lower credit rating (S&P and Fitch, BB+ and lower; Moody's, Ba1 or lower) than investment-grade corporate bonds, Treasury bonds and municipal bonds. Because of the higher risk of default, these bonds pay a higher yield than investment grade bonds.

Investment Grade (IG) is a rating (S&P and Fitch, BBB- and higher; Moody's Baa3 and higher) that indicates that a bond has a relatively low risk of default.

Market Capitalization refers to the total dollar market value of a company's outstanding shares of stock.

Market Cycles, also known as stock market cycles, is a wide term referring to trends or patterns that emerge during different markets or business environments.

Net Asset Value (NAV) represents the net value of a mutual fund and is calculated as the total value of the fund's assets minus the total value of its liabilities and is shown as a per share price.

Net Equity Exposure includes long equity securities minus short-sales and preferred securities.

Net Income (NI), also called net earnings, is calculated as sales minus cost of goods sold, selling, general and administrative expenses, operating expenses, depreciation, interest, taxes, and other expenses.

Price to Book is used to compare a firm's market capitalization to its book value. It's calculated by dividing the company's stock price per share by its book value per share (BVPS). An asset's book value is equal to its carrying value on the balance sheet, and companies calculate it netting the asset against its accumulated depreciation.

Price to Earnings is the ratio for valuing a company that measures its current share price relative to its EPS. The price-to-earnings ratio is also sometimes known as the price multiple or the earnings multiple.

Trailing Price to Earnings is a relative valuation multiple that is based on the last 12 months of actual earnings.

Forward Price to Earnings is a version of the ratio of price-to-earnings (P/E) that uses forecasted earnings for the P/E calculation.

Risk Assets is any asset that carries a degree of risk. Risk asset generally refers to assets that have a significant degree of price volatility, such as equities, commodities, high-yield bonds, real estate, and currencies, but does not include cash and cash equivalents.

Standard Deviation is a measure of the dispersion of a set of data from its mean.

Volatility is a statistical measure of the dispersion of returns for a given security or market index. In most cases, the higher the volatility, the riskier the security. Volatility is often measured as either the standard deviation or variance between returns from that same security or market index.

Spread reflects the quoted spread of a bond that is relative to the security off which it is priced, typically an on the-run treasury.

Yield is the discount rate that links the bond's cash flows to its current dollar price.

Yield to Worst (YTW) is a measure of the lowest possible yield that can be received on a bond that fully operates within the terms of its contract without defaulting. It is a type of yield that is referenced when a bond has provisions that would allow the issuer to close it out before it matures.

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