Source Capital

September 30, 2026

Our Firm

Founded in 1954 | $35 billion in AUM | 100% Employee Owned

FPA FUNDS

Overview

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.

$409.9M
Fund Assets

10 Years
Current Manager Track Record

Portfolio Management

Mark Landecker, CFA
Partner, Portfolio Manager
25 Yrs in Industry / 17 Yrs at FPA

Abhijeet Patwardhan
Partner, Portfolio Manager
26 Yrs in Industry / 16 Yrs at FPA

Steven Romick, CFA
Managing Partner, Portfolio Manager
41 Yrs in Industry / 30 Yrs at FPA

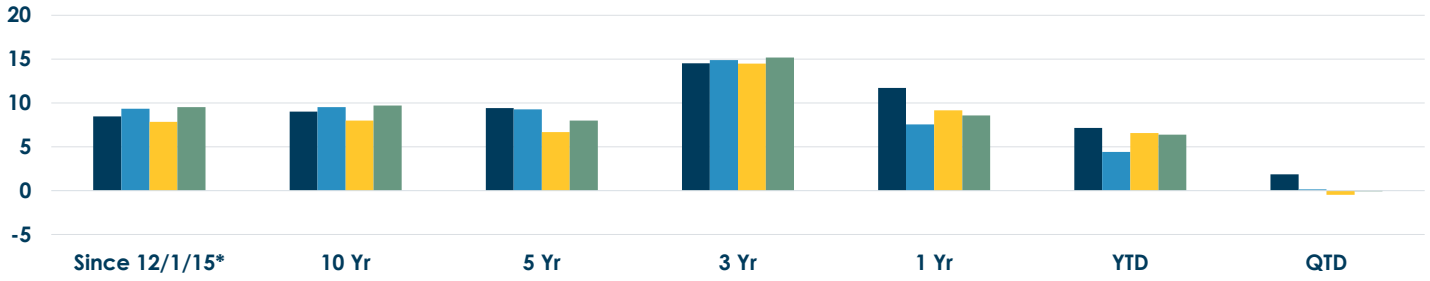
Brian Selmo, CFA
Partner, Portfolio Manager
26 Yrs in Industry / 18 Yrs at FPA

Fund Facts

Ticker Symbol	SOR
Morningstar Category	Moderate Allocation
NAV	$49.80
Market Price	$45.43
Premium (Discount)	-8.78%
Fund Inception[1]	June 1, 1968

Current Manager Inception[2]	December 1, 2015
Total Expense Ratio (as of most recent shareholder report)	0.98%
Distribution Frequency	Monthly
Distribution Rate (NAV)	5.02%
Distribution Rate (market price)	5.50%
Total % Portfolio Effectively Leveraged (annual)	0.00%

Average Annual Total Returns (%)[3]



Fund / Index	Since 12/1/15*	10 Yr	5 Yr	3 Yr	1 Yr	YTD	QTD
Source Capital - NAV	**8.46**	**9.00**	**9.42**	**14.52**	**11.71**	**7.14**	**1.86**
Source Capital - Market Price	**9.33**	**9.53**	**9.26**	**14.87**	**7.56**	**4.42**	**0.16**
60% MSCI ACWI/40% BBG U.S. Agg	7.84	7.98	6.70	14.48	9.15	6.57	-0.46
60% S&P 500/40% BBG U.S. Agg	9.51	9.71	8.01	15.16	8.56	6.39	-0.05

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 or by visiting fpa.com. 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 https://fpa.com/fund/source-capital/, by email at crm@fpa.com, or toll-free by calling 1-800-279-1241.

Please see the end of this Fact Sheet for Additional Disclosures and Footnotes, Fund Risks, Index Definitions, a Glossary of Terms and other Important Information.

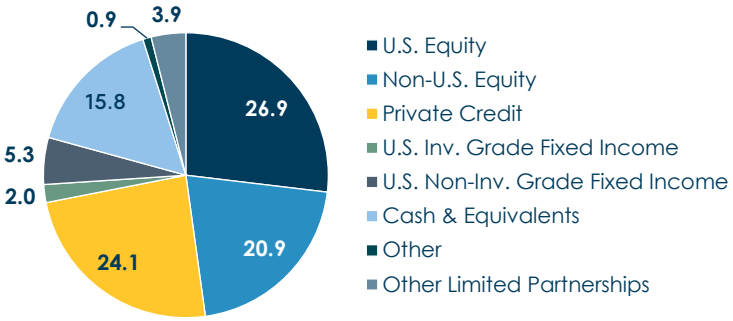
Annual Performance (%)[3]

Fund / Index	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015*
Source Capital - NAV	**18.40**	**11.11**	**16.74**	**-7.09**	**11.15**	**5.98**	**20.89**	**-7.69**	**13.98**	**9.05**	**-3.46**
Source Capital - Market Price	**11.33**	**21.09**	**12.46**	**-5.28**	**19.95**	**7.79**	**22.11**	**-10.30**	**18.42**	**8.70**	**-3.80**
60% MSCI ACWI/40% BBG U.S. Agg	16.22	10.77	15.37	-16.02	10.20	13.49	19.41	-5.52	15.41	5.92	-1.21
60% S&P 500/40% BBG U.S. Agg	13.70	15.04	17.67	-15.79	15.86	14.73	22.18	-2.35	14.21	8.31	-1.08

Portfolio Information

	Fund
Number of Equity Positions[4]	67
Number of Fixed Income Holdings[4]	56
Average Holding Period[5]	3.6 years
Active Share	89.3%
Effective Maturity	1.6 years
Effective Duration	0.8 years
Yield-to-Worst (YTW)	5.15%
30-Day SEC Yield	0.85%

Portfolio Structure (%)[8]



Sector Breakdown (%)[6]

	Of Equity (Net)	Of Fund
Industrials	18.4	8.8
Communication Services	15.6	7.5
Health Care	13.9	6.7
Information Technology	13.2	6.3
Materials	10.8	5.2
Financials	9.4	4.5
Consumer Discretionary	8.4	4.0
Consumer Staples	7.2	3.5
Energy	2.4	1.1
Real Estate	0.7	0.3
Utilities	0.0	0.0
Total	**100.0**	**47.8**

Quality (%)[9]

	Source Capital	Bloomberg U.S. Aggregate
AAA	0.0	3.3
AA	3.8	73.8
A	0.1	11.4
BBB	23.8	11.5
BB and Below	21.2	0.0
Not Rated	51.0	0.0

Private Credit (%)

	Fund
Market Value of Invested Capital	24.1
Unfunded Committed Capital	5.1

Top 10 Equity Holdings (%)[7]

	Fund
Alphabet	3.9
Analog Devices	2.8
Meta Platforms	1.8
Int'l Flavors & Fragrances	1.8
Azelis Group	1.7
Citigroup	1.6
Heineken Holding	1.6
Becton Dickinson	1.5
TE Connectivity	1.4
Safran	1.2
Total	**19.4**

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 lower or higher than the performance data quoted, may be obtained by calling toll-free, 1-800-982-4372.

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Page 1 Footnotes:

[1] Reflects the date when the Fund was first available for purchase under FPA management. [2] Reflects the date the current portfolio managers began managing the Fund. [3] Index data source: Morningstar. Periods over one year are annualized. Fund performance is shown net of all fees and expenses and includes the reinvestment of 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.

* On December 1, 2015, the Fund transitioned to a balanced strategy and the current portfolio managers assumed management of the Fund on that date.

Page 2 Footnotes:

[4] Number of Equity Positions are shown at the issuer level and Fixed Income Holdings are shown at the issues level. Excludes cash & equivalents. [5] The average holding period is calculated from the initial purchase date of each long equity security through the most recent quarter end and averaged across all holdings of long equity securities within the fund. [6] Equities only. Includes undisclosed holdings and represents net exposure. Sector classification scheme for equities reflects GICS (Global Industry Classification Standard). [7] Equities only, including an allocation to a preferred stock. Excludes undisclosed holdings and represents net issuer exposure. Totals might not add up due to rounding. Holdings are subject to change. [8] Percentage of Private Credit reflects the market value of invested capital only as a percentage of net assets. Private Credit includes, but is not limited to, private loans. Other includes preferred stock. [9] Fixed Income only excluding cash equivalents. The Bloomberg Family of Indices and FPA rating rules use the median if more than two ratings are available. Lower of the two is used if only two ratings are available.

Important Information

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 https://fpa.com/fund/source-capital/, by email at crm@fpa.com, or toll-free by calling 1-800-279-1241. 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.

Holdings related data may be preliminary, is subject to change, and may differ from the Fund's holdings disclosed in its annual/semiannual report and Form N-Q due to availability of data at the time this report was produced. The portfolio holdings as of the most recent quarter-end may be obtained at fpa.com. 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.

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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.

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 Depository 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.

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.

Index and Category Definitions

Indexes are unmanaged and index returns do not reflect any fees and expenses of investing that would reduce performance for an investor. An investor cannot invest directly in an index. Comparison to any index is for illustrative purposes only. The Fund's investment objective does not include the outperformance of any index.

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.

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 the withholding tax rate applicable to non-resident institutional investors that do not benefit from double taxation treaties.

Standard & Poor's 500 Stock Index (S&P 500) is a capitalization-weighted index which covers industrial, utility, transportation and financial service companies, and represents approximately 75% of the New York Stock Exchange (NYSE) capitalization and 30% of NYSE issues. The S&P 500 is considered a measure of large capitalization stock performance.

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.

Morningstar Moderate Allocation portfolios seek to provide both capital appreciation and income by investing in three major areas: stocks, bonds, and cash. These portfolios tend to hold larger positions in stocks than conservative-allocation portfolios. These portfolios typically have 50% to 70% of assets in equities and the remainder in fixed income and cash.

Glossary of Terms

Active Share is defined as the percentage of the Fund's equity portfolio that differs from the Fund's illustrative index. Includes the Fund's equity portfolio only.

Distribution Rate is the total annual income paid out to shareholders relative to the fund's price, calculated as annualized distributions divided by either the market price or the NAV. Please refer to https://fpa.com/fund/source-capital/#tab-div-tax for additional information on distributions made by Source Capital.

Effective Duration measures the sensitivity of the price to changes in interest rates, incorporating the impact of changes in interest rates on call options and expected cashflows. Calculations for the Fund exclude equity holdings.

Effective Maturity is the weighted average length of time that each dollar of unpaid principal is expected to remain outstanding, taking into account some but not all call options. Calculations for the Fund exclude equity holdings.

Market Price is the price at which investors may purchase or sell shares of Source Capital, which is an exchange-traded closed-end fund. Market price is determined in the open market by buyers and sellers, based on supply and demand. The difference between the market price and the NAV (Premium/Discount) is expressed as a percentage of NAV.

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.

Premium/Discount reflects the difference between the NAV and the Market Price of funds that are traded on an exchange, and represents the amount that the fund is trading above or below its NAV, expressed as a percentage of the NAV.

SEC Yield is an annualized measure of the Fund's dividend and interest payments for the last 30 days, less Fund expenses. The SEC Yield calculation is based on the net asset value of the Fund at the beginning of the month. If a fee waiver or reimbursement is in effect, a subsidized SEC Yield is also disclosed. Subsidized yield reflects fee waivers and/or expense reimbursements during the period (if any). Without waivers and/or reimbursements, yields would be reduced. Unsubsidized yield does not adjust for any fee waivers and/or expense reimbursements in effect.

Yield-to-Worst (YTW) 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 is only one component of return and may not represent the yield an investor should expect to receive. YTW excludes convertible bonds with a YTW less than the comparable maturity Treasury yield plus the 20-Year average high yield spread to the Treasury yield, impaired/defaulted bonds, and letters of credits. The indices' YTWs exclude all convertibles.