



Source Capital (NYSE: SOR)

2025 Review – Webcast Presentation

Presented by: Steven Romick, Abhi Patwardhan and Ryan Leggio

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Performance

Trailing Performance (%)

As of December 31, 2025	Since 12/1/15*	10 Yr	5 Yr	3 Yr	1 Yr	YTD	QTD
Source Capital – NAV	8.38	8.84	9.66	15.38	18.40	18.40	4.27
Source Capital – Market Price	9.59	10.10	11.49	14.88	11.33	11.33	3.01
60% MSCI ACWI/40% BBG U.S. Agg	7.76	7.96	6.57	14.10	16.22	16.22	2.42
60% S&P 500/40% BBG U.S. Agg	9.58	9.78	8.47	15.46	13.70	13.70	2.03

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 at fpa.com or by calling toll-free, 1-800-982-4372.

Calculated using Morningstar Direct. Periods over one year are annualized. Source Capital (“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 the Fund 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. Comparison to any index is for illustrative purposes only. The Fund does not include outperformance of any index or benchmark in their investment objectives. An investor cannot invest directly in an index.

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

Executive summary

Balanced and opportunistic strategy that seeks maximum total return for shareholders from both capital appreciation and investment income to the extent consistent with protection of invested capital.

Price continues to trade near net asset value (NAV)

- Discount to NAV averaged ~4.6% during the year and traded at a premium to NAV on multiple days since October

Attractive yield¹

- 2025's distribution yield was comprised entirely of ordinary income and capital gains. The unlevered distribution rate based on the Fund's year-end closing market price was 5.46%.

Closed-end structure allows for meaningful investment in private credit

- Exposure to private credit (including commitments) remained high in 2025, ending the year at 26.1%.
- We plan to opportunistically increase our exposure in the coming years, which should allow us to increase the distribution rate (all else equal).

Shareholder commitment

- Seek to have the price trade near NAV over a full market cycle.
 - Repurchase shares at discount to NAV and execute periodic tender offers, if necessary, in order to keep discount to NAV narrow.²
 - Maintain and potentially increase distribution rate in line with fund distributable income.

¹ For more information related to the Fund's distribution rate, please see https://fpa.com/insights/?category_name=fund-announcements. Dividends and other distributions are not guaranteed.

² For more information related to the Fund's share repurchase program, please see https://fpa.com/insights/?category_name=fund-announcements.

Past performance is no guarantee, nor is it indicative, of future results. Portfolio composition will change due to ongoing management of the Fund. There is no guarantee that the Fund will achieve its objectives and goals.

Strategy update

Investment options

- **Private credit:** Direct investments and private credit vehicles that seek to deliver a net yield of at least 8%.*
- **Public credit:** Primarily utilizes FPA's Flexible Fixed Income strategy's Credit investments.**
- **Equity:** Global equity strategy that invests in a similar fashion to the FPA Contrarian Value Equity Strategy.

Portfolio considerations

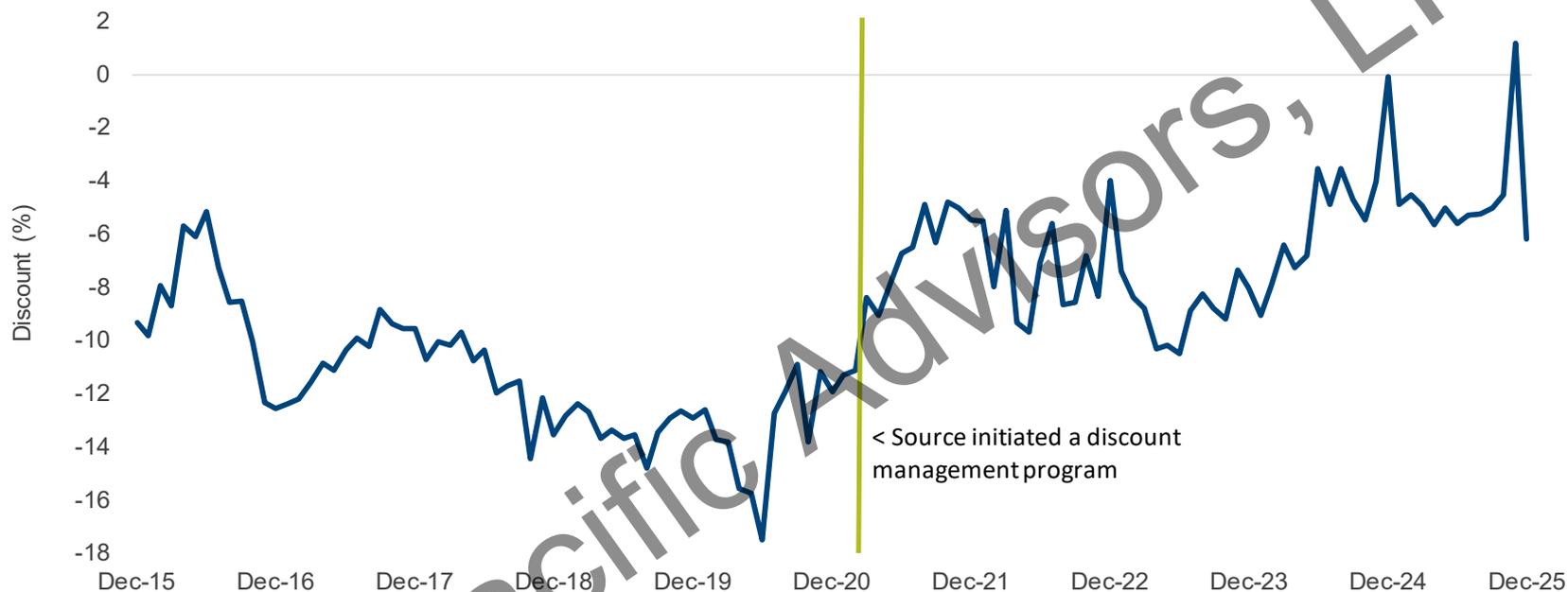
- **Leverage:** Increase leverage when opportunity presents itself in private and public credit – a function of yield, spread, and confidence in the expected outcome. Limit leverage when the opposite is true.
- **Risk exposure:** Manage exposure to equities and higher yielding bonds as function of risk and reward.
 - Increased flexibility to allocate to public and private credit, if conditions warrant.
- **Share repurchases:** Return capital to shareholders and increase total investor level return by repurchasing shares at discount to NAV.

As of December 31, 2025. There is no guarantee that the Fund will achieve its objectives and goals. **Past performance is no guarantee, nor is it indicative, of future results.** Portfolio composition will change due to ongoing management of the Fund.

* Given current interest rate environment.

** Credit is defined as those investments rated BBB and below.

Narrowing discount to NAV



Percent Discount to NAV

6 month average	-4.19
1 year average	-4.63

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

For more information related to the Fund's discount management program, please contact FPA.

Source: Bloomberg, data in the chart is for the period 12/31/2015 through 12/31/2025; data in the table is as of 12/31/2025 and uses daily NAV for each period's average discount. There is no guarantee that the Fund will achieve its objectives and goals. **Past performance is no guarantee, nor is it indicative, of future results.**

Portfolio vs illustrative index

Source Capital

Balanced Index 60% MSCI ACWI / 40% Bloomberg US AGG

	Allocation		Estimated Portfolio Yield		Allocation		Portfolio Yield	
	12/31/2024	12/31/2025	12/31/2024	12/31/2025	12/31/2024	12/31/2025	12/31/2024	12/31/2025
Equity	40.7%	43.6%	1.8%	1.6%	60.0%	60.0%	1.7%	1.5%
Credit								
Private (Estimated)*	17.9%	26.1%	8.0%	8.0%				
Public	21.2%	11.6%	6.5%	5.4%			4.9%	4.3%
Total Credit	39.1%	37.7%	2.8%	7.2%	40.0%	40.0%	4.9%	4.3%
Other	0.0%	0.1%						
Cash	20.2%	19.1%	5.0%	3.9%				
Yield			4.6%	4.2%			3.0%	2.6%

Source Capital has a 1.5% estimated yield advantage versus the Balanced Index.

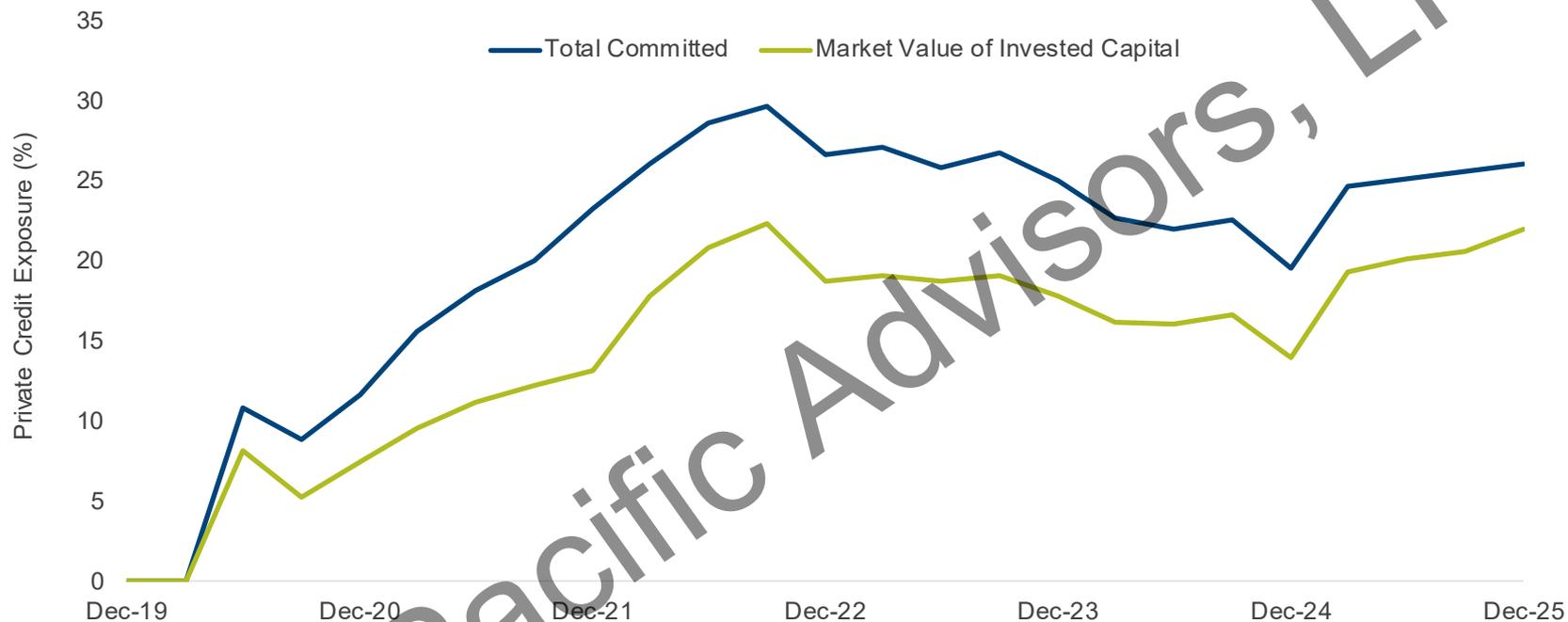
* Invested assets only.

For illustrative purposes only. Source: FPA, Factset, as of December 31, 2025. Portfolio composition will change due to ongoing management of the Fund. Overall *Estimated Portfolio Yield* for the Fund, and the overall *Portfolio Yield* for the index is the weighted average of each category's yield. The Portfolio Yield shown for Equity is the dividend yield, and for Public Credit, it is yield-to-worst. The yield for Private Credit is a targeted net yield of 8%. Actual net yield for the Private Credit category may be materially different than the targets used for this analysis. Fund allocation weights are calculated as a percentage of NAV.

Yield to Worst ("YTW") is presented gross of fees and expenses and reflects the lowest possible yield on a callable bond without the issuer defaulting. It does not represent the yield an investor should expect to receive. As of December 31, 2025, Source Capital's ("Fund") subsidized/unsubsidized 30-day standardized SEC yield ("SEC Yield") was 1.22%/1.22% respectively. The SEC Yield calculation is an annualized measure of the Fund's dividend and interest payments for the last 30 days, less the 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 shows investors what they would earn in yield over the course of a 12-month period if the Fund continued earning the same rate for the rest of the year.

Comparison to an index is for illustrative purposes only. The Fund does not include outperformance of any index or benchmark in its investment objectives. An investor cannot invest directly in an index. Estimates are subject to change. There is no guarantee that the Fund will achieve these estimated portfolio yields in the future or achieve its objectives and goals. **Past results are no guarantee, nor are they indicative, of future results.** Please see the end of this presentation for Important Disclosures and definitions of key terms.

Private credit exposure remains high



Private Credit	YE 2019	YE 2020	YE 2021	YE 2022	YE 2023	YE 2024	YE 2025
Total Committed	0.0%	11.7%	23.3%	26.7%	25.0%	19.5%	26.1%
Market Value of Invested Capital	0.0%	7.5%	13.2%	18.8%	17.8%	14.0%	22.0%

Source: FPA, data in the chart and table is for the period 12/31/2019 through 12/31/2025. Exposure refers to percent of net assets. Portfolio composition will change due to ongoing management of the Fund. **Past performance is no guarantee, nor is it indicative, of future results.**

Asset-based direct loan – investment example

Loan: Participation in a \$45mm first-lien term loan to a digital media company

Maturity: 3 years

Underwritten IRR: 11.6%, inclusive of coupon interest and OID

Loan-to-value (LTV): 60 to 83%

Collateral - First lien on substantially all company assets, including:

■ Cash	\$19.3mm (collateralizing Letters of Credit)
■ Accounts Receivable	\$25.5mm eligible (of \$35mm total)
■ Business Value	\$10 to \$30mm (conservative view)
■ Total	\$55 to \$75mm

Protection

- Mandatory amortization from cash from specified asset sales and release of letters of credit
- No other fully recourse debt to be incurred
- Minimum liquidity covenant
- Obligor concentration limits
- Retained third-party Reporting Agent to verify the Company's data and calculate the borrowing base and Field Examiner to audit the data on lender's behalf

For illustrative and informational purposes only. This is not intended to be an investment recommendation. The information is solely intended to provide insight into the investment process. The information provided is not a sufficient basis upon which to make an investment decision. The investment noted may not remain in the portfolio at the time of this presentation. As with any investment, there is risk of loss of principal. **Past results are no guarantee, nor are they indicative, of future results.** The IRR noted herein should not be construed as, and is not indicative of, the performance of an investment in the Fund.

Big fish in small ponds

Source Capital
Trailing 24-Month Purchases

International Under \$15bn mkt cap Domestic

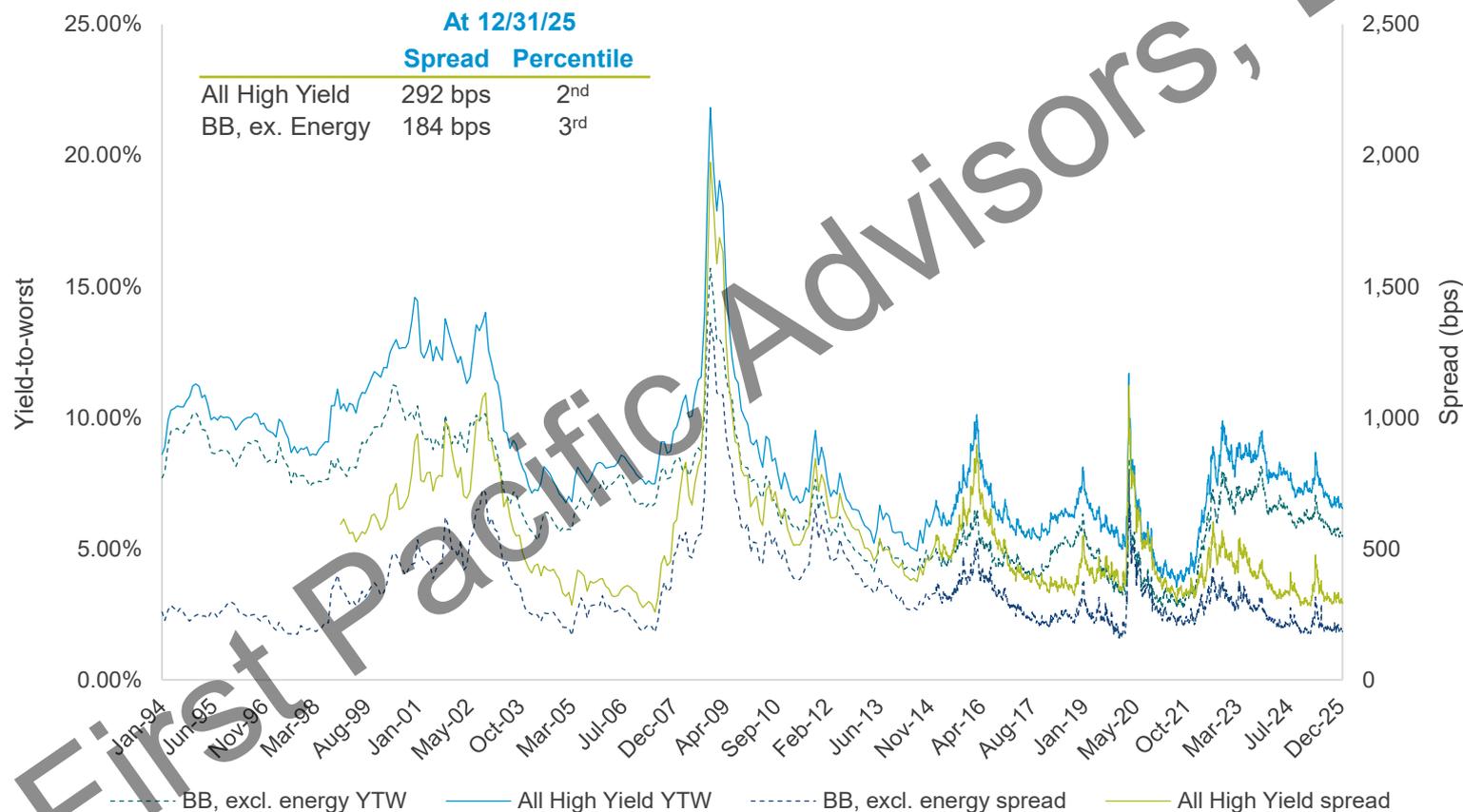


As of December 31, 2025. Portfolio composition will change due to ongoing management of the Fund.

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High yield: reward generally not worth the risk

Bloomberg U.S. Corporate High Yield Index



Source: Bloomberg. As of December 31, 2025. 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. Past performance is no guarantee, nor is it indicative, of future results. Please refer to the end of the presentation for Important Disclosures and Index definitions.

Additional Questions/Comments

Please contact:

Ryan Leggio, Partner and VP Strategy for Source Capital

rleggio@fpa.com

or your FPA relationship representative

First Pacific Advisors, LP

Important disclosures

These slides are intended as supplemental material to the Fourth Quarter 2025 Source Capital (“Source Capital” or “Fund”) audio presentation and transcript that are posted on First Pacific Advisor, LP’s (“FPA” or “Adviser”) website at fpa.com.

This presentation 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. There shall not be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful under the securities laws of any such state. In the event of a tender offer, there may be tax consequences for a stockholder. For example, a stockholder may owe capital gains taxes on any increase in the value of the shares over your original cost. This presentation does not constitute an investment management agreement or offering circular.

On December 1, 2015, a new portfolio management team assumed management of the Source Capital (“Fund”) and the Fund transitioned to a balanced strategy.

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.

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 at fpa.com or by calling toll-free, 1-800-982-4372. 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 the Fund 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 <https://fpa.com/fund/source-capital/>, by email at crm@fpa.com, or toll free by calling 1-800-279-1241.

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 and are subject to change without notice. These views may differ from other portfolio managers and analysts of the firm as a whole and are not intended to be a forecast of future events, a guarantee of future results or investment advice. 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.

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.

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.

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.

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.

Important disclosures (continued)

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 at fpa.com.

In making any investment decision, you must rely on your own examination of the Fund, including the risks involved in an investment. Investments mentioned herein may not be suitable for all recipients and in each case, potential investors are advised not to make any investment decision unless they have taken independent advice from an appropriately authorized advisor. An investment in any security mentioned herein does not guarantee a positive return as securities are subject to market risks, including the potential loss of principal. You should not construe the contents of this document as legal, tax, investment, accounting or other advice or recommendations.

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.

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 Depositary 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 Depositary Receipts (ADRs) and other depository receipts, are also subject to interest rate and currency exchange rate risks.

Short-selling involves increased risks and transaction costs. You risk paying more for a security than you received from its sale.

The return of principal in a fund that invests in fixed income securities is not guaranteed. The Fund's investments in fixed income securities have the same issuer, interest rate, inflation and credit risks that are associated with underlying bonds 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 securities, 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 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. Lower rated bonds, convertible securities and other types of debt obligations involve greater risks than higher rated bonds.

Mortgage securities and collateralized mortgage obligations (CMOs) and other 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. 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 ("S&P"), Fitch, Moody's, Kroll, DBRS, 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.

Important disclosures (continued)

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.

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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.

Bloomberg U.S. Aggregate Bond Index measures 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.

Bloomberg U.S. Corporate High Yield Bond Index measures the market of USD-denominated, non-investment grade, fixed-rate, taxable corporate bonds. **Bloomberg U.S. Corporate 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. **Bloomberg U.S. Corporate High Yield B ex Energy Index** measures the market of USD-denominated, non-investment grade, fixed-rate, taxable B-rated corporate bonds excluding energy sector.

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.

MSCI Europe Index captures large and mid-cap 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 mid cap representation across 24 Emerging Markets (EM) countries.

Important disclosures (continued)

Other Definitions

Basis Point (bps) is equal to one hundredth of one percent, or 0.01%. 100 basis points = 1%.

Corporate Spread Curve is defined as the difference between the spreads of long maturity and short maturity corporate bonds, where the spread is defined as the difference between the yields of a corporate bond and a default risk-free.

Coupon is the interest rate stated on a bond when it's issued. The coupon is typically paid semiannually.

Dividend Yield is the dividend per share divided by the price per share.

Earnings per share (EPS) is calculated as a company's profit divided by the outstanding shares of its common stock.

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.

Internal rate of return (IRR) rule states that a project or investment should be pursued if its IRR is greater than the minimum required rate of return or the hurdle rate.

Loan-to-value (LTV) ratio is an assessment of lending risk that financial institutions and other lenders examine before approving a mortgage.

Loss coverage is the ratio of coverage to a comparable investment.

Price/Earnings Ratio (P/E) is the price of a stock divided by its earnings per share. P/E is using weighted harmonic averaging, which helps avoid extreme results that may occur due to small relative numbers, and excludes Real Estate Investment Trusts (REITs). **12-Month Trailing P/E** is based on the last 12 months of actual earnings. **12-Month Forward P/E** utilizes forward earnings expectations over the next 12 months to calculate the ratio.

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.

Yield refers to the earnings generated and realized on an investment over a particular period. It's expressed as a percentage based on the invested amount, current market value, or face value of the security.

Yield to Maturity (YTM) is the total return anticipated on a bond if the bond is held until it matures.

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.