

SOURCE CAPITAL INC /DE/
Form N-CSRS
August 16, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number 811-1731

SOURCE CAPITAL, INC.
(Exact name of registrant as specified in charter)

11400 WEST OLYMPIC BLVD., SUITE 1200, LOS ANGELES, CALIFORNIA
(Address of principal executive offices)

90064
(Zip code)

J. RICHARD ATWOOD,

11400 WEST OLYMPIC BLVD., SUITE 1200, LOS ANGELES, CALIFORNIA 90064
(Name and address of agent for service)

Registrant's telephone number, including area code: 310-473-0225

Date of fiscal year DECEMBER 31
end:

Date of reporting period: JUNE 30, 2013

Item 1. Report to Stockholders

SOURCE CAPITAL, INC.

2013

SEMIANNUAL REPORT

for the six months ended June 30, 2013

SOURCE CAPITAL, INC.
SUMMARY FINANCIAL INFORMATION

	Six months ended June 30, 2013		Year ended December 31, 2012	
	Total Net Assets	Per Common Share	Total Net Assets	Per Common Share
Beginning of period	\$ 511,150,166	\$ 59.06	\$ 524,173,666	\$ 54.30
Net gain on investments, realized and unrealized	\$ 68,665,962	\$ 7.93	\$ 70,740,161	\$ 8.18
Net investment income	873,864	0.10	2,773,272	0.32
Dividends to Preferred shareholders			(2,349,920)	(0.27)
Distributions to Common shareholders	(12,982,860)	(1.50)	(30,033,683)	(3.47)
Redemption of Preferred Stock			(54,153,330)	
Net changes during period	\$ 56,556,966	\$ 6.53	\$ (13,023,500)	\$ 4.76
End of period	\$ 567,707,132	\$ 65.59	\$ 511,150,166	\$ 59.06

	June 30, 2013	December 31, 2012	December 31, 2011
Common market price per share	\$ 61.71	\$ 52.22	\$ 46.98
Common net asset value	\$ 65.59	\$ 59.06	\$ 54.30
Common market discount from net asset value	5.9%	11.6%	13.5%

DESCRIPTION OF THE COMPANY

Source Capital, Inc., is a diversified, publicly traded investment company. Its investment portfolio includes a wide range of securities with primary emphasis on common stock.

Source Capital's Common stock is listed and traded on the New York Stock Exchange and there are currently 8,655,240 shares outstanding. Source Capital's investment objective is to seek maximum total return for Common shareholders from both capital appreciation and investment income to the extent consistent with protection of invested capital.

Source Capital is not a mutual fund. Thus, the Company does not repurchase its own shares on demand and does not need to structure its portfolio securities to provide for possible redemptions. As a publicly traded investment company, Source Capital's Common shares are bought and sold on the New York Stock Exchange, and the Company is not involved in such transactions.

Source Capital's investment approach emphasizes primarily equity investments in seeking to achieve its growth objective for its Common shareholders. The desirability of equity versus fixed-income investments has been increasingly debated in recent years. Source Capital's position is that without assuming undue risk, properly selected stocks offer the better long-term opportunity for overall investment return as well as long-term protection from the large but uncertain threat of inflation. Source Capital's equity investments

are directed toward companies with highly liquid, relatively unleveraged balance sheets and a demonstrated long-term ability to earn above average returns on invested capital. Source Capital's equity investment portfolio is based on fundamental judgments of long-term returns attainable from income and appreciation in the securities of such companies and is not derived from overall economic forecasts or stock market predictions.

The Company has adopted a flexible distribution policy. This policy is designed to pay Common shareholders quarterly distributions at a rate that is substantially in excess of net investment income (dividends and interest, less expenses). The rate is adjusted periodically in response to sustained changes in the net asset value, market conditions, and changes to investment company regulations and tax laws. Only a portion of such distributions is paid from net investment income. The remainder is paid from any net realized capital gains and/or paid-in capital, as determined by each year's results. To the extent the Company realizes net long-term capital gains for any year in excess of the amounts distributed under the Company's distribution policy, such excess will be distributed to shareholders. For federal income tax purposes, all distributions in excess of current year earnings will be taxable to shareholders as long as the Company continues to have accumulated earnings and profits from prior years.

**SOURCE CAPITAL, INC.
LETTER TO SHAREHOLDERS**

TO OUR SHAREHOLDERS:**Investment Portfolio Returns**

The net assets of Source Capital amounted to \$567,707,132 at June 30, 2013, or \$65.59 of net asset value per Common share. This compared with net assets of \$511,150,166 and net asset value per Common share of \$59.06 at year end. As a result, Source Capital recorded a positive total investment return during the six months ended June 30, 2013, of 13.6%, reflecting the reinvestment of dividends and distributions as compared to a return of 15.4% for its Russell 2500 Index benchmark.

Distributions to Common Shareholders

Source Capital's distribution policy allows the Board of Directors to consider changes in net asset value when establishing the quarterly distribution rate. But this policy also provides for the flexibility to consider such other factors as current market conditions and changes to investment company regulations and tax laws. It is the intention of the Board of Directors to continue paying quarterly distributions at a rate that is substantially in excess of net investment income.

The regular quarterly distribution on the Common shares of \$0.75 per share was paid on June 15, 2013, to shareholders of record on May 24, 2013.

Performance

	Periods Ended June 30, 2013						
	Second Quarter	Year to Date	One Year	Three Years*	Five Years*	Ten Years*	Fifteen Years*
Source	2.1%	13.6%	27.4%	17.4%	8.8%	9.9%	10.0%
Russell 2500	2.3%	15.4%	25.6%	19.6%	9.2%	10.3%	8.1%
S&P 500	2.9%	13.8%	20.6%	18.5%	7.0%	7.3%	4.2%

* Annualized Returns

For the quarter, we are pleased that Source largely kept up with the Russell 2500 benchmark. The same sentiment applies to surpassing the benchmark return over the last year, which was a fairly buoyant period. We continue to believe, however, that the relevant period for comparison should be much longer than the last twelve months. On that basis, we take pride in the Company's performance since current management inception which is captured in the fifteen-year period.

Turning to portfolio company performance, Life Technologies (+14%) rose after the rumored acquisition mentioned last quarter came to fruition in mid-April. ScanSource (+13%) rebounded after being our largest decliner the prior quarter. CarMax (+11%) reported sales that handily exceeded market estimates.

Underperformers were led by Maxim Integrated (-15%), as one of its large customers, Samsung, announced lower-than-expected smartphone sales. Sonova (-12%) declined on litigation concerns. Finally, L'Occitane (-11%) reported sales growth which trailed market expectations.

Commentary

Markets around the world were mostly buoyant over the first six months of the year. In the U.S., the major indices appreciated at a double-digit rate. Unorthodox central bank policies along with a respite from significant political disruption provided a benign backdrop until the middle of June. That's when Chairman Bernanke's hint about a slowdown in the Federal Reserve's bond buying program caused an end-of-quarter selloff in both bonds and stocks.

Portfolio

As we discuss in more detail below, we sold out of three positions (about 5% of Company assets in total) in the quarter based on valuation and company-specific concerns. We also purchased a small amount of a new position and added to several existing ones. All together the purchases represent about 2% of Company assets. At the end of the quarter, cash stood at about 9%, which is at the high end of our historical range. We are diligently looking for opportunities to invest the cash but, as discussed last quarter, will not compromise on company quality or valuation in order to make that investment. Instead, we will wait patiently until company-specific factors or market issues like central bank or political actions cause quality and valuation to favorably converge. In the meantime, we believe the businesses in our portfolio today have significant competitive advantages, unlevered balance sheets and are run by capable management teams. We expect them to continue to favorably grow their business values over time.

Portfolio Company Discussion

This quarter we'd like to discuss some stocks we've recently sold and the reasons why.

Not surprisingly, since intelligent use of cash flow is an important criterion in deciding to buy shares in a company, a disappointment in this area, or a change of policy or objective, can often be the catalyst in developing a decision to dispose of a portfolio holding.

One of the challenges that **Actuant** has faced deploying its capital into attractive deals is that its high-return, strong-market-share business segments, Industrial and Energy, which can boast of operating margins over 20%, even 30% in some cases, have not produced a plethora of bolt-on deals that could have

permitted Actuant to deploy capital in familiar businesses and at attractive margins.

Unfortunately, instead of waiting patiently for the right opportunity to come along to invest its accumulating cash, Actuant's response to this dearth of desirable deals was to pursue several large acquisitions in the less exciting parts of its business, most significantly in Electrical. Actuant acquired Mastervolt in November 2010 the cost, \$150 million, or 1.4x sales.

Mastervolt makes specialty electrical products for the marine and European solar markets. Marine, the smaller and less important market, has a pretty good fit with some existing Actuant businesses, but this cannot be said of the Mastervolt solar business. The European solar market is almost completely dependent on government tax subsidy. Periodic changes or even elimination of these subsidies wreak havoc with industry participants as volumes, prices, inventories, etc. move around in an unpredictable fashion.

This certainly has been the case in recent years, and it has become clear that Actuant paid well in excess of fair market value for Mastervolt. In June of 2013, Actuant confirmed this by announcing that it would divest its entire electrical segment, and would record a non-cash after-tax charge of \$150 million. Actuant had owned Mastervolt for just 2¹/₂ years.

In addition to the capital allocation issue, we were also cognizant of valuation. Actuant was purchased for the first time in October 2008 at \$17 per share, or 11x EPS.¹ We added to the position at declining prices, ending up with our last purchase at less than \$9 per share (7x EPS), near the March 2009 market lows. Our recent sale was at an average price of \$33, which valued the company at 19x EPS.

Our disappointment with Actuant's deployment of its cash flow and the risk of future misallocation was the most important reason for our sale, but the company's full valuation makes us comfortable that this was an opportune time to exit.

Another company recently sold is **Manpower (MAN)**, the large provider of temporary workers. Manpower's two-part strategy is straight-forward. First, expand in underserved markets, generally ones in which there was a limited tradition of temporary employment, and often ones in which temporary employment had only recently been legalized.

Most of the countries of Europe were fairly recent but enthusiastic converts to temporary labor. Unfortunately for Manpower, Europe represents almost two-thirds of its revenues, with the economic weakness in southern Europe (over one-third of total MAN revenues) overwhelming the continuing preference by companies for temporary workers. Outside of Europe, expansion of temporary labor in emerging markets made those countries Manpower's fastest growing segment of the last few years (about 13% of revenues). While the very long-term potential for emerging markets is significant, their margins for the

foreseeable future will likely remain structurally lower than in developed countries.

In addition to the organic growth described above, Manpower also made a series of acquisitions, generally in related areas, like permanent placement, specialized markets like finance or IT, training, out sourcing services, outplacement, etc. Results for these deals have been mixed, leading us to question this choice for future capital deployment.

Despite a current return on equity of only 7% on mid-cycle earnings, Manpower's stock has done remarkably well since late last year, rising from the high \$30s to nearly \$60 per share, driven by improved prospects for recovery of the worldwide economy. We did not share the market's enthusiasm and at a generous P/E of 24x were grateful for the opportunity to exit our position.²

In recent years **VCA-Antech** has been faced with a deterioration of its basic business model. VCA-Antech has long had a 2-part business strategy. First, it operated a chain of animal hospitals across the country. It is by far the largest in this sector and earns solid margins in a highly fragmented market.

Second, VCA has about 50 regionally-based veterinary diagnostic test labs, which provide overnight results for test panels requested by the hospital/office-based vets. The lab business has strong economies of scale, driven by route density, and has long earned excellent margins operating as it has in protected markets. VCA has used its free cash flow for many years to acquire veterinary hospitals and practices paying a price which reflected the economies of scale VCA could bring to operations of the acquired assets as well as the value of the exit strategy which VCA was providing the vet.

Over the last few years, hospital acquisitions have been getting less productive, but VCA hasn't backed off the expansion of its hospital division despite the declining returns. After recent shareholder agitation, the company agreed to begin share repurchases, but has only committed to make them a small portion of the cash flow allocation.

The second strategic issue for VCA is in its lab business. Its most important competitor, Idexx, has long put a greater emphasis on point of care tests, which give very rapid results, enabling the vet to provide more timely and accurate care. As technology advances, an increased number of key tests can be performed in the pet hospital, putting greater pressure on VCA's lab business. In addition, Idexx has been effective in bundling reference lab, point of care, and practice management software, resulting in continuing erosion in VCA's market share.

With both parts of VCA's business facing strategic challenges, a balance sheet under stress, returns on capital deteriorating, and recent share appreciation from the low \$20s a few months ago to a recent \$27 per share, implying 20x EPS, we concluded that it was time to move on.

¹ EPS is defined as earnings per share over the trailing twelve months.

² P/E is defined as price divided by trailing twelve month earnings per share.

We are pleased to receive reader feedback to shareholder letters at the email address, source@fpafunds.com.

Thank you for your continued support and trust.

Respectfully submitted,

Eric S. Ende

President and
Chief Investment Officer

July 19, 2013

The discussion of Company investments represents the views of the Company's managers at the time of this report and are subject to change without notice. References to individual securities are for informational purposes only and should not be construed as recommendations to purchase or sell individual securities. While the Company's managers believe that the Company's holdings are value stocks, there can be no assurance that others will consider them as such. Further, investing in value stocks presents the risk that value stocks may fall out of favor with investors and underperform growth stocks during given periods.

The Russell 2500 Index is an unmanaged index comprised of the 2,500 smallest companies in the Russell 3000 Index. The Russell 3000 Index measures the performance of the 3,000 largest U.S. companies based on total market capitalization. The S&P 500 Index is an index of 500 companies with large market capitalization.

FORWARD LOOKING STATEMENT DISCLOSURE

As managers, one of our responsibilities is to communicate with shareholders in an open and direct manner. Insofar as some of our opinions and comments in our letters to shareholders are based on current management expectations, they are considered "forward-looking statements," which may or may not be accurate over the long term. While we believe we have a reasonable basis for our comments and have confidence in our opinions, actual results may differ materially from those we anticipate. You can identify forward-looking statements by words such as "believe," "expect," "may," "anticipate," and other similar expressions when discussing prospects for particular portfolio holdings and/or the markets, generally. We cannot, however, assure future results and disclaim any obligation to update or alter any forward-looking statements, whether as a result of new information, future events, or otherwise. Further, information provided in this report should not be construed as a recommendation to purchase or sell any particular security.

**SOURCE CAPITAL, INC.
PORTFOLIO SUMMARY**

June 30, 2013
(Unaudited)

Common Stocks	89.8%
Producer Durable Goods	22.9%
Retailing	21.4%
Business Services & Supplies	17.0%
Healthcare	10.9%
Energy	6.5%
Technology	6.3%
Transportation	4.1%
Other Common Stocks	0.7%
Non-Convertible Bonds & Debentures	1.3%
Short-Term Investments	9.0%
Other Assets and Liabilities, net	0.1%
Net Assets	100.0%

MAJOR PORTFOLIO CHANGES

Quarter Ended June 30, 2013
(Unaudited)

	Shares
NET PURCHASES	
<i>Common Stocks</i>	
Aggreko plc	110,800
ScanSource, Inc.	57,000
Sonova Holding AG	14,500
Varian Medical Systems Inc.	43,300
NET SALES	
<i>Common Stocks</i>	
Actuant Corporation (Class A)(1)	315,700
ManpowerGroup Inc.(1)	126,200
VCA Antech Inc.(1)	413,300
<i>Preferred Stocks</i>	
ProLogis Inc. (Series S)(1)	120,000

(1) Indicates Elimination from Portfolio

SOURCE CAPITAL, INC.
PORTFOLIO OF INVESTMENTS

June 30, 2013
(Unaudited)

COMMON STOCKS	Shares	Fair Value
PRODUCER DURABLE GOODS 22.9%		
Franklin Electric Co., Inc.	451,200	\$ 15,182,880
Graco Inc.	395,800	25,018,518
HNI Corporation	513,733	18,530,349
IDEX Corporation	427,100	22,982,251
Rotork plc	72,200	2,931,515
WABCO Holdings Inc.*	383,000	28,606,270
Zebra Technologies Corporation (Class A)*	384,400	16,698,336
		\$ 129,950,119
RETAILING 21.4%		
CarMax, Inc.*	762,200	\$ 35,183,152
L'Occitane International SA	1,875,000	5,052,563
O'Reilly Automotive, Inc.*	425,900	47,964,858
Signet Jewelers Limited	498,200	33,593,626
		\$ 121,794,199
BUSINESS SERVICES & SUPPLIES 17.0%		
Aggreko plc	380,800	\$ 9,508,538
CLARCOR Inc.	252,700	13,193,467
Copart, Inc.*	687,100	21,162,680
Domino Printing Sciences plc	710,400	6,741,128
Halma plc	1,325,000	10,145,127
ScanSource, Inc.*	736,263	23,560,416
Spirax-Sarco Engineering plc	295,153	12,060,306
		\$ 96,371,662
HEALTHCARE 10.9%		
bioMerieux SA	118,887	\$ 11,519,092
Bio-Rad Laboratories, Inc. (Class A)*	147,700	16,571,940
Life Technologies Corporation*	279,198	20,663,444
Sonova Holding AG	68,000	7,210,924
Varian Medical Systems Inc.*	85,300	5,753,485
		\$ 61,718,885
ENERGY 6.5%		
FMC Technologies, Inc.*	307,800	\$ 17,138,304
Noble Corporation	529,200	19,887,336
		\$ 37,025,640
TECHNOLOGY 6.3%		
EVS Broadcast Equipment S.A.	187,150	\$ 12,993,319
Maxim Integrated Products, Inc.	309,600	8,600,688
Microchip Technology Incorporated	374,951	13,966,925
		\$ 35,560,932
TRANSPORTATION 4.1%		
Heartland Express, Inc.	825,800	\$ 11,453,846
Knight Transportation, Inc.	700,600	11,784,092

		\$ 23,237,938
OTHER COMMON STOCKS	0.7%	\$ 4,374,118
TOTAL COMMON STOCKS	89.8% (Cost	
\$281,220,480)		\$510,033,493

See notes to financial statements.

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SOURCE CAPITAL, INC.
PORTFOLIO OF INVESTMENTS (Continued)

June 30, 2013
(Unaudited)

NON-COVERTIBLE BONDS AND DEBENTURES 1.3%	Face Amount	Fair Value
Helix Energy Solutions Group, Inc. 9.5% 2016	\$ 1,158,000	\$ 1,189,706
OMNOVA Solutions Inc. 7.875% 2018	275,000	284,625
Quality Distribution LLC 9.875% 2018	3,000,000	3,238,680
Stanadyne Corporation 10% 2014	3,000,000	2,775,000
TOTAL NON-COVERTIBLE BONDS AND DEBENTURES (Cost \$7,096,333)		\$ 7,488,011
TOTAL INVESTMENT SECURITIES 91.1% (Cost \$288,316,812)		\$517,521,504
SHORT-TERM INVESTMENTS 9.0%		
ExxonMobil Corporation 0.05% 07/03/13	\$24,000,000	\$ 23,999,933
Federal Home Loan Bank Discount Note 0.03% 07/09/13	10,000,000	9,999,933
Toyota Motor Credit Corporation 0.08% 07/23/13	10,000,000	9,999,511
State Street Bank Repurchase Agreement 0.01% 07/01/13 (Dated 06/28/2013, repurchase price \$6,860,006, collateralized by \$8,125,000 principal amount U.S. Treasury Note 2.75% 2042, fair value \$6,997,656)	6,860,000	6,860,006
TOTAL SHORT-TERM INVESTMENTS (Cost \$50,859,383)		\$ 50,859,383
TOTAL INVESTMENTS 100.1% (Cost \$339,176,195)		\$568,380,887
Other assets and liabilities, net (0.1%)		(673,755)
NET ASSETS 100.0%		\$567,707,132

* Non-income producing securities

See notes to financial statements.

SOURCE CAPITAL, INC.
STATEMENT OF ASSETS AND LIABILITIES

June 30, 2013
(Unaudited)

ASSETS

Investments at value:

Investment securities at fair value

(cost \$ 288,316,812) Note A \$517,521,504

Short-term investments at amortized cost

(maturities 60 days or less) Note A 50,859,383 \$568,380,887

Cash 36

Receivable for:

Dividends \$ 486,911

Accrued interest 217,045 703,956

\$569,084,879

LIABILITIES

Payable for:

Investment securities purchased \$ 1,004,478

Advisory fees 325,769

Accrued expenses 47,500 1,377,747

NET ASSETS \$567,707,132**SUMMARY OF SHAREHOLDERS' EQUITY**

Common Stock par value \$1 per share;

authorized 12,000,000 shares;

outstanding 8,655,240 shares Note B \$ 8,655,240

Additional Paid-in Capital 320,783,440

Undistributed net realized gains 9,063,760

Unrealized appreciation of investments 229,204,692

NET ASSETS \$567,707,132

Common Stock net asset value per share \$ 65.59

Common Stock market value per share \$ 61.71

See notes to financial statements.

SOURCE CAPITAL, INC.
STATEMENT OF OPERATIONS

For the six months ended June 30, 2013
(Unaudited)

INVESTMENT INCOME		
Income		
Dividends		\$ 2,887,429
Interest		391,784
		\$ 3,279,213
Expenses Note C:		
Advisory fees	\$ 1,932,502	
Transfer agent fees and expenses	150,443	
Directors' fees and expenses	77,525	
Reports to shareholders	74,075	
Legal and auditing fees	60,752	
Taxes, other than federal income tax	53,386	
Registration and filing fees	26,210	
Custodian fees and expenses	25,341	
Other expenses	5,115	2,405,349
Net investment income Note A		\$ 873,864
NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS		
Net realized gain on investments:		
Proceeds from sale of investment securities (excluding short-term corporate notes with maturities 60 days or less)	\$ 42,977,802	
Cost of investment securities sold	26,834,904	
Net realized gain on investments Notes A and D		\$ 16,142,898
Unrealized appreciation of investments:		
Unrealized appreciation at beginning of period	\$ 176,681,628	
Unrealized appreciation at end of period	229,204,692	
Increase in unrealized appreciation of investments		52,523,064
Net realized and unrealized gain on investments		\$ 68,665,962
NET CHANGE IN NET ASSETS RESULTING FROM OPERATIONS		
		\$ 69,539,826

See notes to financial statements.

SOURCE CAPITAL, INC.
STATEMENT OF CHANGES IN NET ASSETS

	For the six months ended June 30, 2013 (Unaudited)		For the year ended December 31, 2012	
CHANGES IN NET ASSETS				
Operations:				
Net investment income	\$	873,864	\$	2,773,272
Net realized gain on investments		16,142,898		33,719,524
Increase in unrealized appreciation of investments		52,523,064		37,020,637
Change in net assets resulting from operations		\$ 69,539,826		\$ 73,513,433
Distributions to Preferred shareholders:				
From net investment income			\$ (1,679,502)	
From net realized capital gains			(670,418)	(2,349,920)
Distributions to Common shareholders Note A				
From net investment income	\$	(1,609,390)	\$	(866,034)
From net realized capital gains		(11,373,470)	(12,982,860)	(29,167,649)
Redemption of \$2.40 Cumulative Preferred Stock				(54,153,330)
Net change in net assets		\$ 56,556,966		\$ (13,023,500)
NET ASSETS				
Beginning of period		511,150,166		524,173,666
End of period		\$567,707,132		\$511,150,166

See notes to financial statements.

SOURCE CAPITAL, INC.
FINANCIAL HIGHLIGHTS

Selected data for a share of Common Stock outstanding throughout each period

	Six months ended June 30, 2013 (Unaudited)	2012	2011	Year ended December 31,		2008
				2010	2009	
Common Stock:						
Per share operating performance:						
Net asset value at beginning of period	\$ 59.06	\$ 54.30	\$ 60.47	\$ 50.36	\$ 34.61	\$ 64.75
Income from investment operations:						
Net investment income	\$ 0.10	\$ 0.32	\$ 0.22	\$ 0.48	\$ 0.25	\$ 0.49
Net realized and unrealized gain (loss) on investment securities	7.93	8.18	(2.84)	12.58	18.05	(26.58)
Total from investment operations	\$ 8.03	\$ 8.50	\$ (2.62)	\$ 13.06	\$ 18.30	\$ (26.09)
Distributions to Preferred shareholders:						
From net investment income		\$ (0.19)	\$ (0.28)	\$ (0.55)	\$ (0.15)	\$ (0.53)
From net realized capital gains		(0.08)	(0.27)		(0.40)	(0.02)
Distributions to Common shareholders Note A:						
From net investment income	\$ (0.19)	(0.10)				
From net realized capital gains	(1.31)	(3.37)	(3.00)	(2.40)	(2.00)	(3.50)
	\$ (1.50)	\$ (3.74)	\$ (3.55)	\$ (2.95)	\$ (2.55)	\$ (4.05)

Total distributions						
Net asset value at end of period	\$ 65.59	\$ 59.06	\$ 54.30	\$ 60.47	\$ 50.36	\$ 34.61
Per share market price at end of period	\$ 61.71	\$ 52.22	\$ 46.98	\$ 53.20	\$ 43.04	\$ 28.29
Total investment return(1)	21.1%	18.5%	(6.3)%	30.0%	60.9%	(49.3)%
Net asset value total return(2)	13.6%	15.6%	(5.2)%	26.0%	53.0%	(42.8)%
Ratios/supplemental data:						
Net assets at end of period (in thousands)	\$ 567,707	\$ 511,150	\$ 524,174	\$ 577,535	\$ 490,043	\$ 353,720
Ratios based on average net assets applicable to Common Stock:						
Expenses(4)	0.86%(3)	0.93%	0.96%	0.98%	1.04%	0.97%
Net investment income(4)	0.31%(3)	0.56%	0.38%	0.92%	0.60%	0.95%
Portfolio turnover rate	8.98%(3)	7.42%	17.50%	12.59%	8.65%	19.43%

(1) Based on market price per share, adjusted for reinvestment of distributions.

(2) Based on net asset value per share, adjusted for reinvestment of distributions.

(3) Annualized.

(4) Does not reflect the effect of dividend payments to Preferred shareholders.

These ratios based on total net assets are as follows:

	Six months ended June 30, 2013	2012	2011	2010	2009	2008
Expenses	N/A	0.88%	0.87%	0.88%	0.91%	