

SOURCE CAPITAL INC /DE/
Form N-Q
November 28, 2011

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

FORM N-Q

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-1731

Source Capital, Inc.
(Exact name of registrant as specified in charter)

11400 West Olympic Boulevard, Suite 1200, Los Angeles, California
(Address of principal executive offices)

90064
(Zip code)

J. Richard Atwood, Treasurer, Source Capital, Inc.,
11400 West Olympic Boulevard, 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 end: December 31

Date of reporting period: September 30, 2011

ITEM 1. Schedule of Investments.

Source Capital, Inc.

Portfolio of Investments

September 30, 2011 (unaudited)

COMMON STOCKS	Shares or Principal Amount	Value
PRODUCER DURABLE GOODS 20.6%		
Actuant Corporation (Class A)	382,200	\$ 7,548,450
Franklin Electric Co., Inc.	273,200	9,911,696
Graco Inc.	479,100	16,356,474
HNI Corporation	621,633	11,891,839
IDEX Corporation	516,900	16,106,604
Rotork plc	24,651	596,756
WABCO Holdings Inc.	463,500	17,548,110
Zebra Technologies Corporation (Class A)*	465,300	14,396,382
		\$ 94,356,311
BUSINESS SERVICES & SUPPLIES 18.6%		
Aggreko plc	149,534	\$ 3,797,102
Brady Corporation (Class A)	412,400	10,899,732
CLARCOR, Inc.	305,800	12,654,004
Copart, Inc.*	415,700	16,262,184
Halma plc	700,000	3,443,720
Manpower Inc.	286,700	9,638,854
ScanSource, Inc.*	774,663	22,899,038
Spirax-Sarco Engineering plc	190,000	5,313,331
		\$ 84,907,965
RETAILING 17.8%		
CarMax, Inc.*	922,200	\$ 21,994,470
L Occitane International S.A.	475,000	965,010
O Reilly Automotive, Inc.*	573,400	38,205,642
Signet Jewelers Limited*	602,900	20,378,020
		\$ 81,543,142
HEALTH CARE 15.0%		
Bio-Rad Laboratories, Inc. (Class A)*	178,900	\$ 16,238,753
bioMerieux S.A.	21,400	1,876,737
Life Technologies Corporation*	501,398	19,268,725
Lincare Holdings Inc.	688,100	15,482,250
Sonova Holding AG	53,500	4,880,527
Varian Medical Systems, Inc.*	50,800	2,649,728
VCA Antech, Inc.*	500,000	7,990,000
		\$ 68,386,720
ENERGY 7.2%		
FMC Technologies, Inc.*	372,700	\$ 14,013,520
Noble Corporation	640,300	18,792,805
		\$ 32,806,325

TECHNOLOGY 5.8%			
Dolby Laboratories, Inc. (Class A)*	140,600	\$	3,858,064
Maxim Integrated Products, Inc.	374,600		8,739,418
Microchip Technology Incorporated	453,851		14,119,305
		\$	26,716,787
TRANSPORTATION 5.4%			
Heartland Express, Inc.	999,600	\$	13,554,576
Knight Transportation, Inc.	847,900		11,285,549
		\$	24,840,125
ENTERTAINMENT 3.2%			
Carnival Corporation (Class A)	477,800	\$	14,477,340
TOTAL COMMON STOCKS 93.6% (Cost \$343,464,908)		\$	428,034,715
PREFERRED STOCKS			
REAL ESTATE INVESTMENT TRUST			
CBL & Associates Properties, Inc.	100,000	\$	2,419,000
ProLogis (Series S)	120,000		2,718,000
TOTAL PREFERRED STOCKS 1.1% (Cost \$5,726,454)		\$	5,137,000
CONVERTIBLE BONDS AND DEBENTURES 0.7% (Cost \$2,438,125)			
Transocean, Inc. 1.5% 2037		\$ 3,000,000	\$ 2,988,750
NON-CONVERTIBLE BONDS AND DEBENTURES			
CORPORATE			
Deluxe Corporation 5.125% 2014		\$ 2,000,000	\$ 1,991,100
Helix Energy Solutions Group, Inc. 9.5% 2016		2,000,000	2,060,700
Kansas City Southern RY CO 8% 2015		2,000,000	2,134,540
Nova Chemicals Corporation 6.5% 2012		1,970,000	1,979,732
Rock-Tenn Co. 9.25% 2016		2,000,000	2,130,000
SPX Corporation 7.625% 2014		2,000,000	2,144,760
Service Corp International 7.375% 2014		1,000,000	1,086,830
Stone Energy Corporation 6.75% 2014			