

SOURCE CAPITAL INC /DE/
Form N-Q
May 22, 2009

**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: March 31, 2009

ITEM 1. Schedule of Investments.

Source Capital, Inc.

Portfolio of Investments

March 31, 2009 (unaudited)

	Shares or Principal Amount	Value
COMMON STOCKS		
BUSINESS SERVICES & SUPPLIES 23.1%		
Brady Corporation (Class A)	431,500	\$ 7,607,345
Charles River Laboratories International, Inc.*	460,035	12,517,552
CLARCOR, Inc.	320,000	8,060,800
Copart, Inc.*	303,800	9,010,708
Life Technologies Corp.*	535,000	17,376,800
Manpower Inc.	300,000	9,459,000
ScanSource, Inc.*	803,363	14,926,485
		\$ 78,958,690
PRODUCER DURABLE GOODS 15.8%		
Actuant Corporation (Class A)	400,000	\$ 4,132,000
Franklin Electric Co., Inc.	285,900	6,326,967
Graco Inc.	501,300	8,557,191
HNI Corporation	627,933	6,530,503
IDEX Corporation	540,900	11,829,483
WABCO Holdings Inc.	595,000	7,324,450
Zebra Technologies Corporation (Class A)*	486,900	9,260,838
		\$ 53,961,432
RETAILING 13.5%		
CarMax, Inc.*	1,017,412	\$ 12,656,605
O Reilly Automotive, Inc.*	700,000	24,507,000
Signet Jewelers Limited	773,200	8,853,140
		\$ 46,016,745
TRANSPORTATION 8.9%		
Heartland Express, Inc.	1,057,000	\$ 15,654,170
Knight Transportation, Inc.	973,000	14,750,680
		\$ 30,404,850
HEALTH CARE 8.4%		
Bio-Rad Laboratories, Inc. (Class A)*	187,200	\$ 12,336,480
Lincare Holdings Inc.*	468,600	10,215,480
Varian Medical Systems, Inc.*	40,000	1,217,600
VCA Antech, Inc.*	215,000	4,848,250
		\$ 28,617,810
ENERGY 7.5%		
FMC Technologies, Inc.*	195,000	\$ 6,117,150
Helix Energy Solutions Group, Inc.*	660,900	3,397,026
Noble Corporation	670,000	16,140,300
		\$ 25,654,476

TECHNOLOGY 4.4%				
Maxim Integrated Products, Inc.	392,000	\$	5,178,320	
Microchip Technology Incorporated	474,951		10,064,212	
		\$	15,242,532	
ENTERTAINMENT 3.1%				
Carnival Corporation (Class A)*	499,900	\$	10,797,840	
FINANCIAL 3.1%				
Brown & Brown, Inc.	557,300	\$	10,538,543	
TOTAL COMMON STOCKS 87.8% (Cost \$331,544,421)		\$	300,192,918	
PREFERRED STOCKS				
REAL ESTATE INVESTMENT TRUST				
CBL & Associates Properties, Inc.	100,000	\$	635,000	
ProLogis (Series G)	120,000		937,200	
TOTAL PREFERRED STOCKS 0.5% (Cost \$5,726,454)		\$	1,572,200	
CONVERTIBLE BONDS AND DEBENTURES				
Diodes, Inc. 2.25% 2026	\$	2,000,000	\$	1,542,500
Sealed Air Corporation 3% 2033		2,000,000		1,847,500
Transocean, Inc. 1.5% 2037		2,000,000		1,710,000
TOTAL CONVERTIBLE BONDS AND DEBENTURES 1.5% (Cost \$4,560,000)			\$	5,100,000
NON-CONVERTIBLE BONDS AND DEBENTURES				
CORPORATE 5.2%				
Brown Shoe Company, Inc. 8.75% 2012	\$	3,000,000	\$	2,422,500
Central Garden & Pet Company 9.125% 2013		3,000,000		2,310,000
Deluxe Corporation 5% 2012		2,000,000		1,500,480
Helix Energy Solutions Group, Inc. 9.5% 2016		2,000,000		1,170,000
Invacare Corporation 9.75% 2015		3,000,000		