

Edgar Filing: FPA CAPITAL FUND INC - Form 40-17G/A

FPA CAPITAL FUND INC
Form 40-17G/A
September 21, 2018

First Pacific Advisors

11601 Wilshire Boulevard

Los Angeles, CA 90025

September 21, 2018

Securities and Exchange Commission

100 F Street, N.E.

Washington, D.C. 20549

VIA EDGAR

RE: Rule 17g-1 Filing

FPA Capital Fund, Inc. (Capital) (File No. 811-01596)

FPA Funds Trust (the Trust) (File No. 811-08544)

FPA Paramount Fund, Inc. (Paramount) (File No. 811-00852)

FPA New Income, Inc. (New Income) (File No. 811-01735)

FPA U.S. Value Fund, Inc. (U.S. Value) (File No. 811-03896)

Source Capital, Inc. (Source) (File No. 811-01731)

(each an FPA Fund and collectively the Funds)

Dear Sir or Madam:

Pursuant to Rule 17g-1 of the Investment Company Act of 1940, as amended (1940 Act), on behalf of the Funds, please find enclosed for filing the following:

1. The Funds Amended Joint Investment Company Blanket bond (Bond), in the amount of \$9,550,000, amended to extend the term of the Funds Bond until December 7, 2017;
2. A Secretary s Certificate certifying the resolutions adopted by the members of the Boards of Directors/Trustees of the Funds (including those members who are not interested persons of the Funds as defined in the 1940 Act) authorizing the amount, type, form and coverage of the Bond consistent with Rule 17g-1 under the 1940 Act; and
3. The allocation agreement between each FPA Fund with respect to the Bond.

The fidelity bond premium has been paid for the period October 23, 2016 to October 23, 2017 policy period. In addition, an additional premium has been paid to extend the term of the Bond until December 7, 2017.

Had Capital, the Trust, Paramount, New Income, U.S. Value and Source not been named as the insureds under the attached joint insured bond, each of Capital, the Trust, Paramount, New Income, U.S. Value and Source would have provided and maintained a single insured bond in the amount of \$750,000, \$7,900,000, \$600,000, \$2,900,000, \$525,000 and \$750,000, respectively. These amounts are at least the minimum required amounts pursuant to Rule 17g-1(d).

Please contact me at (617) 662-3969 if you have any questions.

Very truly yours,

/s/ Francine S. Hayes
Francine S. Hayes
Secretary of the Funds

Enclosures

cc: J. Richard Atwood

POLICYHOLDER NOTICE

Thank you for purchasing insurance from a member company of American International Group, Inc. (AIG). The AIG member companies generally pay compensation to brokers and independent agents, and may have paid compensation in connection with your policy. You can review and obtain information about the nature and range of compensation paid by AIG member companies to brokers and independent agents in the United States by visiting our website at www.aig.com/producercompensation or by calling 1-800-706-3102.

91222 (4/13)

INVESTMENT COMPANY BLANKET BOND

**NATIONAL UNION FIRE INSURANCE COMPANY
OF PITTSBURGH, PA**

(A stock Insurance Company, herein Called the Underwriter)

DECLARATIONS

Item 1. Name of Insured Source Capital, Inc. DBA First Pacific Advisors **BOND NUMBER**
5618242

Principal Address: Attn: Sherry Sasaki
11601 Wilshire Blvd, Suite 1200
Los Angeles, CA 90025

(Herein called the Insured)

Item 2. Bond Period from 12:01 a.m on 10/23/2016 to 12:01 a.m. on 12/07/2017.

The effective date of the termination or cancellation of this bond, standard time at the Principal Address as to each of the said dates.

Item 3. Limit of Liability

Subject to Section 9, 10, and 12 hereof:

		Limit of Liability	Deductible Amount
Insuring Agreement A	FIDELITY	\$ 9,550,000	\$ 0
Insuring Agreement B	AUDIT EXPENSE	\$ 25,000	\$ 5,000
Insuring Agreement C	ON PREMISES	\$ 9,550,000	\$ 50,000
Insuring Agreement D	IN TRANSIT	\$ 9,550,000	\$ 50,000
Insuring Agreement E	FORGERY ORALTERATION	\$ 9,550,000	\$ 50,000
Insuring Agreement F	SECURITIES	\$ 9,550,000	\$ 50,000
Insuring Agreement G	COUNTERFEIT CURRENCY	\$ 9,550,000	\$ 50,000
Insuring Agreement H	STOPPAYMENT	\$ 25,000	\$ 5,000
Insuring Agreement I	UNCOLLECTIBLE ITEMS OF DEPOSIT	\$ 25,000	\$ 5,000

OPTIONAL COVERAGE SADDDED BY RIDER:

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Insuring Agreement J	COMPUTERSYSTEMS	\$	9,550,000	\$	50,000
Insuring Agreement K	UNAUTHORIZED SIGNATURES	\$	25,000	\$	5,000
Insuring Agreement L	AUTOMATED PHONE SYSTEMS	\$	9,550,000	\$	5,000
Insuring Agreement M	TELEFAC SIMILE	\$	9,550,000	\$	50,000

If "Not Covered" is inserted above opposite any specified Insuring Agreement or Coverage, such Insuring Agreement or Coverage and any other reference thereto in this bond shall be deemed to be deleted there from.

Item 4. Office or Premises Covered Offices acquired or established subsequent to the effective date of this bond are covered according to the terms of General Agreement A. All other Insured's offices or premises in existence at the time this bond becomes effective are covered under this bond except the offices or premises located as follows:

No Exceptions

Item 5. The Liability of the Underwriter is subject to the terms of the following riders attached hereto:

103012 (10/09), 103003 (10/09), 89644 (7/05), 103004 (10/09), 103014 (10/09), 103005 (10/09), 103011 (10/09),

Omnibus Funds Coverage Rider

91222 (12/09), SR5538, 41206 (9/84), 115903 (10/13), 113022 (10/12), Rider 2, Rider 3, Rider 4, 100107(09/08/)

Item 6. The Insured by the acceptance of this bond gives notice to the Underwriter terminating or cancelling prior bond(s) or policy(ies) No.(s) N/A such termination or cancellation to be effective as of the time this bond becomes effective.

Item 7. Premium Amount: \$26,924.00

FHFC Florida Hurricane Fund:

Total Premium: \$26,924.00

Issue Date: 12/06/2016

By:

Authorized Representative

**NATIONAL UNION FIRE INSURANCE COMPANY
OF PITTSBURGH, PA**

RIDER No. 1

To be attached to and form part of Bond No 5618242.

in favor of Source Capital, Inc. DBA First Pacific Advisors.

effective as of 10/23/2016.

In consideration of the premium charged for the attached bond, it is hereby agreed that:

1. From and after the time this rider becomes effective the Insured under the attached bond are:

Source Capital, Inc.

First Pacific Advisors

FPA Capital Fund, Inc.

FPA New Income, Inc.

FPA Paramount Fund, Inc.

FPA U.S. Value Fund, Inc.

FPA Crescent Fund

FPA International Value Fund

2. The first named Insured shall act for itself and for each and all of the Insured for all the purposes of the attached bond.

3. Knowledge possessed or discovery made by the Corporate Risk Management Department, Internal Audit Department, or General Counsel Department, of any Insured or by any partner or officer thereof shall for all the purposes of the attached bond constitute knowledge or discovery by all the Insured.

4. If, prior to the termination of the attached bond in its entirety, the attached bond is terminated as to any Insured, there shall be no liability for any loss sustained by such Insured unless discovered before the time such termination as to such Insured becomes effective.

5. The liability of the Underwriter for loss or losses sustained by any or all of the Insured shall not exceed the amount for which the Underwriter would be liable had all such loss or losses been sustained by any one of the Insured. Payment by the Underwriter to the first named Insured of loss sustained by any Insured shall fully release the Underwriter on account of such loss.

SR 5538

6. If the first named Insured ceases for any reason to be covered under the attached bond, then the Insured next named shall thereafter be considered as the first named Insured for all the purposes of the attached bond.

7. The attached bond shall be subject to all its agreements, limitations and conditions except as herein expressly modified.

8. This rider shall become effective as 12:01 a.m. on 10/23/2016.

Signed, Sealed and dated

By:
Authorized Representative

SR 5538

**NATIONAL UNION FIRE INSURANCE COMPANY
OF PITTSBURGH, PA.**

Rider No. 2

This endorsement, effective 12:01 a.m. 10/23/2016, forms a part of policy number 5618242 issued to Source Capital, Inc. DBA First Pacific Advisors.

1. It is agreed that Insuring Agreement (G) COUNTERFEIT CURRENCY is deleted and replaced by the following:

Loss through the receipt by the Insured, in good faith, of any counterfeited money orders or altered paper currencies or coins.

AUTHORIZED REPRESENTATIVE

**NATIONAL UNION FIRE INSURANCE COMPANY
OF PITTSBURGH, PA.**

Rider No. 3

This endorsement, effective 12:01 a.m. 10/23/2016, forms a part of policy number 5618242 issued to Source Capital, Inc. DBA First Pacific Advisors.

1. It is agreed that Insuring Agreement (A) FIDELITY is deleted and replaced by the following:

(A) FIDELITY

Loss resulting from any dishonest or fraudulent act(s), including Larceny or Embezzlement committed by an Employee, committed anywhere and whether committed alone or in collusion with others, including loss of Property resulting from such acts of an Employee, which Property is held by the Insured for any purpose or in any capacity and whether so held gratuitously or not and whether or not the Insured is liable therefor.

Dishonest or fraudulent act(s) as used in this Insuring Agreement shall mean only dishonest or fraudulent act(s) committed by such Employee with the intent:

(a) to cause the Insured to sustain such loss, or

(b) to obtain thereby an improper financial benefit for the Employee, or for any person or entity intended by the Employee to receive such benefit.

It is agreed that loss resulting from the intentional transfer of Property to the benefit of an innocent third party, committed by the Employee in the knowledge that such third party was not lawfully entitled to such Property and which Property is not lawfully recoverable by the Insured, shall be deemed to be a loss which meets the requirements of this Insuring Agreement. Such loss must result from acts committed by the Employee with the intent to cause the Insured to sustain such loss.

Notwithstanding the foregoing however, it is agreed that with regard to Loans and Trading this bond covers only loss resulting directly from dishonest or fraudulent acts committed by an Employee with the intent to make and which result in

- (i) an improper financial benefit for the Employee, or

 - (ii) an improper financial benefit for another person or entity with whom the Employee committing the dishonest or fraudulent act was in collusion, provided that the Insured establishes that the Employee intended to participate in the financial benefit.
-

Salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other Employee benefits shall not constitute an improper financial benefit.

The word "Loan" as used in this Insuring Agreement means all extensions of credit by the Insured and all transactions creating a creditor relationship in favor of the Insured and all transactions by which the Insured assumes an existing creditor relationship.

The word "Trading" as used in this Insuring Agreement means trading or other dealings in securities, commodities, futures, options, foreign or Federal Funds, currencies, foreign exchange and the like.

2. Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, limitations, conditions or agreements of the attached bond other than as above stated.

AUTHORIZED REPRESENTATIVE

**NATIONAL UNION FIRE INSURANCE COMPANY
OF PITTSBURGH, PA.**

Rider No. 4

This endorsement, effective 12:01 a.m. 10/23/2016, forms a part of policy number 5618242 issued to Source Capital, Inc. DBA First Pacific Advisors

1. It is agreed that General Agreements, Section 4. Loss Notice Proof, Legal Proceedings is deleted and replaced by the following:

Discovery occurs when the Risk Management Department or equivalent

(a) becomes aware of facts, or

(b) receives written notice of an actual or potential claim by a third party which alleges that the Insured is liable under circumstance

which would cause a reasonable person to assume that a loss covered by the bond has been or will be incurred even though the exact amount or details of loss may not be then known.

AUTHORIZED REPRESENTATIVE

This endorsement, effective at 12:01 AM, 10/23/2016, forms a part of

Policy number: 5618242

Issued to: Source Capital, Inc. DBA First Pacific Advisors

By: National Union Fire Insurance Company of Pittsburgh

AMEND NAMED INSURED

In consideration of the premium charged, it is hereby understood and agreed the Named of Insured listed in Item 1. of the DECLARATIONS (Named Insured) shall also include any entity set forth below

ENTITY

1. First Pacific Advisors, LLC

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED

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AUTHORIZED REPRESENTATIVE

This endorsement, effective 10/23/2016 at 12:01 AM, forms a part of

Policy number: 5618242

Issued to: Source Capital, Inc. DBA First Pacific Advisors

By: National Union Fire Insurance Company of Pittsburgh, PA

OMNIBUS NAMED INSURED FOR REGISTERED INVESTMENT COMPANIES

It is agreed that:

1. Item 1 of the Declarations, Name of the Insured (herein called Insured), is amended to include any registered investment company first sponsored or managed by Source Capital, Inc. DBA First Pacific Advisors on or before the inception of the Bond Period.

It is further agreed that any new registered investment company created during the bond period that is sponsored or managed by Source Capital, Inc. DBA First Pacific Advisors is considered an Insured under this bond, provided that the assets of such registered investment company do not exceed more than 10% of the assets under management of Source Capital, Inc. DBA First Pacific Advisors.

A registered investment company ceases to be an Insured under this bond when such registered investment company is no longer sponsored or managed by Source Capital, Inc. DBA First Pacific Advisors.

2. Nothing contained here shall be held to vary, alter, waive or extend any of the terms, limitations, conditions, or agreements of the attached bond other than as above stated.

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AUTHORIZED REPRESENTATIVE

MANU (11/16)

1

This endorsement, effective at 12:01 A.M

10/23/2016 forms a part of

Policy number 5618242

Issued to: Source Capital, Inc. DBA First Pacific Advisors

By: National Union Fire Ins of Pittsburgh

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY COVERAGE TERRITORY ENDORSEMENT

Payment of loss under this policy shall only be made in full compliance with all United States of America economic or trade sanctions laws of regulations, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control (OFAC)

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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By:
Authorized Representative

89644 (7/05)

**NATIONAL UNION FIRE INSURANCE COMPANY
OF PITTSBURGH, PA**

INSURING AGREEMENT J Computer Systems

To be attached to and form part of Bond No. 5618242.

in favor of Source Capital, Inc. DBA First Pacific Advisors.

It is agreed that:

1. The attached bond is amended by adding an additional insuring agreement as follows:

COMPUTER SYSTEMS

Loss resulting directly from a fraudulent

- (1) Entry of data into, or
- (2) Change of data or programs within

a Computer System; provided the fraudulent entry or change causes

- (a) Property to be transferred paid or delivered,
 - (b) an account of the Insured, or of its customer, to be added, deleted, debited or credited;
 - (c) an unauthorized account of a fictitious account to be debited or credited;
- (3) Voice instructions or advices having been transmitted to the Insured or its agent(s) by telephone;

and provided further, the fraudulent entry or change is made or caused by an individual acting with the intent to:

- (i) cause the Insured or its agent(s) to sustain a loss, and
- (ii) obtain financial benefit for that individual or for other persons intended by that individual to receive financial benefit,
- (iii) and further provided such voice instruction or advices:
 - (a) were made by a person who purported to represent an individual authorized to make such voice instruction or advices; and
 - (b) were electronically recorded by the Insured or its agent(s).

(4) It shall be a condition to recovery under the Computer Systems Rider that the Insured or its agent(s) shall to the best of their ability electronically record all voice instructions or advices received over telephone. The Insured or its agent(s) warrant that they shall make their best efforts to maintain the electronic recording system on a continuous basis. Nothing, however, in this Rider shall bar the Insured from recovery where no recording is available because of mechanical failure of the device used in making such recording, or because of failure of the media used to record conversation from any cause, or error or omission of any Employee(s) or agent(s) of the Insured.

103003 (10/09)

SCHEDULE OF SYSTEMS

All computer systems utilized by the Insured.

2. As used in this Rider, Computer System means:

- (a) computers with related peripheral components, including storage components, wherever located,
- (b) systems and application software,
- (c) terminal devices,
- (d) related communication networks or customer communication systems, and
- (e) related Electronic Funds Transfer Systems,

by which data are electronically collected, transmitted, processed, stored, and retrieved.

3. In addition to the exclusions in the attached bond, the following exclusions are applicable to this Insuring Agreement:

- (a) loss resulting directly or indirectly from the theft of confidential information, material or data; and
- (b) loss resulting directly or indirectly from entries or changes made by an individual authorized to have access to a Computer System who acts in good faith on instructions, unless such instructions are given to that individual by a software contractor (or by a partner, officer or employee thereof) authorized by the Insured to design, develop, prepare, supply service, write or implement programs for the Insured's Computer System.

4. The following portions of the attached bond are not applicable to this Rider:

- (a) the initial paragraph of the bond preceding the Insuring Agreements which reads ...at any time but discovered during the Bond Period.

(b) Section 9-NON-REDUCTION AND NON-ACCUMULATION OF LIABILITY AND TOTAL LIABILITY

(c) Section 10-LIMIT OF LIABILITY

5. The Coverage afforded by this rider applies only to loss discovered by the Insured during the period this Rider is in force.

6. All loss or series of losses involving the fraudulent activity of one individual, or involving fraudulent activity in which one individual is implicated, whether or not that individual is specifically identified, shall be treated as one loss. A Series of losses involving unidentified individuals but arising from the same method of operation may be deemed by the Underwriter to involve the same individual and in that event shall be treated as one loss.

7. The Limit of Liability for the coverage provided by this Rider shall be (\$9,550,000), it being understood however, that such liability shall be part of and not in addition to the Limit of Liability stated in Item 3 of the Declarations of the attached bond.

8. The Underwriter shall be liable hereunder for the amount by which one loss shall be in excess of \$50,000, (herein called the Deductible amount) but not in excess of the Limit of Liability stated above.

9. If any loss is covered under this Insuring Agreement and any other Insuring Agreement or Coverage, the maximum amount payable for such loss

103003 (10/09)

shall not exceed the largest amount available under any one Insuring Agreement or Coverage.

10. Coverage under this Rider shall terminate upon termination or cancellation of the bond to which this Rider is attached. Coverage under this rider may also be terminated or cancelled without cancelling the bond as an entirety:

(a) 60 days after receipt by the Insured of written notice from the Underwriter of its desire to terminate or cancel coverage under this Rider, or

(b) Immediately upon receipt by the Underwriter of a written request from the Insured to terminate or cancel coverage under this Rider.

The Underwriter shall refund to the Insured the unearned premium for this coverage under this Rider. The refund shall be computed at short rates if this Rider is terminated or cancelled or reduced by notice from, or at the instance of, the Insured.

11. Section 4-LOSS-NOTICE-PROOF-LEGAL PROCEEDING of the Conditions and Limitations of this bond is amended by adding the following sentence:

Proof of Loss resulting from Voice Instructions or advices covered under this bond shall include Electronic Recording of such Voice Instructions or advices.

12. Notwithstanding the foregoing, however, coverage afforded by this Rider is not designed to provide protection against loss covered under a separate Electronic and Computer Crime Policy by whatever title assigned or by whatever Underwriter written. Any loss which is covered under such separate Policy is excluded from coverage under this bond; and the Insured agrees to make claim for such loss under its separate Policy.

13. Nothing herein contained shall be held to vary, alter, waiver or extend any of the terms, limitations, conditions or agreements of the attached bond other than as above stated.

14. This rider shall become effective at 12:01 a.m. Standard time on 10/23/2016.

By:
Authorized Representative

103003 (10/09)

3

**NATIONAL UNION FIRE INSURANCE COMPANY
OF PITTSBURGH, PA**

INSURING AGREEMENT K

To be attached to and form a part of Investment Company Blanket Bond No 5618242.

in favor of Source Capital, Inc. DBA First Pacific Advisors.

It is agreed that:

- (1) The attached bond is amended by adding an additional Insuring Agreement as follows:

UNAUTHORIZED SIGNATURES

Loss resulting directly from the insured having accepted, paid or cashed any check or withdrawal order, draft, made or drawn on a customer's account which bears the signature or endorsement of one other than a person whose name and signature is on the application on file with the Insured as a signatory on such account.

- (2) It shall be a condition precedent to the Insured's right of recovery under this rider that the Insured shall have on file signatures all persons who are authorized signatories on such account.

- (3) The Single Loss Limit of Liability for the coverage provided by this rider shall be \$25,000, it being understood, however, that such liability shall be part of, and not in addition to, the Aggregate Limit of Liability stated in item 3. of the Declarations of the attached bond.

- (4) The Underwriter shall not be liable under the Unauthorized Signatures Rider for any loss on account of any instrument unless the amount of such instrument shall be excess of \$5,000, (herein called Deductible Amount), and unless such loss on account of such instrument, after deducting all recoveries on account of such instrument made prior to the payment of such loss by the Underwriter, shall be in excess of such Deductible Amount and then for such excess only, but in no event more than the amount of the attached bond, or the amount of coverage under the Unauthorized Signatures Rider, if the amount of such coverage is less than the amount of the attached bond.

(5) Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, limitations, conditions, or provisions of the attached bond other than as above stated.

(6) The rider is effective as of 12:01 a.m. standard time on 10/23/2016 as specified in the bond.

By:
Authorized Representative

103004 (10/09)

**NATIONAL UNION FIRE INSURANCE COMPANY
OF PITTSBURGH, PA**

INSURING AGREEMENT L

To be attached to and form part of Bond No 5618242.

Issued to Source Capital, Inc. DBA First Pacific Advisors.

It is agreed that:

1. The attached bond is amended by adding an additional Insuring Agreement as follows:

AUTOMATED PHONE SYSTEM

I. Loss caused by an Automated Phone System (APS) Transaction, where the request for such APS Transaction is unauthorized or fraudulent and is made with the manifest intent to deceive; provided, that the entity which receives such request generally maintains and follows during the bond Period all APS Designated Procedures with respect to APS Transactions. The Unintentional isolated failure of such entity to maintain and follow a particular APS Designated Procedure in a particular instance shall not preclude coverage under this Insuring Agreement, subject to the exclusions herein and in the Bond.

1. Definitions. The following terms used in this Insuring Agreement shall have the following meanings:

a. APS Transaction means any APS Redemption, APS Exchange or APS Election.

b. APS Redemption means any redemption of shares issued by an Investment Company which is requested over the telephone by means of information transmitted by an individual caller through use of a telephone keypad.

c. APS Election means any election concerning dividend options available to Fund Shareholders which is made over the telephone by means of information transmitted by an individual caller through use of a telephone keypad.

d. APS Exchange means any exchange of shares in a registered account of one Fund into shares in an identically registered account of another Fund in the same complex pursuant to exchange privileges of the two Funds, which exchange is requested over the telephone by means of information transmitted by an individual caller through use of a telephone keypad.

e. APS Designated Procedures means all of the following procedures:

103014 (10/09)

(1) Election in Application: No APS Redemption shall be executed unless the shareholder to whose account such an APS Redemption relates has previously elected by Official Designation to permit such APS Redemption.

(2) Logging: All APS Transaction requests shall be logged or otherwise recorded, so as to preserve all of the information transmitted by an individual caller through use of a telephone keypad in the course of such a request, and the records shall be retained for at least six months.

(a) Information contained in the records shall be capable of being retrieved through the following methods:

audio tape and or transactions stored on computer disks

(b) Information contained in the records shall be capable of being retrieved and produced within a reasonable time after retrieval of specific information is requested, at a success rate of no less than 85 percent.

(3) Identity Test: The identity of the caller in any request for an APS Transaction shall be tested before execution of that APS Transaction by requiring the entry by the caller of a confidential personal identification number (PIN)

(a) Limited Attempts to Enter PIN: If the caller fails to enter a correct PIN within three attempts, the caller must not be allowed additional attempts during the same (telephone call/twenty-four hour day) to enter the PIN

(4) Written Confirmation: A written confirmation of any APS Transaction shall be mailed to the shareholder(s) to whose account such APS Transaction relates, at the original record address, by the end of the Insured's next regular processing cycle, but in no event later than five business days following such APS Transaction.

(5) Access to APS Equipment: Access to the equipment which permits the entity receiving the APS Transaction request to process and effect the transaction shall be limited in the following manner:

2. Exclusions. It is further understood and agreed that this extension shall not cover:

- a. Any loss covered under Insuring Agreement A. Fidelity , of this Bond;

- b. Any loss resulting from:
 - (1) The redemption of shares, where the proceeds of such redemption are made payable to other than
 - (i) the shareholder of record, or

103014 (10/09)

(ii) a person officially Designated to receive redemption proceeds, or

(iii) a bank account officially Designated to receive redemption proceeds, or

(2) The redemption of shares, where the proceeds of such redemption are paid by check mailed to any address, unless such address has either been

(i) designated by voice over the telephone or in writing without a signature guarantee, in either case at least thirty (30) days prior to such redemption, or

(ii) Officially Designated, or

(iii) Verified by any other procedures which may be stated below in this Rider, or

(3) The redemption of shares, where the proceeds of such redemption are paid by wire transfer to other than the shareholder s officially Designated bank account, or

(4) The Intentional failure to adhere to one or more APS Designated Procedures.

2. Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, limitations, conditions or provisions of the attached bond other than above stated.

3. This rider shall become effective as of 12:01 a.m. on 10/23/2016, standard time as specified in the bond.

By:
Authorized Representative

103014 (10/09)

**NATIONAL UNION FIRE INSURANCE COMPANY
OF PITTSBURGH, PA**

INSURING AGREEMENT M

TELEFACSIMILE TRANSMISSIONS

To be attached to and form part of Investment Company Blanket Bond No. 5618242.
issued to Source Capital, Inc. DBA First Pacific Advisors.

It is agreed that:

1. The attached bond is amended by adding an additional Insuring Agreement as follows:

TELEFACSIMILE TRANSMISSIONS

Loss resulting by reason of the Insured having transferred, paid or delivered any funds or Property, established any credit, debited any account, or given any value relying on any fraudulent instructions sent by a customer or financial institution by Telefacsimile Transmission directed to the Insured, authorizing or acknowledging the transfer, payment, or delivery of funds or property, the establishment of a credit, debiting of any account, or the giving of value by the Insured, but only if such telefacsimile instructions:

- i) bear a valid test key exchanged between the Insured and a customer or another financial institution with authority to use such test key for Telefacsimile instructions in the ordinary course of business, but which test key has been wrongfully obtained by a person who was not authorized to initiate, make, validate or authenticate a test key arrangement; and
- ii) fraudulently purport to have been sent by such customer or financial institution, but which telefacsimile instruction were transmitted without the knowledge or consent of such customer or financial institution by a person other than such customer or financial institution and which bear a forged signature.

As used in this Insuring Agreement, Telefacsimile means a system of transmitting written documents by electronic signals over telephone lines to equipment maintained by the Insured within its communication room for the purposes of reproducing a copy of said document. It does not

mean electronic communication sent by Telex, TWC, or electronic mail, or Automated Clearing House.

2. The Single Loss Limit of Liability for the coverage provided under the TELEFACSIMILE TRANSMISSIONS Insuring Agreement shall be it being understood, however, that such liability shall be part of, and not in addition to, the aggregate limit of liability stated in Item 3 of the Declaration of the attached bond.

3. The Underwriter shall be liable hereunder for the amount by which a Single Loss exceeds the Deductible Amount of \$9,550,000, but not in excess of the Single Limit of Liability stated above.

103005 (10/09)

4. Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, limitations conditions or agreements of the attached bond other than as above stated.

5. This rider is effective as of 12:01 a.m. on *10/23/2016*, standard time as specified in the attached bond.

By:

Authorized Representative

103005 (10/09)

**NATIONAL UNION FIRE INSURANCE COMPANY
OF PITTSBURGH, PA**

OMNIBUS WORDING

This endorsement, effective 12:01 a.m. 10/23/2016 forms a part of policy number 5618242

issued to Source Capital, Inc. DBA First Pacific Advisors.

It is agreed that:

1. If the Insured shall, while this bond is in force, establish any new funds other than by consolidation or merger with, purchase or acquisition of assets or liabilities of, another institution, such funds shall automatically be covered hereunder from the date of such establishment without the payment of additional premium for the remainder of the premium period.

2. If the Insured shall, while this bond is in force, require an increase in limits to comply with SEC Reg. 17g-1, due to an increase in asset size of current funds insured under the bond or by the addition of new funds, the Insured shall notify the Underwriter of such required increase in limits within 30 days of such increase in asset size and the Insured shall be entitled to receive from the Underwriter within 15 days of the Underwriter's receipt of such notice an offer for coverage hereunder for such increase in limits from the date of such increase in assets. Such coverage for increase in asset size shall be conditioned upon the Insured paying the Underwriter the required additional premium for such increase in limits, which additional premium shall be in amount determined in the sole and absolute discretion of the Underwriter.

3. Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, limitations conditions or agreements of the attached bond other than as above stated.

By:

Authorized Representative

**NATIONAL UNION FIRE INSURANCE COMPANY
OF PITTSBURGH, PA**

AMENDMENT TO TERMINATION

To be attached to and form part of Investment Company Blanket Bond No. 5618242. in favor of Source Capital, Inc. DBA First Pacific Advisors.

It is agreed that:

1. The attached bond is hereby amended by deleting Section 13. TERMINATION in its entirety and replacing it with the following:

SECTION 13. TERMINATION

The Underwriter may terminate this bond as an entirety by furnishing written notice specifying the termination date which cannot be prior to 90 days after the receipt of such written notice by each Investment Company named as Insured and the Securities and Exchange Commission, Washington, D.C. The Insured may terminate this bond as an entirety by furnishing written notice to the Underwriter. When the Insured cancels, the Insured shall furnish written notice to the Securities and Exchange Commission, Washington, D.C. prior to 90 days before the effective date of the termination. The Underwriter shall notify all other Investment Companies named as Insured of the receipt of such termination notice and the termination cannot be effective prior to 90 days after receipt of written notice by all other Investment Companies. Premiums are earned until the termination date as set forth herein.

This Bond will terminate as to any one Insured (other than a registered management investment company) immediately upon taking over of such Insured by a receiver or other liquidator or by State or Federal officials, or immediately upon the filing of a petition under any State or Federal statute relative to bankruptcy or reorganization of the Insured, or assignment for the benefit of creditors of the Insured, or immediately upon such Insured ceasing to exist, whether through merger into another entity, or by disposition of all of its assets.

This Bond will terminate as to any registered management investment company upon the expiration of 90 days after written notice has been given to the Securities and Exchange Commission, Washington, D.C.

The Underwriter shall refund the unearned premium computed at short rates in accordance with the standard short rate cancellation tables if terminated by the Insured or pro rata terminated for any other reason.

This bond shall terminate

a. as to any Employee as soon as any partner, officer or supervisory Employee of the Insured, who is not in collusion with such Employee, shall learn of any dishonest or fraudulent act(s), including Larceny or Embezzlement on the part of such Employee without prejudice to the loss of any Property then in transit in the custody of such Employee and upon the expiration of ninety (90) days after written notice has been given to the Securities and Exchange Commission, Washington, D.C. (See Section 16(d)) and to the Insured Investment Company, or

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b. as to any Employee 90 days after receipt by each Insured and by the Securities and Exchange Commission of a written notice from the Underwriter of its desire to terminate this bond as to such Employee, or

c. as to any person, who is a partner, officer or employee of any Electronic Data Processor covered under this bond, from and after the time that the Insured or any partner or officer thereof not in collusion with such person shall have knowledge or information that such person has committed any dishonest or fraudulent act(s), including Larceny or Embezzlement in the service of the Insured or otherwise, whether such act be committed before or after the time this bond is effective and upon the expiration of ninety (90) days after written notice has been given by the Underwriter to the Securities and Exchange Commission, Washington DC and to the insured Investment Company.

2 Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, limitations, conditions, or provisions of the attached bond other than as above stated.

3 This rider is effective as of 12:01 a.m. on 10/23/2016.

By:
Authorized Representative

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This endorsement, effective at 12:01 AM, 10/23/2016, forms a part of

Policy number 5618242

Issued to: Source Capital, Inc. DBA First Pacific Advisors

By: National Union Fire Ins Co of Pittsburgh

COMPUTER CRIME COVERAGE RIDER

In consideration of the premium charged, it is hereby understood and agreed that bond is hereby amended as follows:

1. All the terms and conditions of bond form 41206 (09/84) shall apply to coverage as is afforded by this endorsement unless specifically stated otherwise herein or in any endorsement attached hereto.

2. Items 4 of the Declarations is hereby amended by adding the following under Optional Insuring Agreements and Coverages:

	Single Loss Limit of Liability	Single Loss Deductible
Computer Systems Fraud	\$ 9,550,000	\$ 50,000
Data Processing Service Operations	\$ 9,550,000	\$ 50,000
Voice Initiated Transfer Fraud	\$ 9,550,000	\$ 50,000
Telefacsimile Transfer Fraud	\$ 9,550,000	\$ 50,000
Destruction of Data or Programs by Hacker	\$ 9,550,000	\$ 50,000
Destruction of Data or Programs by Virus	\$ 9,550,000	\$ 50,000
Voice Computer Systems Fraud	\$ 9,550,000	\$ 50,000

3. The Declarations page is hereby amended by adding the following paragraph to the end thereof:

Item 7.

Voice Initiated Transfer Fraud

Under the terms of the Voice Initiated Transfer Fraud Insuring Agreement, the Insured must place verification call-back for each transfer in excess of **\$ 50,000**.

Telefacsimile Transfer Fraud

Under the terms of the Telefacsimile Transfer Fraud Insuring Agreement, the Insured must place a Verification call-back for each transfer in excess of **\$ 50,000**.

4. The Insuring Agreements are hereby amended by adding the following Insuring Agreements to the Bond:

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COMPUTER SYSTEMS FRAUD

(G) Loss resulting directly from a fraudulent:

- (1) entry of Electronic Data or Computer Program into, or
- (2) change of Electronic Data or Computer Program within

any Computer System operated by the Insured, whether owned or leased; or any Computer System identified in the application for this bond; or a Computer System first used by the Insured during the bond period; as provided by General Agreement B; provided the entry or change causes:

- (i) Property to be transferred, paid or delivered,
- (ii) an account of the Insured, or of its customer, to be added, deleted, debited or credited, or
- (iii) an unauthorized account or a fictitious account to be debited or credited.

In this Insuring Agreement, fraudulent entry or change shall include such entry or change made by an Employee of the Insured acting in good faith:

- (a) on an instruction from a software contractor who has a written agreement with the Insured to design, implement or service programs for a Computer System covered by this Insuring Agreement, or
- (b) on an instruction transmitted by Tested telex or similar means of Tested communication identified in the application for this bond purportedly sent by a customer, financial institution or automated clearing house.

DATA PROCESSING SERVICE OPERATIONS

(H) Loss sustained by a Client of the Insured resulting directly from a fraudulent:

- (1) entry of Electronic Data or a Computer Program into, or
- (2) change of Electronic Data or a Computer Program within

a Computer System covered under the terms of the **COMPUTER SYSTEMS FRAUD** Insuring Agreement, or

(3) entry or change of Electronic Data during electronic transmission or physical transit from the Insured to its Client, provided that the entry or change causes:

(i) Property to be transferred, paid or delivered,

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- (ii) an account of the Client, or a customer of the Client, to be added, deleted, debited or credited, or
- (iii) an unauthorized account or a fictitious account to be debited or credited,

and for which loss the Insured is legally liable to the Client as a provider of data processing services for such Client.

In this Insuring Agreement, fraudulent entry or change shall include such entry or change made by an Employee of the Insured acting in good faith:

- (a) on an instruction from a software contractor who has a written agreement with the Insured to design, implement or service programs for a Computer System covered by this Insuring Agreement, or
- (b) on an instruction transmitted by Tested telex or similar means of Tested communication identified in the application for this bond purportedly sent by a customer, financial institution or automated clearing house.

In this Insuring Agreement, Client means an entity for which the Insured serves as data processor under the terms of a written agreement.

VOICE INITIATED TRANSFER FRAUD

(I) Loss resulting directly from the Insured having, in good faith, transferred Funds from a Customer's account through a Computer System covered under the terms of the **COMPUTER SYSTEMS FRAUD** Insuring Agreement in reliance upon a fraudulent voice instruction transmitted by telephone which was purported to be from:

- (1) an officer, director, partner or employee of a Customer of the Insured who was authorized by the Customer to instruct the Insured to make such transfer,
- (2) an individual person who is a Customer of the Insured, or
- (3) an Employee of the Insured in another office of the Insured who was authorized by the Insured to instruct other Employees of the Insured to transfer Funds,

and was received by an Employee of the Insured specifically designated to receive and act upon such instructions, but the voice instruction was not from a person described in (1), (2) or (3) above, provided that:

- (i) such voice instruction was electronically recorded by the Insured and required password(s) or code word(s) given; and
- (ii) if the transfer was in excess of the amount shown on the Declarations Page as the verification call-back amount for this Insuring Agreement, the voice instruction was verified by a call-back according to a prearranged procedure.

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As used in this Insuring Agreement, Customer means an entity or individual which has a written agreement with the Insured authorizing the Insured to rely on voice instructions to initiate transfers and has provided the Insured with the names of persons authorized to initiate such transfers, and with which the Insured has established an instruction verification mechanism.

TELEFACSIMILE TRANSFER FRAUD

(J) Loss resulting directly from the Insured having, in good faith, transferred or delivered Funds, Certificated Securities or Uncertificated Securities through a Computer System covered under the terms of the **COMPUTER SYSTEMS FRAUD** Insuring Agreement in reliance upon a fraudulent instruction received through a Telefacsimile Device, and which instruction:

- (1) purports and reasonably appears to have originated from:
 - (a) a Customer of the Insured,
 - (b) another financial institution, or
 - (c) another office of the Insured

but, in fact, was not originated by the Customer or entity whose identification it bears, and

- (2) contains a valid test code which proves to have been used by a person who was not authorized to make use of it, and
- (3) contains the name of a person authorized to initiate such transfer;

provided that, if the transfer was in excess of the amount shown on the Declarations as the verification call-back amount for this Insuring Agreement, the instructions was verified by a call-back according to a prearranged procedure.

As used in this Insuring Agreement, Customer means an entity or individual which has a written agreement with the Insured authorizing the Insured to rely on Telefacsimile Device instructions to initiate transfers and has provided the Insured with the names of persons authorized to initiate such transfers, and with which the Insured has established an instruction verification mechanism.

DESTRUCTION OF DATA OR PROGRAMS BY HACKER

(K) Loss resulting directly from the malicious destruction of, or damage to, Electronic Data or Computer Programs owned by the Insured or for which the Insured is legally liable while stored within a Computer System covered under the terms of the **COMPUTER SYSTEMS FRAUD** Insuring Agreement.

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The liability of the Company shall be limited to the cost of duplication of such Electronic Data or Computer Programs from other Electronic Data or Computer Programs which shall have been furnished by the Insured.

In the event, however, that destroyed or damaged Computer Programs cannot be duplicated from other Computer Programs, the Company will pay the cost incurred for computer time, computer programmers, consultants or other technical specialists as is reasonable necessary to restore the Computer Programs to substantially the previous level of operational capability.

DESTRUCTION OF DATA OR PROGRAMS BY VIRUS

(L) Loss resulting directly from the malicious destruction of, or damage to, Electronic Data or Computer Programs owned by the Insured or for which the Insured is legally liable while stored within a Computer System covered under the terms of the **COMPUTER SYSTEMS FRAUD** Insuring Agreement if such destruction or damage was caused by a computer program or similar instruction which was written or altered to incorporate a hidden instruction designed to destroy or damage Electronic Data or Computer Programs in the Computer System in which the computer program or instruction so written or so altered is used.

The liability of the Company shall be limited to the cost of duplication of such Electronic Data or Computer Programs from other Electronic Data or Computer Programs which shall have been furnished by the Insured.

In the event, however, that destroyed or damaged Computer Programs cannot be duplicated from other Computer Programs, the Company will pay the cost incurred for computer time, computer programmers, consultants or other technical specialists as is reasonably necessary to restore the Computer Programs to substantially the previous level of operational capability.

Special Condition: Under this Insuring Agreement, **Single Loss** means all covered costs incurred by the Insured between the time destruction or damage is discovered and the time the Computer System is restored to substantially the previous level of operational capability. Recurrence of destruction or damage after the Computer System is restored shall constitute a separate **Single Loss**.

VOICE COMPUTER SYSTEM FRAUD

(M) Loss resulting directly from charges for voice telephone long-distance toll calls which were incurred due to the fraudulent use or fraudulent manipulation of an Account Code or System Password required to obtain access to a Voice Computer System owned or leased by the Insured, installed on the Insured's premises, whose System Administration is performed and controlled by the Insured; provided, however, that the unauthorized access was not made possible by

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- (1) failure to incorporate a System Password feature or failure to change the System Password at least once every 30 days thereafter, or
- (2) failure to have a call-disconnect feature in operation to automatically terminate a caller's access to the Voice Computer System after not more than three unsuccessful attempts to input an Account Code.

Special Condition: Under this Insuring Agreement, Single Loss means loss resulting from toll call charges made only on telephone lines directly controlled by one Voice Computer System and only toll call charges occurring for a period of not more than 30 days inclusive of the date on which the first such toll call charge was made.

5. GENERAL AGREEMENTS B. ADDITIONAL OFFICES OR EMPLOYEES-CONSOLIDATION, MERGER OR PURCHASE OF ASSETS-NOTICE is hereby deleted in its entirety and is replaced with the following:

ADDITIONAL OFFICES OR EMPLOYEES OR COMPUTER SYSTEMS - CONSOLIDATION, MERGER OR PURCHASE OF ASSETS
OR COMPUTER SYSTEMS

B. If the Insured shall, while this bond is in force, establish any additional offices, other than by consolidation or merger with, or purchase or acquisition of assets or liabilities or computer systems of, another institution, such offices and computer systems shall be automatically covered hereunder from the date of such establishment without the requirement of notice to the Underwriter or the payment of additional premium for the remainder of the premium period.

If the Insured shall, while this bond is in force, consolidate or merge with, or purchase or acquire assets or liabilities or computer systems of, another institution, the Insured shall not have such coverage as is afforded under this bond for loss which:

- (a) has occurred or will occur in offices or premises or computer systems, or
- (b) has been caused or will be caused by an employee or employees of such institution, or
- (c) has arisen or will arise out of the assets or liabilities or computer systems acquired by the Insured as a result of such consolidation, merger or purchase of assets or liabilities or computer systems unless the Insured shall:
 - (i) give the Underwriter written notice of the proposed consolidation, merger or purchase of assets or liabilities or computer systems prior to the proposed effective date of such action; and
 - (ii) obtain the written consent of the Underwriter to extend the coverage provided by this bond to such additional offices or premises or computer systems, Employees and other exposures; and

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- (iii) upon obtaining such consent, pay to the Underwriter an additional premium.