MILLER INCOME FUND

Q1 | March 31, 2024

MILLER VALUE PARTNERS

millervaluefunds.com

MANAGER COMMENTARY

Staying Flexible and Concentrated in a Time of Froth

The Miller Income Fund Class I (LMCLX) returned 12.00% in the first calendar quarter of 2024, while the benchmark ICE BofA US High Yield Index returned 1.52%. Risk performed well in the credit market, with CCC-rated bonds outperforming B-rated bonds, which outperformed the even safer BB-rated bonds. High yield did better than investment grade credit, which outperformed the BBG U.S. Aggregate Index's -0.78% pullback. Inflation expectations popped again, with the bond market now expecting 2.7% annually over the next two years, up from 2.0% at the beginning of the quarter. Mortgage rates and commodities found some footing and ended the quarter higher. The continued economic momentum helped fuel the S&P 500's 10.56% total return with remarkable breadth across industry groups. This strength is not lost on our benchmark, which ended the quarter near multi-decade lows on the extra yield it provides over risk-free rates.

The Fund continued to benefit from its flexibility and ability to concentrate where we see value across the capital spectrum. With many valuations appearing frothy in the current environment, we can concentrate in idiosyncratic and deeply discounted value ideas. Why buy an assortment of bonds collectively trading at peak valuations when you can concentrate in a portfolio of best ideas whose objective is to outperform the dear benchmark?

LMCLX

FUND FACTS

Objective: Seeks to provide a high level of income while maintaining potential for growth

Portfolio Manager:	Bill Miller IV, CFA, CMT
Fund Assets:	$159.8 million
Inception Date:	02/28/2014
Benchmark:	ICE BofA High Yield Index
Class I Expenses :	Gross: 1.12% / Net 0.99%

PORTFOLIO CHARACTERISTICS

Number of Holdings	30
Wtd Avg Market Cap (Equities)	$17.52B
Dividend Frequency	Quarterly
Turnover	49.04%

YIELD

Current Yield (Class I)	6.04%
30-Day SEC Yield w/ Waiver	4.45%
30-Day SEC Yield w/o Waiver	4.29%

Average Annual Total Returns (%) /

		Annualized			
As of 3/31/24	Qtr	1 Yr	3 Yr	5 Yr	10 Yr
LMCLX (Class I)	12.00	31.80	2.73	6.94	4.95
ICE BofA US High Yield Index	1.52	11.12	2.25	4.06	4.38
S&P 500 Index	10.56	29.88	11.49	15.05	12.96

Performance shown represents past performance and is no guarantee of future results. *Current performance may be higher or lower than the performance shown. Investment return and principal value will fluctuate so shares, when redeemed, may be worth more or less than the original cost. Total returns assume the reinvestment of all distributions at net asset value and the deduction of all Fund expenses. Total return figures are based on the NAV per share applied to shareholder subscriptions and redemptions, which may differ from the NAV per share disclosed in Fund shareholder reports. Performance would have been lower if fees had not been waived in various periods. Numbers may be the same due to rounding. YTD is calculated from January 1 of the reporting year. For the most recent month-end information, please call 888-593-5110 or visit millervaluefunds.com.*

Miller Value Partners, LLC (the Adviser) has contractually agreed to waive certain fees and/or other reimburse certain expenses through 1/31/2025. Please reference the prospectus for detailed information.

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When the Strategy is performing well and valuations in the portfolio remain as low as they are, we are hesitant to make many changes. However, remaining vigilant against investment mistakes and constantly searching for ways to improve the portfolio are both critical components of the process. This past quarter, we eliminated two mistakes and two winners that were approaching fair value. After Medical Properties Trust (MPW) announced yet another investment in a flailing tenant despite avowing to avoid the practice, we were forced to acknowledge our mistake and sell the stock. We liquidated what was left of Medifast (MED) after continued struggles in the face of weight loss drugs. H&R Block and Vonovia both approached our estimate of fair value, so we used those sales to fund more compelling ideas.

One of our newest holdings is Chord Energy (CHRD), a Williston-basin energy exploration consolidator with a thoughtful capital allocation framework, strong balance sheet and great assets that have low breakeven costs and long lives. Management is aligned with shareholders with approximately 70% of total CEO compensation at risk, and the company recently announced a merger with enerplus, which looks like a good move.

The portfolio also recently bought its first utility. UGI Corp. (UGI) distributes natural gas and electricity as well as liquid propane gas through its AmeriGas subsidiary, which is the largest retail propane distributor in the US. A true "dividend aristocrat," UGI has paid shareholders a dividend for 139 consecutive years and looks poised to boost its dividend for the 37th consecutive year. At today's price, the stock trades near its lowest price/earnings multiple in history, despite sporting a 6% yield with a plan to grow earnings power at a high single-digit rate. We also initiated a position in financial services provider Lincoln National (LNC), which just broke out to a 52-week high and looks inexpensive relative to its earnings power.

We are excited about the improvements we made to the portfolio over the last quarter, and we remain optimistic about the portfolio's prospects. As always, we remain the largest investors in the Strategy and welcome any questions and comments.

Bill Miller IV, CFA CMT
Miller Value Partners
@billfour

TOP 10 HOLDINGS BY ISSUER

Stellantis NV	7.60%
MicroStrategy Inc.	7.11%
AT&T Inc.	6.46%
Jackson Financial Inc.	5.41%
OneMain Holdings Inc.	4.88%
Western Alliance Bancorp	4.85%
Bread Financial Holdings Inc.	4.72%
CTO Realty Growth Inc.	4.70%
Viatris Inc.	4.62%
The Cannabist Co Holdings Inc.	4.25%
Total	**54.60%**

ASSET ALLOCATION

Equity	76.8%
Common Equity	72.1%
Real Estate Investment Trusts (REITs)	4.7%
Bonds	23.2%

SECTOR EXPOSURE

Financials	23.2%
Industrials	19.6%
Consumer Discretionary	12.9%
Communication Services	9.2%
Consumer Staples	7.4%
Information Technology	7.1%
Health Care	6.7%
Energy	5.3%
Real Estate	4.7%
Utilities	2.6%
Materials	1.4%

TOP CONTRIBUTORS

MicroStrategy Inc 0.75% 12/15/2025 was the top contributor during the quarter. Bitcoin performed very strongly in the quarter, gaining 68.9% in the period, while also posting a new all-time high of $73.8K. After ending 2023 with 190K bitcoin, MicroStrategy purchased another 24.2K bitcoin subsequent to reporting 4Q23 results, pushing the company's holdings to 214.2K bitcoin as of 3/18/24.

Stellantis NV (STLA) was another top performer during the quarter. The auto manufacturer reported full-year 2023 (FY23) revenue of €189.5B ($204.5B), +5.5% year-over-year (Y/Y), ahead of consensus of €189.3B ($204.3B), and Adjusted earnings per share (EPS) of €6.42 ($6.93), +7.2% Y/Y, ahead of consensus of €5.88 ($6.34). FY23 industrial free cash flow (FCF) was €12.9B ($13.9B), or a FCF/Enterprise Value (EV) yield of 21.9%. After returning €6.6B ($7.1B) to shareholders via dividends and buybacks in 2023, the company's board of directors proposed an annual dividend of €1.55/share ($1.67), or a 5.9% yield, and management announced a new buyback program of €3.0B ($3.2B), or ~3.6% of the company's market cap.

Jackson Financial Inc (JXN) reported 4Q23 adjusted operating EPS of $2.53, compared to 4Q22 EPS of $5.66, below consensus of $3.49. Registered index-linked annuity (RILA) sales rose 78.6% Y/Y to $1.0B in the quarter, while FY23 annuity sales fell -18.5% Y/Y to $12.8B. The company returned $117MM to shareholders in 4Q23, bringing FY23 shareholder capital returns to $464MM, or ~9.1% of the company's market cap. Management raised its quarterly dividend by 12.9% to $0.70/share (~4.2% yield), and established a 2024 shareholder capital return target of $600MM (11.7% of market cap) at the midpoint.

TOP DETRACTORS

Medical Properties Trust (MPW) was the top detractor for the quarter and the strategy exited. Tenant issues continued to plague the health care real estate investment trust (REIT) during the quarter, as management announced a $350MM write-down due to uncollected rent from its largest tenant, Steward Health Care System, while also agreeing to provide a new $60MM loan to Steward. Management later disclosed on the 4Q23 earnings call that Steward only paid approximately 25% of all rent and interest owed to Medical Properties Trust in 4Q23, but simultaneously announced it was negotiating a new bridge facility for the struggling tenant along with some of Steward's asset backed lenders.

The Buckle Inc (BKE) reported declining comps through the quarter. The retailer generated FY23 FCF of $217.4MM, or a FCF yield of 10.6%, with no debt other than store leases.

Vonovia SE (VNA GY) disappointed, with the market share price declining -4.0% in the quarter. The strategy eliminated this position in favor of better opportunities.

The fund does not directly invest in Bitcoin. Bitcoin and other cryptocurrencies are a relatively new asset class and are subject to unique and substantial risks.

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OBJECTIVE

Seeks to provide a high level of income while maintaining potential for growth

AVAILABLE SHARE CLASSES

A	LMCJX	I	LMCLX
C	LCMNX	IS	LMCMX
FI	LMCKX		

PORTFOLIO MANAGER

Bill Miller IV, CFA, CMT

ADVISOR SERVICES

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FUND PROFILE

Approach: Active, Value-Oriented

Geography: Predominantly US

Average Portfolio Size: 20-40

Market Cap: Flexible

Average Holding Period: 3-5 years

MILLER VALUE PARTNERS

Flexible. Aligned. Transparent. These are the hallmarks of Miller Value's guiding principles as investment professionals. The team manages distinct portfolios rooted in the philosophy and process developed by founder Bill Miller. The team remains the largest investors in the Firm's strategies, creating important alignment with investors.

The **ICE BofA US High Yield Index** tracks the performance of below-investment-grade, but not in default, U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market, and includes issues with a credit rating of BBB or below, as rated by Moody's and S&P. The **Bloomberg US Aggregate Bond Index** is a broad base, market capitalization-weighted bond market index representing intermediate term investment grade bonds traded in the United States. The **S&P 500 Index** is a market capitalization-weighted index of 500 widely held common stocks. Investors cannot invest directly in an index and unmanaged index returns do not reflect any fees, expenses or sales charges. **Price to earnings** is the market price per share divided by earnings per share. **Earnings per share (EPS)** is the portion of a company's profit allocated to each outstanding share of common stock and serves as an indicator of a company's profitability. **Free cash flow** is earnings before depreciation, amortization, and non-cash charges minus maintenance capital expenditures. **Enterprise value (EV)** is a measure of a company's total value.

Equity securities are subject to price fluctuation and possible loss of principal. Small- and mid-cap stocks involve greater risks and volatility than large-cap stocks. Real estate investment trusts (REITs) are closely linked to the performance of the real estate markets. REITs are subject to illiquidity, credit and interest rate risks, and risks associated with small and mid-cap investments. Asset-backed, mortgage-backed or mortgage-related securities are subject to prepayment and extension risks. Investments in MLP securities are subject to unique risks, including the risks of MLPs and the energy sector, including the risks of declines in energy and commodityprices, decreases in energy demand, adverse weather conditions, natural or other disasters, changes in government regulation, and changes in tax laws. Short selling is a speculative strategy. Unlike the possible loss on a security that is purchased, there is no limit on the amount of loss on an appreciating security that is sold short. International investments are subject to special risks, including currency fluctuations and social, economic and political uncertainties, which could increase volatility. These risks are magnified in emerging markets. Fixed-income securities involve interest rate, credit, inflation, and reinvestment risks; and possible loss of principal. As interest rates rise, the value of fixed-income securities falls. High yield bonds are subject to greater price volatility, illiquidity, and possibility of default. As a non-diversified Fund, it is permitted to invest a higher percentage of its assets in any one issuer than a diversified fund, which may magnify the Fund's losses from events affecting a particular issuer. Derivatives, such as options and futures, can be illiquid, may disproportionately increase losses, and have a potentially large impact on Fund performance.

The views expressed are those of the portfolio managers as of the date indicated, are subject to change, and may differ from the views of other portfolio managers or the firm as a whole. These opinions are not intended to be a forecast of future events, a guarantee of future results, or investment advice. All data referenced are from sources deemed to be reliable but cannot be guaranteed. Discussions of individual securities are intended to inform shareholders as to the basis (in whole or in part) for previously made decisions by a portfolio manager to buy, sell or hold a security in a portfolio. References to specific securities are not intended and should not be relied upon as the basis for anyone to buy, sell or hold any security. Portfolio holdings and sector allocations may not be representative of the portfolio manager's current or future investment and are subject to change at any time. Dividends are not guaranteed and a company's future ability to pay dividends may be limited.

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