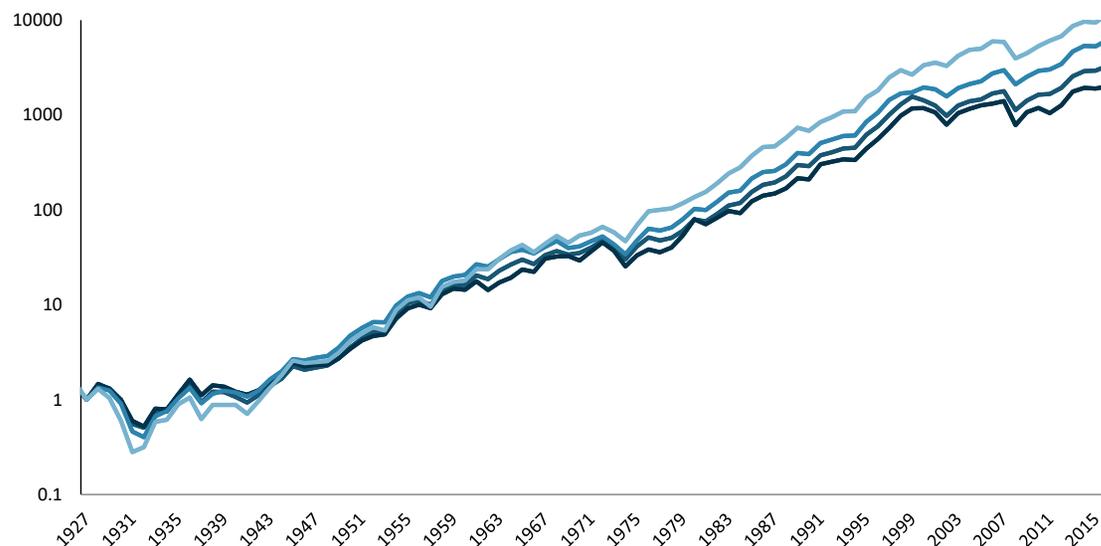


High dividend payers have set a strong precedent.

The highest-yielding 30% of US Stocks have outperformed the market by a wide margin, with only marginally more volatility than the market since 1927. We believe this is an appealing group because of:

- **Capital Discipline:** Securities that compel management teams to pay out a high level of cash flow may encourage a more rigorous approach to capital allocation changes.
- **Valuation:** Stocks with high dividend yields often have less demanding valuations.
- **Less Uncertainty on Marginal Returns:** Companies that pay out a high portion of their earnings may be less likely to see big swings in incremental returns on invested capital, which may help reduce volatility

Return on US Stocks by Yield, 1927 - 2017¹



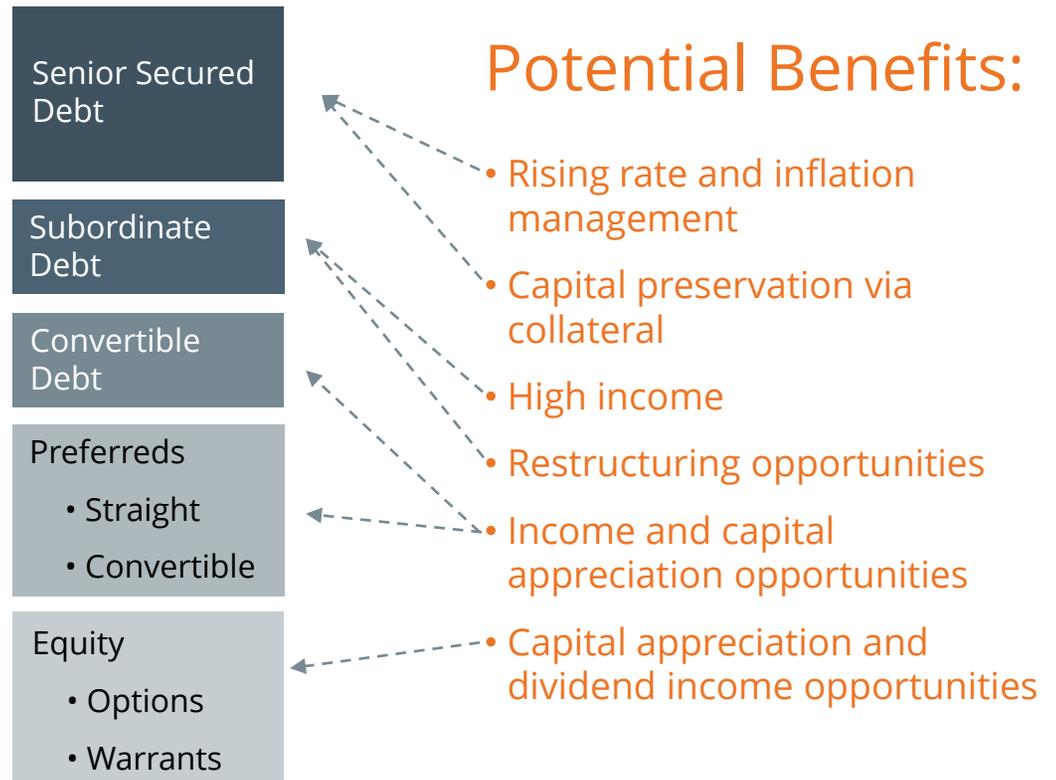
	Annualized Return	Information Ratio ²
Top 30% by Yield	10.9%	0.19
Mid 40% by Yield	10.2%	0.12
Market	9.3%	N/A
Bottom 30% by Yield	8.7%	-0.04

¹Source: Miller Value Partners analysis based on data from the websites of Ken French (Tuck at Dartmouth) and Aswath Damodaran (NYU Stern). Returns sourced from the Center for Research in Security Prices (CRSP). Monthly returns for the period July 1927 - December 2017 and annual returns for the period 1928 - 2017 were used in the analysis for all NYSE, AMEX, and NASDAQ stocks for which we have a market value. For more information, visit <http://mba.tuck.dartmouth.edu/pages/faculty/ken.french/index.html> ²Defined as the average annual excess return over the market divided by the standard deviation of excess returns. Dividends represent past performance and there is no guarantee they will continue to be paid. While dividends may cushion returns in down markets, investments are still subject to loss of the principal amount invested.

We navigate up and down the capital structure to find what we believe are the best income-generating values.

Our **FLEXIBLE** approach allows us to invest tactically in the asset classes we think are likely to generate the best risk-adjusted returns.

- Able to invest at all levels of the capital structure
- Can own high-yield corporate debt, income-paying common stock, preferred shares, convertible securities, REITs, business development companies, MLPS and more
- Expect to invest in U.S. and foreign equity and debt markets



Our Strategy offers a differentiated approach to fixed income.



Our fundamental, cash-flow-focused investment approach can help us select unique, higher-yielding, undervalued securities across the capital structure as we seek to generate attractive risk-adjusted returns.

- Any asset's intrinsic value = the present value of its future cash flows
- Because equity investment is a *residual* cash flow, we study and understand all senior securities in the capital structure of each name we own during our research process
- We target high-yielding securities at significant discounts to their intrinsic values

Portfolio Construction

Bottom-up, cash-flow focus

Turnover Driver

Name-by-name fundamental prospects

Holdings

30-60, historically

Asset Focus

Flexible -- REITs, BDCs, MLPs, C-corps, preferreds, equipment trust certificates, bank loans, options (covered calls), etc