

Income Strategy Composite Performance Disclosures



Period Ending December 31	Composite Assets		Total Firm Assets at Period End (millions)	Accounts at Period End	Asset-Weighted Annual		Merrill Lynch US High Yield Master II Index	S&P 500 Index	Composite Dispersion ³	3 Year Standard Deviation		
	U.S. Dollars (millions)	Percentage of Total Firm Assets			Gross of Fees	Net of Fees				Income Opportunity Strategy ³	Merrill Lynch US High Yield Master II Index ⁴	S&P 500 Index ⁴
2017 ¹	131	6%	2,348	Five or fewer	17.88%	16.73%	7.47%	21.83%	N.A.	12.59%	5.67%	10.07%
2016	98	5%	1,818	Five or fewer	15.41%	14.28%	17.49%	11.96%	N.A.	12.30%	6.09%	10.74%
2015	85	3%	2,948	Five or fewer	-13.88%	-14.75%	-4.64%	1.38%	N.A.	11.26%	5.34%	10.62%
2014	101	4%	2,700	Five or fewer	3.12%	2.11%	2.50%	13.69%	N.A.	8.85%	4.51%	9.10%
2013	43	2%	2,245	Five or fewer	27.82%	26.57%	7.42%	32.39%	N.A.	10.73%	6.52%	12.11%
2012	33	<1%	6,836	Five or fewer	23.93%	22.72%	15.58%	16.00%	N.A.	11.89%	7.13%	15.30%
2011	27	<1%	8,397	Five or fewer	-7.16%	-8.08%	4.38%	2.11%	N.A.	N.A.	N.A.	N.A.
2010	29	<1%	15,838	Five or fewer	28.70%	27.45%	15.19%	15.06%	N.A.	N.A.	N.A.	N.A.

¹As of 12/31/2017 ²Partial period from 04/03/09 to 12/31/09 ³N.A. – Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year. ⁴N.A. – Three year annualized standard deviation is not presented because 36 monthly returns are not available.

- The Income Opportunity Strategy composite is comprised of one or more discretionary accounts with no material investment restrictions which can invest in a wide variety of primarily income producing securities. The Strategy's objective is to seek to provide investors with a high total return over time by emphasizing a high level of current income along with moderate capital appreciation. A flexible investment approach is utilized which is not restrained by investment style or asset class. Investments may be made in securities such as, but not limited to, corporate debt, lower-rated securities, U.S. government obligations, sovereign debt, high yield securities, variable and floating rate securities, inflation indexed-securities, mortgage-backed and asset-backed securities, common stocks, convertible securities, collective investment schemes, private investment companies, open or closed end mutual funds, exchange traded funds, real estate investment trusts. Investments may also be made in the form of derivatives, including, but not limited to, options, futures, swaps, caps, floors, collars, as well as synthetic short strategies for hedging or other purposes. Clients should be aware of the possibility of leverage through margin accounts and other borrowing techniques. The composite does not maintain a minimum market value requirement, nor have any balanced portfolio segments.
- Gross and net of fee performance results for the Income Opportunity Strategy composite: (a) include the reinvestment of all dividends and income; and (b) were computed on a trade date basis. New discretionary accounts are eligible to join the composite after one full month of performance. "Weighted" performance measures the average performance of all portfolios in the composite weighted by size. The U.S. dollar is the currency used to express performance. Portfolio returns are calculated daily using the Modified Dietz method. Additional information regarding policies for valuing portfolios, calculating and reporting returns are available upon request.
- The "gross" of fees performance figures reflect the day-weighted performance of assets (including cash reserves) managed for the period and do not reflect the deduction of our investment management fees, but do reflect the deduction of trading commissions and withholding taxes. The "net" of fees performance figures reflect the deduction of trading commissions, withholding taxes, and a model fee equal to 1%, the maximum investment management fee under our fee schedule for Income Opportunity separate accounts. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size. In February 2015, Miller Value Partners recalculated and restated "net" of fees performance for the period from March 2014 to December 2014. Previously, Miller Value Partners calculated performance for this period by deducting an amount of expenses greater than the model fee that is currently deducted (see above), which resulted in lower "net" of fees performance than is shown in this presentation.
- The primary index is the **ICE BofA Merrill Lynch U.S. High Yield Master II Index** and is a broad measure of the high yield market, composed of high yield bonds issued by U.S. and non-U.S. issuers. The secondary index is the **S&P 500 Index** which represents the large-cap segment of the U.S. equity markets and consists of approximately 500 leading companies in leading industries of the U.S. economy. Criteria evaluated include: market capitalization, financial viability, liquidity, public float, sector representation, and corporate structure. An index constituent must also be considered a U.S. company.
- The dispersion of annual returns is measured by the standard deviation of asset-weighted portfolio returns represented within the composite for the full calendar year.
- The Income Opportunity composite was created May 1, 2009.
- In March 2016, LMM's principals established Miller Value Partners, LLC ("Old MVP"), a separate registered investment advisor that would serve as advisor to new accounts and strategies. Effective July 2017, Old MVP assigned all accounts and strategies to LMM LLC and withdrew its registration as an investment adviser and discontinued operating as a separate company. Subsequently, LMM LLC changed its name to Miller Value Partners, LLC ("New MVP"). The Firm is now defined to include only New MVP. This piece is intended solely for current or prospective investment management clients of Miller Value Partners, is for informational purposes only, and should not be construed as a research report, a recommendation, or an offer to buy or sell any security referred to herein, including any mutual fund managed by Miller Value Partners.
- The Firm claims compliance with the Global Investment Performance Standards (GIPS ®) and has prepared and presented this report in compliance with the GIPS standards. The Firm was independently verified for the periods January 1, 2010 through December 31, 2012 by McGladrey & Pullen, LLP, periods January 1, 2004 through December 31, 2009 by Ernst & Young LLP and periods January 1, 1988 through December 31, 2003 by Ashland Partners & Company LLP. The verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. A list of composite descriptions and policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.