Patient Capital Management

3Q 2024

QUARTERLY INVESTMENT REVIEW

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During the third quarter of 2024, the Patient Opportunity Trust Class I generated a total return of 5.93% net of fees. In comparison, the Fund's unmanaged benchmark, the S&P 500 Index, returned 5.89%.

Using a three-factor performance attribution model, allocation and selection effects contributed to the portfolio's outperformance, which were partially offset by interaction effects. **QXO Inc. (QXO), Alibaba Group Holdings (BABA), Expedia Group Inc. (EXPE), IAC Inc. (IAC),** and **Illumina Inc. (ILMN)** were the largest contributors to performance, while **Kosmos Energy Ltd. (KOS), Precigen Inc. (PGEN), Seadrill Limited (SDRL), Alphabet Inc. (GOOGL),** and **Biogen Inc. (BIIB**) were the largest detractors.

Top Ten by Issuer as of 9/30/24

Name	% of Portfolio
QXO, Inc.	6.4
Amazon.com, Inc.	6.3
Alphabet Inc.	5.3
Citigroup Inc.	5.0
Expedia Group, Inc.	5.0
IAC Inc.	4.7
Energy Transfer LP	4.5
Meta Platforms, Inc.	4.4
Nvidia Corp.	4.1
Alibaba Group Holding Ltd.	3.7
Total	**49.4%**

Relative to the index, the fund was overweight the Consumer Discretionary, Communication Services, Financials, Energy, and Health Care sectors on average during the quarter. With zero allocation to Real Estate, Utilities, Materials, and Consumer Staples, the fund was underweight these sectors along with the Information Technology, and Industrials sectors.

The portfolio added two positions, Dave & Buster's Entertainment (PLAY) and **QXO Inc. (QXO),** and eliminated three positions, **Everi Holdings Inc. (EVRI)**, **JPMorgan Chase & Co (JPM),** and **TCRT Warrants,** during the quarter. The portfolio ended the quarter with 38 holdings, where the top 10 stocks represented 49.4% of total assets compared to 34.2% for the index, highlighting the fund's meaningful active share of around 96%.

Average Annual Total Returns and Expenses (%) as of 9/30/24

	Without Sales Charges						With Maximum Sales Charges						
	QTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception*	QTD	1Yr	3 Yr	5 Yr	10Yr	Inception*	Inception Date
Class A (LGOAX)	5.84	37.50	-1.27	10.55	8.55	14.51	-2.77	29.60	-3.20	9.25	7.91	14.08	2/3/09
Class C (LMOPX)	5.62	36.48	-2.04	9.70	7.73	6.42	4.62	35.48	-2.04	9.70	7.73	6.42	12/30/99
Class FI (LMOFX)	5.82	37.47	-1.34	10.47	8.49	6.52	5.82	37.47	-1.34	10.47	8.49	6.52	2/13/04
Class I (LMNOX)	5.93	37.90	-1.01	10.83	8.84	7.47	5.93	37.90	-1.01	10.83	8.84	7.47	6/26/00
Class IS (MVISX)	5.94	37.97	-0.95	10.91	-	5.52	5.94	37.97	-0.95	10.91	-	5.52	8/22/18
Class R (LMORX)	5.79	37.11	-1.53	10.26	8.24	5.43	5.79	37.11	-1.53	10.26	8.24	5.43	12/28/06
S&P 500	5.89	36.35	11.91	15.98	13.38	7.69	5.89	36.35	11.91	15.98	13.38	7.69	
Russell 2000	9.27	26.74	1.81	9.35	8.76	7.67	9.27	26.74	1.81	9.35	8.76	7.67	

*S&P 500 since inception return represented from 12/30/99, the Fund's oldest share class.

Gross (Net) Expenses (%): Class A 2.12 (2.11); Class C 2.88 (2.87); Class FI 2.17 (2.16); Class I 1.88 (1.85); Class IS 1.78 (1.77); Class R 2.38 (2.37).

Performance shown represents past performance and is no guarantee of future results. *Current performance may be higher or lower than the performance shown. Patient Capital Management has agreed to waive fees and/or reimburse operating expenses through April 30, 2025, so that such annual operating expenses will not exceed 0.88%, subject to recapture as described below. With respect to Class I only, the Adviser has agreed to waive fees and/or reimburse operating expenses such that the previously described annual operating expenses, plus intermediary servicing fees and other class-specific expenses, will not exceed 0.93%. Investment return and principal value will fluctuate so shares, when redeemed, may be worth more or less than the original cost. Class A shares have a maximum front-end sales charge of 5.75%. Class C shares have a one-year contingent deferred sales charge (CDSC) of 1.0%. If sales charges were included, performance shown would be lower. 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. YTD is calculated from January 1 of the reporting year. All classes of shares may not be available to all investors or through all distribution channels. For the most recent month-end information, please call 800-655-0324 or visit patientcapitalmanagement.com/opportunity-trust.*

Portfolio Review

The largest names finally gave up their lead in the third quarter with small-caps and value taking over. The transition in leadership benefited the Fund as we have been increasing exposure to both throughout the year. Cyclical names staged a rebound following the Federal Reserve's 50bps rate cut as the probability of a recession was lowered. Animal spirits were further stoked after the Chinese government announced its most aggressive stimulus package since the pandemic, catching most investors off guard.

Together, this led to our consumer discretionary names being the top contributors to the fund in the period. Rebounds in **Alibaba Group Holdings (BABA), Peloton Interactive Group (PTON),** and **Expedia Group Inc. (EXPE)** were swift. Idiosyncratic opportunities like **QXO Inc. (QXO)** and **Everi Holdings Inc. (EVRI)**, which was acquired for a +70% premium to its second quarter closing price, further boosted the fund's performance.

Energy names disappointed in the quarter following commodity prices lower throughout the period. We took the opportunity to add to our highest conviction ideas. We look to names that have idiosyncratic opportunities and are attractive in a variety of different commodity price environments. Many see risk to energy prices over the next year as supply is expected to outstrip demand by 1.3mb/d even before assuming any incremental OPEC supply comes onto the market. With commodities, consensus is rarely right. We assess companies on through cycle returns and normalized prices. From this perspective, we see a handful of attractive opportunities, including **Energy Transfer (ET), Seadrill (SDRL)** and **Kosmos (KOS).**

Our ownership of Energy Transfer began in 2019 with the belief that the limited supply of new pipelines would provide attractive pricing opportunities over the long-term. At the same time, the company was paying us an attractive dividend (10% yield over the period). So far this investment thesis has largely played out, but we continue to see an attractive long-term setup for the name given our belief that natural gas will be a key ingredient to bridge us to a net carbon neutral world.

Seadrill benefits from a consolidated industry, with more rational players, and an emerging supply and demand imbalance. We think over time as offshore drilling plays a bigger role as the marginal producer, Seadrill will benefit from more attractive contract prices. Kosmos Energy, on the other hand, is being underappreciated as the market is overly focused on near-term dynamics. As the company moves closer to producing material free cash flow, as production comes online and growth capex rolls off, we think the valuation will rerate. In the meantime, we are willing to be patient.

New and Eliminated

This quarter we entered two new positions, while exiting two positions. We entered **QXO Inc. (QXO)** a newly formed entity headed up by serial Founder and CEO, Brad Jacobs, and focused on the $800B building products distribution industry. The company has +$5B ready to deploy against their roll-up strategy in a highly fragmented industry. The management team plans to implement their proven playbook of bringing scale, and technology infrastructure to an inefficient market. We participated in their last PIPE (private investment in publicly traded entity) transaction in mid-July where the company raised capital at $9.14. Management set the price to provide investors with a ~25% IRR over a ten-year investment horizon, one of the most investor friendly capital raises we have ever seen. While no deals have been announced, the company is targeting >$50B of annual revenue in ten years. We have high conviction in Brad Jacobs' proven track record and believe QXO is set up well to become a long-term compounder.

We started a position in **Dave & Buster's Entertainment Inc. (PLAY)** during the quarter, a leading dining and entertainment venue in the United States. Founded in 1982 in Dallas, Texas the company has expanded to over 200 venues in North America across two brands (Dave & Busters, and Main Event). The company is in the middle of a multi-year transformation focused on reinvigorating growth through store remodels, store expansions, and technology upgrades while improving the margin profile of the business through cost optimizations and synergies. All the hard work has not shown up in the numbers yet as the macro environment continues to weigh on consumer expenditures. As the company continues to deliver against their plan, we believe the effort will lead to a drastically improved business model as consumer spending returns. In the meantime, the company continues to return cash to shareholders buying back 19% of shares since 2023.

We exited **JPMorgan Chase & Co. (JPM**) during the quarter following its strong performance and used it to fund new ideas. We exited **Everi Holdings Inc. (EVRI)** following the announced acquisition by a newly formed holding company owned by funds managed by affiliates of Apollo Global Management. The offer price of $14.25 was a 70% premium to where the stock closed in the second quarter. We used the name to fund new ideas. TCRT Warrants expired worthless during the quarter.

Top Contributors & Top Detractors

Top Contributors	Ticker	Bps Contribution
QXO Inc.	QXO	279
Alibaba Group Holdings Ltd.	BABA	129
Expedia Group Inc.	EXPE	82
IAC Inc.	IAC	67
Illumina Inc.	ILMN	61

Top Detractors	Ticker	Bps Contribution
Kosmos Energy Ltd.	KOS	-80
Precigen Inc.	PGEN	-68
Seadrill Limited	SDRL	-65
Alphabet Inc.	GOOGL	-57
Biogen Inc.	BIIB	-55

Contribution illustrated above is provided gross of fees and includes cash

Top Contributors

- **QXO Inc. (QXO)** was a top contributor to the fund after being purchased in mid-July. We participated in the PIPE transaction providing us with an attractive cost basis of $9.14 for a stock that was trading in the mid-$80s at the time. As the newly raised capital began trading on the market, the value of the stock traded down to a more normalized level in the mid-teens. We believe QXO is set up well to be a long-term compounder led by a proven management team. The company is well funded with +$5B on their balance sheet to begin executing against their roll-up strategy in the highly fragmented $800B building products distribution industry. We believe Brad Jacobs will utilize his historical playbook of bringing consolidation, scale and technology innovation to an inefficient industry.
- **Alibaba Group Holdings Inc. (BABA)** experienced a massive rebound gaining +47% in the quarter following the announced stimulus program from the Chinese government. As the unexpectedly strong government support was announced, shorts were reversed and any name exposed to China was off to the races. We have long liked Alibaba as the company has continued to trade at a significant discount to its sum-of-the-parts valuation. With most investors writing off Chinese companies entirely, you had an opportunity to invest in a high-quality business at rock bottom prices. Over that time, the company initiated both a dividend (0.9% Yield) and buyback program, repurchasing 9% of shares outstanding over the last twelve months. Despite the strong move in the quarter, the company trades at just 12.4x next-year's earnings. We see potential for continued multiple expansion as the Chinese economy rebounds and the country becomes investable again.
- **Expedia Group Inc. (EXPE)** is a leader in the online travel space. Despite travel demand remaining strong in 2024, Expedia has remained under pressure for most of the year as investors feared a hard landing. Those fears seemed to give way in the third quarter with Expedia returning as a top contributor. With a new management team, new single tech platform and new marketing strategy, the company has experienced a lot of change. Having successfully navigated these transitions, we see the company as well set up to gain market share in a very large industry while continuing to improve the margin profile of the business. At today's valuation, the company is receiving little credit for their B2C business which is still generating ~54% of their corporate EBITDA (excluding VRBO). While the market is overly focused on near-term dynamics, the company continues to return cash to shareholders buying back 20% of outstanding shares since 2021.

Top Detractors

Both Kosmos Energy (KOS) and **Seadrill Limited (SDRL)** were top detractors in the quarter as energy prices moved lower. We believe both these names are particularly attractive for idiosyncratic reasons beyond a simple bet on energy prices**.**

- **Kosmos Energy (KOS)** is an exploration and production services company with assets in Africa. The company is nearing the point where their free cash flow generation will inflect meaningfully higher as new production comes online and CAPEX spend returns to a more normalized maintenance level. We see this as a classic case of time arbitrage where the market is myopically focused on the current year's high level of investment while ignoring the strong free cash flow generation on the other side. At the current commodity curve, the company will generate its market cap in FCF from 2025-2028. With the combination of gas heavy reserves and inflecting cash flow generation, we think Kosmos is significantly undervalued and a potential acquisition target.

- **Seadrill Limited (SDRL) i**s the fourth largest pure play deepwater drilling specialist. The company emerged from bankruptcy in February 2022 with a net cash position. The company is set to benefit from limited supply and increasing demand in the deepwater drilling rig market. Nearly half of all deepwater drilling rigs in the world were scrapped during the last decade. In addition, player consolidation puts the industry in a more rational position than we have seen historically. As land-based oil production growth comes under pressure, offshore production is receiving renewed interest. With a highly specialized rig base, the company is benefiting from increasing prices which are leading to strong FCF yields given the limited need for CAPEX. The company has committed to returning 50% of free cash flow to shareholders via dividends and buybacks. Over the last 12-months, the company has reduced shares outstanding by 17%. As old contracts roll-over and new contracts are signed at the higher day rates, operating profit and FCF are expected to expand dramatically. Seadrill could either consolidate the space or be acquired.

- **Precigen Inc. (PGEN)** is an early-stage biopharmaceutical company focused on next generation cell and gene therapies. The company's PRGN-2012 program in recurrent respiratory papillomatosis (RRP) has the potential to be the first-in-class "off-the-shelf" immunotherapy in a patient population with limited options. The company expects a BLA submission by year-end with a planned launch in 2025. In August, the company raised an additional $31M in equity, which is expected to fund operations into early 2025. The company is run by Dr. Helen Sabzevari, who has extensive expertise in research and development of immunotherapy-based therapeutics having founded and served as Chief Scientific Officer of Compass Therapeutics. She has driven amazing clinical progress at PGEN over the past few years and we believe that PRGN-2012 is well positioned to be a best-in-class therapeutic for RRP.

Performance Attribution Analysis	Patient Opportunity Trust		S&P 500		Management Effect			
	Weight	Return	Weight	Return	Allocation	Selection	Interaction	Total
Equity - Long Positions	**108.44**	**5.78**	**100.00**	**5.89**	**0.13**	**10.77**	**-10.99**	**-0.09**
Communication Services	15.88	4.08	8.94	1.68	-0.32	0.25	0.18	0.11
Consumer Discretionary	33.98	9.38	9.88	7.80	0.49	0.16	0.32	0.98
Consumer Staples	0.00	0.00	5.95	8.96	-0.18	-0.53	0.53	-0.18
Energy	0.17	46.58	0.00	0.00	-0.01	0.00	0.06	0.05
Financials	10.44	-11.58	3.53	-2.32	-0.55	-0.38	-0.76	-1.70
Health Care	19.84	4.21	12.95	10.66	0.47	-0.85	-0.44	-0.83
Industrials	14.12	-3.76	11.97	6.07	0.03	-1.27	-0.25	-1.49
Information Technology	5.55	11.97	8.33	11.55	-0.16)	0.18	-0.09	-0.06
Limited Partnership	8.45	33.38	31.51	1.61	1.02	14.24	-11.58	3.67
Materials	0.00	0.00	2.21	9.70	-0.08	-0.20	0.20	-0.08
Real Estate	0.00	0.00	2.32	17.17	-0.25	-0.38	0.38	-0.25
Utilities	0.00	0.00	2.42	19.37	-0.31	-0.45	0.45	-0.31
Cash*	-8.44	0.00	0.00	0.00	0.48	0.00	0.00	0.48
Total	**100.00**	**6.27**	**100.00**	**5.89**	**0.61**	**10.77**	**-10.99**	**0.38**

*Returns are gross of fees.

Market Proxy is S&P 500. Returns greater than 1 year are annualized. Source: Bloomberg and Patient Capital Management.

The data provided is from APX and Patient Capital Management, LLC and is believed to be reliable, but is not guaranteed as to its timeliness or accuracy. Percentages and returns may not sum to 100% due to rounding effects. A three-factor attribution consists of the allocation effect, selection effect, and the interaction effect, which sum to the portfolio's performance relative to the benchmark.

- **Allocation.** The allocation effect represents the portion of the portfolio's excess return attributable to differences in sector weights between the portfolio and the benchmark index.
- **Selection.** The selection effect represents the portion of the portfolio's excess return attributable to differences in the weights of individual securities within each sector between the portfolio and the benchmark index.
- **Interaction.** Most complex and sometimes counterintuitive, the interaction effect represents the portion of the portfolio's excess return attributable to combining sector allocation decisions with security selection decisions, and is often thought of as measuring the accuracy of manager's convictions.

Please note that the methodology used by our independent third-party attribution software vendor will at times present sector allocation effects that are counterintuitive. For example, the software may calculate a negative sector effect even when the portfolio, on a weighted average basis for the period, overweight an outperforming sector. Under the vendor's methodology, allocation effects in recent months may overwhelm the allocation effects from earlier in the period, particularly over longer time frames.

Returns illustrated above are provided net of fees and include cash. Total portfolio return figures provided above reflect the sum of the returns of the holdings in the representative account portfolio due to price movements and dividend payments or other sources of income.

Patient Capital Management

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PATIENT CAPITAL MANAGEMENT

Patient Capital Management LLC is an SEC registered investment advisor founded in 2020 by Samantha McLemore, majority owner and Chief Investment Officer. Formerly operating with Miller Value Partners, Patient Capital acquired the Opportunity Equity business in a transaction completing Bill Miller's succession plan. As of 6/30/24, Patient Capital operates independently managing $1.9B in assets featuring opportunistic, long-term, value-oriented equity strategies. The Firm is supported by a team of 9 professionals. Bill Miller remains a minority owner and adviser.

Effective 8/21/23, the Opportunity Trust changed its name to the Patient Opportunity Trust.

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. **EBITDA** is earnings before interest, taxes, depreciation and amortization and is a calculation of a company's financial health. **Earnings per share (EPS**) is a company's net income subtracted by preferred dividends and then divided by the average number of common shares outstanding. **Free cash flow (FCF)** is the cash a company generates after taking into consideration cash outflows that support its operations and maintain its capital assets. **Price to Earnings (PE)** ratio measures a company's current share price relative to its per-share earnings. Internal **Rate of Return (IRR)** is a metric used in financial analysis to estimate the profitability of potential investments.

Earnings growth is not representative of the Fund's future performance.

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. The Fund may focus its investments in certain regions or industries, increasing its vulnerability to market volatility. International investments are subject to special risks, including currency fluctuations and social, economic and political uncertainties, which could increase volatility. Derivatives, such as options and futures, can be illiquid, may disproportionately increase losses, and have a potentially large impact on Fund performance. The manager's investment style may become out of favor and/or the manager's selection process may prove incorrect, which may have a negative impact on the Fund's performance. 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.

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.

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Before investing, carefully consider a Fund's investment objectives, risks, charges and expenses. You can find this and other information in each prospectus, or summary prospectus if available, which is available at patientcapitalmanagement.com/opportunity-trust. Please read it carefully.