Poor Richard Capital Management

Contact Information:

Email: poorrichardcm@gmail.com

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Dear Poor Richard Partners,

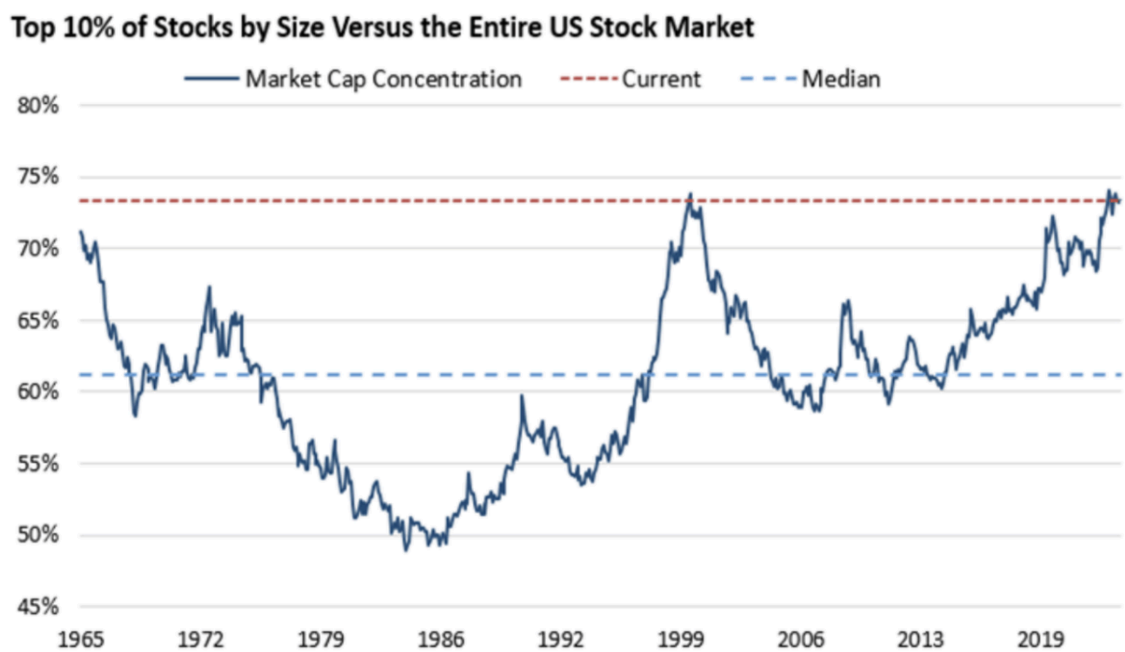
Over this previous quarter, the fund underperformed the market, returning -7.40% compared to the 3.92% that the Standard and Poors 500 Index returned.

As of 6/28/2024 at market close, the fund's holdings were:

Security Held	**Portfolio Weight**
Nexstar Media Common (NXST)	64.88%
Gray Television Common (GTN)	34.55%
Cash and Cash Equivalents	0.57%

A Macro Perspective on the Market:

Over the past quarter, the broader market extended its strong but concentrated run, with the Standard and Poors 500 index appreciating close to 4% over the period and just shy of 40% since this fund's inception. During that same period, the S&P index's price/earnings multiple expanded from 22.5x to 28.5x, representing a 27% expansion over the last six quarters. While this expansion signals an optimistic view on short and midterm earnings growth, much of the multiple expansion the index experienced was concentrated in the index's top 10 holdings, largely made up of technology companies. The S&P Technology sector ended the quarter with a 32% weighting in the index and a 30.4x forward Price/Earnings multiple, a 69% deviation above its 20 year average of 18x.



Source: Kailash Capital Research, LLC; Data from 12/31/1965-6/30/2024

This engorged valuation expansion signals that the market is aggressively discounting longer term earnings growth, largely related to speculation on the potential earnings power that artificial intelligence platforms will bring to current and new lines of business. As price/earnings multiples among these companies continue to expand, the growth targets that must be attained to give investors an adequate return will only get more aggressive, leading to a self-fulfilling prophecy of acute mean reversion.

An Update on Our Holdings:

The fund's holdings and asset allocation didn't change much over the past quarter. We continued the trend of dollar cost averaging down our Gray Television position, increasing our position by almost nine percent, as the company's shares continue to experience high volatility and what I would consider to be a severe price dislocation relative to intrinsic value. As mentioned in previous quarterly letters, Gray is primed to benefit from high margin political dollars related to this year's highly anticipated election cycle, as well as a longer term rebound in free cash flow with the absence of Assembly Studio capital expenditures. On recent earnings calls, management has become increasingly vocal that deleveraging the company's balance sheet is of highest priority to unlock long term shareholder value.

Nexstar recorded record high second quarter revenue, driven by rebounding advertising and favorable rate escalators in contract renewals with vMVPD and MVPD providers. The company also reduced losses at The CW by $33 million, ($83 million year to date) driven by a network pivot from capital-intensive scripted content to a line-up of unscripted TV shows and live sports. This line-up change has led to a 3rd consecutive quarter of ratings growth during primetime, which can expect to yield higher national and local advertising revenue, as well as higher distribution revenue from third party local affiliate stations, as well as Pay TV providers.

Over the next couple of years, retransmission revenue is expected to flatten industry-wide, as traditional MVPD subscriber attrition starts to offset rate escalations. While the overall pool is expected to flatten, it can be expected that the share of retransmission consent paid to local broadcasters relative to cable networks will continue to grow, as local broadcasters continue to dominate in-market sports rights. In short, if you want to watch the Colts play on Sunday, you MUST receive a local signal. It's for this reason, it can be expected that over the coming years, as the TV business continues to change, that entertainment based cable networks that directly compete with streaming will have a much tougher time than local broadcasters in justifying rate escalators.

To summarize, my positions and perspectives on both of the fund's holdings have not changed, and I am confident that the due diligence done and patience exemplified will reward us in due time.

Sincerely,

Sage Hood

A chart showing the growth of an assumed $100,000 investment in Poor Richard Capital Fund 1 from inception.

Period	Poor Richard Net Asset Value	Poor Richard Return Net of Fees	SP 500 Net Asset Value	SP 500 Index Return
3/09/2023	$100,000	0%	$100,000	0%
3/31/2023	$103,254.12	3.25%	$104,874.28	4.87%
6/30/2023	$100,557.08	-2.61%	$113,578.78	8.3%
9/29/2023	$ 89,910.15	-10.58%	$109,433.16	-3.65%
12/29/2023	$104,976.81	13.18%	$121,733.45	11.24%
3/29/2024	$104,053.92	-0.88%	$134,101.57	10.16%
6/28/2024	$96,349.15	-7.40%	$139,358.35	3.92%
Cumulative Return	**$96,349.15**	**-3.65%**	**$139,358.35**	**39.36%**

Note to Investors:

On all future reports, this chart will be placed at the bottom of the report comparing what the fund produced in the past quarters compared to the Standard & Poors 500 Index. While I feel it's important to post this for transparency purposes, I would caution investors on concentrating on quarter to quarter results. One or two years is too short of a time to make any opinions regarding investment performance. This is because there is simply not enough data to judge performance through both strong and weak markets, which do have a significant impact on the long-term compounded rate of return.