

January 7, 2022



Quarterly Commentary and Opinion

Dear Clients of Kondracki Advisory,

Our conservative equity portfolios performed very well in 2021, having achieved most of the upside of the stock market along with significantly less volatility and reduced risk to principal. Our composite total return through December 31st, 2021, was **22.70%**, while our equity positions, which represented 80% of our total portfolios for much of the year, achieved a **29.90%** total return. The total returns on the S&P 500 and DJIA were 28.67% and 20.83%, respectively.

2021 Portfolio Standouts

We had a significant number of **portfolio standouts** in 2021, including, **Nucor Steel, Wells Fargo, ConocoPhillips, ExxonMobil, Lowe's, Accenture, Microsoft, TD Bank, Chevron, Genuine Parts, McKesson, Target, JP Morgan Chase and Tyson Foods**, where we achieved total returns of 171%, 78%, 75%, 65%, 64%, 62%, 54%, 48%, 47%, 44%, 44%, 42%, 41% and 39%, respectively.

As we begin 2022 with increased market volatility, our portfolios are outperforming the market on an absolute, relative and risk-adjusted basis, year to date through January 7, 2022. Our approach to active investment management is always value-oriented and focused on achieving a reasonable return, while offering better downside protection than that of the stock market. At times, we can and will be more opportunistic with our company and sector selections, deploying some of our considerable cash positions in order to do so. At other times, we will hold larger cash positions and become more defensive. I believe that our active approach offers far more control and greater flexibility as we strive to achieve our goal of providing excellent long-term risk-adjusted returns.

Sincerely,

Chris Kondracki, Principal and Portfolio Manager

*Volatility is measured by portfolio Beta. *Risk-adjusted performance is measured by portfolio Alpha. Kondracki Advisory, LLC is a registered investment adviser. Information presented is for educational purposes only and does not intend to make an offer or solicitation for the sale or purchase of any specific securities, investments, or investment strategies. Investments involve risk and unless otherwise stated, are not guaranteed. Be sure to first consult with a qualified financial adviser and/or tax professional before implementing any strategy discussed herein. *Composite Return Performance is net of all fees and charges. The Composite is comprised of 100% of the accounts managed by Kondracki Advisory, LLC meeting the minimum initial investment requirement and invested in the KA Model Portfolio Strategy over the measured time frame. Performance calculations have not been audited by any third party. Actual performance of client portfolios may differ materially due to the timing related to additional client deposits or withdrawals and the actual deployment and investment of a client portfolio, the length of time various positions are held, the client's objective and restrictions, and fees and expenses incurred by any specific individual portfolio. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.