

Kondracki Value and Appreciation Model Portfolio

June 30, 2022



❖ Investment Objectives and Rigorous Screening Process

The Kondracki Value and Appreciation Portfolio is appropriate for investors who seek capital appreciation and peace of mind through a disciplined, long-term value investment strategy. We invest for significant growth and income, but always try to protect against the downside first. In order to achieve growth, some risk must be taken, but discipline, patience, good judgment and common sense can significantly reduce risk to principal.

❖ Account Minimum: \$500,000

We invest in industry-leading, time-tested companies at sensible prices.

Large capitalization U.S. companies in vital industries whose business, profit models and balance sheets are transparent and able to be analyzed and evaluated. Much of successful investing is buying the right companies at the right price.

Of equal importance is knowing which companies and industries to avoid where the risks are not easily understood. We look for bargains and opportunities with the highest quality companies in which we understand all the ingredients. We are optimistic about the companies we own, but at the same time, always cautious.

We perform a rigorous financial screening process that requires our companies have:

- 20+ year track records of creating shareholder value
- Discounted or very attractive price-to-earnings ratios relative to the market and their peer group
- High cash flows and low debt ratios relative to industry averages and their peers
- A history of increasing dividends
- Highest safety and financial strength rankings

We perform a rigorous moral screening process that examines:

- Industries
- Business practices
- Financial practices

We will not invest in any company whose business or financial practices we find morally objectionable. We want to be proud of the companies that we own and what they stand for.

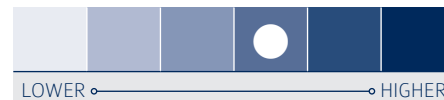
In summary:

Our approach allows us to **focus on 30 to 45 equity holdings** at any given time. Because we are judiciously opportunistic and also looking to protect against the downside, we may at times maintain a significant cash and U.S. Treasury Notes position.

Low Fee Structure:

Kondracki Advisory, LLC is a fee-only investment manager. We receive no commissions for our work. By maintaining an annual management fee of 75 basis points (.0075 of assets managed) and investing directly in individual common stocks for our clients' accounts, we are able to keep total client fees very low. A low fee structure is an important component of generating superior long-term total returns. All client accounts are held at Custodian, **Charles Schwab & Co., Inc.**

❖ Portfolio Risk Meter



❖ Portfolio Characteristics

	PORTFOLIO
Number of Equity Holdings	43
Average Market Cap	\$250B
P/E Ratio (Forward)	15.5
Dividend Yield (Equity Position)	2.48%
Portfolio Beta	.63

❖ Top Five Equity Holdings

Apple Inc.	
Microsoft Corp.	
McDonald's Corp.	
Coca Cola Co.	
AbbVie Inc.	
Cash and U.S. Treasury Notes	27%

❖ Industries

Oil, Gas and Consumable Fuels
Technology and Business Services
Distributors / Industrial and Automotive
Financial Services
Beverages
Food Retail / Restaurants
Industrial Conglomerates
Road and Rail
Air Freight and Logistics
Retail/Grocery
Food Products Manufacturing / Agriculture
Pharmaceuticals
Steel / Steel Products Manufacturing

❖ Performance 6/30/2022 (composite return)

YTD	2021	2020	2019	2018	2017	2016	2015	2014	2013	Avg. Annual Return Since Incep. (12/10/2012)
-7.05	22.70	11.35	18.2	(4.23)	19.33	11.43	(6.0)	10.10	26.44	10.01%

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