

# Prudent Growth Model Portfolio

March 31, 2024



## ❖ Investment Objectives and Rigorous Screening Process

The Prudent Growth model portfolio is oriented toward long-term growth with a specific focus on business quality, competitive advantages, cash flow, and valuation. Most companies in the portfolio are expected to produce double-digit organic growth going forward and all companies in the portfolio are expected to generate significant free cash flow.

## ❖ Account Minimum: \$500,000

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

Some of the best investments over time are found in companies with compounding growth over many years when purchased at reasonable prices.

Risk is reduced by focusing on companies with industry-leading positions, a compelling value proposition for customers, sound balance sheets, significant free cash flow, and management teams with a track record of success. Valuation at the time of purchase is also an important factor for long-term investments.

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

- Clear track records of creating shareholder value
- Discounted or very attractive free cash flow multiples relative to future growth prospects
- A leading market share
- A history of increasing cash flow
- Profit margins that reflect the value created for customers

### 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.

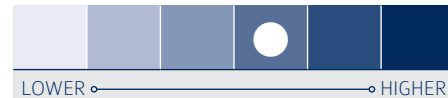
### In summary:

Our approach allows us to focus on approximately 30 to 40 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 meaningful cash and **U.S. Treasury Notes** and Bills 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	30
Average Weighted Market Cap	\$45B
P/E Ratio (Forward)	27.77
Dividend Yield (Equity Position)	0.90%
<b>Portfolio Beta</b>	<b>1.01</b>

## ❖ Top Five Equity Holdings

Corpay Inc.
Fortinet Inc.
Uber Technologies Inc.
Automatic Data Processing Inc.
Shift4 Payments Inc.

## ❖ Industries

Laboratory Services
Analog Semiconductors
Cybersecurity Software
Outsourced Payroll / HR Solutions
Cell Tower Management and Ownership
Consumer Services
Networking Hardware and Software
Payments Solutions
Identity Management Software
Engineering and Design Software
Personal and Commercial Insurance
Life Science Tools
Industrial Gases
Oil & Gas Services

## ❖ Performance 3/31/2024 (composite return net of fees)

YTD	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	Avg. Annual Return Since Inception
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### New Model Portfolio

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