

Mod Risk Stock Portfolio

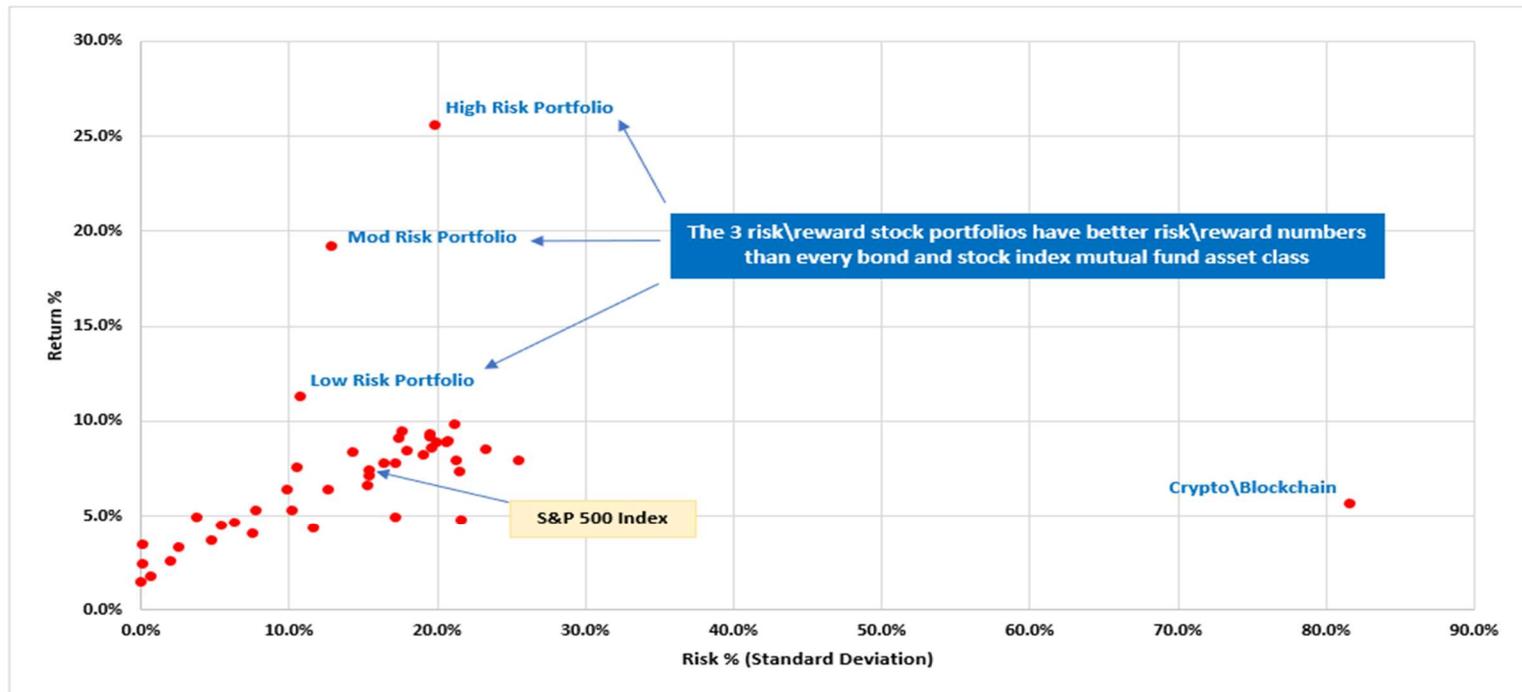
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Data Source: Morningstar as of 12.31.23

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Bond & Stock Index Funds vs. 3 Risk/Reward Stock Portfolios - Last 25 Years



Source: www.morningstar.com
Data as of 12.31.23

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Mod-Risk Stock Portfolio - Criteria for Inclusion & Purchase

30 companies that meet very strict criteria for inclusion, with very few exceptions:

- In business a long time (avg 69 years)
- Small number of companies with worst drawdown (capital loss) than S&P500
- Minimum long term CAGR > 13%
- Mod stock market correlation
- Mod standard deviation
- Mod fund ownership
- Mod beta
- Financial health grade A or B
- Must be profitable
- Majority have a dividend yield
- Low dividend payout ratio
- Decent dividend payment history (avg 13 years)
- Decent dividend increase history (avg 21 years)

Very strict requirements for purchase:

- Low PE ratio
- Has a dividend yield if looking for some yield
- High % below 52-week high price

Mod-Risk Stock Portfolio – Sample Buy Report

Ticker\Name	Year Founded	Industry	% Below 52-Week High	P/E Ratio	\$ EPS TTM	25 Year Max Drawdown	Std Dev	Beta	Financial Health Grade	Owned by Funds %	Div Yield %	Div Payout Ratio %	Div Growth Rate %	Consecutive Years of Div Growth	Consecutive Years of Div Payments	25 Year CAGR
Company 1*	1984	Discount Stores	15.49	16.58	3.74	(32.1%)	34.03	0.59	B							24.6%
Company 2	1959	Specialty Retail	4.14	24.04	12.92	(33.9%)	26.57	0.85	A	59.35	0.59	12.54	9.35	24	33	15.6%
Company 3	1979	Specialty Retail	5.98	17.33	137.46	(35.1%)	24.83	0.47	A	34.33						20.0%
Company 4*	1886	Utilities - Regulated Water	18.72	25.64	4.84	(35.7%)	18.10	0.79	B	18.57	2.10	56.30	8.91	15	15	15.8%
Company 5	1967	Engineering & Construction	20.78	39.68	1.98	(36.1%)	26.98	1.00	A	46.06	1.18	51.52	20.00	10	10	22.1%
Company 6	1984	Utilities - Regulated Electric	28.93	17.86	3.79	(36.1%)	19.47	0.67	B	32.82	3.08	48.22	10.39	28	34	14.2%
Company 7	1859	Utilities - Regulated Gas	20.53	19.38	4.93	(37.3%)	18.84	0.64	B	13.52	2.18	45.61	10.90	20	34	13.0%
Company 8	1967	Specialty Chemicals	1.37	39.53	3.18	(37.5%)	28.03	0.76	A	25.88	0.53	22.33	10.94	14	37	21.4%
Company 9	2013	Drug Manufacturers - General	7.82	13.83	3.65	(39.0%)	25.48	0.58	A		3.82	160.27	8.46	10	10	19.3%
Company 10	1988	Building Products & Equipment	1.82	41.73	2.05	(39.5%)	32.29	0.84	A	30.93	0.43	19.51	13.16	2	16	21.4%
Company 11*	1952	Drug Manufacturers - Specialty	2.25	31.35	4.91	(39.6%)	22.13	0.85	A		0.76	29.53	30.00	5	5	20.5%
Company 12*	1999	Medical Care Facilities	2.52	21.60	4.34	(39.9%)	32.66	1.09	A	9.91	0.21	5.30	4.71	7	16	24.7%
Company 13	1957	Specialty Retail	5.55	22.27	37.56	(41.2%)	29.04	0.67	A	59.70						20.5%
Company 14	1866	Specialty Chemicals	0.71	28.09	9.34	(41.5%)	23.93	1.08	A	42.40	0.78	25.86	9.09	45	45	19.0%
Company 15	1918	Railroads	0.83	20.53	5.59	(42.0%)	22.47	0.95	A		1.88	42.10	19.11	2	2	16.8%
Company 16	1969	Diagnostics & Research	6.57	28.57	7.93	(42.1%)	21.79	0.74	A	41.13	0.45	9.96	19.05	10	30	15.3%
Company 17	1956	Diagnostics & Research	12.96	24.33	15.26	(43.7%)	24.74	0.68	A	42.51	0.26	8.85	15.38	6	10	17.0%
Company 18	1995	Aerospace & Defense	10.80	16.61	27.32	(44.9%)	22.24	0.36	A	37.51	2.68	43.92	7.55	21	28	16.4%
Company 19	1984	Information Technology Services	2.67	15.55	4.77	(46.4%)	25.69	0.91	B	41.97						13.5%
Company 20	1923	Biotechnology	2.12	31.55	2.48	(47.0%)	24.22	0.60	A	0.97	1.00	42.14	19.10	5	42	22.1%
Company 21	1916	Restaurants	6.01	14.86	4.81	(47.9%)	29.38	0.15	B	13.74	2.56	40.56	23.33	2	5	17.2%
Company 22*	1992	Discount Stores	3.53	21.69	2.52	(48.0%)	23.17	0.79	A		0.28	8.06	9.94	8	12	23.5%
Company 23	1983	Discount Stores	3.20	42.37	14.67	(48.1%)	22.62	0.99	A	40.80	0.60	26.99	13.61	19	19	13.6%
Company 24	1902	Beverages - Non-Alcoholic	3.48	21.63	47.99	(49.5%)	32.43	0.68	B	17.91	0.22	3.65		1	34	14.8%
Company 25	1994	Aerospace & Defense	14.54	18.94	30.41	(53.5%)	23.69	0.29	A	44.59	1.57	23.68	9.74	20	34	13.5%
Company 26	1905	Scientific\Technical Instruments	9.65	45.87	2.89	(57.9%)	32.14	0.81	A	43.35	0.64	32.70	11.84	19	30	18.7%
Company 27*	1939	Discount Stores	45.84	17.99	8.69	(58.4%)	24.45	0.20	C		1.71	26.70	30.95	6	8	14.5%
Company 28	1968	Restaurants	5.06	18.66	8.02	(58.4%)	33.13	0.76	A	48.34	3.07	61.02	10.00	2	2	14.0%
Company 29*	1959	Packaging & Containers	5.07	20.41	8.71	(64.2%)	26.90	0.79	A	48.53	3.07	57.41	18.75	13	20	13.9%
Company 30	1957	Farm Products	7.30	6.31	12.97	(67.5%)	45.80	(0.08)	A	32.89	5.26	39.78				21.4%
Company 31	1977	Healthcare Plans	5.09	18.76	23.04	(68.3%)	23.93	0.63	A	52.61	1.38	30.64	14.29	14	21	21.1%
Averages	1955		9.08	23.99		(45.6%)	26.49	0.68		33.86	1.36	31.46	13.28	13	21	18.0%

good stat for purchase now

concerned stat

bad stat

*(CAGR not 25 yrs, full trading history)

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Mod-Risk Stock Portfolio - Sample Stock Descriptions for Client Meetings

Utilities Industry – Do you pay any electric, gas or water utility bills?

American Water Works (AWK) – Founded 1886, is the largest investor-owned U.S. water & wastewater utility to an estimated 14 million people in 24 states.
www.amwater.com/corp/About-Us/Corporate

Chesapeake Utilities Corp (CPK) – Founded 1859, is a natural gas utility serving Delaware, Maryland, and Florida.
www.chpk.com/about-us

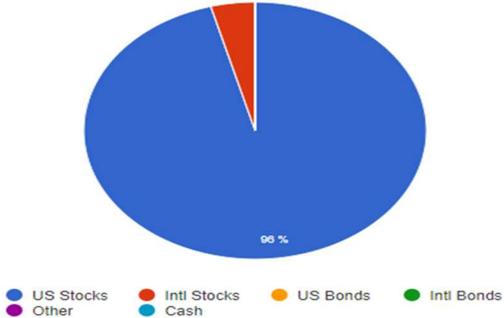
NextEra Energy (NEE) – Founded 1984, owns Florida Power & Light, is America’s largest electric utility with more than 12-million customers; is the world’s largest generator of renewable energy from wind and sun, and is a world leader in battery storage.
www.investor.nexteraenergy.com/.html

Notes:

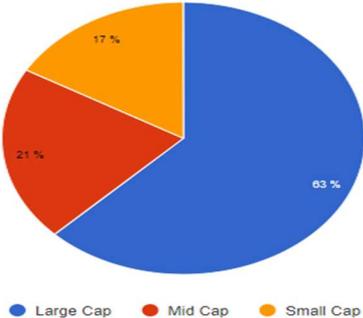
- NEE data goes back to 1985, CPK data goes back to 1991, both include 2 big bear markets
- AWK data goes back to 2009, no big bear market to analyze potential risk of capital loss
- AWK has paid and increased their dividends for 15 years in a row
- CPK has paid their dividend for 34 years in a row and increased their dividend for 20 years in a row
- NEE has paid their dividend for 34 years in a row and increased their dividend for 28 years in a row
- AWK has highest long-term CAGR, but only going back to 2009
- NEE has a slightly higher long-term CAGR vs. CPK going back to 1991
- NEE has larger worst year and max drawdown than CPK going back to 1991
- Utility companies are highly sensitive to swings in interest rates

Mod-Risk Stock Portfolio Sectors & Market Cap Breakdown

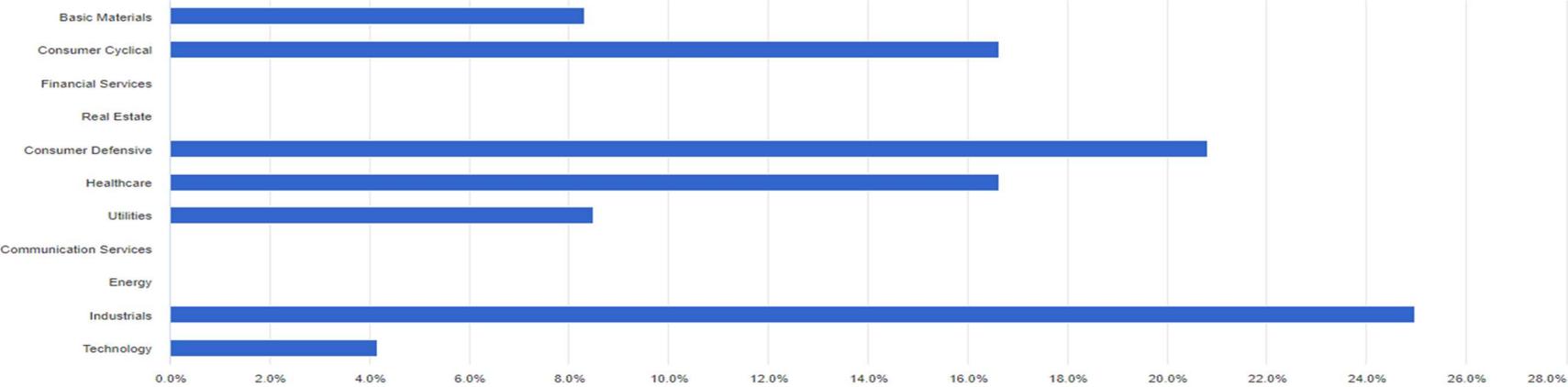
Asset Allocation



Equity Market Capitalization



Equity Sectors



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Mod-Risk Portfolio vs. Largest Stock Fund - Last 25 Years

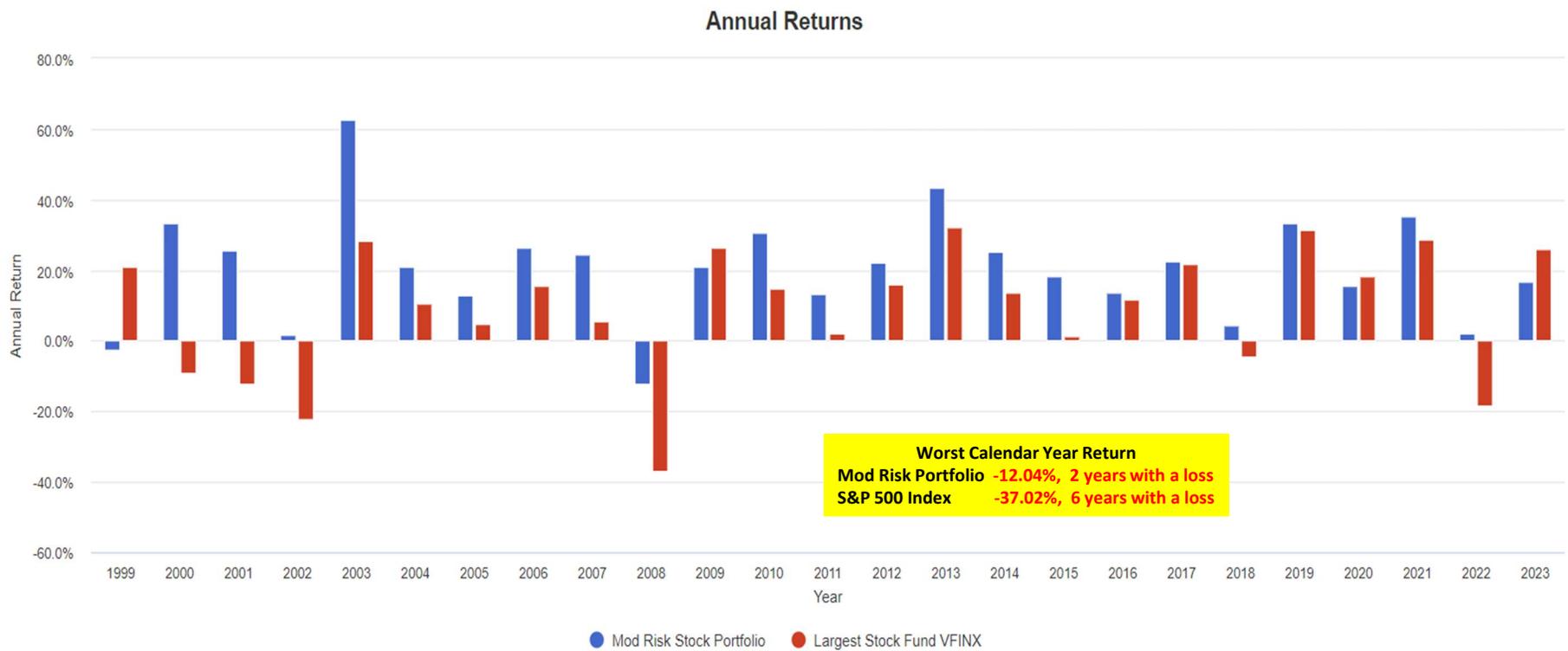
Portfolio	Initial Balance	Final Balance	CAGR	Stdev	Best Year	Worst Year	Max. Drawdown
Mod Risk Stock Portfolio	\$1,000,000	\$85,968,734 ⓘ	19.50% ⓘ	12.93%	62.71%	-12.04%	-24.39% ⓘ
Largest Stock Fund VFINX	\$1,000,000	\$6,016,665 ⓘ	7.44% ⓘ	15.38%	32.18%	-37.02%	-50.97% ⓘ

Portfolio Growth



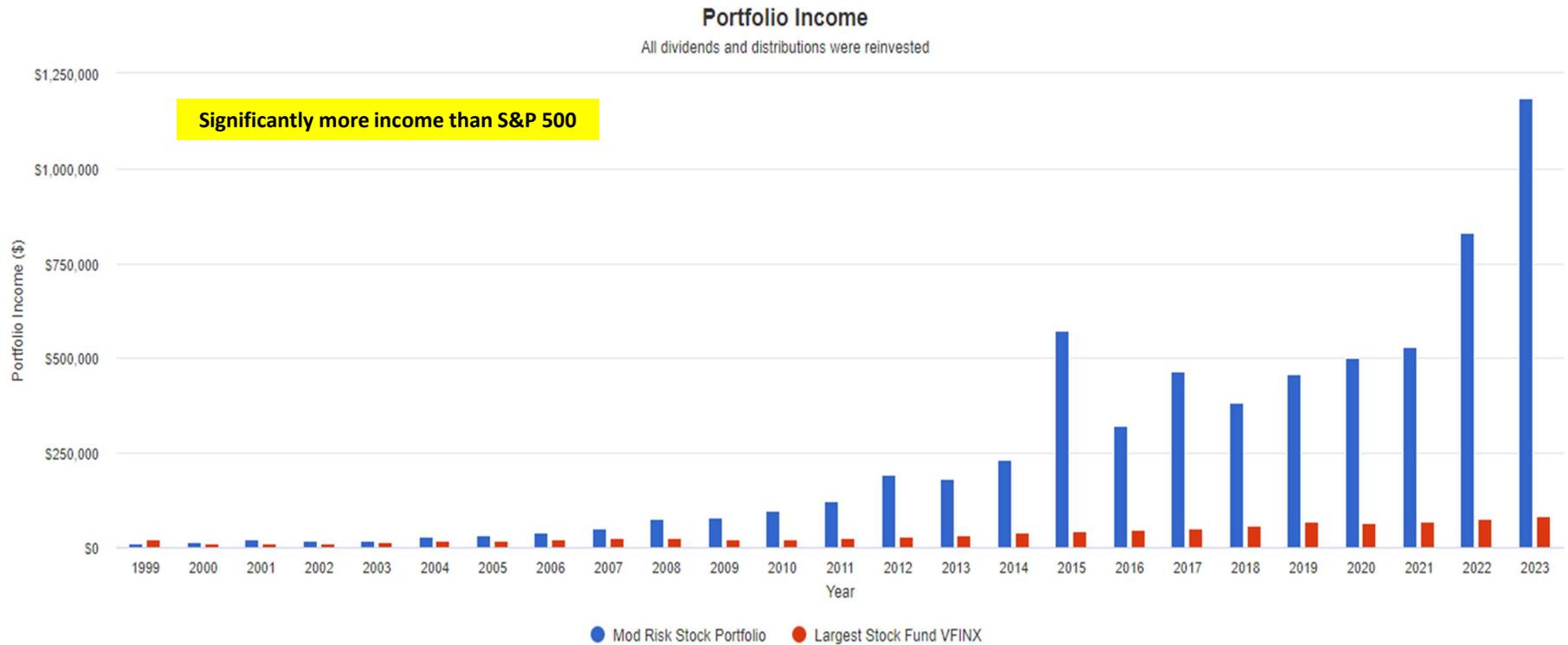
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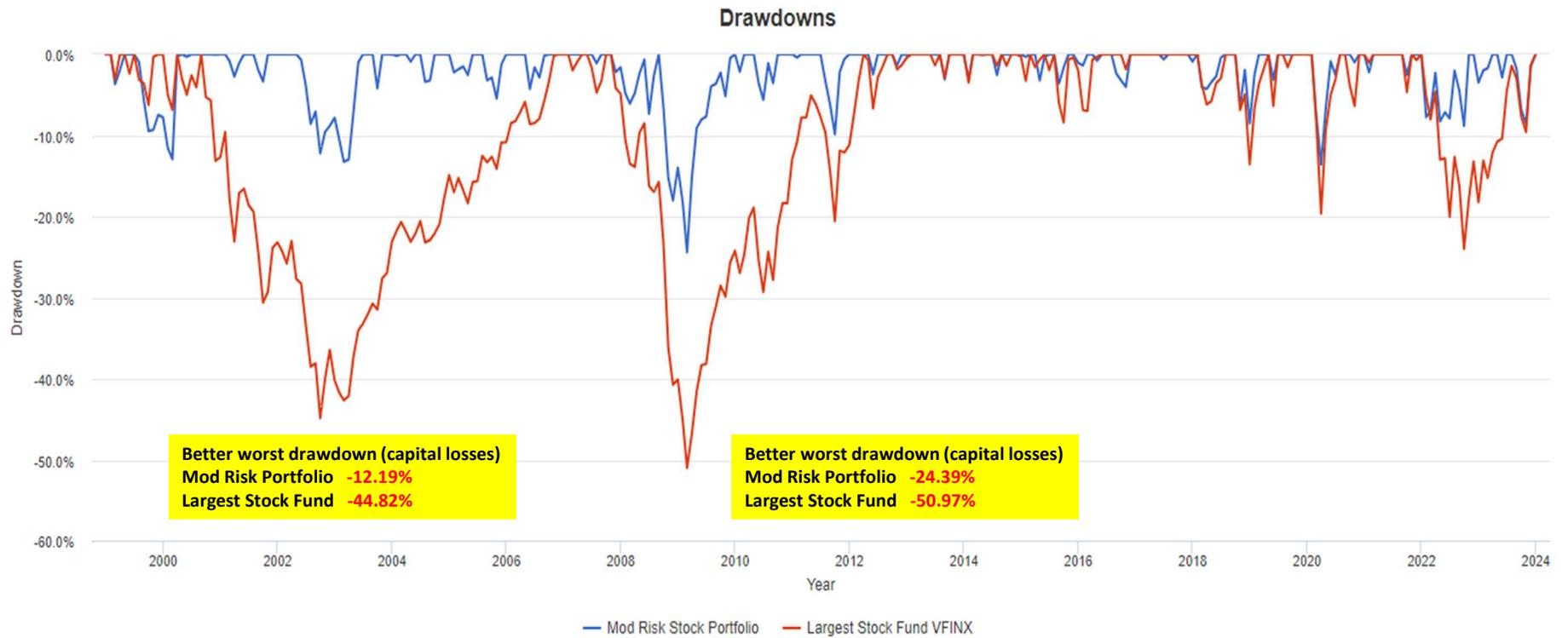
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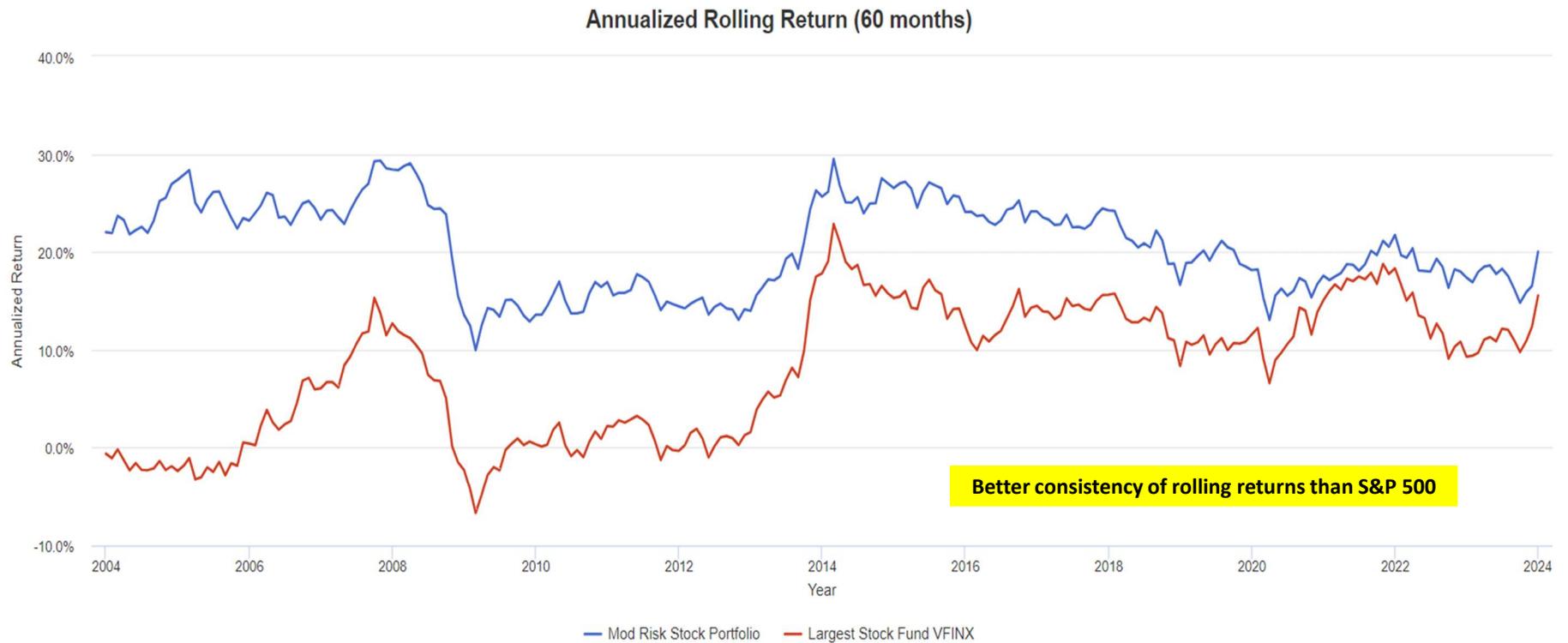
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