

the Prudent Speculator

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With even the mainstream media shouting that the 12.9% loss on the S&P 500 index through the first four months of 2022 was the worst start to a year since 1939 and the Nasdaq Composite Index plunging 13.3% in April, its biggest monthly loss since 2008, it is little wonder that investor pessimism has spiked. Incredibly, the latest weekly Sentiment Survey from the American Association of Individual Investors (AAII) saw the number of Bears skyrocket to 59.4%, the fifth-highest count in the history of the 35-year-old gauge, with the Bull-Bear Spread coming in at -43.0%, tied for the fourth-lowest tally ever.

Believe it or not, the current AAI numbers are worse than those following the Crash of '87, the Terrorist Attacks of 9/11 and the declaration of the COVID-19 Pandemic two years ago. In fact, they trail only the figures leading up to the first Gulf War in 1990, the aftermath of the Collapse of Lehman Brothers in 2008 and the Bottom of the Great Financial Crisis in March 2009.

Certainly, we do not want to make light of the worries today about the war in Ukraine, sky-high inflation, rising interest rates and a much-less accommodative Federal Reserve, but there is a statistical reason why AAI Sentiment is viewed as a terrific contra-indicator—subsequent equity market gains, on average, following the nine prior extremely Bearish readings were sensational.

The sample size is obviously very small (four for Bears and five for Bull-Bear Spread) and the period following Lehman suffered a 3.9% decline, but the average six-month return going-forward for the Russell 3000 index was 28%! That is not to say that stocks will quickly rebound as those who added to their equity exposure in October 2008 endured much bigger short-term losses. However, long-term-oriented investors who remembered that the secret to success with stocks is not to get scared out of them were very happy with what transpired over the ensuing one, three, five, ten and 14+ years.

To be sure, this time is different, but every period, disconcerting or otherwise, is different, even as Charlie Munger said at the Berkshire Hathaway confab in Omaha

this past weekend: “I don’t think we ever had anything quite like we have had now in terms of the volumes of pure gambling activity going on daily.” Of course, Mr.

“We depend on mispriced businesses through a mechanism where we’re not responsible for the mispricing.”

— Warren Buffett

Munger and Warren Buffett put money to work during the first quarter, reducing the conglomerate’s cash hoard by \$40 billion, with the Oracle of Omaha quipping, “Sometimes markets do crazy things. That’s good for Berkshire, not because we’re smart...but because we’re sane.”

And speaking of sanity, we are not unhappy to see the recent carnage in “meme” stocks, SPACs and more than a few profitless companies, even as the indiscriminate selling in the Nasdaq has bled over to our reasonably

priced Info Tech and Communication Services holdings like Apple, Alphabet, Microsoft and Meta Platforms. Still, inexpensive stocks as a group have held up much better during the two market corrections this year, with the Russell 3000 Value index (R3KV) losing less year-to-date than even the Global and U.S. Aggregate Bond benchmarks.

Volatility is always part of the investment process, so nothing witnessed this year is unusual, and we can’t forget the outsized equity returns in 2021, but we realize that there are no prizes for the recent red ink in our portfolios. However, we see no reason to alter our long-term enthusiasm, especially as TPS Portfolio sports respective trailing and NTM P/E ratios of 13 and 12, compared to 18 and 15 for the R3KV and 22 and 19 for the S&P, while the dividend yield of 2.4% is generous versus 2.1% for the R3KV and 1.4% for the S&P. We also like that the historical evidence shows that Value stocks have enjoyed double-digit returns, on average, when inflation is elevated or when the Fed is tightening or when government bond yields are rising. True, recession risks are higher, but even such an event, historically, has been no reason to sell Value stocks.



Editor, Principal, Portfolio Manager
Kovitz

Graphic Detail

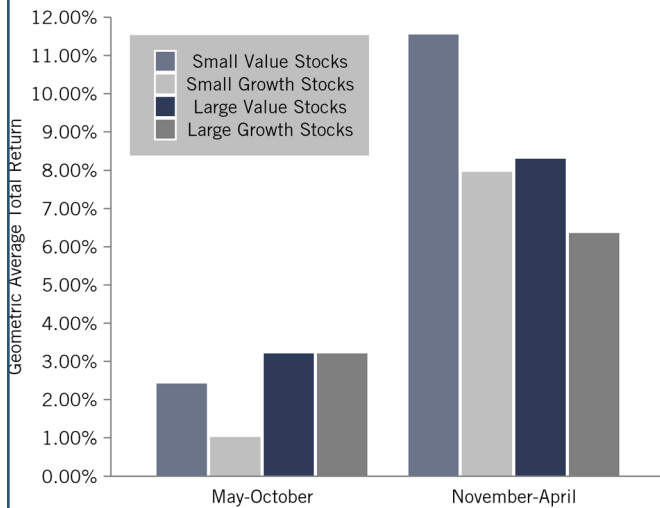
Seasonality

Given that stocks went south in the Nov. 2021 - Apr. 2022 seasonally favorable period, but generally moved higher in the May 2021 - Oct. 2021 seasonally less favorable time span, we would never want to make major allocation decisions based on the calendar. Of course, that

does not stop pundits from warning that folks should *Sell in May and Go Away*, but the historical data show that Dividend Payers and Value Stocks have enjoyed positive absolute and relative returns, on average, during the May to October period.

SEASONAL VALUE VS. GROWTH

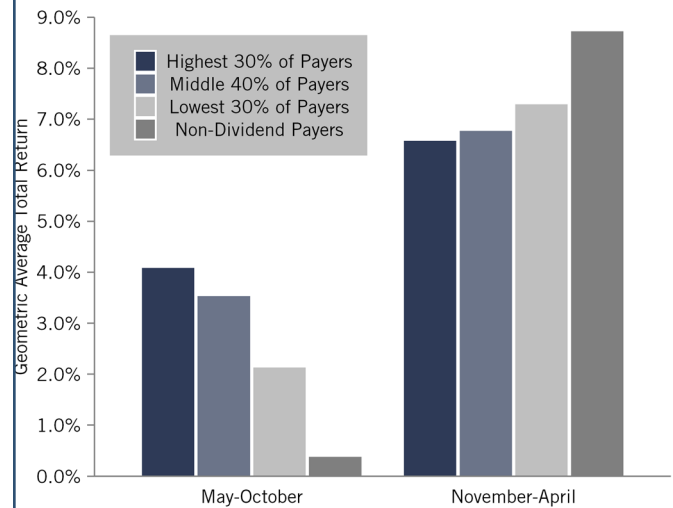
Gains have not been as strong starting this time of year, but Value has won the long-term returns race no matter the season...



From 04.30.28 through 10.31.21. Geometric average. SOURCE: Kovitz using data from Professors Eugene F. Fama and Kenneth R. French

SEASONAL DIV VS. NON-DIV PAYERS

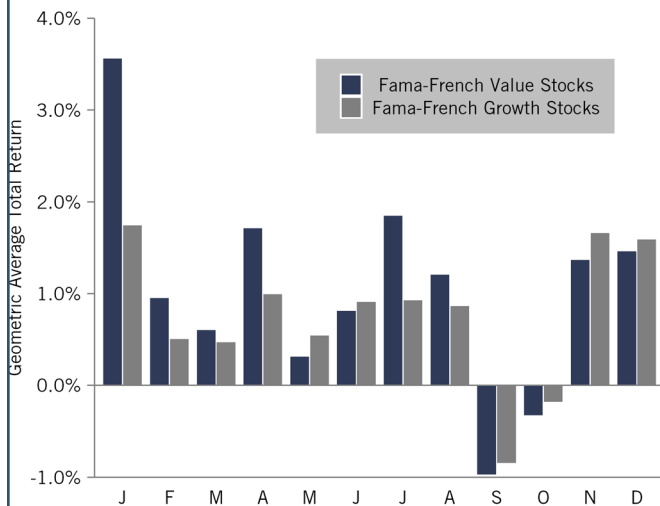
...and the historical outperformance of Dividend Payers during the seasonally less favorable six months has been striking.



From 04.30.28 through 10.31.21. Geometric average. SOURCE: Kovitz using data from Professors Eugene F. Fama and Kenneth R. French

MONTHLY VALUE VS. GROWTH

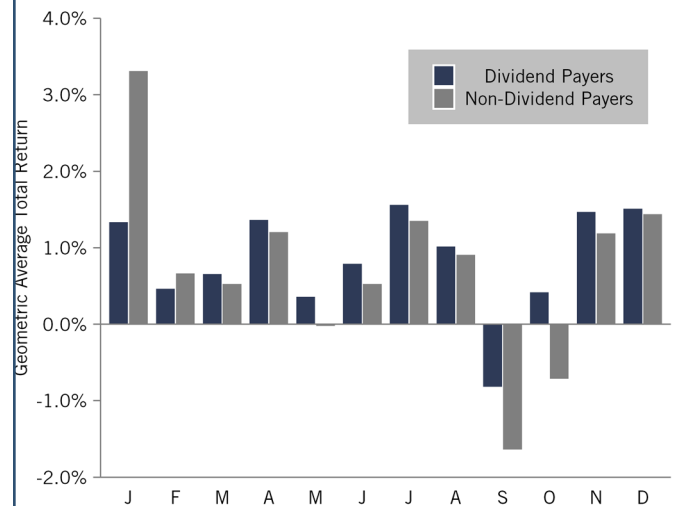
Sell Labor Day and Buy Halloween might be a better slogan as September and October are the only down months on average...



From 12.31.27 through 03.31.22. Geometric average. SOURCE: Kovitz using data from Professors Eugene F. Fama and Kenneth R. French

MONTHLY DIV VS. NON-DIV PAYERS

...while Dividend Payers over the last 90+ years have won the spoils in all but two months and had a positive return in the spookiest.



From 12.31.27 through 03.31.22. Geometric average. SOURCE: Kovitz using data from Professors Eugene F. Fama and Kenneth R. French

Graphic Detail

Market of Stocks - Index Composition

After outperforming by a modest amount in 2021, the equal-weighted S&P 500 had a much smaller negative total return (-8.95%) than the capitalization-weighted S&P 500 (-12.92%) over the last four months. Illustrating a risk of indexing, a handful of stocks in the major mar-

ket averages drive performance, as the five highest-priced Dow Jones Industrials members accounted for 32.8% and the five largest S&P stocks represented 22.6% of those benchmarks. The Russell 3000 Value index is much less top-heavy, with a 10.4% weighting for its top five. ■

DOW JONES INDUSTRIAL AVERAGE TOP 20

Chevron and Walmart have been winners this year, but their prices are low versus big Dow losers Goldman Sachs and Home Depot.

Ticker	Company Name	Average Weight	Total Return (%)	Contrib to Return (%)
UNH	UnitedHealth Group	9.38	1.58	0.17
GS	Goldman Sachs Group	6.58	-19.66	-1.36
HD	Home Depot	6.41	-27.18	-2.01
MSFT	Microsoft	5.66	-17.31	-1.02
MCD	McDonald's	4.75	-6.53	-0.32
AMGN	Amgen	4.46	4.55	0.17
V	Visa	4.11	-1.49	-0.06
CAT	Caterpillar	4.03	2.87	0.11
CRM	Salesforce	3.98	-30.77	-1.38
BA	Boeing Co	3.72	-26.07	-1.01
HON	Honeywell Int'l	3.72	-6.70	-0.25
TRV	Travelers Cos	3.30	9.91	0.28
JNJ	Johnson & Johnson	3.28	6.17	0.20
AAPL	Apple	3.19	-11.10	-0.36
PG	Procter & Gamble Co	2.99	-0.77	-0.03
MMM	3M Co	2.97	-17.99	-0.59
CVX	Chevron	2.83	34.92	0.74
WMT	Walmart	2.75	6.14	0.16
JPM	JPMorgan Chase & Co	2.73	-23.59	-0.69
DIS	Walt Disney Co	2.67	-27.93	-0.80
Top-20 Total		83.50		-8.03

From 12.31.21 through 4.30.22. Using the SPDR Dow Jones Industrial Average ETF Trust as a proxy for the Dow Jones Industrial Average. SOURCE: Kovitz using data from Bloomberg Finance L.P.

S&P 500 TOP 20

Double-digit percentage losses in seven of the eight largest S&P members have had a sizable negative impact this year on the index.

Ticker	Company Name	Average Weight	Total Return (%)	Contrib to Return (%)
AAPL	Apple	6.92	-11.10	-0.77
MSFT	Microsoft	5.92	-17.31	-1.03
GOOGL	Alphabet	4.12	-21.22	-0.87
AMZN	Amazon.com	3.56	-25.45	-0.93
TSLA	Tesla	2.06	-17.60	-0.40
NVDA	NVIDIA	1.61	-36.93	-0.66
BRK/B	Berkshire Hathaway	1.59	7.97	0.10
FB	Meta Platforms	1.49	-40.40	-0.78
UNH	UnitedHealth Group	1.23	1.58	0.02
JNJ	Johnson & Johnson	1.21	6.17	0.07
JPM	JPMorgan Chase & Co	1.12	-23.59	-0.28
PG	Procter & Gamble Co	1.01	-0.77	-0.01
V	Visa	0.96	-1.49	-0.01
HD	Home Depot	0.94	-27.18	-0.29
XOM	Exxon Mobil	0.89	40.87	0.25
BAC	Bank of America	0.83	-19.41	-0.16
MA	Mastercard	0.83	1.41	0.01
PFE	Pfizer	0.77	-16.28	-0.12
CVX	Chevron	0.76	34.92	0.19
ABBV	AbbVie	0.70	10.60	0.06
Top-20 Total		38.53		-5.59

From 12.31.21 through 04.30.22. Using the SPDR S&P 500 ETF Trust as a proxy for the S&P 500 index. SOURCE: Kovitz using data from Bloomberg Finance L.P.

RUSSELL 3000 VALUE TOP 20

Value has held up much better this year, thanks to handsome gains in its Energy and selected Health Care components.

Ticker	Company Name	Average Weight	Total Return (%)	Contrib to Return (%)
BRK/B	Berkshire Hathaway	2.74	7.97	0.19
JNJ	Johnson & Johnson	2.07	6.17	0.12
UNH	UnitedHealth Group	1.96	1.58	0.03
JPM	JPMorgan Chase & Co	1.91	-23.59	-0.48
PG	Procter & Gamble Co	1.72	-0.77	-0.02
XOM	Exxon Mobil	1.53	40.87	0.45
BAC	Bank of America	1.42	-19.41	-0.27
PFE	Pfizer	1.32	-16.28	-0.23
CVX	Chevron	1.31	34.92	0.35
DIS	Walt Disney Co	1.10	-27.93	-0.33
CSCO	Cisco Systems	1.07	-21.70	-0.25
VZ	Verizon Communications	1.00	-8.75	-0.09
CMCSA	Comcast	0.99	-20.16	-0.20
WFC	Wells Fargo & Co	0.94	-8.65	-0.07
WMT	Walmart	0.94	6.14	0.05
TMO	Thermo Fisher Scientific	0.93	-17.09	-0.17
MRK	Merck & Co	0.93	16.75	0.14
INTC	Intel	0.90	-14.72	-0.14
DHR	Danaher	0.77	-23.60	-0.20
T	AT&T	0.77	5.06	0.02
Top-20 Total		26.31		-1.10

From 12.31.21 through 04.30.22. Using the Russell 3000 Value index. SOURCE: Kovitz using data from Bloomberg Finance L.P.

RUSSELL 3000 GROWTH TOP 20

As with the S&P, the Tech Wreck has weighed heavily on the Growth stock indexes, with even the reasonably priced names hit hard.

Ticker	Company Name	Average Weight	Total Return (%)	Contrib to Return (%)
AAPL	Apple	11.64	-11.10	-1.25
MSFT	Microsoft	10.08	-17.31	-1.66
GOOGL	Alphabet	6.02	-21.22	-1.23
AMZN	Amazon.com	6.00	-25.45	-1.52
TSLA	Tesla	3.47	-17.60	-0.66
NVDA	NVIDIA	2.61	-36.93	-1.02
FB	Meta Platforms	2.52	-40.40	-1.26
V	Visa	1.63	-1.49	-0.02
HD	Home Depot/The	1.60	-27.18	-0.46
MA	Mastercard	1.41	1.41	0.02
ABBV	AbbVie	1.19	10.60	0.10
AVGO	Broadcom	1.07	-16.12	-0.16
COST	Costco Wholesale	1.00	-6.05	-0.06
ADBE	Adobe	1.00	-30.17	-0.32
PEP	PepsiCo	0.87	-0.50	-0.01
QCOM	QUALCOMM	0.81	-23.31	-0.19
LLY	Eli Lilly & Co	0.80	6.20	0.06
NKE	NIKE	0.77	-25.01	-0.21
ACN	Accenture PLC	0.77	-27.14	-0.22
KO	Coca-Cola Co/The	0.76	9.94	0.06
Top-20 Total		55.26		-10.07

From 12.31.21 through 04.30.22. Using the Russell 3000 Growth index. SOURCE: Kovitz using data from Bloomberg Finance L.P.

All Recommended Stocks

In this space, we list all of the stocks we own across our multi-cap-value managed account strategies and in our four newsletter portfolios. See the last page for pertinent information on our flagship TPS strategy, which has been in existence since the launch of *The Prudent Speculator* in March 1977.

Readers are likely aware that TPS has long been monitored by *The Hulbert Financial Digest* (“Hulbert”). As industry watchdog Mark Hulbert states, “Hulbert was founded in 1980 with the goal of tracking investment advisory newsletters. Ever since it has been the premiere source of objective and independent performance ratings for the industry.” For info on the newsletters tracked by Hulbert, visit: <http://hulbertratings.com/since-inception/>

Keeping in mind that all stocks are rated as “Buys” until such time as we issue an official Sales Alert, we believe that all of the companies in the tables on these pages trade for significant discounts to our determination of long-term fair value and/or offer favorable risk/reward profiles. Note that, while we always seek substantial capital gains, we require lower appreciation potential for stocks that we deem to have more stable earnings streams, more diversified businesses and stronger balance sheets. The natural corollary is that riskier companies must offer far greater upside to warrant a recommendation. Further, as total return is how performance is ultimately judged, we explicitly factor dividend payments into our analytical work.

While we always like to state that we like all of our children equally, meaning that we would be fine in purchasing any of the 100+ stocks, we remind subscribers that we very much advocate broad portfolio diversification with TPS Portfolio holding more than eighty of these companies. Of course, we respect that some folks may prefer a more concentrated portfolio, however our minimum comfort level in terms of number of overall holdings in a broadly diversified portfolio is at least thirty!

TPS rankings and performance are derived from hypothetical transactions “entered” by Hulbert based on recommendations provided within TPS, and according to Hulbert’s own procedures, irrespective of specific prices shown within TPS, where applicable. Such performance does not reflect the actual experience of any TPS subscriber. Hulbert applies a hypothetical commission to all “transactions” based on an average rate that is charged by the largest discount brokers in the U.S., and which rate is solely determined by Hulbert. Hulbert’s performance calculations do not incorporate the effects of taxes, fees, or other expenses. TPS pays an annual fee to be monitored and ranked by Hulbert. With respect to “since inception” performance, Hulbert has compared TPS to 18 other newsletters across 60 strategies (as of the date of this publication). Past performance is not an indication of future results. For additional information about Hulbert’s methodology, visit: <http://hulbertratings.com/methodology/>. ■

Industry Group	Ticker ¹	Company	Price	Target Price	Price Multiples				EV/ EBITDA ⁴	FCF Yield ⁵	Debt/ TE ⁶	Div Yield	Mkt Cap
					EPS	Sales	TBV ²	ROCE ³					
Technology Hardware	AAPL	Apple	157.65	193.00	25.6	6.6	37.9	149.3	19.0	4.1	153%	0.6%	2,551,594
Health Care Equip/Srvcs	ABT	Abbott Labs	113.50	151.68	20.2	4.5	nmf	20.6	17.5	4.3	nmf	1.7%	200,155
Food, Bev & Tobacco	ADM	Archer-Daniels	89.56	102.02	15.7	0.6	3.0	13.8	15.3	7.7	56%	1.8%	50,396
Materials	ALB	Albemarle	192.83	291.86	47.6	6.8	6.1	2.5	23.4	-2.7	57%	0.8%	22,583
Insurance	ALIZY	Allianz SE	22.40	32.44	13.5	nmf	1.4	8.2	nmf	nmf	nmf	3.6%	91,495
Transportation	ALK	Alaska Air Group	54.39	83.78	nmf	1.0	4.3	14.3	7.1	8.8	215%	0.0%	6,858
Insurance	ALL	Allstate	126.54	160.04	9.5	nmf	1.8	5.8	nmf	nmf	nmf	2.7%	34,921
Pharma/Biotech/Life Sci	AMGN	Amgen	233.19	297.79	13.2	4.7	nmf	111.7	13.6	6.4	nmf	3.3%	124,570
Health Care Equip/Srvcs	ANTM	Anthem	501.93	578.91	18.4	0.8	nmf	17.9	10.6	5.9	nmf	1.0%	121,008
Materials	APD	Air Products & Chemicals	234.07	360.75	24.8	4.7	4.2	16.4	15.6	1.7	58%	2.8%	51,897
Real Estate	ARE	Alexandria Real Estate	182.16	243.66	23.1	nmf	1.8	2.7	nmf	nmf	nmf	2.5%	29,732
Semis & Cap Equipment	AVGO	Broadcom	554.39	735.38	18.6	7.9	nmf	38.1	16.6	6.0	nmf	3.0%	226,347
Insurance	AXAHY	AXA SA	26.12	39.17	8.0	nmf	nmf	11.2	nmf	nmf	nmf	5.5%	61,583
Capital Goods	AYI	Acuity Brands	172.48	249.62	15.1	1.6	13.0	17.2	10.7	4.5	118%	0.3%	5,964
Banks	BAC	Bank of America	35.68	55.23	10.2	nmf	1.7	12.1	nmf	nmf	nmf	2.4%	287,470
Materials	BASFY	BASF SE	13.35	26.33	6.8	0.6	1.7	12.7	5.6	8.2	54%	5.0%	49,047
Technology Hardware	BHE	Benchmark Electronics	23.76	38.72	15.0	0.4	1.2	4.0	7.8	-18.9	40%	2.8%	838

As of 04.30.22. nmf=Not meaningful. ¹=First-time recommendation. ²Tangible book value. ³Return on Common Equity. ⁴Enterprise value-to-earnings before interest taxes depreciation and amortization. ⁵Free cash flow yield. ⁶Tangible equity. SOURCE: Kovitz using data from Bloomberg Finance L.P.

Industry Group	Ticker ¹	Company	Price	Target Price	EPS	Sales	TBV ²	ROCE ³	EBITDA ⁴	Yield ⁵	Debt/TE ⁶	Div Yield	Mkt Cap
Retailing	BIG	Big Lots	30.90	71.35	5.8	0.1	0.9	15.6	6.9	2.8	156%	3.9%	882
Diversified Financials	BK	Bank of New York	42.06	69.14	13.9	nmf	2.1	8.8	nmf	nmf	nmf	3.2%	33,976
Diversified Financials	BLK	Blackrock	624.68	978.86	15.3	nmf	24.5	16.2	nmf	nmf	nmf	3.1%	95,384
Pharma/Biotech/Life Sci	BMJ	Bristol-Myers Squibb	75.27	104.01	9.6	3.4	nmf	18.1	10.3	9.1	nmf	2.9%	160,255
Banks	C	Citigroup	48.21	98.17	5.4	nmf	0.6	9.5	nmf	nmf	nmf	4.2%	95,093
Health Care Equip/Srvcs	CAH	Cardinal Health	58.05	81.99	11.9	0.1	nmf	37.4	22.9	6.9	nmf	3.4%	16,083
Capital Goods	CAT	Caterpillar	210.54	286.41	19.4	2.1	11.5	38.6	12.6	2.6	258%	2.1%	112,297
Materials	CE	Celanese	146.94	220.78	7.2	1.7	6.4	50.8	7.8	8.9	134%	1.9%	15,915
Banks	CFG	Citizens Financial Group	39.40	72.17	7.9	nmf	1.5	9.9	nmf	nmf	nmf	4.0%	19,547
Health Care Equip/Srvcs	CHNG	Change Healthcare	23.56	28.17	15.3	2.2	nmf	-2.4	14.9	3.7	nmf	0.0%	7,350
Banks	CMA	Comerica	81.90	107.31	11.3	nmf	1.8	13.6	nmf	nmf	nmf	3.3%	10,709
Media & Entertainment	CMCSA	Comcast	39.76	66.68	11.9	1.5	nmf	15.4	7.7	10.7	nmf	2.7%	178,125
Capital Goods	CMI	Cummins	189.19	325.81	13.0	1.1	4.3	25.8	8.7	5.6	62%	3.1%	26,879
Diversified Financials	COF	Capital One Fin'l	124.62	194.26	4.9	nmf	1.4	20.5	nmf	nmf	nmf	1.9%	49,723
Semis & Cap Equipment	COHU	Cohu	26.56	56.27	8.9	1.5	2.6	19.7	4.0	6.7	25%	0.0%	1,292
Technology Hardware	CSCO	Cisco Systems	48.98	72.03	14.7	3.9	nmf	30.1	11.9	6.7	nmf	3.1%	203,471
Health Care Equip/Srvcs	CVS	CVS Health	96.13	137.15	11.4	0.4	nmf	11.0	10.7	12.4	nmf	2.3%	126,237
Transportation	DAL	Delta Air Lines	43.03	66.71	nmf	0.8	nmf	29.7	11.3	-0.8	nmf	0.0%	27,585
Capital Goods	DE	Deere & Co	377.55	498.73	21.0	2.6	8.6	35.4	12.0	1.9	245%	1.1%	115,826
Energy	DINO	HF Sinclair	38.02	57.83	25.2	0.5	3.1	10.1	9.9	-6.6	125%	3.7%	8,487
Media & Entertainment	DIS	Walt Disney	111.63	179.34	37.0	2.8	nmf	3.5	24.3	0.7	nmf	0.0%	203,237
Real Estate	DLR	Digital Realty	146.12	177.22	22.4	nmf	4.6	8.2	nmf	nmf	nmf	3.3%	42,462
Real Estate	DOC	Physicians Realty	17.14	21.86	16.5	nmf	1.4	3.1	nmf	nmf	nmf	5.4%	3,863
Transportation	DPSGY	Deutsche Post AG	42.56	81.77	14.3	0.6	7.2	30.8	5.6	11.0	239%	3.0%	52,734
Capital Goods	ENS	EnerSys	65.46	129.36	14.3	0.8	6.8	9.9	10.7	-2.2	311%	1.1%	2,700
Energy	EOG	EOG Resources	116.76	143.73	13.6	3.6	3.1	22.0	7.1	7.3	25%	2.6%	68,350
Capital Goods	ETN	Eaton Corp PLC	145.02	187.98	21.9	3.0	nmf	13.7	16.6	2.7	nmf	2.1%	57,946
Media & Entertainment	FB	Meta Platforms	200.47	405.42	15.2	4.5	5.3	29.1	9.6	7.1	13%	0.0%	542,537
Transportation	FDX	FedEx	198.74	369.18	10.6	0.6	2.9	22.1	8.2	5.7	196%	1.5%	51,509
Banks	FITB	Fifth Third Bancorp	37.53	52.15	10.7	nmf	1.9	12.8	nmf	nmf	nmf	3.2%	25,742
Retailing	FL	Foot Locker	29.31	70.16	3.8	0.3	1.4	29.7	5.1	15.1	142%	5.5%	2,816
Capital Goods	GBX	Greenbrier	42.71	56.15	18.0	0.6	1.5	6.0	11.4	-32.6	128%	2.5%	1,392
Capital Goods	GD	General Dynamics	236.53	275.71	20.3	1.7	nmf	19.7	15.1	8.1	nmf	2.1%	65,686
Pharma/Biotech/Life Sci	GILD	Gilead Sciences	59.34	83.81	8.1	2.7	nmf	23.2	7.8	13.4	nmf	4.9%	74,472
Technology Hardware	GLW	Corning	35.19	56.28	16.2	2.1	3.4	9.2	9.5	5.0	77%	3.1%	29,722
Autos & Components	GM	General Motors	37.91	78.40	5.5	0.4	1.0	16.0	2.9	14.0	135%	0.0%	55,274
Media & Entertainment	GOOG	Alphabet	2299.33	3686.01	20.4	5.5	6.6	30.8	14.2	4.5	11%	0.0%	1,508,573
Diversified Financials	GS	Goldman Sachs	305.49	462.24	5.9	nmf	1.2	23.0	nmf	nmf	nmf	2.6%	108,895
Autos & Components	GT	Goodyear Tire	13.32	25.29	6.5	0.2	1.3	18.9	6.0	-0.3	253%	0.0%	3,756
Consumer Durables	HAS	Hasbro	88.06	126.81	18.4	1.9	nmf	12.5	14.1	3.6	nmf	3.2%	12,279
Autos & Components	HMC	Honda Motor	26.25	39.85	6.2	0.3	nmf	8.8	7.5	15.3	50%	3.3%	47,550
Technology Hardware	HPE	Hewlett Packard Enterprise	15.41	22.02	7.6	0.7	18.8	20.4	7.4	11.0	967%	3.1%	20,035
Software & Services	IBM	Int'l Business Machines	132.21	163.83	13.8	1.8	nmf	27.3	12.1	7.8	nmf	5.0%	118,914
Energy	INT	World Fuel Services	24.22	39.23	16.7	0.0	2.2	4.2	9.2	-3.7	125%	2.0%	1,526
Semis & Cap Equipment	INTC	Intel	43.59	65.84	8.8	2.3	2.6	26.9	5.3	5.4	47%	3.3%	178,240
Materials	IP	Int'l Paper	46.28	69.06	11.7	0.8	3.1	21.2	7.9	8.2	142%	4.0%	17,153
Technology Hardware	JBL	Jabil	57.73	85.81	9.1	0.3	5.7	36.5	4.9	4.0	193%	0.6%	8,152
Pharma/Biotech/Life Sci	JNJ	Johnson & Johnson	180.46	209.94	18.3	5.0	nmf	30.4	15.4	4.1	nmf	2.5%	474,863
Technology Hardware	JNPR	Juniper Networks	31.52	39.48	17.9	2.1	32.1	7.8	16.4	5.9	561%	2.7%	10,184
Banks	JPM	JPMorgan Chase	119.36	184.21	8.9	nmf	1.7	16.1	nmf	nmf	nmf	3.4%	350,891
Retailing	JWN	Nordstrom	25.70	45.20	24.2	0.3	12.3	40.2	6.3	4.8	1328%	3.0%	4,097
Banks	KEY	KeyCorp	19.31	29.19	7.8	nmf	1.7	16.1	nmf	nmf	nmf	4.0%	17,936
Real Estate	KIM	Kimco Realty	25.33	29.94	17.7	nmf	1.6	12.5	nmf	nmf	nmf	3.2%	15,654
Semis & Cap Equipment	KLIC	Kulicke & Soffa	46.41	88.16	8.3	1.7	2.6	44.9	4.0	11.0	3%	1.5%	2,891
Food & Staples Retailing	KR	Kroger Co	53.96	64.74	14.7	0.3	7.2	17.4	9.1	8.9	354%	1.6%	39,030
Retailing	KSS	Kohl's Corp	57.88	81.28	7.8	0.4	1.6	19.0	4.6	19.3	140%	3.5%	7,443
Consumer Dur & App	LEG	Leggett & Platt	35.63	59.23	13.1	0.9	nmf	26.2	8.6	3.4	nmf	4.7%	4,770

As of 04.30.22. nmf=Not meaningful. ¹=First-time recommendation. ²Tangible book value. ³Return on Common Equity. ⁴Enterprise value-to-earnings before interest taxes depreciation and amortization. ⁵Free cash flow yield. ⁶Tangible equity.
SOURCE: Kovitz using data from Bloomberg Finance L.P.

Industry Group	Ticker ¹	Company	Price	Target Price	EPS	Sales	TBV ²	ROCE ³	EBITDA ⁴	Yield ⁵	Debt/TE ⁶	Div Yield	Mkt Cap
Technology Hardware	LITE	Lumentum Holdings	81.21	143.67	13.7	3.4	4.0	19.5	7.4	11.5	60%	0.0%	5,863
Capital Goods	LMT	Lockheed Martin	432.12	503.39	19.1	1.7	nmf	76.1	12.2	6.2	nmf	2.6%	114,990
Retailing	LOW	Lowe's Cos	197.73	279.92	16.5	1.4	nmf	nmf	11.4	5.9	nmf	1.6%	130,723
Semis & Cap Equipment	LRCX	Lam Research	465.76	752.84	19.5	3.9	14.7	79.7	11.8	5.4	114%	1.3%	64,608
Commerical Services	MAN	ManpowerGroup	90.20	149.38	11.2	0.2	18.4	16.8	6.7	10.3	308%	2.8%	4,827
Consumer Durables	MDC	MDC Holdings	36.91	77.10	4.4	0.5	1.0	24.7	4.2	-2.4	61%	5.4%	2,627
Health Care Equip/Srvcs	MDT	Medtronic PLC	104.36	141.08	18.6	4.4	nmf	9.5	18.4	4.0	nmf	2.4%	140,003
Insurance	MET	MetLife	65.68	99.09	7.2	nmf	1.0	9.5	nmf	nmf	nmf	2.9%	53,493
Capital Goods	MMM	3M Co	144.22	222.23	14.4	2.3	nmf	39.0	10.8	6.1	nmf	4.1%	82,070
Materials	MOS	Mosaic Co	62.42	83.81	12.4	1.8	2.4	16.2	8.0	3.8	37%	0.7%	22,595
Pharma/Biotech/Life Sci	MRK	Merck & Co	88.69	113.80	12.7	4.2	nmf	41.1	15.9	4.3	nmf	3.1%	224,240
Pharma/Biotech/Life Sci	MRNA	Moderna	134.41	284.17	4.8	2.9	3.8	146.1	3.3	24.6	5%	0.0%	54,170
Diversified Financials	MS	Morgan Stanley	80.59	120.11	10.0	nmf	2.0	nmf	nmf	nmf	nmf	3.5%	141,529
Software & Services	MSFT	Microsoft	277.52	378.90	30.4	10.8	24.6	48.7	20.9	3.1	87%	0.9%	2,075,581
Semis & Cap Equipment	MU	Micron Tech	68.19	128.14	7.9	2.4	1.6	20.4	4.3	6.4	16%	0.6%	76,146
Materials	NEM	Newmont Corp	72.85	86.89	25.1	4.7	3.1	4.7	17.0	4.2	33%	3.0%	57,817
Software & Services	NLOK	NortonLifeLock	25.04	35.18	14.8	5.3	nmf	nmf	12.9	6.9	nmf	2.0%	14,580
Transportation	NSC	Norfolk Southern	257.88	334.27	20.8	5.4	4.5	21.1	13.1	4.4	100%	1.9%	61,461
Technology Hardware	NTAP	NetApp	73.25	104.95	14.5	2.6	nmf	148.8	9.6	7.1	nmf	2.7%	16,301
Materials	NTR	Nutrien Ltd	98.25	120.81	15.8	2.0	6.0	13.7	9.6	nmf	93%	2.0%	54,288
Banks	NYCB	NY Community Bancorp	9.24	16.17	7.4	nmf	1.1	9.0	nmf	nmf	nmf	7.4%	4,315
Media & Entertainment	OMC	Omnicom Group	76.13	109.65	11.6	1.1	nmf	37.9	8.2	7.2	nmf	3.7%	15,662
Banks	ONB	Old National Bancorp	15.16	23.09	9.6	nmf	1.4	3.9	nmf	nmf	nmf	3.7%	4,441
Software & Services	ORCL	Oracle	73.40	111.15	14.9	4.7	nmf	nmf	17.9	3.2	nmf	1.7%	195,843
Banks	OZK	Bank OZK	38.42	66.13	8.8	nmf	1.3	12.8	nmf	nmf	nmf	3.2%	4,764
Pharma/Biotech/Life Sci	PFE	Pfizer	49.07	72.29	11.1	3.4	97.4	31.3	11.7	10.9	1360%	3.3%	277,136
Health Care Equip/Srvcs	PHG	Koninklijke Philips NVR	25.78	45.28	18.2	1.3	nmf	25.2	14.8	5.8	nmf	3.2%	22,787
Banks	PNC	PNC Financial	166.10	237.96	10.9	nmf	1.8	10.1	nmf	nmf	nmf	3.6%	68,932
Utilities	PNW	Pinnacle West Capital	71.20	90.97	13.0	2.1	1.4	10.7	9.9	-7.4	136%	4.8%	8,045
Insurance	PRU	Prudential Fin'l	108.51	145.29	7.3	nmf	0.7	11.8	nmf	nmf	nmf	4.4%	40,846
Semis & Cap Equipment	QCOM	Qualcomm	139.69	230.75	12.8	4.0	32.5	107.5	11.1	4.6	254%	2.1%	156,453
Consumer Services	RCL	Royal Caribbean	77.73	98.24	nmf	12.9	4.6	-76.0	-15.4	-21.2	453%	0.0%	19,826
Real Estate	REG	Regency Centers	68.83	82.28	17.1	nmf	2.0	6.0	nmf	nmf	nmf	3.6%	11,807
Capital Goods	SIEGY	Siemens AG	61.07	104.91	17.6	3.1	18.5	15.3	13.9	8.1	785%	2.7%	103,819
Capital Goods	SNA	Snap-On Inc	212.49	292.68	13.8	2.4	3.9	20.7	9.4	6.8	42%	2.7%	11,341
Pharma/Biotech/Life Sci	SNY	Sanofi	52.25	66.69	14.7	6.3	nmf	9.4	13.7	6.7	nmf	2.8%	132,052
Technology Hardware	STX	Seagate Tech	82.04	128.16	9.6	1.5	nmf	409.9	8.7	8.3	nmf	3.4%	17,626
Diversified Financials	SYF	Synchrony Fin'l	36.81	60.36	5.0	nmf	1.8	32.2	nmf	nmf	nmf	2.4%	18,460
Banks	TFC	Truist Financial	48.35	74.03	8.7	nmf	2.3	10.1	nmf	nmf	nmf	4.0%	64,374
Retailing	TGT	Target	228.65	294.12	16.9	1.0	8.7	50.9	10.0	4.6	132%	1.6%	106,019
Capital Goods	TKR	Timken	57.64	96.39	12.1	1.0	7.1	16.6	8.4	5.5	247%	2.1%	4,311
Consumer Durables	TPR	Tapestry	32.92	62.80	9.7	1.3	31.9	28.7	6.2	12.3	958%	3.0%	8,691
Food, Bev & Tobacco	TSN	Tyson Foods	93.16	116.01	10.1	0.7	24.2	21.7	6.3	9.0	594%	2.0%	33,767
Energy	TTE	TotalEnergies SE	48.71	95.85	5.6	0.7	1.5	15.6	3.9	14.3	50%	4.9%	127,122
Autos & Components	VWAGY	Volkswagen AG	21.58	40.68	6.5	2.4	1.7	12.3	1.5	19.6	252%	2.6%	63,680
Telecom Services	VZ	Verizon	46.30	74.13	8.5	1.4	nmf	27.6	7.1	7.8	nmf	5.5%	194,444
Consumer Durables	WHR	Whirlpool	181.52	311.84	7.3	0.5	nmf	37.8	5.4	9.9	nmf	3.9%	10,202
Commerical Services	WM	Waste Management	164.44	181.93	32.4	3.7	nmf	26.2	16.0	3.5	nmf	1.6%	68,277
Food & Staples Retailing	WMT	Walmart	152.99	182.67	23.7	0.7	8.5	16.7	12.9	2.6	105%	1.5%	421,148
Materials	WRK	WestRock	49.53	70.85	14.5	0.7	5.2	7.7	7.4	7.5	340%	2.0%	13,037
Energy	XOM	Exxon Mobil	85.25	112.13	12.5	1.2	2.1	15.8	7.9	11.0	25%	4.1%	360,239
Health Care Equip/Srvcs	ZBH	Zimmer Biomet	120.75	178.66	16.4	3.2	nmf	3.2	17.4	4.1	nmf	0.8%	25,276

As of 04.30.22. nmf=Not meaningful. ¹ =First-time recommendation. ²Tangible book value. ³Return on Common Equity. ⁴Enterprise value-to-earnings before interest taxes depreciation and amortization. ⁵Free cash flow yield. ⁶Tangible equity.
SOURCE: Kovitz using data from Bloomberg Finance L.P.

Portfolio Builder

Research Team Highlights

The *Prudent Speculator* follows an approach to investing that focuses on **broadly diversified** investments in **undervalued** stocks for their **long-term** appreciation potential. Does that mean we build portfolios of 20 stocks...30...? More like 50 and up. We like stocks. And we like a lot of 'em. We don't rely nearly as much on "how many" as we do "in which," but we tend to invest in far more names than most. This expansive diversification, we find, potentially serves us well in two ways: we can further minimize the risk of individual stock ownership, while maximizing the likelihood of finding the truly big winners among the undervalued masses.

As for the "in which" part, readers should know we discriminate among potential investments primarily by their relative valuation metrics and our assessments of stock-specific risk. We buy only those stocks we find to be undervalued along several lines relative to their own trading history, those of their peers or that of the market in general. Our Target Prices incorporate a range of fundamental risks (e.g. credit, customer and competitive dynamic) that we believe the companies may face over our normal three-to-five-year investing time horizon.

Each month in this column, we highlight 10 stocks with which readers might populate their portfolios. The list is not selected based on performance, as the following methodological hierarchy is utilized: 1) First time recommendations; 2) Stocks that are unowned or under-owned in one of our four newsletter portfolios; 3) Companies that have not been highlighted in the prior five monthly editions of *The Prudent Speculator*; 4) Editor's choice. Note that we are in no way suggesting that these stocks replace those featured in prior months as we will always issue a *Sales Alert* should we choose to exit a position.

Portfolio Builder Notes

This month, we will boost the ownership in **General Motors** to \$11,000 in Buckingham Portfolio. In our hypothetical accounts, we will hike to \$19,000 the holdings of **Comcast**, **Cohu** and **New York Community Bancorp** in Millennium Portfolio, while we will lift **Bristol-Myers**, **TotalEnergies SE** and **World Fuel Services** to \$31,000 in PruFolio. We already have enough **Alphabet**, **Apple** and **Corning** in our newsletter portfolios, so no additional purchases of these three this time around. As is our custom, we will wait two days, until Thursday, May 5, to transact.

THIS MONTH'S 10-STOCK SELECTION

Ticker	Company	Sector	Price	Target Price
AAPL	Apple	Information Technology	157.65	193.00
BMJ	Bristol-Myers Squibb	Health Care	75.27	104.01
CMCSA	Comcast	Communication Services	39.76	66.68
COHU	Cohu	Information Technology	26.56	56.27
GLW	Corning	Information Technology	35.19	56.28
GM	General Motors	Consumer Discretionary	37.91	78.40
GOOG	Alphabet	Communication Services	2299.33	3686.01
INT	World Fuel Services	Energy	24.22	39.23
NYCB	NY Community Bancorp	Financials	9.24	16.17
TTE	TotalEnergies SE	Energy	48.71	95.85

As of 04.30.22. SOURCE: Kovitz using data from Bloomberg Finance L.P.

Apple (AAPL)

Shares of Apple were given a haircut after the consumer electronics darling reported supply chain challenges, despite turning in fiscal Q2 results that exceeded analyst expectations. Apple earned \$1.52 per share (vs. \$1.42 est.) while revenue was \$97.3 billion (vs. \$94.0 billion est.). CFO Luca Maestri explained, "We believe our year-over-year revenue performance during the June quarter will be impacted by a number of factors. Supply constraints caused by COVID-related disruptions and industry-wide silicon shortages are impacting our ability to meet customer demand for our products. We expect these constraints to be in the range of \$4 billion to \$8 billion, which is substantially larger than what we experienced during the March quarter." Apple has long been known for its tight grip on supply chains, so the admission of challenges on that front was a big deal. Despite Apple's favored status with investors, the company's shares have actually dropped after every quarterly report (but one) since Q4 2020. Not a great set of one-day records, but the shares have gained ground over that full time period. Continuing to like the cash rich balance sheet and the entrenched Apple ecosystem, we think the pullback offers a nice entry point.

Bristol-Myers Squibb (BMJ)

Bristol-Myers Squibb is a global pharmaceutical company focused on discovering, developing, licensing and marketing drugs for cardiovascular, virology, oncology, affective disorders, immunology, metabolic and other in-

dications. BMY earned \$1.96 per share in Q1, a 13% improvement year-over-year, on 5% revenue growth, and announced FDA approval of respective cancer and heart failure drugs Opdualag and Camzyos. These approvals, along with new approvals for current drug Opdivo, are solid strides to not just offset losses from Revlimid starting this year, but to continue to grow the top line. CEO Geovanni Caforia said, “I am confident in our ability to deliver on our strategy and more than offset key LOEs by continuing the growth of our in-line products with \$8 billion to \$10 billion in incremental sales and delivering \$10 billion to \$13 billion of revenue expected from our new product portfolio by 2025.” High-quality BMY trades for 10 times NTM EPS, with a dividend yield of 2.9%.

Comcast (CMCSA)

Comcast is a global media and technology company with two primary businesses. Comcast Cable is one of the nation’s largest video, high-speed internet and phone providers to residential customers under the XFINITY brand and also provides these services to businesses. NBCUniversal operates news, entertainment and sports cable networks, the NBC and Telemundo broadcast networks, television production operations, television station groups, Universal Pictures and Universal Parks and Resorts. CMCSA reported a loss of more than 512,000 cable-TV subscribers (vs. 440,000 est.) amid an otherwise decent Q1. Voice services lost 282,000 subscribers, double the analyst consensus, but Theme Park revenue rebounded. In the same week that streaming giant Netflix reported the first subscriber losses in ten years, Comcast’s video subscriber losses were poorly received. While investors headed for the exits at Netflix and other streamers, we are not convinced that a single datapoint (or quarter in this instance) makes a trend. Yes, subscriber additions are better than defections, but a reckoning over content costs seems hardly a bad thing for long-term earnings health. CMCSA continues to be active with its share buyback program and offers a just-hiked dividend yield near 2.7%.

Cohu (COHU)

Cohu is a global leader in test and handling equipment, thermal subsystems, interface solutions, vision inspection and MEMS test solutions supplying the semiconductor industry. Q1 EPS were \$0.66 (\$0.56 est.) on revenue of \$198 million (vs. \$195 million est.), while Q2 revenue guidance ranged between \$205 million and \$221 million, compared with the \$211 million that analysts were expect-

ing. We think it was a mostly positive quarter and there are indications that margins in Q2 will improve due to favorable product mix and some insourced manufacturing. CFO Jeff Jones said, “Cohu has effectively navigated supply constraints to locate required material and control costs. Strong order backlog and test cell utilization bodes well for sequential revenue growth in Q3.” While COHU is not out of the woods when it comes to the supply chain, evidence suggests that management has done a terrific job navigating. Of course, it’s hard to look at the price chart and think COHU has done well, which to us means the stock is on sale, especially with a single-digit forward P/E, active buyback program and terrific balance sheet.

Corning (GLW)

Corning is the leading designer and manufacturer of glass and ceramic substrates found in liquid crystal displays, fiber-optic cables, automobiles and laboratory products. GLW posted adjusted EPS of \$0.54 in Q1 (vs. \$0.52 est.) and had revenue of \$3.71 billion, versus the \$3.60 billion estimate. It has been a rocky ride for GLW this year, with shares rising out of the gate, then tumbling in February and March, before climbing to nearly even after the earnings report. Corning expects more than \$15 billion of revenue in 2022 and between \$3.7 billion and \$3.9 billion in Q2. EPS for the second quarter is expected to come in between \$0.54 and \$0.59, thanks to modest price increases and tight supply-demand conditions. Apple remains a key customer, and the latest iPhone 13 resulted in a boost to premium glass sales on a year-over-year basis. GLW seemed to weather the pandemic well and we are glad the company is working to boost margins again, especially as supply chain issues and costly input prices continue to weigh on margins or cause production delays. After stopping buybacks on account of the pandemic, Corning has gone back to returning cash to shareholders. The quarterly dividend now stands at \$0.27 per share (3.0% yield) and \$150 million of stock was bought back in Q1. Analysts expect continued earnings growth of at least 10% for the next three years, while the forward P/E is now just 15.

General Motors (GM)

Having soared on 40% profit growth in 2021, shares of General Motors have cooled by over a third in the first four months of 2022. The giant automaker earned \$2.09 per share in Q1, just a 7% reduction year-over-year on lower volume, given the ongoing parts shortages, and elevated commodity costs. Nevertheless, GM continues to

expect between \$6.50 and \$7.50 of adjusted EPS in 2022, a slight upward revision (at the midpoint) from a quarter ago. We continue to find the company's move away from sedans and towards trucks and SUVs as an important catalyst that helps supply huge amounts of cash flow needed to execute its "Transformation Roadmap," which includes launching more than 30 EVs in the very near term. And GM is making tremendous progress on that front, expecting to produce 400,000 EVs in North America through 2023, yet the shares change hands at less than 6 times expected profits in each of the next few years.

Alphabet (GOOG)

Alphabet is a holding company that through its subsidiaries provides web-based search, advertisements, software, hardware and enterprise solutions. Alphabet controls many subsidiaries, including major internet sites Google and YouTube and mobile device software Android. GOOG posted adjusted earnings per share of \$24.62, versus the \$28.61 estimate, in Q1 2022, along with adjusted sales of \$56.02 billion. CFO Ruth Porat said, "We remain committed to investing to continue to build helpful technologies in support of long-term growth notwithstanding the uncertainty in the global outlook." GOOG bought back \$52 billion of stock over the last year and the board has authorized up to \$70 billion of additional repurchases. While the exact date is uncertain, Bloomberg estimates the pending 20-for-1 stock split will occur in July. We think the long term for Alphabet remains bright, the valuation is now very attractive (the forward P/E is in the 17 range, but it drops to 13 using the 2024 estimate) and the balance sheet is loaded with cash, all of which more than offset the omnipresent regulatory risk.

World Fuel Services (INT)

World Fuel is an aggregator and reseller of fuels for its many customers in the aviation, marine and land transport markets around the globe. Through nearly two-dozen acquisitions over the past two decades, INT has grown into a leader in a highly fragmented market. INT earned \$0.42 per share in Q1 (vs. the \$0.30 est.) as roaring spot prices for bunker fuel and volume from the return of commercial air travel offset hedging costs. In the land segment, profits from Flyers Energy (which World Fuel purchased in 2021) offset declines from the U.S. withdrawal from Afghanistan. Management mentioned at the time of the deal that Flyers would add \$0.55 to \$0.65 of EPS in the first year, and earnings growth of more than 15% the

second year. Even as margins are tight for the fuel broker, we appreciate INT's regional and operational diversity which adds stability for customers operating in volatile end markets. Inexplicably, shares are off nearly a third year-to-date to trade for just 12 times expected 2022 EPS.

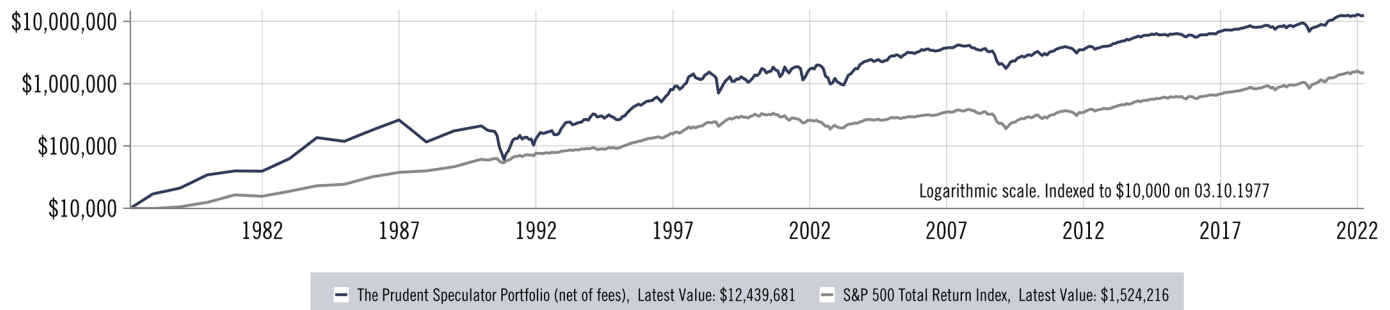
NY Community Bancorp (NYCB)

New York Community Bank operates over 400 branches in eight divisions throughout New York, New Jersey, Ohio, Florida and Arizona. Primarily concerned with lending for multi-family, rent-regulated properties in NYC, the pandemic was a particularly volatile period for NYCB, but the NYC housing market appears to have recovered. CEO Tom Gangemi remarked, "Manhattan's median rent in March was at the highest level on record, although vacancy rate remained below 2% for the fourth consecutive month." Shares have been under pressure, however, as efforts to merge with mortgage specialist Flagstar Bank have been delayed due to slow regulatory approval, while mortgage rates have soared. Management aims for the back half of the year to complete the Flagstar deal, which is expected to add diversity to the current geographical footprint and business mix, while improving its interest sensitivity profile. NYCB is also a key partner in a small consortium of FDIC-insured institutions to facilitate transactions on the blockchain for the first bank-issued stablecoin. Shares trade near tangible book value and offer a robust (and we think stable) dividend yield of 7.4%.

TotalEnergies SE (TTE)

Headquartered in France, Total is an integrated oil and gas company that has not shied away from taking meaningful strides to incorporate renewable energies into its mix, even changing the corporate name. Elevated fossil fuel prices, however, continue to support strong results for the core business with earnings hitting \$9 billion in Q1. The figure excludes a \$4.1 billion impairment taken on the Arctic LNG 2 project due to EU sanctions on Russia. While shares have lagged U.S. peers in the current environment, we view Total as somewhat "greener" energy exposure, as management aims to reach net-zero emissions by 2050. CEO Patrick Pouyanne recently commented, "We will maintain capital discipline as we look for opportunities to profitably grow the company mainly, of course, in LNG and renewables and power." The company has a generous capital return program, with a net dividend yield of 4.9% and the board committing to buy back \$3 billion of stock in the first half of 2022. ■

THE PRUDENT SPECULATOR (TPS) PORTFOLIO STANDARDIZED PERFORMANCE



Performance as of 03.31.22	QTD	YTD	1-Year	3-Year	5-Year	7-Year	10-Year	15-Year	20-Year	25-Year	Inception
TPS Portfolio (net of fees)	-3.94	-3.94	5.67	14.65	11.33	10.51	12.11	8.23	9.62	11.51	17.12
S&P 500	-4.60	-4.60	15.65	18.92	15.99	14.01	14.64	10.27	9.25	9.43	11.80
Russell 3000 Value	-0.85	-0.85	11.10	12.99	10.16	9.66	11.61	7.33	8.11	8.78	NA
Russell 3000	-5.28	-5.28	11.92	18.24	15.40	13.37	14.28	10.10	9.37	9.53	NA

Year	Total Firm Assets ¹	Composite Total Assets ¹	# of Accounts	Composite Gross Return (%)	Composite Net Return (%)	Bench Return (%)	Bench 2 Return (%)	Bench 3 Return (%)	Composite 3-Yr STD (%)	Bench 3-Yr STD (%)	Bench 2 3-Yr STD (%)	Bench 3 3-Yr STD (%)	Composite Dispersion (%)	Wrap-Fee Paying (%)	Non-Fee Paying (%)
2021	7,465	31	38	25.48	24.38	28.72	25.36	25.67	19.88	17.17	19.34	19.32	0.35	<1	<1
2020	5,990	21	38	10.52	9.78	18.40	2.87	20.89	20.70	18.53	19.96	19.41	0.74	5.00	16.00
2019	5,046	22	47	28.29	27.28	31.49	26.26	31.02	13.45	12.11	9.55	12.38	0.32	5.00	16.20
2018	3,674	18	51	-8.46	-9.29	-4.38	-8.57	-5.25	11.48	10.96	11.21	11.34	0.25	4.11	14.31
2017	946	19	42	19.78	18.83	21.84	13.20	21.13	11.04	10.06	10.48	10.23	0.34	6.93	24.69
2016	711	7	10	18.51	18.02	11.98	18.42	12.75	12.05	10.74	11.12	11.04	N/A	5.60	39.89
2015	701	2	<6	-4.23	-4.23	1.41	-4.13	0.47	12.01	10.62	10.90	10.73	N/A	<1	100.00
2014	827	3	<6	5.35	5.35	13.69	12.69	12.56	11.36	9.10	9.49	9.42	N/A	<1	100.00
2013	788	3	<6	41.13	41.07	32.41	32.69	33.57	14.60	12.11	13.08	12.71	N/A	<1	100.00
2012	676	2	<6	18.00	17.98	15.98	17.56	16.43	17.74	15.30	16.03	15.95	N/A	<1	100.00

IMPORTANT INFORMATION

¹Presented in millions. Note that April 2022 composite calculations cannot be completed until after press-time. Kovitz Investment Group Partners, LLC ("KIG") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. KIG has been independently verified by The Spaulding Group for the periods January 1, 1997 through December 31, 2020. The verification report(s) is/are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

Kovitz Investment Group, LLC underwent an organizational change effective January 1, 2016, and is now Kovitz Investment Group Partners, LLC. The previous manager of the strategy, AFAM Capital, Inc. (AFAM) underwent an organizational change effective October 1, 2018, and is now a division of KIG (AFAM Division). AFAM claimed compliance with GIPS® and had been independently verified for the periods January 1, 1996 through December 31, 2017. The staff of the AFAM Division have provided the same services throughout the entire period, and the persons currently responsible for managing Composite portfolios have been primarily responsible for portfolio management throughout the entire period shown. KIG, an investment adviser registered under the Investment Advisers Act of 1940, manages equity, fixed income, and hedged equity portfolios for its clients.

The Composite was created December 31, 2015, and the inception date for portfolio performance was March 10, 1977. The Composite includes all discretionary portfolios managed according to the TPS strategy (Strategy). From March 10, 1977 through December 31, 2015, the Composite consisted of 1 portfolio managed according to the Strategy. The portfolios eligible for the Composite must follow the Strategy. The minimum account size for inclusion in the Composite is \$50,000. Composite policy originally required the temporary removal of any portfolio incurring an aggregate net cash flow of at least 25% of portfolio assets. On July 1, 2016, the cash flow policy was updated to reflect the temporary removal of any portfolio incurring cash inflow or outflow of 25% or more during the month - "net" and "aggregate" are no longer applicable. The removal of such a portfolio occurs at the beginning of the month in which the significant cash flow occurs, and the portfolio re-enters the Composite at the beginning of the month after the cash flow. This policy is reviewed and maintained monthly. The Composite includes portfolios that utilize margin. The firm maintains a complete list and description of Composites, which is available upon request.

The U.S. Dollar is the currency used to express performance. The composite may include portfolios charged bundled or wrap fees, which typically consists of a single fee representing the advisor's fee, investment management fees, trading expenses, and portfolio monitoring. Gross-of-fee returns are shown as supplemental information and incorporate the effects of all realized and unrealized gains and losses, the receipt, though not necessarily the direct reinvestment, of all dividends and income, and trading expenses, where explicitly charged. Net-of-fee returns are calculated using actual fees charged to each portfolio and are presented net of the entire bundled or wrap fee, where applicable. The current management fee schedule is as follows: 1.25% on assets below \$1 million, 1.0% per annum for assets from \$1 million to \$5 million, 0.85% per annum on assets from \$5 million to \$10 million, 0.75% per annum for assets from \$10 million to \$20 million, 0.65% per annum for assets from \$20 million to \$35 million, 0.55% per annum for assets from \$35 million to \$50 million, and 0.50% per annum for assets over \$50 million. Such fees are negotiable. Where applicable, the total bundled or wrap fee charged to each portfolio is dependent on the end client's financial advisor and wrap sponsor. The composite includes accounts that do not pay trading fees. The measure of internal dispersion presented above is an asset-weighted standard deviation. The 3-year standard deviation presented above is calculated using monthly gross-of-fee returns. The 3-year standard deviation is not presented when less than 36 months of returns are available.

For comparison purposes, the Composite's primary benchmark is the S&P 500 Index, a broad market sample based on the market capitalizations of 500 large companies having common stock listed on the NYSE or NASDAQ. The secondary benchmark is the Russell 3000 Index, which measures the performance of the largest 3,000 US companies and represents approximately 98% of the investable US equity market. Also presented is the Russell 3000 Value Index, which measures the performance of the value sector (lower price-to-book ratios and lower expected growth rates) of the Russell 3000 Index. It is not possible to invest directly in an index.

Nothing presented herein is, or is intended to constitute, specific investment advice or marketing material. Information provided reflects the views of KIG as of a particular time. Such views are subject to change at any point and KIG shall not be obligated to provide notice of any change. Any securities information regarding holdings, allocations and other characteristics are presented to illustrate examples of the types of investments or allocations that KIG or AFAM may have bought or pursued as of a particular date. It may not be representative of any current or future investments or allocations and nothing should be construed as a recommendation to follow any investment strategy or allocation. Any forward-looking statements or forecasts are based on assumptions and actual results are expected to vary from any such statements or forecasts. No reliance should be placed on any such statements or forecasts when making any investment decision. While KIG has used reasonable efforts to obtain information from reliable sources, we make no representations or warranties as to the accuracy, reliability or completeness of third-party information presented herein. No guarantee of investment performance is being provided and no inference to the contrary should be made. There is a risk of loss from an investment in securities. Past performance is not a guarantee of future performance.