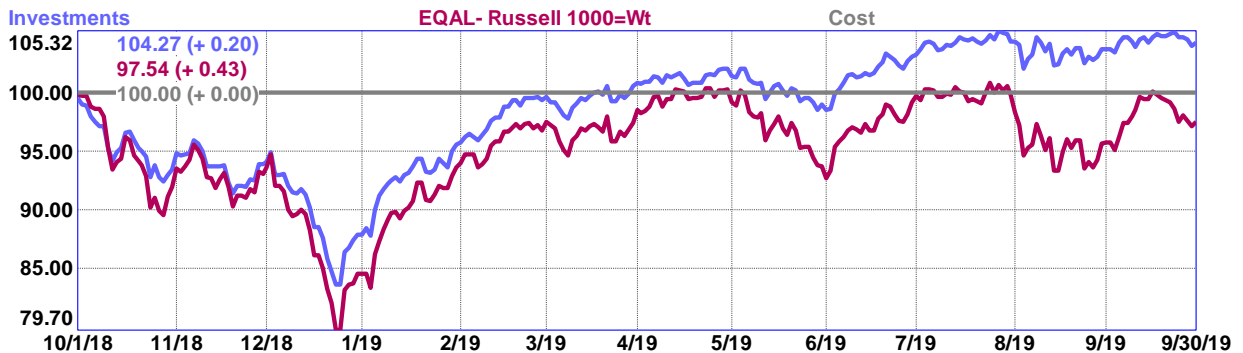


Performance Summary

Third Quarter, 2019.

Overall Returns

The first chart below compares performance of all accounts over the past twelve months (blue) to the Equal Weighted Russell 1000 (red). The chart is price change of each position, ignoring position size and excluding cash and management fees since my personal accounts do not have fees. Based on dollars and not position price change, Time-Weighted Returns (TWR) over twelve months were **4.8%** compared to **-2.5%** for the overall benchmark.



However, each client has difference goals and their investments are allocated according to the goals of 1). Beating the market, 2) Beating a down market, 3) Returns independent of the market, and 4) Matching the market. Returns for each allocation goal are more relevant for how you might want your accounts invested.

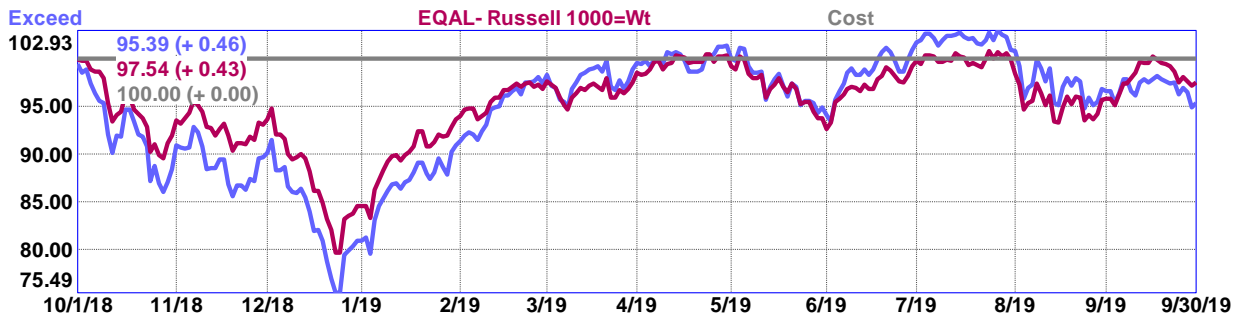
Returns by Goal

For market comparisons, the Russell equal-weight is used rather than the Russell 3000 cap weighted index because positions are generally purchased equal weight within each clients' accounts rather than a tilt towards large cap stocks. Income stocks are benchmarked to an ETF of preferred stocks, although I also show EQAL.

The charts that follow reflect the average percent change of positions, regardless of position size. Printed return numbers are based on dollars and are in a table below. Dollar charts are hard to read because the gray basis line varies considerably with buying and selling. For consistency the common time frame is for the last twelve months. Charts for other time frames are available upon request.

Twelve-Month Returns Compared to Benchmarks

1. Goal to Exceed the Market.

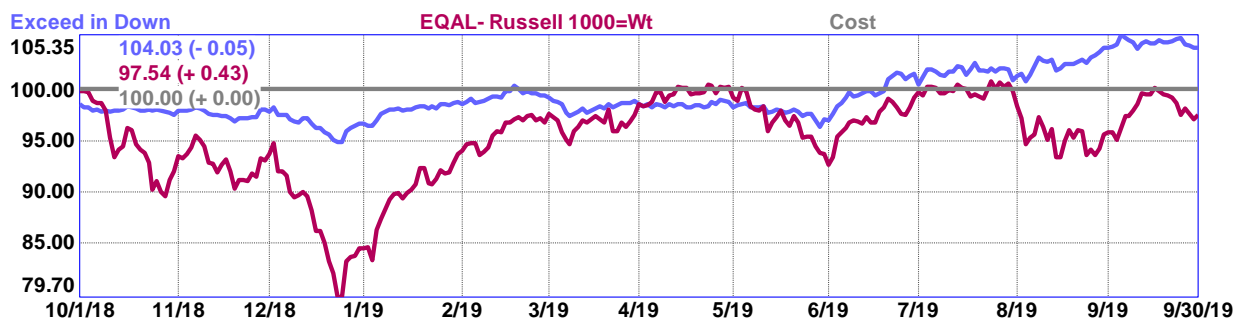


An alternative to mutual funds.

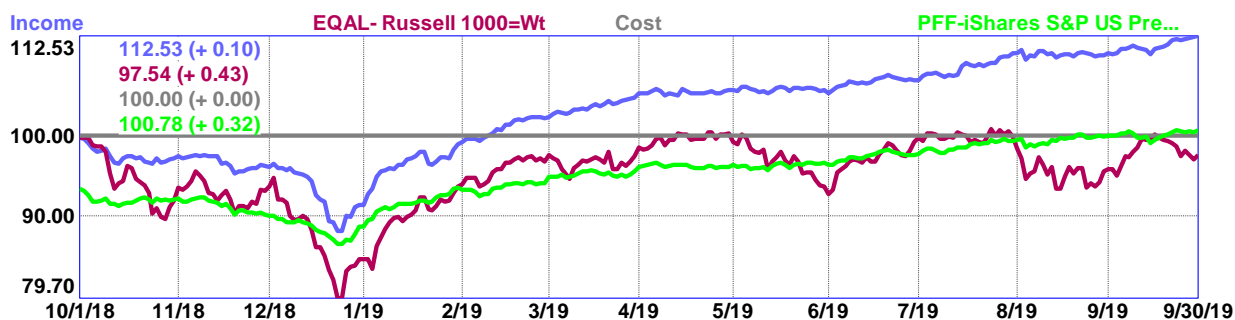
Lee Wenzel
(952) 944-2699
Lee@WenzelAnalytics.com
www.WenzelAnalytics.com

Wenzel Analytics, Inc.
Registered Investment Advisor
8666 Westwind Circle
Eden Prairie, MN 55344

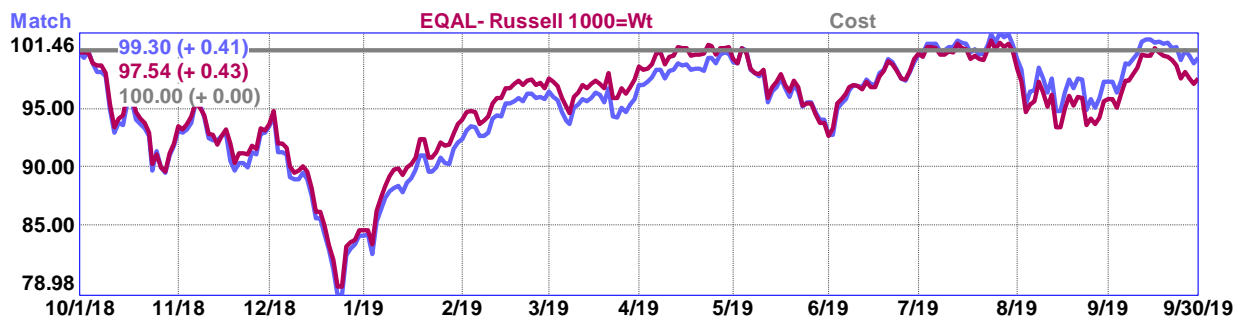
2. Goal to Exceed in Down Markets.



3. Goal to be Independent of the Market.



4. Goal to Match the Market.



Our allocation architecture is distinctive to Wenzel Analytics as an active money manager. Our dominant approach is to buy stocks in portfolios consisting of seven to fifteen positions all conforming to common criteria. The portfolio criteria have priority before looking at selecting the individual stocks within a portfolio. Selling decisions are based mostly on the performance of individual positions except in the unusual case where a portfolio is being abandoned. Therefore, performance is reported here and on client reports by portfolios rather than by individual positions. The stories that accompany individual stocks are generally avoided in favor of the numbers. Even the strong rationale or logic methodology is applied to the portfolio rather than the individual company.

The architecture of these portfolios is aligned in two primary dimensions. Each portfolio is designed to achieve one of the four goals shown above. On a second independent dimension, each portfolio is designed using one of four distinctive strategies or methodologies in its construction. These two dimensions, plus buying in portfolios, provide for strong diversification.

Not every client devotes a significant allocation towards the goal of better than market returns. Many are more interested in preserving their capital or having consistent income.

Rarely questioned and thus not explained is why most stocks go in sync up and down every minute, every day and every week. This can only happen because of the very tight integration of most stocks being in many funds. They are tangled together like a can of angleworms. When an individual stock is bought or sold, it impacts many funds. When a fund is bought or sold, it impacts many stocks. You can buy the stock or buy the fund but you are on the same ride. We try to avoid stocks that follow market patterns.

One way for an active manager to try to excel is through timing strategies that exit an up market prior to a reversal or shortly thereafter and get back in when the market reverses back up. These reversals happen at innumerable scales and are very hard to predict, in part because of all the research and predictive analytics that go into trying and the consequent reflexive nature of the markets. Instead of having dependent and independent variables with cause and effect, price is often both the dependent and independent variable like a dog chasing its tail.

Strategies

As a money manager I use a balance of four different methodologies or strategies in determining the criteria or screens used to create each portfolio for each client.

1. A strong **logic, rationale or story** is the persuasive force for some portfolios.
2. Some portfolios are created from **tested sources** such as newsletters or experience, with consistent outperformance over fifteen years or more.
3. Some portfolio screens are derived from **statistical work** finding consistent patterns in large numbers of stock histories. Sometimes the null hypothesis is derived from the findings of behavioral finance and sometimes the work is exploratory and without a specific hypothesis. I use Decision Trees as my AI technology.
4. Strong **Income** is achieved using stocks having dividends greater than 5%.

Current allocation by dollars of all current clients breaks out as follows:

Goal Rel Mkt	Strategy	Portfolio	Col %
Exceed	Rationale	GameChg	1.2%
		Resources	0.5%
		SAAS	1.6%
		Singles	1.6%
		Workplace	1.9%
	Rationale Total	6.7%	
	Statistical	PrSMA	0.2%
Tested NewsLtr		IAS SCI	12.0%
		Nate's Notes	5.1%
		Navellier	4.1%
Tested NewsLtr Total		21.2%	
Exceed Total			28.1%
Exceed in Down	Rationale	Cash	9.8%
		EAFE	2.5%
		Gold Silver	7.3%
	Staples	3.1%	
Rationale Total		22.7%	
Statistical	Defense	8.1%	
Exceed in Down Total			30.8%
Independent	Income	High Div	1.7%
		Note	2.5%
		Pref REIT	22.0%
		Preferred	4.8%
		REIT	5.1%
Independent Total			36.2%
Match	Rationale	Passive	4.9%
Grand Total			100.0%

Returns by Portfolio

Here we offer a breakdown of Time Weighted Returns (TWR) by portfolio and over longer time periods. Portfolios with minimal assets or for short time durations are not itemized but included in totals. As prescribed by regulations, returns for less than one year are given as percent change, while returns for one year or more are given as annual rates.

By Goal	3 Mo % Chg	1 Yr TWR	3 Yr TWR	5 Yr TWR	10 Yr TWR	Since 1/1/2002 TWR
Exceed	-5.0	-4.0	9.1	5.1	3.3	4.7
Game Changers	-8.0	-11.6				
Invest Adv Serv	-0.1	7.1	18.7			
Nate's Notes	-9.4	-13.4	1.2			
Navellier Grades	-5.7					
Software as a Service (SAAS)	-4.2					
Singles	-8.2	-26.0	-3.0	-5.2	4.6	6.4
Workplace	-9.9					
Exceed in Down	3.1	7.1	7.6	5.1	4.5	5.2
Defense	2.8	-5.0	13.4			
EAFE	-0.9					
Gold Silver	4.9	22.5	2.3	3.0		
Staples	8.0					
Income	5.2	12.7	9.1	8.3	7.7	10.5
High Div	9.0	10.2	9.3	-2.2		
Note	4.4					
Pref REIT	4.8	13.8	12.6	12.9		
Preferred	4.3	13.3	2.9	3.7		
REIT	7.3	12.2	11.0	10.7		
Match	0.3	-0.7	8.6			
By Strategy						
Rationale	-0.7	3.4	3.2	0.4	2.9	4.5
Statistical	2.0	7.6	11.4	6.1		
Income	5.2	12.7	9.1	8.3	7.7	10.5
Newsletter	-3.3	-0.5	11.7	8.7		
Total Invested	1.3	4.5	8.4	5.7	6.6	6.4
Total with Cash	1.2	4.8	8.2	5.5	6.0	5.7
Benchmarks						
U.S. Preferreds ETF-PFF	1.2	-2.0	-2.4	-1.6	1.4	
EQAL-Russell 1000=Wt	-1.7	-2.5	8.3			
S&P 500 (GSPC)	4.2	8.0	12.9	8.4	12.3	5.5

Time-weighted returns (TWR) are different from Return on Investment (ROI) in that the timing of when additional investments are made or positions sold is ignored. TWR is the methodology used to report mutual fund returns.

Charts and Descriptions of Individual Portfolios

1. Goal to Exceed the Market

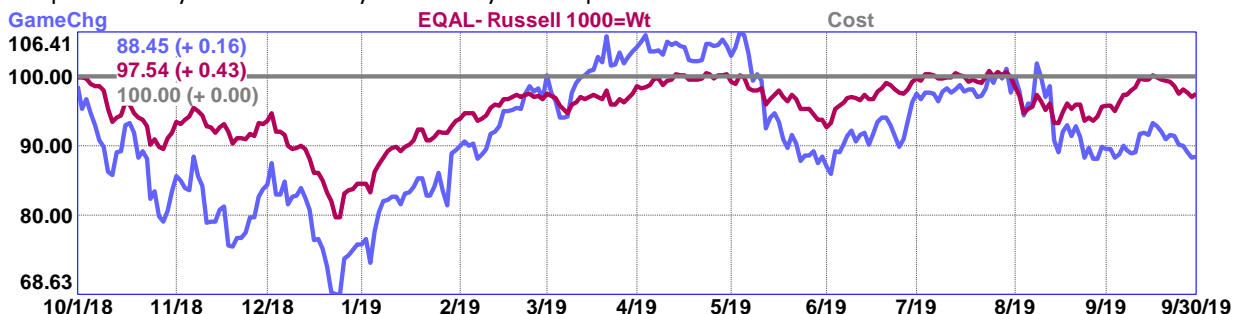
Newsletter Portfolios

Two portfolios designed to exceed market returns are based on newsletters having the highest consistent returns according to *Hulbert's Financial Digest*.

The Investment Advisory Service is a newsletter edited by Doug Gerlach and published by ICLUB central, best known as the sponsoring organization of investment clubs. Doug Gerlach's presentations at the National AAIL

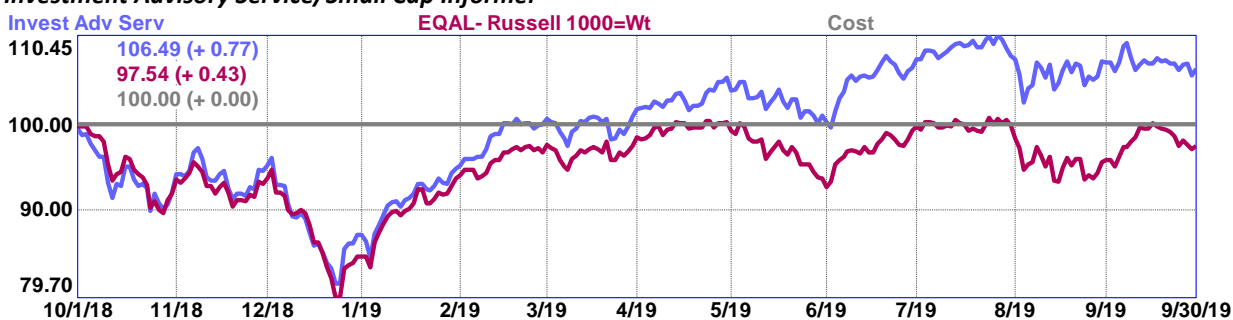
Conference and at our Twin Cities AAll chapter were impressive. The methodology is based upon fundamentals and the work of Chartered Financial Analysts. We used the newsletter for a couple years beginning in 2011 and then again for about nine months in 2014. Our exits coincided with general decisions to move overall to cash. They publish another newsletter called *Small-Cap Informer*. I have found it works best to pull from both newsletters and select from their recommendations using my other findings from statistical work rather than to use their valuations.

Game-Changer Stocks is a recently implemented newsletter based on megatrends authored by Genia Turanova and published by Street Authority. It recently ceased publication.



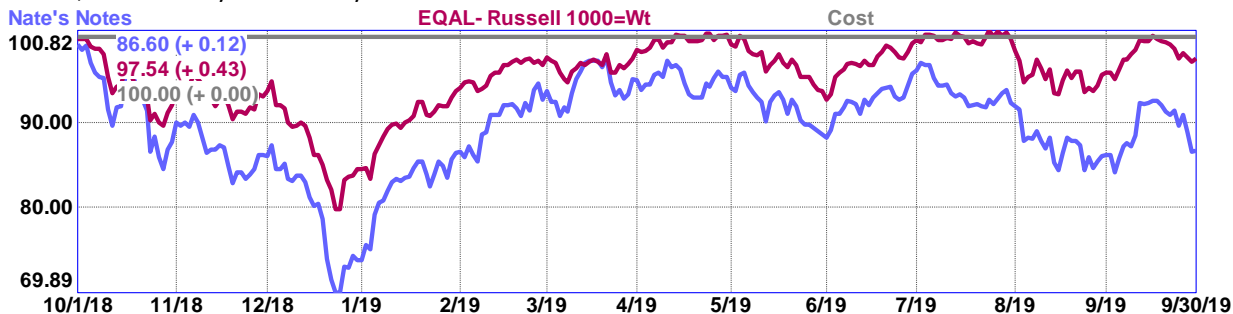
3 Month % Change	1 Year TWR
-8.0	-11.6

Investment Advisory Service/Small Cap Informer



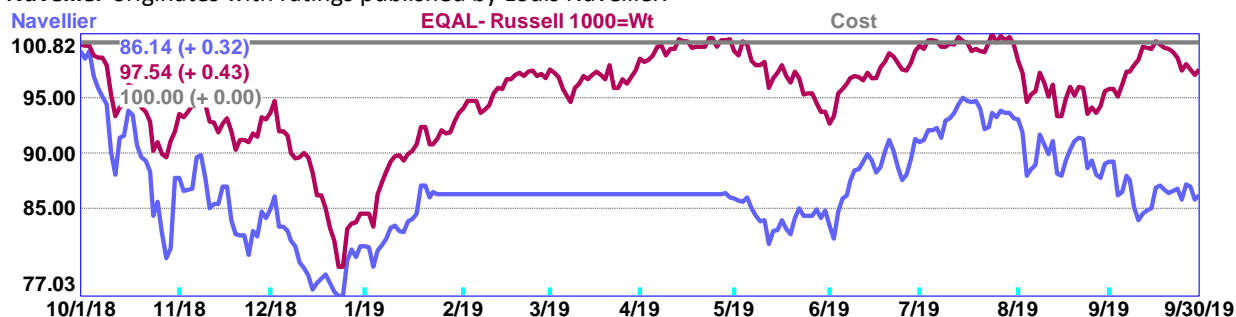
3 Month % Change	1 Year TWR	3 Year TWR
-0.1	7.1	18.7

Nate's Notes is an aggressive newsletter focused heavily on tech stocks and biotech in particular. It has not done as well, which is why we diversify.



3 Month % Change	1 Year TWR	3 Year TWR
-9.4	-13.4	1.2

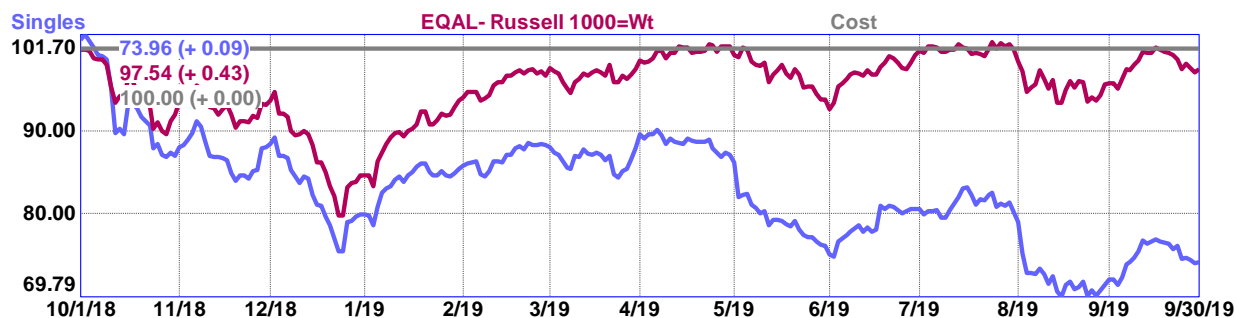
Navellier originates with ratings published by Louis Navellier.



3 Month % Change	Since Inception % Change
-5.7	-0.2

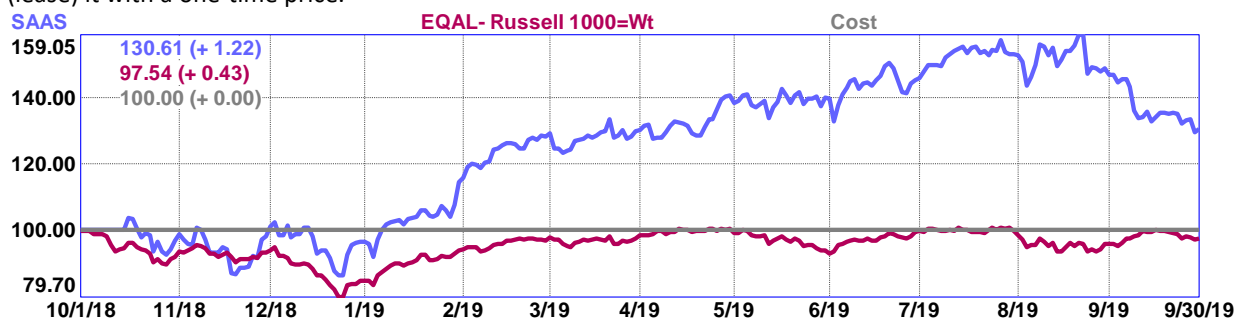
The flat line is a period of no holdings.

Singles are where I select individual stocks in my personal account based on my belief in their potential gains. They tend to be more aggressive selections. I think this is the way most investors choose stocks. It doesn't work very well for me.



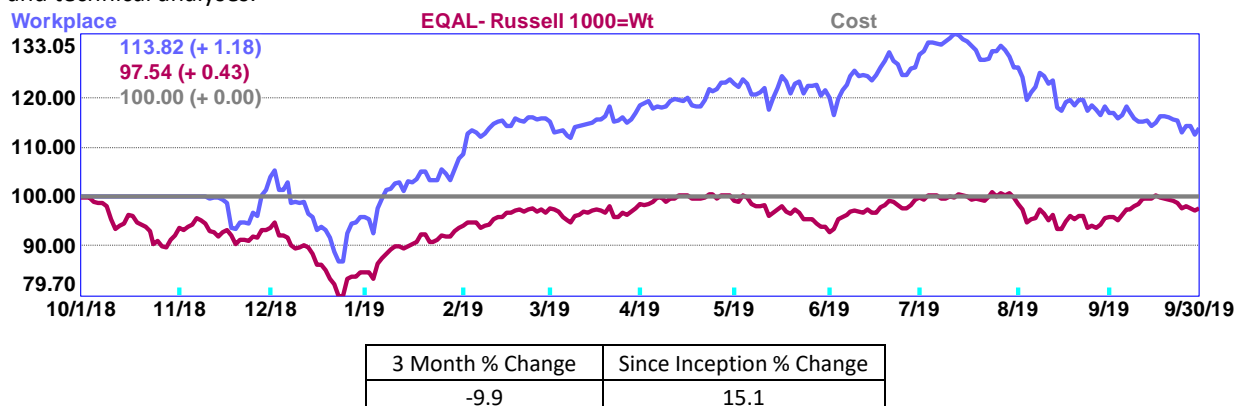
3 Month % Change	1 Year TWR	3 Year TWR	5 Year TWR	10 Year TWR	17.75 Year TWR
-8.2	-26.0	-3.0	-5.2	4.6	6.4

Software as a Service (SAAS) companies lease software to their customers with recurring fees rather than sell (lease) it with a one-time price.



3 Month % Change	Since Inception % Change
-4.2	29.4

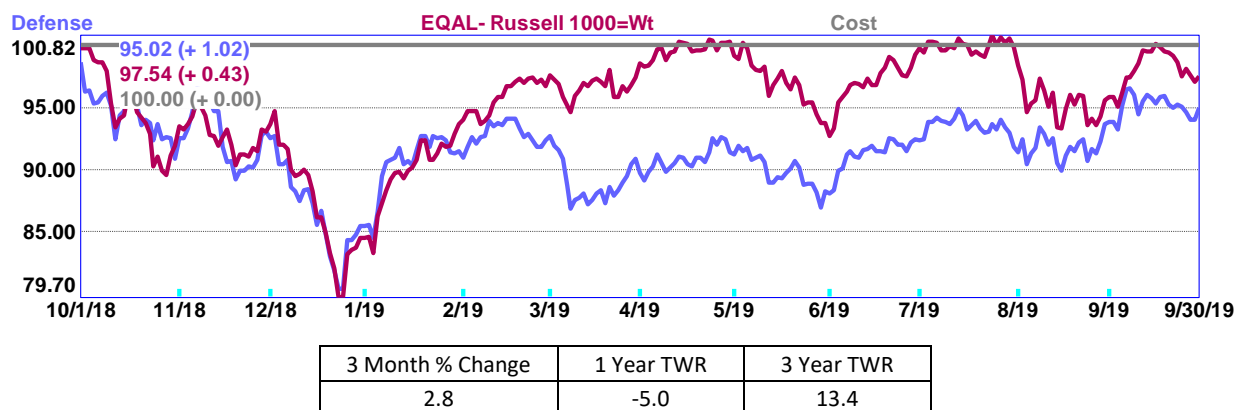
Workplace is a name I attached to a portfolio comprised from three lists found in investment magazines giving outstanding places to work or stocks projected to have an outstanding 2019. I then screened with fundamental and technical analyses.



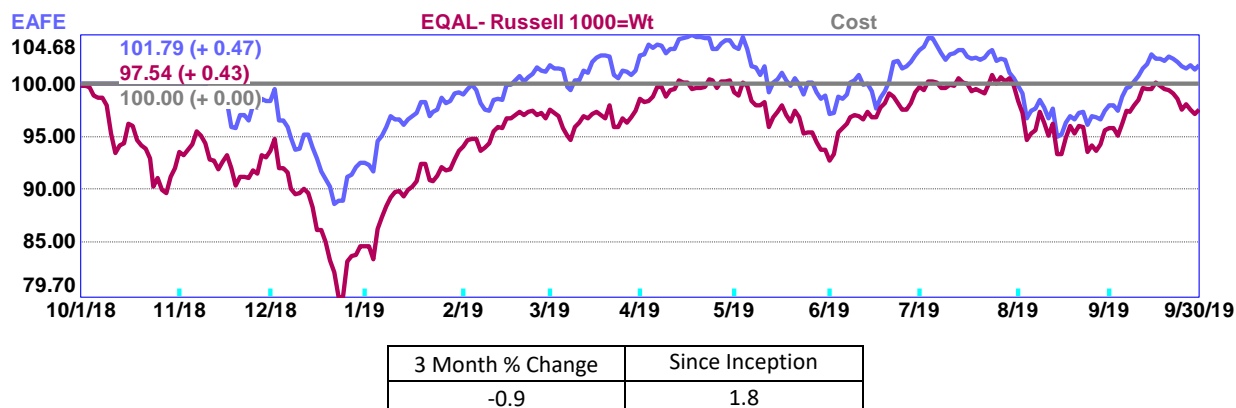
2. Portfolios to Exceed in Down Markets

Cash is probably the best defense, but also a very poor offense since it doesn't match inflation. Usually when I'm not fully invested it is because of client allocation preferences.

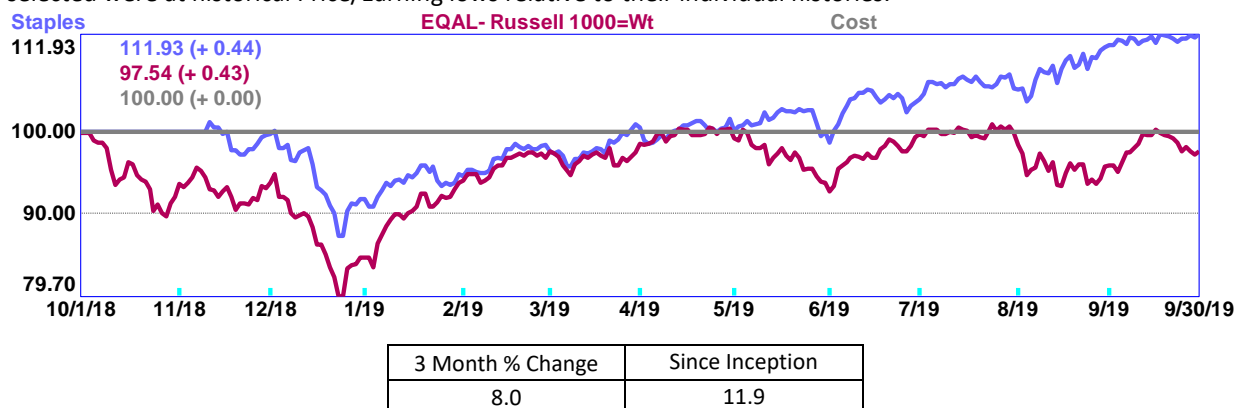
A Defense portfolio was developed statistically using a data mining tool to select criteria for stocks that did well during down markets. It has done better at forecasting a down market using the selection count than selecting resilient stocks.



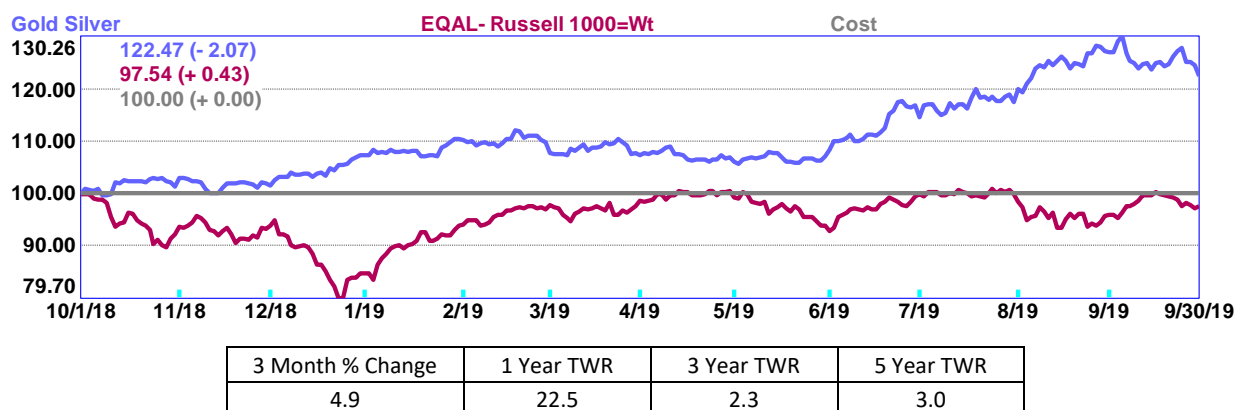
EAFE is a way to invest in non-U.S. stocks from developed economies which have a Price/Earnings ratio or valuation less than half that of the United States. I'm still waiting for the reversal.



Consumer Staples are known for being less volatile and a good investment facing down markets. The stocks selected were at historical Price/Earning lows relative to their individual histories.



Gold and silver are utilized to be relatively uncorrelated to the equity market. It is a little different than to be independent of market gyrations in that the independent goal is for steady returns more than to be uncorrelated.

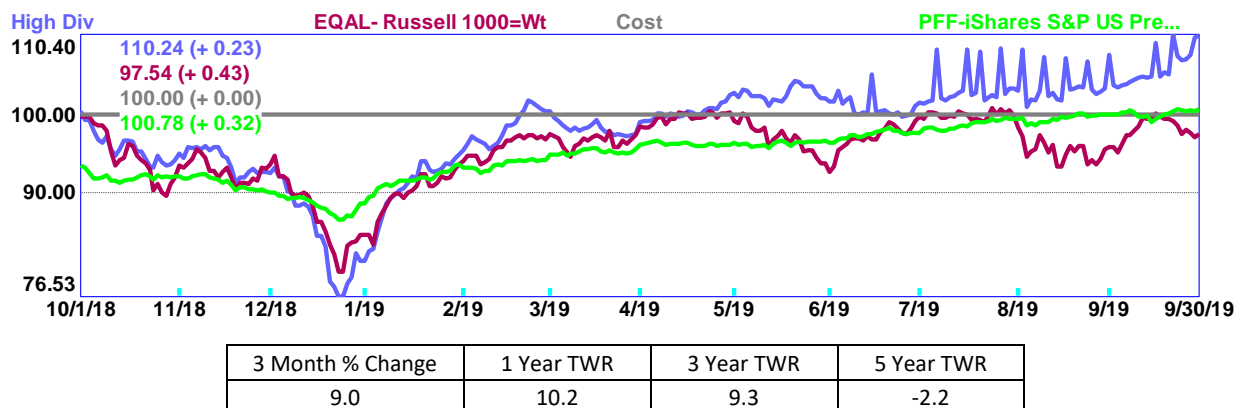


3. Portfolios for Market Independence (Income)

Market independence is sought through high-fixed income selections. The High-Income portfolios (Preferreds, Preferred REITs, REITs, notes and other high-yielding) have shown my best returns since 1/2/2002 (10.5%).

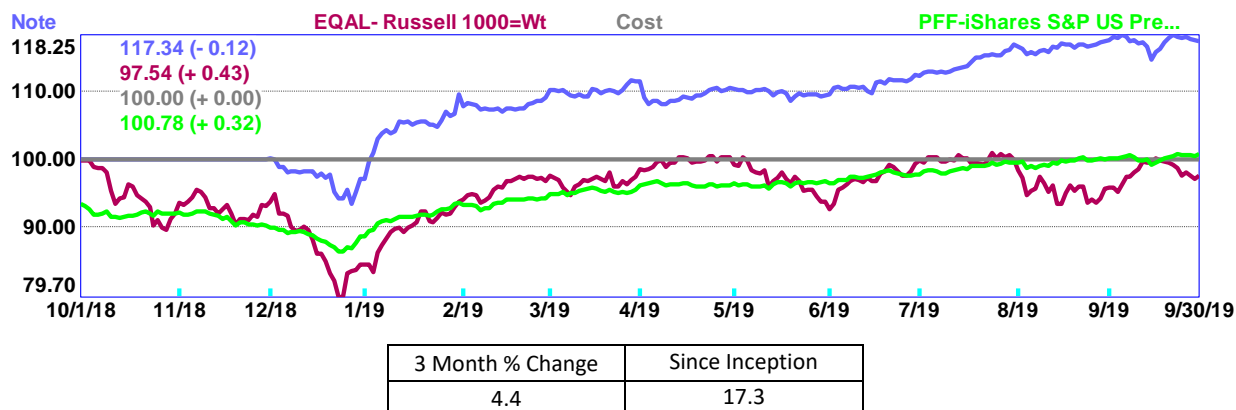
Since the objective is quite different, I will show performance against an ETF of preferred stocks (green) as well as showing a comparison to the more general market.

High Dividend Common Stocks

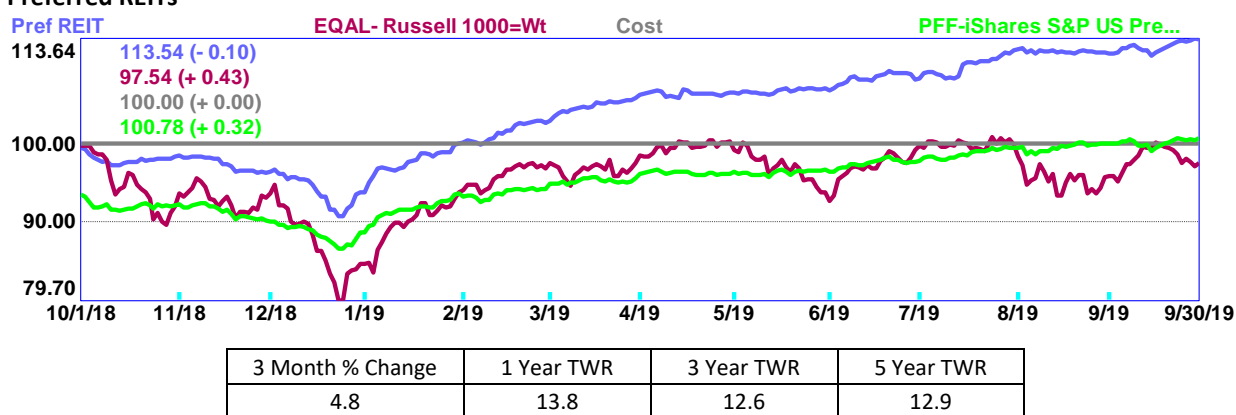


(The spikes are from a couple thinly traded positions for which the pricing data are erratic. The final price is accurate.)

Preferred Notes

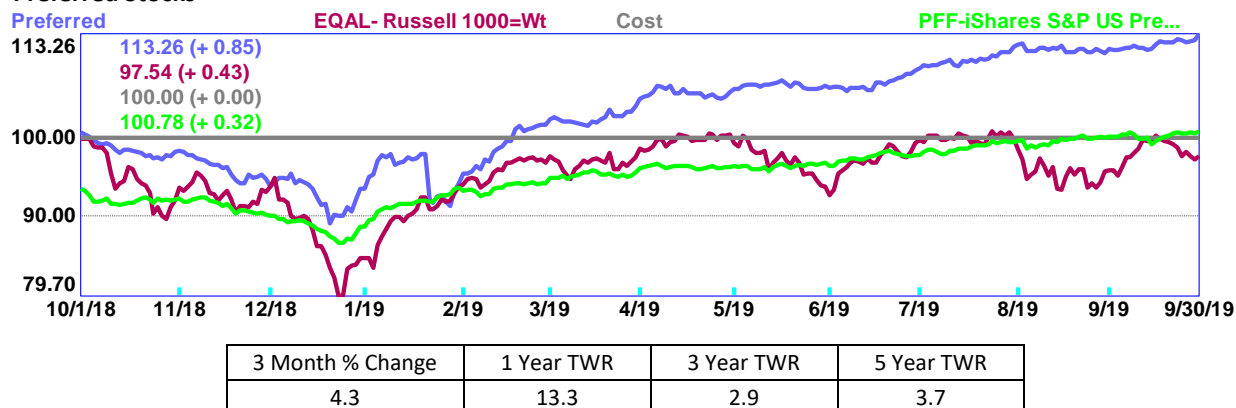


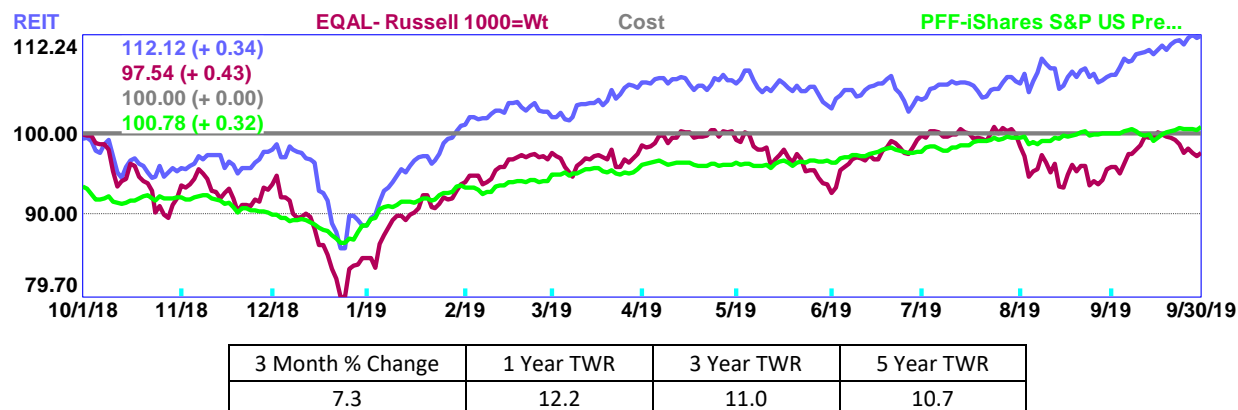
Preferred REITs



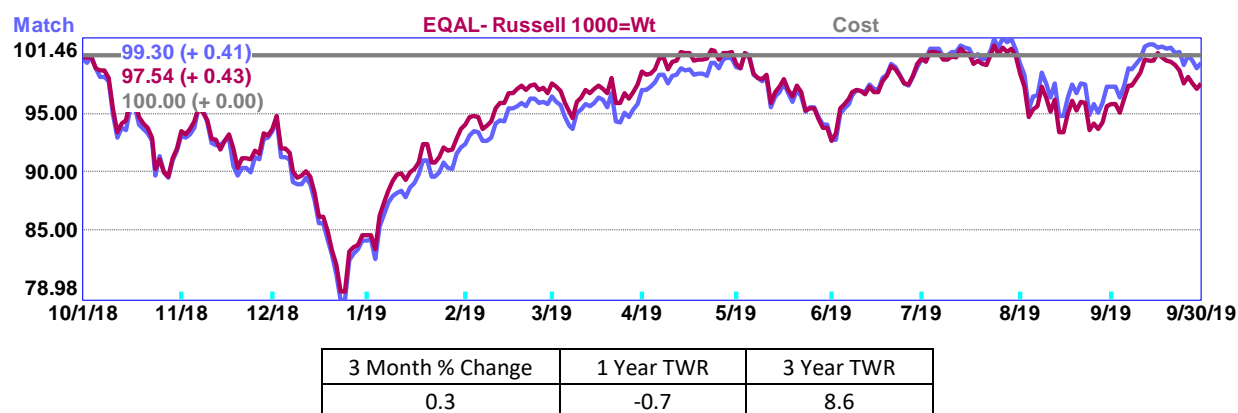
The preferred REITs have the best consistent returns and by far the highest allocation of any portfolio at 22% of all the funds I manage.

Preferred Stocks



REITs**4. Goal to Match the Market**

International exposure accounts for the variation from the Russell 1000 Equal Weight.

**Calculating Returns**

Client reports are calculated using Return on Investment (ROI) which measures how well invested money has performed. It includes the effects of all cash flows and is net or after management fees.

The method used in this report is Time-Weighted Returns (TWR). Time-Weighted returns measure the intrinsic performance of the money under management and are not affected by external cash flows such as the timing of new money from new accounts. Time-Weighted Returns are used by mutual funds to make comparisons and are used in this report on aggregate or book-of-business returns. To be CIPS/AIMR compliant, annual rates of return are used for periods of one year or more and percent change is used for periods less than one year. If there are no cash flows going in or out, the two methods of calculation will give the same result.

Return calculations include both current and discontinued portfolios, using the AIMR standards.

This entire report is exclusive of management fees. Some fees are withdrawn from the brokerage accounts and some clients pay by check from other accounts and are thus outside the database calculations. The impact on returns varies by the size of account. Our personal accounts do not pay fees. While individual client reports are after fees, it is difficult to create meaningful charts or return calculations net of fees for the aggregate of all accounts.

Portfolio Construction

Each household's accounts are individually balanced using the balance between the four goals and then sub-set portfolio preferences, as well as individual stock selection. Some portfolios work better in different market periods. Individuals holding the same portfolio will each have different stocks because of starting or adding positions at different points in time. Even at the same purchasing date and for the same portfolios in different accounts, the number of stocks added to a portfolio is dependent upon cash available and allocation considerations between different portfolios.

Because the total of all accounts is more consistent than any given account, this report is more relevant to expected future performance than the single sample of a client's individual report. Some readers struggle with understanding all the charts. It's really quite simple. Lines going up are good. Lines going down are not so good.

Returns by Year

By Year	Annual Rates			Cumulative		
<i>Time Weighted Returns (TWR)</i>	Russell 3000	Investments	Cash & Investments	Russell 3000	Investments	Cash & Investments
2002	-22.8%	-18.4%	-14.8%	-22.8%	-18.4%	-14.8%
2003	28.7%	62.2%	55.7%	-0.6%	15.0%	12.8%
2004	10.1%	14.5%	12.3%	2.9%	14.9%	12.6%
2005	4.3%	11.0%	9.4%	3.2%	13.9%	11.8%
2006	13.8%	17.2%	16.7%	5.2%	14.5%	12.8%
2007	3.3%	17.0%	16.5%	4.9%	15.0%	13.4%
2008	-38.7%	-48.1%	-45.5%	-2.9%	2.6%	2.1%
2009	25.5%	39.7%	33.0%	0.3%	6.7%	5.8%
2010	14.8%	29.2%	25.0%	1.9%	9.0%	7.8%
2011	-9%	-19.6%	-19.0%	1.6%	6.0%	4.0%
2012	14.0%	1.6%	1.1%	2.7%	6.3%	5.4%
2013	31.0%	14.6%	14.9%	4.8%	7.0%	6.1%
2014	10.5%	0.5%	-0.5%	5.2%	6.5%	5.6%
2015	-1.5%	-6.4%	-6.7%	4.7%	5.4%	4.6%
2016	9.4%	11.1%	10.8%	5.0%	5.8%	5.0%
2017	17.9%	15.0%	14.3%	7.1%	7.2%	6.4%
2018	-7.0%	-6.4%	-4.5%	5.0%	5.6%	5.0%