LESA SROUFE&CO INC.
VALUE ADVISORS

January 6, 2022

Fourth Quarter Update and Outlook

It was a terrific year for our style of investing; buying reasonably priced and often out of favor companies with a view that their valuations will be rerated upward due to rising earnings and/or a catalyst that changes investors' outlook. In 2021, out of favor industries such as industrial commodities, energy and shipping all came roaring into favor, as pricing power surged and limited supply raised profits. 2021 was a year of large divergences in performance among asset classes and investment focus. While the S&P 500 index of large tech and social media heavy companies led most indexes upward, formerly popular small company growth stocks essentially ended the year up just modestly and long dated bonds reported negative returns. Soaring inflation and indications by the U.S. Federal Reserve that it will tighten monetary policy beginning in 2022, pushed long term interest rates higher during the year, albeit from almost record low levels.

	4Q21	*1 Yr*	*3 Yr**	*5 Yr**	*Since Inception**	
					11/30/05	*5/31/04*
LSC Opportunistic Value Equity Strategy	2.8%	19.8%	9.8%	6.0%	5.6%	6.2%
LSC Fully Invested Value Equity Strategy	3.9%	24.8%	11.4%	7.3%	7.7%	N/A
Morningstar US Value TR Index	7.4%	24.0%	15.2%	10.1%	8.0%	8.6%
Standard & Poor's 500 TR Index	11.0%	28.6%	26.1%	18.5%	10.9%	10.8%
MSCI World ex USA Value TR Index	2.0%	14.0%	9.4%	6.3%	4.3%	5.7%

**Annualized.*
Reported LSC Strategy returns are net of annual management fees. Index returns do not include an imputed management fee. Client account performance will differ, due to timing, price and/or investment objective considerations. LSC Strategy and benchmark returns include dividends and/or interest.

During the fourth quarter of 2021, we purchased Dole plc, a worldwide distributor of fresh fruits and vegetables. The company is the result of the buyout of Dole Food Company by Ireland based Total Produce, renamed Dole. The combined company, publicly traded since July, owns 109,000 acres of farms and other land holdings, a fleet of refrigerator carriers and operates manufacturing, packing and distribution facilities around the world. We believe the stock is attractive due to its low valuation relative to prospective earnings and strong cash flows. We added to our position in International Seaways, a worldwide petroleum shipper based in the U.S. International Seaways earnings will benefit from rising demand for petroleum as the world's economies reopen as Covid fades and the lack of new ships being built adds pricing power to the company's vessel leasing rates. We sold the remainder of our Weis Markets position during the quarter. The company's strong earnings from rising grocery sales during Covid propelled its stock price sharply higher. We also sold our remaining position in Pfizer. Strong Covid vaccine sales have benefitted the drug company's earnings and its stock price. Eventually Covid, like other pandemics will fade as a primary concern and Pfizer's stock price could fade with it as investors move on.

Investment dynamics of recent years (cheap money, lack of investor concern over high valuations, record concentration in wealth distribution) seem to be in the early stages of change. At year end, the largest ten companies in the S&P 500 accounted for a record one third of the S&P 500's total stock market valuation of about $40 trillion, That is larger than most countries' economies.

Whatever happens in 2022, you can be sure that those companies will have an outsized effect on the direction of the markets. The average price to earnings ratio of the LSC portfolio of companies is eleven times forward estimated earnings, about half that of the S&P 500's valuation.

We believe interest rates will drift higher again in 2022, but the Federal Reserve's ability to raise rates to anything close to inflation levels will be muted. One of the very few commodities that didn't benefit from rising prices in 2021 was gold. We think precious metals will be a standout asset class in 2022 as investors acknowledge that the low inflation environment of the last thirty years is over and reorient their investments towards companies that are producing strong cash flows and sell for inexpensive valuations.

Sincerely,

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The information provided in this report should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in an account's portfolio at the time you receive this report or that securities sold have not been repurchased. The securities discussed do not represent an account's entire portfolio and in the aggregate may represent only a small percentage of an account's portfolio holdings.

It should not be assumed that any of the securities transactions or holdings discussed were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein.

Upon request, LSC will furnish a list of all recommendations made since inception, this list shall include the name of each security, date and nature of each such recommendation, market price at the time of each recommendation, price at which the recommendation was made and price it was to be acted upon, and market price of each security as of the most recent practicable date.

Lesa Sroufe & Company claims compliance with the Global Investment Performance Standards (GIPS). To obtain a compliant presentation as well as a list of composite descriptions, please email: info@sroufeco.com.

Definition of Firm: Lesa Sroufe & Company (LSC) is an SEC registered, Seattle, Washington based firm. LSC is a women-owned investment management company that specializes in the selection and management of securities that are deemed to be undervalued. The firm's investment philosophy is top-down, value oriented and often contrarian. LSC seeks securities that are deemed out-of-favor with mainstream investors and are priced under their potential fair value. LSC manages money for institutions and private clients.

Composite Definitions:
Opportunistic Value Equity Composite: The Opportunistic Value Equity Composite includes taxable and nontaxable, discretionary, fee paying portfolios with a Value Equity strategy that may include U.S. companies, ADRs, and ETFs. Additionally, the strategy utilizes an opportunistic and dynamic cash allocation that ranges from 0% to 50% depending on perceived values within the equity universe. Portfolios with a minimum asset level of US $500,000 are included in the composite. This composite was created in November 2013. Each account within the Opportunistic Value Equity Composite is individually managed and as such allows for Client-Imposed mandates and restrictions. A list of composite descriptions is available upon request.

Fully-Invested Value Equity Composite: The Fully-Invested Value Equity Composite includes taxable and nontaxable, discretionary, fee paying portfolios with a Value Equity strategy that may include U.S. companies, ADRs and ETFs. Additionally, the strategy focuses on maintaining an equity weighting of greater than 90% (the strategy does not include cash). Portfolios with a minimum asset level of US $500,000 are included in the composite. This composite was created in November 2013. Each account within the Fully-Invested Value Equity Composite is individually managed and as such allows for Client-Imposed mandates and restrictions. A list of composite descriptions is available upon request.

Benchmarks: The primary benchmark is the Morningstar US Value TR Index, an unmanaged index that tracks the performance of those Morningstar US Value companies with lower price-to-book ratios and lower forecasted growth values. The secondary benchmark is the S&P 500 Total Return Index, an unmanaged broad-based measure of market performance. The benchmarks provided are for comparative purposes only to represent the investment environment during the time periods shown. The composite differs from the index content and asset allocation of the Morningstar US Value TR Index, an unmanaged index and the S&P 500 Index, also an unmanaged index.

Fees: Net-of-fees performance returns are calculated by deducting the actual management fee which ranges between 0.3% - 1.0% annually. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size. Valuations are computed and performance reported in U.S. dollars.