



Registered Investment Adviser
Division of Kevin Hart Kornfield & Co. Inc.
Originally Established 1986

April 6, 2022

Dear Clients,

After difficult markets during January and especially February, we had a good month of March which helped most accounts to break even for the first quarter. The major indices had a more difficult time during the last three months.

One of my objectives has been to benefit from increased public and private expenditures to expand high speed internet. Recently we sold shares of Corning and Nokia. Corning has had good revenues (i.e. fiber optic sales) but they are having a difficult time adjusting to inflation in their cost structure. Nokia has been driving their sales efforts into 5G wireless sales and fiber. At the same time NOK has been buying back stock. Both of these efforts have produced minimal benefits to shareholders.

I took a more simplistic route to investing in the expansion of infrastructure for high-speed internet. My reading indicates that fiber optic cables are generally preferred over 5G as a pathway for high-speed internet use. Shenandoah Telecommunications (SHEN) came to my attention when they announced their entry into local communities in Lancaster, Pennsylvania. Upon closer inspection, SHEN looks like an interesting company as a long-term investment. Last year they sold their cellular phone business, paid a special dividend, and now they are without debt while building out their Glo Fiber system to clients. After the first 12+ months in a new area, SHEN has demonstrated good sales penetration. Recent USA infrastructure legislation has provided the company with subsidies to connect some communities. The company has indicated that much of the expected equipment and supplies needed are already purchased and are in warehouses. Enclosed is a Value Line report on SHEN.

Our client holdings include AeroVironment (AVAV). This small company produces drones – most of which are supplied to the Pentagon. Yesterday Forbes reported that the US purchased a number of AVAV's drones for shipment to the Ukraine military:

<https://www.forbes.com/sites/davidhambling/2022/04/05/the-hunter-killer-drone-team-us-switchblades-and-pumas-join-ukraine-war/?sh=6e50c8757e6b>

Interest rates have moved up and we are buying some short-term bonds for client accounts. Our clients will see that we are putting some of their cash reserves to work. We are finally emerging from a zero-interest rate environment.

As always, thanks very much for your business and your referrals. Please feel free to call with any questions or concerns.

Very best regards,

A handwritten signature in blue ink that reads "Kevin".

Kevin Hart Kornfield, MBA

President