



Registered Investment Adviser
Division of Kevin Hart Kornfield & Co. Inc.
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Dear clients,

Where are we in history? So many changes – technology, electric vehicles, demographics, competition between global powers, inflation and rising interest rates. Despite the anxiety, there are opportunities.

Our sources indicate that there is a lot of activity in space (above earth's atmosphere). Industry insiders refer to "Old Space" and "New Space" players. New Space is represented by a bevy of new companies offering lift capabilities, space services, and weightless tourist vacations. New Space may seek to expedite expeditions with less emphasis on system backups of backups of backups.... Today's space race is exploration for business opportunities and humanity's future homes. Space is also the ultimate high ground for military purposes. The United States has a new military force. For more information go to www.spaceforce.mil: ***Established December 20, 2019, the U.S. Space Force is a military service that organizes, trains, and equips space forces in order to protect U.S. and allied interests in space and to provide space capabilities to the joint force.***

Our assumption is that New Space and Old Space will drift together. We found a profitable Old Space firm, **so we added Moog Inc. to client accounts.** This is a small firm that was with the Apollo missions, the recent missions to the moon and the James Webb Space Telescope. On the back of this page is a presentation of Moog's business mix (www.moog.com). We believe their space business will grow.

Now is a great time to open or contribute to a 529 plan for children and grandchildren. A 529 plan is a tax-advantaged savings plan designed to help pay for education. Education savings plans grow tax-deferred, and withdrawals are tax-free if they are used for qualified education expenses.

If you qualify, the maximum IRA contribution for 2023 has increased to \$6,500, up from \$6,000 in 2022, for both traditional IRAs and Roth IRAs. Those 50 and older can make an extra \$1,000 catch-up contribution.

We produced stable to positive bond results last year. This is in sharp contrast to drastic losses (i.e. negative 25%) sustained by many long term bond mutual funds. CNBC posted a headline on Dec. 26, 2022 citing the bond market's "worst performance ever this year". For appropriate client accounts we have purchased a ladder of short-term bonds that yield over 4% and return full principal at maturity.

To clarify a point of potential confusion: When you review account statements and confirmations of your bond purchases, you may notice the stated coupon may read approximately 2% or 3% instead of the 4% cited above. For example, a US Treasury bond maturing on March 31, 2023 states a coupon interest rate of 2.5%. This is not your entire return. Since we buy the bonds at a slight discount, for example \$99.54, you also receive the appreciation of the bond when it matures at \$100 par value. This appreciation added to the stated coupon interest rate results in the bond's total return.

Please let us know if you wish to receive our current regulatory disclosures. These include ADV Part II and our Client Relationship Summary (CRS).

As always, thanks for your business and Happy New Year !!!