



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

July 6, 2021

Dear Clients,

Happy 4th of July! As our markets scale the wall of worry (what else is new), we can pause to appreciate some nice appreciation so far this year. The Morningstar 65/35 balanced index gained 6.55% for the first half of 2021. You can compare that to the enclosed report. Please call us if you have any questions.

During the past month we purchased for client accounts shares of an exchange traded fund (ETF): iShares Thailand (THD). This is a portfolio of Thai companies. According to J.P. Morgan's Harsh Modi, Thai banks, along with Singaporean banks, are at the "... top of the pecking order" in their region. While banks are a small part of the THD portfolio, the Thai economy is set to grow as COVID retreats and tourists start returning to the country. Also, Thailand is enjoying exports. Some companies are considering a move from China, and Thailand's banking system may help attract additional commerce.

In June, we also purchased shares of Arlo (trading symbol: ARLO) which sells Wi-Fi cameras and other equipment for monitoring. In the following statement, Arlo emphasized customer confidentiality: *We are committed to supporting industry standards for data protection designed to keep your personal information private and in your control.* Their products are award winning and available at many large retailers and directly from the company. After starting with equipment sales and free monitoring with limited functionality, Arlo is now seeing solid growth in customers paying monthly subscription fees for improved functionality. This regular income is called Software-as-a-Service (SaaS), and it a key to long term growth. Companies like Adobe and Microsoft have largely changed from selling software once to having business and consumers paying monthly fees. Arlo's cameras deliver very good clarity for long periods before the batteries need to be recharged. You can learn more about the company online at arlo.com. People like to see what is going on in and around their homes and businesses. It is a good conversation starter to view a recorded night-time video clip of a large bear walking around on your back porch.

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

Very best regards,

A handwritten signature in blue ink, appearing to be "KH", is written over the typed name "Kevin Hart Kornfield".