



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

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Dear Clients,

The banking crisis seems to have several layers of concern. The business press has done a good job explaining how loans and long-term bonds were accumulated as deposits poured in. As large depositors wanted their money, losses were incurred from selling long, low interest bonds. The loans banks made could not be liquidated to meet withdrawals. Plus, some loans were in trouble. A few banks that did a poor job balancing their use of deposits are no longer with us.

There is another concern about bank lending and the economy. Fear among very large depositors has led to withdrawals at some banks. When deposits leave, banks often reduce new lending. Less credit will slow economic growth.

My guess is that the USA's congress is about to face reality and raise taxes to pay for all of the spending and debt that our nation has accumulated over the past 10 years. Like any loan, money is borrowed from future spending.

The sell-off in the stock market has been felt in client accounts. For most accounts, earlier this year, we sold 20% of Albemarle (ALB). Since most folks have held ALB shares for a long time, that 20% sale represented their original cost basis for their entire current holdings.

In April, the Chilean government announced plans to "participate" in the profits made by lithium miners, of which ALB is a major one. By participation, they mean grabbing a stake in the entire business, otherwise known as nationalizing the lithium industry. ALB's contracts extend to 2043 and Chilean President Gabriel Boric said he would honor current contracts. Mr. Boric's tactics have caused uncertainty. ALB is a global company with a number of current and future mining interests. EV's and demand for lithium batteries is a global market, so I feel the stock will make a nice recovery.

Shenandoah Telecom (SHEN) announced encouraging earnings last week. It will take a few more years for their fiber optic network to get installed and attract new subscribers. Given current evidence, I think the outlook is good.

There will be stronger areas of the economy and our job is to find those pockets of growth.

Thank you for your business and referrals.

Please contact us with any questions or concerns.

Very best regards,

A handwritten signature in blue ink, appearing to be "Kevin", is written below the text "Very best regards,".