



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

Thursday, September 2, 2021

Dear Clients,

The stock market continues to hit new heights as we experience broken supply chains, shortages of labor, inflation in the system, the USA's decision to extract ourselves from Afghanistan, a possible new cold war with China/Russia, COVID's continued threat, fires out west and floods out east. An economy that is expected to improve carries the day.

My account management style would be characterized as concentrated investing. That is, we try to identify and hold a limited number of stocks and bonds. We try to maintain a focus on leading stocks with an emphasis on mid to small sized companies.

Our largest holding is Albemarle (ALB) which advanced 16% during the month of August. We have been holding ALB for a number of years – through ups and downs. Over the past year ALB has enjoyed a nice appreciation.

It is not unusual for ALB to represent 15% or more of a typical client account that invests in stocks. As much as I may decide to take profits, I have been holding ALB without taking profits and allowing ALB to represent an out-sized portion of individual portfolios.

Albemarle is an old chemical company. Some years ago they decided to liquidate some assets and borrow money to get into the lithium business. To me, it seemed to be a good idea. Lithium battery uses are growing from cell phones to electric vehicles and large battery backups for electric utilities. There are many other uses.

I try to avoid companies that focus on stock buy backs. Having fewer shares outstanding can make a company that is not growing revenues look like they are growing revenues per share because there are fewer shares outstanding. These companies use precious cash or increase debt to do these dubious stock buy backs.

Not only is Albemarle is not expected to do stock buy backs, they have actually issued new shares to raise money to make additional investments to grow revenues. ALB also increased their dividends.

Things can change to require selling some shares (i.e. new battery technologies vs. lithium). Meanwhile, ALB appears to be headed in the right direction. There will be ups and downs. Let us hope for more of the former.

As always, thanks very much for your business and referrals. Please call if you have any questions or concerns.

Very best regards,

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

Kevin Hart Kornfield, MBA  
President