Kingdom Capital Management, Inc.

2020 Annual Report

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Kingdom Capital MANAGEMENT

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Company Overview

Kingdom Capital Management, Inc. ("KCM" or the "Company") is an investment management company that provides expertise in active management to high-net-worth individuals, corporations, trusts, and charitable foundations, among others. KCM principally invests in equity securities by using a value-oriented investment approach. KCM seeks to invest in securities that we believe present the largest discrepancy between the current market value and their intrinsic business value.

KCM typically maintains a concentrated equity portfolio, holding a relatively limited number of investments at any one time. We believe this approach ensures intimate knowledge of our holdings when compared with a larger, diversified portfolio of less well-known companies. We employ investment analysts to conduct proprietary research to analyze the risk/reward of our investment ideas, with a focus on the long-term compounded annual growth of clients capital.

KCM, an Arizona-based corporation, was founded by Kinny R. Madori in 2014. The company's name was derived from Kinny's Christian values together with his interest in medieval history.

Independent Accountants' Report

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

Independent Accountants' Report

To the Management of
Kingdom Capital Management, Inc.

We have reviewed the accompanying Performance Highlights which are included in the Annual Report of Kingdom Capital Management, Inc. (the "Company") for the years ended December 31 2016, 2017, 2018, 2019 and 2020 (the "Performance Highlights"). The Company's management is responsible for presenting the Performance Highlights in accordance with the relevant provisions of Rule 206(4) of the Investment Advisers Act of 1940 (the "Criteria"). Our responsibility is to express a conclusion on the Performance Highlights based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to the Performance Highlights, in order to be in accordance with the Criteria. A review is substantially less in scope than an examination, the objective of which is to obtain reasonable assurance about whether the Performance Highlights are in accordance with the Criteria, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. We believe that our review provided a reasonable basis for our conclusion.

Based on our review, we are not aware of any material modifications that should be made to the Performance Highlights for the years ended December 31, 2016, 2017, 2018, 2019 and 2020, in order for them to be in accordance with the relevant provisions of Rule 206(4) of the Investment Advisers Act of 1940.

PKF O'Connor Davies, LLP

July 30, 2021

PKF O'CONNOR DAVIES, LLP
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Performance Highlights[1]

Period: 01/15/2016-12/31/2020

Kingdom Capital Management, Inc. Performance vs. S&P 500 & Russell 2000[2]

KCM NET RETURN[3]	MODERATE	MODERATE GROWTH	GROWTH	AGGRESSIVE GROWTH	S&P 500	RUSSELL 2000
2016[4]	N/A[5]	-30.3%	-5.0%	21.8%	17.2%	36.7%
2017	4.20%	90.7%	5.01%	27.6%	21.8%	14.7%
2018	13.2%	-19.3%	-21.3%	-27.8%	-4.4%	-11.0%
2019	61.8%	27.0%	73.8%	70.8%	31.5%	25.5%
2020[6]	89.1%	N/A	N/A	189.7%	18.4%	20.0%
Compound Annual Return[7]	**37.8%**	**8.0%**	**12.9%**	**40.9%**	**16.3%**	**16.0%**
Avg. Annual Return[8]	42.1%	17.8%	18.1%	56.4%	16.9%	17.2%
Cumulative[9]	260.7%	36.2%	62.3%	455.6%	112.9%	110.0%

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. All investments involve the possibility of profit and the risk of loss, including the loss of principal. Please see the accompanying footnotes and endnotes for additional details.

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[1]The inception date for which the investment strategies were implemented is January 15, 2016. The historical performance data presented are from January 15, 2016, to December 31, 2020. The performance data were obtained from Albridge Wealth Reports ("AWR") and calculated using the time-weighted rate of return ("TWR") calculation method. The calculation eliminates the effect of cash flows, thereby reducing the impact on portfolio return. The performance returns are in the aggregate of all accounts associated with that specific strategy or investment objective for the selected period obtained from the clients' Investment Policy Statement ("IPS").

[2] The S&P 500 and Russell 2000 ("index or benchmark") has been selected for the purposes of comparing the performance of KCM's clients' investments and portfolio strategies or, as applicable, with a well-known, broad-based equity benchmark. The benchmarks comprise representative samples of 500 U.S. large-cap companies and 2000 U.S. small-cap companies. The statistical data regarding the indexes has been obtained from YCharts, and the returns are calculated by assuming all dividends are reinvested. The indexes are not subject to any fees to which KCM's investors are subject. KCM is not subject to investing in all the companies that comprise the index; therefore, the volatility of the index may materially differ from the aggregate performance of KCM clients' portfolios.

[3] Performance results are presented on a net-of-fee basis. Net returns include the reinvestment of all dividends, interest, and capital gains and reflect the deduction of, among other things, brokerage commissions, foreign taxes, and management fees. The performance results are presented on an aggregate basis per investor risk allocation as determined by the investor's IPS for that given period. The performance results also assume an investor has had an account with the Company from January 15, 2016, to December 31, 2019, and from January 15, 2016, to December 31, 2020. The performance is based on TWR calculation method obtained from AWR. Depending on the timing of which investments were made, the net performance for an individual investor may vary from the net performance stated herein.

[4] The returns for 2016 represent a partial period (January 15, 2016, to December 31, 2016) relative to the selected period and will be affected by the overall market's return for that period. For example, the index's performance was calculated for a partial year relative to a full year's performance results, here assuming all dividends are reinvested.

[5] The Company did not have any clients in the Moderate Risk strategy to report in 2016.

[6] In 2020, KCM discontinued the Moderate Growth and Growth strategy allocations. Instead, the Company offered Conservative, Moderate, and Aggressive risk allocations to clients. Clients previously in the Moderate Growth and Growth strategies transitioned to either Moderate or Aggressive risk allocations. The Company did not have any clients in the Conservative strategy to report in 2020.

[7] Compound annual return is the compounded average return of what an investor in KCM's investment risk strategy has earned per annum. The performance results for compound, average and cumulative returns for the Moderate Growth and Growth strategies are partial (January 15, 2016, to December 31, 2019).

[8] Average annual return is based on the period (January 15, 2016, to December 31, 2020) or for (January 15, 2016, to December 31, 2019) for the Moderate Growth and Growth strategies averaged annually.

[9] Cumulative return is the sum of annual returns in aggregate that KCM has generated by the investment strategy over the stated period (January 15, 2016, to December 31, 2020) or (January 15, 2016, to December 31, 2019) for the Moderate Growth and Growth strategies.

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Portfolio Holdings[10]

Below, we provide a snapshot of our largest common stock holdings at yearend, in descending order by market value. The table includes KCM's consolidated cost basis at the time of purchase compared with December 31, 2020 market value and excludes cash equivalents of $6,799,666.[11]

As of December 31, 2020

Shares	Company	$ Cost	$ Market
829,214	Plug Power Inc.	1,459,417	28,118,647
1,378,447	FuelCell Energy Inc.	385,965	15,397,253
61,158	Huntington Ingalls Ind.	9,156,363	10,426,216
13,905	Whirlpool Corp.	1,533,443	2,509,714
12,416	Apple Inc.	592,429	1,647,479
1,785	LVMH Moet Hennessy LV	568,968	1,501,590
66,928	HanesBrands Inc.	1,091,596	975,814
5,679	United Parcel Service Inc.	505,431	956,344
	All Other Positions[12]	256,206	403,476
Total Equity Investments Carried at Market		**$15,549,818**	**$61,936,533**

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. All investments involve risk, including the loss of principal. Please see the accompanying footnotes and endnotes for additional details.

[10] The portfolio holdings of KCM are for illustrative purposes to demonstrate year-end portfolio performance by comparing consolidated cost basis to the market value of our investments.

[11] All figures represent the closing market price on December 31, 2020. These positions are an aggregate of the total client accounts containing the individual securities represented on an aggregate basis and do not represent the holdings of individual clients. As of December 31, 2020, KCM had assets of $68,352,017 under management.

[12] All Other Positions are smaller positions by market value contributing to under one percent of the Company's assets under management ("AUM") as of December 31, 2020. They represent investments in FNMA and ETFs: AOR and mutual fund VASIX, which are not held across all client's accounts but here are aggregated to illustrate only KCM's largest investments.

Business Updates and Reminders

Changes to Portfolio Notifications

Since our first annual report was delivered to clients in 2017, KCM has provided regular portfolio updates. This has included investment updates twice annually, personal client performance summaries, and annual reporting. The premise of each communication method is to keep clients informed about their investment portfolios and performance. The method and frequency of our reporting to you has not changed. We look forward to providing clients with updated communications on the changes to their investment portfolios and our thought processes behind our investment decisions made in client accounts.

As mentioned in past communications, we believe it is mutually beneficial to delay the announcement of new investments made during the year. This is done to ensure that our clients are protected from potential changes in security prices as we are buying or selling shares. The financial markets are competitive and move at a much more rapid pace compared with historical standards. Delaying our reporting ensures that we are not hampering your performance. We enjoy the relationship we have with you, and we look forward to providing our 2020 annual report. If you have any questions, we would be delighted to speak with you further.

Factors that Affect Investment Performance

Your investment return for fiscal year 2020 is enclosed in this report. The investment performance for individual accounts may differ from KCM's consolidated performance; resulting from differences in client's stated investment goals and objectives. The full-year 2020 returns also vary because of timing differences in cash deposits or withdrawals, which affects the timing of buy or sell decisions in client portfolios. KCM's portfolios are constructed in accordance with the client's Investment Policy Statements ("IPS"). The IPS will dictate the individual goals and objectives you seek to achieve regarding your portfolio. The stated goals and objectives, in turn, dictate the investment allocations made to stocks, bonds, exchange-traded funds (ETFs), and mutual funds, among others. When a client's goals and objectives are similar, their portfolios will generally hold the same suite of investments. This approach provides more structural consistency and efficient portfolio management allocation.

Firm Updates

Since 2016, KCM has successfully operated as a registered investment advisor ("RIA"). Our past investment performance is a testament to our process and work product which has led to a substantial growth in assets. To leverage our investment process and continue our growth in 2021, we are transitioning to a limited partnership and hedge fund structure next year. This new structure will allow us to pursue investments in an unrestricted manner while also creating efficiencies through the management of a single investment fund. This contrasts our current structure, where each client has a separately managed account. Unfortunately, some clients will not be able to transition with us because of the regulatory rules imposed on hedge funds and the resulting financial requirements. We will certainly miss the relationships we are unable to bring with us, and we hope to continue our personal relationships with you. We are proud of the exceptional results achieved for our clients across all risk strategies (as noted in the Company's performance highlights). If our professional relationship ends with you, we hope you can agree that it is better to end on a high note.

Portfolio Manager's Report

To the Clients of Kingdom Capital Management, Inc.:

In fiscal year 2020, KCM produced the strongest investment performance in our history. Our "Aggressive Growth" strategy generated 189.7% returns, while the S&P 500 delivered a full-year return of 18.4%. On average, clients who have remained invested since KCM's inception through December 31, 2020, have earned 40.9% compounded annual returns compared with 16.3% for the S&P 500 and 16.0% for the Russell 2000 over the same period.

Putting our performance in perspective, on a consolidated basis, we have generated a cumulative return of 455.6% (January 15, 2016 to December 31, 2020) and have compounded our client's capital at a 40.9% annual rate. This compares to a cumulative return of 112.9% for the S&P 500 index and 110.2% for the Russell 2000 index. This essentially means that clients who have remained invested with KCM since our inception through fiscal year 2020 would have multiplied their capital by about 4.5x versus a slightly higher 1x versus a zero-fee S&P 500 index fund.

Annual Review

At KCM, our investment objective is simple: we aim to generate returns well in excess of those derived from indexes and mainstream investment strategies while avoiding excess risk, defined as minimizing the probability of permanent capital loss. We achieve this through high-reward and low-risk investments in a concentrated portfolio of industry-leading, high-quality companies. These characteristics tend to favor larger, more established businesses. Therefore, KCM's portfolio tends to be invested in larger capitalization companies over time. However, this does not define or restrict our ability to invest in small-/mid-cap companies. For example, PLUG was a small-cap company in 2016 when KCM realized the future growth potential of hydrogen and began accumulating shares. One of our differentiators is having flexibility as market conditions change and opportunities arise.

Another advantage lies in the firm's structure. KCM was purposefully designed to avoid many of the restrictions that can be imposed on investment managers. Some of these restrictions include market cap, geographic location, institutional mandates, holding size, and, generally, the size of the assets under management, among others. These restrictions can hamper investment performance over time. Investment institutions impose these restrictions on managers because of various compliance and regulatory disclosures, such as client suitability, for example.

The firm's client base can be an advantage as well. The alignment of client's investment horizons, investment philosophy and temperament can play an important role in the success of an investment firm. For investors in search of high returns, it is easy to focus on the upside rather than on the risk and reward. It is not hard, for example, to "juice" returns by adding leverage to a portfolio, magnifying the potential upside beyond what could be achieved without margin. However, adding leverage to an investment works both ways: the upside is commensurate with the downside. In today's market environment, the downside risk seems to have been forgotten or ignored. Our job can best be described as the opposite of this, and as dedicated stewards of investors' capital, we seek to analyze and review our own competitive advantages to improve and adapt as market conditions warrant. What never changes is our steadfast, value-based fundamental philosophy and our commitment to create value for our clients, a mantra that has carried KCM forward. What sounds easy in concept is incredibly difficult in practice. This is the reason why 92.2% of large-cap fund managers and 95.4% of mid-cap fund managers have lagged the S&P 500 index over the past 15 years.[16]

At KCM, we always treat investor capital as if it were our own, investing large percentages of our own net worth alongside clients. A manager who does not have "skin in the game" does not show confidence in their client's investments. We seek to invest in the most prudent manner for our clients, as well as for ourselves. Therefore, we operate through a rigorous due diligence process and framework, which increases the odds of buying high-reward/low-risk investments via fundamentally undervalued companies. Moreover, we seek investments that offer far more upside potential than downside. Ideally, the downside case may only be the opportunity cost (investments producing no return but with no permanent loss of capital).

Fiscal year 2020 brought KCM a new set of challenges and opportunities because of the COVID-19 pandemic. Stock price volatility was extreme, and as value investors, we became enticed by the new opportunity set brought on by a decreasing market trend. KCM successfully adapted to these challenges and initiated several new positions in high-quality, competitively favored companies—such as Whirlpool ("WHR"), Huntington Ingalls Industries ("HII") and United Postal Service ("UPS")—that were discarded by some of the larger market movers. These companies weathered the economic convulsions brought on by the pandemic skillfully and exceeded expectations by year-end 2020. We continue to own WHR, HII and UPS as their operating results continue to outpace their valuations. We also established meaningful positions in BlackRock and Goldman Sachs that we subsequently sold because their share prices reflected these record results and reached our estimate of fair value. Finally, to help fund our purchases, we also exited our longer-term positions in General Mills and Community Health Systems. The ability to deploy cash rapidly became an advantage at a time when value opportunities arose because of excess fear in markets brought on by the pandemic. By the end of a volatile 2020, KCM ended up producing the best investment returns in the firm's history.

[16] Hulbert, M. (2017). *This is how many fund managers actually beat the index funds.* MarketWatch FA Center. Retrieved from *https://www.marketwatch.com/story/why-way-fewer-actively-managed-funds-beat-the-sp-than-we-thought-2017-04-24*

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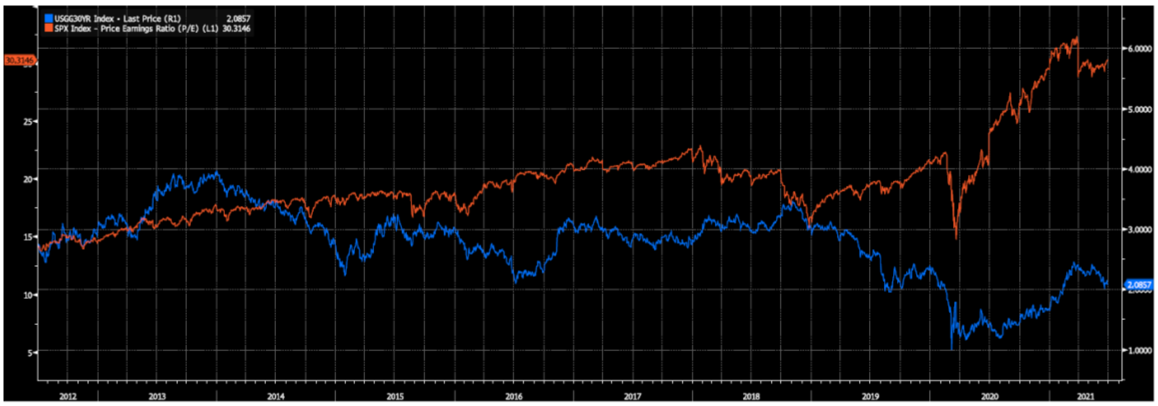
Financial Market Commentary

We make money by acquiring stocks when they are cheap and equate high valuations to high risk and low valuations to low risk. So what are these valuations? The below chart is the S&P 500 Indexes' P/E ratio and long-term bond yields from June 30, 2012, to June 30, 2020.

Figure 1: S&P 500 Index P/E and long-term bond yields (June 30, 2012, to June 30, 2020)



Source: The Bloomberg Terminal

The chart shows that long-term interest rates are about 2%, and the S&P 500 is trading at a trailing P/E multiple of 30.3x. The methodology of Professor Robert Shiller normalizes the P/E ratio for changes in the rate of inflation, allowing for current comparisons to historical market multiples.[17] If we apply this methodology, the median P/E ratio since 1871 is 16.6x.[18] These numbers suggest that securities remain elevated by historical standards. The last time bonds were this expensive (which has been the case since the 2008 financial crisis) was 1941. Stocks have only been more expensive once: during the tech boom leading up to the 2001 market crash. Reflecting on the past 12 months, one could conclude that we have gone from a stock market bubble to a less pronounced bubble at the lows of the March 2020 short-lived crash to an even larger bubble compared with pre-pandemic levels.

The argument that P/E ratios should be high because bond yields are very low has been the consensus for some time now. The Federal Reserve has indicated its intention of keeping rates low for some time and supporting the market via open market purchases of fixed income ETFs, QE infinity, and reverse repo operations, which brings capital back into the banking system. The Federal Reserve has publicly indicated their willingness to start pulling back liquidity and tightening the money supply. Their decision is ultimately

[17] Shiller, R. and Campbell, J. (1998). The Journal of Portfolio Management. *Valuation Ratios and The Long-Run Stock Market Outlook.* Retrieved from www.econ.yale.edu/~shiller/online/jpmalt.pdf
[18] Online Data Robert Shiller. (2021). *U.S. Stock Markets 1871-Present and CAPE Ratio.* Retrieved from www.econ.yale.edu/~shiller/data.htm

“data dependent” and based on their dual objectives of inflation and full employment. However, the Federal Reserve may not have the final say in that matter. At some point, the bond market will refuse to buy further government debt at these prices, and banks are showing difficulty generating adequate loan demand with liquidity being abundant, sometimes reverting to the purchase of government debt with excess reserves because a few basis points of return are better than nothing.

Inflation has started to increase, which may or may not spell danger. If left unchecked and/or if the Federal Reserve is indeed too late to tighten, inflation could become a risk and stall the economic rebound. Our response to all of this is to try to build a portfolio of great companies that we purchase at bargain prices. The importance of bargain prices is to provide a margin of safety and limit our downside exposure. We continue to look for investment opportunities in new areas that are away from crowded stocks. We have tightened our investment standards and geared our due diligence process toward the avoidance of risk because equity markets today tend to offer more risk than return.

In summary, we will continue to search for and evaluate companies that meet our rigorous investment standards and that have the potential to generate the greatest long-term value for our clients while always focusing on minimizing risk. As mentioned earlier, in 2021, we will prepare to transition the Company into a limited partnership, and we hope to commence operations in 2022. We are extremely excited and looking forward to this new transition. Importantly, the majority of our capital base will be permanent, which is crucial for our investment strategy and the long-term success of the Company.

Please review the Portfolio Update section below, which provides operational progress on KCM’s top investments.

Thank you for your continued support and for being a valued client of KCM.

Sincerely,

Kinny R. Madori

Portfolio Update

Plug Power ("PLUG")

PLUG is a provider of advanced alternative energy technology solutions. PLUG designs, develops, commercializes, and manufactures hydrogen fuel cell systems. Their applications are used in industrial off-road and stationary power markets. PLUG's GenKey system offers customers a solution for transitioning toward fuel cell power from material-handling vehicles. PLUG's GenDrive system provides power for these material-handling vehicles. The GenFuel delivery system allows customers to refuel GenDrive units for productivity. Finally, GenCare provides ongoing maintenance and support for GenDrive cells and GenFuel products.

PLUG Power notified the SEC in January 2021 that they would be restating their 2018 and 2019 financial statements. They also indicated that the 2020 annual report will not be filed in a timely manner. PLUG's accounting can be complex and technical because of the nature of their business. KPMG—PLUG's auditors—informed the Audit Committee that several noncash items relating to lease accounting rule 842, which came into effect in 2019, were not accounted for properly; these included the following:[19]

- Book value of right of use assets and write down of financial obligations
- Loss accruals for certain service contracts
- Impairment of certain long-lived assets
- Classification of certain costs, resulting in a decrease in R&D search and expense and a corresponding increase in the cost of revenue

PLUG indicated the restatement would not affect past revenue, cash positions, business operations, commercial arrangements, and the financial guidance laid out on January 26, 2021. Importantly, PLUG's prior financial statements could still be relied upon for past business performance. PLUG finalized the restatement process in 2Q21. PLUG's initial response to the restatement was true, and the restated financials did not influence prior business performance. Interestingly, you will find PLUG generated consolidated revenues of -$93.2M in 2020. This figure is misleading and does not tell the entire story. Part of the restatement process accounted for the large warrant exercise completed by Amazon at the end of 2020. PLUG improperly accounted for the warrant execution and corrected the accounting as part of the restatement process. When not considering the Amazon warrant charge-off, PLUG's core business generated consolidated revenues of $89.6M in 2020.

PLUG announced its 1Q21 and 2Q21 results alongside the restated 2018, 2019, and 2020 financial statements. PLUG generated a 70% increase in gross billing during 1Q21

[19] Plug Power, Inc. (2021, May 10). *Plug Power Provides Business Update*. Retrieved from https://www.ir.plugpower.com/Press-Releases/Press-Release-Details/2021/Plug-Power-Provides-Business-Update/default.aspx

compared with 1Q20. Despite obstacles presented by COVID-19 and rising hydrogen and labor prices, PLUG shipped 45% more GenDrive units in the first half of 2021 and increased gross billings by 52%. PLUG continues to exceed expectations, raising an additional $5B through open market equity sales and strategic partnerships. PLUG is positioned to capitalize on the vast number of opportunities presented by the green hydrogen market, which has potential to grow into a $12T market in the long term.[20]

When the restatement was announced, KCM decided to strictly reduce our position in PLUG out of an abundance of caution. Our investment in PLUG appreciated significantly in 2020 and became a substantially large proportion of AUM. Therefore, we reduced our position by approximately 50% to reduce market and concentration risk in client accounts. KCM still holds a meaningful portfolio allocation to PLUG and maintains full confidence in the business and management of the company. We continue to believe the future potential for PLUG's growth has never been brighter.

FuelCell Energy, Inc. ("FCEL")

FuelCell Energy is a global provider of fuel cell technology solutions. FCEL provides comprehensive solutions, including the design, installation, and maintenance of fuel cell systems. FCEL's SureSource solution powers clean, efficient energy in three continents, leading the industry in installed megawatt capacity. Building off their proprietary fuel cell technology, the SureSource plants produce environmentally responsible energy, rivaling the output produced by traditional utility grids. The company operates on-site power generation, carbon capture, and local hydrogen production. FCEL's systems are installed across various industries, such as utility companies, municipalities, universities, and government entities, among other industrial and commercial enterprises. On a consolidated basis, FCEL Energy generated revenue of $70.9M in fiscal year 2020.

FCEL was a key contributor to KCM's portfolio performance in 2020. The company has become a major player in the rapidly expanding hydrogen industry. Their business is separated into four major components: distributed generation, targeting microgrid and grid resiliency, distributable hydrogen, and hydrogen energy storage/power generation. FCEL recently partnered with Exxon to explore the use of fuel cells in reducing carbon output via carbon capture. Ultimately, the partnership aims to produce a commercially available solution to mitigate climate impacts from various industrial applications. FCEL's revenue for fiscal year 2020 does not accurately reflect this partnership because FCEL has an accounts receivable outstanding from Exxon. The agreement details provide a structured payment schedule upon FCEL meeting certain milestones. The payment structure has a timing delay and does not match up perfectly with milestone

[20] Goldstein, Steve. "'Green Hydrogen' Could Become a $12 Trillion MARKET. Here's How to Play It." *Goldman Sachs Says, 'Green Hydrogen' Will Become a $12 Trillion Market. Here's How to Play It. | Barron's*. Barrons.com, 23 Sept. 2020. Web. 27 Aug. 2021.

achievements. However, FCEL has met all near-term milestones in 1Q21 and expects to receive revenues from the agreement in 3Q21.

FCEL takes a holistic approach, controlling the design, manufacturing, sales, installation, and operations of its patented fuel cell technology. Contracts are typically structured under long-term power purchase and service agreements. FCEL's long-term growth plan includes shifting toward the commercialization of carbon capture technology and fuel cell backup grids. FCEL has moved away from product sales, as displayed in its decision to terminate its partnership with POSCO Energy.

FuelCell Energy ended 2020 in a strong financial position. The company has ~$150M in cash and no immediate debt payments. We are encouraged by the substantial revenue growth shown in FY 2020, increasing more than 15% YoY. Earnings per share trended toward profitability from a loss of -$1.82 to -$0.42 at year-end 2020. Free cash flow, the lifeblood of any business, increased by $30M. FCEL's management team has positioned the company to take advantage of opportunities in the long-term market, overcoming the COVID-19 pandemic in a stronger financial position. FCEL expects power generation to grow 100% in 2022 and for revenue to compound annually at double digit rates through 2025. FCEL's production rate was 32 MW in mid-2021, compared with 17 MW at the end of 2019. The company is targeting a production rate of 45 MW by the end of 2021. KCM still hold a large position FCEL. Our long-term view is that as the company continues to innovate and strengthen its position as a leading player in the hydrogen fuel cell industry, we expect to see a highly desirable growth path for the company in the long-term, especially in the area of carbon capture and sequestration or CCS.

Huntington Ingalls ("HII")

Huntington Ingalls Industries

For over 100 years, HII has been the largest shipbuilder and supplier of professional services to the US Navy and other partners in the US government. HII operates in three similar but distinct segments: Newport News Shipbuilding, Ingalls Shipbuilding, and Technical Solutions. The Newport News segment accounted for ~59% of HHI's total revenue in 2020. This segment builds and maintains nuclear-powered aircraft carriers and submarines. Ingalls Shipbuilding accounted for ~28% of HHI's total revenue in 2020; the Ingalls segment produces and maintains surface combatants, transport ships, amphibious assault boats, and Coast Guard cutters. Technical Solutions (13% of HHI's revenue in 2020) develops groundbreaking technological systems in the fast-growing field of unmanned maritime defense. On a consolidated basis, Huntington Ingalls generated revenue of $9.4B in fiscal year 2020.

Our forecast, alongside company guidance, leads us to believe that revenue will grow to ~$9.82B in FY 2022 and ~$10.15B by FY 2023. Both figures are higher than Wall Street expectations. Global tensions continue to rise worldwide, as China, for example, has publicly indicated its intention to invade Taiwan (US ally) in the South China Sea. This unfortunate reality increases the likelihood of Navy defense spending, benefiting HII in the long term. HII has historically rooted, established relationships within the US Navy and Washington, which has been a mutually beneficial relationship. HII is one of only two companies contracted to work on submarines and the only company with the technological "know-how" to build and service nuclear-powered aircraft carriers. Overall, HII is a fundamentally strong, free cash flow generative industry leader that we believe is still undervalued. HII continues to see increased order flow across all business lines, as demonstrated by the significant increases in funded backlog. In the near term, we plan on holding HII shares in client accounts and opportunistically buying as price levels allow.

Whirlpool Corporation ("WHR")

Whirlpool is a global manufacturer and marketer of kitchen and laundry household appliances. Whirlpool's portfolio of well-known brands includes Whirlpool, KitchenAid, Maytag, Indesit, and Hotpoint, among others. WHR's top five brands lead their respective categories, each generating over $1B in sales for the company in 2020. Whirlpool operates in four similar segments: refrigerators and freezers (31% of revenue), laundry (29% of revenue), cooking appliances (25% of revenue), and other (15% of revenue). WHR holds the number one market share in 6 out of their 10 biggest markets by revenue, including North America and Latin America. WHR holds the second largest market share in Europe, the Middle East, Africa, and Western Asia. On a consolidated basis, Whirlpool generated $19.46B in revenue for fiscal year 2020.

At the onset of the COVID-19 pandemic, the market incorrectly assumed that the short- and long-term impact of COVID-19 would substantially impair WHR's business. KCM's analysis concluded that the company had enough liquidity (March 2020) to pay off all outstanding debt in a "worst-case" scenario. Using a sensitivity analysis, we modeled several outcomes for the business over the next three to five years. We found WHR to be more than adequately capitalized, which provided comfort that WHR would weather the storm as demand eventually normalizes.

Demand dropped during the economic shutdown, and revenue decreased by approximately 5%; however, cash, margins, and free cash flow all increased significantly. Whirlpool had no control over the economic shutdowns, but WHR's management was decisive in their response, strengthening their financial position by raising their short-term capital limits and cutting expenses, as needed. The effects of the pandemic resided quickly for WHR as demand for home sales and demand for home improvement benefited WHR tremendously. Whirlpool's sales improved significantly by the end of 2020. Management recently raised guidance for revenue expectations, indicating approximately $20.6B in fiscal year 2021.

With the economy rebounding and the demand for home appliances continuing, the outlook for WHR's business is bright. Whirlpool's diversified portfolio of leading products and significant brand loyalty make the company a top choice for consumers and developers. Revenue and cash flow have already returned to prepandemic levels and are expected to break records this year. We believe WHR shares remain undervalued as increased consumer demand and spending, alongside remodels and new home builds/purchases, provide long-term tailwinds. The management team has proved to be savvy and decisive leaders in navigating the COVID-19 pandemic successfully. We will continue to hold Whirlpool for the foreseeable future.

Apple, Inc. ("AAPL")

Despite the negative externalities resulting from the COVID-19 pandemic, Apple performed strongly. Apple saw a revenue increase ~5.4% YoY, generating revenue of $274.5B in fiscal year 2020. Profit margins and earnings per share both improved, and free cash flow increased significantly. Apple has continued to innovate and develop its most profitable products and services, continuing progress on R&D and advancing new technologies. Apple recently released the iPhone SE, which has generated significant retail demand. They also announced four new iPhone models that include 5G capabilities. Apple released its highly anticipated M1 chip, which is designed and produced in-house; Apple previously relied on Intel chips. So far, the M1 chip has been shown to increase performance and efficiency when compared with Intel's chips. Apple unveiled an updated iPad Pro, iMac, MacBook Pro, and a new iPad Air, all containing M1 chips. Finally, Apple began construction on an 8-Gigawatt clean energy facility with potential cost savings of $430B over the next five years.

Overall, Apple is continuing to innovate and increase sales as the company monetizes its enormous customer base and release new products. We believe that Apple shares continue to offer value through their ecosystem of connected products and services. Apple operates through a highly sustainable and lucrative business model that takes advantage of the insatiable demand for their products. Apple offers new and updated technologies that they pair with their service offerings, apps, and other complimentary products. This comprehensive offering leads to recurring revenue, a loyal customer base, and increased profitability. We are encouraged by the fact that the strength in the demand for Apple held during the pandemic and management's willingness to adapt. We will continue to hold our position and increase our holdings if it reaches our target price.

LVMH Moet Hennessy Louis Vuitton ("LVMH")

LVMH

LVMH is the brainchild of entrepreneur Bernard Jean Arnault, who currently serves as the chairman and CEO. Arnault acquired LVMH in 1988 for $1.5B via a holding company with their partner: Guinness. In return for the investment, Guinness received 24% of LVMH's shares. What follows can best be described as extraordinary. Today, LVMH is comprised of 75 exceptional high-quality products and brands such as Louis Vuitton, Dior, Sephora, Tiffany's, and Dom Perignon. The company is structured through five key segments: wines and spirits, fashion and leather goods, perfumes and cosmetics, watches and jewelry, and selective retailing.

LVMH operates under a unique business model with a six-pillar framework: decentralized organization, organic growth, vertical integration, creation of synergies, sustaining "savoir faire" (preservation of identities and excellence), and the efficient balance between business segments and geographies. LVMH's success stems from its unique corporate structure. The company acquires high-quality brands and integrates them into their model, generating high profitability and synergies.[21]

Companies such as LVMH rarely go on sale; as the pandemic took hold, markets and economies worldwide began to falter. The retail sector's ability to operate became doubtful. LVMH was not immune, and the ability to sustain low levels of demand became the focus for investors. As stores were voluntarily/forced to close and economies reeled from economic lockdowns, an investment consideration in LVMH started with two key questions: 1. With store closures, how will LVMH operate and sell through to customers? 2. What will retail demand look like, if any, and how long can LVMH sustain a depressed level of revenue? Markets approached these questions with a pessimistic view, resulting in a 52% decrease in LVMH's share price.

As we studied LVMH's business, we concluded that LVMH had multiple options in a worst-case scenario. Bankruptcy was off the table. The asset value in LVMH's top five brands alone covered most of the downside risk at the $300 stock price level. This provided comfort that LVMH would emerge from COVID-19 successfully and that business would begin to normalize. The result was quicker than expected. In the first half of 2020, LVMH experienced a -28% decline in revenue and a -68% decline in operating income. LVMH was already adapting to changing consumer shopping habits, opting to sell more products online with stores remaining closed. LVMH's second half of 2020 saw a return toward normalization. Revenue declined -4.4%, and operating income grew 6.8%. By 1Q21, LVMH had turned the corner, and total sales increased to $13.9B, a 30% increase compared with 1Q20, with growth in all segments. LVMH has indicated that retail demand should remain elevated throughout the rest of 2021 and in the longer term. We remain confident in LVMH's ability to navigate the retail sector successfully and that the demand for high-end fashion will continue. LVMH shares responded proportionately,

[21] LVMH, Group (2021). *The LVMH Model.* Retrieved from http://www.lvmh.com/group/about-lvmh/the-lvmh-model/

up over 100% from our initial purchase price. Currently, we remain invested in LVMH shares because we believe the company has yet to reach our fair value estimate.

United Parcel Service ("UPS")

UPS operates in more than 220 countries and delivered an astonishing 6.3 billion packages in 2020. UPS is the world's largest package delivery company and global supply chain provider. UPS provides transportation, distribution, international trade, and brokerage services worldwide. UPS operates in three similar but distinct segments: US domestic package (63% of total revenue), where it is the leader in guaranteed and time-definite small package delivery services in the US; domestic package also offers a wide range of air and ground package transportation services. The international package (19% of revenue in 2020) segment offers small package logistical solutions in Europe, Asia, Canada, and Latin America. The international segment offers more guaranteed express options than any other carrier. The supply chain and freight segment (18% of revenue) provides forwarding, truckload brokerage, logistics, and distribution solutions, as well as UPS Capital, a provider of supply chain financing. On a consolidated basis, UPS generated $84.63B in revenue in fiscal year 2020.

UPS operates a duopoly in the United States, with FedEx as the only direct domestic competitor. Internationally, UPS competes with FedEx and DHL. UPS's dominance in the supply chain is demonstrated by the company's consistently high operating margins. Profitability and scale insulate UPS from competitors, resulting in a durable cost advantage. UPS has built on this competitive advantage, resulting in significant revenue increases across all segments in FY 2020 compared with FY 2019. US domestic package revenue increased 14% YoY, international revenue increased 11.4% YoY, and supply chain revenue increased 12.6% versus 2019. Operating profit decreased slightly by 1.5%, which was attributed to a realignment of the company's supply chain as increased online retail demand persisted. As a result of the COVID-19 pandemic, UPS's capital expenditure timeline was brought forward. All of these are short-term issues stemming from the increased demand during the pandemic, leading to increased hiring across all segments and a rapid deployment of resources to increase efficiency in the supply chain. UPS laid the groundwork for demand and pricing increases in 2021, which should sustain long-term growth.

UPS initiated price increases in Q1 2021, leading to improved margins and profitability per package. Demand has continued at a rapid pace; UPS has demonstrated its pricing power because business and retail demand grew after initiating their price increases. This has led to the highest level of revenue in over 20 years, resulting in earnings per share of $2.77, far exceeding the expectations of $1.73. On a percentage basis, Q1 2021 revenues increased by 141% compared with Q1 2020. UPS reported a free cash flow of $3.7B in Q1 2021, raised its dividend to $4.08, continued to reduce debt, and generated over 350% return on equity. Going forward, we expect continued high levels of demand combined with the company's dominant market position and strong fundamentals, and we still believe that UPS offers exceptional value.

HanesBrands, Inc. ("HBI")

HanesBrands, Inc. is a consumer goods company that engages in the design, manufacture, sourcing, and sale of basic innerwear and activewear apparel. The company operates in the Americas, Europe, Australia, and Asia Pacific. Hanes is structured in three similar segments: innerwear (45% of total revenue), which includes core apparel products such as men's, women's, and children's underwear, socks, and intimate apparel sold in the United States. Activewear (20% of total revenue) includes products such a T-shirts, fleece, performance apparel, sport shirts, and thermals. International (35% of total revenue) produces innerwear, activewear, hosiery, and home good products sold outside of the United States. HBI's portfolio of brands includes Hanes, Champion, Bali, Maidenform, L'eggs, and Playtex, among others. On a consolidated basis, Hanes generated revenue of $6.7B in fiscal year 2020.

Consumer goods and apparel is an industry that is rapidly transitioning toward online sales as demand in brick-and-mortar stores decreases. The COVID-19 pandemic has accelerated this shift; as a result, Hanes adjusted to compete effectively. HBI realized a large e-commerce sales increase; this sales channel has grown to 28% of total revenue, up from 24% in 2019. Revenue decreased ~4.5% YoY because of temporary store closures and decreased foot traffic. HBI exited their DKNY intimate apparel licensing agreement in 2019, which also makes prior year comparisons challenging. HBI's flexibility in response to the pandemic paid off because the company maintained similar margins and liquidity compared with pre-pandemic levels. Despite external hardships, Hanes has continued to innovate and develop new products, such as their Tagless apparel platform, temperature control X-Temp fabric platform, and FreshIQ. Risks remains for any consumer retail company operating through brick-and-mortar sales channels; we believe that management made the right decisions to increase liquidity while continuing to innovate and lead an aggressive transition toward e-commerce.

Hanes continues to show strength in its Champion brand, which is its second largest brand. Hanes plans to market its Champion brand toward a younger demographic group and is targeting a large growth opportunity with a large addressable market. Hanes unveiled their three-year "Full Potential Plan." This plan targets an additional $1.2B in sales by 2024 and increased profitability. Hanes expects an additional $1B growth in activewear and $200M in cost savings from innerwear. Most importantly, the company has renewed its commitment to focus on consumer-centric products, such as activewear, athletic, and women's and kid's clothing. Hanes is targeting growth through key global markets and continues to expand online channels. We believe HBI owns valuable assets, including their brand, retail relationships/distribution, e-commerce platform, and the vertically owned supply chain. We remain cautious, for risks remain because of continued e-commerce demand and growing competition. However, if management can take a proactive approach while executing opportunities across the market, we could see an increased upside from HBI shares. We remain optimistic about the company and continue to hold shares while monitoring the developments in the retail industry and HBI's transformation.

Exited Positions (2020)

In 2020, for profit, we exited the following investments: General Mills, Inc., Community Health Systems Inc., Goldman Sachs, Inc., and Blackrock Inc.

Additional Disclaimers and Notes to Performance Results

The performance results of Kingdom Capital Management, Inc. ("KCM" or the "Company") shown in this report are presented on a net-of-fee basis. Net performance includes the reinvestment of all dividends, interest, and capital gains and reflects the deduction of, among other things, brokerage commissions, foreign taxes, and management fees. The statistical data regarding the market indexes has been obtained from YCharts, and the returns are calculated assuming all dividends are reinvested. The indexes are not subject to any of the fees or expenses to which KCM's clients are subject. The portfolio performance returns were obtained from Albridge Wealth Reporting (AWR) and are calculated using the time weighted rate of return (TWR) calculation method.

In the case of TWR, clients' portfolios are revalued whenever a cash flow takes place, thereby completely reducing its impact on the return. The performance returns are an aggregate of all accounts associated with that specific strategy or investment objective for the selected period obtained from the clients' Investment Policy Statement (IPS).

Depending on the timing of which investments were made, the net performance for an individual investor may vary from the net performance stated herein. Performance data from AWR are believed to be reliable; however, the accuracy and completeness of the information are not guaranteed.

Past performance is not necessarily indicative of future results. All investments involve risk, including the loss of principal. It should not be assumed that investments KCM makes in the future will be profitable. All information provided herein is for informational purposes only and should not be construed as an offer to sell or a solicitation of an offer to buy any security. The specific companies or securities described in this report are meant to demonstrate KCM's investment style and the types of industries and companies in which it invests and are not selected based on past performance. All trademarks are the property of their respective owners.

The analyses and conclusions of KCM contained in this report include certain statements, estimates, and projections that reflect assumptions by KCM concerning anticipated results that are inherently subject to significant economic, competitive, and other uncertainties and contingencies and have been included solely for illustrative purposes. No representations, express or implied, are made as to the accuracy or completeness of such statements, assumptions, estimates, or projections or with respect to any other materials herein.

Limitations of Performance Data

In 2020, KCM discontinued the Moderate Growth and Growth strategy allocations. Instead, the Company offered Conservative, Moderate, and Aggressive risk allocations to clients. Clients previously in the Moderate Growth and Growth strategies transitioned to either Moderate or Aggressive risk allocations. Accordingly, the performance results for compounded annual return, average and cumulative for the Moderate Growth and Growth strategies represent a partial period (January 15, 2016, to December 31, 2019). The Company also did not have any clients in the Conservative strategy to report in 2020.

All Other Positions are smaller positions by market value contributing under one percent to the Company's AUM as of December 31, 2020. They represent investments in Fannie Mae (FNMA) and in exchange traded fund (ETF): iShares Core Growth Allocation (AOR) and mutual fund, Vanguard Life Strategy Income Fund (VASIX). These positions were not held across all client's accounts but were aggregated to illustrate the Company's portfolio composition.

Forward-looking Statements

This report also contains forward-looking statements that reflect KCM's views. These forward-looking statements can be identified by references to words such as "believe," "expect," "potential," "continue," "may," "will," "should," "seek," "approximately," "predict," "intend," "plan," "estimate," "anticipate," or other comparable words. These forward-looking statements are subject to various risks, uncertainties, and assumptions. Accordingly, there are or will be important factors that could cause the actual outcomes or results to differ materially from those indicated in these statements. Should any assumptions underlying the forward-looking statements contained herein prove to be incorrect, the actual outcome or results may differ materially from the outcomes or results projected in these statements. KCM does not undertake any obligation to update or review any forward-looking statement, whether as a result of new information, future developments, or otherwise, except as required by applicable law or regulation.