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While the market has rebounded significantly off its lows, the Fed continues to warn of further rate hikes as job markets remain tight, inflation remains sticky, and the anticipated economic slowdown remains out of sight. The stock market rally, however, is extremely concentrated, as Nvidia, Tesla, Meta (Facebook), Apple, Amazon, Microsoft, and Alphabet (Google) account for almost $\frac{3}{4}$ of the year's gains. These seven tech stocks have performed so well, they have recently been dubbed "The Magnificent Seven". Enthusiasm over Artificial Intelligence spending was the biggest factor boosting tech stocks during the quarter, including several of the seven noted above.

Our Kirwan Capital Strategy portfolios gained 8.50% for the quarter**, versus the market as measured by the S&P 500 ETF*, which finished with a gain of 8.68%. The quarter's result leaves our average compound annual return after fees since Jan 1, 2013 at 11.84%, which would have turned a \$10,000 investment into \$34,147 in 10 1/2 years. Among our holdings, Apple, Amazon, and Microsoft continued to be our biggest winners during the quarter in addition to Adobe, Equifax, and Molson Coors. Our worst performers were Hanesbrands (again), Anheuser-Busch, Sleep Number, and Starbucks. Fortunately, our holdings of the former group were far greater than the latter. Our only activity during the quarter currently looks like a great move, as we increased our Amazon holdings at just over \$100 in early April, while it closed last week at over \$134 per share.

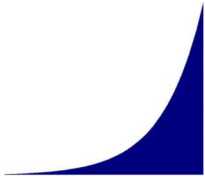
The Bud Light debacle, an essentially unforeseeable event that landed Molson Coors in the "Top Performers" column and Anheuser Busch on the other side of the ledger, is a stark reminder of how fickle investing can be. It reminds me of the "New Coke" blunder several decades ago. Time will tell, but as Bud Light makes up a much smaller share of its company's profits than Coke did, I believe that five years from now this event will be nothing but a blip on the radar, much as the stumble was at Coca-Cola.

Things haven't changed much since my last letter regarding the state of the economy and positioning of the Fed, but markets are now priced higher, as equities have continued to climb. Banks that survived the speedy downward adjustment in their asset prices now have the option of simply buying short-term, risk-free Treasury Bonds and earning over 5%, as opposed to making loans that entail taking on credit risk. The biggest banks have already begun reporting large profits from doing so. While this should be a lever working against capital creation and long-term economic growth, the world still appears awash in cash from the unprecedented Covid era stimulus, which continues to apply inflationary pressure. The tug-of-war continues...

Sincerely,

A handwritten signature in blue ink, appearing to read "Patrick J. Kirwan", with a long, sweeping underline.

Patrick J. Kirwan
President and Portfolio Manager
Kirwan Capital LLC



KIRWAN
CAPITAL

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* The benchmark I use against which to gauge our performance is the SPDR S&P 500 ETF (ticker symbol SPY). It's purpose is to closely track the stocks in the S&P 500 Index. Often cited as a proxy for the U.S. equity market, it is the most heavily traded security in the world. It can thus easily be purchased by any investor, as opposed to the oft quoted S&P 500 Index, which is simply a calculation, and does not include costs of ownership.

** Kirwan Capital Strategy quoted returns are calculated using the quarterly composite average of all accounts using the strategy in aggregate. Due to the individually managed nature of our accounts, not all accounts have similar performance. Factors such as available cash, tax considerations, and timing of previous purchases or sales can effect returns. Transactions noted may or may not have been made for all accounts. Past performance is not indicative of future results and investing entails a degree of risk and potential loss of principal. The Kirwan Capital Strategy uses fundamental analysis in an attempt to measure the intrinsic value of securities with the objective of buying undervalued securities and realizing dividends and capital gains over a long-term (at least one year) holding period.