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As I'm sure you are keenly aware, the wheels fell off the long running bull market in late February, as a coronavirus that began spreading among humans in central China became a pandemic reaching nearly every country in the world. This created a domino effect as world leaders quickly shut down economies globally in efforts to slow the virus' spread. As I write this, the latest Department of Labor statistics show new U.S. unemployment claims were over 6 million for two weeks in a row, verses numbers that were averaging around 210,000 in the weeks before the tumult began. The real questions now are how long the virus will keep economies on lockdown, and how much irreparable harm will be done to businesses in the mean time. The expedient actions of the Fed, Congress, and the President will provide a substantial backstop if administered efficiently and effectively, but questions remain whether or not their actions will prove enough to avoid a large scale, long term slowdown.

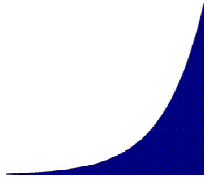
Our Kirwan Capital Strategy portfolios lost 20.59% for the quarter**, versus the market as measured by the S&P 500 ETF*, which finished with a loss of 19.43%. Our average compound annual return after fees since Jan 1, 2013 is 9.95%, which would have turned a \$10,000 investment into \$19,887 in 7 1/4 years.

While we were fortunate enough to take some profits and raise our cash holdings to around 15% early in the first quarter, we were hurt by our positions in banking and financial companies, including Wells Fargo, Discover, and Goldman Sachs. These firms were dually pummeled as interest rates dropped precipitously and investors scrambled to offload perceived risk. While the first two each sold off around 50%, Goldman lost over 32% as well. Fortunately, we purchased all 3 of these at much lower prices than they traded as the quarter began, so we are not down as much on our purchase prices, but it definitely made the quarter look bad. On a positive note, we were able to use the cash raised from our earlier profit taking to repurchase Apple, open positions in JP Morgan Chase, and add shares of Visa, Alphabet, and Starbucks to our portfolios late in the quarter at far lower prices than they began the year. While these purchases haven't yet had an impact on the quarterly returns, the fact that we were able to add stakes at such low prices should bode well for our accounts over the long term.

When I wrote my last letter laying out three strikes against the bull market, I was more right than I could have imagined. Unfortunately, however, being right doesn't always translate to outsize results, and this quarter is a textbook example of that, due mainly to our banking positions falling much more than the market averages. The black swan event that hit and the speed and force of its blow to the economy has reverberated through different companies and industries with results that will take weeks or months to ascertain. While I think this event will change some consumer behavior permanently, such as speeding up the move to online shopping, other behaviors will surely resort to a routine that looks much as it has in the past. As noted above, when life and commerce eventually return to some semblance of normalcy, our purchases during this fearful time should bear fruit.

Thanks again for your trust, and please be safe.

Patrick J. Kirwan
President and Portfolio Manager



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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.