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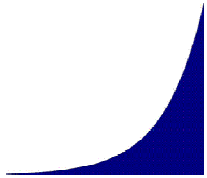
Following the first quarter's plunge of more than 34% from all-time highs due to the spread of Covid-19 and the resulting unprecedented worldwide economic shutdown, stocks rebounded during the second quarter on hopes of a return to normalcy. Encouraged by central bank and government actions worldwide that provided more liquidity more quickly than at any time in history, the market jumped higher in April and added to strength again in June. The S&P 500 posted its best quarter since 1998, and growth stocks continued to outpace value oriented shares, as has been the case for most of the last several years. Oil prices recovered significantly from a 1st quarter slide that saw nearby futures contracts tumble into negative territory on supply and storage imbalances. This rebound was not enough, however, to avoid several bankruptcy filings in the industry and dire warnings from companies as large as Exxon Mobil.

Our Kirwan Capital Strategy portfolios gained 17.52% for the quarter**, versus the market as measured by the S&P 500 ETF*, which finished with a gain of 20.27%. I suppose I shouldn't feel too badly about this relative underperformance, as we soundly outperformed Warren Buffet himself, whose Berkshire Hathaway lost over 21% of its value in the first 6 months of the year. (Which didn't help us.) This quarter's performance leaves our average compound annual return after fees since Jan 1, 2013 at 11.99%, which would have turned a \$10,000 investment into \$23,371 in 7 1/2 years.

Our holdings exhibited an incredible dichotomy during the quarter: out of our top 5 holdings, three were within our top five gainers and two were among our three biggest losers. While technology continued a long run of outperformance, our financial services holdings more than offset that advantage. In that vein, Apple, Amazon, and Microsoft have continually powered to new record highs, but Wells Fargo and Berkshire Hathaway both managed to lose ground during the quarter, while JP Morgan did little more than tread water. Financial services firms remain under pressure due to the large uncertainty regarding bad loans as a result of the pandemic we are now working our way through. The banks, however, are in much stronger capital shape than they were during the '08-'09 financial crisis and have been very profitable over the last several years. In addition, most have suspended stock buybacks and some are slashing dividends to conserve cash in efforts to absorb potential losses until the economy recovers. This should prove enough to avoid dilution in ownership or solvency problems with any of our holdings, so I remain confident that valuations in this sector will recover as the economy returns to normal. I will not, however, venture a guess as to how long that will take, as even the most esteemed economists do not have a strong track record in these kinds of predictions.

Try to enjoy your summer, and be safe in these extraordinary times.

Patrick J. Kirwan
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* The benchmark I use against which to gauge our performance is the SPDR S&P 500 ETF (ticker symbol SPY). Its 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.