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The equity markets continued to march higher during the second quarter as Covid-19 vaccinations progressed and consumer demand soared on the back of fiscal and monetary stimulus. Consumer behavior rapidly normalized as people began to partake in activities like restaurant dining and air travel again. Inflation worries surfaced at times while long bond rates rose, but as the quarter end drew near, the two waned in tandem.

Our Kirwan Capital Strategy portfolios gained 9.06% for the quarter**, versus the market as measured by the S&P 500 ETF*, which finished with a gain of 8.36%. The quarter's performance leaves our average compound annual return after fees since Jan 1, 2013 at 15.35%, which would have turned a \$10,000 investment into \$33,665.75 in 8 1/2 years. Our returns were boosted by outperformance from Discover Financial Services, Google, Anheuser-Busch, and Wells Fargo, while Hanesbrands, Starbucks, J.P. Morgan, and Kellogg provided a drag. The rising tide lifted nearly all boats, and none of our top holdings varied from our overall average by more than 15%, which is markedly less variability than the norm.

We had almost no activity during the quarter, as the only move we made was a slight trimming of our Wells Fargo position at a price more than double the low set late in 2020.

While the close up view of the market includes inflation fueled by pandemic related supply constraints, legislative haggling over spending bills, and the possibility of Covid variants reversing the economy's return to normalcy, in the broad view, fiscal and monetary policy remain generally very supportive while interest rates remain near generational lows. I do not currently see anything to indicate the bull train will be derailed, although I will always diligently keep an eye toward the possibility, as the one constant in this game is change.

Sincerely,

Patrick J. Kirwan
President and Portfolio Manager
Kirwan Capital LLC

* 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.