



June 2021

# Galloway Capital Partners

## Monthly Investor Newsletter

Dear Investors:

**In June 2021, the Portfolio generated a return of +4.61%, +113.7% YTD and, +678.96% since January 2018.**

During the month, one of our holdings, Iconix Brand Group, Inc. (NASDAQ: ICON), announced it was to be acquired by private equity firm Lancer Capital. The transaction will generate a 2.5X return on our investment. Earlier in the year, ORBCOMM, Inc. (NASDAQ: ORBC) announced the acquisition by GI Partners, LI, which generated a 3x return for the PortLOlio in less than a year. These acquisitions support our strategy that Value stocks receive greater attention from the Ihc investment community. If these positions are not performing independently, some have become acquisition targets to private-equity firms.

Our energy sector holdings continued to perform well during the month. For the past few months, we have been very bullish on the sector. Midstream Partnership companies continued to hit new highs, With much room for growth as they are still well below their three-year highs. Our largest holding, Occidental Petroleum Corp. (NYSE: OXY), hit a new 52-week high in June. The current share price is still 60% below its high of \$87/share in 2018, even though today, the prices of oil and natural gas are 20% and 60% higher, respectively. We continue to hold a position in BP, PLC (NYSE: BP). In short. There is much room for appreciation in the sector. We believe oil prices continue to climb and go north of \$80/bbl. These energy companies should continue to increase their dividends due to explosive cash flows and depressed CapEx. Energy stocks are currently about 4% of the S&P, which is down from five years ago.

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Overall, Portfolio is well diversified with over 53 positions across a variety of industries and market capitalizations, and we believe insulated from any near-term sharp market corrections.

We believe most of the positions in the Portfolio are at an upward inflection point in which algorithms are going long, and the short algorithms are covering their shorts. This causes the ETF's to acquire positions to increase their weightings. This cycle usually lasts for several years.

As we have been stating for months, we believe the value will continue to outperform growth over the next few years, contrary to how growth has outperformed value for 13 straight years. We believe our value/catalyst approach is the optimal way to generate significant investment returns.

We are pleased to offer the opportunity for new investors to participate in our investment strategy. We accept managed accounts with a minimum of \$2.5 million or investments in our fund with a minimum of \$1 million.

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