



JUNE 2023

Galloway Capital Partners

Monthly Investor Newsletter

Dear Investors:

In June 2023 the Portfolio generated a return of +7.1%; +29.3% YTD and +233.39% since January 2018, or 42.60% per year. This exceeds the S&P which was +14.65% YTD.

https://mcusercontent.com/ed7158b8876b1713af8699701/files/b1b700db-078b-3a8b-5adb-cdd3d9f2934e/GCP_Monthly_Perf_June_2023_.pdf

We are continuing to outperform the major market indices by a wide margin. If you exclude the “Magnificent Seven” stocks which have all increased between 38% and 165% YTD, the S&P is barely +2%. We have reiterated over the past few months that the market has bottomed out, the Fed is at the end of its rate hike cycle, and that inflation is under control. The US economy has shown resilience due to the Inflation Reduction Act, and the push to alternative energies and the Cloud. In addition, Artificial Intelligence (“AI”), probably the most transformative technology since the Internet, as well as cyber security, 5G and 6G network roll outs should keep the economy robust and investment activity strong for the next few years.

During the month we had significant gains on our 2 home building stocks, Hovnanian, Inc. (HOV) and Beazer Homes, Inc. (BZH). Both are under the radar screen and were +20% for the month. Our hidden gem in AI continued to rise as it gained traction on the Street and is becoming one of the leaders in the sector.

We believe that H2-2023 will be a “Stock Pickers” market. It will become a normalized market with tepid growth in the economy. We believe that the \$5 trillion increase in valuation in the “Magnificent Seven” will allow investors to take profits which should filter down to the next 10,000. This should have a positive impact on our portfolio which is well positioned for significant upside over the next 6 to 12 months.

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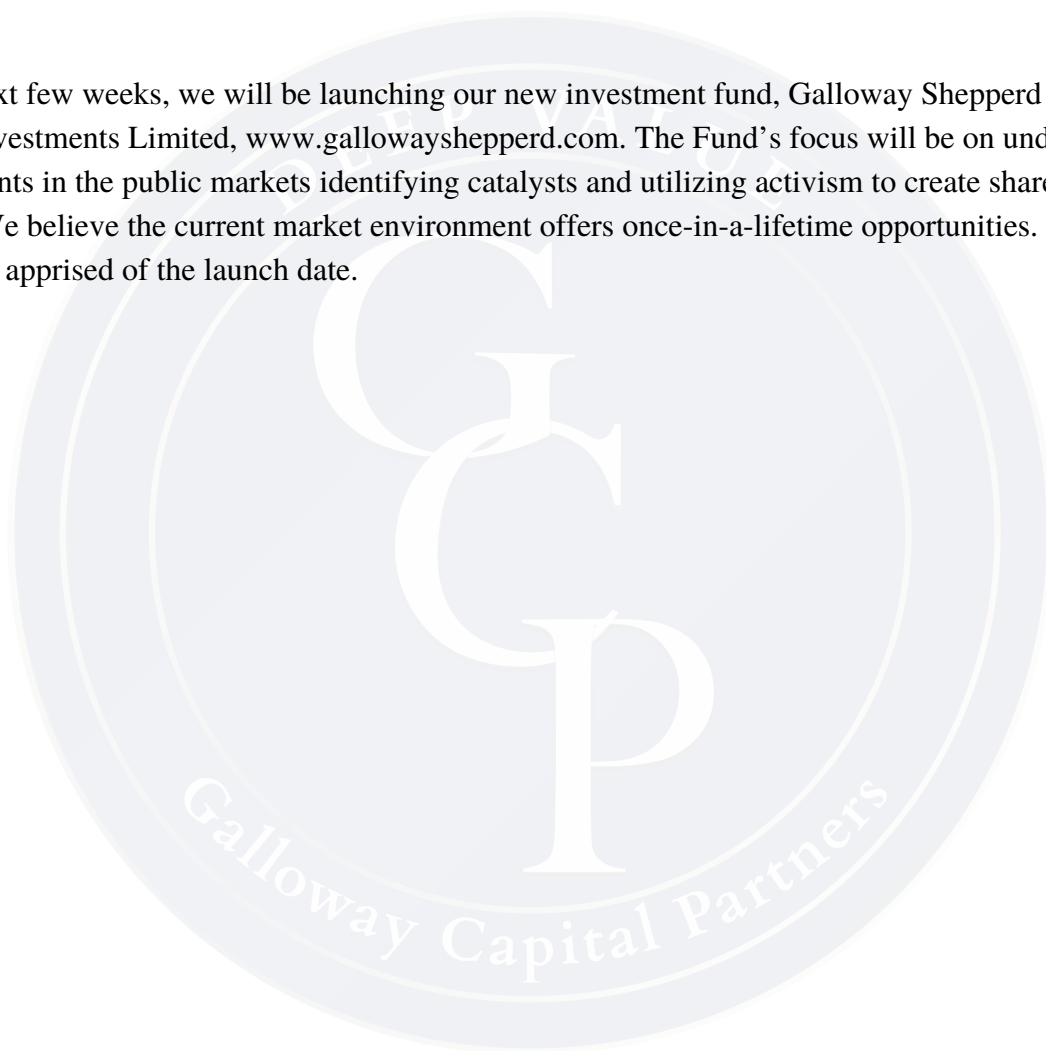


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In the next few weeks, we will be launching our new investment fund, Galloway Shepperd Deep Value Investments Limited, www.gallowayshepperd.com. The Fund's focus will be on undervalued investments in the public markets identifying catalysts and utilizing activism to create shareholder value. We believe the current market environment offers once-in-a-lifetime opportunities. We will keep you apprised of the launch date.



Bruce Galloway
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Chief Investment Officer

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