

April 1, 2020

Sincerely, “These are the times that try men’s souls”
-Thomas Paine

This letter is our third written communication to you in the last month so we will keep it succinct. Foremost, we hope you and your loved ones are well and complying with social distancing, washing hands, and staying home so that we as a nation can contain the epidemic as expeditiously as possible.

We are living through the first major global pandemic since 1918. Covid-19 has caused countries around the world to voluntarily close large portions of their economies to slow the rate of infection. This has hit the service industries particularly hard as travel, restaurants, and entertainment have been temporarily shuttered, and all sectors of the global economies share in the sacrifice. In the United States the Federal Reserve sprang into action by injecting liquidity into credit and bond markets that had seized up on the sudden halt in activity. Congress and the White House passed a \$2 trillion aid package that seeks to support businesses until health conditions enable the reopening of our economy. Congress is already preparing additional support should the duration of the battle against the virus require extending the economic shutdown.

The ultimate solution to the pandemic is biologic, not financial. Health care companies and scientists worldwide are studying combinations of existing drugs and developing new antivirals. Medical professionals are sharing information of how to best treat patients, improve outcomes and accelerate recovery. Johnson & Johnson announced on Monday that it had identified a vaccine it was advancing into clinical studies that appears to be effective against Covid-19. Abbott Labs has created a Covid-19 test that can deliver results in only 5 minutes. Steps like these, and those yet to come, will help the world conquer this virus.

This is our sixth major crisis since entering the money management business in 1987. Each is frightening and has its own characteristics. The common theme enabling us to navigate each is knowing that we own well run businesses with strong balance sheets. That is a cornerstone of investing, not trading. We mitigate risk by keeping money clients need in the next year liquid and available. There are currently many opportunities to buy quality companies at attractive valuations, but these decisions will be made for each client based upon his/her needs and goals. Please be safe, and know we are working hard to be fiduciary stewards of your money.

Sincerely,

JM Sam Nevin, Jr
Managing Partner

W. Joseph Ryan III
Partner

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