July 1, 2020

"The secret to success is constancy to purpose"
-Benjamin Disraeli

It has been 112 days since the World Health Organization declared the COVID-19 outbreak a pandemic and nations around the world took the exceptional step of voluntarily curtailing non-essential economic activity to slow the spread of the virus. The Federal Reserve and central banks around the world have stepped in to provide liquidity to offset the collapse in money velocity. The Federal Government has injected trillions of dollars into the economy through financial aid packages designed to help businesses and workers bridge the shutdown.

While these financial actions have been very helpful to the markets, the question of when the world returns to normalcy remains unclear. We believe the answer depends on how quickly a medical solution to COVID-19 is found. Prior to the pandemic, economic data was solid with US GDP in 2019 of 2.1%, consumer spending +2.5%, and unemployment was at 3.6%. In the second quarter GDP is forecast to contract 39.5% on an annualized basis, consumer spending is expected to fall 48%, and unemployment is projected to reach 14% according to The Conference Board. The pressure to reopen the economy has intensified along with the debate over whether the consequences of voluntarily closing the economy have been more damaging than the health crisis. In many of the hardest hit regions of the country people have learned the merits of social distancing, wearing face masks, washing hands, and limiting interaction with others. Unfortunately, other regions of the country that escaped the early days of the pandemic are now experiencing spiking infection rates. We do not believe the federal government will shut down segments of the economy again, but we do think individuals will modify behavior should hospitalizations and deaths increase, as self-preservation kicks in. Either way, the result could be a protracted slow climb out of the depths of the health crisis with many economists estimating a full recovery being a couple of years away.

The businesses we own for clients have navigated this tumultuous environment well, which, we believe, validates our strategy of owning companies that generate free cash flow and not those dependent on outside financing to fund growth. Please see the performance segment of your quarterly statement for greater detail. Some of the secular themes we have embraced, such as growth in cashless transactions and growth in online retail have flourished as these trends have accelerated during the pandemic. We are also investing in themes such as environmentally friendly businesses like Ecolab, which focuses on water purification and hygiene. Subscription based businesses, that offer outsourced services by doing it better and cheaper than its client company could do on its own, are also attractive to us and we are looking to add to our holdings in this area. Our investments in healthcare have done well as many of our investments are viewed as part of the solution, specifically, Abbott Labs, Johnson & Johnson, and Teledoc Health. We have taken profits in some positions as the market recovered in the second quarter and those funds will enable us to be opportunistic should the market experience another

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correction in the coming months. Most importantly, we will continue to emphasize investing in businesses that are well positioned for the next 3-5 years.

Thank you for entrusting Ayrshire Capital with the management of your money. We look forward to speaking with you in the coming quarter and please call should you have any questions or comments. In the meantime, stay safe and keep washing your hands.

Sincerely,

JM Sam Nevin, Jr Managing Partner	W. Joseph Ryan III Partner