



March 2021

# Galloway Capital Partners

## Monthly Investor Newsletter

Dear Investors:

**March 2021 was another strong month for us. The portfolio generated a return of +18.38%, +85.89% YTD, and since January 2018 +577.48%.**

During the month, we generated our third 20x return in the past 14 months. Last year we began acquiring shares of Hovnanian, Inc. (NYSE: HOV) at \$6/share and the Preferred Series A (NYSE: HOVNP) at \$7/share. Today they trade at \$113/share and \$18/share, respectively.

We continued to maintain our positions in the energy sector led by Exxon Mobil Corp. (NYSE: XOM), Continental Resources, Inc. (NYSE: CLR), BP, PLC (NYSE: BP), Royal Dutch Shell, PLC (NYSE: RDS.A) and the Midstream Partners companies. We believe the sector is extensively underweighted in the S&P and will be a secular trend in 2021. The stocks were on fire at the beginning of the month, settling in the latter half of the month. The strong dividend yields should continue to see stock appreciation in the sector.

During the month, we initiated positions in Tenneco, Inc. (NYSE: TEN), Ford Motors, Inc. (NYSE: F), AT&T (NYSE: T), and Accuray, Inc. (NASDAQ: ARAY). We believe these positions should perform well and have a lot of catching up to do as the industrial segment kicks in. We added to our positions in U.S. Steel, Inc. (NYSE: X) and Cleveland-Cliffs, Inc. (NASDAQ: CLF) with the proposed Infrastructure Bill by the Biden Administration.

Our three proprietary technology companies have continued to perform very well and are starting to break out on the upside.

*Bruce Galloway*  
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Chief Investment Officer

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The shift from large-cap growth to value keeps on flip-flopping, but net-net, we believe that the trend is here and will be the ongoing theme for several years to come. Adding to this trend has been the continued democratization of the stock market led by Reddit and Robinhood and its over 20 million retail investors jumping into the market. The Reddit "Army of Traders" is targeting algorithmically driven funds as well as hedge funds. This has led to a short squeeze covering by these institutional investors and an appreciation of stock prices in a number of securities.

Overall the Portfolio is well diversified with over 52 positions, mostly deep value situations where we believe there is a catalyst or a group of catalysts that will create a growth inflection point.

We continue to significantly outperform the major indices based on our proprietary research and investment approach. We believe that value stocks will continue to turn on the steam and outperform the large-cap growth stocks, which have led the market for the past thirteen years.

We are accepting managed accounts with a minimum of \$2.5 million. We are also in the final stages of launching a new fund with a minimum investment of \$1 million.

*Bruce Galloway*  
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