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FOURTH QUARTER 2018

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## Positioned for a Downturn

During the fourth quarter of 2018 the portfolio clearly demonstrated its value to investors during a declining market.

As the end of Q3 2018 we were beginning to see signs that the market was reaching an inflection point that would signal the beginning of a downturn. In Q4 2018 we were proven correct.

The portfolio is designed to reflect our opinion that the market is currently headed for a deep and prolonged correction. The combination of increasing government debt and increasing belligerence towards China - holders of \$1.7 trillion in US debt as of July - leaves the US exposed to severe economic consequences.

We fear that rapidly rising US debt is a threat to the US markets, the US dollar and ultimately US treasuries. A needless government shutdown will do damage to the perceived stability of US government debt.

## Portfolio Analysis

The Triboro Alternative strategy had an outstanding fourth quarter. The strategy was +8.00% (gross of fees). The S&P 500 declined by 13.52%.

During the worst 10 days for the S&P 500 in 2018 the index was down -25.85%. Over those 10 days the Triboro Alternative Strategy was up +8.3%.

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