TRIBORO
Investment Management

Socially Responsible
Portfolio Commentary

FIRST QUARTER 2019

The Markets Bounce Back

During Q1 2019 U.S. equity markets bounced back from Q4's sharp decline. Volatility remains high and GDP growth continues to be positive but slowing. We continue to proceed with caution. The continued exuberance in the markets despite the clear warning signs in Q4 2018 indicates to us that the long rally is rapidly approaching its end.

Continued inconsistency and recklessness in foreign and domestic policy combined with an extended market and tepid economic growth keep us as cautious as we have ever been.

Portfolio Analysis

The Triboro Socially Responsible Portfolio had a relatively disappointing quarter. The strategy was +11.14% (gross of fees) vs +14.04% for the MSCI KLD 400 Social Index. March was the weakest month of Q1 for the portfolio. During Q2 we expect to have higher turnover as we more aggressively trim weaker names from the portfolio.

Positive & Negative Contributors to Performance

Hain Celestial Group (HAIN) is a maker of natural food products. The stock increased 45% during Q1 despite disappointing earnings and outlook. There are signs that the new management team that took over last year will see better results in the second half of 2019.

Celgene Corp (CELG) is a pharmaceutical company focusing on cancer and inflammatory diseases. The stock performed poorly in 2018 but we felt the stock was wildly undervalued so we continued to hold it.

On January 3 Bristol Myers Squibb announced they were taking over Celgene. The stock rose 47% during Q1.

The worst performing stocks in Q1 were CVS Health Corp (CVS -17%) and Cigna Corp (CI -15%). In late February CVS released disappointing earnings guidance for 2019. We will continue to hold this deeply undervalued company. Cigna stock fell during Q1 due to uncertainty surrounding its merger with Express Scripts despite announcing solid earnings and guidance.

Sustainable Investing Trends

Investors now consider environmental, social and governance (ESG) factors across $12 trillion of professionally managed assets, a 38 percent increase since 2016. This represents 26 percent—**or 1 in 4 dollars**—of the $46.6 trillion in total US assets under professional management.

Sustainable, responsible and impact (SRI) investing in the United States continues to expand at a healthy pace as investors increasingly recognize the benefits of this approach. *

Executive Summary

- Being defensive will be key in 2019 as we continue to predict a weakening US equity market.
- We continue to search for any way to improve how we execute the investment process.

We appreciate your interest. Our team is always available to discuss our process.

Regards,

Philip Mendelsohn, CFA
Portfolio Manager

* US SIF Foundation - Report on US Sustainable, Responsible and Impact Investing Trends 2018

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