

---

FORTH QUARTER 2019

---

## The Long Rally is Nearing the End

As 2019 ends we feel that the long rally in growth stocks is slowing down. During the second half of 2019 value stocks began to outperform growth stocks. This is becoming a market that favors our orientation towards value investing.

Currently the market looks stretched to us in terms of overall valuation. The market seems unconcerned by slowing economic growth and rapidly expanding federal budget deficits. We find the lack of worry about these increasing risks to be worrisome.

## Portfolio Analysis

The Triboro Socially Responsible Portfolio had a very good quarter. The strategy was +11.8% (gross of fees) vs +8.70% for the MSCI KLD 400 Social Index.

## Positive & Negative Contributors to Performance

Our best performing sectors in Q4 were Technology and Health Care. In both sectors our overall performance was driven by good stock selection.

Lam Research Corporation (LRCX) is a maker of equipment used to manufacture semiconductors. The stock increased 27% during Q4 as earnings and sales surpassed analyst estimates. The company has been in the portfolio for several years and is now the largest holding.

Jones Lang LaSalle Inc (JLL) provides commercial real estate management services. Solid revenue growth and earnings that exceeded analyst estimated led to a 25.5% increase during Q4. The company has been in the portfolio over 3 years and we will continue to hold the position as earnings continue to grow.

The worst performing stocks in Q4 were EBay Inc (EBAY -7.0%) and Consolidated Edison Inc (ED - 3.4%). EBay beat earnings and revenue estimates but gave disappointing guidance for next quarter. Consolidated Edison reported earnings and revenues that were short of analyst estimates. Currently we are not seeing any names in the Utility sector that are worth purchasing.

The worst performing sector in Q4 was Industrials. We will continue to be underweight in the sector in Q1 2020 as we also look to replace some of our current holdings with names that have improving business fundamentals.

## 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 our focus in 2020 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.

Philip Mendelsohn, CFA  
Portfolio Manager

---

*Past performance is no guarantee of future results. Investing involves risk including the loss of principal. For Professional Financial/Institutional Use Only — Not For Public Distribution.*

---



# Socially Responsible Portfolio Commentary

This material represents an assessment of the market and economic environment at a specific point in time and is not intended to be a forecast of future events, or a guarantee of future results. Forward-looking statements are subject to certain risks and uncertainties. Actual results, performance, or achievements may differ materially from those expressed or implied. Information is based on data gathered from what we believe are reliable sources.

Nothing contained herein is to be considered a solicitation, research material, an investment recommendation or advice of any kind. The information contained herein may contain information that is subject to change without notice. Any investments or strategies referenced herein do not take into account the investment objectives, financial situation or particular needs of any specific person.

*Past performance is no guarantee of future results. Investing involves risk including the loss of principal. For Professional Financial/Institutional Use Only — Not For Public Distribution.*