
FIRST QUARTER 2022

Volatility and Inflation

The first quarter of 2022 was volatile. Growth stocks, especially in the Technology sector performed poorly. Accelerating inflation and rising interest rates will be a concern as the year continues.

There are changes in every aspect of our lives due to the lingering effects of the COVID pandemic. We continue to look at which changes are temporary and which will be permanent. Our research looks for companies that will be successful in adapting to these changes. We remain cautious in this challenging market.

Portfolio Analysis

The Triboro All Cap Portfolio had a disappointing Q1. The strategy was -8.02% (gross of fees) vs -4.60% for the S&P 500 Total Return Index.

Positive & Negative Contributors to Performance

Our best performing sectors in Q1 2022 were Energy and Materials.

Diamondback Energy (FANGL) is involved in the exploration and production of oil and gas. We entered the position in April 2021. The stock increased 27% in Q1 as energy prices rose sharply. We reduced our position to take some profits.

Agnico Eagle Mines (AEM) is a gold mining company based in Canada. The stock rose 24% during Q1. We first entered into the position in March 2020 as gold has traditionally been a safe haven in times of uncertainty. At the end of Q1 we did take some profits.

The worst performing stock during Q1 was KB Home (KB). The stock declined 27% during Q1 as supply chain problems led to an earnings miss during the quarter. We will continue to hold this undervalued stock as the company still has a substantial backlog of home orders.

The portfolio turnover increased in Q1 as we continue to rotate into names that can do well in a market where inflation is increasing. As always, we look for ways to reduce risk by diversifying the portfolio across different industries. We will continue to reduce positions in overvalued stocks where business fundamentals are not improving.

Executive Summary

- We will continue to add defensive names in the portfolio in 2022 as we still see increasing downside risk to the market due to overvaluation.
- We have adapted our process to fit the present situation. We search for companies that are able to consistently grow their business.
- We appreciate your business and our team is always available to answer questions or to have a deeper conversation.

Regards,

Philip Mendelsohn, CFA
Portfolio Manager



All Cap Core Portfolio Commentary

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