



August 8, 2018

One Good Thing About Being Wrong Is the Joy It Brings Others

By Alan Snyder

Who woulda thunk that President Trump could have changed the Republican mantra as he has done, and in the manner he has, yet enjoy overwhelming party support. Free trade, poof; balanced budgets, poof; civil discourse, poof; etc. This is not a diatribe against our leader, but is meant to trigger reflection about the impact of the current political climate on our investment decisions. As our kids might say, "Wassup?"

The president has stitched together a new Republican amalgam of voters. Given Trump's approval ratings and their stickiness, it does not seem to us that these changes will be fleeting. In politics, there are no vacuums, which brings us to a necessary examination of Democratic actions as counterpoint in a two-party system. At a national level, the Dems have wavered between rabble-rousers practicing identity politics and moderates espousing traditional democratic ideals of government solutions with progressive taxation. In case you haven't seen the recent article in *The Economist* on this subject, we have attached it for perusal of its constructive insights. A key question is whether the Democratic party can regroup and offer a voter-winning alternative.

Talking heads, whether MSNBC, CNN or Fox decry the conflict as greater than ever before. (Needless to say, it has been a boon for their ratings.) Hogwash. Our history is replete with contention that lasts for some time until a new homeostatic equilibrium emerges.

The impact from these dueling positions and their policies, we believe, means volatility in financial markets until the path forward becomes clearer. We are not convinced as are some, that the future is bleak. Our country, institutions and people are strong. However, favored places versus the unloved will bounce around from current events as one group gains or loses advantage. While short term there may be many bumps, in the long run, historically strong investment strategies will prevail, e.g., steady state diversified equity holdings. Ergo, we urge all of us to carefully consider investment time horizon, true uncorrelated diversification, liquidity optionality and weighting between equity and fixed income alternatives. Be ready to pounce on opportunity.

Shinnecock and its efforts reflect our worrywart nature. It's better to hit consistent singles than seek homeruns with strikeout risk in this tumultuous environment. For us, unusual

diversification in less traveled niche areas is the preferred approach. Specifically, we favor the consistency in short-duration alternative lending without leverage and the allure of hard asset art-secured lending. For homerun seekers, we are not the place.

Upcoming Events

See attached schedule of industry related events at which Shinnecock will be sharing more in-depth information and let us know if you'll be attending so we can look for you!



Upcoming Events

Shinnecock will be in attendance and/or speaking at the following events. We'd be happy to have you join us!

September 5 – New York

IvyFON Family Office Trends Forum

Reed Smith LLP

599 Lexington Ave, New York, NY 10022

For information and registration: <http://ivyfon.com/sep5forum/agenda.html>

September 6 – New York

iGlobal Forum 10th Specialty Finance Summit

Park Lane Hotel

36 Central Park S., New York, NY 10019

For information and registration: <http://www.iglobalforum.com/spfinance10.html>

September 26-28 – Dana Point

Context Summits West 2018

Monarch Beach Resort

1 Monarch Beach Resort, Dana Point, CA 92629

For information and registration: <https://contextsummits.com/west/>