



*While this note is meant to be a February update, given the collapse of the Silicon Valley Bank, I wanted to remind you of our holdings and update you on our performance at the time of sending. We own Amazon, Apple, Google, Microsoft, Facebook, Nvidia, Berkshire Hathaway, JP Morgan and TD Bank representing 75% of the portfolio. The remainder of the portfolio is in cash (20%) and gold (5%). Our holdings will not be adversely affected by any SVB fallout and are all in an advantageous financial position, given their strength of business and combined \$600 Billion in cash on their balance sheets. As of Sunday night (March 12, 2023, the Fund is UP +4.90% YTD.*

### **Jungle Love**

The Amazon jungle is a moist broadleaf tropical rainforest that covers most of the Amazon basin of South America. This basin encompasses 2.7MM square miles and includes territory belonging to nine nations, with Brazil representing the vast majority (60%). While scientists warn that decades of human activity and a changing climate has brought the jungle near a “tipping point”, ***we believe that another Amazon, namely Amazon.com Inc. is also at an inflection point that has the potential to make us a lot of money.***

***After a turbulent February in financial Markets, where bond yields rose and stocks declined, the Fund lost a mere -1.0%, outperforming the S&P500 Index by over 150bps. For the year, the Fund is up +7.3%, compared to the Index that is up +3.8%.***

Amazon.com Inc. is an online retailer that offers a wide range of products. The company offers personalized shopping services, Web-based credit card payments, and direct shipping to customers. Amazon also operates a cloud platform offering services globally. While all of this is known to most of you, what may not be known is that Jeff Bezos incorporated Amazon.com choosing the name primarily because it began with the first letter of the alphabet, because it was exotic and different. Additionally, he chose the name as a reference to his plan for the company’s size to reflect that of the Amazon River, one of the largest rivers in the world. ***Nearly 30 years after founding Amazon, Bezos’ vision has come true--the Company is now the 3rd largest company by revenues in the world, the largest employer in the United States and the 3rd largest company in the S&P500 Index.***

Despite the enormity of its success, it is my belief that Amazon.com is dramatically undervalued. After declining by nearly -60% in 2022, the stock has rebounded modestly in 2023 (up +10%), resulting in an opportunity to purchase the stock for “50% off”! Unlike the Amazon basin that is shrinking, Amazon.com continues to grow. In fact, since the beginning of the pandemic, Amazon.com has doubled in size (as measured by revenues). ***In other words, it took 26 years to build the business to \$250 billion of sales, and only 3 more years to double it.*** To accommodate this incredible growth, management wisely spent billions of dollars building the

company's infrastructure. While these costs adversely affected short-term operating results, the Company is now well-positioned to scale future growth.

Over the next 5 years, Amazon.com will likely eclipse Walmart and Saudi Aramco as the world's largest company (by revenue). Further, the company should generate annual free cash flows approaching \$90 Billion dollars (more than quadruple those of 2022) and produce earnings of \$6.00 per share. With our outlook and \$70 billion of cash on the balance sheet, we believe that Amazon's stock price will be materially higher in the future than it is today. ***Given our conviction, we have taken advantage of the opportunity the Market has given us and made Amazon our largest position in the Fund, with an 11% weighting.***

Unlike the Amazon basin, which is known for its serenity, of late, the macro-economic data continues to be exceptionally agitating. While attune to the noise, our preference is to focus on how our holdings' businesses are performing--***in essence, seeing the Amazon Forest through the trees.*** Given our holdings' future financial prospects and their fortress-like balance sheets, we continue to be constructive on the balance of the year, remind you that uncertainty actually is the friend of the buyer of long-term value, and look forward to next month's communication. Additionally, if you need to buy anything, go to [amazon.com](https://www.amazon.com) and order it!

Sincerely,

Steven Tuchner  
Founder and CIO

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