



## A Gentle Tap of Our Brakes

**June was another strong month with the Fund up +4.7%. For the first half of the year, the Fund is up +24%, well ahead of the S&P 500 Index that is up +16%.** Our first half success was driven primarily from its ownership in the MAMAANs (Microsoft, Apple, Meta, Amazon, Alphabet and Nvidia). Each experienced phenomenal first half performance with Apple and Nvidia hitting all-time highs.

From a long-term perspective these companies are second to none, and the ones that everyone should own. In fact, we can think of no other businesses that possess the qualities of growth, scale, balance sheet strength, free cash flows and depth of management teams as the MAMAANs.

Despite our long-term optimism, in the short term, we believe some of these stocks to be overvalued. **In fact, with appreciations ranging from 50%-150% YTD, it is our belief that the “upside/downside” ratio of all but Google and Amazon, has shifted from highly favorable in December, to neutral at the end of June.**

During the month, we took advantage of a monumental run in the Nvidia share price and eliminated the entire position. Nvidia is without question one of the greatest companies on the planet, nevertheless, with a trillion-dollar valuation and only \$45 Billion in annual revenues, we struggle to accept the risk of ownership. **In addition to eliminating our Nvidia position, we lightened up on the other MAMAAs, leaving us with a cumulative weight of 28%, down from 45% at the beginning of the year.** We have found other opportunities for most of this capital and continue to hold 20% in cash.

Despite their significantly improved fundamentals, many of the MAMAAs have yet to recover their 2021 highs. Combined with our new ideas, we remain optimistic on the balance of the year. We thank you for your continued support, look forward to next month’s communication and hope you enjoy the hot July weather.

Sincerely,

Steven Tuchner  
Founder and CIO