



# TRIUMPH

## ASSET MANAGEMENT

### VolAprility and Apriltunity

The month of April was exceptionally difficult yet somewhat satisfying. For the month, the Fund returned -3.8% (SP500 was -4.7%) and is now up +4.0% YTD. While our overall performance was non-descript, how we outperformed bears further commentary.

April's returns were buoyed by our trading account. In our March letter we raised the possibility of a Market correction, indicating that we used puts to hedge 30% of the portfolio. Our purchase proved prescient as the Market declined by -5% in the middle of the month. **During the swoon, we sold ¾ of our puts, netting a profit of nearly +1.0% on an investment of 0.10%.**

Our holdings declined by 4.8% in April. We would not expect for our holdings to move in unison, but their variance of performance was atypical. Our best performer was Alphabet, up 11% in the month, while our worst was Old Dominion Freight Line at -17%. Of our 16 holdings, only two were up (Alphabet and Apple). Further, eight declined by more than -10%. **Despite the volAprility, we outperformed the Market, and the portfolio has reset to price levels from which there is tremendous upside.**

In April, the MAMAAs (Microsoft, Amazon, Meta, Alphabet & Apple) released another set of incredibly strong quarterly results. All reported per-share top and bottom-line growth, improved margins and displayed their Fort-Knox like balance sheets. **Further, all increased their investment in AI.** From the reports, we learned that their combined AI investment will exceed \$100 billion this year alone. In other words, they are spending \$275 million per DAY on AI. **It is our belief that this quantum of spend will lead to incremental top line growth and increased margins.** The MAMAAs are not trading at excessive valuations. In fact, the group is only trading at a 10% premium to the Market. **Given market-like valuations and a warrant on the upside of AI, we believe that these are must-own companies.** Our Fund's position in this group is currently 60%.

After a wild month, we are pleased to have navigated the volAprility unscathed. From these levels, we see tremendous Apriltunity. All our holdings are exceptional businesses, trading at reasonable multiples and have committed substantial amounts of capital enabling them to take advantage of the AI revolution. We thank you for your continued support, look forward to next month's communication and note that since 1985, the month of May has been a good month, rising 79% of the time!

Steven Tuchner

Founder and CIO