



# TRIUMPH

## ASSET MANAGEMENT

### Fabulous February

**February was a great month with the Fund up 5%, now up 6+% YTD.** Following last year's strong results (+31%), we are satisfied with both our absolute returns and relative performance versus the S&P500 Index and TSX. **Despite the Fund being at all-time highs, we remain positive on our outlook and will use the balance of this letter explaining why.**

**Data + AI = Today's gold.** The integration of AI with data will fuel accelerated earnings growth by enabling our portfolio companies to make more intelligent and efficient decisions. AI algorithms can analyze large datasets, uncovering patterns and insights that humans could easily miss. This will lead to optimized pricing strategies, the identification of new market opportunities, enhanced customer targeting and streamlined operations. Additionally, AI-powered automation can handle repetitive tasks, freeing up employees to focus on higher-value activities that drive operating efficiencies. The result is a powerful combination of improved decision-making and increased productivity, translating into a significant boost in earnings. **Our of holdings will leverage AI to drive accelerated earnings growth.**

Technology stocks remain reasonably valued. While the prices of AI related companies have moved higher, the reason is earnings growth, not valuation expansion. As a group, the MAMAA's saw their profits rise by 59% in the fourth quarter. Excluding those firms, the remainder of the S&P 500 Index posted a 1.6% profit drop. Further, in Q4/23, all 500 companies combined to add \$+35 Billion in net income. Incredibly, Nvidia and Amazon contributed \$20 Billion, or 61% of the total. **AI and the associated ecosystem are adding up to real spending and delivering earnings growth. This is a compelling argument against those deeming AI related stocks being overvalued.**

**The portfolio has expanded beyond the MAMAAs.** While the MAMAAs continue to generate earnings growth, during February, not all generated stock market returns. We are pleased to have diversified into Emerson Electric, Novo-Nordisk, Deckers, Old Dominion Freight Line and Ulta Beauty, as these holdings contributed to our February returns. We made one significant trade during the month, rebalancing our Berkshire Hathaway and Apple positions. The two companies are inexorably linked with Berkshire owning 5% of Apple, a \$165 Billion stake that represents roughly 1/4th of Berkshire's NAV. YTD, Berkshire and Apple have moved in opposite directions. When Berkshire was up 20% and Apple was down 7%, we took advantage of this divergence by reducing our Berkshire weight from 10% to 5.5% and increasing our Apple exposure from 3% to 4%. **We thank you for your continued support, remain optimistic on the balance of the year, and look forward to next month's communication.**

Sincerely,

Steven Tuchner  
Founder and CIO

