



TRIUMPH

ASSET MANAGEMENT

Summer Sale

July ended surprisingly well, despite a pullback in technology shares. With most of the MAMAAs declining by -5% or more, it was a testament to our hedging (we made +1% for the portfolio using puts) and diversification (Berkshire Hathaway, Mastercard and JP Morgan were all up) that we ended July in the black. ***For the month, the Fund was up +0.55%, and is now up +12.3% ytd.***

While pleased with our returns, the first few days of August have provided for another historical correction. Fortunately, this is not my first. I began my career in 1987, worked on a trading desk during the '00 tech wreck, and managed money during the 2007 financial crises. In each of these periods, a systemic risk existed that could topple the financial system. Of course, in each, this never occurred. ***In fact, buying during any of these crises would have enhanced our returns dramatically.***

This decline is not caused by any systemic risk. It is caused by panic derived from the confluence of events including the unwind of the carry trade in Japan, the fear of US recession, the Federal Reserve being 'behind the curve', big tech overspending on AI infrastructure, a potential war between Iran and Israel, and because Berkshire Hathaway cut its Apple stake in half. ***While all of these are worthy of consideration, none will ultimately impact the long-term value of Microsoft, Amazon, Meta, Alphabet (Google), Apple, Nvidia, Berkshire, JP Morgan and Mastercard.***

In July, when Nasdaq was near all-time highs (only three weeks ago!), we hedged 20% of the portfolio. It is unfortunate that we removed these hedges late last week (at a substantial profit), but perfection is not typically available in money management. ***Given the infrequency of a '20%-off' sale, we have moved from the sidewalk into the store, and are putting items into our basket.*** We note that each of our holdings recently reported their quarterly results, and all were exceptional. We also note that most of our holdings are now trading at 2021 prices, despite their EPS more than doubling.

We thank you for your continued support, urge you to consider adding to your investment at Triumph, and look forward to next month's communication.

Steven Tuchner

Founder and CIO

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