



TRIUMPH

ASSET MANAGEMENT

The Fibre of the Gods

Vicuna fibre comes from a rare and small member of the camel family, closely related to alpacas and llamas, that live wild in the Andes. This super-soft, fine, and resilient “fibre of the gods” has been coveted for decades—particularly by Incan royalty. Today, Vicuna wool is used exclusively by Loro Piana to manufacture their highest quality garments known as the “Gift of Kings”. At Triumph, our portfolio should be thought of as a Loro Piana garment—one that is constructed with companies of the highest quality. **For the month, the Fund was up +3% and is now up approximately +12% YTD.**

While expensive to purchase, vicuna garments possess superior attributes to justify their value. Each has a refined shine, extraordinary softness and lightness, and unparalleled thermal insulation capacity. **Similarly, our holdings represent value because of their exceptional attributes.** Each is highly profitable, growing on a per share basis, has a fort-Knox like balance sheet ensuring safety, and has a high payout ratio, meaning they buy back their stock. **Unlike Loro Piana garments, our holdings do go on sale from time to time—and when they do, we buy more.**

On an annual basis, only twelve tonnes of Vicuna is produced compared to 25,000 tonnes of cashmere. **Like the endangered vicuna, stocks of the highest quality are not easy to find.** Our process begins with 4000 publicly listed North American and European companies that have historical and forward-looking data. We then eliminate all companies below \$1 billion in market capitalization, resulting in a universe of 1700 stocks. With the use of our proprietary technology, we rank all 1700 (by standard deviation) across our 21-factor model to identify the best of the best. Typically, only 5-10 companies make the grade. We then manually inspect the data, ensuring that the rankings capture every attribute. **Our investment process allows us to have a concentrated portfolio of attribute-rich high-quality companies.**

We remind you that the majority of our portfolio is invested in Apple, Microsoft, Meta, Google, JP Morgan, Berkshire, Nvidia, Novo Nordisk, Amazon and Mastercard (75%). These “Gifts of Investors” are attribute rich and over time will certainly weather well. I thank you for your continued support, look forward to next months communication and note that if our excellent year continues, I may consider buying my first Loro Piana vicuna sweater!

Steven Tuchner

Founder and CIO