TRIUMPH
ASSET MANAGEMENT

January 2026 Portfolio Update

Focus on the Signal, Not the Noise

January performance was essentially flat. Over the past four months, the portfolio has delivered modest but resilient performance, despite a pullback in our long-term core holdings.

This period has been dominated by macro noise rather than company fundamentals — including tariff uncertainty, geopolitical developments, speculation around a new Federal Reserve chair, U.S. dollar concerns, and fear over AI. ***These forces have driven short-term price movements, but they have not altered the underlying earnings power of the businesses we own.***

In January, our core holdings, representing approximately 87% of the portfolio, declined 1.1% on an equal-weighted basis, trailing the S&P 500's 1.4% gain. Overall portfolio performance remained stable, supported by gains in the trading account (13% of our capital), which has served as both a risk management tool and a profit center.

Core Holdings: Price Consolidation and Forward Valuations

The table below highlights the signal beneath the noise. It summarizes three key dimensions of our core portfolio: short-term price performance, the degree of recent price consolidation relative to 52-week highs, and current forward valuation based on 2026 estimated earnings.

Taken together, these metrics show that while several of our highest-quality holdings have experienced price pullbacks, their valuations have compressed to levels consistent with, or in some cases below, the broader market.

Most importantly, the portfolio now trades at approximately 23.0× forward earnings, nearly identical to the S&P 500's 22.2×, despite materially stronger balance sheets, higher returns on equity, and superior long-term earnings growth characteristics. ***In other words, exceptional businesses are being priced like average businesses.***

Company	January Return	% Below 52W High	P/E (2026E)
Amazon	+3.7%	-7.5%	25.2
Microsoft	-11.0%	-22.5%	22.4
Berkshire Hathaway	-4.4%	-11.4%	22.6
Nvidia	+2.5%	-9.9%	27.2
Meta Platforms	+8.5%	-10.0%	21.4
Mastercard	-5.6%	-10.5%	27.7
Apple	-4.6%	-10.1%	30.1
JPMorgan	-5.1%	-9.3%	14.4
Goldman Sachs	+6.4%	-5.0%	16.0
Alphabet	+7.9%	-1.1%	29.2
Portfolio	-1.1%	-10.7%	23.0x
S&P 500	+1.4%	-0.8%	22.2x

Why Patience Matters Now

Periods like this often tempt investors to trade around headlines or make frequent tactical adjustments. We believe that approach increases risk rather than reduces it. ***When fundamentals are strong and valuations are reasonable, the greater risk is missing the compounding power of high-quality businesses by being under-invested or overly active.***

The companies we own continue to report strong revenue growth, expanding margins, and robust free cash flow. ***Price consolidation has occurred without fundamental deterioration, which in our view strengthens rather than weakens the long-term investment case.***

Why We Own These Businesses

A defining characteristic across our core holdings is their ability to translate technological progress directly into economic returns. ***All these companies stand to benefit meaningfully from continued advances in artificial intelligence, automation, and robotics.***

As these technologies mature, we expect them to streamline internal processes, reduce reliance on incremental headcount growth, and expand operating leverage as revenues grow faster than costs. ***These***

dynamics support structurally higher margins, stronger cash flow generation, and superior returns on capital over time.

Our investment thesis is simple: ***With a conservative average EPS growth rate of 15% over each of the next 4 years, earnings will double. These stocks will not be trading at 11x.***

Conclusion

This is not a period that rewards activity for activity's sake. It is a period that rewards patience, discipline, and focus on fundamentals. We remain committed to owning a concentrated group of exceptional businesses with fundamentals superior to the overall market, and to allowing those fundamentals to compound over time.

In our view, ***this is a time to hold steady***, not to trade around uncertainty.

At current levels (including February to date), our core holdings have reached valuation ranges where we no longer feel compelled to hedge exposure. We believe many of these businesses are trading at the lower end of their historical valuation ranges, even as their long-term fundamentals continue to strengthen. In this context, we are comfortable with the asymmetry of outcomes - modest downside risk from here versus substantial upside potential as earnings and cash flows compound over the coming years.

Over a multi-year horizon, we believe this asymmetry favors remaining patient and fully invested in high-quality businesses rather than reacting to short-term volatility.

Steven Tuchner
Founder & CIO

130 Adelaide St W., Suite 1010
Toronto, ON, M5H 3P5