

To Our Esteemed Clients,

2025 marks a full decade that Triple Summit Advisors, LLC has been in operation, and the ninth full calendar year of results. We take the new year as an opportunity to reflect and to share our views in our annual letter to clients. The goal of these updates is to tell the story of significant holdings in Triple Summit's actively managed equity strategies and explain why certain investments performed the way they did.

2025—like 2024 and 2023 before it—saw above average returns for US equities, even if the returns were not quite as outsized as in the prior two years. The S&P 500 returned 17.9% in 2025, despite falling 19% following the White House's announcement of wide-ranging tariffs in April. While tech once again pushed the US markets to new highs, 2025 saw a bifurcation in which technology stocks were favored. Halfway through 2025, the market began to reward companies it viewed as benefiting from AI while severely punishing companies—especially SaaS companies—whose business models appeared most threatened by AI.

International markets were an even bigger story last year, thanks largely to political developments originating here. The MSCI ACWI ex-US (an index representing the global stock market but not including the US) returned 32.6% last year, driven largely by gains in the European financial, defense, and industrial sectors. Due to ongoing policy changes in the US that have decreased economic and defense cooperation with Europe, European countries initiated major investments in infrastructure and defense. We will discuss more of the ramifications of these changes later in this letter, but first let's discuss an associated development—the weakening of the USD—and how that was connected to the large move last year in gold and silver.

Precious Metals

In 2025, gold and silver had their best year since 1979, gaining 65% and 150%, respectively. These gains began early in the year, as governments and central banks around the world anticipated the global geopolitical instability and weakening of the USD that originated with White House policy shifts. As a result, governments started to aggressively acquire gold as a store of value. Institutional and retail investors followed suit, pushing silver up as well. Silver also sees greater demand for industrial uses than gold, and an already existing shortage of silver was further exacerbated by investment demand competing for the scarce resource.

With the outsized gains in precious metals last year and their strong performance thus far in 2026, everyone should load up on gold and silver, right? As tempting as that may sound, we would advise caution for several reasons. First, while precious metals can form some portion of a reasonable, well-diversified portfolio, we typically recommend that the proportion remain relatively small. The reason for this is that historically, equities have meaningfully outperformed gold and silver. Beginning from the end of 1979 (a very strong year for gold and silver) through 2025, gold, silver, and the S&P 500 respectively returned 4.9%, 5.6%, and 12.2% annually.

Warren Buffett gave the reason for this large discrepancy in his classic essay, [Why Stocks Beat Gold and Bonds](#). The key difference between equities and precious metals is that businesses can produce an ever-growing stream of earnings, whereas precious metals will produce no income between here and eternity. As a result, the long-term advantage of equities does not surprise us at all, even despite the large recent outperformance by gold and silver.

Global Compounding Value (“GCV”) - Summary

In 2025, **Global Compounding Value (“GCV”) returned 5.81% net of fees**, materially trailing the **S&P 500 Total Return Index at 17.88%**. Over longer horizons, GCV has compounded at **7.33% annualized over the last three years** and **11.36% annualized since inception** (both net of fees), versus **14.42%** and **15.20%**, respectively, for the S&P 500. We note that these returns represent the composite of client accounts invested in this strategy, and that individual client accounts will have differing returns due to a number of factors, including the timing of investment contributions, as well as legacy positions held in certain accounts.

When we underperform by this much, it is never fun to sit back and ask why it happened. Our assessment as it stands today: it wasn't an accident or a single bad break. GCV underperformed for a set of reasons that rhyme with what we've been living through for the last few years:

1) We owned businesses; the index owned *market darlings*

Our job in GCV is to own durable compounders at prices that allow compounding to work in our favor. In 2025, a meaningful portion of index performance was again explained by **multiple expansion (or “multiple refusing-to-come-down”) in a narrow group of mega-cap names**, while many non-AI-linked companies saw muted returns even with decent fundamentals. When the index is effectively acting like a “concentrated bet” on a small cluster of companies, a diversified, valuation-aware portfolio can look like it is “missing the market.” In reality, it is missing *that specific slice of the market*—the slice where excitement, narrative, and index mechanics are doing a lot of the heavy lifting.

2) Valuation discipline is a feature—until the market makes it feel like a bug

We are willing to pay a reasonable price for growth, but we are not willing to pay **ANY** price for growth. Period. When a market regime rewards “duration” assets and story stocks regardless of near-term cash flow, being disciplined can look like being stubborn. But here's the tradeoff that never shows up on a one-year scorecard: **if you give up valuation discipline, you might outperform for a while—right up until you don't, and then you give it back fast**. We are not trying to win a one-year beauty contest. We are trying to compound.

3) The “bifurcation” created a frustrating gap between fundamentals and stock prices

In a normal environment, improving free cash flow per share tends to show up in returns with some reasonable lag. In a bifurcated environment, the market can essentially say: “Nice business. Wrong category.” So a company can execute, buy back shares, expand margins, and still go nowhere because it isn’t perceived as part of the dominant theme. That gap between operational progress and market recognition was a recurring headwind for GCV in 2025.

4) We are still digesting the process changes we implemented—by design

In our 2023 and 2024 letters, we discussed how we revamped GCV to be more systematic (10 Point Scoring System, clearer internal comparability, more willingness to act regardless of tax consequences, and more intentional sizing). Those changes were not “performance cosmetics.” They were architecture. But architecture does not always pay off on the same schedule as the market’s current hottest theme. To put it bluntly: **our process is designed to do well across a market cycle, not to perfectly track an index during a narrow, momentum-led tape.** That does not mean we accept lagging indefinitely. It means we are trying to build something durable rather than trend-chase.

What we’re doing about it (and what we are *not* doing)

- **We are continuing to emphasize business quality + FCF per share growth + sensible valuation.**
- **We are willing to concentrate more in our highest-conviction names** (and be more ruthless with low-scoring holdings).
- **We are NOT going to become an AI theme fund** or force ourselves into names we can’t underwrite with clarity just to reduce tracking error.

If the market broadens, the “hidden” compounding in many non-consensus businesses tends to get recognized quickly. If it doesn’t broaden, we still want to own businesses that can create value internally even when the market is distracted.

Top 3 Performers (2025 total return in parentheses):

- **GOOG (65.2%), AMAT (59.1%), ASML (55.3%)**

Top 3 Detractors (2025 total return in parentheses):

- **CPRT (-31.8%), TW (-25.6% - partial year), CSU (-21.8%)**

GCV Performer Spotlight: Applied Materials (AMAT)

Applied Materials is one of the critical “picks-and-shovels” providers to the semiconductor industry. Rather than betting on which chip designer wins the next product cycle, AMAT makes the equipment and process technology that chipmakers use to actually manufacture semiconductors—spanning deposition, etch, metrology/inspection, and a large (and growing) services business tied to an expanding installed base of tools.

AMAT was a standout contributor for us in 2025 because it sat directly in the slipstream of two forces the market cared about: **AI-driven compute buildout** and the **rising complexity of semiconductor manufacturing**. As leading-edge logic and advanced packaging become more equipment-intensive—and as memory spending stabilizes and/or rebounds off prior lows—AMAT tends to benefit from both higher wafer-fab investment and richer “content” per wafer. Importantly, the company is not just a cyclical equipment vendor anymore; the services / installed-base revenue stream helps dampen the worst of the cycle and gives the business a more durable compounding profile than the market historically assigned to semicap names.

We like AMAT because it’s a *practical* way to participate in the AI infrastructure boom without paying “winner-takes-all” multiples for the most crowded parts of the ecosystem. The risks remain real—semi-cycles are never smooth, and geopolitics/export controls can create air pockets—but AMAT’s competitive positioning and breadth across customers and process steps make it one of the higher-quality franchises in a notoriously volatile industry. Put simply: **complexity is rising, equipment intensity is rising, and AMAT is built to monetize both.**

GCV Detractor Spotlight: Copart (CPRT)

Copart operates a global online auction platform for vehicles—primarily salvage vehicles sourced from insurance total-loss claims. It’s an unusual business that looks simple from the outside (“sell totaled cars”) but is actually a logistics-and-data machine with meaningful scale advantages: large yard infrastructure, sophisticated buyer networks, and a two-sided marketplace where liquidity and volume reinforce each other.

CPRT was a detractor for us in 2025 for a very non-glamorous reason: **the market stopped rewarding “steady compounders” that weren’t directly tied to the dominant AI narrative**, and Copart is the definition of steady. Layer on top of that a set of industry headwinds that can matter at the margin—normalization in used vehicle pricing dynamics, variability in salvage values and mix, and investors getting more demanding about near-term growth rates—and you get the kind of year where a great business can still deliver a disappointing stock.

Our view hasn’t changed on what makes Copart special: it’s a high-ROIC, network-effect business with long runway internationally and a structurally advantaged model versus traditional physical auctions. But stocks don’t trade on “great over 10 years” every year—they trade on what investors are willing to pay *this* year, and in 2025 the market’s willingness to pay premium multiples for non-AI compounders was limited. We’re treating CPRT’s underperformance as a

reminder to stay disciplined on entry price and sizing: **great businesses are not great investments at any price, and even great businesses can have dead money stretches when the market's attention narrows.**

Global Opportunistic & Event-Driven (“GOED”) - Summary

For 2025, the Global Opportunistic & Event-Driven (“GOED”) strategy had an **unaudited return of 11.90%**, net of fees. For the past 12 months, the GOED strategy **underperformed the Index by -5.98%**. We note that these returns represent the composite of client accounts invested in this strategy, and that individual client accounts will have differing returns due to a number of factors, including sizing limitations, the timing of investment contributions, and legacy positions held in certain accounts.

Let's call this what it is: **a decent absolute year, and a disappointing relative year.** GOED is designed to be idiosyncratic, catalyst-driven, and structurally different from the index. That's the point. But the point comes with a cost:

1) Uncorrelated return streams will lag when beta is the only thing that matters

When a year's market gains are driven heavily by a narrow set of mega-cap winners, being different isn't automatically rewarded. In those environments, the index effectively pays you for “just being there,” and it pays you most for being there in the *most crowded places*.

GOED, by construction, often looks nothing like that. We own catalysts, special situations, and event-driven setups where our return does not require a roaring index. That means:

- In a down market, GOED has the potential to protect capital or find upside in events.
- In a narrow, momentum-led up market, GOED can lag because **we refuse to buy beta just to keep up.**

2) Catalyst timing is real—and the market doesn't wait

GOED lives and dies on **timing and path-dependence**. Even when we are directionally right, the “when” matters because capital has an opportunity cost.

In 2025, several setups (by nature of being legal/process-driven, corporate-action-driven, or liquidity-driven) simply did not resolve on the schedule we would have preferred. A portfolio of “event clocks” that don't ring fast enough will underperform a market ripping higher on narrative and passive flows.

3) Event-driven is not risk-free; it's just a different kind of risk

A common misunderstanding is that event-driven investing is “safe” because it is tied to a specific outcome. The reality is that it is tied to **a specific path**, which can break in many ways: regulatory friction, adverse rulings, financing hiccups, boards changing their minds, counterparties walking, etc.

In years when the market is paying handsomely for simplicity (buy the index, buy the winners), the market tends to punish complexity. GOED is complexity by design.

4) After 2024, we ran the strategy with tighter risk control

Coming off a very difficult 2024 for GOED, we did what prudent managers do: we became more selective and more focused on asymmetric setups. That inevitably reduces the “lottery ticket” upside, but it also reduces the chance of catastrophic downside.

What we're doing about it

- **We are prioritizing clearer, nearer-term catalysts** over “this is cheap so it must work eventually.”
- **We are sizing positions more explicitly by downside path risk**, not just upside payoff.
- **We are expanding the opportunity set where appropriate** (geography, structure, security type) but not lowering underwriting standards to force activity.

Top 3 Performers (2025 total return in parentheses):

- **SDTTU (122.6%), LQDA (105.4%), EDU (98.8%)**

Top 3 Detractors (2025 total return in parentheses):

- **IMA (-68.2%), ANEB (-49.5%), BUR (-23.3%)**

GOED Performer Spotlight: Liquidia (LQDA)

Liquidia (LQDA) is one of those rare GOED positions that has earned a repeat appearance in our annual letters—this is the second time we've highlighted it. In 2025, it was one of our largest contributors: shares ended the year at **\$34.49**, up from **\$11.76** to start the year. The setup was classic GOED: we originally initiated the position in **2023** as a *legal special situation*—a messy, misunderstood nexus of patent litigation, PTAB outcomes, and regulatory uncertainty that created a mispricing.

What changed in 2025 is that the “special situation” finally flipped into an “operational execution” story. In **late May 2025**, Liquidia’s drug **Yutrepia** came to market, and early results have been exceptional: the company has already captured roughly **25% market share**, while *expanding* the market—remarkably, **75%** of patients starting on Yutrepia are **new to the medication treprostinil**. The product’s edge is not marketing hype; it’s manufacturing physics. Liquidia’s patented **PRINT** process produces a smaller, more uniform treprostinil powder that reaches deeper into the lung, improving effectiveness and reducing side effects like coughing—enabling a **low-effort inhaler** that competitors cannot replicate with their manufacturing approach. That combination of clarity plus real-world traction is exactly how GOED can capture *two legs* of returns: first from resolution of complexity, and then from a broader investor base underwriting an increasingly visible income-statement trajectory.

Importantly, the story is not “done.” Management believes the runway remains substantial (including the potential to take a very large share of the inhaled market), and Liquidia posted **\$90 million of revenue** and **\$30 million of positive free cash flow** in **Q4 2025**, which we view as an early proof point of the operating leverage embedded here. The remaining major overhang is **one last legal fight** (the ‘327 patent case tied to PH-ILD labeling), with outcomes ranging from a full win to a narrower label—but critically, Liquidia has indicated that **~75% of revenue so far is pulmonary arterial hypertension (PAH)**, which helps bound the downside even in an adverse ruling. Looking forward, we also see optionality from next-gen devices, expanded clinical programs, and even strategic interest (Merck/Winreva is a logical ecosystem fit).

GOED Detractor Spotlight: Ikena Oncology / ImagenBio Inc. (IMA)

Ikena was a painful reminder that “cheap biotech” is usually cheap for a reason. The original setup was straightforward: Ikena had burned significant capital pursuing an oncology pipeline, results didn’t justify continued spending, and the market began to price the company less like a drug developer and more like a melting ice cube with a dwindling cash runway. As management explored strategic alternatives, the *value* we thought we were buying (cash + optionality around a sensible wind-down / asset sale) kept shrinking quarter by quarter as operating costs continued to grind down the cash balance while the company pursued a transaction. The company itself warned that any liquidation value would depend heavily on timing and reserves for liabilities—translation: even the “cash box” outcome was uncertain and decaying.

What ultimately happened was not a clean monetization of leftover assets for existing shareholders, but a full pivot via a merger with Imagen Biopharmaceuticals, with the combined company operating as **ImagenBio** and trading on the Nasdaq under the ticker **IMA** after a **1-for-12 reverse split**. The merger came alongside a **\$75 million private placement**, which is great for the *new* company’s runway, but effectively locked in meaningful dilution and a reset of what legacy Ikena holders actually owned. In other words: we weren’t paid for waiting, and the “catalyst” we expected morphed into a different catalyst entirely—one that favored

recapitalization and a new clinical story over near-term value realization for the old shareholders.

The Road Ahead

As longtime readers know, we are not big fans of making strong general pronouncements and bold predictions. As Yogi Berra said: “It’s tough to make predictions, especially about the future.” But, given Trump’s historical record, we were willing to make one prediction for 2025—namely, a big tax bill, which is exactly what happened.

Looking forward, we have no clear market or political predictions to offer, but rather make several observations. The three major components of GDP growth—consumption, investment, and government spending—grew in 2025 and thus far show signs of continued growth in 2026. We don’t expect government deficit spending to slow under this administration, so the big questions are investment and consumption. Investment has grown as a result of the AI boom, with investments in chips, data centers, and related infrastructure to power AI exploding over the last several years. Consumption has grown more steadily, with a picture emerging of a “K-shaped economy,” with consumers in the top 10% of the income distribution constituting a disproportionate share of all consumption at around 50%.

As a result, the threat to continued growth trends could come from weakness in either investment or consumption. AI-related capital expenditures currently look strong, but if the markets begin to doubt the “invest in AI at any cost” narrative, we may see capex figures reverse course, with the corresponding impact to GDP growth. On the consumption side, high asset values power consumption by the top 10%. Any sustained decline in asset prices could have a cascading effect on consumption, which would then feed back further into asset prices through decreased corporate earnings. The unemployment rate, while still historically low, has also ticked up over the past year, with high-paying white collar jobs especially hard hit.

The final risk comes from geopolitical concerns. It’s not that markets cannot digest geopolitical developments—after all, the US markets have seen long-term growth even in spite of wars, financial crises, stagflation, and other negative developments. Instead, what markets abhor are surprises—especially negative surprises. An example of this was the sharp decline from the blanket tariffs announced on “Liberation Day” in April 2025. In 2026, the markets remain susceptible to other unanticipated geopolitical shocks. As a result of the factors listed above, we advise greater caution than in other market environments.

We remain deeply grateful for your continued trust in us. We look forward to staying in touch this year and providing a formal update in our letter next year. If we can ever do anything to be helpful in any way, please do not hesitate to let us know. We look forward to serving as your trusted advisors for many years to come.

Sincerely,
Wei & Dan
February 27, 2026

All Triple Summit Advisors, LLC ("Triple Summit") investment strategies are subject to market risk, including the risk of permanent loss. Triple Summit's equity strategies may experience greater volatility and drawdowns than market indexes. These strategies are not intended to be a complete investment program and are not intended for short-term investment. Before investing, clients should carefully evaluate their financial situation and their ability to tolerate volatility. Triple Summit Advisors, LLC believes the figures, calculations and statistics included in this letter to be correct but provides no warranty against errors in calculation or transcription. Triple Summit Advisors, LLC is a Registered Investment Advisor. Triple Summit is able to manage accounts for clients residing in every U.S. state and in many other nations. This communication does not constitute a recommendation to buy, sell, or hold any investment securities.

Performance data provided in this and all Triple Summit publications are not audited. Past performance does not guarantee future results. Performance figures are derived from actual account composites using Interactive Brokers and Charles Schwab reporting tools. All performance data is reported net of fees and trading expenses, and dividends are not automatically reinvested in the account composites. The S&P 500 Total Return Index (where dividends are automatically reinvested) is being provided solely as an indication of general market conditions and not as an indication of comparability. For more information about Triple Summit's investment strategies, please refer to Triple Summit's Form ADV Part 2.