

October 29, 2021

Dear Investor,

MayTech's Global Growth Strategy posted a return of -2.05% net of fees for the third quarter, compared to a return of -1.05% for the MSCI All Country World Index (ACWI), bringing the year-to-date return to +8.62% compared to +11.12% for the ACWI. The Global Growth Strategy has had an annualized rate of return of +26.43% net of fees for the past three years, compared to +12.58% for the ACWI.

The top 5 contributors and bottom 5 contributors for the nine months ending September 30, 2021, were as follows:

| TOP 5 CONTRIBUTORS |        |                | BOTTOM 5 CONTRIBUTORS |        |                |
|--------------------|--------|----------------|-----------------------|--------|----------------|
| COMPANY NAME       | TICKER | CONTRIBUTION % | COMPANY NAME          | TICKER | CONTRIBUTION % |
| SEA LTD            | SE     | 3.34%          | PINDUODUO             | PDD    | -2.45%         |
| ALPHABET           | GOOG   | 3.33%          | TELADOC               | TDOC   | -2.04%         |
| NVIDIA             | NVDA   | 3.29%          | KE HOLDINGS           | BEKE   | -1.33%         |
| DEXCOM             | DXCM   | 1.52%          | TENCENT               | TCEHY  | -1.18%         |
| SALESFORCE         | CRM    | 1.07%          | HAILILAO              | 6862   | -0.56%         |

*\*Based on a representative account*

## Market and Portfolio Review

The broader market and our portfolio fluctuated during the quarter as investors wrestled with news of product and labor shortages, the U.S. government's delay in approving the debt ceiling and fiscal budget, and rapid political and regulatory changes in China. During the quarter, the first two issues impacted our portfolio mainly through changes in inflation expectations which caused investors to adjust their view of long-term interest rates. China's sudden regulatory changes has had a more direct impact on our Chinese investments. Consumer demand for their services remains relatively strong but the impact on their growth prospects has driven uncertainty and volatility. In addition to the "tech crackdown" China is attempting to deleverage the real estate sector; this had a direct impact on KE Holdings (discussed below) and is potentially slowing economic growth.

## Portfolio Changes

We exited our position in KE Holdings, Inc (BEKE). Housing market regulation has significantly accelerated since May, driven by President Xi Jinping's desire to control housing prices and deleverage the real estate sector. Originally, we believed the company had the potential to transform China's housing market by



improving broker efficiency, promoting transparency, and serving as a one-stop-shop for all housing needs. Now, we feel political and regulatory actions have significantly altered the landscape and thrown the company's future growth and profitability into question.

## **Market Outlook**

We expect that news regarding supply chain challenges, the budget process, and China will continue to dominate the financial headlines. As the economy emerges from the pandemic, shortages of goods ranging from dress shirts to automobiles will lead to price increases. Our research suggests that these supply chain problems could persist until the middle of next year. This combined with labor shortages is leading to much debate about inflation. We believe that the price increases from supply chain issues will be transitory and that the wage increases will stick but are not the beginning of a trend of rising labor costs.

As it relates to China, we don't believe the problems in the real estate sector will be transmitted through the global banking system. However, we do think it could lead to lower economic growth for China and the world. In the past, China was a disproportionate percentage of global growth, accounting for almost a full point of the 3% global real growth we saw before the pandemic. For countries dependent on exporting raw materials to China this could become a big deal. For our portfolio, the crackdown on the tech sectors has a more direct impact.

Globally, politicians are realizing that Internet companies with control of data and information have tremendous economic and social power. A big difference from the western world is that China's Party leaders can act swiftly and unilaterally on these concerns. Although some of the reforms may be well-intended, investors have been unnerved by the rapidity of these changes and the uncertainty they create about the future. Although regulatory pressures have abated for now, we have reduced our exposure to China and are watchful.

Looking forward and through the challenges of emerging from the pandemic, we continue to believe that owning well-run companies positioned to benefit from advances in technology, health science and the digitalization of the global economy will continue to be a good way to grow and preserve wealth through a variety of conditions. It is easy to lose sight of the huge impact innovation has had on the economy and our lives. We remain optimistic and see a universe of exciting opportunities in areas such as artificial intelligence, "big data", machine learning, virtual and augmented reality and genomics expanding.

Thank you, again, for your confidence and support. We look forward to meeting once the economy reopens.

Sincerely,

Nels Wangenstein

Ingrid Yin, Ph.D.

Important Disclosures:

**Past performance is not a guarantee of future results. Inherent in any investment is the potential for loss.**

This presentation is for informational purposes and should not be considered a solicitation to buy, or an offer to sell, a security.

Certain information contained in this document may constitute “forward-looking statements,” which can be identified using forward-looking terminology such as “may,” “will,” “should,” “expect,” “anticipate,” “project,” “estimate,” “intend” “continue,” or “believe” or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual performance of any strategy or market sector may differ materially from those reflected or contemplated in such forward- looking statements.

Statements regarding current conditions, trends, or expectations in connection with the financial markets or the global economy are based on subjective viewpoints and may be incorrect. This document contains information that has been provided by several third-party sources not affiliated with MayTech Global that, which MayTech Global believes to be reliable, but for which MayTech Global makes no representation regarding its accuracy or completeness.

Net of fee returns are that of the Global Growth Composite. Individual account performances may vary due to slight differences in allocation weights and investment objectives. For information on the composite and the composite’s performance calculation, please contact us at [info@maytechglobal.com](mailto:info@maytechglobal.com).

The Global Growth Strategy has been managed under MayTech since 1/1/2017. Performance prior to that date occurred while portfolio manager was with different firms. The Strategy was established on 6/1/2008. Prior to 1/1/2012 the Strategy was known as Opportunistic All Cap Growth.

Index Definitions:

The MSCI ACWI Index, MSCI’s flagship global equity index, is designed to represent performance of the full opportunity set of large- and mid-cap stocks across 23 developed and 24 emerging markets. As of December 2017, it covers more than 2,400 constituents across 11 sectors and approximately 85% of the free float-adjusted market capitalization in each market.