

November 7th, 2023

Dear Investor,

The MayTech Global Growth Strategy posted a return of -2.09% net of fees for the third quarter of 2023 and 38.11% for the nine months of the year. The MSCI All Country Index (ACWI) had a total return of -3.40% and 10.06%, respectively, for the same periods. Since inception, the Global Growth Strategy's annualized return is 13.54%, net of fees, compared to an annualized return of 5.58% for the ACWI.

MAYTECH GLOBAL GROWTH COMPOSITE PERFORMANCE							
MAYTECH GLOBAL GROWTH	QTD	YTD	ANNUALIZED RETURN				SINCE INCEPTION*
			ONE YEAR	THREE YEAR	FIVE YEAR	TEN YEAR	
Gross	-1.84%	39.16%	40.39%	0.87%	11.49%	14.92%	14.92%
Net	-2.09%	38.11%	38.94%	-0.23%	10.24%	13.57%	13.54%
MSCI ACWI (TR Net)	-3.40%	10.06%	20.80%	6.90%	6.46%	7.56%	5.58%

\*Inception: 6/1/2008

### Q3-2023 Portfolio Review

During the third quarter, some wind came out of the market's sails. Improving sentiment regarding inflation that we saw in the first half of the year shifted to worry about interest rates remaining "higher for longer". The catalyst for the change was tough talk from Fed officials and surprisingly strong employment data. Although inflation has declined significantly over the past year, from around 9% to 3.7%, the market remains sensitive to any data that suggests this trend could reverse. Adding to Investor anxiety was the possibility of a government shutdown which for now has been averted.

### Top and Bottom Contributors

TOP 5 CONTRIBUTORS			BOTTOM 5 CONTRIBUTORS		
COMPANY NAME	TICKER	CONTRIBUTION %	COMPANY NAME	TICKER	CONTRIBUTION %
MAKEMYTRIP	MMYT	.59%	ASML	ASML	-0.51%
NVIDIA	NVDA	.53%	INTUITIVE SURGICAL	ISRG	-0.56%
PIONEER NATURAL RESOURCES	PXD	.53%	SEA	SE	-0.79%
NOVO-NORDISK	NVO	.50%	APPLE	AAPL	-0.91%
BOOKING	BKNG	.49%	DEXCOM	DXCM	-1.11%

\*Based on a representative account.

Data source: Bloomberg.

### **Top 5 Contributors**

MakeMyTrip is the leading OTA (online travel agency) in India. As India benefits from increasing foreign investments and economic growth after COVID, the company has not only fully recovered from COVID impact but also turned profitable this year.

Nvidia continues to benefit from strong demand for its AI chips globally. We believe NVDA has a deep competitive moat in helping its customers build accelerated computing and AI systems. We expect the company to continue benefiting from this secular trend.

We believe U.S. producers like Pioneer will benefit from the world's urgent need to establish diversified secure supplies of energy. The stock performed well in Q3 as energy prices increased. The company continues to return excess cash flow to investors through industry leading dividends. In October, Exxon Mobile announced a deal to purchase Pioneer at \$59.5B, which we will discuss in the next letter.

Novo Nordisk is benefiting from the successful uptake of its GLP-1 obesity drug, Wegovy, and from clinical trial data showing its potential in reducing cardiac events. When we added the company to the portfolio in Q3 2022, we expressed our belief that the GLP-1 class of drugs could transform the obesity treatment paradigm in the next 5 to 10 years. It's happening rapidly and many obese patients are enjoying the clinical benefits.

Booking.com's result reflected the continued improvement in leisure travel. Despite early signs of a slowdown in consumer spending, leisure and business travel bookings through the beginning of next year remain strong.

### **Bottom 5 Contributors**

An enthusiastic investor belief that GLP-1 obesity drugs will erode the addressable market for CGM (continuous glucose monitoring) devices caused a selloff in Dexcom's stock. We believe this concern is overstated and that CGM devices will remain an important tool in managing diabetes. The diabetes population continues to grow and as good as GLP-1 drugs are, it isn't certain that they will meaningfully decrease the total number of diabetics around the world. Counter-intuitively, patients who start using Ozempic or Wegovy may want to use a CGM to track the impact on their bodies and to manage their diet and exercise.

Apple faces several challenges in China. First, its supply chain is too concentrated in China. Secondly, Chinese consumer demand has slowed because of a weakening economy. We believe the company is working to manage these risks and that its service business has a lot of room to grow.

Sea Ltd. is a leader in ecommerce and online gaming in Southeast Asia. We continue to have a positive view of the economic outlook of the region. We exited the position because competition in the region is heating up. We were particularly concerned with rapidly growing competition from TikTokShop, which gained market share very quickly. However, we are continuing to monitor the situation, as the Indonesia government just announced regulation that could put a pause on streaming-shopping services like TikTok Shop.

Intuitive Surgical stock declined in response to slowing growth in the volume of bariatric robotic surgical procedures as doctors and patients see the new GLP-1 drugs as a substitute. Bariatric surgery is



a small percentage of the company's total procedures, and we think the impact will be transient. We believe robotic surgery procedures will continue to grow as percentage of global surgeries.

## **Market Outlook**

In very short order the mood of the market went from optimism to fear in Q3 2023. This isn't without justification as two wars, congressional disfunction and confusion regarding the path of interest rates are on everyone's mind. Despite these issues the US economy and US consumer spending have been strong. The surprising strength of the consumer which has centered around spending on services such as travel and dining out is reinforced by escalating wages and a strong job market. Although the US economy is healthy, we are watchful that the lagging impact of higher interest rates is just beginning to be felt.

The market is focused on interest rates because we have experienced one of the steepest interest rate hiking cycles in the past 50 years. Even though we believe we are at the end of the cycle, many of us remember that the Great Financial Crisis occurred after the Fed's seventeen rate hikes broke the mortgage and real estate markets. Today, with mortgage rates hovering around 8%, we are concerned that the lagged impact on the commercial and residential real estate markets will appear over the next 12 months. Already, we are seeing signs that the surprisingly strong US consumer spending is starting to slow.

Reports indicate that the US consumer has spent their COVID stimulus checks and are beginning to deplete their savings. Credit card delinquencies are increasing, and sub-prime auto loans defaults are rising. We are already seeing the early signs of this stress in the earnings results of some consumer discretionary companies as they are experiencing the double whammy of bloated inventory and declining demand. Although the job market remains strong, we expect there will be less discretionary spending over the next few quarters.

We know this is a more cautious tone than in our previous letter. However, this doesn't mean we are predicting a recession, rather we think the global economy appears to be slowing and that certain sectors could experience turbulence. As our long-term investors know, our investment strategy is focused on exploiting secular changes in the global economy and on this front, we are very optimistic and excited about the changes we see coming in information technology, healthcare and globalization 2.0.

In our last letter, we wrote about three important secular changes: advances in accelerated computing and artificial intelligence; a new class of drugs for treating diabetes and obesity; and a breakthrough Alzheimer therapy. This is an exciting time for investors as these breakthroughs are creating new large markets. We believe focusing our investments on opportunities such as these will over time serve our investors well.

Thank you for your continued support.

Sincerely,

Two handwritten signatures in black ink. The first signature is "Nels Wangenstein" and the second is "Ingrid Yin".

Nels Wangenstein and Ingrid Yin, Ph.D.



#### Important Disclosures:

The views and opinions expressed herein are those of the portfolio manager and is subject to change without notice. This article is for informational purposes and should not be considered a solicitation to buy, or an offer to sell, any security described herein. Our thoughts on specific securities identified herein does not constitute investment advice and should not be used as such. Investing in securities presents the risk of partial or complete loss of capital that investors should be prepared to bear.

The Global Growth portfolio is actively managed and is subject to change. The performance of the Global Growth Strategy quoted above represents past performance of the composite and is presented gross and net of all fees and expenses. Individual account performances may vary due to slight differences in allocation weights and investment objectives. Current performance may be lower or higher than the performance information quoted. For information on the composite and the composite's performance calculation, please contact us at [info@maytechglobal.com](mailto:info@maytechglobal.com). PAST PERFORMANCE IS NOT A GUARANTEE OF FUTURE RETURNS.

The Global Growth Strategy has been managed under MayTech since 1/1/2017. Performance prior to that date occurred while the portfolio manager was with different firms. The Strategy was established on 6/1/2008 and its composite has been GIPS verified since inception until 12/31/2022. Prior to 1/1/2012 the Strategy was known as Opportunistic All Cap Growth and continues to be managed in substantially the same way. Attribution data is derived from a representative account, which is an account since inception with no material dispersion to other accounts in the composite.

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. The Top 5 and Bottom 5 figures are based on a representative account which is an account since inception that is not materially different in terms of allocations and performance compared to other accounts in the composite. We expect the top and bottom contributors to be the same for the representative account as for the composite. Some sponsor firms may require that these MayTech Global Investments, LLC materials are preceded or accompanied by investment profiles or other documents or materials prepared by such sponsor firms, which will be provided upon request. For additional information, documents and/or materials, please contact sponsor firm.

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#### Index Definitions:

The MSCI ACWI captures large and mid cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries\*. With 2,888 constituents, the index covers approximately 85% of the global investable equity opportunity set. The ACWI is not intended as a direct comparison to the performance of the Global Growth Strategy. It is intended to represent the performance of a sample of the overall equities market in the regions in which the index tracks. The index cannot be purchased, is unmanaged and does not incur fees. The performance and volatility of the AWCI will vary from that which a potential client would experience in the Global Growth Strategy.



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