

April 17, 2024

Dear Investor,

We are pleased to report that the MayTech Global Growth Strategy posted a gross return of 20.23% and net return of 19.95% for the first quarter of 2024. The MSCI All Country Index (ACWI) had a total return of 8.14%. Since inception, the Global Growth Strategy's annualized return is 15.43%, net of fees, compared to an annualized return of 6.63% for the ACWI.

MAYTECH GLOBAL GROWTH COMPOSITE PERFORMANCE							
MAYTECH GLOBAL GROWTH	QTD	YTD	ANNUALIZED RETURN				
			ONE YEAR	THREE YEAR	FIVE YEAR	TEN YEAR	SINCE INCEPTION*
Gross	20.23%	20.23%	55.83%	8.41%	20.15%	17.39%	16.83%
Net	19.95%	19.95%	54.31%	7.26%	18.84%	16.03%	15.43%
MSCI ACWI (TR Net)	8.14%	8.14%	23.15%	6.94%	10.90%	8.65%	6.63%

\*Inception: 6/1/2008

## 2024Q1 Portfolio Review

During the first quarter, the MayTech Global Growth Strategy benefited from a stronger than expected US economy and continued demand for innovations in technology and healthcare. Notably, our strategic focus on artificial intelligence (AI) continued to drive positive returns. Our early recognition of the significance of the GLP-1 class of drugs for treating diabetes and obesity also contributed to alpha generation. Being able to capture these important trends helped us to outperform a strong equity market, as data has shown that the US economy remains strong as inflation slowly recedes.

## Top and Bottom Contributors

TOP 5 CONTRIBUTORS			BOTTOM 5 CONTRIBUTORS		
COMPANY NAME	TICKER	CONTRIBUTION %	COMPANY NAME	TICKER	CONTRIBUTION %
NVIDIA CORP	NVDA	10.84%	APPLE	AAPL	-0.65%
META PLATFORMS	META	2.05%	HDFC BANK	HDB	-0.35%
AMAZON.COM	AMZN	1.28%	EISAI CO	ESAIY	-0.23%
ASML HOLDINGS	ASML	1.28%	PALO ALTO NETWORKS	PANW	-0.13%
NOVO-NORDISK	NVO	1.18%	MERCARDOLIBRE	MELI	-0.12%

\*Based on a representative account. Data source: Bloomberg.

## Top 5 Contributors

The top 5 contributors to performance include: NVIDIA, Meta, Amazon.com, ASML and Novo-Nordisk.

NVIDIA continues to lead the AI technology transformation wave. Its GPU attracts robust demand from a wide spectrum of industries and regions. We believe global AI adoption is still in its infancy. Nvidia's CUDA (Compute Unified Device Architecture) and its focus on energy-efficient GPU design are two significant moats against its competitors.

Meta has turned around due to a recovery in advertising revenue and its competitive advantages in AI. A key player in AI, it will continue to advance its LLM (large language model) to develop future AI applications. Meta's platform uses AI algorithms to deliver targeted ads, enhancing the effectiveness of ad campaigns for merchants. AI is also integral to personalizing and enhancing user experiences.

Amazon.com reported strong 4Q 2023 earnings, with revenue and net profit well ahead of analysts' expectation. E-commerce business continues to grow at a fast pace. AI has become an important factor in AWS's accelerating growth. Thursday Night Football helped its advertising business. We believe these growth trends in its multiple business lines will continue.

ASML makes photo-lithography equipment for the semi-conductor industry. The ongoing demand for more powerful and energy efficient chips for AI, data centers and electric vehicles directly boosted ASML's profitability. EUV (extreme ultraviolet lithography) systems are a key semi-conductor technology behind AI and so far, no other company in the world is close to catching up with ASML.

Novo-Nordisk surpassed stellar projections, despite approval for a competing drug. Ozempic, their flagship product, has achieved widespread recognition, bolstered by celebrity endorsements and a robust marketing campaign. Strong consumer demand for Novo-Nordisk's branded drugs Ozempic and Wegovy continued to pick up momentum as awareness has grown. We believe Novo-Nordisk is poised for sustained growth in the foreseeable future.

## Bottom 5 Contributors

The bottom 5 contributors to performance include: Apple, HDFC Bank, Eisai, Palo Alto Networks and MercadoLibre.

Apple's recent underperformance is primarily attributed to weakened demand in China, which has been a significant market for the company. Recent economic challenges, competitive pressure, and the regulatory environment in China have impacted consumer spending behavior in the region, which directly affects demand for high-end consumer products offered by Apple. Local brands like Xiaomi and Huawei, have significantly strengthened their market presence by capitalizing on nationalistic sentiments and the growing preference for domestic products, eroding Apple's market share. However, we believe Apple's strong brand and integrated ecosystem will continue to win global consumers. Looking ahead, Apple is also positioned to capitalize on advances in artificial intelligence. Apple's control over hardware and software enables it to optimize AI performance in ways that competitors often can't match.

Palo Alto Networks underperformed during the quarter due to announcing lower than expected revenue guidance for the remainder of the year. The lowered outlook is the result of implementing its "platformization" strategy of selling multiple security products in a bundle. The company is deferring payment for some new platform customers to help accelerate adoption. We believe the market underappreciates that Palo Alto has developed across-the-board, industry-leading security solutions through its competitive M&A strategy and will be able to flex the strength of its portfolio to accelerate the adoption of its platform bundles. We think the cybersecurity space will experience secular growth over the next decade as the economy continues to digitize and the explosion of AI presents new targets and provides malicious actors with better tools and potential attack vectors.

HDFC Bank, India's premier private sector bank, has seen deposit growth slow as tight liquidity conditions in India have led to increased competition for retail deposits. This along with merger integration costs have pressured overall profit margins. Investors' concerns over these issues have caused the stock to trade at a price to book value below its historic average and peers. We expect the stock to re-rate higher as recent data suggests that deposit growth has reignited, as operational efficiency continues to improve, and as increased product offering from the merger leads to cross selling opportunities. We continue to see the bank as a beneficiary of the growth in demand for consumer credit products and residential mortgages as India's economy expands.

MercadoLibre is a leading ecommerce and digital payment provider across Latin America. During the quarter, the company's stock price performance was impacted by 4Q 2023 operating results which exhibited strong revenue growth but less than expected profits due to one-time tax payments and increased shipping costs during the Holiday season. We continue to expect the company to deliver strong growth as it maintains a leadership position in ecommerce, its digital payments business accelerates and advertising penetration increases.

Eisai has underperformed due to a slower-than-anticipated ramp-up of Lequembi, its Alzheimer's disease drug. The challenges of delivering Lequembi lie in the difficulty and cost of diagnosis and the concerns around possible brain hemorrhage. A tremendous amount of education and marketing will be required to enable Lequembi to help more early Alzheimer's disease patients. Lequembi is a unique asset and has large market potential. We will continue to monitor the execution efficiency.

## **Portfolio Changes**

We sold PayPal during the quarter despite its strong brand and broad merchant acceptance. Apple Pay's integrated payment system in smartphone transactions has led to competitive pressure on PayPal's market share and profitability. We expect its revenue and earnings growth will be single digit this year, no longer a fit for a portfolio of growth companies.

## **Market Outlook**

As the year progresses, our outlook for the US economy continues to call for moderate growth. The consensus regarding interest rates has shifted as the need for an immediate interest rate cut has declined. We have had the view that as long as the economy remains healthy and inflation doesn't reignite, the equity market will be fine without the Fed needing to cut rates. A development we are watching that has yet to gain a lot of attention is the potential deflationary impact a slowing China could have on the global economy.

Although we exited our investments in China a couple of years ago, we continue to follow it very closely. It is after all the world's second largest economy. We are observing that China's shift away from market-oriented reforms to state capitalism is leading to an over investment in technologically advanced industries such as electronic vehicles. At the same time, China's policy makers have failed to develop plans for increasing domestic demand and private consumption. The combination of excess capacity and a lack of demand is likely to produce deflationary pressure and stagnation.

We think China's response will be to take a page from its well-worn play book and ramp up exports to absorb excess capacity and drive growth. The country will, in effect, attempt to export deflation. Since China is now a large economy and goods such as EVs are of high value and importance, exports will likely be met with tariffs and other protectionist measures. Although this may delay or even prevent direct entry into some markets, the global appeal and demand for cheap stuff will be hard to resist. The disruptive impact of China's excess capacity is beyond electric cars and will create opportunities for some and problems for others.



At MayTech Global, we are committed to identifying companies poised to benefit from driving change and growth across the world. For example, some companies in our portfolio which help customers to do things better, faster and cheaper could benefit from the deflationary impact of cheaper Chinese goods. However, we continue to see the development of artificial intelligence (AI) as the most important opportunity in front of us.

As AI begins to disrupt every sector, it is an incredible time to be an investor in innovative companies. While many similar trends continue from last year, they are only just now reaching new heights that will trickle down across pipelines for both healthcare and technology. We live in an uncommon time with innovations happening every day. We thank you deeply for your continued trust and support.

Sincerely,

Nels Wangenstein

Ingrid Yin, Ph.D.

Important Disclosures:

The views and opinions expressed herein are those of the portfolio manager and are 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 do 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 the 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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