

October 28, 2024

Dear Investor,

We are pleased to report that the MayTech Global Growth Strategy posted a gross return of 0.25% and net return of 0.02% for the third quarter of 2024. In the same period, the MSCI All Country Index (ACWI) had a total return of 6.61%. Since inception, the Global Growth Strategy's annualized return is 15.61%, net of fees, compared to an annualized return of 7.02% for the ACWI.

### MAYTECH GLOBAL GROWTH COMPOSITE PERFORMANCE

MAYTECH GLOBAL GROWTH	ANNUALIZED RETURN						
	QTD	YTD	ONE YEAR	THREE YEAR	FIVE YEAR	TEN YEAR	SINCE INCEPTION*
Gross	0.25%	33.10%	54.05%	8.26%	22.04%	17.98%	17.00%
Net	0.02%	32.18%	52.62%	7.14%	20.74%	16.64%	15.61%
MSCI ACWI (TR Net)	6.61%	18.66%	31.76%	8.09%	12.18%	9.38%	7.02%

\*Inception: 6/1/2008. Data Source: Orion Advisor. Please see important performance calculation related disclaimers in the back of this document.

### 2024 Q3 Global Economy, Financial Markets and Portfolio Review

During the third quarter, global inflation gradually eased amid shifting economic conditions, with relative strong growth in the US and emerging countries such as India, and slower growth in Europe. Towards the end of September, the U.S. Federal Reserve began its rate-cutting cycle, marking a significant turning point for the global economy and financial markets. It signals to us that inflation is under control and associated economic risks are receding. Quickly after the US rate cut, China announced new stimulus measures to boost its economy. Although the size of the stimulus and its long-term impact remains to be seen, it caused China equities to rise sharply in the final week of Q3. As investors responded to interest rate changes, the global stock market performance varied across different sectors. Top performing sectors including utilities, real estate, industrials, and financials, were supported by sector rotation. Technology, healthcare and consumer sectors went up only slightly despite generally strong business fundamentals, technological breakthroughs and further adoption of innovations in the global economy.

#### TOP 5 CONTRIBUTORS

COMPANY NAME	TICKER	CONTRIBUTION %
MERCADOLIBRE	MELI	1.19%
META	META	0.86%
SERVICENOW	NOW	0.68%
MASTERCARD	MA	0.57%
APPLE	AAPL	0.53%

#### BOTTOM 5 CONTRIBUTORS

COMPANY NAME	TICKER	CONTRIBUTION %
DEXCOM	DXCM	-1.33%
ASML	ASML	-0.87%
NOVO-NORDISK	NVO	-0.81%
CROWDSTRIKE	CRWD	-0.62%
ALPHABET	GOOG	-0.39%

\*Based on a representative account.

Data source: Bloomberg. Please see important disclaimers in the back of this document.

## Top 5 Contributors

**MercadoLibre** has continued to scale through its dominant e-commerce platform and expanding their Pago fintech product. We think further investment in fulfillment center expansions as well as a growing ad business will result in significant long-term operating leverage in its marketplace. MercadoLibre's e-commerce growth has contributed to significant Pago product usage in both its acquiring and credit channels while keeping credit risk minimal. MercadoLibre has also begun to significantly ramp up credit card issuance and recently applied for a banking license in Mexico, paving a path for further penetration into Latin American household finances.

**Meta** demonstrated that its AI investments are resulting in immediate ROI with the outperformance of its ads business. Meta has also used its GPU clusters to consolidate recommendation models that can pull together different forms of content and media to drive engagement across its family of apps. Beyond this, Meta's updates for its Ray-Ban AI glasses and Orion AR glasses gave a glimpse of what could be a future computing platform. We believe Meta's leadership in the AR/VR space and its development of Llama models, position it well in arguably the two most important future consumer technologies.

**ServiceNow** is continuing to lead the enterprise software space with a diverse set of products that are delivering tangible efficiency gains and AI products that are helping customers realize immediate ROI (return on investment). NowAssist, ServiceNow's Gen AI experience, which utilizes context-driven small language models, represents the firm's fastest-growing product ever. ServiceNow is also broadening its solutions to other enterprise C-suites with expanded CRM and HR solutions, forming the building blocks of a complete enterprise software platform, addressing a larger total addressable market (TAM).

**Mastercard** continues to be supported by strong consumer spending in the US as the company broadens its secular digitalization of money in nascent markets. Mastercard is partnering with more global businesses to expand its product distribution reach, especially in cross-border transaction processing, which we think will support healthy sales growth into the back half of the year. Meanwhile, we believe its high-growth value-added services in cyber, consulting, and data analytics should contribute positively to pipeline acquisition efforts as the company begins to reap the benefits of its ongoing reorganization.

**Apple** introduced new iPhones, Watches, and AirPods in September at the Glowtime event, marking a shift towards AI-driven products. We believe this change could transform how people use Apple products. There's growing confidence in a strong new product cycle, especially with older devices due for updates and exciting AI features coming soon. We think a new AI-powered iPhone should boost demand. Apple's recent quarterly results were strong, with steady product sales and increased services, highlighting future potential for growth.

## Bottom 5 Contributors

**Dexcom** continues to expand beyond the Type-1 diabetes market and reorganize its sales team to reach new clinicians. In Q2, this caused a temporary dip in sales, missing forecasts. Despite lower 2024 sales guidance, the long-term potential using CGM (continuous glucose

monitoring) devices for improving disease management is significant. Dexcom's top-tier glucose monitor usage will double in the next five years, in our view. In Q3, Dexcom launched Stelo, their first OTC product, which outperformed competitor's products and has been well-received in a broader patient population. We expect sales challenges to be short-lived, and management is focused on resolving them. We'll keep an eye on their progress.

**ASML** is executing well in its transition year in preparation for 2025 when demand for its next generation of semi-conductor manufacturing equipment (High NA EUV) is expected to inflect upward. Despite this, concerns have grown over weaker Capital expenditure guidance from customers such as Intel and a slower-than-expected recovery in demand for commodity semiconductors used for memory and storage. We believe that this negative sentiment is short-sighted and ignores the significant secular demand story for semiconductors, and in turn lithography equipment, as the world continues to digitalize.

**Novo Nordisk's** supply constraints in Q2 caused Wegovy sales to miss market expectations. In addition, the company's fast-growing GLP-1 drugs have seen competition from Eli Lilly, which was expected. We have always believed the two companies will split the obesity market in the long term. The GLP-1 drugs are still early in their adoption in treating diabetes, obesity, and many other diseases. We believe Novo Nordisk will be able to solve supply issues and can leverage its technology and operational advantages to capture a significant share of the >\$100B market.

**CrowdStrike** On July 19, CrowdStrike distributed a faulty software update to its Falcon Sensor that caused widespread disruptions to clients' Windows operating systems worldwide. The resulting IT outage paralyzed businesses in industries ranging from manufacturing, healthcare, finance, to travel. It created a major breach of trust in CrowdStrike, which is critical in choosing cybersecurity vendors. This reputational damage will likely hinder the growth potential significantly, at least in the short and medium term.

**Alphabet** continues to leverage its AI capabilities and search market leadership to drive superior advertising revenues. Its cloud business also outperformed due to strong secular demand for cloud computing, as well as corporate investment in AI workloads. In August, Google launched a compelling and well-received hardware event, showcasing continued innovation in Gemini for Pixel 9 phones. YouTube, however, missed revenue expectations because of growing competition in the video market. YouTube is a valuable asset with a deep content library and tools to help content creators engage dynamically with audiences.

### **Portfolio Changes**

We exited CrowdStrike in the quarter as we believe the worldwide bluescreen event exposed its operational weaknesses that could erode its long-term opportunities. CrowdStrike's automatic, system-wide updates – while risky – historically allowed the company to neutralize threats much more rapidly than competitors. However, since this practice will likely be abandoned, CrowdStrike's competitors will find opportunities to seize CrowdStrike's market share. While CrowdStrike's endpoint offering remains best-in-class, we think that discounting pressure will prevent the company from maintaining its premium pricing and current valuation in the long run.

## Market Outlook

Like last quarter, our outlook for the US economy continues to call for moderate growth. After the Fed's interest rate cut in September, we believe lower interest rates combined with a moderately growing economy should create generally good market conditions. There are of course elements which could increase volatility during the quarter. The upcoming US election, which has not had much impact on the market, could still lead to uncertainty. Significant expansion of the wars in the Middle East and Ukraine has the potential to drive up energy prices and market volatility.

Globally, economic growth is slowing, and we continue to watch developments in China with great interest. China announced massive monetary and fiscal stimulus packages which drove a huge rally in their markets. We expect investor enthusiasm to be very sensitive to government disclosure of more details about the amounts and timing of the stimulus packages. We are skeptical that the announced stimulus will be able to overcome the structural challenges and meaningfully increase private consumption. We believe that China will rely heavily on exports to solve some of its growth problems. Since this round of exports will focus on higher value items such as electronic and hybrid cars, we foresee a potential negative impact on Europe's growth in coming years.

Although it is important to be aware of possible near-term issues, our belief is that we are better served to remain focused on the growing opportunities created by advances in information technology, progress in health science and the growth in private consumption in regions benefiting from shifting supply chains. We are keenly focused on investment opportunities created by advances in artificial intelligence which we see as a powerful and revolutionary technology in the early stages of development.

Despite media stories skeptical of AI's utility or its "payback", we see companies ranging from Meta to enterprise software companies such as ServiceNow to online travel agents such as Despegar rapidly building out ever more useful AI agents and applications. In Q3, larger and more powerful models have recently been launched which are more comprehensive and accurate, allowing developers to build more useful tools. As consumers we will soon see services such as ChatGPT, Gemini or Claude evolve into AI agents that will be able to act and communicate on our behalf. In our view, many of the commentators in the media and financial industry fail to recognize how quickly AI technology is improving, which is the most important event happening in the world. At the same time, we are excited to see in addition to AI, great opportunities in areas such as health science and private consumption growth in countries benefiting from digitalization and globalization 2.0.

As always, we are grateful for your continued trust and support.

Sincerely,

Nels Wangenstein

Ingrid Yin, Ph.D

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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. Gross-of-fees returns reflect the reinvestment of dividends and other earnings and are presented before management fees but after all trading expenses. Net-of-fees returns are calculated using actual management fees. The representative management fee schedule is as follows: 1.50% on the first \$2.5 million; 1.40% of the next \$2.5million; 1.30% of the next \$2.5 million; 1.20% of the next \$2.5 million or, 1.25% of the first \$10 million; and 0.90% thereafter. 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.

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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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