



High Tech
Investment
Fund

**ANALYTICS
FORECAST
PERSPECTIVES
RESULTS**

OCTOBER 2023



The recap of June 2023

- ... according to our forecasts, in Q3 2023 markets will be under negative selling pressure from the second half of June until the end of September/early October
 - ... we expect possible sharp, downside shocks in the shares of the largest companies – the growth leaders of the first half of the year
 - ... our expectations for the market dynamics of major energy carriers and metals are rather positive for the third quarter of the year, in connection with which we assume a possible increase in their value, bringing additional inflationary concerns to the financial markets
 - ... grain market growth will put pressure on inflation expectations
 - ... we expect geopolitical tensions to increase in the Chinese and Mexican directions
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Today's outlook

In our research note from the beginning of the second half of the year, we were cautious about Q3 expecting high volatility with a downside outcome. And so it happened, despite the good start, the end of the quarter is in the "red zone". The "Magnificent Seven" represented by Apple, Tesla, Google, Meta, Nvidia, Amazon and Microsoft – the former main drivers of growth in the first half of the year – showed a dynamic decline, losing up to 15 percent of the value of their peak quarterly values. As for oil quotations, our forecast was also correct and oil quotations showed impressive growth, which, however, cannot be said about base metals, which showed mixed and rather downward dynamics. Although wheat quotations demonstrated strong upsurge during the quarter, finally they remained near zero values. It was also noticeable that geopolitical tensions in China increased, expressed both in sharp criticism of the PRC leadership from the US and EU authorities and the clearly chosen course of the US to reduce the level of business activity with China and, as a Chinese response, the reduction of the volume of US bonds on the balance sheet of the Bank of China.

Strategy highlights

Despite all the negativity of the third quarter with its political and financial twists and turns, we expect a positive close to the calendar year. Obviously, we see economic tensions in the US coming from inflationary pressures, exorbitant yields on the sovereign debt market and emerging problems in the housing market. All this could lead to further turmoil in the banking market and even undermine the financial strength of some of the major US banks. We see the growing threat of a new pandemic, which is being skillfully managed, but there is no guarantee that there will not be a new and powerful round of it, which will undoubtedly confuse market participants again. Nevertheless, paying attention to the strong labor market, stable GDP level, rather high business activity indices, we assume that both the Q3 reporting season, good sales data near the end of the year and, as we forecast, lower inflation in the US, will reverse the current negativity and bring the markets at least to the top of the third quarter, and perhaps even surpass it.

We do not expect a dramatic fall in the oil and oil products market by the end of the year. It is more likely that oil quotations will continue to grow and recover to the level of \$90-95 by the end of this year if they reach comfortable levels of around \$80.

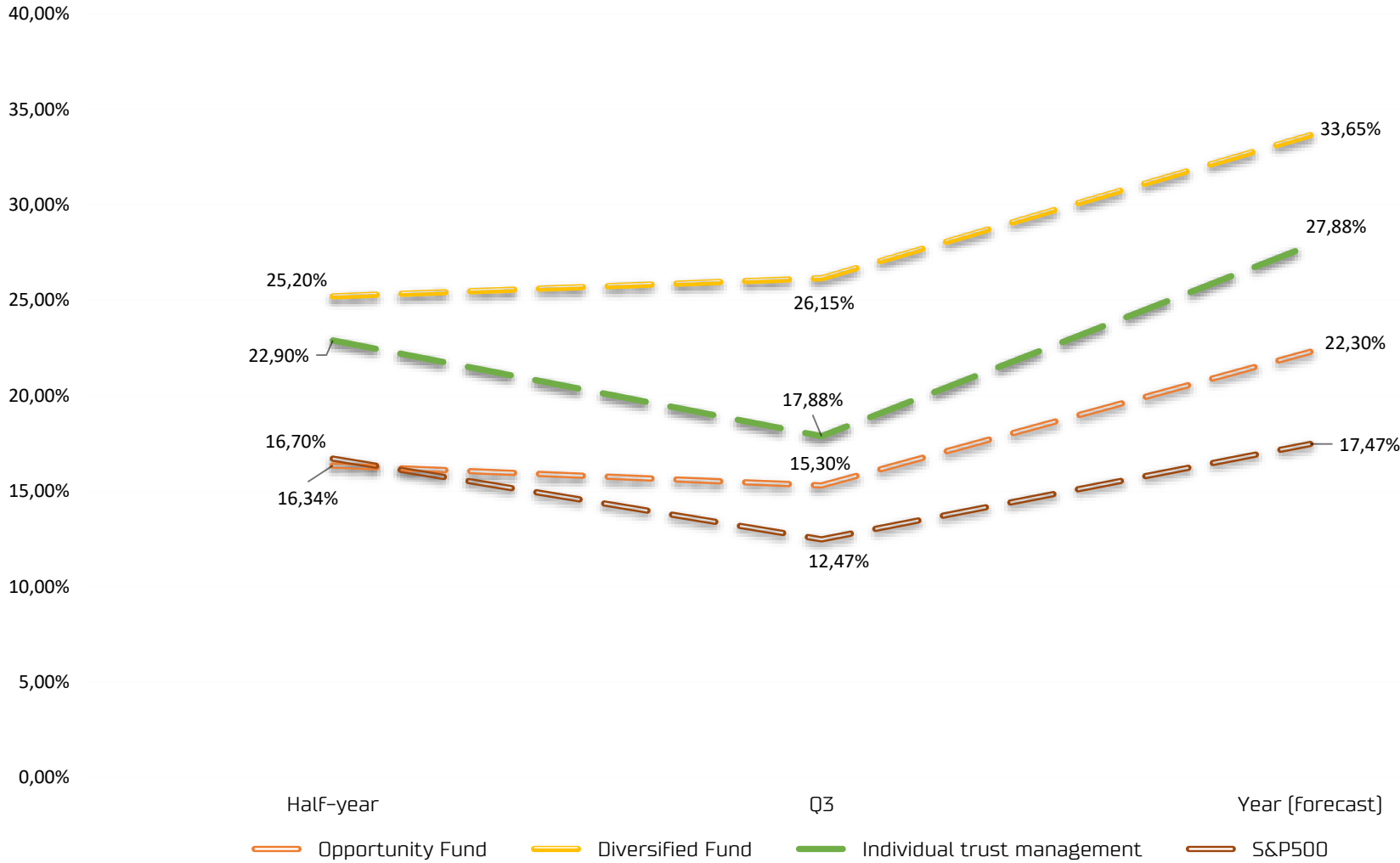
It is difficult to expect a decrease in geopolitical tension, however, we see a certain level of tiredness from it and assume that from the beginning of December we will start to receive positive signals of its weakening.

Our further steps

We believe that a cautious build-up in equities with constant monitoring of macroeconomic data is the right path to follow throughout the quarter until early December, where declining liquidity levels and sharp spikes are more likely to start reducing risk positions. We are not convinced that the "Magnificent Seven" will continue to be the primary driver of growth, suggesting that investor focus will shift to smaller and more undervalued companies in the Technology and Communications sectors. It also seems to us that the Pharmaceutical sector will draw investors' attention to its undervaluation and potential ahead of possible new pandemics. The Banking and Real Estate sectors will continue to be a low priority for us, as a period of high interest rates brings too much risk to these sectors that we will not be able to control in our portfolios.

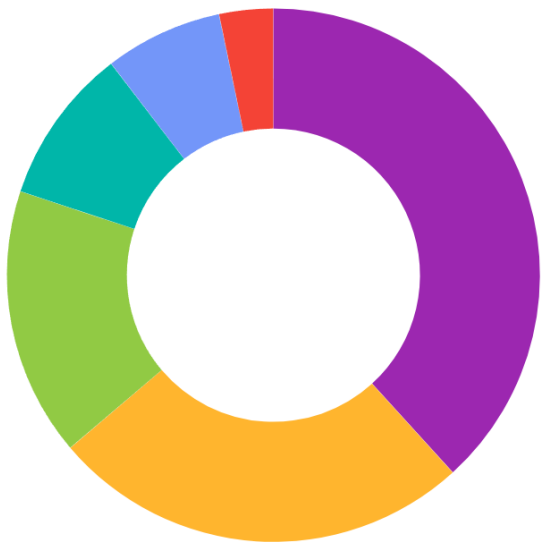
PROFITABILITY OF OUR FUNDS vs INDEX S&P500







Comparative analysis of the profitability of our funds with the S&P500



CURRENT INDUSTRY COMPOSITION OF FUNDS









Opportunity Fund



	Technology	(38.25%)
	Communications	(25.55%)
	Medical	(16.3%)
	Consumer	(9.49%)
	Energy	(7.14%)
	Industry	(3.27%)









Diversified Fund



	Consumer	(35.47%)
	Communications	(16.29%)
	Financial	(14.98%)
	Medical	(10.56%)
	Industry	(6.22%)
	Energy	(6.06%)
	Technology	(5.92%)
	Raw materials	(4.5%)

Individual Trust Management



	Consumer	(38.67%)
	Communications	(12.51%)
	Medical	(11.67%)
	Technology	(11.02%)
	Financial	(8.76%)
	Industry	(7.08%)
	Energy	(7.04%)
	Essential goods	(3.27%)



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