

## Fund Manager's Comments

The market volatility in the major tech names has continued to be elevated as worries around AI returns has surfaced. The industry fundamentals have however not changed and the strength in the areas around AI continues. Our data for July and August around manufacturing and exports from Taiwan and Korea clearly points to further growth and not to forget the strong numbers produced by TSMC for July. As a result of the current market environment, GP Bullhound Global Technology Fund declined by 3.73% in August.

Despite the market volatility, large-cap tech names have continued to do well, with solid Q2 earnings and overall strong forward-looking statements.

However, most stocks in our portfolio have been hit hard by the broader market sell-off, with the strongest YTD performers taking the biggest losses. Looking ahead, we believe current market estimates for 2024 and 2025 are still too conservative, and that many companies will grow into their valuations. In this environment, we are selectively buying on weakness to capture potential returns.

Q2 reporting season highlights:

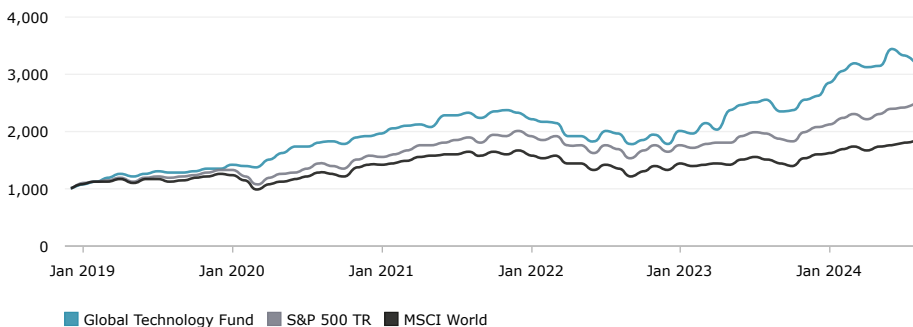
**TSMC's** Q2 sales met expectations, with a gross margin of 53.2%, exceeding forecasts due to better utilization. Growth was driven by a 28% Q/Q increase in HPC demand, led by AI. Q3 sales guidance suggests 32% Y/Y growth with a projected gross margin of 53.5%-55.5%, well above earlier guidance. The industry fundamentals are strong with higher-than-expected growth and margins, but geopolitical risks are rising due to potential US restrictions on China and comments from Trump on Taiwan's defense. TSMC's strategic importance remains high, especially as all 2nm and 3nm production will be done in Taiwan in the coming years.

**ASML** reported sales of €6.2bn and EPS of €4.01, beating estimates of €6.1bn and €3.72. As a result of a higher sales mix of older immersion machines with better margins, with China accounting for 49% of total sales. Order intake was slightly above cons. at €5.6bn, with EUV orders making up €2.5bn. While Q3 estimates were slightly below expectations, ASML maintained its full-year guidance, pointing to a stronger Q4. Despite solid performance, ASML's share price was impacted by rumors of potential US equipment restrictions on the Chinese market, alongside Trump's comments on Taiwan's defense. Future restrictions might target tools used for production below 14nm - a small but crucial segment for Huawei.

**Nvidia's** sales and EPS beat high expectations with stronger guidance also for the coming quarter. The shares sold off although on the numbers. The company is stating that the Blackwell chip will sell in USD bn in 4Q and that Hopper sales will be up 2H on 1H. We did not see any weaknesses in the result and expect continued strong execution from the company.

**AMD's** results were in line with expectations, with data center sales up 115% Y/Y. AI and the increased CPU market share from Intel were key drivers, with AI sales exceeding USD 1bn in the quarter. AMD now forecasts AI sales to surpass USD 4.5bn this year, likely approaching USD 5bn. The company is gaining CPU market share, and its cyclical segments are recovering, suggesting a strong outlook for H2 2024 and 2025. Tight AI supply is also positive news for AMD's suppliers.

## Historical Performance



## Performance

	YTD	1 YEAR	SINCE INCEPTION	VOLATILITY	SHARPE RATIO
Global Technology Fund	22.17%	25.71%	218.71%	18.21%	1.22

## Portfolio Team



**Inge Heydorn, Portfolio Manager**

Managed research teams and traded technology shares since 1994 (Carnegie, ABN Amro and Deutsche Bank).

## General Information

<b>FUND TYPE</b>	Daily traded UCITS fund
<b>MANAGEMENT FEE</b>	1.50% (Retail class)
<b>RISK</b>	Indicative risk class 5 on a scale of 1-7, where 7 bears the highest risk
<b>INVESTMENT MANAGER</b>	GP Bullhound Asset Management Ltd Regulated by Finansinspektionen (Sweden) with SEB as depositary bank, PwC as auditor and Finserve Nordic AB as fund company
<b>INVESTMENT VEHICLE</b>	
<b>ISIN</b>	SEK: SE0006881389 EUR: SE0015192455 GBP: SE0015950035

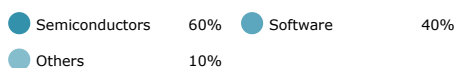
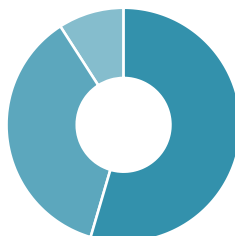
## Historical Returns

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2024	8.67	7.33	4.31	-1.73	0.82	8.96	-3.38	-3.73					<b>22.17</b>
2023	13.13	-2.46	9.11	-4.57	16.49	3.89	1.96	1.11	-7.29	0.39	7.70	2.66	<b>47.51</b>
2022	-4.38	-2.26	-0.77	-10.78	-0.18	-5.27	10.08	-2.44	-9.23	4.50	5.25	-8.85	<b>-23.54</b>
2021	2.46	4.29	2.39	0.58	-1.30	8.95	0.42	1.51	-3.80	4.95	1.03	-1.78	<b>20.85</b>
2020	5.45	-0.90	-1.60	10.15	6.30	6.96	0.70	4.28	0.70	-2.70	7.13	1.09	<b>43.50</b>
2019	6.10	4.51	5.95	6.72	-4.74	4.43	3.33	-1.40	0.64	0.90	4.30	-0.90	<b>33.38</b>

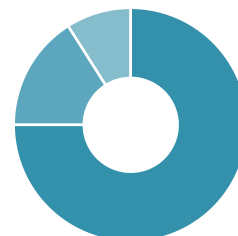
## Top 5 Holdings

NVIDIA Corp	8.71%
TSMC	7.03%
Microsoft Corp	6.98%
Lam Research Corp	4.95%
AMD	4.81%

## Sector Allocation



## Geography Allocation



## About GP Bullhound

GP Bullhound is a leading independent investment and advisory house focused solely on the technology sector globally.

The firm has 10+ offices and over 100 staff on three continents.

GP Bullhound Asset Management Ltd is authorised and regulated by FCA.

For more information, please visit [gpbullhound.com](https://gpbullhound.com)

## Investment Themes

We are investing in software, marketplaces, digital entertainment and fintech. Within these subsectors we select the themes we believe are the most interesting in terms of potential size and growth over the next 3-5 years.

From our years of experience and network of industry experts, we select the leading companies in each theme. Key is to understand which product the consumers/corporates prefer and why. We also like to test the product ourselves and talk to clients using the products.

We do not invest in companies losing market share or where competitors have a better product. If portfolio companies show signs of weakness in terms of customer offering, we are quick to exit the position.

## Disclaimer

Investing in mutual funds always involves a risk. Historical returns are not an indicator of future returns. Investors may lose part or all of the invested amount. Information in this monthly report should not be seen as anything else than a statement of the fund's holdings and activity.

For more information on risks, read more in the fund's KIID and prospectus, available on <https://finserve.se/global-technology-fund/>

