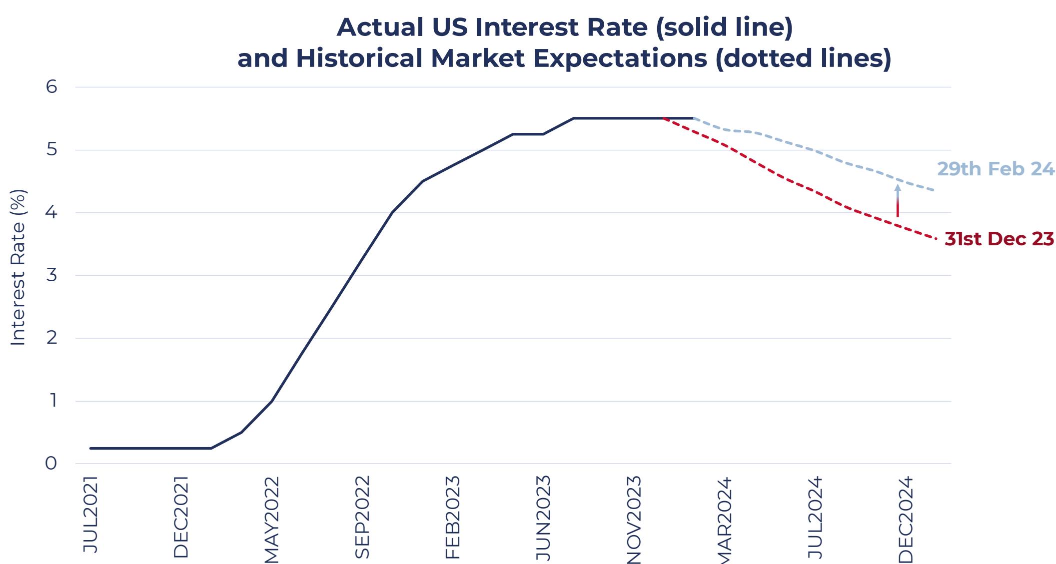
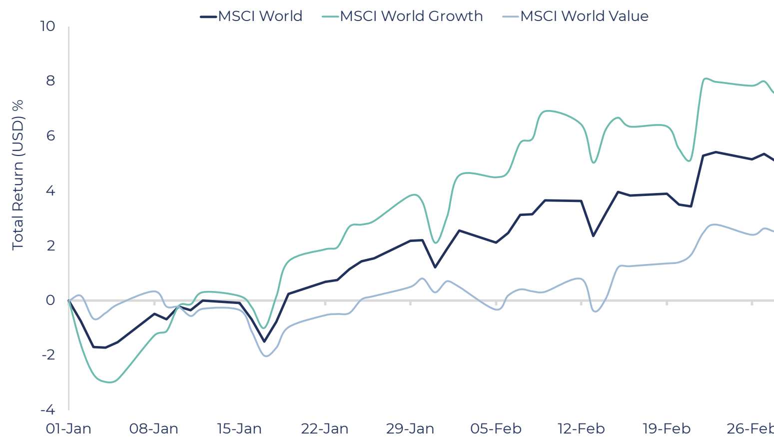
Market Commentary: February

Market expectations of when the Fed will first start cutting rates have been materially pushed out over the first two months of 2024. At the beginning of the year, market expectations suggested a 16% chance that the Federal Reserve would begin cutting interest rates in January, and an 84% chance of a cut in the March meeting. For 2024, market implied expectations suggested six cuts over the year. The cut in January never came, and by the end of February, the market was pricing in just a 3% chance of a cut in March and 3-4 cuts for the year. While inflation has continued to fall, it has fallen less than expected, with Headline CPI falling just 30bps in January compared to an expected 50bps. Jobs have also remained sturdy, with 353,000 jobs added in January (197,000 expected). With Fed Chair Jay Powell also expressing that the Fed would take its time before cutting, expectations of an early rate cut have been reigned in.



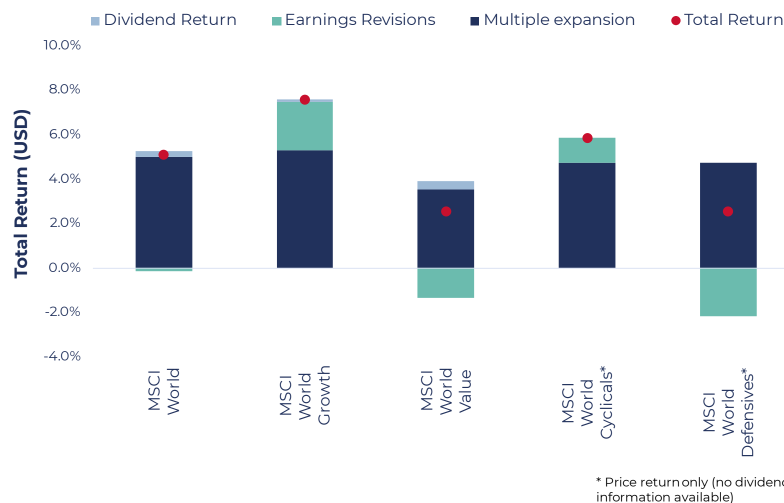
Source: Guinness Atkinson Asset Management, Bloomberg, as of 29th February 2024

Consequently, one of the key risks we identified at the end of last year has now abated. At the end of 2023, the market was pricing in at least two more rate cuts than what the Federal Reserve was signaling – the downside risk to equities being a Federal Reserve that was 'more right' than the market. Over 2024 to date, this risk has materialized, as market expectations have now moved largely in line with the Fed's. However, it did not have the negative outcome we expected. Over the past couple of years, we have often seen how tighter monetary policy expectations have negatively impacted the valuations of equities - and 'growth' stocks in particular. But this has not been the case over 2024. Markets have rallied, and even more surprisingly, growth has outperformed.



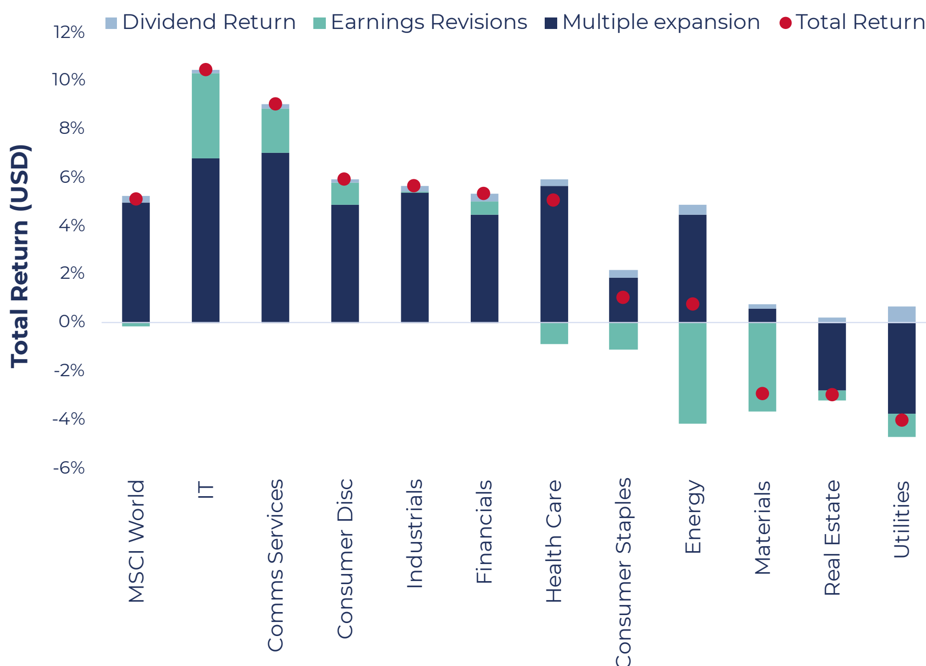
Source: MSCI, Guinness Atkinson Asset Management, Bloomberg, as of 29th February 2024

Instead of rate expectations, markets have seemingly turned their attention to the prospect of continued strength in the economy, the opportunity Artificial Intelligence presents, and positive company earnings. US GDP grew at 3.2% over the final quarter of 2023 – well ahead of the 2.0% estimated by economists in January - with the US consumer showing continued resilience in the face of tighter monetary policy. Paired with a strong earnings season that saw 75% of S&P500 companies surprise to the upside on an earnings per share (EPS) basis (as at the time of writing), a number of major global equity markets were spurred onwards to hit all time-highs during the month of February. Interestingly, despite the headwind from rate expectations, the MSCI World's total return of 5.6% year-to-date has been almost entirely driven by multiple expansion rather than any improvement for 2024 earnings expectations.



Source: MSCI, Guinness Atkinson Asset Management, Bloomberg, as of 29th February 2024

Multiple expansion was broadly consistent across factors, with the outperformance of 'Growth' and 'Cyclicals' predominantly driven by an improved outlook to company fundamentals. The MSCI World saw no change to company earnings expectations, as the significant 2024 earnings upgrades for 'Growth' and 'Cyclical' oriented stocks were almost exactly offset by downgrades to 'Value' and 'Defensive' stocks respectively. Interestingly, the MSCI World Cyclicals and Defensives indices both experienced multiple expansion of 4.7%, and the spread between Growth and Value was just 1.8%. However, the spread between total returns was significant, with Growth Outperforming Value by 5.0%, and Cyclicals over Defensives of 3.3%. With all factors experiencing similar levels of multiple expansion, and the divergence in performance being driven by earnings expectations, this suggests that markets are placing greater emphasis on fundamentals. From a sector view, we can see that earnings upgrades within growth and cyclicals were likely driven by IT and Communication Services, whereas value orientated sectors Energy and Materials drove downgrades within the Value sector. Almost all sectors have experienced multiple expansion, with Utilities and Real Estate the only two sectors to face multiple contraction – a function of their higher relative leverage and resulting exposure to the negative impact from higher-for-longer interest rates.

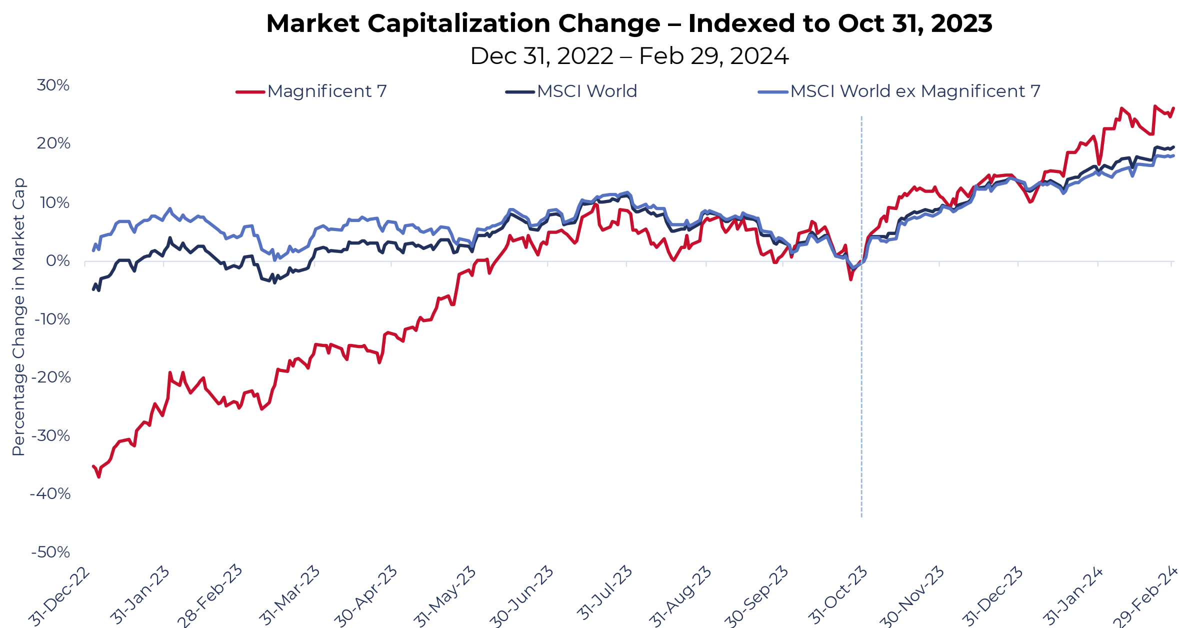


Source: MSCI, Guinness Atkinson Asset Management, Bloomberg, as of 29th February 2024

The Magnificent Seven have continued to outperform and remain a material tailwind to index performance, but unlike 2023, they are no longer the core driver – and performance varies significantly between them. As seen in the chart above, the rally has lifted the valuations of the majority of sectors higher. Over 2024, the Magnificent Seven have so far contributed 1.6% of the 5.6% increase of the MSCI World's market cap, predominantly driven by continued strength from Nvidia (+59.8%) and Meta (+38.6%). In fact just 4 of the 7 have outperformed the MSCI World in 2024, and Tesla (-18.8%) has fallen off significantly. The rally has been far more broad than what we saw over the first half

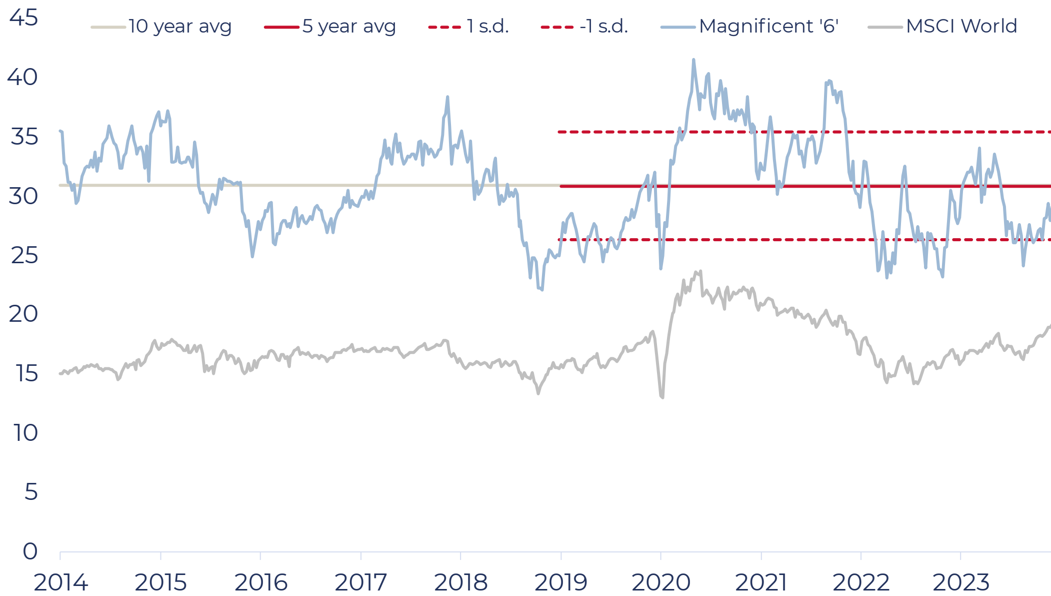
of 2023. If we look back to the beginning of the rally (~31st October 2023), there has been a pretty tight spread between the MSCI World and the MSCI World ex Mag 7 stocks, with just 1.5% of the MSCI World's 19.5% increase in market cap a result of the Magnificent Seven – although we have seen a slight increase in contribution over the past month given the stellar performance of Meta and Nvidia.

Market Capitalization Change – Indexed to Oct 31, 2023
Dec 31, 2022 – Feb 29, 2024



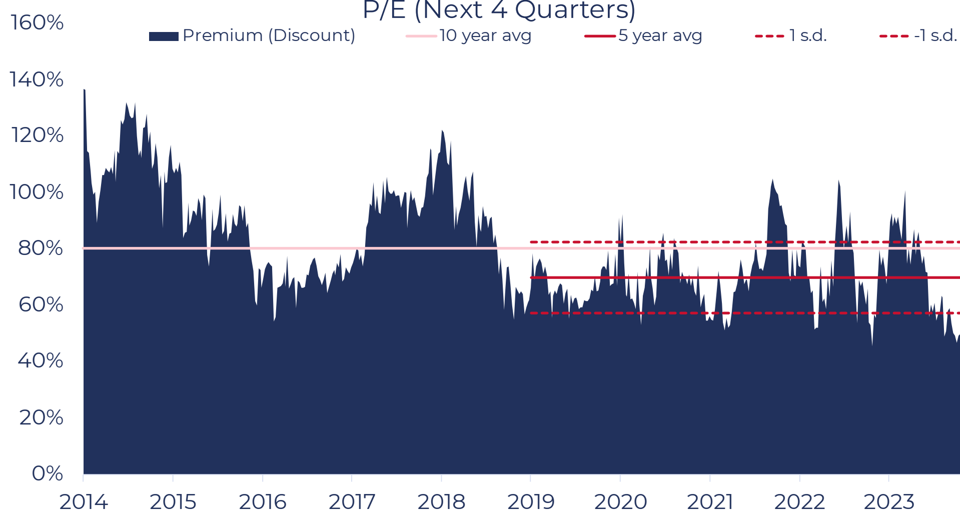
Source: MSCI, Guinness Atkinson Asset Management, Bloomberg, as of 29th February 2024

In the context of the stellar performance seen by this group of stocks over 2023, one key market concern that has emerged is the valuation of these stocks. We believe, however, that these stocks remain an attractive place to be – even from a valuation perspective. The Magnificent 'Six' that we hold in the Guinness Atkinson Global Innovators Fund (the Magnificent Seven Excluding Tesla) aren't as expensive as they may seem, sitting (on average) at a discount to their long run averages on both a 5 and 10 year basis.



Source: MSCI, Guinness Atkinson Asset Management, Bloomberg, as of 29th February 2024

Even more convincingly, these stocks are at their lowest premium ever relative to the MSCI World (+54%), and are more than 1 standard deviation below their 5 year average.



Source: MSCI, Guinness Atkinson Asset Management, Bloomberg, as of 29th February 2024

We recognize that this is in part a result of their greater weight in the index, but even looking at the MSCI World Equal Weighted Index, the stocks are currently (on average) at an 83% premium, compared to their 99% 5 year average.

Clearly the 'average' is not true for each stock, and there are meaningful differences between the six. While half of our Magnificent Six are above their long run averages, half are below/in-line. Apple, Meta and Microsoft are slightly ahead of long-run averages, but Amazon, Alphabet and Nvidia are all cheaper on both a 1 year forward and 2 year forward basis. Five of the six are at a lower premium than their 5 year average to the MSCI World, with only Meta higher – although we believe the firm is in a far better position than it has been over the majority of the last 5 years, and thus justifies this premium. Given the vastly improved fundamental outlooks for these six stocks, in our view, we do not see valuation as a concern, and if anything, view these as an attractively valued set of stocks given both strong growth and quality attributes. None are at extreme values that gives us any cause for concern.

	P/E (Next 4 Quarters)					
	1 yr fwd	5 yr avg	2 yr fwd	5 yr avg	Premium to MSCI World (N4Q)	5 year Avg
Apple Inc	**28.2**	25.3	**25.2**	22.8	**49%**	58%
Amazon.com	**35.0**	48.3	**28.5**	36.0	**85%**	204%
Alphabet Inc	**19.4**	21.3	**17.0**	18.4	**2%**	34%
Meta	**24.7**	19.4	**21.4**	16.9	**30%**	21%
Microsoft Corp	**34.0**	29.7	**29.6**	25.9	**79%**	86%
NVIDIA Corp	**33.7**	41.5	**28.3**	34.4	**78%**	160%
Average (mean)	**29.1**	30.9	**25.0**	25.7	**54%**	94%
MSCI World	**19.0**	18.2	**17.1**	16.3		

Source: MSCI, Guinness Atkinson Asset Management, Bloomberg, as of 29th February 2024

Individual Stock Performance over the month

Nvidia (+28.6% USD)

For the second consecutive month, Nvidia was the top performing stock within the Fund. Nvidia has delivered a staggering +59.8% over the first two months of 2024, and +442% since the end of 2022. The firm became the fourth company to reach the $2tn market cap landmark on the first day of March, less than a year after reaching the $1tn milestone. Fresh impetus was injected into the share price following a blowout Q4 earnings release (+16.4% share price on the day of results) at the end of the February. Revenues of $22bn for the quarter were up +265% year-on-year, and +8% ahead of analyst expectations. The firm also offered guidance of $24bn for the next quarter ($2bn ahead of analyst expectations). The chip designer's unique position (about 95% share) in supplying GPU chips that can handle the computing power required for Generative AI continues to be the core driver of growth, with the firms data center segment now 5x larger than the same time last year. The chip in question, the H100, was released in 2022 and costs around $40,000 per chip, promising higher performance and reduced training costs for AI learning systems. While excitement over the potential for the technology was certainly the spark that started Nvidia's extraordinary climb in 2023, the firm's success at translating these developments into real revenue growth has been remarkable. Management continues to see a strong opportunity for data center growth over the next two years given the sheer demand for accelerated compute and generative AI. Not only do they expect widespread penetration of their advanced chips in upgrades to the $1 trillion worth of existing data center infrastructure, but an additional $1 trillion worth of infrastructure to come online in the next 5 years – of which Nvidia is sure to take significant share. New product releases, such as the H200 (the next generation of the firm's existing H100 chip) will support this growth, and help the firm maintain their technological advantage over potential competition. Despite the extreme share price movements seen by the firm over the past 12-14 months, valuations remain reasonable in our view – below long run averages at both a 1 year and 2 year forward P/E basis. The common push-back on Nvidia is the valuation, yet with a blended 1 year forward P/E of just 29x (below the 10 year average of 31x), we think this is a very reasonable price to pay for a company a unique, defensible market leading position, track-record as an innovator, exposure to numerous long-term secular growth themes, paired with high quality fundamental characteristics, and we are confident the firm can continue to outperform the broader market.

Meta (+25.8% USD)

For the second consecutive month, Meta ended as the Fund's second top performer, taking year-to-date gains to +38.6%. As was the case with Nvidia, Meta's stock bounced on the release of their quarterly earnings (+20% on the day), as revenues reached all-time highs, up +25% year-over-year and +17% higher than their prior peak quarter. The underlying strength of the business was clear, as the online ad market continued to rebound. Average Revenue per User, a key driver and opportunity for long term growth for Meta, was a particularly bright spot in the earnings release, reaching $13.12 in the final quarter of last year - $1.55 higher than the prior peak (4Q21) and an acceleration in growth from

prior quarters. Part of this acceleration has come from the success of the firm at introducing, and successfully monetizing, their short-format video content platform, Reels. Since reaching revenue neutrality last quarter, Reels continues to drive engagement with re-share reaching 3.5bn times per day, and daily watch time across all video types growing over +25% year-on-year in Q4. While still monetizing at less than half that of the core platform, this gap is forecast to close over the next two years, with Reels set to drive 60-70% of Meta's revenue growth over this period. Key to the strong market reaction was the announcement of a $0.50 dividend, which at a yield of about 0.4% is not significant from a total return perspective, but the firm's strongest signal to the market yet that management are commited to managing capital allocation more astutely – one of the key concerns surrounding Meta over 2022 and in the early days of 2023. It is now a year on since the firm shifted their focus towards their cost structure, and over that period, the firm have not only driven revenues to all-time highs, but allowed margins to return to historic levels after a period of high spend on large-scale growth projects. Meta's fundamental characteristics are looking stronger than ever, and we continue to see a pathway of long-term growth for the firm, supported by structural tailwinds.

Adobe (-9.3% USD)

It was a difficult month for Adobe, which ended as the Fund's bottom performing stock over February. The stock fell in excess of 10% over a two day period following the release of Open AI's Sora product – an AI tool that generates natural language into video. The release of the product raised concerns that the technology could disrupt Adobe's Creative Cloud suite of editing products – in particular Adobe Premiere Pro. Adobe has responded well to similar threats before. Take Dall-E, for example, Open-AI's photo generation platform which can create realistic images from natural language using AI. The initial market reaction suggested an expectation that this would disrupt Adobe's products such as Photoshop. Instead, the firm commoditized the product by releasing their own version, 'Firefly', which they embedded into their own creative suite – and thus retaining their loyal customer base. Sora undoubtedly remains a competitive threat to elements of Adobe's business, but in our view, Adobe retains a material competitive advantage – most notably their vast distribution network/existing customer relationships and brand reputation as the benchmark for editing tools. Professional video editors are unlikely to shift from the highly flexible, specialized and integrated suite of Adobe products they have years of experience with using – especially if Sora is unable to offer the same level of customization, despite the impressive capability it may offer. Adobe has been implementing and successfully augmenting their existing tools with generative AI features for a while, helping users boost their productivity and idea generation, and video editing is clearly on the agenda. We expect the firm's innovative track record and sustainable competitive advantages will help the firm overcome the threat of products such as Sora, and the quality of the business will allow the firm to continue investing in the next generation of editing tools. Adobe's high recurring revenues (subscriptions represent over 90% of sales), peer leading margins and high cash generation make for a stand-out quality company, in our view. The firm's strong brand equity stemming from being the 'de facto standard' in content creation software (photoshop) and pdf editing can be leveraged as the firm expands its digital offerings into new markets and categories. Adobe, in our view, is taking the right steps towards diversifying its revenue stream towards growth areas, alongside growing both average revenue per user (ARPU) and the quality of the revenue stream.

Comcast, a telecommunications conglomerate offering services in TV, internet and phone, fell 9% in the first 5 days of the month. This followed negative read-across from close peer, Charter, who reported falling broadband numbers of off already muted expectations. We find this negative reaction to Comcast slightly surprising, considering Comcast reported solid results just a week prior – showing a decline of 34,000 net U.S. broadband customers (vs -62k consensus), down just 0.2% from a year prior. Comcast's stagnating broadband segment is nothing new, as the firm has been battling increasing competition, with the firm accepting modest customer losses while maintaining steady growth in average revenue per customer (+3.9% last quarter). We expect this trend to continue over the mid-term. Comcast is a diversified business, however, and other parts of their business are performing well. At the end of January, the company quarterly earnings highlighted strength in its streaming segment, Peacock, which is now the fastest growing streaming service in the US. The firm's Parks segment continued to impress, growing 12% year-on-year. Overall, the firm was able to beat revenue expectations by 2.8% and earnings expectations by 6.1%. Comcast clearly has a number of challenges to overcome, no least replacing the revenues from cable, but the firm also has long-term growth potential, stemming from competitive advantages such as their well-established operational infrastructure. The company is also diversified through its various platforms i.e. Sky, Peacock and NBCUniversal making it well positioned to capture secular tailwinds and consumer trends.

We thank you for your continued support.

Portfolio Managers

Matthew Page, CFA & Dr Ian Mortimer, CFA

Summary performance

Global equity markets rallied for a fourth successive month, taking major market indices in the US, Europe and Japan to all-time highs during February. This included the Dow Jones, S&P 500, Nasdaq Composite, the Stoxx 600 and Nikkei 225. In the US, equities were driven by another strong corporate earnings season which saw 75% of companies outperform EPS expectations, as year-on-year earnings growth continued to accelerate (7.8% vs -5.2% just two quarters ago). The index was further boosted by AI optimism, as Nvidia once again delivered a blow-out earnings release, demonstrating further the strength of the firm at converting demand in Artificial Intelligence infrastructure into revenues. Economic data across regions was broadly positive, as PMI's in both the US and Europe expanded, and the US job market was far stronger than expected. In Japan, the Nikkei 225 finally exceeded the prior all time high recorded in 1989, as corporate governance reforms and a return to inflation increase the attractiveness of the region. China was the best performing major region in February (MSCI China +8.4% USD vs MSCI World +4.3%), as activity and tourism data over the Lunar New Year strengthened, helping to offset dampened sentiment in the region. This broad strength across global equity markets came despite shifting expectations over Central Bank policy, with 'peak-rate' expectations in the US being pushed further out into the future, as the implied probability of a cut to interest rates in March fell from ~35% to ~3% over the month of February. Perhaps even more counterintuitively, 'growth' stocks outperformed 'value' over the same period, despite their higher duration, suggesting markets

are no longer being driven by interest rate expectations. We explore this further in the commentary below.

During the month, relative performance of the Fund was driven by the following:

- The Fund's overweight position in Semiconductors, the benchmark's best performing industry, provided a tailwind to relative Fund performance. This position was bolstered by strong selection, with the Fund's top-performing stock Nvidia returning +28.6% (USD), as well as off-benchmark name TSMC (+13.4%) also providing a tailwind to Fund performance relative to the benchmark.
- Strong stock selection within Consumer Discretionary acted as a tailwind, with Amazon (+13.9% USD) and off-benchmark name Anta (+16.7% USD) performing significantly ahead of the benchmark's best performing sector (MSCI World Consumer Discretionary +7.6%).
- The Fund also benefitted from a zero allocation to bottom performing sectors Utilities, Consumer Staples, Real Estate, Energy and Materials.
- The biggest detractors to Fund performance were from bottom performing stocks Adobe (-9.7% USD) and Comcast (-8.6% USD), which were both impacted from negative read-across from peers, rather than company specific developments.

as of 02.29.2024 (in USD)	**1 year**	**3 years annualized**	**5 years annualized**	**10 years annualized**
Global Innovators, Investor Class[1]	42.85%	8.65%	16.40%	12.31%
Global Innovators, Institutional Class[2]	43.20%	8.92%	16.69%	12.54%
MSCI World Index NR	24.96%	8.64%	11.64%	9.06%

as of 12.31.2023 (in USD)	**1 year**	**3 years annualized**	**5 years annualized**	**10 years annualized**
Global Innovators, Investor Class[1]	39.34%	5.99%	17.31%	11.52%
Global Innovators, Institutional Class[2]	39.70%	6.26%	17.60%	11.75%
MSCI World Index NR	23.79%	7.27%	12.80%	8.60%

All returns after 1 year annualized.

[1] Investor class (IWIRX) Inception 12.15.1998 Expense ratio* 1.24% (net); 1.27% (gross)
[2] Institutional class (GINNX) Inception 12.31.2015 Expense ratio* 0.99% (net); 1.10% (gross)

[2] Performance data shown for Global Innovators, Institutional Class (GINNX), prior to its launch date on 12/31/15, uses performance data from the Global Innovators, Investor Class (IWIRX).

Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. For most recent month-end and quarter-end performance, https://www.gafunds.com/our-funds/global-innovators-fund/#fund_performance or call (800) 915-6566.

*The Advisor has contractually agreed to reimburse expenses (excluding Acquired Fund Fees and Expenses, interest, taxes, dividends on short positions and extraordinary expenses) in order to limit the Fund's Total Annual Operating Expenses to 1.24% for the Investor class and 0.99% for the Institutional class through June 30, 2026. To the extent that the Advisor absorbs expenses to satisfy this cap, it may recoup a portion or all of such amounts absorbed at any time within three fiscal years after the fiscal year in which such amounts were absorbed, subject to the expense cap in place at the time recoupment is sought, which cannot exceed the expense cap at the time of waiver. The expense limitation agreement may be terminated by the Board of the Fund at any time without penalty upon 60 days' notice.

Mutual fund investing involves risk and loss of principal is possible. Investments in foreign securities involve greater volatility, political, economic and currency risks and differences in accounting methods. These risks are greater for emerging markets countries. The Fund also invests in medium and smaller companies, which will involve additional risks such as limited liquidity and greater volatility. The Fund's focus on the technology, internet and communications sectors are extremely competitive and subject to rapid rates of change.

Securities mentioned are not recommendations to buy or sell any security.

Current and future portfolio holdings are subject to risk.

Top 10 holdings for Global Innovators Fund, as of 2/29/2024:

1.	NVIDIA Corp	5.05%
2.	Meta Platforms Inc. - Class A	4.42%
3.	Lam Research Corp	4.39%
4.	KLA-Tencor Corp	4.29%
5.	Applied Materials Inc	4.16%
6	salesforce.com Inc	4.04%
7.	Microsoft Corp	4.00%
8.	Amphenol Corp.	3.96%
9.	Intuit Inc	3.80%
10.	ABB Ltd	3.77%

For a complete list of holdings for the Global Innovators Fund, please visit: https://www.gafunds.com/our-funds/global-innovators-fund/

The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory and summary prospectuses contain this and other important information and can be obtained by calling 800- 915-6565 or visiting www.gafunds.com. Read and consider it carefully before investing.

Earnings growth is not representative of the Fund's future performance.

MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets.

MSCI World Value Index captures large and mid-cap securities exhibiting overall value style characteristics across 23 Developed Markets countries. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield.

MSCI World Growth Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of large and mid-cap securities exhibiting overall growth style characteristics across developed markets.

The MSCI World Equal Weighted Index represents an alternative weighting scheme to its market cap weighted parent index, the MSCI World Index. The index includes the same constituents as its parent. However, at each quarterly rebalance date, all index constituents are weighted equally, effectively removing the influence of each constituent's current price (high or low).

The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. Indexes are available for the U.S. and various geographic areas.

The Purchasing Managers' Index (PMI) is an index of the prevailing direction of economic trends in the manufacturing and service sectors.

One basis point (bp) is equal to 1/100th of 1%, or 0.01%, or 0.0001, and is used to denote the percentage change in a financial instrument. The relationship between percentage changes and basis points can be summarized as follows: 1% change = 100 basis points and 0.01% = 1 basis point.

The Federal Open Market Committee (FOMC) consists of twelve members--the seven members of the Board of Governors of the Federal Reserve System; the president of the Federal Reserve Bank of New

York; and four of the remaining eleven Reserve Bank presidents, who serve one-year terms on a rotating basis.

Standard deviation is a statistic that measures the dispersion of a dataset relative to its mean and is calculated as the square root of the variance. If the data points are further from the mean, there is a higher deviation within the data set. A volatile stock has a high standard deviation, while the deviation of a stable blue-chip stock is usually rather low.

The Nasdaq-100 (NDX) is a large-cap growth index. It includes 100 of the largest domestic and international non-financial companies listed on the Nasdaq Stock Market based on market capitalization.

The MSCI Cyclical and Defensive Sectors Indexes are designed to track the performance of the opportunity set of global cyclical and defensive companies across various Global Industry Classification Standard (GICS®) sectors. Cyclical sectors include Communication Services, Consumer Discretionary, Financials, Industrials, Information Technology, Materials, Real Estate. Defensive sectors include Consumer Staples, Energy, Healthcare, Utilities.

The MSCI China Index captures large and mid cap representation across China A shares, H shares, B shares, Red chips, P chips and foreign listings (e.g. ADRs). With 717 constituents, the index covers about 85% of this China equity universe. Currently, the index includes Large Cap A and Mid Cap A shares represented at 20% of their free float adjusted market capitalization.

The Dow Jones Industrial Average is a list or index of 30 companies considered indicators of the stock market's overall strength. It is a benchmark index of 30 blue-chip companies listed on U.S. stock exchanges.

Japan's Nikkei 225 Stock Average, the leading and most-respected index of Japanese stocks. It is a price-weighted index composed of Japan's top 225 blue-chip companies traded on the Tokyo Stock Exchange.

The Stoxx Europe 600 Index is derived from STOXX's Europe Total Market Index and is a subset of the popular Stoxx Global 1800 Index. It has a fixed number of 600 components, representing large, mid, and small-capitalization companies from 17 countries in Europe: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland, and the United Kingdom.

Beta is a measure of a stock's volatility in relation to the overall market.

R-squared (R^2) explains to what extent the variance of one variable explains the variance of the second variable. R-squared is a statistical measure that represents the proportion of the variance for a dependent variable that's explained by an independent variable or variables in a regression model.

Duration: The duration number is a complicated calculation involving present value, yield, coupon, final maturity and call features. Fortunately for investors, this indicator is a standard data point provided in the presentation of comprehensive bond and bond mutual fund information. The bigger the duration number, provided in years, the greater the interest-rate risk or reward for bond prices. It can also be used to describe equities in a similar manner: a higher duration suggests most cash flows are expected far into the future, with a lower duration suggesting more stable cash flows over the short and long term.

Gross domestic product (GDP) is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period.

Earnings per share (*EPS*) is calculated as a company's profit divided by the outstanding shares of its common stock.

Price-Earnings (P/E) ratio is a valuation ratio of a company's current share price compared to its per-share earnings. Forward earnings differ from trailing earnings, which is the figure quoted more often, as they are a projection and not a fact.

Forward price-to-earnings (forward P/E) is a version of the ratio of price-to-earnings (P/E) that use forecasted earnings for the P/E calculation. While the earnings used in this formula are just an estimate and not as reliable as current or historical earnings data, there are still benefits to estimated P/E analysis

Cash Flow is the total amount of money, in cash, being transferred into and out of a business.

The multiples approach is a valuation theory based on the idea that similar assets sell at similar prices. It assumes that the type of ratio used in comparing firms, such as operating margins or cash flows, is the same across similar firms.

Multiple expansion is when a stocks valuation multiple (for example, their Price to Earnings ratio, or EV to EBITDA ratio) increases, meaning that the stock is now more expensive than before.

The MSCI World Information Technology Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of large and mid-cap equities across 23 developed markets, all classified within the Information Technology sector.

The S&P 500 Index features 500 leading U.S. publicly traded companies, with a primary emphasis on market capitalization.

Capital expenditures (CapEx) are funds used by a company to acquire, upgrade, and maintain physical assets such as property, technology, or equipment. CapEx is often used to undertake new projects or investments by a company.

EBITDA, or earnings before interest, taxes, depreciation, and amortization, is an alternate measure of profitability to net income

The MSCI World Semiconductors and Semiconductor Equipment Index is composed of large and mid-cap stocks across 23 Developed Markets (DM) countries*. All securities in the index are classified in the Semiconductors and Semiconductor Equipment Industry Group (within the Information Technology sector)

The MSCI World Quality Index is based on MSCI World, its parent index, which includes large and mid cap stocks across 23 Developed Market (DM) countries. The index aims to capture the performance of quality growth stocks by identifying stocks with high quality scores based on three main fundamental variables: high return on equity (ROE), stable year-over-year earnings growth and low financial leverage.

The Goldman Sachs Non-Profitable Technology Index consists of non-profitable US listed companies in innovative industries. Tech is defined quite broadly to include new economy companies across Global Industry Classification Standard (GICS) industry groupings. The basket of tech stocks is optimized for liquidity with no name initially weighted greater than 4.65%

The MSCI USA Index is designed to measure the performance of the large and mid cap segments of the US market. With 625 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in the US.

The MSCI World Consumer Discretionary Index is designed to capture the large and mid cap segments across 23 Developed Markets (DM) around the world. All securities in the index are classified in the Consumer Discretionary sector as per the Global Industry Classification Standard (GICS®).

Forex (FX) refers to the global electronic marketplace for trading international currencies and currency derivatives. Most of the trading is done through banks, brokers, and financial institutions.

Year-over-year (YoY) sometimes referred to as year-on-year, is a frequently used financial comparison for looking at two or more measurable events on an annualized basis

One cannot invest directly in an index.

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