



Executive Summary

Efforts to reopen the global economy continue to expand with a rise in global vaccination rates. This means the global economy should continue to rebound over the course of the year, with momentum rotating from the US to the rest of the world. This will likely lead to global 2021 economic growth increases in the range of 6-7%, led by China, India and the US. Interest rates in the developed economies are expected to remain on hold for the next two to three years. A combination of loose fiscal and monetary policy will support a powerful rebound in household and corporate spending in 2H21. The elevated risk of a larger-than-desired jump in inflation and potential increase in US Treasury 10-year yields to 2.0-2.25% by summer represents the core risks that might challenge equity markets. We expect higher volatility in coming months, but robust earnings growth should support equities over the course of the year. The Technology of the Future Fund realized a **-3.43%** return in March, underperforming the benchmark MSCI World Index (USD), which had a return of **+3.11%**.

Economy and Markets

The increase in 10Y UST yields and rising inflation expectations sparked the volatility rise in markets in February and March. The favorable baseline macroeconomic outlook is consistent with further increases in longer-term interest rates down the road to a 2.0-2.25% level, especially as investors factor in greater inflation risk over time. Just over 80% of respondents in Deutsche Bank's March institutional survey saw inflation as more likely after the pandemic, but a majority of economists expect that the upcoming "bump" in inflation will be transitory due to base effects. Most of these professionals think that the risks of inflation in the US are higher than in the EU. In any case, our base assumption is that inflation is likely to become a major problem by the middle of the decade.

Deutsche Bank's 10Y UST model suggests a current fair value of 1.93% (as of March 29th), therefore the potential move in yields in 2021 could near 100 basis points. Historically, Stocks have struggled in the past when 10y Treasury yields have moved up by ~100-125bps. The typical pullback has been ~10% with about a one- to two-month lag. But as long as bond yields do not rise enough to trigger a recession in 2021, stocks should be able to shrug off the effects of higher yields. On the other hand, if rates move significantly higher, it could trigger a major correction and violent dislocations across asset classes.

Another important factor that should support equities is the US dollar. On balance, while the dollar could strengthen a bit more over the next month or so, we anticipate a moderate continued weakening of the USD over the course of 2021 as a result of negative real yields in the US. This should support global equities, especially emerging markets, commodities and precious metals.

Investment Strategy and Portfolio Changes

The positioning of the portfolio in January 2021 for a market consolidation and return of volatility proved to be the right move. After selling/decreasing positions in overpriced stocks in January 2021, we are able to buy back some of our positions at prices up to 30 % cheaper. A prime example of this includes shares of Renewable Energy and Baidu, which we sold in January 2021, as both companies showed portfolio returns in excess of 90% over the nine-month period and because the shares seemed overpriced. We repurchased the positions in March at levels that were 30% cheaper.



Technology of the Future Fund

We are fully aware of the rotation which is happening in equity markets. Investors are moving away from technology sector and investing capital in cyclicals, especially in financials, industrials, and energy stocks. Value stocks will maintain their recent outperformance. This might result in the short-term underperformance of our core technology disruptors portfolio, but we are confident in earnings growth and resultant outperformance of our core strategic portfolio in the long-term. Thus, we will continue to add to our core positions in the IT and Biotech sectors using any volatility and weakness in the markets. Sacrificing short-term performance for long-term strategic goals has been a personal signature of our strategy for years.

After waiting for more than six months since the IPO for the share price to come down, we opened a new position in Snowflake in March. We believe Snowflake is in the sweet spot for two of the most important secular trends of this decade: data-driven decision making and cloud adoption. We think investors underappreciate the company's competitive positioning and fail to recognize the full scale of the opportunity that can be captured by its business. Data analytics is a critical component of digital transformation initiatives in the corporate world.

The Technology of the Future Fund had a **-3.43%** return in March, underperforming major indexes and the benchmark MSCI World Index (USD), which had a return of **+3.11%**. The main reason for underperformance was the negative performance of our core biotech stocks, as the weight of the Biotech sector in the fund is 24%. Overall, there has been a rotation from the IT and Biotech sectors towards value and cyclical names. This is reflected by the Nasdaq Biotech Index, which experienced a -4.29% return for the month.

YTD the fund has delivered a **-1.11%** return, underperforming all major indexes and the benchmark MSCI World Index (USD), which had a return of **+4.52%**.

Monthly performance %

As of 31.03.2021

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2020	-0.11%	+0.79%	-7.86%	+6.45%	+8.51%	+6.03%	-0.17%	+1.51%	-0.22%	-1.39%	+18.08%	+3.22%	+38.07%
2021	+2.05%	+0.35%	-3.43%	-	-	-	-	-	-	-	-	-	-1.11%

Technology of the Future Fund performance vs. major equity indexes

	March 2021	YTD 2021
Technology of the Future Fund (USD)	-3.43%	-1.11%
S&P 500 (USD)	+4.24%	+5.77%
NASDAQ 100 (USD)	+1.41%	+1.58%
NASDAQ Biotech (USD)	-4.29%	-0.72%
DJ Stoxx 600 (USD)	+3.04%	+3.39%
MSCI EM (USD)	-1.70%	+1.95%
Micex, Russia (USD)	+3.82%	+5.61%
Shanghai Composite (USD)	-3.09%	-1.30%
MSCI World (USD) (Fund's benchmark)	+3.11%	+4.52%

Performance contributors

March 2021

Top contributors	Return %	Contribution
E-Health	+22.40%	+0.95
Saniona	+22.92%	+0.97
Osisko Gold Royalties	+10.31%	+0.22

Bottom contributors	Return %	Contribution
Translate Bio	-29.35%	-1.30
Geely	-21.51%	-0.52
Alteryx	-13.22%	-0.50



Performance Contributors, March 2021

Shares of Swedish Biotech company **Saniona** increased more than 22% based on bullish management views on prospects for registering the company's primary drug, Tesomet, with the US Food & Drug Administration and potential listing of the company's shares in the US. Company share Purchases by top management added some fuel to the fire. Shares of US online health insurance provider, **E-Health** (+22%), bounced back after activist institutional investors acquired large blocks of shares and nominated directors to the company's board. We have been adding to our position since the shares began falling in January, after the company provided poor guidance for 2021. We have confidence in the company's platform, which offers an efficient online solution to help beneficiaries navigate open enrollment. The shares of Canadian gold producer Osisko Gold Royalties (+10.31%) went up in line with other goldmining stocks despite weakness in the price of physical gold, as investors seek investments in value stocks. We consider goldmining stocks to be "deep value" at the current time and welcome the shares back into our portfolio. We sold the shares in 2019 with a 90% return in our portfolios. Shares of **Translate Bio** (-29%), our core position in the Biotech sector, were down after the company announced a lack of efficacy signal at multiple doses in its lead cystic fibrosis (CF) program, one of company's core initiatives. The program's contribution to current net asset value is around 30%. So, based on our calculations, negative news is now fully reflected in the share price. The company is a pioneer in developing breakthrough messenger RNA (mRNA)-based therapeutics. Its expanded collaboration with Sanofi for infectious disease vaccines further strengthens its mRNA platform. The company is working on COVID-19 vaccine candidate MRT5500. We have held our position since the announcement because we are confident in the long-term prospective of the overall mRNA technology. This is the same technology used by Moderna and Pfizer to successfully develop their COVID -19 vaccines. At the same time, we are concerned that mRNA medicines have been in development as a therapeutic approach for many years, but, absent the vaccines, no such medicines have come to market yet. Thus, we are conducting additional research on the technology in order to make a decision about our continued investment in the company. The shares of Chinese automaker **Geely** (-21%) were down after the company released 2020 Financial results, which were below expectations. We think that the company's business bottomed in 2020 because of the COVID-19 pandemic. We are bullish on the company's technological leadership in speeding up migration to full electrification and New Energy Vehicles. Geely announced it is forming a JV company with Geely Holding to engage in the development of premium smart Electric Vehicles (EV) under the ZEEKR Brand. Geely Holding has cooperated with BAIDU, FOXCOMM, TENCENT and VOLVO on smart driving and electrification to pursue EV and autonomous driving leadership, which should create synergies and opportunities for Geely. Accordingly, we have increased our position. Renovation of transport infrastructure is a core investment theme in the fund. The shares of US Software company **Alteryx** (-13%) were down as the company addresses a number of challenges that typically confront a growth company "at the edge" of a completely new sector—in this case, the recently emergent one of cloud analytics. At the same time, shares of the company are the victim of a rotation from the IT sector to cyclicals. We still see Alteryx as a 2H turn-around story with lots of growth acceleration potential and will add to our position on any weakness.

Portfolio Structure

We continue to maintain an abnormally high level of cash in the portfolio (21%), as we maintain our portfolio protection bias. We expect to become fully invested at lower levels in the next few months as volatility will rise. We have started to accumulate gold, silver and goldmining stocks as a hedge in the portfolio. Although it might seem strange to have precious metals in the portfolio of a technology fund, we expect volatility in the technology sector to stay high in 2021. And, while we remain committed to our core tech ideas, we prefer to control the downside risks in the portfolio.

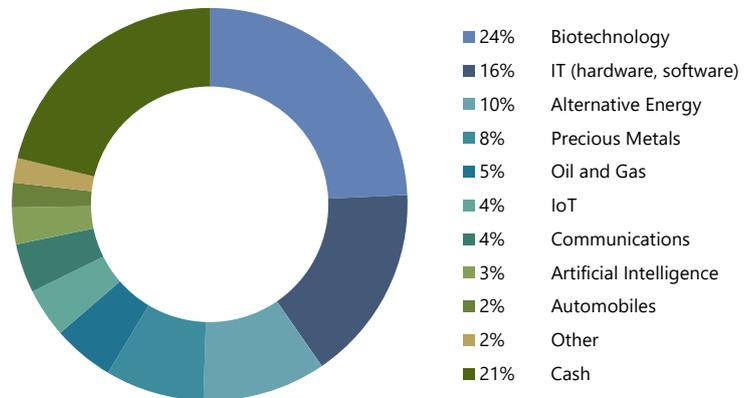


Technology of the Future Fund

Top 5 holdings

Company	Portfolio weight
Renewable Energy	5.6%
Dicerna	4.9%
Translate Bio	4.5%
Minesto	4.5%
E-Health	4.2%

Portfolio structure



Legal Disclaimer

Technology of the Future Fund

This document does not constitute an offer to anyone, or a solicitation by anyone, to make any investments in securities. This document must not be issued, circulated or distributed other than to "professional investors" as defined in Private Placement Memorandum. All information herein must be treated as confidential or legally privileged information that is intended for addressee(s) only. You are advised to exercise caution in relation to its contents. If you are in any doubt about any of the contents of the document, you should obtain independent professional advice. This material is presented solely for informational purposes and nothing herein constitutes investment, legal, accounting or tax advice, or a recommendation to buy, sell or hold a security. Information is obtained from sources deemed reliable, but there is no representation or warranty as to its accuracy, completeness or reliability. All information is current as of the date of this material and is subject to change without notice. Any views or opinions expressed may not reflect those of the firm as a whole. Third party economic or market estimates discussed herein may or may not be realized and no opinion or representation is being given regarding such estimates. This material may include estimates, outlooks, projections and other "forward-looking statements." Due to a variety of factors, actual events may differ significantly from those presented. Indexes are unmanaged and are not available for direct investment. Investing entails risks, including possible loss of principal. Unless otherwise indicated, returns shown reflect reinvestment of dividends and distributions. Past performance is no guarantee of future results. Investing in foreign securities involves greater risks than investing in local securities, including currency fluctuations, interest rates, potential political instability, restrictions on foreign investors, less regulation and less market liquidity. This summary is not a complete list of the risks and other important disclosures involved in investing in Technology of the Future Fund, details of which can be found in the Private Placement Memorandum.