

THIS LETTER IS CONFIDENTIAL. BY ACCEPTING RECEIPT OF THIS CONFIDENTIAL LETTER FROM ALKEON, THE RECIPIENT AGREES NOT TO DUPLICATE OR FORWARD THIS LETTER OR PORTIONS THEREOF OR FURNISH COPIES OF THIS LETTER OR PORTIONS THEREOF TO ANY PERSON, OTHER THAN SUCH RECIPIENT'S PROFESSIONAL ADVISORS, WITHOUT THE PRIOR WRITTEN CONSENT OF ALKEON. THE LETTER IS PROTECTED UNDER THE DEFENSE OF TRADE SECRET ACT (DTSA) AND DISCLOSURE OR USE OF ALKEON'S TRADE SECRET INFORMATION WITHOUT EXPRESS CONSENT WILL BE CONSIDERED A MISAPPROPRIATION OF ALKEON'S TRADE SECRET UNDER 18 U.S.C. 1839(5). ANY BREACH OF THIS CONFIDENTIALITY WILL RESULT IN IRREPARABLE HARM TO ALKEON. ANY RECIPIENT WHO IS ALSO AN INVESTOR IN THE FUND IS REMINDED THAT THIS LETTER AND THE INFORMATION CONTAINED HEREIN IS GOVERNED BY THE CONFIDENTIALITY PROVISIONS IN ITS SUBSCRIPTION AGREEMENT.



Dear Partner,

	Dec 2020	2020	Alkeon Growth Strategy Since Inception (Cumulative)	Alkeon Growth Strategy Since Inception (Annualized)
<b>Alkeon Growth Partners<sup>1</sup></b>	<b>5.03%</b>	<b>54.40%</b>	<b>2672.00%<sup>2</sup></b>	<b>15.54%<sup>2</sup></b>
MSCI World	4.14%	14.06%	187.22%	4.69%
MSCI AC World	4.53%	14.34%	183.60%	4.64%

**Alkeon Growth Partners Portfolio Information (Approximate)<sup>3</sup>:**

- Net Exposure (delta adjusted) 77.9%
- Gross Exposure 149%
- Number of Long Positions 136
- Number of Short Positions 140

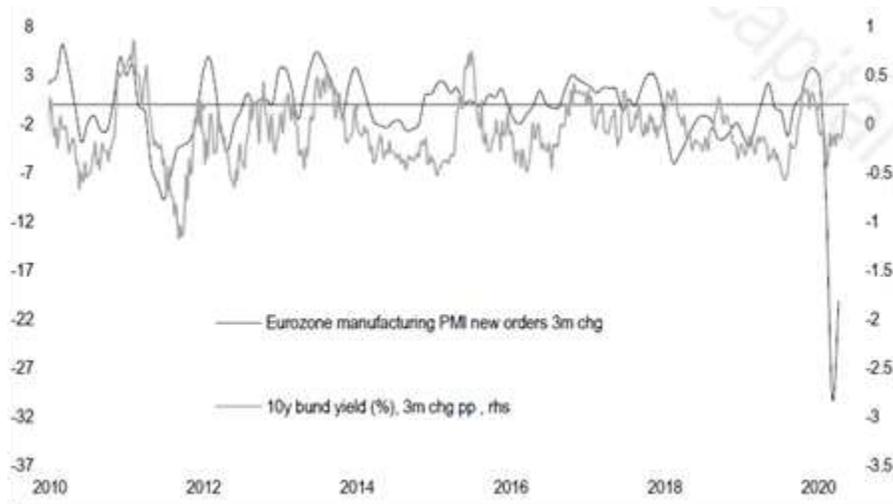
December offered positive results to global equities. Alkeon Growth Partners, LP returned 5.03%. Our long positions had positive performance during the month, while our short positions and market hedges underperformed. Portfolio performance was positive in the US, Asia, Latin America and Europe. On a year-to-date basis, our long positions have contributed a positive 82.64% to the portfolio's cumulative performance, while our short positions and market hedges have contributed a negative 12.37%, each on a gross basis. <sup>4</sup>

Last year was a historic time for the world and an equally unprecedented time for financial markets. In our last published quarterly letter, we detailed how, sadly, the pandemic created one of the best stock-picking environments we have seen in more than two decades of managing hedge fund strategies. The implications are long-lasting, as recent record government stimulus and record low interest rates have critically affected traditional balanced equity/bond portfolio allocations and have created a scarcity of attractive asset choices for investors whose savings have continued to grow.



**Exhibit 1.** *Lowest Interest Rates in 5,000 Years, source Merrill Lynch.*

Simply put, we believe the events of 2020 marked the end of a long era during which Treasuries acted as portfolio diversifiers and market shock protectors. This has already been seen and felt in Europe. At the deepest point of the crisis last March, and when PMIs collapsed, Bund yields only fell marginally.



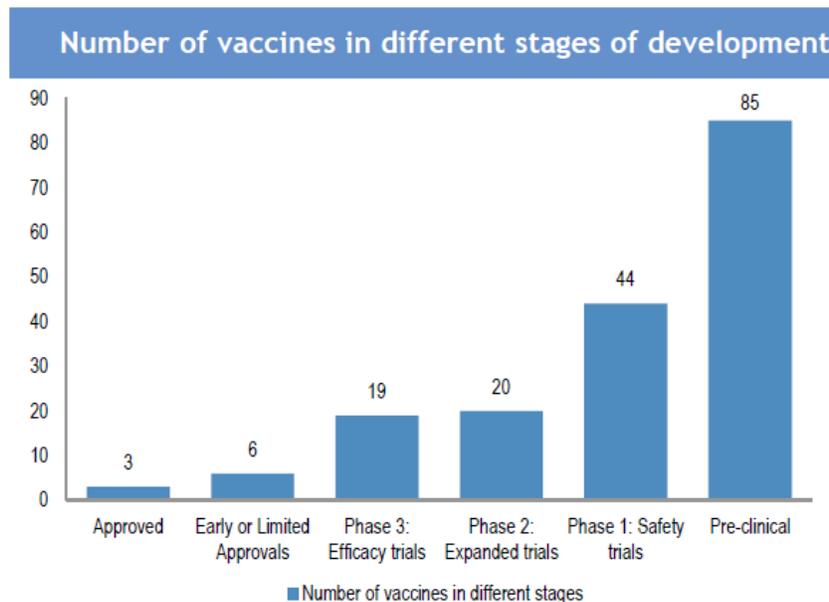
**Exhibit 2.** *Bund Yields Did Not Fall That Much When PMIs Fell, source Credit Suisse.*

The end of the decades-long era of traditional balanced asset allocation (and risk parity), during which Treasuries acted as shock absorbers and protected equity portfolios during major dislocations, is actually a net positive for equities in our view, as it does create a severe scarcity of attractive asset allocation choices in an environment of negative real rates.



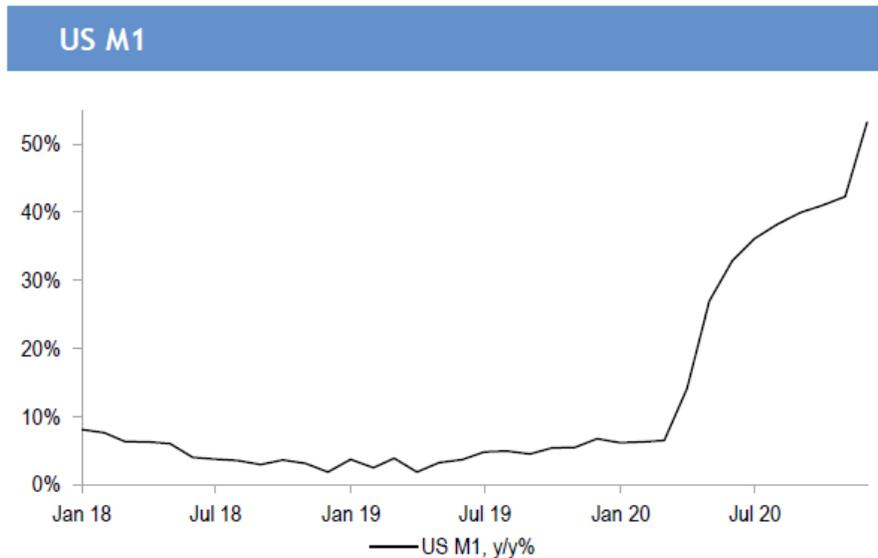
**Exhibit 3.** Negatively Yielding Debt at All-Time Highs, source Merrill Lynch.

Even though last year's strong rally yields a more balanced view near-term in our estimation, we continue to be constructive on equities longer-term and see secular tailwinds in the form of strong excess liquidity, balanced relative valuations and continued strong-free cash flow generation as well as tactical support this year in the form of strong pent-up demand. With the recent vaccine news, we are confident that optimism and science will soon prevail, and we currently believe the economy will recover strongly this year.



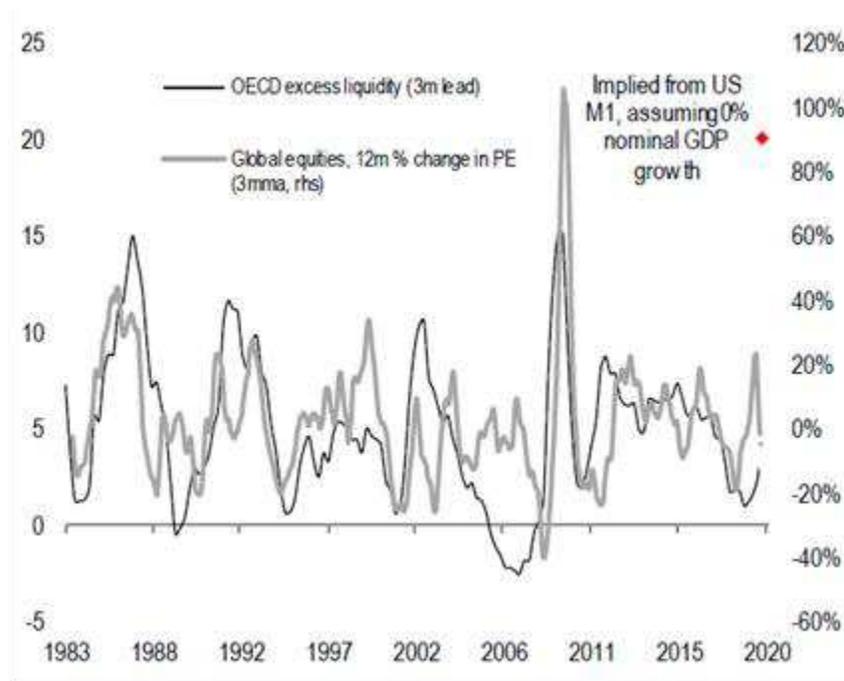
**Exhibit 4.** Number of Vaccines in Different Stages of Development, source JP Morgan.

In particular, and looking at last year's market performance from a high level, we believe that the recent unprecedented (in scale, velocity and scope) liquidity injection has not only supported asset prices, but is likely to have a more prolonged positive effect beyond the current crisis, as money continues to be redeployed into real assets and liquid investments.



**Exhibit 5.** US M1, source JP Morgan.

As we commented throughout last year, increases in excess liquidity, measured by the difference between M1 growth and global GDP growth, are positively correlated with an expansion of equity P/Es.



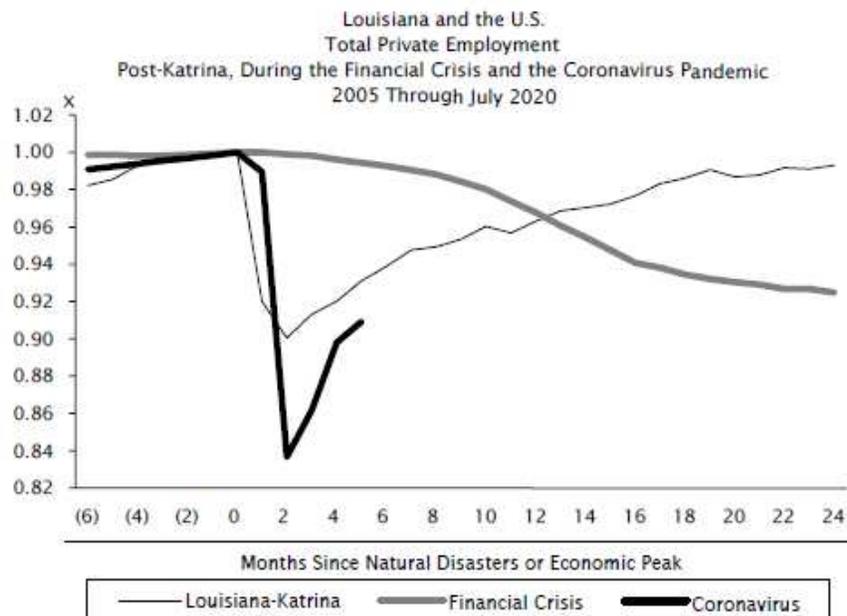
**Exhibit 6.** Increases in Excess Liquidity Imply Significant Year-over-Year Increases to Forward P/Es, June 2020, source Credit Suisse.

Elevated P/Es effectively embed expectations for a re-acceleration in economic activity. This is unsurprising, as M1 growth leads PMIs by approximately nine months on average.



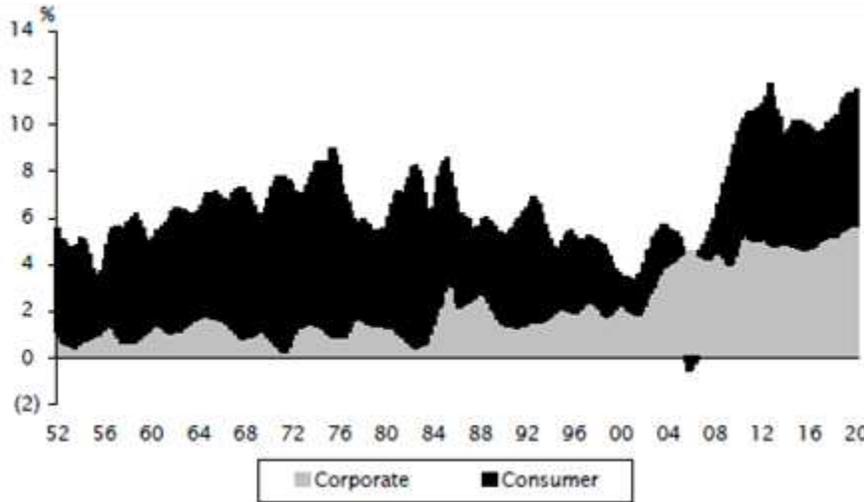
**Exhibit 7.** Eurozone M1 Growth (Deflated by HIPC) vs. Eurozone PMI, source JP Morgan.

It is important to note that the market has accurately assessed and regarded the impact of COVID as transitory and not structural. For example, using employment patterns as a guide, it is clear COVID looks more like an exogenous natural disaster event than a systemic endogenous structural imbalance such as the 2008 global financial crisis. We believe this has provided comfort to equity investors and has helped equity prices stay resilient.



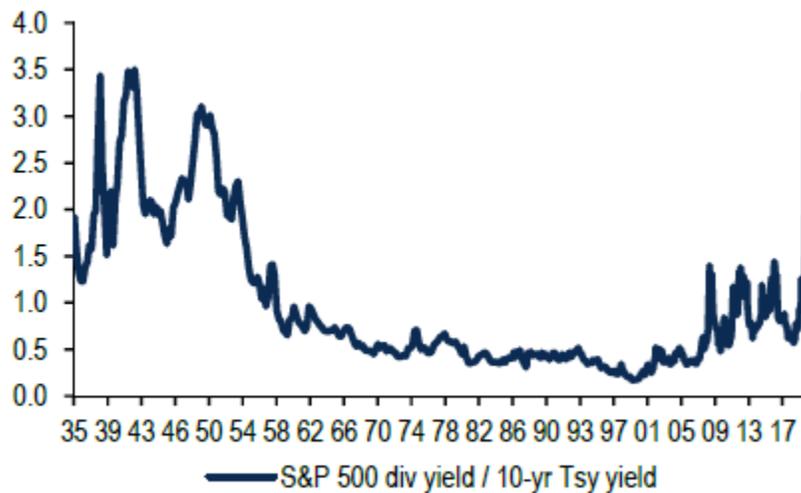
**Exhibit 8.** Total Private Employment in Crisis, source Empirical Research.

This equity market resiliency has been further aided by a stable systemic backdrop with underlying characteristics, such as free cash flows, that remain very healthy, if not enhanced by the recent government stimulus.



**Exhibit 9.** US Consumer and Corporate Free Cash Flow as a Percentage of Nominal GDP, source Empirical Research.

Moreover, the equity market has not only been helped by strong liquidity but also by a scarcity of compelling asset allocation alternatives, as record low interest rates are making stocks look increasingly attractive on a relative basis. Since 1951, the last time the ratio of S&P 500 yields to Treasury yields was at a comparably high level to what we saw around the middle of last year, equities delivered nineteen times outperformance over Treasuries.

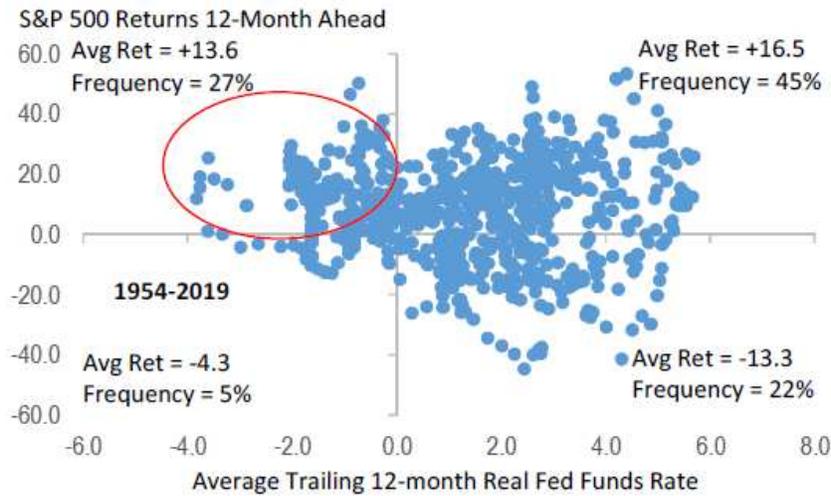


**Exhibit 10.** Stocks have not been this Attractive vs. Bonds since the 1940s, May 2020, source BofA.

And it is not just Treasury yields that are low – real rates are actually negative. Historically, equity market returns have been positive 84% of the time when real rates (fed funds minus core inflation rate) have been negative.

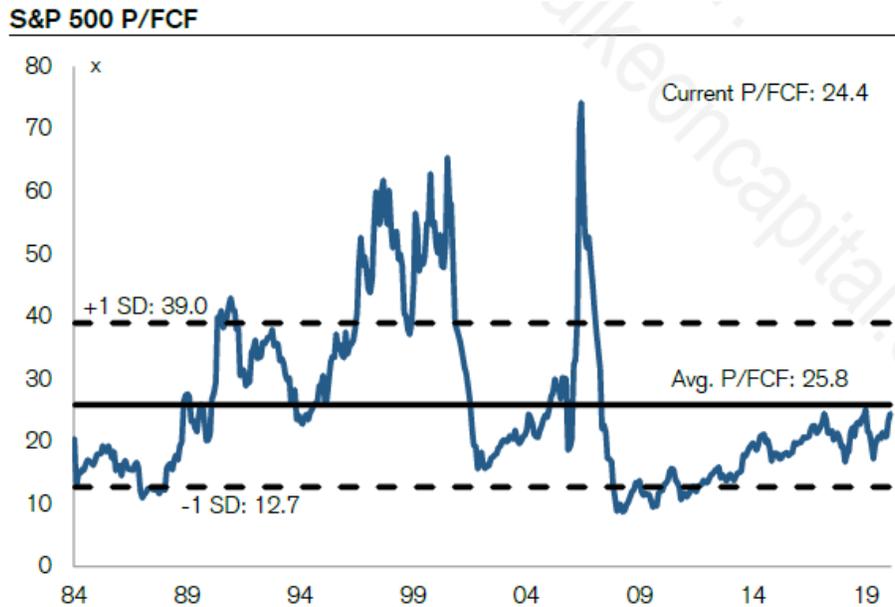
### Historically Negative Real Rates Are Positive for Equities

Likelihood of positive returns when real rate is negative, is  $27/(5+27) = 84\%$



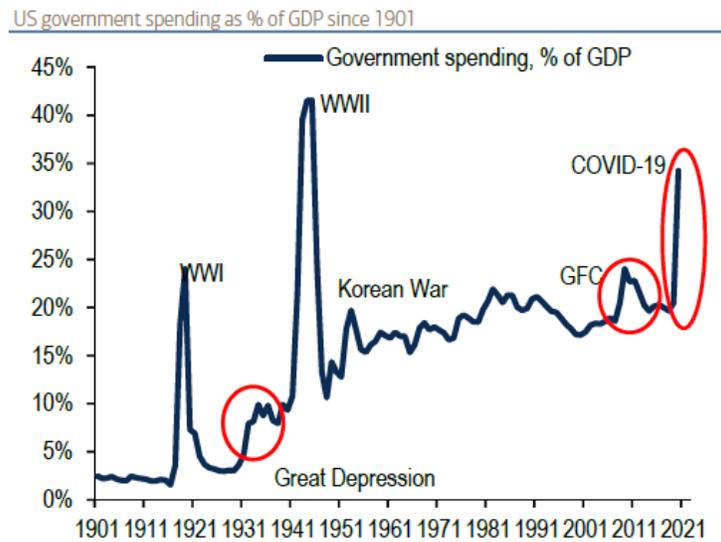
**Exhibit 11.** Negative Real Rates have been Positive for Equities Historically, source JP Morgan.

Lastly, we currently believe valuations remain balanced, particularly from a relative standpoint. Moreover, even though P/Es are elevated from an absolute standpoint, free cash flow generation remains very strong, enabling free-cash flow valuations to still remain below average historical levels.



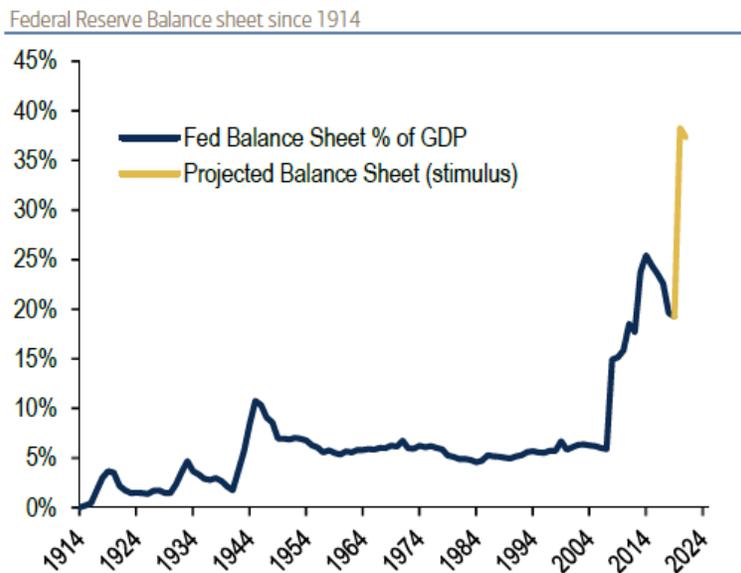
**Exhibit 12.** S&P 500 Index, Price/Free-Cash-Flow Ratio, December 2020, source Credit Suisse.

On the negative side, the recovery is not coming cheap, as this is a brand new era in economic and market history, with unprecedented fiscal and monetary support, which has elevated Government spending to the highest level since World War II.



**Exhibit 13.** Government Spending Surges, source Merrill Lynch.

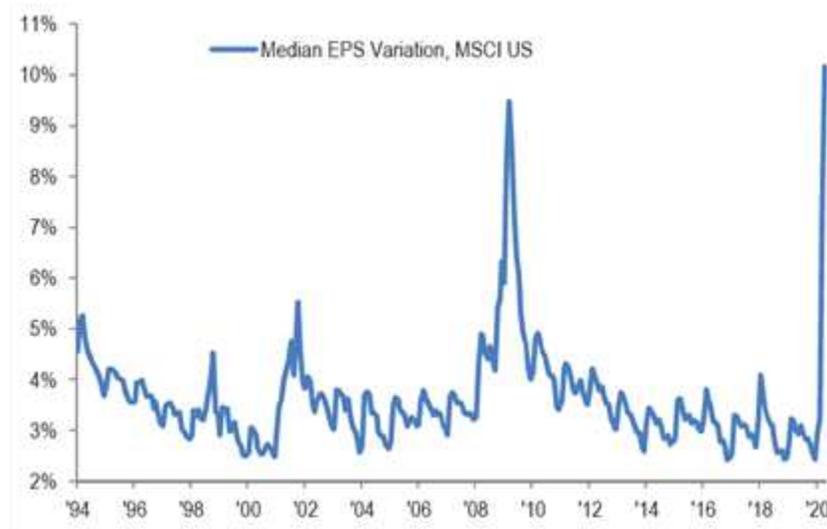
In this new chapter of economic history, fiscal and monetary policies seem coordinated, as maximum government spending is met with record liquidity injection by the Fed. This continues to be a positive for equities in the near-term, but it does create serious long-term structural challenges, including the possibility of a Japan-like disinflationary spiral.



**Exhibit 14.** Fed Balance Sheet, source Merrill Lynch.

At the same time, the backdrop for stock picking is healthy, as performance dispersion among equities remains very high. It is precisely this rapidly changing market environment, driven by high variability in reported earnings and forward earnings expectations, which has created some unique opportunities for alpha-generation, in our view.

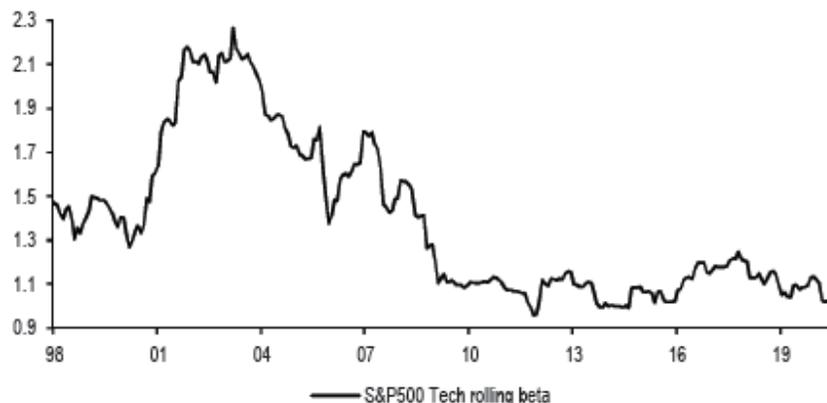
For example, looking at second quarter market highlights from last year, even though earnings results were broadly very negative, they also exhibited a strong dichotomy between companies with strong secular tailwinds and those more dependent on the economy. According to JP Morgan, 34% of S&P 500 companies reported higher revenue growth than pre-COVID estimates.<sup>5</sup> Notably, reported results showed significant bifurcation between Nasdaq 100 companies (earnings surprise of 2% and revenue growth of 9%) and cyclically sensitive small-caps (earnings surprise of -29% and revenue growth of -42%). Moreover, and unsurprisingly, earnings estimate dispersion reached a new record high (100th percentile), driven by high uncertainty in sectors most impacted by COVID.



**Exhibit 15.** Variation in EPS Estimates - MSCI US, May 2020, source JP Morgan.

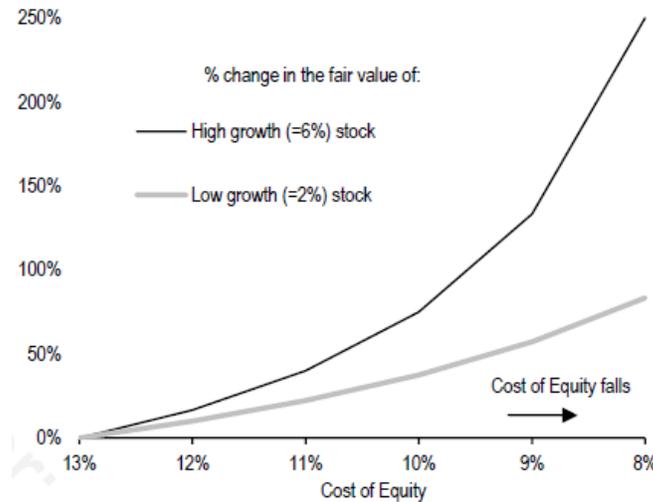
At the sector level, technology companies have generally fared better. As we have described in detail in recent communications, we consider technology to be not only a growth investment but also a defensive one due to its cost-cutting (high ROI) and productivity enhancing proposition to the end customer, superior balance sheet, strong free cash flow conversion, low labor cost to sales, ongoing industry consolidation, very low sensitivity to interest rates, and strong underlying secular innovation trends. Valuations for technology stocks are also supportive, as despite strong relative year-to-date performance, from a free cash flow generation standpoint, the technology sector is trading in line with the S&P 500 (see Exhibit 60 from our most recent quarterly letter).

This defensive posture is also reflected in the steady decline in technology beta over the last two decades.



**Exhibit 16.** US Tech Beta vs. S&P 500 Index, source JP Morgan.

Furthermore, and broadening the discussion to other industries, long duration sectors such as technology, communications and ecommerce consumer discretionary are supported by, one, superior fundamentals, e.g., stronger balance sheets, higher margins and stronger free cash flow generation; two, strong secular trends towards digital transformation, distributed workloads and distributed commerce, “work from everywhere”, and the cloud and SaaS ecosystem that supports this decentralized user architecture, with security, redundancy and agility in its deployment, and elasticity in infrastructure scaling; three, and as shown below, the fall in the cost of equity due to record low interest rates; four, scarcity of growth assets; and, five, in line to superior free cash flow valuations relative to the broader market.



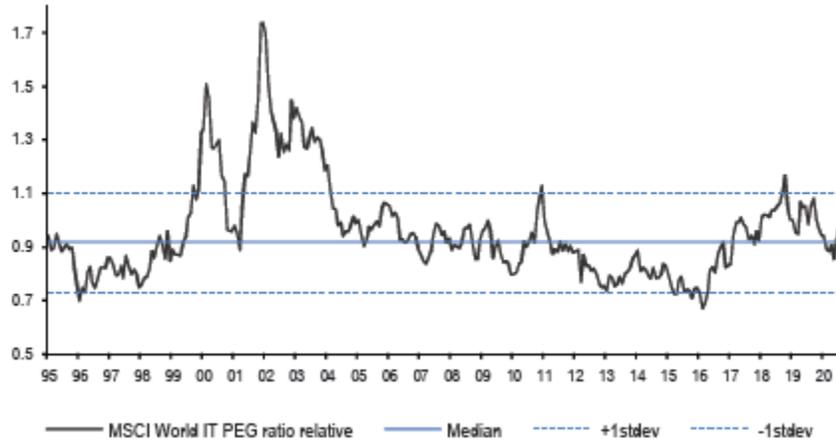
**Exhibit 17.** High-Growth Stocks have Larger Upside from a Fall in the Cost of Equity, May 2020, source Credit Suisse Research.

Notably, the outperformance of domestic technology stocks throughout last year was earnings driven, and not aided by relative multiple expansion. As a result, on a relative forward P/E basis, global technology stocks have recently been trading around their historical average levels.



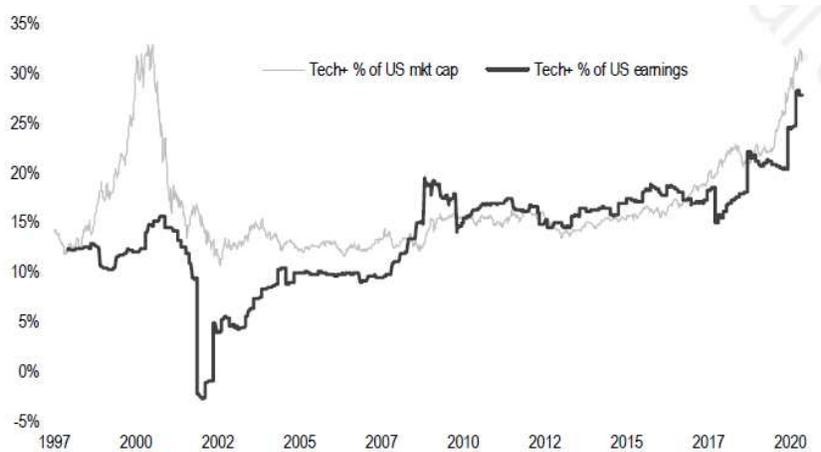
**Exhibit 18.** MSCI World Technology Forward 12-Month PE, August 2020, source JP Morgan.

On a P/E to Growth basis, technology stocks also stand near average levels, and, on that basis, remain chronically undervalued in our view.



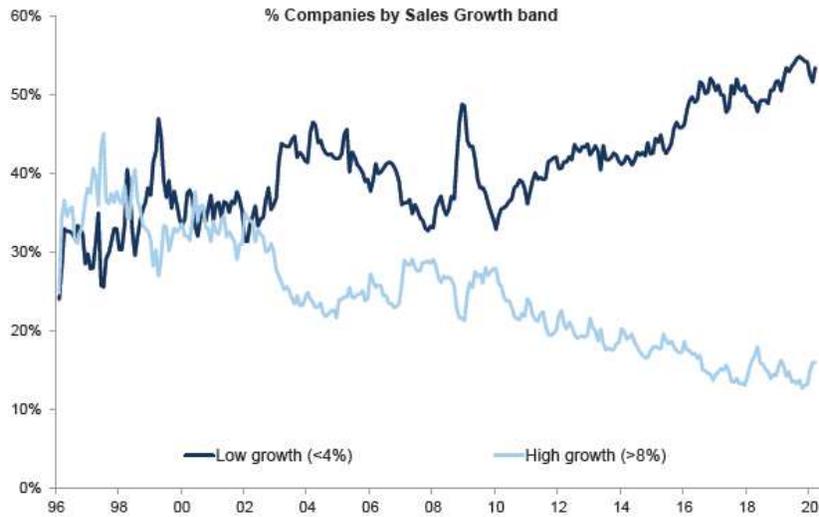
**Exhibit 19.** MSCI World Relative PEG, August 2020, source JP Morgan.

Viewed in a different way, the technology sector market share of earnings has kept up with its share of market cap; this is unlike the tech bubble in the late nineties.



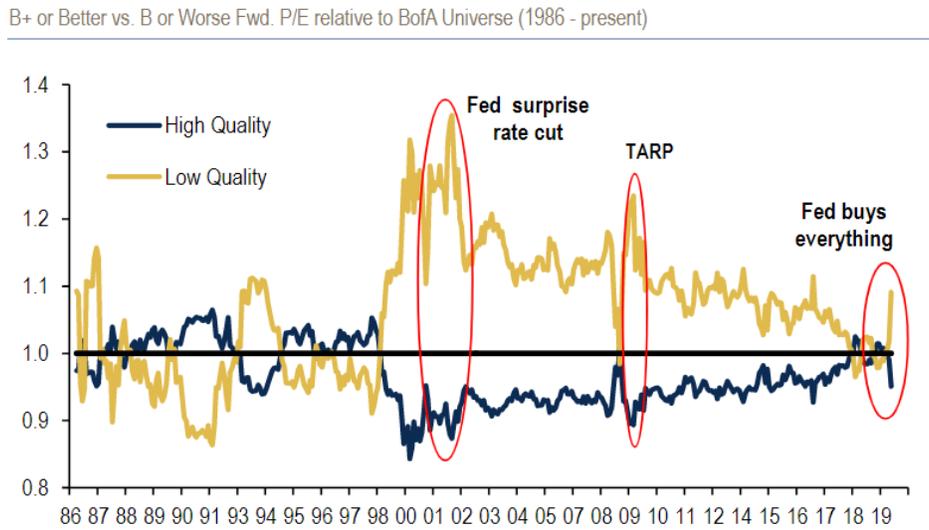
**Exhibit 20.** Technology Share of US Market Cap and Earnings, September 2020, source Credit Suisse.

To further highlight point four above (the attractiveness of long-duration assets), and in particular illustrate how scarce growth assets have become, one need only look at global markets over the last twenty years, and, in particular, observe how slow-growing companies (i.e., those with top-line growth below 4%) have increasingly crowded out fast-growing companies (i.e., those with top-line growth above 8%), creating a severe scarcity of growth assets.



**Exhibit 21.** High Growth Companies are Scarce, MSCI World Index, April 2020, source Goldman Sachs Global Investment Research.

At the same time, and while the equity market has been supported by several factors, opportunities for stock picking remain compelling across large segments of the equity market, in our view. For example, high quality stocks remain cheap vs. low quality stocks, as shown below, even though in theory (and intuitively) riskier assets should trade at a discounted valuation.



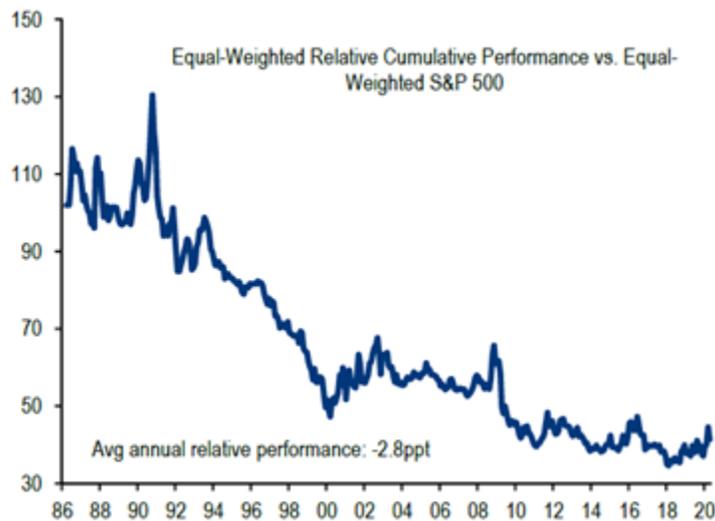
**Exhibit 22.** High Quality Looks Cheap vs. Low Quality but Expect Re-Rating, May 2020, source BofA US Equity & Quant Strategy.

In another broad-scale, aggregate mispricing example, low-beta stocks have appeared overpriced relative to high-beta stocks.



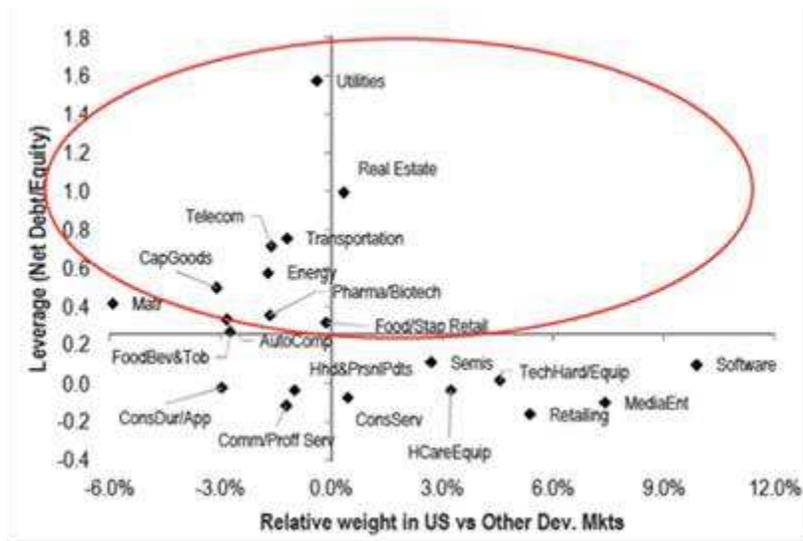
**Exhibit 23.** Relative Fwd. P/E of S&P 500 Index Low Beta and High Beta Quintiles (1986-Present), May 2020, source BofA US Equity & Quant Strategy.

This is remarkable, as low beta-stocks have underperformed for decades.



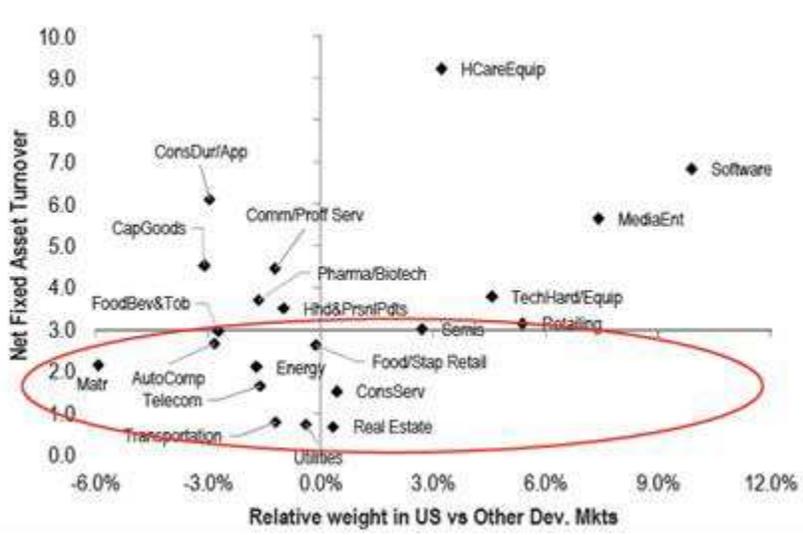
**Exhibit 24.** Relative Performance of S&P 500 Index Bottom Beta Decile Stocks, source Merrill Lynch.

From a geographic standpoint we remain overweight US equities. This does not reflect a macro view, and, in fact, we do currently find attractive individual equity opportunities in emerging markets, for example. However, reflecting our long-standing desire to maintain a high investment exposure to businesses with no (or very little) debt –which we believe helped our portfolio in the recent crisis–, the US simply offers a much broader array of choices.



**Exhibit 25.** US has Lower Exposure to High Leverage Industries, May 2020, source JP Morgan.

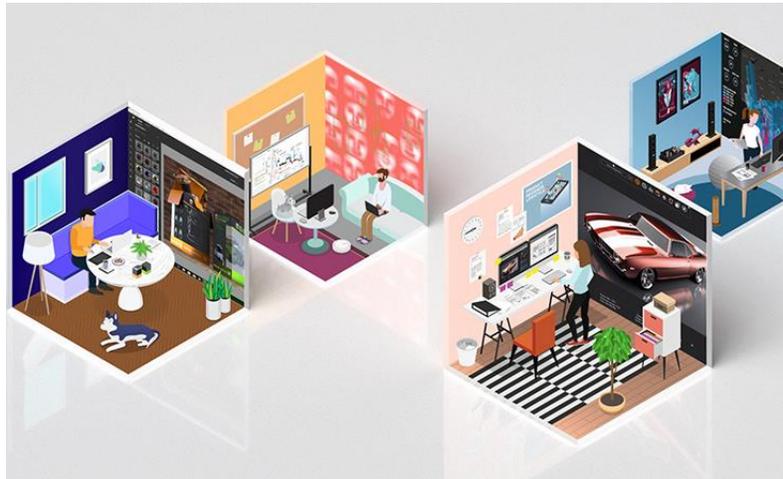
The domestic picture is also favorable to asset-light industries, again consistent with our own investment bias towards that group.



**Exhibit 26.** US has Lower Exposure to Asset-Heavy Industries, May 2020, source JP Morgan.

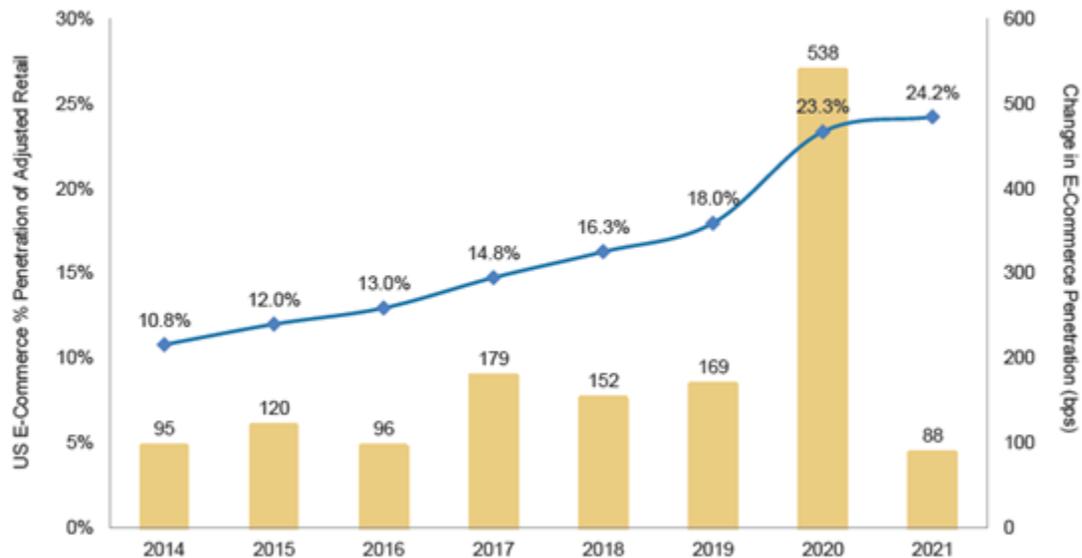
In summary, the presence of low rates and a crisis that has, on one hand, hurt levered and cyclical businesses, while, on the other hand, helped businesses that are enablers of digital transformation accelerate their growth and increase their market penetration, has led to unprecedented opportunities for stock picking for both long and short investments, in our view. In particular, our recent communications have extensively detailed our views on an emerging wave of technological innovation that we expect to be wide in scope, transformative and highly disruptive. We believe the investment implications of this upcoming wave of technological innovation are likely to be dramatic and generally favor long-short strategies that can benefit not only from long investments in companies that innovate but also from short investments in companies trapped in an equally powerful cycle of technological obsolescence.

We recently also discussed how the Coronavirus Crisis powered a change in user behavior, which we believe is likely to not only sustain momentum post crisis but also fundamentally change human to business interaction in a secular manner and digitally transform business collaboration, learning and training as well as the entire sales activity cycle.



**Exhibit 27.** Do Your Life's Work from Everywhere, source Nvidia.

*“We’ve seen two years’ worth of digital transformation in two months. From remote teamwork and learning, to sales and customer service, to critical cloud infrastructure and security – we are working alongside customers every day to help them adapt and stay open for business in a world of remote everything” – Satya Nadella, CEO Microsoft*



**Exhibit 28.** US E-Commerce Penetration, source Morgan Stanley.

Technology is at the very heart of this rapid pace of fundamental secular change. And business leaders are quickly adapting, rapidly evolving legacy business models, as multi-trillion dollar industries turn to AI to accelerate their digital transformation and enhance their chances of survival.

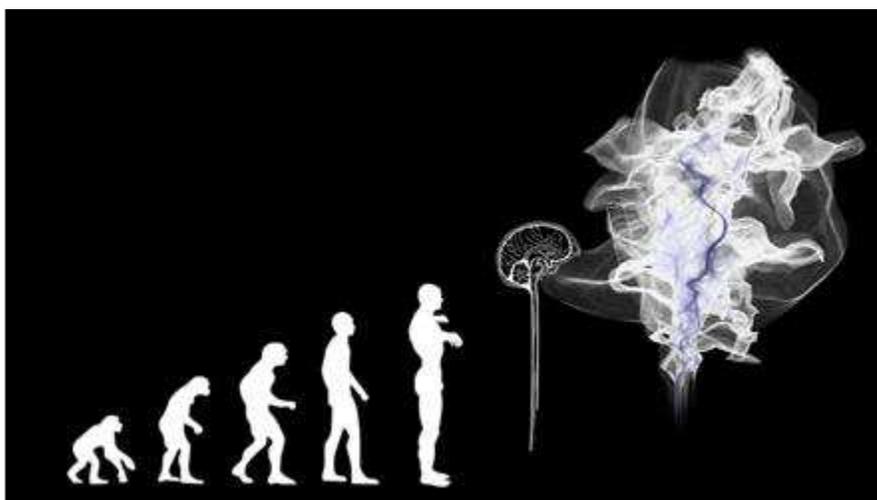


**Exhibit 29.** *AI is Fueling Global Industries, source Nvidia.*

This emerging historic and deeply transformative wave of innovation, the upcoming Fourth Industrial Revolution, is often described as a beautiful "fusion of technologies that is blurring the lines between the physical, digital and the biological", "a technological revolution that will fundamentally alter the way we live, work and relate to one another".<sup>6</sup> It is exactly what Jen-Hsun Huang, visionary CEO of Nvidia, described as "one of the most important revolutions ever, whereas computer scientists used to specify every single instruction one line at a time, now algorithms write algorithms, software writes software, computers are learning by themselves, the era of [M]achine [L]earning", a historic time when "serendipity meets destiny".<sup>7</sup>

*"We always overestimate the change that will occur in the next two years, and we underestimate the change that will occur in the next ten years" – Bill Gates*

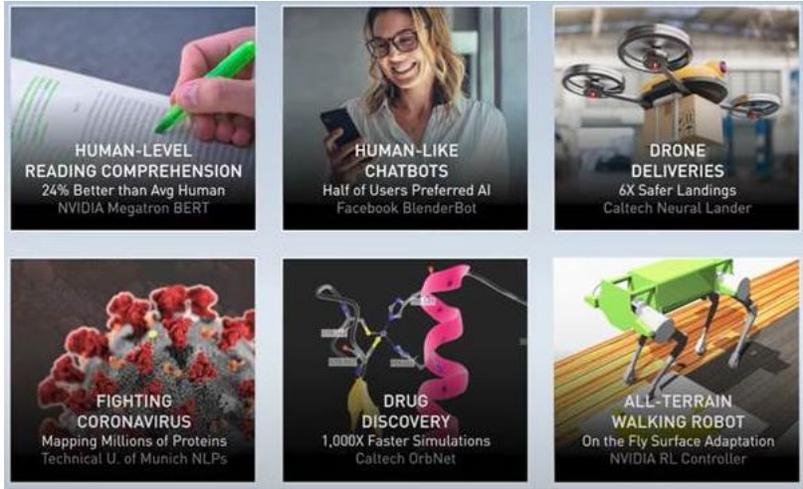
Indeed, most recently in 2020, AutoML Zero, developed by scientists at Alphabet, elevated the idea of automatic machine learning algorithms that are machine-created and can automatically improve themselves through Darwinian style evolution. This approach elevates machine learning innovation to a different level by un-constraining the hand-designed machine learning algorithm building and discovery process that biases searches in favor of human-designed algorithms that are inherently limiting in the number of options they consider – as "you cannot search for what you cannot discover".



**Exhibit 30.** *AutoML-Zero: Evolving Machine Learning Algorithms from Scratch, source Bigthink.*

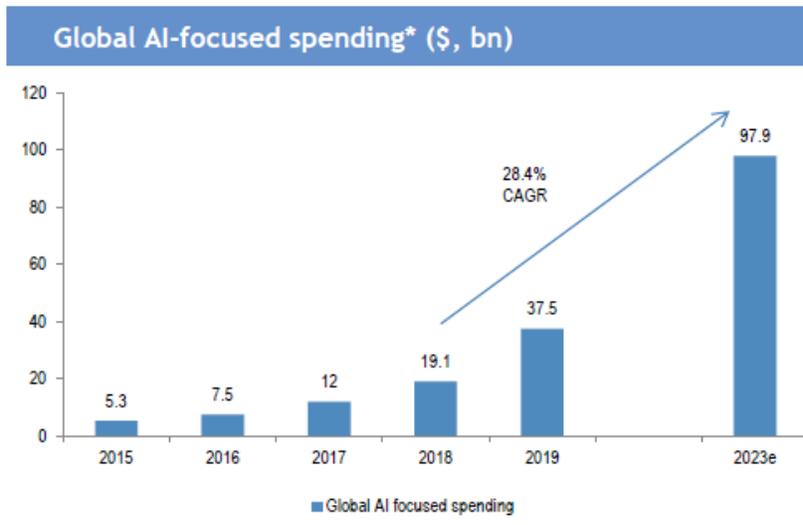
**FOR THE EXCLUSIVE USE OF THE RECIPIENT.  
CONFIDENTIAL, NOT FOR DUPLICATION OR DISTRIBUTION.  
ALL LEGAL RIGHTS RESERVED.**

These recent algorithmic advances bring us closer to the type of AI one sees in movies – human-level AI that rivals the efficacy of human models.



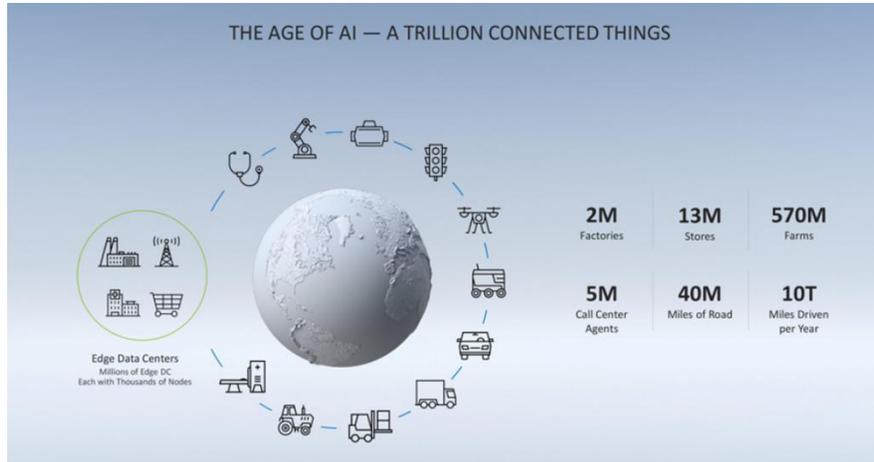
**Exhibit 31.** *Machines Rival Humans, source Nvidia.*

The investment implications are generational in nature. Against this backdrop of incredible disruption, companies are rushing to invest, not to seize the opportunity, but simply to survive the rapidly changing landscape of the Fully Connected Economy. As a result, AI spending alone is projected to grow at 28% annually, approaching \$100 billion by 2023.



**Exhibit 32.** *Global AI-Focused Spending in Billions, source JP Morgan.*

Although AI is attracting most of the media headline attention, the underlying foundational components of this upcoming Fourth Industrial Revolution, such as 5G and IoT applications, are equally important.

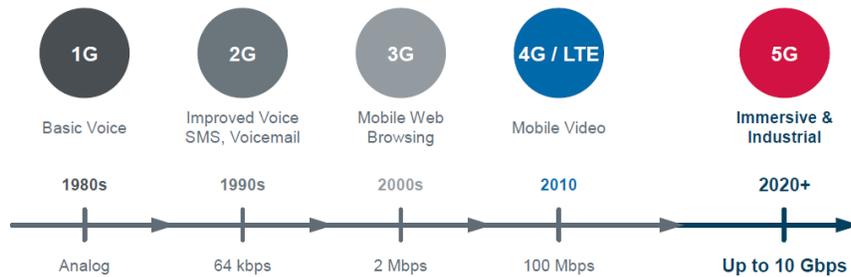


**Exhibit 33.** *The Age of AI, a Trillion Connected Objects, source Nvidia.*

Looking at this essential foundational layer, it is important to recognize that we are at the early and beginning stages of this technological revolution. Even 5G, a critical infrastructure platform underneath the compute and application layers, will take years to deploy fully – as 5G is not a single innovation, but rather a set of advances in spectrum usage.

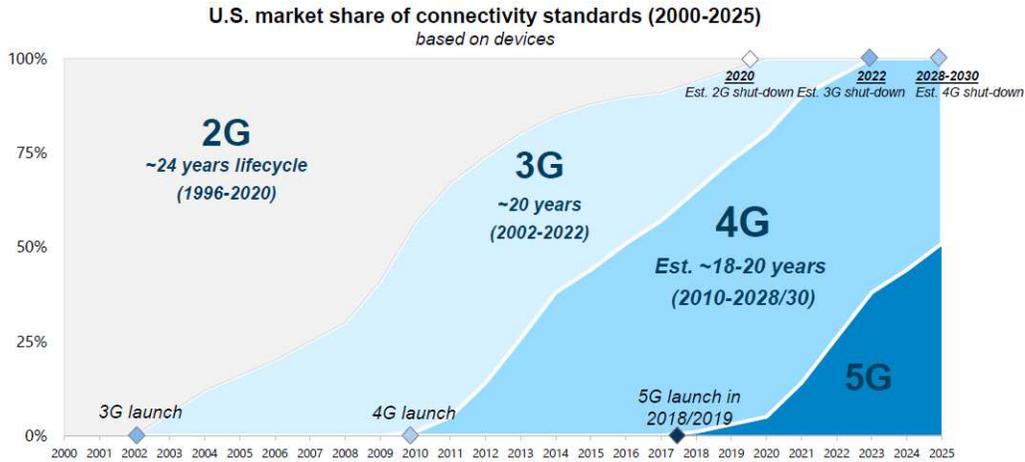
### What is 5G?

*5G is not a single innovation, but rather a set of advancements in spectrum usage*



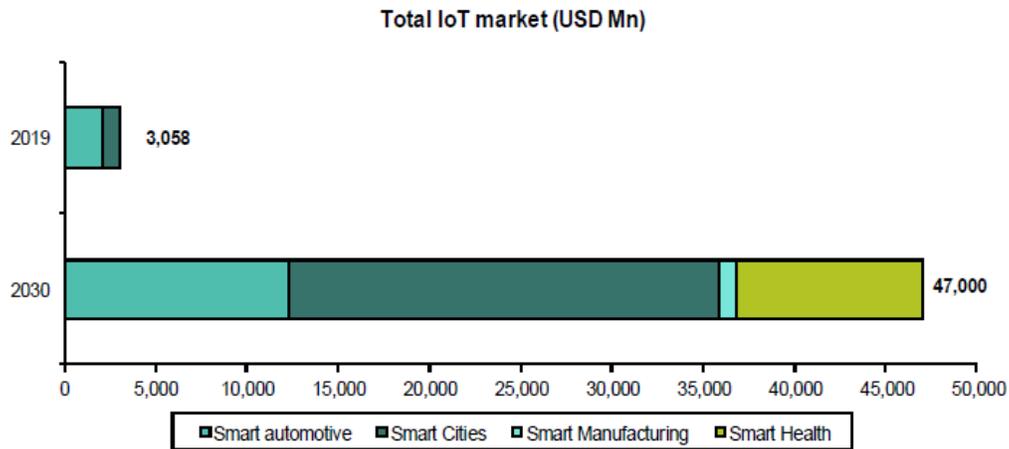
**Exhibit 34.** *What is 5G?, source American Tower.*

Indeed, the network evolution towards 5G is just beginning. This creates an exciting, multi-year, secular investment cycle that is largely independent, and can at times be countercyclical to the economic cycle (e.g., currently in China).



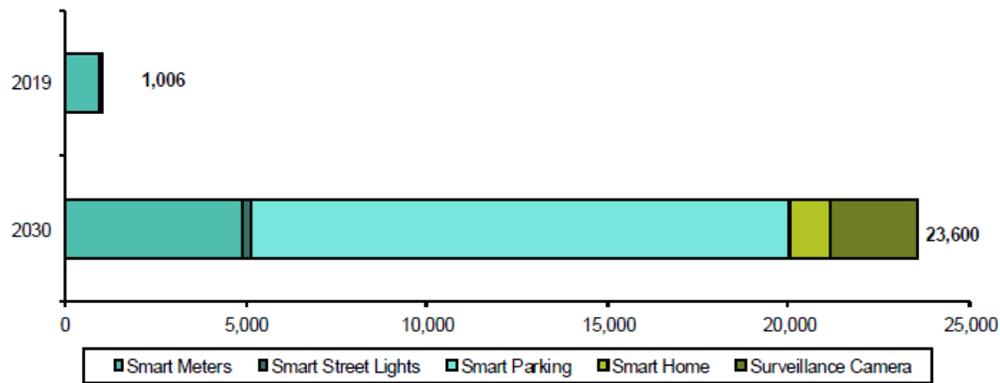
**Exhibit 35.** The Evolution Towards 5G, source American Tower.

It is important to note that these critical physical-layer components of the upcoming Fourth Industrial Revolution, such as 5G and IoT, are of significant size and rapidly growing. By 2030, the size of the US IoT market, for example, is expected to grow fifteen-fold relative to 2019.



**Exhibit 36.** Estimated US IoT Market Growth, July 2020, source Bernstein.

Importantly, global carriers, which are now aggressively building 5G networks, have a strong economic incentive to support and promote advanced commercial applications. Smart city projects, another important application, can allow carriers in the US to increase revenues almost twenty-four times over the next ten years.



**Exhibit 37.** Estimated Smart City Revenue Contribution, Millions, July 2020, source Bernstein.

5G can also transform another huge end market, namely logistics, from driverless long-haul transportation, to last-mile delivery robots, to smart delivery boxes, to IoT-5G-assisted sorting centers and fully automated warehouses. In China, companies like Alibaba and JD Logistics are already building intelligent 5G-enabled logistics parks.



**Exhibit 38.** JD Logistics using 5G in Warehousing and Last-Mile Logistics, source Bernstein.

Our most recently published quarterly letter provides an in-depth analysis of this broad-based wave of technological innovation, which is about to redefine the way we work, live and interact.

In closing, we remain the largest investors in the strategy and have our interests aligned with those of our limited partners.

Sincerely,

Alkeon Capital Management Investment Team

<sup>1</sup> Alkeon Growth Partners, LP (AGP) is one of the original feeder funds into Alkeon Growth Master Fund, Ltd. You may be invested in a different feeder fund that also feeds into that master fund. As described in more detail in the Important Notes at the end of this letter, your particular investment's performance may differ to some extent from the performance shown above.

<sup>2</sup> Performance data is from another investment vehicle which runs pari-passu to Alkeon Growth Partners, LP (AGP) and follows substantially the same investment strategy (the "Alkeon Growth Strategy" or "AGS") as AGP. The other investment vehicle's performance represents the longest track record available for the Alkeon Growth Strategy with an inception date of January 5, 1998 (MSCI data is as of January 1, 1998) and reflects the deduction of the vehicle's actual fees and expenses during the period shown, including the deduction of a 20% incentive fee and a 1% management fee charged to investors prior to March 1, 2004, a 1.5% management fee charged to new investors beginning March 1, 2004 and a 1.75% management fee charged to all investors beginning July 1, 2011. AGP commenced operations in January 2003, and it is subject to a 20% incentive fee and management fees ranging from 1.25% to 2% depending on the series of interests. AGS performance shown above may have been lower during certain

periods had it charged similar fees to AGP. Performance for both AGP and AGS are presented on a fund level. Unless otherwise indicated, index returns are presented on a price return basis only - dividends and reinvestments are excluded. Please see Important Notes at the end of this letter, including "Comparisons to Indices". Past performance is no guarantee of future results.

<sup>3</sup> Alkeon Growth Partner, LP's net exposure estimates are obtained from the Morgan Stanley Performance Measurement (MSPM) System. Please see Important Notes at the end of this letter, including "Gross and Net Exposure". Number of positions is calculated on an issuer basis.

<sup>4</sup> Unless otherwise indicated, long and short performance is based on the performance of both single-name securities and market hedges (if any). Market hedges performance includes the gross cumulative performance of ETF and currency positions. Long and short performance is gross of expenses and fees.

<sup>5</sup> JP Morgan, May 22, 2020.

<sup>6</sup> Klaus Schwab, Founder and Executive Chairman, World Economic Forum, 2016.

<sup>7</sup> Jen-Hsun Huang, Keynote Speech, GTC 2017.

**IMPORTANT NOTES:** Pursuant to the CAN-SPAM Act, this email may be considered an advertisement or solicitation. For EU persons, a copy of Alkeon's EU Privacy Policy is available here: <https://www.alkeoncapital.com/european-union-privacy-policy/>. If you do not want to receive further emails from Alkeon Capital Management, LLC ("Alkeon"), please reply to this email and ask to be removed from our mailing list or click the link at the bottom of this email.

This document is confidential. It cannot be forwarded, copied or otherwise distributed without the prior written consent of Alkeon. The information in this message is for informational purposes only and is not an offer to sell or a solicitation of any offer to buy securities. Any such offer will be made only through the applicable offering materials for one of the funds that Alkeon manages. Consideration of an investment in any fund managed by Alkeon or its affiliates (the "Alkeon Funds") should only be given after a careful review of the necessary offering documents by a prospective investor, and only after the prospective investor is fully satisfied that the prospective investor alone or together with his or her investment representative have asked for and received all information which would enable the investor (or both the investor and his or her investment representative) to evaluate the merits and risks of a potential investment in the Alkeon Funds. The information contained herein is limited and is not intended to provide a representation of the merits or risks associated with an investment in any of the Alkeon Funds. A prospective investor also must review Alkeon's Form ADV for additional details and conflicts of interest. All information in this message is current as of the date hereof but is subject to change without notice. Nothing contained herein shall be deemed or construed to constitute financial or other professional advice. You should not rely on the information contained herein, and should rely solely on, and carefully read, the appropriate offering and related subscription materials relating to any specific investment product before making any investment decision. All content herein has been obtained from sources deemed to be reliable, but is subject to unintentional errors, omissions and changes without notice, and is not warranted by Alkeon as to its accuracy or completeness. This document may not be reproduced in whole or in part in any manner. It is the responsibility of the recipient to independently confirm its accuracy and completeness. Alkeon does not assume any duty to update any information in this document for subsequent changes of any kind.

An investment in the Alkeon Funds involves substantial risks. No guarantee or representation is made that the investment program of the Alkeon Funds will be successful. An investment in the Alkeon Funds should be considered speculative. It is possible that an investor may lose some or all of his or her investment. Past performance is no guarantee of future results.

The performance results for all funds shown above are net of fees and expenses. Those results may not correspond to the results of the other funds that Alkeon manages using similar strategies due to differences in, for example, the timing of investor cash flows, different levels of management fees or performance-based fees and each fund's other expenses.

References to strategy performance data (the "Alkeon Growth Strategy" or "AGS") is from another investment vehicle which runs pari-passu to Alkeon Growth Partners, LP ("AGP") and follows substantially the same investment strategy as AGP. The other investment vehicle's performance represents the longest track record available for the Alkeon Growth Strategy with an inception date of January 5, 1998 (MSCI data is as of January 1, 1998) and reflects the deduction of the vehicle's actual fees and expenses during the period shown, including the deduction of a 20% incentive fee and a 1% management fee charged to investors prior to March 1, 2004, a 1.5% management fee charged to new investors beginning March 1, 2004 and a 1.75% management fee charged to all investors beginning July 1, 2011. AGP commenced operations in January 2003, and it is subject to a 20% incentive fee and management fees ranging from 1.25% to 2% depending on the series of interests. AGS performance referenced above may have been lower during certain periods had it been subject to similar fees as AGP.

FactSet provided forward year EV/EBITDA for securities and indices. Only EV/EBITDA numbers that Alkeon believes to be reasonable were used in calculations.

Calculation of Estimated Performance. The estimated performance results above for recent period ends were prepared by Alkeon and have not been compiled, reviewed or audited by an independent accountant. Alkeon based the performance results for prior years on audited financial statements for those years, but the information for recent, unaudited periods has not been audited and actual final results could vary materially. The performance results reflect each fund's returns as a whole (rather than the returns of a particular investor), and, for recent period ends, reflect estimates of that fund's advisory fees, incentive fees/allocation and expenses. An investor that is charged the highest level of management and incentive fees/allocation likely would experience lower returns because Alkeon charges different management fee rates for different classes of investors and may waive or reduce the advisory and incentive fees/allocation for some investors and thus the results shown reflect "blended" advisory fees and incentive fees/allocation. The results also reflect the reinvestment of dividends and income and a fund's profits or losses from new issues. All investors may not be eligible to be allocated such profits/losses. For more detailed historical performance information for a particular fund please contact Alkeon (212-716-6840 or [alkeon-info@alkeoncapital.com](mailto:alkeon-info@alkeoncapital.com)). THE INFORMATION PROVIDED IS HISTORICAL AND SHOULD NOT BE TAKEN AS AN INDICATION OF FUTURE PERFORMANCE. The information contained herein has been obtained by sources believed to be accurate, but Alkeon makes no guarantee as to the accuracy or completeness thereof.

Gross and Net Exposure. Gross exposure equals long exposure plus the absolute value of short exposure. For example, for 100 USD of capital, if a fund is 150 USD long and 50 USD short, it means that gross exposure is 150 + 50 = 200 USD or 200%. Gross exposure is calculated using each position's gross market value as a percentage of the fund's total gross market value. Net exposure is the exposure level of the fund to the market at the present time. It is calculated by subtracting the short percentage from the long percentage. For example, if a fund is 100% long and 25% short, then the net exposure is 75%. Net exposure is calculated using each position's delta-adjusted exposure with currency positions excluded. A position's delta-adjusted exposure represents its market value times delta (the measure of the sensitivity between an option or derivative price and the underlying stock price).

Comparisons to Indices. Alkeon believes that, although the Alkeon Funds are not benchmarked to any index, comparisons to certain indices may be useful in evaluating the performance of the Alkeon Funds. The MSCI World Index captures large and mid cap representation across 23 developed markets countries. With 1,600 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. The MSCI AC World Index captures large and mid cap representation across 23 developed markets and 26 emerging markets countries. With 2,990 constituents, the index covers approximately 85% of the global investable equity opportunity set. The Alkeon Funds' portfolios contain equity securities and may consist of securities issued by companies in different countries with varying capitalizations and fixed income and non-equity investments, including short sales of securities and margin trading, and are not as diversified as the securities (when aggregated) that comprise the MSCI World Index or the MSCI AC World Index. Unlike the performance of the Alkeon Funds, the performance of the MSCI World Index and MSCI AC World Index do not reflect the

impact of fees or expenses. The index performance shown is on a price return basis only - it does not reflect dividends, the reinvestment of dividends or other income. Any such comparison between the performance results of the Alkeon Funds and the MSCI World Index and MSCI AC World Index should not be relied upon as an accurate prediction of future results.

Differing Investments and Investment Environments. Future investments will be made under different economic conditions and will include different portfolio securities. Members of Alkeon's investment team have changed and may change in future. As a result, potential investors should not assume that they will experience investment performance comparable to that set forth herein.

No Assurance of Investment Return. There can be no assurance that any fund's investment objective will be achieved or that an investor will receive any return on its investment in a fund. A fund's performance may be volatile. An investment should only be considered by persons who can afford a loss of their entire investment. Notwithstanding a fund's use of market hedges, the investment return and principal value of an investment in a fund will fluctuate and may lose money.

References to Specific Companies/Securities. To the extent that this document contains references to specific companies and/or securities, such references are presented solely for informational or attribution purposes and should not be considered a recommendation of any particular company or security.

Certain information, analyses, and/or conclusions contained in this document constitute and/or are based on estimates, projections, and "forward-looking statements" regarding, among other things, the historical and anticipated operating performance of companies identified herein and other similar companies, market conditions, access to capital markets, and the values of assets and liabilities. Such analyses, estimates projections, statements and conclusions reflect various assumptions by Alkeon concerning anticipated results that are inherently subject to significant economic, competitive, and other uncertainties and contingencies and have been included solely for illustrative purposes. Due to various risks and uncertainties, including those discussed above and the risk factors set forth in the applicable Alkeon Fund's offering documents, actual events or results or actual performance of a fund may differ materially from those reflected or contemplated in such forward-looking statements. As a result, investors should not rely on such forward looking statements in making their investments decisions. Alkeon, the applicable Alkeon Fund and their respective affiliates expressly disclaim any duty or obligation to update, revise or supplement this document or any of the information, analysis, or conclusions contained herein, including, but not limited to, any performance information or the manner or type of any investment by the Fund or its affiliates, for any reason.

Notice to Swiss Investors: The Confidential Explanatory Memorandum, Memorandum of Association, the Articles of Association and the annual reports of the Alkeon Growth Offshore Fund, Ltd ("AGO") are available only to Qualified Investors free of charge from the Representative. In respect of the Units distributed in Switzerland to Qualified Investors, place of performance and jurisdiction is at the registered office of the Representative. Representative: FIRST INDEPENDENT FUND SERVICES LTD., Klausstrasse 33, 8008 Zurich. Paying Agent: NPB Neue Privat Bank AG, Limmatquai 1, CH-8022 Zurich

Notice to Hong Kong Investors: The information memorandum in relation to any interest and/or investment referred to in this document has not been approved by the Securities and Futures Commission of Hong Kong. Accordingly (a) any interests or securities may not be offered or sold and have not been offered or sold in Hong Kong, by means of any document, other than to (i) "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 622) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and (b) no person has issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to any interest or securities, which is directed at, or the contents of which are or are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under securities laws of Hong Kong) other than with respect to any interests or securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the definition of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

Notice to Korea Investors: Neither AGO nor Alkeon is making any representation with respect to the eligibility of any recipients of this document to acquire the shares of AGO therein under the laws of Korea, including but without limitation the Foreign Exchange Transaction Act and Regulations thereunder. The shares of AGO may only be offered to Qualified Professional Investors, as such term is defined under the Financial Investment Services and Capital Markets Act, and none of the shares of AGO may be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to applicable laws and regulations of Korea.

Notice to Singapore Investors: This document is not a prospectus as defined in the Securities and Futures Act, Chapter 289 of Singapore ("SFA") and has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply, and this document should not be construed in any way as a solicitation or an offer to buy or sell any interest or investment referred to in this document. You should consider carefully whether the investment is suitable for you. The product named in this document is not authorised or recognized by the Monetary Authority of Singapore (the "MAS") and none of its interests / shares / units shall be allowed to be offered to retail public in Singapore. This document may be distributed only (i) to persons who are "institutional investors" under section 304 of the SFA, or (ii) to persons who are "relevant persons" under section 305(1) of the SFA or persons pursuant to section 305(2) of the SFA if (and only if) this document forms part of the prospectus or information memorandum for the fund(s), and such distribution is otherwise in accordance with the conditions specified in section 305 of the SFA.

Notice to United Kingdom Investors: AGO is an unrecognised collective investment scheme for the purposes of the Financial Services and Markets Act 2000 of the United Kingdom (the "Act"). The promotion of AGO in the United Kingdom is accordingly restricted by law. Offering materials may only be issued in the United Kingdom to persons to whom they may lawfully be issued under the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, including persons who are authorized under the Act ("authorized persons"), high net worth companies, high net worth unincorporated associations or partnerships, trustees of high value trusts and persons who qualify as certified sophisticated investors. The common shares are only available to such persons in the United Kingdom. The content of this document has not been approved by an authorized person.

Notice to Australian Investors: Common shares in Alkeon Growth Offshore Fund, Ltd. will be offered in Australia on the basis that: (i) no disclosure to investors is required under Part 6D.2 of the Corporations Act; (ii) any offer or issue of common shares made in Australia is under the Fund's Confidential Explanatory Memorandum and is only made to "wholesale clients" for the purposes of the Corporations Act; and (iii) such action complies with all applicable laws, regulations and directives. Alkeon Capital Management, LLC is permitted to conduct financial services in Australia pursuant to an exemption from the need to hold an Australian financial services licence under the Australian Corporations Act 2001. Alkeon Capital Management, LLC is regulated by the Securities Exchange Commission of the U.S. under U.S. laws, which differ from Australian laws.