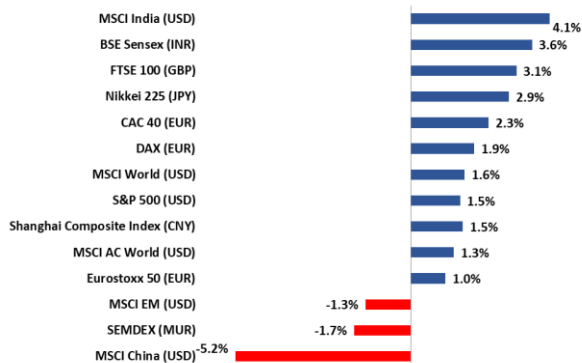


MARKET SUMMARY

Equities: Apr 23 performance (In Index currency)



- Developed equity markets rose over the month on the back of resilient economic data.
- The annual inflation rate in the US slowed for the 9th consecutive month to 5.0% in March, and below market forecasts of 5.2%. The April figures, released in May, showed an inflation rate of 4.9%.
- The annual inflation rate in the Eurozone was at 6.9% in March, down for a 5th consecutive month from October's record high of 10.6%.
- GDP in the Eurozone grew by 0.1% q-on-q during the first quarter of 2023, after showing no growth in the previous quarter.
- In the UK, the inflation rate for March stood at 10.1% vs forecast of 9.2%, leading to expectations that the BoE would need to continue to raise rates.
- The Chinese equity markets were among the worst performers as tensions with the US impacted on investors' sentiment.
- OPEC+ announced a surprise cut in production of more than 1m barrels a day.
- The SEMDEX fell despite the publication of positive corporate financials.
- The headline inflation in Mauritius for the 12-months ended April 2023 settled at 10.9%, compared to 7.0% for the previous period.

THE CHIPS ACT

- Semiconductors have become the foundation technology for nearly all electronic products such as cell phones, PCs, cars and others.
- Demand for the chips that power these devices is expected to accelerate over the next decade amid megatrends such as AI, EVs and 5G.
- The CHIPS ACT in the US and Europe and the

semiconductor plan in the UK will boost these regions' competitiveness, increase their resilience in the semiconductor industry and hedge against future supply chain disruptions.

US

- Last year, President Biden signed into law the bipartisan Chips and Science Act (CSA) of 2022 to strengthen the US leadership in semiconductors.
- Today, the US produces approximately 10% of the world's supply of semiconductors but none of the most advanced ones.
- The CSA included a USD 52.7Bn funding for the US semiconductor R&D, manufacturing and workforce development. Most of the funding (USD 39.0Bn) has been earmarked for manufacturing incentives.
- Funding recipients are prohibited from building semiconductor manufacturing facilities in China and in other listed countries.

Europe

- The European Parliament reached an agreement with its 27 member states on the European Chips Act (ECA) last month (it was proposed in February 2022 during the global semiconductor shortage).
- The ECA aims to double the EU's global market share in semiconductors from 10% to 20% in 2030 and to reduce its dependence on Asian suppliers (Taiwan and South-East Asia for chip manufacturing) and US (chip design).
- Through the ECA, the EU will invest more than EUR 43Bn of public and private funds to strengthen its manufacturing activities and to support research and innovation of the semiconductor supply chains.

UK

- The UK government has recently announced a 20-years plan on its semiconductor strategy.
- The National Semiconductor Strategy will allow the government to invest up to GBP 200M from 2023-2025 and up to GBP 1Bn in the next decade to support the industry.
- UK's investment in the sector has three main objectives, namely to grow the domestic sector, to minimize supply chain disruptions and to protect its national security.
- PeaQ has been positioning its clients' portfolios to benefit from the semiconductor trend.

24th May 2023

For more information about our services, please contact:

André Chung Shui
Managing Director
+230 52 51 22 16
ac@peaqadvisors.com

Michael Yap San Min
Senior Investment Manager
+230 55 00 90 88
my@peaqadvisors.com

Ishrat Cheeroo
Senior Investment Manager
+230 55 01 29 00
ic@peaqadvisors.com



Source: The White House, European Commission, Gov.UK, Bloomberg, Trading Economics, SEMDEX, Statistics Mauritius, BoM, MSCI.

Disclaimer: The information and any opinion expressed therein do not constitute or form part of, and should not be construed as, an offer or an invitation to buy or sell or a solicitation of an offer or invitation to buy or sell or enter into any agreement with respect to any investment or service by PeaQ Advisors Ltd ("PeaQ"). The information is based on sources deemed to be reliable, but not verified independently, and is given in good faith by PeaQ. The recipient of the information should seek professional advice before considering any further action. PeaQ is not liable for any consequences resulting from the recipient's action or failure to act on the information. Investors are advised that future expectations may not be realised, and any past performance shown in the information should not be taken as a guide to future performance. The price and value of the investments as well as the associated income may be subject to fluctuations and are not guaranteed. Investors may not recover the full amount invested. This document may not be copied, distributed, reproduced, or transmitted for any purpose without PeaQ's prior consent in writing.