

# Alkeon Capital Management

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Dear Investor,

## Alkeon Growth Partners:

	Sept. 2017	2017	Alkeon Growth Strategy Since Inception (Cumulative)	Alkeon Growth Strategy Since Inception (Annualized)
<b>Alkeon Growth Partners</b>	<b>0.47%</b>	<b>26.23%</b>	<b>1225.84%<sup>1</sup></b>	<b>13.98%<sup>1</sup></b>
MSCI World	2.08%	14.24%	113.60%	3.92%
MSCI AC World	1.77%	15.42%	113.66%	3.92%

## Alkeon Growth Partners Portfolio Information (Approximate):

- |                                 |       |
|---------------------------------|-------|
| • Net Exposure (delta adjusted) | 84.7% |
| • Gross Exposure                | 195%  |
| • Number of Long Positions      | 98    |
| • Number of Short Positions     | 88    |

September offered positive results to global equities. Alkeon Growth Partners, LP returned 0.47%. Portfolio performance was positive in the US and Asia and negative in Europe. Our long positions had positive performance during the month while our short positions underperformed.

We remain equally constructive on the current global opportunity set for both long and short investments, as we see significant sector-wide discrepancies between valuations and underlying fundamentals. As a result, we believe this is shaping up to be one of the best stock-picking environments since the 2000-01 technology bubble and have maintained a gross exposure at the high-end of our historical range. Furthermore, from a valuation perspective we consider many high quality growth sectors, such as technology and healthcare, to be undervalued and attractive relative to the market.

There are three main drivers of portfolio performance so far this year, all of which we believe are likely to be persistent in years to come and favorable to our strategy, as we have detailed in our Q2 letter. One, outperformance of international stocks (for the first year since 2009), two, the beginning stages of valuation multiple renormalization of high quality growth stocks vs. low-growth defensive equity investments (i.e., high quality growth sectors, such as technology and healthcare, should ultimately trade at a premium to the market and especially to low-growth defensive sectors, such as utilities, consumer staples and REITs), and, three, strong fundamental performance ("beat-and-raise" quarterly results) by many high quality classic growth compounders. We believe all of these drivers are likely to persist beyond the short-term and continue to favor our strategy going forward (for reasons we detailed in our Q2 letter). In particular, we believe the fundamental performance of high quality classic growth compounders has the potential to not only persist but also strengthen in light of the upcoming wave of technological innovation (dubbed by many as "the fourth industrial revolution"), which we believe can be broadly impactful and revolutionary in nature, similar to the internet wave of the