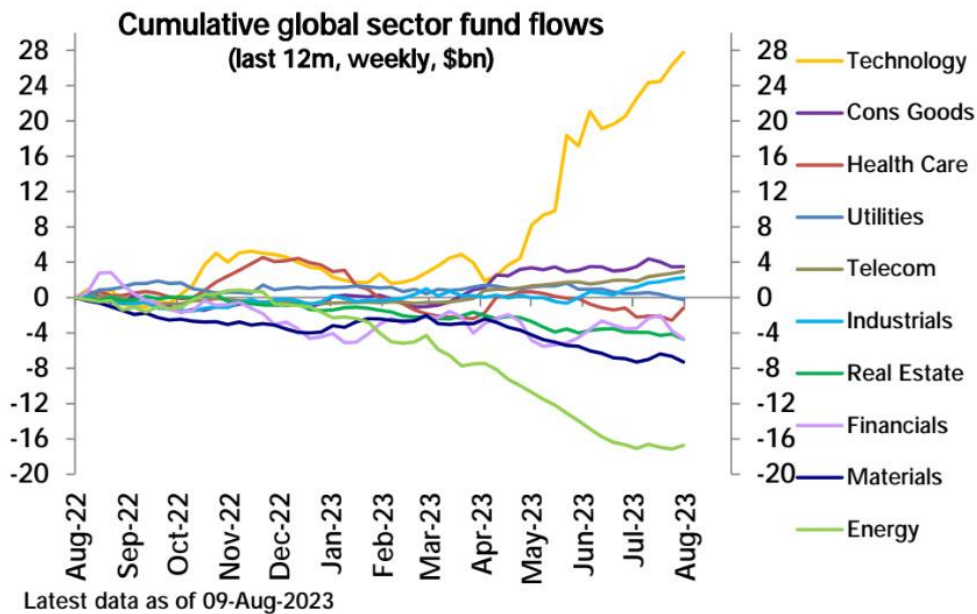


Over the past six months, we have seen a marked increase in investment in technological companies and funds, due mainly to the growth of Artificial Intelligence (AI). Since ChatGPT's launch, major tech companies such as Apple, Alphabet and Meta have all announced a myriad of projects within the AI sector. In fact, just two weeks ago the London Stock Exchange Group announced a partnership with Microsoft to create bespoke generative AI models.

This chart shows how technology funds have benefited from an influx of capital over the past six months, with almost \$28bn in inflows in August of this year. Conversely, global energy funds have experienced significant outflows over the past six months. One of the potential reasons for this outflow could be due to fund managers realising the potential of AI and tech over the longer term and taking funds out of energy products, which significantly overperformed in 2022 on account of the War in Ukraine and its various repercussions.

Figure 87: Sector fund flows



Source : EPFR, Haver, Deutsche Bank Asset Allocation