



Portfolio Scoop

Insights into the Trends and their performance

APRIL 2022

- **April saw a dramatic sell off in financial markets as investors' concerns heightened over tightening U.S. monetary policy and Russia's war in Ukraine. Bearish investors fear we are entering into a recession across many parts of the global economy.**
- **Most developed markets sold off markedly, led by the U.S. NASDAQ Index, down -13.26% and the U.S. Russell 2000 Index, down -9.95% (all local prices) as the U.S. market struggled with inflationary pressure.**
- **The U.K. FTSE 100 Index, up +0.38% (local prices) was the lone developed market that performed positively.**
- **A weaker AUD (-5.99% versus the USD) dampened AUD losses in the Trends and indices.**
- **The monthly performances across our Trends were -5.04%, -1.66% and -0.39% for the Big Data, Online Shopping Spree and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of -3.17%).**

Dear Members

Welcome to our latest Portfolio Scoop from AtlasTrend, which provides insights into our Trends and their performance.

What happened to the markets in April?

April saw a dramatic sell off in financial markets as investors' concerns heightened over tightening U.S. monetary policy and Russia's war in Ukraine. Bearish investors fear we are entering into a recession across many parts of the global economy.

The International Monetary Fund reduced its global growth forecast and projected even faster inflation. It is forecasting for global expansion of only 3.6% in 2022, down from a forecast of 4.4% in January. It highlighted further risks including a potential worsening of the war in Ukraine, escalation of sanctions on Russia, a sharper-than-anticipated slowdown in China and further outbreaks from the coronavirus pandemic.

Most developed markets sold off markedly, led by the U.S. NASDAQ Index, down -13.26% and the U.S. Russell 2000 Index, down -9.95% (all local prices) as the U.S. market struggled with inflationary pressure. The U.K. FTSE 100 Index, up +0.38% (local prices) was the lone developed market that performed positively. A weaker AUD (-5.99% versus the USD) dampened AUD losses in the Trends and indices.

The monthly performances across our Trends were -5.04%, -1.66% and -0.39% for the Big Data, Online Shopping Spree and Clean Disruption Trends, respectively. The MSCI World Daily Net Total Return ex

Australia Index (this MSCI Index measures the equity market performance of shares listed on the exchanges of 23 of the world's major developed economies ex Australia factoring in reinvested net dividends) ended the month -3.17% in AUD terms.

Peak inflation triggers aggressive monetary policy

The U.S. consumer price index increased 8.5% in March from a year earlier, which is the highest increase in over 40 years driven by higher energy and food prices. Importantly, the reading will affirm the U.S. Federal Reserve's tightening monetary policy. This will mean multiple interest rate rises (a median estimate of seven this year including rises of at least 50 basis points) as well as shrinking of its balance sheet by more than US\$1 trillion. It also did not rule out a rate rise of 75 basis points.

This caused investors to worry about not only inflation but the impact on the U.S. economy as interest rate hikes take effect. Bearish investors worry that too many rises too quickly will trigger a recession in the U.S. economy.

Record inflation in Europe poses more questions for the ECB

Inflation in the European area accelerated to 7.5% in March from a revised 5.9% in February, which makes the European Central Bank's inflation projection of 5.1% for 2022 seem optimistic.

Furthermore, tight labour markets around the world are forcing companies to raise wages. U.K. companies are raising starting salaries at the quickest rate on record to compensate inflation of 7% in March, the fastest inflation in three decades.

The European Central Bank is likely to maintain its faster withdrawal of stimulus as it tackles concerns around inflation and economic growth. However, investors are questioning whether the European Central Bank can balance the need to control inflation but also protect economic growth especially as the war in Ukraine continues.

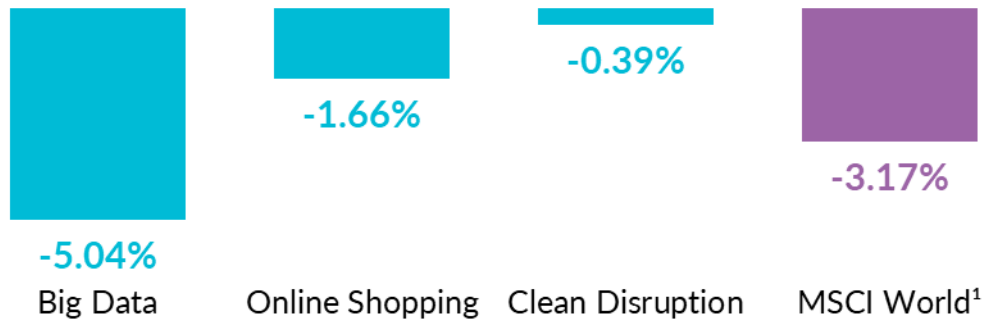
Domestic Chinese economy continues to be weak

China signaled it would loosen monetary policy and announce new measures to boost consumption as the country faces more coronavirus outbreaks and lockdowns as well as a struggling property market and rising commodity prices.

Frustration amongst the population is also growing over lengthy lockdowns in multiple Chinese cities including Shanghai. Sentiment toward the Chinese economy continues to wane with domestic equities losing US\$2.7 trillion of market value this year. This is prompting Chinese authorities to take new measures to help bolster the economy including increased spending on infrastructure and construction.

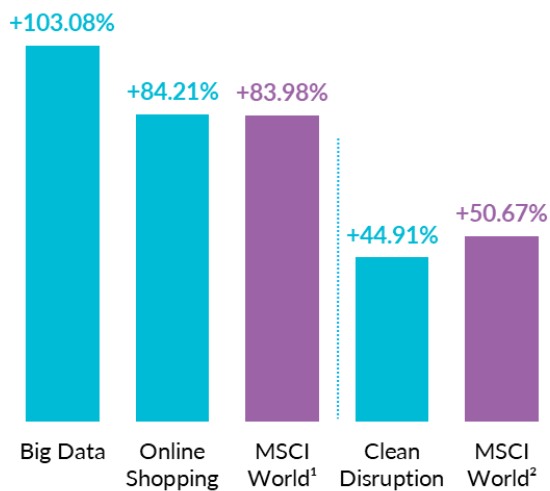
Trend Round Up

Trends Performance for the month of October 2021



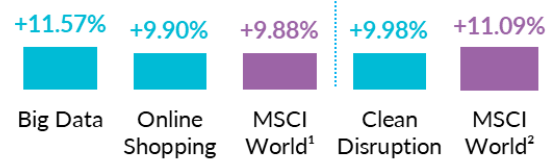
Note: Launch date of the Trends is 9 November 2015 apart from Clean Disruption Fund, which was launched on 6 June 2018. MSCI World refers to the MSCI World ex Australia Index. ¹ Start date 9 November 2015. ² Start date 6 June 2018.

Trends Performance



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Trends Performance p.a.



In the last 12 months, we have delivered performances of -1.49%, -10.78% and -1.01% for the Big Data, Online Shopping Spree and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of +4.73%).

In the last 6 months, we have delivered performances of -8.90%, -10.70% and -8.09% for the Big Data, Online Shopping Spree and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of -6.49%).

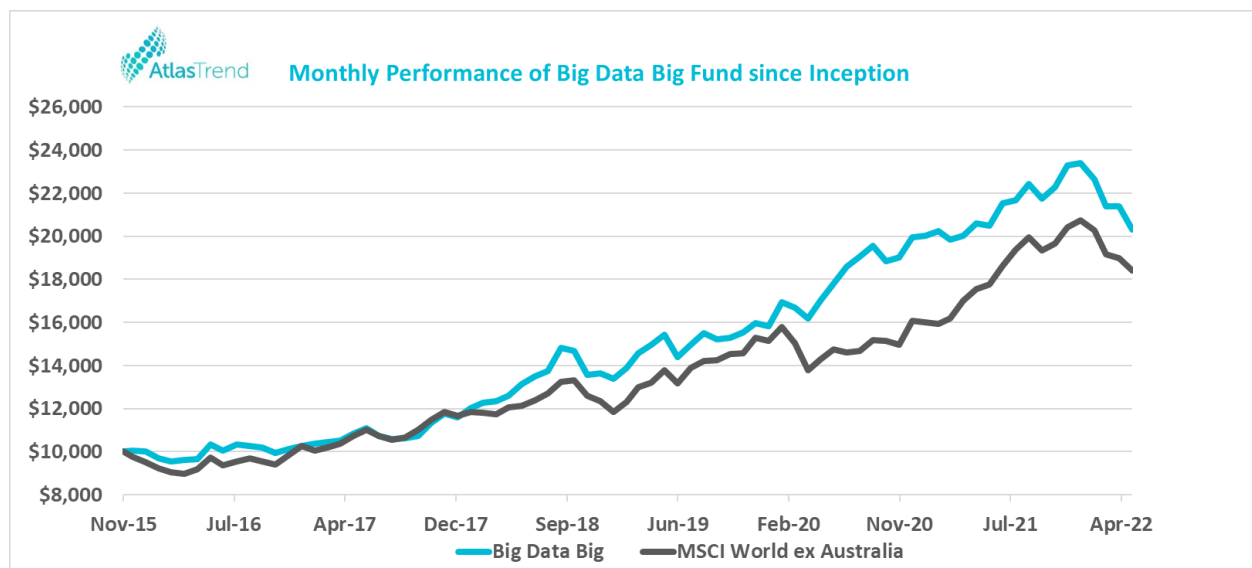
In the last 3 months, we have delivered performances of -10.29%, -11.09% and -3.49% for the Big Data, Online Shopping Spree and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of -9.33%).

Whilst markets have been disappointing and we remain cautious on the short to medium outlook, asset prices and valuations are beginning to look more reasonable. Such times present buying opportunities for the long-term but also require patience as we assess the macroeconomic landscape and the impact it is having on individual companies and their revenue and profit outlook. We expect revenue growth to slow and earnings revisions to take place in the coming months and this will recalibrate valuations going forward. If those valuations remain compelling, we will use this opportunity to add to current positions as well as new positions where in the past, have been too expensive.

Big Data Big Fund

The Trend return for the month was -5.04% and since launch (9 November 2015) is +103.08%.

This Trend has delivered a +11.57% return per annum since inception.

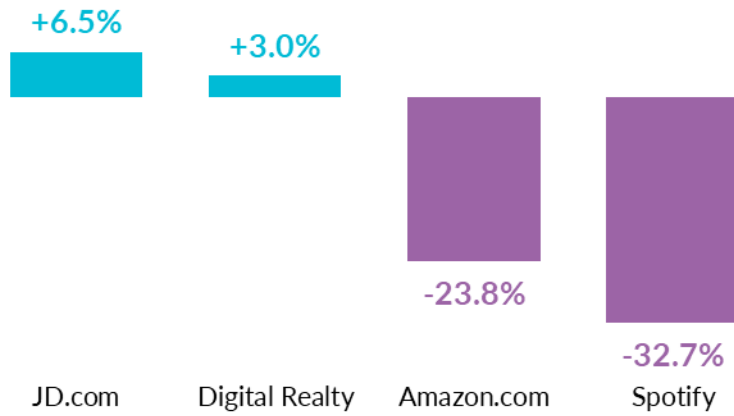


This Trend underperformed its benchmark as the overall technology sold off due to weaker earnings. Alphabet reported slower European ad sales and weaker YouTube performance due competition from TikTok and Apple's privacy changes. Amazon.com projected slowing sales growth as people return to more offline shopping and Apple flagged supply constraints would cost US\$4 billion to US\$8 billion in lost revenue during the current quarter.

Other weak performances came from Spotify, Splunk and Arista Networks. JD.com, Digital Realty and Tencent were the Trend's positive performers.

As of the end of April 2021, this Trend consisted of 18 companies.

Top & bottom performers for April 2022 Big Data Big Fund

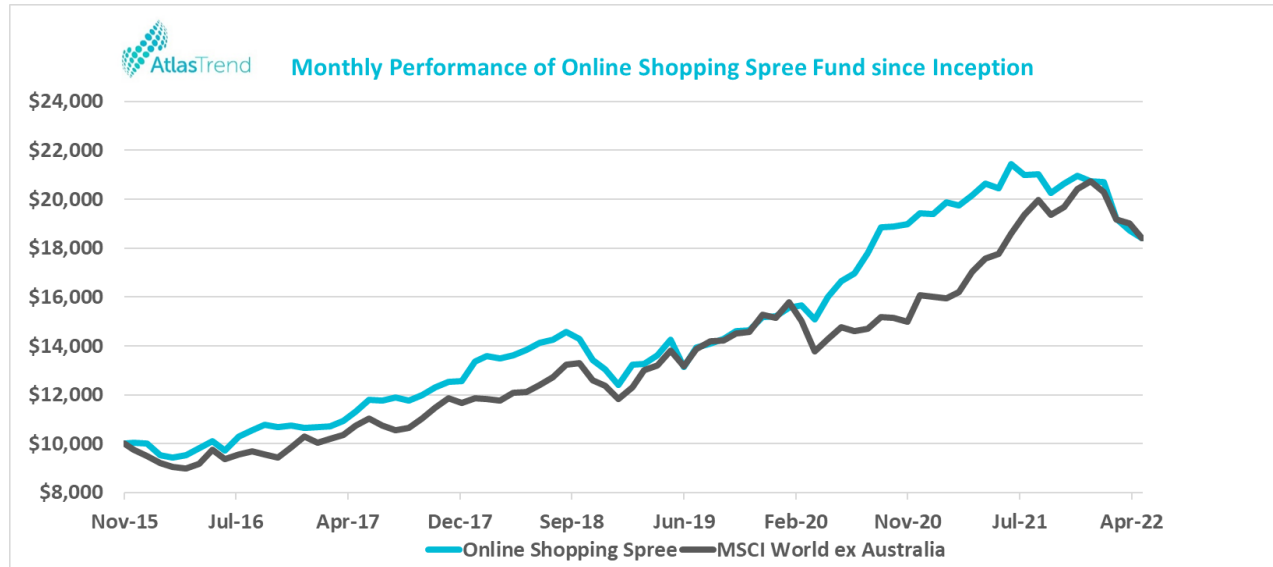


Note: % share price return in local currency, excluding any dividends received during the month

Online Shopping Spree Fund

The Trend return for the month was -1.66% and since launch (9 November 2015) is +84.21%.

This Trend has delivered a +9.90% return per annum.

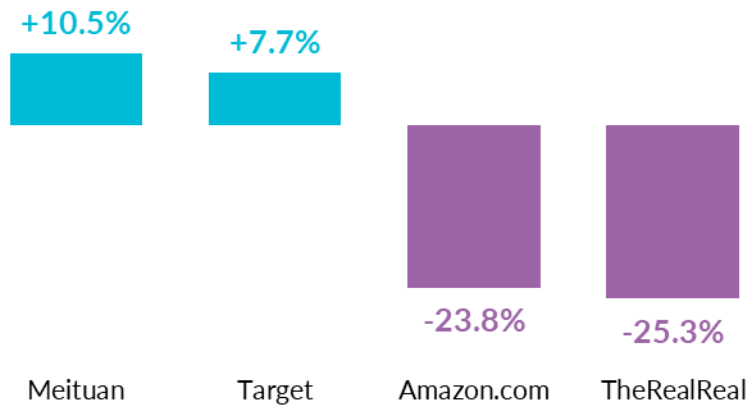


This Trend performed relatively well compared to its benchmark. It saw weakness in names such as Amazon.com, TheRealReal and Zalando. Disney was also weaker as it caught some contagion from the Netflix result, has saw its first drop in subscriber numbers in a decade, losing more than 200,000 viewers globally in 1Q 2022. Netflix forecasted that another 2 million subscribers may also be lost during the next quarter.

The Trend's strongest performers were Meituan, Target, Netease and JD.com.

As of the end of April 2021, this Trend consisted of 17 companies.

Top & bottom performers for April 2022 Online Shopping Spree Fund

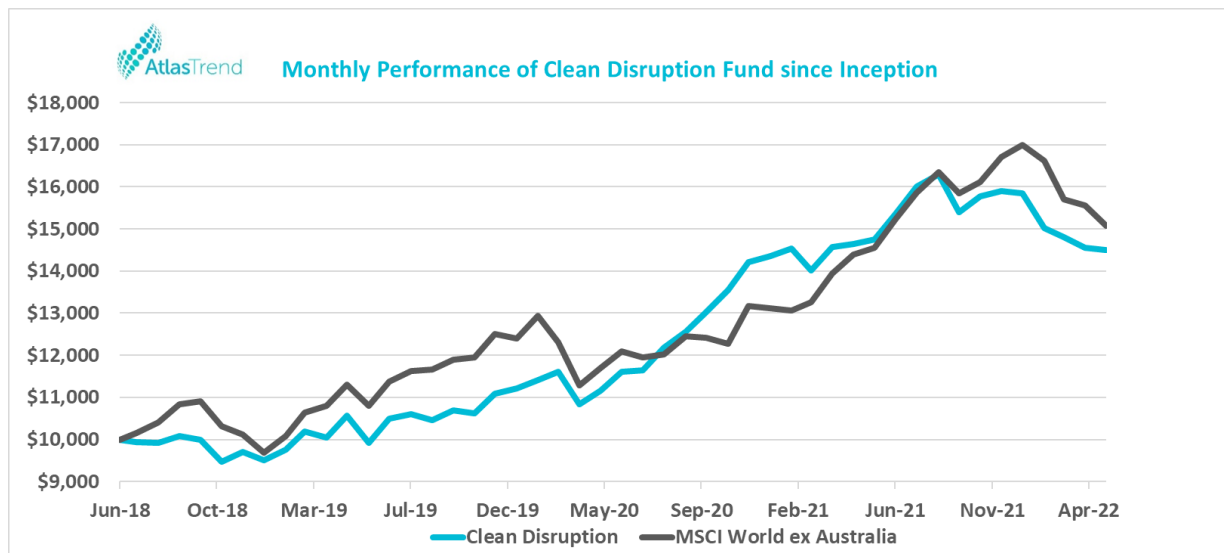


Note: % share price return in local currency, excluding any dividends received during the month

Clean Disruption Fund

The Trend return for the month was -0.39% and since launch (6 June 2018) is +44.91%.

This Trend has delivered a +9.98% return per annum since inception.



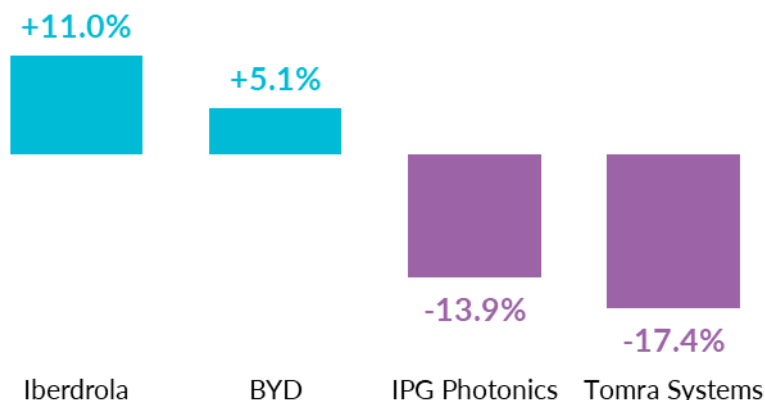
Despite weak markets, this Trend performed relatively well versus its benchmark.

Weaker performances came from Tomra Systems, IPG Photonics, KLA-Tencor and Rockwool while positive performances were led by Iberdrola, BYD, Waste Management, and Bristol-Myers Squibb.

BYD was aided by a positive sentiment in the electric vehicle industry as Tesla reported better-than-expected 1Q 2022 results and a record profit. There was strong demand for its electric vehicles although production remains constrained by component shortages.

As of the end of April 2021, this Trend consisted of 18 companies.

Top & bottom performers for April 2022 Clean Disruption Fund



Note: % share price return in local currency, excluding any dividends received during the month

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