



Portfolio Scoop

Insights into the Trends and their performance

JANUARY 2022

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- **Hong Kong markets were one of only a few that delivered positive returns with the HSI Index up +1.73% and the HSCEI Index up +1.38% (all local prices).**
- **The worst performing major markets the U.S. Russell 2000 Index, down -9.66% and the U.S. NASDAQ Index, down -8.98% (all local prices).**
- **A weaker AUD helped dampened AUD losses the Trends and indices.**
- **The monthly performances across our Trends were -3.21%, -0.16% and -5.24% for the Big Data, Online Shopping Spree and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of -2.20%).**

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 January?

January proved to be a difficult month for financial markets as investors continued to grapple with inflation, the expectation of rising interest rates, supply chain shortages as well as the geo-political situation in Ukraine. With the rising cases from the Omicron variant, disruptions the economy from absent employees and further government restrictions also remain a concern for investors.

Hong Kong markets were one of only a few that delivered positive returns with the HSI Index up +1.73% and the HSCEI Index up +1.38% (all local prices). The worst performing major markets the U.S. Russell 2000 Index, down -9.66% and the U.S. NASDAQ Index, down -8.98% (all local prices). A weaker AUD helped dampened AUD losses the Trends and indices.

The monthly performances across our Trends were -3.21%, -0.16% and -5.24% 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 -2.20% in AUD terms.

Interest rates hikes in 2022 will begin in March

U.S. inflation in December accelerated at its fastest pace since 1982 reaching an annualised 7% from 6.8% in November and strengthening expectations that the Federal Reserve will increase interest rates in March. The main drivers of inflation were food and car prices, which jumped a record 20.9%.

Federal Reserve Chair, Jerome Powell said the central bank will take steps to prevent higher inflation from becoming entrenched. This means that the Federal Reserve is ready to raise interest rates in March. This explicit confirmed investor fears of continued inflation, slower growth, labour and supply shortages. Goldman Sachs along with other Wall Street peers are now forecasting five rate hikes this year.

Inflation and a mixed growth outlook in Europe

European Union inflation rose to an annual 5% figure in December above expectations. The U.K. also posted higher-than-expected inflation of 5.4% creating more pressure for the U.K. to raise interest rates. However, the European Central Bank is expected to keep rates at close to zero levels even as the U.S. and U.K. look likely to raise rates.

This is because purchasing managers survey data shows a mixed outlook for growth. In France and Germany manufacturing activity is rising while the services sector showed signs of continued pressure from pandemic restrictions. Across the European Union, the services reading was at 51.2, the slowest expansion since April driven by rising costs.

Chinese and Japanese remain accommodative to growth

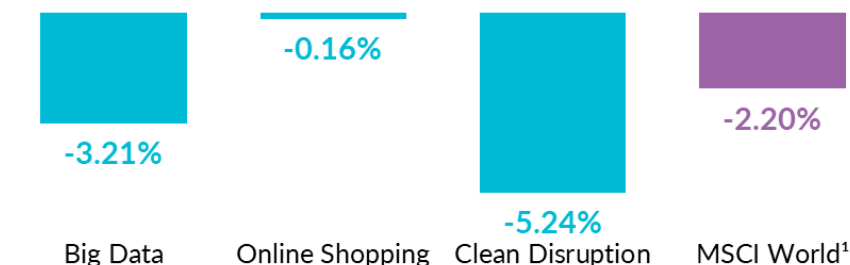
The effects of strict restrictions in China as it maintains its Covid-zero policy are impacting supply chains and export levels in the region with knock-on effects globally. Domestically, China's economy slowed to 4% growth last quarter, its weakest growth rate since early 2020 when the pandemic began.

Chinese lenders are expected to lower borrowing costs again after the PBOC reduced rates and pledged more easing for a domestic economy dealing with a property slowdown, reduced consumption and slowing manufacturing output.

Meanwhile, Bank of Japan Governor Haruhiko Kuroda said Japan will not be raising rates in the near future.

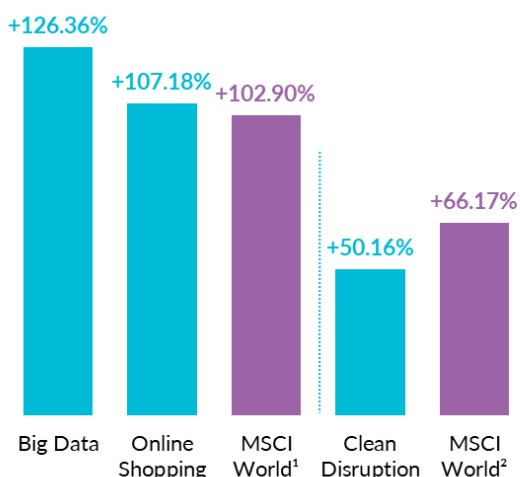
Trend Round Up

Trends Performance



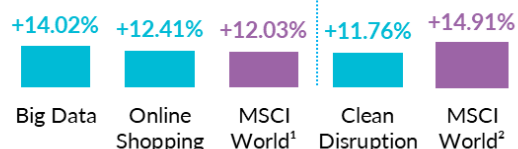
Note: Launch date of the Trends is 9 November 2015 apart from Clean Disruption Fund, which was launched on 6 June 2018. MSCI World refers to the MSCI World ex Australia Index. ¹ Start date 9 November 2015. ² Start date 6 June 2018.

Trends Performance



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Trends Performance p.a.



In the last 12 months, we have delivered performances of +11.84%, +4.30% and +3.32% for the Big Data, Online Shopping Spree and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of +27.30%).

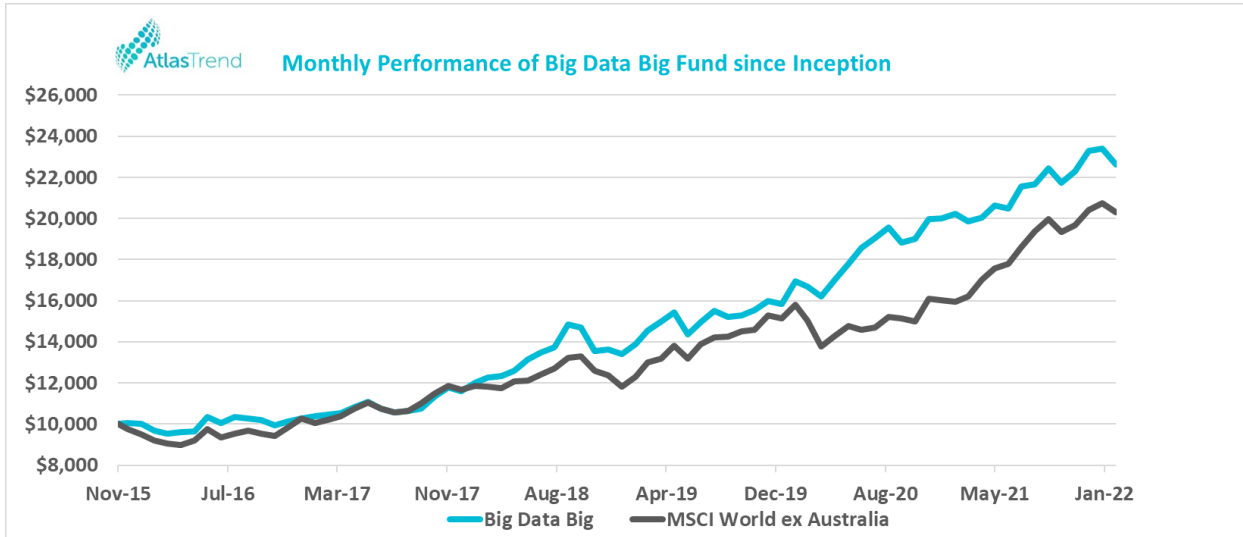
In the last 6 months, we have delivered performances of +4.48%, -1.37% and -6.20% for the Big Data, Online Shopping Spree and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of +4.79%).

In the last 3 months, we have delivered performances of +1.54%, +0.44% and -4.76% for the Big Data, Online Shopping Spree and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of +3.13%).

Big Data Big Fund

The Trend return for the month was -3.21% and since launch (9 January 2015) is +126.36%.

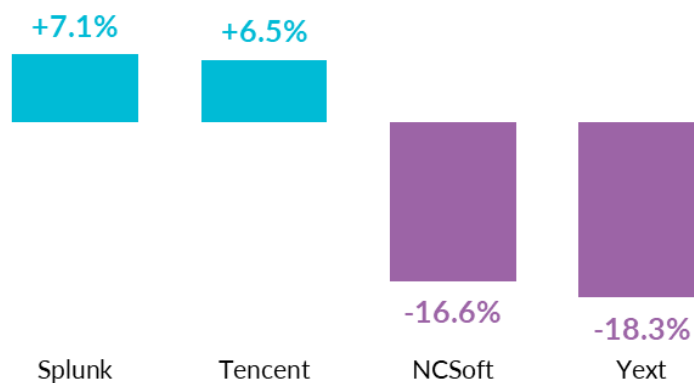
This Trend has delivered a +14.02% return per annum since inception.



This Trend underperformed with the overall weakness in technology stocks. We saw weakness led by Yext, NCSOFT, Spotify, Arista Networks and Amazon.com. Splunk and Tencent outperformed as Tencent concluded its 1:21 spin-off of its stake in JD.com. Apple also performed well as it posted record quarterly sales that exceeded consensus estimates. Sales climbed 11% to US\$123.9 billion in 1Q22 as it became the first company to reach a stock-market value of over US\$3 trillion having only reached US\$1 trillion in stock-market value in mid-2018.

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

Top & bottom performers for January 2022 Big Data Big Fund

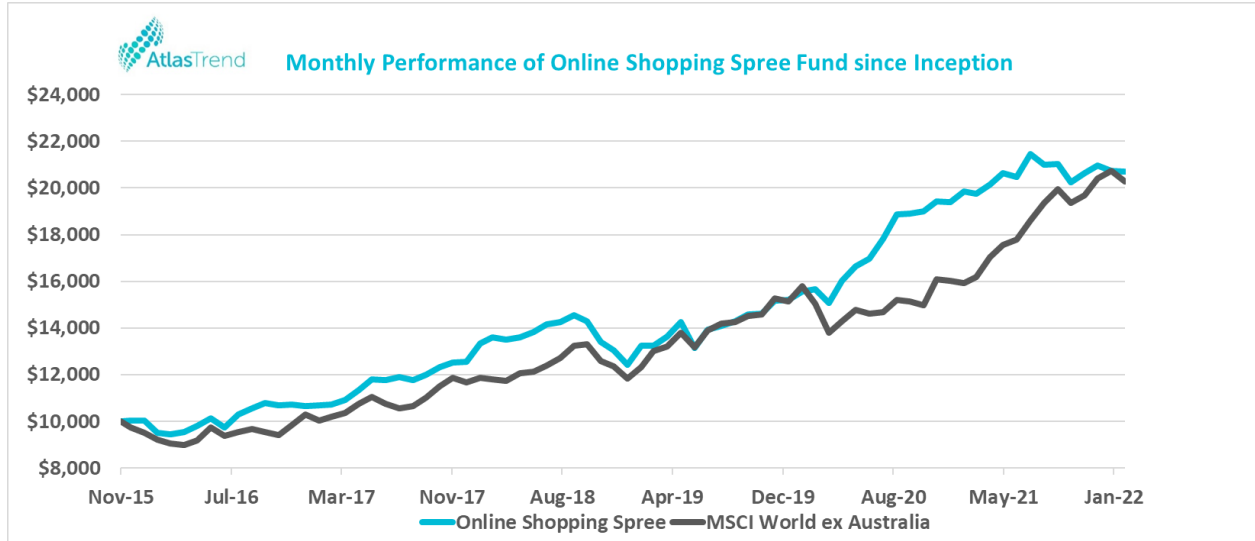


Note: % share price return in local currency, excluding any dividends received during the month

Online Shopping Spree Fund

The Trend return for the month was -0.16% and since launch (9 January 2015) is +107.18%.

This Trend has delivered a +12.41% return per annum.

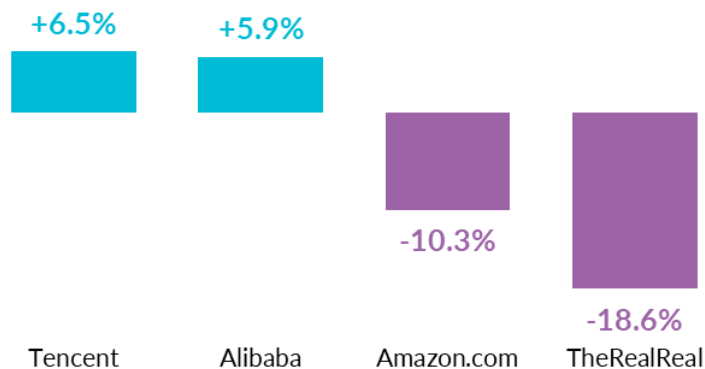


This Trend had a relatively strong month led by Alibaba and Tencent, concluded its 1:21 spin-off of its stake in JD.com. Other performers were Netease, Expedia.com and Electronic Arts. The latter was helped by Microsoft’s US\$69 billion acquisition of Activision Blizzard to make it the world third largest computing gaming company.

Weakness came from names such as TheRealReal, Amazon.com, eBay, Disney and Prologis.

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Top & bottom performers for January 2022 Online Shopping Spree Fund

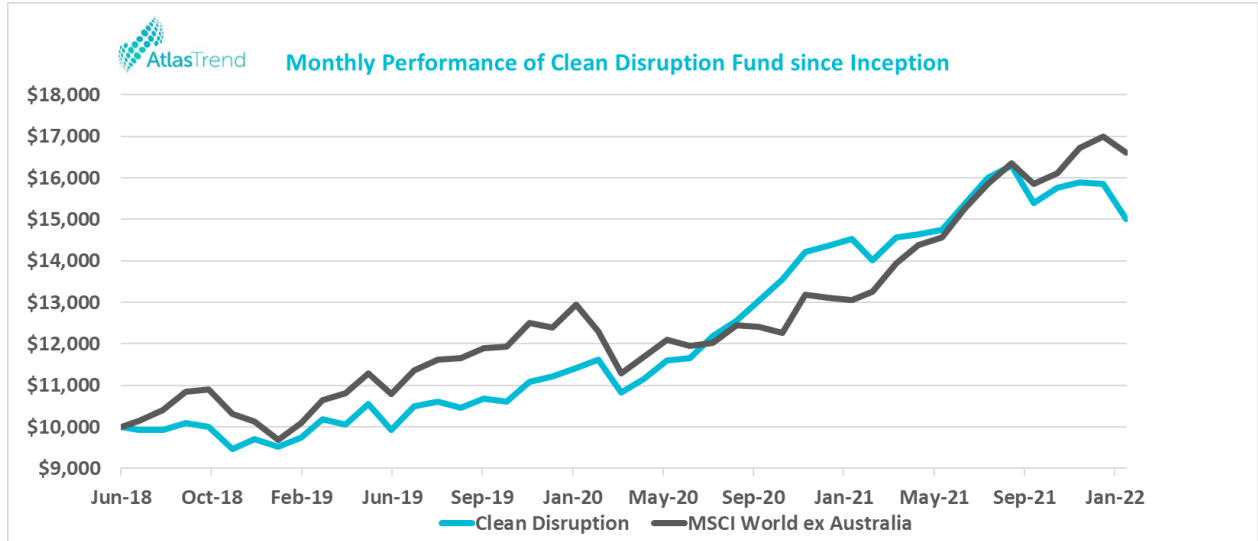


Note: % share price return in local currency, excluding any dividends received during the month

Clean Disruption Fund

The Trend return for the month was -5.24% and since launch (6 January 2018) is +50.16%.

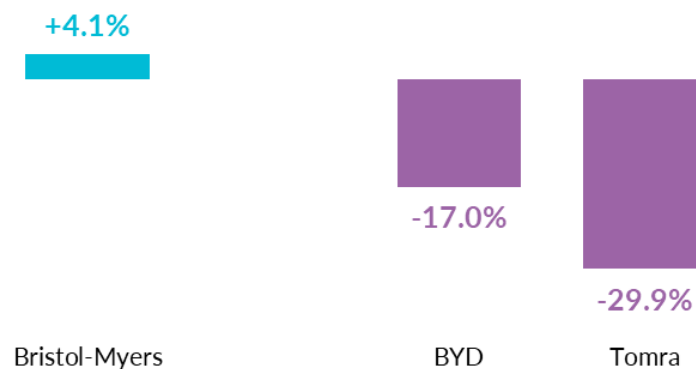
This Trend has delivered a +11.76% return per annum since inception.



This Trend also had a disappointing month with only Bristol-Myers-Squibb being the positive performer. Tomra Systems, BYD as well as Varta, Schneider Electric, Orsted and Xylem were the weakest performers with the recurrent theme of rising input prices and supply chain bottlenecks that have impact revenue and profitability.

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

Top & bottom performers for January 2022 Clean Disruption Fund



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

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