



Portfolio Scoop

Insights into the Trends and their performance

MARCH 2022

- **March saw continued volatility in financial markets as the Russian war against Ukraine continued. Investors continued to process the repercussions of a drawn-out war on supply chains and oil, energy and commodity prices.**
- **The majority of major developed markets rallied (in local price terms) with the strongest markets being Japan's Nikkei 225 Index, up +4.88% and the U.S. S&P 500 Index, up +3.58% (all local prices).**
- **Hong Kong's HSCEI Index led the underperformers, being down -6.21% with China's Shanghai Composite Index, down -6.07% shortly behind (all local prices) as investors worried about slowing growth in the country, continued lockdowns and ongoing regulation of the private sector.**
- **A continued rally in the AUD (+2.96% versus the USD and +4.24% versus the EUR) added to AUD losses in the Trends and indices.**
- **The monthly performances across our Trends were -0.03%, -2.50% and -1.71% for the Big Data, Online Shopping Spree and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of -0.89%).**

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 March?

March saw continued volatility in financial markets as the Russian war against Ukraine continued. Investors continued to process the repercussions of a drawn-out war on supply chains and oil, energy and commodity prices.

Global equities ended March with its worst quarter in the last two years as the war in Ukraine puts inflationary pressure on commodity and food prices and forcing central banks to become more aggressive to counter inflation. Economists at major banks are expecting that the fallout from Russia's war in Ukraine could reduce global growth by 1% this year whilst inflation remains an ongoing issue. There are also growing concerns of stagflation — where inflation is high, and growth is low.

Longer term, the war in Ukraine has the potential to trigger a re-ordering of international relations that would reshape the economies of Western Europe as well as shine a spotlight on the relationship between China and Russia and China.

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A continued rally in the AUD (+2.96% versus the USD and +4.24% versus the EUR) added to AUD losses in the Trends and indices.

The monthly performances across our Trends were -0.03%, -2.50% and -1.71% 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 -0.89% in AUD terms.

Interest rate hikes begin in the U.S.

The U.S. Federal Reserve raised interest rates by 0.25% (the first time since 2018) and signalled for more hikes at all six remaining meetings in 2022. Although a 0.50% hike was not undertaken, it may still happen in the future along with moves to reduce its current US\$8.9 trillion balance sheet as it seeks to decelerate inflation toward 2% in the next few years.

Meanwhile, the U.S. economy remains robust for now with another 431,000 jobs added in March and the unemployment rate falling to 3.8%.

Meanwhile, President Joe Biden said the U.S. will ban imports of Russian fossil fuels including oil, in an escalation of Western efforts to sanction Russia's economy that will likely further strain global crude oil markets.

A balancing act for the European Central Bank

Inflation numbers for March in Germany and France rose to new records, while Spain's inflation rate rose to a 40-year record. These numbers suggest that the European Central Bank's 5.1% inflation forecast for 2022 may be too conservative and may cause monetary policy to tighten sooner. The European Central Bank faces a fine balancing act of managing slowing economic activity triggered by the Ukraine war and the associated sanctions while trying to control inflation from rising commodity prices.

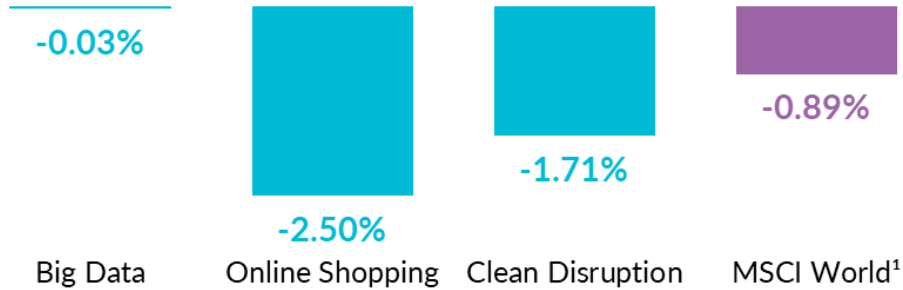
A challenging time for the domestic Chinese economy

China announced a gross domestic product growth goal of about 5.5% for 2022, which is its lowest target since 1990 but at the higher end of expectations.

Although Chinese President Xi Jinping has focused on stability for the Chinese economy, he is facing growing challenges domestically. The economy is slowing, the housing market has liquidity issues, over-regulation has made investors wary, and the country's Covid-Zero policy is causing multiple lockdowns with repercussions for supply chains as well as growing frustration amongst the population. Lastly, the Ukraine war has put a spotlight on China's close connections with Russia.

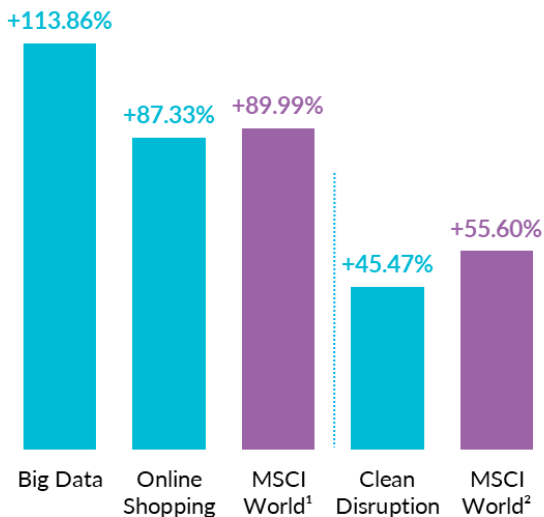
Trend Round Up

Trends Performance



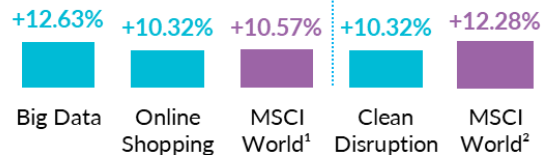
Note: Launch date of the Trends is 9 November 2015 apart from Clean Disruption Fund, which was launched on 6 June 2018. MSCI World refers to the MSCI World ex Australia Index. ¹ Start date 9 November 2015. ² Start date 6 June 2018.

Trends Performance



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Trends Performance p.a.



In the last 12 months, we have delivered performances of +6.75%, -7.08% and -0.13% for the Big Data, Online Shopping Spree and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of +11.60%).

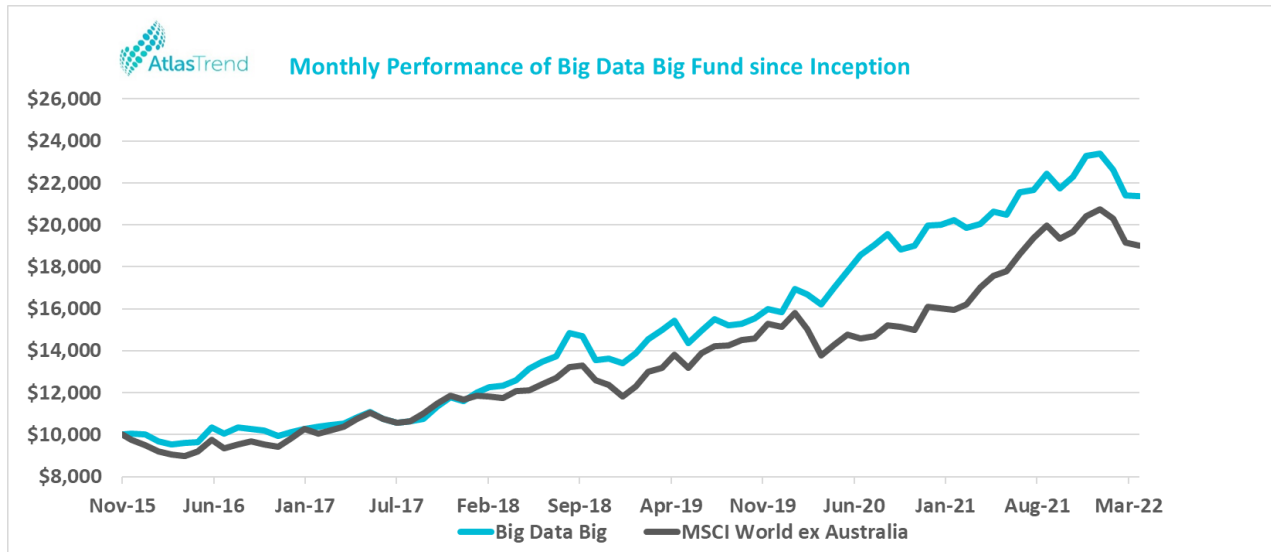
In the last 6 months, we have delivered performances of -1.64%, -7.54% and -5.53% for the Big Data, Online Shopping Spree and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of -1.84%).

In the last 3 months, we have delivered performances of -8.55%, -9.73% and -8.20% for the Big Data, Online Shopping Spree and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of -8.42%).

Big Data Big Fund

The Trend return for the month was -0.03% and since launch (9 November 2015) is +113.86%.

This Trend has delivered a +12.63% return per annum since inception.

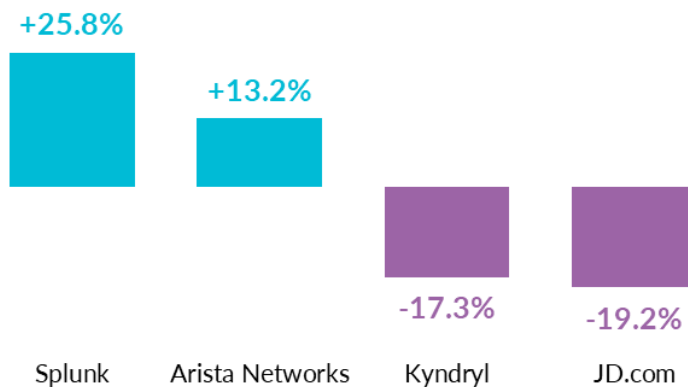


This Trend outperformed its benchmark again but had a mixed overall performance. It was led by strong performances from Splunk, Arista Networks, Amazon.com, IBM and NCSOFT. Amazon.com announced a 20-to-1 stock split and a US\$10 billion buyback during the month in a move similar to Alphabet, which announced a split in February.

The Trend saw weakness from Kyndryl and JD.com (both small, residual positions from the recent spin-offs from IBM and Tencent respectively) as well as Seagate and Tencent. During the month, Tencent pledged to embrace China’s new regulatory paradigm of stricter government oversight after reporting its slowest growth on record but did not announce a share buyback program similar to the one announced by Alibaba.

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

Top & bottom performers for March 2022 Big Data Big Fund

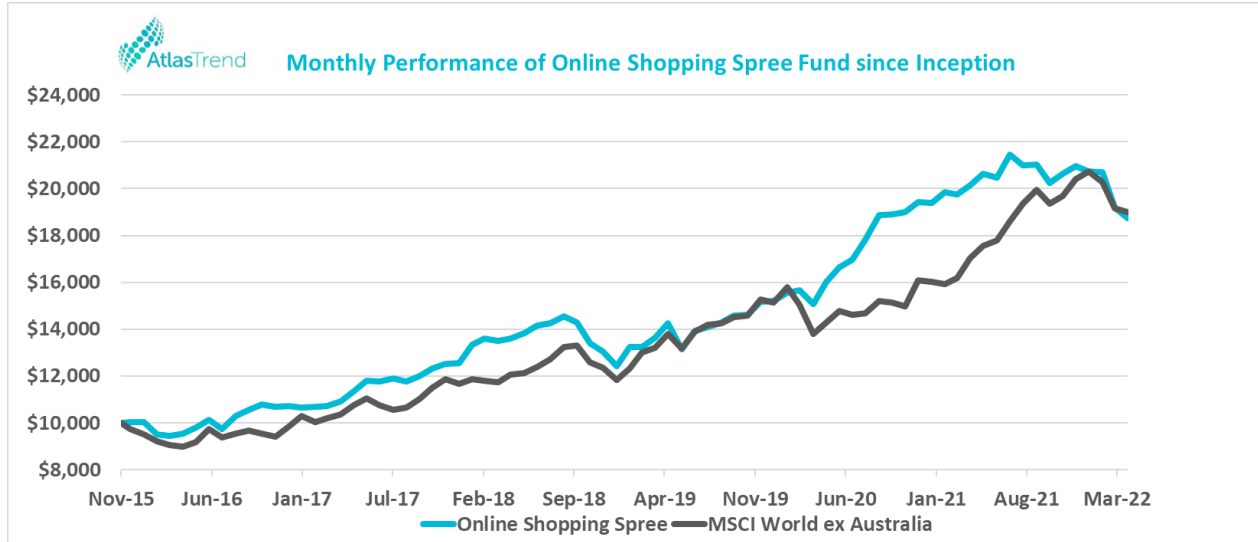


Note: % share price return in local currency, excluding any dividends received during the month

Online Shopping Spree Fund

The Trend return for the month was -2.50% and since launch (9 November 2015) is +87.33%.

This Trend has delivered a +10.32% return per annum.



This Trend saw continued weakness came its Chinese names such as JD.com, Meituan, Netease and Tencent as well as Zalando and TheRealReal. Its strongest performers were Prologis, Walmart, Target, Apple, eBay and Amazon.com.

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

Top & bottom performers for March 2022 Online Shopping Spree Fund

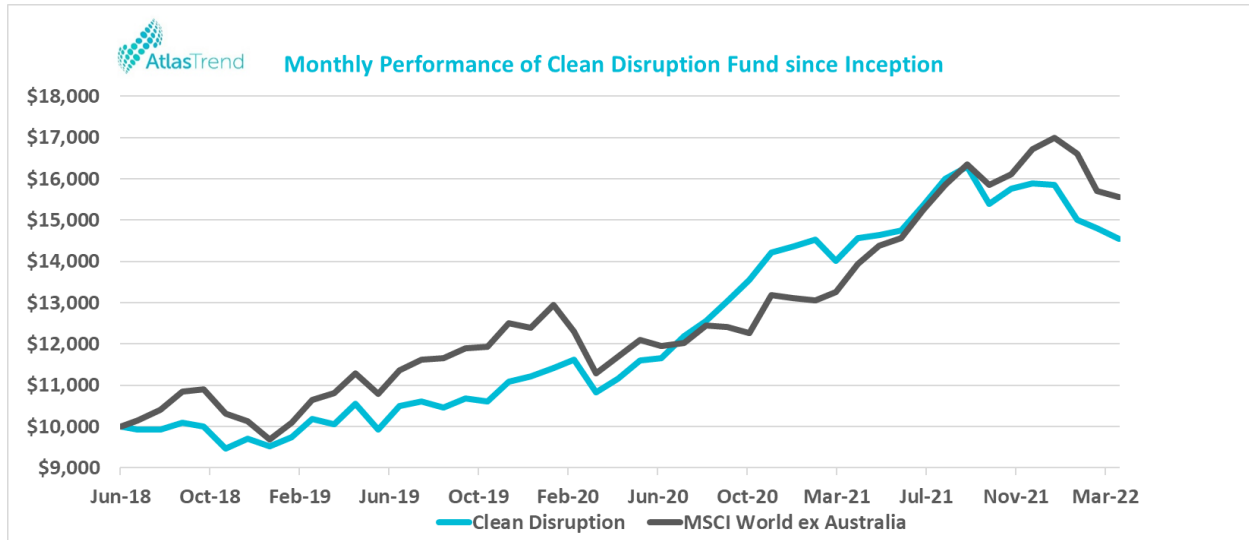


Note: % share price return in local currency, excluding any dividends received during the month

Clean Disruption Fund

The Trend return for the month was -1.71% and since launch (6 June 2018) is +45.47%.

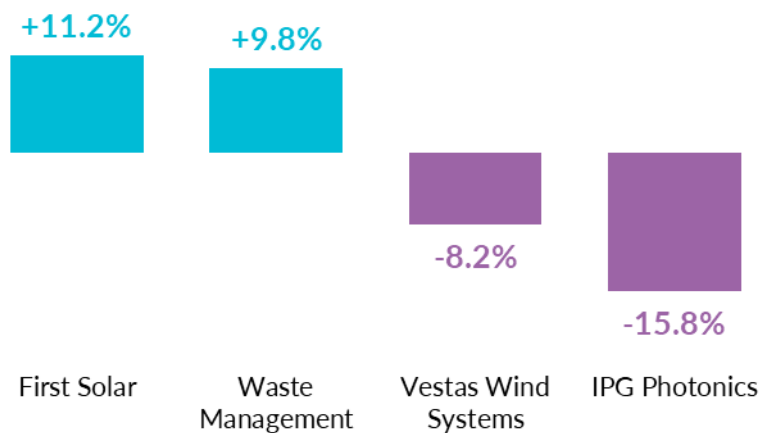
This Trend has delivered a +10.32% return per annum since inception.



This Trend had another mixed month of performances. Weakness came from IPG Photonics, Vestas Wind Systems, BYD and Xylem while positive performance was driven by First Solar, Waste Management, Tomra Systems and Bristol-Myers Squibb.

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

Top & bottom performers for March 2022 Clean Disruption Fund



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

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