



Portfolio Scoop

Insights into the Trends and their performance

AUGUST 2023

- **Developed markets pulled back after several months of positive performance. It appeared investors became concerned again about Chinese growth and economic data especially in its real estate sector.**
- **The biggest turnaround to negative performance were Hong Kong's HSI Index and HSCEI Index, down -8.45% and -8.22% respectively and followed closely by the U.S. Russell 2000 Index, up +6.06% (local prices).**
- **Only Japan's Tokyo TOPIX Index, up +0.41% (local price) experienced an up month.**
- **The weakness of the AUD by -3.59% against the USD, helped AUD returns for the Trends and indices.**
- **The monthly performances across our Trends were +6.92%, -0.83% and -3.41% for the Big Data, Online Shopping Spree, and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of +1.60%).**

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 August?

Developed markets pulled back after several months of positive performance. It appeared investors became concerned again about Chinese growth and economic data especially in its real estate sector.

The biggest turnaround to negative performance were Hong Kong's HSI Index and HSCEI Index, down -8.45% and -8.22% respectively and followed closely by the U.S. Russell 2000 Index, up +6.06% (local prices). Only Japan's Tokyo TOPIX Index, up +0.41% (local price) experienced an up month. The weakness of the AUD by -3.59% against the USD, helped AUD returns for the Trends and indices.

The monthly performances across our Trends were +6.92%, -0.83% and -3.41% 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 +1.60% in AUD terms.

U.S. economic data remains stable

Economic data for the U.S. remained largely stable. The unemployment rate rose to 3.8% from 3.5% in July, and inflation rose slightly in July to 3.2% from 3.0%. Retail sales improved, while industrial, services and manufacturing activity contracted slightly.

There continues to be an expectation that the U.S. Federal Reserve has one more interest hike left for 2023.

Corporate earnings season was mixed and dragged down the overall market. Technology earnings were mixed, while sectors such as consumer, real estate and financials were also generally weaker. Energy plays were largely positive.

Inflation nearing peak in Europe but still lots of work to do

European markets were also weak. Annual inflation was estimated at 5.3% for August, staying stable compared to July. However, core inflation, which strips out food and energy prices, eased. Unemployment was 6.4% in July, the same level as in June. The HCOB purchasing managers' index, which measures business activity, reached a 33-month low of 47 in August.

U.K. inflation fell to 6.8% from a year earlier, while annual rate of core inflation was unchanged at 6.9%. Nonetheless, the Bank of England increased base interest rates from 5.00% to 5.25% and warned that rates would need to remain elevated to reduce inflation.

The U.K. economy grew by 0.2% in 2Q 2023, beating consensus expectations of zero growth. However, economic activity appears to be slowing with the purchasing managers' index falling below 50 indicating a contraction.

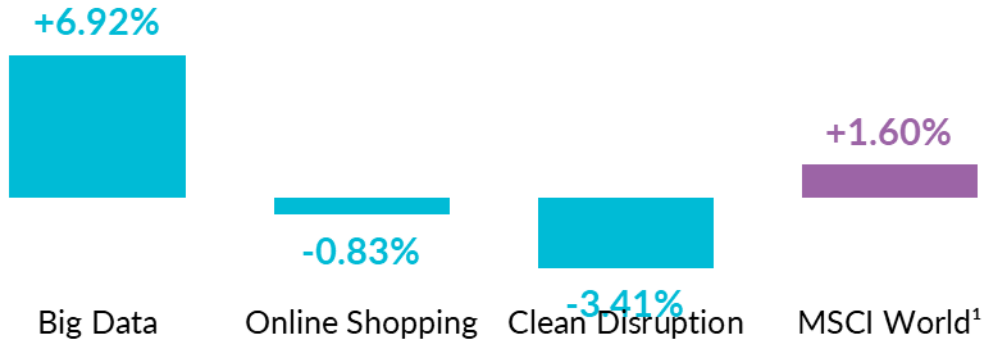
Economic data in China remains weak, but Japan's economy is sound

Hong Kong and Chinese markets were the weakest amongst developed markets in August, as concerns over China's real estate sector remain elevated, thus impacting the overall economy. China's official purchasing managers' index showed its fifth straight month of contraction, pointing to continued weakness in manufacturing.

In Japan, markets were mixed and took on a cautious tone after a strong recent rally. Overall, corporate earnings results have been sound, with companies exposed to inbound tourism benefitting from increased consumer activity.

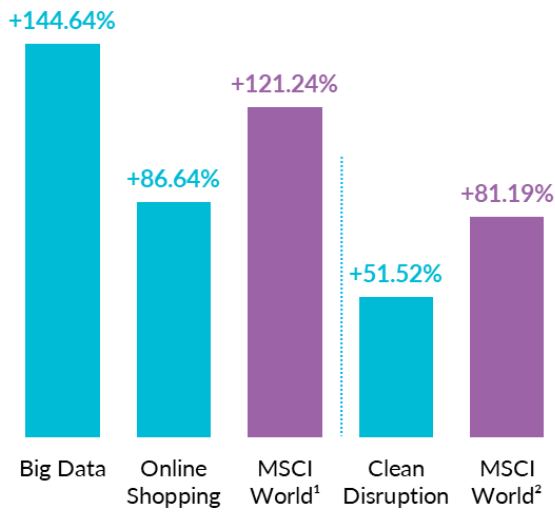
Trend Round Up

**Trends Performance
for the month of August 2023**

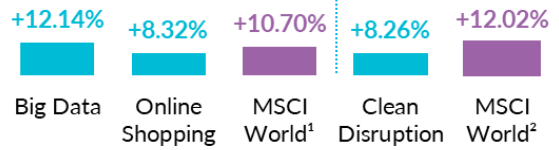


Note: Launch date of the Trends is 9 November 2015 apart from Clean Disruption Fund, which was launched on 6 June 2018. MSCI World refers to the MSCI World ex Australia Index. ¹ Start date 9 November 2015. ² Start date 6 June 2018.

Trends Performance



Trends Performance p.a.



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

In the last 12 months, we have delivered performances of +24.71%, +8.81% and +1.60% for the Big Data, Online Shopping Spree, and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of +22.62%).

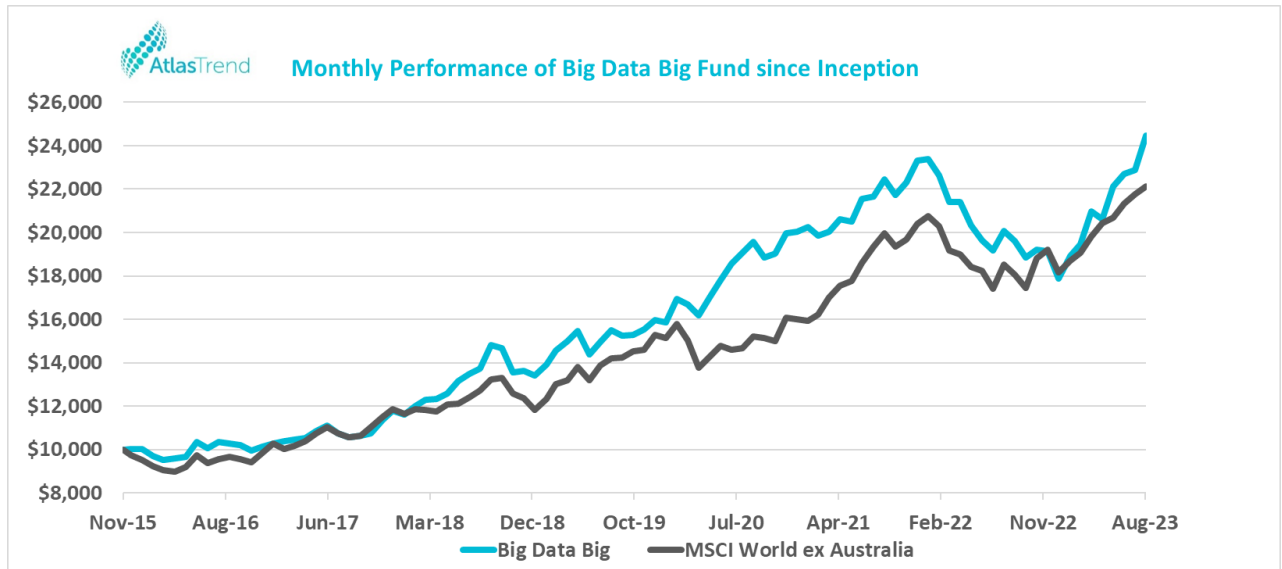
In the last 6 months, we have delivered performances of +25.66%, +11.02% and +0.93% for the Big Data, Online Shopping Spree, and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of +15.97%).

In the last 3 months, we have delivered performances of +10.50%, +6.88% and -5.44% for the Big Data, Online Shopping Spree, and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of +6.96%).

Big Data Big Fund

The Trend return for the month was +6.92% and since launch (9 November 2015) is +144.64%.

This Trend has delivered a +12.14% return per annum since inception.

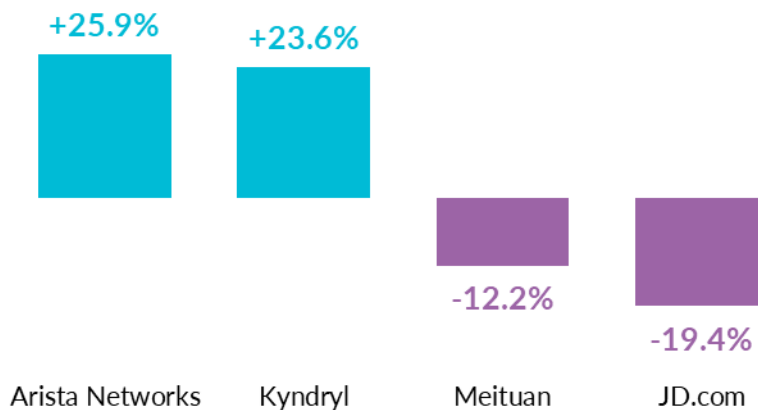


This Trend had a particularly strong month and was especially pleasing with the overall weakness in developed markets. It was led by Arista Networks and Splunk, who both reported better-than-expected earnings and increased revenue guidance for the year. Other strong performers were Kyndryl and Seagate. Weakness came from Chinese equities like JD.com, Meituan and Tencent as well as Yext and NCSOFT.

We added to Splunk on weakness before it rebounded after its August results and took some profit on Palo Alto Networks by reducing the size of the position.

As of the end of August 2023, this Trend consisted of 19 companies.

Top & bottom performers for August 2023 Big Data Big Fund

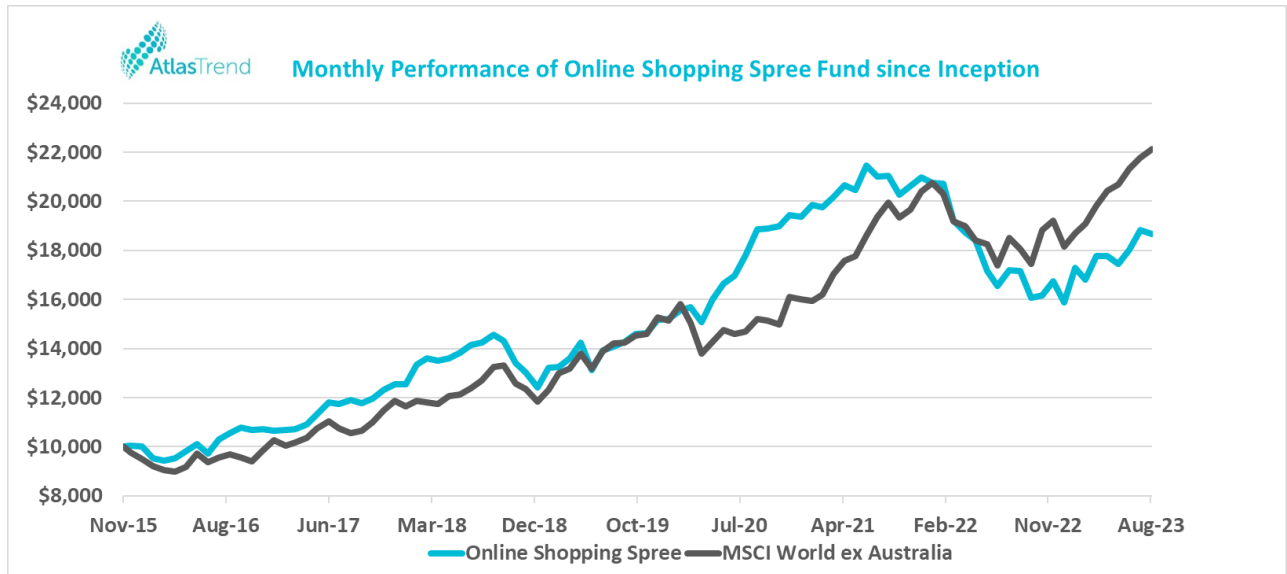


Note: % share price return in local currency, excluding any dividends received during the month

Online Shopping Spree Fund

The Trend return for the month was -0.83% and since launch (9 November 2015) is +86.64%.

This Trend has delivered a +8.32% return per annum.



This Trend had a relatively weak performance as it was dragged down by its Chinese exposures namely JD.com, Meituan, Alibaba and Tencent as well as Expedia.com and Electronic Arts. Positive performers included Amazon.com, Walmart and eBay.

We added to Disney on weakness and took some profit on Apple and Walmart by reducing the size of each position.

As of the end of August 2023, this Trend consisted of 17 companies.

Top & bottom performers for August 2023 Online Shopping Spree Fund

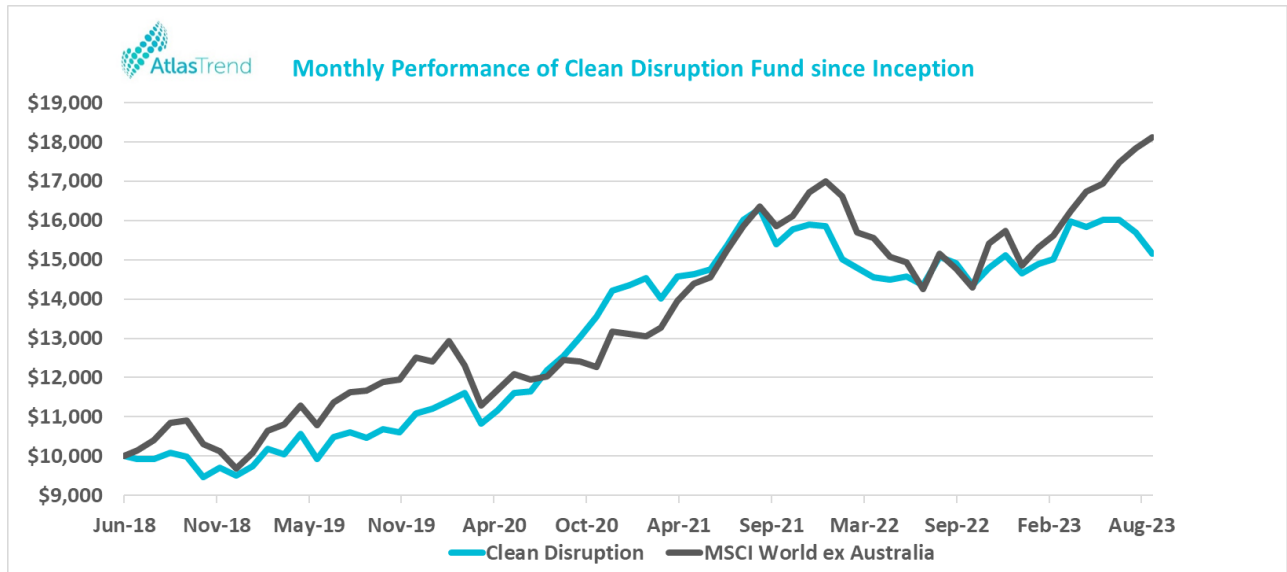


Note: % share price return in local currency, excluding any dividends received during the month

Clean Disruption Fund

The Trend return for the month was -3.41% and since launch (6 June 2018) is +51.52%.

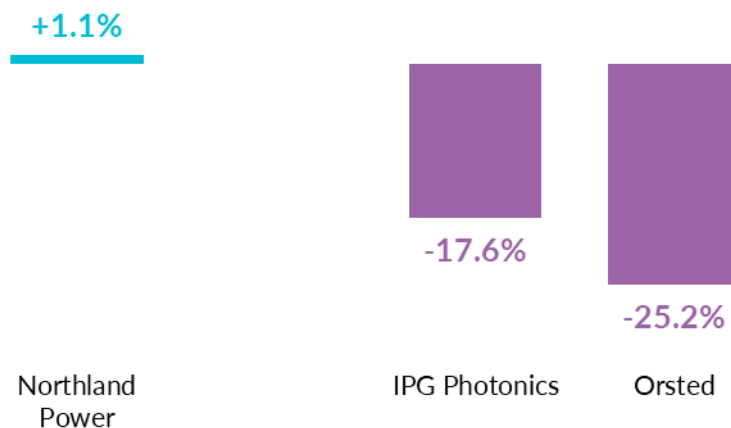
This Trend has delivered a +8.26% return per annum since inception.



This Trend had a disappointing performance mostly due to underperformers in Orsted, IPG Photonics, Vestas Wind, Siemens Healthineers and BYD. Both Orsted and Vestas Wind are reporting weaker wind speeds and rising materials cost, which is impacting profitability. Orsted also signaled impairments in its U.S. portfolio of assets driven by supply chain issues and high interest rates.

We added to Tomra Systems on weakness. As of the end of August 2023, this Trend consisted of 18 companies.

Top & bottom performers for August 2023 Clean Disruption Fund



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

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