



# Portfolio Scoop

Insights into the Trends and their performance

**DECEMBER 2023**

- **Most of developed markets continued their year-end rally as investors anticipated interest rate cuts over the coming 12 months.**
- **The best performer was the U.S. Russell 2000 Index, which was up +12.05% and the U.K. FTSE 250 Index, up +7.99% (local prices).**
- **The largest negative performances were from China's Shanghai Composite Index and Hong Kong's Hang Seng HSCEI Index, down -1.81% and -1.52% (local prices) respectively.**
- **The +3.03% rally by the AUD against the USD, dampened AUD returns for the Trends and indices.**
- **The monthly performances across our Trends were +0.37%, -1.42% and +4.45% for the Big Data, Online Shopping Spree, and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of +1.83%).**

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 December?

Most of developed markets continued their year-end rally as investors anticipated interest rate cuts over the coming 12 months.

The best performer was the U.S. Russell 2000 Index, which was up +12.05% and the U.K. FTSE 250 Index, up +7.99% (local prices). The largest negative performances were from China's Shanghai Composite Index and Hong Kong's Hang Seng HSCEI Index, down -1.81% and -1.52% (local prices) respectively. The +3.03% rally by the AUD against the USD, dampened AUD returns for the Trends and indices.

The monthly performances across our Trends were +0.37%, -1.42% and +4.45% 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 +1.83% in AUD terms.

## Interest rate cuts are likely in 2024

Inflation in the U.S. continued to gradually slow in November to 3.1% from 3.7% in September. Such data is giving increase weight for the U.S. Federal Reserve to begin a cycle of interest rate cuts in 2024 with expectations that interest rates will end 2024 at 4.50% to 4.75% from the current 5.25% to -5.50% range.

Economic growth remains robust with expectations of 4.9% annual growth.

## **Growing support for some interest rate cuts in 2024**

Annual inflation fell to 2.4% in November from 2.9% in October in the European Union. This was down from an annual inflation rate of 10.1% in the previous year. Whilst the European Central Bank has been more muted in its commentary of a change in interest rate policy, many investors are anticipating some rate cuts in 2024.

European GDP fell by 0.1% in 3Q 2023, and the European purchasing managers' index fell to 47.0 in December suggesting some contraction in the economy.

Inflation in the U.K. saw a continued decline to 3.9% in November, down from 4.6% in October and 6.7% in September. With little to no growth in U.K. growth, investors are also expecting some interest rate cuts in 2024.

## **Chinese economic remains weak while Japan's economy is improving**

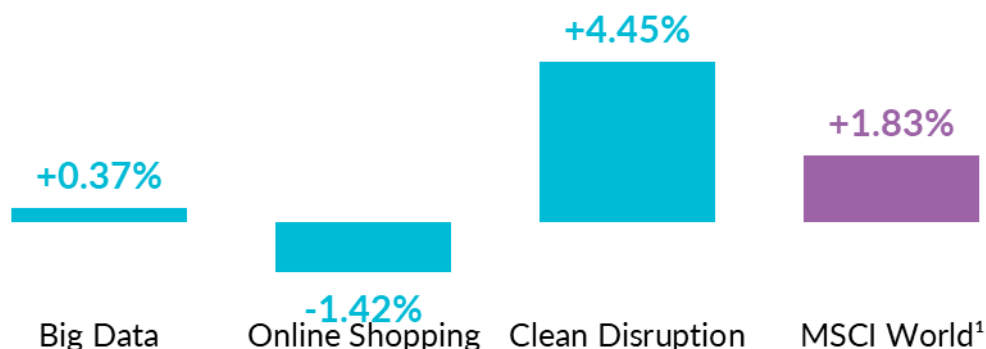
The Chinese economy and Chinese equities remain relatively weak as economic growth remains muted with the real estate sector continuing its troubles. Investors continue to be frustrated that the Chinese government is not providing sufficient stimulus measures to boost economic growth and fix structural problems in the economy such as the real estate sector.

Economic figures in Japan are muted with 3Q 2023 GDP data showing weaker-than-expected domestic demand, consumption, and capital expenditure. However, wage growth is strong and as are corporate earnings generally.

In Japan, the macroeconomic conditions have improved although GDP growth in 3Q 2023 was lower than some expectations. However, the economy is seeing improvement in business sentiment in the manufacturing and non-manufacturing sectors with capital expenditure increasing.

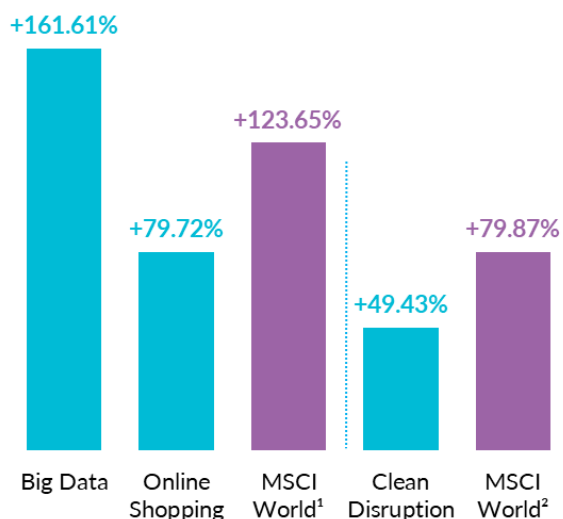
## Trend Round Up

### Trends Performance for the month of December 2023



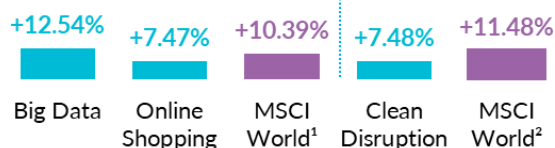
Note: Launch date of the Trends is 9 November 2015 apart from Clean Disruption Fund, which was launched on 6 June 2018. MSCI World refers to the MSCI World ex Australia Index. <sup>1</sup> Start date 9 November 2015. <sup>2</sup> Start date 6 June 2018.

### 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. <sup>1</sup> Start date 9 November 2015. <sup>2</sup>

### Trends Performance p.a.



In the last 12 months, we have delivered performances of +46.33%, +13.17% and +1.92% for the Big Data, Online Shopping Spree, and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of +23.23%).

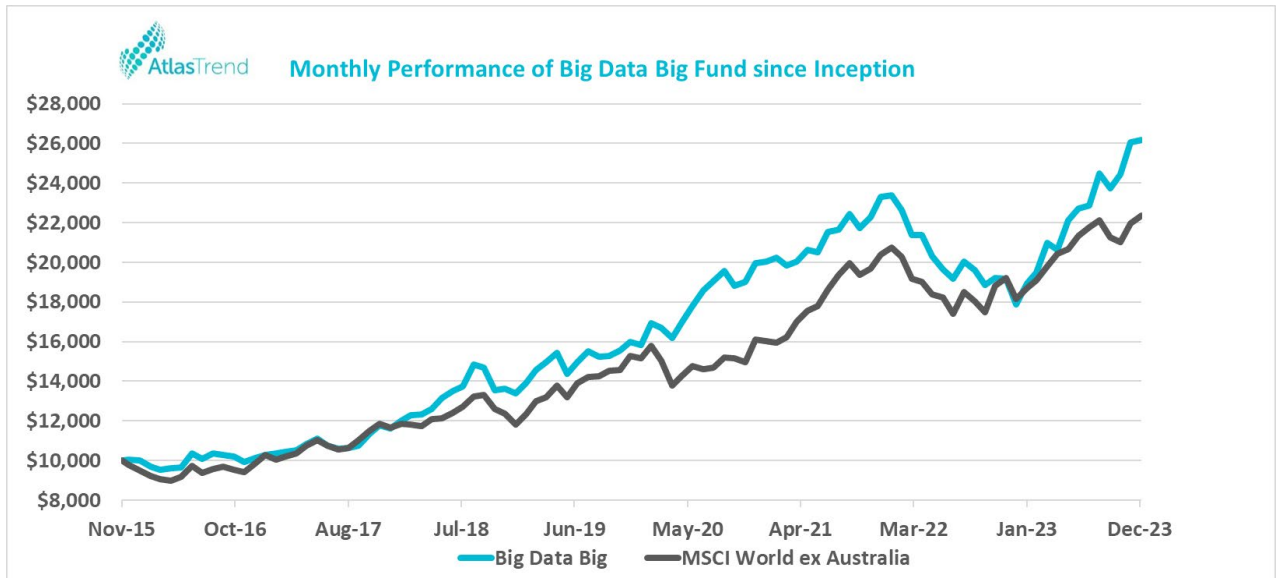
In the last 6 months, we have delivered performances of +15.19%, -0.36% and -6.71% for the Big Data, Online Shopping Spree, and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of +4.85%).

In the last 3 months, we have delivered performances of +10.18%, +1.73% and +5.79% for the Big Data, Online Shopping Spree, and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of +5.31%).

## Big Data Big Fund

The Trend return for the month was +0.37% and since launch (9 November 2015) is +161.61%.

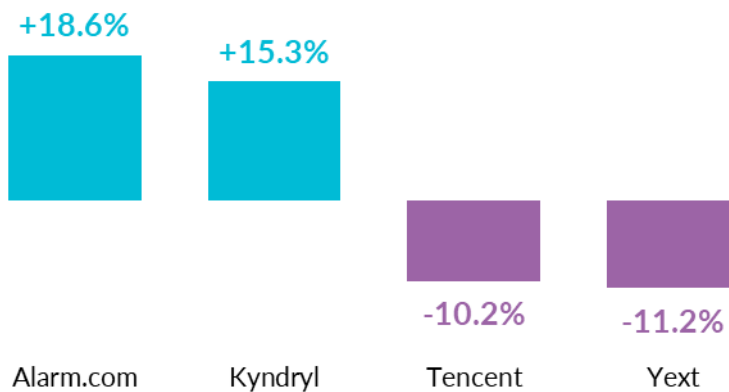
This Trend has delivered a +12.54% return per annum since inception.



This Trend had a positive month led by Alarm.com, Kyndryl, Intel, Seagate, Arista, and Alphabet. Yext was the weakest performer followed by the Asian exposures of Meituan, Tencent and NCSOFT002E

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

### Top & bottom performers for December 2023 Big Data Big Fund

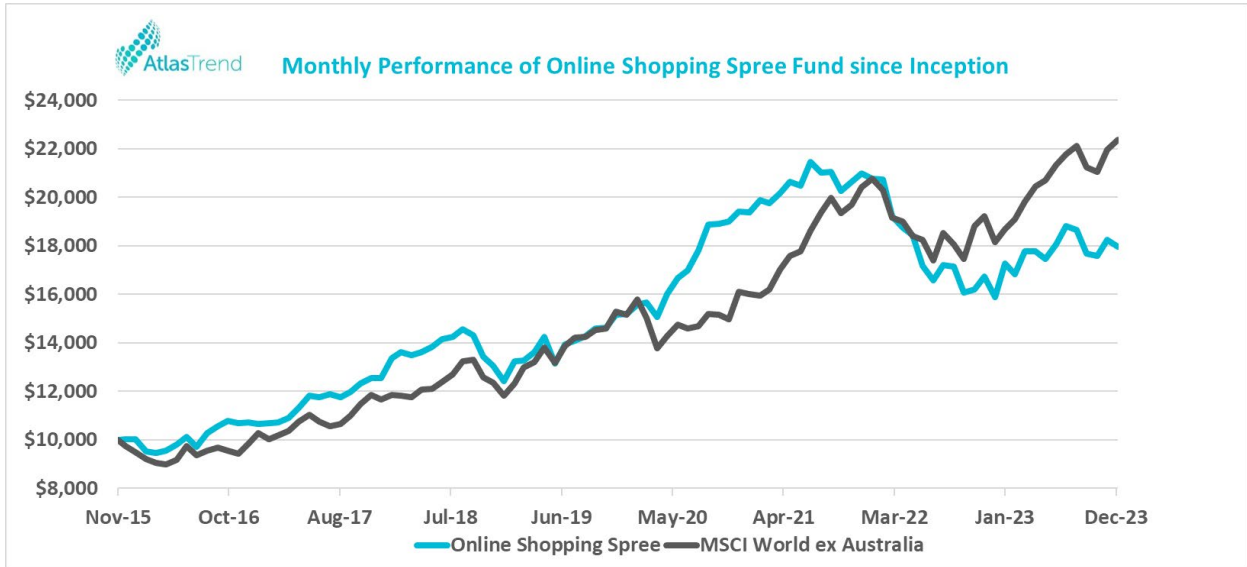


Note: % share price return in local currency, excluding any dividends received during the month

## Online Shopping Spree Fund

The Trend return for the month was -1.42% and since launch (9 November 2015) is +79.72%.

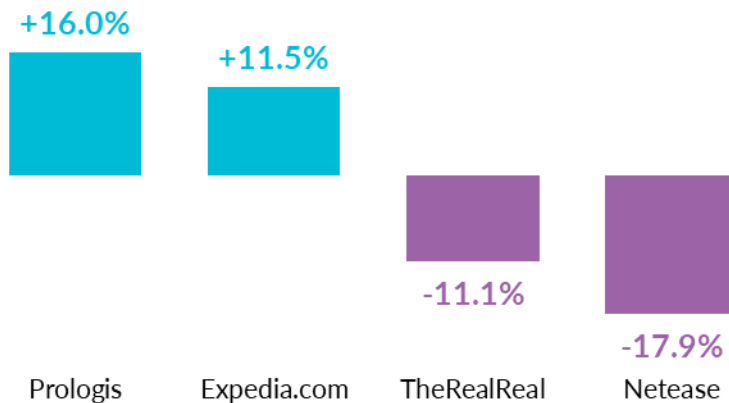
This Trend has delivered a +7.47% return per annum.



This Trend performed disappointingly during the month with the Chinese names leading the negative performers including Netease, Tencent and Meituan. The positive contributors were led by Prologis, Expedia.com as well as eBay, Amazon.com and Target.

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

### Top & bottom performers for December 2023 Online Shopping Spree Fund

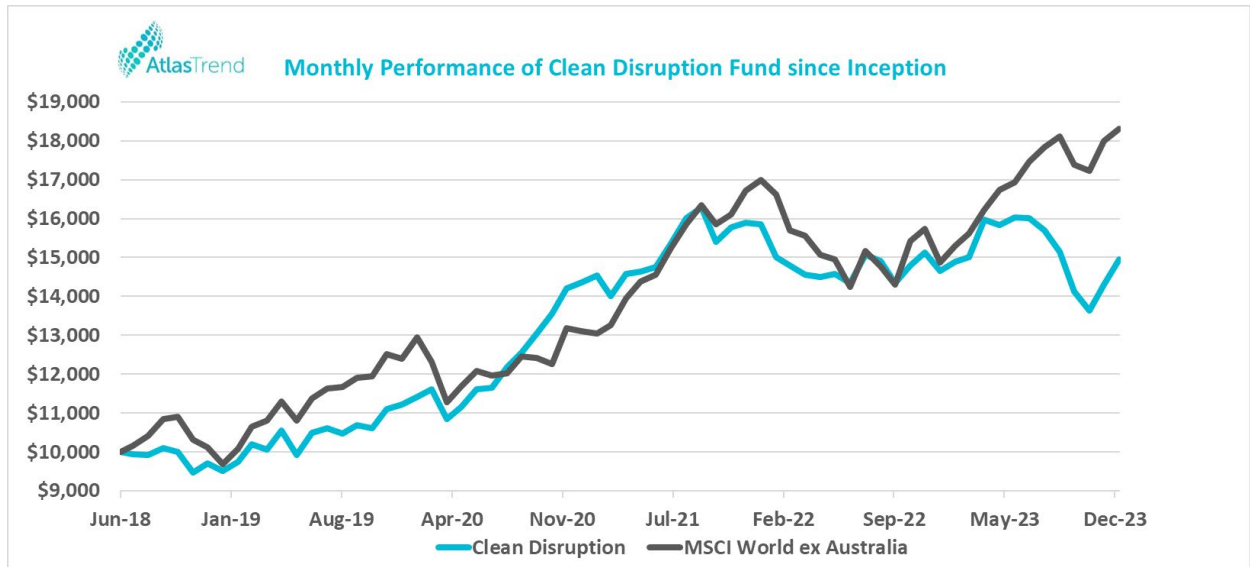


Note: % share price return in local currency, excluding any dividends received during the month

## Clean Disruption Fund

The Trend return for the month was +4.45% and since launch (6 June 2018) is +49.43%.

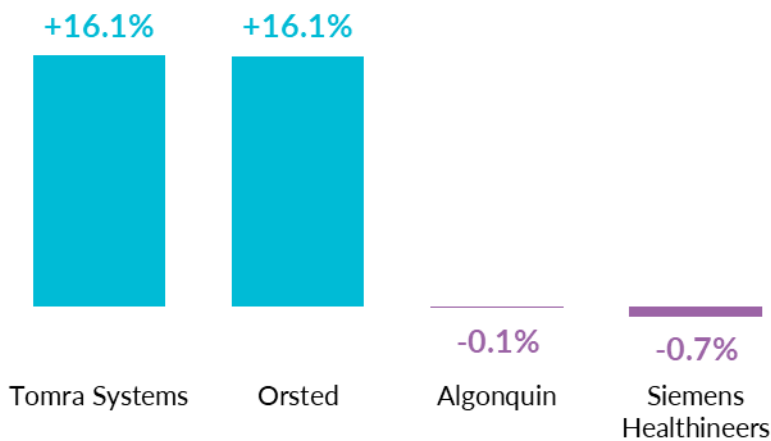
This Trend has delivered a +7.48% return per annum since inception.



This Trend had another strong month with most names performing positively, led by Tomra Systems, Orsted, IPG Photonics, Vestas Wind Systems, First Solar and Northland Power. The only 2 negative performers were Siemens Healthineers and Algonquin.

As of the end of December 2023, this Trend consisted of 18 companies.

### Top & bottom performers for December 2023 Clean Disruption Fund



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

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