



# Portfolio Scoop

Insights into the Trends and their performance

**JANUARY 2024**

- **Most developed markets enjoyed an ongoing rally as interest rate cuts are anticipated sometime in 2024, despite some warnings from central banks that loosening monetary policy is not imminent.**
- **The best performers were Japan's Nikkei 225 Index and TOPIX Index, which were up +8.43% and +7.81% (local prices) respectively.**
- **The largest negative performances were once again, Hong Kong's Hang Seng HSCFI Index and HSI Index, down -9.96% and -9.16% (local prices) respectively.**
- **The -3.71% fall by the AUD against the USD, benefitted AUD returns for the Trends and indices.**
- **The monthly performances across our Trends were +6.24%, +0.77% and -2.49% for the Big Data, Online Shopping Spree, and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of +4.52%).**

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?

Most developed markets enjoyed an ongoing rally as interest rate cuts are anticipated sometime in 2024, despite some warnings from central banks that loosening monetary policy is not imminent.

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The -3.71% fall by the AUD against the USD, benefitted AUD returns for the Trends and indices.

The monthly performances across our Trends were +6.24%, +0.77% and -2.49% 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 +4.52% in AUD terms.

## **Strong economic data and corporate earnings in the U.S.**

Strong corporate earnings especially in the technology sector and economic data spurred continued optimism for imminent rate cuts in 2024. However, interest rates were kept on hold in January at the current 5.25% to 5.50% range with a March cut also unlikely.

GDP growth was 3.3% in 4Q 2023 on an annualised basis, while yearly growth was 3.1%. Inflation rose slightly to 3.4% while the unemployment rate was stable at 3.7%. One negative data point was the purchasing managers' index at 49.1 (still in contraction) but it is trending up from previous periods.

## **Mixed economic data in Europe**

A similar story to the U.S. played out in Europe as inflation rose from 2.4% to 2.9%, therefore ruling out any short-term interest rate cut. The European Central Bank kept interest rates unchanged in January meeting. Economic growth remains stagnant in the European Union (0% in 4Q 2023).

Inflation in the U.K. rose back to 4.0% in December, up from 3.9% in November. Other data was mixed as economic and wage growth slowed. Whilst tax cuts have been flagged, there is increasing pressure to reduce interest rates to help bolster the economy.

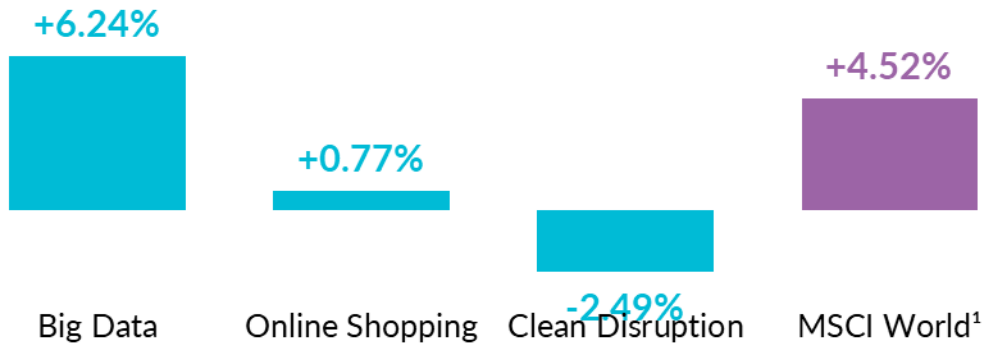
## **Japanese equities run while Chinese equities drags behind**

The Japanese had a strong month with foreign investors being bullish on expectations of structural changes in Japan, such as the launch of the new NISA (Nippon Individual Savings Account) for Japanese retail investors. The Tokyo Stock Exchange pushed forward with its corporate governance reforms, giving investors added confidence in disclosure and management alignment.

Weaker economic growth in China continues to be the theme and impacted markets in China, Hong Kong, and South Korea. The underperformance in Chinese equities is being caused by a sustained slowing of economic growth, factory output contracting and the continued structural decline of China's real estate market.

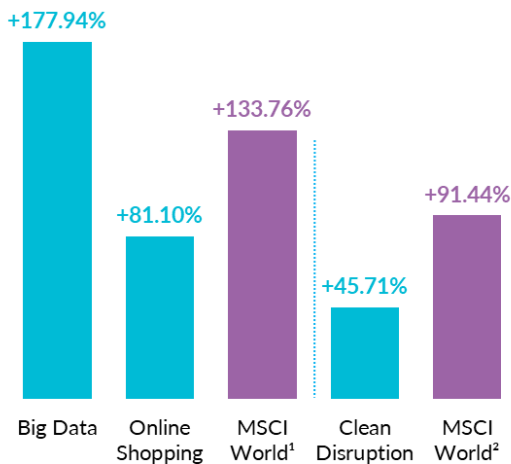
Trend Round Up

Trends Performance for the month of January 2024



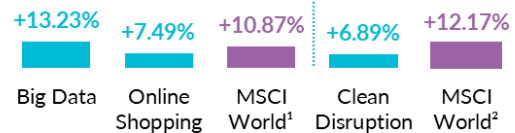
Note: Launch date of the Trends is 9 November 2015 apart from Clean Disruption Fund, which was launched on 6 June 2018. MSCI World refers to the MSCI World ex Australia Index. <sup>1</sup> Start date 9 November 2015. <sup>2</sup> Start date 6 June 2018.

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 +46.81%, +4.80% and -2.18% for the Big Data, Online Shopping Spree, and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of +25.09%).

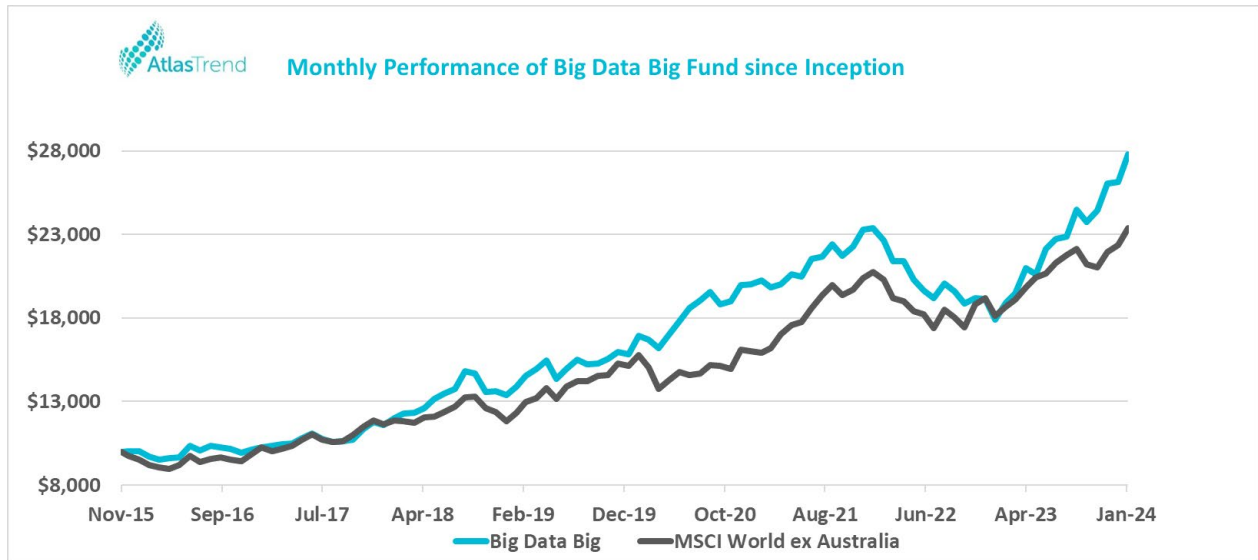
In the last 6 months, we have delivered performances of +21.47%, -3.77% and -7.11% for the Big Data, Online Shopping Spree, and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of +7.35%).

In the last 3 months, we have delivered performances of +13.74%, +2.95% and +6.80% for the Big Data, Online Shopping Spree, and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of +11.16%).

## Big Data Big Fund

The Trend return for the month was +6.24% and since launch (9 November 2015) is +177.94%.

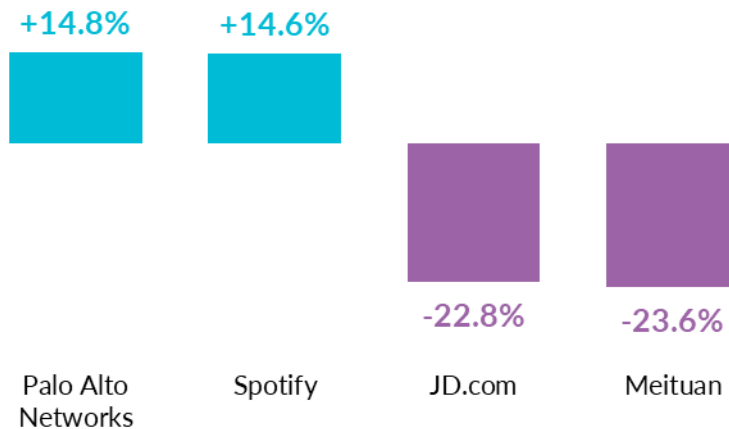
This Trend has delivered a +13.23% return per annum since inception.



This Trend had a strong positive month led by Palo Alto Networks, Spotify, Arista Networks and Salesforce.com. Chinese equities remain weak with underperformance led by small positions such as Meituan, JD.com as well as Tencent.

As of the end of January 2024, this Trend consisted of 19 companies.

### Top & bottom performers for January 2024 Big Data Big Fund

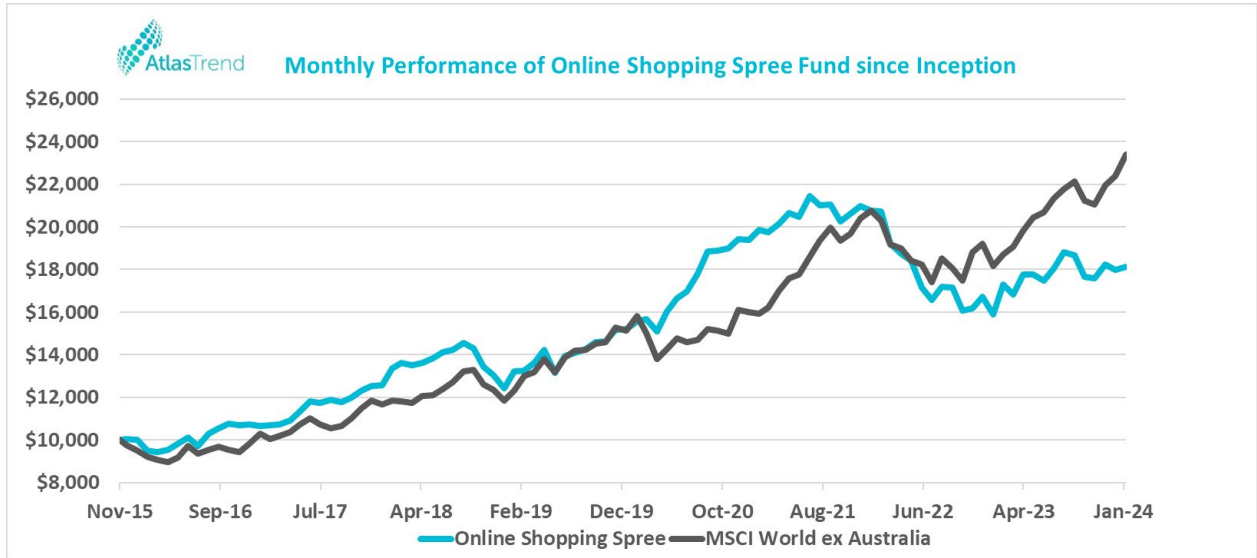


Note: % share price return in local currency, excluding any dividends received during the month

## Online Shopping Spree Fund

The Trend return for the month was +0.77% and since launch (9 November 2015) is +81.10%.

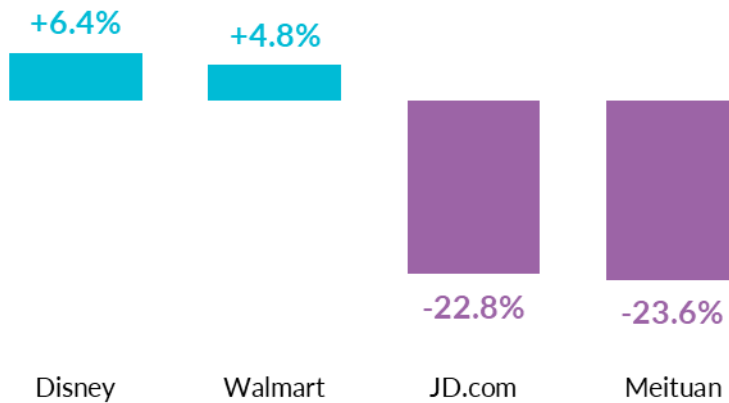
This Trend has delivered a +7.49% return per annum.



This Trend had a mixed month with the Chinese names leading the negative performers including JD.com, Tencent and Meituan. The positive contributors were led by Disney, Walmart as well as Netease and Amazon.com.

As of the end of January 2024, this Trend consisted of 17 companies.

### Top & bottom performers for January 2024 Online Shopping Spree Fund

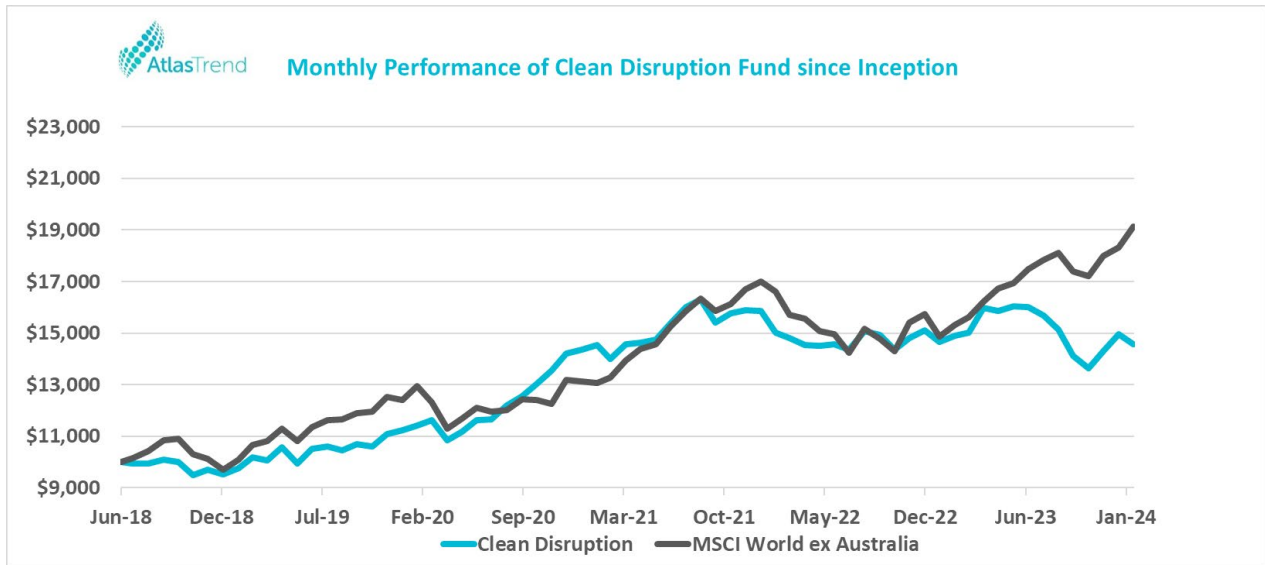


Note: % share price return in local currency, excluding any dividends received during the month

## Clean Disruption Fund

The Trend return for the month was -2.49% and since launch (6 June 2018) is +45.71%.

This Trend has delivered a +6.89% return per annum since inception.



This Trend had weak month with the negative performers led by BYD, Varta, First Solar, Vestas Wind Systems and Tomra Systems. The positive names were Orsted, Waste Management, KLA, and Northland Power.

As of the end of January 2024, this Trend consisted of 18 companies.

### Top & bottom performers for January 2024 Clean Disruption Fund



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

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