



Portfolio Scoop

Insights into the Trends and their performance

JULY 2022

- **July was a bounce back month for most development markets on some renewed optimism over corporate earnings.**
- **Positive performances were led by the U.S. NASDAQ Index, up +12.35% and the U.S. Russell 2000 Index, up +10.38% (all local prices).**
- **Chinese markets faltered with the Hong Kong HSCEI and HSI Indices, down -10.19% and -7.79% respectively. The Shanghai Composite Index was also down -4.28% (local prices) as the Chinese economy faces multiple headwinds.**
- **A stronger AUD (+1.16% versus the USD) dampened AUD returns in the Trends and indices.**
- **The monthly performances across our Trends were +4.55%, +3.74% and +5.03% for the Big Data, Online Shopping Spree and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of +6.40%).**

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 July?

July was a bounce back month for most development markets on some renewed optimism over corporate earnings. The International Energy Agency warned that the current energy crisis may worsen as the security of oil and gas supplies will continue to pose problems, particularly for Europe. Energy consumers are currently experiencing high global prices for oil as well as electricity shortages.

Positive performances were led by the U.S. NASDAQ Index, up +12.35% and the U.S. Russell 2000 Index, up +10.38% (all local prices). Chinese markets faltered with the Hong Kong HSCEI and HSI Indices, down -10.19% and -7.79% respectively. The Shanghai Composite Index was also down -4.28% (local prices).

A stronger AUD (+1.16% versus the USD) dampened AUD returns in the Trends and indices.

The monthly performances across our Trends were +4.55%, +3.74% and +5.03% 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 +6.40% in AUD terms.

Ongoing interest rate rises to control inflation

The U.S. Federal Reserve raised interest rates by another 0.75% in July after a 0.75% rise in June. The Federal Reserve underscored its commitment to controlling inflation of 9.1% in June, even at the expense of growth.

This is causing more fears of a U.S. recession as the economy continues to face headwinds even though the unemployment rate is low. U.S. corporate earnings are generally robust although this depends on the sector. Nonetheless, investors took the optimistic view during the month that markets may have bottomed with technology names and growth stocks leading the way.

Many European headwinds

Despite a rally in markets, Europe faces multiple headwinds with a weakening economy, an energy crisis partially related to the political instability in the region and unfavorable interest-rate differentials as the European Central Bank lags the U.S. Federal Reserve.

To that the end, the European Central Bank raised its deposit rate by 0.50% in July, its first hike since 2011. The significant move is similar to moves elsewhere such as the U.S., Canada and Australia, raising fears that too many rises will cause a global recession.

Recent optimism in China has quickly turned

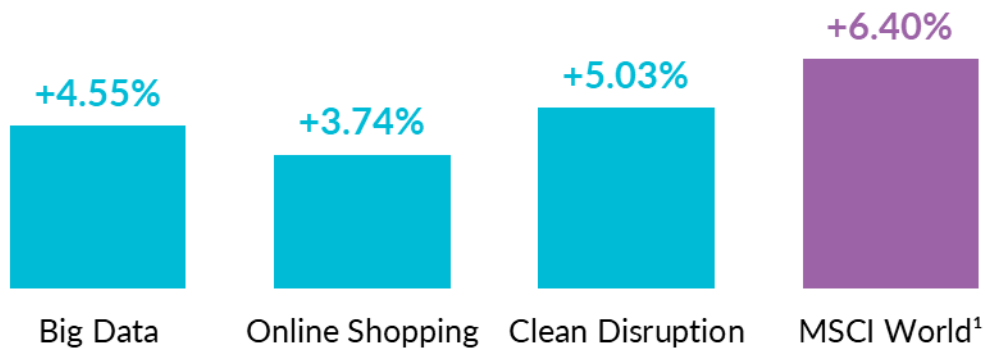
Chinese financial markets weakened as another round of coronavirus shutdowns impact already lagging economy. The credit stress is intensifying amid the turmoil in the property sector. China's banks have detailed over US\$312 million of loans at risk to the increasing number of homebuyers refusing to pay mortgages on unfinished homes.

China's economy grew at the slowest pace since the coronavirus outbreak two years ago, making Beijing's growth target for the year increasingly unattainable. Goldman Sachs reduced its 2022 growth forecast for China to 3.3% from 4.0%.

Officials are considering selling US\$220 billion of bonds in the second half of this year to fund infrastructure projects aimed to stimulate the economy.

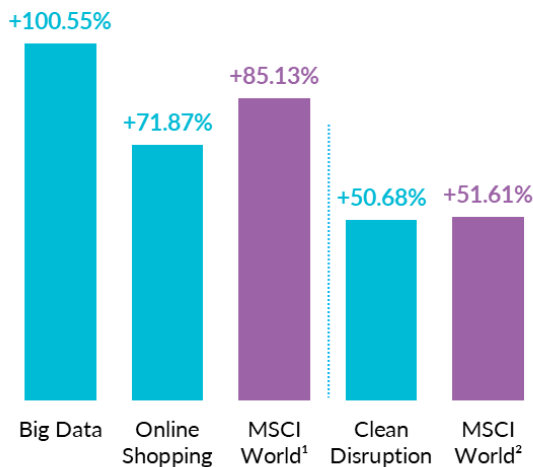
Trend Round Up

Trends Performance for the month of July 2022



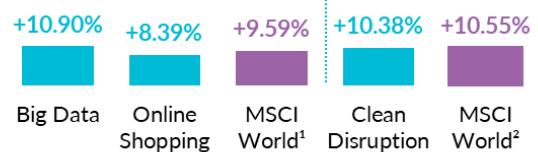
Note: Launch date of the Trends is 9 November 2015 apart from Clean Disruption Fund, which was launched on 6 June 2018. MSCI World refers to the MSCI World ex Australia Index. ¹ Start date 9 November 2015. ² Start date 6 June 2018.

Trends Performance



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Trends Performance p.a.



In the last 12 months, we have delivered performances of -7.43%, -18.18% and -5.87% for the Big Data, Online Shopping Spree and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of -4.39%).

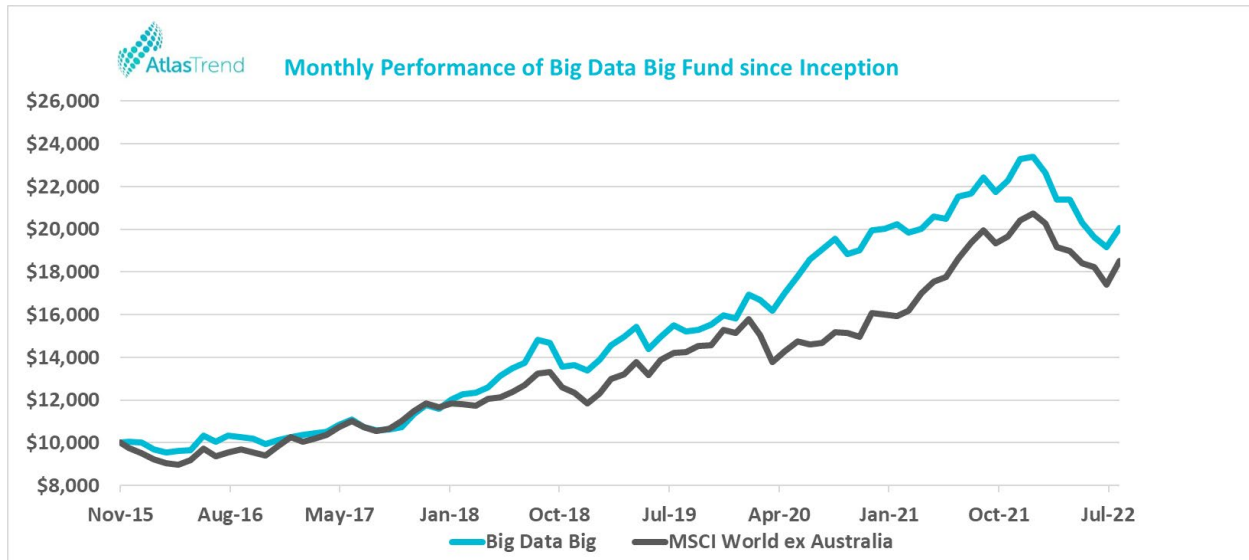
In the last 6 months, we have delivered performances of -11.40%, -17.04% and +0.35% for the Big Data, Online Shopping Spree and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of -8.76%).

In the last 3 months, we have delivered performances of -1.25%, -6.70% and +3.98% for the Big Data, Online Shopping Spree and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of +0.62%).

Big Data Big Fund

The Trend return for the month was +4.55% and since launch (9 November 2015) is +100.55%.

This Trend has delivered a +10.90% return per annum since inception.

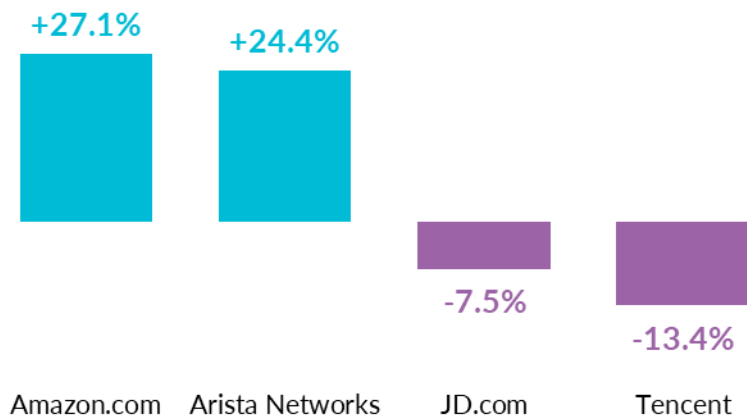


This Trend had a strong month off the back of strong corporate earnings. It was led by Amazon.com, Apple, Arista Networks, Spotify, Splunk, Salesforce and Alarm.com. Asian stocks such as Tencent and JD.com were the negative performers.

Apple reported 3Q22 results that beat Wall Street estimates as revenue rose 2% to US\$83 billion in the period and earnings of US\$1.20 a share. Similarly, Amazon.com reported revenue that topped estimates and gave a strong sales forecast for the current quarter. Both results somewhat eased investor concerns about turning consumer sentiment as inflation continues to rise.

As of the end of July 2022, this Trend consisted of 18 companies.

Top & bottom performers for July 2022 Big Data Big Fund

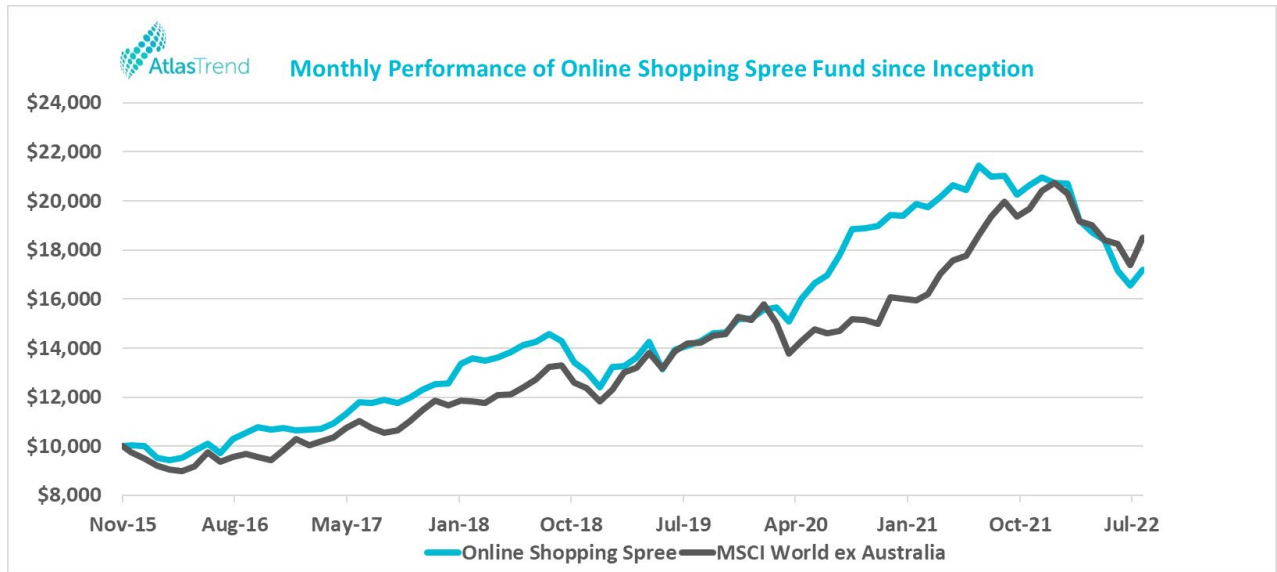


Note: % share price return in local currency, excluding any dividends received during the month

Online Shopping Spree Fund

The Trend return for the month was -3.74% and since launch (9 November 2015) is +71.87%.

This Trend has delivered a +8.39% return per annum.

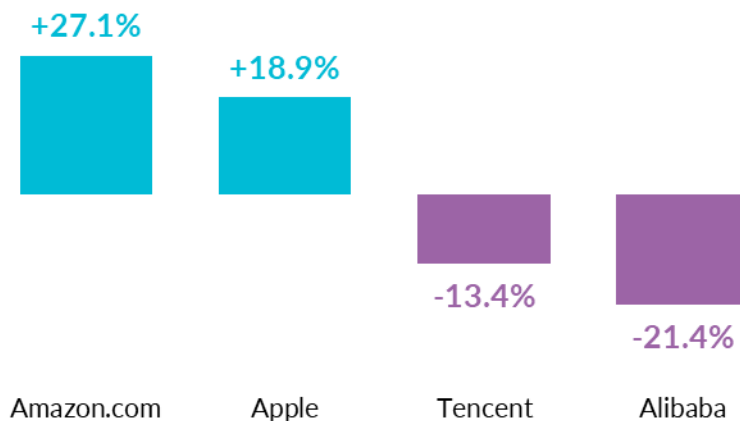


This Trend had a positive performance led by the large cap technology names including Amazon.com, Apple and eBay as well as the large omni-channel retailers such as Target and Walmart. Disney and Prologis were also strong performers.

Asian stocks such as Tencent and Alibaba were the negative performers.

As of the end of July 2022, this Trend consisted of 17 companies.

Top & bottom performers for July 2022 Online Shopping Spree Fund

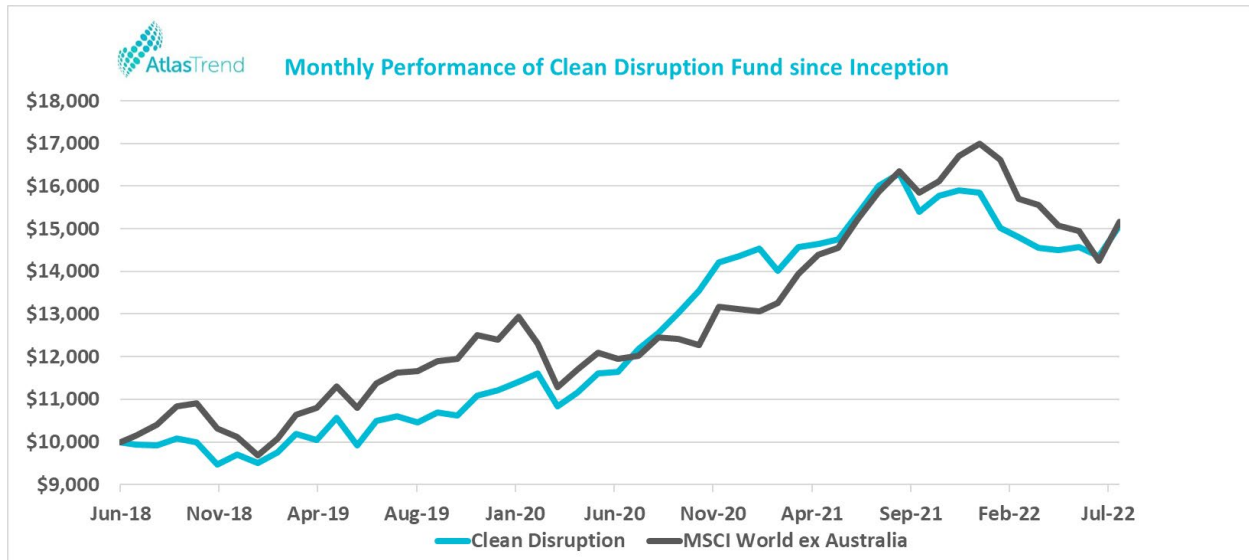


Note: % share price return in local currency, excluding any dividends received during the month

Clean Disruption Fund

The Trend return for the month was +5.03% and since launch (6 July 2018) is +50.68%.

This Trend has delivered a +10.38% return per annum since inception.

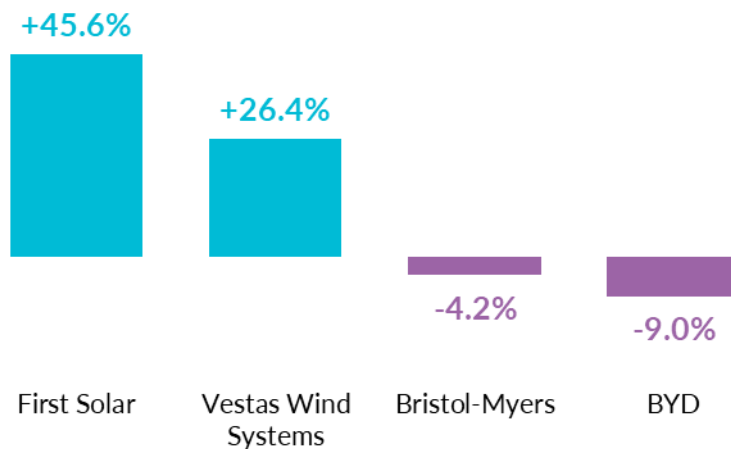


This Trend had a strong month led by names such as First Solar, Vestas Wind Systems, KLAC, Tomra Systems, Xylem and Schneider Electric. In fact, only 2 names were negative performers – BYD and Bristol-Myers-Squibb.

First Solar benefited from the sentiment around solar names and the recent passing of the Inflation Reduction Act.

As of the end of July 2022, this Trend consisted of 18 companies.

Top & bottom performers for July 2022 Clean Disruption Fund



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

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