



Portfolio Scoop

Insights into the Trends and their performance

JULY 2023

- **Developed markets continued their recent strong as the U.S. economy remains robust with growing sentiment of an economic 'soft' landing as the interest rate tightening cycle comes closer to the end.**
- **The strongest positive performers were Hong Kong's HSCEI Index and HSI Index, up +7.38% and 6.15% respectively and followed closely by the U.S. Russell 2000 Index, up +6.06% (local prices).**
- **Only Japan's Nikkei 225 Index, down -0.05% (local price) experienced a down month.**
- **The strength of the AUD by +0.79% against the USD AUD returns for the Trends and indices.**
- **The monthly performances across our Trends were +0.75%, +4.34% and -2.07% for the Big Data, Online Shopping Spree, and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of +2.09%).**

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?

Developed markets continued their recent strong as the U.S. economy remains robust with growing sentiment of an economic 'soft' landing (cooling inflation without triggering a recession) as the interest rate tightening cycle comes closer to the end.

The strongest positive performers were Hong Kong's HSCEI Index and HSI Index, up +7.38% and 6.15% respectively and followed closely by the U.S. Russell 2000 Index, up +6.06% (local prices). Only Japan's Nikkei 225 Index, down -0.05% (local price) experienced a down month. The strength of the AUD by +0.79% against the USD AUD returns for the Trends and indices.

The monthly performances across our Trends were +0.75%, +4.34% and -2.07% 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 +2.09% in AUD terms.

U.S. economy no longer concerned about recession

Although the U.S. Federal Reserve raised interest rates 0.25% to a benchmark rate of between 5.25% and 5.50%, there is growing expectation that we are nearing the end of the tightening cycle, with potentially one more hike left for 2023 followed potentially by interest rate cuts in 2024 depending on the state of inflation.

Economically, the U.S. market was driven by corporate earnings and more optimistic outlooks as business investment and consumption remaining strong, therefore underpinning economic growth. GDP growth in 2Q 2023 came in at 2.4%, topping estimates for 1.8% and up from 2.0% growth in 1Q 2023 while annualised U.S. inflation rose was 3.0%, its slowest pace in more than two years, supporting the 'soft' landing thesis.

European markets remain mixed as inflation appears to have peaked

European markets also performed relatively strongly as inflation fell and positive economic growth, as GDP rose 0.3% in 2Q 2023 from the last quarter.

Inflation fell to 7.9% in the U.K. although it has fallen from recent highs, while headline inflation in the European Zone fell to 5.3%. The European Central Bank raised rates again (+0.25% to 3.75%).

Despite some easing inflation fears, the economic outlook in the U.K. remains mixed with a number of indicators showing little growth.

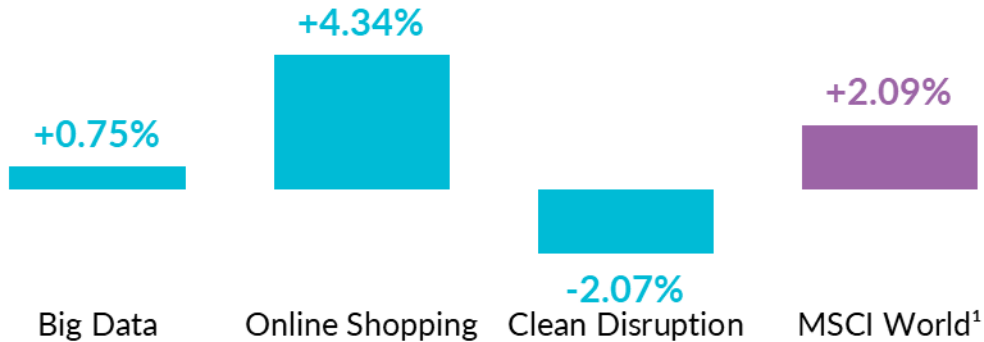
Chinese economy remains vulnerable, but Japan's economy is positive

Although Chinese markets rallied, global investors remain concerned about the growth and slowing trends in China. The Chinese government announced further measures to help economic activity in the real estate sector as well as boost consumption and investment in other industry segments. However, such measures remain tempered.

In Japan, markets were muted after a strong recent rally. Quarterly earnings results were generally solid, but investors remain wary about the Bank of Japan's stance on interest rate rises. There were also continued improvements in the Japanese macroeconomic data such as consumption, wage growth, and resilient inflation.

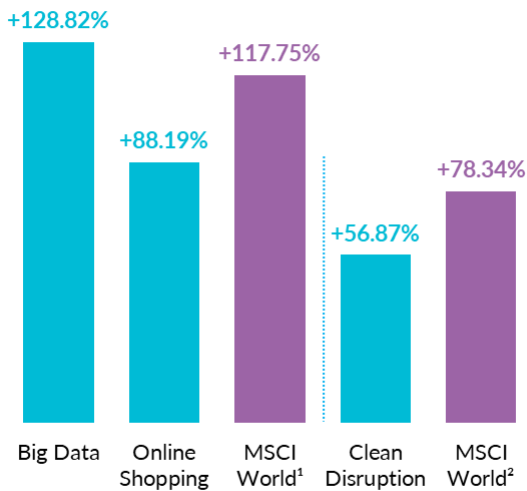
Trend Round Up

Trends Performance for the month of July 2023

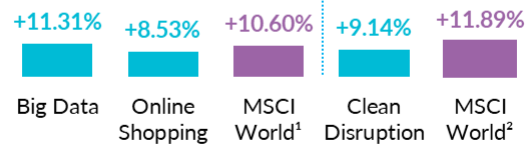


Note: Launch date of the Trends is 9 November 2015 apart from Clean Disruption Fund, which was launched on 6 June 2018. MSCI World refers to the MSCI World ex Australia Index. ¹ Start date 9 November 2015. ² Start date 6 June 2018.

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 +14.10%, +9.50% and +4.11% for the Big Data, Online Shopping Spree, and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of +17.62%).

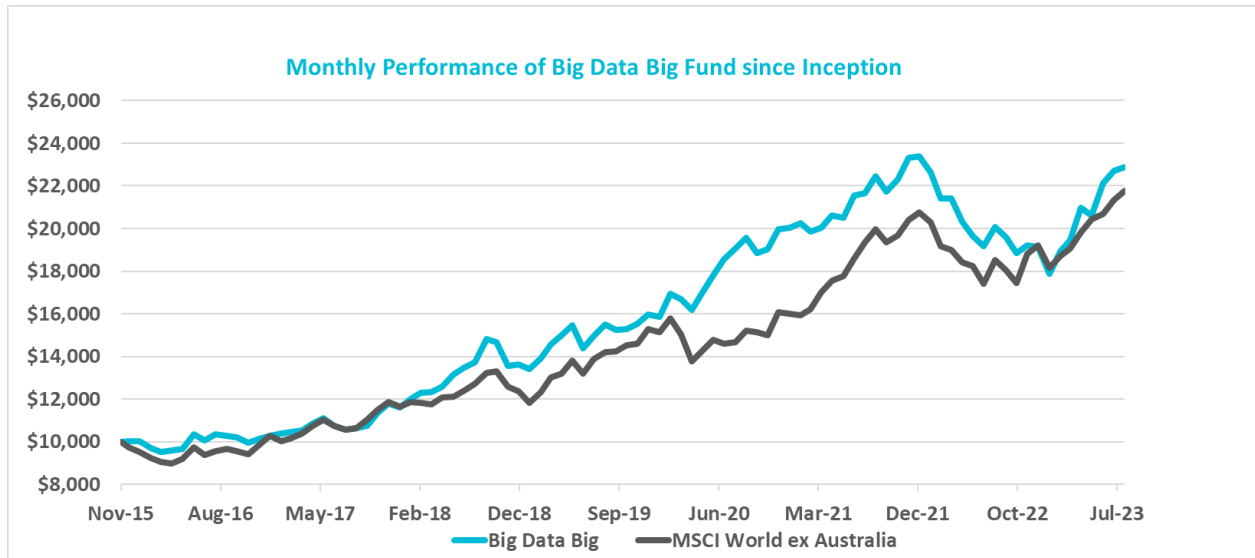
In the last 6 months, we have delivered performances of +20.86%, +8.91% and +5.31% for the Big Data, Online Shopping Spree, and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of +16.53%).

In the last 3 months, we have delivered performances of +10.93%, +5.96% and -0.98% for the Big Data, Online Shopping Spree, and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of +6.52%).

Big Data Big Fund

The Trend return for the month was +0.75% and since launch (9 November 2015) is +128.82%.

This Trend has delivered a +11.31% return per annum since inception.

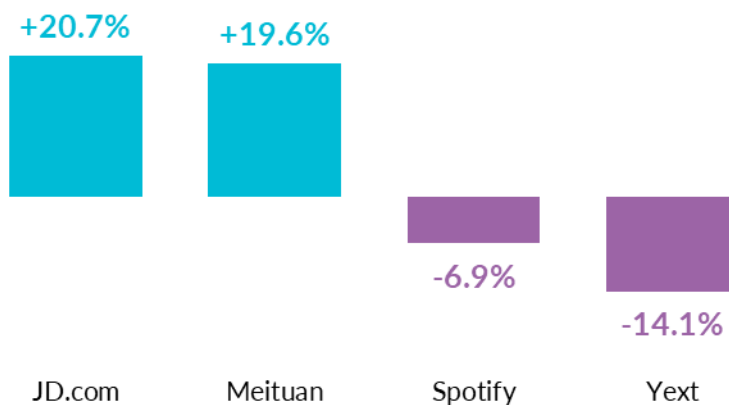


This Trend had another positive month as U.S. and Chinese equities and technology stocks rallied on the back of corporate earnings and bullish sentiment on AI. It was led by double-digit gains from JD.com, Meituan and Alphabet. Other strong performers included IBM, Digital Realty, Intel and Salesforce.com.

Weakness came from Yext, Spotify and NCSOFT.

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

Top & bottom performers for July 2023 Big Data Big Fund

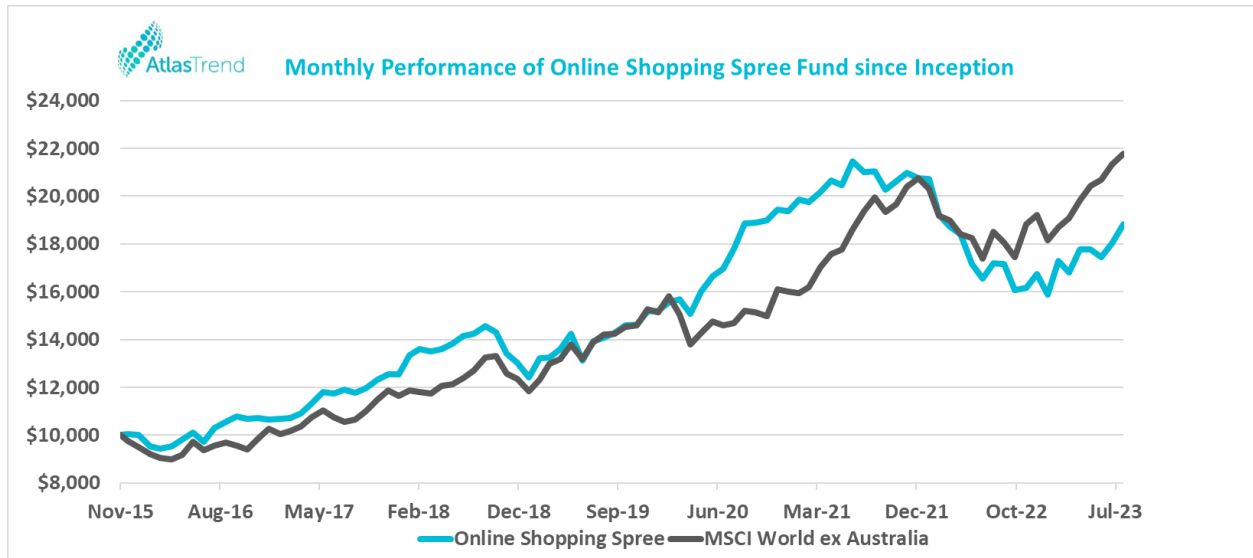


Note: % share price return in local currency, excluding any dividends received during the month

Online Shopping Spree Fund

The Trend return for the month was +4.34% and since launch (9 November 2015) is +88.19%.

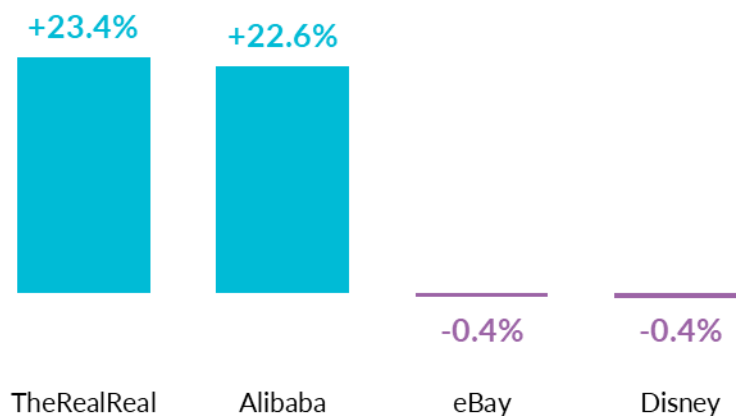
This Trend has delivered a +8.53% return per annum.



This Trend continued its very strong overall performance with largely positive performances across the board. It was led by TheRealReal, Alibaba, Meituan, JD.com, Expedia.com, FedEx and Zalando. The only slight negative performers were eBay and Disney with investors concerned about how the current writers and actors strike will impact their content businesses.

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

Top & bottom performers for July 2023 Online Shopping Spree Fund

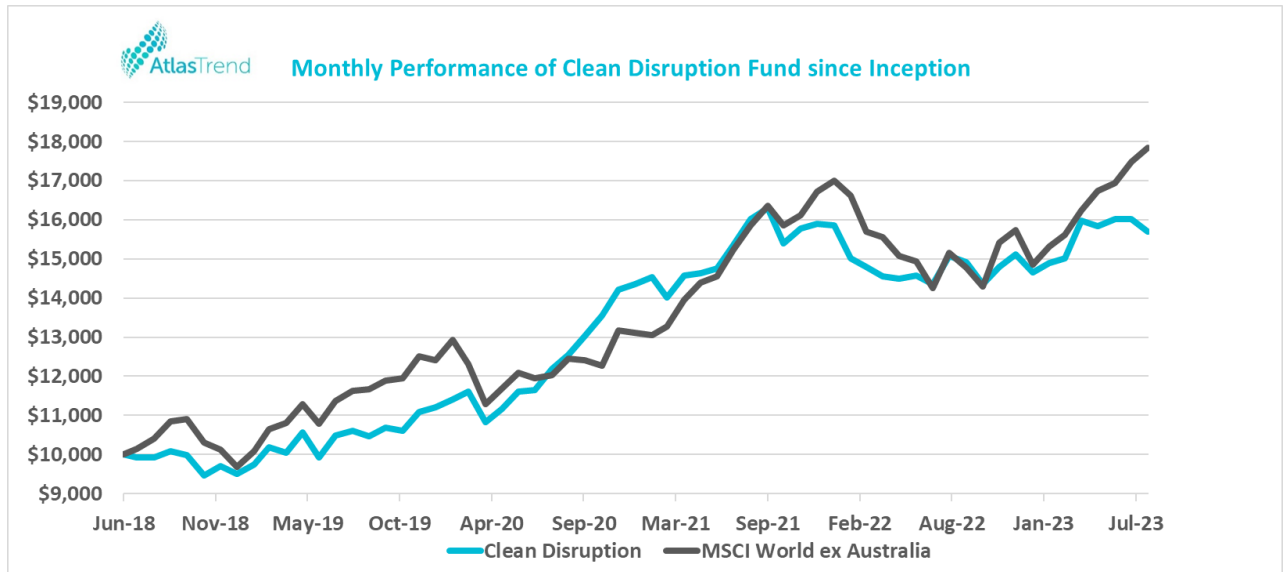


Note: % share price return in local currency, excluding any dividends received during the month

Clean Disruption Fund

The Trend return for the month was -2.07% and since launch (6 June 2018) is +56.87%.

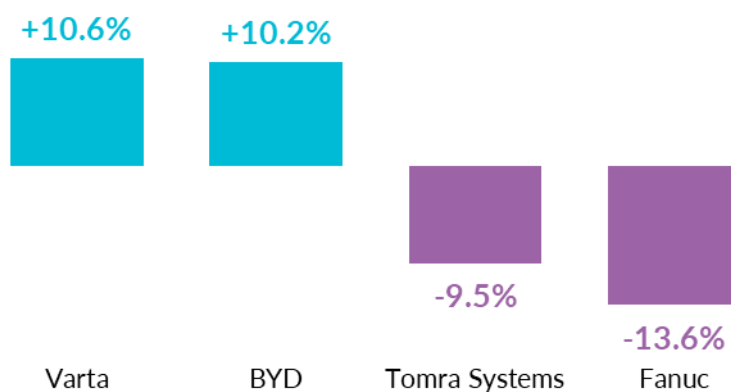
This Trend has delivered a +9.14% return per annum since inception.



This Trend had a disappointing performance mostly due to underperformers in Fanuc, Tomra Systems, Orsted, and Northland Power. Fanuc’s business is being impacted by slowing demand from its Chinese customers. Positive contributions were from Varta, BYD, KLA Tencor, Rockwool, and First Solar.

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

Top & bottom performers for July 2023 Clean Disruption Fund



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

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