



Portfolio Scoop

Insights into the Trends and their performance

JUNE 2022

- **June saw more weakness in all financial markets aside from Chinese markets. Fears are growing about a global recession heading into 2023.**
- **Most developed markets sold off once again, led again by the Deutsche Boerse Index, down -11.15% and the EURO STOXX 50 Index, down -8.82% (all local prices).**
- **Chinese markets rallied further with the Shanghai Composite Index up +6.66% (local prices) as stimulus and some expectations of a partial relaxation of its Covid-Zero policy.**
- **A weaker AUD (-3.95% versus the USD) helped dampen AUD losses in the Trends and indices.**
- **The monthly performances across our Trends were -2.31%, -3.43% and -1.54% for the Big Data, Online Shopping Spree and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of -4.64%).**

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 June?

June saw more weakness in all financial markets aside from Chinese markets. Fears are growing about a global recession heading into 2023.

The World Bank cut its 2022 GDP forecast further from 4.1% to 2.9% because of inflation in energy and food, supply disruptions and rising interest rates. They join a growing prediction that a global economic recession is imminent with a best-case scenario of a soft landing is possible (where supply shocks are resolved, and demand remain resilient).

There is some optimism about supply-side factors are turning around - prices of semiconductors, shipping containers and fertiliser are all down, which will lower prices of electronic goods and food. However, it is likely that there will be a lag before the lower costs of raw materials filter through to the end-consumer.

Most developed markets sold off once again, led again by the Deutsche Boerse Index, down -11.15% and the EURO STOXX 50 Index, down -8.82% (all local prices). Chinese markets rallied further with the Shanghai Composite Index up +6.66% (local prices) as stimulus and some expectations of a partial relaxation of its Covid-Zero policy.

A weaker AUD (-3.95% versus the USD) helped dampen AUD losses in the Trends and indices.

The monthly performances across our Trends were -2.31%, -3.43% and -1.54% 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 -4.64% in AUD terms.

Interest rate hikes continue

The U.S. Federal Reserve raised interest rates by 0.75%, its biggest increase since 1994 with another large move next month. It will also begin reducing its balance sheet more aggressively. Forecast interest rates are likely to increase to 3.4% by December and 3.8% by the end of 2023 to stamp out inflation. However, this may potentially lead the U.S. economy into a recession despite the strength in the employment market and the US\$2 trillion in excess household cash.

As a result, U.S. equities have entered a bear market with the U.S. S&P 500 Index, down more than 20% from its peak to its lowest level since January 2021.

Fears of European recession

Europe continues to face similar issues to the U.S. as inflationary pressures place added emphasis on rising interest rates. It is also dealing more with the instability and uncertainty of the war in Ukraine. This is causing nervousness amongst investors of a bear market and a risk of recession in the region.

The Euro STOXX 600 Index is down around 15% this year with 2Q 2022 being its worst quarter since the onset of the coronavirus in early 2020.

More optimism in China

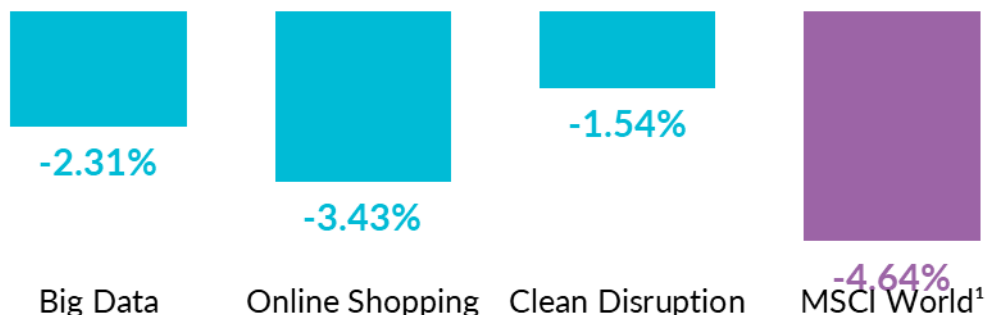
Although Chinese President Xi Jinping called on his government to maintain its Covid-Zero policy, there are murmurings that the practical elements of this policy may ease causing some optimism.

The priority appears to be shifting towards the needs of the economy with more stimulus measures including a plan for state-owned policy banks to set up a US\$120 billion line of credit for infrastructure projects. The outlook for Chinese technology shares has also improved as 60 new video games were approved signaling a further easing of the sector regulation, the investigation of Didi Global was ending and there was some progress to approving the IPO of Ant Financial.

The Bank of Japan diverged further from the global economy as it announced that it was maintaining its loose monetary stance.

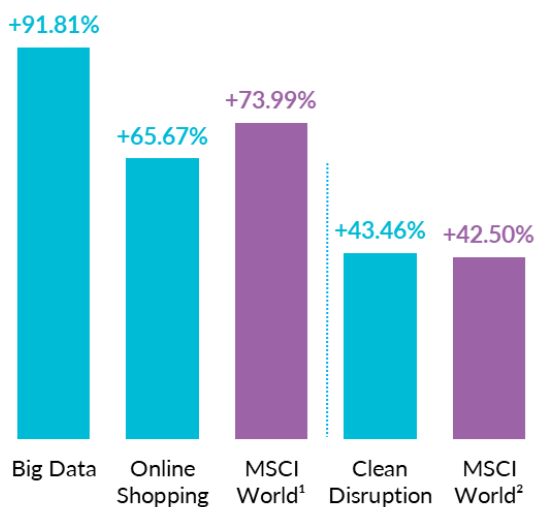
Trend Round Up

Trends Performance for the month of June 2022



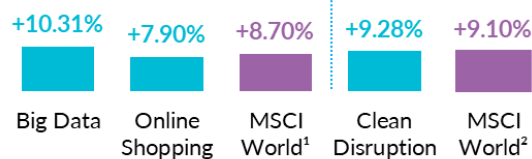
Note: Launch date of the Trends is 9 November 2015 apart from Clean Disruption Fund, which was launched on 6 June 2018. MSCI World refers to the MSCI World ex Australia Index. ¹ Start date 9 November 2015. ² Start date 6 June 2018.

Trends Performance



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Trends Performance p.a.



In the last 12 months, we have delivered performances of -10.93%, -22.76% and -6.62% for the Big Data, Online Shopping Spree and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of -6.52%).

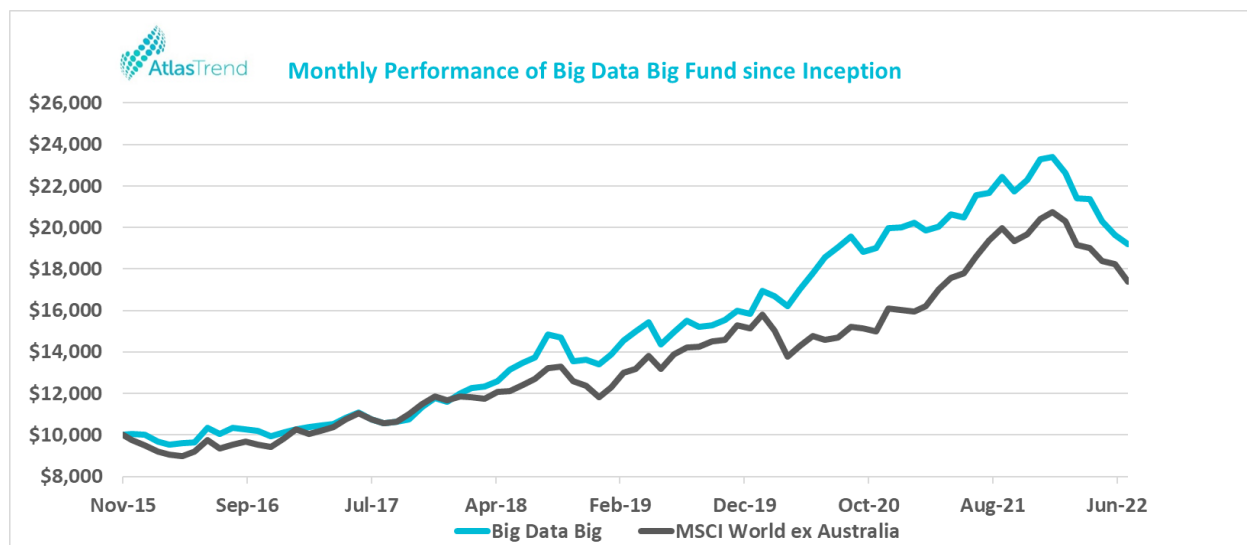
In the last 6 months, we have delivered performances of -17.98%, -20.16% and -9.47% for the Big Data, Online Shopping Spree and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of -16.13%).

In the last 3 months, we have delivered performances of -10.31%, -11.56% and -1.39% for the Big Data, Online Shopping Spree and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of -8.42%).

Big Data Big Fund

The Trend return for the month was -2.31% and since launch (9 November 2015) is +91.81%.

This Trend has delivered a +10.31% return per annum since inception.

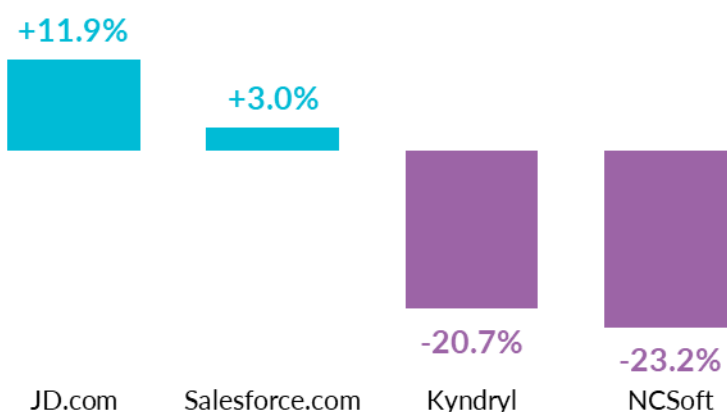


This Trend outperformed its benchmark as growth stocks continued their sell-off. We saw weakness in names such as NCSOFT, Kyndryl, Intel, Seagate and Spotify. Intel suggested a weaker economy will affect demand and hurt financial performance, which dragged down semi-conductor and hardware stocks.

Positive performers included JD.com, Salesforce.com and IBM.

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

Top & bottom performers for June 2022 Big Data Big Fund

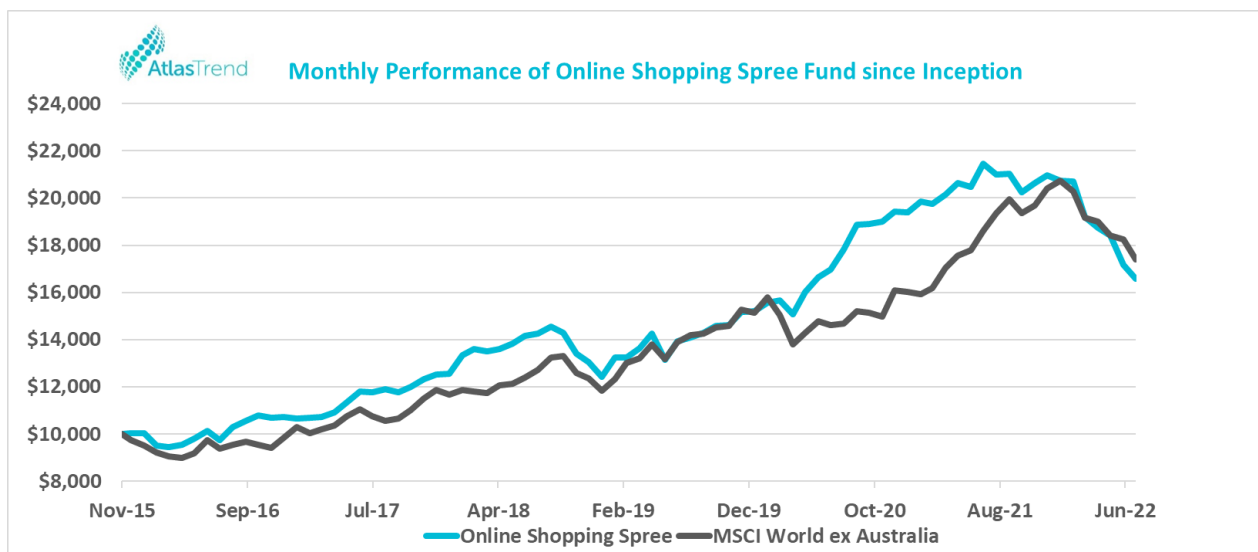


Note: % share price return in local currency, excluding any dividends received during the month

Online Shopping Spree Fund

The Trend return for the month was -3.43% and since launch (9 November 2015) is +65.67%.

This Trend has delivered a +7.90% return per annum.

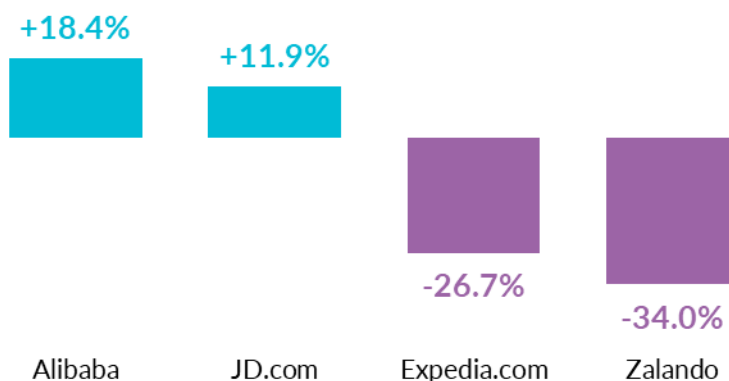


This Trend also outperformed its benchmark as growth stocks continued their sell-off. A measure of consumer confidence and growing concerns of an economic recession are playing into the sell-off. Weakness came from names such as Zalando, Expedia.com, TheRealReal and eBay.

The positive performers included Alibaba, JD.com, Meituan and FedEx.

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

Top & bottom performers for June 2022 Online Shopping Spree Fund

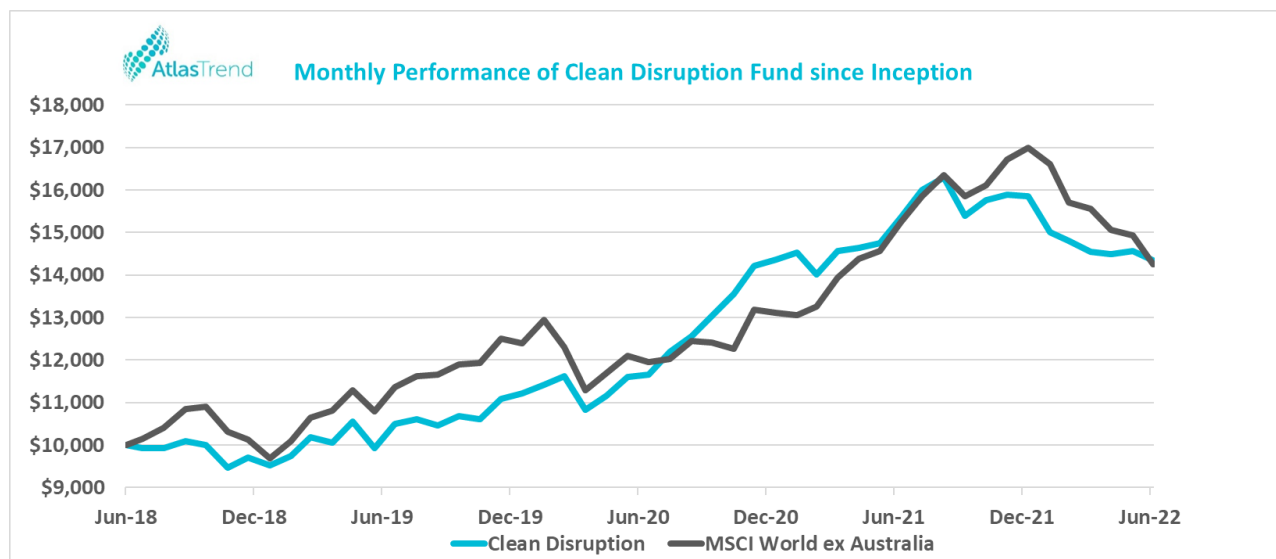


Note: % share price return in local currency, excluding any dividends received during the month

Clean Disruption Fund

The Trend return for the month was -1.54% and since launch (6 June 2018) is +43.46%.

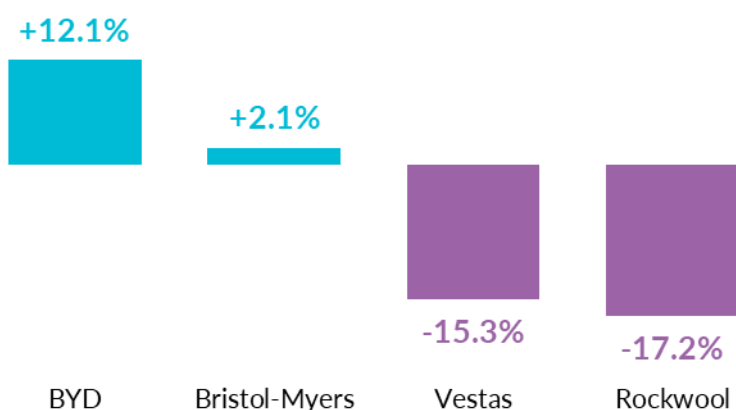
This Trend has delivered a +9.28% return per annum since inception.



Despite weak markets, this Trend continued to perform relatively well versus its benchmark. The positive performances included BYD, Bristol-Myers-Squibb and Fanuc while weaker names included Rockwool, Vestas Wind Systems and Siemens Healthineers.

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

Top & bottom performers for June 2022 Clean Disruption Fund



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

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