



Portfolio Scoop

Insights into the Trends and their performance

MAY 2022

- **May saw continued weakness in most financial markets as investors pondered the reality of rising interest rates and fears of a global recession.**
- **Most developed markets sold off markedly, led again by the U.S. NASDAQ Index, down -2.05% and the EURO STOXX 600 Index, down -1.56% (all local prices).**
- **Chinese markets rallied as with talks of China government stimulus with the Shanghai Composite Index up +4.57% (local prices).**
- **A stronger AUD (1.62% versus the USD) exacerbated AUD losses in the Trends and indices.**
- **The monthly performances across our Trends were -3.31%, -6.87% and +0.54% for the Big Data, Online Shopping Spree and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of -0.83%).**

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 May?

May saw continued weakness in most financial markets as investors pondered the reality of rising interest rates and fears of a global recession.

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A stronger AUD (1.62% versus the USD) exacerbated AUD losses in the Trends and indices.

The monthly performances across our Trends were -3.31%, -6.87% and +0.54% 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 -0.83% in AUD terms.

Aggressive monetary policy begins

The U.S. Federal Reserve delivered its biggest interest-rate increase for 22 years, a 0.50% increase and stated that it would keep hiking at such a pace over the next couple of months. It will also begin allowing its holdings of Treasuries and mortgage-backed securities to decline in June at an initial combined monthly pace of US\$47.5 billion increasing it to US\$95 billion over three months.

While the rate rise was expected, investors remain concerned whether the U.S. Federal Reserve will be curb inflation without causing a recession. With the unemployment rate stood at 3.6% and inflation reading 8.3% last month, significant work still needs to be done over the coming months.

Inflation in Europe continues to the major concern

Some members of the European Central Bank remain concerned about record inflation, particular as the war in Ukraine shows no signs of abating. Energy and food costs are driving up inflation whilst the economy is showing signs of slowing.

High inflation in the U.K. continues with the headline measure rising 9% in April, a level not seen for 40 years ago. Its forcing more interest rate hikes and putting pressure on the European Central Bank to do the same by year end.

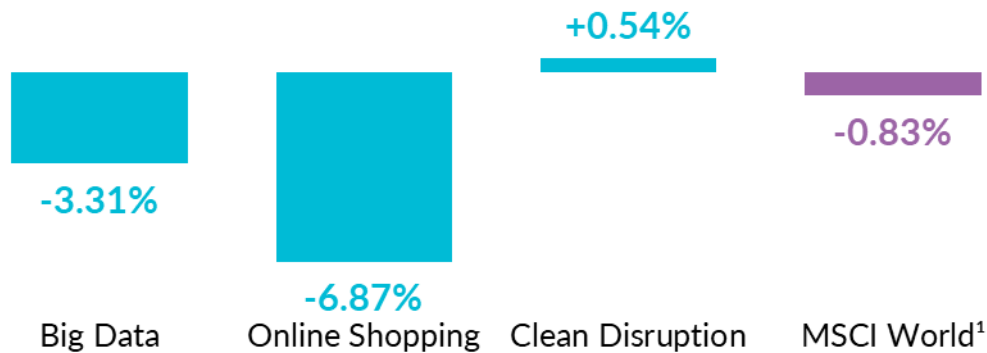
Central government stimulus accelerates

China's strict lockdowns to curb coronavirus infections are taking a significant toll on the economy and significant impacting global supply chains. Both manufacturing and services activity plunged to their worst levels since February 2020. Fitch Ratings cut its 2022 GDP forecast for China to 4.3% from 4.8%. Bloomberg Economics last week reduced its forecast for China's growth to 2%, which would see it grow slower than the U.S. economy for the first time in almost 50 years.

Pressure is building on the Chinese government to implement significant stimulus measures to get the economy back on track and help employment. During the month, it reduced interest rates to help the property market, which has experienced eight straight months of home-price reductions and property developers under financial pressure. China will inject US\$5.3 trillion into its economy this year in the form of budget spending, tax relief and bond financing to help its economy.

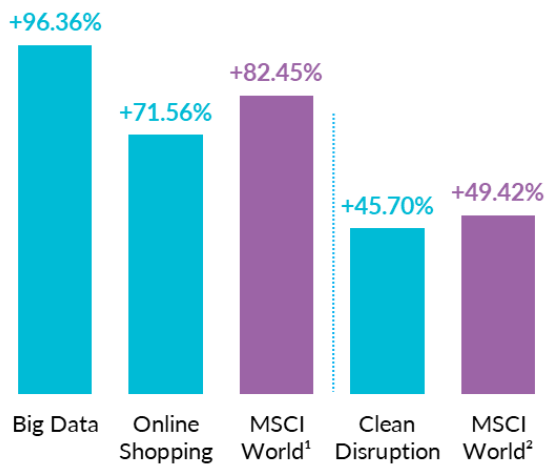
Trend Round Up

Trends Performance for the month of May 2022



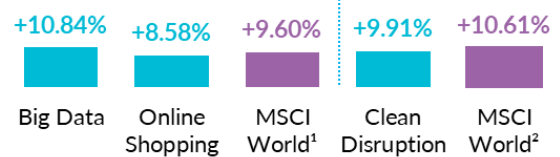
Note: Launch date of the Trends is 9 November 2015 apart from Clean Disruption Fund, which was launched on 6 June 2018. MSCI World refers to the MSCI World ex Australia Index. ¹ Start date 9 November 2015. ² Start date 6 June 2018.

Trends Performance



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Trends Performance p.a.



In the last 12 months, we have delivered performances of -4.18%, -16.16% and -1.24% for the Big Data, Online Shopping Spree and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of +2.64%).

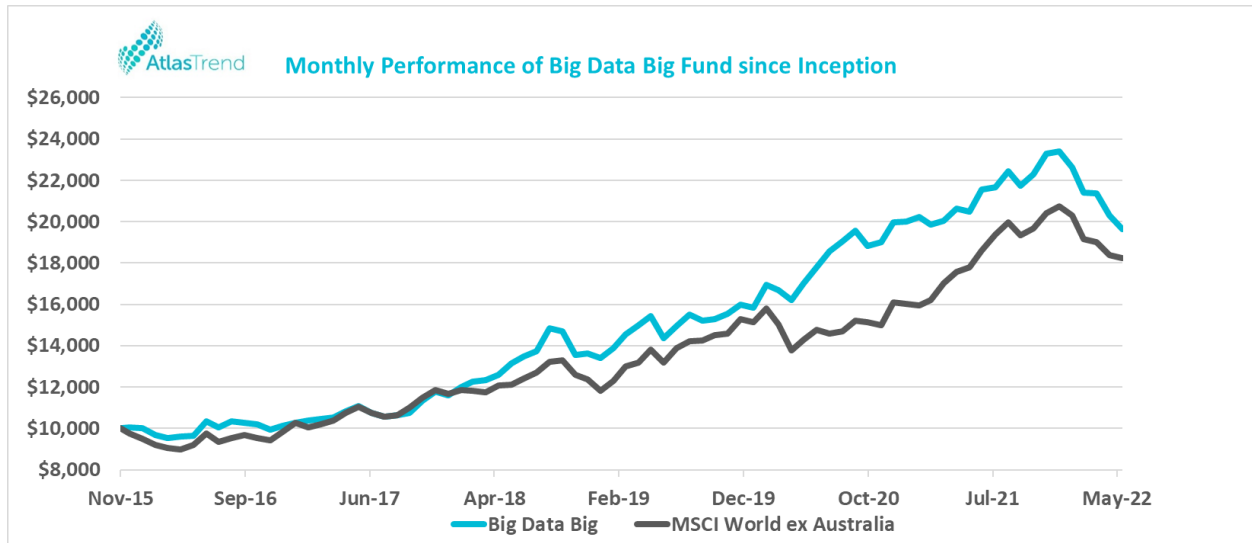
In the last 6 months, we have delivered performances of -15.71%, -18.18% and -8.31% for the Big Data, Online Shopping Spree and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of -10.58%).

In the last 3 months, we have delivered performances of -8.21%, -10.70% and -1.56% for the Big Data, Online Shopping Spree and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of -4.82%).

Big Data Big Fund

The Trend return for the month was -3.31% and since launch (9 November 2015) is +96.36%.

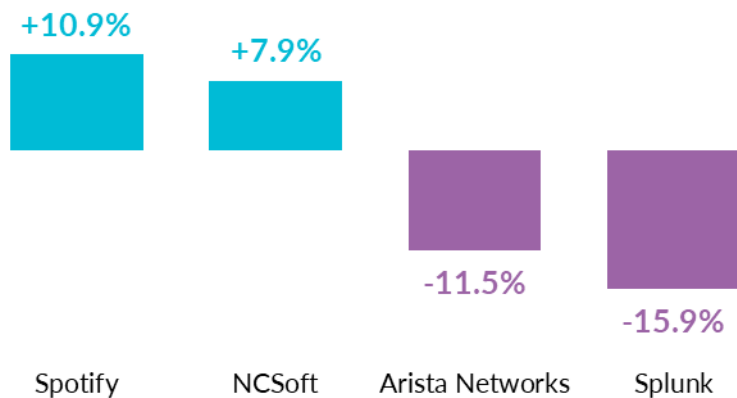
This Trend has delivered a +10.84% return per annum since inception.



This Trend underperformed its benchmark as growth stocks continued to be sold off. Spotify, NCSOFT, IBM Alarm.com, Seagate and Intel had positive months, but this was balanced against weakness from Splunk, Arista Networks, Yext, Salesforce.com and Apple.

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

Top & bottom performers for May 2022 Big Data Big Fund

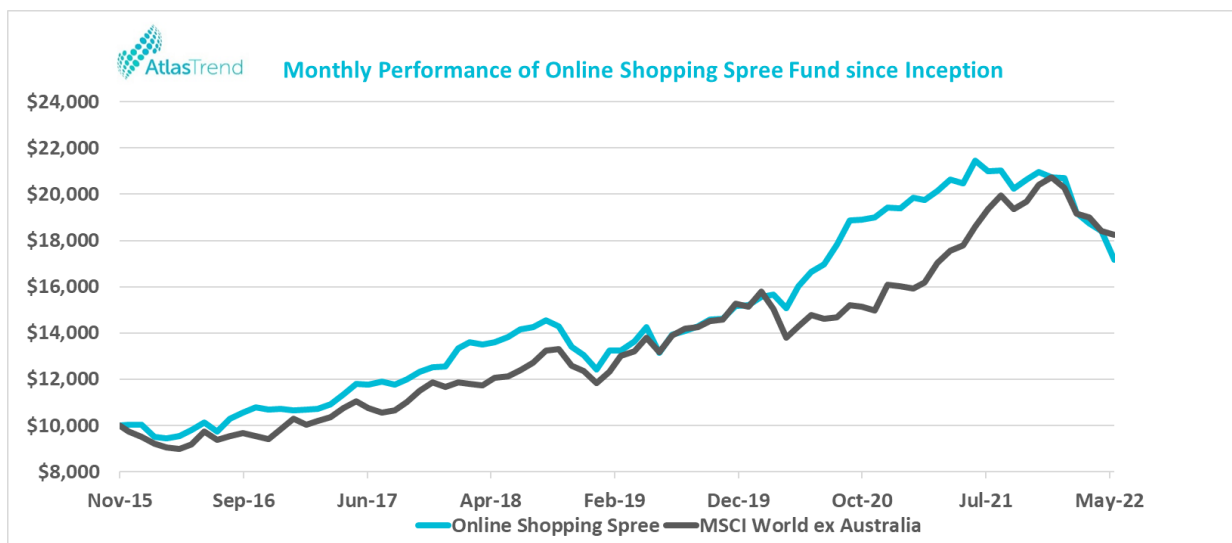


Note: % share price return in local currency, excluding any dividends received during the month

Online Shopping Spree Fund

The Trend return for the month was -6.87% and since launch (9 November 2015) is +71.56%.

This Trend has delivered a +8.58% return per annum.

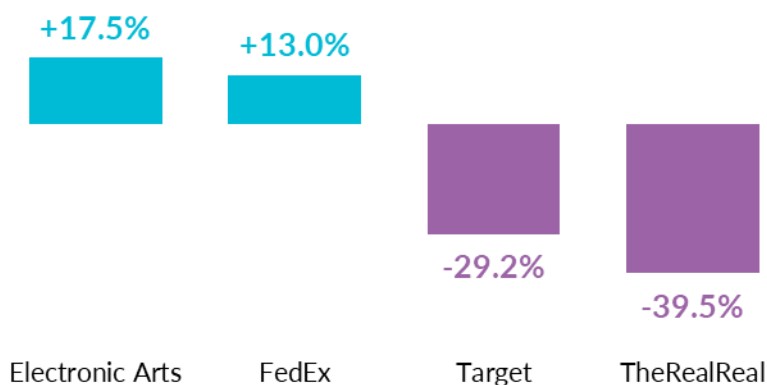


This Trend had a disappointing month as it saw headwinds on various fronts. Target’s weak result impacted not just itself but also Walmart and the overall retail landscape. TheRealReal continued to be weak due to concerns about how a weaker economy would impact consumer discretionary names. Lastly, Prologis was sold off as it announced a US\$24 billion acquisition of Duke Realty and news of excess capacity in the warehouse space.

The positive performers were Electronic Arts, FedEx, Meituan, Netease and Zalando.

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Top & bottom performers for May 2022 Online Shopping Spree Fund

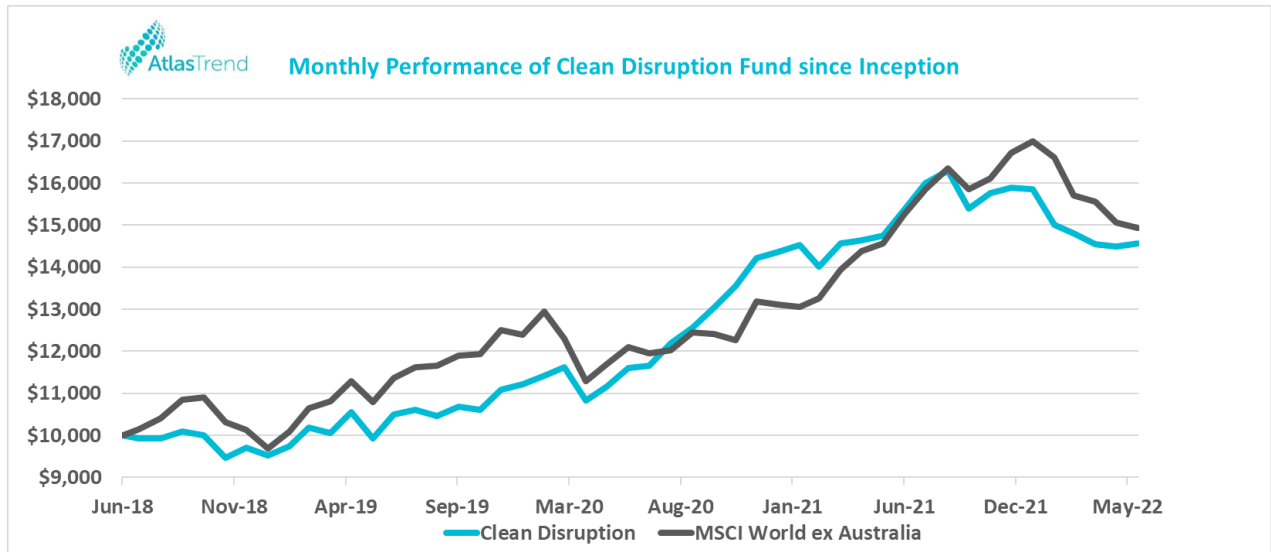


Note: % share price return in local currency, excluding any dividends received during the month

Clean Disruption Fund

The Trend return for the month was +0.54% and since launch (6 June 2018) is +45.70%.

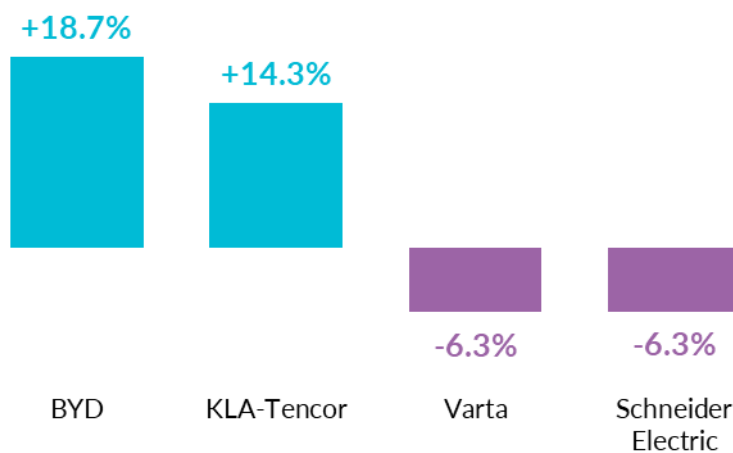
This Trend has delivered a +9.91% return per annum since inception.



Despite weak markets, this Trend continued to perform relatively well versus its benchmark by delivering a positive performance month. The positive performances were led by BYD, KLA-Tencor, Siemens Healthineers, IPG Photonics, Xylem and Fanuc while weaker names included Schneider Electric, Varta and Waste Management.

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

Top & bottom performers for May 2022 Clean Disruption Fund



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

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