



Portfolio Scoop

Insights into the Trends and their performance

MAY 2023

- **Developed markets were generally weaker as investors remained concerned about stagnant Chinese growth and recessionary fears globally.**
- **The standout positive performers were the Japan's Nikkei 225 Index, up +7.04% and the U.S. NASDAQ Index, which was up +5.80% (local prices).**
- **Weakness once again came from Hong Kong's HSCEI and HSI Index, down -8.04% and -8.35% respectively (local prices) although European markets as well as the U.S. Dow Jones Index were also quite weak.**
- **Weakness of the AUD by +1.73% against the USD and +0.68% against the € helped AUD returns for the Trends and indices.**
- **The monthly performances across our Trends were +7.33%, -1.67% and +1.14% for the Big Data, Online Shopping Spree, and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of +1.18%).**

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?

Developed markets were generally weaker as investors remained concerned about stagnant Chinese growth and recessionary fears globally. The U.S. presented a mixed picture though as multiple positives such as resilient consumer spending numbers, favorable quarterly earnings that generally met or beat expectations with signs that the U.S. Federal Reserve is nearing the end of its tightening cycle.

The standout positive performers were the Japan's Nikkei 225 Index, up +7.04% and the U.S. NASDAQ Index, which was up +5.80% (local prices). Weakness once again came from Hong Kong's HSCEI and HSI Index, down -8.04% and -8.35% respectively (local prices) although European markets as well as the U.S. Dow Jones Index were also quite weak. Further weakness of the AUD by +1.73% against the USD and +0.68% against the € helped AUD returns for the Trends and indices.

The monthly performances across our Trends were +7.33%, -1.67% and +1.14% 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 +1.18% in AUD terms.

Nearing the peak for U.S. interest rates

The U.S. Federal Reserve lifted interest rates again by 0.25% to a benchmark rate of between 5.00% and 5.25%, up from nearly zero in March 2022, the highest level in 16 years. Whilst there is likely to be room for one more rate increase, it has also hinted that we may be nearing the interest rate peak as inflation is controlled.

This helped U.S. markets along with news of the debt ceiling and spending deal being finalised. Importantly, U.S. earnings and guidance were generally above expectations even though interest rates are impacting how and where consumers are spending their money.

Rate rises set to continue in Europe

European economic sentiment remains weak with a stagnating economy, elevated inflation, and rising interest rates being the main drivers. Sentiment deteriorated among manufacturers, service providers, retailers, and constructors.

Headline inflation in the European Union slowed to an annual 6.1% in May from 7.0% in April, but this did not stop the European Central Bank from raising rates again, this time by 0.25%. It appears that most policymakers voted to slow the pace of rate increases to 0.25% but signaled an intention to tighten monetary policy further.

Chinese growth has slowed with Japanese equities rallying

China's official manufacturing Purchasing Managers' Index fell to 48.8 in May from April's 49.2, making it the second consecutive month of contraction and the lowest levels since December 2022. Production activity also contracted, driven by slowing new orders and exports. The non-manufacturing Purchasing Managers' Index also eased, falling to a weaker than expected 54.5 in May from 56.4 in April.

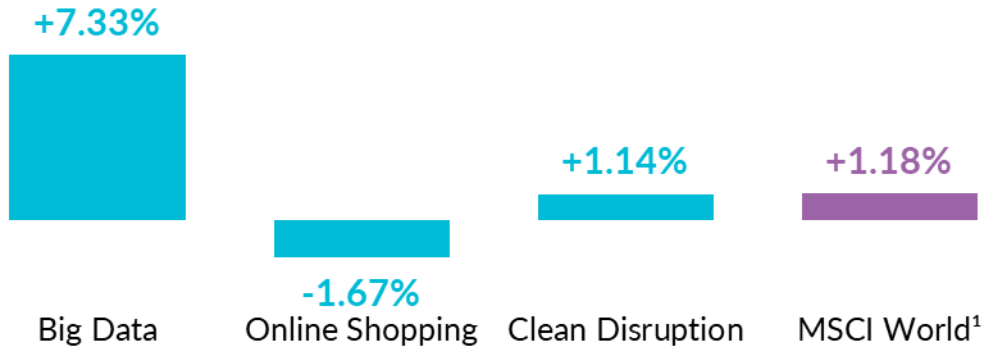
New data from the China Real Estate Information Corp also showed that the real estate sector was still recovering despite the stimulus measures implemented since the end of 2022.

Continuing renewed foreign investor interest in Japan meant equities in Japan had a strong month. The Main Japanese indices reached 33-year highs, with the gains supported by strong domestic earnings as well as some yen weakness.

Further, data released by the Japan Tourism Agency, hotels and other accommodation facilities recorded over 10 million overnight stays by foreigners in April for the first time since the outbreak of the coronavirus pandemic. Tourism was aided by a weaker yen and an increase in international air traffic due to the lifting of Japan's COVID border controls for all arrivals in April.

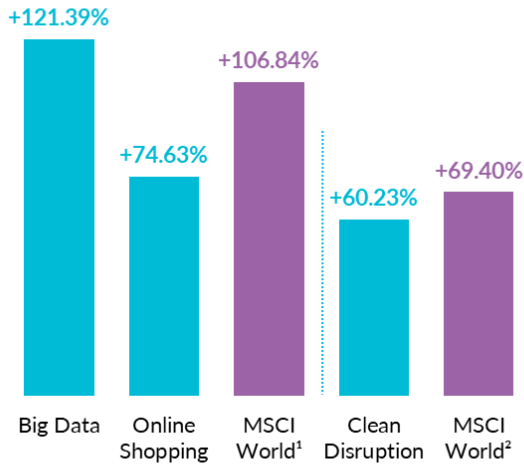
Trend Round Up

Trends Performance for the month of May 2023



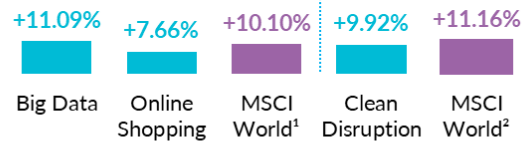
Note: Launch date of the Trends is 9 November 2015 apart from Clean Disruption Fund, which was launched on 6 June 2018. MSCI World refers to the MSCI World ex Australia Index. ¹ Start date 9 November 2015. ² Start date 6 June 2018.

Trends Performance



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Trends Performance p.a.



In the last 12 months, we have delivered performances of +12.75%, +1.79% and +9.98% for the Big Data, Online Shopping Spree, and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of +13.37%).

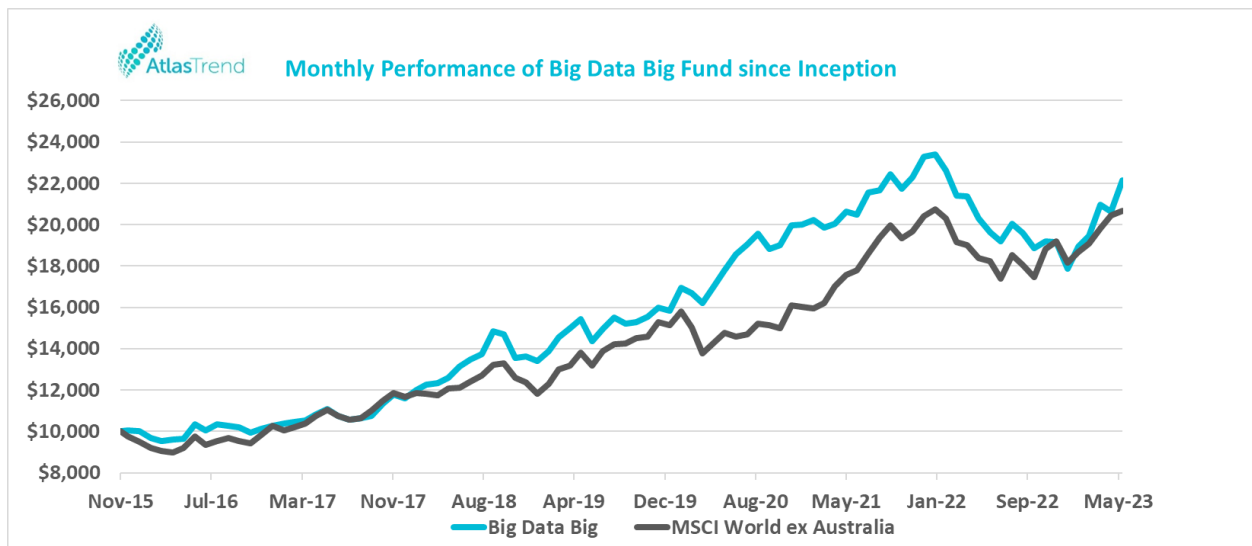
In the last 6 months, we have delivered performances of +15.60%, +4.34% and +5.98% for the Big Data, Online Shopping Spree, and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of +7.72%).

In the last 3 months, we have delivered performances of +13.72%, +3.88% and +6.74% for the Big Data, Online Shopping Spree, and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of +8.43%).

Big Data Big Fund

The Trend return for the month was +7.33% and since launch (9 November 2015) is +121.39%.

This Trend has delivered a +11.09% return per annum since inception.

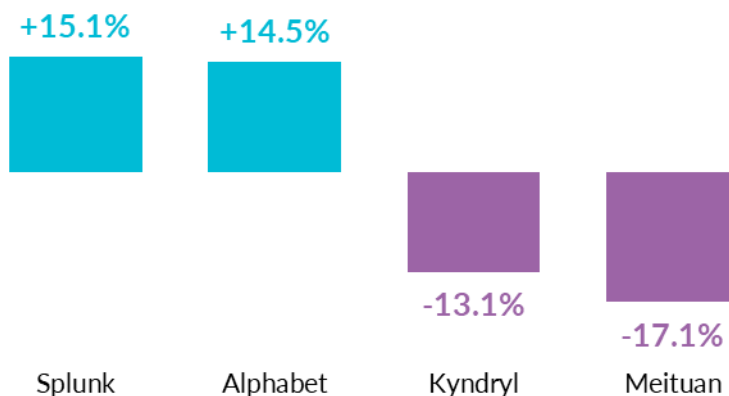


This Trend performed strongly as technology stocks showed solid earnings. It was led by double-digit gains from Splunk, Alphabet, Apple, Amazon.com, Salesforce.com, Spotify and Palo Alto Networks.

Weakness came from the Chinese holdings as well as small holdings in NCSOFT and Kyndryl.

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

Top & bottom performers for May 2023 Big Data Big Fund

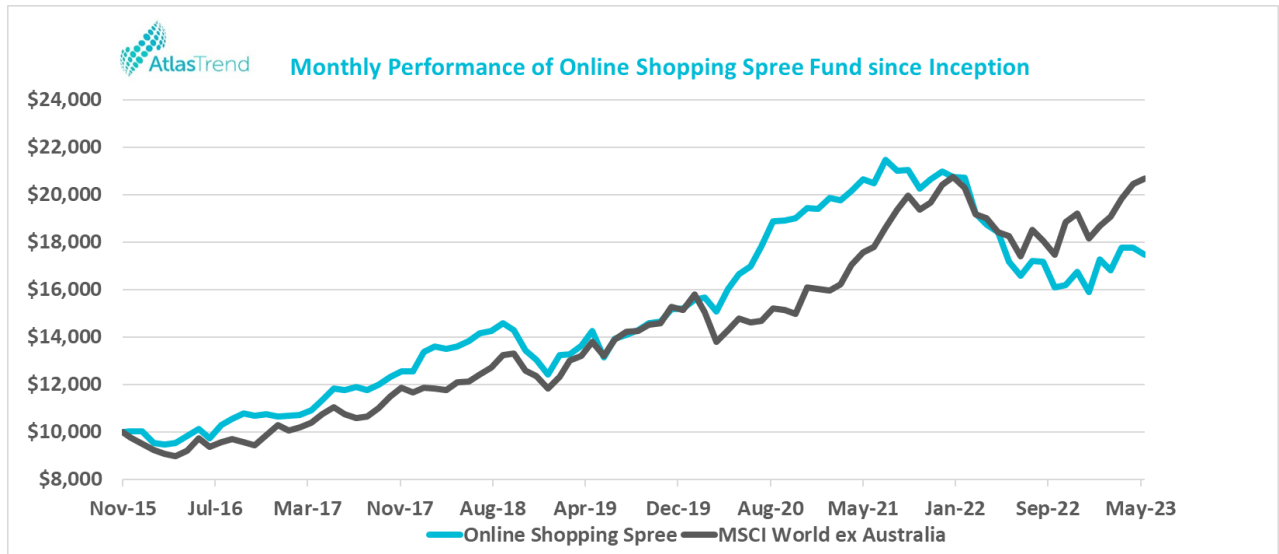


Note: % share price return in local currency, excluding any dividends received during the month

Online Shopping Spree Fund

The Trend return for the month was -1.67% and since launch (9 November 2015) is +74.63%.

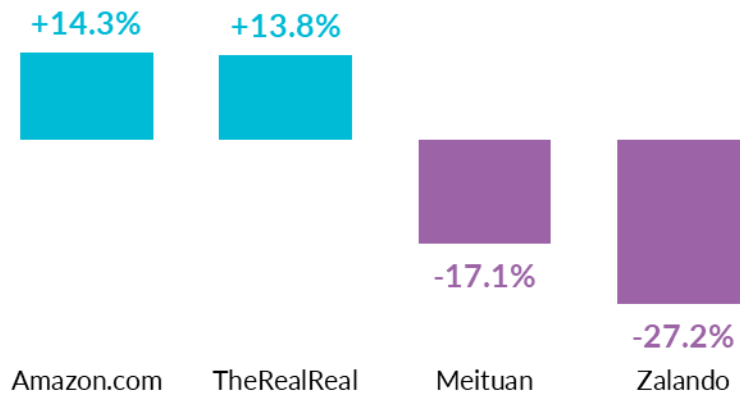
This Trend has delivered a +7.66% return per annum.



This Trend had a weak performance as it was held by but its Chinese positions such as Alibaba, Netease, JD.com and Tencent as well as German online retailer, Zalando and Target and Disney. Positive performers were led by Amazon.com, TheRealReal, Apple and Expedia.com.

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

Top & bottom performers for May 2023 Online Shopping Spree Fund

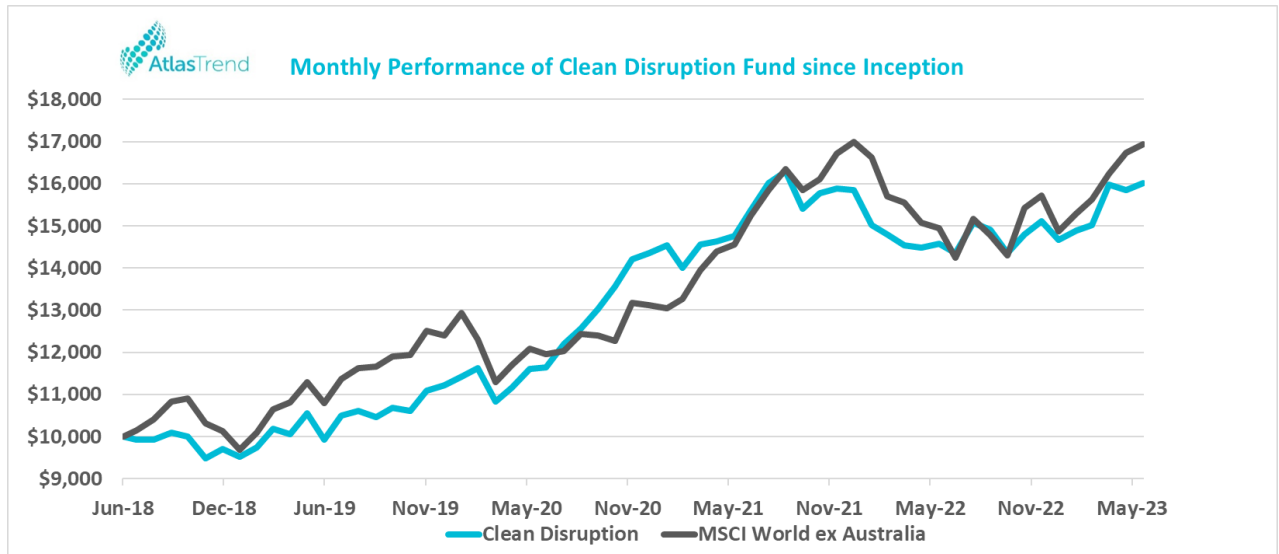


Note: % share price return in local currency, excluding any dividends received during the month

Clean Disruption Fund

The Trend return for the month was +1.14% and since launch (6 June 2018) is +60.23%.

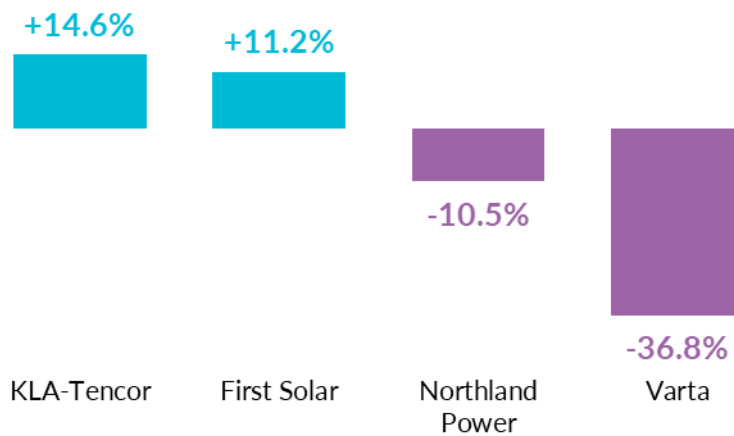
This Trend has delivered a +9.92% return per annum since inception.



This Trend also had a mixed performance, led by KLA-Tencor, First Solar, Vestas Wind Systems, Tomra Systems and Fanuc. Weakness came from a small position in Varta as well as Northland Power, IPG Photonics and Siemens Healthineers.

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

Top & bottom performers for May 2023 Clean Disruption Fund



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

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