



Portfolio Scoop

Insights into the Trends and their performance

OCTOBER 2023

- **All developed markets continued their recent weak performance with investors growing increasingly worried about an extended rate cycle and the economic ramifications from the ongoing conflicts in Ukraine and Middle East.**
- **The largest negative performances were from the U.S. Russell 2000 Index, down -6.88% and the U.K. FTSE 250 Index, down -6.54% (local prices).**
- **The best relative performer was the U.S. Dow Jones Index, which was down -1.36% (local price) for the month.**
- **Once again, the weakness of the AUD by -1.54% against the USD, helped AUD dampen the negative returns for the Trends and indices.**
- **The monthly performances across our Trends were +2.92%, -0.43% and -3.41% for the Big Data, Online Shopping Spree, and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of -0.98%).**

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 October?

All developed markets continued their recent weak performance with investors growing increasingly worried about an extended rate cycle and the economic ramifications from the ongoing conflicts in Ukraine and Middle East.

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Once again, the weakness of the AUD by -1.54% against the USD, helped AUD dampen the negative returns for the Trends and indices.

The monthly performances across our Trends were +2.92%, -0.43% and -3.41% 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 -0.98% in AUD terms.

Higher rates for longer although economy remains strong

As inflation remained elevated (3.7%), the U.S. Federal Reserve's tightening policy is likely to be extended causing investors some pause. Although the U.S. economy remained strong, the wars in Ukraine and the Middle East added to uncertainty.

The U.S. economy expanded at an annualised rate of 4.9% in 3Q 2023, exceeding the 2.1% growth in 2Q 2023. Growth was in large part driven by strong consumer spending as well as industrial activity, with the purchasing managers' index reaching 51 in October, up from 50.2 in September.

Europe slowing but rate hikes may be ending; U.K. inflation remains elevated

The European Central Bank held interest rates steady in October after 10 consecutive increases, as annual inflation fell to 2.9% in October from 4.3% in September. Such news triggered some to believe that the rate-hiking cycle may be near and end as inflation is reaching closer to the European Central Bank 2% inflation target.

There is recognition that higher interest rates have weighed on economic growth. The European Union's economy contracted in 3Q 2023 (-0.1%) compared to 2Q 2023. The purchasing managers' index indicated that a slowdown had continued into October with a reading of 46.5, a 3-year low and down from 47.2 in September.

There was a continued slowdown in the U.K. economy, with consumer confidence weakening, a decline in key purchasing manager indices and news of further house price falls. CPI remained unchanged at 6.7% year-on-year in September, while core CPI inflation rate dropped to 6.1% year-on-year.

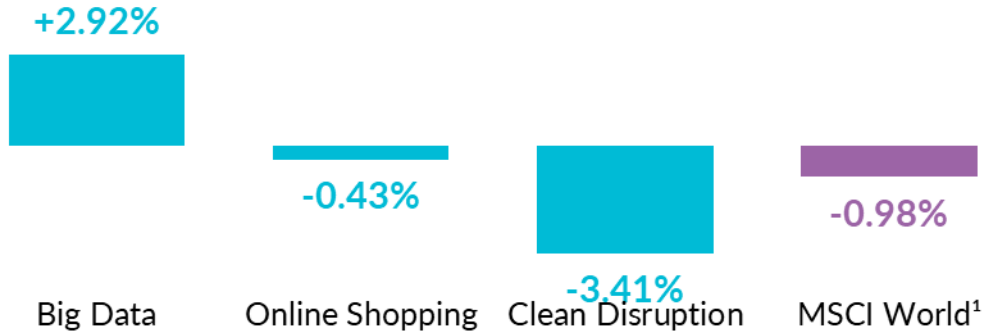
China remains weak while Japanese economy proves resilient

Investor sentiment towards China remains muted as the country's economic slowdown continues. A lack of a meaningful policy response from the Chinese government especially in the real estate sector has left investors very cautious. The ongoing real estate debt crisis has also added to investor concerns.

In South Korea, chip makers weakened as investor feared a global economic slowdown would impact demand. In Japan, the Bank of Japan adjusted its yield curve control policy, letting the 10-year JGB yield rise above 1.0% as inflation remained under control. First half corporate results showed weakness in technology companies while domestic-oriented companies and auto-related companies had stronger results.

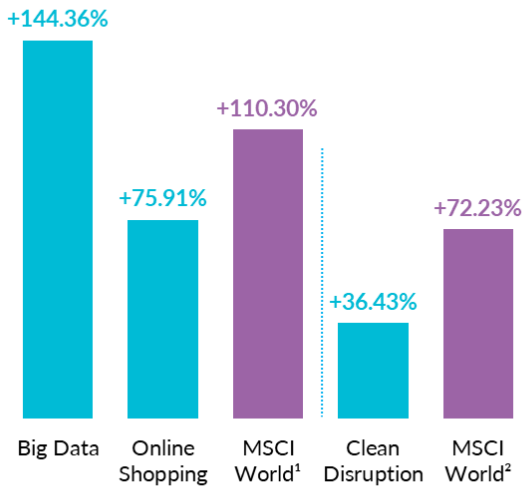
Trend Round Up

Trends Performance for the month of October 2023



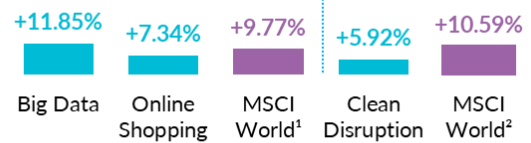
Note: Launch date of the Trends is 9 November 2015 apart from Clean Disruption Fund, which was launched on 6 June 2018. MSCI World refers to the MSCI World ex Australia Index. ¹ Start date 9 November 2015. ² Start date 6 June 2018.

Trends Performance



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Trends Performance p.a.



In the last 12 months, we have delivered performances of +27.28%, +8.72% and -7.81% for the Big Data, Online Shopping Spree, and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of +11.72%).

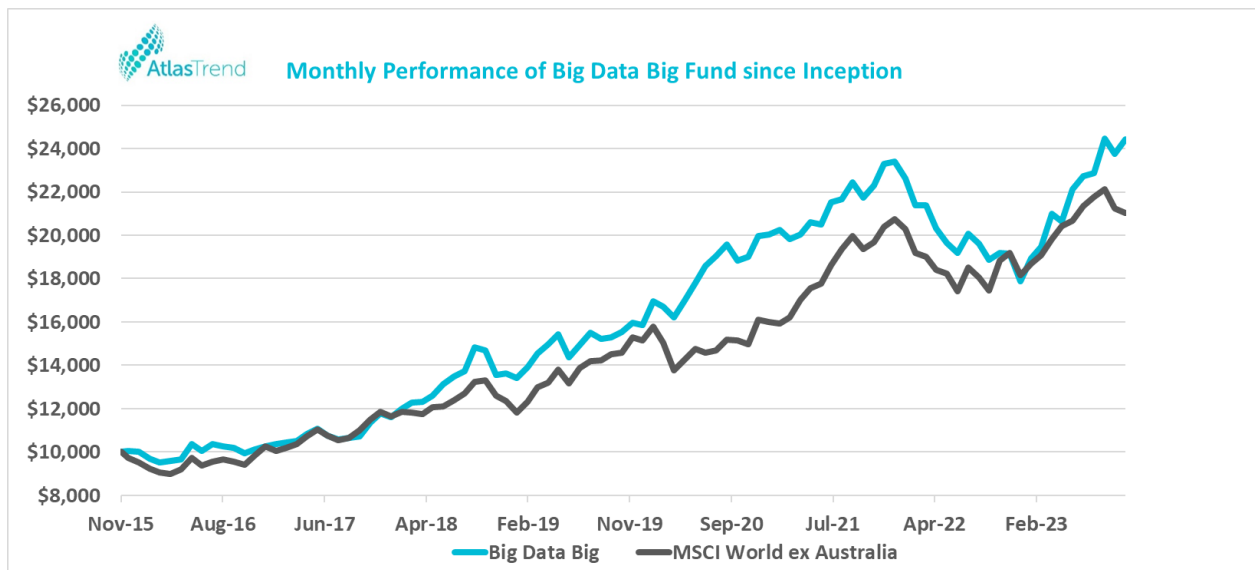
In the last 6 months, we have delivered performances of +18.47%, -0.95% and -13.89% for the Big Data, Online Shopping Spree, and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of +2.87%).

In the last 3 months, we have delivered performances of +6.79%, -6.53% and -13.03% for the Big Data, Online Shopping Spree, and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of -3.42%).

Big Data Big Fund

The Trend return for the month was +2.92% and since launch (9 November 2015) is +144.36%.

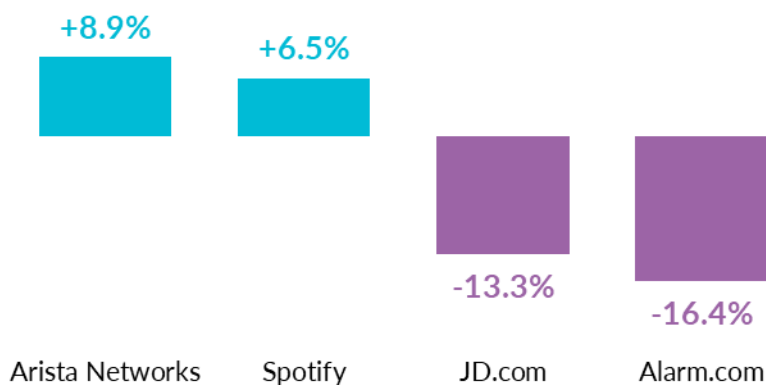
This Trend has delivered a +11.85% return per annum since inception.



This Trend had an absolute and relatively strong month and continues to its recent strong performance. It was led by Arista Networks, Spotify, Amazon.com, NCSOFT and Seagate amongst others. Weakness came from smaller positions in Alarm.com, JD.com, Kyndryl although Alphabet was also weak.

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

Top & bottom performers for October 2023 Big Data Big Fund

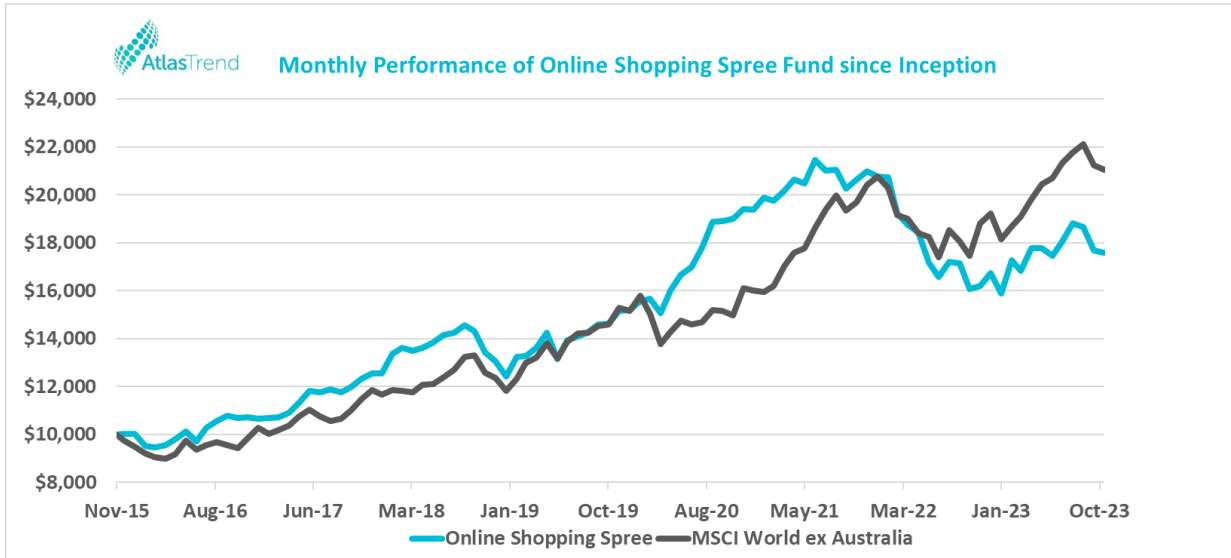


Note: % share price return in local currency, excluding any dividends received during the month

Online Shopping Spree Fund

The Trend return for the month was -0.43% and since launch (9 November 2015) is +75.91%.

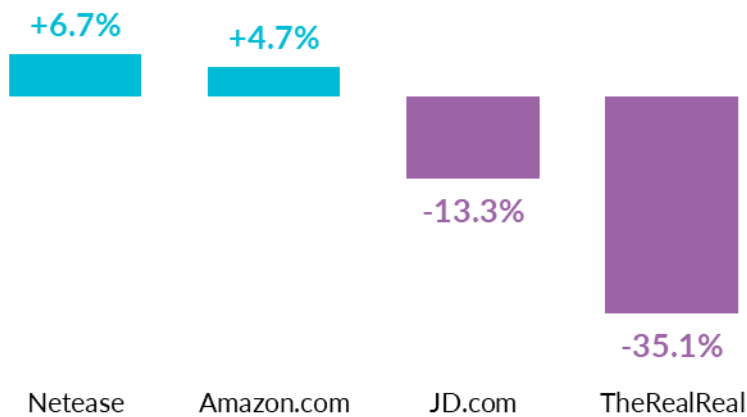
This Trend has delivered a +7.34% return per annum.



This Trend had a relatively positive performance compared to its benchmark. It was led by positive performances from Netease, Amazon.com, Zalando, Walmart and Electronic Arts. Weakness came from smaller positions such as TheRealReal and JD.com although names such as eBay, Expedia.com and FedEx were also weak.

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

Top & bottom performers for October 2023 Online Shopping Spree Fund

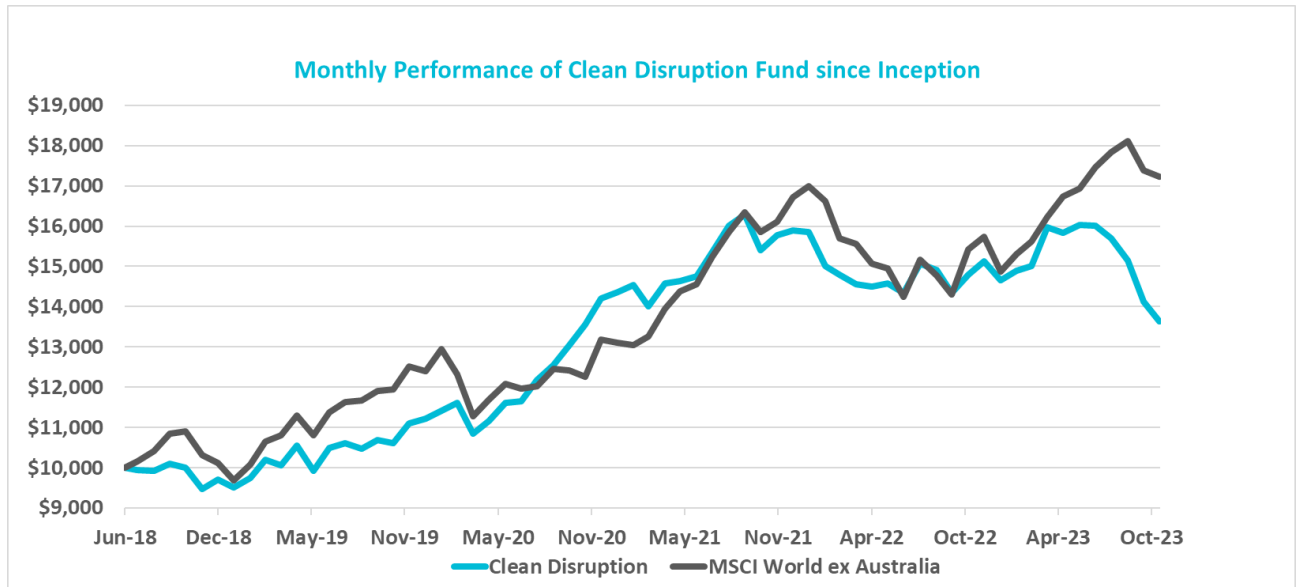


Note: % share price return in local currency, excluding any dividends received during the month

Clean Disruption Fund

The Trend return for the month was -3.41% and since launch (6 June 2018) is +36.43%.

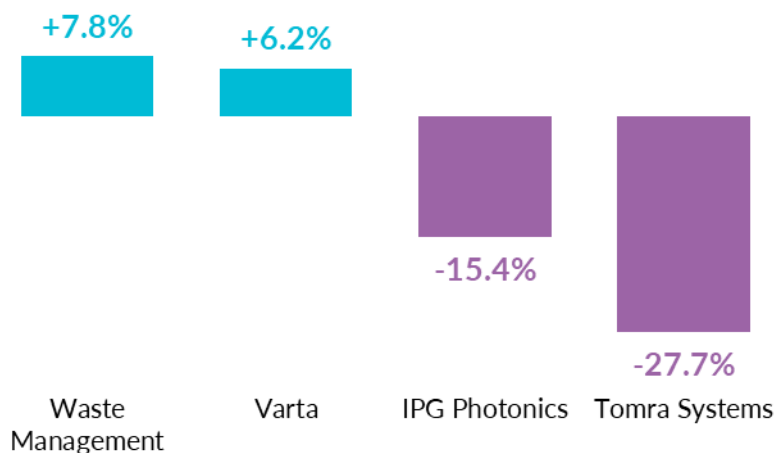
This Trend has delivered a +5.92% return per annum since inception.



This Trend continued its recent disappointing performance as energy names remained weak due to rising global geopolitical tensions. Names such as Algonquin, Northland Power, First Solar and Orsted continued their weakness. Tomra Systems and IPG Photonics were the weakest performers with the former experiencing poor results on slowing orders and a one-off cyberattack, which impacted profitability. Positive performers included Waste Management, Xylem, Varta, KLA and Vestas Wind Systems.

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

Top & bottom performers for October 2023 Clean Disruption Fund



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

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