



Portfolio Scoop

Insights into the Trends and their performance

SEPTEMBER 2023

- **Developed markets suffered a significant down month as investors turn pessimistic that interest rates would likely remain high for longer despite a likelihood of a softer landing.**
- **The largest negative performances from the U.S. Russell 2000 Index, down -6.03% and the U.S. NASDAQ Index, down -5.81% (local prices).**
- **Only the U.K. FTSE 100 Index, up +2.27% (local price) experienced an up month.**
- **The weakness of the AUD by -0.77% against the USD, helped AUD dampen the negative returns for the Trends and indices.**
- **The monthly performances across our Trends were -2.95%, -5.34% and -6.78% for the Big Data, Online Shopping Spree, and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of -4.01%).**

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 September?

Developed markets suffered a significant down month as investors turn pessimistic that interest rates would likely remain high for longer despite a likelihood of a softer landing.

The largest negative performances from the U.S. Russell 2000 Index, down -6.03% and the U.S. NASDAQ Index, down -5.81% (local prices). Only the U.K. FTSE 100 Index, up +2.27% (local price) experienced an up month. The weakness of the AUD by -0.77% against the USD, helped AUD dampen the negative returns for the Trends and indices.

The monthly performances across our Trends were -2.95%, -5.34% and -6.78% 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 -4.01% in AUD terms.

Higher rates for longer

The U.S. Federal Reserve decided not to raise interest rates at its September meeting and left the Federal funds policy rate at 5.25% to 5.50%. It noted that the economy has proven to be stronger than expected due to the ongoing strength of the consumer. The Federal Open Market Committee's economic projections now have an expectation for GDP growth this year at 2.1% (previously 1.1%) and next year at 1.5% (previously 1.0%). The unemployment rate is projected to be lower at the end of next year at 4.1% compared to a previous expectation of 4.5%.

Inflation is still expected to fall to 2.6% over this period and is then expected to fall back to its 2.0% target in 2025. As such, there is a growing likelihood that interest rates will remain elevated for longer, with potentially only small interest rate cuts in 2024.

Europe and U.K. are two different stories

Inflation in the European Union slowed to a two-year low of 4.3% in the year to September, down from 5.2% in August. However, the negative effects from interest rate rises on economic growth is weighing on the broader economy. The consumer discretionary and information technology sectors were all under pressure as consumer delay purchase decisions.

PMI data showed that the European Union private sector was in contraction, although the composite reading edged up to 47.1 in September from 46.7 in August.

In contrast, there are some signs of an improvement in U.K. consumer confidence with hopes that interest rates may have peaked. As a result, the consumer discretionary, housebuilders and leisure sectors have outperformed.

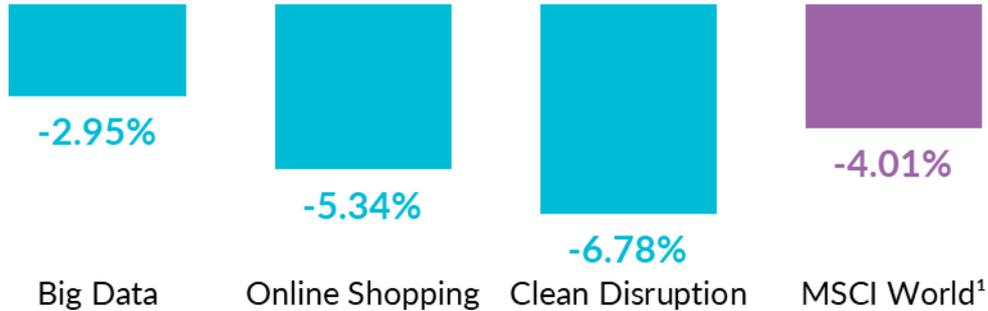
Chinese economy is vulnerable, Japanese economy is resilient

Concerns over the Chinese economy weighed on Chinese and Asian markets. Although China's official PMI manufacturing index rose in August, it also marked the fifth consecutive month of contraction. China has sought to boost confidence in the country's flagging stock market by cutting stamp duty levied on share transactions and slowing the pace of initial public offerings but ongoing concerns about the real estate sectors weighs on investors.

In Japan, markets were down but remain relatively resilient with corporate earnings providing a largely positive outlook. The Bank of Japan made policy adjustments during 3Q 2023 that endorsed a gradual increase in Japanese government bond (JGB) yields with suggestions that Bank of Japan Governor Ueda could announce an end to negative interest rates by the end 2023, or before the next spring wage negotiation.

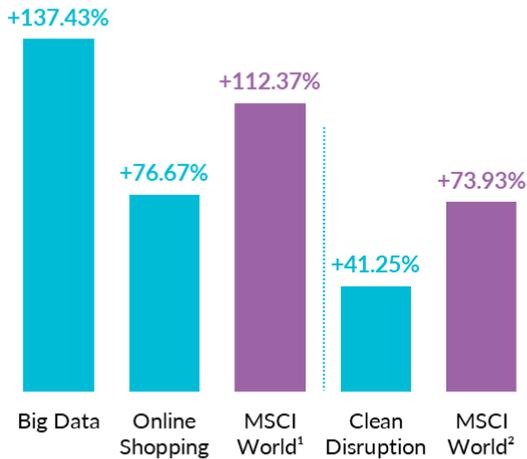
Trend Round Up

Trends Performance for the month of September 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 +25.88%, +9.88% and -1.56% for the Big Data, Online Shopping Spree, and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of +21.64%).

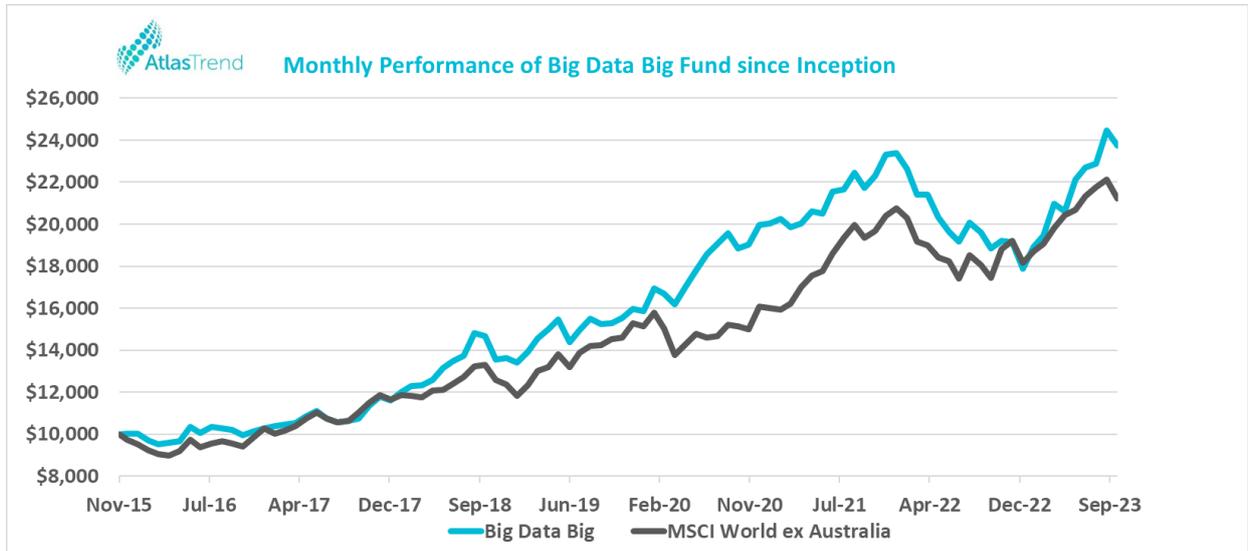
In the last 6 months, we have delivered performances of +13.17%, -0.54% and -11.57% for the Big Data, Online Shopping Spree, and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of +7.16%).

In the last 3 months, we have delivered performances of +4.54%, -2.05% and -11.82% for the Big Data, Online Shopping Spree, and Clean Disruption Trends respectively (versus MSCI World ex Australia Index of -0.43%).

Big Data Big Fund

The Trend return for the month was -2.95% and since launch (9 November 2015) is +137.43%.

This Trend has delivered a +11.58% return per annum since inception.

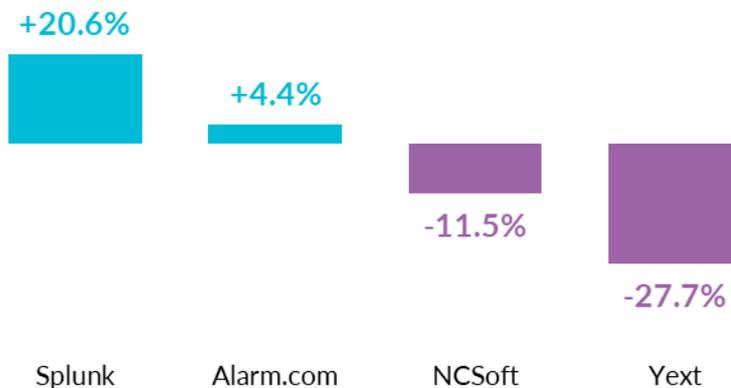


Although this Trend had a down month, it performed relatively well due its position in Splunk (which was added to in August). During September, Cisco announced a takeover of Splunk for US\$157 per share in cash, a 31% premium to the pre-announcement price.

The Trend also had positive performances from Alarm.com, Intel and Spotify while the weakest names were Yext, NCSOFT, Kyndryl, JD.com and Meituan.

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

Top & bottom performers for September 2023 Big Data Big Fund

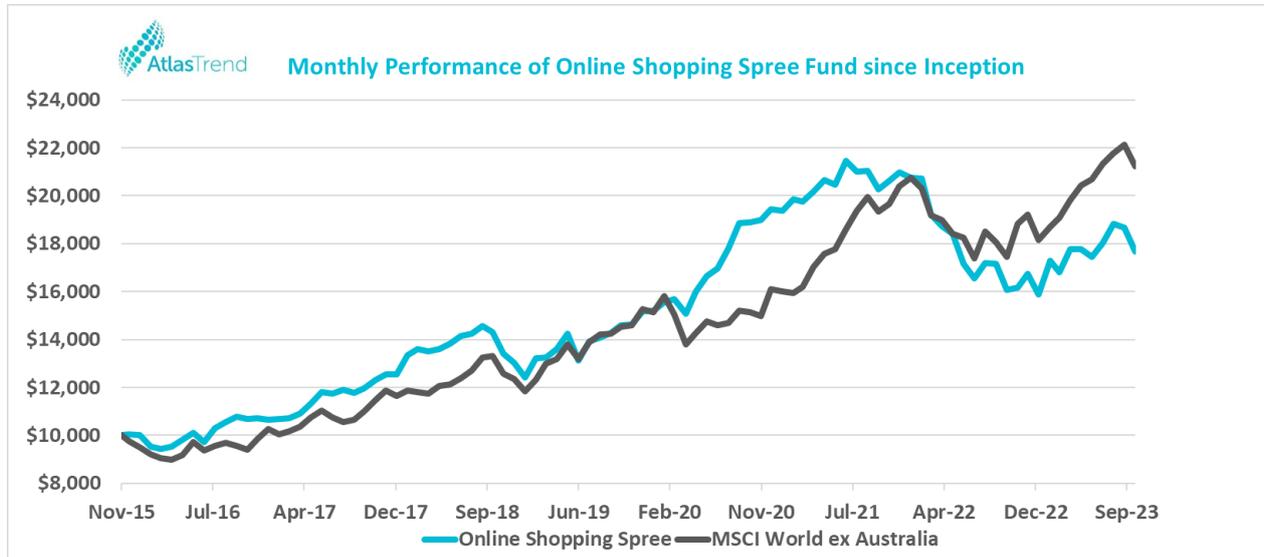


Note: % share price return in local currency, excluding any dividends received during the month

Online Shopping Spree Fund

The Trend return for the month was -5.34% and since launch (9 November 2015) is +76.67%.

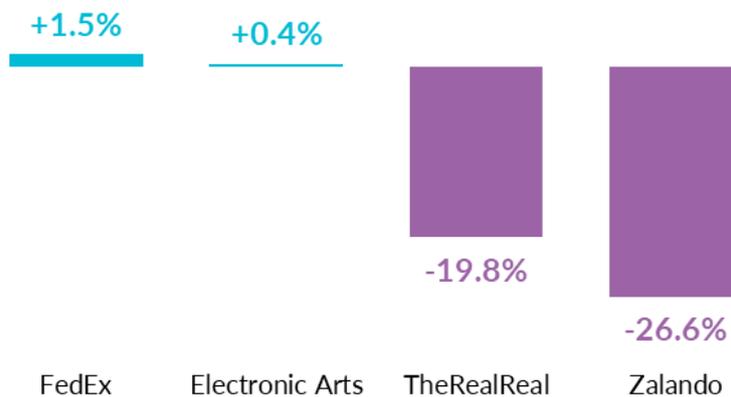
This Trend has delivered a +7.48% return per annum.



This Trend had a relatively weak performance as it was consumer discretionary names experienced share price weakness. Share price weakness was led by Zalando, The RealReal, Target, JD.com and Meituan with only FedEx and Electronic Arts being the positive performers.

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

Top & bottom performers for September 2023 Online Shopping Spree Fund

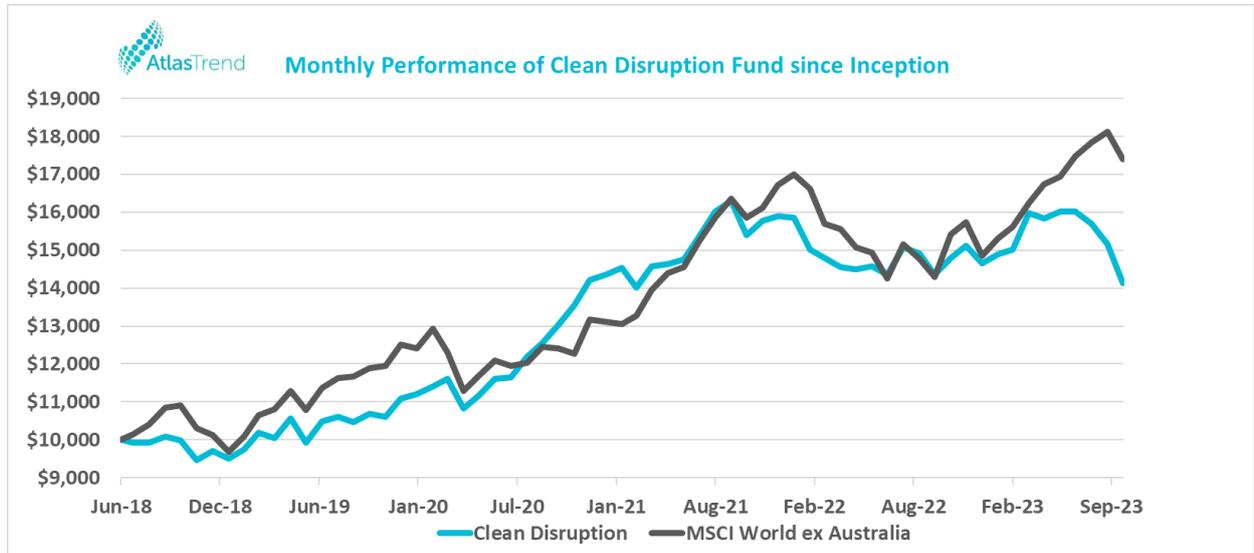


Note: % share price return in local currency, excluding any dividends received during the month

Clean Disruption Fund

The Trend return for the month was -6.78% and since launch (6 June 2018) is +41.25%.

This Trend has delivered a +6.71% return per annum since inception.



This Trend had another disappointing performance as energy names remained weak such as Algonquin, Northland Power, First Solar and Orsted suffered. Other names such as Tomra Systems, Xylem and Varta also experienced weakness while the only positive performer in the Trend was Siemens Healthineers. Names such as BYD, Schneider Electric, Iberdrola, Waste Management and Rockwool performed well in a relative basis.

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

Top & bottom performers for September 2023 Clean Disruption Fund



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

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