31 December 2021

ATRIUM REAL ASSETS FUND

INVESTMENT OBJECTIVE AND STRATEGY

To provide investors in the Portfolio with a consistent income stream, the potential for capital growth and diversification. The MAPS Real Assets Portfolio is invested 100% in the Atrium Real Assets Fund (the "Fund"). The Fund will provide Investors with exposure to a portfolio of illiquid assets diversified by asset class, and geography, and selected for their potential to earn superior risk adjusted returns.

PERFORMANCE	Since Inception	3 Yrs p.a.	1 Yr	6 Mths	3 Mths	1 Mth	Vol S.I. p.a.	Sharpe Ratio
Atrium Real Assets Fund	8.5%	9.6%	12.4%	5.8%	2.7%	1.0%	1.9%	3.9
RBA Cash Rate	1.2%	0.5%						

KEY HIGHLIGHTS

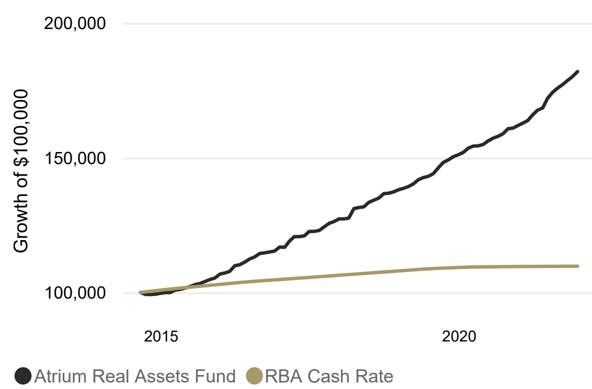
The Atrium Real Assets Fund finished the year strongly, delivering a return of over 12% for 2021.

Over the quarter, the Fund exited a range of property debt transactions, including some core exposures in the hotel accommodation space

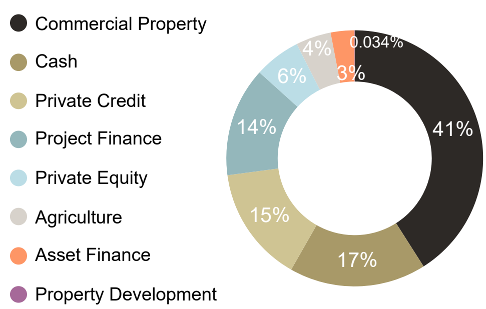
The last quarter has seen us deploy capital into a range of new opportunities in the private property debt space as we continue to look for assets with strong predictable returns with medium-term durations.

The Fund has a higher than historic cash position and is well positioned to continue taking advantage of mispricing opportunities where returns are appropriate.

PERFORMANCE (SINCE INCEPTION)



CURRENT HOLDINGS BY CATEGORY



TOP 10 EXPOSURES

Real Assets Security Name	Portfolio Weight	Asset Sub Class Name	Capital Position
Realside Capital Flagship Fund	13.2%	Private Credit	Mezzanine Debt
Realside Adelaide Office Fund Units	5.9%	Commercial Property	Equity - Direct Property
USG Group Pty Ltd	5.8%	Private Equity	Equity - Venture/PE
Realside 170 Pacific Highway Fund	5.5%	Commercial Property	Equity - Direct Property
AMP Wholesale Australian Property Fund Units	5.5%	Commercial Property	Equity - Direct Property
Atrium 3PG Trust Loan Notes	4.5%	Project Finance	Preferred Equity
Kilter Australian Farmlands Fund	4.4%	Agriculture	Equity - Direct Property
Realside 388 Hay Trust Units	3.7%	Commercial Property	Equity - Direct Property
Ovest Industrial Fund No. 1	3.6%	Commercial Property	Equity - Direct Property
Ovest Industrial Fund No. 2	3.5%	Commercial Property	Equity - Commercial Property

Source: Atrium. Performance as at the date of this report. Merged Performance data - the performance chart shows the performance of the Atrium Real Assets Fund from 1st September 2014 to 5 December 2018 and the performance of the Real Assets portfolio of the Integrated Managed Accounts Portfolio Service (MAPS) from 6 December 2018. The performance figures do not take into account platform administration fees that may apply and may not take into account some or all of the rebates you may receive as an investor in the MAPS Real Assets Portfolio. Past performance is not a reliable indicator of future performance. Future performance and return of capital is not guaranteed.

Source: Atrium, Iress. Allocations shown in the 'Current Holdings by Category'' and 'Top 10 Exposure' charts as at the date of this report. Due to rounding, percentages presented in this report may not precisely reflect absolute figures.

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MARKET COMMENTARY

The December quarter saw a further rise in equities, dominated by a strong performance in the US (+11.0%) as the market closed the quarter by hitting a record high. The Australian S&P/ASX 200 index generated +2.1% for the quarter. Bond yields rose in general, the US dollar firmed as did the Australian dollar, and market volatility (as represented by the VIX) declined, despite seeing a sharp bounce in November.

While the US market saw a further strong positive quarter and finished on a series of record highs, this was on weaker trading volumes. Beneath the surface, the recent rise in bond yields has caused an important change; Information Technology, the largest sector in the US market, is no longer leading the gains. The Nasdaq index, which has a greater exposure to technology, generated a return of 8.4% reflecting this change of leadership. One "new economy" stock which did perform very well again, was electric vehicle manufacturer Tesla (+36.3%), despite unusual statements from the founder around reducing his holding in the stock. Automobile manufacturing was the second strongest sub-sector of the market led by Tesla – second only to Real Estate Investment Trusts, but perhaps more impressively, Ford which gained 47.0%. Banks lagged the market, as the flattening yield curve has the potential to negatively impact earnings, and COVID-sensitive sectors such as Airlines and Casinos, were amongst the worst performers as the Omicron strain hit markets.

European markets underperformed slightly over the quarter, returning 7.7%. Emerging markets were negative for the quarter (-0.9%in local currency terms), perhaps the most notable was Turkey where the market generated 32.1% in local currency terms but fell -11.2% when measured in US dollar terms due to the collapse of the currency, as the central bank took a highly unusual approach to dealing with inflation. Brazil was also sharply negative as the local central bank continues to hike rates aggressively, and Russia was weak. The Hong Kong market fell -4.7%, as Chinese tech continues to be hit by policy pronouncements in China.

The Australian equity market saw further quarterly gains, generating 2.1%. The banks were a key focus, particularly Westpac (-17.9%), as earnings were weaker than expected, and investors focused on the implications of the flattening yield curve on net interest margins, and inevitable lingering concerns around the sustainability of house prices. At the lead was Consumer Services, led by perennial underperformer Telstra, which returned 6.4%, partly on policy driven support for its Asian network. Financials declined -3.7% for the quarter, although there was substantial dispersion within this. Macquarie Group continued its rise, +12.9%, while Magellan Financial Group struggled into year-end, -40.0% for the quarter.

Bond markets remain a key focus for global markets, given the sharp increase in recorded inflation over the latter part of 2021. The increase had been put down to temporary factors – by both the market, and by central banks – although this has been increasingly questioned. Headline inflation printed at 6.8% for November (with the more important core measure at 4.9%, a number not seen since the early 1990s), and the US Federal Reserve seemed somewhat panicked, indicating in December that the tapering of its bond purchases would proceed at a quicker pace, and that rate rises should be expected over 2022. The pressure was understandably felt more at the short end (2 yr US bond yields rose 46 basis points (bps) over the quarter), and the long end was relatively stable (+2.3bps to 1.51%). Australian bond yields were under greater pressure, rising 18 bps to 1.67%, with most of the damage done in October when the Reserve Bank of Australia was seen as making a clumsy exit from its previous policy of supporting short-dated bond yields. Credit markets were slightly weaker over the quarter.

The Australian dollar reversed a run of three consecutive declines, rising 0.9% to 0.728 against the US dollar, although it remains near the lower end of the recent trading band. The US dollar rose on a trade-weighted basis, often seen as a positive for global risk markets. Despite the rise in the US dollar, gold generated +6.1% for the quarter (as real – inflation adjusted - bond yields declined quite sharply), and oil clocked up its seventh consecutive quarterly rise.

PORTFOLIO COMMENTARY

The Atrium Real Assets Fund provides a diverse exposure to both existing cash generative property and commercial assets as well as quality development projects. It takes exposure in two main ways, being equity in commercial properties and other assets (e.g. agricultural land) and by lending against commercial properties / projects and other assets. The exposures to property and asset backed investments are forecast to deliver a stable mix of income and capital growth.

As the landscape for lockdowns and associated economic impact continues to evolve, we are comforted by the resilience of the portfolio assets on key metrics like vacancy, cash flow and valuation.

The mix of exposures includes yield and equity upside (predominantly via equity in commercial property) and fixed yield with material downside protection (predominantly via lending against commercial property). This mix has provided diversification across geography and asset class.

The last quarter has seen us deploy capital into a range of new opportunities in the private property debt space as we continue to look for assets with strong predictable returns with medium-term durations. We have been recycling out of subordinated facilities in favour of senior debt, giving additional security and buffer for future potential volatility in property markets and interest rates.

The Fund also exited a range of property debt transactions including some core exposures in the hotel accommodation space that have performed well through the various stages of lock-downs in NSW and the ACT. Two such assets in the ACT returned 18% IRRs over the course of the last 3-4 years, in line with the original investment forecasts.

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PORTFOLIO COMMENTARY

A 3-year commercial facility to an industrial manufacturing plant was also recycled, providing a 14% IRR in line with the original investment forecasts. This was a split yield and capitalising facility, providing some cash flow over the term.

The Fund's positions in commercial property trusts, which include a mix of office, industrial and residential in all major cities, continued to see rental performance sufficient to maintain distributions. Overall, there has been limited arrears due to the quality tenant mix as well as diversification, which is consistent with what we are seeing more broadly in the market. On the whole the Fund's commercial property allocations have shown defensive qualities, managing cash flow whilst dealing with seemingly short term arrears caused by shutdowns for certain tenants.

Overall, the commercial property and property backed debt investments continue to perform to initial expectations. We remain pleased with the performance of assets in the Hospitality & Entertainment and Hotel Accommodation, who are finding ways to operate sub-scale as well as managing volatile interstate restrictions. However, the environment continues to require short term flexibility. It is early days but we have been comfortable with the actions being taken by the sponsors/partners on each of these assets.

The Fund has a higher than historic cash position and is well positioned to continue taking advantage of mispricing opportunities and further de-risking from asset price volatility by orientating toward higher quality investments with strong capital backing. Future deal flow is expected to continue to favour capital protection, through senior secured positions whilst remaining opportunistic where returns are appropriate.

The Fund remains well positioned to take advantage of the dislocation in lending markets throughout the economic cycle resulting from macroeconomic moves, changing bank lending practices and liquidity shortages. As we continue to assess the prevailing market for new opportunities we look to the existing portfolio, partners and stakeholders for insights, with the underlying assets and markets remaining stable.