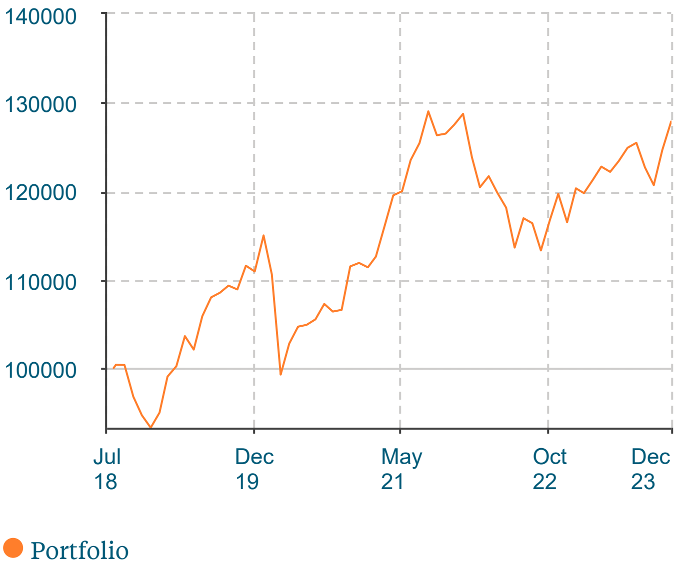
MAPS Diversified Opportunities Growth Portfolio

31 December 2023

Growth of $100,000 since inception



Performance

	Portfolio
Since inception (% p.a.)	4.70%
10 Years (%p.a.)	
7 Years (%p.a.)	
5 Years (%p.a.)	6.51%
3 Years (%p.a.)	4.55%
1 Year	9.78%
6 Months	3.63%
3 Months	4.22%
1 Month	2.59%

Source: Atrium Investment Management, HUB24. Performance as at the date of this report. Inception date is 23 August 2018. Past performance is not a reliable indicator of future performance. Future performance and return of capital is not guaranteed. Performance figures relate to the model portfolios managed by Atrium. Individual investor portfolio performance may be different from the results above and will differ among clients depending on the timing of their investment and the level of variation from the models. Performance is net of investment management fees, does 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.

A rating is only one factor to be taken into account when deciding whether to invest.

Investment objective

To provide long term returns predominantly through capital growth with a high level of portfolio volatility.

Investment strategy

The Portfolio provides investors with diversification across a range of asset classes; Australian and international shares, rates and credit, cash and liquid alternatives, as well as diversification within those asset classes.

The Portfolio is actively managed with the flexibility to change the asset class mix at any time within the asset class ranges.

The underlying asset class exposures are invested in a range of predominantly actively managed investment strategies managed by professional asset managers.

Key facts

Inception date	23 August 2018
Product code	AIM004
Investment strategy	Diversified - Market Linked
Investment horizon	7+ years
Liquidity	Daily^
Platform availability	HUB24

^Liquidity dependent on underlying holdings. Varies from daily to weekly.

Volatility & Sharpe Ratio

	10 Years	7 Years	5 Years	3 Years
Volatility (% p.a.)	-	-	8.85	7.46
Sharpe Ratio	-	-	0.61	0.46

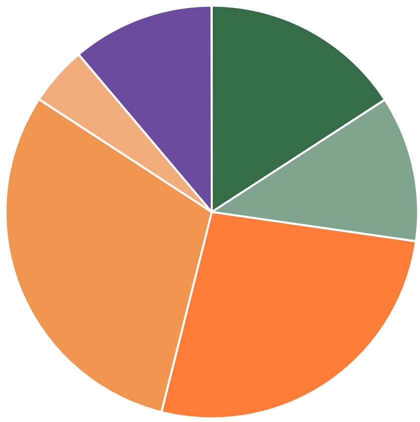
What is volatility?

Volatility measures the fluctuations, or changes, in the price of an asset or market index. Assets with higher volatility generally have greater price changes, both positive and negative, and so higher volatility is generally an indication of higher risk.

What is the Sharpe Ratio?

The Sharpe Ratio measures returns relative to the volatility, or risk, that was taken to achieve that return. The higher the ratio, the better the risk-adjusted performance has been - in other words, the investment risks taken have delivered better returns to the portfolio.

Asset allocation



●	Rates & credit	15.85%
●	Cash	11.42%
●	Australian equities	26.66%
●	International equities	30.27%
●	Listed infrastructure	4.63%
●	Liquid alternatives	11.17%

Source: Atrium Investment Management. Asset allocations may change at any time. May not include all open futures or derivatives positions. Cash may include allocations to shorter term rates and credit investments that may at times be subject to capital volatility.

Atrium aims to achieve its investment objectives by investing across a range of asset classes on a global basis that provide exposure to different risk factors.

Each asset is included in the Portfolio for its ability to contribute to returns on a stand alone basis.

The investment universe comprises of 3 broad categories - Preservers, Growth Drivers and Diversifiers.

Preservers

Assets that protect the portfolio during periods of heightened equity market volatility and preserve capital, such as cash, government bonds and high quality investment grade bonds.

Growth Drivers

Assets that are expected to deliver higher rates of return over time with higher levels of associated volatility (risk).
This predominantly comprises equities but also includes other assets that are highly correlated to equities such as listed property and infrastructure.

Diversifiers

Assets that generate additional real returns, with performance that is typically uncorrelated to the growth drivers and preservers within the portfolio.
Importantly, they are a source of portfolio diversification away from equity market and interest rate risks, such as liquid alternatives and private markets.

Top holdings

Holding	Weight	Asset Class
CASH POSITION	9.18%	Cash
ANTIPODES GLOBAL FUND - LONG ONLY CLASS I	8.75%	Equities
MAN ALTERNATIVE STYLE RISK PREMIA ACCESS FUND	6.27%	Liquid alternatives
ATRIUM GLOBAL EQUITIES MANDATE NO.1 (MANAGED BY MAGELLAN)	5.74%	Equities
VANGUARD AUS GOVT BOND ETF	5.50%	Rates & credit
HYPERION GLOBAL GROWTH COMPANIES FUND - CLASS C	5.21%	Equities
CROWN DIVERSIFIED TREND ACCESS FUND	4.90%	Liquid alternatives
FAIRLIGHT GLOBAL SMALL AND MID CAP (SMID) FUND - FOUNDATION CLASS	4.83%	Equities
GLOBAL LISTED INFRASTRUCTURE MANDATE NO. 1 (MANAGED BY MAGELLAN)	4.63%	Equities
NORTHCAPE CAPITAL GLOBAL EQUITIES FUND	4.31%	Equities

Source: Atrium Investment Management. Asset allocations may change at any time. May not include all open futures or derivatives positions. Cash may include allocations to shorter term rates and credit investments that may at times be subject to capital volatility.

Market update

The quarter ended 31 December saw a strong recovery in equity and bond markets, due in the main to an increasingly confident view that central banks have tightened policy sufficiently, and that the next move in rates may be lower. The US equity market gained 11.7% for the quarter, the Australian market generated +8.4%. 10-year bond yields fell sharply. Consistent with these moves, the Australian dollar gained strongly, +5.9%, further supported by falling market volatility. Such an environment was also very supportive for credit markets. Commodity prices were generally firm, with the notable exception of oil which fell -20.5% on the quarter.

The US equity market closed out 2023 in very strong fashion, with a substantial 11.7% return for the quarter, and a full year return of +26.3%. What was apparent in the fourth quarter was a broadening out of the positive returns. The earlier part of 2023 had been heavily reliant on around 10 tech / tech-linked names which had driven all of the return, leaving the rest of the market flat. This was somewhat reversed in the fourth quarter, as sectors such as Homebuilders (+34.0%) and Consumer Finance (+29.0%) rose strongly. Information Technology names also did well, but the market was less reliant on these names. To the downside, Oil and Gas-linked sectors fell sharply as the oil price fell, however the key thematic was lower bond yields, and a shorter path to easier financial conditions. Europe gained +6.4% for the quarter, although the key German DAX did significantly better (+8.9%). Emerging Markets lagged, gaining 5.6% in local currency terms despite materially lower US bond yields and a lower US dollar, a combination typically very supportive for Emerging Markets. Looking below the headline number however, it was again China and Hong Kong which weighed on Emerging Markets, highlighting again the importance of considering the large exposure to China in an equity allocation.

The Australian market was also strong, gaining 8.4% for the quarter, and up +12.4% for the full year. The Real Estate sector performed very strongly, reflecting a more optimistic / less pessimistic outlook on the part of investors. The sector was led by major REITs which were trading directly in reaction to the recovery in bond prices, improving the financing outlook. The issues of the Office sector have not gone away, with likely oversupply as office arrangements have changed for most companies, leading to structurally less demand, but this had already been factored in by investors. The Banks gained 9.8% for the quarter. BHP, now well in excess of 10% of the local market, drove the Materials sector higher, supported by rising commodity prices. Healthcare also did well, as CSL and ResMed saw a reversal of prior falls which had been partly linked to the growth in appetite-suppression drugs in Europe and the US. To the downside, Energy was the weakest sector, reflecting the sharp decline in oil prices for the quarter.

Bond markets were again volatile, although from late October yields moved lower into year end, finishing off the year on a very positive note (bond prices move inverse to bond yields). The bulk of the move was caused by lowering inflation prints, and a growing view that central banks may have done enough to temper inflation, and that the next move may be lower to support growth. US 10-year yields fell 69 basis points (bps) for the quarter to close at 3.88%, Australian bond yields fell 53 bps to 3.96%. The Reserve Bank of Australia again hiked the cash rate at the start of November, to sit at 4.35%. Major credit markets delivered substantially positive excess returns for the quarter.

The Australian dollar reversed much of the previous quarter's falls, gaining 5.9% against the US dollar, influenced in the most part by falling bond yields (and associated decline in the US dollar), rising commodity prices, and declining market volatility. Gold prices approached record levels, gaining a very impressive 11.6% for the quarter, also reflecting the fall in interest rates and the US dollar.

Performance

The Portfolio had a strong quarter with both bond and equity markets rallying on hopes of significant interest rate cuts in both the US and Australia over 2024.

Within our growth allocation, global equities were the key contributor to performance, with the majority of our managers outperforming their respective indices, this despite the extreme concentration of the US equity market leadership in the "magnificent 7" stocks (Apple, Microsoft, Google parent Alphabet, Amazon.com, Nvidia, Meta Platforms and Tesla). Standout performers included the Fairlight Global Small and Mid Cap Fund and Hyperion Global Growth Companies, with the only laggard being the Antipodes Global Fund – Long Only, which was hurt by an underweight to the US and overweight to Chinese and energy companies.

Our global listed infrastructure mandate (managed by Magellan) also delivered a solid return over the quarter and outperformed its benchmark, as a sharp fall in real interest rates provided a tailwind to performance along with the underweight to the poorly performing energy sector.

Our direct domestic listed equities also had a strong quarter as bond yields fell from their recent highs and the market began to price multiple cash rate cuts by the RBA over 2024. Key positive contributors included BHP (a recently increased allocation), CSL and gold miner Northern Star. Detractors included Bapcor and resource company IGO Ltd.

Rates & credit was a positive contributor, led by our high yield bond and loan exposures via the CQS Credit Multi Asset Fund and KKR Global Credit Opportunities Fund. Our recently added exposure to the Vanguard Australian Government Bond ETF has proven to be a strong contributor over the quarter as bond prices rose aggressively on hopes of the RBA reducing interest rates over 2024.

Our diversifying allocations had a more challenging period as global bond and equity markets changed course dramatically on news of a "dovish pivot" from US Federal Reserve, which negatively impacted many of our momentum based strategies, which can typically take time to change positioning . The key detractor was the Crown Diversified Trend Access Fund while on the other side of the ledger, the Man Alternative Risk Premia Strategy delivered a positive return.

Portfolio changes

Over the month we trimmed some of our stronger performing global equity managers, such as Fairlight and Hyperion which have delivered very strong outperformance over the period and have been major beneficiaries of the recent equity market rally.

Within our direct Australian equities we reduced our position in Macquarie Bank, after a very strong rally, while also increasing our position in BHP (after a positive research trip to China by our team) as well as adding WiseTech Global with its market leading freight forwarding platform.

The investment team completed a research trip to the US and UK over the quarter and expect to have a number of new managers and strategies for due diligence review in early 2024.

Outlook

2023 has confounded many market participants and reinforces the folly of forecasting both the economy and stock market over a short period of time. Our view remains that a US recession is likely to occur, but timing as always is difficult, especially considering the long lags of monetary policy. We believe the market has become overly optimistic and shifted decisively towards the "soft landing" scenario which in our opinion remains extremely difficult to navigate for central banks.

As we look into 2024, the same risks we faced in 2023 remain evident, albeit the inflation backdrop has improved. We remain positioned towards the lower end of our equity range given our views on valuations, while our dynamic approach allows us the flexibility to quickly alter positioning as opportunities will undoubtedly emerge in the year ahead.

For more information

If you have any questions, please contact your Financial Adviser or www.atriuminvest.com.au