

MAPS Diversified Opportunities Balanced Portfolio



As at 31 July 2024

Growth of \$100,000 since inception



● Portfolio

Performance

	Portfolio
Since inception (% p.a.)	4.67%
10 Years (%p.a.)	
7 Years (%p.a.)	
5 Years (%p.a.)	4.17%
3 Years (%p.a.)	3.08%
1 Year	8.73%
6 Months	5.40%
3 Months	3.12%
1 Month	1.93%

Source: Atrium Investment Management, HUB24. Inception date is 23 August 2018. Past performance is not a reliable indicator of future performance. Future performance and return of capital are not guaranteed. Performance figures are based on input data available as at the date of this report. 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 through a mix of capital growth and regular income with a medium to 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	AIM003
Investment strategy	Diversified - Market Linked
Investment horizon	5-7 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.)	-	-	6.59	5.56
Sharpe Ratio	-	-	0.37	0.08

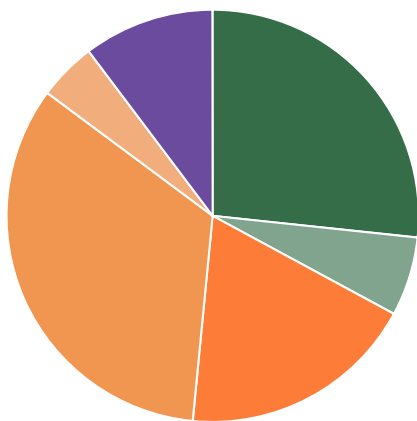
What is volatility?

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	26.69%
● Cash	6.20%
● Australian equities	18.66%
● International equities	33.63%
● Listed infrastructure	4.55%
● Liquid alternatives	10.27%

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. Figures are based on input data available as at the date of this report.

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
KAPSTREAM ABSOLUTE RETURN INCOME FUND CLASS I	7.68%	Rates & credit
VANGUARD INTERNATIONAL SHARES ETF	6.74%	Equities
ANTIPODES GLOBAL FUND - LONG ONLY CLASS I	6.32%	Equities
CASH POSITION	6.20%	Cash
GLOBAL RISK PREMIA STRATEGIES FUND	6.07%	Liquid alternatives
ARDEA REAL OUTCOME FUND CLASS A	4.66%	Rates & credit
VANGUARD FTSE EMERGING MARKETS ETF (ASX LISTED)	4.56%	Equities
GLOBAL LISTED INFRASTRUCTURE MANDATE NO. 1 (MANAGED BY MAGELLAN)	4.55%	Equities
HYPERION GLOBAL GROWTH COMPANIES FUND - CLASS C	4.20%	Equities
GLOBAL MACRO STRATEGIES FUND	4.20%	Liquid alternatives

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Market update

Equities were firm in the first half of July, then drifted lower into month end. Government bond yields fell over the month. The Australian dollar fell. The gold price remained firm, closing at around record levels.

US equities gained 1.2% in July, with the main contributors being:

- Home Furnishings and Home Builders – which were amongst the strongest sectors, partly reflecting the expectation for lower policy interest rates; and
- Information Technology – whilst stocks such as Apple rose during the month, the standout was Nvidia, which fell quite sharply from the early part of the month following its exceptional recent rise, as investors re-assessed the growth and earnings'

risks.

The Australian market was strong, gaining 4.2%, driven by:

- A very strong Consumer Discretionary Sector, driven by large gains in Star Entertainment, Harvey Norman, Super Retail Group and JB Hi-Fi. Real Estate and the Banks were also very strong.

Further gains were made by US Treasuries in July, particularly into month end, as a range of economic indicators showed mounting signs of a cooling in the labour force. The US Federal Reserve also gave signals that policy easing may be expected before year end. In Australia, Government Bonds moved similarly, although fell slightly less in yield than their US counterparts.

In currency markets, the standout move was the Japanese Yen. Late in the month, the Bank of Japan unexpectedly raised interest rates, leading to Yen buying which was also assisted by the generally weaker US dollar, in the face of falling bond yields. The Australian dollar also slid during the month, with decent gains again being made in the gold price.

Performance

The Portfolio delivered a very strong return in July, despite a setback in equity markets towards the end of the month. Global Equities were the key contributor to performance, with the majority of our underlying managers outperforming the broader market, while the fall in the Australian dollar provided a tailwind to performance.

Our equity exposure was a strong contributor to the Portfolio with most strategies outperforming their respective indices. A standout was our listed infrastructure mandate (managed by Magellan), which delivered a stellar return over the month. This strategy had been lagging over the last 12 months, and we are starting to see early signs of investors pivoting back towards undervalued defensive sectors and small cap strategies which were left behind in the recent Tech led rally. Pleasingly, our global small and mid-cap manager, Fairlight, was able to take advantage of the investor rotation towards the smaller end of the equity market.

Liquid alternatives were the only detractor over the month, with the Global Macro Strategies Fund in particular lagging in an environment where markets and trends are at an inflection point.

Our rates and credit exposure was a solid contributor for the month. Key contributors included our high yield managers (CQS, and KKR), the JP Morgan Global Strategic Bond Fund and the Kapstream Absolute Return Income Fund. As bond yields declined, further performance was added through our futures' positions. The Ardea Real Outcome Fund lagged over the month.

Portfolio changes

During the month, we fully redeemed our holdings in the Atrium Global Equity Mandate (managed by Magellan). Although this strategy had been performing well recently, we are looking to implement a more cost-effective, and better tailored strategy that will complement our total portfolio approach. In the interim, funds have been allocated to the Betashares Global Shares ETF (BGBL).

Outlook

Although markets were strong in July, towards the end of the month and into early August, we have started to see a change of momentum and leadership in global equity markets. This has coincided with our own RBA highlighting the persistence of domestic inflation and the need to remain vigilant to upside risks. While markets have been calibrated for a soft landing, our view is that the range of possible outcomes is more nuanced and that investors need to be risk aware and prepared for a number of possible scenarios.

For more information

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

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