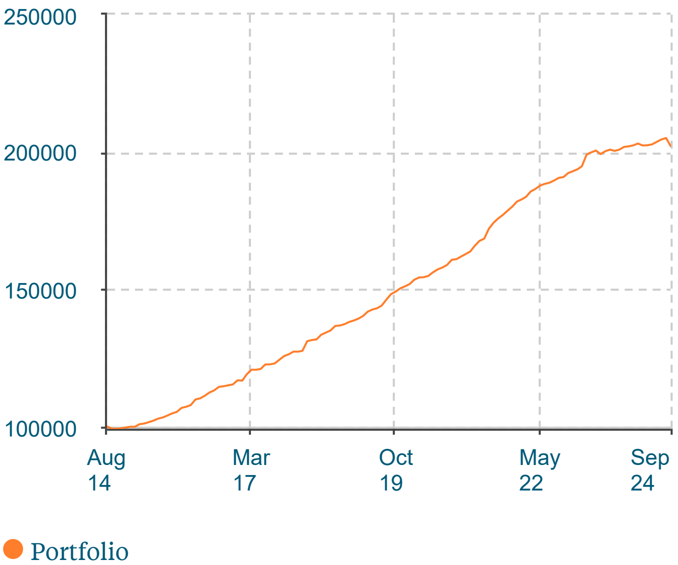
MAPS Real Assets Portfolio

As at 30 September 2024

Growth of $100,000 since inception



Performance

	Portfolio
Since inception (% p.a.)	7.23%
10 Years (% p.a.)	7.37%
7 Years (% p.a.)	7.19%
5 Years (% p.a.)	6.40%
3 Years (% p.a.)	4.51%
1 Year	0.88%
6 Months	-0.11%
3 Months	-0.74%
1 Month	-1.44%

Source: Atrium Investment Management, HUB24. Merged Performance data - the performance chart shows the performance of the Atrium Real Assets Fund from 2 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 are not guaranteed. Performance figures are based on input data available as at the date of this report.

Investment objective

To provide a diversified return delivered through a combination of income and capital gains.

Investment strategy

The Investment Portfolio will invest in the Atrium Real Assets Fund (ARAF), providing investors with exposure to a portfolio of illiquid assets diversified by asset class, position in the capital structure and geography, and selected for their potential to earn superior risk adjusted returns. ARAF has a broad mandate, with the ability to invest:

- In real assets that can provide portfolio diversification and that are characterised by having the potential for stable and growing cash flow, capital appreciation and/or inflation protection.
- In other illiquid assets that may provide portfolio diversification, including intangible assets.
- Directly, or indirectly through third party managed investment vehicles.

Atrium expects that the Investment Portfolio will be predominantly invested in assets providing exposure to the Australian economy but may be invested in assets providing exposure to other economies where the risks are considered appropriate. Atrium may, at its discretion, invest the Investment Portfolio in other securities that provide exposures that are consistent with the investment strategy.

Key facts

Inception date	02 September 2014
Product code	Various Series
Investment strategy	Private Markets - Active
Investment horizon	7 - 10 years
Liquidity	Illiquid
Platform availability	HUB24

Volatility & Sharpe Ratio

	10 Years	7 Years	5 Years	3 Years
Volatility (% p.a.)	1.91	1.94	1.86	1.91

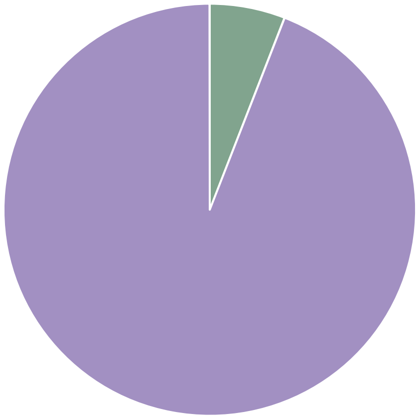
What is volatility?

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



●	Cash	5.92%
●	Private markets	94.08%

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. Due to rounding, numbers might not add up to 100%.

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	Capital Position
KEYVIEW FLAGSHIP FUND	12.17%	Diversified
REALSIDE 108 ST GEORGES TERRACE FUND	8.45%	Equity - commerical property
KEYVIEW CREDIT OPPORTUNITIES FUND	7.88%	Diversified
URBNSURF GROUP PTY LTD	6.70%	Equity - venture/pe
REALSIDE ADELAIDE OFFICE FUND	6.06%	Equity - commerical property
CASH POSITION	5.92%	Cash
OVEST INDUSTRIAL FUND NO. 1	5.17%	Equity - commerical property
REALSIDE ION HOLDINGS TRUST	5.03%	Senior debt
ROC PRIVATE CREDIT FUND	4.67%	Senior debt
REALSIDE 388 HAY PROPERTY FUND	4.50%	Equity - commerical property

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

Market update

Equities rose in the September quarter, the fourth consecutive quarterly gain, re-accelerating relative to the June quarter. Despite the gains, there was considerable volatility in early August, with concerns around the sustainability of Nvidia's incredible run, actions at the Bank of Japan, and weaker economic data. Government bond yields generally fell in major markets over the quarter. The Australian dollar rose, as did the gold price which continues to make record highs.

US equities gained 5.9% in the quarter with significant contributions from the following:
• Gold stocks were strong, reflecting the rise in the gold price, while Consumer Discretionary and Utility stocks were the standout.

• Office (and a range of other) REITs rose sharply, reflecting lower bond yields and a perception that the valuations in the sector had become attractive.
• The Semiconductor sector took a break from its meteoric rise, and was one source of considerable overall market volatility in early August.

The Australian market outperformed the US market:
• Information Technology rose sharply, led by strong gains in Wisetech Global.
• Real Estate linked exposures were strong, gaining from the view that the global (and Australian) interest rate tightening cycle had peaked.
• The Energy sector was weak, along with Utilities.
• Small capitalisation stocks continued to recover during the quarter.

US 10-year bond yields fell sharply, as the Federal Reserve initially gave signs that an easing was approaching, then actually cut rates by 50 basis points in September, leaving further cuts on the table. Australian bond yields fell, but by less than in the US, as markets believe that the Reserve Bank of Australia may need to hold rates higher than elsewhere, due to persistent services price pressures.

The firming in the Australian dollar was consistent with the relative moves in bond yields, reflecting the likelihood that Australian policy rates may need to be held higher relative to the US in particular.

Performance

Performance for ARAF declined in the recent quarter, driven by what we consider is a transitory impact on valuation due to a revised strategy for a portfolio asset (170 Pacific Highway which is discussed below). Despite the negative result of the recent quarter, portfolio performance for the last 12 months remains positive, and excluding the impact of 170 Pacific Highway performance for the quarter has been positive, with largely stable commercial property investments and positive returns across the private credit investments in the portfolio.

These results have been delivered following a moderation in cap rate expansion for commercial property as interest rates look to have peaked, along with higher base rates and strong asset class tailwinds for private credit. We expect that interest rates will start to move lower in 2025, and that commercial property valuations will benefit and see a reversal to the headwinds to returns experienced in recent periods.

The private credit assets in the portfolio continue to deliver positive contributions to overall return with a supportive near-term outlook as private credit, which offers enhanced flexibility versus traditional credit options, remains highly attractive for a range of borrowers. Our exposures in private credit aim to provide consistent, positive, risk-adjusted equity like returns with debt like protection, which have predominantly focused to date on senior secured debt. Our key focus remains firmly on borrower qualification and loan security, and on diversifying our underlying exposures which range from senior secured asset backed lending, real estate credit, and diversified warehouse lending.

As indicated prior, the portfolio's real estate valuations have largely been stable, with the exception being the fund's investment in 170 Pacific Highway, which has seen its valuation marked materially lower during the quarter.

170 Pacific Highway - Following the outbreak of Covid, the Australian commercial office property market has structurally altered, and demand for fringe office properties has reduced materially. 170 Pacific Highway is a commercial office asset impacted by the deterioration in conditions of the St Leonards commercial office market in Sydney. In response to the challenges in this market, we are working alongside Realside Property to consider a revised asset strategy that will see a change of use of the property from commercial office to high end residential apartment living. The revised strategy is seeking to capitalise on the strong forecast demand for high quality residential property in Sydney's Lower North shore via the favourable location and characteristics of the site. We are supportive of the revised strategy which remains subject to requisite planning approvals and expect that a successful outcome will drive a positive valuation outcome for the property. As of today, the valuation for the property, that impacted performance for the quarter, reflects 170 Pacific Highway's use as a commercial office building, and does not reflect any value to be created under a revised residential strategy.

Portfolio changes

We utilised some of the portfolio cash position to increase our exposure to private credit during the quarter via a further allocation to an existing investment, being the Keyview Credit Opportunities Fund (KCOF). This investment will enhance the portfolio's cash yield and income on fund assets, which we see as a key driver of future returns.

We are currently assessing further investment opportunities across both private credit and commercial property, with another credit transaction well-advanced and underway. As always, we will remain disciplined in applying our process to ensure we are adequately rewarded for the risk we assume. We are seeing more competition across some segments of the market, particularly in private credit where returns have compressed, however, we remain able to identify attractive new avenues for investment in the current environment.

Outlook

The outlook for the fund is positive with a more balanced return opportunity developing across the funds' assets.

Private credit continues to benefit in the near-term from strong demand and higher cash rates. The outlook for private credit we expect will primarily be driven by competition and lower interest rates into the future, counterbalanced somewhat by a large and growing market opportunity. As these factors play out, we expect rates of return will steadily decline from the very healthy levels of recent years, albeit the asset class will continue to grow as business lending becomes expensive for banks and strong pressures of regulatory reforms continue to prevail. For lenders and borrowers, private credit provides more flexibility to work through challenges should the environment get tougher, and we are comforted by the fact that in the recent tightening phase, default rates have been low, and the easing of rates will bring some relief to borrowers. The portfolio continues to assess private credit opportunities that focus on high quality loans and the ability to protect downside in the case of potential default. We do note that there are some signs of increased competition and lower yields on offer in parts of this market, however, we remain able to identify attractive returns for the risk we are assuming, which retain a healthy margin over cash.

Pleasingly the outlook for commercial property is improving as interest rates appear to have peaked and we see most of the major real estate revaluations as being in the rear-view mirror; barring any unexpected macro-economic outcome, the lowering of interest rates should see valuations uplift due to cap rate compression. At a minimum, we see the improving cash rate outlook removing any ongoing valuation drag, while the outlook for income growth and yield remains reasonably robust. Should interest rates begin to move lower in 2025 as predicted, we could again move into a period of positive property valuations if the economy holds up, thereby supporting occupancy and rental growth.

Overall, we see the current environment as reasonably resilient, and in the shorter and medium term, the expectation of interest rate cuts will provide a broad range of opportunities in private markets.

For more information

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