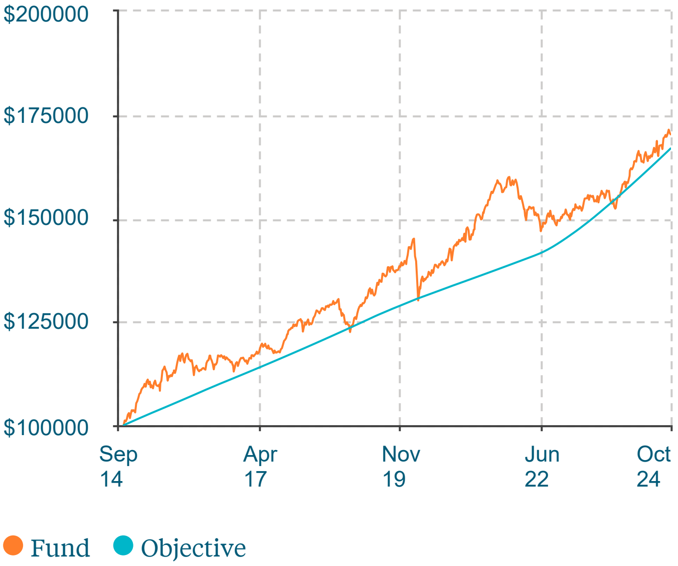
Atrium Evolution Series – Diversified Fund AEF 7

As at 31 October 2024

Growth of $100,000 over 10 years



Investment objective

To maximise returns while ensuring portfolio risk, or volatility, does not exceed 7% over a rolling three (3) year time period.

Investment strategy

The Fund has a Risk Targeted, multi asset investment strategy.

Atrium uses a dynamic, unconstrained approach to asset allocation providing flexibility to take full advantage of opportunities in the market and to mitigate downside risk.

The Fund may be invested in a broad universe of assets across multiple asset classes.

Atrium may also use derivatives to gain exposure to assets or asset classes more efficiently, for currency management, and to mitigate downside risk.

Performance

	Fund	Objective
Since inception (% p.a.)	6.31%	5.63%
10 Years (%p.a.)	5.47%	5.26%
7 Years (%p.a.)	4.88%	5.22%
5 Years (%p.a.)	4.38%	5.35%
3 Years (%p.a.)	2.64%	
1 Year	11.63%	
6 Months	3.94%	
3 Months	0.93%	
1 Month	0.34%	

Objective refers to the Return objective as stated in the Key Facts table.

Source: Atrium Investment Management, Bloomberg. Inception date is 24 June 2011. 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. Performance is after fees and costs and assumes re-investment of all distributions. Return objectives are internal return objectives which are measures that Atrium considers internally when managing the portfolio. Internal return objectives are not performance benchmarks and are not features set out in the PDS. Note that the internal return objectives for AEF 7P Units and AEF 9P Units align to the performance return hurdles for these Units (as set out in the PDS for these performance-based fee products). Please refer to the Fund's Product Disclosure Statement (PDS) for more information on returns.

FINANCIAL STANDARD INVESTMENT LEADERSHIP AWARDS WINNER MULTI-ASSET Flexible Asset Allocation 2022

Recommended Lonsec Research

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

Key facts

Inception date	24 June 2011
Product code	COL0030AU
Investment strategy	Diversified - Risk Targeted
Volatility limit (p.a.)	7.00%
Return objective	RBA Cash + 3.5%
Investment horizon	5 years
Pricing	Weekly
Platform availability	Various

Volatility & Sharpe Ratio

	10 Years	7 Years	5 Years	3 Years
Volatility (% p.a.)	5.09	4.84	5.08	4.60
Sharpe Ratio	0.73	0.65	0.49	-0.07

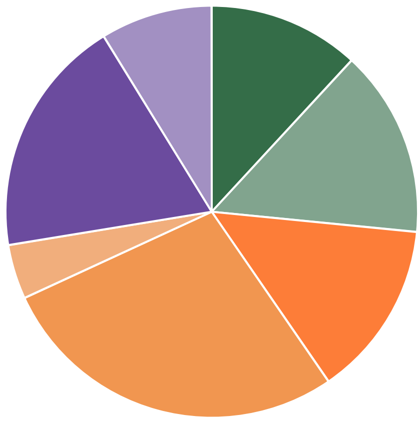
What is volatility?

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	11.87%
●	Cash	14.71%
●	Australian equities	13.85%
●	International equities	27.70%
●	Listed infrastructure	4.29%
●	Liquid alternatives	18.80%
●	Private markets	8.78%

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	Asset Class
ANTIPODES GLOBAL FUND LONG UCITS CLASS S	7.96%	Equities
SMARTER MONEY FUND - ASSISTED INVESTOR	7.48%	Cash
CASH POSITION	7.23%	Cash
FAIRLIGHT GLOBAL SMALL AND MID CAP (SMID) FUND - FOUNDATION CLASS	6.18%	Equities
CROWN ATRIUM SEGREGATED PORTFOLIO SERIES 1 USD	4.87%	Liquid alternatives
GLOBAL LISTED INFRASTRUCTURE MANDATE NO. 1 (MANAGED BY MAGELLAN)	4.29%	Equities
HYPERION GLOBAL GROWTH COMPANIES FUND CLASS C	4.19%	Equities
SGH ICE PROFESSIONAL INVESTOR FUND	3.64%	Equities
NORTHCAPE CAPITAL GLOBAL EQUITIES FUND	3.44%	Equities
KAPSTREAM ABSOLUTE RETURN INCOME FUND CLASS I	3.20%	Rates & credit

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Market update

Equities were slightly weaker, with the US market recording only its second monthly decline for 2024 ahead of the approaching election. Australian equities were also negative and the Australian dollar materially declined. The US dollar remained elevated ahead of the early November election. Bond yields moved sharply higher, and gold continued to record fresh all-time highs.

US equities fell 0.9% in October, with market participants being focussed on the election outcome:
• The Oil and Gas Sector performed strongly, as markets started to consider the increased likelihood of a Republican victory and what that would mean for the sector.
• Banks and particularly Investment Banks were strong, on the assumption that a Republican victory would lead to a wind-back

of regulation.
• Nvidia was very strong again cementing its status as one of the 2 largest companies by market capitalisation, touching US$3.5 trillion later in the month.

The Australian market also fell slightly, by 1.3%, driven by:
• Strength in the Financials Sector, particularly away from the major Banks,
• This was offset by the Energy Sector, Materials, Consumer Staples and Utilities which were all notably weak.

Significant losses were suffered by US Treasuries in October. The US Federal Reserve cut rates by 50 basis points in September and following this yields marched higher almost in a straight line into the end of October. A range of factors drove the move such as slightly higher inflation expectations, and a rising term premium to account for a significant expected loosening in fiscal responsibility. In Australia, Government Bonds yields also rose, and markets now appear to anticipate no policy rate cuts in Australia over the remainder of the year.

The Australian dollar fell over the month, which was not necessarily consistent with the strong gains in the gold price, although gold was moving more as central banks diversify holdings, rather than as a specific US dollar trade.

Performance

The Fund has continued its recent strong performance, Global equity exposure was the key contributor over the month and benefitted from the tailwind of a falling Australian dollar, while the majority of our liquid alternative strategies rebounded over the month. The only notable detractor was the Australian equity allocation and bond futures positions.

The global equity exposure was the major contributor over the month benefiting from the depreciation of the Australian dollar. Hyperion Global Growth Companies Fund was the standout on the back of strong earnings from its largest holding Tesla, while the Fairlight Global Small and Mid Cap Fund lagged the broader market.

The Atrium Equity Opportunities Fund modestly underperformed over the month, due in part to a position in Wisetech after the sudden resignation of its CEO, as well as a pull back in BHP Billiton, the largest holding in the fund.

Liquid alternatives managers in aggregate had a solid recovery over the month, after a challenging recent period. Positive contributions came primarily from our currency manager which benefitted from a resurgent US dollar, and weakness in the Yen and Euro, while systematic strategies also rebounded over the month. The only major detractor over the month was our risk premia strategies.

Rates and credit exposure was a positive contributor over the month. The key contributors included the CQS Credit Multi Asset Fund. However, the only detractor was via our Bond futures positions which were impacted by the sudden reversal in bond yields leading into the US election.

Portfolio changes

During the month there were no major manager or asset allocation changes. We remain cautiously optimistic that we are potentially in the initial stages of a new market cycle, so remain comfortable with our recently increased tilts to global smaller companies and emerging markets.

Outlook

With the US election now behind us, markets can re-focus on the fundamentals and the impacts of a Trump presidency over the next four years. Domestically our own RBA has reiterated that “underlying inflation remains too high”, which means that any fall in interest rates is expected to be some time away.

Risks of a resurgence in inflation globally persist, but at this stage inflation remains well anchored providing scope for further easing by global Central Banks if required to support growth which, in aggregate, is positive for risk assets such as equities.

For more information

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

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The rating issued 05/2024 Atrium Evolution Series – Diversified Fund AEF 5, 05/2024 Atrium Evolution Series – Diversified Fund AEF 7, 05/2024 Atrium Evolution Series – Diversified Fund AEF 7 P Units, 05/2024 Atrium Evolution Series – Diversified Fund AEF 9, 05/2024 Atrium Evolution Series – Diversified Fund AEF 9 P Units are published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec). Ratings are general advice only, and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and Lonsec assumes no obligation to update. Lonsec uses objective criteria and receives a fee from the Fund Manager. Visit www.lonsec.com.au for ratings information and to access the full report.

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