

# MAPS Diversified Opportunities Balanced Portfolio



As at 31 October 2024

## Growth of \$100,000 since inception



● Portfolio

## Performance

	Portfolio
Since inception (% p.a.)	4.74%
10 Years (%p.a.)	
7 Years (%p.a.)	
5 Years (%p.a.)	4.35%
3 Years (%p.a.)	3.44%
1 Year	13.09%
6 Months	4.71%
3 Months	1.55%
1 Month	0.82%

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 <sup>^</sup>
Platform availability	HUB24

<sup>^</sup>Liquidity dependent on underlying holdings. Varies from daily to weekly.

## Volatility & Sharpe Ratio

	10 Years	7 Years	5 Years	3 Years
Volatility (% p.a.)	-	-	6.62	5.42
Sharpe Ratio	-	-	0.37	0.09

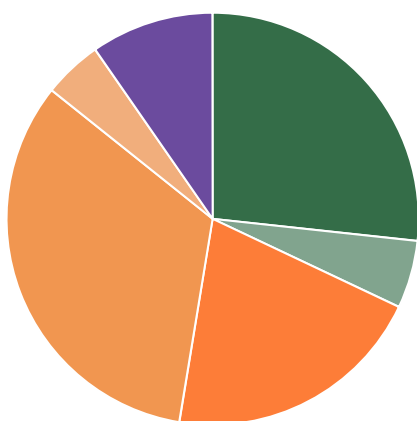
### What is volatility?

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	26.72%
● Cash	5.31%
● Australian equities	20.56%
● International equities	33.15%
● Listed infrastructure	4.61%
● Liquid alternatives	9.65%

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%.

## Top holdings

Holding	Weight	Asset Class
KAPSTREAM ABSOLUTE RETURN INCOME FUND CLASS I	8.59%	Rates & credit
ANTIPODES GLOBAL FUND - LONG ONLY CLASS I	6.51%	Equities
GLOBAL RISK PREMIA STRATEGIES FUND	5.79%	Liquid alternatives
BETA GBL SHARES ETF ETF UNITS	5.51%	Equities
CASH POSITION	5.31%	Cash
FAIRLIGHT GLOBAL SMALL AND MID CAP (SMID) FUND - FOUNDATION CLASS	5.08%	Equities
VANGUARD INTERNATIONAL SHARES ETF	4.79%	Equities
VANGUARD FTSE EMERGING MARKETS ETF (ASX LISTED)	4.71%	Equities
GLOBAL LISTED INFRASTRUCTURE MANDATE NO. 1 (MANAGED BY MAGELLAN)	4.61%	Equities
HYPERION GLOBAL GROWTH COMPANIES FUND - CLASS C	4.40%	Equities

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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

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.

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 Portfolio 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.

The global equity exposure was the major contributor over the month benefiting from the depreciation of the Australian dollar over the month. 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 Direct Australian shares allocation 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 Australian equities.

Liquid alternatives exposure was mixed over the month after a challenging recent period. Positive contributions came from our systematic strategies while risk premia strategies detracted.

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 (within the Atrium Enhanced Fixed Income Fund) 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](http://www.atriuminvest.com.au)

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