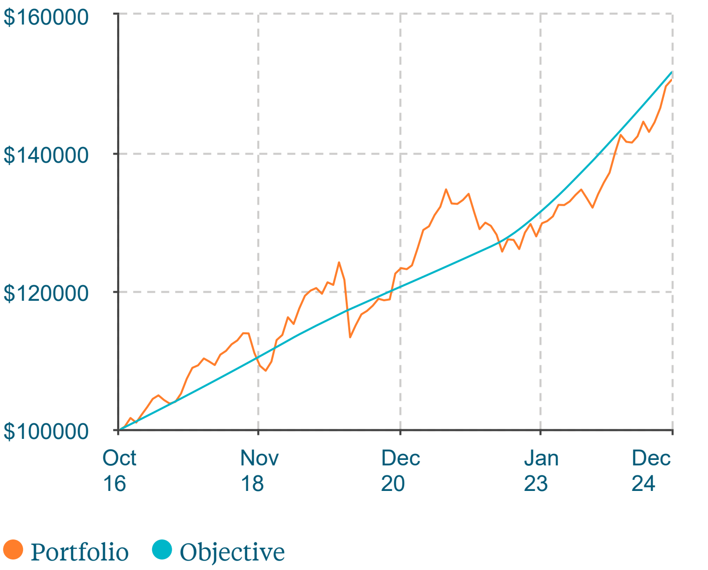
Atrium Risk Targeted Balanced 7 Portfolio

As at 31 December 2024

Growth of $100,000 since inception



Performance

	Portfolio	Objective
Since inception (% p.a.)	5.15%	5.25%
10 Years (%p.a.)		
7 Years (%p.a.)	4.69%	5.29%
5 Years (%p.a.)	4.49%	5.47%
3 Years (%p.a.)	3.95%	
1 Year	10.97%	
6 Months	5.74%	
3 Months	4.25%	
1 Month	0.62%	

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

Source: Atrium Investment Management, Colonial First State. Inception date is 9 November 2016. 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 after fees and costs, assumes reinvestment of all distributions, is calculated using the highest annual fee tier, and does not take into account some or all of the rebates you may receive. 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. Please refer to the managed account's Product Disclosure Statement (PDS) for more information on returns.

Superior

SQM RESEARCH

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

Investment objective

To seek to maximise returns while managing portfolio volatility such that it does not exceed the Upper Risk Limit of 7% p.a. over rolling three (3) year time periods.

Investment strategy

Atrium's focus is on the level of risk within the portfolio. We seek to allocate to investments across a broad range of asset classes based on an assessment of their value and contribution to total risk and return.

Atrium can dynamically adjust the allocation to asset classes on an ongoing basis. By doing this, we seek to build a portfolio that can withstand changes in underlying market volatility.

The aim is to deliver a risk level in the Investment Portfolio that is consistent with the investment profile selected.

Key facts

Inception date	09 November 2016
Product code	CFSATRRMB7
Investment strategy	Diversified - Risk Targeted
Volatility limit (p.a.)	7.00%
Return objective	RBA Cash + 3.5%
Investment horizon	5 years
Liquidity	Daily^
Platform availability	CFS FirstWrap Plus

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

Volatility & Sharpe Ratio

	10 Years	7 Years	5 Years	3 Years
Volatility (% p.a.)	-	5.00	5.29	4.15
Sharpe Ratio	-	0.58	0.47	0.18

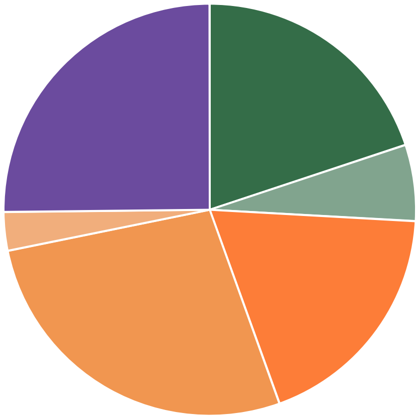
What is volatility?

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	19.91%
●	Cash	5.98%
●	Australian equities	18.63%
●	International equities	27.28%
●	Listed infrastructure	3.03%
●	Liquid alternatives	25.17%

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. 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
BETA GBL SHARES ETF ETF UNITS	9.22%	Equities
KAPSTREAM ABSOLUTE RETURN INCOME FUND CLASS I	7.09%	Rates & credit
CASH POSITION	5.98%	Cash
CROWN DIVERSIFIED MACRO SEGREGATED PORTFOLIO SERIES	5.49%	Liquid alternatives
CROWN ATRIUM SEGREGATED PORTFOLIO SERIES 1 USD	5.25%	Liquid alternatives
MAN ALTERNATIVE RISK PREMIA - CLASS A SHARES (AUD)	4.90%	Liquid alternatives
ANTIPODES GLOBAL FUND - LONG ONLY CLASS I	4.12%	Equities
BETA SP500 EQUAL ETF ETF UNITS	3.96%	Equities
FAIRLIGHT GLOBAL SMALL AND MID CAP (SMID) FUND - FOUNDATION CLASS	3.69%	Equities
HYPERION GLOBAL GROWTH COMPANIES FUND - CLASS C	3.22%	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. Holdings are based on input data available as at the date of this report.

Market update

Equities rose in the December quarter, the fifth consecutive quarterly gain, to close out a strong year. The US market outperformed, helped by ongoing strong returns in Information Technology. Australian equities actually fell slightly over the quarter. Government bond yields rose sharply in major markets in December. The Australian dollar fell sharply, and the gold price slid slightly from record highs earlier in the quarter.

US equities gained 2.4% in the quarter with notable contributions from:
• Automobile stocks led the market for the quarter, with Tesla gaining 54%, partly reflecting Elon Musk's involvement in the Trump political campaign.

• Energy and the Banking Sector were also supported by the election result. Although the exact policy stance is unclear, both stand to benefit from a deregulation focus under Republicans.
• Gold and Copper-related stocks were hit hard, partly reflecting the strong US dollar, and falling commodity prices.

The Australian market underperformed the US market in December and over the quarter.
• Significant weakness was seen in Real Estate, which continues to suffer under higher funding rates, and in particular the Materials Sector, where market leader BHP fell by almost 14% over the quarter, driven by commodity prices, and uncertainty as to whether Chinese authorities have done enough to support their economy and property sector.
• Gains were seen in the Financial Sector, although the major Banks were mixed over the quarter.

US 10-year bond yields rose over the quarter. The rise commenced following the Federal Reserve's rate cut in September, and this continued through October. The US election result saw some further selling pressure in early November, pushing yields higher, before a further push higher in yields through December as the markets started to factor in some possibility that the Fed may need to hike rates, rather than cutting further as previously assumed. Australian bond yields rose, generally moving in line with the much larger US market.

As bond yields rose, one notable victim was the Australian dollar which fell very sharply in December (-5.2%), leaving it almost 11% lower over the quarter.

Performance

The Portfolio ended the year strongly, with global equities, liquid alternatives and rates and credit exposure all contributing positively to returns over the month, while Australian equities was the only major detractor.

The global equities allocation was the key driver of performance, benefitting primarily from a large fall in the Australian dollar against other major currencies, with the Hyperion Global Growth Companies Fund in particular delivering another stellar return. The Vanguard FTSE Emerging Markets ETF was also a strong performer as that segment of the market recovered over the month, while our global listed infrastructure and the Betashares S&P 500 Equal Weight ETF exposure were the only major detractors.

The direct Australian equities sleeve was negative over the month, detractors included Car Group Limited and National Australia Bank.

Our Diversifiers were positive in aggregate over the month, with our currency manager the key standout taking advantage of the stronger US dollar, while our systematic strategies were also very strong performers after a difficult prior few months.

Amongst the Preserver allocations, the key contributors included our high yield and loans manager CQS and Kapstream.

Portfolio changes

Over the month we reduced some of our global active equity exposure including Hyperion Global Growth which has been performing exceptionally well recently and re-allocated some proceeds towards our passive equity exposure, primarily via the Betashares S&P 500 Equal Weight ETF, which provides a diversified exposure to the smaller cyclical end of the large cap index and offers a compelling opportunity at this point in the cycle. The weakness over the month provided another attractive entry point.

Outlook

Global equity markets ended the year on a high, with the US market in particular the standout performer. As we look into the new year, the key risk is whether inflation will return in the US (after heading lower over 2024) and whether domestic inflation will move within the RBA target band allowing the Reserve Bank of Australia to catch up to global counterparts and lower interest rates. Other risk factors include the impacts of a second Trump Presidency on both global growth and inflation and other geopolitical headwinds.

With the improving macroeconomic backdrop and sentiment over 2024, our decision to increase our weighting to global equities through the year has been rewarded with solid calendar year performance. The Portfolio remains well diversified with an array of return levers. While we continue to hold equity exposure above our longer-term averages with a preference for global over domestic equities, we remain cognisant of the risks of elevated investor bullishness – notably around "US exceptionalism" (US Mega Cap Tech stocks).

For more information

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