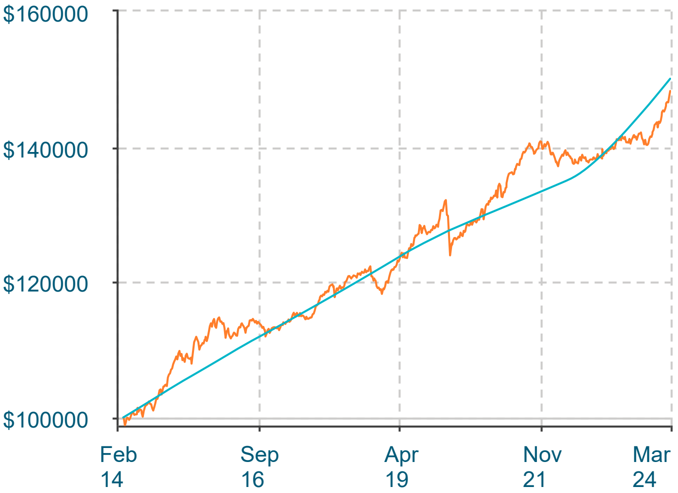
Atrium Evolution Series – Diversified Fund AEF 5

31 March 2024

Growth of $100,000 over 10 years



Fund Objective

Performance

	Fund	Objective
Since inception (% p.a.)	4.73%	4.53%
10 Years (%p.a.)	4.02%	4.15%
7 Years (%p.a.)	3.81%	3.99%
5 Years (%p.a.)	3.88%	3.98%
3 Years (%p.a.)	3.43%	4.59%
1 Year	5.54%	
6 Months	5.17%	
3 Months	3.21%	
1 Month	1.52%	

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

Source: Atrium Investment Management. Performance shown as at the date of this report. Inception date is 24 June 2011. Past performance is not a reliable indicator of future performance. Future performance and return of capital is not guaranteed. Performance is after fees and costs and assumes re-investment of all distributions.

FINANCIAL STANDARD WINNER MULTI-ASSET Flexible Asset Allocation 2021 INVESTMENT LEADERSHIP AWARDS

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

Investment objective

To maximise returns while ensuring portfolio risk, or volatility, does not exceed 5% 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.

Key facts

Inception date	24 June 2011
Product code	COL0029AU
Investment strategy	Diversified - Risk Targeted
Volatility limit (p.a.)	5.00%
Return objective	RBA Cash + 2.5%
Investment horizon	3 years
Pricing	Weekly
Platform availability	Various

Volatility & Sharpe Ratio

	10 Years	7 Years	5 Years	3 Years
Volatility (% p.a.)	2.98	2.75	2.94	2.46
Sharpe Ratio	0.83	0.95	0.95	0.95

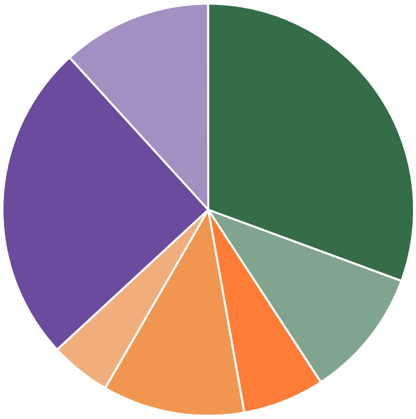
What is volatility?

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	30.61%
●	Cash	10.17%
●	Australian equities	6.42%
●	International equities	11.16%
●	Listed infrastructure	4.76%
●	Liquid alternatives	25.11%
●	Private markets	11.76%

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.

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	8.40%	Rates & credit
CASH POSITION	7.58%	Cash
ARDEA REAL OUTCOME FUND CLASS A	5.27%	Rates & credit
CROWN ATRIUM SEGREGATED PORTFOLIO SERIES 1 USD	4.93%	Liquid alternatives
GLOBAL LISTED INFRASTRUCTURE MANDATE NO. 1 (MANAGED BY MAGELLAN)	4.76%	Equities
DAINTREE CORE INCOME TRUST	4.57%	Rates & credit
CROWN DIVERSIFIED MACRO SEGREGATED PORTFOLIO SERIES	4.39%	Liquid alternatives
MAN ALTERNATIVE RISK PREMIA - CLASS A SHARES (AUD)	3.95%	Liquid alternatives
ANTIPODES GLOBAL FUND LONG UCITS CLASS S	3.67%	Equities
COOLABAH SHORT TERM INCOME FUND	3.31%	Rates & credit

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.

Market update

The March quarter was a strong one for equity markets, as markets gained comfort that monetary policy tightening has run its course, to be followed at some point over 2024 by a pivot to lower rates. However, bond yields rose as markets assumed the Federal Reserve may be slower to cut rates than expected around the turn of the year.

The US equity market gained 10.6% for the quarter. The quarter saw a notable broadening out of the rally, however the following were key driving factors:
• Strong buying of technology-linked and new-economy stocks, notably Nvidia as it posted very strong revenue growth for the fourth quarter. However, Apple and Tesla were conspicuous in bucking this trend.
• Easing financial conditions as the cash rate seems to have peaked, although this optimism was partially unwound late in the

quarter.

The Australian market generated a return of +5.3% impacted by:
• Mixed results in the earnings reporting period, including a disappointing nickel write-down for Australia's largest company, BHP; and
• A notable outperformance of small capitalisation stocks over the broader market.

10-year bond yields rose over the quarter as the market pushed out cuts in interest rates, as inflation readings in the US remained slightly more elevated than expected. June is seen as the earliest meeting for a cut by the US Federal Reserve Bank. Yields are also under upward pressure due to deteriorating US fiscal dynamics. Australian 10-year bond yields rose to a lesser extent, as there is some evidence that the sharp policy tightening is negatively impacting consumers.

The Australian dollar fell over the quarter, as the US dollar rose. Key Australian export prices were lower over the quarter. The gold price rose sharply, unusual in a period of rising bond yields and a stronger US dollar. The Japanese Yen remains at multi-decade lows against the US dollar, despite moving to exit its negative policy rate policy during the quarter.

Performance

The Fund continued its strong start to the year, with all asset classes contributing positively to performance, with equities and liquid alternatives the standout contributors.

Within global equities, the Antipodes Global Fund – Long Only, was the standout and outperformed the index as it benefitted from a broadening of the US equity market rally into emerging markets and European stocks over the month. The only detractor was the Hyperion Global Growth Companies Fund, which gave back some of its very strong recent performance. Within Australian equities, the Atrium Equity Opportunities Fund was a solid contributor on the back of gold miner NST, and recent addition in the property sector, Goodman Group.

The resilience of liquid alternatives in both rising and falling equity markets has been pleasing as it delivered solid returns over the month with Crown Diversified Macro Segregated Portfolio the standout with the underlying systematic macro managers benefiting from higher equity, gold, and cocoa prices.

Within our preserver allocations most managers delivered positive returns, as credit continues to perform well in an environment where the risks of a recession have narrowed.

Portfolio changes

This month saw several changes as we pivoted the Fund to be more neutral rather than underweight risk assets. Over the last few months we have reallocated capital from cash and fixed interest towards undervalued areas such as high yield credit, global small and mid-cap equities and emerging market equities which we believe were priced for slower growth and even recession. We have also added modestly to broader global equity exposure, funded by reducing Australian bonds and liquid alternatives. Within private markets we have been tilting the portfolio towards credit to take advantage of higher base rates and attractive spreads.

The month also saw activity within the Atrium Equity Opportunities Fund, with the portfolio re-positioning for growth and allocating new capital to the Goodman Group, REA and GUD holdings, while removing Amcor and Woodside, and trimming exposure to CSL and Woolworths.

Outlook

The probability of a hard landing in both the US and Australia has reduced dramatically. We believe that global central banks will tolerate inflation outside of their target zones for longer, which reduces the risk of restrictive monetary policy coinciding with slower economic growth over 2024.

However, the "last mile" of getting inflation back to target remains the most challenging for central banks, with the risk of both higher inflation and an economic slowdown remaining. These risks are further compounded by exuberance in many segments of the global equity market (namely tech and AI), and overly optimistic expectations for significant cuts in interest rates - which could act as a handbrake to any further increases in equity exposure given our risk targeted approach to investing and focus on delivering investors a smoother return profile.

For more information

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