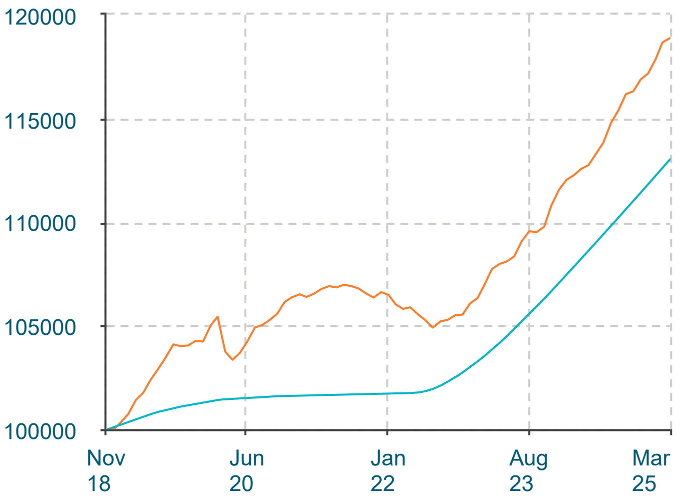
MAPS Fixed Income Portfolio

As at 31 March 2025

Growth of $100,000 since inception



Portfolio RBA Cash Rate

Performance

	Portfolio	Benchmark
Since inception (% p.a.)	2.78%	1.96%
10 Years (% p.a.)		
7 Years (% p.a.)		
5 Years (% p.a.)	2.76%	2.19%
3 Years (% p.a.)	3.96%	3.57%
1 Year	5.61%	
6 Months	2.33%	
3 Months	1.46%	
1 Month	0.17%	

Source: Atrium Investment Management, HUB24. The RBA cash rate is only for illustrative purposes and the investment in the fund is of higher risk/return profile and of different asset class, investment objective and fees. Inception date is 6 December 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.

Investment objective

To outperform the RBA Cash Rate by 2% p.a. (after fees) over rolling 3-year periods.

Investment strategy

The Investment Portfolio invests directly into Atrium Enhanced Fixed Income Fund providing investors diversified exposure to rates and credit markets.

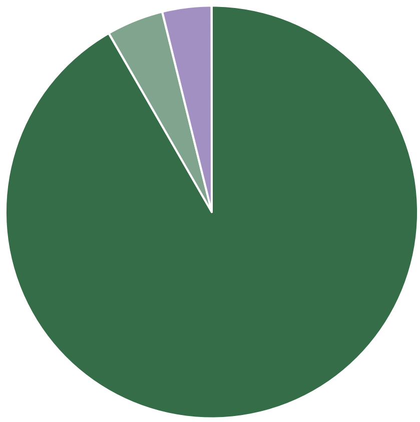
There are several advantages in relation to flexibility for the investor:

- The potential to enhance returns over cash, albeit with incrementally higher risk.
- Low structural sensitivity to interest rate changes, thus mitigating the likelihood of capital losses during periods of rising interest rates.
- Ability to take exposure to a wide range of assets thus broadening the diversification and potential return.
- Being able to invest directly in assets or via external investment managers.
- The ability to take exposure to foreign currency assets and hedge these back to AUD.

Key facts

Inception date	06 December 2018
Product code	AIM105
Investment strategy	Rates & Credit - Active
Benchmark	RBA Cash Rate
Investment horizon	3 years
Liquidity	Daily
Platform availability	HUB24

Asset allocation



●	Rates & credit	91.67%
●	Cash	4.46%
●	Private markets	3.86%

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	Sector
KAPSTREAM ABSOLUTE RETURN INCOME FUND CLASS I	33.13%	Rates & credit
DAINTREE CORE INCOME TRUST	15.15%	Rates & credit
COOLABAH SHORT TERM INCOME FUND	14.96%	Rates & credit
ARDEA REAL OUTCOME FUND CLASS A	10.29%	Rates & credit
JP MORGAN GLOBAL STRATEGIC BOND FUND	10.09%	Rates & credit
CASH POSITION	4.46%	Cash
ROC PRIVATE CREDIT FUND	3.86%	Private credit
KKR GLOBAL CREDIT OPPORTUNITIES FUND (AUD) CLASS A	3.42%	Traded loans and high yield
CQS CREDIT MULTI ASSET FUND CLASS I4 AUD	2.79%	Traded loans and high yield
CQS CREDIT MULTI ASSET FUND CLASS I2 AUD	1.84%	Traded loans and high yield

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

Global share markets fell in the March quarter of 2025, driven by concerns over US President Donald Trump's aggressive trade policies, including broad tariffs on US global trading partners. These actions sparked fears of a global trade war, leading to market volatility and downgraded US growth forecasts. Trump's announcement of sweeping reciprocal tariffs on over 180 countries further exacerbated market declines. Geopolitical tensions also impacted sentiment, with strained US-Ukraine relations and the collapse of ceasefire agreements in the Middle East.

US technology stocks, particularly the "Magnificent 7," saw significant declines due to competition from a cheaper AI model developed by Chinese start-up DeepSeek. Central banks globally adjusted monetary policies, with the US Federal Reserve holding rates steady but lowering growth expectations, while the European Central Bank and Bank of England cut rates. The Reserve Bank of Australia (RBA) reduced its cash rate to 4.10% in February, citing easing inflation, though risks remain due to global trade uncertainties.

Australian shares underperformed amid concerns over US-China trade tensions and mixed earnings from major banks and miners. The Australian economy grew faster than expected in Q4 2024, driven by household and government spending, while the Australian dollar fell modestly against the trade weighted basket due to trade war fears and the RBA's rate cut.

Looking ahead, we remain cautiously optimistic about the US economy achieving a soft landing but highlight risks from retaliatory measures by US trading partners to Trump's policies and monetary conditions remaining restrictive. Non-US equities, particularly in Europe and emerging markets, are seen as more attractively valued, while US, UK, and German government bonds offer diversification benefits. Alternatives such as hedge funds and listed real assets stand out as resilient investment options, and the USD is considered overvalued compared to currencies like the AUD and Japanese yen.

Performance

In the March quarter the Atrium Enhanced Fixed Income Fund (Atrium Fund) delivered an attractive return as all underlying managers delivered positive contributions amid deterioration in risk sentiment and heightened volatility. Returns were primarily driven by investment grade corporate bond exposure and coupon income, which represents the bulk of the underlying Atrium Fund's exposure.

The Kapstream Absolute Return Income Fund, the largest exposure in the Fund, delivered an attractive net return of 1.4% for the quarter. Positive contributions came from coupon income, spread duration, and overlays. The Kapstream portfolio ended the quarter with an attractive 5.7% running yield and a relatively low duration of approximately 0.6 years (duration measures a bond's/portfolio's sensitivity to changes in bond yields). With a spread duration of 2.1 years, the portfolio balances the view of a potentially extended credit cycle against fairly tight US credit spreads and tariff-induced volatility.

The Daintree Core Income Trust also performed well, generating a net return of 1.4% for the quarter. Coupon income was the main performance driver as the fund selectively engaged in new issuance to optimize future income potential. Credit spreads also contributed positively, while overlays were flat. The portfolio maintains good diversification across sector exposures with an average credit quality of A- and a running yield of 6.2%.

The Coolabah Short Term Income Fund delivered a positive return of 1.0% for the quarter. The fund primarily invests in Australian major bank debt and maintains an average portfolio credit rating of A+. As of the end of March, the running yield was 5.2%.

The Ardea Real Outcome Fund (Ardea Fund) performed well this quarter, delivering a return of 2.1% after fees. Performance drivers were diversified with no unusually concentrated sources. Curve relative value (RV) and Bond RV strategies were the largest contributors to return, with additional contributions from options exposures stemming from RV trades that involve buying interest rate options. The biggest detractor was inflation beta exposure. The portfolio maintains some exposure to Ardea Fund as it typically has a positive impact on the portfolio during volatile periods, moving differently from rates and credit markets.

The CQS Credit Multi Asset Fund gained in excess of 1.2% for the quarter. The ROC Private Credit Fund delivered a strong quarter generating returns of 2.0% as a result of a growing loan book and stable credit margins. The KKR (High Yield and Loan) and JP Morgan portfolios also added to returns for the quarter.

Portfolio changes

The Atrium Fund reduced its exposure to Kapstream, Daintree, and Ardea during the quarter. We continue to hold some exposure to Ardea, as there is typically a positive impact on our portfolio in periods of volatility, as the Ardea strategy tends to move independently of rates and credit markets.

Outlook

Financial market volatility from US policy uncertainty will remain a key feature throughout the year. The US economic outlook has deteriorated dramatically since the start of the year due to both direct and indirect effects of tariffs. Consequently, global economies may experience slowing growth and rising inflation expectations—a phenomenon known as stagflation. Rate cuts are almost certainly locked in by the RBA and the Federal Reserve as growth expectation worsen, leading us to sooner and deeper cuts as tariff concerns materialise.

A slowing global economy will have implications for credit markets that may detract from recent positive contributions. Our portfolio primarily exposes us to high-quality investment grade issuers and is robustly designed to navigate the prevailing volatility and uncertainty in rates and credit markets. While our duration positioning is low, we stand ready to add duration at attractive levels. We remain nimble in portfolio positioning, with illiquids comprising approximately 4% of the portfolio, emphasizing our greater need for liquidity and highly rated debt that can be sold as opportunities emerge.

For more information

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