

Atrium Risk Targeted 7 Portfolio



As at 31 March 2025

Growth of \$100,000 since inception



● Portfolio ● Objective

Performance

| | Portfolio | Objective |
|--------------------------|-----------|-----------|
| Since inception (% p.a.) | 4.87% | 5.32% |
| 10 Years (%p.a.) | | |
| 7 Years (%p.a.) | 4.53% | 5.39% |
| 5 Years (%p.a.) | 5.63% | 5.65% |
| 3 Years (%p.a.) | 4.68% | |
| 1 Year | 4.49% | |
| 6 Months | 3.17% | |
| 3 Months | -1.04% | |
| 1 Month | -1.59% | |

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



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.) | - | 5.15 | 4.17 | 4.20 |
| Sharpe Ratio | - | 0.51 | 0.83 | 0.27 |

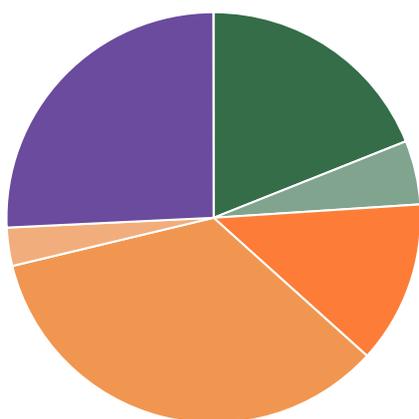
What is volatility?

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 | 18.93% |
| ● Cash | 5.04% |
| ● Australian equities | 12.76% |
| ● International equities | 34.50% |
| ● Listed infrastructure | 3.02% |
| ● Liquid alternatives | 25.75% |

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 | Capital Position |
|---|--------|---------------------|
| BETASHARES GLOBAL SHARES ETF | 9.06% | Equities |
| KAPSTREAM ABSOLUTE RETURN INCOME FUND CLASS I | 6.56% | Rates & credit |
| CROWN ATRIUM SEGREGATED PORTFOLIO SERIES 1 USD | 5.47% | Liquid alternatives |
| CROWN DIVERSIFIED MACRO SEGREGATED PORTFOLIO SERIES | 5.46% | Liquid alternatives |
| MAN ALTERNATIVE RISK PREMIA - CLASS A SHARES (AUD) | 5.12% | Liquid alternatives |
| ANTIPODES GLOBAL FUND - LONG ONLY CLASS I | 5.07% | Equities |
| CASH POSITION | 5.04% | Cash |
| BETASHARES S&P 500 EQUAL ETF UNITS | 3.97% | Equities |
| FAIRLIGHT GLOBAL SMALL AND MID CAP (SMID) FUND - FOUNDATION CLASS | 3.93% | Equities |
| HYPERION GLOBAL GROWTH COMPANIES FUND CLASS C | 3.62% | Equities |

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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

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.

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

The Portfolio declined for the month of March dragged lower by global share markets. Liquid alternatives offset some of the decline.

In equities, there were positive relative performances from Antipodes Global Fund and Fairlight Global Small and Mid-Cap Fund and underperformance from Hyperion Global Growth Companies Fund which was further impacted by the rotation away from US mega-cap tech and growth stocks. Our new allocation to the Russell Australian Equity Opportunities Fund outperformed the benchmark.

The Atrium Alternatives Fund added value over the month led by Two Sigma Risk Premia Cayman Fund, Man Alternative Risk Premia, and Crown Diversified Macro which benefited from the continued surge in the gold price. One River Systematic Trend declined as trend following strategies were hurt by choppy markets and a reversal in longer-term trends, and P/E FX Alpha declined with the strategy hurt by a short Euro, long USD position.

Credit strategies were mostly lower as spreads widened on increased recession risk.

Portfolio changes

The Portfolio made an initial investment in the Russell Global Listed Real Assets Fund which holds DWS RREEF Global Real Estate Securities Fund and First Sentier Global Listed Infrastructure Fund. These strategies provide exposure to listed real assets which is a defensive sector that is performing relatively strongly as risk assets come under the pressure of increased recession and geopolitical risk.

During the month we exited our allocation to Northcape Capital Global Equities as the manager decided to wind up the strategy after not being able to achieve sufficient scale. Proceeds were distributed to other equities strategies.

Outlook

Volatility in global markets has increased as tariffs and policy uncertainty begin to offset the positive effects earlier in the year of a lower interest rate environment and business friendly US administration. Diversification outside of bonds has increased in importance as traditional safe havens like USD and US treasuries become more correlated to equities. We remain positive and have positioned the portfolio to weather volatility with high levels of diversification and alternatives to equity and bond markets. Additionally, our equities allocation is benefitting from the continuation of the rotation away from the prior US mega-cap tech market leadership.

For more information

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

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