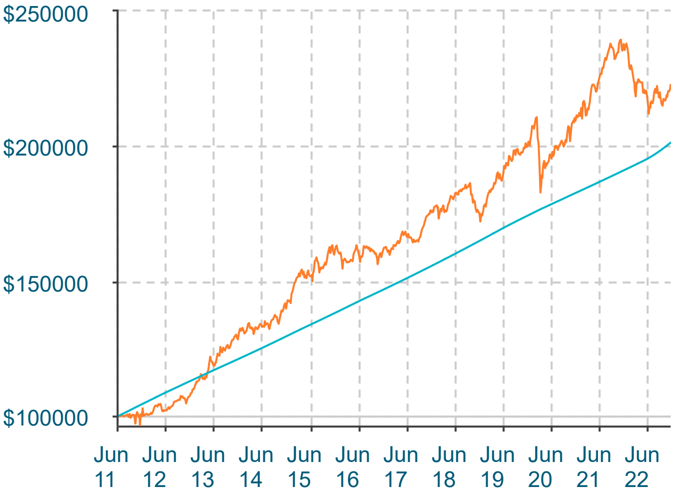
Atrium Evolution Series – Diversified Fund AEF 9

30 November 2022

Growth of $100,000 since inception



Fund RBA Cash + 4.5%

Performance

	Fund	Objective
Since inception (% p.a.)	7.25%	6.31%
10 Years (%p.a.)	7.63%	5.99%
7 Years (%p.a.)	4.60%	5.57%
5 Years (%p.a.)	4.95%	5.34%
3 Years (%p.a.)	3.47%	5.00%
1 Year	-5.39%	5.52%
6 Months	1.10%	3.16%
3 Months	1.61%	1.71%
1 Month	1.77%	0.58%

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.

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

Investment objective

To maximise returns while ensuring that portfolio risk, or volatility, does not exceed 9% over the investment time horizon.

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	COL0031AU
Investment strategy	Diversified - Risk Targeted
Volatility limit (p.a.)	9.00%
Objective	RBA Cash + 4.5%
Investment horizon	5-7 years
Pricing	Weekly
Platform availability	Various

Volatility & Sharpe Ratio

	10 Years	7 Years	5 Years	3 Years
Volatility (% p.a.)	6.30	6.25	6.62	7.45
Sharpe Ratio	0.97	0.56	0.62	0.40

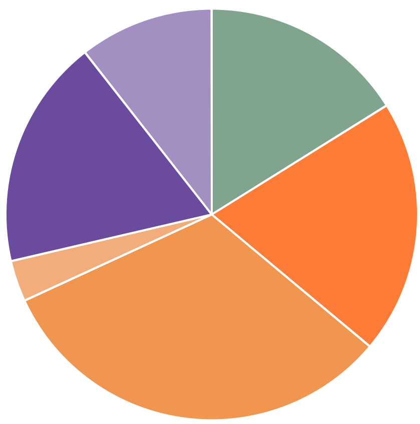
What is volatility?

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



●	Cash	16.12%
●	Australian equities	19.97%
●	International equities	32.04%
●	Listed infrastructure	3.23%
●	Liquid alternatives	18.10%
●	Private markets	10.54%

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.

Top holdings

Holding	Weight	Asset Class
CASH POSITION	15.94%	Cash
ANTIPODES GLOBAL FUND LONG UCITS CLASS S	8.50%	Equities
ATRIUM GLOBAL EQUITIES MANDATE NO.1	7.17%	Equities
SGH ICE PROFESSIONAL INVESTOR FUND	4.70%	Equities
NORTHCAPE CAPITAL GLOBAL EQUITIES FUND	4.26%	Equities
FAIRLIGHT GLOBAL SMALL AND MID CAP (SMID) FUND	4.13%	Equities
CROWN ATRIUM SEGREGATED PORTFOLIO SERIES 1 USD	4.01%	Liquid alternatives
CROWN DIVERSIFIED MACRO SEGREGATED PORTFOLIO SERIE	3.88%	Liquid alternatives
MAN ALTERNATIVE RISK PREMIA - CLASS A SHARES (AUD)	3.53%	Liquid alternatives
GLOBAL LISTED INFRASTRUCTURE MANDATE NO. 1	3.23%	Equities

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Market update

In November, equity markets continued the recovery from October. US equities generated +5.6%, and the Australian market +6.6%. Bond yields fell sharply, generating positive returns on bond portfolios, and credit markets were firm. Falling volatility in equity markets, and rising commodity prices provided a supportive environment for the Australian dollar.

From a sector perspective in the US, at the top of the market was the Materials sector (+11.8%) buoyed by strong gains in a range of commodity prices, partly reflecting weakness in the US dollar. At the margin, the weaker US dollar improves the earnings outlook for US multi-nationals, and large caps significantly outperformed small caps as a result. The key Information Technology sector returned a decent +6.0% for the month. It remains down -21.6% from the start of the year. The Energy sector lagged as oil prices fell in the month. Outside the US, European markets were strong, with a +6.9% return for the month. Results were mixed within Europe; the German Dax was +8.6%, and the Netherlands strong, by contrast Switzerland was a notable laggard. This reflected the significant stress at Credit Suisse. The bank raised capital at a lower equity price than was seen in the 2008 GFC. Asian markets performed well, with Hong Kong the standout +26.8%, as the market saw some optimism around China's COVID lockdown policies.

The Australian equity market +6.6% saw a second consecutive month with a return above +6.0%. The market was led by the Utilities sector. Origin Energy rose +41% on a takeover offer from US private equity. The Resources sector was very strong +14.6% as commodity prices recovered. BHP, by far the largest stock on the ASX, rose +21.8%, all but guaranteeing a strong market for the month. Rio rose +24.3% in another strong monthly performance. At the other end of the market were the financials. The major banks, other than CBA, fell in price for the month. James Hardie fell -14% for the month, leaving it one of the weakest stocks in the index, as investors continue to consider the impact of the slow-down in residential construction in the US.

Bond yields fell sharply in November, as markets started to look at key inflationary pressures moderating quickly, opening the possibility of a pivot by central banks. The US Federal Reserve seemed to signal that the pace of tightening will likely slow, following the Reserve Bank of Australia's lead from a month or two earlier. The one central bank which accelerated in the other direction was the Reserve Bank of New Zealand, increasing the pace of hikes to 0.75%, and sounding more concerned about inflation, despite the significant amount of tightening they have already delivered. US 10-yr yields closed the month out lower by 44 basis points (bps), and 10-yr Australian Government bond yields closed 23 bps lower in yield leading to strong gains in prices in these markets (a fall in yields equates to a rise in bond prices). Credit markets were firm, consistent with the risk-on thematic in markets for the month.

The Australian dollar was very firm against the US dollar rising 6.1%. The November move reflected a declining US dollar, rather than fundamental buying of the Australian dollar. Often in a risk-on move in equity markets, with falling volatility, the Australian dollar will rally, and this relationship held in November.

Performance

The Fund was higher over the month as the strong bounce in equities was only partially offset by the liquid alternatives sector, which gave back some of its recent strong performance. Notably, currency and trend following strategies were negatively impacted by a reversal in key trends in the US dollar and Bonds. Notwithstanding this, the alternatives sector has played an exceptionally important role in reducing volatility at the overall portfolio level.

The positive contribution from equities was largely driven by the Atrium Equity Opportunities Fund which returned 5% for the month. BHP had a strong November on hopes of China's re-opening, while City Chic detracted from performance. The domestic equity market, due to its exposure to resources and to some degree banks, has outperformed global equity markets in 2022.

Within global equities, most of our managers beat their respective benchmarks for the month, as quality companies with high profitability outperformed both value and growth names. Antipodes Global Fund – Long, returned 6% for the month, benefitting from a rebound in Chinese and Emerging Market stocks.

Portfolio changes

The Fund has been positioned with a higher allocation of cash along with continued allocations to diversifying assets such as liquid alternatives. In addition, the team continue to assess opportunities to provide protection. The Atrium Equity Opportunities Fund has seen recent changes to the portfolio with the addition of assets which can benefit from sectors such as resources. In addition, assets which are vulnerable to the slowdown in consumer spending have been sold.

Overall, our cash holdings remain elevated while our equity exposure remains close to the lower end of our historical range given the high level of uncertainty and poor risk/return attributes.

Outlook

In November, the market rose on the possibility of a shift in central bank policy. Markets believe policy will soften as inflation slows, and the risk of recession rises. By contrast, company earnings downgrades, and weaker outlooks were ignored. On balance, we believe a shift in policy would be premature, and the risk to earnings from a weaker economy will drive future equity valuations. The volatility of 2022 has yet to pass, and the probability central banks deliver both lower inflation and a soft landing remains low.

For more information

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