ATRIUM Risk Targeted Investing

IMAP – Melbourne 2024

Achieving real portfolio returns in inflationary times

18 March 2024

Glen Foster

Co-Head of Multi Asset & Head of Risk,
Atrium Investment Management

Risk targeted investing

An approach for genuine diversification

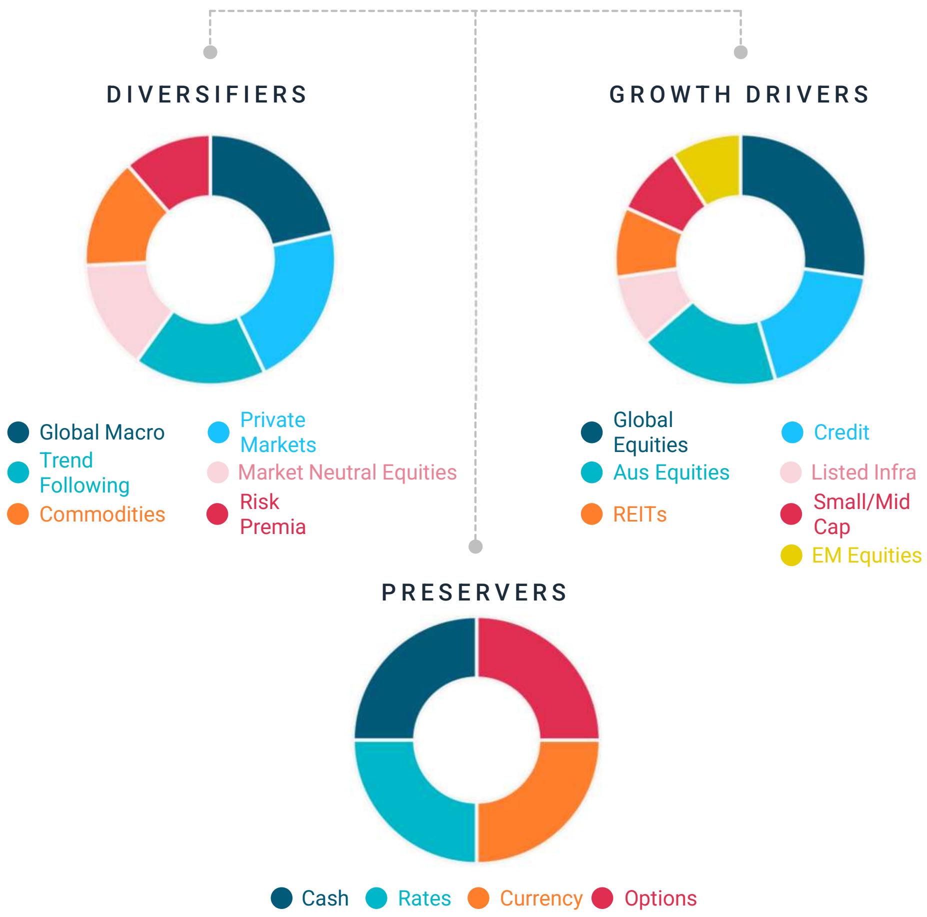
Balancing risk with expected return means assets & strategies play defined roles in a risk balanced portfolio

Genuine diversification, not naïve diversification.

An unconstrained investment universe.

Risk allocation, not asset allocation – getting paid for risk.

Diversified portfolio construction



Source: Atrium Investment Management. Asset allocations are illustrative and may change at any time

Inflation and growth expectations drive asset values

When markets are priced for perfection, everything needs to go right and return for risk is low.

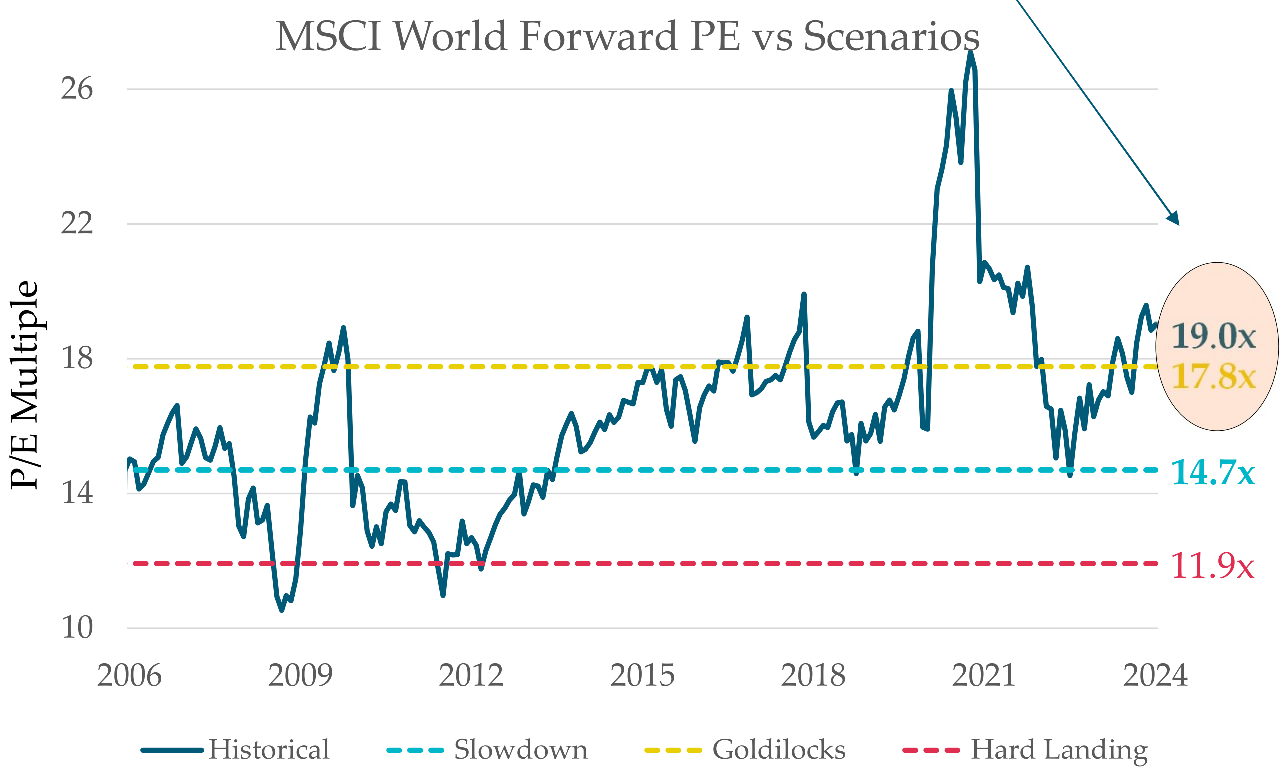
What's priced in?

1. **Earnings** – a soft landing is consensus, no recession, and growth above trend.
2. **Discount Rates** – a return to "lower for longer"? Lower inflation, rates, and risk premia, lower bond-e q correlation.

2024/25 Scenarios

1. **Goldilocks** – growth resumes, inflation & rates lower = fair value higher.
2. **Slowdown** – slower earnings, inflation settles higher, bond-eq correlation higher, risk premia moderates = fair value lower.
3. **Hard Landing** – growth falls, inflation is sticky, and risk premia rise = fair value lower.

Equities are priced for a "Goldilocks" scenario where growth continues above trend and inflation falls



Source: Atrium Investment Management. Data as at 12 March 2024. Proprietary modelling on MSCI World Index. Non-actual information. Past performance is not a reliable indicator of future performance.

Important Information

The information in this document (Information) has been prepared by Atrium Investment Management Pty Ltd (ABN 17 137 088 745, AFSL 338 634). The Information is of a general nature only and does not take into account the objectives, financial situation or needs of any person. Before acting on the Information, investors should consider its appropriateness having regard to their own objectives, financial situation and needs and obtain professional advice. No liability is accepted for any loss or damage as a result of any reliance on the Information. Investors should consider the Fund's Product Disclosure Statement (PDS) and Target Market Determination (TMD) (available from www.atriuminvest.com.au) before making any investment decision. Past performance is not a reliable indicator of future performance. Future performance and return of capital is not guaranteed.

ATRIUM Risk Targeted Investing