

MONTHLY UPDATE

Fund Objective: The Artesian Corporate Bond Fund (Fund) will invest in a diversified portfolio of liquid, predominately investment grade fixed and floating rate corporate bonds. The Fund aims to provide returns above the RBA cash rate +2.75% throughout all interest rate cycles. Note the target return is not a forecast. It is merely an indication of what the Fund aims to achieve over the medium term on the assumption that credit markets remain relatively stable throughout the investment timeframe. The Fund may not be successful in meeting the target return. Returns are not guaranteed.

A S AT 31 ST OCT 23	FUND PERFORMANCE - CLASS B UNITS								
	1 month	3 months	6 months	1 year	2 year (p.a.)	3 year (p.a.)	4 year (p.a.)	5 year (p.a.)	Since Inception (p.a.)
GROSS FUND RETURN	0.22%	1.48%	3.06%	7.40%	2.77%	2.59%	2.73%	3.16%	3.96%
NET FUND RETURN	0.15%	1.29%	2.67%	6.61%	2.01%	1.83%	1.97%	2.39%	3.18%
RBA CASH RATE	0.34%	1.02%	2.02%	3.64%	2.21%	1.50%	1.23%	1.25%	1.31%
ACTIVE RETURN (net Fund return - RBA cash rate)	-0.19%	0.27%	0.65%	2.97%	-0.21%	0.32%	0.73%	1.15%	1.87%

The 1m, 3m, 6m, 1yr, 2yr, 3yr, 4yr, 5yr and since inception net returns for Class A Units are 0.26%, 1.97%, 3.00%, 6.10%, 1.56%, 1.96%, 1.88%, 2.32% & 3.09% respectively. Past performance should not be taken as an indicator of future performance. Net of fees performance is based on end of month redemption prices after the deduction of fees and expenses and the reinvestment of all distributions. Gross performance is the net return with fees and expenses added back.

A S AT 31 ST OCT 23	OTHER BENCHMARK COMPARISONS								
	1 month	3 months	6 months	1 year	2 year (p.a.)	3 year (p.a.)	4 year (p.a.)	5 year (p.a.)	Since Inception (p.a.)
BLOOMBERG AUSBOND CREDIT FRN 0+ YR Index	0.37%	1.21%	2.44%	4.86%	2.67%	1.95%	1.94%	2.11%	2.31%
BLOOMBERG AUSBOND COMP 0-3 YR Index	-0.14%	0.42%	0.02%	2.16%	0.30%	-0.03%	0.44%	0.99%	1.30%

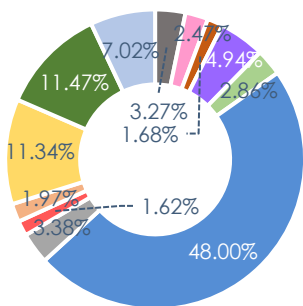
PORTFOLIO UPDATE

Bond yields continued to trend higher in October, tempered only by heightened geopolitical uncertainty. US 10yr Treasury yields pushed above 5% for the first time since 2007, which weighed on equity markets and other risk assets. Australian 10yr yields peaked at 4.94% on the last trading day of the month and will likely break through 5.00% in the not-too-distant future. Considering Australian 3yr government bond yields finished 34bps higher at 4.43%, we were pleased with this month's positive return and the further increase in our 1yr net return of 6.61%. Credit spreads drifted wider, but the AUD market outperformed versus the USD and EUR markets.

In October, the Fund's best performing positions were Woolworths, Westconnex, John Deere and Commonwealth Bank of Australia. Underperformance came from the Fund's positions in Westpac Banking Corporation, Volkswagen Financial Services and Australian Postal Corporation.

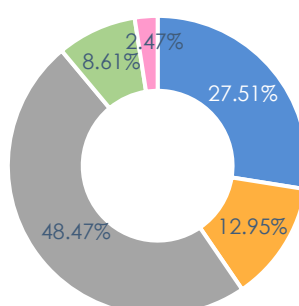
PORTFOLIO BREAKDOWN

SECTOR BREAKDOWN



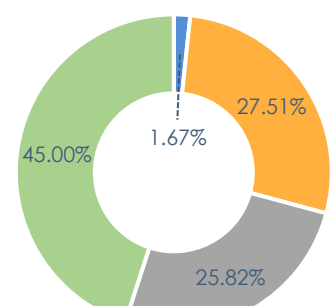
- Automotive
- Consumer Discretionary
- Educational Services
- Insurance
- Real Estate
- Transportation & Logistics
- Cash
- Consumer Staples
- Financial
- Machinery
- TMT
- Utilities

REGION & PRODUCT



- Australian AUD FRNs
- International AUD FRNs
- Australian AUD Fixed Rate
- International AUD Fixed Rate
- Cash

CREDIT RATING



- AAA
- AA
- A
- BBB

CREDIT SPREADS

Consistent with the past couple of months, credit indices continue to drift wider. This month AUD investment grade corporate bond spreads also trended wider, in the range of +1bp to +5bps. The local market held up better than the USD and EUR market, which were +10bps to +15bps wider. We believe the AUD market will continue to be well supported, as investors continue to be attracted to the outright level of yields. For example, during the month the Port of Brisbane issued a 7yr fixed rate bond and Transurban Queensland issued a 6.5yr fixed rate bond, both yielding a respectable 6.4%. Floating rate notes are also luring investors, during the month IAG issued a subordinated bond with a 5yr call date yielding 6.85% (BBSW 4.35% + 2.50%).

AS AT 31 ST OCTOBER 23	PRICE	CHG ON MTH
ITRAXX AUSTRALIA 5YR	0.97%	0.09%
ITRAXX EUROPE 5YR	0.86%	0.06%
ITRAXX EUROPE XOVER 5YR	4.50%	0.22%
CDX US IG 5YR	0.80%	0.06%
CDX US HY 5YR	5.17%	0.36%

FUND METRICS

The Fund was very active throughout October. The new issue market produced plenty of relative value opportunities in primary and secondary markets. The spike in government bond yields looked like a good entry point to add some interest rate duration from an underweight position. The 3.00% to 4.00% range in 3yr Australian government bond yields has been re-racked higher and now looks more likely to oscillate between 3.50% to 4.50%. Whilst credit was a little softer in October, the market still feels relatively well bid, due to the outright yields available for investment grade issuers with sound credit fundamentals. Whilst the Fund has been very active in primary and secondary markets, we have also been focused on retaining the average credit rating of A.

AS AT 31 ST OCTOBER 23	FUND	CHG ON MTH
INTEREST RATE DURATION	1.10	0.28
CREDIT DURATION	3.66	0.10
YIELD TO MATURITY	5.90%	0.37%
YIELD TO WORST	5.85%	0.38%
BLOOMBERG COMPOSITE RATING (weighted average)*	A	A

*Using the Morningstar methodology for Average Credit Quality

NEW ISSUES

We recorded another solid month of issuance in October, with 18 new AUD bonds issued from 11 unique issuers. Total volume for the month was AUD 7.15b and the month's best performer was CBA's subordinated bond which rallied an impressive 25bps.

ISSUER	Issue Date	Issue Size \$M	Fixed/Floating	Maturity	Next Call	Credit Spread EFP/BBSW	Month End Bid Spread	Net Change
WOOLWORTHS	12-Oct-23	450	Fixed	18-Apr-31	18-Jan-31	1.39%	1.28%	-0.11%
COMMONWEALTH BANK	17-Oct-23	550	Fixed	25-Oct-33	25-Oct-28	2.35%	2.10%	-0.25%
BENDIGO & ADELAIDE BANK	26-Oct-23	300	Floating	03-Nov-33	03-Nov-28	2.60%	2.55%	-0.05%

DISCLAIMER

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