MONTHLY UPDATE

Fund Objective: The Artesian Green & Sustainable Bond Fund (Fund) will invest in a diversified portfolio of liquid, predominately investment grade fixed and floating rate green, sustainable and social corporate bonds. The Fund aims to provide returns above the Bloomberg AusBond Composite 0-5 Yr Index 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.

AS AT 30TH APRIL 2024	FUND PERFORMANCE						
	1 month	3 months	6 months	1 year	2 year	3 year	Since Inception (p.a.)
GROSS FUND RETURN	-0.46%	0.36%	3.77%	3.72%	3.73%	1.21%	1.81%
NET FUND RETURN	-0.50%	0.24%	3.52%	3.21%	3.21%	0.71%	1.29%
BLOOMBERG AUSBOND COMPOSITE 0-5 YR Index	-0.70%	-0.09%	3.04%	1.84%	2.21%	-0.06%	0.00%
ACTIVE RETURN (net Fund return - benchmark)	0.19%	0.32%	0.48%	1.36%	1.00%	0.77%	1.30%

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.

PORTFOLIO UPDATE

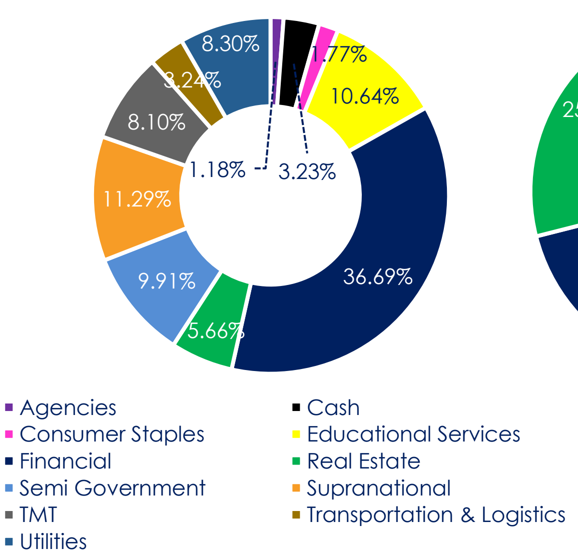
Volatility increased throughout April, as geopolitical tension in the Middle East heightened and we witnessed a hawkish shift from the US Federal Reserve. Credit spreads started to drift wider as investors used credit indices to hedge their portfolios against an all-out war between Iran and Israel. Fortunately, it didn't escalate and credit spreads reversed their widening and finished the month tighter. With so much geopolitical risk in the world at the moment, it appears the market has become less likely to react to such hostilities. Government bond yields trended higher over the month, as the realisation that stubborn inflation was proving difficult to get back within central bank targets.

The Fund's outperformance versus benchmark in April was driven by the overweight credit duration positioning (credit spreads were lower/tighter) and underweight interest rate duration positioning (interest were higher/wider).

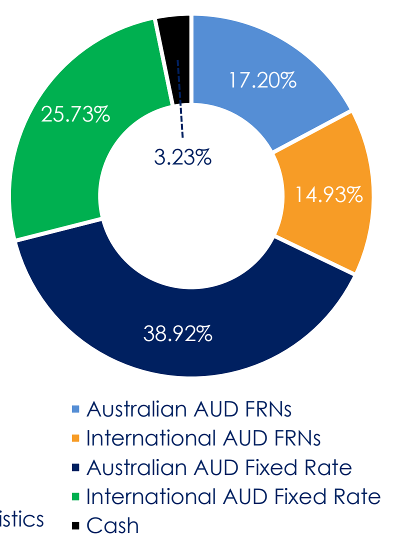
Outperformance in April came from the Fund's positions in Optus (Sustainability-Linked), QIC Town Centre Fund (Green), European Investment Bank (Sustainable) and New South Wales Treasury Corporation (Sustainable). The main contributors to underperformance in April were the South Australian Financing Authority (Sustainable), Western Australia Treasury Corporation (Green) and Contact Energy (Green).

PORTFOLIO BREAKDOWN

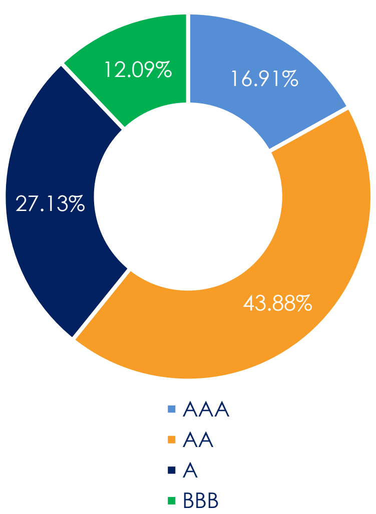
SECTOR BREAKDOWN



REGION & PRODUCT



CREDIT RATING



CREDIT SPREADS

In April, S&P completed their BICRA (Banking Industry Country Risk Assessment) review of Australia which resulted in them revising their industry risk score to 2 from 3. This resulted in major bank subordinated credit ratings being upgraded from BBB+ to A-, which suited the Fund's positioning towards subordinated debt. As a result, major bank subordinated credit spreads rallied 10bps after the announcement. Major bank senior spreads broke through the resistance level of 90bps and closed about 5bps tighter. Longer dated non-financial corporates continued their rally, as buyers of outright yields continue to snap up recently issued non-labelled 10yr deals from the likes of Sydney Airport, Brisbane Airport, Nestle and Vicinity Centres.

AS AT 30TH APRIL 2024	PRICE	CHG ON MTH
ITRAXX AUSTRALIA 5YR	0.71%	0.07%
ITRAXX EUROPE 5YR	0.56%	0.02%
ITRAXX EUROPE XOVER 5YR	3.18%	0.21%
CDX US IG 5YR	0.54%	0.02%
CDX US HY 5YR	3.57%	0.27%

FUND METRICS

Australian 3y government bond yields peaked at 4.16% in April, essentially pricing out any interest rate cuts for the next 3 years, which looked a little too aggressive for us. Therefore, we extended the Fund's interest rate duration (IRD), which for the first time since inception means the Fund (IRD 2.60yrs) has a slight overweight position versus benchmark (IRD 2.47yrs). As government bond yields moved higher, so to did the Fund's running yield which is now at 4.95%. We continue to favour floating rate notes (FRNs) over fixed rate bonds due to the elevated levels of BBSW. We recently met with an issuer who we believe will issue a green FRN in the not-too-distant future.

AS AT 30TH APRIL 2024	FUND	BENCH-MARK
INTEREST RATE DURATION	2.60	2.47
CREDIT DURATION	2.68	2.47
YIELD TO MATURITY	4.98%	4.43%
YIELD TO WORST	4.95%	4.43%
BLOOMBERG COMPOSITE RATING (weighted average)	A	AA+

**Using the Morningstar methodology for Average Credit Quality*

NEW ISSUES

After an unbelievably strong start to the year for the AUD labelled bond market, issuance slowed in April. We recorded just the 3 deals for a total volume of AUD 350m. The below Housing Australia bond was added to the Fund in April, purchased in the secondary market.

ISSUER	Bond Type	Issue Date	Issue Size $M	Fixed/ Floating	Maturity
HOUSING AUSTRALIA	Social	9-Jun-21	100	Floating	1-Jul-31

Issuer	Housing Australia
Currency	AUD
Sector	Agency
SDG Alignment	1 No Poverty; 11 Sustainable Cities and Communities
Eligible Projects	• Loans to registered community housing providers, funding not- for-profit community housing activities. • Loans to registered community housing providers funding mixed tenure development activities where profits are applied to support affordable housing outcomes.

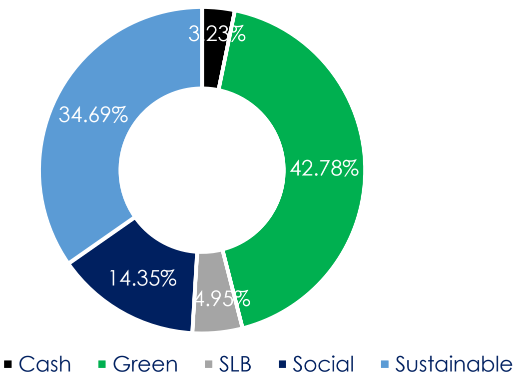
On 12 October 2023, the National Housing Finance and Investment Corporation (NHFIC) was renamed Housing Australia.

Housing Australia is a corporate Commonwealth entity dedicated to improving housing outcomes, with a particular focus on affordable housing.

The loans must also be used to:
1. Acquire new housing stock;
2. Construct new housing stock;
3. Maintain existing housing stock; or
4. Assist with working capital requirements, and/or for application towards their general corporate purposes (including by assisting CHPs to refinance existing indebtedness), in each case, provided that the use of the loan finance can be demonstrated to improve housing outcomes for Australians.

GREEN, SUSTAINABLE & SOCIAL

BOND TYPE



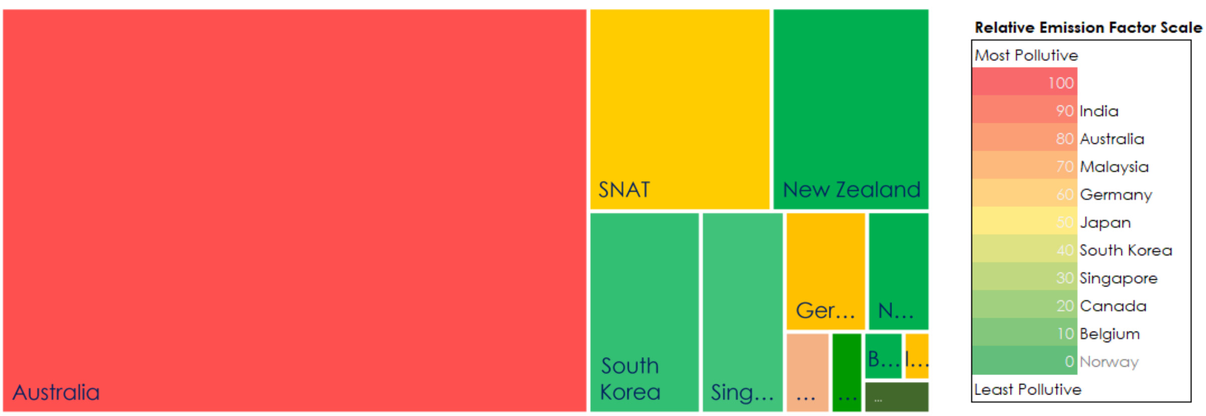
CARBON ABATEMENT

	Fund
April's estimated carbon abatement	1,336 tCO2e*
Since inception estimated carbon abatement[1]	41,225 tCO2e*
% of Fund used in this estimation	35%

One of the primary goals for the Fund is to report regularly on the impact that the bonds we have invested in are having on the environment. As issuers report their use of proceeds achievements, we update our records and this should also lead to a continual increase in the 35% of the Fund used to calculate the carbon abatement.

Equivalent to **19,325 cars**** off the road for a year, since fund inception

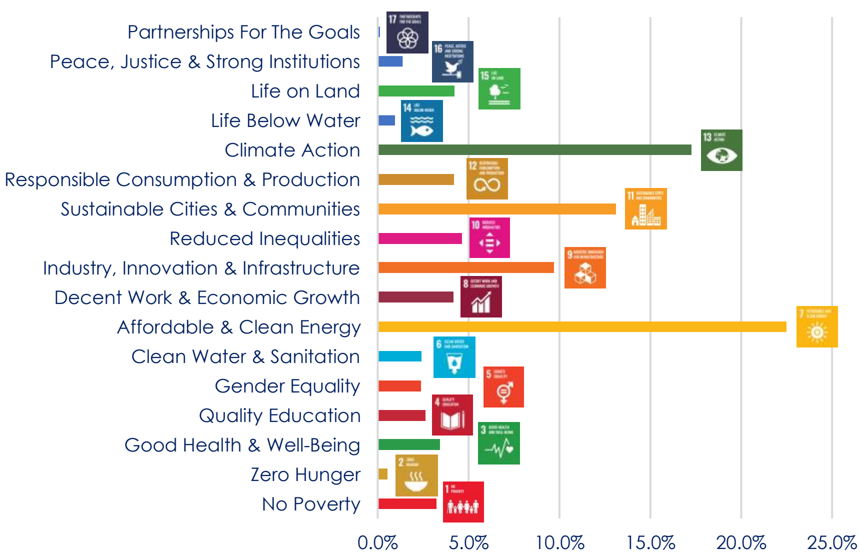
ALLOCATION OF FUNDS HEATMAP



Source: Artesian, EIB; Relative Emission Factor is measured across 43 countries/regions; Oct 2022

The heatmap above shows which countries the Fund is allocating capital to, to improve the global green economy. The Relative Emission Factor Scale shows how dirty the energy grid of each country is. It is a normalised scale of the baseline emission factor for electricity generation across 43 major countries - how much gCO2e/kWh is emitted. In essence, the more green capital investors can channel to higher pollutive countries, the higher the impact per dollar.

SUSTAINABLE DEVELOPMENT GOALS



The Sustainable Development Goals are the blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including poverty, inequality, climate change, environmental degradation, peace and justice. When mapping the SDG's per bond held in the Fund, we take a conservative approach. If one bond targets more than one SDG, then the allocation is split evenly between the SDGs and then portfolio weighted. Unsurprisingly, the Fund is most aligned with Clean Energy, Climate Action and Sustainable Cities, making up 53% of the Fund's targeted SDGs. The Fund currently supports 17 of the 17 SDGs.

IMPACT SINCE INCEPTION

140,098
Trips made on clean & sustainable transportation.

102,072,513
Litres of water saved.

9,171
Square metres of green energy efficient buildings financed.

91
People provided with access to water & sanitation.

5
Affordable housing dwellings financed.

1,786
People provided with access to education.

100%
Female representation on board of Fund holdings.

177
Jobs created or preserved.

45%
Fund bond issuers supporting TCFD.

18%
Fund bond issuers supporting PCAF.

88%
More than one female on board of Fund holdings.

The figures above are not actuals they are estimates using pro rata calculations taken from issuers use of proceeds reports, done on a best-efforts basis.

NOTES

**We take a conservative approach to estimating the carbon abatement of our portfolio holdings. If we own a bond that has not yet produced a use of proceeds report or something similar, we don't report any carbon abatement whatsoever. For those issuers who have produced a use of proceeds report, we pro rata the Fund's allocation of the reported carbon abatement. We use the previously reported 12-month carbon abatement figures to project the following 12 months and update those as soon as a new report from the issuer is produced.*

***As per the ABS's latest Survey of Motor Vehicle Use (link as of 20 Mar'19), Passenger Vehicles in Australia on average travelled 12,600km a year in 2018. As per NTC's latest emission intensity paper (link; as of Jun'20). Passenger Vehicles in Australia on average had an emission intensity of 169g/km in 2019 (or 169.8g/km in 2018). As a result, we defined the carbon footprint of an average passenger vehicle in Australia as 2.14t CO_2e per year being [(169g/km x 12,600km) / 1,000,000].*

The impact metrics published in this document reflects the proprietary methodology developed by Artesian for the collection, evaluation, calculation and harmonization of thematic ESG indicators that are aligned with United Nations Sustainable Development Goals. Actual data and estimated data are both analysed based on companies' disclosures including but not limited to "Use of Proceeds", "Impact Report" and "Second-party Verification", as well as engagement with the companies themselves.

DISCLAIMER

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