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 31ST JULY 2024	FUND PERFORMANCE						
	1 month	3 months	6 months	1 year	2 year	3 year	Since Inception (p.a.)
GROSS FUND RETURN	1.33%	2.50%	2.87%	6.59%	4.83%	1.86%	2.35%
NET FUND RETURN	1.29%	2.37%	2.61%	6.06%	4.31%	1.35%	1.83%
BLOOMBERG AUSBOND COMPOSITE 0-5 YR Index	1.13%	1.90%	1.82%	4.81%	2.80%	0.44%	0.49%
ACTIVE RETURN (net Fund return - benchmark)	0.16%	0.47%	0.80%	1.25%	1.51%	0.91%	1.34%

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

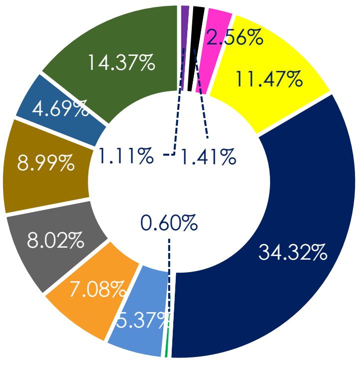
There was a pickup in volatility in July as investors digested falling inflation, escalating geopolitical risks, the US presidential election and the latest company earnings announcements. With US inflation and employment data both coming in weaker than expected in July, the Federal Reserve look set to start cutting interest rates at their next meeting in September. In Australia, we saw a meaningful market reaction to the latest inflation data, largely driven by the CPI Weighted Median QoQ coming in at 0.8% versus expectations of 1.0%. A lot of market commentators were calling for interest rate hikes before the latest CPI data, post the announcement a lot are now calling for cuts. With inflation at 3.80%, it is still well above the RBA's target range of 2%-3%, however the trend is your friend, and the RBA would have been pleased with the recent data. We still assign a very small probability to any change in the cash rate in 2024 though, 2025 will hopefully deliver borrowers some much needed relief.

The Fund's outperformance versus benchmark in July was driven by the overweight credit duration positioning (credit spreads were lower/tighter) and overweight interest rate duration positioning (interest rates were lower/tighter). The Fund's running yield of 4.74% versus the benchmark's 4.16%, also contributed to the monthly outperformance.

Outperformance in July came from the Fund's positions in Contact Energy (Green), Australian Postal Corporation (Sustainable), ETSA Utilities Finance (Green) and Mercury (Green). Small underperformance in July came from Mitsubishi UFJ (Green), Macquarie University (Sustainable) and Housing Australia (Sustainable).

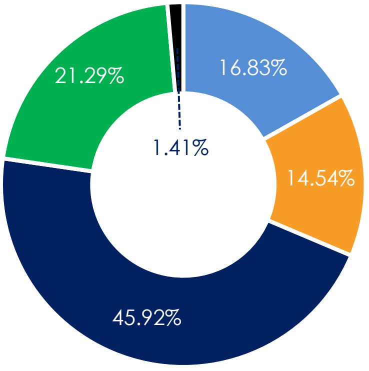
PORTFOLIO BREAKDOWN

SECTOR BREAKDOWN



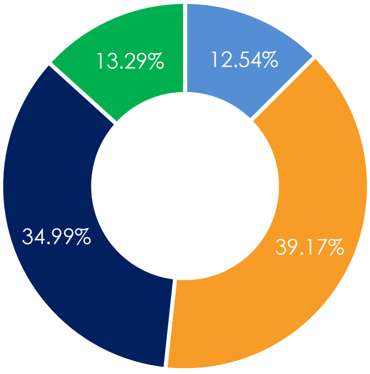
- Agencies
- Consumer Staples
- Financial
- Real Estate
- Supranational
- Transportation & Logistics
- Cash
- Educational Services
- Government
- Semi Government
- TMT
- Utilities

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

Credit spreads tightened throughout July and largely reversed the widening we witnessed in June. There was mixed performance from the subordinated Tier 2 sector. Banco Santander issued a floating rate and fixed rate 10yr deal with a 5yr call for total volume of AUD 600m, those bonds rallied 14bps-19bps respectively. However, ANZ also issued a Tier 2 deal which was a 15yr bond with a 10yr call which performed poorly. They issued AUD 1.9b which for that debt type and duration was too much for the market and we saw immediate selling in secondary markets by fast money accounts in Asia. This put some pressure on the entire Tier 2 sector and until those bonds clear dealers' inventory lists, we are likely to trade a bit wider in Tier 2. The 3yr to 5yr part of the curve outperformed the front end and long end, which suited the Fund's overweight positioning to these maturities.

AS AT 31ST JULY 2024	PRICE	CHG ON MTH
ITRAXX AUSTRALIA 5YR	0.65%	-0.05%
ITRAXX EUROPE 5YR	0.55%	-0.06%
ITRAXX EUROPE XOVER 5YR	2.95%	-0.24%
CDX US IG 5YR	0.52%	-0.02%
CDX US HY 5YR	3.31%	-0.13%

FUND METRICS

Australian Government bond yields had been drifting lower throughout July. That was until the last day of trading for the month, when the inflation data was announced and the move lower in yields accelerated significantly. This resulted in 3yr yields finishing 37bps lower MoM at 3.73%. Considering we had been lengthening the Fund's interest rate duration (IRD) longer than benchmark since March, we took advantage of the rally in July and reduced the IRD by 0.7yrs to 2.04yrs. The Fund's credit duration remains 0.32yrs above benchmark. 3-month BBSW peaked at its highest level in +10 years on July 30th at 4.49%, which bodes well for the Fund's floating rate notes. However, due to the lower outright yields across the fixed rate bond curve, the Fund's running yield fell by 34bps to 4.74%.

AS AT 31ST JULY 2024	FUND	BENCH-MARK
INTEREST RATE DURATION	2.04	2.42
CREDIT DURATION	2.74	2.42
YIELD TO MATURITY	4.79%	4.16%
YIELD TO WORST	4.74%	4.16%
BLOOMBERG COMPOSITE RATING (weighted average)	A	AA+

**Using the Morningstar methodology for Average Credit Quality*

NEW ISSUES

Just the one new labelled bond issued in the AUD market in July, which was a green bond issued by The Canada Pension Plan Investment Board (CPPIB). The Fund did not participate in CPPIB deal, however we did purchase more of the below bond issued by La Trobe University.

ISSUER	Bond Type	Issue Date	Issue Size $M	Fixed/ Floating	Maturity
LA TROBE UNIVERSITY	Green	31-July-23	175	Fixed	8-Aug-30

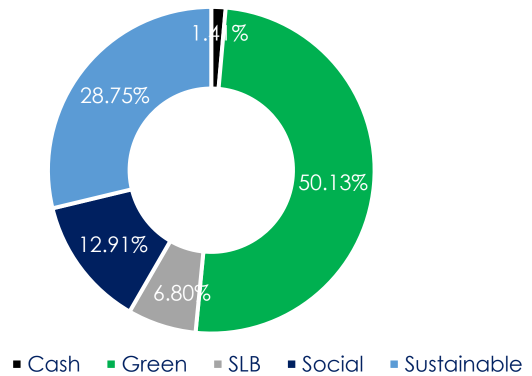
Issuer	LA TROBE UNIVERSITY
Currency	AUD
Sector	Educational Services
SDG Alignment	7, 9, 11, 12, 13, 15
Eligible Projects	Eligible green projects must contribute to environmental objectives such as; • Green buildings • Renewable energy • Energy efficiency • Clean transportation • Pollution prevention and control • Sustainable water and waste management • Terrestrial and aquatic biodiversity conversation

La Trobe University (LTU) is a public research university located in Melbourne, Australia. In July 2023, the university priced its inaugural AUD $175m Green Bond. In July 2023, LTU launched their Sustainable Financing Framework to ensure that their funding strategy is fully aligned with their sustainability objectives. Independent verification has been undertaken by DNV.

The net proceeds from the LTU Green Bond will be used to finance or refinance new or existing Eligible Green Project Categories as set out in the LTU Sustainability Financing Framework. LTU has also declared that the eligible green assets are not double counted through allocation to other certified bonds, such as their Social Bonds.

GREEN, SUSTAINABLE & SOCIAL

BOND TYPE



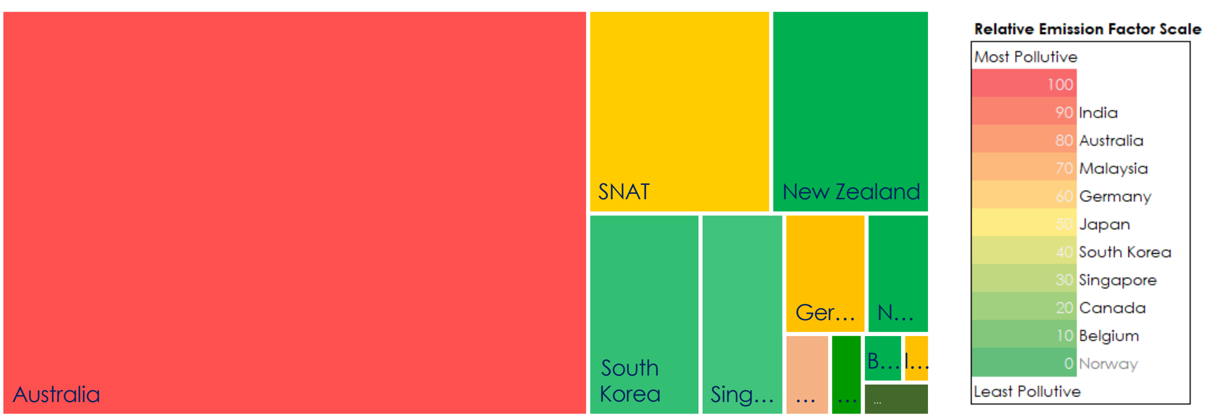
CARBON ABATEMENT

	Fund
July's estimated carbon abatement	1,339 tCO2e*
Since inception estimated carbon abatement[1]	45,423 tCO2e*
% of Fund used in this estimation	33%

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 33% of the Fund used to calculate the carbon abatement.

Equivalent to **21,293 cars**** off the road for a year, since fund inception

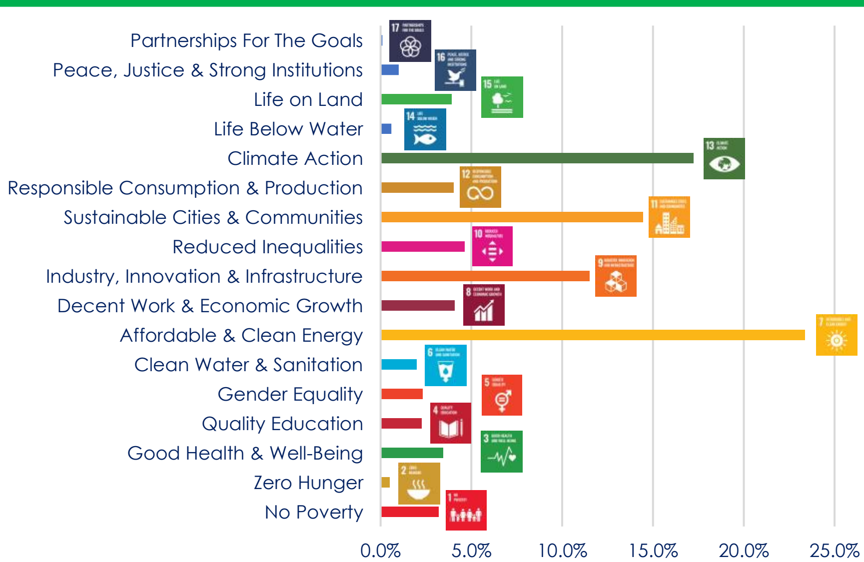
ALLOCATION OF FUNDS HEATMAP



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 55% of the Fund's targeted SDGs. The Fund currently supports 17 of the 17 SDGs.

IMPACT SINCE INCEPTION

147,820	102,144,252	9,987	91
Trips made on clean & sustainable transportation.	Litres of water saved.	Square metres of green energy efficient buildings financed.	People provided with access to water & sanitation.
5	1,964	100%	177
Affordable housing dwellings financed.	People provided with access to education.	Female representation on board of Fund holdings.	Jobs created or preserved.
41%	18%	85%	
Fund bond issuers supporting TCFD.	Fund bond issuers supporting PCAF.	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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