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 DEC 2023	FUND PERFORMANCE						
	1 month	3 months	6 months	1 year	2 year	3 year	Since Inception (p.a.)
GROSS FUND RETURN	1.47%	2.53%	4.07%	6.07%	1.79%	1.13%	1.75%
NET FUND RETURN	1.43%	2.41%	3.82%	5.54%	1.28%	0.62%	1.23%
BLOOMBERG AUSBOND COMPOSITE 0-5 YR Index	1.39%	2.22%	3.28%	4.08%	0.29%	-0.22%	-0.10%
ACTIVE RETURN (net Fund return - benchmark)	0.04%	0.19%	0.53%	1.46%	0.99%	0.85%	1.33%

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

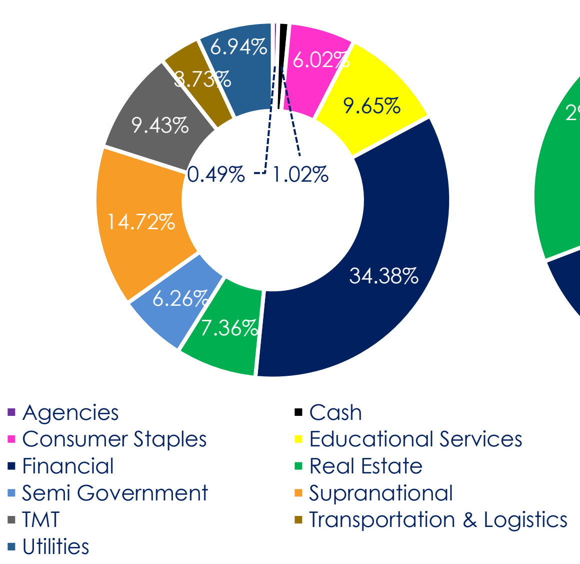
Global markets continued their strong rally in December, closing out 2023 in style. Many were surprised by Jerome Powell's dovish comments when the US Federal Reserve chairman left US cash rates on hold at 5.25% to 5.5%. The Fed's dot-plot (interest rate projections), showed 75 basis points of cuts in 2024, a meaningful dovish surprise that further fuelled the rally in both equity and bond markets. An aggressive rate cut path is now priced in, with the market anticipating 150 basis points in reductions next year.

The Fund's outperformance versus benchmark in December was driven by the overweight credit duration positioning. The Fund's running yield of 4.70% versus the benchmark of 4.04%, also positively contributes to the outperformance on a monthly basis.

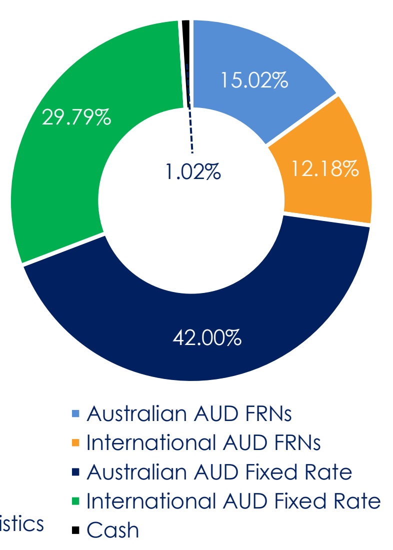
In December, the Fund's best performing positions were Contact Energy (Green), La Trobe University (Green) and Australian Postal Corporation (Sustainable). Underperformance came from the Fund's positions in KFW (Green), Rentenbank (Green) and CPPIB Capital (Green).

PORTFOLIO BREAKDOWN

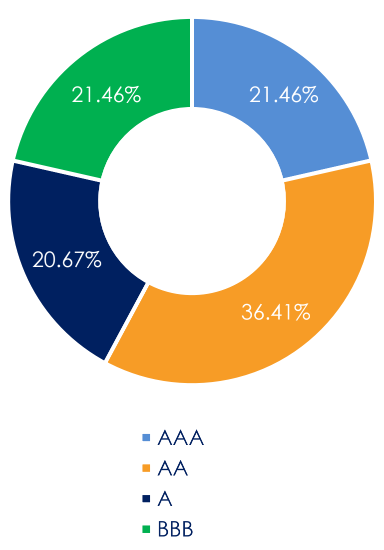
SECTOR BREAKDOWN



REGION & PRODUCT



CREDIT RATING



CREDIT SPREADS

The rally in credit indices slowed in December, after some big moves tighter in November. Corporate bond credit spreads were 5bps to 10bps tighter, with higher beta names outperforming. We often frame where we currently are in terms of outright levels in spreads, by using major bank 5yr senior spreads as a guide. The range on where these bonds are issued is between ~40bps to ~130bps. The most recent senior bond issued by a major bank, was NAB back November at a spread of 103bps which is now trading in the market at 90bps. So, our view is that credit spreads currently look reasonably priced and are likely to keep trending tighter until the new issue market re-opens in mid-January. The rally in bond yields has also aided the move tighter in credit spreads. However, bond yields are looking a little stretched at these levels and we would anticipate some consolidation after what has been a significant rally.

AS AT 31ST DECEMBER 2023	PRICE	CHG ON MTH
ITRAXX AUSTRALIA 5YR	0.70%	-0.05%
ITRAXX EUROPE 5YR	0.58%	-0.10%
ITRAXX EUROPE XOVER 5YR	3.10%	-0.63%
CDX US IG 5YR	0.57%	-0.06%
CDX US HY 5YR	3.56%	-0.46%

FUND METRICS

The Fund's trading activity was limited in December, as the new issue market was essentially closed for the holidays. Considering the 49bp rally in 3yr government bond yields from 4.06% to 3.57%, we decided to reduce the Fund's interest rate duration to 2.00yrs. Credit spreads have performed very well during November and December, so new fund inflows were allocated to shorter dated bonds which had the effect of lowering the Fund's credit duration to 2.84yrs. The Fund's running yield also closed the month lower, in line with the rally in government bond yields. We expect the new issue market to re-open in mid-January, and a high likelihood that robust volumes continue throughout 2024. Although government bond yields rallied, BBSW remained unchanged MoM at 4.36%, which makes floating rate notes more attractive than fixed rate bonds at this juncture.

AS AT 31ST DECEMBER 2023	FUND	BENCH-MARK
INTEREST RATE DURATION	2.00	2.38
CREDIT DURATION	2.84	2.38
YIELD TO MATURITY	4.71%	4.04%
YIELD TO WORST	4.70%	4.04%
BLOOMBERG COMPOSITE RATING (weighted average)	A	AA+

**Using the Morningstar methodology for Average Credit Quality*

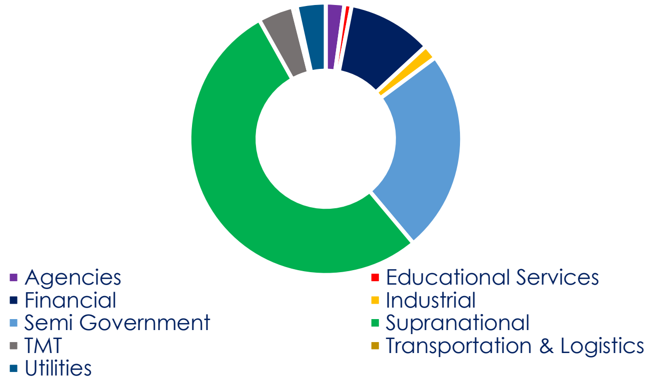
NEW ISSUES

Another solid year of labelled bond issuance in the AUD market. Not quite a record year, but there were some headwinds at play. ASIC significantly increased their interest in greenwashing and whilst that's good for the overall credibility of the Australian market in the long run, the short term implications have meant that some issuers have shied away from issuing green bonds.

The SSA sector continues to be the largest issuer of labelled bonds in the AUD market. In addition to the volume they bring to the market, they are also on the front foot with regards to innovation within bond structures.

In 2024 we will continue working with corporate issuers, with the aim of increasing the investable universe and high impact projects we are looking to fund for our investors.

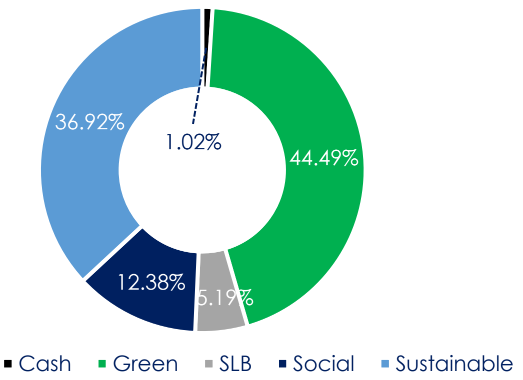
2023 AUD ESG BOND ISSUANCE BY SECTOR



ISSUER	Total Issuance $ Billion	Govt. & SSA $ Billion	Financials $ Billion	Corporates $ Billion
2023 AUD ESG BOND ISSUANCE	20.4	15.7	2.0	2.6
2022 AUD ESG BOND ISSUANCE	12.5	9.9	0.6	2.0
2021 AUD ESG BOND ISSUANCE	20.6	14.1	3.1	3.3
2020 AUD ESG BOND ISSUANCE	8.6	6.0	2.0	0.5

GREEN, SUSTAINABLE & SOCIAL

BOND TYPE



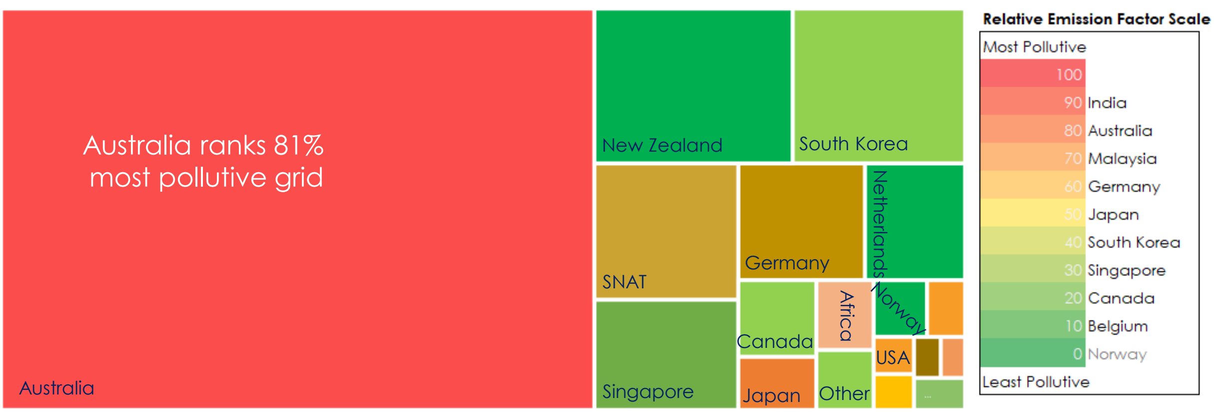
CARBON ABATEMENT

	Fund
December's estimated carbon abatement	1,733 tCO2e*
Since inception estimated carbon abatement[1]	46,566 tCO2e*
% of Fund used in this estimation	40%

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 40% of the Fund used to calculate the carbon abatement.

Equivalent to **21,829 cars**** off the road for a year, since fund inception

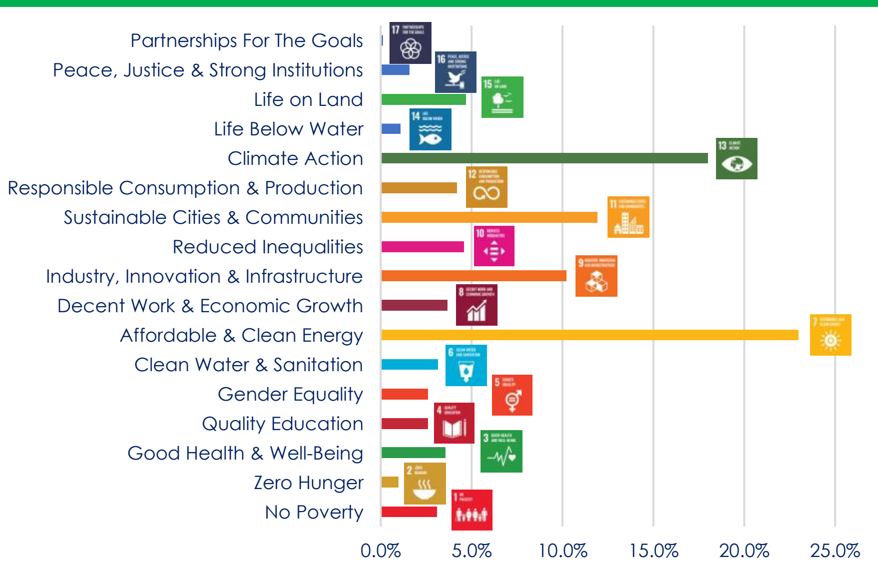
ALLOCATION OF FUNDS HEATMAP



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

373,343 Trips made on clean & sustainable transportation.	**101,741,615** Litres of water saved.	**8,014** Square metres of green energy efficient buildings financed.	**54,872** People provided with access to water & sanitation.
9 Affordable housing dwellings financed.	**2,226** People provided with access to education.	**100%** Female representation on board of Fund holdings.	**170** Jobs created or preserved.
51% Fund bond issuers supporting TCFD.	**17%** Fund bond issuers supporting PCAF.	**89%** 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

CONTACTS:

Rory MacIntyre	0434 669 524	rory@artesianinvest.com
David Gallagher	0412 972 070	david@artesianinvest.com