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 29TH FEB 2024	FUND PERFORMANCE						
	1 month	3 months	6 months	1 year	2 year	3 year	Since Inception (p.a.)
GROSS FUND RETURN	0.19%	2.12%	2.88%	5.52%	2.47%	1.41%	1.85%
NET FUND RETURN	0.15%	1.99%	2.63%	5.00%	1.96%	0.91%	1.33%
BLOOMBERG AUSBOND COMPOSITE 0-5 YR Index	0.01%	1.79%	2.24%	3.93%	0.95%	0.05%	0.02%
ACTIVE RETURN (net Fund return - benchmark)	0.14%	0.20%	0.39%	1.07%	1.01%	0.86%	1.31%

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

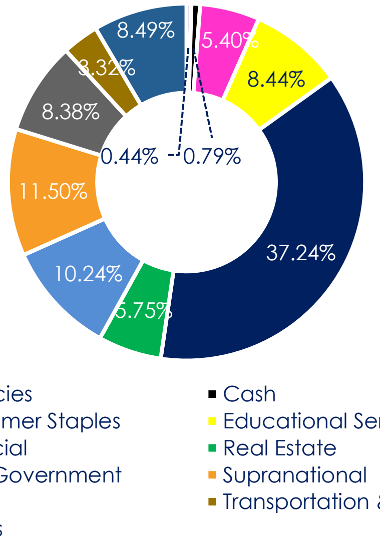
The positive tone to the AUD bond market continued in February, with non-financial issuers issuing considerable volume post earnings. Whilst almost all new deals traded tighter in the secondary market, there were signs of investor fatigue later in the month. As this is more technical than anything, we would expect credit to continue to perform once all of the 2024 issuance has had time to find a suitable home. Credit spreads continued to rally throughout the month, non-financials outperformed due to the pick-up in liquidity brought on by new issues.

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

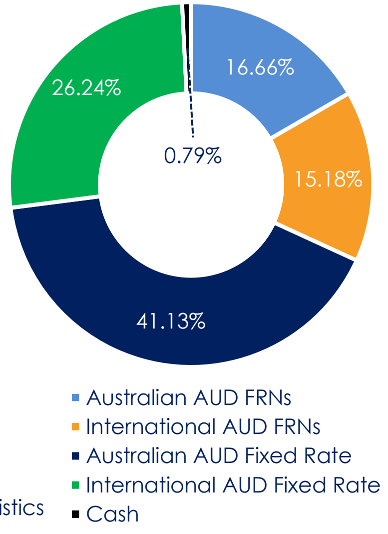
Outperformance in February came from the Fund's positions in ANZ (Sustainable), CBA (Green), European Investment Bank (Sustainable) and Woolworths (Green & SLB). The main contributors to underperformance in February were Transpower (Green), La Trobe University (Green) and Western Australia Treasury Corporation (Green).

PORTFOLIO BREAKDOWN

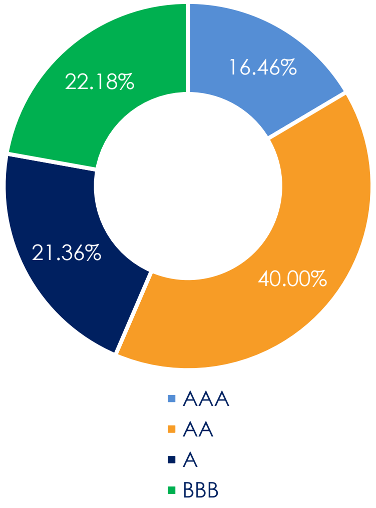
SECTOR BREAKDOWN



REGION & PRODUCT



CREDIT RATING



CREDIT SPREADS

Credit spreads continued to rally in February, which considering the elevated levels of issuance is impressive. Major bank senior spreads were 3bps to 4bps tighter and at month end settled around 90bps, which makes them 10bps tighter YTD. Whilst we have seen some tightening on newly issued major bank subordinated bonds in 2024, the reality is that their existing curve is basically unchanged YTD. We see value in major bank subordinated bonds with a spread ratio of 2x senior spreads. In particular, we like major bank subordinated floating rate notes for their pick up in yield versus the same maturity fixed rate bonds. Floating rate notes continue to benefit from the highest level in BBSW we have seen since 2012, currently at 4.35%.

AS AT 29TH FEBRUARY 2024	PRICE	CHG ON MTH
ITRAXX AUSTRALIA 5YR	0.64%	-0.04%
ITRAXX EUROPE 5YR	0.55%	-0.05%
ITRAXX EUROPE XOVER 5YR	3.05%	-0.23%
CDX US IG 5YR	0.52%	-0.04%
CDX US HY 5YR	3.40%	-0.21%

FUND METRICS

The Fund was active in February deploying new inflows into the secondary market. This resulted in the Fund's credit duration marginally shortening to 2.68yrs (benchmark 2.29yrs). We used the intramonth sell off in 3yr yields to add back some interest rate duration (IRD) which now sits at 2.10yrs (benchmark 2.29yrs). 3yr government bond yields have traded in a tight range of 3.50% to 3.85% since the beginning of the year. With the RBA cash rate at 4.35%, 3yr yields look appropriately priced, hence the modest IRD positioning of the Fund at present. The Fund's running yield increased 9bps MoM to 4.78% (benchmark 4.14%). We exited the Fund's long held position in Lendlease post their earnings update in February. We have concerns around their credit metrics deteriorating further (currently rated BBB-) and ESG concerns around governance failures surrounding taxation.

AS AT 29TH FEBRUARY 2024	FUND	BENCH-MARK
INTEREST RATE DURATION	2.10	2.29
CREDIT DURATION	2.68	2.29
YIELD TO MATURITY	4.81%	4.14%
YIELD TO WORST	4.78%	4.14%
BLOOMBERG COMPOSITE RATING (weighted average)	A	AA+

**Using the Morningstar methodology for Average Credit Quality*

NEW ISSUES

The positive start to the year for the AUD labelled bond market continued in February. We recorded 6 new deals from 5 unique issuers for a total volume of AUD 2.2b in issuance.

ISSUER	Bond Type	Issue Date	Issue Size $M	Fixed/ Floating	Maturity
SOUTH AUSTRALIAN FINANCING AUTHORITY	Sustainable	3-Jul-18	4,040	Fixed	24-May-28

Issuer	SAFA South Australian Government Financing Authority
Currency	AUD
Sector	Semi-Government
SDG Alignment	1, 3, 4, 7, 8, 10, 12, 13
Eligible Projects	The proceeds will be allocated to SAFA's expenditure towards projects that address one or more of the following five areas; • Socioeconomic advancement and empowerment & affordable housing • Renewable energy • Clean transportation, affordable basic infrastructure & pollution prevention and control

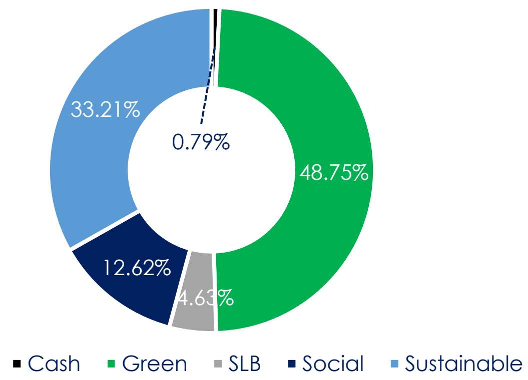
In February, the South Australian Financing Authority (SAFA) had 10 of its existing bonds labelled as Sustainable.

SAFA intends to notionally allocate an amount equivalent to the net proceeds raised from the issuance of Sustainable Bonds to finance and/or refinance, in whole or in part, green and/or social expenditures that meet the eligibility criteria set out in their sustainable bond framework.

SAFA have also outlined their intention to issue bonds in labelled format going forward. South Australia now joins Queensland, New South Wales, Victoria and Western Australia as Australian states who issue in labelled bond format.

GREEN, SUSTAINABLE & SOCIAL

BOND TYPE



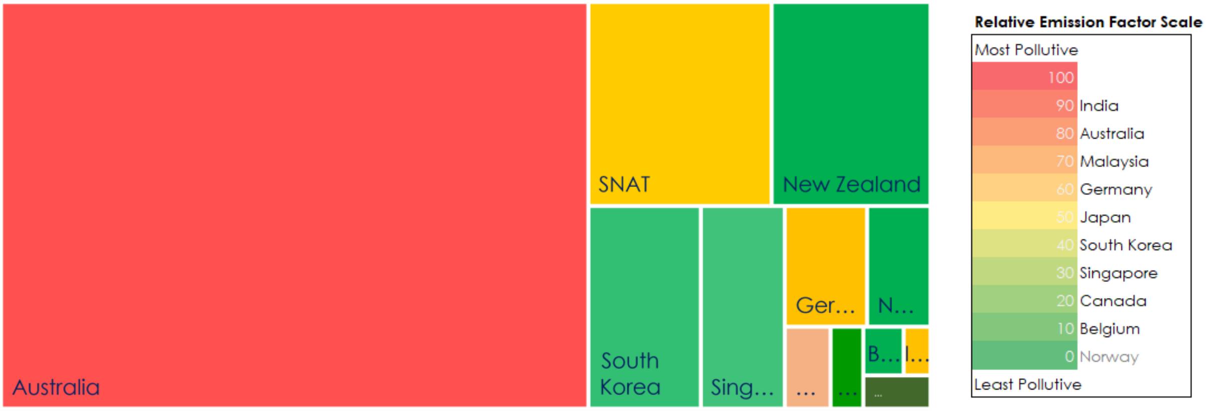
CARBON ABATEMENT

	Fund
February's estimated carbon abatement	1,503 tCO2e*
Since inception estimated carbon abatement[1]	38,548 tCO2e*
% of Fund used in this estimation	36%

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 36% of the Fund used to calculate the carbon abatement.

Equivalent to **18,070 cars**** off the road for a year, since fund inception

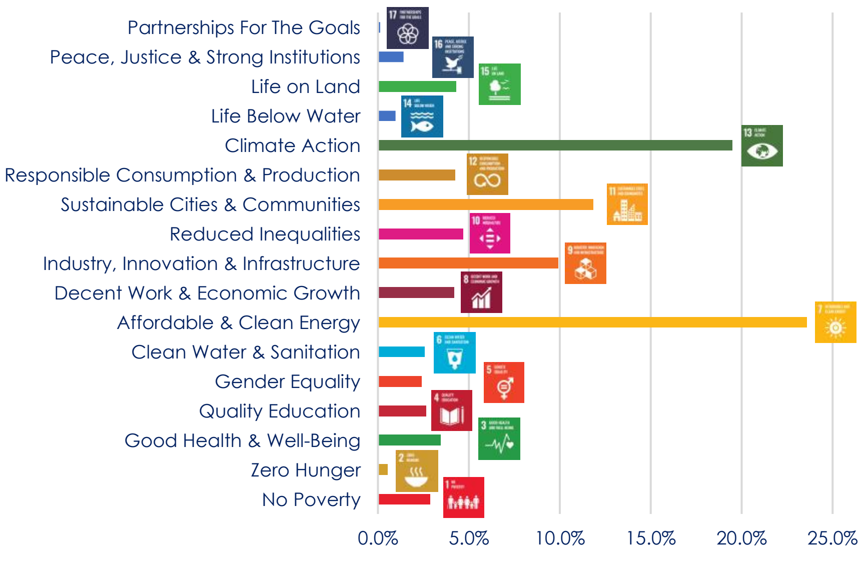
ALLOCATION OF FUNDS HEATMAP



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

136,811
Trips made on clean & sustainable transportation.

102,024,687
Litres of water saved.

8,627
Square metres of green energy efficient buildings financed.

91
People provided with access to water & sanitation.

5
Affordable housing dwellings financed.

1,667
People provided with access to education.

100%
Female representation on board of Fund holdings.

174
Jobs created or preserved.

49%
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:

Matthew Clunies-Ross	0400 508 680	matthew@artesianinvest.com
David Gallagher	0412 972 070	david@artesianinvest.com