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 MAR 2024	FUND PERFORMANCE						
	1 month	3 months	6 months	1 year	2 year	3 year	Since Inception (p.a.)
GROSS FUND RETURN	0.63%	1.27%	3.83%	4.67%	3.61%	1.50%	1.99%
NET FUND RETURN	0.59%	1.14%	3.58%	4.15%	3.09%	0.99%	1.47%
BLOOMBERG AUSBOND COMPOSITE 0-5 YR Index	0.60%	1.00%	3.25%	2.78%	2.15%	0.21%	0.19%
ACTIVE RETURN (net Fund return - benchmark)	-0.01%	0.14%	0.33%	1.37%	0.94%	0.78%	1.28%

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

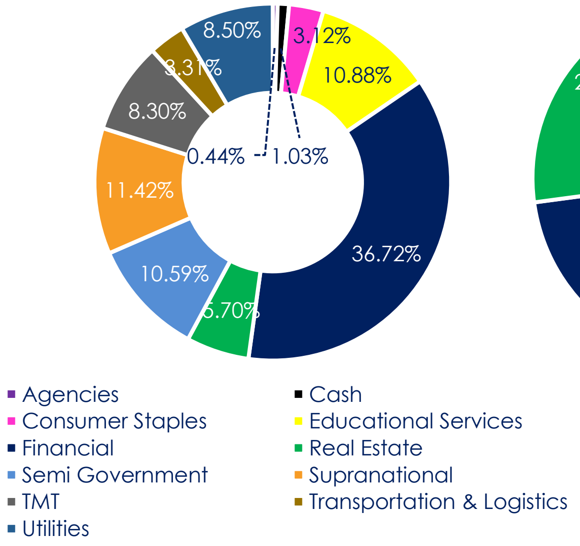
Another solid month of performance for the Fund in March, only marginally underperforming versus the benchmark. Credit spreads traded in a tight range and are largely unchanged MoM, with a mild widening bias. The broader corporate bond primary market continues to issue record volumes which is putting some resistance against credit spreads drifting tighter for now. It was encouraging to see 4 new labelled bonds in the AUD market in March, namely European Investment Bank (Sustainable), Kontrollbank (Sustainable), South Australian Government Financing Authority (Sustainable) and Council of Europe (Social).

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

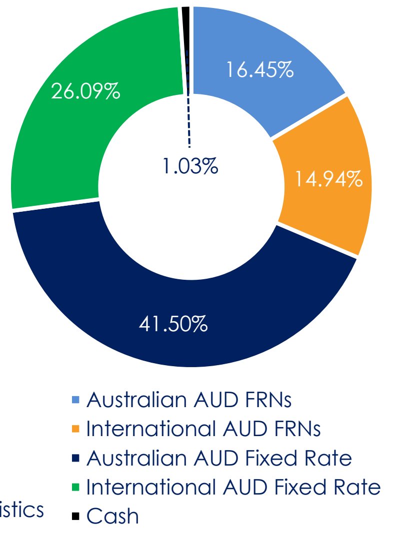
Outperformance in March came from the Fund's positions in Mercury (Green), OCBC (Green), Commonwealth Bank of Australia (Green) and QIC Finance Town Centre Fund (Green). The main contributors to underperformance in February were Optus Finance Pty (SLB), Contact Energy (Green), Transpower (Green) and Australian Catholic University (Sustainable).

PORTFOLIO BREAKDOWN

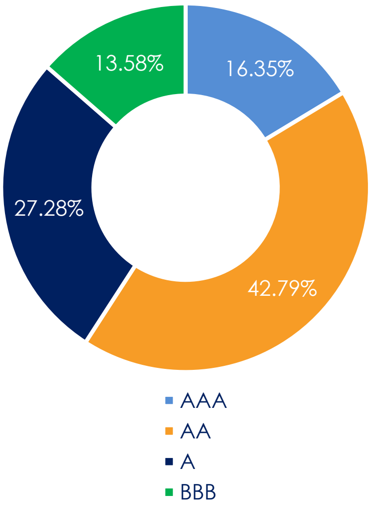
SECTOR BREAKDOWN



REGION & PRODUCT



CREDIT RATING



CREDIT SPREADS

Whilst there were pockets of outperformance in credit spreads of new bonds issued in March, credit spreads of existing deals drifted sideways or slightly wider. Major bank 5yr senior credit spreads were unchanged MoM at 90bps (10bps tighter YTD). Major bank 5yr call subordinated credit spreads were 5bps wider MoM at 185bps (10bps tighter YTD). Activity in longer dated corporate bonds has increased along with new issue volumes. Investors are keen to lock in elevated levels of outright yields in 5yr to 10yr maturities, which is leading to flatter credit curves. For the shorter dated maturities <5yrs, we are still very attracted to floating rate notes with BBSW still hovering around the RBA Cash Rate at 4.35%.

AS AT 31ST MARCH 2024	PRICE	CHG ON MTH
ITRAXX AUSTRALIA 5YR	0.64%	0.00%
ITRAXX EUROPE 5YR	0.54%	-0.01%
ITRAXX EUROPE XOVER 5YR	2.97%	-0.08%
CDX US IG 5YR	0.51%	-0.01%
CDX US HY 5YR	3.30%	-0.10%

FUND METRICS

Although there was some underlying activity in the Fund throughout the month, most of the Fund's metrics remained relatively stable MoM. The primary market was active with increased levels of supply being met by increased levels of demand. For example, South Australian Government Financing Authority issued a 5.25yr Sustainable Bond which attracted AUD +3.5b in orders versus the final issue size of AUD 2b. The interest rate duration (IRD) was marginally lower MoM which now sits at 2.04yrs. 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.

AS AT 31ST MARCH 2024	FUND	BENCH-MARK
INTEREST RATE DURATION	2.04	2.26
CREDIT DURATION	2.77	2.26
YIELD TO MATURITY	4.70%	4.05%
YIELD TO WORST	4.68%	4.05%
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 March. We recorded 4 new deals from 4 unique issuers for a total volume of AUD 4.5b in issuance.

ISSUER	Bond Type	Issue Date	Issue Size $M	Fixed/ Floating	Maturity
SOUTH AUSTRALIAN FINANCING AUTHORITY	Sustainable	14-Mar-24	2,000	Fixed	24-May-29

Issuer	SAFA South Australian Government Financing Authority
Currency	AUD
Sector	Semi-Government
SDG Alignment	1 No Poverty; 3 Good Health and Well-Being; 4 Quality Education; 7 Affordable and Clean Energy; 8 Decent Work and Economic Growth; 10 Reduced Inequalities; 12 Responsible Consumption and Production; 13 Climate Action
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

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

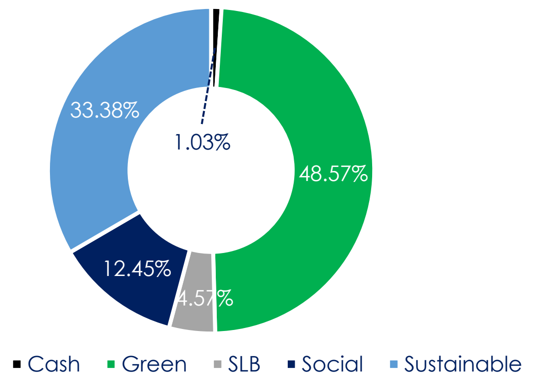
We were quite pleased they wasted no time in issuing their first new labelled bond under their sustainable bond framework in March.

The bond was very well received by the market, a large order book of AUD +3.5b for a AUD 2b deal meant the bonds rallied 6bps into month end

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



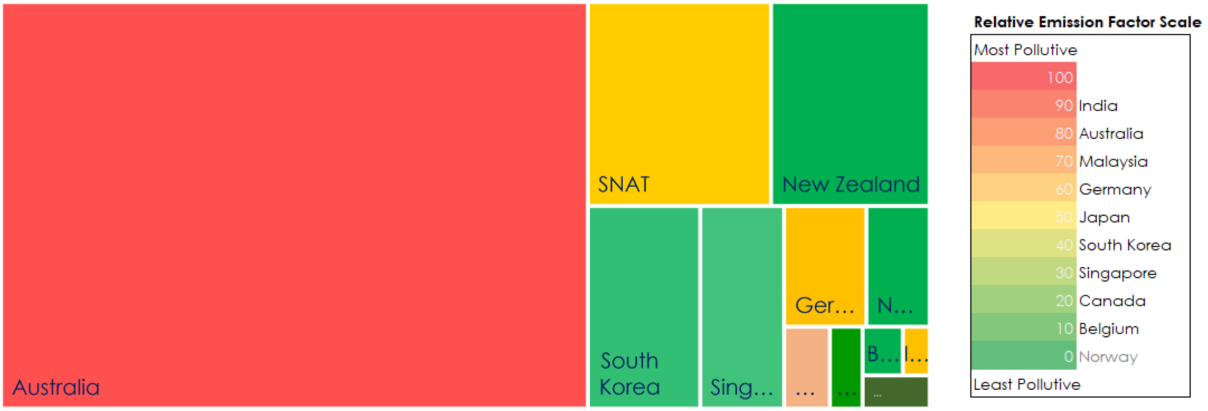
CARBON ABATEMENT

	Fund
March's estimated carbon abatement	1,323 tCO2e*
Since inception estimated carbon abatement[1]	39,871 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 **18,691 cars**** off the road for a year, since fund inception

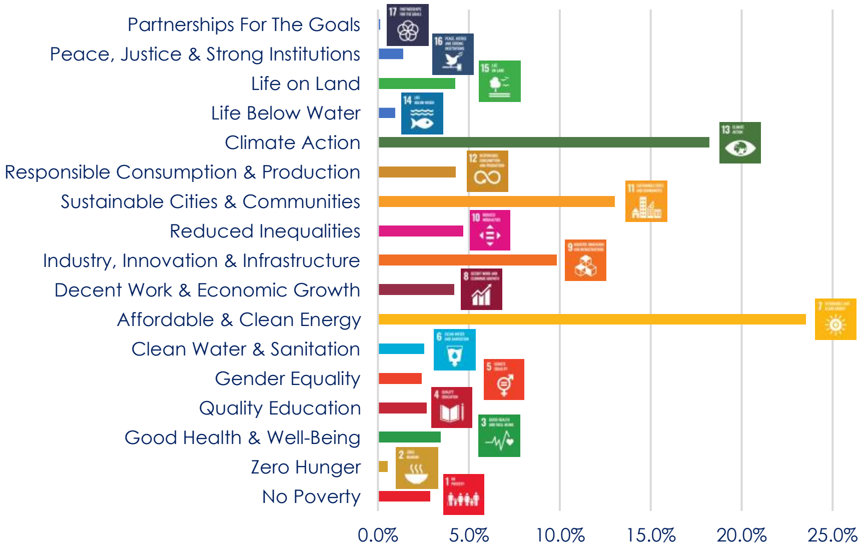
ALLOCATION OF FUNDS HEATMAP



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

138,455

Trips made on clean & sustainable transportation.

102,048,600

Litres of water saved.

8,899

Square metres of green energy efficient buildings financed.

91

People provided with access to water & sanitation.

5

Affordable housing dwellings financed.

1,727

People provided with access to education.

100%

Female representation on board of Fund holdings.

175

Jobs created or preserved.

46%

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

CONTACTS:

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