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 JUNE 2024	FUND PERFORMANCE						
	1 month	3 months	6 months	1 year	2 year	3 year	Since Inception (p.a.)
GROSS FUND RETURN	0.53%	0.68%	1.96%	6.12%	4.77%	1.52%	2.04%
NET FUND RETURN	0.49%	0.56%	1.71%	5.59%	4.25%	1.02%	1.52%
BLOOMBERG AUSBOND COMPOSITE 0-5 YR Index	0.35%	0.06%	1.06%	4.38%	2.98%	0.20%	0.20%
ACTIVE RETURN (net Fund return - benchmark)	0.14%	0.50%	0.64%	1.21%	1.28%	0.82%	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

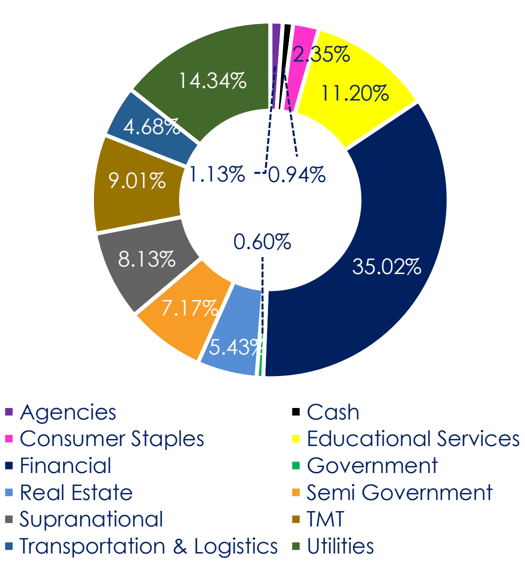
There is never a dull moment in financial markets. As inflation data around the globe (ex-Australia) continues to soften, the once ridiculed 'soft landing' looks like a plausible prospect for developed economies. In June, the Bank of Canada became the first G-7 central bank to ease policy when they lowered their cash rate by 0.25%. The ECB cut interest rates by 0.25% to 3.75%, its first reduction in five years. The UK became the first major economy to see inflation return to target, as prices rose 2.0% in the year to May. US core inflation reached a 3yr low of 2.6% in May, unemployment edged up to 4.0%, consumer confidence fell, and retail sales remained weak. So, if the US data continues to soften the Federal Reserve should be on course to start cutting rates later this year. Meanwhile in Australia, inflation remains stubborn and the decision to hold interest rates steady is not a straightforward one, with RBA members pondering both a hike and a hold.

The Fund's outperformance versus benchmark in June, was driven by the active positioning of the Fund's interest rate duration. The Fund's running yield of 5.07% versus the benchmark's 4.45%, also contributed to the monthly outperformance.

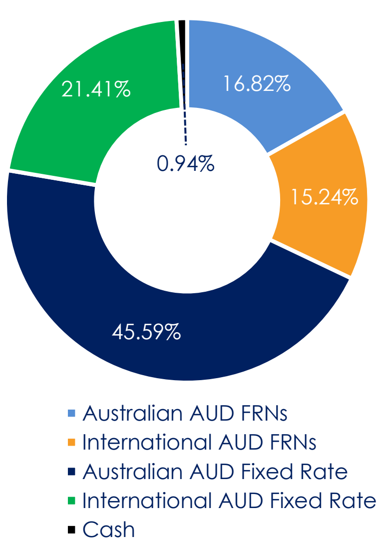
Outperformance in June came from the Fund's positions in the New South Wales Treasury Corporation (Sustainable), Industrial Bank of Korea (Green), QIC Finance Town Centre Fund (Green) and Optus (SLB). The main contributors to underperformance in June, were La Trobe University (Green), ETSA Utilities Finance (Green) and Contact Energy (Green).

PORTFOLIO BREAKDOWN

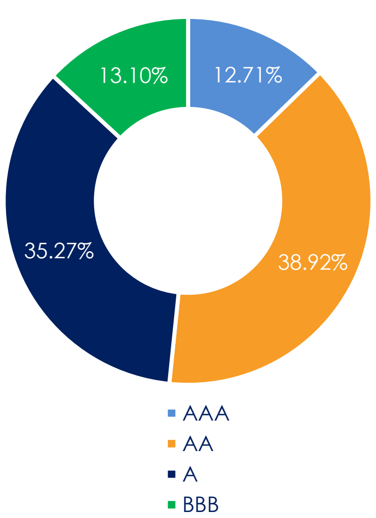
SECTOR BREAKDOWN



REGION & PRODUCT



CREDIT RATING



CREDIT SPREADS

Credit spreads drifted wider in June, as global volatility increased in response to political uncertainty in France. EUR credit indices and cash bonds underperformed other developed markets such as USD and AUD markets. Particularly, European banks unperformed and Australian banks with EUR curves also widened in sympathy. In contrast, Australian banks in AUD were again range bound between 80bps to 90bps. ANZ issued a non-labelled 5yr senior bond at 86bps in June, which is the 4th major bank deal in 2024 which has been issued in the 80bps to 90bps range. Major bank Tier 2 subordinated spreads outperformed versus senior, closing ~10bps tighter MoM. Although it feels like non-financial credit spreads have a mild widening bias at the moment, that is being abated by the lack of issuance due to seasonality factors associated with the end of financial year.

AS AT 30TH JUNE 2024	PRICE	CHG ON MTH
ITRAXX AUSTRALIA 5YR	0.70%	0.05%
ITRAXX EUROPE 5YR	0.61%	0.08%
ITRAXX EUROPE XOVER 5YR	3.19%	0.23%
CDX US IG 5YR	0.53%	0.04%
CDX US HY 5YR	3.44%	0.11%

FUND METRICS

Australian Government bond yields were mixed in June, 3yrs finished the month 5bps higher at 4.05% and 10yrs finished 6bps lower at 4.32%, resulting in a flatter yield curve. Although the outright MoM moves were mild, the intramonth moves were quite volatile. 3yr yields traded in a 38bp range and we adjusted the interest rate duration (IRD) of the fund throughout the range. The end result is we are now slightly longer than our benchmark IRD. Whilst not a meaningful overweight position, it is the first time since inception we have been longer than benchmark two months in a row. This reflects our view on where we are in the current interest rate cycle. The stronger than expected economic data in June meant that 3m BBSW, which had been anchored to the cash rate in recent times at 4.35%, drifted higher and finished the month at 4.45%.

AS AT 30TH JUNE 2024	FUND	BENCH-MARK
INTEREST RATE DURATION	2.73	2.42
CREDIT DURATION	2.79	2.42
YIELD TO MATURITY	5.11%	4.45%
YIELD TO WORST	5.07%	4.45%
BLOOMBERG COMPOSITE RATING (weighted average)	A	AA+

**Using the Morningstar methodology for Average Credit Quality*

NEW ISSUES

Just the two new AUD labelled bond deals in June for a total volume of AUD 8.5b. It was great to see Australia join the sovereign green bond club, the AOFM deal is highlighted below.

ISSUER	Bond Type	Issue Date	Issue Size $M	Fixed/ Floating	Maturity
AUSTRALIAN OFFICE OF FINANCIAL MANAGEMENT	Green	4-June-24	7,000	Fixed	21-Jun-34

Issuer	Australian Government Australian Office of Financial Management
Currency	AUD
Sector	Government
SDG Alignment	
Eligible Projects	• Support green hydrogen industrial hubs • Electric vehicle charging infrastructure • Construction of low-carbon buildings • Support the recovery of Australia's unique plants • Invest to protect the health and resilience of the Great Barrier Reef • Recover environmental water for the Murray-Darling Basin • Support carbon sequestration on agricultural land

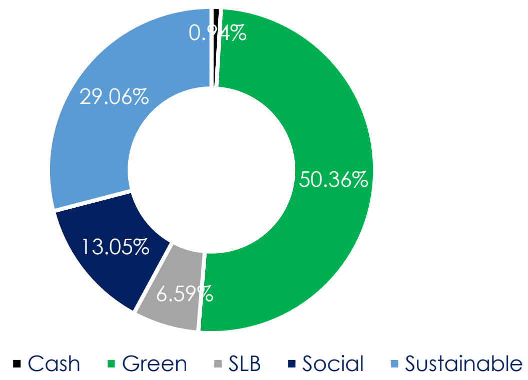
In June, the AOFM issued their much publicised first green bond. The final order book was more than AUD 23b. They priced the bond 2bps inside their existing curve, which is commonly referred to as a 'greenium'.

Some of the potential reported use of proceeds will include:

- Annual renewable energy generation in MWh/GWh (electricity)
- Annual GHG emissions reduced/avoided in tonnes of CO_2e
- Number of communities with access to battery storage
- Annual energy savings in MWh/GWh (electricity) and GJ/TJ (other energy savings)
- Passengers or passenger–kilometres of rail line for electric transport
- Number of new buildings that comply with green building standards

GREEN, SUSTAINABLE & SOCIAL

BOND TYPE



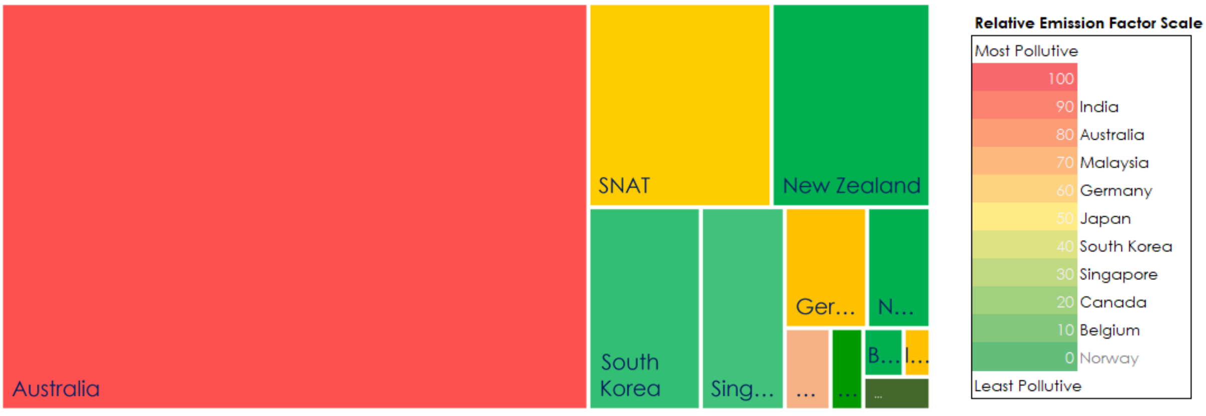
CARBON ABATEMENT

	Fund
June's estimated carbon abatement	1,334 tCO2e*
Since inception estimated carbon abatement[1]	44,043 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 **20,646 cars**** off the road for a year, since fund inception

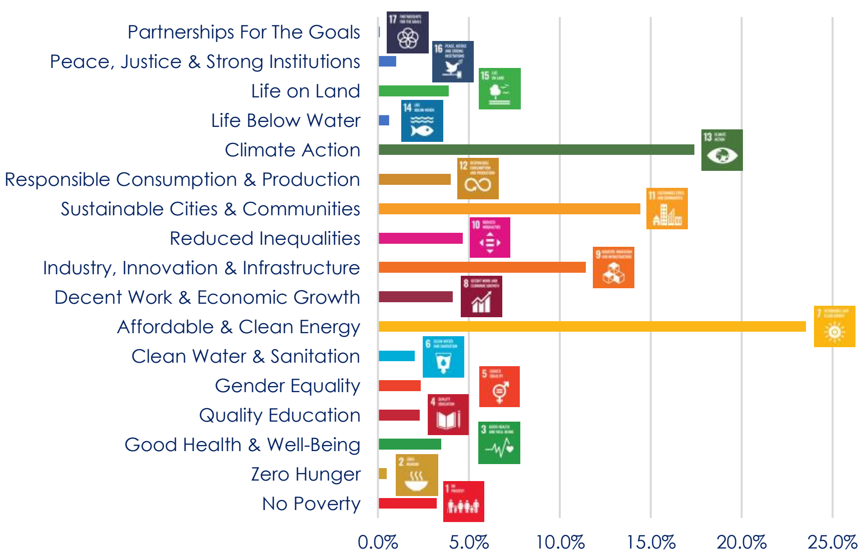
ALLOCATION OF FUNDS HEATMAP



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

146,177

Trips made on clean & sustainable transportation.

102,120,339

Litres of water saved.

9,715

Square metres of green energy efficient buildings financed.

91

People provided with access to water & sanitation.

5

Affordable housing dwellings financed.

1,905

People provided with access to education.

100%

Female representation on board of Fund holdings.

177

Jobs created or preserved.

41%

Fund bond issuers supporting TCFD.

18%

Fund bond issuers supporting PCAF.

85%

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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