

## FUND OVERVIEW

### FUND HIGHLIGHTS

|   |  |  |
|---|--|--|
| 1 | <b>The Opportunity:</b>                | The Artesian Corporate Bond Fund (ARSN 616 633 482) ( <b>Fund</b> ) will invest in a diversified portfolio of liquid, predominately investment grade fixed and floating rate corporate bonds. With Australian interest rates at all-time lows, floating rate note securities ( <b>FRNs</b> ) offer fixed income investors opportunities to take advantage of potentially rising rates. |
| 2 | <b>Target Return Range:</b>            | Daily RBA cash rate +2.25% to +3.25% (net of fees). 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.            |
| 3 | <b>AUD Investment:</b>                 | The Fund will invest only in AUD interest bearing securities.  |
| 4 | <b>Fund Objective:</b>                 | To achieve consistent returns above the daily RBA cash rate throughout fluctuating interest rate and economic cycles.  |
| 5 | <b>Diversification:</b>                | The Fund is designed to offer investors diversification away from equities and cash.   |
| 6 | <b>Experienced Investment Manager:</b> | Artesian Corporate Bond Pty Ltd ( <b>Artesian or Investment Manager</b> ) are experienced and successful asset managers and have been managing their funds along with client funds for +10 years.  |

### WHO WE ARE

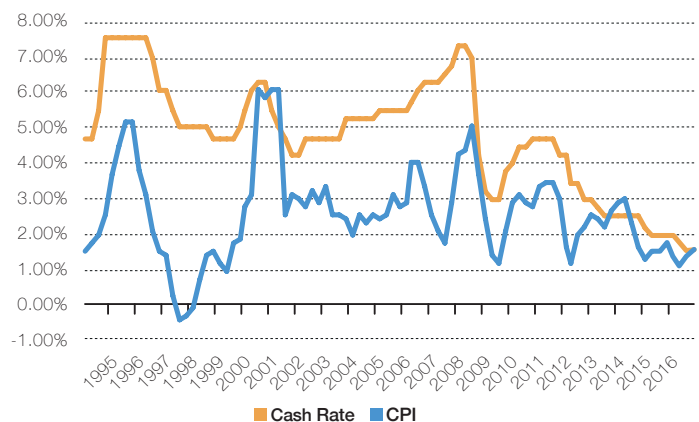
Artesian is an alternative investment management company that was part of ANZ Banking Group's capital markets business until 2004 when it became a standalone business. Artesian is wholly owned by its directors and employees.

Since 2004, Artesian has managed specialised funds focused on credit arbitrage and relative-value strategies across global financial markets from its New York, London and Singapore offices.

### THE INVESTMENT STRATEGY

1. The Fund will invest in AUD corporate bonds comprised of Australian and registered foreign companies.
2. We actively manage the portfolio, we do not track an index and if we don't like the market we can exit our positions and wait for opportunities.
3. A carefully selected large floating rate note exposure in order to reduce interest rate risk.
4. An optimally constructed portfolio selected from diverse market sectors.
5. The portfolio is likely to consist of 50-60% floating rate securities, 30-40% fixed rate securities, and the balance in cash to invest opportunistically in both fixed and floating rate securities.
6. Excess returns are expected to be generated through a well constructed and actively managed portfolio in the Australian bond market.

### RBA CASH RATE V CPI



**Figure 1.** RBA Cash Rate versus Australian Consumer Price Index.  
**Data source:** Bloomberg, February 2017.

DIVERSIFICATION

DIVERSIFIED SECTORS

- Real Estate
- Financials
- Manufacturing
- Technology, Media and Telecommunication
- Consumer Goods/ Services
- Utilities

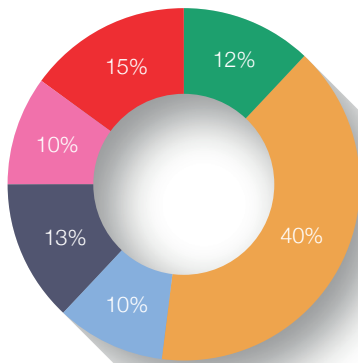


Figure 2. Example of sector split in portfolio construction. Sample data only, sector weights will continually change.

DIVERSIFIED REGION & PRODUCT

- Australian AUD FRNs
- International AUD FRNs
- Australian AUD Fixed Rate
- International AUD Fixed Rate
- Cash

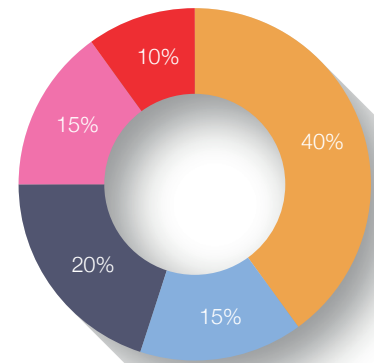


Figure 3. Example of region and product split in portfolio construction. Sample data only, region & product weights will continually change.

FUND FACTS

|   |  |  |
|---|--|--|
| 1 | <b>Distributions:</b>                          | The Fund expects to make quarterly distributions (automatically reinvested unless otherwise advised) |
| 2 | <b>Liquidity:</b>                              | It is intended the Fund will offer daily liquidity to Investors                                      |
| 3 | <b>Suggested minimum investment timeframe:</b> | 2-4 years  |
| 4 | <b>Reporting:</b>                              | The Fund will issue Fund reports quarterly and Fund updates monthly                                  |
| 5 | <b>Investment management fee:</b>              | Class A Units 0.66% (plus GST)<br>Class B Units 0.55% (plus GST)                                     |
| 6 | <b>Administration fee:</b>                     | 0.20% (plus GST)   |
| 7 | <b>Target Return:</b>                          | Daily RBA cash rate +2.75% (net of fees)   |
| 8 | <b>Minimum investment:</b>                     | Class A Units \$25,000<br>Class B Units \$5,000,000  |

HOW TO PARTICIPATE

Class A Units: To invest in the Fund, please obtain a PDS and RG from [www.artesianinvest.com](http://www.artesianinvest.com).

Class B Units: To invest in the Fund, please obtain an Information Memorandum from [www.artesianinvest.com](http://www.artesianinvest.com).

DISCLAIMER

Artesian Corporate Bond Pty Ltd (ACN 618 342 895) has been appointed as the investment manager in respect of the Fund. Artesian Venture Partners Pty Ltd ABN 58 112 089 488 holds an AFS license no.284492 and has appointed the Investment Manager as its authorised representative (number 001260177). Equity Trustees Limited ("EQT"), ABN 46 004 031 298, AFSL 240975, is the Responsible Entity for the Fund. This information has been prepared to provide you with general information only. Some of the information in this document may be derived from third parties. We do not express any view about the accuracy or completeness of information that is not prepared by us and no liability is accepted for any errors it may contain. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. Past performance should not be taken as an indicator of future performance. In preparing this information, we did not take into account the investment objectives, financial situation or particular needs of any particular person. You should obtain a copy of the product disclosure statement before making a decision about whether to invest in this product. Copies of the product disclosure statement can be obtained by visiting [www.eqt.com.au/insto](http://www.eqt.com.au/insto) or request a copy by emailing the Investment Manager at [bondoperations@artesianinvest.com](mailto:bondoperations@artesianinvest.com), visiting [www.artesianinvest.com](http://www.artesianinvest.com) or calling +61 3 9288 9444.



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