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 24	FUND PERFORMANCE							
	1 month	3 months	6 months	1 year	2 year	3 year	4 year	Since Inception (p.a.)
GROSS FUND RETURN	0.68%	0.80%	3.45%	5.48%	5.77%	3.00%	2.20%	2.61%
NET FUND RETURN	0.64%	0.67%	3.19%	4.95%	5.24%	2.49%	1.69%	2.09%
BLOOMBERG AUSBOND COMPOSITE 0-5 YR Index	0.61%	0.54%	2.89%	3.99%	4.03%	1.51%	0.81%	0.85%
ACTIVE RETURN (net Fund return - benchmark)	0.03%	0.14%	0.30%	0.96%	1.21%	0.98%	0.87%	1.24%

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

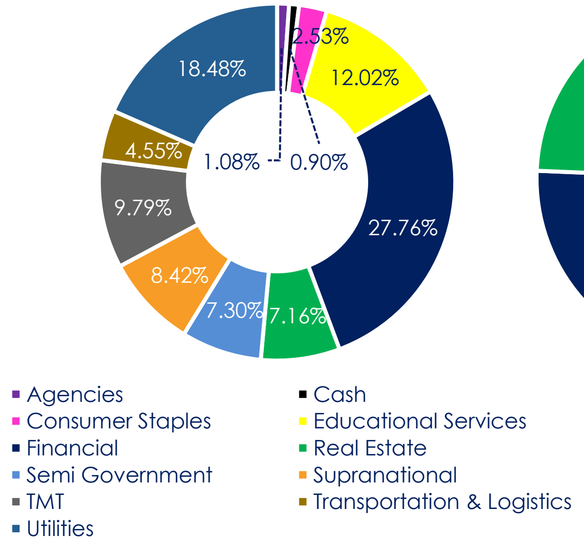
Although 2024 began with its challenges, it turned out to be an impressive year for risk assets. US equities were the big outperformer (US S&P 500 +25%), led by the Magnificent Seven and the boundless potential for artificial intelligence. In fixed income, long duration investors continued to be disappointed, as most developed markets produced low single digit positive returns to slightly negative returns. With that said, 2024 is firmly behind us and we now need to focus on where the risks and opportunities will be in 2025. On the risk side we will be closely monitoring geopolitical risk, excessive government borrowing, "US exceptionalism", trade wars and how all these risks feed into inflation. When looking for relative value opportunities, some credit markets appear overvalued, for example USD credit spreads versus AUD spreads. Considering the risks and opportunities; we believe an actively managed, high credit quality, short duration portfolio, should continue to produce meaningful returns for investors on a risk adjusted basis.

The Fund's outperformance versus benchmark in December was driven by the overweight credit duration positioning (credit spreads were lower/tighter) and overweight interest rate duration positioning (interest were lower/tighter). The Fund's running yield of 4.68% versus the benchmark's 4.14%, also contributed to the monthly performance versus benchmark.

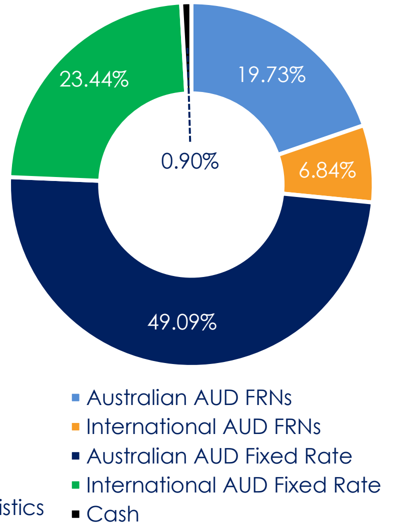
Outperformance in December came from the Fund's positions in Mercury (Green), NSW Treasury Corporation (Sustainable), NBN (Green), Mirvac (Green) and SA Power Networks (Green). Underperformance came from the Fund's positions in ANZ (Sustainable), OCBC (Green), Bank Australia (Sustainable), Housing Australia (Social) and Australian Postal Corporation (Sustainable).

PORTFOLIO BREAKDOWN

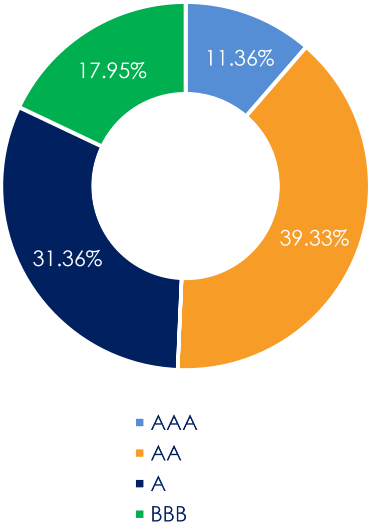
SECTOR BREAKDOWN



REGION & PRODUCT



CREDIT RATING



CREDIT SPREADS

The record-breaking primary market we witnessed throughout 2024 came to a halt in mid-December. There were only a handful of deals earlier in the month, with the last AUD corporate deal of the year on December 12th. Whilst primary market supply was limited, strong secondary market demand continued providing a tailwind for credit spreads. This allowed trading desks to clear some of their inventory, further supporting credit spreads. Higher beta BBB rated corporate bonds and subordinated debt outperformed lower beta and higher rated corporates, retracing much of the widening seen in November. Whilst there were some positions that were mildly wider MoM, ~85% of issuers in the Fund had a positive contribution from credit spread tightening MoM.

AS AT 31ST DECEMBER 2024	PRICE	CHG ON MTH
ITRAXX AUSTRALIA 5YR	0.69%	0.03%
ITRAXX EUROPE 5YR	0.58%	0.02%
ITRAXX EUROPE XOVER 5YR	3.13%	0.15%
CDX US IG 5YR	0.50%	0.02%
CDX US HY 5YR	3.11%	0.16%

FUND METRICS

With limited primary market activity in the final month of the year, the trading volume of the Fund reduced considerably resulting in no notable moves in the Fund's metrics. In December, new inflows were largely deployed into shorter dated floating rate notes which led to a small MoM decrease in the Fund's credit and interest rate duration. Whilst 3yr government bond yields traded in a 30bp range during December, they finished only 9bp lower at 3.81%. The modest move lower suited the Fund's above benchmark interest rate duration position, which was another positive contribution to this month's returns. We are expecting another strong start to the new year, a couple of large new issues have already priced in the first few business days of the year.

AS AT 31ST DECEMBER 2024	FUND	BENCH-MARK
INTEREST RATE DURATION	2.94	2.4
CREDIT DURATION	2.71	2.4
YIELD TO MATURITY	4.74%	4.14%
YIELD TO WORST	4.68%	4.14%
BLOOMBERG COMPOSITE RATING (weighted average)	A	AA+

**Using the Morningstar methodology for Average Credit Quality*

NEW ISSUES

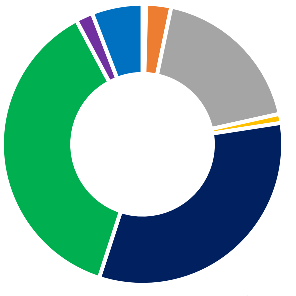
Another record year of issuance in the AUD market!

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

Not only did we see growth in volume, but we also saw new domestic and international corporates issuing labelled bonds. Australia joined a long list of sovereigns to have issued a labelled bond when the Australian Office of Financial Management issued an AUD 7b 10yr green bond in June.

In 2025, 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.

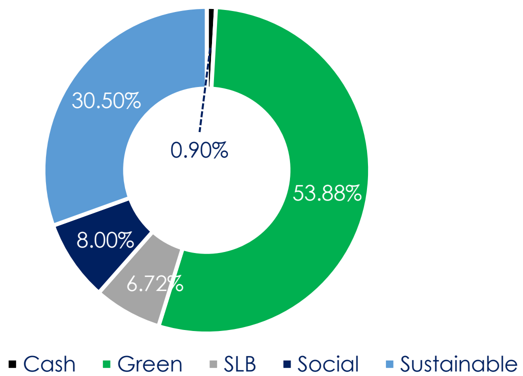
2024 AUD ESG BOND ISSUANCE BY SECTOR



ISSUER	Total Issuance $ Billion	Govt. & SSA $ Billion	Financials $ Billion	Corporates $ Billion
2024 AUD ESG BOND ISSUANCE	38.4	33.9	1.1	3.4
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

GREEN, SUSTAINABLE & SOCIAL

BOND TYPE



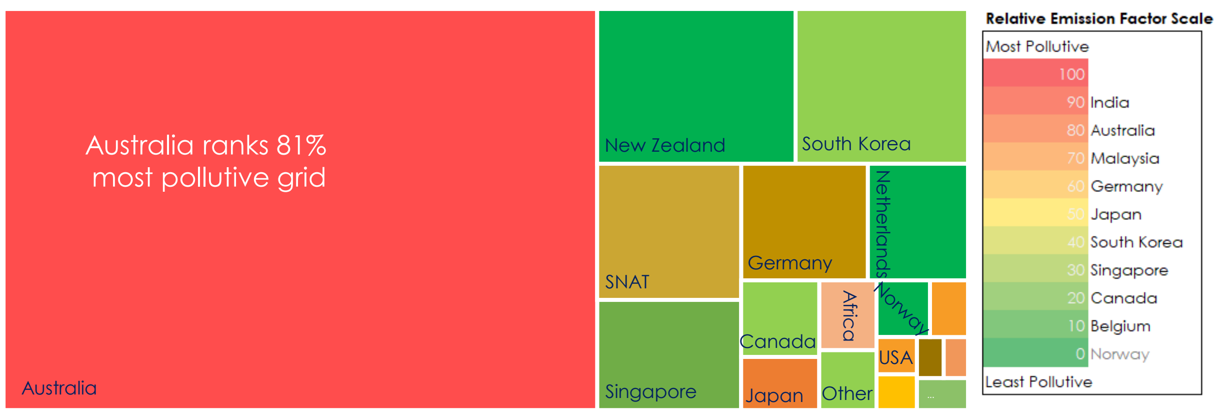
CARBON ABATEMENT

	Fund
December's estimated carbon abatement	583 tCO2e*
Since inception estimated carbon abatement[1]	49,728 tCO2e*
% of Fund used in this estimation	39%

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 39% of the Fund used to calculate the carbon abatement.

Equivalent to **23,312 cars**** off the road for a year, since fund inception

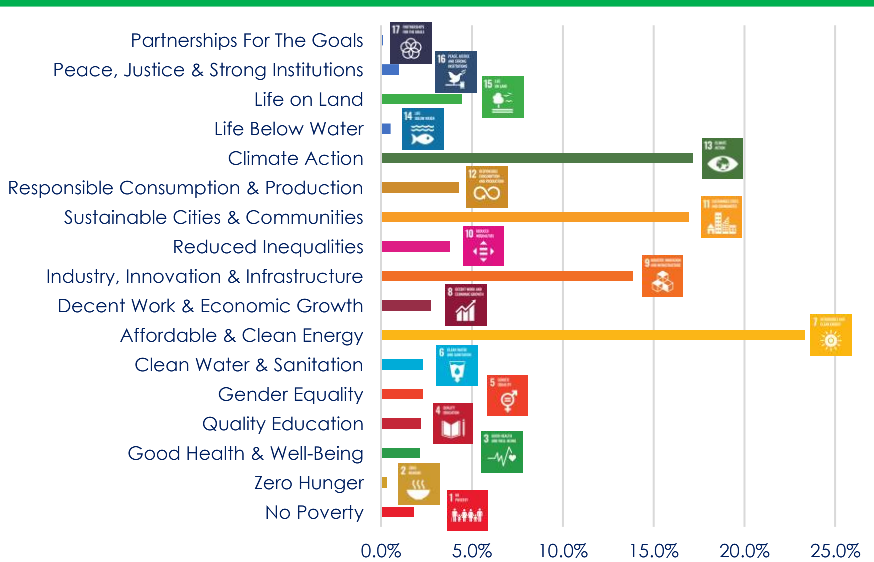
ALLOCATION OF FUNDS HEATMAP



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 57% of the Fund's targeted SDGs. The Fund currently supports 17 of the 17 SDGs.

IMPACT SINCE INCEPTION

154,782

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Trips made on clean & sustainable transportation.

102,245,504

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Litres of water saved.

14,500

13 CLIMATE ACTION

Square metres of green energy efficient buildings financed.

91

6 CLEAN WATER AND SANITATION

People provided with access to water & sanitation.

5

10 REDUCED INEQUALITIES

Affordable housing dwellings financed.

2,216

4 QUALITY EDUCATION

People provided with access to education.

100%

5 GENDER EQUALITY

Female representation on board of Fund holdings.

177

8 DECENT WORK AND ECONOMIC GROWTH

Jobs created or preserved.

45%

TCFD

Fund bond issuers supporting TCFD.

13%

PCAF Partnership for Carbon Accounting Financials

Fund bond issuers supporting PCAF.

87%

5 GENDER EQUALITY

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