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 25	FUND PERFORMANCE							
	1 month	3 months	6 months	1 year	2 year	3 year	4 year	Since Inception (p.a.)
GROSS FUND RETURN	0.51%	1.76%	2.57%	5.99%	5.33%	4.40%	2.60%	2.86%
NET FUND RETURN	0.47%	1.64%	2.32%	5.46%	4.80%	3.88%	2.09%	2.34%
BLOOMBERG AUSBOND COMPOSITE 0-5 YR Index	0.44%	1.36%	1.90%	4.35%	3.56%	2.88%	1.23%	1.10%
ACTIVE RETURN (net Fund return - benchmark)	0.03%	0.28%	0.42%	1.11%	1.24%	1.00%	0.86%	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

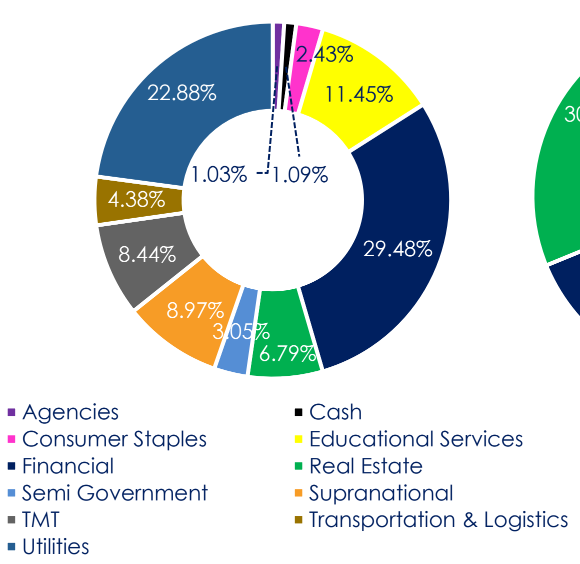
Markets in March were driven by headlines surrounding U.S. tariffs which have significant economic and geopolitical implications. On March 4, tariffs on Chinese imports were increased from 10% to 20%. On March 12, the U.S. imposed 25% tariffs on all global steel and aluminium imports. Then, on March 26, a 25% tariff was announced on nearly all imported automobiles, set to take effect on April 3. Unsurprisingly, U.S. equity markets continued their decline, significantly underperforming European equities as investors increasingly rotate from the former to the latter. US credit is also underperforming European credit. The U.S. High Yield Index (CDX US HY 5yr) is 65bps wider YTD at 376bps, compared to the European High Yield Index (iTraxx Europe Crossover 5yr), which is only 15bps wider YTD at 328bps.

Given the volatility in interest rate and credit markets, we were pleased with this month's performance. The Fund's outperformance versus benchmark in March was driven by the overweight interest rate duration positioning (interest were lower/tighter). The Fund's running yield of 4.63% versus the benchmark's 3.99%, also contributed to the monthly outperformance versus benchmark.

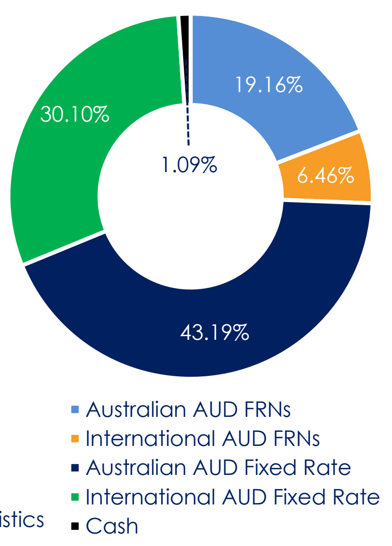
Outperformance in March came from the Fund's positions in Housing Australia (Social), European Investment Bank (Green), University of Tasmania (Green), QIC Shopping Centre Fund (Green) and Optus (Sustainability-Linked). Underperformance came from the Fund's positions in ANZ (Green), Power SA (Green), NBN (Green), University of Melbourne (Green) and ENBW (Green).

PORTFOLIO BREAKDOWN

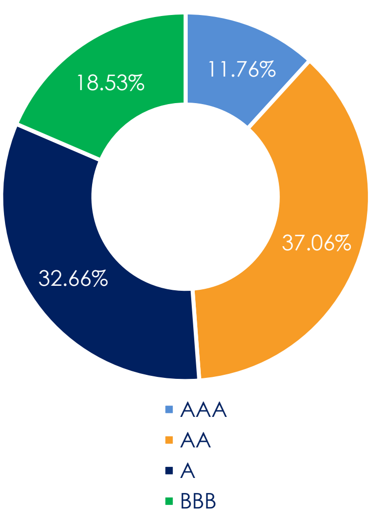
SECTOR BREAKDOWN



REGION & PRODUCT



CREDIT RATING



CREDIT SPREADS

Credit spreads widened across the board in March, led by weakness in the US high yield market. Within investment grade indices, Australia lagged behind both the US and Europe, with the iTraxx Australia 5yr index widening by 20bps to 88bps. However, the overall deterioration in corporate bond spreads across Australia, Europe, and the US was broadly similar, with MoM widening averaging 7bps to 8bps. In the AUD market, Tier 2 spreads were the worst performers. Major Bank Tier 2 spreads widened by approximately 20bps, while foreign Kangaroo Tier 2 spreads widened by around 30bps. Despite elevated risk and widening spreads, we were pleasantly surprised by the strength of secondary market trading volumes and liquidity. The primary market was active at the start of the month but slowed towards the end, as some corporates were unable to attract sufficient demand to complete new deals. It appears the pendulum is swinging back in favour of investors in the primary market, as issuers in recent times have used strong order books to aggressively tighten pricing.

AS AT 31ST MARCH 2025	PRICE	CHG ON MTH
ITRAXX AUSTRALIA 5YR	0.88%	0.20%
ITRAXX EUROPE 5YR	0.64%	0.10%
ITRAXX EUROPE XOVER 5YR	3.28%	0.39%
CDX US IG 5YR	0.61%	0.12%
CDX US HY 5YR	3.76%	0.68%

FUND METRICS

The Fund experienced solid inflows throughout March. These inflows were deployed into the new issue market, resulting in net selling of shorter dated maturities and net buying of longer dated maturities. Consequently, the Fund's credit duration increased from 2.78yrs to 3.14yrs, above the benchmark of 2.3yrs. While the Fund's interest rate duration (IRD) remained almost unchanged MoM, we actively managed the IRD throughout the month, which contributed positively to returns. We expect less volume from the new issue market in April, as the market digests all the tariff headlines out of the US. Reduced new issuance should allow dealing desks to clear some inventory which would be healthy for the market. In saying that, it was great to see issuance from recurring labelled bond issuers in March, namely Transpower, Mercury and Power SA .

AS AT 31ST MARCH 2025	FUND	BENCH-MARK
INTEREST RATE DURATION	2.47	2.3
CREDIT DURATION	3.14	2.3
YIELD TO MATURITY	4.68%	3.99%
YIELD TO WORST	4.63%	3.99%
BLOOMBERG COMPOSITE RATING (weighted average)	A	AA+

**Using the Morningstar methodology for Average Credit Quality*

NEW ISSUES

Another solid month for labelled bond issuance in the AUD market. We recorded 4 new deals from 3 unique issuers for a total volume of AUD 1.2b. Pleasingly, all new issues this month were non-financial corporates.

ISSUER	Bond Type	Issue Date	Issue Size $M	Fixed/ Floating	Maturity
MERCURY NZ LTD	Green	14-Mar-25	400	Fixed	21-Mar-31

Issuer	Mercury
Currency	AUD
Sector	Utility
Eligible Categories	
Specific Projects	Renewable Energy; • Wind energy • Hydroelectricity • Geothermal energy • Solar energy. Energy efficiency & electrification; • Energy storage (batteries) • Electrical infrastructure associated with renewable generation. Plus, other clean transportation projects.

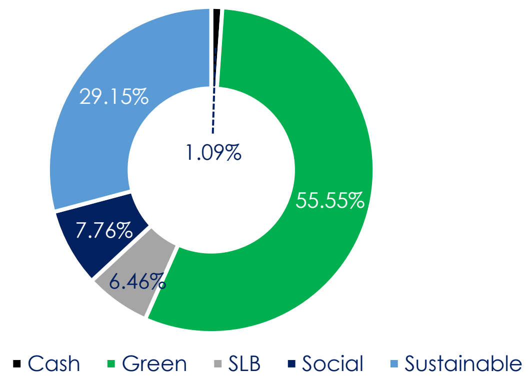
Mercury NZ Limited (Mercury) is a New Zealand based public company, deriving revenue from the production and sale of energy and energy-related services to retail and wholesale customers.

The proceeds of the green bond are intended to be earmarked to finance or refinance new or existing projects and expenditures relating to renewable energy and other Eligible Projects in accordance with the Mercury Green Financing Framework.

In particular, the issuer expects to apply the net proceeds of this issuance to refinance existing debt and to track an amount equal to the net proceeds within its systems, earmarked to Eligible Projects.

GREEN, SUSTAINABLE & SOCIAL

BOND TYPE



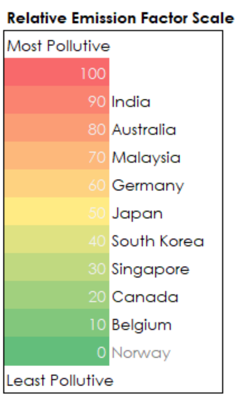
CARBON ABATEMENT

	Fund
March's estimated carbon abatement	630 tCO2e*
Since inception estimated carbon abatement[1]	51,440 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 **24,114 cars**** off the road for a year, since fund inception

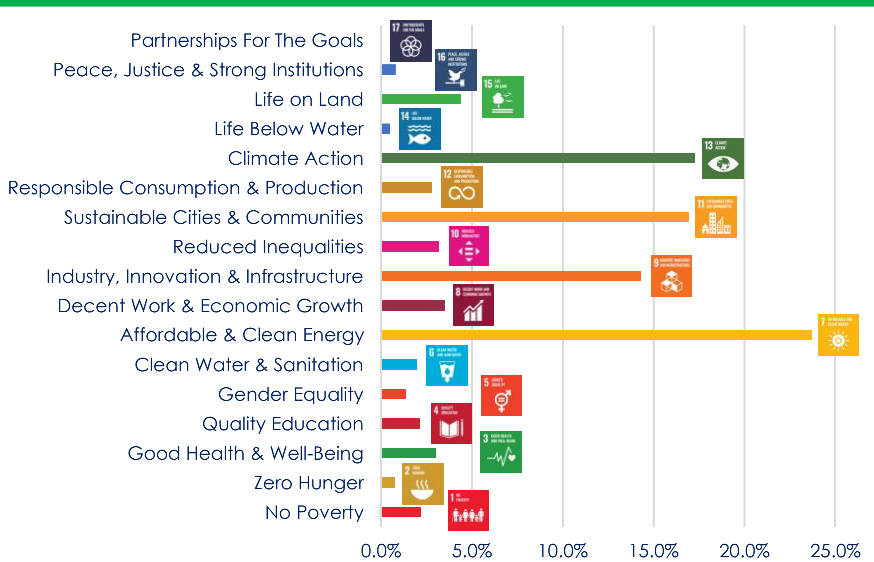
ALLOCATION OF FUNDS HEATMAP



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

163,313

Trips made on clean & sustainable transportation.

103,896,540

Litres of water saved.

17,930

Square metres of green energy efficient buildings financed.

91

People provided with access to water & sanitation.

24

Affordable housing dwellings financed.

3,370

People provided with access to education.

93%

Female representation on board of Fund holdings.

177

Jobs created or preserved.

42%

Fund bond issuers supporting TCFD.

13%

Fund bond issuers supporting PCAF.

80%

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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