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 28TH FEB 25	FUND PERFORMANCE							
	1 month	3 months	6 months	1 year	2 year	3 year	4 year	Since Inception (p.a.)
GROSS FUND RETURN	0.69%	1.93%	2.57%	6.12%	5.81%	3.67%	2.57%	2.80%
NET FUND RETURN	0.65%	1.80%	2.31%	5.59%	5.29%	3.16%	2.06%	2.28%
BLOOMBERG AUSBOND COMPOSITE 0-5 YR Index	0.51%	1.52%	1.85%	4.52%	4.22%	2.13%	1.15%	1.02%
ACTIVE RETURN (net Fund return - benchmark)	0.14%	0.28%	0.46%	1.07%	1.07%	1.03%	0.91%	1.26%

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

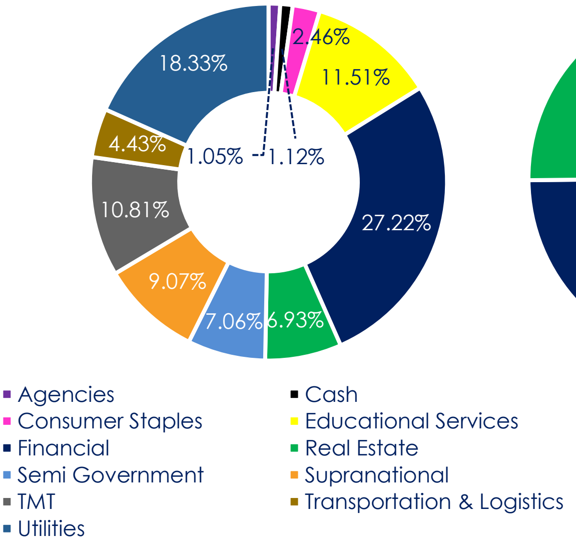
In February, global fixed income market volatility was driven by economic data releases, changing monetary policy expectations and evolving market dynamics. Government bond yields rallied MoM, largely due to weaker than expected data in the U.S. and tariff headlines. The ISM Manufacturing PMI fell to 50.3%, signalling a slowdown in the manufacturing sector. Adding to global trade uncertainty, the announcement of new tariffs on Mexico and Canada by President Trump further weighed on market sentiment. Reflecting recent market trends, the rally in US government bond yields led to a widening of US credit spreads. Locally, the Reserve Bank of Australia reduced the official cash rate from 4.35% to 4.10%, marking the first rate cut since November 2020. Despite this reduction, the RBA maintained a cautious stance regarding future rate cuts, expressing concerns about potential inflationary pressures.

The Fund's outperformance versus benchmark in February was driven by the overweight interest rate duration positioning (interest were lower/tighter). The Fund's running yield of 4.52% versus the benchmark's 4.02%, also contributed to the monthly outperformance versus benchmark.

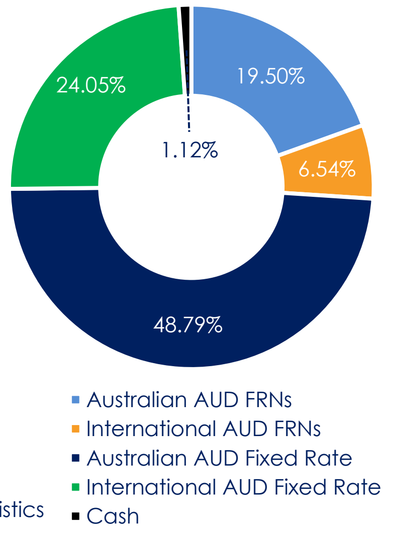
Outperformance in February came from the Fund's positions in the Industrial Bank of Korea (Social), Mercury (Green), New South Wales Treasury Corporation (Sustainable), Optus (SLB) and QIC Shopping Centre Fund (Green). Underperformance came from the Fund's positions in Contact Energy (Green), ANZ (Sustainable), Power SA (Green), Mirvac (Green) and the University of Tasmania (Green).

PORTFOLIO BREAKDOWN

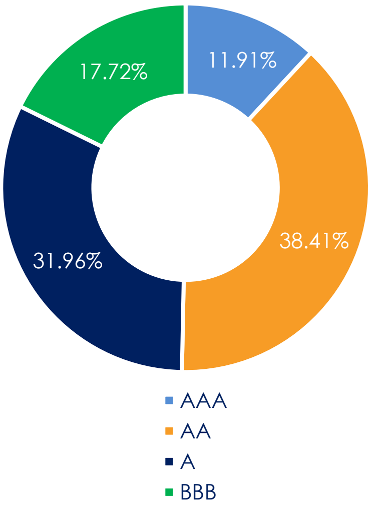
SECTOR BREAKDOWN



REGION & PRODUCT



CREDIT RATING



CREDIT SPREADS

Credit spreads showed mixed performance throughout February. Corporate bond spreads in Europe and Australia tightened by the end of the month, while their respective CDS indices finished slightly wider. This typically happens when investors choose to hedge their corporate bond holdings by buying CDS indices as insurance against spreads widening, rather than selling their corporate bonds outright. In the US however, both corporate bond spreads and their respective CDS indices ended the month wider. Rising risks in the US, combined with elevated levels of primary market bond issuance, suggest that the path of least resistance for US credit spreads is to drift wider. The AUD primary issuance market is also incredibly active, but we are seeing strong performance on most deals in the secondary market. Order books for new deals are significantly larger than the volume of bonds being issued, so investors continue to seek opportunities to increase their positions in the secondary market — providing a strong tailwind for credit spreads.

AS AT 28TH FEBRUARY 2025	PRICE	CHG ON MTH
ITRAXX AUSTRALIA 5YR	0.68%	0.02%
ITRAXX EUROPE 5YR	0.54%	0.01%
ITRAXX EUROPE XOVER 5YR	2.89%	0.01%
CDX US IG 5YR	0.49%	0.01%
CDX US HY 5YR	3.09%	0.08%

FUND METRICS

The Fund was active again in February, driven by the robust volume of the new issue market. The Fund's interest rate duration was increased in the middle of the month as Australian 3yr government bond yields approached 4%. Although the RBA implemented a rate cut in February, its accompanying statement conveyed a hawkish tone, indicating vigilance over inflation risks and a measured approach to any future monetary policy adjustments. The Fund's credit duration was maintained, as we allocated new fund flows to a mix of longer and shorter dated corporate bonds. Now that the corporate reporting period has ended, we expect to see elevated levels of primary issuance, which should bode well for the Fund. There are potentially 4 corporate AUD green bonds already in the pipeline for March.

AS AT 28TH FEBRUARY 2025	FUND	BENCH-MARK
INTEREST RATE DURATION	2.50	2.31
CREDIT DURATION	2.78	2.31
YIELD TO MATURITY	4.59%	4.02%
YIELD TO WORST	4.52%	4.02%
BLOOMBERG COMPOSITE RATING (weighted average)	A	AA+

**Using the Morningstar methodology for Average Credit Quality*

NEW ISSUES

Another impressive month for labelled bond issuance in the AUD market. We recorded 8 new deals from 7 unique issuers for a total volume of AUD 4.6b.

ISSUER	Bond Type	Issue Date	Issue Size $M	Fixed/ Floating	Maturity
NBN	Green	27-Feb-25	750	Fixed	6-Mar-35

Issuer	nbn
Currency	AUD
Sector	TMT
SDG Alignment	
Eligible Projects	**Energy efficiency:** Deployment of Australia's broadband network, using a more energy-efficient technology such as a fixed line fibre optic connection instead of legacy technology (i.e. copper), to lift the digital capability of Australia. **Renewable energy**: Purchasing renewable electricity to power the NBN network and infrastructure in line with their RE100 Commitment.

NBN released their first ever Sustainability Bond Framework to the market in February 2022. Since then, they have issued 4 green bonds in the AUD market and 4 green bonds in the EUR market. NBN are the largest Australian non-financial corporate issuer of labelled bonds in the market.

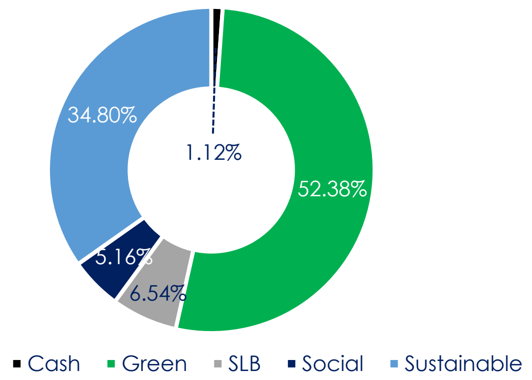
NBN also produce good quality annual impact reporting. In relation to this green bond issue, they are planning to disclose environmental impact metrics such as;

- Energy intensity
- Emissions intensity.

This will be published in their Sustainability Bond Report subject to the availability of information and confidentiality requirements.

GREEN, SUSTAINABLE & SOCIAL

BOND TYPE



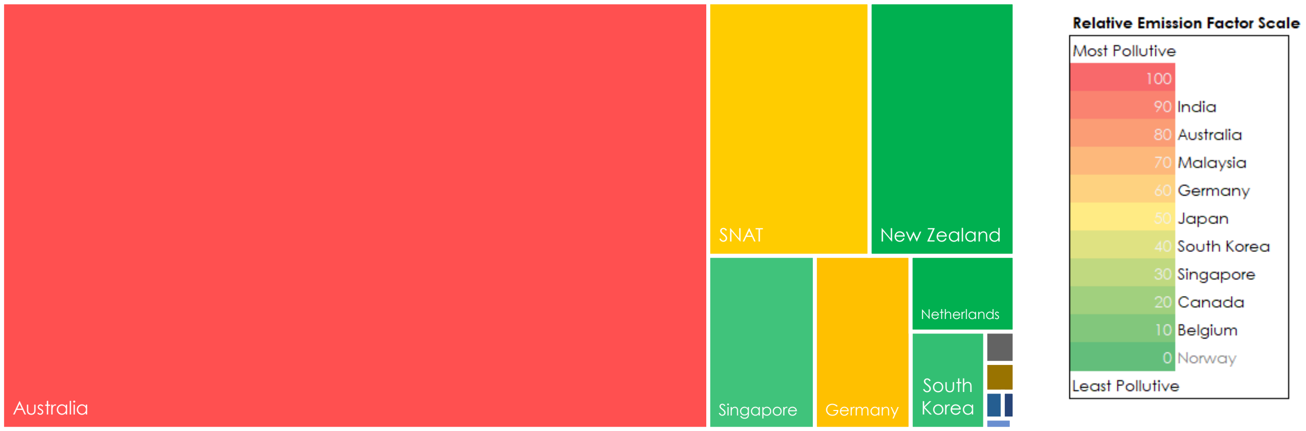
CARBON ABATEMENT

	Fund
February's estimated carbon abatement	636 tCO2e*
Since inception estimated carbon abatement[1]	50,810 tCO2e*
% of Fund used in this estimation	42%

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 42% of the Fund used to calculate the carbon abatement.

Equivalent to **23,819 cars**** off the road for a year, since fund inception

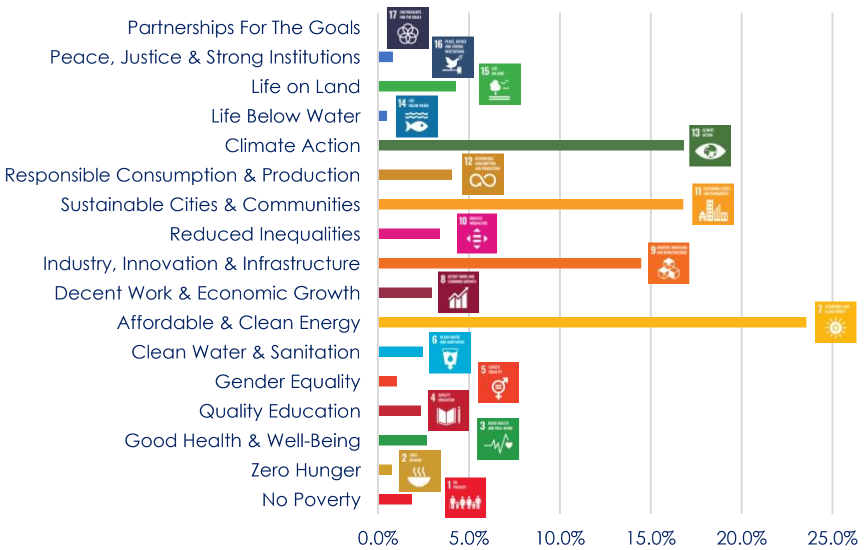
ALLOCATION OF FUNDS HEATMAP



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

165,472

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Trips made on clean & sustainable transportation.

106,625,833

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Litres of water saved.

17,006

13 CLIMATE ACTION

Square metres of green energy efficient buildings financed.

91

6 CLEAN WATER AND SANITATION

People provided with access to water & sanitation.

23

10 REDUCED INEQUALITIES

Affordable housing dwellings financed.

3,252

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.

44%

Fund bond issuers supporting TCFD.

13%

PCAF Partnership for Carbon Accounting Financials

Fund bond issuers supporting PCAF.

88%

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:

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