

MONTHLY UPDATE

Fund Objective: The Artesian Corporate Bond Fund (Fund) will invest in a diversified portfolio of liquid, predominately investment grade fixed and floating rate corporate bonds. The Fund aims to provide returns above the RBA cash rate +2.75% 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 31 ST JULY 23	FUND PERFORMANCE - CLASS B UNITS								
	1 month	3 months	6 months	1 year	2 year (p.a.)	3 year (p.a.)	4 year (p.a.)	5 year (p.a.)	Since Inception (p.a.)
GROSS FUND RETURN	0.91%	1.55%	3.21%	6.02%	1.81%	2.72%	2.54%	3.09%	3.88%
NET FUND RETURN	0.85%	1.36%	2.83%	5.23%	1.05%	1.95%	1.77%	2.33%	3.10%
RBA CASH RATE	0.34%	0.99%	1.84%	3.16%	1.71%	1.18%	1.04%	1.12%	1.20%
ACTIVE RETURN (net Fund return - RBA cash rate)	0.51%	0.37%	0.99%	2.06%	-0.65%	0.77%	0.74%	1.21%	1.89%

The 1m, 3m, 6m, 1yr, 2yr, 3yr, 4yr, 5yr and since inception net returns for Class A Units are 0.84%, 1.30%, 2.75%, 5.09%, 0.98%, 1.87%, 1.68%, 2.23% & 2.99% respectively. 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.

AS AT 31 ST JULY 23	OTHER BENCHMARK COMPARISONS								
	1 month	3 months	6 months	1 year	2 year (p.a.)	3 year (p.a.)	4 year (p.a.)	5 year (p.a.)	Since Inception (p.a.)
BLOOMBERG AUSBOND CREDIT FRN 0+ YR Index	0.46%	1.21%	2.38%	4.26%	2.00%	1.69%	1.68%	2.01%	2.21%
BLOOMBERG AUSBOND COMP 0-3 YR Index	0.64%	-0.40%	0.57%	1.39%	-0.41%	-0.03%	0.39%	1.04%	1.29%

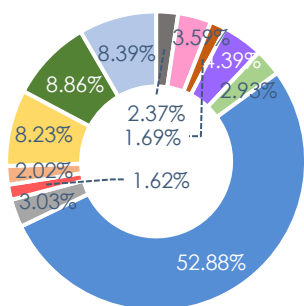
PORTFOLIO UPDATE

If you were to take a glass half-full perspective in July, then you may be finding it easier to foresee a softer landing in some parts of the world. In Australia and the United States, inflation and retail sales came in weaker than forecast. In the case of Australian retail sales, that's three consecutive falls which has only ever occurred previously during the GFC. So for now, government bonds have started to reverse some of the sell off we saw in June, which has positively aided the Fund's returns in July. The RBA have been vindicated for leaving the cash rate on hold in July, as the subsequent data throughout the month came in softer than the market had forecast. The softer data has allowed the RBA to pause again in August, the first successive pause since April 2022. Whilst the cash rate is now clearly in restrictive territory, we are still likely to see inflation shocks, so the hiking cycle may not be complete for the RBA just yet.

The Fund's performance was aided by the increased interest rate duration position which was lengthened in June and July. There were capital gains from +85% of the Fund's bond positions in July. A strong rally in subordinated bank spreads, meant that the Fund's best performers for the month were Westpac, BNP Paribas, National Australia Bank and ANZ. Small underperformance from the Fund's positions in Australia Postal Corporation, DBS Bank, Computershare and McDonald's.

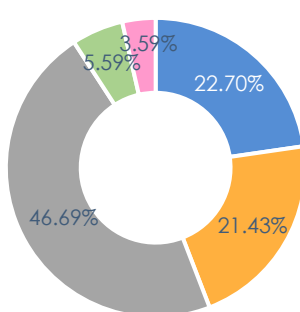
PORTFOLIO BREAKDOWN

SECTOR BREAKDOWN



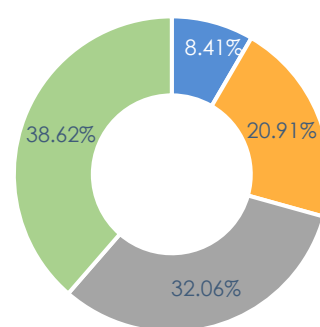
- Automotive
- Consumer Discretionary
- Educational Services
- Insurance
- Real Estate
- Transportation & Logistics
- Cash
- Consumer Staples
- Financial
- Machinery
- TMT
- Utilities

REGION & PRODUCT



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

CREDIT RATING



- AAA
- AA
- A
- BBB

CREDIT SPREADS

As government bond yields rallied in July, so too did credit spreads. When compared to the United States and Europe, AUD corporate bond spreads have lagged the recent global rally since the March waxes. However, in July the AUD investment grade market outperformed versus its global peers. Subordinated Tier-2 bank spreads were a clear outperformer, tightening 25bps to 30bps over the month. The Fund's 17% exposure to subordinated bank debt, was the best performing sub sector in July. The new issue market was very quiet due to the reporting season being underway. So the lack of new issues gave the secondary market a strong technical bid for AUD corporate bonds.

AS AT 31 ST JULY 23	PRICE	CHG ON MTH
ITRAXX AUSTRALIA 5YR	0.72%	-0.09%
ITRAXX EUROPE 5YR	0.68%	-0.06%
ITRAXX EUROPE XOVER 5YR	3.80%	-0.20%
CDX US IG 5YR	0.63%	-0.03%
CDX US HY 5YR	4.09%	-0.21%

FUND METRICS

The Fund's interest rate duration (IRD) is sitting just below the mandate target of 1yr. We are still managing the Fund's IRD around the 3yr part of the curve, targeting the 3.00% to 4.00% range in 3yr yields. The recent spike in 3yr government bond yields saw them close at 4.23% on July 7th, they then drifted lower and closed the month at 3.86%. We will look to reduce the Fund's IRD and take profits as and when we drift back down towards 3.00%. The Fund's credit duration currently sits at 3.31yrs, which reflects our neutral view on credit spreads over the short to medium term. Credit spreads are currently wider than the average of the past 12 months, which we believe reflects good value considering we are nearing the end of the rate hike cycle which began in May 2022.

AS AT 31 ST JULY 23	FUND	CHG ON MTH
INTEREST RATE DURATION	0.90	0.18
CREDIT DURATION	3.31	-0.10
YIELD TO MATURITY	5.28%	-0.09%
YIELD TO WORST	5.24%	-0.11%
BLOOMBERG COMPOSITE RATING (weighted average)*	A	A

*Using the Morningstar methodology for Average Credit Quality

NEW ISSUES

A very quiet month on the new issue front due to the reporting season. Only 3 unique bond issuers in July, all deals performed well as highlighted below.

ISSUER	Issue Date	Issue Size \$M	Fixed/Floating	Maturity	Next Call	Credit Spread EPF/BBSW	Month End Bid Spread	Net Change
SUNCORP - METWAY	05-Jul-23	200	Fixed	12-Jul-28	-	1.29%	1.25%	-0.04%
CNH INDUSTRIAL	06-Jul-23	175	Fixed	13-Jul-26	-	1.83%	1.55%	-0.28%
LA TROBE UNIVERSITY	31-Jul-23	175	Fixed	08-Aug-30	-	1.28%	1.21%	-0.07%

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