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 30TH JUNE 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	0.28%	1.24%	3.48%	5.71%	1.46%	2.76%	2.47%	2.96%	3.78%
NET FUND RETURN	0.21%	1.05%	3.09%	4.92%	0.70%	2.00%	1.71%	2.19%	3.00%
RBA CASH RATE	0.33%	0.94%	1.75%	2.92%	1.54%	1.07%	0.97%	1.07%	1.17%
ACTIVE RETURN (net Fund return - RBA cash rate)	-0.11%	0.11%	1.34%	2.00%	-0.84%	0.92%	0.74%	1.12%	1.84%

The 1m, 3m, 6m, 1yr, 2yr, 3yr, 4yr, 5yr and since inception net returns for Class A Units are 0.18%, 1.02%, 3.01%, 4.79%, 0.64%, 1.92%, 1.62%, 2.10% & 2.90% 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 30TH JUNE 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	0.41%	1.21%	2.34%	4.03%	1.83%	1.67%	1.68%	1.97%	2.17%
BLOOMBERG AUSBOND COMP 0-3 YR Index	-0.67%	-0.85%	0.71%	1.55%	-0.69%	-0.23%	0.30%	0.95%	1.20%

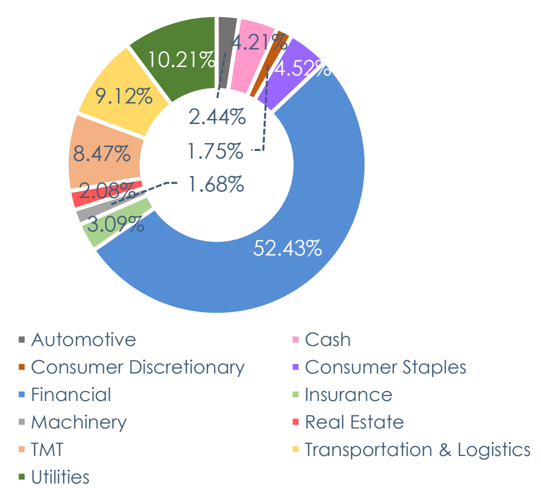
PORTFOLIO UPDATE

June was a continuation of the market dynamics we saw in May. Lingering inflation induced higher central bank cash rates and higher government bond yields. The Australian yield curve inverted for the first time since 2008, as the risks of a recession rise. In contrast, the labour market remains robust. With that said, it is usually one of the last indicators of a recession. Economic growth was an anaemic 0.2% in Q1, so there is not much wiggle room to protect us from a technical recession like our friends across the Tasman. Hence, the Fund's credit duration remains below the mandate target of 4yrs. We continue to run a fairly benign beta portfolio, preferring not to add outright risk, instead adding alpha through active management which is incremental to the 5.35% running yield.

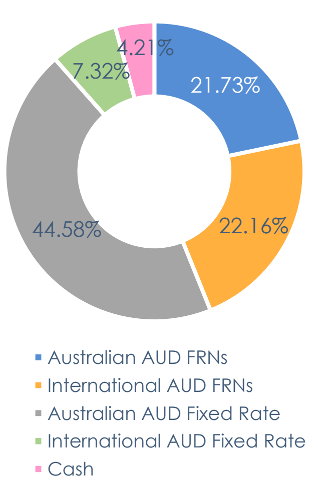
The new issue market continues to deliver strong performance. We are starting to see longer dated deals from both financials and non-financials, which is always a sign of a healthy market. In June, we had significant outperformance from the Australian Postal Corporation, Westpac, Telstra, Optus, BNP Paribas, Woolworths and Mercury. Small underperformance from the Fund's positions in Bank Australia, OCBC, Export-Import Bank of Korea and McDonald's.

PORTFOLIO BREAKDOWN

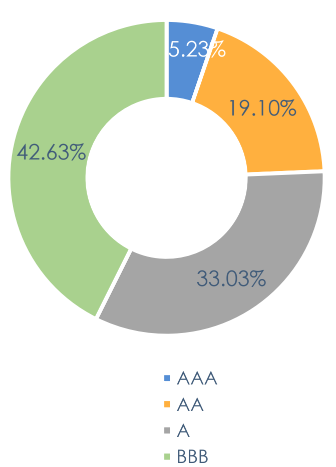
SECTOR BREAKDOWN



REGION & PRODUCT



CREDIT RATING



CREDIT SPREADS

Credit spreads in the AUD market were mixed MoM. Senior bank spreads were largely unchanged whereas subordinated Tier 2 spreads were ~5bps tighter. The Tier 2 rally was all the more impressive considering Westpac issued AUD 2.9b across 3 tranches in June. The increase in supply from the non-financial sector, has meant a pick-up in trading volumes and some pockets of outperformance. Issuers in the primary market have been willing to issue 10bps to 25bps cheap to their secondary market curve, which has produced some strong performance post issuance. We continue our recent rotation of fixed rate bonds into floating rate notes as BBSW continues to move higher. In June, 3-Month BBSW rose another 37bps to 4.35%, its highest level since early 2012.

AS AT 30TH JUNE 23	PRICE	CHG ON MTH
ITRAXX AUSTRALIA 5YR	0.81%	-0.02%
ITRAXX EUROPE 5YR	0.74%	-0.08%
ITRAXX EUROPE XOVER 5YR	4.00%	-0.34%
CDX US IG 5YR	0.66%	-0.09%
CDX US HY 5YR	4.30%	-0.45%

FUND METRICS

Considering the spike higher in government bond yields (3yrs +67bps and 10yrs +41bps), we were pleased with net returns of 0.21%. Whilst the Fund's moderate interest rate duration (IRD) position was a drag on this month's returns, this was offset by the Fund's running yield and the alpha contributed by primary and secondary market trading. The Fund's current running yield of 5.35% provides a steady monthly income of 45bps, which in turn provides some insulation against a spike higher in yields like what we saw this month. With 3yr government bond yields now oscillating around 4%, we may look to marginally increase the Fund's IRD back towards the mandate target of 1yr.

AS AT 30TH JUNE 23	FUND	CHG ON MTH
INTEREST RATE DURATION	0.73	-0.06
CREDIT DURATION	3.41	-0.05
YIELD TO MATURITY	5.37%	0.40%
YIELD TO WORST	5.35%	0.40%
BLOOMBERG COMPOSITE RATING (weighted average)*	A	A

**Using the Morningstar methodology for Average Credit Quality*

NEW ISSUES

Another solid month of AUD corporate bond issuance. We recorded AUD 9.0b in issuance from 12 unique issuers. Financials again were the dominant sector, especially in the Tier 2 sub sector. QBE issued a 16yr Tier 2 bond with a 6yr call date which was June's best performer, rallying an impressive 17bps.

ISSUER	Issue Date	Issue Size $M	Fixed/ Floating	Maturity	Next Call	Credit Spread EFP/BBSW	Month End Bid Spread	Net Change
ENDEAVOUR ENERGY	08-Jun-23	400	Fixed	19-Jun-30	-	2.08%	1.99%	-0.09%
WESTPAC	19-Jun-23	1,100	Fixed	23-Jun-38	23-Jun-33	2.96%	2.86%	-0.10%
QBE INSURANCE	21-Jun-23	300	Floating	28-Jun-39	28-Jun-29	3.10%	2.93%	-0.17%

DISCLAIMER

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