

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.

A S AT 30 TH NOV 22	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	0.96%	0.68%	1.13%	-0.68%	0.34%	1.42%	2.34%	2.58%	3.48%
NET FUND RETURN	0.90%	0.49%	0.76%	-1.42%	-0.41%	0.67%	1.58%	1.81%	2.71%
RBA CASH RATE	0.23%	0.63%	0.95%	1.02%	0.56%	0.50%	0.68%	0.85%	0.93%
ACTIVE RETURN (net Fund return - RBA cash rate)	0.67%	-0.14%	-0.20%	-2.44%	-0.97%	0.17%	0.90%	0.97%	1.77%

The 1m, 3m, 6m, 1yr, 2yr, 3yr, 4yr, 5yr and since inception net returns for Class A Units are 0.90%, 0.48%, 0.80%, -1.41%, -0.46%, 0.60%, 1.49%, 1.72% & 2.61% 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.

A S AT 30 TH NOV 22	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	0.43%	0.71%	1.35%	0.98%	0.63%	1.07%	1.52%	1.69%	1.92%
BLOOMBERG AUSBOND COMP 0-3 YR Index	0.56%	0.80%	0.73%	-1.35%	-0.88%	-0.05%	0.81%	1.05%	1.23%

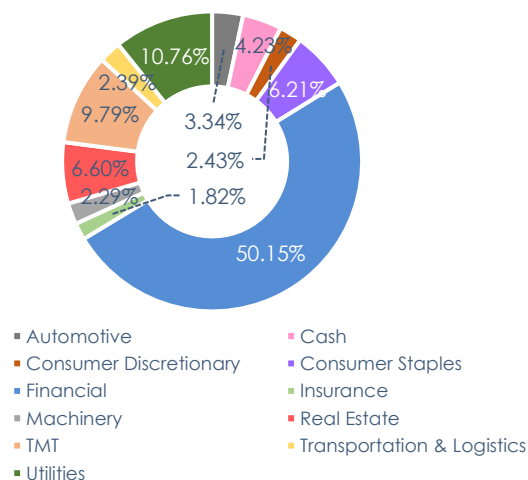
PORTFOLIO UPDATE

A solid month of performance for the Fund with net returns of 0.90%, which was the best monthly return since July 2020. Credit spreads and interest rates rallied as global central bank's hawkishness eased and fixed income securities were a major benefactor. The technical widening in credit spreads in October was largely reversed, as investors looked to get positioned for the holidays and subsequently scrambled to buy corporate bonds in primary and secondary markets. The stage is now set for a Santa Claus rally. After the year that has been, it is certainly welcome.

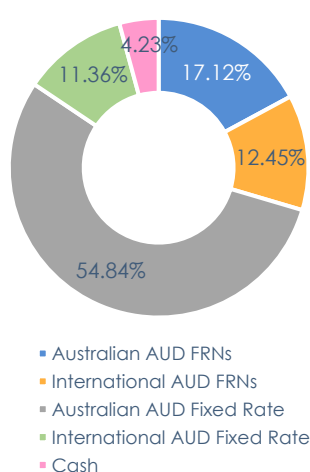
A strong month for capital returns across the Fund with 90% of issuers producing positive returns in November. The Fund's overweight positioning to the recent major bank deals led the outperformance. All 4 major banks along with BNP made up the top 5 performers in November. Small underperformance came from the Fund's positions in Standard Chartered, McDonald's and Computershare.

PORTFOLIO BREAKDOWN

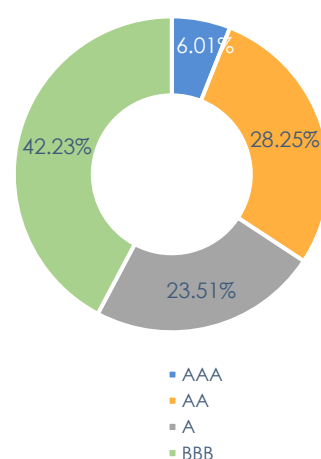
SECTOR BREAKDOWN



REGION & PRODUCT



CREDIT RATING



CREDIT SPREADS

Following on from ANZ and CBA's jumbo bond deals in October, Westpac and NAB came to market in November also achieving considerable volume. Whilst there was a positive tone to the market throughout the month, it wasn't until the NAB deal was completed that spreads really began to rally. Major bank senior credit spreads were 15bps to 20bps tighter and subordinated spreads from the same issuers were 20bps to 25bps tighter. The AUD market is still lagging the offshore rally in spreads so there is room for the current price action to continue. Another positive indicator is the monthly move in iTraxx Australia, which tightened 40bps versus its European and US equivalent – tightening 22bps and 15bps respectively. As has been consistent throughout 2022, the most demand for corporate bonds is around the 3yr to 5yr part of the curve, which suits the Fund's positioning nicely.

AS AT 30 TH NOV 22	PRICE	CHG ON MTH
ITRAXX AUSTRALIA 5YR	0.90%	-0.40%
ITRAXX EUROPE 5YR	0.92%	-0.22%
ITRAXX EUROPE XOVER 5YR	4.59%	-0.96%
CDX US IG 5YR	0.76%	-0.15%
CDX US HY 5YR	4.52%	-0.68%

FUND METRICS

The Fund's running yield fell in line with the rally in interest rates and credit spreads. Although the Fund's credit and interest rate duration remained relatively static month on month, we were very active in primary and secondary markets. We continue to trade the 3% to 4% range in 3yr yields, although the trend in November was for lower yields across the curve. As activity significantly reduces over the holiday period, the Fund is almost fully invested to take advantage of the attractive yields on offer in the AUD market. The Fund remains overweight the financial sector which is largely due to the elevated recent issuance within the sector. In addition, it is quite attractive from a liquidity point of view as the Australian major bank's bonds are the most liquid in the AUD market.

AS AT 30 TH NOV 22	FUND	CHG ON MTH
INTEREST RATE DURATION	0.48	0.00
CREDIT DURATION	3.14	0.01
YIELD TO MATURITY	4.89%	-0.42%
YIELD TO WORST	4.87%	-0.50%
BLOOMBERG COMPOSITE RATING (weighted average)*	A	A

*Using the Morningstar methodology for Average Credit Quality

NEW ISSUES

Another huge volume month of corporate bond issuance, AUD 10.4b issued from 8 unique issuers. The major banks were once again very active, Westpac issued AUD 2.8b across 4 tranches and NAB issued 4.8b across 4 tranches also. Westpac's 5yr fixed rate bond was the month's best performer rallying a very impressive 41bps.

ISSUER	Issue Date	Issue Size \$M	Fixed/Floating	Maturity	Next Call	Credit Spread EFP/BBSW	Month End Bid Spread	Net Change
WESTPAC	07-Nov-22	400	Fixed	11-Nov-27	-	1.96%	1.55%	-0.41%
WESTPAC	07-Nov-22	500	Fixed	11-Nov-25	-	1.57%	1.28%	-0.29%
NAB	22-Nov-22	550	Fixed	25-Nov-27	-	1.76%	1.56%	-0.20%

DISCLAIMER

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