

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 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.

A S A T 30 TH SEP 25	FUND PERFORMANCE								
	1 month	3 months	6 months	1 year	2 year	3 year	4 year	5 year	Since Inception (p.a.)
GROSS FUND RETURN	-0.02%	0.90%	3.14%	5.80%	6.54%	5.91%	3.19%	3.18%	3.21%
NET FUND RETURN	-0.06%	0.78%	2.88%	5.27%	6.01%	5.38%	2.68%	2.67%	2.69%
BLOOMBERG AUSBOND COMPOSITE 0-5 YR Index	-0.02%	0.41%	2.38%	4.33%	5.02%	4.29%	1.75%	1.46%	1.47%
ACTIVE RETURN (net Fund return - benchmark)	-0.04%	0.37%	0.50%	0.94%	0.98%	1.10%	0.93%	1.20%	1.22%

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

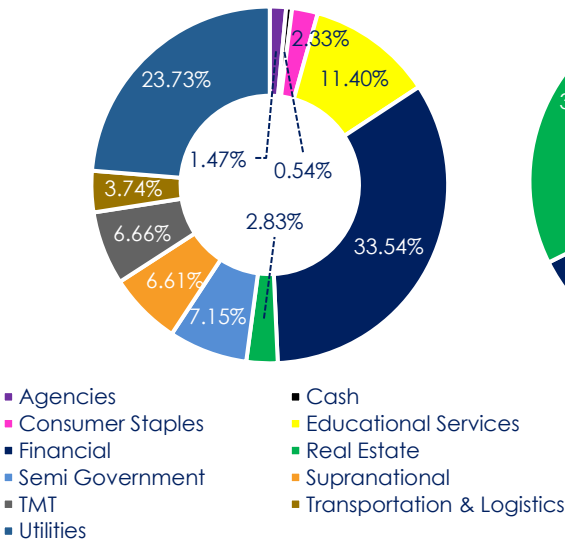
September was another positive month for risk assets although it was not without challenges. Equity markets extended their rally as investors remained focused on central bank support, resilient earnings and the prospect of policy easing into year-end. Optimism was tempered by fresh geopolitical concerns and renewed scrutiny of U.S. fiscal stability. Trade tensions persisted, with Asian export economies under pressure from softer demand in both the United States and China. European manufacturing surveys slipped back into contraction territory, reinforcing concerns about weak growth in the region. In Australia, market conditions were steadier, with credit and government bonds continuing to benefit from supportive demand dynamics. Overall, September was characterised by a cautious but constructive market tone, where investors were willing to add risk but remained attentive to emerging macro vulnerabilities.

The Fund's underperformance versus benchmark in September was driven by the overweight interest rate duration positioning (interest were higher/wider). The Fund's running yield of 4.33% versus the benchmark's 3.76% helped to lessen the underperformance versus benchmark.

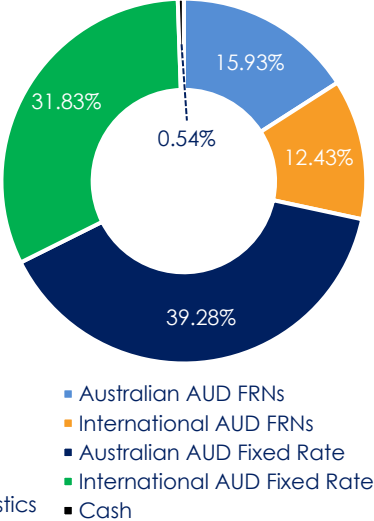
Outperformance in September came from the Fund's positions in Mirvac (Green), Korea Housing & Finance Corporation (Social), Macquarie University (Sustainable) and Optus (Sustainability-Linked). Underperformance came from the Fund's positions in ENBW (Green), New South Wales Treasury Corporation (Sustainable), Transpower (Green) and NBN (Green).

PORTFOLIO BREAKDOWN

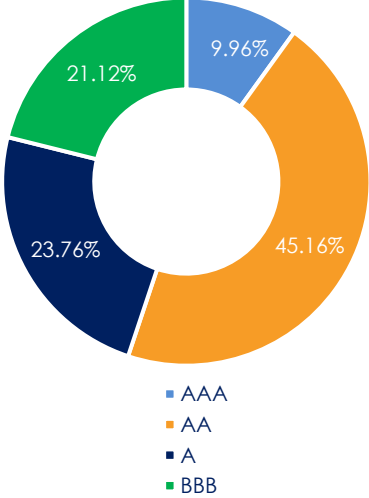
SECTOR BREAKDOWN



REGION & PRODUCT



CREDIT RATING



CREDIT SPREADS

French political concerns in early September put pressure on French bank spreads. Although there was some recovery halfway through the month, their spreads ended September at their recent widest levels. In contrast, broader credit markets maintained their rally, with investment grade corporate bond spreads and credit indices tightening across the board. On average, Australian dollar investment grade credit spreads tightened by 2bps, while Euro spreads and US dollar spreads by 5bps. The AUD new issue market proved more challenging during the month, as several deals leveraged strong order books to price inside levels observed in the secondary market. This made relative value less attractive for some transactions. However, most new issues still performed well post-pricing, providing an additional tailwind for tightening spreads in the broader market.

AS AT 30 TH SEPTEMBER 2025	PRICE	CHG ON MTH
ITRAXX AUSTRALIA 5YR	0.66%	-0.01%
ITRAXX EUROPE 5YR	0.56%	0.00%
ITRAXX EUROPE XOVER 5YR	2.62%	-0.06%
CDX US IG 5YR	0.52%	0.01%
CDX US HY 5YR	3.21%	0.00%

FUND METRICS

The Fund's interest rate duration (IRD) was largely unchanged month on month, finishing September at 2.7yrs. This positioning reflects a continued cautious stance amid ongoing uncertainty around the near-term monetary policy outlook. Credit duration decreased slightly during the month, driven by the rebalancing of new fund flows. At its 30 September meeting, the Reserve Bank of Australia kept the cash rate on hold, in line with market expectations. However, both the post-meeting statement and subsequent remarks by Governor Michele Bullock, were interpreted by the market as hawkish in tone. As a result, Australian government bond yields moved higher, particularly at the short end of the curve. Three-year bond yields rose by 14bps over the month, closing at 3.58%. This upward shift in yields contributed to a rise in the Fund's running yield, which increased to 4.33%. The increase in running yield reflects the improved income generating capacity of the portfolio.

AS AT 30 TH SEPTEMBER 2025	FUND	BENCH - MARK
INTEREST RATE DURATION	2.73	2.31
CREDIT DURATION	3.15	2.31
YIELD TO MATURITY	4.41%	3.76%
YIELD TO WORST	4.33%	3.76%
BLOOMBERG COMPOSITE RATING (weighted average)	A	AA+

**Using the Morningstar methodology for Average Credit Quality*

NEW ISSUES

In September, we recorded 4 new AUD deals from 3 unique issuers for a total volume of AUD 3.75b. Below we highlight the recent tap from the International Bank for Reconstruction and Development.

ISSUER	Bond Type	Issue Date	Issue Size \$M	Fixed/Floating	Maturity
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	Sustainable	3-Sep-25	700	Fixed	5-Feb-35

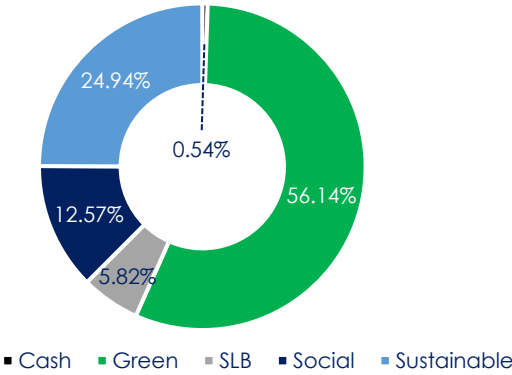
Issuer	 THE WORLD BANK IBRD • IDA
Currency	AUD
Sector	Supranational
SDG Alignment	
Eligible Projects	Eligible green projects include: • Manage water holistically • Address biodiversity conservation • Prepare national plans and legislation to protect the environment • Contribute to climate mitigation Eligible social projects include: • Improve health care, nutrition, and childhood development • Improve equitable access to education

The International Bank of Reconstruction & Development (IBRD) are a frequent labelled bond issuer in the AUD market. IBRD issued their first AUD labelled green bond back in 2018 and currently have AUD 15.8b in labelled bonds outstanding.

The World Bank is one of the largest global issuers of sustainable financing instruments and its mandates and targets are widely respected. Our review of the eligible project examples and those from previous issuances provide confidence that this issuance will result in positive environmental and social impact. We are pleased with the reporting to date for previous issuances and are satisfied that an amount equal to the proceeds of the issuance will be allocated to eligible projects.

GREEN, SUSTAINABLE & SOCIAL

BOND TYPE



CARBON ABATEMENT

	Fund
September's estimated carbon abatement	669 tCO2e*
Since inception estimated carbon abatement¹	61,271 tCO2e*
% of Fund used in this estimation	29%

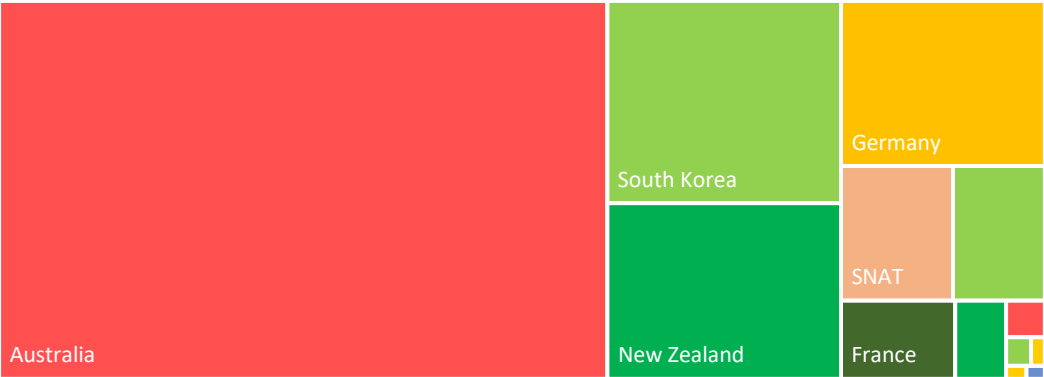
One of the primary goals for the Fund is to report regularly on the impact that the bonds we have invested in are having on the environment. As issuers report their use of proceeds achievements, we update our records and this should also lead to a continual increase in the 29% of the Fund used to calculate the carbon abatement.



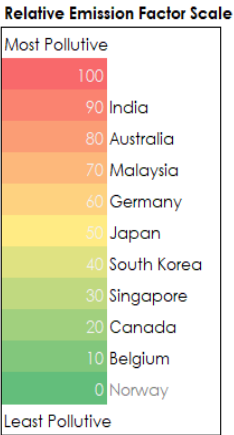
Equivalent to **28,723 cars**** off the road for a year, since fund inception

ALLOCATION OF FUNDS HEATMAP

Where the Fund's capital is deployed compared to how dirty each country's electricity grid is

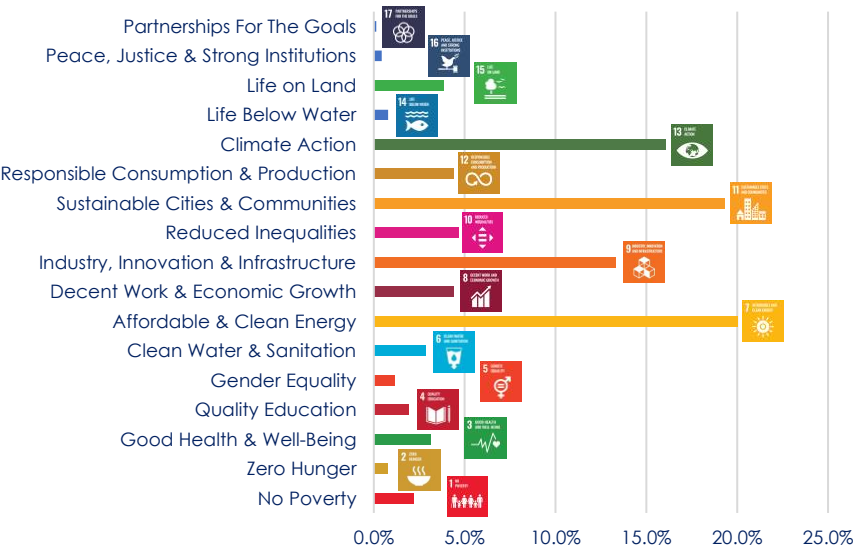


Source: Artesian, EIB; Relative Emission Factor is measured across 43 countries/regions; Oct 2022



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 55% of the Fund's targeted SDGs. The Fund currently supports 17 of the 17 SDGs.

IMPACT SINCE INCEPTION

165,705



Trips made on clean & sustainable transportation.

28



Affordable housing dwellings financed.

42%



Fund bond issuers supporting TCFD.

182,639,595



Litres of water saved.

3,370



People provided with access to education.

9%



Fund bond issuers supporting PCAF.

29,461



Square metres of green energy efficient buildings financed.

88%



Female representation on board of Fund holdings.

82%



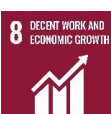
More than one female on board of Fund holdings.

800



People provided with access to water & sanitation.

291



Jobs created or preserved.

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 CO2e per year being $[(169\text{g/km} \times 12,600\text{km}) / 1,000,000]$.

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

Equity Trustees Limited (Equity Trustees) ABN 46 004 031 298 AFSL 240975, is the responsible entity for the Artesian Green & Sustainable Bond Fund (Fund). Equity Trustees is a subsidiary of EQT Holdings Limited ABN 22 607 797 615, a publicly listed company on the Australian Securities Exchange (ASX: EQT). This publication has been prepared by Artesian Corporate Bond Pty Ltd ACN 618 342 895 (Artesian), the investment manager for the Fund and an authorised representative of Artesian Fund Investment Pty Ltd ACN 143 267 270 AFSL 408867 (Artesian FI), to provide you with general information only. In preparing this publication, we did not take into account the investment objectives, financial situation or particular needs of any particular person. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. Neither Artesian, Artesian FI, Equity Trustees nor any of their related parties, their employees or directors, provide any warranty of accuracy or reliability in relation to such information or accept any liability to any person who relies on it. Past performance should not be taken as an indicator of future performance. The Fund Target Market Determination is available by visiting www.eqt.com.au/insto. A Target Market Determination is a document which describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the investment manager may need to review the Target Market Determination for this financial product. You should obtain a copy of the Product Disclosure Statement before making a decision about whether to invest in this product. Copies of the product disclosure statement can be obtained by visiting www.eqt.com.au/insto or request a copy by emailing bondoperations@artesianinvest.com, visiting www.artesianinvest.com or calling +61 3 9028 7392.

CONTACTS:

Rory MacIntyre
David Gallagher

0434 669 524
0412 972 070

rory@artesianinvest.com
david@artesianinvest.com