

MONTHLY UPDATE

About the Fund: The Artesian Green and Sustainable Bond Fund (NZD) offers New Zealand-based investors a Portfolio Investment Entity (PIE) vehicle through which to invest in the Artesian Green and Sustainable Bond Fund (AUD). Through this structure, the Fund will invest in a diversified portfolio of liquid, predominately investment grade fixed and floating rate green and sustainable bonds. In this document, we refer to the Artesian Green and Sustainable Bond Fund (AUD) as the Underlying Fund. In most sections of this document, the metrics and commentary shown are taken from the Underlying Fund. We have signalled these sections with a hashtag in the section heading. From time to time there may be small differences between the metrics of the NZD Fund and the Underlying Fund, as a result of liquidity cash held in the NZD fund.

AS AT 30 TH SEPT 26	FUND PERFORMANCE NZD						
	1 month	3 months	6 months	1 year	2 year	3 year	Since Inception (p.a.)
ARTESIAN GREEN & SUSTAINABLE BOND FUND (NZD) GROSS	-0.44%	-0.53%	1.27%	0.26%	2.77%	4.52%	4.65%
ARTESIAN GREEN & SUSTAINABLE BOND FUND (NZD) NET*	-0.49%	-0.83%	0.71%	-0.85%	1.59%	3.37%	3.54%
ARTESIAN GREEN & SUSTAINABLE BOND FUND PIR RETURN (NZD)**	-0.49%	-0.69%	0.95%	-0.38%	2.12%	3.86%	3.98%
BLOOMBERG AUSBOND COMPOSITE 0-5YR INDEX 100% NZD HEDGED	-0.41%	-0.60%	0.81%	-0.26%	1.76%	3.40%	3.54%

*Artesian Green and Sustainable Bond Fund (NZD) returns are after all fees and expenses, but before tax which varies by investor. Past performance should not be taken as an indicator of future performance. The inception date for Artesian Green and Sustainable Bond Fund (NZD) is 19 June 2023. **Artesian Green and Sustainable Bond Fund (NZD) returns are after all fees and expenses, but before tax which varies by investor and inclusive of tax credits. The Fund invests in an underlying Australian Unit Trust (AUT) which is required to distribute all income. Tax on these distributions is withheld at fund level but investors receive a tax credit for this amount. As such, the Zero PIR return is a reasonable basis for comparing performance between the NZD Fund and its AUT alternative.

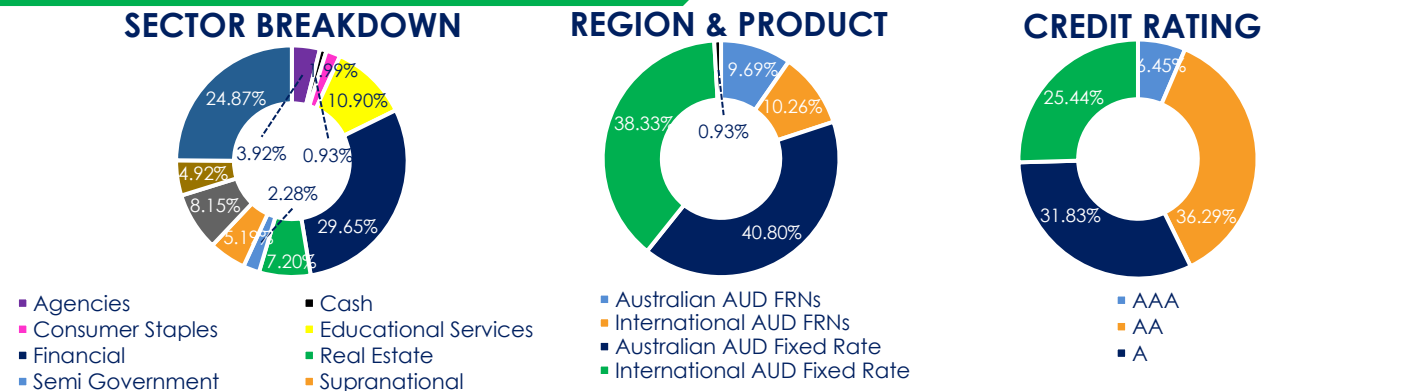
AS AT 30 TH SEPT 26	PERFORMANCE OF THE UNDERLYING FUND								
	1 month	3 months	6 months	1 year	2 year	3 year	4 year	5 year	Since Inception (p.a.)
GROSS FUND RETURN	-0.31%	-0.09%	2.21%	1.83%	3.79%	4.94%	4.88%	2.92%	2.98%
NET FUND RETURN	-0.35%	-0.21%	1.96%	1.32%	3.28%	4.42%	4.35%	2.41%	2.46%
BLOOMBERG AUSBOND COMPOSITE 0-5 YR Index	-0.26%	-0.16%	1.76%	1.42%	2.87%	3.81%	3.56%	1.69%	1.46%
ACTIVE RETURN (net Fund return - benchmark)	-0.10%	-0.05%	0.20%	-0.10%	0.41%	0.61%	0.79%	0.72%	1.00%

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 saw markets contend with a renewed rise in inflation concerns, driven by escalating Middle East tensions and higher energy prices, prompting a further repricing of interest rate expectations across major developed markets. In Australia, the RBA increased the cash rate by 25bps to 4.60% on 29 September, its fourth increase this year. The Board noted that domestic spending and investment had been stronger than expected, the labour market remained somewhat tight and productivity growth remained weak. The renewed escalation in the Middle East and associated rise in oil prices added to existing domestic inflation pressures, with the RBA highlighting that upside risks to inflation had begun to materialise. The shift towards tighter policy was also evident offshore. In the United States, the Federal Reserve increased the Fed Funds rate by 25bps to 3.75%–4.00%, its first increase in three years, as inflation remained above target despite some moderation in underlying measures. In Europe, the ECB also increased policy rates by 25bps, with inflation pressures becoming increasingly influenced by higher energy costs. Eurozone inflation had already increased to 3.3% in August from 2.9% in July, before inflation accelerated further across several major European economies during September. The Underlying Fund's underperformance versus benchmark in September was driven by the overweight credit duration positioning (credit spreads were higher/wider) and the overweight interest rate duration positioning (interest rates were higher/wider). The Fund's running yield of 4.18% versus the benchmark's 3.53%, had a positive contribution to this month's return. Outperformance came from the Underlying Fund's positions in Optus Finance (Sustainability-Linked), Australian Catholic University (Sustainable), Woolworths (Sustainability-Linked), Macquarie University (Sustainable) and NBN (Green). Underperformance came from the Underlying Fund's positions in BPCE SA (Social), ANZ Banking Group (Sustainable), Investa Commercial Property Fund (Green), Power SA (Green) and Contact Energy (Green).

PORTFOLIO BREAKDOWN #



CREDIT SPREADS #

Credit markets weakened during September, although performance diverged across regions. AUD investment grade credit spreads widened 5bps to 111bps, while US investment grade spreads remained relatively resilient, widening just 2bps to 80bps. EUR investment grade credit notably underperformed, widening 12bps to 91bps. The relative weakness in Europe reflected a combination of greater sensitivity to the renewed energy shock, rising inflation and interest rate expectations, and increased sovereign and political uncertainty. These concerns were particularly evident in France, where fiscal and political concerns placed additional pressure on sovereign spreads and broader European credit markets. The divergence across regions highlighted Europe's greater exposure to macroeconomic and political risks, while US credit continued to benefit from comparatively resilient economic and corporate Underlying Fundamentals.

AS AT 30 th SEPTEMBER 2026	PRICE	CHG ON MTH
ITRAXX AUSTRALIA 5YR	0.72%	0.05%
ITRAXX EUROPE 5YR	0.63%	0.12%
ITRAXX EUROPE XOVER 5YR	3.01%	0.53%
CDX US IG 5YR	0.60%	0.10%
CDX US HY 5YR	3.41%	0.40%

UNDERLYING FUND METRICS #

The Underlying Fund was less active during September, with the risk-off market backdrop and less attractive primary issuance resulting in fewer compelling opportunities. Consistent with recent months, we continued to gradually reduce the Underlying Fund's credit duration while increasing its interest rate duration. The continued rise in government bond yields provided another opportunity to extend the Underlying Fund's interest rate duration at more attractive levels. At the same time, the combination of wider credit spreads and higher government bond yields has pushed corporate bond all-in yields materially higher. While the recent sell off has resulted in some short-term mark to market volatility, the higher yields available across investment grade credit continue to attract strong investor demand and provide a more attractive starting point for future returns. We remain selective in adding credit risk, while looking to take advantage of opportunities created by the significant repricing in government bond yields.

AS AT 30 th SEPTEMBER 2026	FUND #	BENCH - MARK
INTEREST RATE DURATION	2.76	2.44
CREDIT DURATION	3.23	2.44
YIELD TO MATURITY	4.19%	3.53%
YIELD TO WORST	4.18%	3.53%
BLOOMBERG COMPOSITE RATING (weighted average)	A	AA+

**Using the Morningstar methodology for Average Credit Quality. #All metrics other than the YTM and YTW are those of the Underlying Fund. The NZD Units and the Benchmark YTM and YTW include an annual -1.62% from FX hedging, which is an estimate using AUDNZD 12 Month Forward Points as at 30 September 2026.*

NEW ISSUES

The AUD new issue market slowed somewhat in September as heightened interest rate volatility weighed on issuance activity. Despite the more challenging backdrop, E.ON issued their second green bond into the AUD market which is highlighted below.

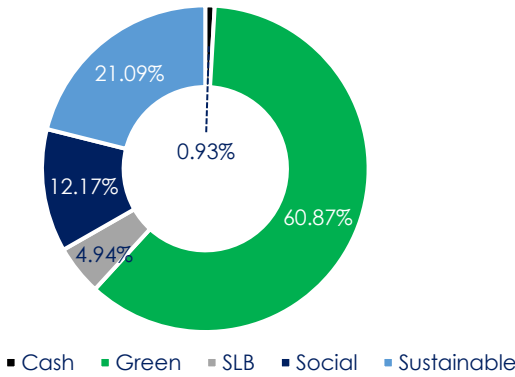
ISSUER	Bond Type	Issue Date	Issue Size \$M	Fixed/Floating	Maturity
E . O N	Green	9-Sep-26	300	Fixed	17-Sep-32

Issuer		
Currency	AUD	
Sector	Utilities	
SDG Alignment	 	
Eligible Projects	Single eligible category: Electricity networks – the November 2025 Green Financing Framework has narrowed to one eligible green category, financing capital expenditure and assets for the transmission and distribution of electricity under EU Taxonomy activity 4.9. This replaces the broader December 2021 Green Bond Framework, which also covered renewable energy, energy efficiency and clean transportation, reflecting a deliberate simplification toward E.ON's core grid business.	

E.ON SE, headquartered in Essen, Germany, is the holding company for one of Europe's largest electricity distribution network operators, active across 17 European countries with approximately 1.6 million kilometres of energy distribution networks and around 47 million customers. The group is organised into three segments, Energy Networks, Energy Retail and Energy Infrastructure Solutions, with Energy Networks (predominantly electricity distribution) contributing over 75% of group EBITDA in 2024 on the back of €9.05 billion in adjusted fiscal year 2024 adjusted EBITDA and a workforce exceeding 76,000. E.ON is listed on the Frankfurt Stock Exchange and has fully exited German nuclear generation, with subsidiary PreussenElektra now solely responsible for decommissioning those assets following cessation of active operations in April 2023.

GREEN, SUSTAINABLE & SOCIAL

BOND TYPE



CARBON ABATEMENT

	Underlying Fund
September's estimated carbon abatement	350 tCO2e*
Since inception estimated carbon abatement ¹	77,456 tCO2e*
% of Underlying Fund used in this estimation	26%

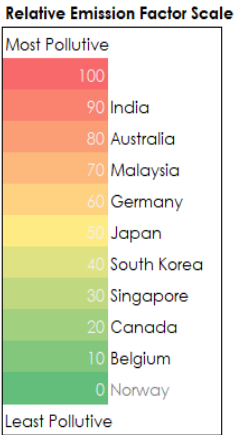
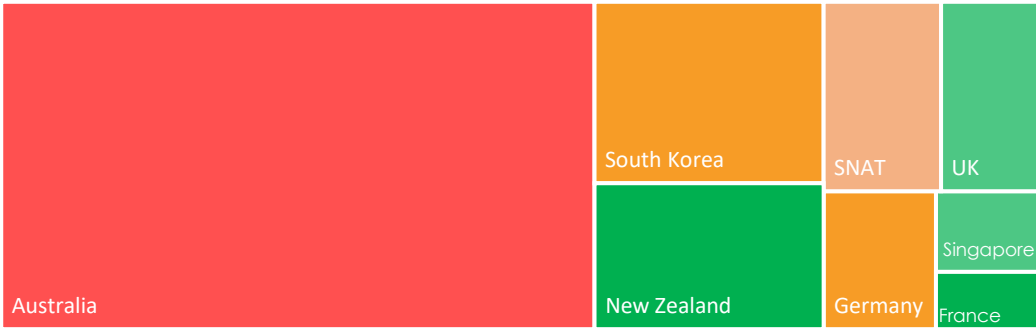
One of the primary goals for the Underlying Fund is to report regularly on the impact that the bonds we have invested in are having on the environment. As issuers report their use of proceeds achievements, we update our records and this should also lead to a continual increase in the 26% of the Underlying Fund used to calculate the carbon abatement.



Equivalent to **36,310 cars**** off the road for a year, since fund inception

ALLOCATION OF UNDERLYING FUND'S HEATMAP

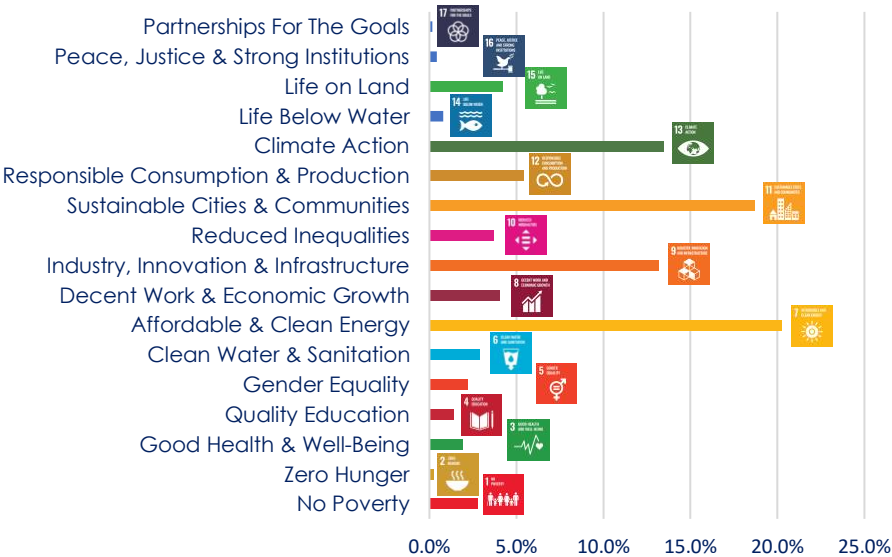
Where the Underlying Fund's capital is deployed compared to how dirty each country's electricity grid is



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

The heatmap above shows which countries the Underlying 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 Underlying 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 Underlying Fund is most aligned with Clean Energy, Climate Action and Sustainable Cities, making up 53% of the Underlying Fund's targeted SDGs. The Underlying Fund currently supports 17 of the 17 SDGs.

IMPACT SINCE INCEPTION

172,400



Trips made on clean & sustainable transportation.

36



Affordable housing dwellings financed.

49%



Fund bond issuers supporting TCFD.

319,584,040



Litres of water saved.

3,370



People provided with access to education.

7%



Fund bond issuers supporting PCAF.

31,305



Square metres of green energy efficient buildings financed.

95%



Female representation on board of Fund holdings.

81%



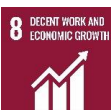
More than one female on board of Fund holdings.

812



People provided with access to water & sanitation.

316



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 Underlying 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 [(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

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