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 31ST OCT 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	0.53%	-0.02%	1.62%	0.56%	3.39%	4.81%	4.70%
ARTESIAN GREEN & SUSTAINABLE BOND FUND (NZD) NET*	0.35%	-0.31%	1.03%	-0.58%	2.19%	3.63%	3.55%
ARTESIAN GREEN & SUSTAINABLE BOND FUND PIR RETURN (NZD)**	0.48%	-0.18%	1.30%	-0.08%	2.73%	4.15%	4.03%
BLOOMBERG AUSBOND COMPOSITE 0-5YR INDEX 100% NZD HEDGED	0.48%	-0.03%	1.27%	0.07%	2.35%	3.71%	3.60%

**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 31ST OCT 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	0.65%	0.37%	2.53%	2.15%	4.50%	5.31%	4.95%	3.39%	3.04%
NET FUND RETURN	0.61%	0.24%	2.28%	1.64%	3.98%	4.79%	4.43%	2.88%	2.53%
BLOOMBERG AUSBOND COMPOSITE 0-5 YR Index	0.64%	0.40%	2.22%	1.82%	3.55%	4.20%	3.54%	2.22%	1.54%
ACTIVE RETURN (net Fund return - benchmark)	-0.03%	-0.16%	0.05%	-0.18%	0.43%	0.59%	0.90%	0.66%	0.98%

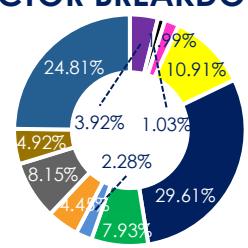
Past performance should not be taken as an indicator of future performance. Net of fees performance is based on end of month redemption prices after the deduction of fees and expenses and the reinvestment of all distributions. Gross performance is the net return with fees and expenses added back.

PORTFOLIO UPDATE#

October saw markets continue to grapple with persistent inflation pressures, elevated energy prices and ongoing geopolitical uncertainty in the Middle East, reinforcing expectations that monetary policy would remain restrictive. In Australia, inflation data released towards month end reinforced concerns that price pressures were proving more persistent than anticipated, with annual headline CPI rising to 4.3% in September from 4.0% in August, while trimmed mean inflation increased to 3.6% from 3.5%. The stronger inflation readings, combined with resilient domestic demand, prompted markets to increase expectations of a further RBA rate hike in November. Offshore, central banks adopted a more cautious approach following September's tightening. In the United States, the Federal Reserve left the Fed Funds rate unchanged at 3.75% to 4.00% at its 28 October meeting, citing resilient economic activity and persistent inflation, although two policymakers dissented in favour of a further increase. In Europe, the ECB also held policy rates unchanged on 29 October, acknowledging that higher energy prices continued to present upside risks to inflation and downside risks to economic growth. Overall, the combination of persistent inflation, geopolitical uncertainty and the prospect of further monetary tightening continued to weigh on the outlook for global bond markets. The Underlying Fund's underperformance versus benchmark in October was driven by the overweight credit duration positioning (credit spreads were higher/wider). The Underlying Fund's overweight interest rate duration positioning was an outperformer versus benchmark (interest rates were higher/wider). Outperformance came from the Underlying Fund's positions in Australian Postal Corporation (Sustainable), Woolworths (Sustainability-Linked), Optus Finance (Sustainability-Linked), Mirvac (Green) and Macquarie University (Sustainable). Underperformance came from Underlying Fund's positions in BPCE SA (Social), ANZ Banking Group (Sustainable), MTR Corp (Green), Lloyds Banking Group (Green) and NBN (Green).

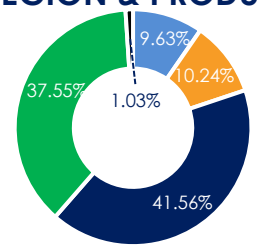
PORTFOLIO BREAKDOWN#

SECTOR BREAKDOWN



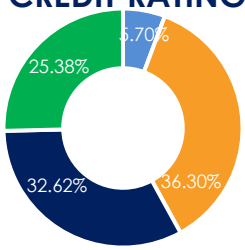
- Agencies
- Cash
- Consumer Staples
- Educational Services
- Financial
- Real Estate
- Semi Government
- Supranational

REGION & PRODUCT



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

CREDIT RATING



- AAA
- AA
- A

CREDIT SPREADS#

Credit market weakness continued during October. AUD investment grade credit spreads outperformed, widening just 6bps to 117bps, while US investment grade spreads widened 10bps to 90bps. EUR investment grade credit notably underperformed again, widening 13.5bps to 104.5bps. While the challenges facing European credit markets are well known, it was the idiosyncratic developments surrounding NEXTDC (no Underlying Fund exposure) that caught AUD investors off guard during the month. NEXTDC suffered a significant earnings downgrade following electricity supply delays at its M3 Melbourne data centre. The announcement on 21 October triggered a 41.7% share price collapse in a single trading session, wiping approximately A$3 billion from its market capitalisation. Its AUD April 2030 subordinated bonds widened by a staggering 280bps by month end. CDC Data Centres (no Underlying Fund exposure) was also caught in the crossfire, with its recently issued subordinated debt, callable in June 2031, widening 35bps by month end.

AS AT 31ST OCTOBER 2026	PRICE	CHG ON MTH
ITRAXX AUSTRALIA 5YR	0.78%	0.05%
ITRAXX EUROPE 5YR	0.66%	0.03%
ITRAXX EUROPE XOVER 5YR	3.26%	0.25%
CDX US IG 5YR	0.62%	0.02%
CDX US HY 5YR	3.56%	0.15%

UNDERLYING FUND METRICS#

The Underlying Fund remained relatively inactive during October as ongoing market volatility and limited attractive primary issuance continued to restrict trading opportunities. Consistent with recent months, we maintained a cautious approach to credit risk, gradually reducing the Underlying Fund's credit duration while selectively increasing its interest rate duration. Unlike September, government bond yields declined during October, providing some positive returns from our increased duration positioning. Credit spreads continued to widen, further improving valuations across investment grade credit. While the recent market weakness has created some short term volatility, elevated corporate bond yields continue to support investor demand and offer an increasingly attractive outlook for future returns. We remain disciplined in managing credit exposure, maintaining flexibility to take advantage of opportunities should market volatility persist.

AS AT 31ST OCTOBER 2026	FUND#	BENCH-MARK
INTEREST RATE DURATION	2.70	2.44
CREDIT DURATION	3.15	2.44
YIELD TO MATURITY	3.79%	3.19%
YIELD TO WORST	3.79%	3.19%
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

Another subdued month of issuance reflected the negative tone across broader risk markets. We recorded just 1 new deals from the South Australian Government Financing Authority, which was a tap of an existing bond they issued in June 2025.

ISSUER	Bond Type	Issue Date	Issue Size $M	Fixed/ Floating	Maturity
SOUTH AUSTRALIAN FINANCING AUTHORITY	Sustainable	27-Oct-26	1,750	Fixed	24-May-33

Issuer	SAFA South Australian Government Financing Authority
Currency	AUD
Sector	Semi-Government
SDG Alignment	
Eligible Projects	The proceeds will be allocated to SAFA's expenditure towards projects that address one or more of the following five areas; • Socioeconomic advancement and empowerment & affordable housing • Renewable energy • Clean transportation, affordable basic infrastructure & pollution prevention and control • Employment Generation

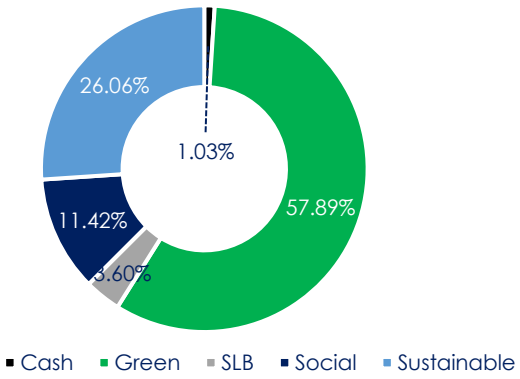
South Australian Government Financing Authority (SAFA) provides funding towards critical programs and services for the South Australian public sector.

SAFA intends to notionally allocate an amount equivalent to the net proceeds raised from the issuance of Sustainability Bonds to finance and/or refinance, in whole or in part, green and/or social expenditures that meet the Eligibility Criteria set out in their sustainable bind framework.

SAFA will report on the allocation of net proceeds of sustainable financing instruments to the eligible assets on an annual basis until full allocation. Allocation reporting will include the amount of net proceeds raised; balance of unallocated proceeds; amount of net proceeds allocated per eligible category; share of refinancing and examples of projects funded. In addition, SAFA intends to report on relevant impact metrics.

GREEN, SUSTAINABLE & SOCIAL

BOND TYPE



CARBON ABATEMENT

	Fund
October's estimated carbon abatement	352 tCO2e*
Since inception estimated carbon abatement[1]	77,809 tCO2e*
% of Fund used in this estimation	27%

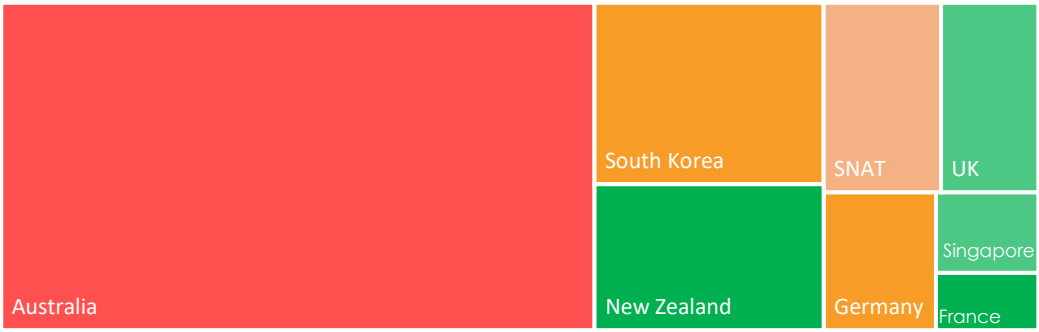
One of the primary goals for the Fund is to report regularly on the impact that the bonds we have invested in are having on the environment. As issuers report their use of proceeds achievements, we update our records and this should also lead to a continual increase in the 27% of the Fund used to calculate the carbon abatement.



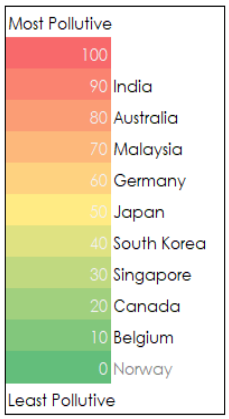
Equivalent to **36,475 cars**** off the road for a year, since fund inception

ALLOCATION OF UNDERLYING FUND'S HEATMAP

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



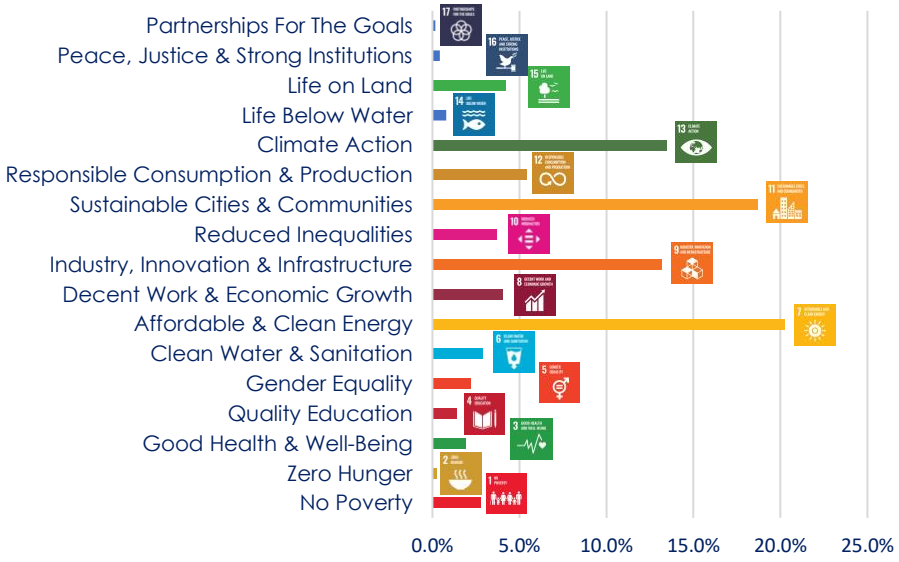
Relative Emission Factor Scale



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#

172,679

Trips made on clean & sustainable transportation.

319,584,040

Litres of water saved.

31,305

Square metres of green energy efficient buildings financed.

812

People provided with access to water & sanitation.

36

Affordable housing dwellings financed.

3,370

People provided with access to education.

95%

Female representation on board of Fund holdings.

316

Jobs created or preserved.

50%

Fund bond issuers supporting TCFD.

8%

Fund bond issuers supporting PCAF.

80%

More than one female on board of Fund holdings.

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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