MONTHLY UPDATE

About the Fund: The Artesian Short Duration Corporate Bond Fund (NZD) offers New Zealand-based investors a Portfolio Investment Entity (PIE) vehicle through which to invest in the Artesian Corporate Bond Fund (AUD). Through this structure, the Fund will invest in a diversified portfolio of liquid, predominately investment grade fixed and floating rate corporate bonds. In this document, we refer to the Artesian Corporate 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 JULY 26	FUND PERFORMANCE			
	1 month	3 months	6 months	Since Inception (p.a.)
ARTESIAN SHORT DURATION CORPORATE BOND FUND (NZD) GROSS RETURN	0.38%	1.36%	0.00%	5.30%
ARTESIAN SHORT DURATION CORPORATE BOND FUND (NZD) NET RETURN*	0.05%	0.90%	0.00%	3.46%
ARTESIAN SHORT DURATION CORPORATE BOND FUND PIR RETURN (NZD)**	0.32%	1.17%	0.00%	4.43%
BLOOMBERG AUSBOND COMPOSITE 0-3 YR INDEX 100% HEDGED TO NZD	0.06%	1.05%	0.00%	3.08%

**Artesian Short Duration Corporate 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 Short Duration Corporate Bond Fund (NZD) is 15 April 2026.*
***Artesian Short Duration Corporate 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 JULY 26	PERFORMANCE OF THE UNDERLYING FUND - CLASS B								
	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	0.59%	2.02%	2.79%	5.87%	6.48%	7.28%	6.97%	5.06%	4.95%
NET FUND RETURN	0.53%	1.83%	2.41%	5.09%	5.69%	6.49%	6.17%	4.28%	4.16%
BLOOMBERG AUSBOND COMPOSITE 0-3 YR INDEX	0.24%	1.57%	1.90%	2.72%	3.79%	4.04%	3.37%	2.23%	2.15%
ACTIVE RETURN (net Fund return - benchmark)	0.29%	0.26%	0.51%	2.36%	1.91%	2.45%	2.80%	2.05%	2.01%

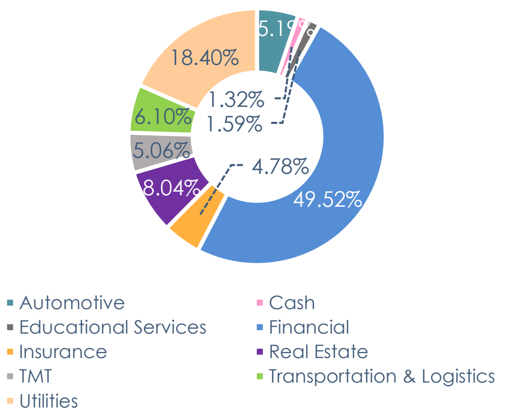
Past performance should not be taken as an indicator of future performance. Net of fees performance is based on end of month redemption prices after the deduction of fees and expenses and the reinvestment of all distributions. Gross performance is the net return with fees and expenses added back.

PORTFOLIO UPDATE#

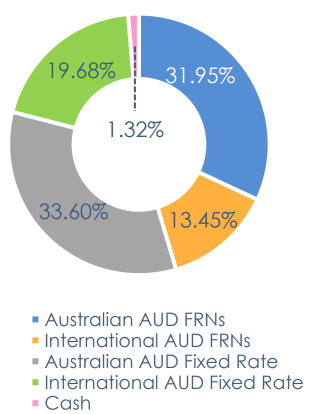
July saw markets continue to balance resilient labour markets against slowing economic growth and persistent inflation. With energy prices stabilising following the sharp volatility experienced earlier in the year, investor focus shifted back towards underlying inflationary pressures and the outlook for monetary policy. In Australia, the RBA held no meeting in July, with the next decision due on 11th August. Softer than expected inflation data released 29th July would have been a welcome surprise for the RBA. With CPI Trimmed Mean (RBA's preferred measure) coming in at 3.6% versus 3.7% expected by the market. This led to a wave of investment banks scrapping their calls for future interest rate hikes. In Europe, the ECB left its deposit rate unchanged at 2.25%, pausing just six weeks after its first rate rise in almost three years to assess how the Middle East energy disruption might feed through to prices. Encouragingly, eurozone inflation eased to 2.8% in June from 3.2% in May, its first decline this year, while core inflation slowed to 2.4%. In the United States, the Fed kept rates at 3.50% to 3.75% at its 29th July meeting, though three regional presidents (Hammack, Kashkari and Logan) dissented in favour of a hike as inflation stayed above target. Chair Kevin Warsh again struck a hawkish tone, describing inflation as "a choice" and reiterating there is "no soft inflation target." Outperformance came from the Underlying Fund's positions in Westconnex, Commonwealth Bank of Australia, Telefonica, Engie SA and Scentre Group. Underperformance came from the Underlying Fund's positions in Liberty Financial, Westpac, Bank Australia, Norfina and IAG.

PORTFOLIO BREAKDOWN#

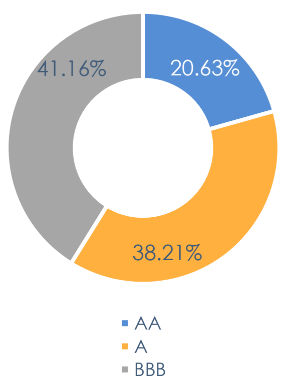
SECTOR BREAKDOWN



REGION & PRODUCT



CREDIT RATING



CREDIT SPREADS#

Credit default swap (CDS) indices, which are commonly used by investors to hedge credit portfolios without selling the underlying bonds, drifted wider throughout July. Despite this more cautious tone in derivative markets, cash corporate bond spreads proved relatively resilient against the familiar backdrop of escalating geopolitical tensions in the Middle East. On average, Australian dollar investment grade credit spreads tightened by 1bp to 104bps. In comparison, euro denominated spreads also tightened by 1bp to 79bps, while US dollar investment grade spreads widened by 5bps to 79bps. One notable trend continues to be the divergence in credit performance across the technology sector, with hyperscalers remaining a key area of investor focus. Heavy debt issuance to fund the ongoing build out of AI infrastructure has continued to place modest widening pressure on their credit spreads. Reflecting growing investor interest, Goldman Sachs and JPMorgan have recently launched tradable baskets allowing investors to express

AS AT 31ST JULY 26	PRICE	CHG ON MTH
ITRAXX AUSTRALIA 5YR	0.71%	0.03%
ITRAXX EUROPE 5YR	0.54%	0.02%
ITRAXX EUROPE XOVER 5YR	2.61%	0.16%
CDX US IG 5YR	0.53%	0.02%
CDX US HY 5YR	3.12%	0.07%

UNDERLYING FUND METRICS#

Primary market activity was relatively subdued during July, which was reflected in lower trading volumes. Following the recent rally in credit spreads and against a backdrop of renewed geopolitical uncertainty in the Middle East, we took the opportunity to modestly reduce credit duration by selling longer dated corporate bonds. As the conflict in the Middle East escalated, concerns over the potential closure of the Strait of Hormuz drove government bond yields sharply higher on fears of renewed energy driven inflation. We viewed this move as an attractive opportunity to add interest rate duration through 3yr Australian Government Bond futures. Shortly after increasing duration, reports emerged of potential US Iran ceasefire talks, while Australian inflation data surprised to the downside. Together, these developments triggered a strong rally in government bonds, with Australian 3yr yields declining approximately 15bps, from 4.70% to 4.55% by month end.

AS AT 31ST JULY 26	FUND	CHG ON MTH
INTEREST RATE DURATION	0.68	0.07
CREDIT DURATION	3.78	-0.25
YIELD TO MATURITY	5.64%	0.07%
YIELD TO WORST	5.58%	0.07%
BLOOMBERG COMPOSITE RATING (weighted average)*	A	A

Using the Morningstar methodology for Average Credit Quality

NEW ISSUES

July was seasonally quiet in the primary market, with many corporate issuers entering blackout periods ahead of reporting season. Despite the softer issuance environment, we recorded 18 new deals from 14 unique issuers, representing total issuance of AUD 14.4b.

ISSUER	Issue Date	Issue Size $M	Fixed/ Floating	Maturity	Next Call	Credit Spread EFP/BBSW	Month End Bid Spread	Net Change
CHALLENGER ANNUITY	02-Jul-26	250	Fixed	09-Jul-29		1.15%	1.09%	-0.06%
CDC DATA CENTRES	22-Jul-26	400	Fixed	29-Jul-32	29-Apr-32	1.11%	1.05%	-0.06%
CDC DATA CENTRES	22-Jul-26	300	Fixed	29-Jul-36	29-Apr-36	1.62%	1.56%	-0.06%

DISCLAIMER

CONTACTS:
Devon Funds Management +64 992 539 90 enquiries@devonfunds.co.nz
David Gallagher +61 412 972 070 david@artesianinvest.com