DEVON FUNDS.

For the informed investor.

MONTHLY REPORT: OCTOBER 2026

The Devon View: Systematic Stewardship - what is it and why does it matter?

Alice Jones, ESG Analyst

As a bottom-up fundamental investor, Devon assesses climate risk at the company level. For electricity companies like Contact Energy and Genesis Energy, understanding how they are transitioning away from gas and thermal coal is integral to understanding the business and investment case. Equally, assessing whether mining company BHP can replace its fleet of diesel trucks with battery alternatives is important to understanding if they will be less exposed to carbon pricing schemes or changes to government diesel rebate schemes. We also track each company's decarbonisation targets, engage with management on how those targets are set, and evaluate the reasoning when targets are missed. At the portfolio level, we monitor the carbon intensity of every portfolio against its benchmark to flag any that are running above their benchmark's carbon footprint.

But in doing all this, have we risked missing the wood for the trees?

The 2022 paper by Columbia Law School professor Jeffrey Gordon, Systematic Stewardship, suggests a different approach. It starts from a core principle of investment management, which is that investors seek the best return for the risk they take. Diversification can remove company-specific ("idiosyncratic") risk, but it cannot remove market-wide ("systematic") risk. Gordon argues that because systematic risk is what remains in a diversified portfolio, stewardship aimed at reducing it does more for portfolio outcomes than engagement aimed at lifting individual companies, where one company's gain often comes at a competitor's expense. ...READ MORE

MARKET INDICES

Index	Region	Monthly Return	1 Yr. Return
S&P/NZX50G	NZ	-0.3%	1.8%
S&P/ASX200G	AUSTRALIA	1.4%	3.7%
MSCI World Index	GLOBAL	-0.8%	12.5%
S&P500	USA	-0.9%	12.1%
FTSE100	UK	1.3%	13.9%
NIKKEI 225	JP	-5.2%	22.7%
NZ 90 Day Bank Bill	NZ	0.3%	2.6%
Bloomberg Global Aggregate Index (NZD)	GLOBAL	1.6%	-1.1%

AT A GLANCE

Prices as at 31 October 2026

DEVON ALPHA FUND	$2.3113
DEVON AUSTRALIAN FUND	$2.0686
DEVON DIVIDEND YIELD FUND	$2.0073
DEVON GLOBAL IMPACT BOND FUND	$1.2713
DEVON GLOBAL SUSTAINABILITY FUND	$2.6548
DEVON TRANS-TASMAN FUND	$5.3031
DEVON SUSTAINABILITY FUND	$3.1743
ARTESIAN GREEN & SUSTAINABLE BOND FUND	$0.9728
ARTESIAN SHORT DURATION CORPORATE BOND FUND	$0.9353

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DEVON ALPHA FUND

FUND OUTLINE

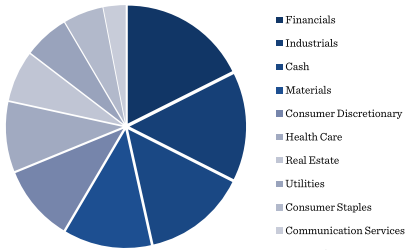
The **Alpha Fund** invests in a concentrated portfolio of approximately 10 to 15 select companies predominantly listed on the NZ and Australian share markets.

The Fund does not follow any index, is actively managed and aims to generate capital growth over the long term. Currency exposure is actively managed.

KEY HOLDINGS

CAR Group, nab, LIGHT & WONDER, Port of Tauranga

ASSET ALLOCATION



ALLOCATION

New Zealand Equities	40.9%
Australian Equities	45.0%
Currency Hedge	99.9%

Cash	14.1%
Total	100%

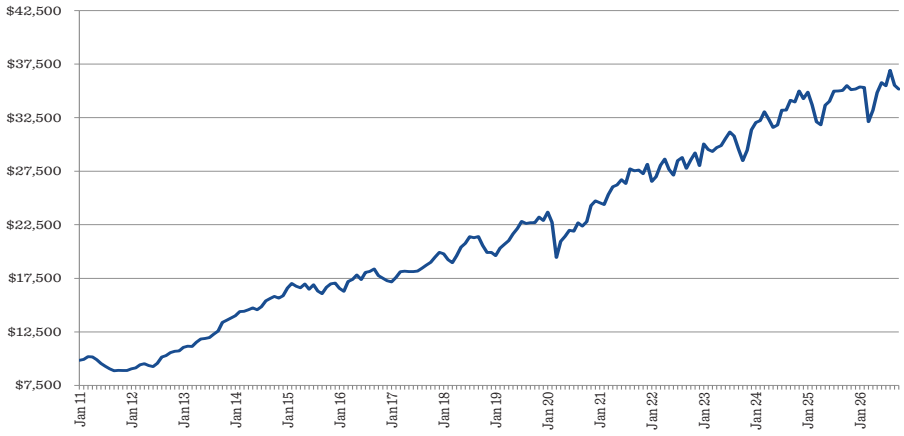
PERFORMANCE

	1 Mth	3 Mth	1 Yr	3 Yr p.a	5 Yr p.a	10 Yr p.a
Devon Alpha Fund	-1.0%	-0.9%	-0.9%	7.3%	5.0%	7.1%
OCR + 5%	0.6%	1.9%	7.5%	9.1%	8.0%	4.5%

*Devon Alpha Fund returns are after all fees and expenses, but before tax which varies by investor.
**The benchmark for Alpha changed to OCR + 5% from 1 September 2022.

NET PERFORMANCE

Based on $10,000 invested at 1 January 2011



NOTE: Further information on the Devon Alpha Fund can be found in our Quarterly Fund Updates by visiting https://devonfunds.co.nz/alpha-fund or by clicking HERE

COMMENTARY

It was a mixed month for this strategy during October. We were pleased with positive contribution from several of our key investments, including Light & Wonder which rallied 15.0% and National Australia Bank which finished up 6.0% but these were offset by weaker returns from Genesis Energy (-5.2%) and Summerset (-12.1%). Another solid performer was CAR Group, which we added to the portfolio during the month. Its share price closed the month up 9.5%, with investor confidence supported by positive operating comments at their AGM. Management identified in their address that they were pleased with how the first four-months of the year had started for their business and as a consequence remain confident in the guidance they gave earlier in the year. We continue to hold a reasonable level of cash in this portfolio and will look to deploy this when appropriate opportunities present themselves.

PORTFOLIO MANAGER

Slade Robertson



Slade has primary responsibility for stock selection and portfolio construction for the Alpha and Australian funds. Slade is also the Chairman of Devon and has overall responsibility for the business. Slade has over 20 years' industry experience.

DEVON TRANS-TASMAN FUND

FUND OUTLINE

The **Trans-Tasman Fund** provides a broad and actively managed exposure to the New Zealand and Australian equity markets.

This Fund invests in a select portfolio of well researched companies, which are primarily New Zealand and Australian listed companies. The Australian dollar currency exposure is typically unhedged.

KEY HOLDINGS

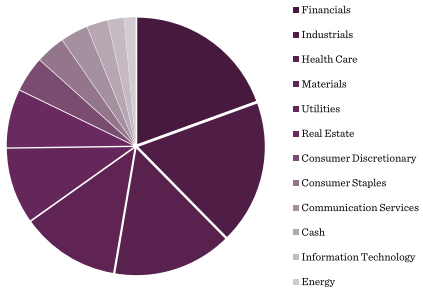
NZX

LIGHT & WONDER

Brambles

iag

ASSET ALLOCATION



ALLOCATION

New Zealand Equities	51.2%
Australian Equities	46.3%
Currency Hedge	10.1%
Cash	2.5%
Total	100.0%

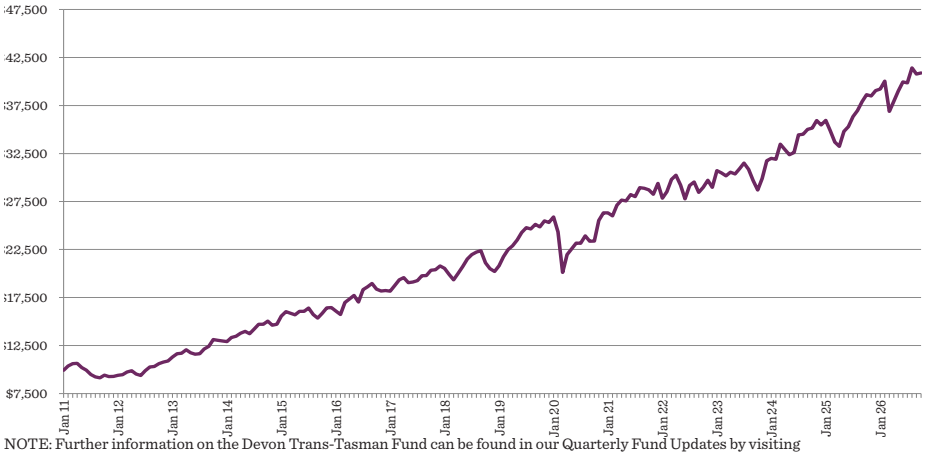
PERFORMANCE

	1 Mth	3 Mth	1 Yr	3 Yr p.a	5 Yr p.a	10 Yr p.a
Devon Trans-Tasman Fund	0.3%	2.6%	5.7%	12.5%	7.3%	8.3%
50:50 NZX50 Gross & ASX200 Index Unhedged	1.2%	2.8%	7.5%	13.7%	6.4%	9.1%

*Devon Trans Tasman Fund returns are after all fees and expenses, but before tax which varies by investor.

NET PERFORMANCE

Based on $10,000 invested at 1 January 2011



NOTE: Further information on the Devon Trans-Tasman Fund can be found in our Quarterly Fund Updates by visiting https://devonfunds.co.nz/trans-tasman-fund or by clicking HERE

COMMENTARY

The Trans-Tasman portfolio delivered a positive absolute return in October but underperformed its benchmark. Key performers across the portfolio included Light and Wonder (+15.0%), IAG (+10.8%) and Brambles (+9.6%). Key detractors included Summerset (-12.1%) and Rio Tinto (-11.8%).

Brambles (BXB) delivered a strong performance following a positive update at their Annual General Meeting. There was some market nervousness ahead of the release, but BXB management reconfirmed both FY27 guidance and FY28 margin targets, respectively. The market also took confidence that Brambles will resolve the pallet availability issues in the near term paving the way for a stronger H2 FY27 and FY28. Brambles continues to guide for FY27 constant FX sales growth of 2-4%, underlying profit growth of 2-6% and free cash of US$800-950mn. BXB trades at p/e ratio of 20x FY27 and 17.5x FY28 which we view as inexpensive for a defensive business with circa 10% per annum eps growth.

PORTFOLIO MANAGER

Tama Willis



After a long period in international investment markets, Tama returned to NZ after a very successful career in London and Singapore to join Devon's investment team. Tama holds primary responsibility for Devon's Trans-Tasman Fund. Tama is widely regarded as a leading expert on resource and mining stocks.

DEVON AUSTRALIAN FUND

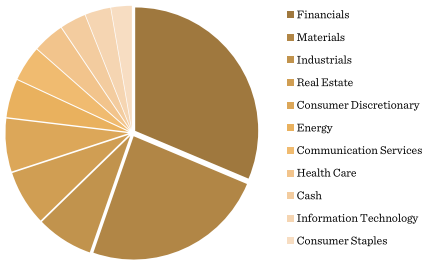
FUND OUTLINE

The **Australian Fund** invests in a select portfolio of companies, which are primarily Australian listed companies.

The Australian market is much larger than the New Zealand market and offers exposure to a number of sectors that are not available in New Zealand. The Australian dollar currency exposure of this Fund is typically unhedged.

KEY HOLDINGS

ASSET ALLOCATION



ALLOCATION

New Zealand Equities	0.0%	Cash	3.3%
Australian Equities	96.7%	Total	100.0%

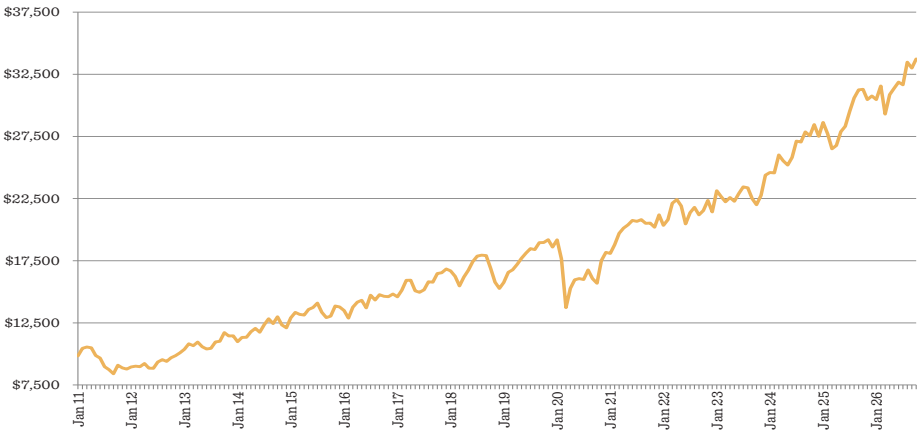
PERFORMANCE

	1 Mth	3 Mth	1 Yr	3 Yr p.a	5 Yr p.a	10 Yr p.a
Devon Australian Fund	2.2%	6.6%	7.8%	15.3%	10.5%	8.7%
ASX200 Index Gross (NZD)	2.7%	4.9%	13.3%	18.7%	11.8%	11.2%

*Devon Australian Fund returns are after all fees and expenses, but before tax which varies by investor.

NET PERFORMANCE

Based on $10,000 invested at 1 January 2011



NOTE: Further information on the Devon Australian Fund can be found in our Quarterly Fund Updates by visiting https://devonfunds.co.nz/australian-fund or by clicking HERE

COMMENTARY

The Australian strategy enjoyed strong absolute performance during the month. There were many positive contributors to this outcome including ResMed and Challenger Limited which rallied 11.0% and 18.3% respectively. Challenger shares were supported by a takeover bid by the Japanese insurer, Daiichi Life Group. From a sector perspective, the Banks were also notable for their returns. Within this portfolio we own ANZ Group, Commonwealth Bank and National Australia Bank. These stocks all jumped during the month as investors recognised that despite the challenging economic environment across the Tasman, the Banks are well positioned due to solid balance sheets and cost-out opportunities. This was particularly evident with National Australia Bank who announced an intention to cut almost 6% of their workforce over the next 11-months and to reduce their use of consultants and external contractors. The objective of this initiative is to simplify their operating model and to optimise their competitive positioning.

PORTFOLIO MANAGER

Slade Robertson



Slade has primary responsibility for stock selection and portfolio construction for the Alpha and Australia funds. Slade is also the Chairman of Devon and has overall responsibility for the business. Slade has over 20 years' industry experience.

DEVON DIVIDEND YIELD FUND

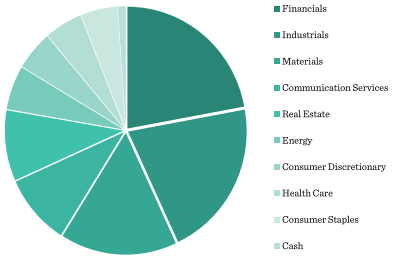
FUND OUTLINE

The **Devon Dividend Yield Fund** invests in a carefully selected portfolio of New Zealand and Australian listed companies.

These stocks are chosen for their attractive dividend yields and growth prospects with the aim of maintaining the dividend yield and capital value in real terms. The Australian dollar currency exposure is typically fully hedged.

KEY HOLDINGS

ASSET ALLOCATION



ALLOCATION

New Zealand Equities	65.1%	Cash	0.9%
Australian Equities	34.0%	Total	100.0%
Currency Hedge	102.6%	Yield	5.8%

PERFORMANCE

	1 Mth	3 Mth	1 Yr	3 Yr p.a	5 Yr p.a	10 Yr p.a
Devon Dividend Yield Fund	0.4%	1.4%	0.2%	10.4%	6.1%	5.9%
50:50 NZX50 & ASX200 Index Gross	0.6%	0.6%	2.8%	11.0%	4.5%	8.3%

*Devon Dividend Yield Fund returns are after all fees and expenses, but before tax which varies by investor.

NET PERFORMANCE

Based on $10,000 invested at 1 January 2013



NOTE: Further information on the Devon Dividend Yield Fund can be found in our Quarterly Fund Updates by visiting https://devonfunds.co.nz/dividend-yield-fund or by clicking HERE

COMMENTARY

During October, the Dividend Yield strategy performed broadly in line with the New Zealand and Australian equity markets. Top contributors during the month were Challenger (+18.3%), Insurance Australia Group (+10.8%), and AUB Group (+10.6%). Meanwhile, key underperformers were Internal Diagnostics (-18.7%), Rio Tinto (-11.75%), and NZ ME (-6.7%). Challenger, a large Australian annuity provider, has been a sizeable position within the strategy and benefits from several favourable industry tailwinds. Midway through the month, Challenger reported strong quarterly sales and disclosed a takeover offer from its largest shareholder, Daiichi Life. Daiichi Life's offer was $11.80 per share, which we and many other participants consider somewhat low. Challenger's shares finished the month at $12.02, with the market expecting a higher offer. We have reduced our position but continue to like the fundamentals of the business and see a positive risk–reward dynamic at current levels.

PORTFOLIO MANAGER

Patrick Washer



Patrick has primary responsibility for stock selection and portfolio construction for the Dividend Yield Fund. Patrick also holds research responsibilities for the property, aged care and transport sectors.

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DEVON SUSTAINABILITY FUND

FUND OUTLINE

The **Devon Sustainability Fund** invests in a select portfolio of well researched New Zealand and Australian listed companies.

The Fund looks to invest in companies that score highly on overall environmental, social and corporate governance performance. The Fund also employs an ethical screen which will prohibit investment into certain companies and sectors.

KEY HOLDINGS

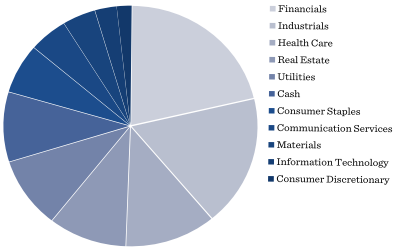
challenger

CLEANAWAY

Fletcher Building

AUB GROUP

ASSET ALLOCATION



ALLOCATION

New Zealand Equities	62.5%	Cash	9.4%
Australian Equities	28.1%	Total	100%

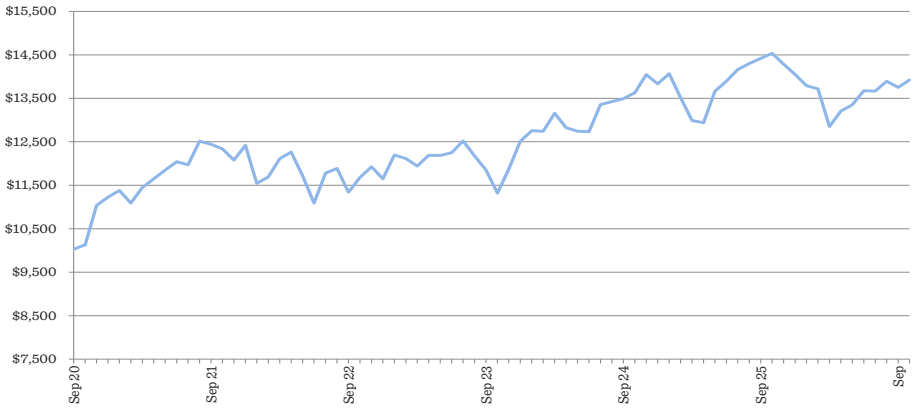
PERFORMANCE

	1 Mth	3 Mth	1 Yr p.a	3 Yr p.a	5 Yr p.a.
Devon Sustainability Fund	1.3%	1.9%	-4.3%	7.1%	2.4%
50:50 NZX50 Portfolio Index & ASX200 Index	0.5%	-0.1%	0.9%	10.3%	4.0%

*Devon Sustainability Fund returns are after all fees and expenses, but before tax which varies by investor.

NET PERFORMANCE

Based on $10,000 invested at 31 August 2020



NOTE: Further information on the Devon Sustainability Fund can be found in our Quarterly Fund Updates by visiting https://devonfunds.co.nz/devon-sustainability-fundor by clicking HERE

COMMENTARY

The Sustainability Fund enjoyed positive relative performance again in October. Top contributors included Australian holdings Cleanaway (+15.8%) and Challenger (18.3%), which are detailed elsewhere in this report. Another top performer in Australia was insurance broker AUB Group (+10.6%). Over the last couple of decades, AUB has built a global network of insurance brokerages via a series of strategic acquisitions. These businesses generate defensive earnings and benefit from corporate scale, while maintaining strong equity incentives for local partners. AUB was subject to a private equity takeover offer last year and in October this takeover speculation re-emerged.

In New Zealand, retirement operator Summerset (-12.1%) detracted from returns. A weak housing market and potential for policy change under a new government weighed on investor sentiment. As part of our research process we often visit Summerset villages and are always impressed by the level of care and consideration given to their elderly residents, despite the financial and share price pressure the company is currently under. Long-term, we believe quality operators like Summerset can deliver a good service for residents and good returns for shareholders too.

PORTFOLIO MANAGER

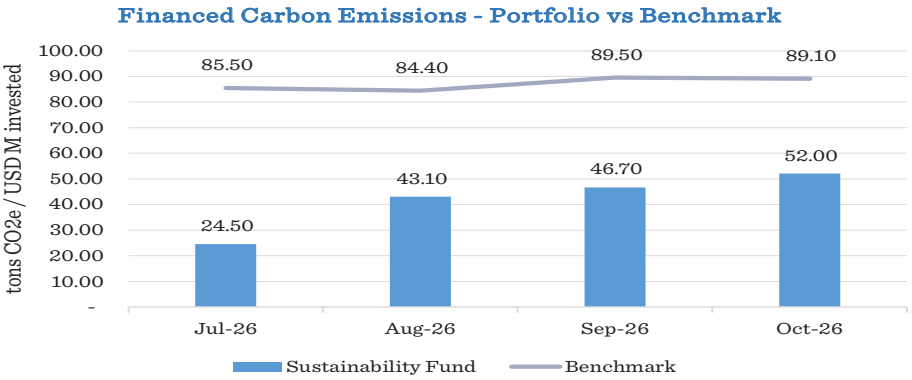
Josh Wilson



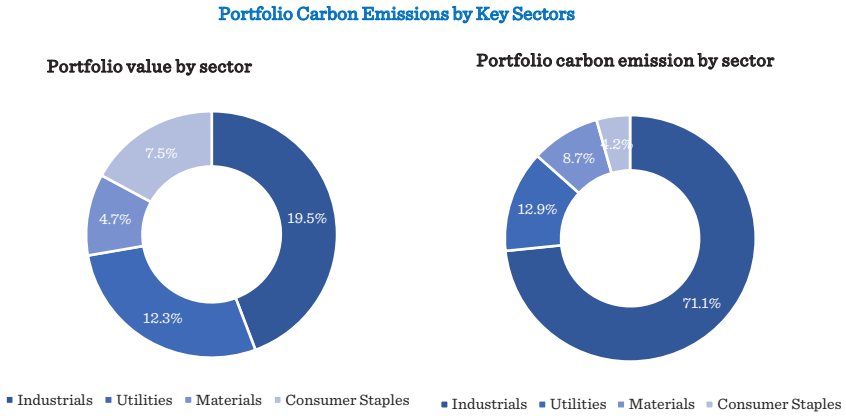
Josh is Portfolio Manager for the Sustainability Fund, contributes to our Core strategies, and has overall management responsibility for Devon Funds. Josh has worked in funds management and equity research for over 20 years, both in New Zealand and overseas.

DEVON SUSTAINABILITY FUND

CARBON INTENSITY - PORTFOLIO VS BENCHMARK



PORTFOLIO CARBON EMISSIONS BY KEY SECTORS



The Industrials, Utilities, Health Care and Consumer Staples sectors make up 43.0% of the portfolio by value, but they account for 96.7% of the carbon emissions in the portfolio.

ESG PORTFOLIO SUMMARY

	MSCI ESG Ratings	MSCI ESG Quality score	
Portfolio	AA	7.59	Portfolio: Sustainability Fund
Benchmark	AA	7.52	Primary Benchmark: 50:50 composite S&P/NZX50 Portfolio Index & S&P/ASX200G Index

PERFORMANCE

	1 Mth	3 Mth	1 Yr	3 Yr	5 Yr
ESG relative performance	0.9%	0.8%	-0.1%	2.3%	5.2%

*ESG Relative Performance is the MSCI ESG Score of the Devon Sustainability fund compared to the MSCI ESG Score of the Benchmark
**Please note due to an issue with MSCI, we have not provided updated data for the month ending 31 May. This will be updated in next months reporting once we are comfortable with accuracy.

PORTFOLIO HOLDING'S DISCLOSURE SUMMARY

Portfolio Holding's Summary	
% of companies reporting to TCFD standards	98.0%
% of companies committed to Net Zero	72.0%
% of companies committed to Carbon Neutral	8.0%
% of companies with no commitment to either	20.0%

STEWARDSHIP

The Devon investment team met with the Meridian Energy Chair and two other directors during the quarter to discuss governance, capital allocation and the company's growth strategy.

On board composition, discussion covered recent renewal, including a new director appointment and the addition of a future director whose technology experience is valuable as AI use expands across the business. The board is also refreshing its skills matrix.

The team explored capital discipline in the development pipeline, with the board confirming that projects are treated as options and will not proceed unless they meet the cost of capital. Meridian indicated it is open to supporting data centre demand where returns are appropriate for the risk, within a clear capital allocation framework.

Discussion also covered sector security of supply, engagement with government, and longer-term options at Pukaki. Overall, it was a positive meeting, and the team remains supportive of the board's governance of Meridian Energy.

DEVON GLOBAL IMPACT BOND FUND

DURATION

Contribution to Duration (Years)			
Sector	Account	Benchmark	Difference
Cash & Cash Equivalents	-0.00	-	-0.00
US Government	0.61	1.07	-0.46
Credit*	4.80	4.29	0.51
Asset Backed Securities	0.04	0.01	0.03
Mortgage Backed	0.83	0.62	0.22
Commercial Mortgage	0.01	0.02	-0.01
Other	0.01	0.08	-0.07
Cash Offset	-	-	-
	6.30	**6.09**	**0.21**

CREDIT RATING

Percent of Market Value			
Quality	Account	Benchmark	Difference
Cash	0.05	0.35	-0.31
AAA	31.93	11.99	19.94
AA	26.46	38.97	-12.51
A	15.21	34.85	-19.64
BBB	15.45	13.57	1.88
BB	4.66	0.00	4.66
B	4.63	0.00	4.63
Below B	0.16	-	0.16
Cash Offset	-	-	-
Not Rated	1.45	0.26	1.19
	100.00	**100.00**	

*Duration & Credit Rating as at 31 October 2026

The Fund invests into the Wellington Global Impact Bond Fund, managed by Wellington Management. Wellington Management is one of the world's leading investment management firms with over US$1 trillion in assets under management worldwide across a broad range of asset classes. They have been providing innovative investment solutions to clients for more than 85 years. Wellington Management seeks to understand the world's social and environmental problems and to identify and invest primarily in debt issued by companies and organisations that they believe are addressing these needs in a differentiated way through their core products, services and projects. The Wellington Global Impact Bond Fund aims to improve access to, and the quality of, basic life essentials, reduce inequality and mitigate the effects of climate change.

They seek to identify securities which it believes fall into three primary impact categories: life essentials, human empowerment and the environment. Within these categories the Fund will invest across "Impact Themes" including, but not limited to the following:

Life Essentials: affordable housing, clean water and sanitation, health, sustainable agriculture and nutrition.

Human Empowerment: digital divide, education and job training, financial inclusion, safety and security.

Environment: alternative energy, resource efficiency and resource stewardship.

DEVON GLOBAL SUSTAINABILITY FUND

The Fund invests into the Wellington Global Stewards Fund, managed by Wellington Management. Wellington Management is one of the world's leading investment management firms with over US$1 trillion in assets under management worldwide across a broad range of asset classes. They have been providing innovative investment solutions to clients for more than 85 years. Wellington Management seeks to invest in companies globally, that generate high return on capital relative to their peers, and whose management teams and boards display exemplary stewardship to sustain those returns over time. Wellington defines stewardship as how companies balance the interests of all stakeholders (customers, employees, communities and the supply chain) in the pursuit of profits and how they incorporate material environmental, social and governance (ESG) risks and opportunities in their corporate strategy. The underlying Wellington Fund differentiates itself by:

Long-term horizon – the intention is to hold stocks for over 10 years. The belief is the longer the holding period, the greater the potential performance benefits from superior stewardship.

Highly selective – typically 35-45 stocks, only relying on their own internal ESG research.

Active engagement – holding those in charge of investee companies to account and encouraging companies to commit to net zero carbon emissions by 2050 in alignment with the Paris Agreement.

PERFORMANCE	1 Mth	3 Mth	1 Yr	3 Yr p.a	Since Inception
Devon Global Impact Bond Fund	1.5%	-0.7%	-1.7%	4.4%	1.1%
Bloomberg Global Aggregate Index Hedged NZD	1.6%	-0.2%	-1.1%	4.1%	1.1%

PERFORMANCE	1 Mth	3 Mth	1 Yr	3 Yr p.a	Since Inception
Devon Global Sustainability Fund	1.6%	5.9%	22.7%	19.3%	13.2%
MSCI All Country World Index in NZD, 50% hedged to NZD	-1.5%	2.0%	12.6%	22.3%	14.5%

*Benchmark performance figure is indicative only and will be finalised in the mid month report.

KEY HOLDINGS*

COMPASS GROUP, TSMC, Microsoft, VISA

*Key Holdings as at 31 October 2026

Please note that monthly reports will be produced for the Devon Global Impact Bond Fund and Devon Global Sustainability Fund later this month. These reports will include data on top holdings, performance, asset allocation, and fund commentaries. These reports will be sent out separately from those for Devon's other retail funds each month and will be available on the Devon Funds website.

ARTESIAN GREEN AND SUSTAINABLE BOND FUND (NZD)

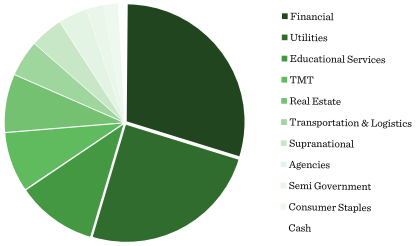
FUND OUTLINE

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. Artesian are committed to integrating ESG into their investment processes, with a focus on responsible investment.

KEY HOLDINGS

ASSET ALLOCATION



ALLOCATION

Artesian Green & Sustainable Bond Fund (NZD)	98.7%	Cash	1.3%
Currency Hedge (100% to NZD)	99.5%	Total	100%

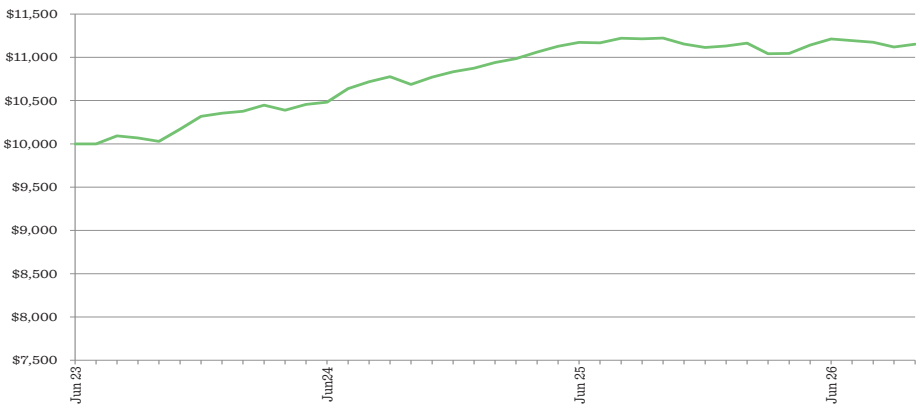
PERFORMANCE

	1 Mth	3 Mth	1 Yr	2 Yr	3 Yr	Since Inception
Artesian Green & Sustainable Bond Fund (NZD)*	0.4%	-0.3%	-0.6%	2.2%	3.6%	3.5%
Artesian Green & Sustainable Bond Fund PIR Return (NZD)**	0.5%	-0.2%	-0.1%	2.7%	4.2%	4.0%
Bloomberg AusBond Composite 0-5 Yr Index 100% Hedged to NZD	0.5%	0.0%	0.1%	2.4%	3.7%	3.6%

*Artesian Green & Sustainable Bond Fund (NZD) returns are after all fees and expenses, but before tax which varies by investor.
**Artesian Green & 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.

NET PERFORMANCE

Based on $10,000 invested at 30 June 2023



NOTE: Further information on the Artesian Green Fund can be found in our Quarterly Fund Updates by visiting https://devonfunds.co.nz/artesian-green-and-sustainable-bond-fund-nzd or by clicking HERE

COMMENTARY

The Fund performed in line with the benchmark during the month. The Underlying Fund's overweight credit duration positioning detracted from returns as credit spreads widened, while its overweight interest rate duration positioning contributed positively as government bond yields declined. 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 Fund's positions in BPCE SA (Social), ANZ Banking Group (Sustainable), MTR Corp (Green), Lloyds Banking Group (Green) and NBN (Green).

PORTFOLIO MANAGER

David Gallagher



David joined Artesian in June 2013. Prior to joining Artesian, David spent nine years in the United Kingdom working for Deutsche Bank and RBS. David has extensive risk and portfolio management trading experience. In David's previous role with RBS, David managed a credit portfolio with outright risk ranging between £1-2.5 billion.

ARTESIAN SHORT DURATION CORPORATE BOND FUND (NZD)

FUND OUTLINE

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. It is an actively managed absolute return fund that aims to achieve consistent returns above the benchmark.

KEY HOLDINGS

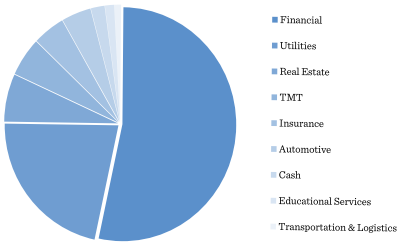
mirvac

Bank Australia

Mercury

SA Power Networks

ASSET ALLOCATION



ALLOCATION

Artesian Short Duration Corporate Bond Fund (NZD)	95.8%	Cash	4.2%
Currency Hedge (100% to NZD)	99.8%	Total	100.0%

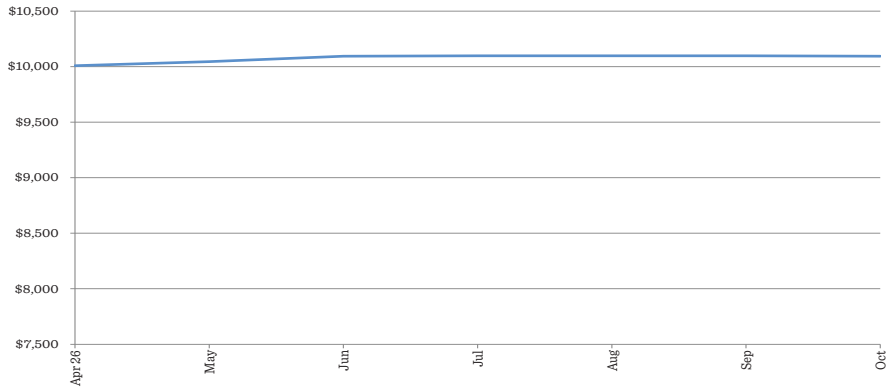
PERFORMANCE

	1 Mth	3 Mth	Since Inception
Artesian Short Duration Corporate Bond Fund (NZD)*	0.0%	0.0%	1.0%
Artesian Short Duration Corporate Bond Fund PIR Return (NZD)**	0.1%	0.1%	1.4%
Bloomberg AusBond Composite 0-3 Yr Index 100% Hedged to NZD	0.3%	0.2%	0.8%

*Artesian Short Duration Corporate Bond Fund (NZD) returns are after all fees and expenses, but before tax which varies by investor.
**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.

NET PERFORMANCE

Based on $10,000 invested at 30 April 2026



NOTE: Further information on the Artesian Short Duration Fund can be found in our Quarterly Fund Updates by visiting https://devonfunds.co.nz/artesian-short-duration-corporate-bond-fund-nzd or by clicking HERE

COMMENTARY

The Underlying Fund's underperformance versus benchmark in October was driven by the overweight credit duration positioning (credit spreads were higher/wider) and the underweight interest rate duration positioning (interest rates were lower/tighter). The Fund's running yield of 4.11% versus the benchmark's 3.16%, had a positive contribution to this month's return. Outperformance came from the Underlying Fund's positions in Mirvac, Bank Australia, Mercury NZ and ETSA Utilities Finance. Underperformance came from the Underlying Fund's positions in CDC Data Centres, Engie SA, Verizon Communications, Societe Generale, Banque Fédérative du Crédit Mutuel and BPCE SA.

PORTFOLIO MANAGER

David Gallagher



David joined Artesian in June 2013. Prior to joining Artesian, David spent nine years in the United Kingdom working for Deutsche Bank and RBS. David has extensive risk and portfolio management trading experience. In David's previous role with RBS, David managed a credit portfolio with outright risk ranging between £1-2.5 billion.