

FUND FACT SHEET | ARTESIAN GREEN AND SUSTAINABLE BOND FUND (NZD)

BACKGROUND

Devon Funds Management Limited (“Devon”) is an independent investment management business that specialises in building investment portfolios for our clients, through a value-oriented investment style, with a strong focus on responsible investing.

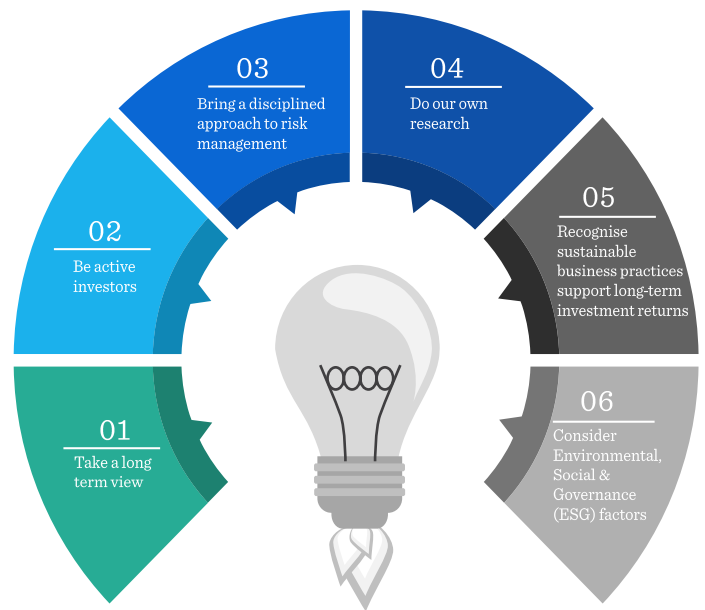
Our approach is an active one where our rigorous research and analytical skills are applied to maximum advantage.

Devon is a signatory to the United Nations supported Principles for Responsible Investment (PRI), is a member of the Responsible Investment Association of Australasia (RIAA) and a founding member of the New Zealand Corporate Governance Forum. We are also a Climate Action 100+ participant.



INVESTMENT PHILOSOPHY

Our Investment Philosophy has been tested over many years and throughout all types of market conditions. In summary our approach to investing is to:



OUR PEOPLE

Devon is staffed by a number of leading investment professionals who enjoy a boutique environment free from the distractions and bureaucracy of larger institutions. Devon’s highly qualified and experienced investment team is committed to helping investors achieve their investment results.

We believe our advantage lies in our people – a dedicated team of investment professionals with over 100 years combined experience in the investment industry both within Australasia and further afield. We’ve worked hard to assemble the right talent with the necessary skills and experience to manage our clients’ portfolios.

Valuation is critical. Shareholder wealth is created through growth combined with a return on invested capital that exceeds the required rate of return. We believe that the highest returns to investors are achieved by concentrating the best and highest conviction ideas of our research in a portfolio. We aim to avoid buying bad companies and avoid overpaying for great companies, which can turn them into bad investments.

We believe that intensive fundamental research coupled with disciplined portfolio management can reliably provide sustained outperformance.

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ABOUT THE FUND

The **Artesian Green & Sustainable Bond Fund (NZD)** (the Fund) 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 corporate bonds. Artesian are committed to integrating ESG into their investment processes, with a focus on responsible investment. Artesian has managed specialised funds focused on credit arbitrage and relative-value strategies across global financial markets since 2004 from its New York, London, Singapore, Shanghai, Melbourne and Sydney offices.

FUND FEATURES

Investment Objective	To outperform the benchmark net of fees through active management.
Benefits of Investing	<ul style="list-style-type: none"> • The Fund will invest in labelled corporate bonds issued by global companies, such as Green, Social or Sustainable Bonds. The designation is determined by the issuer of the bond. • An investment grade fund with an emphasis on liquidity and credit quality. • Artesian aims to provide optimal investment decisions by integrating ESG investment research in selecting which bonds to invest in. When considering a bond as a potential investment for the Fund, Artesian applies both positive and negative screens as part of its investment decision-making process. • Large global, experienced team of fixed income professionals trading and analysing credit markets 24 hours a day. • Returns in excess of the benchmark are expected to be generated through a well-constructed and actively managed portfolio in the corporate bond market.
Investment Limits	The asset classes in which the Fund invests are: Green Bonds – target exposure 70% (range 0% to 100%), Sustainable Bonds – target exposure 15% (range 0% to 100%), Social Bonds – target exposure 10% (range 0% to 100%); cash – target exposure 5% (range 0% to 100%). The Fund may also invest in other labelled bonds as these markets mature and new products become available.
Hedging	The Fund has the ability to hedge its foreign currency exposure in a range from 0-100%, with a target of 100%.
Global Diversification	The Fund invests in global issuers, whilst aiming to de-risk this exposure by having an overweight exposure in AUD securities.
Benchmark	Bloomberg AusBond Composite 0-5 Yr Index, 100% hedged to NZD.
Distribution	The Fund pays distributions quarterly at our discretion.
Suggested Timeframe	2 - 4 years.
ESG Focused	Artesian believes that analysing ESG characteristics enhances traditional credit analysis by providing a fuller understanding of the risk profile of each issuer.
Management Fee	0.34%
Administration Fee	0.25%

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