

DEVON FUNDS.

For the informed investor.



ARTESIAN GREEN AND SUSTAINABLE BOND FUND (NZD)

MONTHLY REPORT: DECEMBER 2025

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 & 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 investing. 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.

In this document, we refer to the Artesian Green & 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.

PERFORMANCE	1 Mth	3 Mth	1 Yr	2 Yr	Since Inception
Artesian Green & Sustainable Bond Fund (NZD)*	-0.35%	-0.90%	2.60%	3.79%	4.57%
Artesian Green & Sustainable Bond Fund PIR Return (NZD)**	-0.35%	-0.79%	3.19%	4.33%	5.01%
Bloomberg AusBond Composite 0-5 Yr Index 100% Hedged to NZD	-0.31%	-0.60%	2.66%	3.69%	4.47%

* Artesian Green & 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 & 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.

PERFORMANCE of the Underlying Fund	1 Mth	3 Mth	6 Mth	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	Since Inception (pa)
Gross Fund Return	-0.17%	-0.34%	0.56%	4.60%	5.04%	5.38%	3.40%	2.67%	2.99%
Net Fund Return	-0.21%	-0.46%	0.31%	4.08%	4.51%	4.86%	2.89%	2.16%	2.47%
Bloomberg AusBond Composite 0-5 Yr Index	-0.19%	-0.28%	0.12%	3.48%	3.73%	3.85%	2.00%	1.34%	1.34%
Active Return (net Fund return - benchmark)	-0.02%	-0.18%	0.19%	0.60%	0.78%	1.01%	0.89%	0.82%	1.12%

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. The inception date for the Artesian Green & Sustainable Bond Fund (AUD) is 25 September 2020.

PORTFOLIO UPDATE#

December capped off another strong year for risk assets. Major developed equity market indices delivered very solid returns in 2025, supported by resilient economic growth, easing inflation pressures, and robust earnings growth, particularly within technology and AI-related sectors. Fixed income markets also performed well over the year. Globally, the Bloomberg Global Aggregate Corporate Index returned 6.62% over 12 months, while locally the Bloomberg AusBond Credit 0+ Year Index returned 4.34%. The primary driver of the performance differential between the two indices was the repricing of Australian interest rate expectations following the November inflation announcement. The Underlying Fund also delivered a solid result, generating a net 12 month return of 4.08% versus its benchmark return of 3.45%. Since inception, the Underlying Fund has consistently outperformed its benchmark in each of its five years, while also prudently allocating capital to high impact projects through the labelled bonds purchased. While Artesian would have liked to deliver higher absolute performance, Artesian believes the Underlying Fund is well positioned heading into 2026, supported by elevated outright yields and its continued focus on high quality investment grade credit.

The Underlying Fund's underperformance versus benchmark in December was driven by the overweight interest rate duration positioning (interest rates were higher/wider). However, this was largely offset by the Underlying Fund's overweight credit duration positioning (credit spreads were lower/tighter). Outperformance in December came from the Underlying Fund's positions in Mercury (Green), BPCE SA (Social), Industrial Bank of Korea (Green), KFW (Green) and Woolworths (Sustainability-Linked). Underperformance came from the Underlying Fund's positions in ANZ (Sustainable) and Bank Australia (Sustainable).

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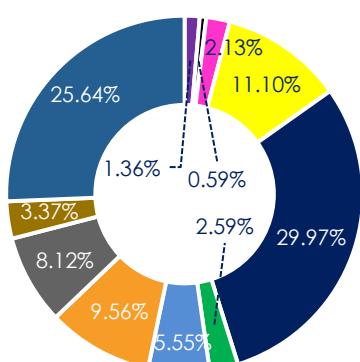
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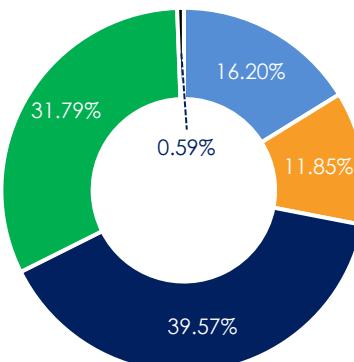
PORTFOLIO BREAKDOWN[#]

SECTOR BREAKDOWN



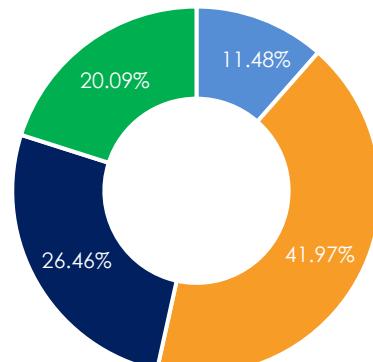
- Agencies
- Consumer Staples
- Financial
- Semi Government
- TMT
- Utilities

REGION & PRODUCT



- Cash
- Educational Services
- Real Estate
- Supranational
- Transportation & Logistics
- Australian AUD FRNs
- International AUD FRNs
- Australian AUD Fixed Rate
- International AUD Fixed Rate
- Cash

CREDIT RATING



- AAA
- AA
- A
- BBB

CREDIT SPREADS[#]

December delivered a strong month of performance for global credit. On average, Australian dollar investment grade credit spreads outperformed, tightening by 6bps to 98bps. In comparison, Euro denominated spreads tightened by 4bps to 78bps, while US dollar spreads tightened by 2bps to 78bps. Supporting the outperformance of AUD credit was the rise in outright yields, driven by market repricing of a higher RBA cash rate in 2026. Over the year, however, Euro credit spreads outperformed, tightening by 24bps, compared with a 13bps tightening in AUD spreads and a modest 2bps tightening in US dollar spreads. While Artesian believes elevated outright yields will continue to support demand for AUD credit, Artesian remains mindful of where the Underlying Fund is in the credit spread cycle. Accordingly, Artesian will continue to maintain a high-quality investment-grade beta portfolio, while remaining active in identifying relative-value trading opportunities.

AS AT 31 ST DECEMBER 2025	PRICE	CHG ON MTH
ITRAXX AUSTRALIA 5YR	0.64%	-0.02%
ITRAXX EUROPE 5YR	0.51%	-0.02%
ITRAXX EUROPE XOVER 5YR	2.44%	-0.11%
CDX US IG 5YR	0.50%	-0.01%
CDX US HY 5YR	3.17%	-0.06%

METRICS FOR THE UNDERLYING FUND[#]

The Underlying Fund's interest rate duration (IRD) and credit duration shortened marginally over the month. The Underlying Fund's IRD ended December at 2.61yrs versus the benchmark duration of 2.33yrs. This positioning reflects Artesian's view that, following the recent sell-off in yields, adding some duration appears increasingly attractive at current levels. That said, the Underlying Fund is positioned relatively conservatively until Artesian gains greater clarity on the direction of upcoming economic data. In addition, the geopolitical backdrop continues to offset some of the recent strength in economic data, contributing to ongoing uncertainty. Heightened geopolitical tensions remain a consideration for markets as global powers continue to assert strategic influence. From a credit perspective, the Underlying Fund has continued to deploy new Fund inflows into shorter-dated positions, which has had the net effect of further shortening the Underlying Fund's overall credit duration.

AS AT 31 ST DECEMBER 2025	FUND	BENCH-MARK
INTEREST RATE DURATION	2.61	2.33
CREDIT DURATION	3.10	2.33
YIELD TO MATURITY	4.97%	4.29%
YIELD TO WORST	4.87%	4.29%
BLOOMBERG COMPOSITE RATING (weighted average)	A	AA+

*Using the Morningstar methodology for Average Credit Quality

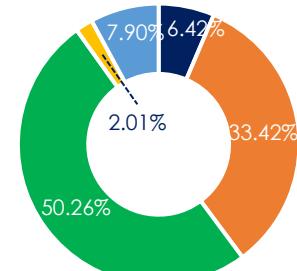


2025 AUD ESG BOND ISSUANCE BY SECTOR

Another very impressive year of issuance in the AUD market!

The SSA sector continues to be the largest issuer of labelled bonds in the AUD market. In addition to the volume they bring, they are also on the front foot with regards to innovation within bond structures and labels.

Not only did Artesian see growth in volume, but Artesian also saw new domestic and international corporates issuing labelled bonds. In 2026, Artesian will continue working with corporate issuers with the aim of increasing the investable universe and high impact projects Artesian are looking to fund for our investors.

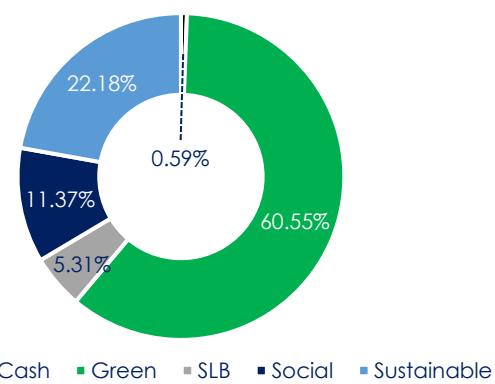


- Financial
- Supranational
- SSA
- Semi Government
- TMT

ISSUER	Total Issuance \$ Billion	Govt. & SSA \$ Billion	Financials \$ Billion	Corporates \$ Billion
2025 AUD ESG BOND ISSUANCE	37.4	31.3	2.4	3.7
2024 AUD ESG BOND ISSUANCE	38.4	33.9	1.1	3.4
2023 AUD ESG BOND ISSUANCE	20.4	15.7	2.0	2.6
2022 AUD ESG BOND ISSUANCE	12.5	9.9	0.6	2.0

GREEN, SUSTAINABLE AND SOCIAL HOLDINGS[#]

BOND TYPE



- Cash
- Green
- SLB
- Social
- Sustainable



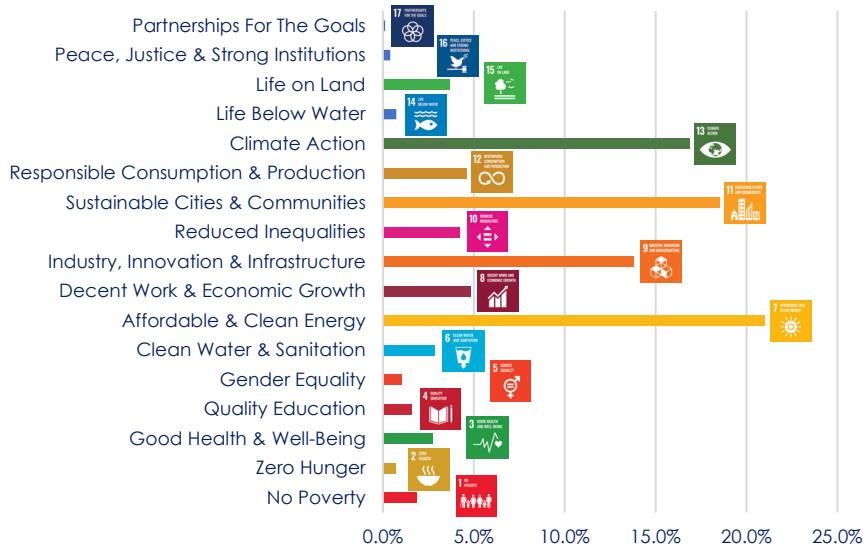
ALLOCATION OF FUNDS IN THE UNDERLYING FUND[#]

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



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, Artesian takes 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 56% of the Underlying Fund's targeted SDGs. The Fund currently supports 17 of the 17 SDGs.



NOTES

The impact metrics published in this document reflect 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.

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