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ARTESIAN GREEN AND SUSTAINABLE BOND FUND (NZD)

MONTHLY REPORT: FEBRUARY 2026

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.

PERFORMANCE	1 Mth	3 Mth	1 Yr	2 Yr	Since Inception
Artesian Green and Sustainable Bond Fund (NZD) Gross Return	0.34%	0.38%	3.31%	4.77%	5.61%
Artesian Green and Sustainable Bond Fund (NZD) Net Return*	0.29%	0.08%	2.04%	3.72%	4.46%
Artesian Green and Sustainable Bond Fund PIR Return (NZD)**	0.29%	0.22%	2.65%	4.28%	4.93%
Bloomberg AusBond Composite 0-5 Yr Index 100% Hedged to NZD	0.31%	0.06%	2.15%	3.58%	4.34%

*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.

PERFORMANCE of the Underlying Fund	1 Mth	3 Mth	6 Mth	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	Since Inception (p.a.)
Gross Fund Return	0.43%	0.72%	0.53%	4.24%	5.18%	5.29%	3.81%	5.90%	3.06%
Net Fund Return	0.39%	0.59%	0.28%	3.72%	4.65%	4.76%	3.30%	2.39%	2.54%
Bloomberg AusBond Composite 0-5 Yr Index	0.44%	0.42%	0.30%	3.24%	3.17%	3.84%	2.39%	1.55%	1.41%
Active Return (net Fund return - benchmark)	-0.05%	0.18%	-0.02%	0.55%	0.81%	0.89%	0.91%	0.84%	1.13%

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 and Sustainable Bond Fund (AUD) is 25 September 2020.

PORTFOLIO UPDATE#

As Artesian wrote this update for February 2026, it already feels somewhat dated given the escalation of conflict in the Middle East on 28 February. Nevertheless, this piece will focus on developments during February, with a more detailed assessment of the Middle East conflict to follow next month. Valuation concerns in the technology sector were a clear undercurrent throughout the month. A notable talking point was a research paper published by Citrini Research exploring the potential economic consequences of artificial intelligence through to 2028. Framed as a scenario analysis rather than a forecast, the paper challenged the prevailing consensus that AI driven productivity gains will translate seamlessly into durable economic expansion. Its central thesis argued that rapid labour displacement could weaken household consumption over time, an interesting albeit sobering perspective. Major Western world 10yr government bond yields declined in February as a risk off tone took hold across markets. However, the traditional negative correlation between equities and fixed income is now being tested by the inflationary impact of higher oil prices amid the ongoing conflict in the Middle East.

The Underlying Fund's underperformance versus benchmark in February was driven by the overweight credit duration positioning (credit spreads were higher/wider). The Underlying Fund's credit positioning was somewhat offset by the positive contribution of the Underlying Fund's overweight interest rate duration positioning versus benchmark (interest rates were lower/tighter). The Underlying Fund's running yield of 4.97% versus the benchmark's 4.39%, also contributed to the monthly performance. Outperformance in February came from the Underlying Fund's positions in Export-Import Bank of Korea (Green), La Trobe University (Green), African Development Bank (Green & Social), Optus Finance (Sustainability-Linked) and the South Australian Government Financing Authority (Sustainable). Underperformance came from the Fund's positions in BPCE SA (Social), MTR Corporation (Green), ESTA Utilities Finance (Green), Victoria Power Networks (Green) and ANZ (Sustainable).

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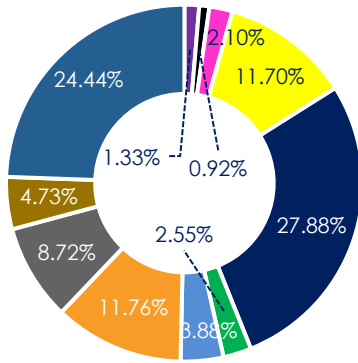
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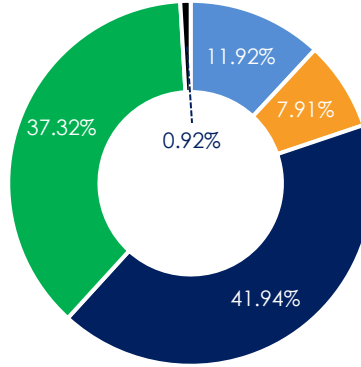
PORTFOLIO BREAKDOWN#

SECTOR BREAKDOWN



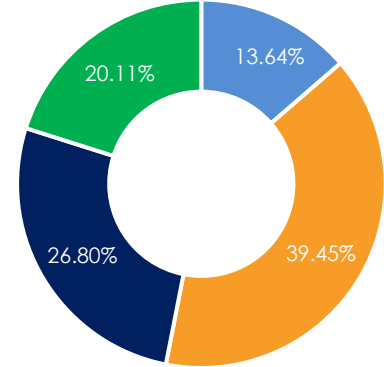
- Agencies
- Cash
- Consumer Staples
- Educational Services
- Financial
- Real Estate
- Semi Government
- Supranational
- TMT
- Transportation & Logistics
- Utilities

REGION & PRODUCT



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

CREDIT RATING



- AAA
- AA
- A
- BBB

CREDIT SPREADS#

Credit spreads drifted wider throughout February, reflecting a more cautious market backdrop. A softer risk tone across global markets, combined with elevated primary issuance volumes, particularly in higher beta segments of the credit market, weighed on sentiment. While there was no single catalyst driving the move, ongoing geopolitical uncertainty and heavy supply created a less supportive technical environment than in prior months. On average, Australian dollar investment grade credit spreads widened by 6bps to 96bps. Euro denominated investment grade spreads widened by 9bps to 83bps, while US dollar spreads widened by 11bps to 84bps. Secondary market liquidity remained functional and demand for high quality issuers persisted, albeit at more price sensitive levels. New issue concessions increased modestly and deals generally required a clearer premium to secondary curves to clear successfully. Higher beta financials and subordinated debt underperformed senior corporates, consistent with the broader

AS AT 28 TH FEBRUARY 2026	PRICE	CHG ON MTH
ITRAXX AUSTRALIA 5YR	0.69%	0.03%
ITRAXX EUROPE 5YR	0.56%	0.04%
ITRAXX EUROPE XOVER 5YR	2.60%	0.13%
CDX US IG 5YR	0.56%	0.07%
CDX US HY 5YR	3.32%	0.36%

METRICS FOR THE UNDERLYING FUND#

The Underlying Fund's interest rate duration (IRD) and credit duration (CD) were largely unchanged over the month. The Underlying Fund's IRD ended January at 2.4yrs versus the benchmark of 2.4yrs. The Underlying Fund's CD of 3.6yrs versus the benchmark of 2.4yrs, reflects a constructive view on credit. As credit spreads drifted wider over the month, Artesian selectively deployed capital into segments where the Underlying Fund had been underweight for some time, including Australian bank Tier 2 subordinated bonds. In addition to spread widening, rising expectations of further interest rate increases from the RBA pushed interest rate curves higher. The combination of wider spreads and higher underlying rates has lifted outright yields to more compelling levels, improving forward return potential without materially increasing portfolio risk. This should help attract bid side demand once recent volatility subsides.

AS AT 28 TH FEBRUARY 2026	FUND	BENCH-MARK
INTEREST RATE DURATION	2.43	2.35
CREDIT DURATION	3.56	2.35
YIELD TO MATURITY	4.98%	4.38%
YIELD TO WORST	4.97%	4.38%
BLOOMBERG COMPOSITE RATING (weighted average)	A	AA+

*Using the Morningstar methodology for Average Credit Quality

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Another solid month of AUD labelled bond issuance, with a welcome pick up in corporate supply. Artesian recorded six new deals from five unique issuers, totalling AUD 6.05b.

ISSUER	Bond Type	Issue Date	Issue Size \$M	Fixed/Floating	Maturity
INTER - AMERICAN DEVELOPMENT BANK	Amazonia	9-Jan-26	1,000	Fixed	21-Jul-31

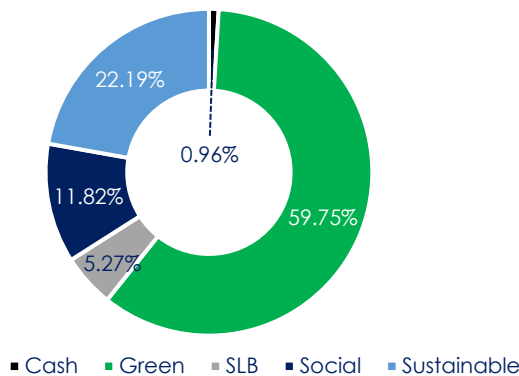
Issuer	IDB
Currency	AUD
Sector	Supranational
SDG Alignment	
Eligible Projects	<p>The proceeds will be allocated to projects such as:</p> <ul style="list-style-type: none"> Pillar 1: Employment, Education, Health Care, and Human Rights. Pillar 2: Sustainable Cities, Infrastructure, and Connectivity. Pillar 3: Bioeconomy and Creative Economy. Pillar 4: Sustainable Low Carbon-Emission Agriculture, Livestock, and Forestry. Pillar 5: Combating Deforestation and Strengthening Environmental Governance.

Inter-American Development Bank (IADB) is one of the leading sources of financing and knowledge for improving lives in Latin America and the Caribbean. The Bank conducts lending operations that focuses on agricultural, energy and transportation industries, as well as on poverty reduction, social equity, modernisation, integration, and environmental development. In January IABD announced a new 5.5yr AUD \$1b Amazonia social bond transaction.

"This first benchmark issuance under our \$1 billion Amazonia Bond Program shows how capital markets can support conservation and development at scale," said Ilan Goldfajn, president of the IDB Group. "Issuing this bond in Australian dollars underscores that protecting the Amazon is a global priority — and that investors around the world are willing to back it with long-term capital. The proceeds will support projects that protect the forest, strengthen local economies, and deliver measurable results, while providing a model that countries and institutions can use to develop their own Amazonia bond programs."

GREEN, SUSTAINABLE AND SOCIAL HOLDINGS#

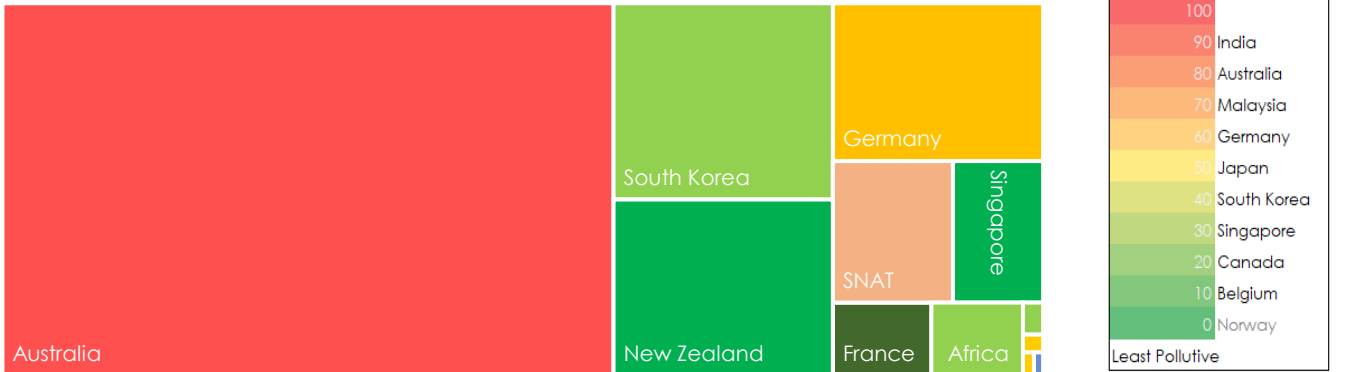
BOND TYPE





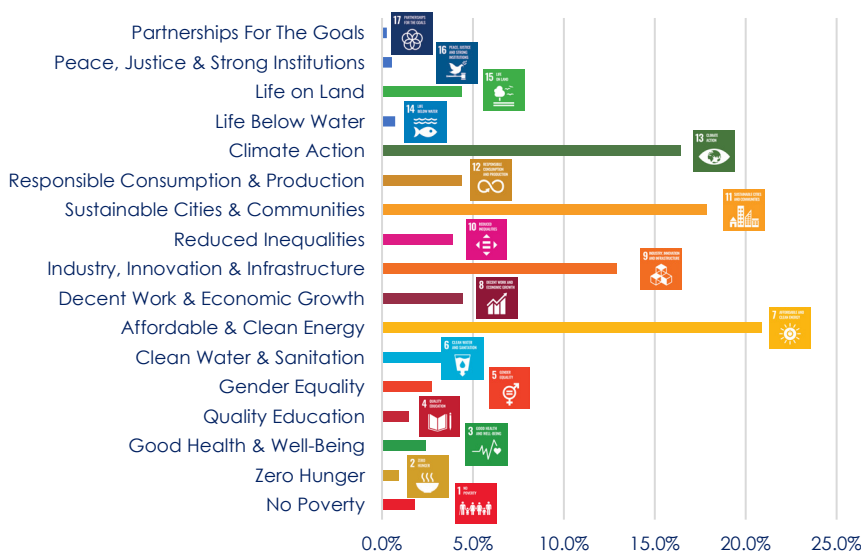
ALLOCATION OF FUNDS IN THE UNDERLYING FUND#

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 Artesian 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 55% of the Underlying Fund's targeted SDGs. The Underlying 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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