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ARTESIAN GREEN AND SUSTAINABLE BOND FUND (NZD)

MONTHLY REPORT: MARCH 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 p.a.	Since Inception p.a.
Artesian Green and Sustainable Bond Fund (NZD) Gross Return	-1.04%	-0.37%	1.76%	3.86%	5.04%
Artesian Green and Sustainable Bond Fund (NZD) Net Return*	-1.09%	-0.66%	0.51%	2.80%	3.91%
Artesian Green and Sustainable Bond Fund PIR Return (NZD)**	-1.09%	-0.53%	1.12%	3.36%	4.36%
Bloomberg AusBond Composite 0-5 Yr Index 100% Hedged to NZD	-0.81%	-0.44%	0.94%	2.80%	3.90%

*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	-0.92%	-0.04%	-0.38%	2.75%	4.36%	4.46%	3.98%	2.63%	2.84%
Net Fund Return	-0.96%	-0.16%	-0.62%	2.24%	3.84%	3.94%	3.47%	2.12%	2.32%
Bloomberg AusBond Composite 0-5 Yr Index	-0.65%	-0.05%	-0.33%	2.05%	3.19%	3.05%	2.67%	1.39%	1.27%
Active Return (net Fund return - benchmark)	-0.31%	-0.11%	-0.29%	0.20%	0.65%	0.89%	0.80%	0.73%	1.05%

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#

March was dominated by a sharp deterioration in the global macro backdrop as investors were forced to absorb an energy shock, rising geopolitical risk and a renewed inflation scare all at once. The key driver was the escalation of conflict involving Iran, which disrupted energy markets and pushed Brent crude as high as USD \$118 per barrel during the month. That oil shock quickly fed into stagflation concerns, with markets increasingly worried that higher energy prices would further squeeze household demand, slow growth and delay the easing cycle that many investors had expected coming into the year. Central bank expectations shifted materially over the month as energy prices complicated the inflation outlook. In the United States, markets moved away from near term easing as inflation remained sticky, while in Europe rising energy prices pushed March CPI to 2.5%, prompting a reassessment of the rate outlook. In Australia, the RBA raised the cash rate by 25bps to 4.1% and warned that persistent energy prices could push inflation higher again. The result was a repricing higher in bond yields and a broader increase in risk premia across both duration and cyclical assets.

The Underlying Fund's underperformance versus benchmark in March was driven by the overweight credit duration positioning (credit spreads were higher/wider) and overweight interest rate duration positioning (interest rates were higher/wider). The Underlying Fund's running yield of 5.42% versus the benchmark's 4.97%, had a positive contribution to this month's return.

Outperformance in March came from the Underlying Fund's positions in Export-Import Bank of Korea (Green), Woolworths (Sustainability-Linked), Housing Australia (Social), Australian Catholic University (Sustainable) and International Development Association (Sustainable). Underperformance came from the Underlying Fund's positions in Victoria Power Networks (Green), BPCE SA (Social), ANZ (Sustainable), Transpower (Green) and Contact Energy (Green).

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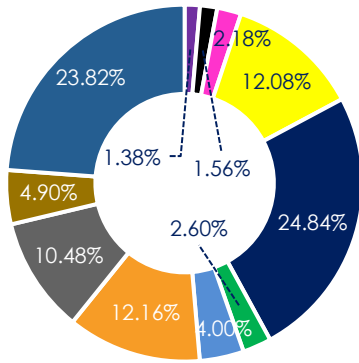
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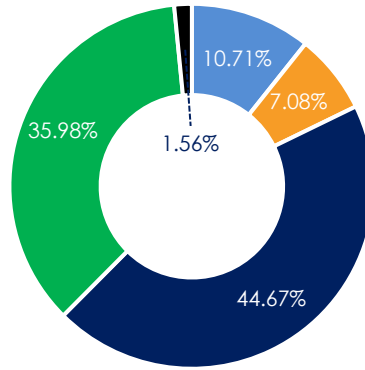
PORTFOLIO BREAKDOWN#

SECTOR BREAKDOWN



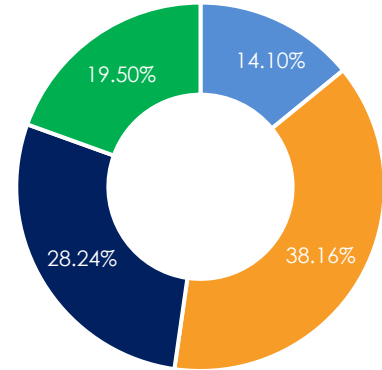
- Agencies
- Consumer Staples
- Financial
- Semi Government
- TMT
- Utilities
- Cash
- Educational Services
- Real Estate
- Supranational
- Transportation & Logistics

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 were under pressure throughout March. That said, the move in AUD spreads was relatively orderly and market liquidity generally held up despite the negative tone across risk assets. The spike in oil prices placed upward pressure on interest rate expectations, which in turn contributed to wider credit spreads. As the month progressed, ongoing headlines from the US and Iran, often delivered via their preferred social media channels, continued to unsettle markets, with hopes of a swift resolution fading quickly. Australian major bank senior spreads outperformed, widening by only 2bps, while Tier 2 bank spreads fared much worse, finishing 15bps to 25bps wider. In addition to being higher beta and less liquid, the Tier 2 complex was dealing with the aftermath of a record month of AUD subordinated issuance in February, with AUD 7.7b brought to market. As a result, dealers were already heavily stocked with bonds before the conflict escalated, making secondary market liquidity particularly challenging.

AS AT 31 ST MARCH 2026	PRICE	CHG ON MTH
ITRAXX AUSTRALIA 5YR	0.92%	0.23%
ITRAXX EUROPE 5YR	0.71%	0.16%
ITRAXX EUROPE XOVER 5YR	3.53%	0.93%
CDX US IG 5YR	0.63%	0.07%
CDX US HY 5YR	3.85%	0.53%

METRICS FOR THE UNDERLYING FUND#

The Underlying Fund's duration metrics changed only marginally over the month. The key development in March was the rise in interest rates, with 3yr Australian government bond yields peaking at approximately 4.95%, the highest level since 2011. Given the short duration nature of the Underlying Fund, this led to a meaningful increase in running yield, while the capital impact was significantly less than that experienced by longer duration strategies. With the Underlying Fund positioned roughly in line with benchmark duration, Artesian modestly increased interest rate duration during the month. The Underlying Fund entered the oil shock with no exposure to sectors most vulnerable to higher energy prices, including airlines, freight, chemicals, construction and emerging markets. Credit duration was maintained, and Artesian will look to opportunistically add credit where spreads move to levels that represent fair value. Artesian remains focused on maintaining a high credit quality portfolio, targeting an average rating of A.

AS AT 31 ST MARCH 2026	FUND	BENCH-MARK
INTEREST RATE DURATION	2.68	2.46
CREDIT DURATION	3.46	2.46
YIELD TO MATURITY	5.42%	4.85%
YIELD TO WORST	5.42%	4.85%
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 continuing pick up in corporate supply. Artesian recorded three new deals from three unique issuers, totalling AUD 2.25b.

ISSUER	Bond Type	Issue Date	Issue Size \$M	Fixed/ Floating	Maturity
SOUTH AUSTRALIAN FINANCING AUTHORITY	Sustainable	31-Mar-26	1,000	Fixed	21-Jul-31

Issuer	 South Australian Government Financing Authority
Currency	AUD
Sector	Semi-Government
SDG Alignment	
Eligible Projects	<p>The proceeds will be allocated to SAFA's expenditure towards projects that address one or more of the following five areas;</p> <ul style="list-style-type: none"> Socioeconomic advancement and empowerment & affordable housing Renewable energy Clean transportation, affordable basic infrastructure & pollution prevention and control.

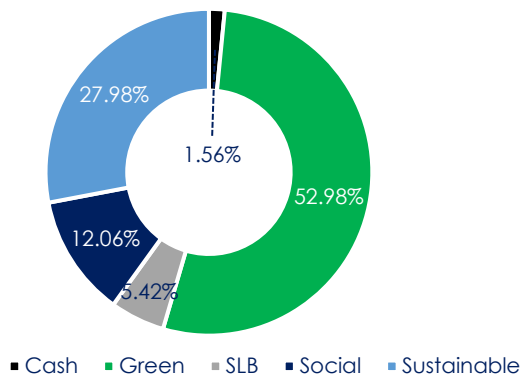
In February 2024, the South Australian Financing Authority (SAFA) had 10 of its existing bonds labelled as Sustainable.

SAFA intends to notionally allocate an amount equivalent to the net proceeds raised from the issuance of Sustainable Bonds to finance and/or refinance, in whole or in part, green and/or social expenditures that meet the eligibility criteria set out in their sustainable bond framework.

Since February 2024, all SAFA's bond issuance has been in Sustainable format. South Australia, Queensland, New South Wales, Victoria and Western Australia are the Australian states who issue in labelled bond format.

GREEN, SUSTAINABLE AND SOCIAL HOLDINGS#

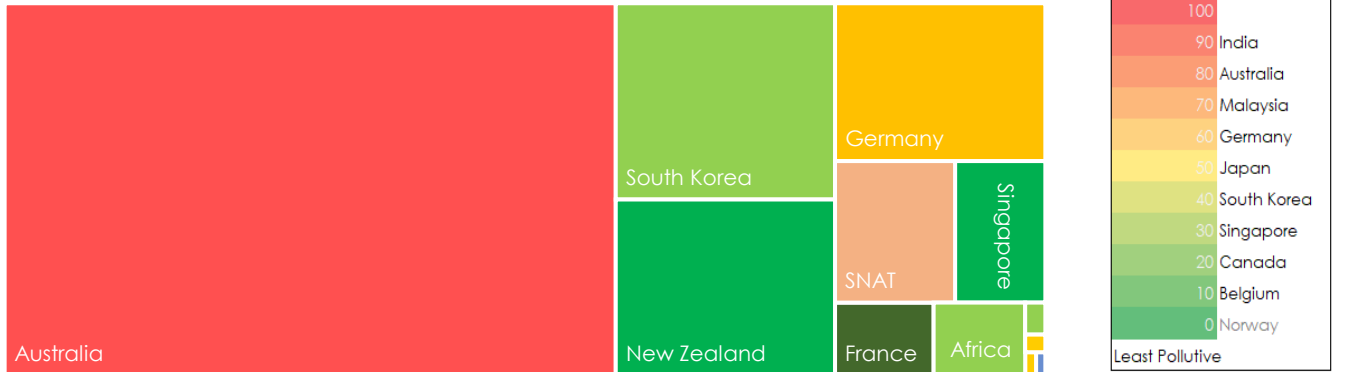
BOND TYPE





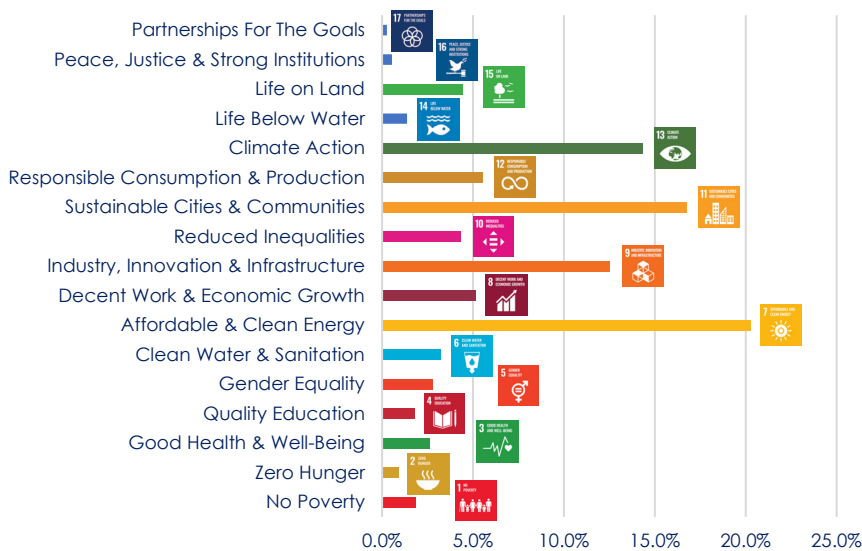
ALLOCATION OF FUNDS IN THE UNDERLYING FUND#

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 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 51% 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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