

ABOUT THE FUND

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.

In this document, we refer to the Artesian Corporate 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	Since Inception
Artesian Short Duration Corporate Bond Fund (NZD) Gross Return	0.42%	0.0%	0.0%	0.57%
Artesian Short Duration Corporate Bond Fund (NZD) Net Return*	0.36%	0.0%	0.0%	0.45%
Artesian Short Duration Corporate Bond Fund PIR Return (NZD)**	0.36%	0.0%	0.0%	0.45%
Bloomberg AusBond Composite 0-3 Yr Index 100% Hedged to NZD	0.61%	0.0%	0.0%	0.44%

*Artesian Short Duration Corporate 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 Short Duration Corporate Bond Fund (NZD) is 15 April 2026.

**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.

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	0.60%	1.00%	2.51%	5.75%	6.53%	7.21%	6.60%	4.88%	4.88%
Net Fund Return	0.54%	0.81%	2.13%	4.97%	5.74%	6.41%	5.80%	4.09%	4.09%
Bloomberg AusBond Composite 0-3 Yr Index	0.78%	0.78%	1.30%	2.48%	3.95%	3.76%	3.30%	2.09%	2.11%
Active Return (net Fund return - benchmark)	-0.24%	0.03%	0.83%	2.49%	1.79%	2.65%	2.50%	2.00%	1.98%

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 Corporate Bond Fund (AUD) is 13 February 2017.

PORTFOLIO UPDATE#

May was dominated by the continued inflationary impact of higher energy prices and geopolitical tensions in the Middle East. The RBA raised the cash rate for a third time this year to 4.35%. Interest rates have now returned to the level seen in February 2025, before the RBA commenced its rate cutting cycle, therefore the previous easing cycle has now been fully unwound. In Europe, the ECB moved closer to renewed policy tightening as eurozone inflation accelerated above target, with a rate rise in June now appearing increasingly likely. The increase in inflation was driven by a 10.9% rise in energy costs and an unexpectedly sharp acceleration in services inflation to 3.5% from 3.0%. In the United States, the Fed maintained interest rates but adopted a more hawkish tone as inflation remained persistent. Against this backdrop, growth indicators began to soften across developed economies, leaving central banks increasingly challenged as they attempt to balance slowing growth with elevated inflation.

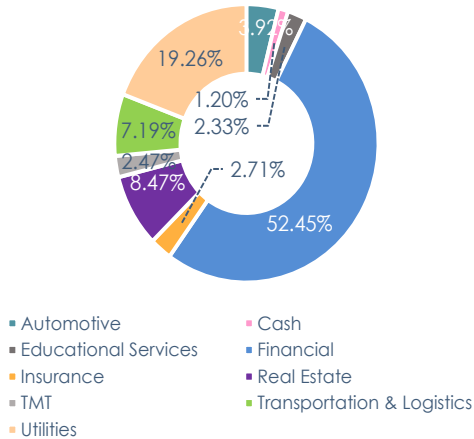
Outperformance in May came from the Underlying Fund's positions in National Australia Bank, HSBC Holdings, Investa Commercial Property Fund (Green), Caixabank SA and BPCE SA. Underperformance came from the Underlying Fund's positions in Commonwealth Bank of Australia, ENBW, Westpac, Contact Energy and AGI Finance.

Devon Funds Management Limited

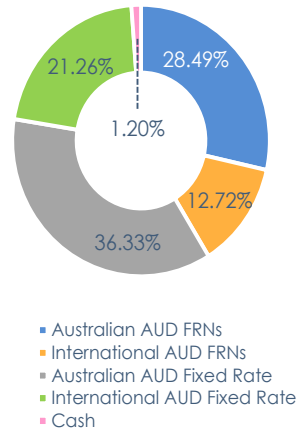
Level 17, HSBC Tower, 188 Quay Street, Auckland 1010
 PO Box 105 609, Auckland 1143
 Telephone: 0800 944 049 (free call) or +649 925 3990
 enquiries@devonfunds.co.nz

PORTFOLIO BREAKDOWN#

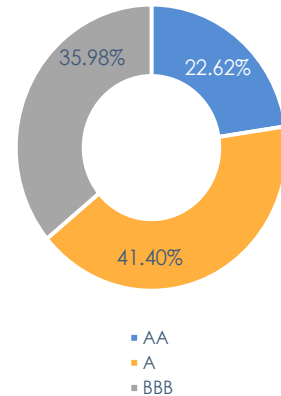
SECTOR BREAKDOWN



REGION & PRODUCT



CREDIT RATING



CREDIT SPREADS#

Global credit spreads performed well in May, although the AUD market underperformed its international peers. On average, Australian dollar investment grade credit spreads widened by 1bp to 106bps. In comparison, euro-denominated spreads tightened by 2.5bps to 79bps, while US dollar spreads tightened by 6bps to 72bps. The relative underperformance of the AUD market appeared to be more technical than fundamental in nature. A significant increase in new issuance provided investors with ample opportunities in the primary market, reducing the need to chase spreads tighter in secondary markets. Australian major bank Tier 2 spreads with a <5yr call date were largely unchanged month on month. However, 10yr call date Tier 2 continue to underperform and widened 13bps on the month. This also led to a further inversion between the 10yr and 20yr parts of the Tier 2 curve. That spread now stands at 23bps which is the steepest it has ever been since the first 20y was issued in August last year.

AS AT 31 ST MAY 26	PRICE	CHG ON MTH
ITRAXX AUSTRALIA 5YR	0.72%	-0.05%
ITRAXX EUROPE 5YR	0.53%	-0.06%
ITRAXX EUROPE XOVER 5YR	2.59%	-0.34%
CDX US IG 5YR	0.50%	-0.04%
CDX US HY 5YR	3.00%	-0.30%

METRICS FOR THE UNDERLYING FUND#

Although the Underlying Fund's metrics did not change materially month-on-month, Artesian remained highly active across both primary and secondary markets, as both the labelled and non-labelled bond market continued to present attractive opportunities in new issuance. Investor demand remained healthy throughout the month, supporting elevated levels of primary market activity. The rally in Australian government bond yields was particularly notable in May, with yields declining by approximately 20bps across the curve. While this provided a positive tailwind to May's returns, it also resulted in the Underlying Fund's running yield declining by 12bps to 5.60%. With economic data in Australia beginning to soften, combined with elevated interest rate levels following the RBA's three rate hikes this year, the risk-reward balance now appears increasingly supportive of gradually adding duration on any future spikes in yields.

AS AT 31 ST MAY 26	FUND	CHG ON MTH
INTEREST RATE DURATION	0.62	-0.04
CREDIT DURATION	4.01	0.16
YIELD TO MATURITY	5.65%	-0.11%
YIELD TO WORST	5.60%	-0.12%
BLOOMBERG COMPOSITE RATING (weighted average)*	A	A

*Using the Morningstar methodology for Average Credit Quality

Devon Funds Management Limited

Level 17, HSBC Tower, 188 Quay Street, Auckland 1010
 PO Box 105 609, Auckland 1143
 Telephone: 0800 944 049 (free call) or +649 925 3990
 enquiries@devonfunds.co.nz

NEW ISSUES

Another exceptionally strong month of new issuance in the AUD corporate bond market, as the market continues to go from strength to strength. During the month, Artesian recorded 35 new deals from 24 unique issuers, representing total issuance volume of AUD 24.1 billion.

ISSUER	Issue Date	Issue Size \$M	Fixed/Floating	Maturity	Next Call	Credit Spread EFP/BBSW	Month End Bid Spread	Net Change
NATIONAL AUSTRALIA BANK	6-May-26	1,000	Fixed	12-May-41	12-May-36	1.58%	1.50%	-0.08%
CAIXA BANK	14-May-26	600	Float	26-May-31	-	1.07%	0.99%	-0.08%
HSBC HOLDINGS	19-May-26	400	Fixed	26-May-37	26-May-36	1.52%	1.45%	-0.07%

NOTES

#In this document, we refer to the Artesian Corporate Bond Fund (AUD) as the Underlying Fund. In most sections of this document, the metrics shown are taken from the Underlying Fund. We have signalled these sections with an 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.

Devon Funds Management Limited, its directors, employees and agents believe that the information herein is correct at the time of compilation; however they do not warrant the accuracy of that information. Save for any statutory liability which cannot be excluded, Devon Funds Management Limited further disclaims all responsibility or liability for any loss or damage which may be suffered by any person relying upon such information or any opinions, conclusions or recommendations herein whether that loss or damage is caused by any fault or negligence on the part of Devon Funds Management Limited, or otherwise. This disclaimer extends to any entity which may distribute this publication and in which Devon Funds Management Limited or its related companies have an interest. We do not disclaim liability under the Fair Trading Act 1986, nor the Consumer Guarantees Act 1993, to the extent these Acts apply. This document is issued by Devon Funds Management Limited. It is not intended to be an offer of units in any of the Devon Funds (the 'Funds'). Anyone wishing to apply for units will need to complete the application form attached to the current Product Disclosure Statement (PDS) which is available at www.devonfunds.co.nz. Devon Funds Management Limited, a related company of Investment Services Group Limited, manages the Funds and will receive management fees as set out in the PDS. This document contains general securities advice only. Past performance is no guide to future returns. In preparing this document, Devon Funds Management Limited did not take into account the investment objectives, financial situation and particular needs ('financial circumstances') of any particular person. Accordingly, before acting on any advice contained in this document, you should assess whether the advice is appropriate in light of your own financial circumstances or contact your financial adviser. No part of this document may be reproduced without the permission of Investment Services Group.

Devon Funds Management Limited

Level 17, HSBC Tower, 188 Quay Street, Auckland 1010
 PO Box 105 609, Auckland 1143
 Telephone: 0800 944 049 (free call) or +649 925 3990
enquiries@devonfunds.co.nz