



Artesian Funds Scheme

Other Material Information (OMI)

ISSUER: DEVON FUNDS MANAGEMENT LIMITED

ARTESIAN GREEN AND SUSTAINABLE BOND FUND (NZD)

ARTESIAN SHORT DURATION CORPORATE BOND FUND (NZD)

8 APRIL 2026

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1 Introduction

This Other Material Information document (**Document**) is an important document which relates to other material information, for the offer of units in the Artesian Green and Sustainable Bond Fund (NZD) and the Artesian Short Duration Corporate Bond Fund (NZD), together the 'Artesian Funds' or the 'Funds', that is not contained in the Product Disclosure Statement (**PDS**) or other documents that are available on the Register at www.business.govt.nz/disclose.

This Document has been prepared to meet the requirements of section 57(1)(b)(ii) of the Financial Markets Conduct Act 2013 (**FMC Act**) and clause 52 of Schedule 4 of the Financial Markets Conduct Regulations 2014. All legislation referred to in this Document can be viewed at www.legislation.govt.nz.

Devon Funds Management Limited is the Manager of the Artesian Funds Scheme and is referred to as "**Devon**", "**we**", "**us**" or "**our**" in this Document. Capitalised words that appear in this Document have the same meaning as given to them in the disclosure documents for the Artesian Funds, unless they are otherwise defined. Any reference to "**you**" or "**your**" refers to a person or entity who invests in a Fund.

Artesian Corporate Bond Pty Ltd. (**Artesian**) is the Investment Manager of the Artesian Green and Sustainable Bond Fund (AUD) and Artesian Corporate Bond Fund (AUD), into which the Funds invest (**Underlying Funds**).

Artesian is an alternative investment management company that was part of ANZ Banking Group's capital markets business until 2004 when it became a standalone business. Artesian is wholly owned by its directors and employees. Since 2004, Artesian has managed specialised funds focused on credit arbitrage and relative-value strategies across global financial markets. Artesian has offices in Sydney, Melbourne, Adelaide, Singapore, Shanghai, London and New York and leverages its global relationships, risk systems, knowledge and research with the aim of delivering above market returns for investors.

ESG factors are considered by Artesian to be fundamental to Artesian's business, for example:

- Artesian are a signatory to the United Nations supported Principles for Responsible Investment (PRI). The PRI provides global principles and a framework to help Artesian integrate the consideration of ESG issues into their investment decision-making and portfolio construction framework. As part of this process Artesian report annually to the PRI on their adherence to these policies. Further information can be found on the PRI website: <https://www.unpri.org/signatory-directory/artesian-capital-management-pty-ltd-/4140>. article
- Artesian has also been certified as a B Corporation. Certified B Corps are a community of companies seeking to meet the highest standards of social and environmental performance. They have all submitted to a rigorous assessment process, and are required to adhere to measures of transparency and accountability. Further information can be found on the B Corporation website: <https://www.bcorporation.net/en-us/find-a-b-corp/company/artesian-capital-management-lp>

2 More information about the Funds and how they work.

The Artesian Funds are governed by the Trust Deed dated 18 March 2026 and are invested in accordance with the Artesian Funds Scheme Statement of Investment Policy and Objectives (SIPO) dated 2 April 2026. The Funds are established within a managed investment scheme under the FMC Act, Scheme number (Scheme).

At the date of this Document, the Scheme comprises of two investment Funds, as described in the Artesian Funds Scheme PDS.

You can review a copy of the Trust Deed, Conditions of Establishment, SIPO and PDS by contacting us or electronically at www.business.govt.nz/disclose.

Fund Name	Date of Establishment	Date of Commencement
ARTESIAN SHORT DURATION CORPORATE BOND FUND (NZD)	March 2026	April 2026
ARTESIAN GREEN AND SUSTAINABLE BOND FUND (NZD)	December 2022	June 2023

3 More information about those involved.

The Manager

Devon is the Manager of the Funds. We are responsible for:

- offering the units in each Fund;
- issuing the units in each Fund;
- managing the Scheme property and investments of each Fund; and
- administering each Fund.

We may authorise another person or persons to act as our delegate to perform any act, or exercise any discretion, within our power, including appointing investment managers, administration managers, investment advisers and experts.

In exercising or performing any of our duties as Manager, we must:

- act honestly in our capacity as Manager of the Funds;
- act in the best interests of Scheme participants;

- treat Scheme participants equitably;
- not make use of information acquired through being Manager to gain an improper advantage for ourselves or any other person or cause detriment to the Scheme participants;
- carry out the function of Manager in accordance with the governing document of the Scheme, the SIPO and all other 'issuer obligations'; and
- exercise the care, diligence and skill that a prudent person engaged in that profession would exercise in the same circumstances.

We are a registered financial services provider, FSP1581. The Financial Markets Authority (**FMA**) has granted us a licence under the FMC Act, effective 30 November 2015, as a Manager of a registered scheme (other than a restricted scheme). The licence is subject to standard licence conditions that apply to all other managers of managed investment schemes. Further information about this licence can be found on the FMA's website, www.fma.govt.nz.

Additional information on Devon, our current directors and our staff can be found on our website, www.devonfunds.co.nz.

The Supervisor

The Supervisor of the Funds is The New Zealand Guardian Trust Company Limited (**Supervisor**).

The Supervisor has been granted a full licence under the Financial Market Supervisors Act 2011 to act as a supervisor of a managed investment scheme. The licence expires in March 2028 and is subject to reporting conditions.

The current names of the Supervisor's directors and its address may be obtained from the Companies Office website www.business.govt/companies or by phoning the Supervisor on 0800 683 909. The Directors may change from time to time without notice to you.

The Supervisor is responsible for the following functions:

- supervising the Manager's performance of its functions and its issuer obligations;
- supervising the financial position of the Manager and the Funds to ascertain their adequacy;
- acting on behalf of investors in relation to the Scheme and the Manager;
- reporting to FMA any contravention, or likely contravention, of a manager or issuer obligation;
- holding the Funds' property, or ensuring that it is held, in accordance with the FMC Act; and
- performing or exercising any other functions, powers, and duties conferred or imposed on the Supervisor by or under the FMC Act.

A Management Agreement between Devon and the Supervisor dated (as amended from time to time) sets out the arrangements between Devon and the Supervisor in relation to certain operational matters relating to the Scheme and the Funds. The Management Agreement specifies the reporting and information to be provided by Devon to the Supervisor and the requirements for record keeping.

Nothing in the Management Agreement limits or alters the powers of the Supervisor or Devon's duties under the trust deed and applicable law.

The Custodian

The Supervisor holds the scheme property of the Artesian Green and Sustainable Bond Fund (NZD) and Artesian Short Duration Corporate Bond Fund (NZD), by holding the units in the Underlying Funds into which those Funds invest.

4 Material contracts.

In addition to the Artesian PDS, SIPO, Trust Deed and Deeds of Establishment (as disclosed on the Disclose website at www.business.govt.nz/disclose), the following contract details are material.

Administration Services Agreement

We have entered into a service agreement with Apex Investment Administration (NZ) Limited (**Apex**), dated September 2016, who provide a range of administrative services in respect of the Funds including registry, unit pricing and fund accounting. Under the services agreement Apex is indemnified against any cost, loss, expenses and liability that they suffer or incur as a result of entering into or incurring any obligation or liability in the proper performance of its powers or obligations except to the extent that such cost, loss expense or liability was caused or contributed to (whether directly or indirectly) by the fraud, negligence or default of Apex or of its directors, officers, employees or agents.

Fund Hosting Agreement

We have entered into a Fund Hosting Agreement with Artesian Corporate Bond Pty Ltd, dated 21 April 2023, as updated from time to time. This agreement sets out the respective rights and obligations of both parties in respect of the establishment, management, and distribution of the Funds. Under this agreement, Devon acts as the Manager and Distributor of the Funds, while Artesian is appointed as the Investment Manager. The agreement also sets out the framework for key operational matters, including the preparation and approval of Disclosure Documents, the use of branding and intellectual property, fee arrangements, and the limits on liability and indemnities for both parties.

5 Taxation

This section briefly summarises the taxation regime current at the date of this Document. It is intended as a general guide only. All unit holders have different taxation positions and you should seek your own tax advice prior to investing. The comments are not exhaustive and are based on legislation as at the date of this Document. Tax law is complex, changes frequently, and its application is fact specific.

Portfolio Investment Entities

The Funds operate under the portfolio investment entity (**PIE**) regime.

Under the PIE regime, taxable income, losses and tax credits related to a Fund, will be attributed to you in accordance with the proportion of your interest in that Fund. The income attributed to you will be taxed at your prescribed investor rate (**PIR**), which is capped at 28%. We will pay tax on your behalf and undertake any necessary adjustments to your interests in a Fund in order to comply with the PIE tax requirements.

At the date of this Document, if you are a natural person investor and a New Zealand tax resident, you will have a PIR of 10.5%, 17.5% or 28%. To qualify for a 10.5% or 17.5% PIR, you must supply a valid IRD number and meet the Inland Revenue criteria set out at www.ird.govt.nz/pirin relation to either of the previous two tax years.

If you are a natural person investor and do not qualify for the above 10.5% or 17.5% PIR, you will have a PIR of 28%. The PIR of a company, a managed investment scheme and charity investors will be 0% unless that investor does not provide a valid IRD number or notify its PIR to us in which case a PIR of 28% will apply.

New Zealand resident trustees (other than trustees of managed investment schemes and charitable trusts) will have a PIR of 0% unless the trustees elect a 17.5% or 28% PIR. A testamentary trust (i.e. a trust created through a will) may also elect a 10.5% PIR. If a trust fails to provide a valid IRD number or notify its PIR to us it will default to a 28% PIR. If a 0%, 10.5%, or 17.5% PIR applies, the trust must account for PIE income within its own tax return (at the appropriate rate of tax depending upon whether taxable income is treated by the trust as trustee or beneficiary income) and claim a credit for any tax already paid by a Fund.

If the trust elects a 28% PIR this will be a final tax and the trust will not include the income in its tax return. We recommend trustees seek independent tax advice before electing a PIR rate.

If you are a New Zealand non-resident, you will have a PIR of 28%. You will not be able to elect for a lower PIR to be applied. If you are a non-resident investor you are advised to seek your own professional tax advice.

If you are a joint investor you will be taxed at the highest of the joint PIRs.

Other taxation information

Generally, provided you advise us of the correct PIR each year, tax paid by a Fund on income attributed to you will be a final tax. If your PIE income is taxed at a higher PIR and you are eligible for a lower PIR but have not advised us of this, you will generally not be able to receive a refund of the overpayment. Additionally, if you have advised us that you are eligible for a lower PIR, and this is incorrect (i.e. you are only eligible for a higher rate), you may be liable to the IRD for further tax and penalties and have to file a tax return.

You should advise us of your PIR when you make an application to become a unit holder in a Fund. You should also advise us of any changes to your PIR. If you do not advise a PIR or do not provide a valid IRD number, we will apply the higher tax rate. You will be asked to reconfirm your PIR at least once a year.

The IRD can instruct us or the Supervisor to apply a different PIR to the one notified by you.

If there is a tax loss or there are excess tax credits allocated to a Fund for a period, these will generally be available to unit holders with a PIR greater than 0% in the form of a tax credit. Unit holders with a 0% PIR can claim their share of the loss or excess credits in their own tax return.

We intend to reflect PIE tax or credits by redeeming or issuing units to you or other unit holders.

Where we reasonably determine that the continued holding of units by you may contribute to a Fund ceasing to be eligible to be a PIE, we may require or deem you to give or have given a redemption notice in respect of such holding.

Upon your full or partial withdrawal (including by switching) from a Fund, any tax liability on income allocated to you will be satisfied by cancellation of units at the time of the withdrawal or switch.

Tax deducted from you will be held in an interest bearing bank account outside the Funds until payment is made to IRD, and will not be included in the calculation of any Fund values. Any interest earned on this money, less any costs incurred in operating the account, will be returned to the Funds on such equitable basis as we agree with the Supervisor from time to time.

Taxation of investments

As each Fund is a PIE whose underlying assets are primarily debt securities, taxable income on the underlying assets is calculated using the Comparative Value method, which taxes investors on their actual gain (or loss) each year from the Underlying Funds.

Other income of the Funds will be subject to the relevant normal tax rules. Tax may be imposed in overseas jurisdictions in relation to overseas investments (although this may give rise to a tax credit in New Zealand). Distributions payable to you as a unit holder will not be separately taxable.

6 Fees and Expenses

The total annual fund charge payable by an investor is detailed in the PDS.

We and the Supervisor may also recover expenses from the Funds. Expenses chargeable to the Funds include brokerage, accounting fees, legal fees, valuation fees, audit fees, Supervisory fees, FMA levies and any other costs incurred by us in administering the Funds. We have assumed that these fees and costs will not materially alter from year to year.

The estimated management and administration charges do not include any extraordinary expenses as permitted by the

Trust Deed. All charges are deducted from the Funds and reflected in the Funds unit price. Actual fund charges for the previous twelve (12) months are available in the latest Fund Updates.

We do not currently impose, nor intend to introduce, any performance fees in the Funds. Under the terms of the Trust Deed we may do so. If Devon invests in other funds, those funds may charge fees, including performance fees. These fees are included in the total annual fund charges in the PDS. We may agree with our Supervisor to vary or introduce new fees at any time, subject to the provisions set out in the Trust Deed. Further information on GST can be found on the IRD website: www.ird.govt.nz.

Fees charged by the Funds for the ongoing management and administration of your investment will be treated as tax deductible expenditure. These fees will be deducted from your PIE income to calculate the tax payable and will be detailed on your annual tax statement.

Details of any Manager, Supervisor or other fees deducted from the Funds will be included in the annual financial statements for the Funds.

Buy/Sell Spreads

The cost of buying or selling investments can change as market conditions change. The costs are more likely to move significantly when markets are stressed. Therefore, spreads may increase or decrease at any time, without notice to you.

Buy/sell spreads are not a fee and they are not paid to us or to Artesian. They cover transaction costs that each Fund is expected to incur when it transacts. Any difference between spread costs charged and transaction costs incurred remain in the Funds and is reflected in the Funds' investment returns. For more information on spreads see the PDS, section 5 'What are the fees?' or contact us at enquiries@devonfunds.co.nz or 0800 944 049.

7 Other risks.

You should appreciate that there are always inherent risks in investing and there can be no guarantee that the objectives of a Fund will be achieved.

The Artesian Funds Scheme PDS sets out the general investment risks that we consider applicable to the Funds and contains a risk indicator.

We have set out below what we consider to be the general risks associated with investing in addition to those set out in the PDS. We consider these risks to be broad and have therefore excluded them from our PDS. Before investing, you should carefully consider these risks which may adversely affect investment returns, and your ability to recover money invested in the Funds.

We recommend you seek independent financial advice before investing in the Funds.

- **Inflation risk** – is the risk that your investment in the Fund may not keep pace with Inflation. Broadly, this means prices may increase by more than the value of your investment in the Fund. If this risk eventuates, you would not be able to buy as much with the value of your investment in the Fund as you could now.
- **Default risk** – is the risk that an issuer of a security in which the Fund has invested will not pay the interest and/or repay the principal of a security in which the Fund has invested. This risk is generally greater for issuers with lower credit ratings but may reduce your return on units in the Fund.
- **Volatility risk** – generally the higher the potential return for the Fund from an investment, the higher the risk, and the greater the chance of substantial fluctuation in returns (including the possibility of losses) that may occur over time (especially over shorter periods of time).
- **Liquidity risk** – refers to the potential illiquidity of the Fund's investments, where the Fund might not be able to realise the value of those investments at the time we or a unit holder chooses.
- **Fund risk** – this is the risk that a fund in which a Fund has invested could terminate, the fees and expenses for the fund could change, or key investment professionals involved in selecting investments for the fund could change. There is also the risk that investing in a fund may give different results than investing directly.
- **Insolvency risk** – an asset in which the Fund has invested may become insolvent and therefore have an adverse effect on performance of the Fund and the value of your units.
- **Changes to law and other statutory restrictions** – changes to laws (New Zealand and offshore) or their interpretation, including taxation rates, taxation laws and corporate regulatory laws could have a negative impact on the returns you receive from the Fund.
- **Leverage risk** – is the risk that arises with the use of derivatives to obtain or reduce market exposures. Derivatives, such as futures and options, are financial instruments whose value is derived from actual underlying assets. Futures and options can be used to offset the risk of price variations in securities or as an alternative to buying the underlying security. Futures and options can also be used in the management of currency and to seek to take advantage of any opportunities for profit which may exist in the market from time to time. Gains and losses are greater on leveraged positions than unleveraged positions.
- **PIE status** – if PIE status is lost a Fund would be taxed as a company rather than under the PIE regime (and the tax treatment of unit holders in the Fund would differ accordingly). This would mean that your returns from the Fund may decrease as it would be taxed at a higher rate.

8 Conflicts of interest.

Our directors, employees and other associated persons may choose to invest in the Funds. Devon has in place a Conflicts of Interest Policy to manage potential or actual conflicts of interest in a way that is fair to investors. This policy provides the process to identify, declare and monitor a potential conflict of interest.

The FMC Act imposes statutory duties on us as the Manager of the Funds to manage conflicts of interest:

- we must in performing any duties or exercising any powers, exercise the care, diligence and skill that a prudent person engaged in that profession would exercise in the circumstances; act honestly in acting as a manager; act in the best interests of investors; and treat investors equitably.
- where we delegate out some or all of our functions as manager to other parties, we must ensure that those functions are performed in the same manner, and subject to the same duties and restrictions, as if we were performing them directly. We must also monitor the performance of those functions.

We have built these statutory controls into our internal compliance processes and procedures.

We will not enter into transactions with related parties who may benefit from those arrangements, except as agreed with our Supervisor and as permitted under the provisions of the FMC Act.

The only related party currently involved in this offer is Devon's parent, ISG, who provides investment administration and investment operation services for the Funds. ISG receives a portion of the total fund charge collected from the Funds to cover its services.

9 Information on market indices.

The Funds' returns are measured against appropriate market indices as set out in the SIPO and the PDS. The use of a market index can assist investors to compare the Funds' returns.

The Funds and website links to their respective market index are listed below:

- Artesian Green and Sustainable Bond Fund (NZD): Bloomberg AusBond Composite 0-5 Yr
<http://www.bloomberg.com/quote/BACR05:IND>
- Artesian Short Duration Corporate Bond Fund (NZD): Bloomberg AusBond Composite 0-3 Yr
<http://www.bloomberg.com/quote/BACR03:IND>

10 Financial statements and auditor's report.

The Funds' balance date is 31 March each year and financial statements for the most recent accounting period will be uploaded to the Scheme Register by 31 July of that year.

The Funds' financial statements will be audited by a qualified auditor, currently PriceWaterhouseCoopers (PwC). The auditor's report on the financial statements will accompany the financial statement upload to the Scheme Register each year.

We provide a copy of the financial statements to investors. The most recent financial statements are available on our website, www.devonfunds.co.nz or on the disclose register www.business.govt.nz/disclose.

11 No guarantee.

None of the Manager, the Supervisor, their respective directors or any other person guarantees any particular return nor the repayment of your investment in the Funds.

Directory.

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