

# DEVON FUNDS.

For the informed investor.

## MONTHLY REPORT: MARCH 2024

### Still in charge

By Greg Smith, Head of Retail at Devon Funds.

Globally, March was a robust month for markets. The US indices performed strongly once again, although were outdone by Japan's Nikkei, and also the FTSE100 as the UK recession proved a shallow one, and the Bank of England signalled rate cuts were imminent. Other major central banks largely stayed on hold (apart from Japan which signalled the end of its negative interest rate policy) but many also flagged that rate cuts were on the horizon, even if the exact proximity remained up for debate. Markets in NZ and Australia (the ASX200 hit an all-time high) performed strongly, with the RBNZ and RBA both displaying somewhat less hawkish tendencies.

All three major averages in the US notched their fifth straight winning month, capping off a very strong start to the year. The S&P500 surged 10.2% for its best quarter since 2019, with the most record closes (two out of every five trading days) in over a decade. The Nasdaq rose 9.1%, while the Dow jumped 5.6% over the quarter. Key factors included a resilient economy (also reflected in a strong earnings season), falling inflation (despite pockets of persistence) and a Fed prepped for rate cuts (without providing a firm timeline).

For the month the Dow rose 2.1%, the Nasdaq gained 1.8%, while the S&P500 surged 3.2%. The respective gains show that the rally which has been powered by super-cap AI-related names, while still powerful, is not as influential as it was. While Nvidia was up around 10% (and 80% for the quarter), the Nasdaq100 was fairly flat. While some super-caps have been strong (Microsoft and Nvidia made record highs during the month), other constituents have been less than "Magnificent". Tesla fell nearly 30% in the...[READ MORE](#)

### MARKET INDICES

Index	Region	Monthly Return 1 Yr. Return	
S&P/NZX50G	NZ	3.1%	1.9%
S&P/ASX200G	AUSTRALIA	3.3%	14.4%
MSCI World Index	GLOBAL	3.3%	25.7%
S&P500	USA	3.2%	29.9%
FTSE100	UK	4.8%	8.4%
NIKKEI 225	JP	3.8%	46.6%
NZ 90 Day Bank Bill	NZ	0.5%	5.7%
Bloomberg Global Aggregate Index (NZD)	GLOBAL	0.9%	3.8%

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### AT A GLANCE

Prices as at 31 March 2024

DEVON ALPHA FUND	\$2.3805
DEVON AUSTRALIAN FUND	\$1.7918
DEVON DIVERSIFIED INCOME FUND	\$1.4617
DEVON DIVIDEND YIELD FUND	\$1.9204
DEVON GLOBAL IMPACT BOND FUND	\$1.3755
DEVON GLOBAL SUSTAINABILITY FUND	\$1.8985
DEVON TRANS-TASMAN FUND	\$4.8993
DEVON SUSTAINABILITY FUND	\$3.3929
ARTESIAN GREEN & SUSTAINABLE BOND FUND	\$1.0485

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# DEVON ALPHA FUND

## FUND OUTLINE

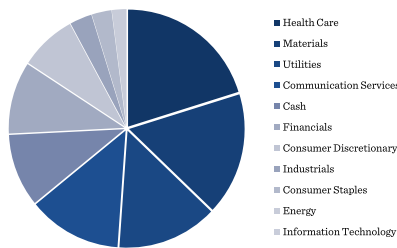
The **Alpha Fund** invests in a concentrated portfolio of approximately 10 to 15 select companies predominantly listed on the NZ and Australian share markets.

The Fund does not follow any index, is actively managed and aims to generate capital growth over the long term. Currency exposure is actively managed.

## KEY HOLDINGS



## ASSET ALLOCATION



## ALLOCATION

New Zealand Equities	17.0%	Cash	10.1%
Australian Equities	72.9%	Total	100.0%
Currency Hedge	67.1%		

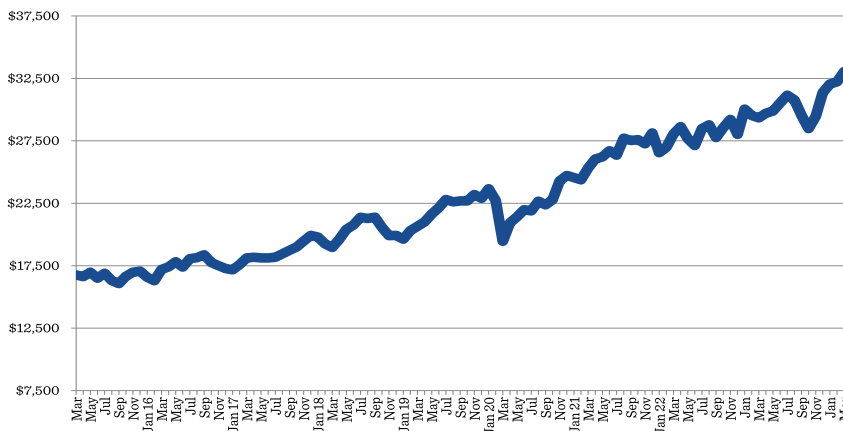
## PERFORMANCE

	1 Mth	3 Mth	1 Yr	3 Yr p.a	5 Yr p.a	Since Inception
Devon Alpha Fund	2.6%	5.4%	12.7%	9.3%	9.9%	9.3%
OCR + 5%	0.9%	2.6%	10.9%	5.8%	3.7%	2.4%

Devon Alpha Fund returns are after all fees and expenses, but before tax which varies by investor.  
\*The benchmark for Alpha changed to OCR + 5% from 1 September 2022

## NET PERFORMANCE

Based on \$10,000 invested at 1 January 2011



NOTE: Further information on the Devon Alpha Fund can be found in our Quarterly Fund Updates by visiting <https://devonfunds.co.nz/alpha-fund> or by clicking [HERE](#)

## COMMENTARY

The Alpha strategy generated a solid month of performance in March with most of our investments making positive contributions. Some of the most notable were Light & Wonder which rallied 6.1% and Santos whose shares closed up 9.5%. New Zealand power business, Contact Energy, also performed well, generating a return of 7.2%. We have been investors in Contact for a long time and we were encouraged to receive an update during the month regarding progress at Tauhara, their geothermal development outside of Taupo. The company announced that commissioning activities are expected to commence imminently, and that power station testing could begin in late May. Management have maintained their expectation that Tauhara will be online in Q3 2024 with an initial capacity of 152MW. This is an important project for the company, as they look to decarbonise their generation portfolio whilst rewarding shareholders with improved margins and returns.

## PORTFOLIO MANAGER

Slade Robertson



Slade has primary responsibility for stock selection and portfolio construction for the Alpha, Australian and Diversified Income funds. Slade is also the Managing Director at Devon and has overall responsibility for the business. Slade has over 20 years' industry experience.

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## DEVON TRANS-TASMAN FUND

### FUND OUTLINE

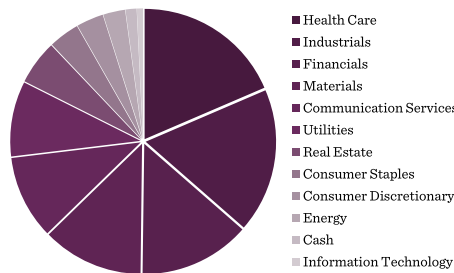
The **Trans-Tasman Fund** provides a broad and actively managed exposure to the New Zealand and Australian equity markets.

This Fund invests in a select portfolio of well researched companies, which are primarily New Zealand and Australian listed companies. The Australian dollar currency exposure is typically unhedged.

### KEY HOLDINGS



### ASSET ALLOCATION



### ALLOCATION

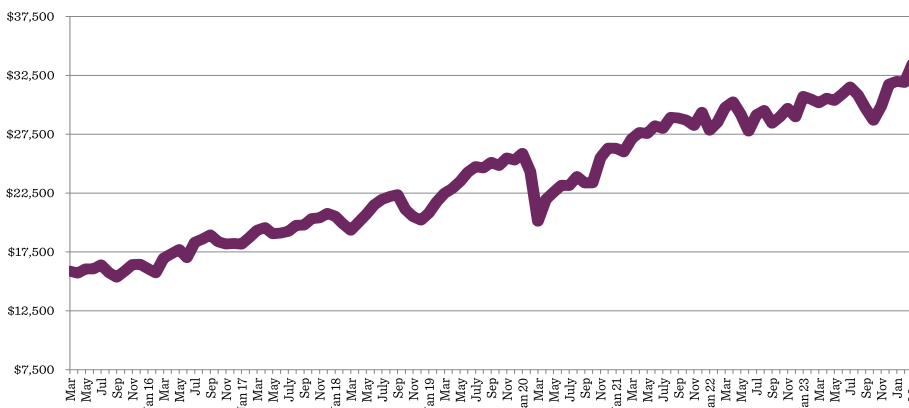
New Zealand Equities	42.2%	Cash	5.1%
Australian Equities	52.7%	Total	100.0%

PERFORMANCE	1 Mth	3 Mth	1 Yr	3 Yr p.a	5 Yr p.a	Since Inception
Devon Trans-Tasman Fund	4.9%	5.4%	10.9%	7.3%	8.2%	8.5%
50:50 NZX50 Gross & ASX200 Index Unhedged	4.2%	4.7%	9.2%	4.2%	7.2%	9.1%

Devon Trans Tasman Fund returns are after all fees and expenses, but before tax which varies by investor.

### NET PERFORMANCE

Based on \$10,000 invested at 1 January 2011



NOTE: Further information on the Devon Trans-Tasman Fund can be found in our Quarterly Fund Updates by visiting <https://devonfunds.co.nz/trans-tasman-fund> or by clicking [HERE](#)

### COMMENTARY

The Trans-Tasman Fund outperformed its benchmark during the month. Key contributors included Vista Group (+24.2%), Sandfire (+17.1%), Santos (+9.5%) and Contact Energy (+7.2%), while Seek (-3.8%) and Tourism Holdings (-1.7%) detracted.

Vista was a top portfolio contributor over the month as investors continued to respond positively to a solid CY23 result and guidance for CY24. At their recent result 2023 revenue rose 6% to \$143.0m with EBITDA exceeding expectations at \$13.3m versus consensus at \$10.5m. 2024 revenue guidance of \$152-157m also highlighted management expectations for continued solid growth with the company also reaffirming medium-term targets (2026) of \$175m+ ARR and an EBITDA margin 15%+.

In terms of portfolio changes the holding in Goodman Group was reduced given the more stretched valuation following a 33.6% run during the quarter with the stock up 80% over 12 months.

### PORTFOLIO MANAGER

Tama Willis



After a long period in international investment markets, Tama returned to NZ after a very successful career in London and Singapore to join Devon's investment team. Tama holds primary responsibility for Devon's Trans-Tasman Fund. Tama is widely regarded as a leading expert on resource and mining stocks.

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DEVON AUSTRALIAN FUND

FUND OUTLINE

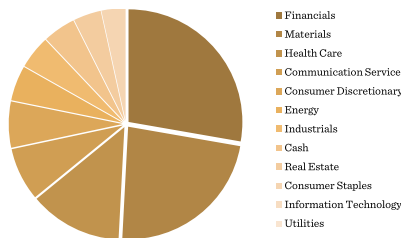
The Australian Fund invests in a select portfolio of companies, which are primarily Australian listed companies.

The Australian market is much larger than the New Zealand market and offers exposure to a number of sectors that are not available in New Zealand. The Australian dollar currency exposure of this Fund is typically unhedged.

KEY HOLDINGS



ASSET ALLOCATION



ALLOCATION

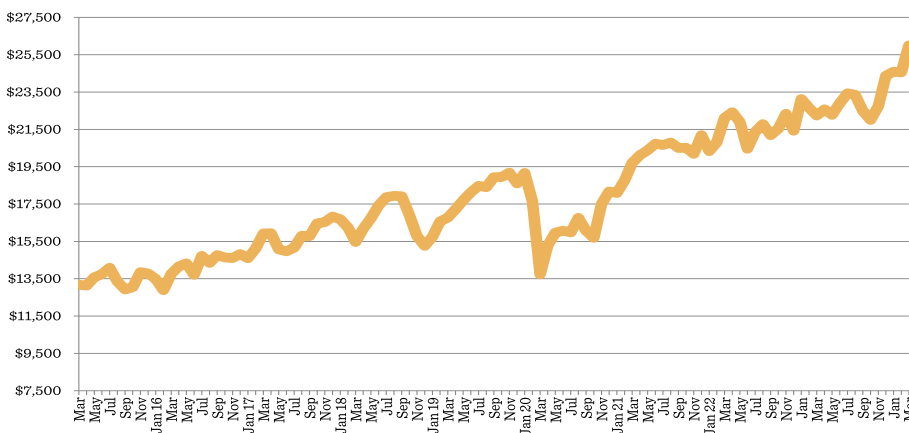
Table with 2 columns: Asset Class and Percentage. Rows include New Zealand Equities (0.0%), Australian Equities (95.4%), Cash (4.6%), and Total (100.0%).

Table with 7 columns: Fund Name, 1 Mth, 3 Mth, 1 Yr, 3 Yr p.a, 5 Yr p.a, Since Inception. Rows include Devon Australian Fund and ASX200 Index Gross (NZD).

Devon Australian Fund returns are after all fees and expenses, but before tax which varies by investor.

NET PERFORMANCE

Based on \$10,000 invested at 1 January 2011



NOTE: Further information on the Devon Australian Fund can be found in our Quarterly Fund Updates by visiting https://devonfunds.co.nz/australian-fund or by clicking HERE

COMMENTARY

The Australian strategy performed well during the month, generating a strong absolute return, and exceeding its underlying benchmark. Supported by a strong equity market, we enjoyed positive contributions from a large number of our companies, but standout returns were generated by operators in the Resources sector. These included Newmont that closed up 17.4% and Sandfire Resources which rallied 17.2% as both the price of gold and copper jumped on an improving global economic outlook. Investors also continued their support of QBE with this stock finishing 7.6% higher on confidence in the sustainability of the premium cycle. This, together with evidence that their margin outlook remains supported at elevated levels, has catalysed a material lift in the valuation of this business. We made a number of changes to the portfolio including the sale of shares in Goodman Group after its very strong recent performance, and we have increased our exposure to CSL.

PORTFOLIO MANAGER

Slade Robertson



Slade has primary responsibility for stock selection and portfolio construction for the Alpha, Australian and Diversified Income funds. Slade

is also the Managing Director at Devon and has overall responsibility for the business. Slade has over 20 years' industry experience.



DEVON DIVIDEND YIELD FUND

FUND OUTLINE

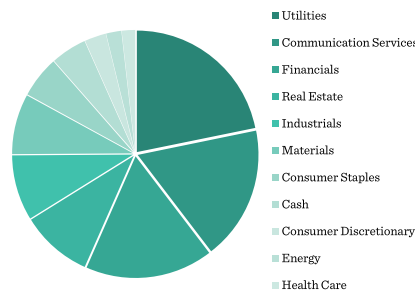
The Devon Dividend Yield Fund invests in a carefully selected portfolio of New Zealand and Australian listed companies.

These stocks are chosen for their attractive dividend yields and growth prospects with the aim of maintaining the dividend yield and capital value in real terms. The Australian dollar currency exposure is typically fully hedged.

KEY HOLDINGS



ASSET ALLOCATION



ALLOCATION

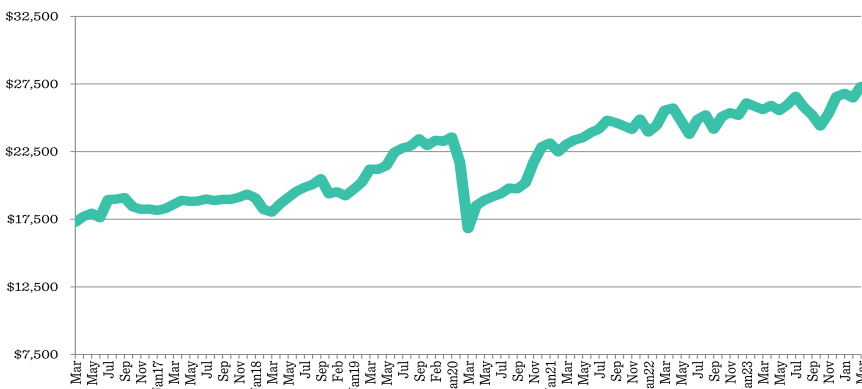
Table with 2 columns: Allocation Category and Percentage. Rows include New Zealand Equities (63.1%), Australian Equities (32.1%), Currency Hedge (96.8%), Cash (4.8%), Total (100.0%), and Yield (6.1%).

Table with 7 columns: PERFORMANCE, 1 Mth, 3 Mth, 1 Yr, 3 Yr p.a, 5 Yr p.a, Since Inception. Rows include Devon Dividend Yield Fund and 50:50 NZX50 & ASX200 Index Gross.

Devon Dividend Yield Fund returns are after all fees and expenses, but before tax which varies by investor.

NET PERFORMANCE

Based on \$10,000 invested at 1 January 2011



NOTE: Further information on the Devon Dividend Yield Fund can be found in our Quarterly Fund Updates by visiting https://devonfunds.co.nz/dividend-yield-fund or by clicking HERE

COMMENTARY

The Dividend Yield strategy offers investors a forecasted distribution for the year ahead of 6.1%, while also being expected to grow by 2.9% annually over the next three years. The top contributors to the strategy during March were Sky City (+11.6%), NZX (+9.3%), and Freightways (+7.4%). Meanwhile, the key detractors were Spark (-2.3%), Tourism Holdings (-1.7%) and Chorus (-0.9%). The NZX is our local index operator, which over the last decade has branched out in passive index investment solutions via Smartshares and a technology platform for advisor networks called Wealth Tech. Their core index operations facilitate the buying and selling of shares, bonds and derivative products. This operating segment has experienced material cost growth, while also dealing with reduced trading volumes, which has hampered profitability. We view the NZX as undervalued at the current share price and see value in the forecasted 8% dividend yield the company offers.

PORTFOLIO MANAGER

Mark Brown



Mark has primary responsibility for stock selection and portfolio construction for the Dividend Yield Fund, Sustainability Funds and the New Zealand Equity fund. Mark is also responsible for overseeing the overall research and investment process at Devon.



## DEVON DIVERSIFIED INCOME FUND

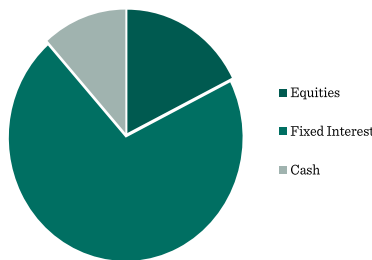
### FUND OUTLINE

The **Devon Diversified Income Fund** aims to give New Zealanders access to a diverse and good quality portfolio of high yielding investments. The Fund aims to generate better-than-bank income rates by investing in a carefully selected portfolio of government and corporate bonds, cash, listed property, infrastructure, utility companies, high yielding equities, credit securities and other yielding financial assets.

### KEY HOLDINGS



### ASSET ALLOCATION



### ALLOCATION

New Zealand Equities	16.2%	Bonds	65.0%
Australian Equities	8.2%	Cash	10.6%

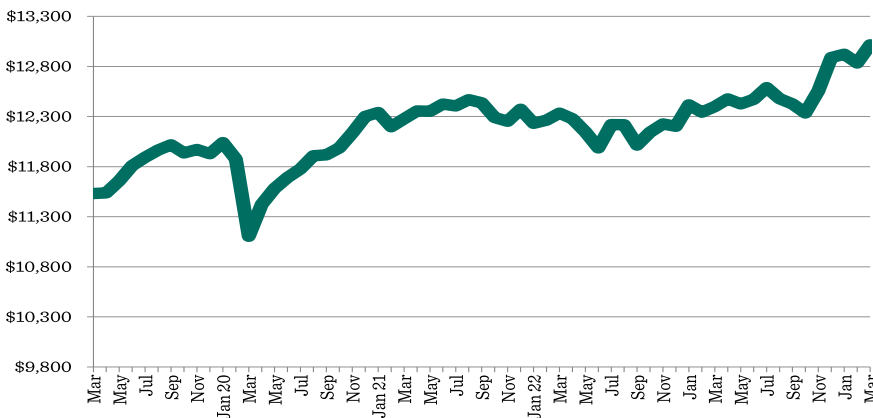
### PERFORMANCE

	1 Mth	3 Mth	1 Yr	3 Yr p.a	5 Yr p.a	Since Inception
Devon Diversified Income Fund	1.4%	1.0%	5.0%	2.0%	2.4%	3.4%
OCR + 1.5%	0.6%	1.8%	7.2%	4.6%	3.7%	2.9%

Devon Diversified Income Fund returns are after all fees and expenses, but before tax which varies by investor. Inception date for the Fund is 1 January 2016.

### NET PERFORMANCE

Based on \$10,000 invested at 1 January 2016



NOTE: Further information on the Devon Diversified Income Fund can be found in our Quarterly Fund Updates by visiting <https://devonfunds.co.nz/diversified-income-fund> or by clicking [HERE](#)

### COMMENTARY

Global bond yields were reasonably stable during March with the interest rate on US Treasuries closing the month at 4.20% (they closed February at 4.28%). Investors were particularly focussed on the policy meeting of the Federal Reserve, where Chair Jerome Powell kept rates on hold but did highlight an expectation of three cuts this year. This would be the first reductions since the policy response to Covid in early 2020. Powell was confident that some of the stronger-than-expected inflation data which was reported in January was due to seasonal effects, and that these pressures would ease from here. Officials also upgraded their US GDP projections and now see the economy growing by 2.1% in 2024, up from their 1.4% forecasts made in December. In Australia the RBA also kept rates on hold and have neutralised their previous tightening bias. In New Zealand, fourth-quarter GDP growth was reported as having fallen by 0.1%. This was weaker than expected.

### PORTFOLIO MANAGER

Slade Robertson



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## DEVON SUSTAINABILITY FUND

### FUND OUTLINE

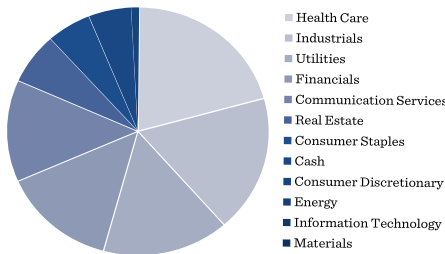
The **Devon Sustainability Fund** invests in a select portfolio of well researched New Zealand and Australian listed companies.

The Fund looks to invest in companies that score highly on overall environmental, social and corporate governance performance. The Fund also employs an ethical screen which will prohibit investment into certain companies and sectors.

### KEY HOLDINGS



### ASSET ALLOCATION



### ALLOCATION

New Zealand Equities	56.2%	Cash	5.3%
Australian Equities	38.5%	Total	100.0%

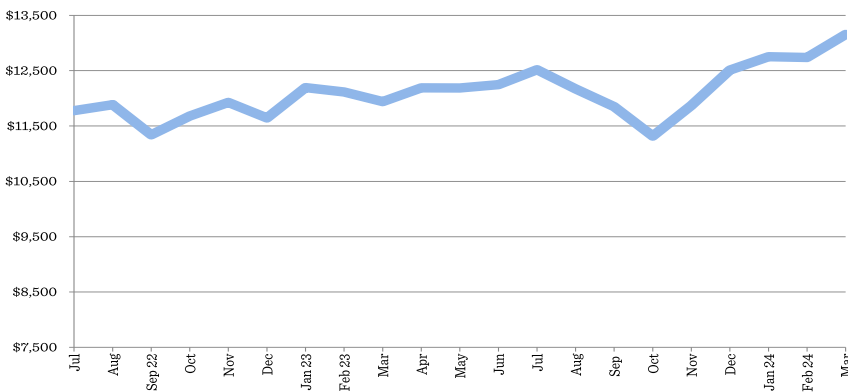
### PERFORMANCE

	1 Mth	3 Mth	1 Yr p.a	3 Yr p.a	Since Inception
Devon Sustainability Fund	3.3%	5.2%	10.2%	4.7%	7.9%
50:50 NZX50 Portfolio Index & ASX200 Index	3.3%	4.0%	8.3%	4.1%	7.4%

Devon Sustainability Fund returns are after all fees and expenses, but before tax which varies by investor.

### NET PERFORMANCE

Based on \$10,000 invested at 31 August 2020



NOTE: Further information on the Devon Sustainability Fund can be found in our Quarterly Fund Updates by visiting <https://devonfunds.co.nz/devon-sustainability-fundor> by clicking [HERE](#)

### COMMENTARY

The Sustainability Fund performed well in March, performing inline with its benchmark by delivering a total return of 3.3%. There were several key contributing positions including Webjet (+26.9%), ResMed (+13.1%) and Goodman Group (13.1%). Webjet performed strongly in March after the company indicated that earnings are tracking ahead of expectations. Management also hosted an investor day which gave investors an insight into the company's medium and longer-term aspirations. Investors came away confident in management's ability to grow the WebBeds platform well above market, taking share from smaller and localised players. The company quantified these aspirations with several transaction volume targets which were well ahead of market expectations. Resmed rallied strongly as investors continued to gain comfort around the impact GLP-1 drugs might have on sleep apnea and therefore Resmed's devices. Despite Resmed's share price recovering over the past six months, its price to earnings ratio is still trading well below its historical average.

### PORTFOLIO MANAGER

Mark Brown



Mark has primary responsibility for stock selection and portfolio construction for the Dividend Yield Fund, Sustainability Funds and the New Zealand Equity fund. Mark is also responsible for overseeing the overall research and investment process at Devon.

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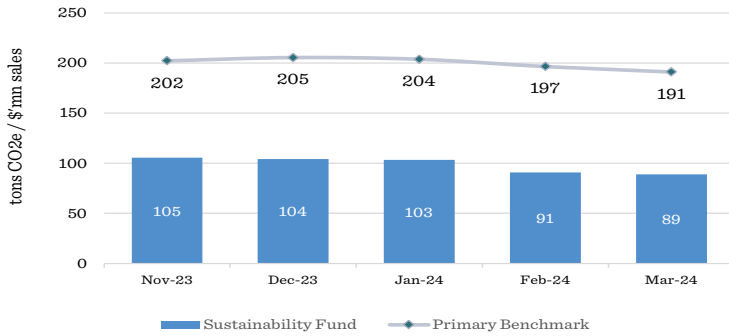
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DEVON SUSTAINABILITY FUND

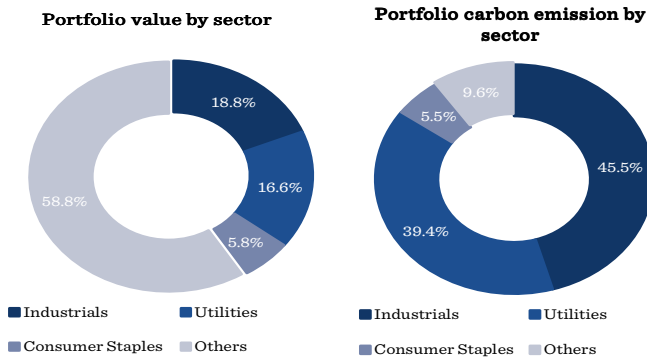
CARBON INTENSITY - PORTFOLIO VS BENCHMARK

Carbon Intensity - Portfolio vs Benchmark



PORTFOLIO CARBON EMISSIONS BY KEY SECTORS

Portfolio Carbon Emissions by Key Sectors



The industrials, utilities, and consumer staples sectors make up 41.2% of the portfolio by value, but they account for 90.4% of the carbon emissions in the portfolio.

ESG PORTFOLIO SUMMARY

	MSCI ESG Ratings	MSCI ESG Quality score	Portfolio
Portfolio	AA	7.74	Sustainability Fund
Benchmark	AA	7.42	Primary Benchmark 50:50 composite S&P/NZX50 Portfolio Index & S&P/ASX200G Index

PERFORMANCE

	1 Mth	3 Mth	6 Mth	1 Yr	Since Inception
ESG relative performance	4.3%	0.9%	3.1%	3.4%	6.1%

\*ESG Relative Performance is the MSCI ESG Score of the Devon Sustainability fund compared to the MSCI ESG Score of the Benchmark

PORTFOLIO HOLDING'S DISCLOSURE SUMMARY

Portfolio Holding's Summary

% of companies reporting to TCFD standards	81.0%
% of companies committed to Net Zero	71.4%
% of companies committed to Carbon Neutral	4.8%
% of companies with no commitment to either	23.8%

STEWARDSHIP

Devon is a signatory and participant of Climate Action 100+ which is an investor-led initiative to collaborate to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change. Devon is part of the engagement group for Woolworths and during March had the opportunity to meet with Bel Quince, Woolworths GM of Planet. Bel Quince is new to the role and will lead all initiatives on climate, the Taskforce on Nature-related Financial Disclosures, food waste, and animal welfare. We discussed decarbonisation with a focus on agriculture, which relates to Bel's career background, and the cost of transition. We also discussed scope 3 emissions and getting to a 1.5-degree pathway, which her team is undertaking a lot of work in implementing. Our next engagement will be discussing in more depth remuneration and climate governance and capex/decarbonisation, which is a Climate Action 100+ benchmark indicator.

PORTFOLIO MANAGER

Mark Brown



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## DEVON GLOBAL IMPACT BOND FUND

## DURATION

Sector	Contribution to Duration (Years)		
	Account	Benchmark	Difference
Cash & Cash Equivalents	-0.00	-0.00	-0.00
US Government	0.57	1.03	-0.47
Credit*	4.57	4.72	-0.14
Asset Backed Securities	0.01	0.01	0.01
Mortgage Backed	1.34	0.70	0.63
Commercial Mortgage	0.07	0.03	0.04
Other	0.00	0.09	-0.09
Cash Offset	-	-	-
	6.56	6.59	-0.03

The Fund invests into the Wellington Global Impact Bond Fund, managed by Wellington Management. Wellington Management is one of the world's leading investment management firms with over US\$1 trillion in assets under management worldwide across a broad range of asset classes. They have been providing innovative investment solutions to clients for more than 85 years. Wellington Management seeks to understand the world's social and environmental problems and to identify and invest primarily in debt issued by companies and organisations that they believe are addressing these needs in a differentiated way through their core products, services and projects. The Wellington Global Impact Bond Fund aims to improve access to, and the quality of, basic life essentials, reduce inequality and mitigate the effects of climate change.

## CREDIT RATING

Quality	Percent of Market Value		
	Account	Benchmark	Difference
Cash	-5.90	0.32	-6.22
AAA	26.98	11.80	15.18
AA	46.39	42.20	4.19
A	10.29	31.13	-20.84
BBB	14.86	14.27	0.59
BB	5.16	0.02	5.14
B	2.53	-	2.53
Below B	0.21	-	0.21
Cash Offset	-0.82	-	-0.82
Not Rated	0.31	0.27	0.05
	100.00	100.00	

They seek to identify securities which it believes fall into three primary impact categories: life essentials, human empowerment and the environment. Within these categories the Fund will invest across "Impact Themes" including, but not limited to the following:

**Life Essentials:** affordable housing, clean water and sanitation, health, sustainable agriculture and nutrition.

**Human Empowerment:** digital divide, education and job training, financial inclusion, safety and security.

**Environment:** alternative energy, resource efficiency and resource stewardship.

\*Duration & Credit Rating as at 31 March 2024

## DEVON GLOBAL SUSTAINABILITY FUND

The Fund invests into the Wellington Global Stewards Fund, managed by Wellington Management. Wellington Management is one of the world's leading investment management firms with over US\$1 trillion in assets under management worldwide across a broad range of asset classes. They have been providing innovative investment solutions to clients for more than 85 years. Wellington Management seeks to invest in companies globally, that generate high return on capital relative to their peers, and whose management teams and boards display exemplary stewardship to sustain those returns over time. Wellington define stewardship as how companies balance the interests of all stakeholders (customers, employees, communities and the supply chain) in the pursuit of profits and how they incorporate material environmental, social and governance (ESG) risks and opportunities in their corporate strategy. The underlying Wellington Fund differentiates itself by:

**Long-term horizon** – the intention is to hold stocks for over 10 years. The belief is the longer the holding period, the greater the potential performance benefits from superior stewardship.

**Highly selective** – typically 35-45 stocks, only relying on their own internal ESG research.

**Active engagement** – holding those in charge of investee companies to account and encouraging companies to commit to net zero carbon emissions by 2050 in alignment with the Paris Agreement.

PERFORMANCE	1 Mth	3 Mth	6 Mth	1 Yr	Since Inception
Devon Global Impact Bond Fund	1.0%	0.7%	6.7%	4.8%	-0.2%
Bloomberg Global Aggregate Index Hedged NZD	0.9%	0.0%	5.7%	3.8%	-0.3%

PERFORMANCE	1 Mth	3 Mth	6 Mth	1 Yr	Since Inception
Devon Global Sustainability Fund	4.9%	11.6%	21.2%	22.8%	12.4%
MSCI All Country World Index in NZD, 50% hedged to NZD	4.3%	12.1%	20.1%	26.7%	11.0%

\*Benchmark performance figure is indicative only and will be finalised in the mid month report

## KEY HOLDINGS\*



dsm-firmenich ●●●



\*Key Holdings as at 31 March 2024

Please note that monthly reports will be produced for the Devon Global Impact Bond Fund and Devon Global Sustainability Fund later this month. These reports will include data on top holdings, performance, asset allocation, and fund commentaries. These reports will be sent out separately from those for Devon's other retail funds each month and will be available on the Devon Funds website.

## Devon Funds Management Limited

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**DEVON  
FUNDS.**

www.devonfunds.co.nz



ARTESIAN GREEN AND SUSTAINABLE BOND FUND (NZD)

FUND OUTLINE

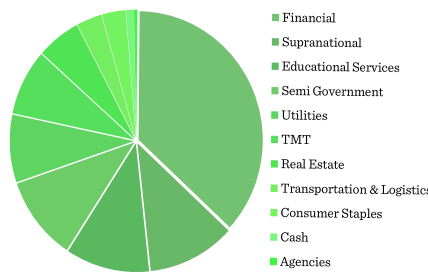
The Artesian Green and Sustainable Bond Fund (NZD) offers New Zealand-based investors a Portfolio Investment Entity (PIE) vehicle through which to invest in the Artesian Green and Sustainable Bond Fund (AUD).

Through this structure, the Fund will invest in a diversified portfolio of liquid, predominately investment grade fixed and floating rate green and sustainable corporate bonds. Artesian are committed to integrating ESG into their investment processes, with a focus on responsible investment.

KEY HOLDINGS



ASSET ALLOCATION



ALLOCATION

Table with 4 columns: Fund Name, Percentage, Asset Type, Total Percentage

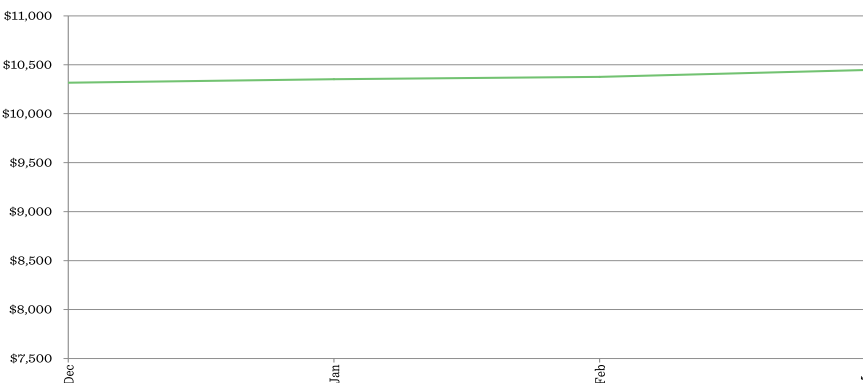
PERFORMANCE

Table with 5 columns: Fund Name, 1 Mth, 3 Mth, 6 Mth, Since Inception

\*Artesian Green & Sustainable Bond Fund (NZD) returns are after all fees and expenses, but before tax which varies by investor.

NET PERFORMANCE

Based on \$10,000 invested at 30 June 2023



NOTE: Further information on the Artesian Green Fund can be found in our Quarterly Fund Updates by visiting https://devonfunds.co.nz/artesian-green-and-sustainable-bond-fund-nzd or by clicking HERE

COMMENTARY

Another solid month of performance for the Fund in March, only marginally underperforming versus the benchmark. Credit spreads traded in a tight range and are largely unchanged MoM, with a mild widening bias.

The Fund's underperformance versus benchmark in March was driven by the overweight credit duration positioning (credit spreads were marginally higher/wider) and underweight interest rate duration positioning (interest rates were lower/tighter).

Outperformance in March came from the Fund's positions in Mercury (Green), OCBC (Green), Commonwealth Bank of Australia (Green) and QIC Finance Town Centre Fund (Green). The main contributors to underperformance in March were Optus Finance Pty (SLB), Contact Energy (Green), Transpower (Green) and Australian Catholic University (Sustainable).

PORTFOLIO MANAGER

David Gallagher

David joined Artesian in June 2013. Prior to joining Artesian, David spent nine years in the United Kingdom working for Deutsche Bank and RBS. David has extensive risk and portfolio management trading experience.

In David's previous role with RBS, David managed a credit portfolio with outright risk ranging between £1-2.5 billion.

