

For the quarter ended 30 June 2021

This fund update was first made publicly available on 28 July 2021

DEVON SUSTAINABILITY FUND

What is the purpose of this update?

This document tells you how the Devon Sustainability Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. Devon Funds Management Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

Description of this fund

The Devon Sustainability Fund is a select portfolio of well researched New Zealand and Australian listed companies that exhibit sustainable characteristics and those which demonstrate credible strategies to improve their outcomes with respect to ESG factors. The Fund also employs an ethical screen which will prohibit investment into certain companies and sectors. The Fund is actively managed, which means the holdings and returns may differ considerably from its benchmark. While the Fund tends to be fully invested in shares, when there are few compelling investment opportunities the Fund may hold some cash or cash equivalent

| | |
|-------------------------|------------------|
| Total value of the fund | \$12,353,430.90 |
| Date the fund started | 1 September 2020 |

How has the fund performed?

| | Past Year |
|---|-----------|
| Annual Fund Return (after deduction for fund fees and tax) | N/A |
| Annual Fund Return (after deduction for fund fees but before tax) | N/A |
| Market index* annual return (reflects no deduction for charges and tax) | 25.59% |

*50:50 composite of the S&P/NZX50 Portfolio Index and the S&P/ASX200G index hedged to NZD. For details on the calculation of the Market Index Return please refer to www.companiesoffice.govt.nz/disclose
 *Please refer to Further Information on the bottom of page 2. Additional information about the market index is available on the offer register.

What fees are investors charged?

Investors in the Sustainability Fund are charged fund charges. Based on the PDS dated 28 August 2020, these are:

| | % of Net Asset Value |
|---|----------------------|
| Total Fund Charges | 1.25% |
| Comprising of the below management, administration and performance charges: | |
| Manager's basic fee: | 1.00% |
| Other management and administration charges: | 0.25% |
| Performance fees (if applicable): | 0.00% |

Investors are not charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the [PDS](#) for more information about those fees.

What are the risks of investing?

Risk indicator for the Sustainability Fund:



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.sorted.org.nz/tools/investor-kickstarter.

Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for the five year period to 30 June 2021. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

See the Product Disclosure Statement (PDS) for more information about the risks associated with investing in this fund.

Example of how this applies to an investor

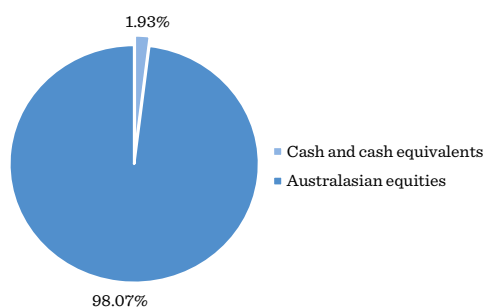
Small differences in fees and charges can have a big impact on your investment over the long term.

Chris had \$10,000 in the Devon Sustainability Fund at the date the Fund started, 1 September 2020, and did not make any further contributions. At the period ending 30-Jun-21, Chris received a return after fund charges were deducted of \$2,084 (that is 20.84% of his initial \$10,000). Chris does not pay any other charges. This gives Chris a total return after tax of \$2,012 for the year.

What does the fund invest in?

The chart (below) shows the types of assets that the Sustainability Fund invests in.

Actual investment mix



As at 30 June 2021, 95.81% of the overseas currency is currently hedged to NZD.

Target investment mix

| Asset Sector | Range % |
|----------------------------|----------|
| Cash and cash equivalents | 0 - 10 |
| Australasian equities | 90 - 100 |
| International equities | 0 |
| New Zealand fixed interest | 0 |
| Other | 0 |

Top 10 investments

| Asset name | % of fund net assets | Type | Country | Credit rating |
|---------------------------|----------------------|-----------------------|---------|---------------|
| National Australian Bank | 5.29% | Australasian equities | AU | |
| Contact Energy | 5.11% | Australasian equities | NZ | |
| Spark New Zealand Limited | 5.02% | Australasian equities | NZ | |
| EBOS Group Limited | 4.74% | Australasian equities | NZ | |
| Fletcher Building | 4.65% | Australasian equities | NZ | |
| Mercury NZ Limited (NS) | 3.99% | Australasian equities | NZ | |
| CSL Limited | 3.90% | Australasian equities | AU | |
| ANZ Banking Group | 3.85% | Australasian equities | NZ | |
| Freightways | 3.78% | Australasian equities | NZ | |
| Ramsay Health Care | 3.18% | Australasian equities | AU | |

The top 10 investments make up 43.49% of the net asset value of the Fund.

Key personnel

| Name | Current position | Time in current position | Previous position | Time in previous position |
|-----------------|--|--------------------------|--------------------------------|---------------------------|
| Victoria Harris | Portfolio Manager, Devon Funds Management | 0 years, 7 months | Portfolio Manager, Pie Funds | 3 years, 6 months |
| Slade Robertson | Managing Director, Devon Funds | 4 years, 5 months | Portfolio Manager, Devon Funds | 6 years, 10 months |
| Mark Brown | Chief Investment Officer, Devon Funds Management | 3 years, 6 months | Head of Equities, ANZ | 6 years, 0 months |
| Chris Gaskin | Portfolio Manager, Devon Funds | 11 years, 3 months | Portfolio Manager, Brook Asset | 4 years, 2 months |

Further information

You can also obtain this information, the PDS for the Devon Funds, and some additional information from the offer register at www.business.govt.nz/disclose.

Notes

1. A combination of actual Fund and market index returns has been used to determine the risk indicator as the Fund has not been operational for the required 5 years. The risk indicator may therefore provide a less reliable indicator of potential future volatility of the Fund.