

DEVON FUNDS.

For the informed investor.



DEVON GLOBAL SUSTAINABILITY FUND

MONTHLY REPORT: JUNE 2022

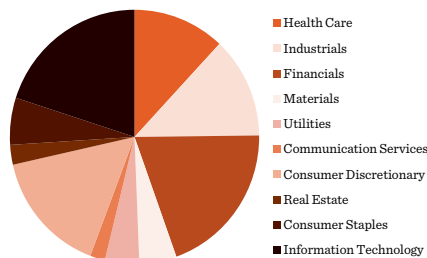
SUMMARY OF INVESTMENT OBJECTIVE

The **Devon Global Sustainability Fund** is actively managed and seeks to deliver long-term total returns in excess of the MSCI All Country World Index by investing in the equities of 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. We 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 Fund targets net zero emissions by 2050 in alignment with the Paris Agreement.

KEY HOLDINGS



ASSET ALLOCATION



ALLOCATION

Wellington Global Stewards Fund NZD Unhedged	49.3%	Cash	2.0%
Wellington Global Stewards Fund NZD Hedged	48.7%	Total	100.0%
Currency Hedge	48.7%		

PERFORMANCE

	1 Mth	3 Mth
Devon Global Sustainability Fund	-6.03%	-7.15%
MSCI All Country World Index in NZD, 50% hedged to NZD	-5.89%	-9.96%

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

FUND PERFORMANCE AND ATTRIBUTION

The Fund slightly underperformed its benchmark due primarily to currency hedging.

The underlying Wellington Global Stewards Fund (USD) outperformed its benchmark (the MSCI All Country World Index) in June.

Sector allocation drove relative outperformance. Our underweight to the energy sector was the top contributor. From a security selection perspective, strong selection in financials and information technology was offset by selection within industrials and health care.

At the issuer level, our top two relative contributors were AIA Group and Merck, while our top two relative detractors were Recruit and Cie Generale.

Shares of AIA Group recovered from an early decline to end the period higher. The insurance company reported first-quarter results with total weighted premium income increasing over the prior year, while annualized new premiums declined. Additionally, the China Banking and Insurance Regulatory Commission granted approval for AIA to establish a new branch in Henan province in China.

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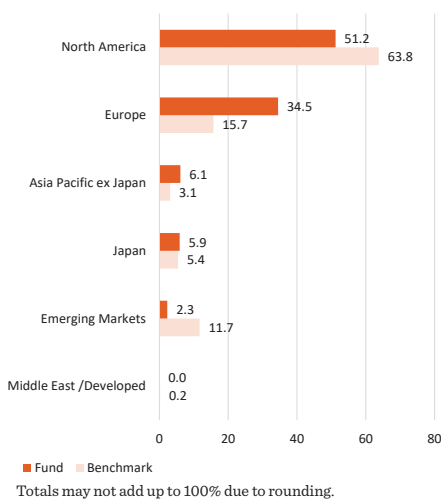
FUND POSITONING AND OUTLOOK

We believe our edge is focusing on companies that can post higher and more sustainable returns than peers, due in part to an embrace of stewardship which increases the odds of long-term success. As such we are very much bottom-up focused, making distinctions stock-by-stock and ensuring that our insights are reflected in portfolio risk. We ignore many factors that concern the markets and other investors, whether they are macroeconomic or geopolitical influences, obsessions with the news of the day or a myopic fixation on predicting the next data point. We have no edge in trading stocks on this basis; rather we prefer to invest fund holder capital with the best companies and leave it to managements and boards to thoughtfully navigate their business as macro and micro conditions evolve, and as opportunities and risk present themselves.

We believe it is our fiduciary duty to actively engage with companies in the portfolio, on behalf of fund holders. We aim to support or influence decisions that can maximize long term stakeholder and shareholder value, which are intertwined and self-reinforcing. Leveraging Wellington’s corporate access and relationships, we engage directly with company managements and boards to identify and understand ESG risks and opportunities.

At the end of the period, our largest overweight was financials and we were most underweight to communication services and had no exposure to energy. From a regional perspective, our largest overweight was Europe and we were most underweight to North America.

REGIONAL DISTRIBUTION % OF EQUITY



FUND PERFORMANCE AND ATTRIBUTION (CONTINUED)

Shares of Recruit Holdings, a human resources company, fell over the period. Investors continue to be concerned of a possible recession or economic downturn which would hinder the company’s ability to create revenue from a slowdown in worldwide staffing. Management is aware of changing economic conditions and acknowledge that their guidance could change if economic conditions should start to deteriorate.

PORTFOLIO MANAGER

Mark Mandel

Mark Mandel is the lead portfolio manager and has full responsibility for investment decisions and leveraging the best long-term



investment ideas from the firm’s global industry analysts and collaborating extensively with Wellington Management’s broad base of investment resources. Mark has 30 years of industry experience.