

### Staying in May

By Greg Smith, Head of Retail at Devon Funds

The old market adage about “selling in May and going away” turned out to be the antithesis of sage advice. Stock markets globally performed strongly last month, with investors encouraged by what appeared to be a de-escalation of trade frictions. The White House rolled out its first deal with the UK, European tariffs were paused, while tensions also cooled a little between the US and China, with both agreeing to bring tariffs down from nosebleed levels.

The US earnings season was solid, even as outlook statements were cautious in many instances, given macro uncertainties. Data on the US economy continued to paint a somewhat resilient picture, providing some comfort, despite trade matters remaining far from resolved. A new dimension was also added to the mix late in the month with the Supreme Court possibly having to decide whether to invalidate Trump’s tariff policy altogether. Despite a host of uncertainties, investors looked at the brighter side – the S&P 500 rallied 6.3% for its best May since 1990 and best month since November 2023.

Kiwi and Australian markets also delivered robust performances during the month, with gains of 4.3% and 4.2% respectively. The RBNZ and RBA both delivered rate cuts during the month, and with inflation in both central banks’ target range, officials set the scene for further easing against the backdrop of domestic economic challenges and international macroeconomic uncertainties.

The worst-case scenario painted by Donald Trump on Liberation Day has clearly diminished, and regardless of the motivation/drivers, there have been multiple “refinements” of tariff policies since then. Pauses, increases, and then....[READ MORE](#)

### MARKET INDICES

Index	Region	Monthly Return	1 Yr. Return
S&P/NZX50G	NZ	4.3%	4.6%
S&P/ASX200G	AUSTRALIA	4.2%	13.4%
MSCI World Index	GLOBAL	6.0%	14.2%
S&P500	USA	6.3%	13.5%
FTSE100	UK	3.8%	10.1%
NIKKEI 225	JP	5.3%	0.6%
NZ 90 Day Bank Bill	NZ	0.3%	4.9%
Bloomberg Global Aggregate Index (NZD)	GLOBAL	-0.4%	5.5%

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### AT A GLANCE

Prices as at 31 May 2025

DEVON ALPHA FUND	\$2.3171
DEVON AUSTRALIAN FUND	\$1.8123
DEVON DIVERSIFIED INCOME FUND	\$1.4846
DEVON DIVIDEND YIELD FUND	\$1.8662
DEVON GLOBAL IMPACT BOND FUND	\$1.3420
DEVON GLOBAL SUSTAINABILITY FUND	\$2.0678
DEVON TRANS-TASMAN FUND	\$4.7992
DEVON SUSTAINABILITY FUND	\$3.3166
ARTESIAN GREEN & SUSTAINABLE BOND FUND	\$1.0577

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## DEVON ALPHA FUND

## FUND OUTLINE

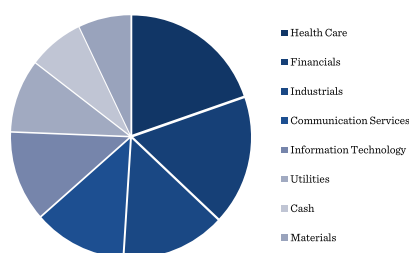
The **Alpha Fund** invests in a concentrated portfolio of approximately 10 to 15 select companies predominantly listed on the NZ and Australian share markets.

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	45.5%	Cash	7.5%
Australian Equities	47.0%	Total	100.0%
Currency Hedge	47.5%		

## PERFORMANCE

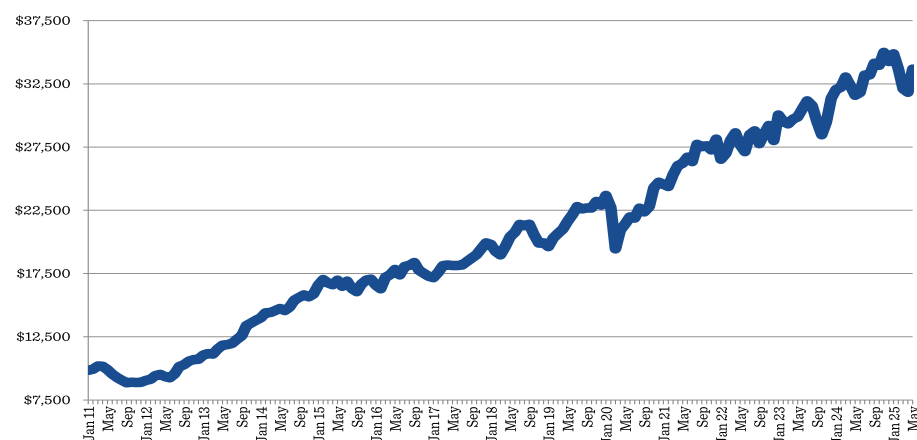
	1 Mth	3 Mth	1 Yr	3 Yr p.a	5 Yr p.a	10 Yr p.a
Devon Alpha Fund	5.7%	-0.1%	6.5%	6.7%	9.5%	7.0%
<b>OCR + 5%</b>	0.7%	2.2%	9.9%	9.5%	5.8%	3.8%

\*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 strong absolute returns during the month. The portfolio benefited from broad strength in equity markets but was also rewarded by successful stock selection. Several investments in particular made solid contributions including Mainfreight which rallied 26.6% and Freightways, that finished up 10.2%. Another material influence on our overall returns was Seek, which closed up 14.1%.

Seek hosted a session for investors during the month where management highlighted the progress they are making with the introduction of new features and products to their platform, which is driving growth in yield and market penetration. This included AI functionality which is being harnessed to also better achieve efficiencies. The economic consequence of these contributors, together with improved cost management, resulted in good operating leverage and an upgrade to earnings guidance. We continue to have a significant investment in this business and believe it is very well placed as the economic cycle improves in Australia and Asia.

## 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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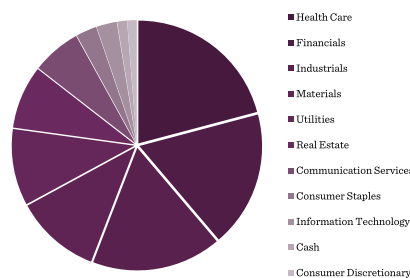
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**DEVON TRANS-TASMAN FUND****FUND OUTLINE**

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**

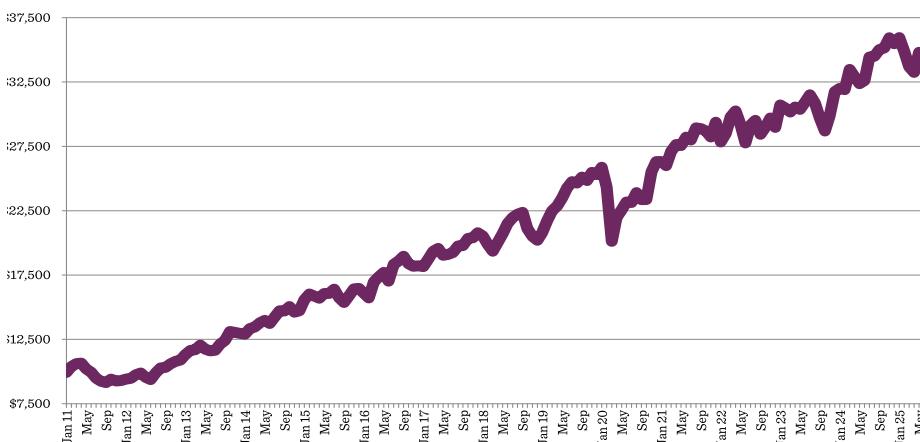
New Zealand Equities	51.9%	Cash	1.3%
Australian Equities	46.8%	Total	100.0%

PERFORMANCE	1 Mth	3 Mth	1 Yr	3 Yr p.a	5 Yr p.a	10 Yr p.a
Devon Trans-Tasman Fund	4.7%	-0.3%	7.5%	6.0%	9.0%	7.7%
50:50 NZX50 Gross & ASX200 Index Unhedged	4.3%	-0.1%	8.8%	6.0%	7.5%	8.0%

\*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**

We were pleased that the Trans-Tasman strategy generated both a positive absolute and relative return during May, as markets were strong. Amongst our best performers were Mainfreight which rallied 26.6% and Orica which closed higher by 17.2%. A key detractor was CSL (-1.7%) with the market continuing to assess any potential impact from US pharma tariffs (if they are implemented) and ongoing concern around the volumes for the upcoming flu season.

Mainfreight reported a respectable result against the backdrop of an uncertain global macro environment. The Group reported Profit Before Tax (PBT) of \$384m, ahead of consensus at \$375m. Despite the challenging macro conditions, their second-half FY25 earnings were ahead of the previous year. Mainfreight flagged a soft start to FY26 but also highlighted that activity had lifted with the global tariffs pause. Mainfreight is a high-quality business leveraged to any global recovery and we continue to have an investment in this company.

**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

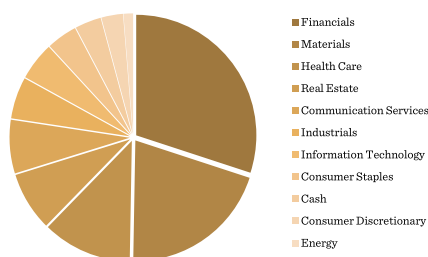
The **Australian Fund** invests in a select portfolio of companies, which are primarily Australian listed companies.

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

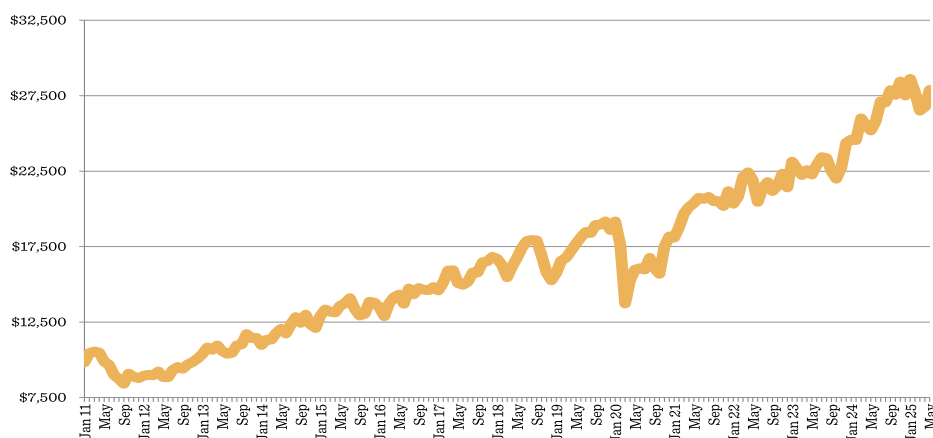
New Zealand Equities	0.0%	Cash	3.5%
Australian Equities	96.5%	Total	100.0%

PERFORMANCE	1 Mth	3 Mth	1 Yr	3 Yr p.a	5 Yr p.a	10 Yr p.a
Devon Australian Fund	4.2%	0.6%	10.7%	8.4%	11.8%	7.5%
ASX200 Index Gross (NZD)	4.2%	1.3%	12.9%	8.8%	12.2%	8.1%

\*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, enjoying the positive contributions from a range of our investments. These included Brambles and Cleanaway which rallied 13.0% and 8.1%, respectively. Our position in Goodman Group also benefited our investors, with shares in the business finishing up 9.8%. Goodman announced a Q3 Operational Update during May where management provided details on their Data Centre development program and highlighted the progress they are making towards securing capital partnerships. These partnerships are going to exist across both their Data Centre opportunities and in US logistics. The timing of these announcements has been affected by the uncertainties surrounding US tariffs, but management appear confident of closing these deals in the medium-term. This macro-uncertainty though has created opportunities for Goodman in the purchasing of quality land-blocks at attractive prices, further enhancing their potential for growth.

## 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 DIVIDEND YIELD FUND

## FUND OUTLINE

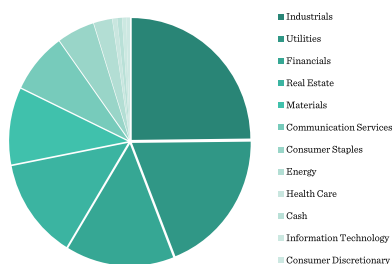
The **Devon Dividend Yield Fund** invests in a carefully selected portfolio of New Zealand and Australian listed companies.

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

New Zealand Equities	70.2%	Cash	0.7%
Australian Equities	29.1%	Total	100.0%
Currency Hedge	97.2%	Yield	5.5%

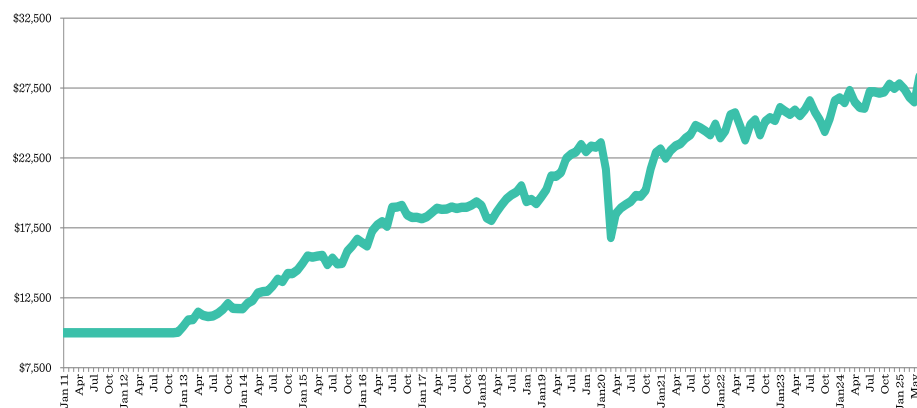
## PERFORMANCE

	1 Mth	3 Mth	1 Yr	3 Yr p.a	5 Yr p.a	Since Inception
Devon Dividend Yield Fund	6.8%	3.2%	8.4%	4.6%	8.4%	8.8%
50:50 NZX50 & ASX200 Index Gross	4.3%	1.4%	9.0%	6.4%	7.4%	9.9%

\*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 2013



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 annual gross yield of 5.5% and is expected to grow well ahead of inflation over the next three years. Top performers during May were Manawa (+32.0%), Mainfreight (+26.6%), and Napier Port (+17.9%). Meanwhile, the only detractors were Rio Tinto (-3.8%) and Infratil (-0.1%).

May was a strong month for the Fund. We were rewarded for our non-consensus view on the Contact Energy acquisition of Manawa, which was approved. The active buying of Mainfreight during the April sell-off also generated gains for our investors. Our position in Port of Tauranga rallied back following record April export data and along the same vein, Napier Port delivered a strong result, which saw earnings guidance upgraded and a special dividend announced. We continue to research and find interesting investments which have strong balance sheets, dependable cash flow streams, and reliable dividends at attractive valuations.

## PORTFOLIO MANAGER

Patrick Washer



Patrick has primary responsibility for stock selection and portfolio construction for the Dividend Yield Fund. Patrick also holds research responsibilities for the property, aged care and transport sectors.

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## DEVON DIVERSIFIED INCOME FUND

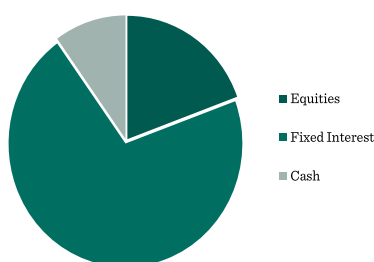
## FUND OUTLINE

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	18.0%
Australian Equities	7.4%

Bonds	65.4%
Cash	9.2%

## PERFORMANCE

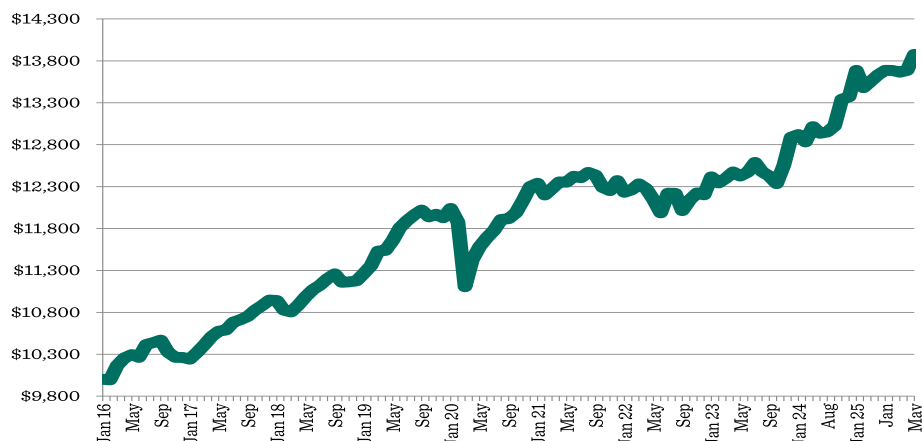
	1 Mth	3 Mth	1 Yr	3 Yr p.a	5 Yr p.a	Since Inception
Devon Diversified Income Fund	1.4%	1.4%	7.2%	4.6%	3.7%	3.7%
75% BB Composite 0-5yr Index, 25% 50:50 Composite NZX50 Gross and ASX 200 Index hedged to NZD	1.3%	1.8%	5.8%	6.2%	4.5%	2.9%

\*Devon Diversified Income Fund returns are after all fees and expenses, but before tax which varies by investor.

\*\*The Devon Diversified Income Fund's benchmark changed to a blended market index from 10th December 2024.

## 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](#)

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## COMMENTARY

Global bond yields jumped materially during the month with the yield on US 10-year Treasuries closing at 4.44% (they began the month at 4.16%). The Federal Reserve held interest rates steady at 4.25% - 4.50% during their policy meeting, acknowledging that whilst their economy continues to grow at a modest pace, the risks of higher unemployment and higher inflation have increased as a consequence of US trade policies. The market still expects additional rate cuts to occur this year, but uncertainty is elevated. In New Zealand the RBNZ cut the OCR by 0.25% to 3.25%, although there was a more hawkish tone to the announcement as it was highlighted that one of the members of the Committee voted to hold rates steady. This surprised the market. The RBA also cut their interest rates by 0.25% to 3.85%.

## 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 SUSTAINABILITY FUND

## FUND OUTLINE

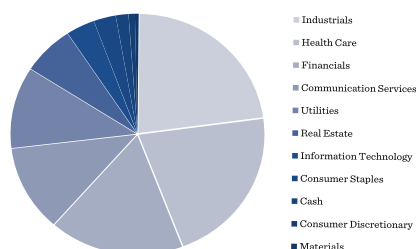
The **Devon Sustainability Fund** invests in a select portfolio of well researched New Zealand and Australian listed companies.

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	55.9%	Cash	1.7%
Australian Equities	42.4%	Total	100.0%

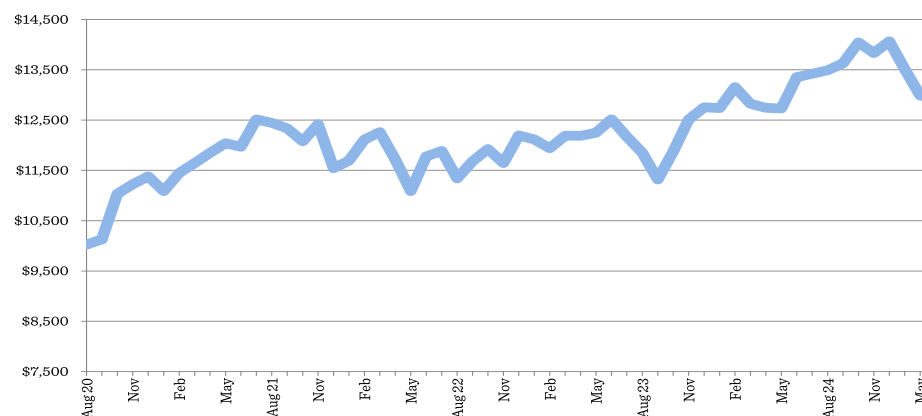
## PERFORMANCE

	1 Mth	3 Mth	1 Yr p.a	3 Yr p.a	Since Inception
Devon Sustainability Fund	5.6%	1.1%	7.2%	5.2%	6.8%
50:50 NZX50 Portfolio Index & ASX200 Index	4.3%	1.1%	9.6%	5.8%	6.8%

\*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-fund/> by clicking [HERE](#)

## COMMENTARY

The Sustainability Fund performed strongly in May, delivering returns well ahead of its benchmark. The Fund benefited from several positions we had been adding to over the past couple of months amid recent market weakness. These included Manawa Energy (+32.0%), Mainfreight (+26.6%), Napier Port Holdings (+17.9%), Ramsay Health Care (+15.1%), and Seek (+14.1%).

Manawa Energy delivered a standout performance after the Commerce Commission cleared Contact Energy's acquisition of the company. Upon reviewing Contact Energy's cross-submissions to the Commission, it was clear they presented a strong argument that the acquisition would not negatively impact the supply of hedging contracts in the electricity market or broader competition. Following the Commission's decision and the substantial appreciation in its share price, we chose to exit our position.

Seek (+14.1%) hosted an investor day in Melbourne during the month, where management upgraded its near-term earnings guidance and reiterated expectations for another year of double-digit yield growth.

## PORTFOLIO MANAGER

Ben Jenkin



Ben has primary responsibility for stock selection and portfolio construction for the Sustainability Fund. Ben also holds research responsibility for the telco, media and technology sectors, as well as a wide ranging number of industrial companies.

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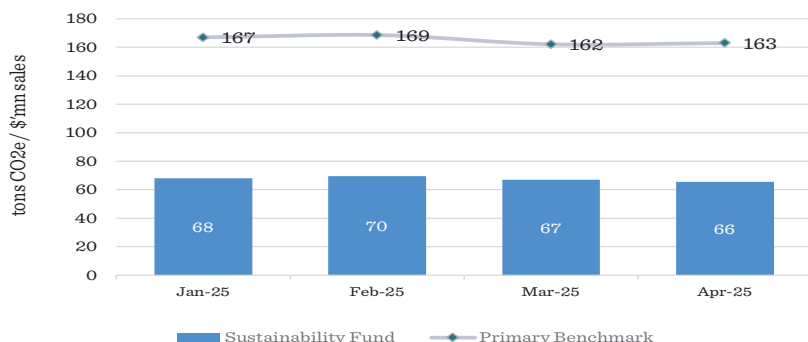
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## DEVON SUSTAINABILITY FUND

## CARBON INTENSITY - PORTFOLIO VS BENCHMARK

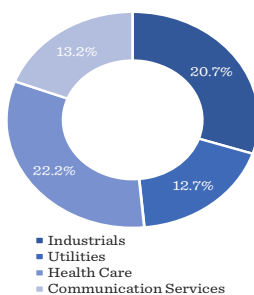
Carbon Intensity - Portfolio vs Benchmark



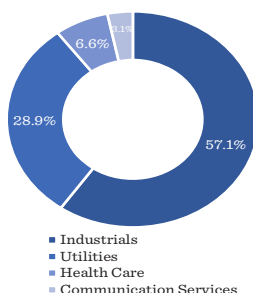
## PORTFOLIO CARBON EMISSIONS BY KEY SECTORS

Portfolio Carbon Emissions by Key Sectors

Portfolio value by sector



Portfolio carbon emission by sector



The industrials, utilities, and communication sectors make up 47% of the portfolio by value, but they account for 89% of the carbon emissions in the portfolio.

## ESG PORTFOLIO SUMMARY

	MSCI ESG Ratings	MSCI ESG Quality score	
Portfolio	AA	7.62	Portfolio Sustainability Fund
Benchmark	AA	7.44	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	2.4%	2.6%	3.5%	4.4%	5.7%

\*ESG Relative Performance is the MSCI ESG Score of the Devon Sustainability fund compared to the MSCI ESG Score of the Benchmark  
 \*\*Please note due to an issue with MSCI, we have not provided updated data for the month ending 31 May. This will be updated in next months reporting once we are comfortable with accuracy.

## PORTFOLIO HOLDING'S DISCLOSURE SUMMARY

Portfolio Holding's Summary

% of companies reporting to TCFD standards	90.7%
% of companies committed to Net Zero	72.1%
% of companies committed to Carbon Neutral	9.3%
% of companies with no commitment to either	18.6%

## STEWARDSHIP

Towards the end of May, Devon attended the Responsible Investment Association Australasia's (RIAA) annual conference in Australia.

This event brings together RIAA members from across Australia and New Zealand to share insights on the most pressing issues in the responsible investment industry. Devon is a proud RIAA member and has been recognised as a RIAA leader.

The conference covered a wide range of topics, including climate, nature, governance, First Nations considerations, and diversity, equity and inclusion (DEI). Nearly all discussions traced back to stewardship and the vital role investors play. Governance emerged as a particularly important theme, as it underpins every issue companies face.

One key question raised was how best to engage with company boards. The advice: engage early, regularly, and constructively, and come prepared with solutions, not just concerns.

Investors were also encouraged to assess how curious and future-focused directors are, especially given today's rapidly evolving landscape driven by technology and AI. "Mindset beats skillset" was emphasised, as a willingness to learn and adapt is more valuable than degrees or work experience from decades prior.

## PORTFOLIO MANAGER

## Ben Jenkin

Ben has primary responsibility for stock selection and portfolio construction for the Sustainability Fund. Ben also holds research responsibility for the telco, media and technology sectors, as well as a wide ranging number of industrial companies.



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## DEVON GLOBAL IMPACT BOND FUND

## DURATION

Contribution to Duration (Years)			
Sector	Account	Benchmark	Difference
Cash & Cash Equivalents	-0.00	-	-0.00
US Government	1.07	1.06	0.01
Credit*	4.41	4.63	-0.21
Asset Backed Securities	0.04	0.01	0.03
Mortgage Backed	0.85	0.58	0.26
Commercial Mortgage	0.03	0.03	0.01
Other	0.01	0.09	-0.08
Cash Offset	-	-	-
	6.41	6.39	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

Percent of Market Value			
Quality	Account	Benchmark	Difference
Cash	-1.96	0.43	-2.39
AAA	33.28	11.82	21.46
AA	35.81	42.44	-6.63
A	8.10	31.01	-22.91
BBB	16.57	14.02	2.55
BB	5.81	0.01	5.80
B	2.88	0.00	2.88
Below B	0.14	-	0.14
Cash Offset	-1.38	-	-1.38
Not Rated	0.74	0.27	0.47
	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 May 2025

## 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	1 Yr	3 Yr p.a	Since Inception
Devon Global Impact Bond Fund	-0.5%	-0.2%	5.0%	2.2%	1.2%
Bloomberg Global Aggregate Index Hedged NZD	-0.4%	0.0%	5.5%	2.2%	1.2%

PERFORMANCE	1 Mth	3 Mth	1 Yr	3 Yr p.a	Since Inception
Devon Global Sustainability Fund	5.5%	-1.8%	10.7%	11.6%	10.6%
MSCI All Country World Index in NZD, 50% hedged to NZD	5.3%	-1.7%	14.5%	13.8%	11.3%

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

## KEY HOLDINGS\*



\*Key Holdings as at 31 May 2025

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](http://www.devonfunds.co.nz)

## ARTESIAN GREEN AND SUSTAINABLE BOND FUND (NZD)

### FUND OUTLINE

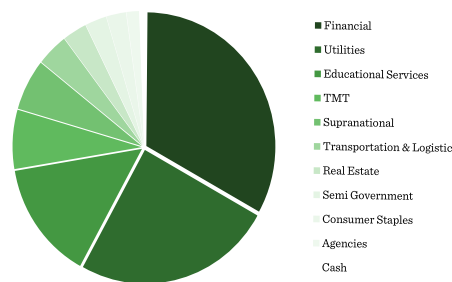
The **Artesian Green and Sustainable Bond Fund (NZD)** offers New Zealand-based investors a Portfolio Investment Entity (PIE) vehicle through which to invest in the Artesian Green and Sustainable Bond Fund (AUD).

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

### KEY HOLDINGS



### ASSET ALLOCATION



### ALLOCATION

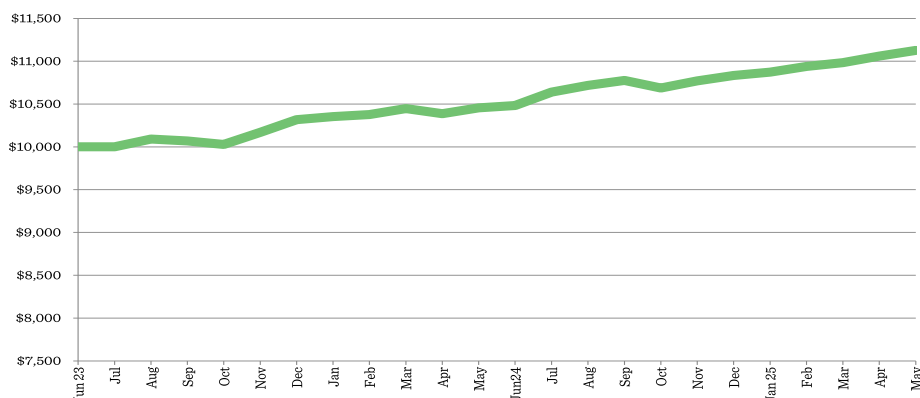
Artesian Green & Sustainable Bond Fund (NZD)	99.1%	Cash	0.9%	
Currency Hedge (100% to NZD)	99.0%	Total	100.0%	
<b>PERFORMANCE</b>	<b>1 Mth</b>	<b>3 Mth</b>	<b>1 Yr</b>	<b>Since Inception</b>
Artesian Green & Sustainable Bond Fund (NZD)*	0.61%	1.71%	6.42%	6.05%
Artesian Green & Sustainable Bond Fund PIR Return (NZD)**	0.61%	1.80%	6.90%	6.43%
Bloomberg AusBond Composite 0-5 Yr Index 100% Hedged to NZD	0.27%	1.74%	6.22%	5.83%

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

\*\*Artesian Green & Sustainable 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.

### 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](#)

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### COMMENTARY

Credit markets performed strongly in May, reversing most of the widening we experienced in March and April. The Fund's outperformance versus benchmark in May was driven by the overweight credit duration positioning (credit spreads were lower/tighter). The Fund's running yield of 4.32% versus the benchmark's 3.62%, also contributed to the monthly out-performance versus benchmark.

Outperformance in May came from the Fund's positions in ENBW International Finance (Green), Mercury (Green), Transpower (Green), NBN (Green) and SA Power Networks (Green). Underperformance came from the Fund's positions in the European Investment Bank (Green) and the Asian Development Bank (Social).

### 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.

