

NZ Economic Revival

The New Zealand economy has faced a challenging few years. As of September, the unemployment rate stands at 5.3%, the highest since 2016. House prices are down over 10% nationally from their 2021 peak, with Auckland and Wellington faring worse, down 20% and 30% respectively. Let's not forget the cumulative inflation Kiwi households have endured: the CPI basket is 25% higher in June 2025 compared to June 2020. However, the positive lagged effects of easing monetary policy are beginning to show across many of the companies we follow. A large number of businesses posted AGM trading updates during October, offering fresh insights into their performance. Three noteworthy updates in recent weeks come from Freightways, NZME, and Vulcan Steel. These examples demonstrate that the country is returning to growth, although the pace of recovery varies by sector.

Freightways operates a range of transport-related businesses across Australasia, but at its core, it's a business-to-business parcel courier company. These parcel volumes are largely disconnected from the residential property market and major exporters like Fonterra and Zespri. Instead, Freightways' courier business serves as a reliable barometer of core NZ business activity. Understandably, their 'same customer' parcel volumes have declined over the past two years. However, their full-year results in August showed minor growth in the first half of the calendar year. At their AGM in late October, the company reported that same customer volume growth had accelerated to +1.8% year on year during the September quarter. Thanks to favourable pricing, sensible cost management, and improved network utilisation, Freightways grew earnings by 23% compared to the same quarter last year - an enviable result for many local companies.

NZME is an integrated media company with clear cyclical elements. It owns and operates OneRoof, the NZ Herald, several local newspapers, and a...[READ MORE](#)

MARKET INDICES

Index	Region	Monthly Return	1 Yr. Return
S&P/NZX50G	NZ	1.9%	7.2%
S&P/ASX200G	AUSTRALIA	0.4%	12.5%
MSCI World Index	GLOBAL	2.0%	22.5%
S&P500	USA	2.3%	21.5%
FTSE100	UK	4.1%	24.1%
NIKKEI 225	JP	16.7%	36.7%
NZ 90 Day Bank Bill	NZ	0.3%	3.9%
Bloomberg Global Aggregate Index (NZD)	GLOBAL	0.7%	4.3%

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AT A GLANCE

Prices as at 31 October 2025

DEVON ALPHA FUND	\$2.4073
DEVON AUSTRALIAN FUND	\$1.9969
DEVON DIVERSIFIED INCOME FUND	\$1.5367
DEVON DIVIDEND YIELD FUND	\$2.1107
DEVON GLOBAL IMPACT BOND FUND	\$1.3454
DEVON GLOBAL SUSTAINABILITY FUND	\$2.1629
DEVON TRANS-TASMAN FUND	\$5.2250
DEVON SUSTAINABILITY FUND	\$3.4603
ARTESIAN GREEN & SUSTAINABLE BOND FUND	\$1.0283

IN THIS REPORT

Market Commentary	Page 1
At a Glance	Page 1
Devon Fund Summaries	
Alpha Fund	Page 2
Trans-Tasman Fund	Page 3
Australian Fund	Page 4
Dividend Yield Fund	Page 5
Diversified Income Fund	Page 6
Sustainability Fund	Page 7
ESG Insights	Page 8
Devon Global Impact Fund	Page 9
Devon Global Sustainability Fund	Page 9
Artesian Green Bond Fund	Page 10



DEVON ALPHA FUND

FUND OUTLINE

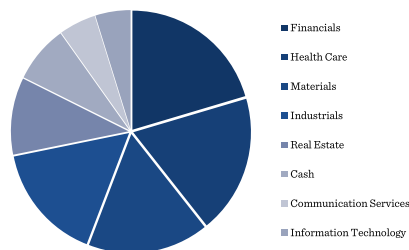
The **Alpha Fund** invests in a concentrated portfolio of approximately 10 to 15 select companies predominantly listed on the NZ and Australian share markets.

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	48.3%	Cash	7.8%
Australian Equities	43.9%	Total	100.0%
Currency Hedge	100.4%		

PERFORMANCE

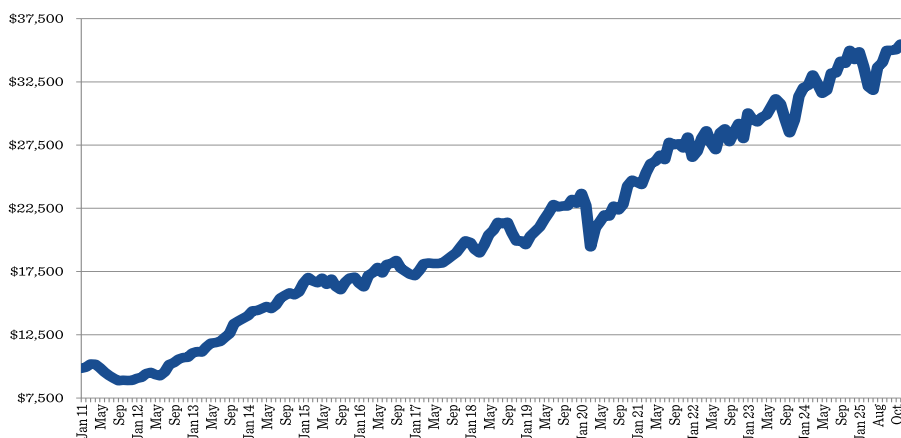
	1 Mth	3 Mth	1 Yr	3 Yr p.a	5 Yr p.a	10 Yr p.a
Devon Alpha Fund	1.3%	1.5%	4.5%	7.5%	9.3%	7.8%
OCR + 5%	0.6%	2.0%	8.9%	10.0%	6.5%	4.0%

*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 absolute return during the month. There were several important contributors, including the Port of Tauranga which rallied 4.9% and Freightways that closed up 7.5%. The best performer for the portfolio though was Summerset, whose share price finished the month higher by 8.6%. Investor confidence in this business has been improving for a while now, but company management were able to confirm the operational momentum that Summerset is currently enjoying, through their third-quarter trading update. Management announced that their new sales are growing by 21% on a year-to-date basis, compared to reported growth of 9% in their first-half results. Alongside this, their resales have also improved by 12%. With activity in the domestic housing market beginning to pick-up and prices stabilising, this investment looks well positioned to continue delivering for investors.

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

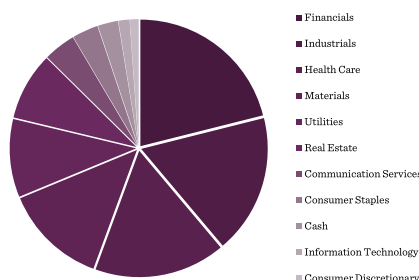
The **Trans-Tasman Fund** provides a broad and actively managed exposure to the New Zealand and Australian equity markets.

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

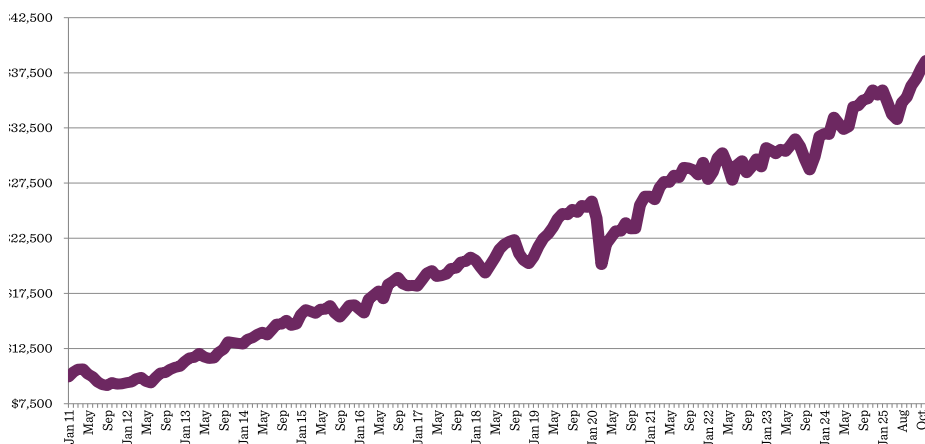
New Zealand Equities	55.6%	Cash	2.6%
Australian Equities	41.8%	Total	100.0%

PERFORMANCE	1 Mth	3 Mth	1 Yr	3 Yr p.a	5 Yr p.a	10 Yr p.a
Devon Trans-Tasman Fund	1.9%	6.3%	9.9%	10.0%	10.5%	9.0%
50:50 NZX50 Gross & ASX200 Index Unhedged	1.2%	6.6%	12.0%	10.3%	8.3%	9.5%

*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 strategy performed ahead of its underlying benchmark during October. There were several positive contributors to our portfolio, including AUB (+12.9%) and Summerset (+8.6%).

During the month one of our long-term investments, Freightways, held its Annual General Meeting (AGM) and released a trading update that exceeded investor expectations. Parcel volumes from existing customers across their network rose by 1.8% during the third quarter of the calendar year, following a relatively flat performance in the first six months. We anticipate continued support for these volumes as the Reserve Bank of New Zealand (RBNZ) eases monetary policy and business activity gains positive momentum. Investors were supportive of the AGM comments which were reflected in the company's share price closing the month up 7.5%. Key detractors in October included Cleanaway, Resmed and Goodman Group.

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

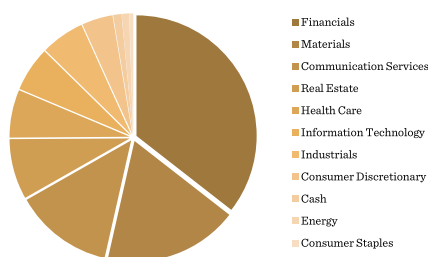
The **Australian Fund** invests in a select portfolio of companies, which are primarily Australian listed companies.

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	1.1%
Australian Equities	98.9%	Total	100.0%

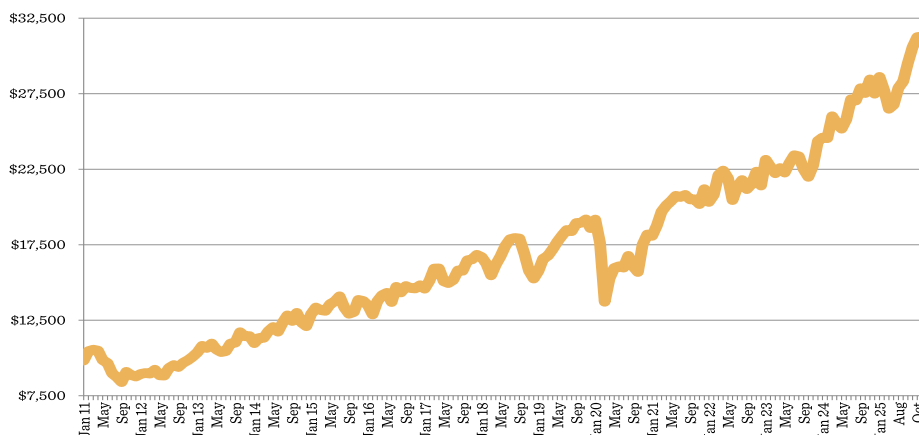
PERFORMANCE

	1 Mth	3 Mth	1 Yr	3 Yr p.a	5 Yr p.a	10 Yr p.a
Devon Australian Fund	0.2%	6.0%	13.6%	13.3%	14.8%	9.1%
ASX200 Index Gross (NZD)	0.5%	7.6%	16.8%	14.5%	14.3%	10.6%

*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

Key contributors to our performance included AUB Group (+12.9%), ANZ Group Holdings (+10.3%), and Rio Tinto (+8.9%), while detractors included positions in Integral Diagnostics (-5.8%), Xero (-7.9%), and Cleanaway Waste Management (-7.9%).

AUB Group performed strongly after the company confirmed it had received an unsolicited, non-binding indicative proposal from global private equity group EQT to acquire the company. Under the terms of the proposal, shareholders would receive \$45 in cash for each AUB share, compared to the share price of \$32 prior to the offer becoming public.

AUB Group is a global insurance broker based in Australia. The company has done an exceptional job building a platform in its underwriting agencies business and significantly improving margins in recent years. Despite this success, AUB Group has been trading at a notable discount to the average market multiple in Australia, as investors have been cautious due to the slowing premium rate cycle. This presents an opportunity, as the company has historically traded at a premium of over 20% to the broader market.

PORTFOLIO MANAGER

Ben Jenkin



Ben has primary responsibility for stock selection and portfolio construction for the Australian and 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 DIVIDEND YIELD FUND

FUND OUTLINE

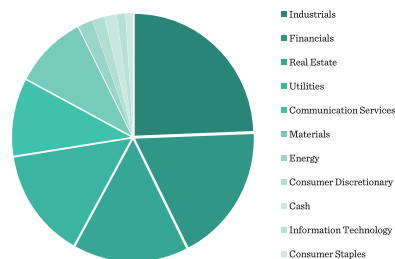
The **Devon Dividend Yield Fund** invests in a carefully selected portfolio of New Zealand and Australian listed companies.

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

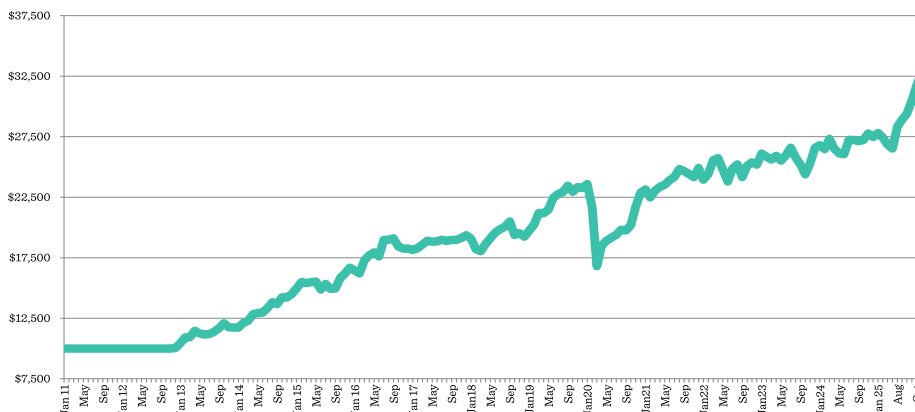
New Zealand Equities	62.8%	Cash	1.6%
Australian Equities	35.6%	Total	100.0%
Currency Hedge	97.9%	Yield	5.3%

PERFORMANCE	1 Mth	3 Mth	1 Yr	3 Yr p.a	5 Yr p.a	Since Inception
Devon Dividend Yield Fund	3.3%	11.4%	20.4%	9.3%	10.2%	9.8%
50:50 NZX50 & ASX200 Index Gross	1.2%	4.2%	9.8%	9.6%	7.5%	10.2%

*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

Pleasingly, during October the Dividend Yield strategy had another month of strong absolute and relative returns. Top performers during October were Sky TV (+15.1%), AUB Group (+12.9%), and NZX (+11.2%). Meanwhile, key detractors included Cleanaway (-7.9%), Credit Corp (-6.1%), and Precinct Properties (-6.1%).

National Storage REIT is the largest self-storage provider in Australasia and is a position we initiated during the month. We see the asset class benefiting from strong structural tailwinds of a rising population and increased home ownership, in addition to a cyclical recovery across both the housing market and the broader economy. We see the current valuation as undemanding and are attracted to the future earnings growth as their portfolio occupancy increases. The fund continues to generate a dividend stream above 5% which is paid out in quarterly distributions. As an investor in this product, you will be pleased to know I have made a significant personal allocation to the fund so as to be an investor alongside yourselves.

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

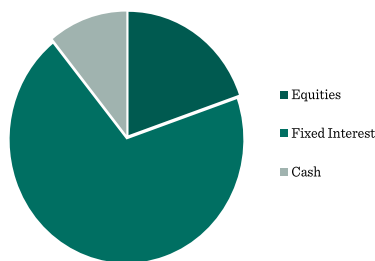
FUND OUTLINE

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	17.7%	Bonds	62.5%
Australian Equities	10.0%	Cash	9.8%

PERFORMANCE

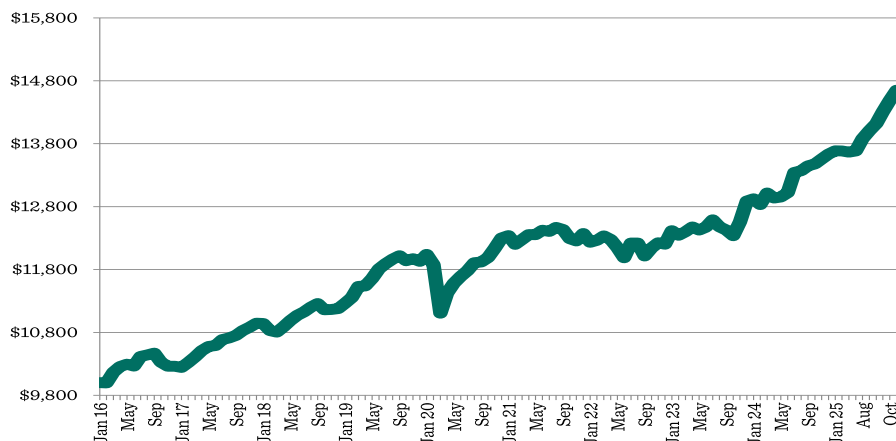
	1 Mth	3 Mth	1 Yr	3 Yr p.a	5 Yr p.a	Since Inception
Devon Diversified Income Fund	1.1%	3.8%	8.7%	6.5%	4.1%	4.1%
75% BB Composite 0-5yr Index, 25% 50:50 Composite NZX50 Gross and ASX 200 Index hedged to NZD	0.5%	1.5%	5.7%	6.5%	4.9%	2.9%

*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 long dated bond yields were reasonably stable during the month, with the interest rate on US 10-year Treasuries finishing the month at 4.11%. The US Federal Reserve delivered their second policy cut of the year, reducing their benchmark rate by 0.25% to a range of 3.75% to 4.00%. Chairman Powell identified in comments alongside the move that there were two dissenting members of the committee, one who wanted no cut and another who preferred a reduction of 0.50%. Powell also warned against assuming that there would necessarily be an additional cut at its next meeting in December, acknowledging that although the employment picture had softened, inflation has moved up again. In New Zealand the RBNZ also cut our OCR by 0.25%, and they identified that excess capacity in the economy is weighing on medium-term inflation. The market expects another cut at their next meeting in late November.

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

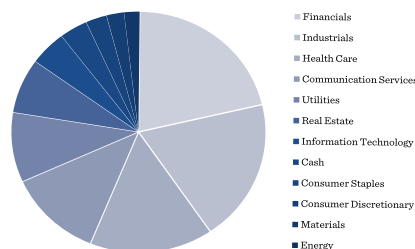
The **Devon Sustainability Fund** invests in a select portfolio of well researched New Zealand and Australian listed companies.

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	53.6%	Cash	3.6%
Australian Equities	42.8%	Total	100.0%

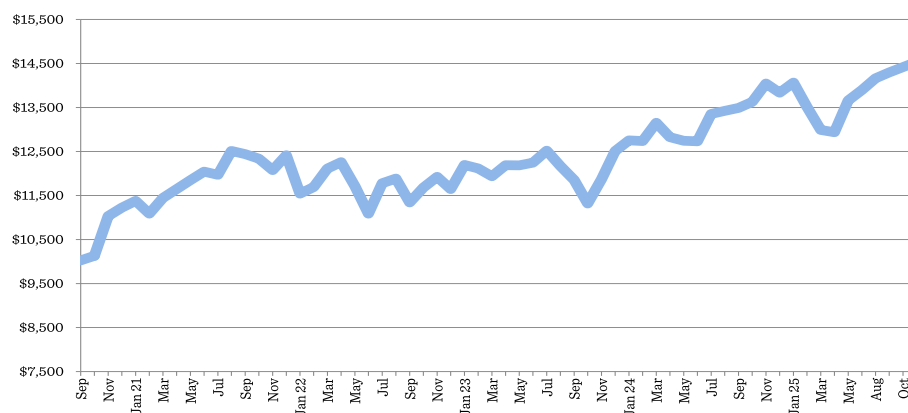
PERFORMANCE

	1 Mth	3 Mth	1 Yr p.a	3 Yr p.a	Since Inception
Devon Sustainability Fund	0.8%	2.7%	6.7%	7.6%	7.5%
50:50 NZX50 Portfolio Index & ASX200 Index	1.2%	4.8%	11.0%	9.3%	8.0%

*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> or by clicking [HERE](#)

COMMENTARY

Our top contributors for the month included Sky Network Television (+15.1%), AUB Group (+12.9%), and ANZ Group Holdings (+10.3%). AUB Group rallied after confirming it had received an unsolicited, non-binding indicative proposal from global private equity firm EQT to acquire the company.

Napier Port Holdings (+8.2%) continued to perform well, reporting quarterly cargo volume data that suggested it is on track to surpass market expectations for its full-year 2025 results. Volume growth was supported by a strong apple harvest and a return to more normal levels of containerised wood products as exporters continue to recover from Cyclone Gabrielle. Additionally, management continues to achieve strong operating momentum through price increases and cost control, supporting improving returns across its asset base.

Detracting from performance were Cleanaway Waste Management (-7.9%) and Xero (-7.9%). Cleanaway had a disappointing month after re-affirming its full-year guidance at its AGM but noting that trading in September was softer than expected, partly due to additional closure costs at its Queensland landfill.

PORTFOLIO MANAGER

Ben Jenkin



Ben has primary responsibility for stock selection and portfolio construction for the Australian and 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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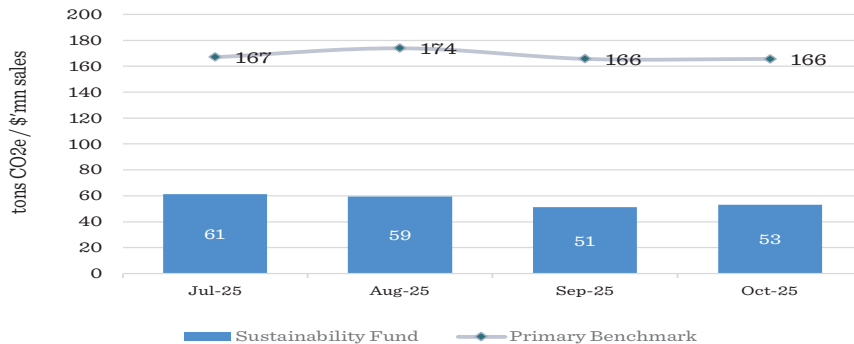
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DEVON SUSTAINABILITY FUND

CARBON INTENSITY - PORTFOLIO VS BENCHMARK

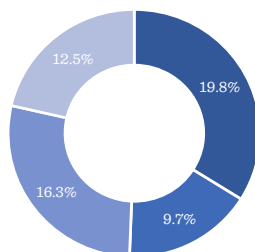
Carbon Intensity - Portfolio vs Benchmark



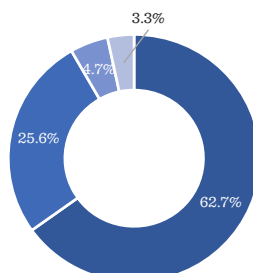
PORTFOLIO CARBON EMISSIONS BY KEY SECTORS

Portfolio Carbon Emissions by Key Sectors

Portfolio value by sector



Portfolio carbon emission by sector



- Industrials
- Utilities
- Health Care
- Communication Services

The industrials, utilities, health care and communications services sectors make up 58.3% of the portfolio by value, but they account for 96.3% of the carbon emissions in the portfolio.

ESG PORTFOLIO SUMMARY

	MSCI ESG Ratings	MSCI ESG Quality score	
Portfolio	AA	7.56	Portfolio Sustainability Fund
Benchmark	AA	7.47	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	1.2%	1.7%	1.9%	2.7%	5.4%

*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	88.4%
% of companies committed to Net Zero	67.4%
% of companies committed to Carbon Neutral	14.0%
% of companies with no commitment to either	18.6%

STEWARDSHIP

At Devon we use research provider ISS to assist in our proxy voting decisions. Following the release of an ISS voting report which recommended voting against the Chair of Chorus for a "major corporate governance failure," members of our team had a call with the Chair to discuss the issue. The concern related to the company's decision to hold its Annual General Meeting (AGM) on a virtual-only basis, without the option for shareholders to attend in person. Our concern was around setting a precedent for virtual only meetings, given the potential for restricted shareholder engagement during the Q&A session.

The Chair explained that the AGM had also been held virtually the previous year, with historically low in-person attendance (fewer than ten shareholders). As this was not flagged by ISS at the time and there were no contentious items on the agenda, the same format was adopted again this year. Based on the feedback the Chair has now received, there was a willingness to return to a hybrid meeting format in the future.

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	0.88	1.10	-0.22
Credit*	4.46	4.52	-0.05
Asset Backed Securities	0.03	0.01	0.03
Mortgage Backed	0.83	0.55	0.28
Commercial Mortgage	0.02	0.02	-0.00
Other	0.01	0.09	-0.08
Cash Offset	-	-	-
	6.24	6.28	-0.04

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	-7.78	0.36	-8.14
AAA	33.62	11.84	21.78
AA	36.07	39.77	-3.70
A	12.98	33.85	-20.86
BBB	15.69	13.92	1.77
BB	5.93	0.01	5.92
B	3.45	-	3.45
Below B	0.26	-	0.26
Cash Offset	-1.35	-	-1.35
Not Rated	1.13	0.26	0.88
	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 October 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	0.8%	2.1%	4.6%	5.4%	1.9%
Bloomberg Global Aggregate Index Hedged NZD	0.7%	1.8%	4.3%	4.9%	1.8%

PERFORMANCE	1 Mth	3 Mth	1 Yr	3 Yr p.a	Since Inception
Devon Global Sustainability Fund	0.5%	3.6%	8.6%	15.3%	10.7%
MSCI All Country World Index in NZD, 50% hedged to NZD	3.2%	10.2%	24.4%	21.4%	15.0%

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

KEY HOLDINGS*



*Key Holdings as at 31 October 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.

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**DEVON
FUNDS.**

www.devonfunds.co.nz

ARTESIAN GREEN AND SUSTAINABLE BOND FUND (NZD)

FUND OUTLINE

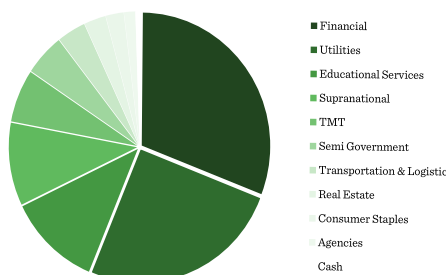
The **Artesian Green and Sustainable Bond Fund (NZD)** offers New Zealand-based investors a Portfolio Investment Entity (PIE) vehicle through which to invest in the Artesian Green and Sustainable Bond Fund (AUD).

Through this structure, the Fund will invest in a diversified portfolio of liquid, predominately investment grade fixed and floating rate green and sustainable 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)	99.0%	Cash	1.0%
Currency Hedge (100% to NZD)	99.8%	Total	100.0%

PERFORMANCE

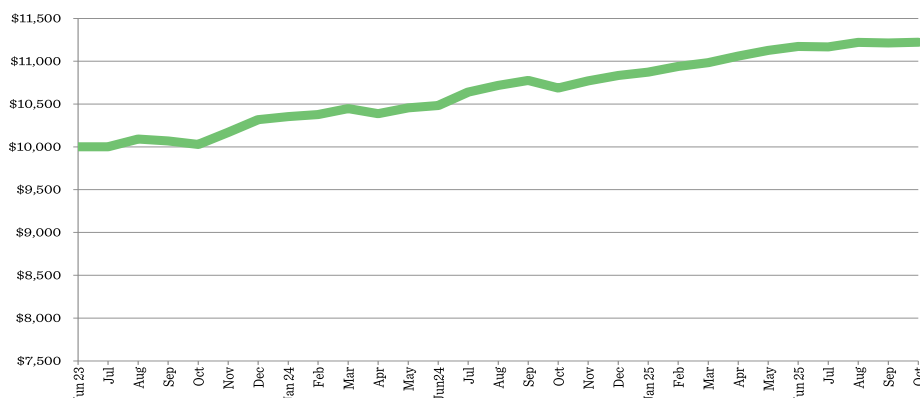
	1 Mth	3 Mth	1 Yr	2 Yr	Since Inception
Artesian Green & Sustainable Bond Fund (NZD)*	0.08%	0.50%	5.02%	5.79%	5.34%
Artesian Green & Sustainable Bond Fund PIR Return (NZD)**	0.18%	0.60%	5.62%	6.34%	5.81%
Bloomberg AusBond Composite 0-5 Yr Index 100% Hedged to NZD	0.15%	0.37%	4.68%	5.59%	5.13%

*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

The Fund's outperformance versus benchmark in October was driven by the active interest rate duration management and pockets of outperformance in credit spreads. The Fund's running yield of 4.38% versus the benchmark's 3.78% also contributed to the monthly outperformance.

Outperformance in October came from the Fund's positions in E.ON SE (Green), Woolworths (Sustainability-Linked), Contact Energy (Green) and Optus (Sustainability-Linked). Underperformance came from the Fund's positions in Korea Housing Finance Corporation (Green), ANZ (Sustainable), BPCE (Social) and Australian Postal Corporation (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.

