

### SUMMARY OF INVESTMENT OBJECTIVE

The **Devon Global Impact Bond Fund** is actively managed and seeks to understand the world's social and environmental problems and to identify and invest primarily in debt issued by companies and organisations that we believe are addressing these needs in a differentiated way through their core products, services and projects. Through the Fund's investments, we seek to improve access to, and the quality of, basic life essentials, reduce inequality and mitigate the effects of climate change. The Fund seeks to deliver long term total returns in excess of the Bloomberg Global Aggregate Index (hedged to NZD).

### PORTFOLIO SUMMARY

	Portfolio	Benchmark	Difference
Effective Duration (Years)	5.83	6.37	-0.53
Spread Duration (Years)	5.95	6.24	-0.29
Credit Spread Duration (Years)	4.38	2.38	2.00
Yield to Worst	5.36	4.91	0.45
Average Quality	A+	AA-	

### ALLOCATION

Wellington Global Impact Bond Fund NZD Hedged	98.8%	Cash	1.2%
Currency Hedge (100% to NZD)	100.0%	Total	100.0%

### PERFORMANCE

	1 Mth	3 Mth	1 Yr	3 Yr p.a
Devon Global Impact Bond Fund	0.6%	1.4%	2.5%	3.4%
Bloomberg Global Aggregate Index Hedged NZD	0.4%	1.1%	2.6%	3.1%

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

### MARKET REVIEW

In August, rising expectations of a Fed policy shift, coupled with growing concerns over fiscal sustainability, have contributed to a steepening in sovereign yield curves. Most fixed income sectors posted positive excess returns despite widening credit spreads across select sectors.

Most global sovereign yield curves steepened in August. US Treasury front-end yields fell sharply following dovish remarks from Fed Chair Powell at Jackson Hole and a weaker-than-expected July non-farm payroll report, fueling expectations of a September rate cut. Long-end yields edged higher on rising term premium. In Europe, German 30-year bund yields rose on increased defense and infrastructure spending, while front-end yields drifted lower. UK gilt yields climbed across the curve, reflecting persistent inflation and concerns over fiscal sustainability.

Global credit markets underperformed duration-equivalent government bonds over the month as spreads widened. The financials, industrials, and utilities sectors underperformed relative to duration-equivalent government bonds. Broadly, municipal bonds underperformed duration-equivalent Treasuries. Within the securitized sectors, agency mortgage-backed securities, commercial mortgage-backed securities, and asset-backed securities all outperformed

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MONTHLY REPORT: AUGUST 2025

## FUND PERFORMANCE AND ATTRIBUTION

The portfolio generated a positive total return during the month and outperformed the Bloomberg Global Aggregate hedged to NZD index.

The portfolio's corporate credit positioning had a negligible impact on performance overall. At the broad sector level, high yield credit outperformed while US investment grade corporates underperformed duration-equivalent government bonds. An allocation to US and developed non-US high yield credit had a neutral impact on results; these issuers include industrials and financials invested across digital divide and financial inclusion impact themes. An allocation to emerging market high yield non-investment grade corporates, mainly utilities and industrial issuers invested in the digital divide and clean water and sanitation themes, had a neutral impact on relative results.

An overweight to agency mortgage back securities (MBS) in support of the affordable housing theme was beneficial for performance as spreads moved tighter due to risk assets rallying amid improved investor sentiment and growing expectations for a policy shift from the Fed.

An allocation to taxable municipals, primarily allotted to education & training and health themes, had a neutral impact on relative results.

Overall duration and yield curve positioning had a positive impact on performance.

## MARKET REVIEW (CONTINUED)

duration-equivalent government bonds.

## PORTFOLIO MANAGER

### Campe Goodman

Campe is ultimately accountable for all performance and risk management decisions in the Global Impact Bond portfolio. Campe is the final decision maker who is responsible for performance, positioning, and risk

in Global Impact Bond portfolios. Campe has 23 years of industry experience and has managed the underlying Wellington Global Impact Bond fund since its inception in 2017.



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## CONTRIBUTION TO DURATION YEARS

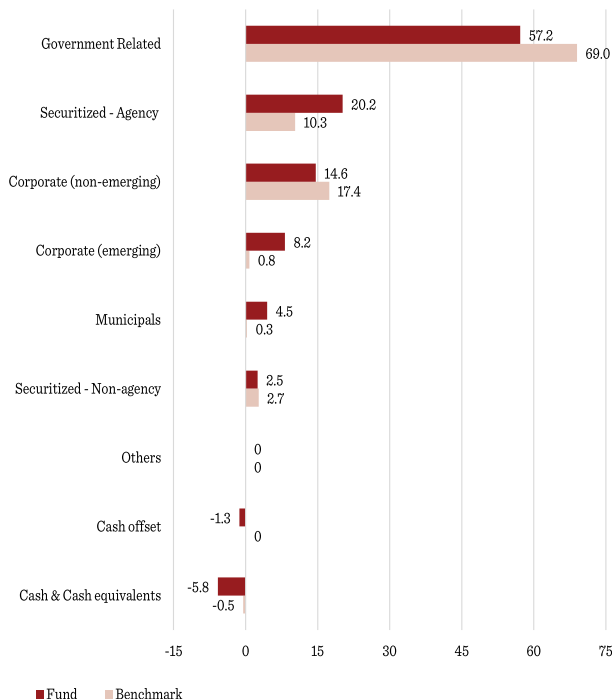
SECTOR	Account	Benchmark	Difference
Cash & Cash Equivalents	0.00	0.00	0.00
US Government	0.66	1.05	-0.39
Credit*	4.27	4.54	-0.27
Asset Backed Securities	0.04	0.01	0.03
Mortgage Backed	0.93	0.53	0.41
Commercial Mortgage	0.03	0.02	0.00
Other	0.02	0.09	-0.04
Cash Offset	-	-	-
	<b>5.95</b>	<b>6.24</b>	<b>-0.29</b>

\*Credit includes Tax-Exempt Municipals, Investment Grade and High Yield Credits, Bank Loans, Emerging Market Debt, and Developed Non US Dollar Denominated Securities.

## CREDIT RATING % MARKET VALUE

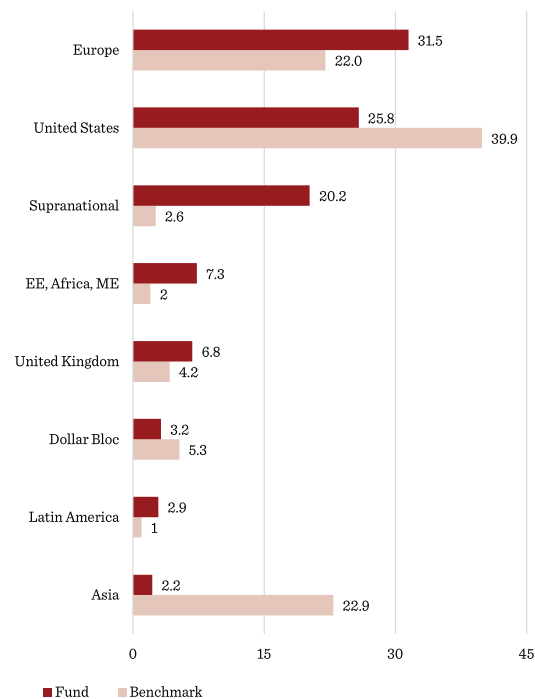
QUALITY	Account	Benchmark	Difference
Cash	-5.17	0.37	-5.54
AAA	34.38	12.08	22.30
AA	36.87	41.96	-5.09
A	8.62	31.1	-22.47
BBB	16.62	14.22	2.40
BB	5.63	0.01	5.62
B	2.88	-	2.88
Below B	0.25	-	0.25
Cash Offset	-1.35	-	-1.35
Not Rated	1.28	0.27	1.01
	<b>100.00</b>	<b>100.00</b>	

## SECTOR DISTRIBUTION % MARKET VALUE



Totals may not add up to 100% due to rounding.

## GEOGRAPHIC DISTRIBUTION % MARKET VALUE



Totals may not add up to 100% due to rounding. | EE stands for East Europe & ME stands for Middle East.



## FUND POSITIONING AND OUTLOOK\*

Despite ongoing uncertainty around tariffs, fiscal stimulus, deregulation, and potential Fed easing offer some growth support—though timing remains unclear. There is also likely to be an increased probability of a much more sustained rise in inflation levels and volatility, whilst potentially causing a significant deterioration of short- and medium-term growth.

Against this backdrop, we believe that there is opportunity in active portfolio management, with nimble credit management and bottom-up, research-driven security selection being key.

In terms of positioning, the portfolio has a close to neutral credit risk profile, with a modestly short duration posture, while preserving high-quality liquid instruments to take advantage of future market dislocations.

From a sector perspective, the portfolio maintains an off-benchmark allocation to select taxable municipals, emphasizing healthcare and education issuers. The portfolio holds select below investment-grade corporates and bank loan issuers that in our view carry attractive credit spreads.

The portfolio maintains positioning in agency MBS issuers with a focus on supporting housing affordability for low-income borrowers. We continue to hold select single-asset single borrower CMBS backed by LEED certified buildings.

The portfolio maintains exposure to labelled use-of-proceeds government and agency bonds intended to fund green, social, and sustainability-related projects.

*\*These views are those of Wellington Management, who have been appointed as the underlying investment manager for the Devon Global Impact Bond Fund.*



## INDEPENDENT IMPACT VERIFICATION



An early mover in public-market impact investing, Wellington launched its first impact strategy in 2015 and joined the Global Impact Investing Network (GIIN) a year later. Wellington has continuously evolved to stay aligned with current best practices ever since. Wellington's commitment to ongoing improvement led the firm to independently verify that the impact investing processes of its Global Impact Equity and Global Impact Bond strategies (with combined assets under management of US\$3.8 billion as at 31 December 2024) align with industry standards.

BlueMark, the leading provider of independent impact verification and intelligence for the sustainable and impact investing market, verified Wellington's practices. BlueMark assessed Wellington's practices against the GIIN's [impact principles](#) – a commonly recognized standard for impact investors, who aim to deliver market-rate financial returns alongside measurable social and environmental impact.

Wellington are thrilled to share its strong results, having earned an “advanced” or “high” rating in eight out of nine practice areas. Specifically, BlueMark:

- Highlighted a granular, bottom-up, integrated approach to impact diligence.
- Acknowledged strong collaboration among various teams across the firm, who work with impact portfolio managers to ensure that each underlying holding meets the respective fund's impact criteria.
- Assessed impact monitoring as “advanced,” citing Wellington's annual reporting of impact KPIs and an internal feedback loop that ensures insights from impact data analysis can help influence research and engagement priorities for Wellington's impact funds.

While proud of these achievements and BlueMark verification, Wellington also recognizes the importance of continued diligence and improvement. For example, Wellington plans to focus on the better sharing of lessons learned between the impact investing teams.

Looking forward to the next decade of impact investing, Wellington remains committed to advancing its impact measurement and management practice. Aligning with industry standards and best practices can not only help Wellington attract capital to public-market impact investing and deliver competitive outcomes for clients, but can help ensure that the firm is making a meaningful, quantifiable difference for society and the environment.

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