

DEVON FUNDS.

For the informed investor.



DEVON GLOBAL IMPACT BOND FUND

MONTHLY REPORT: FEBRUARY 2026

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)	6.21	6.24	-0.03
Spread Duration (Years)	6.24	6.10	0.14
Credit Spread Duration (Years)	4.21	2.32	1.89
Yield to Worst	4.92	4.39	0.53
Average Quality	A+	AA-	

ALLOCATION

Wellington Global Impact Bond Fund NZD Hedged	99.4%	Cash	0.6%
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	1.24%	1.2%	4.0%	5.1%
Bloomberg Global Aggregate Index Hedged NZD	1.31%	1.1%	3.6%	4.8%

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

MARKET REVIEW

In February, global sovereign yields declined sharply amid softer growth signals, heightened geopolitical and trade policy uncertainty, while most fixed income sectors delivered negative excess returns as credit spreads widened.

US economic data indicated mixed consumer sentiment and business conditions. Confidence measures improved on better assessments of job availability, while labor market signals were varied, as payroll gains and a lower unemployment rate contrasted with softer job openings. Eurozone conditions presented a softer tone as economic confidence declined and inflation eased slightly, while manufacturing activity improved and moved out of contraction.

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, asset-backed securities and agency mortgage-backed securities underperformed duration-equivalent government bonds, while commercial mortgage-backed securities outperformed.

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FUND PERFORMANCE AND ATTRIBUTION

The portfolio generated a positive total return during the month but modestly underperformed the Bloomberg Global Aggregate hedged to NZD index.

The portfolio's corporate credit positioning had a positive impact on performance overall. At the broad sector level, both high yield credit and US investment grade corporates underperformed duration-equivalent government bonds. An underweight to US investment grade corporates had a positive impact on relative performance. This was offset by an allocation to US high yield credit which had a negative impact on results.

An overweight to agency mortgage back securities (MBS) in support of the affordable housing theme had a neutral impact on relative performance.

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

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

MARKET REVIEW (CONTINUED)

Not applicable this month

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

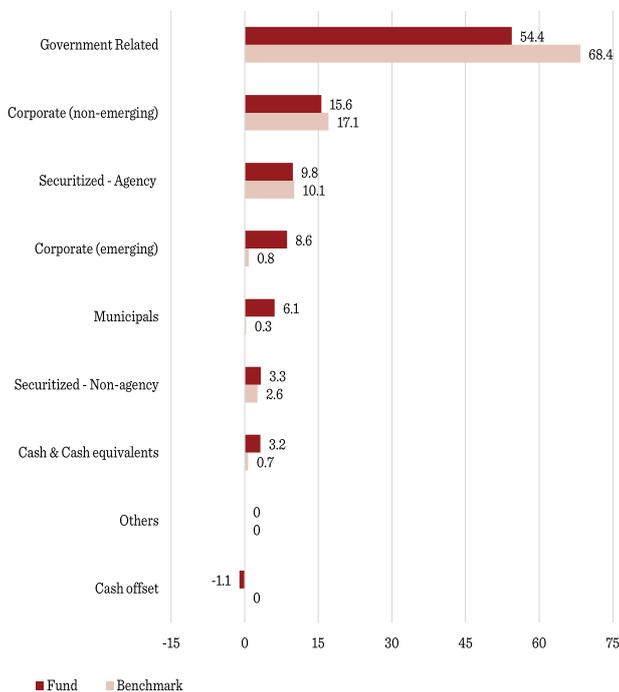
SECTOR	Account	Benchmark	Difference
Cash & Cash Equivalents	-0.00	0.00	-0.00
US Government	0.87	1.11	-0.25
Credit*	4.75	4.49	0.26
Asset Backed Securities	0.03	0.01	0.03
Mortgage Backed	0.52	0.52	0.00
Commercial Mortgage	0.02	0.02	-0.00
Other	0.02	0.09	-0.07
Cash Offset	-	-	-
	6.21	6.24	-0.03

*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

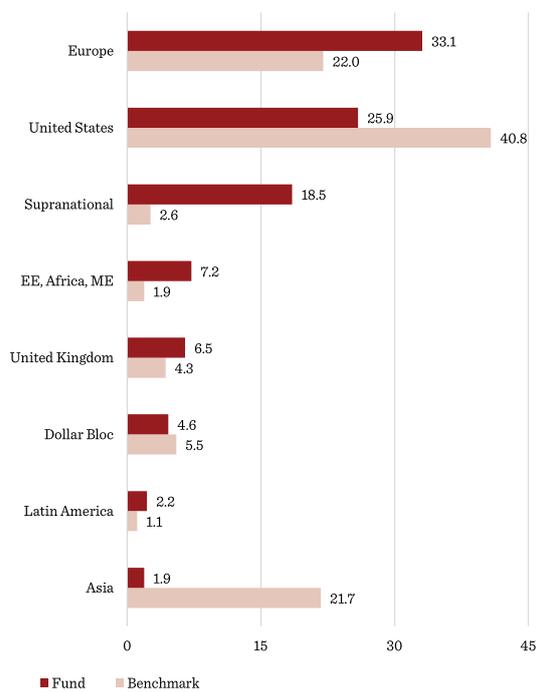
QUALITY	Account	Benchmark	Difference
Cash	3.01	0.42	2.59
AAA	32.61	12.11	20.50
AA	23.59	39.20	-15.61
A	14.06	33.99	-19.93
BBB	17.75	14.03	3.72
BB	4.87	0.00	4.87
B	3.58	0.00	3.58
Below B	0.28	-	0.28
Cash Offset	-1.13	-	-1.13
Not Rated	1.38	0.25	1.13
	100.00	100.00	

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*

Fiscal stimulus, AI investment, deregulation, and accommodative monetary policy continue to underpin growth. Still, the impact of these policies is uneven, and political volatility keeps the macro backdrop unsettled. Inflation has eased but evolving tariff policies add complexity to the outlook. Corporate fundamentals remain generally solid, though margin pressure and softer revenue growth are becoming more visible.

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 remains underweight in investment-grade credit, instead favoring opportunities in select out-of-benchmark sectors. These include high-quality securitized credit-supported by tight housing supply and resilient consumer fundamentals-and select emerging markets where valuations appear compelling and fundamentals are improving.

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 an overweight to 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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