DEVON FUNDS.

For the informed investor.

DEVON GLOBAL IMPACT BOND FUND

MONTHLY REPORT: MARCH 2025

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)	5.91	6.46	-0.55
Spread Duration (Years)	6.10	6.37	-0.26
Credit Spread Duration (Years)	4.12	2.44	1.68
Yield to Worst	5.16	4.76	0.40
Average Quality	AA-	AA-	

ALLOCATION

Wellington Global Impact Bond Fund NZD Hedged	98.4%	Cash	1.6%
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	-0.5%	1.0%	4.0%	1.0%
Bloomberg Global Aggregate Index Hedged NZD	-0.5%	1.1%	4.2%	1.0%

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

MARKET REVIEW

In March, renewed inflation worries driven by tariffs along with Germany's fiscal announcement sent long-ended developed sovereign yields sharply higher. Most spread sectors produced negative total returns and underperformed government bonds on an excess return basis

Most global sovereign bond yields rose. The US Treasury yield curve steepened as front-end yields rallied and long-dated yields sold off. Markets priced in a higher likelihood of three Fed cuts this year, driving front-end yields lower. In Europe, German bund yields spiked, driven by the country's transformational shift in fiscal policy, seeking to ease the debt brake for increased defense spending and expansive infrastructure plans. UK gilt yields edged higher as the Bank of England kept rates unchanged, signaling a potential longer pause. US Federal Reserve kept rates on hold, while the European Central Bank and the Swiss National Bank each cut rates by 25 basis points.

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, com-

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FUND PERFORMANCE AND ATTRIBUTION

The portfolio generated a negative total return during the month, but performed in line with the Bloomberg Global Aggregate hedged to NZD index.

The portfolio's corporate credit positioning was neutral from performance overall. At the broad sector level both high yield credit and US investment grade corporates underperformed duration-equivalent government bonds amid spread widening. An underweight to US investment grade corporates, particularly industrials, benefited relative performance. Positioning within high yield credit had a negative impact on performance. An allocation to emerging markets high yield corporates had a small negative impact on relative results.

An overweight to agency mortgage back securities (MBS) in support of the Affordable Housing theme, and an allocation to commercial mortgagebacked securities (CMBS) each detracted modestly from results amid a broader risk-off sentiment.

An allocation to taxable municipals, primarily allotted to Education & Training and Health themes, detracted from performance.

Overall duration and yield curve positioning helped results over the month. The portfolio held an underweight duration position.

MARKET REVIEW (CONTINUED)

mercial mortgage-backed securities, and asset-backed securities each underperformed 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.

CONTRIBUTION TO DURATION YEARS

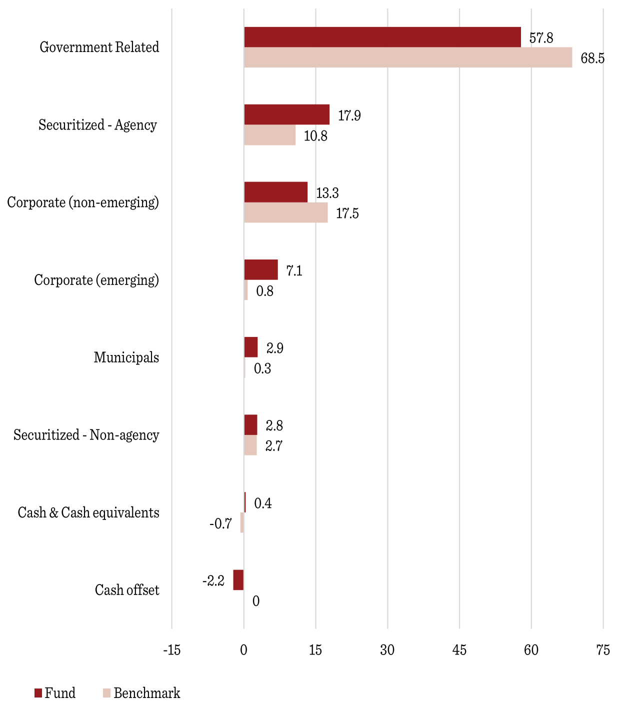
SECTOR	Account	Benchmark	Difference
Cash & Cash Equivalents	0.00	0.00	0.00
US Government	1.03	1.12	-0.09
Credit*	3.97	4.61	-0.64
Asset Backed Securities	0.04	0.01	0.04
Mortgage Backed	0.81	0.61	0.20
Commercial Mortgage	0.04	0.03	0.01
Other	0.01	0.09	-0.08
Cash Offset	–	–	–
	5.91	**6.46**	**-0.55**

*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

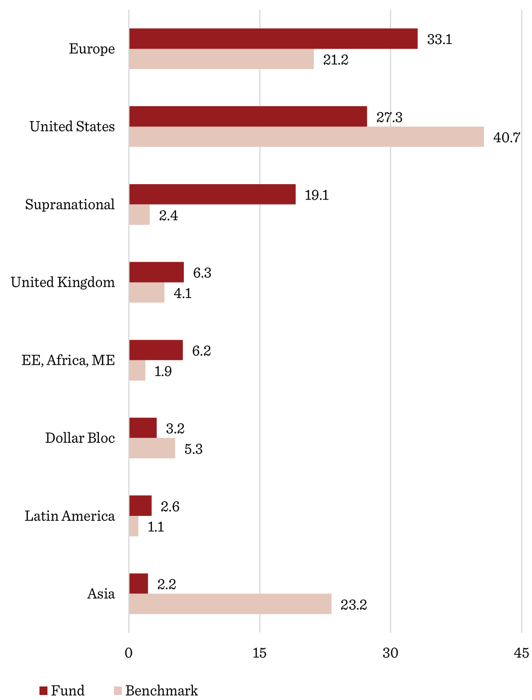
QUALITY	Account	Benchmark	Difference
Cash	1.58	0.34	1.24
AAA	35.93	11.82	24.11
AA	32.79	42.09	-9.30
A	7.30	31.28	-23.98
BBB	14.87	14.20	0.67
BB	6.00	0.00	6.00
B	2.83	–	2.83
Below B	0.15	–	0.15
Cash Offset	-2.24	–	-2.24
Not Rated	0.78	0.26	0.52
	100.00	**100.00**	

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.

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FUND POSITIONING AND OUTLOOK*

We believe the macro backdrop will remain volatile and uncertainties around US tariff policy, bilateral negotiations, central bank policy trajectory and European fiscal will persist. Elevated uncertainty has the potential to tighten financial conditions, accelerate regional divergence, and challenge market soft landing narratives. 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 and 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 sustainabilityrelated projects.

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

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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.

Welington 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.