

DEVON FUNDS.

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DEVON GLOBAL SUSTAINABILITY FUND

MONTHLY REPORT: APRIL 2025

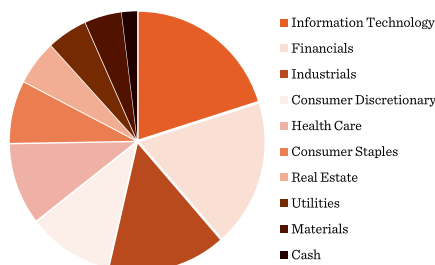
SUMMARY OF INVESTMENT OBJECTIVE

The **Devon Global Sustainability Fund** is actively managed and seeks to deliver long-term total returns in excess of the MSCI All Country World Index (50% hedged to NZD) by investing in the equities of 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. We 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 Fund targets net zero emissions by 2050 in alignment with the Paris Agreement.

KEY HOLDINGS



ASSET ALLOCATION



ALLOCATION

Wellington Global Stewards Fund NZD Unhedged	97.0%	Cash	3.0%
Currency Hedge	48.0%	Total	100%

PERFORMANCE

	1 Mth	3 Mth	1 Yr	3 Yr p.a
Devon Global Sustainability Fund	-1.5%	-7.7%	6.0%	10.1%
MSCI All Country World Index in NZD, 50% hedged to NZD	-2.3%	-7.2%	10.5%	11.7%

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

FUND PERFORMANCE AND ATTRIBUTION

The fund outperformed the index for the period.

Security selection was a driver of relative outperformance. Strong selection in information technology, consumer staples and consumer discretionary was offset by selection in financials and real estate. Sector allocation, a result of our bottom-up stock selection process, also contributed to returns. Allocation effect was driven by our lack of exposure to energy, but partially offset by our overweight to health care and lack of exposure to communication services. On a market basis, strong stock selection in France and United Kingdom was partially offset by selection in United States, Singapore and Denmark.

At the issuer level, our top two relative contributors were overweights to L'Oreal and Nomura Research Institute, while our top two relative detractors were overweights to Texas Instruments and Weyerhaeuser.

Shares of L'Oreal rose after the cosmetics company reported resilient sales growth for the first quarter, led by demand for high-end make-up and perfumes. Shares of Texas Instruments fell after the China Semiconductor Industry Association issued an emergency notice on chip import origins, impacting Texas Instruments' large Chinese presence.

Devon Funds Management Limited

Level 17, HSBC Tower, 188 Quay Street, Auckland 1010
PO Box 105 609, Auckland 1143
Telephone: 0800 944 049 (free call) or +649 925 3990
enquiries@devonfunds.co.nz

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www.devonfunds.co.nz

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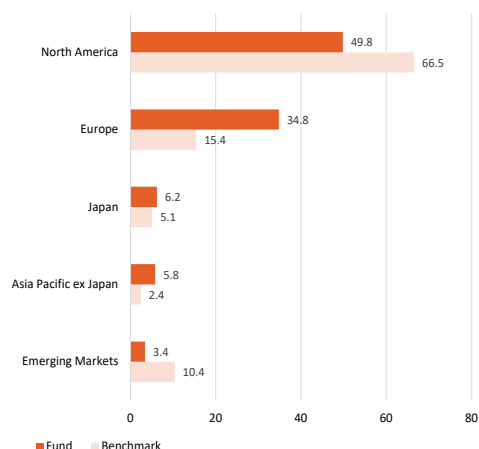


MARKET REVIEW

Global equities declined in April. Soaring trade tensions heightened economic and monetary policy uncertainty, causing volatility to surge across global financial markets. The US implemented extensive tariffs on nearly all imports and significantly increased levies on Chinese goods by up to 125%, which ignited a global trade war, cast doubt on the US dollar's reserve status, and stoked fears of recession. US GDP contracted 0.3% in the first quarter, marking the first quarter of negative economic growth since 2022. In contrast, the eurozone's economy accelerated 0.4% in the same period, although preliminary data for April showed a faltering European economic recovery; the HCOB Flash Eurozone Composite PMI fell to 50.1, signaling near-stagnant growth, and business confidence plummeted to its lowest level since November 2022. In response to the worsening outlook, the ECB reduced its benchmark interest rate to 2.25%. In Canada, Mark Carney was elected Prime Minister in a historic resurgence of the Liberal Party, but the party narrowly failed to secure a majority in the House of Commons. The Russia/Ukraine conflict intensified amid escalating attacks, while diplomatic efforts for a ceasefire continued to face significant challenges. Concurrently, the US and Iran engaged in a third round of nuclear talks where both sides expressed cautious optimism for an agreement. Oil prices ended the month sharply lower amid accelerated oil production hikes by OPEC+ and fears that the trade war will hinder global economic growth.

The MSCI All Country World Index Net returned 0.9% (in USD terms) over the period. Within the index, nine out of 11 sectors rose for the month. Consumer staples and utilities were the top performing sectors, while energy and health care were the bottom performing sectors over the period.

REGIONAL DISTRIBUTION % OF EQUITY



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

FUND PERFORMANCE AND ATTRIBUTION (CONTINUED)

US President Donald Trump announced new tariffs on major trading partners, raising fears of a global trade war and a potential recession. Texas Instruments reported 1Q25 results with EPS beating estimates.

FUND POSITIONING AND OUTLOOK

At the end of the period, our largest overweights were health care and consumer staples. We were most underweight to communication services and energy, neither of which we had exposure to. From a regional perspective, our largest overweight was Europe and we were most underweight to North America and Emerging Markets.

PORTFOLIO MANAGER

Mark Mandel

Mark Mandel is the lead portfolio manager and has full responsibility for investment decisions and leveraging the best long-term investment ideas from the firm's global



industry analysts and collaborating extensively with Wellington Management's broad base of investment resources. Mark has 30 years of industry experience.

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