DEVON FUNDS.

For the informed investor.

DEVON GLOBAL SUSTAINABILITY FUND

MONTHLY REPORT: AUGUST 2024

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

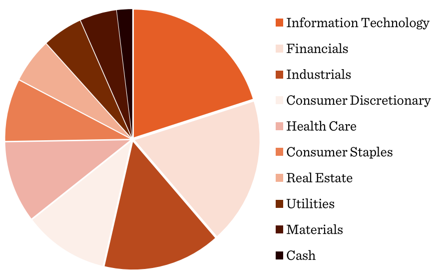
John Deere

Texas Instruments

Cisco

Microsoft

ASSET ALLOCATION



ALLOCATION

Wellington Global Stewards Fund NZDUnhedged	98.6%	Cash	1.4%
Currency Hedge	48.3%	Total	100%

PERFORMANCE	1 Mth	3 Mth	1 Yr	2 Yr p.a
Devon Global Sustainability Fund	0.7%	5.1%	19.1%	17.7%
MSCI All Country World Index in NZD, 50% hedged to NZD	-0.5%	5.1%	20.2%	17.4%

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

FUND PERFORMANCE AND ATTRIBUTION

The Devon Global Sustainability Fund outperformed the index over the month.

Security selection was the primary driver of relative outperformance. Strong selection in industrials, consumer discretionary and information technology was partially offset by selection in 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 and overweight to consumer staples and real estate, but partially offset by our underweight to health care. On a market basis, strong stock selection in United States and Spain was modestly offset by selection in France and Singapore.

At the issuer level, our top two relative contributors were overweights to Inditex and Progressive, while our top two relative detractors were an overweight to MUFG and not owning Eli Lilly.

Shares of Industria de Diseno, a Spanish clothing company, rose during the period after research analysts provided positive comments related to the company's upcoming earning release, citing optimistic earnings and cash flow growth. Shares of MUFG fell over the period along with other Japanese stocks as disappointingly weak US jobs data raised concerns about the world's biggest economy and as the yen strengthened.

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MARKET REVIEW

Global equities rose in August despite significant market volatility. Exacerbated by an abrupt unwinding of the Japanese yen carry trade, equities fell precipitously at the beginning of August amid an uptick in recession risks and fears of excessively restrictive monetary policy in the US. However, markets rebounded amid optimism that the US economy can achieve a soft landing. Federal Reserve Chair Jerome Powell cited an impending rate cut during his Jackson Hole symposium speech stating, “the time has come for policy to adjust.” Against a backdrop of declining inflation and softening global economic growth, monetary policy easing gathered pace in August as the central banks of England, Sweden, New Zealand, and Mexico lowered interest rates. The Bank of Japan faces a higher bar to raise interest rates in October after its rate hike in July destabilized markets and caused a sharp spike in the yen. Global economic data was mixed, highlighted by broad signs of cooling inflation across the global, tepid growth in Europe hindered by weak manufacturing in Germany, and a softening US labor market. Geopolitical risks remained highly elevated; the war between Ukraine and Russia escalated after Ukrainian forces breached the Russian town of Kursk, while the humanitarian catastrophe in Gaza continues to destabilize the region.

The MSCI All Country World Index Net returned 2.5% (in USD terms) for the period. Within the index, 10 out of 11 sectors rose over the month. Real estate and health care were the top performing sectors, while energy and consumer discretionary were the bottom performing sectors for the period.

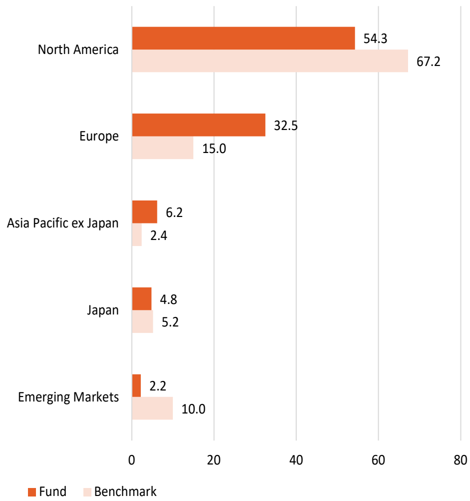
FUND PERFORMANCE AND ATTRIBUTION (CONTINUED)

The company did however report first quarter results that beat expectations. The company reported earnings per share of 30 cents which was above analyst expectations. MUFG also reported revenue of US$22.62 billion.

FUND POSITIONING AND OUTLOOOK

At the end of the period, our largest overweights were industrials, utilities 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.

REGIONAL DISTRIBUTION % OF EQUITY



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

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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