

DEVON FUNDS.

For the informed investor.



DEVON GLOBAL SUSTAINABILITY FUND

MONTHLY REPORT: DECEMBER 2024

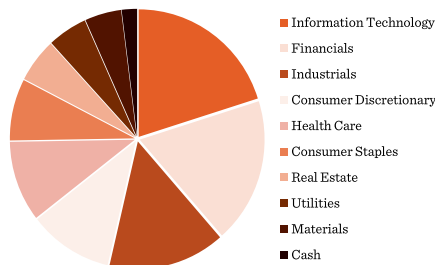
SUMMARY OF INVESTMENT OBJECTIVE

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



ASSET ALLOCATION



ALLOCATION

Wellington Global Stewards Fund NZD Unhedged	100.2%	Cash	-0.2%*
Currency Hedge	51.6%	Total	100%

*Includes negative P&L on foreign exchange contracts, which was addressed after month-end by the sale of portfolio assets to cover the losses.

PERFORMANCE

	1 Mth	3 Mth	1 Yr	2 Yr p.a
Devon Global Sustainability Fund	-0.5%	3.0%	21.2%	19.3%
MSCI All Country World Index in NZD, 50% hedged to NZD	0.7%	6.8%	26.6%	24.1%

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

FUND PERFORMANCE AND ATTRIBUTION

The fund underperformed the index for the month.

Security selection was a driver of relative underperformance. Weak selection in consumer discretionary and information technology was partially offset by selection in consumer staples and financials. Sector allocation, a result of our bottom-up stock selection process, also detracted from returns. Allocation effect was driven by our lack of exposure to communication services and overweight to industrials and real estate, but partially offset by our lack of exposure to energy and underweight to materials. On a market basis, weak stock selection in United States and Spain was modestly offset by selection in United Kingdom and Singapore.

At the issuer level, our top two relative contributors were overweights to Diageo and Edwards Lifesciences, while our top two relative detractors were not owning Broadcom and Apple.

The share price of Diageo, a UK-based global spirits company, rose in December after several key sell-side analysts upgraded shares citing potential for growth in the company's US business that may end an earnings down-grade cycle.

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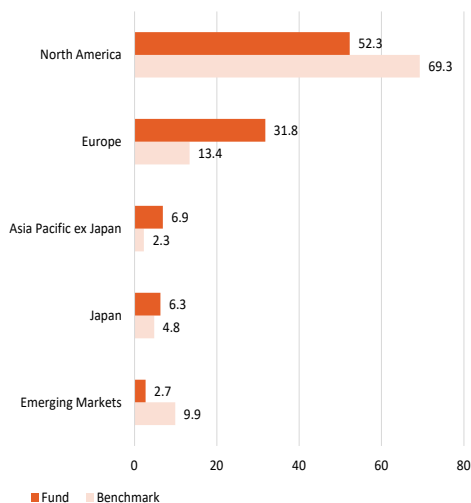


MARKET REVIEW

Global equities fell in December. Market sentiment was tempered by mixed economic data and hawkish signals from the US Federal Reserve (Fed), which unnerved global markets and curbed US-investor enthusiasm for the pro-business policies of the incoming US administration. The Fed and European Central Bank (ECB) simultaneously lowered interest rates by 25 basis points (bps). However, their forward guidance diverged significantly; the Fed's Summary of Economic Projections indicated a slower pace of easing in 2025 amid a cautious stance on inflation, while ECB President Christine Lagarde signaled a dovish outlook as economic growth and inflation projections continued to weaken. Several other central banks followed suit, reducing policy rates, including Canada, Switzerland, and Mexico, while Brazil ratcheted rates higher for the second consecutive month, by 100 bps. The Bank of Japan and Bank of England held rates steady. In France, Francois Bayrou was named the new prime minister after a no-confidence motion ousted Prime Minister Michel Barnier after just three months into his new administration. The South Korean National Assembly passed a bill to impeach President Yoon Suk Yeol following his declaration of martial law earlier in the month which was rescinded only hours later. In Syria, Bashar al-Assad's regime collapsed after rebels captured the capital of Damascus.

The MSCI All Country World Index Net returned -2.4% (in USD terms) over the period. Within the index, eight out of 11 sectors declined for the month. Materials and real estate were the bottom performing sectors, while communication services and consumer discretionary were the top performing sectors over the month.

REGIONAL DISTRIBUTION % OF EQUITY



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

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FUND PERFORMANCE AND ATTRIBUTION (CONTINUED)

Shares of Broadcom rose over the period after the company reported earnings for the fiscal fourth quarter ahead of expectations on strength in the Semiconductor Solutions segment. Guidance for Q1 was also higher than estimated and the quarterly dividend was increased by 11%.

FUND POSITIONING AND OUTLOOK

At the end of the period, our largest overweights were consumer staples, industrials and financials. We were most underweight to information technology and had no exposure to communication services. 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.