

# DEVON FUNDS.

For the  
informed  
investor.



## DEVON GLOBAL SUSTAINABILITY FUND

MONTHLY REPORT: JUNE 2025

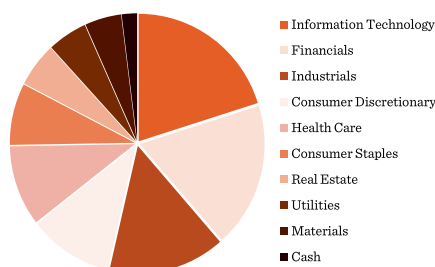
### SUMMARY OF INVESTMENT OBJECTIVE

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	98.1%	Cash	1.9%
Currency Hedge	49.2%	Total	100%

### PERFORMANCE

	1 Mth	3 Mth	1 Yr	3 Yr p.a
Devon Global Sustainability Fund	0.5%	4.4%	9.3%	14.1%
MSCI All Country World Index in NZD, 50% hedged to NZD	3.3%	6.6%	14.7%	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 fund underperformed the index for the period, however delivered overall positive returns.

Security selection was a driver of relative underperformance. Weak selection in industrials, information technology and consumer discretionary was modestly offset by selection in health care 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 consumer staples and health care, but modestly offset by our underweight to materials and utilities. On a market basis, weak stock selection in United States, United Kingdom and Netherlands was modestly offset by selection in Switzerland and Taiwan.

At the issuer level, our top two relative contributors were overweights to Northern Trust and Arista Networks, while our top two relative detractors were not owning NVIDIA and an overweight to Diageo.

Northern Trust's share price rose in June following reports that Bank of New York Mellon had approached the firm to explore a potential merger, a move that would have combined two of the world's largest custodial banks. While the discussions underscored the strategic appeal of scale in asset servicing, Northern Trust's management

### 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](http://www.devonfunds.co.nz)

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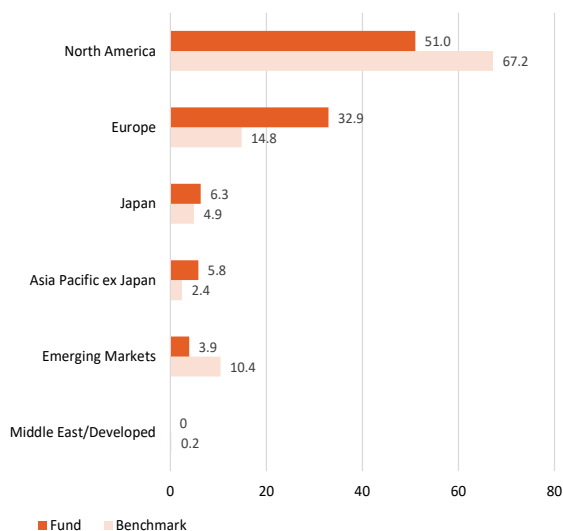


## MARKET REVIEW

Global equities rose in June, buoyed by progress on trade talks, a dovish tilt from the US Federal Reserve (Fed), and shifting geopolitical dynamics. Investor sentiment was lifted by fiscal measures, including President Trump's domestic policy package, targeted German stimulus, and a major NATO defense spending increase. The alliance raised its target to 2.3% of GDP, with an extra 1.5% for broader security. While the full impact is unclear, this shift could reshape global public finances and economic activity. US trade talks were fluid; a deal was finalized with the UK, and a provisional framework was reached with China after a pause in tariffs. Talks with Japan stalled over auto and agricultural tariffs. Meanwhile, Congress advanced Trump's "One Big, Beautiful Bill"—a sweeping tax-and-spending package affecting taxes, social programs, border enforcement, and the federal budget. On monetary policy, the European Central Bank cut rates by 25 bps for the fourth time this year amid deflation and weak economic growth, while the Fed, the Bank of Japan, and the Bank of England left interest rates unchanged. The US dollar has fallen over 10% this year, pressured by trade policy volatility, concerns over Fed independence, and rising national debt. Geopolitical tensions eased after a ceasefire between Israel and Iran, and a muted Iranian response to US airstrikes on its key nuclear sites. Oil prices were volatile; Brent crude spiked to a five-month high before falling below \$68, as Iran's threat to block the Strait of Hormuz faded.

The MSCI All Country World Index Net returned 4.5% (in USD terms) over the month. Within the index, 10 out of 11 sectors rose for the month. Information technology and communication services were the top performing sectors, while consumer staples and real estate were the bottom performing sectors for the period.

## REGIONAL DISTRIBUTION % OF EQUITY



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

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## FUND PERFORMANCE AND ATTRIBUTION (CONTINUED)

ultimately reaffirmed its commitment to independence. Shares of NVIDIA rose over the period amid continued optimism for artificial intelligence and chip demand across mega-cap technology companies. CEO Jensen Huang projected that Europe's AI computing capacity will increase tenfold over the next two years, with more than 20 AI factories in the works. NVIDIA also announced it will build the world's first industrial AI cloud for European manufacturers in Germany.

## FUND POSITIONING AND OUTLOOK

At the end of the period, our largest overweights were health care and real estate. 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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