

# DEVON FUNDS.

For the  
informed  
investor.



## DEVON GLOBAL SUSTAINABILITY FUND

MONTHLY REPORT: MARCH 2025

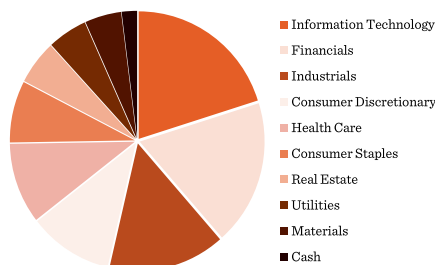
### SUMMARY OF INVESTMENT OBJECTIVE

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	99.3%	Cash	0.7%
Currency Hedge	50.9%	Total	100%

### PERFORMANCE

	1 Mth	3 Mth	1 Yr	3 Yr p.a
Devon Global Sustainability Fund	-5.5%	-3.5%	4.9%	9.8%
MSCI All Country World Index in NZD, 50% hedged to NZD	-4.5%	-2.0%	10.6%	11.1%

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

### FUND PERFORMANCE AND ATTRIBUTION

The fund modestly underperformed the index over the month.

Security selection was the primary driver of relative underperformance. Weak selection in health care, industrials and real estate was partially offset by selection in financials. Sector allocation, a result of our bottom-up stock selection process, contributed to returns. Allocation effect was driven by our lack of exposure to communication services, overweight to consumer staples and underweight to information technology, but partially offset by our lack of exposure to energy. On a market basis, weak stock selection in Denmark, Spain and United Kingdom was partially offset by selection in United States and Netherlands.

At the issuer level, our top two relative contributors were an overweight to ING Groep and not owning NVIDIA, while our top two relative detractors were overweights to Novo Nordisk and Marriott International.

Shares of ING Groep climbed higher over the period after the company announced progress in its €2.0 billion share buyback program. Despite coming in below consensus estimates, earnings for FY 2024 were up 54% from the prior period, driven primarily by the Retail Banking segment.

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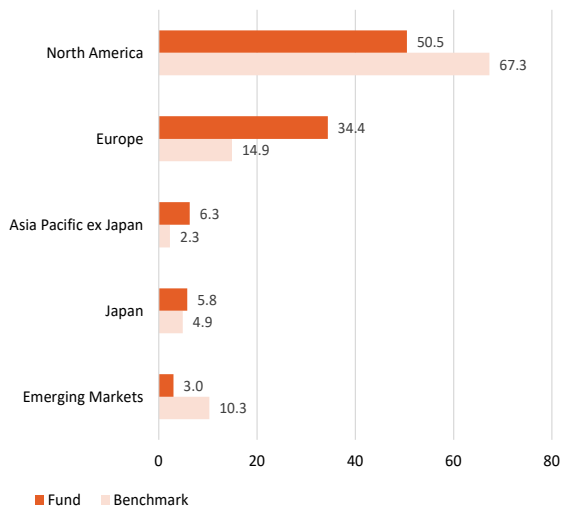
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## MARKET REVIEW

Global equities fell in March. Markets were rattled by US foreign policy, which threatened to upend supply chains and global trade and fueled a deterioration in sentiment indicators, along with fears of recession and stagflation. Uncertainty about the scope and magnitude of US tariffs and their impact on inflation and global economic growth caused volatility to spike, enhancing the appeal of perceived safe-haven assets like gold. The spot price of gold soared to new highs, topping US\$3,000 per ounce for the first time. US Treasury Secretary Scott Bessent outlined an ambitious vision to reduce the US deficit to 3% – 3.5% of GDP by 2028 while avoiding a recession. The plan aims to shift more growth back into the private sector through a combination of deregulation and affordable energy. The European Central Bank and Bank of Canada lowered interest rates by a quarter of a percentage point, while policy rates in the US, England, and Japan remained unchanged. Germany's new coalition government announced monumental and unprecedented spending plans to address economic growth and defense needs, with spending likely to eventually exceed €1 trillion – 50% larger than the COVID-19 package for the entire European Union. China announced plans to bolster consumption and the economy.

The MSCI All Country World Index Net returned -4.0% (in USD terms) over the month. Within the index, nine out of 11 sectors declined for the month. Information technology and consumer discretionary were the bottom performing sectors, while energy and utilities were the top performing sectors for the month.

## REGIONAL DISTRIBUTION % OF EQUITY



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

## FUND PERFORMANCE AND ATTRIBUTION (CONTINUED)

Shares of Novo Nordisk fell in March as phase 3 trial results of weight loss drug CagriSema missed expectations. A weekly injection was given over 68 weeks and patients were allowed to modify their dosing. Patients on CagriSema achieved 15.7% body weight loss which fell short of the anticipated 25% weight loss.

## 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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