

DEVON FUNDS.

For the
informed
investor.



DEVON GLOBAL SUSTAINABILITY FUND

MONTHLY REPORT: MAY 2025

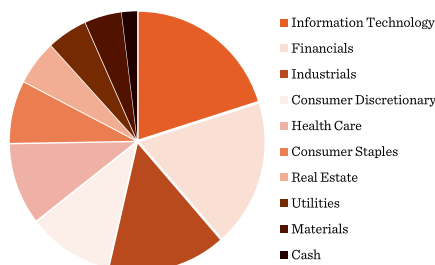
SUMMARY OF INVESTMENT OBJECTIVE

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	97.5%	Cash	2.5%
Currency Hedge	48.0%	Total	100%

PERFORMANCE

	1 Mth	3 Mth	1 Yr	3 Yr p.a
Devon Global Sustainability Fund	5.5%	-1.8%	10.7%	11.6%
MSCI All Country World Index in NZD, 50% hedged to NZD	5.3%	-1.7%	14.5%	13.8%

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 outperformed the index for the month.

Security selection was the primary driver of relative outperformance. Strong selection in financials and health care was partially offset by selection in consumer discretionary and consumer staples. Sector allocation, a result of our bottom-up stock selection process, detracted from returns. Allocation effect was driven by our overweight to health care and lack of exposure to communication services, but partially offset by our lack of exposure to energy and underweight to materials. On a market basis, weak stock selection in United Kingdom, Spain and Netherlands was partially offset by selection in Japan, Hong Kong and France.

At the issuer level, our top two relative contributors were not owning Apple and an overweight to AIA Group, while our top two relative detractors were not owning NVIDIA and an overweight to Merck & Co.

Apple's shares declined during the period, despite the company surpassing expectations with its second-quarter results. Revenue rose 5% year-over-year to \$95.4 billion, driven by a 2% increase in iPhone sales to \$46.8 billion. However, investor concerns linger over margin guidance, as uncertainty around tariffs on Chinese imports and potential future policy shifts continue to pose risks.

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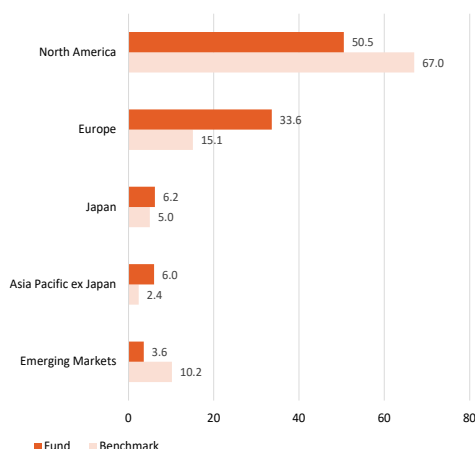
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MARKET REVIEW

Global equities advanced in May. The global trade war entered a new phase of high-stakes negotiations on new trade agreements following sweeping US tariffs. The US government launched bilateral talks with key trading partners, which yielded a temporary 90-day reduction in tariffs between the US and China while the two sides work towards a long-term trade agreement. The US also agreed to a trade deal framework with the UK ahead of new US court rulings questioning the Trump administration's tariff authority, further perpetuating market uncertainty. The major global trade policy shifts underway have clouded the global economic outlook and heightened pressure on governments and central banks to navigate complex trade-offs between government debt, inflation, slowing economic growth, and fiscal policy. The US Federal Reserve held rates steady for a third consecutive meeting, citing concerns over elevated inflation and trade policy uncertainty. In contrast, the European Central Bank, Bank of England, and Reserve Bank of Australia cut rates by 25 basis points, responding to softening inflation, rising trade barriers, and early signs of an economic slowdown. In Germany, Friedrich Merz was confirmed as the country's new chancellor. On the geopolitical front, the war in Ukraine dragged on without resolution, straining European unity and defense commitments; the conflict between Israel and Hamas intensified; and renewed cross-border tensions between India and Pakistan raised fresh concerns over South Asian stability.

The MSCI All Country World Index Net returned 5.7% (in USD terms) for the month. Within the index, 10 out of 11 sectors rose for the month. Information technology and industrials were the top performing sectors, while health care 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.

FUND PERFORMANCE AND ATTRIBUTION (CONTINUED)

Shares of NVIDIA ended the period higher after the company reported strong first-quarter results and provided an outlook above expectations. CEO Jensen Huang calmed fears of a China slowdown by delivering a solid sales forecast, noting the AI computing market is still poised for "exponential growth," while also highlighting US chip restrictions to China as a threat to the company's global leadership.

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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