

DEVON FUNDS.

For the informed investor.



DEVON GLOBAL SUSTAINABILITY FUND

MONTHLY REPORT: NOVEMBER 2024

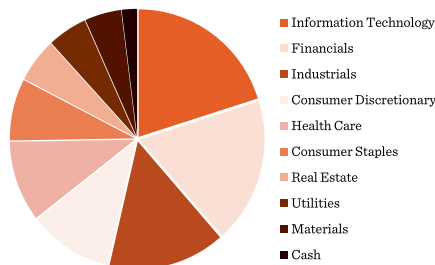
SUMMARY OF INVESTMENT OBJECTIVE

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	99.1%	Cash	0.9%
Currency Hedge	47.8%	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	4.1%	5.6%	26.8%	18.1%
MSCI All Country World Index in NZD, 50% hedged to NZD	4.2%	7.3%	29.5%	20.4%

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

FUND PERFORMANCE AND ATTRIBUTION

The fund modestly underperformed the index for the period, however delivered overall positive returns.

Security selection was the primary driver of relative underperformance. Weak selection in consumer discretionary, financials and materials was partially offset by selection in industrials. Sector allocation, a result of our bottom-up stock selection process, contributed to returns. Allocation effect was driven by our underweight to health care, lack of exposure to communication services and overweight to financials, but partially offset by our overweight to utilities and consumer staples. On a market basis, strong stock selection in United States and Japan was partially offset by selection in Netherlands.

At the issuer level, our top two relative contributors were overweights to Deere & Company and Northern Trust, while our top two relative detractors were an overweight to ING Groep and not owning Tesla.

Shares of Deere & Co rose over the period after reporting that net income fell in both the fourth quarter and the full year, but was above analyst expectations. Management attributes better-than-expected performance to aggressive production cuts and an increased demand for new tractors and agriculture technology.

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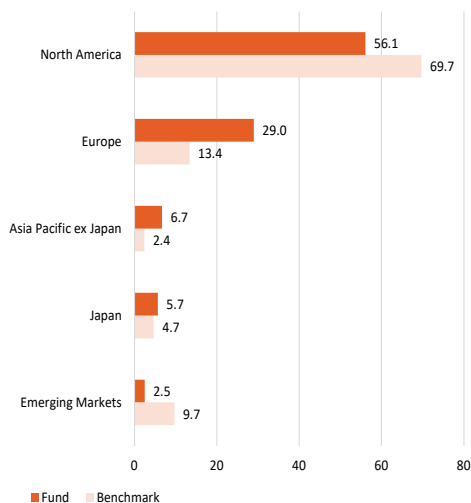


MARKET REVIEW

Global equities rose in November. Donald Trump’s presidential reelection and the Republican Party’s sweep of both chambers of Congress led the US to significantly outperform other regions amid expectations for deregulation, additional tax cuts, and a more accommodative US business environment. The breadth of change anticipated from the new US administration reverberated across the globe with far-reaching implications for foreign policy, trade dynamics, inflation, and economic growth. Elon Musk’s appointment to the newly formed US Department of Government Efficiency extended a strong risk appetite in markets. Prospects for a soft landing appeared to remain intact, and central banks in the US, UK, New Zealand, Mexico, and Sweden continued to lower interest rates. Inflation neared central bank targets in many regions. However, in November, a key measure of US inflation rose for the first time since March, and UK inflation surged to its highest level in six months, highlighting the ongoing sensitivity of prices to economic changes. Eurozone business activity sank to a 10-month low, while Germany’s coalition government collapsed, and the country’s manufacturing sector remained mired in a deep downturn. In France, Prime Minister Michel Barnier’s Cabinet confronted a possible vote of no confidence. A stronger US dollar pressured emerging markets, and Chinese equities declined amid limited government aid and low consumer demand. Geopolitical risks remained heightened, while the US and France brokered a ceasefire agreement between Israel and Hezbollah.

The MSCI All Country World Index Net returned 3.7% (in USD terms) over the period. Within the index, nine out of 11 sectors rose for the period. Consumer discretionary and financials were the top performing sectors, while materials and health care were the bottom performing sectors over 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)

Shares of financial services company ING Groep declined during the period. The company reported mixed third quarter results but beat on the bottom-line. The bank reported net income of €1.88 billion, beating consensus but missed on net interest income and costs.

FUND POSITIONING AND OUTLOOK

At the end of the period, our largest overweights were industrials, consumer staples and financials. 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.