

**DEVON
FUNDS.**

**Quarterly
Sustainability
Report**





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Stewardship in Action

As part of our ongoing oversight of the external manager partners, we monitor how these managers exercise stewardship over the companies they invest in and share these examples within our quarterly reports.

Wellington Management's newly published 2025 Sustainability Report includes a case study we think is worth sharing because it shows how sustained engagement can move a company toward better governance and, ultimately, better outcomes for shareholders.

Wellington held a position in a large US grocery retailer that had been under sustained share-price pressure, with a valuation gap opening up against its mass-market and club-format competitors. Wellington's analysts concluded that the company's underlying assets - its store footprint, private label portfolio, and loyalty platform - were stronger than the share price implied, but that leadership and governance needed to catch up in order to achieve the scale of the turnaround required.

Wellington's stewardship process:

May 2025: Wrote to the board outlining the specific areas it believed were holding the company back, the case for an external CEO with large-scale retail experience, board refreshment, a simpler portfolio, clearer pricing, and faster digital and delivery capability.

June 2025: Voted against members of the nomination and governance committee at the AGM, signalling that discussion alone was not enough and that the board needed to see a consequence attached to inaction.

Through 2025: Maintained active, direct dialogue with the chair and interim CEO as the company began exiting noncore assets, simplifying operations, testing pricing, and rebalancing investment toward store-based fulfilment and digital capability.

February 2026: The company announced the appointment of an external CEO with prior experience leading a large-scale US retail transformation, the leadership change Wellington had been pressing for since May 2025.

Wellington was careful to note that engagement outcomes are rarely attributable to one manager acting alone, but it views the leadership transition

as a strong outcome that positions the company to move more decisively on price, digital, and delivery execution. Its focus now shifts to monitoring board refreshment, incentive alignment, and evidence of durable share gains.

Interestingly, across 2025, Wellington's investment teams held more than 18,600 meetings with over 5,000 public market issuers and voted at 5,800 shareholder meetings across 73 markets.

- Alice Jones, ESG Analyst

Source: Wellington Management, 2025 Sustainability Report, Section 3.4 ("US-Domiciled Grocery Retailer" engagement example). The underlying company is not named in Wellington's disclosure and is not named here.



Devon Sustainability Fund

Carbon Metrics as of 30.06.26

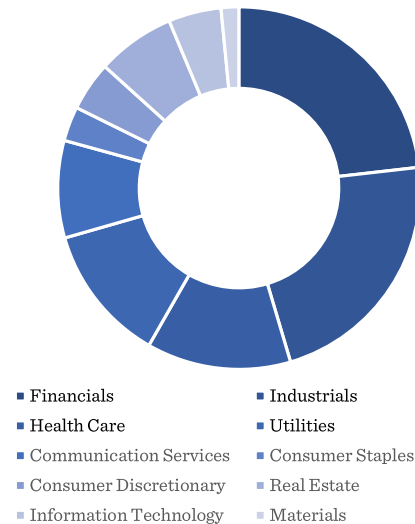
Overall Portfolio CO₂ Emissions and Intensity as of 30 June 2026

Carbon Footprint	Carbon Emissions	Total Carbon Emissions	Weighted Average Carbon Intensity	Data Availability (Carbon Intensity)
Portfolio	22	584	49	98
Benchmark	84	2,181	121	100
	T CO ₂ e/\$M Invested	T CO ₂ e	T CO ₂ e/\$M Sales	% Market Value

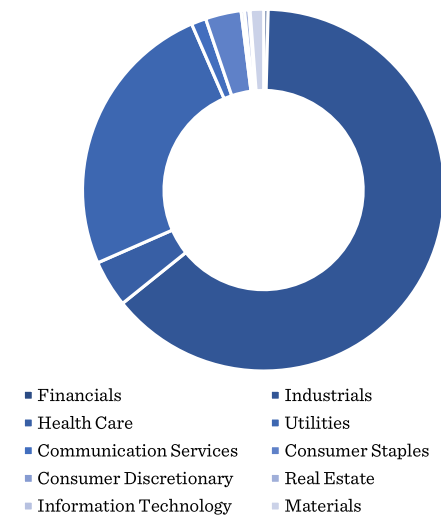
Sectors	Market value	Contribution to portfolio emissions
Financials	23.2%	0.4%
Industrials	22.3%	63.9%
Health Care	12.9%	4.2%
Utilities	12.3%	25.1%
Communication Services	8.7%	1.3%
Consumer Staples	3.1%	3.2%
Consumer Discretionary	4.4%	0.3%
Real Estate	7.0%	0.4%
Information Technology	4.7%	0.1%
Materials	1.6%	1.2%

Source: MSCI | Benchmark: 50:50 composite of the S&P/NZX50 Portfolio Index and the S&P/ASX200G index hedged to NZD

Portfolio value by sector



Portfolio carbon emission by sector



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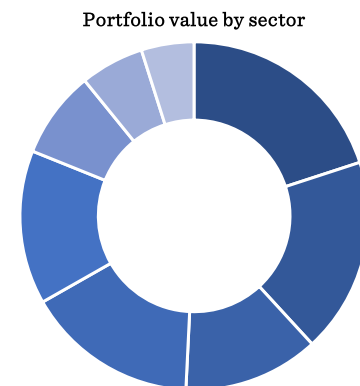


TAHITO Ethical Sustainable Fund

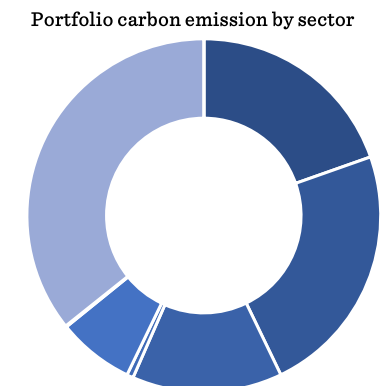
Carbon Metrics as of 30.06.26

Overall Portfolio CO ₂ Emissions and Intensity as of 30 June 2026				
Carbon Footprint	Carbon Emissions	Total Carbon Emissions	Weighted Average Carbon Intensity	Data Availability (Carbon Intensity)
Portfolio	6	103	16	98
Benchmark	84	2,181	121	100
	T CO ₂ e/\$M Invested	T CO ₂ e	T CO ₂ e/\$M Sales	% Market Value

Sectors	Market value	Contribution to portfolio emissions
Health Care	20.0%	19.6%
Industrials	18.1%	23.2%
Communication Services	12.6%	13.7%
Financials	16.0%	0.6%
Real Estate	14.3%	7.0%
Utilities	8.1%	0.1%
Materials	5.9%	35.7%
Information Technology	4.9%	0.0%



- Health Care
- Industrials
- Communication Services
- Financials
- Real Estate
- Utilities
- Materials
- Information Technology



- Health Care
- Industrials
- Communication Services
- Financials
- Real Estate
- Utilities
- Materials
- Information Technology

Source: MSCI | Benchmark: 50% NZX 50 Portfolio index (including imputation credits) / 50% ASX Accumulation 200 index (in NZD).

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Devon Global Sustainability Fund

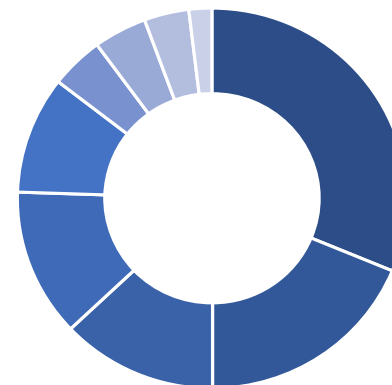
Carbon Metrics as of 30.06.26

Overall Portfolio CO₂ Emissions and Intensity as of 30 June 2026

Carbon Footprint	Weighted Average Carbon Intensity	Financed Emissions - Absolute	Financed Emissions - Economic Intensity	Data Availability (Carbon Intensity)
Portfolio	73	27,299	13	99
Benchmark	115	69,867	34	100
	T CO ₂ e/\$M Sales	T CO ₂ e	T CO ₂ e/\$M Invested	% Market Value

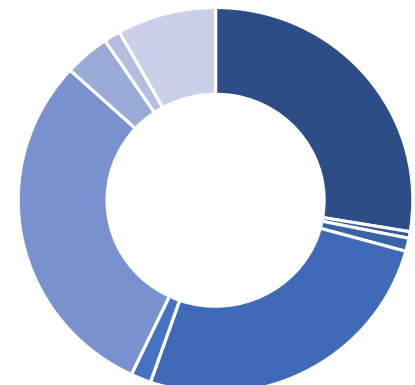
Sectors	Market value	Contribution to portfolio emissions
Information Technology	31.0%	20.1%
Financials	18.6%	0.4%
Industrials	12.9%	0.8%
Consumer Discretionary	12.5%	19.0%
Healthcare	9.9%	1.2%
Materials	4.4%	21.7%
Real Estate	4.4%	2.7%
Consumer Staples	3.7%	1.0%
Utilities	1.9%	5.9%

Portfolio value by sector



- Information Technology
- Financials
- Industrials
- Consumer Discretionary
- Healthcare
- Materials
- Real Estate
- Consumer Staples
- Utilities

Portfolio carbon emission by sector



- Information Technology
- Financials
- Industrials
- Consumer Discretionary
- Healthcare
- Materials
- Real Estate
- Consumer Staples
- Utilities

Weighted Average Carbon Intensity (WACI): A proxy for the carbon efficiency of fund construction when compared to the benchmark. This metric is calculated as a weighted average of each holding's carbon intensity, using the % market value in the fund. Each holding's carbon intensity normalizes its total emissions by output and is calculated as the company's total emissions divided by its revenue. | Financed Emissions - Absolute: The total emissions financed by the fund. This metric accounts for mandate size by summing the result of '% Enterprise value incl cash financed X Emissions' for each holding. | Financed Emissions - Economic Intensity: Emissions financed per \$1 million invested in the mandate. This metric is calculated by summing the result of '% Enterprise value incl cash financed X Emissions' for each holding and then dividing by the fund's total market value. Please note that in our ongoing efforts to align our reporting with the latest industry standards and provide more accurate and meaningful data, we have updated our terminology. The metric previously referred to as "Total Carbon Emissions" is now termed "Financed Emissions - Absolute" and the metric previously referred to as "Carbon Emissions" is now termed "Financed Emissions - Economic Intensity." | % MV of Carbon Eligible Securities: For the fund this indicates the holdings in scope for carbon footprint analysis, inclusive of only corporate holdings. | % Data Availability: This indicates the % of Carbon Eligible MV (defined and shown below) with data coverage. Data availability for financed emissions metrics may differ from that for carbon intensity metrics.

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Devon Global Impact Bond Fund

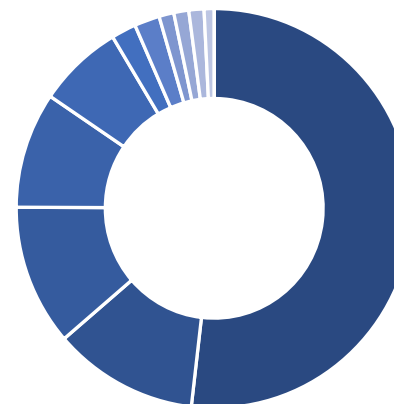
Carbon Metrics as of 30.06.26

Overall Portfolio CO₂ Emissions and Intensity as of 30 June 2026

Carbon Footprint	Weighted Average Carbon Intensity	Financed Emissions - Absolute	Financed Emissions - Economic Intensity	Data Availability (Carbon Intensity)
Portfolio	81	3,438	13	25
Benchmark	195	16,514	62	22
	T CO ₂ e/\$M Sales	T CO ₂ e	T CO ₂ e/\$M Invested	% Market Value

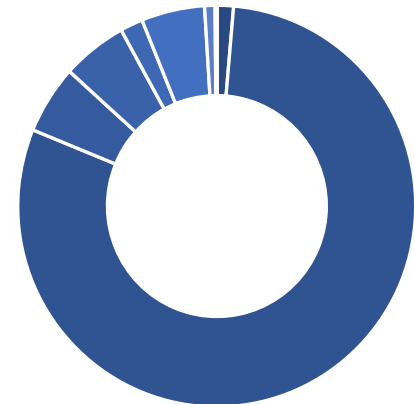
Sectors	Market value	Contribution to portfolio emissions
Financials	12.7%	1.1%
Utilities	2.9%	65.0%
Real Estate	2.8%	4.5%
Communication Services	2.3%	4.3%
Healthcare	1.7%	1.5%
Industrials	0.5%	4.2%
Consumer Discretionary	0.5%	0.7%
Information Technology	0.3%	0.1%
Consumer Staples	0.3%	0.0%
Not Classified	0.3%	0.0%
Materials	0.2%	0.0%
Energy	0.0%	0.0%

Portfolio value by sector



- Financials
- Real Estate
- Healthcare
- Consumer Discretionary
- Consumer Staples
- Materials
- Utilities
- Communication Services
- Industrials
- Information Technology
- Not Classified
- Energy

Portfolio carbon emission by sector



- Financials
- Real Estate
- Healthcare
- Consumer Discretionary
- Consumer Staples
- Materials
- Utilities
- Communication Services
- Industrials
- Information Technology
- Not Classified
- Energy

Weighted Average Carbon Intensity (WACI): A proxy for the carbon efficiency of fund construction when compared to the benchmark. This metric is calculated as a weighted average of each holding's carbon intensity, using the % market value in the fund. Each holding's carbon intensity normalizes its total emissions by output and is calculated as the company's total emissions divided by its revenue. | Financed Emissions - Absolute: The total emissions financed by the fund. This metric accounts for mandate size by summing the result of '% Enterprise value incl cash financed X Emissions' for each holding. | Financed Emissions - Economic Intensity: Emissions financed per \$1 million invested in the mandate. This metric is calculated by summing the result of '% Enterprise value incl cash financed X Emissions' for each holding and then dividing by the fund's total market value. Please note that in our ongoing efforts to align our reporting with the latest industry standards and provide more accurate and meaningful data, we have updated our terminology. The metric previously referred to as "Total Carbon Emissions" is now termed "Financed Emissions - Absolute" and the metric previously referred to as "Carbon Emissions" is now termed "Financed Emissions - Economic Intensity." | % MV of Carbon Eligible Securities: For the fund this indicates the holdings in scope for carbon footprint analysis, inclusive of only corporate holdings. | % Data Availability: This indicates the % of Carbon Eligible MV (defined and shown below) with data coverage. Data availability for financed emissions metrics may differ from that for carbon intensity metrics.

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Artesian Green and Sustainable Bond Fund (NZD)

Carbon Metrics as of 30.06.26

Overall Portfolio CO₂ Emissions and Intensity as of 30 June 2026

Carbon Footprint	Carbon Emissions	Total Carbon Emissions	Weighted Average Carbon Intensity	Data Availability (Carbon Intensity)*
Portfolio	72	2,789	111	37
Benchmark	50	1,965	44	11
	T CO ₂ e/\$M Invested	T CO ₂ e	T CO ₂ e/\$M Sales	% Market Value

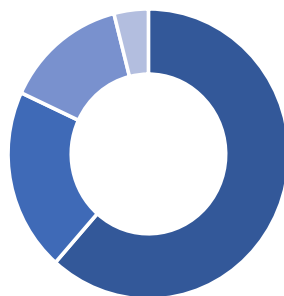
Corporate Bonds

Sectors	Market value	Contribution to portfolio emissions
Financials	52.8%	3.4%
Consumer Discretionary	17.5%	9.5%
Utilities	12.1%	68.0%
Consumer Staples	3.4%	14.1%

Green Bonds

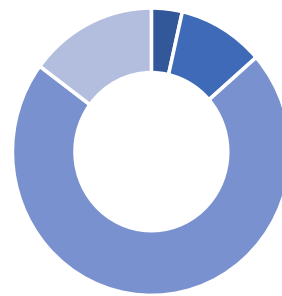
Sectors	Market value	Contribution to portfolio emissions
Financials	50.0%	63.3%
Utilities	31.0%	8.0%
Consumer Discretionary	11.0%	14.6%
Industrials	4.3%	11.6%

Portfolio value by sector



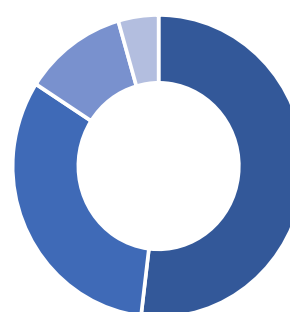
- Financials
- Consumer Discretionary
- Utilities
- Consumer Staples

Portfolio carbon emission by sector



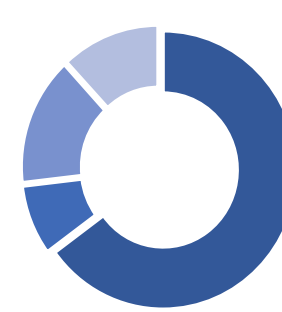
- Financials
- Consumer Discretionary
- Utilities
- Consumer Staples

Portfolio value by sector



- Financials
- Utilities
- Consumer Discretionary
- Industrials

Portfolio carbon emission by sector



- Financials
- Utilities
- Consumer Discretionary
- Industrials

***Please note the limited data availability due to the nature of the asset class.**

Source: MSCI | Benchmark: Bloomberg AusBond Composite 0-5 Yr Index, 100% hedged to NZD. The distinction between Corporate Bonds and Green Bonds is determined by MSCI according to their internal methodology, based on issuer and bond level metadata.

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Stewardship Devon Sustainability Fund

The Devon investment team has frequent engagements with companies held within the Devon Sustainability Fund.

The Devon Sustainability Fund aims to generate capital growth over the long term by investing in those New Zealand and Australian listed companies that exhibit sustainable characteristics and which demonstrate credible strategies to improve their outcomes with respect to Environmental, Social and Governance (ESG) factors.

Engagement spotlight

The Devon investment team meets frequently with directors and management teams of companies held within the Devon Sustainability Fund. In June the Devon team met with members of the Mercury board as part of their annual governance roadshow.

Management confirmed that the executive team transition is now largely complete, noting a meaningful increase in organisational capacity supported by recent hiring in Australia. The Board indicated it is satisfied with the outcome of what has been a significant period of leadership transformation and views the team as now well placed to execute on strategy.

The Company is also seeking to embed a stronger equity culture across the organisation. Executives currently receive an equity component within remuneration linked to tenure, and management indicated an intention to extend equity participation further down into the broader workforce over time.

On governance, the Board intends to appoint an additional director shortly, which is expected

to be announced in the near term. This appointment is intended to build tenure depth on the Board and is likely to be followed by the departure of an existing director within the next three years as part of an orderly succession process. Separately, the Company has split Safety & Enterprise oversight out of the Audit & Risk Committee into a standalone committee, reflecting the increasing importance and workload associated with this area.

On growth opportunities, management views themselves and Contact Energy as the two principal contenders for data centre demand. Given the scale of anticipated electricity demand, management expects the market to support multiple suppliers to data centre developments, and sees New Zealand as well positioned geographically and from a renewable energy standpoint to host such facilities. Management also highlighted ongoing technological advances improving the utilisation of geothermal resources, noting the company had planned a visit to Iceland to observe relevant applications in operation prior to the outbreak of conflict there.



Stewardship TAHITO Ethical Sustainable Fund

Putting Environment and People before Profit: The TAHITO Ethical Sustainable Fund is a values-led ethical and sustainable Australasian equities fund for investors who would like to see their capital applied to a high ethical standard and in investments that are making a positive social and environmental impact.

Engagement spotlight

This quarter TAHITO has profiled and engaged with CSL (CSL.ASX).

CSL Limited's business begins with an act of giving. Plasma donated by one person becomes another person's treatment for haemophilia, immune deficiency, or a rare condition with few alternatives. Through Te Kōwhiringa Tapu, TAHITO's indigenous Māori values framework, we look for companies whose prosperity flows outward rather than pooling, and CSL carries that instinct in the structure of the business itself: 29,000 people across more than 40 countries, therapies reaching patients in more than 100, and donor centres each generating around US\$6 million of local economic activity every year.

Tahito holds CSL as a Catalyst Holding. That means a company early in the journey of the Tahito framework measures: not yet operating in the fully relational mode Te Kōwhiringa Tapu looks for, but with genuine foundations to build on and a business model that already circulates value rather than concentrating it. Tahito holds companies at this stage deliberately. Change happens through presence and conversation,

not from the sidelines.

Tahito's engagement with CSL is framed as encouragement rather than criticism, and Tahito has invited the company to consider three things:

Whakapapa, indigenous voices in governance: the Reconciliation Action Plan has laid genuine foundations, but has not yet reached the board table.

Kawa, care through a period of restructuring: that the long view CSL takes of its science extends to the people who make that science possible.

Utu, reciprocity at group level: formalising what its donor centres already practise locally.

Feedback is provided to the company directly through a formal letter.



Stewardship Devon Global Sustainability Fund

During the second quarter of 2026, Wellington Management Group (the underlying fund manager of our Global Sustainability Fund) had 27 engagements with names held in the portfolio on a broad range of ESG topics.

This Fund aims to generate long term total returns by investing in a selective portfolio of global companies 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.

Engagement spotlight

This quarter, the Wellington Management team focused on how companies look around corners, build AI awareness and allocate capital for the long term.

Companies can adopt language around AI oversight, but a governance framework is only the first step. They want boards to ask harder questions. Where might AI strengthen the company's competitive moat? Where might it erode it? What capital is required? What data, privacy and cybersecurity risks emerge? How might AI change talent needs, culture, pricing and customer behaviour? These are strategic questions that require active oversight and informed debate.

In this quarter, Wellington explored whether AI will change hiring behaviours, HR practices, or whether it challenges the technological architecture of choice for customers.

An example of one of these engagements is with technology and HR services company, Recruit Holdings, where the team focused on their long-term value proposition in an AI world. In

Wellington's recent engagement they debated how, as owners of the world's largest job site Indeed, they are using AI to improve matching quality while simultaneously rethinking pricing, adding premium products and capturing more of the economics of recruitment. Rather than protecting historical pricing models, management is experimenting rapidly as AI changes employer behavior. Wellington believe Indeed can leverage AI to improve the quality of their marketplace and strengthen network effects that better protect it from commoditized AI-first job matching alternatives.





Stewardship Devon Global Impact Bond Fund

Wellington Management Group (the underlying fund manager of our Global Impact Bond Fund) see a meaningful opportunity to supplement their knowledge of companies, and to enhance our influence on their long-term success, through engagement.

This Fund aims to deliver long-term total returns in excess of the index by investing in a diverse portfolio of global bonds. The Fund seeks to invest primarily in debt issued by companies that are addressing the world's environmental and social problems.

Engagement spotlight

Wellington engaged with the management team of hydroelectric power generator Limak Renewable Energy to better understand its approach to environmental risk management. They focused on the effects of dam operations on biodiversity and the health of local aquatic ecosystems. Wellington sought to understand the issuer's framework for identifying, monitoring, and mitigating these risks.

Management provided detailed insight into its proprietary ecosystem-assessment processes and mitigation measures. The engagement highlighted a structured approach to preserving habitats surrounding the issuer's hydroelectric assets, including continuous monitoring designed to assess efficacy and identify opportunities for improvement. The issuer emphasized that it embeds environmental considerations across its operations, with regular reviews to ensure mitigation measures remain appropriate and effective.

Wellington better understood the issuer's environmental management practices and strengthened their conviction in the robustness

of its approach to biodiversity and ecosystem protection. Wellington will continue to assess the issuer's sustainability profile and its alignment with responsible clean energy generation.





Stewardship Artesian Green and Sustainable Bond Fund (NZD)

Artesian seeks to actively engage with companies and issuers in exploring ways to align their business strategy, and operating policies with best practice international standards and ESG frameworks, as well as engaging within the wider industry.

The Artesian Green & Sustainable Bond Fund (NZD) is managed by Artesian Corporate Bond Pty Ltd ("Artesian"). The strategy for the Fund is to invest in a diversified portfolio of Australian and international bonds labelled as Green, Social or Sustainable Bonds that have been screened in accordance with Artesian's screening processes.

Engagement spotlight

Road transport accounts for approximately 12% of global greenhouse gas (GHG) emissions, with around 40% of those emissions originating from road freight. Given the urgent need for decarbonisation across the sector, Artesian particularly valued their engagement with Traton Group, one of the world's leading manufacturers of commercial vehicles. Traton's product portfolio includes trucks, buses, and light commercial vehicles, and Artesian was encouraged by the company's strong commitment to decarbonisation.

Traton has an established Green Finance Framework. Reducing greenhouse gas emissions from the use of its products is a key strategic priority, with use-phase emissions accounting for approximately 97% of the Group's total GHG emissions. Accordingly, Traton and its portfolio brands are focused on decarbonisation through the expansion of battery electric vehicles (BEVs) and other sustainable transport solutions.

Traton has a long-term commitment to the transition to electric vehicles, and has also highlighted the importance of developing

localised solutions that can deliver immediate reductions in GHG emissions. The company is focused on integrating EVs into customer fleets while providing the supporting products and services needed to accelerate adoption. All Traton brands continue to expand their electric vehicle portfolios.

Despite being encouraged by Traton's commitment to decarbonisation, Artesian identified several areas where Artesian believe further progress could be made:

- Establish Scope 1, 2 and 3 emissions reduction targets at the Traton Group level, with particular emphasis on Scope 3 Category 11 (Use of Sold Products).
- Articulate a formal net zero commitment or interim Group-wide decarbonisation targets beyond the European Union's regulatory requirement to reduce fleet CO₂ emissions by 45% by 2030.
- Continue expanding the Green Finance Framework to support the growing investment required in charging infrastructure and other enabling technologies that facilitate the transition to electric commercial vehicles.