

# DEVON FUNDS.

For the  
informed  
investor.



## DEVON GLOBAL SUSTAINABILITY FUND

MONTHLY REPORT: DECEMBER 2025

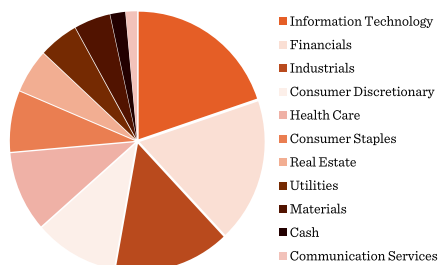
### SUMMARY OF INVESTMENT OBJECTIVE

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	97.9%	Cash	2.1%
Currency Hedge	50.5%	Total	100%

### PERFORMANCE

	1 Mth	3 Mth	1 Yr	3 Yr p.a
Devon Global Sustainability Fund	1.5%	2.3%	6.8%	15.0%
MSCI All Country World Index in NZD, 50% hedged to NZD	0.8%	3.8%	19.2%	22.5%

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

### FUND PERFORMANCE AND ATTRIBUTION

The fund outperformed the index for the month.

Security selection was a driver of relative outperformance. Strong selection in consumer discretionary and real estate was partially offset by selection in industrials, materials and financials. Sector allocation, a result of our bottom-up stock selection process, also contributed to returns. Allocation effect was driven by our lack of exposure to communication services and overweight to financials, but partially offset by our overweight to real estate and underweight to materials. On a market basis, strong stock selection in Spain, Japan and United States was modestly offset by selection in United Kingdom and France.

At the issuer level, our top two relative contributors were an overweight to Inditex and not owning Broadcom, while our top two relative detractors were an overweight to Ferguson Enterprises and not owning NVIDIA.

Shares of Inditex, the Spanish clothing retailer, rose during the period after the company reported strong third-quarter 2025 earnings that exceeded consensus estimates. Strong demand for its autumn and winter lines ahead of the holiday season supported the results.

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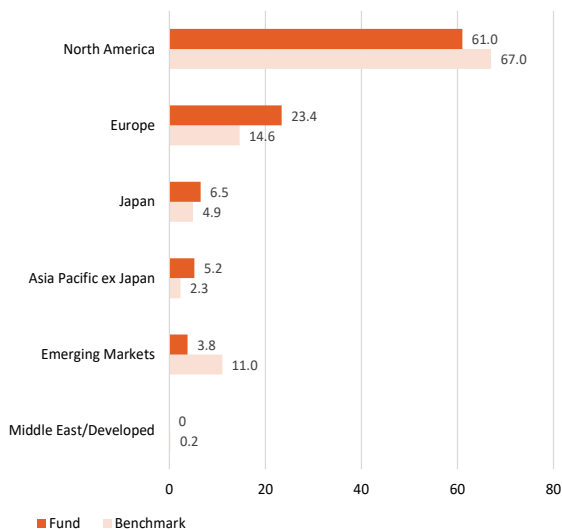


## MARKET REVIEW

Global equities advanced in December, supported by resilient earnings and supportive policy measures that underpinned elevated valuations. In the US, inflation remained contained, enabling decisive policy action to address a softening labor market. Both the US Federal Reserve and Bank of England lowered policy rates by 25 basis points (bps), while the Fed introduced new Reserve Management Purchases to bolster liquidity. The European Central Bank held rates steady against a relatively positive economic backdrop and subdued inflation. The Bank of Japan raised its policy rate by 25 bps, to 0.75%, signaling further hikes in 2026 to support the currency as the economy transitions through the impacts of tariffs. In China, the Manufacturing Purchasing Managers' Index moved into expansionary territory for the first time in eight months and the country's trade surplus surpassed US\$1 trillion for the first time. However, weak domestic demand and a sustained property slump continued to weigh on China's economy. Geopolitical and trade tensions persisted, yet the impact of US tariffs has been more benign than feared, as the US statutory tariff rate declined to 15.7% by year's end, down from a daunting 30% peak set in April.

The MSCI All Country World Index Net returned 1.0% (in USD terms) for the month. Within the index, five out of 11 sectors rose for the month. Materials and financials were the top performing sectors, while utilities and real estate were the bottom performing sectors for the month.

## REGIONAL DISTRIBUTION % OF EQUITY



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

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## FUND PERFORMANCE AND ATTRIBUTION (CONTINUED)

The company also reiterated its guidance through January 2026.

## FUND POSITIONING AND OUTLOOK

At the end of the period, our largest overweights were consumer discretionary, real estate and financials. We were most underweight to communication services, which we had no exposure to. From a regional perspective, our largest overweight was Europe and we were most underweight to Emerging Markets and North America.

## PORTFOLIO MANAGER

### Yolanda Courtines

Yolanda Courtines is the lead portfolio manager for Global Stewards. She is responsible for investment decisions and collaborates extensively with Wellington's



broad base of investment resources, including Global Industry Analysts, ESG analysts, and climate specialists, for idea generation and fundamental research. She brings over 30 years of industry experience to her role, combining deep expertise with a commitment to stewardship.

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