

Reporting Season: Winners and Whiplash Across NZ and Australia

August's reporting season drove pronounced share price swings across New Zealand and Australia. In Australia in particular, the reporting season was the most volatile on record, with a standard deviation of result day relative returns of 8.3%. Both the NZX and ASX faced conflicting macro signals: softer global growth prospects, on-going trade skirmishes, and rising hopes of rate cuts as inflation prints continued to support a more dovish stance from central banks. Despite these macro risks, reporting season refocused attention on company fundamentals: company performance, guidance, and management credibility

Despite the volatility in Australia, the ASX 200 rose 3.1% in August, with the year-to-date performance now at 12.3%. Resources provided the necessary support for the market to reset records, with the sector returning a whopping 10.1% in the month.

CSL, one of Australia's largest companies and once a market darling, reported full-year 2025 results that included a 5% increase in revenue to US\$15.6 billion and a 17% increase in net profit after tax to US\$3 billion. Despite these headline growth figures, market reaction was negative as gross profit and margins underperformed, especially in the flagship CSL Behring segment, the company's main plasma therapeutics business. This caused a massive share price reaction, a -16.89% move on result day.

James Hardie, a leading global manufacturer of fibre cement products, also disappointed in its latest results. This was primarily due to a significant decline in North America sales volumes, weak guidance, margin pressures linked to inventory destocking and rising debt from its recent AZEK acquisition. All roads led to a steep share price drop, down 27.83% on the day...[READ MORE](#)

MARKET INDICES

Index	Region	Monthly Return	1 Yr. Return
S&P/NZX50G	NZ	0.8%	3.9%
S&P/ASX200G	AUSTRALIA	3.1%	14.7%
MSCI World Index	GLOBAL	2.6%	16.2%
S&P500	USA	2.0%	15.9%
FTSE100	UK	1.2%	13.6%
NIKKEI 225	JP	4.1%	12.7%
NZ 90 Day Bank Bill	NZ	0.3%	4.3%
Bloomberg Global Aggregate Index (NZD)	GLOBAL	0.4%	2.6%

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AT A GLANCE

Prices as at 31 August 2025

DEVON ALPHA FUND	\$2.4090
DEVON AUSTRALIAN FUND	\$1.9880
DEVON DIVERSIFIED INCOME FUND	\$1.5155
DEVON DIVIDEND YIELD FUND	\$1.9856
DEVON GLOBAL IMPACT BOND FUND	\$1.3432
DEVON GLOBAL SUSTAINABILITY FUND	\$2.1099
DEVON TRANS-TASMAN FUND	\$5.0983
DEVON SUSTAINABILITY FUND	\$3.4714
ARTESIAN GREEN & SUSTAINABLE BOND FUND	\$1.0397

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DEVON ALPHA FUND

FUND OUTLINE

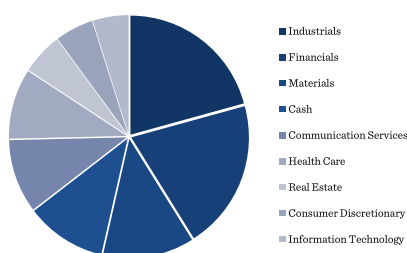
The **Alpha Fund** invests in a concentrated portfolio of approximately 10 to 15 select companies predominantly listed on the NZ and Australian share markets.

The Fund does not follow any index, is actively managed and aims to generate capital growth over the long term. Currency exposure is actively managed.

KEY HOLDINGS



ASSET ALLOCATION



ALLOCATION

New Zealand Equities	33.3%	Cash	11.0%
Australian Equities	55.7%	Total	100.0%
Currency Hedge	51.3%		

PERFORMANCE

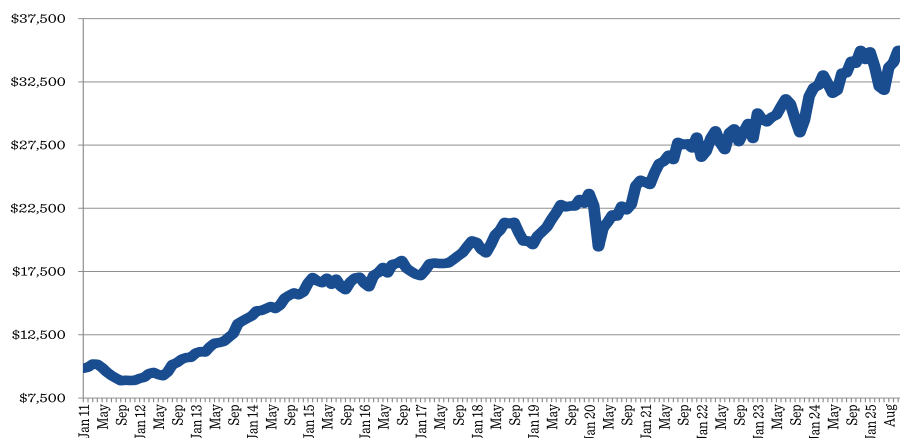
	1 Mth	3 Mth	1 Yr	3 Yr p.a	5 Yr p.a	10 Yr p.a
Devon Alpha Fund	0.0%	4.0%	5.3%	6.7%	9.1%	7.8%
OCR + 5%	0.7%	2.1%	9.2%	10.0%	6.2%	3.9%

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

**The benchmark for Alpha changed to OCR + 5% from 1 September 2022.

NET PERFORMANCE

Based on \$10,000 invested at 1 January 2011



NOTE: Further information on the Devon Alpha Fund can be found in our Quarterly Fund Updates by visiting <https://devonfunds.co.nz/alpha-fund> or by clicking [HERE](#)

COMMENTARY

The Alpha strategy finished the month broadly flat but within our portfolio there was a wide range of outcomes associated with our investment companies. Against the background of the reporting season, Seek made a strong contribution to the Fund, finishing the month up 14.5%. This performance was catalysed by their result and FY26 earnings guidance which, albeit consistent with expectations, looks now to be based off conservative assumptions given the potential of yield growth in their ANZ business and improved operating leverage. Other notable positives included Freightways and GPT Group that rallied 9.1% and 9.4% respectively. Unfortunately, offsetting these solid outcomes, were disappointing results from EBOS and Amcor Group. Subsequent to the earnings season we are spending a lot of time visiting with potential investment companies across NZ and Australia to determine where our capital is best deployed. The volatility of the past month appears to have created a number of exciting opportunities.

PORTFOLIO MANAGER

Slade Robertson



Slade has primary responsibility for stock selection and portfolio construction for the Alpha, Australian and Diversified Income funds. Slade

is also the Managing Director at Devon and has overall responsibility for the business. Slade has over 20 years' industry experience.

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DEVON TRANS-TASMAN FUND

FUND OUTLINE

The **Trans-Tasman Fund** provides a broad and actively managed exposure to the New Zealand and Australian equity markets.

This Fund invests in a select portfolio of well researched companies, which are primarily New Zealand and Australian listed companies. The Australian dollar currency exposure is typically unhedged.

KEY HOLDINGS



Stockland

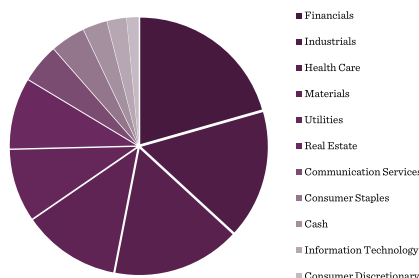


Infratil



Rio Tinto

ASSET ALLOCATION



ALLOCATION

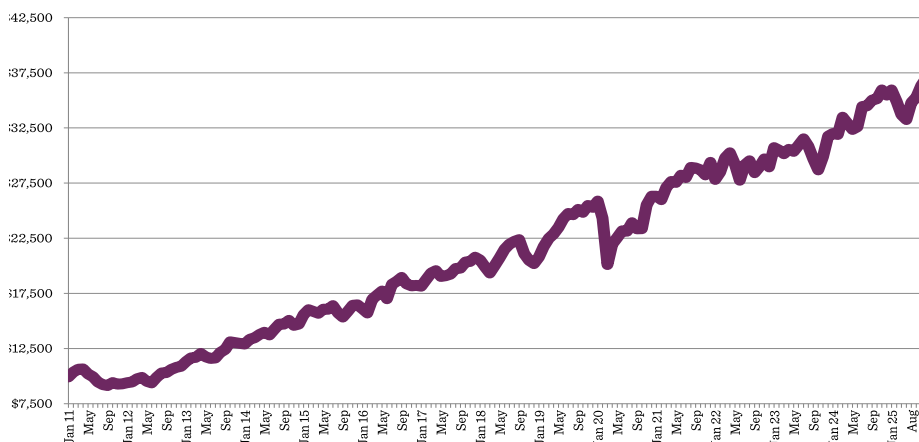
New Zealand Equities	52.1%	Cash	3.1%
Australian Equities	44.8%	Total	100.0%

PERFORMANCE	1 Mth	3 Mth	1 Yr	3 Yr p.a	5 Yr p.a	10 Yr p.a
Devon Trans-Tasman Fund	1.7%	6.2%	7.1%	7.7%	9.1%	8.6%
50:50 NZX50 Gross & ASX200 Index Unhedged	2.8%	7.1%	10.6%	8.2%	7.1%	9.2%

*Devon Trans Tasman Fund returns are after all fees and expenses, but before tax which varies by investor.

NET PERFORMANCE

Based on \$10,000 invested at 1 January 2011



NOTE: Further information on the Devon Trans-Tasman Fund can be found in our Quarterly Fund Updates by visiting <https://devonfunds.co.nz/trans-tasman-fund> or by clicking [HERE](#)

COMMENTARY

The Trans-Tasman portfolio delivered a positive absolute return in August, although it underperformed the benchmark. Among our strongest performers were Newmont, which rallied 15.6%, and Stockland, which closed up 11.7%. Newmont, an overweight position in the portfolio, showed robust performance during the month. The company continues to recover from previous production shortfalls and has met its production targets consistently over the past six months. Additionally, with the gold price approaching near all-time highs around US\$3,500/oz, sustained levels at this range could enable Newmont to return up to 20% of its market capitalization through share buybacks over the next three years.

In terms of portfolio changes, we increased our holding in Rio Tinto during the month. Following the appointment of a new CEO, Rio announced a portfolio simplification strategy that we believe will enhance asset efficiency. This refocused approach, combined with an expected 5% compound annual growth rate (CAGR) in copper-equivalent production over the next five years, continued progress on Pilbara mine replacement, a resilient medium-term iron ore price expected around \$90/t, and a rising share of earnings from aluminium and copper (projected to reach approximately 45% of the group's overall earnings), supports a potential re-rating of the stock. Key risks include the possibility of a weaker global economy.

PORTFOLIO MANAGER

Tama Willis



After a long period in international investment markets, Tama returned to NZ after a very successful career in London and Singapore

to join Devon's investment team. Tama holds primary responsibility for Devon's Trans-Tasman Fund. Tama is widely regarded as a leading expert on resource and mining stocks.

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DEVON AUSTRALIAN FUND

FUND OUTLINE

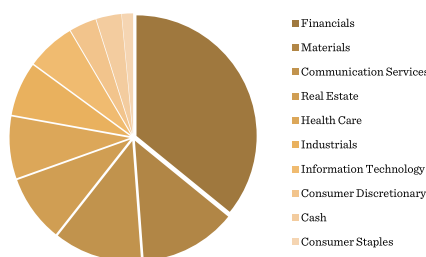
The **Australian Fund** invests in a select portfolio of companies, which are primarily Australian listed companies.

The Australian market is much larger than the New Zealand market and offers exposure to a number of sectors that are not available in New Zealand. The Australian dollar currency exposure of this Fund is typically unhedged.

KEY HOLDINGS



ASSET ALLOCATION



ALLOCATION

New Zealand Equities	0.0%	Cash	3.4%
Australian Equities	96.6%	Total	100.0%

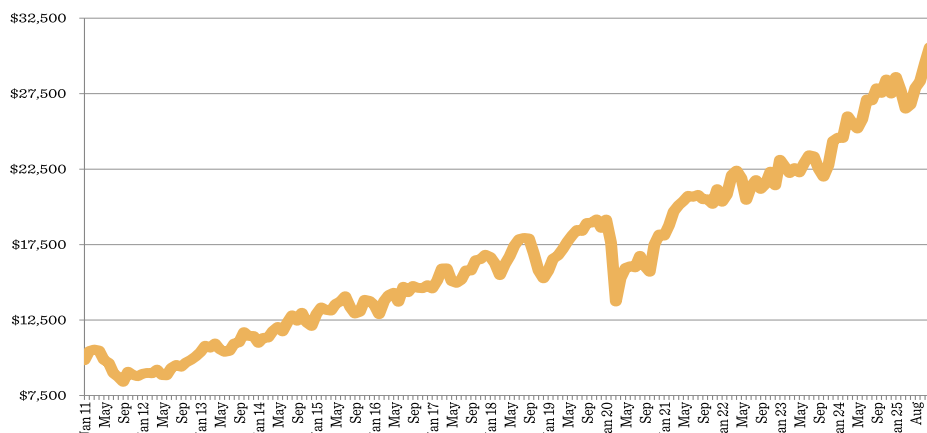
PERFORMANCE

	1 Mth	3 Mth	1 Yr	3 Yr p.a	5 Yr p.a	10 Yr p.a
Devon Australian Fund	3.6%	9.7%	13.1%	12.0%	12.8%	8.6%
ASX200 Index Gross (NZD)	4.9%	10.1%	17.4%	12.7%	12.6%	9.8%

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

NET PERFORMANCE

Based on \$10,000 invested at 1 January 2011



NOTE: Further information on the Devon Australian Fund can be found in our Quarterly Fund Updates by visiting <https://devonfunds.co.nz/australian-fund> or by clicking [HERE](#)

COMMENTARY

The Australian Fund performed strongly in August. Key contributors included A2 Milk (+18.7%), Newmont Corporation (+15.6%), Aussie Broadband (+14.6%), and Seek (+14.5%), while CSL (-21.4%), Xero (-9.6%), and Cleanaway Waste Management (-3.5%) detracted from our returns.

Aussie Broadband was a standout performer, delivering a strong result alongside the announcement of a significant contract win, with More/Tangerine to provide wholesale NBN (National Broadband Network) services. The contract offers attractive economics and provides the company with a new growth lever.

Aussie Broadband is a challenger telco in Australia, providing NBN and fibre services supported by an extensive backhaul network. With around 8% market share of on-net NBN services, it is the country's fourth-largest retail internet service provider. Given its operating momentum, management is targeting a significantly larger market share over time. Once the More/Tangerine contract is completed in the second half of FY26, Aussie Broadband is expected to be trading on an 18x price-to-earnings multiple, which we view as undemanding.

PORTFOLIO MANAGER

Ben Jenkin



Ben has primary responsibility for stock selection and portfolio construction for the Australian and Sustainability Fund.

Ben also holds research responsibility for the telco, media and technology sectors, as well as a wide ranging number of industrial companies.

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DEVON DIVIDEND YIELD FUND

FUND OUTLINE

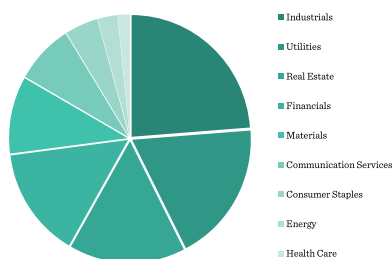
The **Devon Dividend Yield Fund** invests in a carefully selected portfolio of New Zealand and Australian listed companies.

These stocks are chosen for their attractive dividend yields and growth prospects with the aim of maintaining the dividend yield and capital value in real terms. The Australian dollar currency exposure is typically fully hedged.

KEY HOLDINGS



ASSET ALLOCATION



ALLOCATION

New Zealand Equities	69.5%	Cash	0.0%
Australian Equities	30.5%	Total	100.0%
Currency Hedge	98.3%	Yield	5.3%

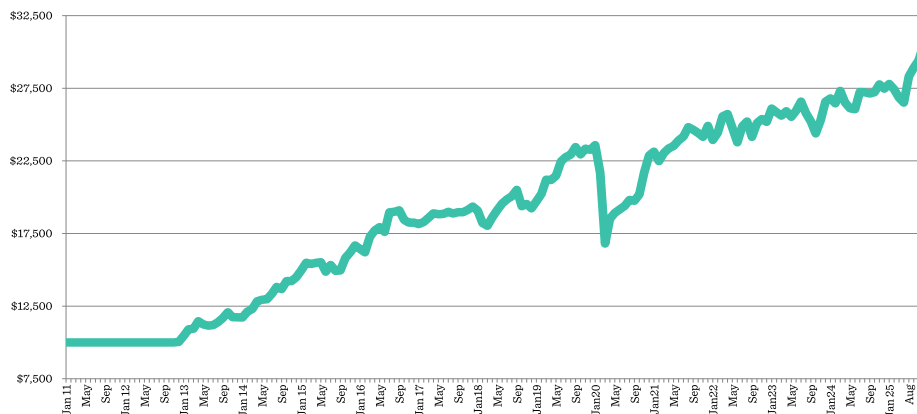
PERFORMANCE

	1 Mth	3 Mth	1 Yr	3 Yr p.a	5 Yr p.a	Since Inception
Devon Dividend Yield Fund	3.7%	7.7%	12.0%	6.5%	9.0%	9.3%
50:50 NZX50 & ASX200 Index Gross	2.0%	5.6%	9.3%	8.4%	7.0%	10.1%

*Devon Dividend Yield Fund returns are after all fees and expenses, but before tax which varies by investor.

NET PERFORMANCE

Based on \$10,000 invested at 1 January 2013



NOTE: Further information on the Devon Dividend Yield Fund can be found in our Quarterly Fund Updates by visiting <https://devonfunds.co.nz/dividend-yield-fund> or by clicking [HERE](#)

COMMENTARY

The Dividend Yield strategy offers investors a forecasted annual gross yield of 5.3% and is expected to grow well ahead of inflation over the next three years. Top performers during August were Aussie Broadband (+14.6%), Seek (+14.5%), and Chorus (+12.7%). Meanwhile, key detractors were NZX (-9.2%), Napier Port (-4.2%), and Cleanaway (-3.5%).

Channel Infrastructure is a business we have owned for some time. The business owns and operates the Marsden Point fuel import terminal and the fuel pipeline south to Wiri. The current management team and board have consistently demonstrated an ability to deploy shareholder funds with great diligence. Importantly, the company's earnings that aren't invested are then returned to shareholders in a disciplined manner. It is rare to find a business that is so shareholder-minded. As the fund manager, you'll be pleased to know I am invested in this Fund alongside you.

PORTFOLIO MANAGER

Patrick Washer



Patrick has primary responsibility for stock selection and portfolio construction for the Dividend Yield Fund. Patrick also holds research responsibilities for the property, aged care and transport sectors.

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DEVON DIVERSIFIED INCOME FUND

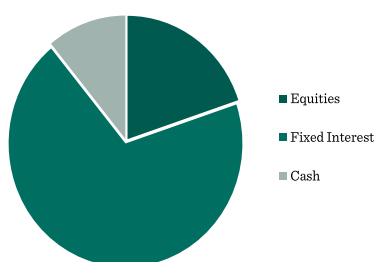
FUND OUTLINE

The **Devon Diversified Income Fund** aims to give New Zealanders access to a diverse and good quality portfolio of high yielding investments. The Fund aims to generate better-than-bank income rates by investing in a carefully selected portfolio of government and corporate bonds, cash, listed property, infrastructure, utility companies, high yielding equities, credit securities and other yielding financial assets.

KEY HOLDINGS



ASSET ALLOCATION



ALLOCATION

New Zealand Equities	18.3%
Australian Equities	8.0%

Bonds	63.6%
Cash	10.1%

PERFORMANCE

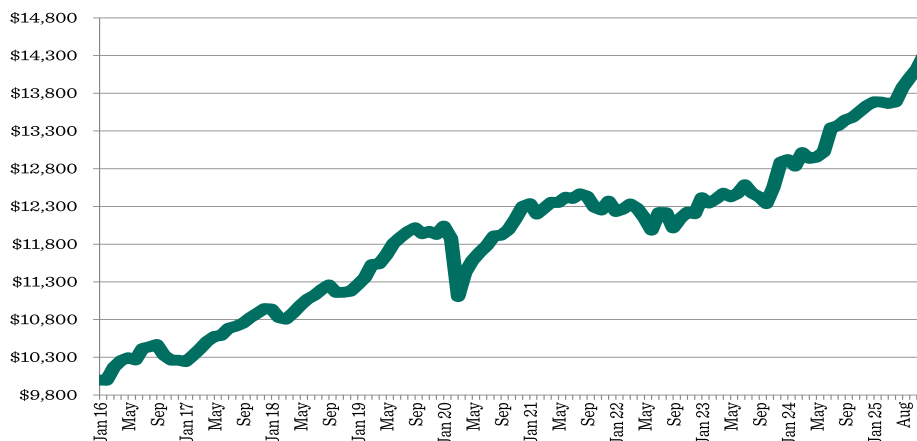
	1 Mth	3 Mth	1 Yr	3 Yr p.a	5 Yr p.a	Since Inception
Devon Diversified Income Fund	1.3%	3.1%	7.0%	5.4%	3.7%	3.9%
75% BB Composite 0-5yr Index, 25%						
50:50 Composite NZX50 Gross and ASX 200 Index hedged to NZD	0.8%	2.1%	6.1%	6.5%	4.8%	2.9%

*Devon Diversified Income Fund returns are after all fees and expenses, but before tax which varies by investor.

**The Devon Diversified Income Fund's benchmark changed to a blended market index from 10th December 2024.

NET PERFORMANCE

Based on \$10,000 invested at 1 January 2016





DEVON SUSTAINABILITY FUND

FUND OUTLINE

The **Devon Sustainability Fund** invests in a select portfolio of well researched New Zealand and Australian listed companies.

The Fund looks to invest in companies that score highly on overall environmental, social and corporate governance performance. The Fund also employs an ethical screen which will prohibit investment into certain companies and sectors.

KEY HOLDINGS

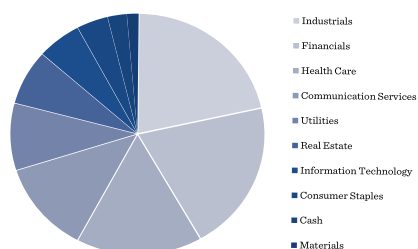
Freightways

seek

Port of Tauranga

Aussie Broadband

ASSET ALLOCATION



ALLOCATION

New Zealand Equities	51.3%	Cash	2.5%
Australian Equities	46.2%	Total	100.0%

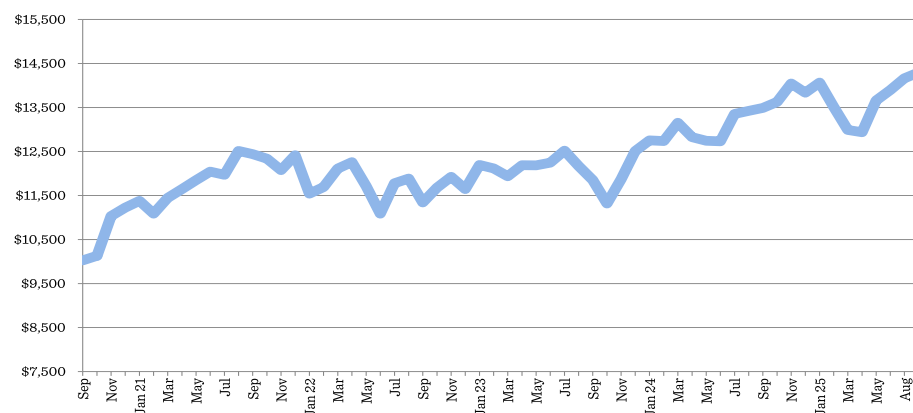
PERFORMANCE

	1 Mth	3 Mth	1 Yr p.a	3 Yr p.a	Since Inception
Devon Sustainability Fund	1.0%	4.7%	6.5%	6.4%	7.4%
50:50 NZX50 Portfolio Index & ASX200 Index	2.4%	6.3%	10.4%	7.8%	6.8%

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

NET PERFORMANCE

Based on \$10,000 invested at 31 August 2020



NOTE: Further information on the Devon Sustainability Fund can be found in our Quarterly Fund Updates by visiting <https://devonfunds.co.nz/devon-sustainability-fund> or by clicking [HERE](#)

COMMENTARY

The Sustainability Fund generated another positive return of 1.0%. While we underperformed the benchmark, the key driver of this relative result was a strong month for the Australian Banks and Resource sectors, where the Fund remains meaningfully underweight. In this context, we were pleased with the Fund's positive absolute performance.

Key highlights for the month included strong share price gains from A2 Milk (+21.5%), Aussie Broadband (+14.6%), and Seek (+14.5%). The Fund also exited its position in Breville, locking in a 23% return since initiating the position in May/June. Detractors from performance included Ebos Group (-20.3%), Napier Port (-4.2%), and Summerset Group Holdings (-3.9%). Ebos Group had a disappointing month after delivering results that fell well below market expectations.

Another strong contributor was Freightways Group (+9.1%), which delivered a strong result despite the difficult economic conditions in New Zealand. Supporting this performance is an impressive management team and a favourable industry structure, with its largest competitor, NZ Post, now expected to operate in a more commercially sensible manner.

PORTFOLIO MANAGER

Ben Jenkin



Ben has primary responsibility for stock selection and portfolio construction for the Australian and Sustainability Fund. Ben also holds

research responsibility for the telco, media and technology sectors, as well as a wide ranging number of industrial companies.

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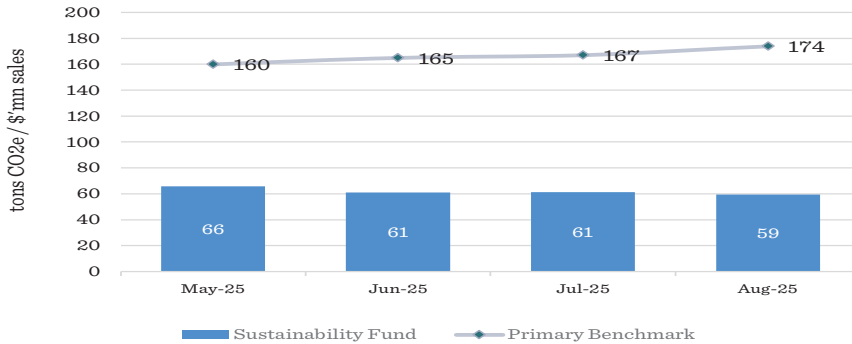
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DEVON SUSTAINABILITY FUND

CARBON INTENSITY - PORTFOLIO VS BENCHMARK

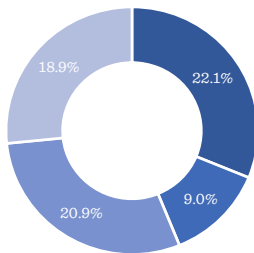
Carbon Intensity - Portfolio vs Benchmark



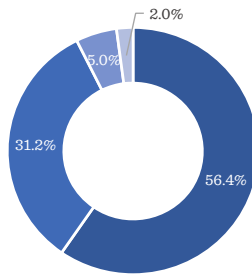
PORTFOLIO CARBON EMISSIONS BY KEY SECTORS

Portfolio Carbon Emissions by Key Sectors

Portfolio value by sector



Portfolio carbon emission by sector



■ Industrials ■ Utilities ■ Health Care ■ Financials ■ Industrials ■ Utilities ■ Health Care ■ Financials

The industrials, utilities, health care and financials sectors make up 70.9% of the portfolio by value, but they account for 94.6% of the carbon emissions in the portfolio.

ESG PORTFOLIO SUMMARY

	MSCI ESG Ratings	MSCI ESG Quality score	Portfolio
Portfolio	AA	7.55	Sustainability Fund
Benchmark	AA	7.44	Primary Benchmark 50:50 composite S&P/NZX50 Portfolio Index & S&P/ASX200G Index

PERFORMANCE

	1 Mth	3 Mth	6 Mth	1 Yr	Since Inception
ESG relative performance	1.5%	1.8%	2.2%	3.2%	5.5%

*ESG Relative Performance is the MSCI ESG Score of the Devon Sustainability fund compared to the MSCI ESG Score of the Benchmark
 **Please note due to an issue with MSCI, we have not provided updated data for the month ending 31 May. This will be updated in next months reporting once we are comfortable with accuracy.

PORTFOLIO HOLDING'S DISCLOSURE SUMMARY

Portfolio Holding's Summary

% of companies reporting to TCFD standards	88.6%
% of companies committed to Net Zero	68.2%
% of companies committed to Carbon Neutral	15.9%
% of companies with no commitment to either	15.9%

STEWARDSHIP

August was a busy reporting period for the New Zealand and Australian markets. Following company reports, the Devon investment team met with many of the companies in our portfolios.

As we head into an election year, sectors such as supermarkets, banks, and insurers are under increased cost-of-living scrutiny. We are particularly focused on the gentailers, who may face heightened criticism; this was a key topic in all our meetings with gentailer companies. The energy minister has suggested a possible 'surgical intervention' in the sector, though the specifics remain unclear. The sector is currently well positioned, supported by the signed Tiwai contract, which provides certainty for new generation projects. Gentailers also responded effectively last year to a dry winter with challenging hydro inflows, gas supply issues, and low wind. As a result, what form government intervention may take—and what political parties choose to campaign on—will be highly relevant for investors and likely to generate market attention.

PORTFOLIO MANAGER

Ben Jenkin

Ben has primary responsibility for stock selection and portfolio construction for the Sustainability Fund. Ben also holds research responsibility for the telco, media and technology sectors, as well as a wide ranging number of industrial companies.



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DEVON GLOBAL IMPACT BOND FUND

DURATION

Contribution to Duration (Years)			
Sector	Account	Benchmark	Difference
Cash & Cash Equivalents	-0.00	-0.00	-0.00
US Government	0.71	1.08	-0.37
Credit*	4.21	4.61	-0.40
Asset Backed Securities	0.04	0.01	0.03
Mortgage Backed	0.84	0.55	0.29
Commercial Mortgage	0.02	0.02	-0.00
Other	0.01	0.09	-0.08
Cash Offset	-	-	-
	5.83	6.37	-0.53

The Fund invests into the Wellington Global Impact Bond Fund, managed by Wellington Management. Wellington Management is one of the world's leading investment management firms with over US\$1 trillion in assets under management worldwide across a broad range of asset classes. They have been providing innovative investment solutions to clients for more than 85 years. Wellington Management seeks to understand the world's social and environmental problems and to identify and invest primarily in debt issued by companies and organisations that they believe are addressing these needs in a differentiated way through their core products, services and projects. The Wellington Global Impact Bond Fund aims to improve access to, and the quality of, basic life essentials, reduce inequality and mitigate the effects of climate change.

CREDIT RATING

Percent of Market Value			
Quality	Account	Benchmark	Difference
Cash	-5.17	0.37	-5.54
AAA	34.38	12.08	22.30
AA	36.87	41.96	-5.09
A	8.62	31.10	-22.47
BBB	16.62	14.22	2.40
BB	5.63	0.01	5.62
B	2.88	0.00	2.88
Below B	0.25	-	0.25
Cash Offset	-1.35	-	-1.35
Not Rated	1.28	0.27	1.01
	100.00	100.00	

They seek to identify securities which it believes fall into three primary impact categories: life essentials, human empowerment and the environment. Within these categories the Fund will invest across "Impact Themes" including, but not limited to the following:

Life Essentials: affordable housing, clean water and sanitation, health, sustainable agriculture and nutrition.

Human Empowerment: digital divide, education and job training, financial inclusion, safety and security.

Environment: alternative energy, resource efficiency and resource stewardship.

*Duration & Credit Rating as at 31 August 2025

DEVON GLOBAL SUSTAINABILITY FUND

The Fund invests into the Wellington Global Stewards Fund, managed by Wellington Management. Wellington Management is one of the world's leading investment management firms with over US\$1 trillion in assets under management worldwide across a broad range of asset classes. They have been providing innovative investment solutions to clients for more than 85 years. Wellington Management seeks to invest in 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. Wellington 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 underlying Wellington Fund differentiates itself by:

Long-term horizon – the intention is to hold stocks for over 10 years. The belief is the longer the holding period, the greater the potential performance benefits from superior stewardship.

Highly selective – typically 35-45 stocks, only relying on their own internal ESG research.

Active engagement – holding those in charge of investee companies to account and encouraging companies to commit to net zero carbon emissions by 2050 in alignment with the Paris Agreement.

PERFORMANCE	1 Mth	3 Mth	1 Yr	3 Yr p.a	Since Inception
Devon Global Impact Bond Fund	0.6%	1.4%	2.5%	3.4%	1.5%
Bloomberg Global Aggregate Index Hedged NZD	0.4%	1.1%	2.6%	3.1%	1.5%

PERFORMANCE	1 Mth	3 Mth	1 Yr	3 Yr p.a	Since Inception
Devon Global Sustainability Fund	1.0%	2.0%	7.4%	14.1%	10.5%
MSCI All Country World Index in NZD, 50% hedged to NZD	2.2%	8.9%	18.8%	17.9%	13.2%

*Benchmark performance figure is indicative only and will be finalised in the mid month report.

KEY HOLDINGS*



*Key Holdings as at 31 August 2025

Please note that monthly reports will be produced for the Devon Global Impact Bond Fund and Devon Global Sustainability Fund later this month. These reports will include data on top holdings, performance, asset allocation, and fund commentaries. These reports will be sent out separately from those for Devon's other retail funds each month and will be available on the Devon Funds website.

Devon Funds Management Limited

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ARTESIAN GREEN AND SUSTAINABLE BOND FUND (NZD)

FUND OUTLINE

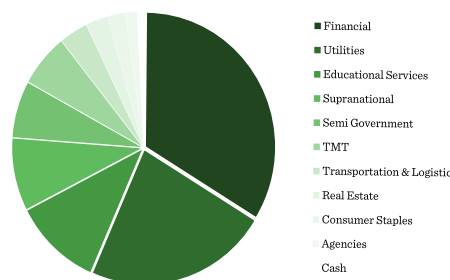
The **Artesian Green and Sustainable Bond Fund (NZD)** offers New Zealand-based investors a Portfolio Investment Entity (PIE) vehicle through which to invest in the Artesian Green and Sustainable Bond Fund (AUD).

Through this structure, the Fund will invest in a diversified portfolio of liquid, predominately investment grade fixed and floating rate green and sustainable bonds. Artesian are committed to integrating ESG into their investment processes, with a focus on responsible investment.

KEY HOLDINGS



ASSET ALLOCATION



ALLOCATION

Artesian Green & Sustainable Bond Fund (NZD)	99.1%	Cash	0.9%
Currency Hedge (100% to NZD)	99.6%	Total	100.0%

PERFORMANCE

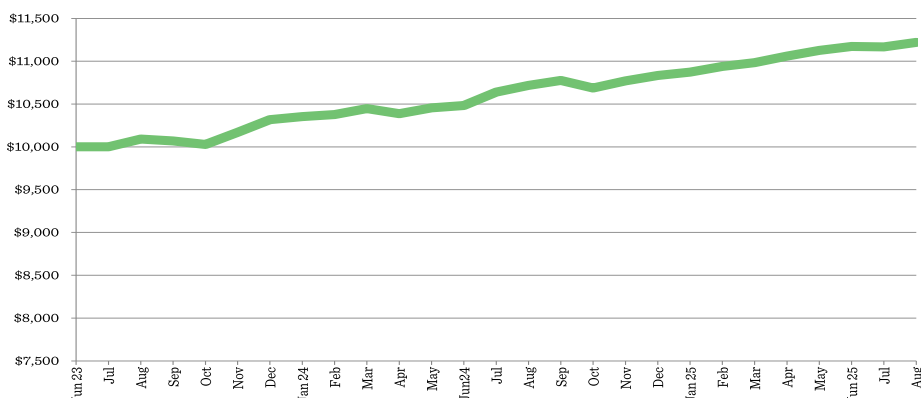
	1 Mth	3 Mth	1 Yr	2 Yr	Since Inception
Artesian Green & Sustainable Bond Fund (NZD)*	0.48%	0.84%	4.69%	5.44%	5.74%
Artesian Green & Sustainable Bond Fund PIR Return (NZD)**	0.48%	1.12%	5.30%	5.95%	6.21%
Bloomberg AusBond Composite 0-5 Yr Index 100% Hedged to NZD	0.32%	0.76%	4.38%	5.21%	5.51%

*Artesian Green & Sustainable Bond Fund (NZD) returns are after all fees and expenses, but before tax which varies by investor.

**Artesian Green & Sustainable Bond Fund (NZD) returns are after all fees and expenses, but before tax which varies by investor and inclusive of tax credits. The Fund invests in an underlying Australian Unit Trust (AUT) which is required to distribute all income. Tax on these distributions is withheld at fund level but investors receive a tax credit for this amount. As such, the Zero PIR return is a reasonable basis for comparing performance between the NZD Fund and its AUT alternative.

NET PERFORMANCE

Based on \$10,000 invested at 30 June 2023



NOTE: Further information on the Artesian Green Fund can be found in our Quarterly Fund Updates by visiting <https://devonfunds.co.nz/artesian-green-and-sustainable-bond-fund-nzd> or by clicking [HERE](#)

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COMMENTARY

The Fund's outperformance versus benchmark in August was driven by the overweight credit duration positioning (credit spreads were lower/tighter) and overweight interest rate duration positioning (interest were lower/tighter). The Fund's running yield of 4.19% versus the benchmark's 3.62%, also contributed to the monthly outperformance versus benchmark.

Outperformance in August came from the Fund's positions in Mercury (Green), Contact Energy (Green), ENBW (Green), Transpower (Green) and Optus (Sustainability-Linked). Underperformance came from the Fund's positions in BPCE SA (Social) and Housing Australia (Social).

PORTFOLIO MANAGER

David Gallagher

David joined Artesian in June 2013. Prior to joining Artesian, David spent nine years in the United Kingdom working for Deutsche Bank and RBS. David has extensive risk and portfolio management trading experience.

In David's previous role with RBS, David managed a credit portfolio with outright risk ranging between £1-2.5 billion.



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