

## Warsh as Fed Chair: Something for Everyone

Wellington Management is responsible for managing the Devon Global Sustainability and Global Impact Bond Fund. Recently, Macro Strategist Juhi Dhawan PhD, prepared an interesting piece on President Trump’s nomination of Kevin Warsh as the next Fed Chair. Juhi highlights five key insights—ranging from interest rate direction to potential deregulation and what all of this could mean for markets.

President Trump has announced Kevin Warsh as the next Fed chair, subject to Senate confirmation. As I’ve discussed before, “personnel is policy” and the Fed chair is an incredibly important voice not only in the direction of monetary policy but also in the way the central bank carries out its supervisory and regulatory responsibilities.

With that said, here are my five key takeaways on Warsh:

**1. On interest rates** — The choice of Warsh, who has advocated “hard money” policies over the course of his career, should allay concerns to some degree that managing inflation will take a back seat to political priorities. Markets will be more willing to believe that economic data will dictate how monetary policy is conducted, which should stabilize the dollar from a de-basement risk perspective.

**2. On the balance sheet** — Warsh has been consistently vocal about a new Treasury/Fed accord. This suggests room for more creative maneuvering to change the composition and size of the Fed balance sheet, so that the Treasury and Fed row together — for instance, in terms of Treasury issuance and Fed purchases, or policies around mortgage-backed securities as another example. Term premia were up a touch as of this writing as markets tried to factor in this lean from the nominee. The specific actions Warsh...[READ MORE](#)

## MARKET INDICES

Index	Region	Monthly Return	1 Yr. Return
S&P/NZX50G	NZ	-0.9%	3.3%
S&P/ASX200G	AUSTRALIA	1.8%	7.4%
MSCI World Index	GLOBAL	2.3%	20.1%
S&P500	USA	1.5%	16.3%
FTSE100	UK	3.0%	22.0%
NIKKEI 225	JP	5.9%	37.4%
NZ 90 Day Bank Bill	NZ	0.2%	3.4%
Bloomberg Global Aggregate Index (NZD)	GLOBAL	0.1%	3.5%

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## AT A GLANCE

Prices as at 31 January 2026

DEVON ALPHA FUND	\$2.3994
DEVON AUSTRALIAN FUND	\$1.9436
DEVON DIVERSIFIED INCOME FUND	\$1.5154
DEVON DIVIDEND YIELD FUND	\$2.0525
DEVON GLOBAL IMPACT BOND FUND	\$1.3282
DEVON GLOBAL SUSTAINABILITY FUND	\$2.2129
DEVON TRANS-TASMAN FUND	\$5.3063
DEVON SUSTAINABILITY FUND	\$3.2824
ARTESIAN GREEN & SUSTAINABLE BOND FUND	\$1.0070

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# DEVON ALPHA FUND

## FUND OUTLINE

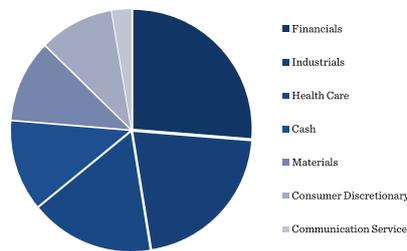
The **Alpha Fund** invests in a concentrated portfolio of approximately 10 to 15 select companies predominantly listed on the NZ and Australian share markets.

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	52.7%	Cash	12.2%
Australian Equities	35.1%	Total	100.0%
Currency Hedge	106.7%		

## PERFORMANCE

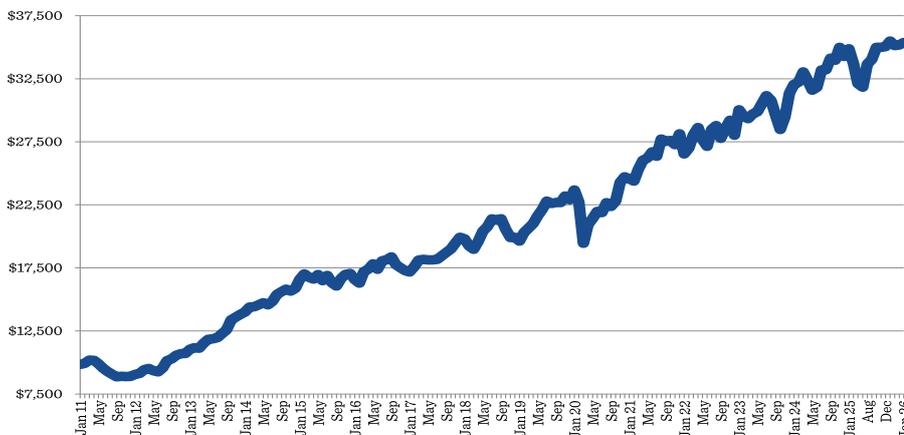
	1 Mth	3 Mth	1 Yr	3 Yr p.a	5 Yr p.a	10 Yr p.a
Devon Alpha Fund	0.6%	-0.3%	1.4%	5.6%	7.6%	7.8%
<b>OCR + 5%</b>	0.6%	1.8%	8.3%	9.8%	6.8%	4.1%

\*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 generated a positive return for its clients against a volatile market backdrop. As we progress towards the reporting season across New Zealand and Australia, we have been determined to ensure that the companies we own are ones that we believe are of a very high quality and are performing well in the current economic climate. These include businesses such as Macquarie Group, Freightways and Port of Tauranga. We will hear from the management teams of all these companies over the next month and look forward to their provision of operating updates. There is likely to be market uncertainty during 2026 but there will be certain sectors that will navigate the environment better than others. We believe we are well represented in these areas. During January there were a number of important contributors to our performance including James Hardie which rallied 7.3% and Macquarie which finished the month up 4.4%.

## 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.



# DEVON TRANS-TASMAN FUND

## FUND OUTLINE

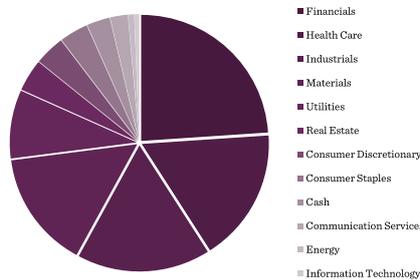
The **Trans-Tasman Fund** provides a broad and actively managed exposure to the New Zealand and Australian equity markets.

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



## ASSET ALLOCATION



## ALLOCATION

New Zealand Equities	54.7%	Cash	2.9%
Australian Equities	42.4%	Total	100.0%

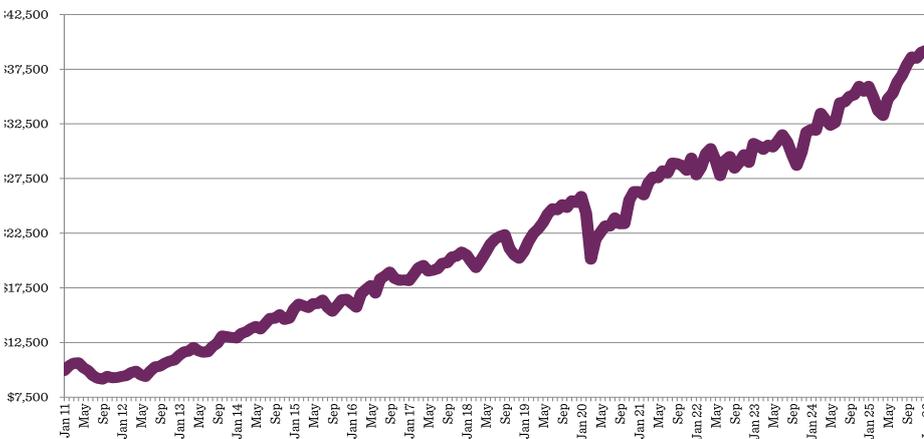
## PERFORMANCE

	1 Mth	3 Mth	1 Yr	3 Yr p.a	5 Yr p.a	10 Yr p.a
Devon Trans-Tasman Fund	0.4%	1.6%	9.1%	8.5%	8.3%	9.0%
50:50 NZX50 Gross & ASX200 Index Unhedged	0.4%	0.4%	8.0%	8.0%	6.3%	9.4%

\*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 performed in-line with its benchmark over the month.

A particular highlight was the rally in Bluescope Steel (BSL), with the company receiving an indicative non-binding bid from Seven Group at \$30 per share in cash, with a related intent to on-sell BSL's North American assets to Steel Dynamics (STLD). The offer presented a 27% premium to the 11 December close. BSL rejected the bid on valuation grounds but remains open to a fair offer and noted that STLD had made 3 previous bids to secure the group's North American assets at group price of \$27.50, \$29 and \$33. Since the announcement BSL has mounted a robust defence with the new CEO accelerating the delivery of value from the execution of its existing growth capex program to deliver A\$500m annual earnings, announced a further \$150m cost/productive agenda (following on from an existing \$200m programme) and noted the prospect of improved capital returns.

## 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.



## DEVON AUSTRALIAN FUND

### FUND OUTLINE

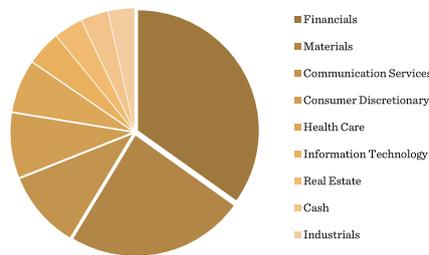
The **Australian Fund** invests in a select portfolio of companies, which are primarily Australian listed companies.

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	3.6%
Australian Equities	96.4%	Total	100.0%

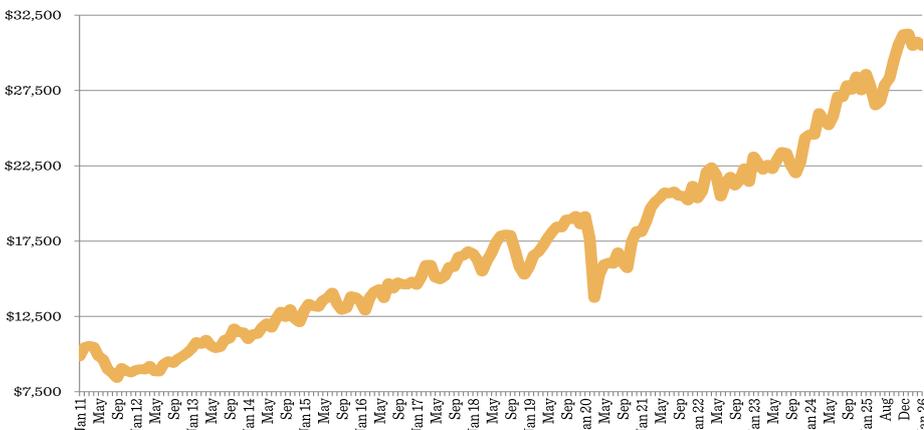
### PERFORMANCE

	1 Mth	3 Mth	1 Yr	3 Yr p.a	5 Yr p.a	10 Yr p.a
Devon Australian Fund	-1.0%	-2.7%	6.4%	9.6%	11.0%	8.5%
ASX200 Index Gross (NZD)	1.7%	1.7%	12.7%	12.0%	12.1%	10.8%

\*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

A standout performer for the Australian strategy during the month was BlueScope Steel (+29.8%), after the company received an unsolicited proposal from a consortium of Seven Group and US-based Steel Dynamics to acquire the business. Subsequently, the board of directors unanimously rejected the bid.

The Resources sector continued to perform strongly, delivering a 9.9% return in January. Stocks that performed well for the Fund within that sector included Newmont Corporation (+15.4%), BHP Group (+11.2%), and Capstone Copper Corporation (+9.2%). And while Rio Tinto (+3.2%) also performed well, it underperformed the sector as the market digested its announcement that it was in preliminary discussions with Glencore regarding an all-share merger to create the world's largest mining company.

Weighing on performance were Aristocrat Leisure (-7.9%), CAR Group (-10.3%), and Xero (-17.8%). While there was no company-specific news, their respective sectors continued to remain under pressure more broadly.

### 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.



DEVON DIVIDEND YIELD FUND

FUND OUTLINE

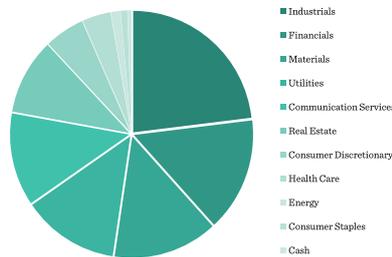
The Devon Dividend Yield Fund invests in a carefully selected portfolio of New Zealand and Australian listed companies.

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

Table with 2 columns: Allocation Category and Percentage. Rows include New Zealand Equities (64.9%), Australian Equities (34.6%), Currency Hedge (97.1%), Cash (0.5%), and Total (100.0%).

Table with 7 columns: PERFORMANCE, 1 Mth, 3 Mth, 1 Yr, 3 Yr p.a, 5 Yr p.a, Since Inception. Rows include Devon Dividend Yield Fund and 50:50 NZX50 & ASX200 Index Gross.

\*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

January proved to be a difficult month for this strategy after it enjoyed strong returns in 2025. A key driver of the Fund's weakness during the month were our positions in three New Zealand real estate investment trusts. We currently own Kiwi Property, Argosy, and Stride, which returned -4.3%, -6.0%, and -8.3%, respectively. There doesn't appear to be any fundamental reasons for the sell off, and their valuation metrics continue to look quite appealing. All three vehicles will produce dividend yields of 8% or higher this year, while trading at large discounts to their asset values. With the Reserve Bank of Australia having embarked on the start of a rate hiking cycle, we continue to prefer New Zealand listed property assets over their Australian counterparts. The strategy will continue to have a clear defensive bias, with a preference for companies who own physical rather than intangible assets.

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.



# DEVON DIVERSIFIED INCOME FUND

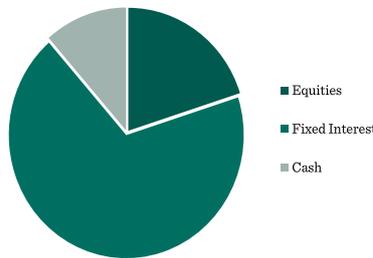
## FUND OUTLINE

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	18.1%	Bonds	61.9%
Australian Equities	9.7%	Cash	10.3%

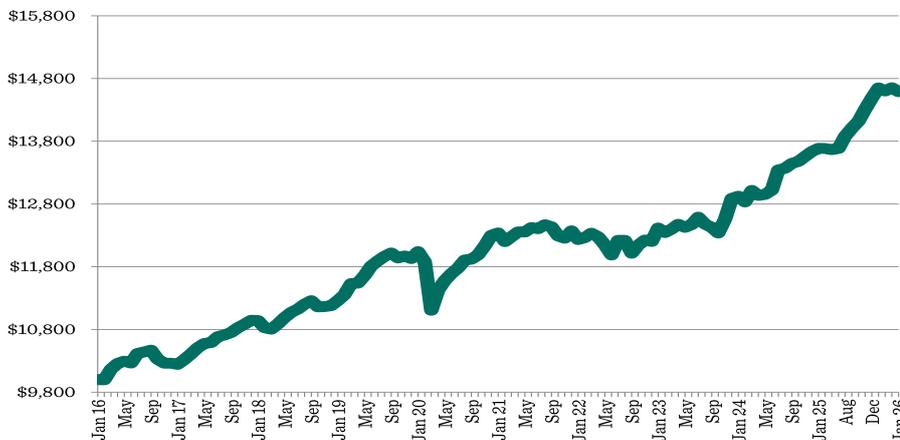
## PERFORMANCE

	1 Mth	3 Mth	1 Yr	3 Yr p.a	5 Yr p.a	Since Inception
Devon Diversified Income Fund	-0.4%	-0.4%	6.6%	5.5%	3.4%	3.9%
75% BB Composite 0-5yr Index, 25% 50:50 Composite NZX50 Gross and ASX 200 Index hedged to NZD	0.2%	-0.3%	3.8%	5.9%	4.7%	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



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

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## COMMENTARY

Global bond yields drifted higher during the month with the yield on the US 10-year Treasuries closing up at 4.27%. The US Federal Reserve took a “wait and see” approach at their policy meeting, keeping the federal funds rate steady at 3.50% to 3.75%. This was the first time in four meetings that rates weren’t cut. The Fed noted that economic growth in the US remains solid, albeit core inflation is currently in excess of their 2% target. The market still expects additional policy easing this year. Also impacting investors was reports in late January that the administration is going to nominate Kevin Warsh as the next Fed Chair. He is considered a more reliable nominee than some of the other personalities that were being considered by the White House. In New Zealand, annual inflation was reported at 3.1%, above the RBNZ’s target band of 1.0% to 3.0%.

## 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.



## DEVON SUSTAINABILITY FUND

### FUND OUTLINE

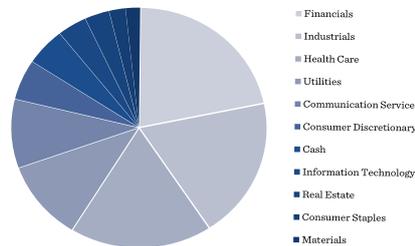
The **Devon Sustainability Fund** invests in a select portfolio of well researched New Zealand and Australian listed companies.

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



### ASSET ALLOCATION



### ALLOCATION

New Zealand Equities	58.3%	Cash	5.1%
Australian Equities	36.6%	Total	100.0%

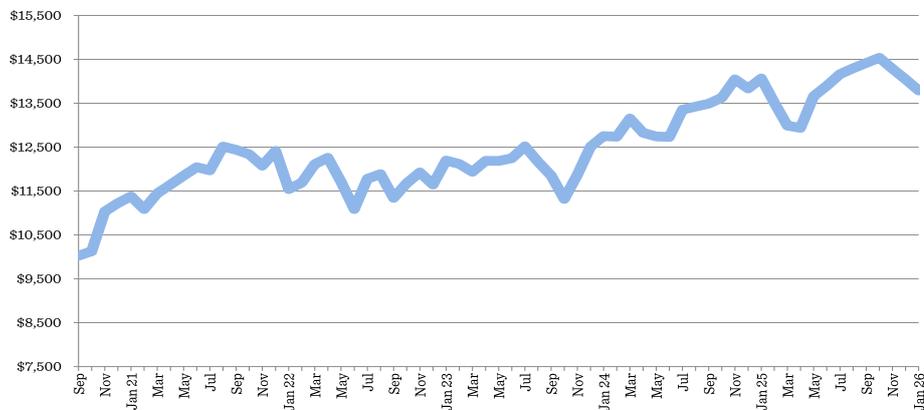
### PERFORMANCE

	1 Mth	3 Mth	1 Yr p.a	3 Yr p.a	Since Inception
Devon Sustainability Fund	-1.8%	-5.1%	-2.0%	4.2%	6.1%
50:50 NZX50 Portfolio Index & ASX200 Index	0.1%	-0.4%	6.6%	6.8%	7.6%

\*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-fundor> by clicking [HERE](#)

### COMMENTARY

The Sustainability Fund generated a negative return during January. The New Zealand Portfolio Index was down 1.6% for the month, whilst in Australia, the ASX 200 Index was up 1.8%, with a significant divergence in performance across sectors. For example, the ASX 200 Resources sector, which accounts for roughly one third of the index's market capitalisation, was up 9.9% for the month and a substantial 43.3% over the past year. Given the Fund's sustainability framework, this continues to be a headwind to the Fund's relative performance as we are not permitted to have any exposure to these stocks.

Pleasingly, we are finding several opportunities within the Communication Services, Health Care, and Information Technology sectors. Stocks across these segments of the market have not performed well recently and as such are starting to trade at discounts that we haven't seen for some time. This is attractive to us and looking ahead to 2026, we see significant unrealised value embedded within the portfolio.

### PORTFOLIO MANAGER

Ben Jenkin



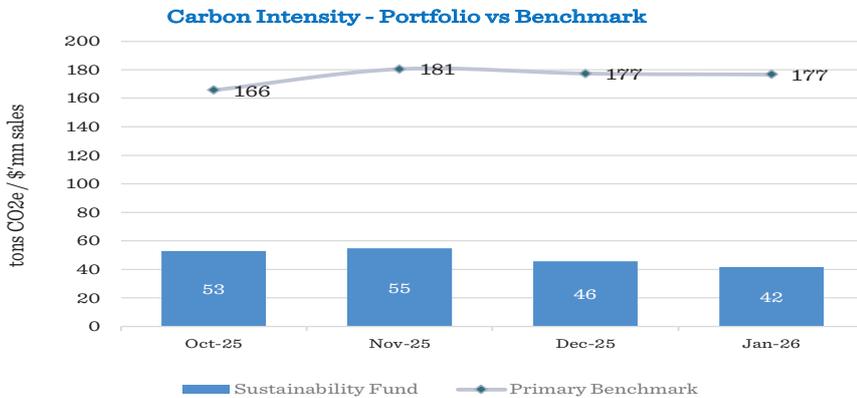
Ben has primary responsibility for stock selection and portfolio construction for the Australian and Sustainability Fund. Ben also holds

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



## DEVON SUSTAINABILITY FUND

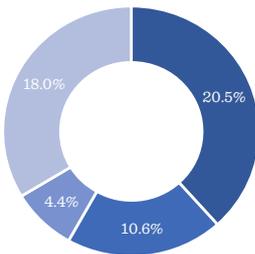
### CARBON INTENSITY - PORTFOLIO VS BENCHMARK



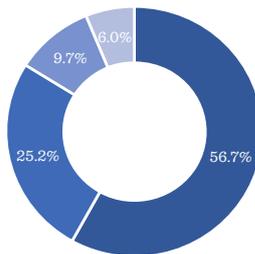
### PORTFOLIO CARBON EMISSIONS BY KEY SECTORS

Portfolio Carbon Emissions by Key Sectors

Portfolio value by sector



Portfolio carbon emission by sector



■ Industrials ■ Utilities ■ Materials ■ Healthcare

The industrials, utilities, health care and materials sectors make up 53.5% of the portfolio by value, but they account for 97.3% of the carbon emissions in the portfolio.

### ESG PORTFOLIO SUMMARY

	MSCI ESG Ratings	MSCI ESG Quality score	Portfolio
Portfolio	AA	7.42	Sustainability Fund
Benchmark	AA	7.42	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	0.0%	-0.2%	0.8%	1.6%	5.1%

\*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	85.7%
% of companies committed to Net Zero	71.4%
% of companies committed to Carbon Neutral	8.6%
% of companies with no commitment to either	20.0%

### STEWARDSHIP

Last year, ANZ suffered from a run of problems centred around regulatory breaches, weak risk management, and operational issues which resulted in Australian regulators handing out \$240 million (AUD) in penalties. At ANZ's latest AGM, Devon voted against the resolution to approve the company's remuneration report. This was due to our investment teams concern that some executives faced insufficient accountability for significant regulatory and compliance missteps. While FY26 long term variable remuneration (LTVR) grants for some executives were partially reduced, this was misaligned with the significance of failures. In addition, some of the long term incentive (LTI) grants for FY23/24 were retained by the outgoing CEO despite his responsibility for the failings as leader of the organisation.

### 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 FUNDS.**

www.devonfunds.co.nz



## DEVON GLOBAL IMPACT BOND FUND

## DURATION

Sector	Contribution to Duration (Years)		
	Account	Benchmark	Difference
Cash & Cash Equivalents	-0.00	-	-0.00
US Government	1.17	1.10	0.07
Credit*	4.55	4.50	0.05
Asset Backed Securities	0.04	0.01	0.03
Mortgage Backed	0.56	0.55	0.01
Commercial Mortgage	0.02	0.02	-0.00
Other	0.02	0.09	-0.07
Cash Offset	-	-	-
	6.35	6.26	0.09

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

Quality	Percent of Market Value		
	Account	Benchmark	Difference
Cash	4.73	0.39	4.34
AAA	32.60	12.19	20.41
AA	22.59	38.63	-16.04
A	14.03	34.33	-20.30
BBB	15.74	14.22	1.53
BB	6.22	0.00	6.22
B	3.57	-	3.57
Below B	0.27	-	0.27
Cash Offset	-1.15	-	-1.15
Not Rated	1.40	0.25	1.14
	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 January 2026

## 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	0.21%	-0.0%	3.8%	4.1%	1.8%
Bloomberg Global Aggregate Index Hedged NZD	0.14%	-0.1%	3.5%	3.7%	1.6%

PERFORMANCE	1 Mth	3 Mth	1 Yr	3 Yr p.a	Since
					Inception
Devon Global Sustainability Fund	0.5%	2.3%	4.2%	13.4%	10.6%
MSCI All Country World Index in NZD, 50% hedged to NZD	0.1%	0.7%	15.9%	20.3%	14.1%

## KEY HOLDINGS\*

ASML



VISA

Microsoft

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

\*Key Holdings as at 31 January 2026

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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DEVON FUNDS.

www.devonfunds.co.nz



ARTESIAN GREEN AND SUSTAINABLE BOND FUND (NZD)

FUND OUTLINE

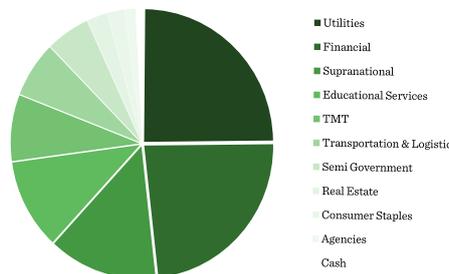
The Artesian Green and Sustainable Bond Fund (NZD) offers New Zealand-based investors a Portfolio Investment Entity (PIE) vehicle through which to invest in the Artesian Green and Sustainable Bond Fund (AUD).

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

Table with 2 columns: Allocation Category and Percentage. Rows include Artesian Green & Sustainable Bond Fund (NZD) at 99.3% and Cash at 0.7%.

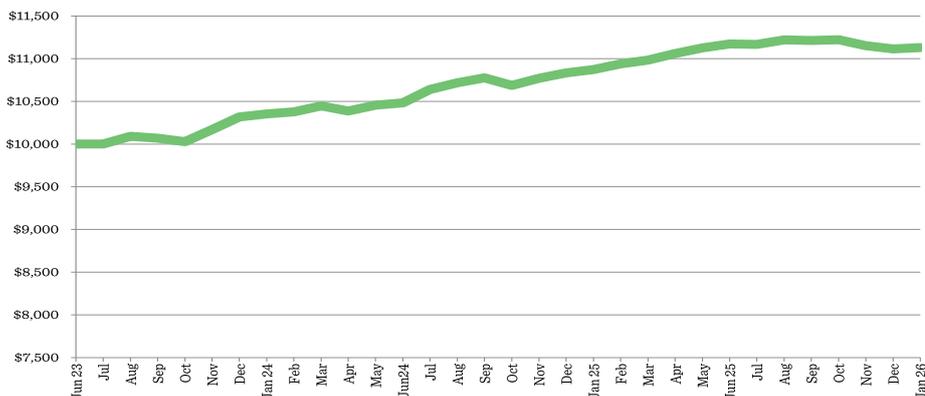
PERFORMANCE

Table with 6 columns: Performance Metric, 1 Mth, 3 Mth, 1 Yr, 2 Yr, and Since Inception. Rows include Artesian Green & Sustainable Bond Fund (NZD)\*, Artesian Green & Sustainable Bond Fund PIR Return (NZD)\*\*, and Bloomberg AusBond Composite 0-5 Yr Index 100% Hedged to NZD.

\*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.

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 January was driven by the overweight credit duration positioning (credit spreads were lower/tighter). The Fund's running yield of 4.92% versus the benchmark's 4.39%, also contributed to the monthly outperformance. Outperformance in January came from the Fund's positions in MTR Corporation (Green), Asian Development Bank (Social), Inter-American Development Bank (Sustainable), BPCE (Social) and Contact Energy (Green). Underperformance came from the Fund's positions in La Trobe University (Green), ANZ (Sustainable), and the University of Tasmania (Green).

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.

