

Economic vandalism

By Greg Smith, Head of Retail at Devon Funds

March was challenging for markets, with investors having to deal with an ever-evolving trade situation. After a month-long pause, Donald Trump's 25% tariffs on imports from Canada and Mexico came into effect early in the month, before exemptions were granted only a few days later. There was no such reprieve for China, which saw a doubling of tariffs to 20%. All three nations responded with retaliatory measures and tariffs of their own. The auto sector was also granted a temporary reprieve. Sector-specific tariffs were also implemented or proposed.

As we begin April, Trump has delivered a seismic shock to world trade with "reciprocal" tariffs on over 180 countries. Trump announced a "baseline" tariff of 10% and a sliding scale of tariffs, which his administration sees as representing half of what trading partners are charging the US – it is worth noting this includes VAT/GST, which does not single out the US. Notably, Canada and Mexico are not caught by the new arrangements, provided they comply with the USMCA agreement.

Trump believes the tariffs will reduce the US deficit and pay off the national debt. Given that the US imported around US\$3.3 trillion worth of goods in 2024, and the US national debt stands at nearly US\$37 trillion, this is up for debate. So too is the claim of US\$6-US\$7 trillion worth of investment flowing into the US. The bigger question is the extent to which there is demand destruction, together with the broader impacts on the US economy, which is showing signs of some fatigue in places.

The S&P 500, after hitting record levels in February, fell 5.6% in March, while the Dow was 4.2% lower, and the Nasdaq tumbled 8.2%. For the first quarter, the Dow was down a relatively modest 1.3%. However, the S&P500 lost 4.6%, and the Nasdaq Composite dropped 10% - the worst quarterly performance for both benchmarks since 2022. Increasing trade uncertainties meanwhile saw gold surge to record levels above US\$3,100 an ounce.

Trump's tariff plans have seen April get off to an even more...[READ MORE](#)

MARKET INDICES

Index	Region	Monthly Return	1 Yr. Return
S&P/NZX50G	NZ	-2.6%	1.4%
S&P/ASX200G	AUSTRALIA	-3.4%	2.8%
MSCI World Index	GLOBAL	-4.4%	7.5%
S&P500	USA	-5.6%	8.3%
FTSE100	UK	-2.0%	11.9%
NIKKEI 225	JP	-3.3%	-10.1%
NZ 90 Day Bank Bill	NZ	0.3%	5.2%
Bloomberg Global Aggregate Index (NZD)	GLOBAL	-0.5%	4.2%

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AT A GLANCE

Prices as at 31 March 2025

DEVON ALPHA FUND	\$2.2467
DEVON AUSTRALIAN FUND	\$1.7587
DEVON DIVERSIFIED INCOME FUND	\$1.4765
DEVON DIVIDEND YIELD FUND	\$1.7927
DEVON GLOBAL IMPACT BOND FUND	\$1.3555
DEVON GLOBAL SUSTAINABILITY FUND	\$1.9907
DEVON TRANS-TASMAN FUND	\$4.7467
DEVON SUSTAINABILITY FUND	\$3.2224
ARTESIAN GREEN & SUSTAINABLE BOND FUND	\$1.0517

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DEVON ALPHA FUND

FUND OUTLINE

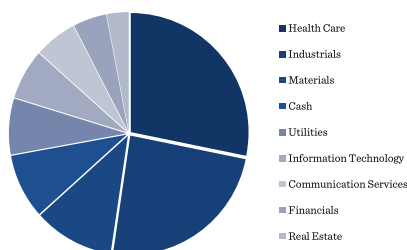
The **Alpha Fund** invests in a concentrated portfolio of approximately 10 to 15 select companies predominantly listed on the NZ and Australian share markets.

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

BHP**contact.****ResMed****Ramsay**
Health Care

ASSET ALLOCATION



ALLOCATION

New Zealand Equities	38.3%
Australian Equities	52.7%
Currency Hedge	0.0%

Cash	9.0%
Total	100.0%

PERFORMANCE

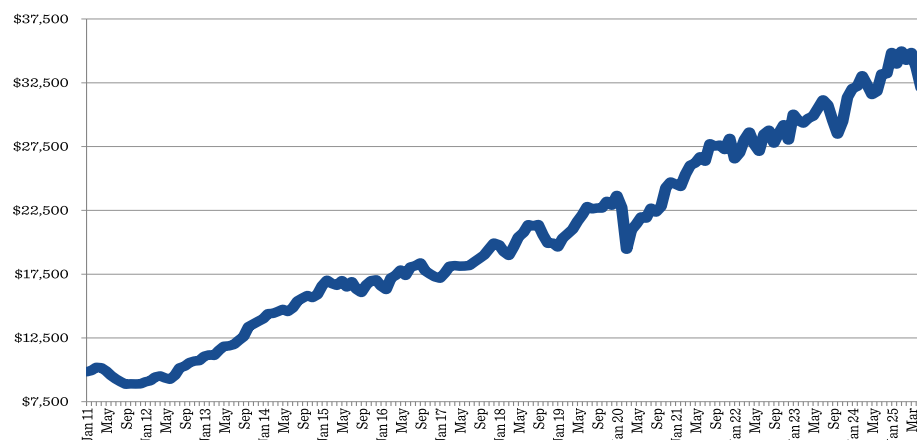
	1 Mth	3 Mth	1 Yr	3 Yr p.a	5 Yr p.a	10 Yr p.a
Devon Alpha Fund	-4.7%	-6.3%	-2.9%	4.6%	10.6%	6.6%
OCR + 5%	0.7%	2.2%	10.2%	9.1%	5.5%	3.7%

*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

It was a difficult month for this strategy with the portfolio positioned with a bias towards Australian stocks. The drawdown in the market across a number of our investments was surprisingly vicious as investors reacted to the changing political and trade environment. In acknowledgement of the lift in market risk we significantly increased the level of cash in the portfolio, and at the time of writing, Alpha now has circa 25% in cash (as compared to 9% at 31 March).

This is an uncertain time for investors given the “discretionary” nature of the key driver in market pricing (i.e. Trump’s surprisingly blunt approach to trade policy). Despite this, we believe that the speed and magnitude of the reset in prices for some high-quality stocks across NZ and Australia will provide some very good opportunities to recapture the value lost last month. We are actively engaging with our investment companies to determine their approach to the changing environment and are encouraged by the initiatives being taken to maintain margins and support growth.

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

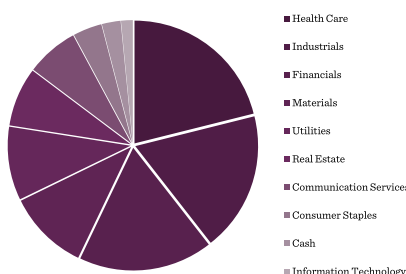
The **Trans-Tasman Fund** provides a broad and actively managed exposure to the New Zealand and Australian equity markets.

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



ASSET ALLOCATION



ALLOCATION

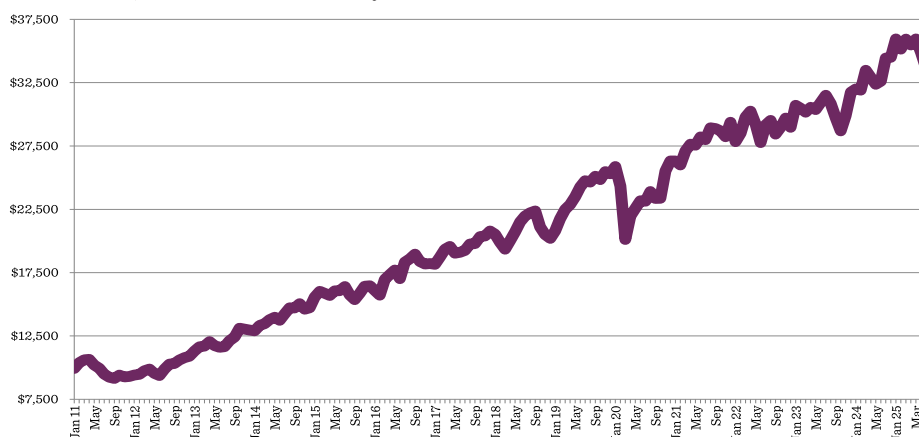
New Zealand Equities	44.8%	Cash	7.0%
Australian Equities	48.2%	Total	100.0%

PERFORMANCE	1 Mth	3 Mth	1 Yr	3 Yr p.a	5 Yr p.a	10 Yr p.a
Devon Trans-Tasman Fund	-3.4%	-5.0%	0.6%	4.2%	10.8%	7.5%
50:50 NZX50 Gross & ASX200 Index Unhedged	-3.4%	-4.8%	2.6%	3.4%	9.6%	7.8%

*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 strategy had a number of positive contributors during April while performing close to its underlying benchmark. These included Northern Star and Orica which rallied 8.22% and 3.2%, respectively.

The gold price, and stocks within this sector, were supported again this month by investors given the recent escalation in tariff rhetoric and potential for US stagflation. In addition, ongoing central bank buying remains a key support for this commodity. The portfolio's key gold holding, Northern Star (NST), continues to progress a strategy to lift its gold production to circa 2 million ounces by FY26. In addition, NST also continues to progress the De Grey Mining acquisition which is expected to complete in Q2 2025. De Grey's Hemi asset potentially sustains NST production growth beyond 2030. At current gold prices NST is generating sufficient cash to develop Hemi and return capital to shareholders in the form of dividends and buybacks.

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

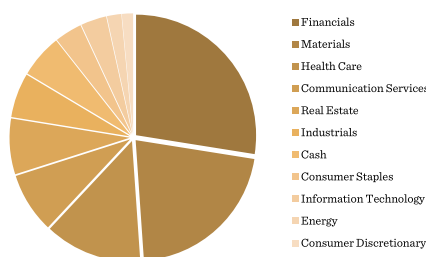
The **Australian Fund** invests in a select portfolio of companies, which are primarily Australian listed companies.

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

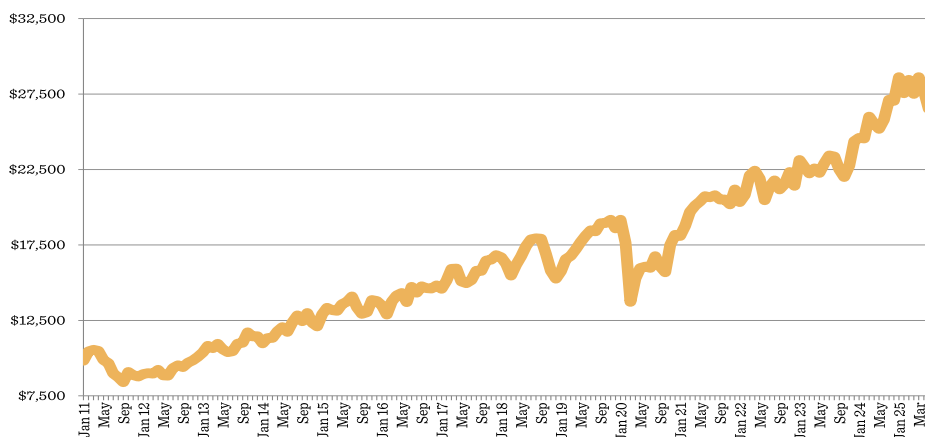
New Zealand Equities	0.0%	Cash	5.8%
Australian Equities	94.2%	Total	100.0%

PERFORMANCE	1 Mth	3 Mth	1 Yr	3 Yr p.a	5 Yr p.a	10 Yr p.a
Devon Australian Fund	-4.4%	-3.6%	1.9%	6.2%	14.1%	7.2%
ASX200 Index Gross (NZD)	-4.2%	-3.2%	3.7%	6.3%	14.7%	8.0%

*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 strategy performed broadly in-line with its benchmark during the month, albeit the absolute return from the ASX200 Index was particularly weak. Despite this, there were a number of positive contributors to the strategy that are worth highlighting. Cleanaway finished March up 3.1% after announcing the acquisition of Contract Resources, a decontamination specialist, for \$377m. Other outperformers included Ramsay Health-care (+0.4%) and BHP Group (-0.1%).

From a sector perspective, the most positive contributions came from gold stocks, given their defensive characteristics, and mining companies whose fortunes are tied to China. Earlier in the month Chinese authorities announced a significant level of fiscal spending initiatives. These amount to an additional RMB 3.6t in fiscal spend in 2025 vs 2024, which together with an expectation of further monetary policy support, should result in improving demand for Australian commodities (iron ore, copper etc). In light of Trump's tariff announcements, Chinese domestic demand stimulus is now even more critical.

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 DIVIDEND YIELD FUND

FUND OUTLINE

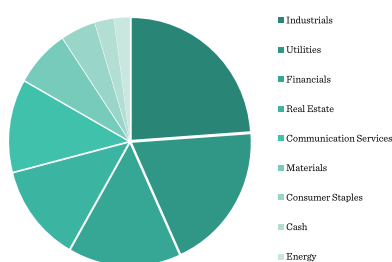
The **Devon Dividend Yield Fund** invests in a carefully selected portfolio of New Zealand and Australian listed companies.

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	69.4%	Cash	2.6%
Australian Equities	28.0%	Total	100.0%
Currency Hedge	98.1%	Yield	5.9%

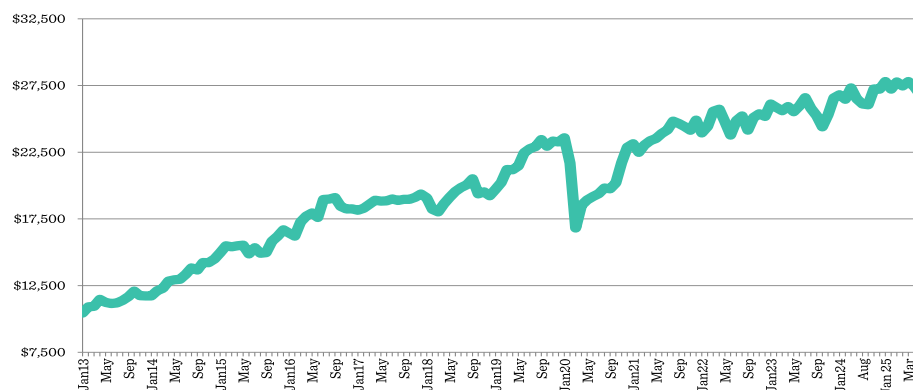
PERFORMANCE

	1 Mth	3 Mth	1 Yr	3 Yr p.a	5 Yr p.a	Since Inception
Devon Dividend Yield Fund	-2.1%	-2.3%	-1.7%	1.6%	9.8%	8.5%
50:50 NZX50 & ASX200 Index Gross	-3.0%	-4.6%	2.1%	3.0%	8.9%	9.7%

*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 5.9% and is expected to grow well ahead of inflation. The portfolio has a heavy bias towards defensive companies with robust cash flows. This helps provide downside protection and reduced volatility. Top performers during March were Rio Tinto (+5.0%), Channel Infrastructure (+3.4%), and Cleanaway Waste Management (+3.1%). Meanwhile, key detractors were Mainfreight (-11.6%), Seek (-9.8%), and Napier Port (-6.9%).

We added to our Channel Infrastructure position during the month, taking advantage of a discounted block trade. Channel Infrastructure is a good example of the type of company we are attracted to. They run a fuel import terminal, which has contracted volumes with take or pay arrangements. As a result, the business generates steady and predictable cash flows, underpinning a large and growing dividend. Their management team has a clear focus on shareholder returns and great discipline around capital deployment.

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

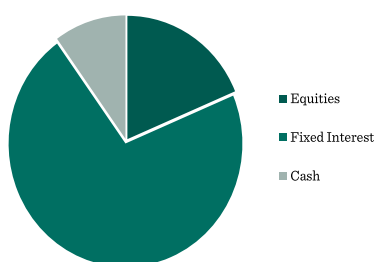
FUND OUTLINE

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	17.4%
Australian Equities	7.0%

Bonds	66.4%
Cash	9.2%

PERFORMANCE

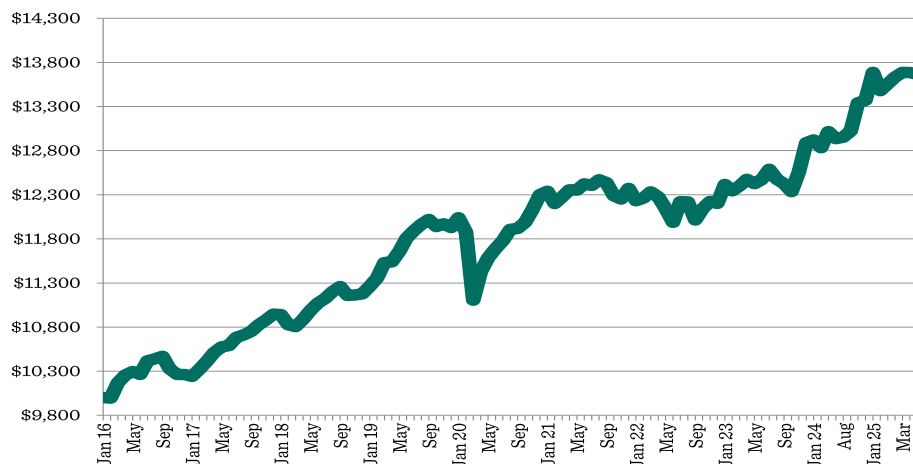
	1 Mth	3 Mth	1 Yr	3 Yr p.a	5 Yr p.a	Since Inception
Devon Diversified Income Fund	-0.1%	0.2%	5.0%	3.5%	4.2%	3.6%
75% BB Composite 0-5yr Index, 25% 50:50 Composite NZX50 Gross and ASX 200 Index hedged to NZD	-0.4%	-0.1%	4.7%	5.5%	4.1%	2.9%

*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

Despite markets facing an increasingly level of political induced uncertainty, global bond rates were reasonably steady during the month. The yield on US Treasuries concluded March at 4.21%, having started the month at 4.24%. The Federal Reserve met during the month and decided to leave the Federal Funds Rate at a range of 4.25%-4.5%. Chairman Powell made the observations that economic momentum remained robust and that unemployment levels had stabilized at reasonably low levels in recent months. Alongside this though remains the concern that inflation levels have maintained at elevated levels. Much of this economic summary has been put into question though subsequent to the recent tariff announcements by Donald Trump. The domestic economic implications of this policy set are uncertain, with short-term inflation pressures likely to rise although the potential exists for a material decline in growth over the short-to-medium-term. This will create a major challenge for monetary policy settings.

PORTFOLIO MANAGER

Slade Robertson



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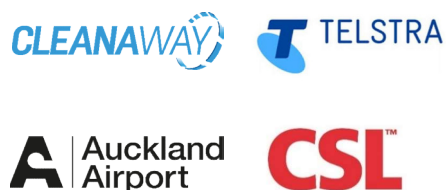
DEVON SUSTAINABILITY FUND

FUND OUTLINE

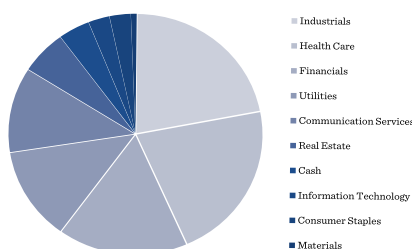
The **Devon Sustainability Fund** invests in a select portfolio of well researched New Zealand and Australian listed companies.

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	55.7%	Cash	4.1%
Australian Equities	40.3%	Total	100.0%

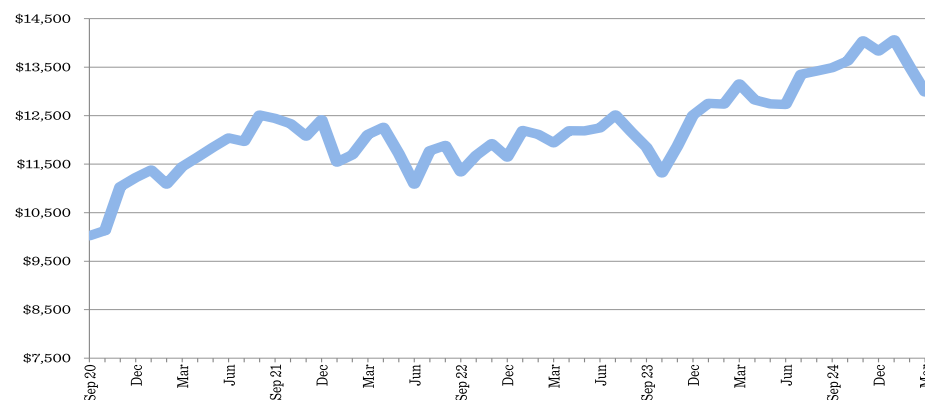
PERFORMANCE

	1 Mth	3 Mth	1 Yr p.a	3 Yr p.a	Since Inception
Devon Sustainability Fund	-3.9%	-6.1%	-1.3%	2.3%	5.9%
50:50 NZX50 Portfolio Index & ASX200 Index	-3.1%	-3.5%	1.7%	2.5%	6.1%

*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 underperformed its benchmark during the month. Contributing to this outcome was the strong market performance of Australia's major mining companies, however this Fund has no exposure to this sector given our sustainability requirements. The Fund's defensive holdings performed well during March, including Cleanaway Waste Management (+3.1%), Telstra Group (+1.7%), and Auckland International Airport (+1.59%). Offsetting this performance were declines in CAR Group (-14.1%), Mainfreight (-11.6%), and Seek (-9.8%). The Fund took the opportunity to add to some of these positions.

Cleanaway Waste Management delivered a strong result following its acquisition of Contract Resources, a specialist in decommissioning, decontamination, and remediation work. The company believes the acquisition is complementary to its existing business and will help create a market-leading offering. The acquisition is expected to deliver high single-digit earnings accretion and a double-digit rate of return, both pre and post-synergies.

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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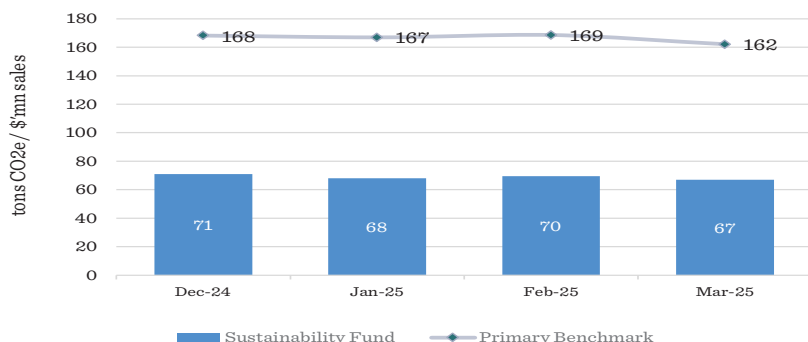
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DEVON SUSTAINABILITY FUND

CARBON INTENSITY - PORTFOLIO VS BENCHMARK

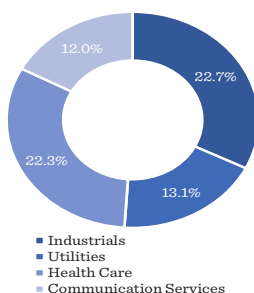
Carbon Intensity - Portfolio vs Benchmark



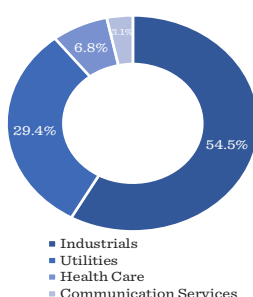
PORTFOLIO CARBON EMISSIONS BY KEY SECTORS

Portfolio Carbon Emissions by Key Sectors

Portfolio value by sector



Portfolio carbon emission by sector



The industrials, utilities, and communication sectors make up 57% of the portfolio by value, but they account for 87% of the carbon emissions in the portfolio.

ESG PORTFOLIO SUMMARY

	MSCI ESG Ratings	MSCI ESG Quality score	
Portfolio	AA	7.62	Portfolio Sustainability Fund
Benchmark	AA	7.43	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	2.6%	3.1%	3.9%	4.6%	5.8%

*ESG Relative Performance is the MSCI ESG Score of the Devon Sustainability fund compared to the MSCI ESG Score of the Benchmark

PORTFOLIO HOLDING'S DISCLOSURE SUMMARY

Portfolio Holding's Summary

% of companies reporting to TCFD standards	90.9%
% of companies committed to Net Zero	72.7%
% of companies committed to Carbon Neutral	9.1%
% of companies with no commitment to either	18.2%

STEWARDSHIP

During March we met with the Vice President Investor Relations from BHP, and ESG Practice Lead for Australia and Asia. BHP is held across a number of our Funds, and it represents one of our biggest exposures to a carbon intensive business. For this reason, when we meet with the company, we check in on decarbonisation progress.

In FY2024 BHP experienced an increase in their emissions from FY2023. However, GHG emissions were still 32% lower against BHP's FY2020 baseline. Total operational GHG emissions increased by 2% from FY2023 and total operational energy consumption increased by 4% from FY2023. This was driven by an increase in electricity and distillate/gasoline consumption from former OZ Minerals sites in Copper South Australia, where they accounted for a full 12 months in FY2024, compared to only two months in FY2023. When we discussed an update on their decarbonisation efforts it was apparent that progress against their targets has slowed while the company waits for technology to make further meaningful decarbonisation progress. This has been well flagged in previous conversations we have had with the company. Despite this we were assured that this is a priority for BHP and their commitment is not being hindered by the recent politically charged US 'anti-green' rhetoric.

PORTFOLIO MANAGER

Ben Jenkin



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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	1.03	1.12	-0.09
Credit*	3.97	4.61	-0.64
Asset Backed Securities	0.04	0.01	0.04
Mortgage Backed	0.81	0.61	0.20
Commercial Mortgage	0.04	0.03	0.01
Other	0.01	0.09	-0.08
Cash Offset	-	-	-
	5.91	6.46	-0.55

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	1.58	0.34	1.24
AAA	35.93	11.82	24.11
AA	32.79	42.09	-9.30
A	7.30	31.28	-23.98
BBB	14.87	14.20	0.67
BB	6.00	0.00	6.00
B	2.83	-	2.83
Below B	0.15	-	0.15
Cash Offset	-2.24	-	-2.24
Not Rated	0.78	0.26	0.52
	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 March 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	-0.5%	1.0%	4.0%	1.0%	1.2%
Bloomberg Global Aggregate Index Hedged NZD	-0.5%	1.1%	4.2%	1.0%	1.1%

PERFORMANCE	1 Mth	3 Mth	1 Yr	3 Yr p.a	Since Inception
Devon Global Sustainability Fund	-5.5%	-3.5%	4.9%	9.8%	9.9%
MSCI All Country World Index in NZD, 50% hedged to NZD	-4.5%	-2.0%	10.6%	11.1%	10.9%

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

KEY HOLDINGS*



L'ORÉAL



*Key Holdings as at 31 March 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.

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www.devonfunds.co.nz



ARTESIAN GREEN AND SUSTAINABLE BOND FUND (NZD)

FUND OUTLINE

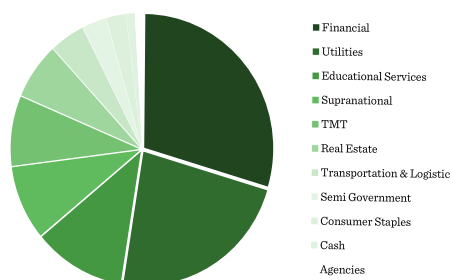
The **Artesian Green and Sustainable Bond Fund (NZD)** offers New Zealand-based investors a Portfolio Investment Entity (PIE) vehicle through which to invest in the Artesian Green and Sustainable Bond Fund (AUD).

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

Artesian Green & Sustainable Bond Fund (NZD)	99.0%	Cash	1.0%
Currency Hedge (100% to NZD)	99.9%	Total	100.0%

PERFORMANCE

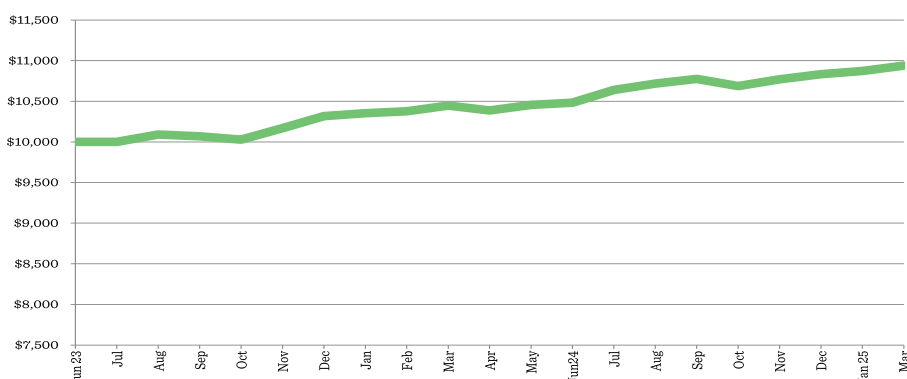
	1 Mth	3 Mth	1 Yr	Since Inception
Artesian Green & Sustainable Bond Fund (NZD)*	0.41%	1.41%	5.14%	5.87%
Artesian Green & Sustainable Bond Fund PIR Return (NZD)**	0.41%	1.51%	5.64%	6.22%
Bloomberg AusBond Composite 0-5 Yr Index 100% Hedged to NZD	0.39%	1.26%	4.70%	5.60%

*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 March was driven by the overweight interest rate duration positioning (interest was lower/tighter). The Fund's running yield of 4.63% versus the benchmark's 3.99% also contributed to the monthly out-performance versus benchmark.

Outperformance in March came from the Fund's positions in Housing Australia (Social), European Investment Bank (Green), University of Tasmania (Green), QIC Shopping Centre Fund (Green) and Optus (Sustainability-Linked). Underperformance came from the Fund's positions in ANZ (Green), Power SA (Green), NBN (Green), University of Melbourne (Green) and ENBW (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.



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