


Devon Investment Funds
Financial Statements
For the year ended 31 March 2023

Manager's Statement

In the opinion of the Manager, the accompanying Financial Statements are drawn up so as to present fairly the financial position of the Devon Investment Funds as at 31 March 2023 and their results for the year ended on that date, in accordance with the requirements of the Trust Deed dated 30 September 2016 and Unit Trust Establishment Deeds dated 27 November 2012 for Devon Dividend Yield Fund, 13 May 2010 for Devon Alpha Fund, 4 August 2010 for the Devon Australian Fund, 14 March 2007 for Devon Trans-Tasman Fund, 23 November 2015 for the Devon Diversified Income Fund, 1 July 2020 for the Devon Sustainability Fund and 25 February 2022 for the Devon Global Impact Bond Fund and the Devon Global Sustainability Fund ("the Funds").

There are reasonable grounds to believe that the Devon Investment Funds will be able to pay their debts as and when they fall due.

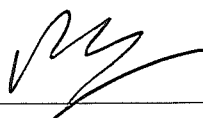
Director



Devon Funds Management Limited

24 July 2023

Director



Additional Unitholder Information

Notice of Trust Deed Amendment

Under clause 32.2 of the Trust Deed governing the Devon Investment Funds and the Unit Trust Act 1960, the Manager, Devon Funds Management Limited, is required to advise Unitholders in summary form of any amendments to the Trust Deed. There were no changes during the year ended 31 March 2023.

Statements of Comprehensive Income

\$ For the year ended 31 March	Note	Devon Alpha Fund		Devon Australian Fund		Devon Diversified Income Fund		Devon Dividend Yield Fund	
		2023	2022	2023	2022	2023	2022	2023	2022
Income									
Interest income	10	275,599	21,007	9,240	1,071	151,848	119,544	9,709	763
Dividend and distribution income		3,177,566	3,059,585	569,838	711,351	87,410	85,918	1,089,454	1,300,126
Net foreign currency gains/(losses)		(112,175)	9,966	(28,127)	4,787	-	-	18,781	6,564
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss		4,914,502	12,090,483	(311,368)	1,488,972	(165,269)	(128,251)	(942,378)	1,910,350
Fee rebates		-	-	-	-	16,772	17,114	-	10
Other income		-	105	10	126	-	-	-	324
Total income		8,255,492	15,181,146	239,593	2,206,307	90,761	94,325	175,566	3,218,137
Expenses									
Management and performance fees	9	1,182,466	1,652,981	148,538	237,363	41,333	42,212	138,830	277,731
Expense allowance	9	333,159	329,764	41,504	48,882	17,429	18,977	74,806	91,112
Transaction costs		1,620,844	1,382,565	43,614	56,038	3,275	4,837	27,286	40,750
Other expenses		1,029	857	(96)	-	159	38	995	2,277
Total operating expenses		3,137,498	3,366,167	233,560	342,283	62,196	66,064	291,917	411,870
Operating profit/(loss)		5,117,994	11,814,979	6,033	1,864,024	28,555	28,261	(116,351)	2,806,267
Profit/(loss) for the year attributable to Unitholders		5,117,994	11,814,979	6,033	1,864,024	28,555	28,261	(116,351)	2,806,267
Total comprehensive income/(loss) for the year attributable to Unitholders		5,117,994	11,814,979	6,033	1,864,024	28,555	28,261	(116,351)	2,806,267

\$ For the year ended 31 March	Note	Devon Trans-Tasman Fund		Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund	
		2023	2022	2023	2022	2023 *	2022 *	2023 *	2022 *
Income									
Interest income	10	26,753	1,623	1,628	130	17,298	-	8,909	-
Dividend and distribution income		2,274,230	2,439,328	-	-	-	-	-	-
Net foreign currency gains/(losses)		(24,369)	(15,750)	-	-	-	-	-	-
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss		(290,711)	5,477,679	480,624	739,361	68,342	-	2,438,122	-
Fee rebates		-	10	-	-	22,772	-	23,666	-
Other income		-	36	-	-	-	-	-	-
Total income		1,985,903	7,902,926	482,252	769,491	108,412	-	2,470,697	-
Expenses									
Management and performance fees	9	721,974	947,139	206,569	134,502	80,268	-	230,960	-
Expense allowance	9	181,923	195,810	58,511	38,098	66,871	-	68,863	-
Transaction costs		279,991	319,992	-	-	-	-	-	-
Other expenses		2,944	3,472	13	9	273	-	214	-
Total operating expenses		1,186,832	1,466,463	265,093	172,609	147,412	-	300,037	-
Operating profit/(loss)		799,071	6,436,463	217,159	596,882	(39,000)	-	2,170,660	-
Profit/(loss) for the year attributable to Unitholders		799,071	6,436,463	217,159	596,882	(39,000)	-	2,170,660	-
Total comprehensive income/(loss) for the year attributable to Unitholders		799,071	6,436,463	217,159	596,882	(39,000)	-	2,170,660	-

* The current period results for the Devon Global Impact Bond Fund and the Devon Global Sustainability Fund are from 25 February 2022 (date of establishment) to 31 March 2023.

These statements are to be read in conjunction with the accompanying notes.

Statements of Changes in Net Assets Attributable to Unitholders

\$	Note	Devon Alpha Fund		Devon Australian Fund		Devon Diversified Income Fund		Devon Dividend Yield Fund	
		2023	2022	2023	2022	2023	2022	2023	2022
For the year ended 31 March									
Net assets attributable to Unitholders at the beginning of the year		114,805,508	111,129,502	18,031,132	13,439,842	6,309,067	6,616,734	25,054,011	29,827,727
Proceeds from units issued		31,673,180	19,100,621	4,221,049	8,766,625	1,585,727	830,667	3,149,296	3,362,137
Redemption of units		(26,228,660)	(24,275,171)	(9,770,335)	(5,470,779)	(1,651,168)	(931,564)	(7,293,537)	(9,569,927)
Distributions		(3,448,641)	(2,931,464)	(588,354)	(553,575)	(247,554)	(260,523)	(1,146,387)	(1,353,383)
Unitholder tax rebates/(liabilities)		(117,555)	(32,959)	(19,456)	(15,005)	(17,966)	25,492	(16,717)	(18,810)
Net increase/(decrease) from transaction with Unitholders		1,878,324	(8,138,973)	(6,157,096)	2,727,266	(330,961)	(335,928)	(5,307,345)	(7,579,983)
Total comprehensive income/(loss) for the year attributable to Unitholders		5,117,994	11,814,979	6,033	1,864,024	28,565	28,261	(116,351)	2,806,267
Net assets attributable to Unitholders at the end of the year		121,801,826	114,805,508	11,880,069	18,031,132	6,006,671	6,309,067	19,630,315	25,054,011

Units	Note	Devon Alpha Fund		Devon Australian Fund		Devon Diversified Income Fund		Devon Dividend Yield Fund	
		2023	2022	2023	2022	2023	2022	2023	2022
For the year ended 31 March									
Units on issue at the beginning of the year		53,573,853	56,033,193	10,918,715	8,826,432	4,206,053	4,260,526	12,572,682	15,807,321
Units issued		14,810,189	9,215,755	2,694,771	5,632,817	1,096,999	562,851	1,649,826	1,753,631
Units redeemed		(12,381,420)	(11,675,095)	(6,165,117)	(3,540,534)	(1,155,111)	(617,324)	(3,864,052)	(4,988,270)
Units on issue at the end of the year		56,002,622	53,573,853	7,448,369	10,918,715	4,147,941	4,206,053	10,358,456	12,572,682

\$	Note	Devon Trans-Tasman Fund		Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund	
		2023	2022	2023	2022	2023 *	2022	2023 *	2022
For the year ended 31 March									
Net assets attributable to Unitholders at the beginning of the year		67,523,109	68,075,161	14,997,771	10,683,637	-	-	-	-
Proceeds from units issued		6,002,228	19,393,942	12,253,374	5,163,948	48,680,536	-	35,768,401	-
Redemption of units		(9,315,311)	(23,968,605)	(569,147)	(966,695)	(2,908,564)	-	(565,473)	-
Distributions		(2,602,337)	(2,374,561)	(751,052)	(477,840)	(844,619)	-	-	-
Unitholder tax rebates/(liabilities)		(42,459)	(39,291)	(5,464)	(2,161)	(11,930)	-	(820)	-
Net increase/(decrease) from transaction with Unitholders		(5,957,879)	(6,988,515)	10,927,711	3,717,252	44,915,423	(39,000)	35,202,108	(565,473)
Total comprehensive income/(loss) for the year attributable to Unitholders		799,071	6,436,463	217,159	596,882	(39,000)	-	2,170,660	-
Net assets attributable to Unitholders at the end of the year		62,364,301	67,523,109	26,142,641	14,997,771	44,876,423	(39,000)	37,372,768	(565,473)

Units	Note	Devon Trans-Tasman Fund		Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund	
		2023	2022	2023	2022	2023 *	2022	2023 *	2022
For the year ended 31 March									
Units on issue at the beginning of the year		14,278,746	15,286,245	4,411,996	3,201,610	-	-	-	-
Units issued		1,336,976	4,254,482	3,919,188	1,504,367	34,405,050	-	24,549,356	-
Units redeemed		(2,051,936)	(5,261,981)	(177,630)	(293,981)	(2,104,169)	-	(383,223)	-
Units on issue at the end of the year		13,563,786	14,278,746	8,153,554	4,411,996	32,300,881	(2,104,169)	24,166,133	(383,223)

* The current period results for the Devon Global Impact Bond Fund and the Devon Global Sustainability Fund are from 25 February 2022 (date of establishment) to 31 March 2023.

These statements are to be read in conjunction with the accompanying notes.

Statements of Financial Position

\$ As at 31 March	Note	Devon Alpha Fund		Devon Australian Fund		Devon Diversified Income Fund		Devon Dividend Yield Fund	
		2023	2022	2023	2022	2023	2022	2023	2022
Assets									
Cash and cash equivalents		9,602,972	3,648,330	462,259	761,862	1,050,203	959,671	310,377	488,985
Financial assets at fair value through profit or loss	6	110,889,672	111,762,932	11,397,584	17,423,990	4,945,664	5,306,273	19,096,879	24,537,074
Outstanding settlements receivable		2,314,142	-	-	292,205	-	-	-	248,668
Related party receivables	9	-	-	-	-	3,938	2,824	-	-
Contributions receivable		33,553	13,577	56	250	-	-	86,263	340
Other receivables		402,724	483,445	48,975	97,469	31,084	19,681	178,132	259,750
Tax receivable on behalf of unitholders		622	3,248	-	-	6	25,695	1,618	1,836
Total assets		123,243,685	115,911,532	11,908,874	18,575,776	6,030,895	6,314,144	19,673,269	25,536,653
Liabilities									
Financial liabilities at fair value through profit or loss	7	-	183,916	-	-	-	-	-	42,597
Outstanding settlements payable		1,162,819	345,132	-	505,285	-	-	-	348,885
Related party payables	9	133,637	541,983	13,143	26,384	6,252	5,077	17,571	37,268
Withdrawals payable		59,430	777	-	-	-	-	9,248	38,792
Tax payable on behalf of unitholders		85,973	34,216	15,662	12,975	17,972	-	16,135	15,100
Total liabilities		1,441,859	1,106,024	28,805	544,644	24,224	5,077	42,954	482,642
Net assets attributable to Unitholders		121,801,826	114,805,508	11,880,069	18,031,132	6,006,671	6,309,067	19,630,315	25,054,011

\$ As at 31 March	Note	Devon Trans-Tasman Fund		Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund	
		2023	2022	2023	2022	2023 *	2023 *	2023 *	2023 *
Assets									
Cash and cash equivalents		1,669,108	384,410	63,224	849,555	1,635,462	-	2,558,212	-
Financial assets at fair value through profit or loss	6	60,755,102	66,923,695	26,113,478	14,989,830	44,260,342	-	37,172,410	-
Outstanding settlements receivable		260,677	757,142	-	-	-	-	-	-
Related party receivables	9	-	-	-	-	3,582	-	2,886	-
Contributions receivable		6,818	29,771	75	67	-	-	-	-
Other receivables		281,222	349,546	-	-	17,298	-	8,909	-
Tax receivable on behalf of unitholders		3,486	2,703	119	109	-	-	-	-
Total assets		62,976,413	68,447,267	26,176,896	15,839,561	45,916,684	-	39,742,417	-
Liabilities									
Financial liabilities at fair value through profit or loss	7	-	155	-	-	-	-	132,379	-
Outstanding settlements payable		468,484	802,062	-	823,998	1,000,000	-	2,200,000	-
Related party payables	9	68,649	72,950	28,672	15,521	23,093	-	36,450	-
Withdrawals payable		39,343	12,199	-	-	5,238	-	-	-
Tax payable on behalf of unitholders		35,636	36,792	5,583	2,271	11,930	-	820	-
Total liabilities		612,112	924,158	34,255	841,790	1,040,261	-	2,369,649	-
Net assets attributable to Unitholders		62,364,301	67,523,109	26,142,641	14,997,771	44,876,423	-	37,372,768	-

* The current period results for the Devon Global Impact Bond Fund and the Devon Global Sustainability Fund are from 25 February 2022 (date of establishment) to 31 March 2023.

The Directors of Devon Funds Management Limited authorised these Financial Statements for issue on 24 July 2023.

Director

Director

These statements are to be read in conjunction with the accompanying notes.

Statements of Cash Flows

\$ For the year ended 31 March	Note	Devon Alpha Fund		Devon Australian Fund		Devon Diversified Income Fund		Devon Dividend Yield Fund	
		2023	2022	2023	2022	2023	2022	2023	2022
Cash flows from operating activities									
Proceeds from sale of financial assets at fair value through profit or loss		467,782,690	365,415,588	20,837,844	12,691,368	1,183,664	1,583,835	11,494,603	14,310,682
Purchase of financial assets at fair value through profit or loss		(464,152,127)	(358,475,267)	(15,310,688)	(15,574,275)	(906,227)	(1,375,904)	(6,896,285)	(6,973,891)
Net settlement of forward currency contracts		632,272	141,565	-	-	-	-	(129,225)	29,276
Dividends received		3,123,264	2,575,505	594,738	634,921	5,313	25,131	1,057,761	1,130,218
Interest income received		248,102	11,577	9,596	319	140,441	117,952	9,536	350
Operating expenses paid		(3,538,768)	(7,679,916)	(248,392)	(352,952)	(61,021)	(66,587)	(312,502)	(403,440)
Other income		-	105	10	126	15,662	15,743	1	333
Net cash inflow/(outflow) from operating activities	11	4,095,433	1,989,157	5,883,108	(2,600,493)	377,832	300,170	5,223,889	8,093,528
Cash flows from financing activities									
Proceeds from units issued		23,987,398	17,930,898	4,066,983	8,787,636	407,945	693,826	2,002,495	2,905,288
Redemptions of units		(19,891,104)	(24,331,418)	(9,770,335)	(5,475,766)	(623,452)	(931,564)	(6,699,404)	(9,804,864)
Distributions paid		(2,061,738)	(1,768,062)	(434,094)	(387,521)	(97,488)	(123,682)	(709,186)	(894,280)
Unitholders tax rebates/(liabilities)		(63,172)	267,971	(16,769)	(7,606)	25,695	(35,083)	(15,464)	(13,437)
Net cash inflow/(outflow) from financing activities		1,971,384	(7,900,611)	(6,154,215)	2,916,743	(287,300)	(396,503)	(5,421,559)	(7,807,293)
Net increase/(decrease) in cash and cash equivalents		6,066,817	(5,911,454)	(271,107)	316,250	90,532	(96,333)	(197,670)	286,235
Cash and cash equivalents at the beginning of the year		3,648,330	9,549,818	761,862	440,825	959,671	1,056,004	488,985	196,186
Net foreign currency gains/(losses) on financial assets at amortised cost		(112,175)	9,966	(28,496)	4,787	-	-	19,062	6,564
Cash and cash equivalents at the end of the year		9,602,972	3,648,330	462,259	761,862	1,050,203	959,671	310,377	488,985

\$ For the year ended 31 March	Note	Devon Trans-Tasman Fund		Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund	
		2023	2022	2023	2022	2023 *	2023 *	2023 *	2023 *
Cash flows from operating activities									
Proceeds from sale of financial assets at fair value through profit or loss		92,797,494	101,642,267	915,002	1,230,000	-	-	2,049,152	-
Purchase of financial assets at fair value through profit or loss		(86,593,688)	(95,224,473)	(12,382,024)	(3,933,848)	(43,192,000)	-	(34,229,311)	-
Net settlement of forward currency contracts		-	-	-	-	-	-	(221,750)	-
Dividends received		2,182,005	2,216,446	-	-	-	-	-	-
Interest income received		25,911	502	1,628	130	-	-	-	-
Operating expenses paid		(1,192,151)	(1,785,641)	(251,942)	(167,842)	(124,319)	-	(263,587)	-
Other income		-	46	-	-	19,190	-	20,780	-
Net cash inflow/(outflow) from operating activities	11	7,219,571	6,849,147	(11,717,336)	(2,871,560)	(43,297,129)	-	(32,644,716)	-
Cash flows from financing activities									
Proceeds from units issued		4,867,995	18,489,525	12,094,069	5,044,553	46,500,612	-	35,643,886	-
Redemptions of units		(9,066,609)	(24,108,637)	(551,603)	(966,695)	(848,752)	-	(440,958)	-
Distributions paid		(1,666,709)	(1,490,763)	(609,299)	(358,512)	(719,269)	-	-	-
Unitholders tax rebates/(liabilities)		(44,398)	(213)	(2,162)	429	-	-	-	-
Net cash inflow/(outflow) from financing activities		(5,909,721)	(7,110,088)	10,931,005	3,719,775	44,932,591	-	35,202,928	-
Net increase/(decrease) in cash and cash equivalents		1,309,850	(260,941)	(786,331)	848,215	1,635,462	-	2,558,212	-
Cash and cash equivalents at the beginning of the year		384,410	661,101	849,555	1,340	-	-	-	-
Net foreign currency gains/(losses) on financial assets at amortised cost		(25,152)	(15,750)	-	-	-	-	-	-
Cash and cash equivalents at the end of the year		1,669,108	384,410	63,224	849,555	1,635,462	-	2,558,212	-

* The current period results for the Devon Global Impact Bond Fund and the Devon Global Sustainability Fund are from 25 February 2022 (date of establishment) to 31 March 2023.

These statements are to be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1. General information

Reporting Entities

The Financial Statements are for the year ended 31 March 2023 and have been prepared for the Funds which have been registered as part of the Devon Investment Funds. The Devon Investment Funds are a Managed Investment Scheme in accordance with the Financial Markets Conduct Act 2013 and was registered on 5 October 2016. The reporting entities included in these Financial Statements are the Devon Alpha Fund, Devon Australian Fund, Devon Diversified Income Fund, Devon Dividend Yield Fund, Devon Trans-Tasman Fund, Devon Sustainability Fund, Devon Global Impact Bond Fund and the Devon Global Sustainability Fund (collectively referred to throughout these Financial Statements as the 'Funds').

The Funds were created under a Master Trust Deed executed by Devon Funds Management Limited on 10 September 1998 and Unit Trust Establishment Deeds between Devon Funds Management Limited and Trustees Executors Limited dated 13 May 2010 for the Devon Alpha Fund, 4 August 2010 for the Devon Australian Fund, 23 November 2015 for the Devon Diversified Income Fund, 27 November 2012 for the Devon Dividend Yield Fund, 14 March 2007 for the Devon Trans-Tasman Fund, 1 July 2020 for the Devon Sustainability Fund and 25 February 2022 for the Devon Global Impact Bond Fund and the Devon Global Sustainability Fund. In order to comply with the Financial Markets Conduct Act 2013 a new Trust Deed has been issued, dated 30 September 2016. Each Fund was established on the date of its Unit Trust Establishment Deed and will terminate in accordance with the provisions of the Trust Deed.

The Funds' activities are managed by Devon Funds Management Limited (the 'Manager'). Devon Funds Management Limited is a wholly owned subsidiary of Investment Services Group Limited. The Supervisor is The New Zealand Guardian Trust Company Limited ('NZGT' or the 'Supervisor').

The investment objectives of the Funds are as follows:

- Devon Alpha Fund aims to generate capital growth over the long term by actively investing in a concentrated portfolio of New Zealand and Australian shares and holding cash when appropriate investment opportunities cannot be identified.
- Devon Australian Fund aims to generate capital growth over the long term by actively managing Australian equity investments.
- Devon Diversified Income Fund aims to give investors access to a diverse and carefully selected portfolio of high yielding investments and aims to outperform its benchmark on a rolling 12 month basis.
- Devon Dividend Yield Fund invests in a well researched portfolio of shares with the objective of generating an above market average dividend yield while providing some growth to maintain capital value in real terms.
- Devon Trans-Tasman Fund aims to generate capital growth over the long term by actively managing New Zealand and Australian equity investments.
- Devon Sustainability Fund aims to generate capital growth over the long term by actively managing New Zealand and Australian equity investments.
- Devon Global Impact Bond Fund aims to deliver long-term total returns in excess of the index by investing in a diverse portfolio of global bonds.
- Devon Global Sustainability Fund aims to deliver long-term total returns in excess of the index by investing in a selective portfolio of global equities.

A new fund, the Artesian Green and Sustainable Bond Fund, was established on 19 December 2022 and was launched on 19 June 2023. The fund aims to outperform the Bloomberg AusBond Composite 0-5 Yr Index in NZD 100% hedged to NZD (the benchmark), net of fees, through active management.

The registered office for the Funds is Level 17, HSBC Tower, 188 Quay Street, Auckland 1010 New Zealand.

The Funds are domiciled in New Zealand.

These Financial Statements were authorised for issue by the Board of Directors of the Manager on 24 July 2023.

Statutory Base

The Funds are part of a Managed Investment Scheme as defined by the Financial Markets Conduct Act 2013 and are subject to the provisions of that Act.

The Financial Statements have been prepared in accordance with the requirements of the Financial Markets Conduct Act 2013 and the Trust Deed.

The Financial Statements for the Funds are for the year ended 31 March 2023 and the comparative figures are for the year ended 31 March 2022, except for the Devon Global Impact Bond Fund and the Devon Global Sustainability Fund for which the financial statements are from 28 March 2022 (date of establishment) to 31 March 2023 with no comparative figures.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied throughout the period presented, unless otherwise stated.

2.1 Basis of preparation

The Financial Statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). These Financial Statements comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), and other applicable Financial Reporting Standards, as appropriate to for-profit entities. The Financial Statements comply with International Financial Reporting Standards (IFRS). These Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivative financial instruments) at fair value through profit or loss.

The Manager considers the New Zealand dollar as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The Financial Statements are presented in New Zealand dollars, which is also the Funds' presentation currency.

(a) Presentation

All amounts are presented in New Zealand dollars, which are the Funds' functional and presentation currency, and all values have been rounded to the nearest dollar, except where otherwise indicated.

(b) Standards and amendments to existing standards impacting the Fund

There are no new standards or amendments to existing standards that are effective for the year commencing on 1 April 2022 which have a material effect on the Financial Statements of the Funds. There are also no new standards or amendments issued but not yet effective, that could have a material effect on the Funds.

Notes to the Financial Statements

2. Summary of significant accounting policies (continued)

2.2 Financial instruments

(a) Classification

Financial assets

Financial assets are recognised initially at fair value. After initial recognition, financial assets are measured at fair value or amortised cost, determined on the basis of both (a) the Funds' business model for managing the financial assets; and (b) the contractual cash flow characteristics of the financial asset.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss can be either designated as such upon initial recognition or mandatorily measured at fair value in accordance with NZ IFRS 9. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Funds are primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. All investments are measured at fair value through profit or loss. As there are no financial instruments designated at fair value upon initial recognition in the Funds, all financial assets measured at fair value are those mandatorily measured at fair value. Financial assets at fair value through the profit or loss comprise of foreign exchange forward contracts, listed equities, unlisted trusts, preference shares and fixed interest securities.

(ii) Financial assets at amortised cost

(a) **Cash and cash equivalents** include cash in hand, deposits held at call with banks, deposits and overdrawn balances with brokers in New Zealand dollars and foreign currencies. Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represents the Funds' main income-generating activity.

(b) **Outstanding settlements receivable** represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the reporting date respectively. This due from brokers balance is held for collection. These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Funds shall measure the loss allowance of amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Funds shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit-impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due or a counterparty credit rating which has fallen below BBB/Baa. Any contractual payment which is more than 90 days past due is considered credit-impaired.

(c) **Receivables** which include interest, dividends and contributions receivables. Receivables are initially recognised at fair value, being the amounts receivable. They are subsequently measured at amortised cost, being the initially recognised amount reduced for impairment as appropriate. Any impairment charge is recognised in the Statements of Comprehensive Income.

Financial liabilities

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss can be either designated as such upon initial recognition or mandatorily measured at fair value in accordance with NZ IFRS 9. The portfolio of financial liabilities is managed and performance is evaluated on a fair value basis. The contractual cash flows of the Funds' debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental in achieving the Funds' business model. Consequently, all financial liabilities are measured at fair value through profit or loss. As there are no financial liabilities designated at fair value upon initial recognition in the Funds, all financial liabilities measured at fair value are those mandatorily measured at fair value. Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

(ii) Financial liabilities at amortised cost

(a) **Payables** are amounts representing liabilities and accrued expenses owing by the Funds at year end and may include related party fees.

The Funds' policy requires the Manager and the Board of Directors to evaluate the information about financial assets and liabilities on a fair value basis together with other related financial information.

(b) Recognition, derecognition and measurement

(i) Financial assets and liabilities at fair value through profit or loss

The Funds recognise financial assets and liabilities at fair value through profit or loss on the date they become parties to the contractual agreement. Financial assets and liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expenses as incurred in the Statements of Comprehensive Income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Funds have transferred substantially all of the risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or expires. Subsequent to initial recognition, all financial assets and liabilities at fair value through profit or loss are measured at fair value.

(ii) Financial assets and liabilities at amortised cost

The Funds recognise financial assets and liabilities at amortised cost on the date they become parties to the contractual agreement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Funds have transferred substantially all of the risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or expires. Subsequent to initial recognition, all financial assets and liabilities at amortised cost are measured at amortised cost. At each reporting date, the Funds shall measure the loss allowance of the financial assets at amortised cost at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Funds shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit-impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due or a counterparty credit rating which has fallen below BBB/Baa. Any contractual payment which is more than 90 days past due is considered credit-impaired.

Notes to the Financial Statements

2. Summary of significant accounting policies (continued)

2.2 Financial instruments (continued)

(c) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value in an active market

The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the balance date. The quoted market price used for financial assets and financial liabilities held by the Funds is the current last price, assuming that the last price falls within the bid-ask range. If it does not, then the bid price is applied to financial assets and the ask price is applied to financial liabilities.

Fair value in an inactive or unquoted market

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. The Funds use a variety of methods and make assumptions that are based on market conditions existing at each balance date. Valuation techniques used include the use of recent comparable arm's length market transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

The fair value of derivatives that are not exchange-traded is estimated at the amount that the Funds would receive or pay to terminate the contract at the balance date taking into account current market conditions (volatility and appropriate yield curve). It may be adjusted if the counterparty is not regarded as credit-worthy. The fair value of a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date.

Investments in other unlisted unit trusts are recorded at the redemption value per unit as reported by the managers of such funds. Where the units of the other funds are not publicly traded, redemption can only be made by the Funds on the redemption dates and subject to the required notice periods specified in the offering documents of the other funds. The rights of the Funds to request redemption of their investments in other funds may vary in frequency from daily to weekly redemptions. As a result, the carrying values of the other funds may not be indicative of the values ultimately realised on redemption. In addition, the Funds may be materially affected by the actions of other investors who have invested in other funds in which the Funds have invested.

For instruments for which there is no active market, the Funds may use internally developed models which are usually based on valuation methods and techniques generally recognised as standard within the industry. Valuation models are used primarily to value unlisted equity, debt securities and other debt instruments for which markets were or have been inactive during the year. Some of the inputs to these models may not be market observable and therefore estimated based on assumptions.

2.3 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statements of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.4 Net assets attributable to Unitholders

The Funds issue units that are redeemable at the Unitholders' option and have identical features and are therefore classified as equity. The units can be put back to the Funds at any time for cash based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the balance date if Unitholders exercised their right to put the units back to the Funds. As stipulated in the Funds' Deeds, each unit represents an individual share in the Funds and does not extend to a right in the underlying assets of the Funds. There are no separate classes of units within the Funds and each unit has the same rights attaching to it as all other units in the Funds.

Applications received for units in the Funds are recorded net of any entry fees payable prior to the issue of units in the Funds. Redemptions from the Funds are recorded gross of any exit fees payable after the cancellation of the units redeemed. Units are issued and redeemed at the holder's option at prices based on the Funds' net asset value per unit at the time of issue or redemption. The Funds' net asset value per unit is calculated by dividing the net assets attributable to the Unitholders of the Funds with the total number of outstanding units of the Funds. In accordance with the provisions of the offering documents, investment positions are valued based on the last traded market price for the purpose of determining the net asset value per unit for subscriptions and redemptions.

The Funds' units meet the definition of puttable instruments classified as equity instruments under NZ IAS 32, 'Financial Instruments: Presentation'.

In accordance with the Funds' Deeds, the Manager has full discretion as to whether to distribute any income of the Funds. Income that is not distributed is invested as part of the assets of the Funds or may be used later to make distributions to Unitholders.

2.5 Investment income

Interest income

Interest income on assets at fair value through profit or loss is included as interest in the Statements of Comprehensive Income. Interest is recognised as interest accrues using the effective interest method. Changes in fair value for such instruments are recorded in accordance with the policies described in Note 2.2.

Dividend and distribution income

Dividend income is recognised on the ex-dividend date in the Statements of Comprehensive Income, with any related foreign withholding tax recorded in the Statements of Net Assets Attributable to Unitholders as a unitholder tax liability. The Fund distributions are recognised on a nil present entitlement basis.

Net gains and losses on financial assets at fair value through profit or loss

Realised and unrealised gains and losses are reflected in the Statements of Comprehensive Income as net gain/(loss) on financial instruments at fair value through profit or loss. Unrealised gains or losses include the change in net market value of investments held as at balance date and the reversal of prior period unrealised gains or losses on investments that have been realised in the current period. Realised gains or losses are calculated based on the gross sale proceeds and the weighted average cost of the investments sold.

2.6 Expenses

All expenses, including the Funds' management fees, performance fees and Supervisor fees, are recognised in the Statements of Comprehensive Income on an accruals basis.

Notes to the Financial Statements

2. Summary of significant accounting policies (continued)

2.7 Foreign currency translation

(a) Functional and presentation currency

Items included in the Funds' Financial Statements are measured using the currency of the primary economic environment in which they operate (the "functional currency"). The functional currency for the Funds is the New Zealand dollar, which reflects the currency in which the Funds compete for funds and are regulated. The Funds' investors are from New Zealand, with the subscriptions and redemptions of the units denominated in New Zealand dollars. The performance of the Funds is measured in New Zealand dollars.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the reporting date. Foreign exchange gains and losses resulting from translation are included in the Statements of Comprehensive Income.

The Funds do not isolate that portion of gains or losses on securities, foreign cash and derivative instruments that are measured at fair value through profit or loss and which are due to changes in foreign exchange rates in the market price of securities. Such fluctuations are included with the net gains or losses on financial instruments at fair value through profit or loss in the Statements of Comprehensive Income.

2.8 Income tax

The Funds qualify as and have each elected to be a Portfolio Investment Entity (PIE) for tax purposes. Under the PIE regime, income is effectively taxed in the hands of the Unitholders and therefore the Funds have no income tax expense. Accordingly, no income tax expense is recognised in the Statements of Comprehensive Income. Income is disclosed gross of any resident and foreign withholding taxes deducted at source and the taxes are included in Unitholder tax liabilities in the Statements of Changes in Net Assets Attributable to Unitholders.

Under the PIE regime, the Manager attributes the taxable income of the Funds to Unitholders in accordance with the proportion of their interest in the Funds. The income attributed to each Unitholder is taxed at the Unitholder's "prescribed investor rate" which is capped at 28% on redemptions and annually at 31 March each year.

Unitholder tax liabilities disclosed in the Statements of Changes in Net Assets Attributable to Unitholders consists of withdrawals to meet Unitholder tax liabilities under the PIE regime and any resident and foreign withholding taxes deducted at source.

2.9 Goods and services tax ("GST")

The Funds are not registered for GST. The Statements of Comprehensive Income and Statements of Cash Flows have been prepared so that all components are stated inclusive of GST. All items in the Statements of Financial Position are stated inclusive of GST.

2.10 Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the Financial Statements.

3. Critical accounting estimates and judgements

The Manager of the Funds makes estimates and assumptions that affect the reported amounts of assets and liabilities. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below. Estimates are continually evaluated and are based on historical experience among other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fair value of derivative financial instruments

The Funds may, from time to time, hold financial instruments that are not quoted in active markets, such as over the counter derivatives. Fair values for such instruments are determined by using valuation techniques. Valuation techniques, including models, use observable data to the extent possible. However, areas such as credit risk, volatilities and correlations require management to make estimates. Changes or assumptions about these factors could affect the reported fair value of financial instruments.

Fair value of securities not quoted in an active market

The fair value for such securities not quoted in an active market may be determined by the Funds using reputable pricing sources (such as pricing agencies) or indicative prices from bond/debt market makers. Broker quotes as obtained from pricing sources may be indicative and not executable or binding. The Manager would exercise judgement and estimates on the quantity and quality of pricing sources used. Where no market data is available, the Funds may price positions using their own models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. The models for debt securities are based on net present value of estimated future cash flows, adjusted as appropriate for liquidity and credit and market risk factors. The fair value of investments in other funds that are not quoted in active markets is determined by reference to the redemption price per unit of the underlying funds.

For certain other financial instruments, including amounts due from/to brokers, outstanding settlements receivable, contributions receivable, other receivables, accounts payable and accrued expenses, the carrying amounts approximate fair value due to the short term nature of these financial instruments.

Net assets attributable to Unitholders

The Funds classify units as equity instruments in accordance with revised NZ IAS 32, 'Financial Instruments: Presentation'. The Funds continue to assess the classification of the redeemable units to ensure they have all the features or meet all the conditions set out in paragraphs 16A and 16B of NZ IAS 32.

Notes to the Financial Statements

4. Derivative financial instruments

In the normal course of business, the Funds enter into transactions in derivative instruments with certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating, credit index or other variable.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivative instruments include a wide assortment of instruments, such as forwards and swaps. Derivatives are considered to be part of the investment process. The use of derivatives is an essential part of the Funds' portfolio management.

Derivatives may be used for:

- (i) economic hedging to protect assets or liabilities of the Funds against a fluctuation in market values or to reduce volatility;
- (ii) a substitution for trading of physical securities; and
- (iii) adjusting asset exposures within the parameters set in the investment strategy, and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash positions.

While derivatives are used for trading purposes, they are not used to gear (leverage) a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of the Fund.

The Funds may hold the following derivative instruments:

4.1 Forward foreign currency contracts

Forward currency contracts are primarily used by the Funds to economically hedge against foreign currency exchange rate risks on its non-New Zealand dollar denominated trading securities. Forward foreign currency contracts are contractual obligations to buy or sell one currency on a future date in exchange for a second currency at a specified forward foreign exchange rate which is established in an organised market. The forward contracts are agreed between the parties to the contract and are not traded on an exchange. The Funds' open positions in forward contracts at balance date are outlined below:

\$	Devon Alpha Fund		Devon Australian Fund		Devon Diversified Income Fund		Devon Dividend Yield Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
As at 31 March								
Forward exchange contracts (notional value in NZ\$)								
Sell AUD/Buy NZD	40,596,965	38,426,772	-	-	-	-	6,603,123	9,922,191
Forward exchange contracts (fair value in NZ\$)								
Sell AUD/Buy NZD	461,578	(183,916)	-	-	-	-	113,973	(41,913)

\$	Devon Trans-Tasman Fund		Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund	
	2023	2022	2023	2022	2023	2023	2023	
As at 31 March								
Forward exchange contracts (notional value in NZ\$)								
Sell CHF/Buy NZD	-	-	-	-	-	-	559,712	
Sell CAD/Buy NZD	-	-	-	-	-	-	774,013	
Sell EUR/Buy NZD	-	-	-	-	-	-	3,818,000	
Sell GBP/Buy NZD	-	-	-	-	-	-	1,552,266	
Sell JPY/Buy NZD	-	-	-	-	-	-	854,163	
Sell USD/Buy NZD	-	-	-	-	-	-	9,451,337	
Forward exchange contracts (fair value in NZ\$)								
Sell AUD/Buy NZD	-	(155)	-	-	-	-	-	
Sell CHF/Buy NZD	-	-	-	-	-	-	(5,743)	
Sell CAD/Buy NZD	-	-	-	-	-	-	1,359	
Sell EUR/Buy NZD	-	-	-	-	-	-	(47,943)	
Sell GBP/Buy NZD	-	-	-	-	-	-	(40,736)	
Sell JPY/Buy NZD	-	-	-	-	-	-	1,633	
Sell USD/Buy NZD	-	-	-	-	-	-	51,665	

Notes to the Financial Statements

5. Financial risk management

The Trust Deed for the Funds requires the Manager to invest the assets of the Funds in accordance with the investment guidelines, as agreed with the Supervisor from time to time, in order to manage risk. The Funds' activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk). The Devon Diversified Income Fund, the Devon Sustainability Fund, the Devon Global Impact Bond Fund and the Devon Global Sustainability Fund are also indirectly exposed to credit risk, currency risk, cash flow interest rate risk and price risk as a result of their investments in the unlisted unit trusts. The Funds' overall risk management programme seeks to maximise the return derived for the level of risk to which the Funds are exposed and seeks to minimise potential adverse effects on the Funds' financial performance. The Funds may use derivative financial instruments to moderate certain risk exposures.

The Funds use different methods to measure and manage the various types of risk to which it is exposed. These methods are explained below.

5.1.1 Market risk

(a) Price risk

The Funds are exposed to price risk arising from investments held by the Funds for which prices in the future are uncertain. Where non-monetary financial instruments – for example, equity securities – are denominated in currencies other than New Zealand dollars, the price initially expressed in foreign currency and then converted into New Zealand dollars will also fluctuate because of changes in foreign exchange rates. Paragraph (b) 'Foreign exchange risk' below sets out how this component of price risk is managed and measured. The Devon Diversified Income Fund, the Devon Sustainability Fund, the Devon Global Impact Bond Fund and the Devon Global Sustainability Fund also have exposure to unlisted unit trust price risk as a result of its investment in the unlisted unit trusts and debt security price risk.

Price risk is managed through diversification and selection of securities and other financial instruments within specified limits and in accordance with mandates and overall investment strategy.

The majority of the Funds' equity investments are publicly traded and are listed on the New Zealand and Australian Stock Exchanges. The overall market position is monitored by the Funds' Manager. Compliance with the Funds' investment policies are reported to the Directors of the Manager.

The table below summarises the sensitivity of the Funds' net assets attributable to Unitholders to equity and debt securities' price movements, including the effect of movements in foreign currency exchange rates on equity securities' prices, as at 31 March. The analysis is based on a price move of 10% which represents management's best estimate of a reasonable shift in prices having regard to historical volatility. If the prices of equity and debt securities in which the Funds invest in at 31 March had increased or decreased by 10% with all other variables held constant, this would have increased/decreased total comprehensive income as disclosed below. The notional impact on PIE tax (which affects Net Assets Attributable to Unitholders) has not been calculated. The Directors of the Manager do not believe that this has a material impact.

\$ As at 31 March	Devon Alpha Fund		Devon Australian Fund		Devon Diversified Income Fund		Devon Dividend Yield Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
10% increase in prices	11,042,809	11,176,293	1,139,758	1,742,399	183,054	200,818	1,898,291	2,453,639
10% decrease in prices	(11,042,809)	(11,176,293)	(1,139,758)	(1,742,399)	(183,054)	(200,818)	(1,898,291)	(2,453,639)

\$ As at 31 March	Devon Trans-Tasman Fund		Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
10% increase in prices	6,075,510	6,692,370	2,611,348	1,498,983	4,426,034	-	3,707,980	-
10% decrease in prices	(6,075,510)	(6,692,370)	(2,611,348)	(1,498,983)	(4,426,034)	-	(3,707,980)	-

(b) Foreign exchange risk

The Funds operate internationally and hold both monetary and non-monetary assets denominated in currencies other than New Zealand dollars, the functional currency. Foreign currency risk, as defined in NZ IFRS 7, 'Financial Instruments: Disclosures', arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. NZ IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk, not foreign currency risk. However, the Manager monitors the exposure on all foreign currency denominated assets and liabilities and therefore the information presented below has been prepared on that basis.

Currency risk management is undertaken by the Funds' Manager within the guidelines provided by the Supervisor. The Funds may enter into foreign exchange derivatives both to economically hedge the foreign currency risk implicit in the value of the portfolio securities denominated in foreign currency and to secure a particular exchange rate for a planned purchase or sale of securities. The terms and conditions of these contracts is to manage the investment activities of the Fund. They are accounted for by marking to market at balance date in a manner consistent with the valuation of the underlying securities. The Devon Diversified Income Fund, the Devon Sustainability Fund, the Devon Global Impact Bond Fund and the Devon Global Sustainability Fund are exposed to indirect currency exposure through their investments in the unlisted unit trusts.

At the balance date the Funds had the following foreign currency exposures due to holdings of monetary assets and liabilities (expressed in NZD equivalents):

\$ As at 31 March	Devon Alpha Fund		Devon Australian Fund		Devon Diversified Income Fund		Devon Dividend Yield Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
Monetary assets/(liabilities)								
Australian Dollar (AUD)	(34,601,966)	(38,303,220)	371,867	97,206	-	-	(6,342,379)	(10,000,172)
United States Dollar (USD)	38,979	108,682	14,978	17,081	-	-	-	-

Notes to the Financial Statements

5. Financial risk management (continued)

5.1.1 Market risk (continued)

\$ As at 31 March	Devon Trans-Tasman Fund		Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
Monetary assets/(liabilities)								
Australian Dollar (AUD)	470,059	297,338	-	-	-	-	-	-
Swiss Franc (CHF)	-	-	-	-	-	-	(563,657)	-
Euro (EUR)	-	-	-	-	-	-	(3,859,676)	-
Pound Sterling (GBP)	-	-	-	-	-	-	(1,592,237)	-
Japanese Yen (JPY)	-	-	-	-	-	-	(848,576)	-
Canadian Dollar (CAD)	-	-	-	-	-	-	(772,326)	-
United States Dollar (USD)	30,030	51,562	-	-	-	-	(9,399,684)	-

The table below summarises the impact on the Statements of Comprehensive Income and Net Assets Attributable to Unitholders on monetary assets and liabilities at balance date, had the exchange rates between the New Zealand dollar and the foreign currencies increased or decreased by 10% with all other variables held constant. The analysis is based on the Manager's best estimate of a reasonable possible shift in exchange rates with regard to historical volatility.

\$ As at 31 March	Devon Alpha Fund		Devon Australian Fund		Devon Diversified Income Fund		Devon Dividend Yield Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
Monetary assets/(liabilities)								
Exchange rates increased by 10%	3,142,090	3,472,231	(35,168)	(10,390)	-	-	576,580	909,107
Exchange rates decreased by 10%	(3,840,332)	(4,243,838)	42,983	12,699	-	-	(704,709)	(1,111,130)

\$ As at 31 March	Devon Trans-Tasman Fund		Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
Monetary assets/(liabilities)								
Exchange rates increased by 10%	(45,463)	(31,718)	-	-	-	-	1,548,741	-
Exchange rates decreased by 10%	55,565	38,767	-	-	-	-	(1,882,906)	-

At the balance date the Funds had the following foreign currency exposures due to holdings of non-monetary assets and liabilities (expressed in NZD equivalents):

\$ As at 31 March	Devon Alpha Fund		Devon Australian Fund		Devon Diversified Income Fund		Devon Dividend Yield Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
Non monetary assets/(liabilities)								
Australian Dollar (AUD)	83,303,028	76,911,793	11,397,586	17,423,990	-	-	6,792,997	10,224,490

\$ As at 31 March	Devon Trans-Tasman Fund		Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
Non monetary assets/(liabilities)								
Australian Dollar (AUD)	33,596,668	37,202,153	-	-	-	-	-	-

The table below summarises the impact on the Statements of Comprehensive Income and Net Assets Attributable to Unitholders on non monetary assets at balance date, had the exchange rates between the New Zealand dollar and the foreign currencies increased or decreased by 10% (2022: 10%) with all other variables held constant. The analysis is based on the Manager's best estimate of a reasonable possible shift in exchange rates with regard to historical volatility.

\$ As at 31 March	Devon Alpha Fund		Devon Australian Fund		Devon Diversified Income Fund		Devon Dividend Yield Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
Non monetary assets/(liabilities)								
Exchange rates increased by 10%	(7,573,003)	(6,991,982)	(1,036,144)	(1,583,999)	-	-	(617,545)	(929,499)
Exchange rates decreased by 10%	9,255,892	8,545,755	1,266,398	1,935,999	-	-	754,777	1,136,054

\$ As at 31 March	Devon Trans-Tasman Fund		Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
Non monetary assets/(liabilities)								
Exchange rates increased by 10%	(3,054,243)	(3,382,014)	-	-	-	-	-	-
Exchange rates decreased by 10%	3,732,963	4,133,573	-	-	-	-	-	-

Notes to the Financial Statements

5. Financial risk management (continued)

5.1.1 Market risk (continued)

(c) Cash flow interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flow. The Funds may hold cash and cash equivalents in New Zealand dollars that expose the Funds to cash flow interest rate risk.

The table below summarises the impact on the Statements of Comprehensive Income and Net Assets Attributable to Unitholders had the relevant interest rates increased or decreased by 1.0% (2022: 0.25%) at balance date with all other variables held constant. The analysis is based on the Manager's best estimate of a reasonable possible shift in interest rates with regard to historical volatility. These movements arise substantially from the cash flow variability from cash and cash equivalents.

\$	Devon Alpha Fund		Devon Australian Fund		Devon Diversified Income Fund		Devon Dividend Yield Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
As at 31 March								
Increase of 1.0% (31 March 2022: Increase of 0.25%)	96,030	9,121	4,623	1,905	10,502	2,399	3,104	1,222
Decrease of 1.0% (31 March 2022: Decrease of 0.25%)	(96,030)	(9,121)	(4,623)	(1,905)	(10,502)	(2,399)	(3,104)	(1,222)

\$	Devon Trans-Tasman Fund		Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
As at 31 March								
Increase of 1.0% (31 March 2022: Increase of 0.25%)	16,691	961	632	2,124	16,355		25,582	
Decrease of 1.0% (31 March 2022: Decrease of 0.25%)	(16,691)	(961)	(632)	(2,124)	(16,355)		(25,582)	

(d) Fair value interest rate risk

The Devon Diversified Income Fund holds fixed interest securities that expose it to fair value interest rate risk and also has indirect exposure to cash flow interest rate risk as a result of its investment in the Devon Dividend Yield Fund. The Devon Global Impact Bond Fund has indirect exposure to fair value interest rate risk as a result of its investment in the Wellington Global Impact Bond.

The following table summarises the fair value sensitivity of the Funds' investments to changes in interest rate movements at the balance date. The analysis is based on the assumptions that the relevant interest rate increased/decreased by 0.25% (2022: 0.25%), with all other variables held constant. This represents the Manager's best estimate of a reasonable shift in the interest rates, with regard to historical volatility of those rates.

\$	Devon Alpha Fund		Devon Australian Fund		Devon Diversified Income Fund		Devon Dividend Yield Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
As at 31 March								
Increase of 1.0% (31 March 2022: Increase of 0.25%)	-	-	-	-	(81,980)	(21,630)	-	-
Decrease of 1.0% (31 March 2022: Decrease of 0.25%)	-	-	-	-	85,118	22,459	-	-

\$	Devon Trans-Tasman Fund		Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
As at 31 March								
Increase of 1.0% (31 March 2022: Increase of 0.25%)	-	-	-	-	-	-	-	-
Decrease of 1.0% (31 March 2022: Decrease of 0.25%)	-	-	-	-	-	-	-	-

Notes to the Financial Statements

5. Financial risk management (continued)

5.1.2 Credit risk

Credit risk is the potential risk of financial loss resulting from the failure of counterparties to honour fully the terms and conditions of a contract with the Funds. The Funds may require collateral or other security to support financial instruments with credit risk. Financial instruments that subject the Funds to credit risk consist primarily of cash equivalents, debt instruments and trade and other receivables including amounts receivable for unsettled investment trades, dividends receivable and contributions receivable. The Devon Diversified Income Fund, the Devon Sustainability Fund, the Devon Global Impact Bond Fund and the Devon Global Sustainability Fund are indirectly exposed to credit risk through their investments in the unlisted unit trusts. The maximum credit risk of financial instruments is considered to be the fair value. The Supervisor regularly reviews and approves an investment strategy that is implemented by the Manager.

The following table sets out the equivalent Standard and Poor's credit rating for cash and cash equivalents, fixed interest securities and preference shares.

\$ As at 31 March	Devon Alpha Fund		Devon Australian Fund		Devon Diversified Income Fund		Devon Dividend Yield Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
Cash and cash equivalents								
AA-	1,845,853	3,648,330	-	761,862	605,936	959,671	-	488,985
A to A-	7,757,120	-	462,259	-	444,267	-	310,378	-
	9,602,973	3,648,330	462,259	761,862	1,050,203	959,671	310,378	488,985
Fixed interest securities								
AA+ to AA-	-	-	-	-	1,912,758	1,813,549	-	-
A- to A-	-	-	-	-	335,351	346,728	-	-
BBB+ to BBB-	-	-	-	-	704,495	971,536	-	-
Unrated	-	-	-	-	162,518	166,281	-	-
	-	-	-	-	3,115,122	3,298,094	-	-
Preference Shares								
Unrated	-	-	-	-	-	300,000	-	-
	-	-	-	-	-	300,000	-	-

Notes to the Financial Statements

5. Financial risk management (continued)

5.1.2 Credit risk (continued)

\$	Devon Trans-Tasman Fund		Devon Sustainability Fund		Devon Global Impact Bond Fund	Devon Global Sustainability Fund
As at 31 March	2023	2022	2023	2022	2023	2023
Cash and cash equivalents						
AA-	-	384,410	-	849,555	-	-
A to A-	1,669,108	-	63,224	-	1,635,462	2,558,212
	1,669,108	384,410	63,224	849,555	1,635,462	2,558,212

With respect to cash and cash equivalents and forward currency contracts, the Funds' credit risk is managed by limiting the counterparties to a group of international banks and the Funds do not expect to incur any losses as a result of non-performance by these counterparties.

The Funds also restrict their exposure to credit losses on the trading derivatives they hold by entering into International Swap and Derivatives Association (ISDA) arrangements with their counterparties (refer to Note 5.4 for further details) with whom they undertake derivative transactions. The arrangements do not result in an offset of the Statements of Financial Position assets and liabilities, as transactions are usually settled on a gross basis. However, the credit risk associated with favourable contracts is reduced by the arrangement to the extent that if an event of default occurs, all amounts with the counterparty are terminated and settled on a net basis. The overall exposure to credit risk on derivative instruments subject to such arrangements can change substantially within a short period, as it is affected by each transaction subject to the arrangement.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligations.

The maximum credit risk of financial instruments is considered to be the carrying amount on the Statements of Net Assets. There is a risk of non-recovery. In accordance with the Funds' policy, the investment manager monitors the Fund's credit positions on a daily basis. The Investment Committee reviews it periodically.

The Funds measure credit risk and expected credit losses using the probability of default, exposure at default and loss given default.

As at 31 March 2023 and 31 March 2022:

All other receivable balances and amounts due from brokers are held by counterparties and are due to be settled within 1 month, with counterparties which the Manager considers as having a strong capacity to meet their contractual obligations in the near term. Cash, margin accounts and term deposits (where held at amortised costs) and any interest accruals on any of these instruments are highly liquid and held with counterparties with good credit ratings. The duration of the short term deposits are all less than 12 months and the Manager has no historical information or forward looking information which suggests that there are any losses to be recognised.

The Manager therefore considers the expected credit losses for all the financial assets held at amortised cost by the Fund to be close to zero. As a result no loss allowance has been recognised based on the 12-month expected credit losses as any such impairment would be wholly insignificant to the Funds.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligations.

5.1.3 Liquidity risk

Liquidity risk is the risk that the Funds may not be able to generate sufficient cash resources to settle their obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

Liquidity management is designed to ensure that the Funds have the ability to generate sufficient cash in a timely manner to meet their financial commitments and normal level of redemptions. Liquidity risk is managed by investing the majority of its assets in investments that are traded in an active market and can be readily disposed of to enable them to meet liabilities as they fall due and unit redemptions when requested. In the event of abnormal levels of redemptions, timing of payment may be dependent on the ability of each Fund to realise its underlying investments on a timely basis. The Funds may periodically invest in derivative contracts traded over the counter, which are not traded in an organised market and may be illiquid. As a result, a Fund may not be able to liquidate its holdings in these investments at an amount close to their fair value to meet its liquidity requirements, or be able to respond to specific events such as deterioration in the creditworthiness of any particular issue. At 31 March 2023, the Funds held no investments that are considered illiquid (31 March 2022: nil).

Notes to the Financial Statements

5. Financial risk management (continued)

5.1.3 Liquidity risk (continued)

The Funds also have the ability (in extraordinary situations) to impose discretionary redemption restrictions, which include the ability to suspend redemptions or withhold varying amounts of any redemption requested. It is the intention of the Funds to exercise this ability only in instances where the payment of redemptions would put the remaining Unitholders in a disadvantageous position, or if a Fund is unable to liquidate its holding in these investments that would allow the Fund to pay redemptions as they fall due. The Funds have not withheld redemptions during the year.

The table below analyses the Funds' financial liabilities into relevant maturity grouping based on the remaining period at the balance date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows excluding gross settled derivatives.

\$	Devon Alpha Fund		Devon Australian Fund		Devon Diversified Income Fund		Devon Dividend Yield Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
As at 31 March								
Financial liabilities at fair value through profit or loss								
Less than 7 days	-	-	-	-	-	-	-	-
7 days to 1 month	-	90,159	-	-	-	-	-	20,981
1 month to 3 months	-	93,757	-	-	-	-	-	21,616
Outstanding settlements								
Less than 7 days	1,162,819	345,132	-	505,285	-	-	-	348,885
Related party payables								
7 days to 1 month	133,637	541,983	13,143	26,384	6,252	5,077	17,571	37,268
Withdrawals payable								
Less than 7 days	59,430	777	-	-	-	-	9,248	38,792
\$								
As at 31 March								
Financial liabilities at fair value through profit or loss								
Less than 7 days	-	155	-	-	-	-	-	-
7 days to 1 month	-	-	-	-	-	-	97,788	-
1 month to 3 months	-	-	-	-	-	-	34,591	-
Outstanding settlements								
Less than 7 days	468,484	802,062	-	823,998	1,000,000	-	2,200,000	-
Related party payables								
7 days to 1 month	68,649	72,950	28,672	15,521	23,093	-	36,450	-
Withdrawals payable								
Less than 7 days	39,343	12,199	-	-	5,238	-	-	-

5.2 Capital risk management

The Funds' capital is represented by net assets attributable to Unitholders. The amount of net assets attributable to Unitholders can change significantly on a monthly basis as the Funds are subject to subscriptions and withdrawals at the discretion of Unitholders. The Funds' objectives when managing capital is to safeguard their ability to continue as a going concern in order to provide returns for Unitholders, benefit other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Funds. The Funds do this by investing primarily in a diversified portfolio of equity securities and Funds listed on exchanges in New Zealand and Australia. The Funds may also use derivatives to decrease currency exposure in non-New Zealand dollar denominated investments. Investment decisions are guided by the mandate included in the Statement of Investment Policies and Objectives.

The Funds strive to invest the subscriptions of Unitholder funds in investments that meet the Funds' objectives while maintaining sufficient liquidity to meet Unitholder redemptions. The Funds follow an internal liquidity limit based on historical data with regards to Unitholder tenure.

The Funds do not have any externally imposed capital requirements. Units may be redeemed by the Unitholders on any business day in accordance with the Fund Deed and Product Disclosure Statement. The Manager may, in the interests of all Unitholders in each Fund, restrict, suspend or alter withdrawals in certain circumstances.

Notes to the Financial Statements

5. Financial risk management (continued)

5.3 Fair value estimation

All financial assets and financial liabilities included in the Statements of Financial Position are carried at amounts that represent or approximate fair value. The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the year end date. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker or pricing service, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. The Funds use a variety of methods and makes assumptions that are based on market conditions existing at each year end date. Valuation techniques used for non-standard financial instruments such as over the counter derivatives include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, options pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

For instruments for which there is no active market, the Funds may use internally developed models which are usually based on valuation methods and techniques generally recognised as standard within the industry. Valuation models are used primarily to value unlisted equity, debt securities and other debt instruments for which markets were or have been inactive during the year. Some of the inputs to these models may not be market observable and therefore estimated based on assumptions.

The Funds classify fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices)

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The level in the fair value hierarchy within the fair value measurement is categorised in its entirety and is determined on the basis of the lowest input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement.

The determination of what constitutes 'observable' requires significant judgement by the Manager. The Manager considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable and provided by independent sources that are actively involved in the relevant market.

The following table analyses, within the fair value hierarchy, the Funds' financial assets and financial liabilities (by class) measured at fair value at balance date:

\$ As at 31 March	Devon Alpha Fund		Devon Australian Fund		Devon Diversified Income Fund		Devon Dividend Yield Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
Level 1 Assets								
<i>Financial assets at fair value through profit or loss</i>								
Listed equities	110,428,094	111,762,932	11,397,584	17,423,990	-	-	18,982,906	24,536,390
Total Level 1 Assets	110,428,094	111,762,932	11,397,584	17,423,990	-	-	18,982,906	24,536,390
Level 2 Assets								
<i>Financial assets at fair value through profit or loss</i>								
Forward foreign exchange contracts	461,578	-	-	-	-	-	113,973	684
Fixed interest securities	-	-	-	-	3,115,122	3,298,094	-	-
Preference shares	-	-	-	-	294,000	300,000	-	-
Unlisted trusts	-	-	-	-	1,536,542	1,708,179	-	-
Total Level 2 Assets	461,578	-	-	-	4,945,664	5,306,273	113,973	684
Total financial assets at fair value through profit or loss	110,889,672	111,762,932	11,397,584	17,423,990	4,945,664	5,306,273	19,096,879	24,537,074

\$ As at 31 March	Devon Alpha Fund		Devon Australian Fund		Devon Diversified Income Fund		Devon Dividend Yield Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
Level 2 Liabilities								
<i>Financial liabilities at fair value through profit or loss</i>								
Forward foreign exchange contracts	-	183,916	-	-	-	-	-	42,597
Total Level 2 Liabilities	-	183,916	-	-	-	-	-	42,597
Total financial liabilities at fair value through profit or loss	-	183,916	-	-	-	-	-	42,597

Notes to the Financial Statements

5. Financial risk management (continued)

5.3 Fair value estimation (continued)

\$ As at 31 March	Devon Trans-Tasman Fund		Devon Sustainability Fund		Devon Global Impact Bond Fund	Devon Global Sustainability Fund
	2023	2022	2023	2022	2023	2023
Level 1 Assets						
<i>Financial assets at fair value through profit or loss</i>						
Listed equities	60,755,102	66,923,695	-	-	-	-
Total Level 1 Assets	60,755,102	66,923,695	-	-	-	-
Level 2 Assets						
<i>Financial assets at fair value through profit or loss</i>						
Forward foreign exchange contracts	-	-	-	-	-	92,612
Unlisted trusts	-	-	26,113,478	14,989,830	44,260,342	37,079,798
Total Level 2 Assets	-	-	26,113,478	14,989,830	44,260,342	37,172,410
Total financial assets at fair value through profit or loss	60,755,102	66,923,695	26,113,478	14,989,830	44,260,342	37,172,410
Level 2 Liabilities						
<i>Financial liabilities at fair value through profit or loss</i>						
Forward foreign exchange contracts	-	155	-	-	-	132,379
Total Level 2 Liabilities	-	155	-	-	-	132,379
Total financial liabilities at fair value through profit or loss	-	155	-	-	-	132,379

Investments whose values are based on quoted market prices in active markets, and therefore classified within Level 1, include listed funds, listed trusts and other listed equity instruments as well as exchange-traded futures and options. The Funds do not adjust the quoted price for these instruments. Financial instruments which trade in markets that are not considered to be active but are valued based upon quoted market prices or alternative pricing sources supported by observable inputs are classified as Level 2. These include unlisted unit trusts, preference shares, debt securities and forward foreign currency contracts.

There have been no transfers between Level 1, Level 2 and Level 3 during the year (31 March 2022: nil). There are no Level 3 financial instruments during the year (31 March 2022: nil).

Notes to the Financial Statements

5. Financial risk management (continued)

5.4 Offsetting and amounts subject to master netting arrangements and similar agreements

The Devon Dividend Yield Fund, Devon Alpha Fund, Devon Australian Fund, Devon Trans-Tasman Fund and Devon Global Sustainability Fund are subject to International Swaps and Derivatives Association (ISDA) arrangements with their derivative counterparties: Bank of New Zealand, Westpac Banking Corporation and Commonwealth Bank of Australia (31 March 2022: The Devon Dividend Yield Fund, Devon Alpha Fund, Devon Australian Fund and Devon Trans-Tasman Fund with Bank of New Zealand, Westpac Banking Corporation and Commonwealth Bank of Australia). According to the terms of the ISDA arrangement with the respective counterparties all the derivatives are settled net.

Each party has the option to settle all open contracts on a net basis in the event of default by the other party.

The following tables present the Funds' financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements. The tables are presented by type of financial instrument.

\$ As at 31 March	Devon Alpha Fund		Devon Australian Fund		Devon Diversified Income Fund		Devon Dividend Yield Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
<i>Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements</i>								
Gross amounts of recognised financial assets	461,578	-	-	-	-	-	113,973	684
Net amounts of financial assets presented in the statement of financial position	461,578	-	-	-	-	-	113,973	684
<i>Related amounts not set-off in the statement of financial position</i>								
Financial instruments	-	-	-	-	-	-	-	-
Net amount	461,578	-	-	-	-	-	113,973	684
<i>Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements</i>								
Gross amounts of recognised financial liabilities	-	183,916	-	-	-	-	-	42,597
Gross amounts of recognised financial assets set-off in the statement of financial position	-	-	-	-	-	-	-	-
Net amounts of financial liabilities presented in the statement of financial position	-	183,916	-	-	-	-	-	42,597
<i>Related amounts not set-off in the statement of financial position</i>								
Financial instruments	-	-	-	-	-	-	-	-
Cash and cash equivalents	-	-	-	-	-	-	-	-
Net amount	-	183,916	-	-	-	-	-	42,597

Notes to the Financial Statements

5. Financial risk management (continued)

5.4 Offsetting and amounts subject to master netting arrangements and similar agreements (continued)

\$	Devon Trans-Tasman Fund		Devon Sustainability Fund		Devon Global Impact Bond Fund	Devon Global Sustainability Fund
As at 31 March	2023	2022	2023	2022	2023	2023
<i>Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements</i>						
Gross amounts of recognised financial assets	-	-	-	-	-	92,612
Net amounts of financial assets presented in the statement of financial position	-	-	-	-	-	92,612
<i>Related amounts not set-off in the statement of financial position</i>						
Financial instruments	-	-	-	-	-	-
Net amount	-	-	-	-	-	92,612
<i>Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements</i>						
Gross amounts of recognised financial liabilities	-	155	-	-	-	132,379
Gross amounts of recognised financial assets set-off in the statement of financial position	-	-	-	-	-	-
Net amounts of financial liabilities presented in the statement of financial position	-	155	-	-	-	132,379
<i>Related amounts not set-off in the statement of financial position</i>						
Financial instruments	-	-	-	-	-	-
Cash and cash equivalents	-	-	-	-	-	-
Net amount	-	155	-	-	-	132,379

Each party has the option to settle all open contracts on a net basis in the event of default by the other party. Per the terms of the ISDA agreement, an event of default includes the following:

- failure by a party to make a payment when due
- failure by a party to perform an obligation required by the agreement (other than payment) if such failure is not remedied within 30 days after such notice of such failure is given to the party
- bankruptcy

The related amounts not set-off in the Statements of Financial Position represent amounts that have not been offset in the Statements of Financial Position but could be expected to be offset in the event of default by either the relevant Fund or its counterparty to the derivative contract. For financial instruments this is the maximum value of assets and liabilities that could be offset. For cash collateral this is the value of cash that could be withheld by the counterparty to settle derivative liabilities.

Notes to the Financial Statements

6. Financial assets at fair value through profit or loss

\$ As at 31 March	Devon Alpha Fund		Devon Australian Fund		Devon Diversified Income Fund		Devon Dividend Yield Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
Mandatorily measured at fair value through profit or loss								
Forward foreign exchange contracts	461,578	-	-	-	-	-	113,973	684
Listed equities	110,428,094	111,762,932	11,397,584	17,423,990	-	-	18,982,906	24,536,390
Unlisted trusts	-	-	-	-	1,536,542	1,708,179	-	-
Preference shares	-	-	-	-	294,000	300,000	-	-
Fixed interest securities	-	-	-	-	3,115,122	3,298,094	-	-
Total mandatorily measured at fair value through profit or loss	110,889,672	111,762,932	11,397,584	17,423,990	4,945,664	5,306,273	19,096,879	24,537,074
Total financial assets at fair value through profit or loss	110,889,672	111,762,932	11,397,584	17,423,990	4,945,664	5,306,273	19,096,879	24,537,074

\$ As at 31 March	Devon Trans-Tasman Fund		Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
Mandatorily measured at fair value through profit or loss								
Forward foreign exchange contracts	-	-	-	-	-	-	92,612	-
Listed equities	60,755,102	66,923,695	-	-	-	-	-	-
Unlisted trusts	-	-	26,113,478	14,989,830	44,260,342	-	37,079,798	-
Total mandatorily measured at fair value through profit or loss	60,755,102	66,923,695	26,113,478	14,989,830	44,260,342	-	37,172,410	-
Total financial assets at fair value through profit or loss	60,755,102	66,923,695	26,113,478	14,989,830	44,260,342	-	37,172,410	-

7. Financial liabilities at fair value through profit or loss

\$ As at 31 March	Devon Alpha Fund		Devon Australian Fund		Devon Diversified Income Fund		Devon Dividend Yield Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
Mandatorily measured at fair value through profit or loss								
Forward foreign exchange contracts	-	183,916	-	-	-	-	-	42,597
Total mandatorily measured at fair value through profit or loss	-	183,916	-	-	-	-	-	42,597
Total financial liabilities at fair value through profit or loss	-	183,916	-	-	-	-	-	42,597

\$ As at 31 March	Devon Trans-Tasman Fund		Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
Mandatorily measured at fair value through profit or loss								
Forward foreign exchange contracts	-	155	-	-	-	-	132,379	-
Total mandatorily measured at fair value through profit or loss	-	155	-	-	-	-	132,379	-
Total financial liabilities at fair value through profit or loss	-	155	-	-	-	-	132,379	-

Notes to the Financial Statements

8. Financial instruments by category

\$	Devon Alpha Fund		Devon Australian Fund		Devon Diversified Income Fund		Devon Dividend Yield Fund	
As at 31 March	2023	2022	2023	2022	2023	2022	2023	2022
Financial assets at fair value through profit or loss								
Financial assets mandatorily measured at fair value through profit or loss	110,889,672	111,762,932	11,397,584	17,423,990	4,945,664	5,306,273	19,096,879	24,537,074
Total financial assets at fair value through profit or loss	110,889,672	111,762,932	11,397,584	17,423,990	4,945,664	5,306,273	19,096,879	24,537,074
Financial assets at amortised cost								
Cash and cash equivalents	9,602,972	3,648,330	462,259	761,862	1,050,203	959,671	310,377	488,985
Outstanding settlements receivable	2,314,142	-	-	292,205	-	-	-	248,668
Related party receivables	-	-	-	-	3,938	2,824	-	-
Contributions receivable	33,553	13,577	56	250	-	-	86,263	340
Other receivables	402,724	483,445	48,975	97,469	31,084	19,681	178,132	259,750
Total financial assets at amortised cost	12,353,391	4,145,352	511,290	1,151,786	1,085,225	982,176	574,772	997,743
Total financial assets	123,243,063	115,908,284	11,908,874	18,575,776	6,030,889	6,288,449	19,671,651	25,534,817
\$								
As at 31 March	2023	2022	2023	2022	2023	2022	2023	2022
Financial liabilities at fair value through profit or loss								
Financial liabilities mandatorily measured at fair value through profit or loss	-	183,916	-	-	-	-	-	42,597
Total financial liabilities at fair value through profit or loss	-	183,916	-	-	-	-	-	42,597
Financial liabilities at amortised cost								
Outstanding settlements payable	1,162,819	345,132	-	505,285	-	-	-	348,885
Related party payables	133,637	541,983	13,143	26,384	6,252	5,077	17,571	37,268
Withdrawals payable	59,430	777	-	-	-	-	9,248	38,792
Total financial liabilities at amortised cost	1,355,886	887,892	13,143	531,669	6,252	5,077	26,819	424,945
Total financial liabilities	1,355,886	1,071,803	13,143	531,669	6,252	5,077	26,819	467,542
\$								
As at 31 March	2023	2022	2023	2022	2023	2022	2023	2022
Financial assets at fair value through profit or loss								
Financial assets mandatorily measured at fair value through profit or loss	60,755,102	66,923,695	25,113,478	14,989,830	44,260,342	-	37,172,410	-
Total financial assets at fair value through profit or loss	60,755,102	66,923,695	25,113,478	14,989,830	44,260,342	-	37,172,410	-
Financial assets at amortised cost								
Cash and cash equivalents	1,669,108	384,410	63,224	849,555	1,635,462	-	2,558,212	-
Outstanding settlements receivable	260,677	757,142	-	-	-	-	-	-
Related party receivables	-	-	-	-	3,562	-	2,886	-
Contributions receivable	6,818	29,771	75	67	-	-	-	-
Other receivables	281,222	349,545	-	-	17,258	-	8,909	-
Total financial assets at amortised cost	2,217,825	1,520,869	63,299	849,622	1,656,342	-	2,570,007	-
Total financial assets	62,972,927	68,444,564	25,176,777	15,839,452	45,916,684	-	39,742,417	-

Notes to the Financial Statements

8. Financial instruments by category (continued)

\$ As at 31 March	Devon Trans-Tasman Fund		Devon Sustainability Fund		Devon Global Impact Bond Fund	Devon Global Sustainability Fund
	2023	2022	2023	2022	2023	2023
Financial liabilities at fair value through profit or loss						
Financial liabilities mandatorily measured at fair value through profit or loss	-	155	-	-	-	132,379
Total financial liabilities at fair value through profit or loss	-	155	-	-	-	132,379
Financial liabilities at amortised cost						
Outstanding settlements payable	468,484	802,062	-	823,998	1,000,000	2,230,000
Related party payables	68,649	72,950	28,672	15,521	23,093	36,450
Withdrawals payable	39,343	12,199	-	-	5,238	-
Total financial liabilities at amortised cost	576,476	887,211	28,672	839,519	1,028,331	2,236,450
Total financial liabilities	576,476	887,366	28,672	839,519	1,028,331	2,368,829

9. Related parties

9.1 General

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party in making financial or operational decisions.

Devon Funds Management Limited is the Manager of the Funds and The New Zealand Guardian Trust Company Limited is the Supervisor of the Funds.

The Manager has charged a management fee and expense allowance (calculated on the gross asset value of the Funds), creating a total Management Expense Ratio (the "MER") on the Funds. The MER includes other expenses reimbursable from the Funds (such as registry, custody, Supervisors and normal legal fees) but excludes abnormal or one-off costs, brokerage and any performance fees.

The administration expenses are recovered through an expense allowance. The amounts paid to the Manager are shown in the Statements of Comprehensive Income under "Expense allowance". The amounts payable to the Manager are shown in the Funds' Statements of Financial Position as part of "Related party payables".

The table below lists the management fee and expense allowance rates for the Funds.

	Devon Alpha Fund	Devon Australian Fund	Devon Diversified Income Fund	Devon Dividend Yield Fund
Management fee	1.00% per annum plus GST	1.00% per annum plus GST	0.65% per annum plus GST	0.70% per annum plus GST
Expense allowance	0.25% per annum plus GST	0.25% per annum plus GST	0.25% per annum plus GST	0.30% per annum plus GST
	(This is inclusive of Supervisor, custody, fund accounting, unit pricing, registry, legal and audit fees)	(This is inclusive of Supervisor, custody, fund accounting, unit pricing, registry, legal and audit fees)	Capped at 0.25% per annum plus GST (This is inclusive of Supervisor, custody, fund accounting, unit pricing, registry, legal and audit fees)	Capped at 0.30% per annum plus GST (This is inclusive of Supervisor, custody, fund accounting, unit pricing, registry, legal and audit fees)
	Devon Trans-Tasman Fund	Devon Sustainability Fund	Devon Global Impact Bond Fund	Devon Global Sustainability Fund
Management fee	1.00% per annum plus GST	1.00% per annum plus GST	0.34% per annum plus GST	0.95% per annum plus GST
Expense allowance	0.25% per annum plus GST	0.25% per annum plus GST	0.25% per annum plus GST	0.25% per annum plus GST
	(This is inclusive of Supervisor, custody, fund accounting, unit pricing, registry, legal and audit fees)	Capped at 0.25% per annum plus GST (This is inclusive of Supervisor, custody, fund accounting, unit pricing, registry, legal and audit fees)	(This is inclusive of Supervisor, custody, fund accounting, unit pricing, registry, legal and audit fees)	(This is inclusive of Supervisor, custody, fund accounting, unit pricing, registry, legal and audit fees)

Notes to the Financial Statements

9. Related parties (continued)

9.1 General (continued)

A performance fee is entitled to be charged where the Fund meets the performance target. The performance fees are calculated as follows:

- Devon Alpha Fund	The first 1% of gross return above the benchmark of 12% up to 13% per annum, then 15% of the return hereafter, subject to a high watermark, plus GST. Cap on performance fee of 3%.
- Devon Australian Fund	10% of the net return of the Fund (reflected in the unit price) over the S&P/ASX200 Index in NZD (the Fund's benchmark) for the relevant period, subject to a high watermark, plus GST.
- Devon Diversified Income Fund	The Manager does not intend to charge a performance fee for the Diversified Income Fund.
- Devon Dividend Yield Fund	10% of the net return of the Fund (reflected in the unit price) over the 50:50 NZX50:ASX200 Index unhedged to NZD (the Fund's benchmark) for the relevant period, subject to a high watermark, plus GST.
- Devon Trans-Tasman Fund	10% of the net return of the Fund (reflected in the unit price) over the 50:50 NZX50:ASX200 Index fully hedged (the Fund's benchmark) for the relevant period, subject to a high watermark, plus GST.
- Devon Sustainability Fund	The Manager does not intend to charge a performance fee for the Devon Sustainability Fund.
- Devon Global Impact Bond Fund	The Manager does not intend to charge a performance fee for the Devon Global Impact Bond Fund.
- Devon Global Sustainability Fund	The Manager does not intend to charge a performance fee for the Devon Global Sustainability Fund.

9.2 Related party fees

Under the Trust Deed the management fees and performance fees payable to Devon Funds Management Limited are payable monthly in arrears.

The Supervisor is paid a fee of up to 0.06% of the gross asset value of each Fund and is payable monthly. The Manager pays the Supervisor fees for the Funds, with the Manager recovering the Supervisor fees as part of the Funds' expense allowance.

Audit fees are included in the expense allowance from the Manager, and paid by the parent company of the Manager, Investment Services Group Limited. The audit fees included in the expense allowance from the Manager are as follows:

\$	Devon Alpha Fund		Devon Australian Fund		Devon Diversified Income Fund		Devon Dividend Yield Fund	
For the year ended 31 March	2023	2022	2023	2022	2023	2022	2023	2022
PricewaterhouseCoopers	13,566	11,500	13,566	11,500	13,566	11,500	13,566	11,500

\$	Devon Trans-Tasman Fund		Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund	
For the year ended 31 March	2023	2022	2023	2022	2023	2022	2023	2022
PricewaterhouseCoopers	13,566	11,500	13,566	11,500	13,566		13,566	

The Funds incurred the following fees to related parties:

\$	Devon Alpha Fund		Devon Australian Fund		Devon Diversified Income Fund		Devon Dividend Yield Fund	
For the year ended 31 March	2023	2022	2023	2022	2023	2022	2023	2022
<u>Devon Funds Management Limited</u>								
Management fees	1,176,198	1,164,211	146,526	172,576	41,333	42,212	154,057	187,638
Management fee rebates	-	-	-	-	(16,772)	(17,114)	-	(10)
Performance fees	6,268	488,770	2,012	64,787	-	-	34,773	90,093
Expense allowance	333,159	329,764	41,504	43,862	17,429	18,977	74,806	91,112
	<u>1,515,625</u>	<u>1,982,745</u>	<u>190,042</u>	<u>283,245</u>	<u>41,990</u>	<u>44,075</u>	<u>263,636</u>	<u>368,833</u>

\$	Devon Trans-Tasman Fund		Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund	
For the year ended 31 March	2023	2022	2023	2022	2023	2022	2023	2022
<u>Devon Funds Management Limited</u>								
Management fees	642,269	691,295	206,569	134,502	80,268		230,960	
Management fee rebates	-	(10)	-	-	(22,772)		(23,666)	
Performance fees	79,705	255,894	-	-	-		-	
Expense allowance	181,923	195,810	58,511	38,098	66,871		68,863	
	<u>903,897</u>	<u>1,142,989</u>	<u>265,080</u>	<u>172,600</u>	<u>124,367</u>		<u>276,157</u>	

Notes to the Financial Statements

9. Related parties (continued)

9.2 Related party fees (continued)

The Funds owed the following amounts to related parties at balance date:

\$ As at 31 March	Devon Alpha Fund		Devon Australian Fund		Devon Diversified Income Fund		Devon Dividend Yield Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
<u>Devon Funds Management Limited</u>								
Management fees payable	104,035	96,725	10,242	14,639	3,408	3,536	11,828	14,730
Management fees rebates	-	-	-	-	(3,938)	(2,824)	-	-
Performance fees payable	-	417,861	-	7,598	-	-	-	15,385
Expense allowance payable	29,602	27,397	2,901	4,147	2,844	1,541	5,743	7,153
	133,637	541,983	13,143	26,384	2,314	2,253	17,571	37,268

\$ As at 31 March	Devon Trans-Tasman Fund		Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
<u>Devon Funds Management Limited</u>								
Management fees payable	53,496	56,848	22,343	12,095	12,598	-	28,078	-
Management fees rebates	-	-	-	-	(3,582)	-	(2,886)	-
Performance fees payable	-	-	-	-	-	-	-	-
Expense allowance payable	15,153	16,102	6,329	3,426	10,495	-	8,372	-
	68,649	72,950	28,672	15,521	19,511	-	33,564	-

9.3 Directors' interests and Manager's holdings

\$ As at 31 March	Devon Alpha Fund		Devon Australian Fund		Devon Diversified Income Fund		Devon Dividend Yield Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
Holdings of the Directors of the Manager and their related parties	3,950,771	4,262,476	80,766	80,352	123,771	252,815	82,833	82,670

\$ As at 31 March	Devon Trans-Tasman Fund		Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
Holdings of the Directors of the Manager and their related parties	90,450	89,276	1,194	-	938,938	-	-	-

The Manager does not have holdings in the Funds as at year end (31 March 2022: nil).

9.4 Related party investments

The Devon Diversified Income Fund invests into the Devon Dividend Yield Fund. The Devon Sustainability Fund invests into the Devon Sustainability Wholesale Fund.

\$ As at 31 March	Devon Alpha Fund		Devon Australian Fund		Devon Diversified Income Fund		Devon Dividend Yield Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
Devon Dividend Yield Fund	-	-	-	-	1,536,542	1,708,179	-	-
Devon Sustainability Wholesale Fund	-	-	-	-	-	-	-	-
The total income and gains earned or losses suffered on investments with related parties were								
Devon Dividend Yield Fund	-	-	-	-	(6,638)	169,747	-	-
Devon Sustainability Wholesale Fund	-	-	-	-	-	-	-	-

Notes to the Financial Statements

9. Related parties (continued)

9.4 Related party investments (continued)

\$ As at 31 March	Devon Trans-Tasman Fund		Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
Devon Sustainability Wholesale Fund	-	-	26,113,478	14,989,830	-	-	-	-
The total income and gains earned or losses suffered on investments with related parties were:								
Devon Sustainability Wholesale Fund	-	-	480,624	769,361	-	-	-	-

9.5 Other related party transactions

During the March 2023 year there were no related party in-specie transfers (31 March 2022: nil).

10. Interest income

\$ For the year ended 31 March	Devon Alpha Fund		Devon Australian Fund		Devon Diversified Income Fund		Devon Dividend Yield Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
Interest income - financial assets at amortised cost	275,599	21,007	9,240	1,071	29,220	5,771	9,709	763
Interest income - financial assets at fair value through profit or loss	-	-	-	-	122,628	113,773	-	-
Total net interest income	275,599	21,007	9,240	1,071	151,848	119,544	9,709	763

\$ For the year ended 31 March	Devon Trans-Tasman Fund		Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
Interest income - financial assets at amortised cost	26,753	1,623	1,628	130	17,298	-	8,909	-
Interest income - financial assets at fair value through profit or loss	-	-	-	-	-	-	-	-
Total net interest income	26,753	1,623	1,628	130	17,298	-	8,909	-

11. Reconciliation of operating (loss)/profit to net cash outflow from operating activities

\$ For the year ended 31 March	Devon Alpha Fund		Devon Australian Fund		Devon Diversified Income Fund		Devon Dividend Yield Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
Operating profit	5,117,994	11,814,979	6,033	1,864,024	28,565	28,261	(116,351)	2,806,267
Adjustments for non-cash items								
Net unrealised changes in the fair value of financial assets & liabilities	(4,914,502)	(12,090,483)	311,368	(1,488,972)	165,269	128,251	942,378	(1,910,350)
Net foreign currency gains or losses on cash and cash equivalents	112,175	(9,966)	28,127	(4,787)	-	-	(18,781)	(6,564)
Distributions received as units rather than cash	(152,520)	(145,499)	(23,238)	(18,240)	(82,097)	(60,787)	(113,483)	(137,573)
	(4,964,847)	(12,245,948)	316,257	(1,511,999)	83,172	67,464	810,114	(2,054,487)
Movements in working capital items								
(Increase)/decrease in trade and other receivables	80,721	(348,011)	48,494	(58,942)	(12,517)	(2,963)	81,618	(32,749)
Increase/(decrease) in trade and other payables	(401,270)	(4,313,749)	(14,832)	(10,669)	1,175	(523)	(20,585)	8,430
(Increase)/decrease in net cost of investments	4,262,835	7,081,886	5,527,156	(2,882,907)	277,437	207,931	4,469,093	7,366,067
	3,942,286	2,420,126	5,560,818	(2,952,518)	266,095	204,445	4,530,126	7,341,748
	(1,022,561)	(9,825,822)	5,877,075	(4,464,517)	349,267	271,909	5,340,240	5,287,261
Net cash inflow/(outflow) from operating activities	4,095,433	1,989,157	5,883,108	(2,600,493)	377,832	300,170	5,223,889	8,093,528

Notes to the Financial Statements

11. Reconciliation of operating (loss)/profit to net cash outflow from operating activities (continued)

\$ For the year ended 31 March	Devon Trans-Tasman Fund		Devon Sustainability Fund		Devon Global Impact Bond Fund	Devon Global Sustainability Fund
	2023	2022	2023	2022	2023	2023
Operating profit	799,071	6,436,463	217,159	596,882	(39,000)	2,170,660
Adjustments for non-cash items						
Net unrealised changes in the fair value of financial assets & liabilities	290,711	(5,477,679)	(480,624)	(769,361)	(68,342)	(2,438,122)
Net foreign currency gains or losses on cash and cash equivalents	24,369	15,750	-	-	-	-
Distributions received as units rather than cash	(161,391)	(183,852)	-	-	-	-
	153,689	(5,645,781)	(480,624)	(769,361)	(68,342)	(2,438,122)
Movements in working capital items						
(Increase)/decrease in trade and other receivables	68,324	(40,151)	-	-	(20,880)	(11,795)
Increase/(decrease) in trade and other payables	(5,319)	(319,178)	13,151	4,767	23,093	36,450
(Increase)/decrease in net cost of investments	6,203,806	6,417,794	(11,467,022)	(2,703,848)	(43,192,000)	(32,401,909)
	6,266,811	6,058,465	(11,453,871)	(2,699,081)	(43,189,787)	(32,377,254)
	6,420,500	412,684	(11,934,495)	(3,468,442)	(43,258,129)	(34,815,376)
Net cash inflow/(outflow) from operating activities	7,219,571	6,849,147	(11,717,336)	(2,871,560)	(43,297,129)	(32,644,716)

12. Assets and liabilities not carried at fair value but for which fair value is disclosed

All financial assets and liabilities not measured at fair value through profit or loss are carried at amortised cost and their carrying values are a reasonable approximation of fair value.

Cash and cash equivalents referred to in Note 8 include cash on hand, deposits held with banks and brokers and other short-term investments in an active market.

Outstanding settlements represent the contractual amount due by the Funds for settlement of trades.

13. Distributions

The Manager has discretion as to whether to distribute any net income of each fund. Income that is not distributed is invested as part of the assets of the Funds or may be used to make later distributions to investors.

The following distributions were made during the year:

\$ For the year ended 31 March	Devon Alpha Fund		Devon Australian Fund		Devon Diversified Income Fund		Devon Dividend Yield Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
Distributions	3,448,641	2,931,464	588,354	553,575	247,554	260,523	1,146,387	1,353,383

\$ For the year ended 31 March	Devon Trans-Tasman Fund		Devon Sustainability Fund		Devon Global Impact Bond Fund	Devon Global Sustainability Fund
	2023	2022	2023	2022	2023	2023
Distributions	2,602,337	2,374,561	751,052	477,840	844,619	-

14. Commitments and contingent liabilities

There are no material commitments or contingencies as at 31 March 2023 (31 March 2022: nil).

Notes to the Financial Statements

15. Non-cash transactions

Intrafund transfers during the reporting period within the Funds are as follows.

\$ For the year ended 31 March	Devon Alpha Fund		Devon Australian Fund		Devon Diversified Income Fund		Devon Dividend Yield Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
Intrafund transfers	6,278,903	1,453,776	-	69,274	1,027,716	-	623,677	264,316

\$ For the year ended 31 March	Devon Trans-Tasman Fund		Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
Intrafund transfers	221,558	2,388,090	17,544	80,967	2,054,574	-	124,515	-

In addition to the distributions paid in cash, the following tables show the distributions reinvested during the reporting period:

\$ For the year ended 31 March	Devon Alpha Fund		Devon Australian Fund		Devon Diversified Income Fund		Devon Dividend Yield Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
Distributions reinvested	1,386,903	1,163,402	154,260	166,054	150,066	136,841	437,201	459,103

\$ For the year ended 31 March	Devon Trans-Tasman Fund		Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
Distributions reinvested	935,628	883,798	141,753	119,328	125,350	-	-	-

16. Events occurring after the balance date

There have been no significant events that have occurred since balance date which would impact on the financial position of the Funds disclosed in the Statements of Financial Position as at 31 March 2023 or on the results and cash flows of the Funds for the reporting period ended on that date.



Independent auditor's report

To the unitholders of:

- Devon Alpha Fund
- Devon Australian Fund
- Devon Diversified Income Fund
- Devon Dividend Yield Fund
- Devon Trans-Tasman Fund
- Devon Sustainability Fund
- Devon Global Impact Bond Fund
- Devon Global Sustainability Fund

(Collectively referred to as the Funds)

Our opinion

In our opinion, the accompanying financial statements of the Funds present fairly, in all material respects, the financial position of the Funds as at 31 March 2023, their financial performance and their cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

What we have audited

The Funds' financial statements comprise:

- the statements of financial position as at 31 March 2023;
- the statements of comprehensive income for the year then ended;
- the statements of changes in net assets attributable to unitholders for the year then ended;
- the statements of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Funds in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We are the auditor of the Devon Funds Management Limited, the Manager. We have provided the following services to the Manager: agreed upon procedures on the net tangible assets calculation, controls assurance reporting, tax services relating to the review of a product disclosure statement and the audit of financial statements of other funds managed by the Manager. Subject to certain restrictions, employees of our firm may invest in the Funds on normal terms within the ordinary course of trading activities of the Funds. These services and relationships have not impaired our independence as auditor of the Funds. We have no other relationships with, or interests in, the Funds.



Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of the key audit matter	How our audit addressed the key audit matter
<p>Valuation and Existence of financial assets and financial liabilities at fair value through profit or loss</p> <p>Refer to note 6 and 7 to the Funds' financial statements for disclosures of financial assets and financial liabilities at fair value through profit or loss.</p> <p>This was an area of focus for our audits as it represents the majority of the net assets of each Fund.</p> <p>Valuation</p> <p>The fair value of the financial assets traded in active markets are based on quoted market prices as at 31 March 2023 and are categorised as level 1 in the fair value hierarchy.</p> <p>The fair value of the financial assets and financial liabilities that are not traded in an active market are determined using valuation techniques. The valuation technique depends on the underlying asset and includes assumptions that are based on market conditions existing at 31 March 2023. Financial assets and financial liabilities with inputs to the valuation that are observable either directly or indirectly are categorised as level 2 in the fair value hierarchy.</p> <p>The Funds' level 2 financial assets and financial liabilities include forward foreign exchange contracts, fixed interest securities, preference shares and investments in unlisted trusts.</p> <p>The fair value of unlisted trusts is based on the redemption price established by the respective investment fund administrator.</p> <p>Existence</p> <p>Holdings of financial assets and financial liabilities at fair value through profit or loss is held by the Custodian.</p>	<p>We assessed the business processes employed by the Manager for recording and valuing, the financial assets and financial liabilities at fair value through profit or loss including the relevant processes and controls operated by the fund administrator. Our assessment of the business processes included obtaining the internal control reports over custody, investment accounting and registry services provided by the fund administrator.</p> <p>We evaluated the evidence provided by the internal controls reports over the design and operating effectiveness of the key controls operated by the fund administrator.</p> <p>Valuation</p> <p>For all financial assets where quoted market prices in an active market were available, we agreed the market price at 31 March 2023 to independent third party pricing sources. For financial assets and financial liabilities which are not traded in an active market we agreed the observable inputs to third party pricing sources and used our own valuation experts to test the fair value using independent valuation models as at 31 March 2023. For investments in unlisted funds, we agreed the redemption price at 31 March 2023 to the confirmation provided by the respective fund administrator.</p> <p>Existence</p> <p>We obtained the confirmation from the Custodian, financial institutions and other relevant counterparties of the holdings in financial assets and financial liabilities at fair value through profit or loss held by the Funds as at 31 March 2023.</p>



Our audit approach

Overview

Materiality	<p>We determined materiality for each Fund separately. Our materiality for each Fund is calculated based on approximately 1% of unitholders' funds for each Fund.</p> <p>We chose unitholders' funds as the benchmark because, in our view, the objective of the Funds is to provide unitholders with a total return on the Funds' net assets, taking into account both capital and income returns.</p>
Key audit matters	<p>As reported above, we have one key audit matter, being Valuation and Existence of financial assets and financial liabilities at fair value through profit or loss</p>

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements of each Fund as a whole as set out above. These, together with qualitative considerations, helped us to determine the scope of our audit, the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements of each Fund as a whole.

How we tailored our audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements of each Fund as a whole, taking into account the structure of each Fund, the Funds' investments and the accounting and registry processes and controls.

The Manager is responsible for the governance and control activities of the Funds. The Funds' investments are held by the Custodian. The Manager has outsourced investment accounting, administration and registry services to the Administrator.

In completing our audit, we performed relevant audit procedures over the control environment of the Custodian, the Administrator and the Manager to support our audit conclusions.



Other information

The Manager is responsible for the other information. The other information comprises the Manager's statement and the additional unitholder information and the annual report (but does not include the financial statements and our auditor's report thereon which the annual report will refer to). The other information we obtained prior to the date of this auditor's report comprised the Manager's statement and additional unitholder information. The annual report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Manager and use our professional judgement to determine the appropriate action to take.

Responsibilities of the Manager for the financial statements

The Manager is responsible for the preparation and fair presentation of the financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing each Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate a Fund or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-2/>

This description forms part of our auditor's report.



Who we report to

This report is made solely to each Fund's unitholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than each Fund's unitholders, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Jonathan Freeman.

For and on behalf of:

A handwritten signature in black ink, appearing to read 'Jonathan Freeman'.

Chartered Accountants
24 July 2023

Auckland