

For the quarter ended 30 September 2021

This fund update was first made publicly available on 29 October 2021

DEVON DIVIDEND YIELD FUND

What is the purpose of this update?

This document tells you how the Devon Dividend Yield Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. Devon Funds Management Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

Description of this fund

The Dividend Yield Fund is a select portfolio of New Zealand and Australian listed equity securities chosen for their attractive dividend yields, with some growth prospects to maintain the dividend yield and capital value in real terms. The Dividend Yield Fund is actively managed, which means the holdings and investment returns may differ considerably from its benchmark.

Total value of the fund	\$26,175,953.77
Date the fund started	20 December 2012

What are the risks of investing?

Risk indicator for the Devon Dividend Yield Fund:



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.sorted.org.nz/tools/investor-kickstarter.

Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for the five year period to 30 September 2021. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

See the [Product Disclosure Statement \(PDS\)](#) for more information about the risks associated with investing in this fund.

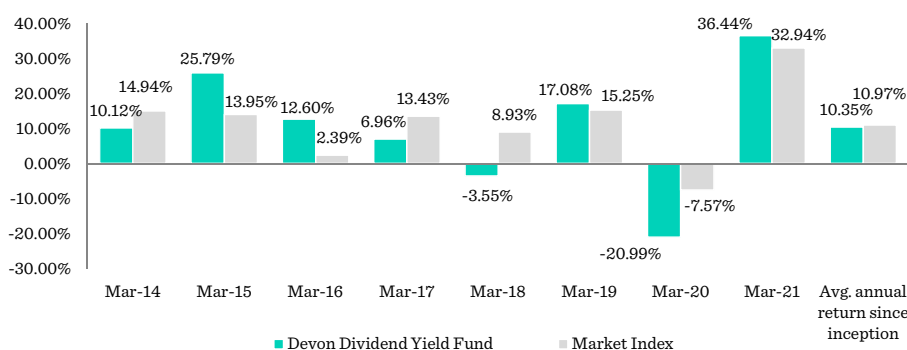
How has the fund performed?¹

	Avg. over past 5 Years	Past Year
Annual Fund Return (after deduction for fund fees and tax)	4.78%	24.27%
Annual Fund Return (after deduction for fund fees but before tax)	6.11%	25.60%
Market index* annual return (reflects no deduction for charges and tax)	11.47%	21.79%

*50:50 composite of the S&P/NZX50G index and the S&P/ASX200G index fully hedged to NZD. For details on the calculation of the Market Index Return please refer to www.companiesoffice.govt.nz/disclose

¹ Please refer to Further Information on the bottom of page 2. Additional information about the market index is available on the offer register.

Annual return graph²



This shows the return after fund charges and tax for each year ending 31 March since the fund started. The last bar shows the average annual return since the fund started, up to 30 September 2021. Important: This does not tell you how the fund will perform in the future. Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

What fees are investors charged?³

Investors in the Devon Dividend Yield Fund are charged fund charges. In the year to 30 September 2021 these were:

	% of Net Asset Value
Total Fund Charges	1.00%
Comprising of the below management, administration and performance charges:	
Manager's basic fee:	0.70%
Other management and administration charges:	0.30%
Performance fees ⁴ (if applicable):	0.00%

Investors are not charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the [PDS](#) for more information about those fees.

Example of how this applies to an investor

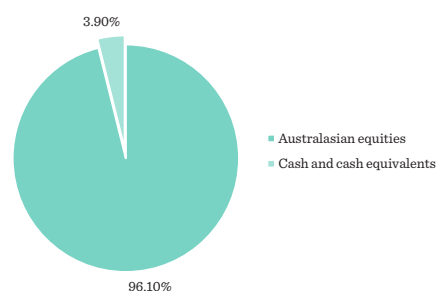
Small differences in fees and charges can have a big impact on your investment over the long term.

Chris had \$10,000 in the Devon Dividend Yield Fund at the start of the year and did not make any further contributions. At the end of the year, Chris received a return after fund charges were deducted of \$2,560 (that is 25.60% of his initial \$10,000). Chris does not pay any other charges. This gives Chris a total return after tax of \$2,427 for the year.

What does the fund invest in?

The chart (below) shows the types of assets that the Devon Dividend Yield Fund invests in.

Actual investment mix



The Fund's currency exposure is actively managed. 98.26% of the overseas currency is currently hedged to NZD.

Target investment mix

Asset Sector	Range %
Cash and cash equivalents	0 - 10
Australasian equities	90 - 100
International equities	0
New Zealand fixed interest	0
Other	0

Top 10 investments

Asset name	% of fund net assets	Type	Country	Credit rating
Spark New Zealand Limited	10.00%	Australasian equities	NZ	
National Australian Bank	6.48%	Australasian equities	AU	
ANZ Banking Group	6.17%	Australasian equities	NZ	
Telstra Corporation	5.55%	Australasian equities	AU	
Genesis Energy Limited	5.21%	Australasian equities	NZ	
Contact Energy	4.99%	Australasian equities	NZ	
BHP Billiton	4.44%	Australasian equities	AU	
Cash and cash equivalents	3.90%	Cash and cash equivalents	NZ	
EBOS Group Limited	3.78%	Australasian equities	NZ	
Kiwi Income Property Trust	3.57%	Australasian equities	NZ	

The top 10 investments make up 54.11% of the net asset value of the Fund.

Key personnel

Name	Current position	Time in current position	Previous position	Time in previous position
Mark Brown	Chief Investment Officer, Devon Funds Management	3 years, 9 months	Head of Equities, ANZ	6 years, 0 months
Tama Willis	Portfolio Manager, Devon Funds Management	9 years, 3 months	Investment Analyst, GIC Asset Management	2 years, 0 months
Chris Gaskin	Portfolio Manager, Devon Funds Management	11 years, 6 months	Portfolio Manager, Brook Asset Management	4 years, 2 months
Slade Robertson	Managing Director, Devon Funds Management	4 years, 8 months	Portfolio Manager, Devon Funds Management	6 years, 10 months

Further information

You can also obtain this information, the [PDS](#) for the Devon Funds, and some additional information from the offer register at www.business.govt.nz/disclose.

Notes

(1) After tax performance assumes an investor is taxed at the highest Prescribed Investor Rate of 28%. (2) Fund returns are after deduction of fees. (3) Fund fees are charged as a percentage of an investor's interest in the Fund. (4) For more information on performance fees, please refer to the PDS found at www.devonfunds.co.nz or www.companiesoffice.govt.nz/disclose